

Lane-Scott Electric Cooperative, Inc.

Schedule ECA-16

Replacing Schedule ECA-11 & 13-ECA

Entire Territory
(Territory to which schedule is applicable)

Which was issued June 6, 2011 & April 3, 2013

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

ENERGY COST ADJUSTMENT

APPLICABILITY:

The Energy Cost Adjustment Clause is applicable to all retail rate schedules of the Cooperative.

COMPUTATION FORMULA:

The rates for energy to which this adjustment is applicable shall be increased or decreased by 0.001¢ per kilowatt-hour (kWh) for each 0.001¢ (or major fraction thereof) increase or decrease in the aggregate cost of energy per kWh as computed by the following formula:

$$Adjustment = \frac{C}{S} - b$$

Where:

- C = Total actual cost of purchased power recorded in Account 555, for those rate schedules subject to the Energy Cost Adjustment, for the latest month for which data is available.
- b = Average power cost per kWh sold established during the base period. The base period is defined as the period from which data was taken in establishing the rates to which the ECA will be applied. The base period is the twelve months ending December 31, 2015 and b equals \$0.06975 per kWh sold.
- S = Estimated sales in kWh, for those rate schedules subject to the Energy Cost Adjustment, for the same month used to determine C, the actual cost of purchased power.

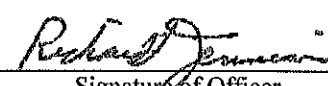
FREQUENCY OF COMPUTATION:

This adjustment amount will be computed once each month.

SETTLEMENT PROVISION:

Subsequent to the effective date of this clause, the Cooperative will maintain a continuing monthly comparison of the actual increased (decreased) cost of purchased power as shown on the books and records of the Cooperative and the increased (decreased) dollar cost of purchased power recovered from customers.

For each twelve-month billing period ending at the close of December, the cumulative difference of the monthly comparisons for the twelve-month billing period under consideration will be added to the "Actual Cost Remainder"

Issued	July	11	2016	By	
	Month	Day	Year		Signature of Officer
Effective	August	1	2016	Title	President
	Month	Day	Year		

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described below to produce a cumulative balance. The "Settlement Factor" will then be calculated by dividing the cumulative balance as of that date by the total number of kWh deliveries during the twelve-month period ending on that date. This amount will be rounded to the nearest 0.001 cents/kWh to determine the increase or decrease which should be made to the energy cost adjustment. This "Settlement Factor" will remain in effect until superseded by the subsequent "Settlement Factor" calculated according to this provision.

The amounts collected or returned under this "Settlement Factor" for each twelve-month period will be compared with the cumulative balance, as described above. Any resulting overage or underage, which will be known as the "Actual Cost Remainder", will be applied to the next subsequent twelve-month cumulative balance for the purpose of calculating the next subsequent "Settlement Factor".

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. The average adjustment will be computed by weighting the monthly adjustment amount (¢/kWh) by the relative volume of total sales during the period under which the particular adjustment amount was in effect.

Issued	<u>July</u>	<u>11</u>	<u>2016</u>	By	
	Month	Day	Year		Signature of Officer
Effective	<u>August</u>	<u>1</u>	<u>2016</u>	Title	<u>President</u>
	Month	Day	Year		