



350 Wedcor Avenue Wabash Indiana 46992 (260) 563-2146 or (800) 563-2146

Wholesale Power Cost Adjustment - Explained

For the past couple of years, there has been a line on your electric bill called Wholesale Power Cost Adjustment. The WPCA is a separate line item on each Wabash County REMC bill statement which reflects the increases/decreases in the co-op's cost of power purchased from our wholesale power supplier. The fluctuation in the WPCA is largely caused by changes in the cost of fuel and transportation for generation of the electricity.

The contract that Wabash County REMC has with our wholesale power supplier states that they will charge us a base rate per kilowatt hour. In the contract there is a stipulation that says if the generation or transmission of the wholesale power incurs any additional costs above normal, they can pass those additional costs on to Wabash County REMC. For example, if the cost of having coal shipped to the generating plant increases, that cost will be passed on to Wabash County REMC.

Consequently, Wabash County REMC never knows from one quarter to the next what that additional charge will be. Rather than change the base rate each quarter, we simply pass that additional cost to our members in the form of the Wholesale Power Cost Adjustment. Wabash County REMC does not add anything to this cost. The base rate and facilities charge you see on your bill is what it costs REMC to run the electricity through our distribution grid. The Wholesale Power Cost Adjustment is the cost to get the electricity to the Wabash County REMC distribution grid.

To figure the wholesale power cost adjustment price we multiply the number of kilowatts used to the WPCA figure which can be found at www.wabashremc.com under Rates.

If you have any questions regarding your bill please contact us at 800-563-2146 or 260-563-2146.