

FIRELANDS ELECTRIC COOPERATIVE, INC.

**WHOLESALE POWER AND TAX ADJUSTMENT RIDER
RIDER A**

APPLICABILITY: The Wholesale Power, Tax and other Adjustments, set forth herein shall apply to all applicable Firelands Electric Cooperative, Inc.'s (hereinafter referred to as Cooperative) Rate Schedules.

- 1. DETERMINATION OF WHOLESALE POWER COST:** The Cooperative's monthly Wholesale Power Cost per kWh shall be determined by applying the power supplier's average rate (including fuel and other applicable adjustments), in effect for the prior six month's purchases to the Cooperative's adjusted total billing quantities (billing demand [kW], energy [kWh], or other quantities applicable to the power supplier's current effective rate). The resultant cost per kWh shall be determined to the nearest four decimal places in dollars (\$0.0000) and applied to members' bills as a Wholesale Power Adjustment (WPA).
- 2. ADJUSTMENT FOR WHOLESALE POWER COST:** The rates and charges set forth in the Cooperative's schedules shall be increased or decreased by 0.1 mill for each 0.1 mill or major fraction thereof by which the Wholesale Power Cost per kWh purchased for the preceding month is greater than or less than a base of 95.0 mills per kWh.

The result shall then be rounded out to the nearest four decimal places and any resultant increase or decrease above or below the base of \$0.0950 per kWh shall accordingly be applied as a charge or credit on Members' bills.

- 3. WHOLESALE POWER COST BASE MODIFICATIONS AND TRUE-UP:** Any time the WPA base is modified, the application of WPA charges to Members' bills using the averaged WPA calculation described in section 1 shall be temporarily suspended and replaced with the restructured WPA calculation listed below:
 - a. A WPA True-Up shall be calculated, quantifying the unrecovered balance of WPA costs existing prior to implementation of the new WPA base. The monthly WPA True-Up shall equal one-twelfth (1/12) of the unrecovered balance and will be applied to Members' bills for twelve months.
 - b. Average new monthly WPA amounts for months after the base was modified, shall be calculated and applied to Members' bills for six months. The average new WPA calculation in month one will be based solely on that month, while the second month calculation will be based on months one and two. Each succeeding monthly calculation will increase by one month, until after month six, when the calculation will revert to the process described in section 1.
 - c. The sum of the WPA True-up and the average new WPA amounts will be combined into a single line on Members' bills
- 4. TAXES AND ASSESSMENTS:** The rates and charges specified in Cooperative's schedules are based upon and dependent upon Federal, State, County, Municipal and other governmental levies, including gross receipts taxes, kWh taxes, income taxes, license fees and other impositions of similar character in effect as of MAR 01, 2012.

In the event of an increase in or the addition of such levies, taxes, license fees or other impositions of similar character based upon generation, transmission, distribution, purchase and/or sale of electric service or energy, imposed upon or required to be paid by Cooperative, the rates in Cooperative's schedules may be increased by a surcharge equal to the amount of the cost per kWh, per consumer, per demand kW, or capacity, or other directly allocable applicable units of charge for such new or additional levies, taxes licenses or other fees of similar character.

- 5. APPLICATION OF ADJUSTMENTS TO MEMBER'S BILL:** The Wholesale Power Adjustment per kWh shall be applied to the total kWh billed, including any kWh that may be included as part of the minimum charge, and shall be applied to Members' bills commencing with the month immediately following the monthly period that reflects Cooperative's Wholesale Power Cost.

Tax and Assessment Adjustments shall be added to Cooperative's rate schedules as a surcharge and applied to Members' bills.

Effective: April 23, 2025