

Kiamichi Electric Cooperative, Inc.  
P. O. Box 340  
Wilburton, OK 74578  
(918) 465-2338

Revised 05-05-17  
Canceling 11-30-09

Sheet No. 1  
Sheet No. 1

Applies to: All Territory (Location)

**STANDARD RATE SCHEDULE Billing Adjustments Rate BA**

**APPLICABILITY:** Applicable to all retail rate schedules except the I-2000 rates.

**ADJUSTMENT FOR THE COST OF PURCHASED POWER:**

The foregoing charges shall be increased or decreased by the amount of cents or fraction thereof by which the average cost of power per kilowatt hour purchased paid to suppliers of power during the previous month exceeds or is less than 62.00 mills per kilowatt hour and calculated in accordance with Formula (2).

FORMULA (2)

$$P.A. = \frac{(A \times 1)}{1-B}$$

Where:

- P.A. = The power cost adjustment to be made per kilowatt hour billed.  
A = The amounts in cents or fraction thereof by which the average cost of power per kilowatt hour purchased was paid to suppliers of power by the utility during the previous month preceding the end of the billing period for which kilowatt hour usage is billed exceeds or is less than 62.00 mills per kilowatt hour.  
B = The average percentage of losses expressed decimally for the year ending with the last day of the previous month preceding the end of the billing period.

**TAX ADJUSTMENT:**

**Gross Receipts Tax:** All rates shall be subject to an increase based on the gross revenue tax at the rate of 2% of the total current billing. If the State of Oklahoma changes the tax rate, a corresponding change will be made to the calculation for taxes applied to each bill.

**Franchise Taxes:** When a municipality, by a franchise or other ordinance approved by the qualified electors of the municipality, levies or imposes upon the Cooperative franchise payments or fees (based upon a percent of gross revenues) to be paid by the Cooperative to the municipality, such franchise payment will be added as a percentage of charges for electric service to the bills of all Members receiving service from the Cooperative within the corporate limits of the municipality exacting said payment.

Board Approved: May 5, 2017 Effective: June 28, 2017  
(Month) (Day) (Year) (Month) (Day) (Year)

Issued by: Brett Orme, Chief Executive Officer  
(Name of Officer) (Title)

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Sheet No. 2  
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**STANDARD RATE SCHEDULE Billing Adjustments Rate BA**

**MARGIN STABILIZATION ADJUSTMENT:**

This adjustment shall be calculated quarterly and added to or deducted from each kWh to be billed in the succeeding three billing months, when necessary, to enable the Cooperative to achieve the Board approved minimum Modified Debt Service Coverage Ratio (MDSC) by the end of each calendar year. A new calendar year minimum and maximum MDSC ratio shall be approved by the Board of Trustees at the same scheduled meeting at which it approves the succeeding calendar year operating budget, but should not approve a minimum of less than 1.4 times Principal and Interest projected to be billed in the succeeding calendar year.

Each Quarter, the Cooperative will calculate the MDSC for the preceding continuous twelve months to determine that the MDSC is within the range as established by the Board for the same period. If the MDSC is below the Board approved minimum, then an adjustment factor shall be calculated to achieve the midpoint of the Board approved range over the succeeding three billing months. If the MDSC is greater than the maximum MDSC approved by the Board, a negative adjustment shall be calculated and applied over the succeeding three billing months to achieve the midpoint of the Board established range. The goal of the Cooperative is to always maintain Margins that achieve the MDSC within the range approved by the Board.

**REVISIONS TO RATE SCHEDULES:**

When the Board of Trustees of Kiamichi Electric Cooperative approves changes to the rates herein, the newly adopted rates shall be filed with the Oklahoma Corporation Commission.

**IDENTIFIED DIRECT EXPENSE:**

When an expense to the Cooperative can be identified as being solely the cause of an individual consumer, Corporation, or an agency of the local, state, or federal government that was not identified as an expense in the most recent cost of service study of the Cooperative and is identified as an expense that does not benefit other consumers in the immediate area or consumers of the same rate class, the Cooperative reserves the right to pass that additional expense on to the identified entity as an adder to the next regular rate billing of that consumer, corporation or agency after the expense is identified as being caused by that specific consumer, corporation, or agency.

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