

**UNION POWER COOPERATIVE  
MONROE, NORTH CAROLINA**

**WHOLESALE POWER COST ADJUSTMENT**

The Cooperative reserves the right to implement a Wholesale Power Cost Adjustment (WPCA) charge at such time as the average cost of purchased power to the Cooperative deviates by 0.01 cents per kWh from the base cost of purchased power used in the design of the Cooperative's retail rate schedules. The Wholesale Power Cost Adjustment will be applicable to all kWh billed under the Cooperative's retail rate schedules and will be calculated as follows:

$$\text{WPCA} = \frac{C - (B \times P) + D}{S} \times T$$

Where:

- C = Total purchased power cost from all suppliers for the twelve month period beginning seven months prior. This twelve month period will include six months of actual power costs and 6 months of projected power costs.
- B = Average cost of purchased power (6.591 ¢/kWh) collected from current base rates.
- P = Total kWh purchased from all suppliers for the twelve month period described under C.
- D = The total accumulated difference between the Cooperative's purchased power costs and revenues collected through base rates and WPCA charges through the end of the second prior month.
- S = Total kWh sold for the twelve month period described under C.
- T = Gross Receipts Tax Factor = 1.0333