

SCHEDULE 18A

TAX EXPENSE ADJUSTMENT RIDER

Application

This Rider will be applied in conjunction with currently applicable rates.

Billing

The Association's rate schedules subject to this Rider shall be increased or decreased in an amount equal to the KWH used, multiplied by an adjustment computed in accordance with the following formula:

$$TEA = T/S$$

Where:

TEA = Tax Expense Adjustment

T = Projected total of all taxes or fees imposed on the Association by any governmental body including franchise fees, ad-valorem and property taxes, and any other fees or taxes.

S = Projected annual KWH sales to all customers excluding customers billed on a market based rate.

The Tax Expense Adjustment for any year will be made on the basis of the projected tax expense and sales for the year. Actual tax expense and sales as subsequently accounted for will be used to determine any overage or deficiency in the adjustment applied in the year. Such overage or deficiency will be taken into account by subtracting or adding an appropriate amount to the adjustment as projected for the succeeding year. The Tax Expense Adjustment will be calculated annually.

This institution is an equal opportunity provider and employer.

Effective: February 1, 2000