

RANDOLPH ELECTRIC MEMBERSHIP CORPORATION
ASHEBORO, NORTH CAROLINA

SCHEDULE WPCA
(WHOLESALE POWER COST ADJUSTMENT CLAUSE)

EFFECTIVE DATE: April 10, 2007

The Cooperative reserves the right to implement the Wholesale Power Cost Adjustment Clause (WPCA) when the average cost of purchased power to the Cooperative deviates from the base cost of purchased power used in the design of the Cooperative's retail rate schedules. The Wholesale Power Cost Adjustment Factor will be calculated as follows:

$$\text{WPCA} = \left(\frac{\text{C} + \text{D}}{\text{P}} \right) - \text{B} \times \frac{\text{P}}{\text{S}} \times \text{T}$$

Where:

- C = Total actual charges from the Cooperative's purchased power suppliers for the most recent six months available and the projected power costs for the six months immediately thereafter.
- D = The total accumulated difference between the Cooperative's purchased power cost adjustment charges and the purchased power costs applicable to this clause through the end of the most recent month available.
- P = The total of the actual kilowatt-hours purchased for the most recent six months available and the projected kilowatt-hours to be purchased for the six months immediately thereafter.
- B = The base cost of purchased power (6.075¢) built into the retail rates.
- S = The total of the actual kilowatt-hours sold for the most recent six months available and the projected kilowatt-hours to be sold for the six months immediately thereafter.
- T = 1.03327 = Franchise Tax Factor.