

FEBRUARY 2021 REGULATORY ASSET RIDER

APPLICABILITY: This Regulatory Asset Rider (Rider) is applicable to each Member of the Lane-Scott Electric Cooperative, Inc. (LSEC) taking service under existing rates of the current tariff or its successor.

ESTABLISHMENT OF FEBRUARY 2021 REGULATORY ASSET: All extraordinary costs associated with the month of February 2021 Winter Weather Event, shall be booked separately as a regulatory asset, which shall be referred to as the "February 2021 Regulatory Asset."

SUMMARY OF CHARGES: Charges under this Rider will be used to calculate a monthly billing amount for recovery of the outstanding costs with interest associated with the February 2021 Regulatory Asset.

CALCULATION OF CHARGES:

$$(R + (R \times I)) / M = \text{Regulatory Asset Rider Amount}$$

Where:

R = Unrecovered balance of the February 2021 Regulatory Asset.

I = The interest rate, expressed as a monthly rate, incurred associated with the Regulatory Asset.

M = Number of remaining months over which the February 2021 Regulatory Asset will be amortized.

COMPUTATION FREQUENCY: This computation will be made monthly.