

Lane-Scott Electric Cooperative, Inc.

Schedule PTA-16

Replacing Schedule New

Entire Territory
(Territory to which schedule is applicable)

Which was issued _____

The cooperative's bylaws, rules and regulations are supplemental to this schedule and are incorporated herein. Sheet 1 of 2

PROPERTY TAX ADJUSTMENT

APPLICABILITY:

This adjustment is applicable to all current and future retail rate schedules of the Cooperative as they currently exist or may be amended.

METHOD OF BILLING:

There shall be an adjustment upon the total billings for the sale of electricity. This adjustment shall be reflected on the monthly bill for retail electric service as a line item designated as "Property Tax Adjustment".

FREQUENCY OF COMPUTATION:

This adjustment shall be computed at least once each year with the new adjustment applicable to billings for usage on and after January 1 of each year.

COMPUTATION OF ADJUSTMENT:

This adjustment shall be calculated by the following formula:

$$PTA = (Tc - Tb + S)/R$$

where:

- Tc = Annual property tax expense for the most recent twelve-month period ending December 31
- Tb = Annual property tax expense established during the base period (\$643,668 during the twelve months ending December 31, 2015)
- S = Settlement amount as calculated in the "Settlement Provision"
- R = Total revenues received from the sale of electricity for the most recent twelve-month period ending December 31

Issued July 11 2016
Month Day Year

By *Richard J. Jaramani*
Signature of Officer

Effective August 1 2016
Month Day Year

Title President

Lane-Scott Electric Cooperative, Inc.

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SETTLEMENT PROVISION:

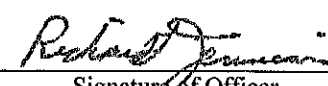
Subsequent to the effective date of this clause, the Cooperative shall maintain a continuing monthly comparison of the actual increased (decreased) property tax expense as shown on the books and records of the Cooperative and the increased (decreased) property tax expense recovered from the consumer.

For each twelve-month billing period ending at the close of December, the cumulative difference for the monthly comparisons for the twelve-month billing period under consideration shall be included in the computation of adjustment for the next year.

BILLING OTHER THAN MONTHLY:

For those customers billed less frequently than monthly, the adjustment will be the average adjustment for the period for which these customers are being billed.

Issued July 11 2016
Month Day Year

By 
Signature of Officer

Effective August 1 2016
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Title President