

AIKEN ELECTRIC COOPERATIVE, INC.
POWER COST ADJUSTMENT
SCHEDULE "PCA"

The power cost adjustment shall be established annually to assure rates are adequate, but not excessive, to recover the cost of acquiring and delivering energy to cooperative members while maintaining a strong financial position and compliance with mortgage covenants.

The adjustment will be stated as a charge or credit per KWH for energy sold.

The Power Cost Adjustment (PCA) shall be computed by giving consideration to the following:

- Budgeted Expenses
- Budgeted KWH Sales
- Budgeted Capital Credit Retirements
- Targeted Times Interest Earned Ratio (TTIER)
- Current Targeted Equity Level (CTEL)
- Over or Under Recovery from Preceding Year
- An optimum equity level equal to median of NRUCFC's KRTA for cooperatives of similar size and plant growth

To the extent that TTIER or CTCL were not reached or were exceeded, current year revenues would be adjusted to reflect an over or under recovery of cost and the resulting amount would be a component of the succeeding year's Power Cost Adjustment.

Effective with all bills rendered on or after January 1, 2003.