

POWER COST ADJUSTMENT Q & A

What is the Power Cost Adjustment (PCA)?

The PCA is a separate line item that will appear on each West Central Electric bill that reflects the increases/decreases in the co-op's cost of wholesale power purchased from Rushmore Electric (Basin Electric and WAPA).

When will the Power Cost Adjustment be added?

In January 2008 your cooperative will institute the PCA, passing on the increased cost of the electricity we purchase for our members.

Why is the Power Cost Adjustment necessary?

The rising cost of oil and gas, the building of new power plants and new environmental rules and constraints will be causing the wholesale rates that we pay to rise over the next few years.

How much will my bill increase due to the Power Cost Adjustment?

The average customer using 1000 KWH per month will see an increase on their bill of \$3.00 per month. We anticipate similar increases in 2009-2012. Overall, the actual increased cost to the co-op will be greater than that, but WCE has set up a reserve account to help soften the impact of these increased rates.

How is the Power Cost Adjustment on my bill calculated?

The PCA on your electric bill statement is computed by multiplying the amount charged or credited by the number of kilowatt hours used. Example: 1,500 KWH x \$0.003 = \$4.50 PCA.

How often will the PCA Change?

Each year in January WCE will look at the average cost of power as projected by Rushmore and the board will then determine the level of the PCA for the coming year. The PCA is only utilized to recover added costs of wholesale power and is not utilized to pay for general operating costs.