



Your Friendly Electric Servant

DAHLBERG LIGHT & POWER COMPANY

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Power Cost Adjustment Clause

All metered rates shall be subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased and produced (per kilowatt-hour of sales).

The current cost per kilowatt-hour of energy billed is equal to the cost of power purchased and produced for the most recent month, divided by the kilowatt-hours of energy sold. The monthly adjustment (rounded to the nearest one one-hundredth of a cent) is equal to the current cost less the base cost. The base cost of power (U) is \$0.0380 per kilowatt-hour.

Periodic changes shall be made to maintain the proper relative structure of the rates and to insure that power costs are being equitably recovered from the various rate classes. If, after final wholesale rates have been authorized, the monthly adjustment (A) exceeds \$0.0150 per kilowatt-hour, the company shall file a request with the Public Service Commission of Wisconsin within 30 days for changes in rates to incorporate a portion of the power cost adjustment into the base rates.

For purposes of calculating the power cost adjustment charge, the following formula shall be used:

$$A = \frac{C}{S} - U$$

A is the power cost adjustment rate in dollars per kilowatt-hour rounded to four decimal places applied on a per kilowatt-hour basis to all metered sales of electricity.

S is the total kilowatt-hours sold during the most recent month.

U is the base cost of power, which equals the average cost of power purchased and produced per kilowatt-hour of sales for the test year period. This figure remains constant in each subsequent monthly calculation at \$0.0380 per kilowatt-hour until otherwise changed by the Public Service Commission of Wisconsin.

C is the cost of power purchased and produced in dollars in the most recent month. Cost of power purchased and produced for calculation of C are the monthly amounts which would be recorded in the following accounts of the Uniform System of Accounts:

Class A & B utilities	Accounts 501, 536, 547 and 555
Class C utilities	Accounts 501, 531, 539 and 545
Class D utilities	Accounts 501, 521, 531 and 540