

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SC**

**SCHEDULE MAF
MONTHLY ADJUSTMENT FACTOR**

APPLICABILITY

This schedule is applicable to and becomes a part of each electric service rate schedule of the Cooperative in which reference is made to Schedule "MAF."

ADJUSTMENT OF BILLS

Current monthly bills will be increased or decreased, per kilowatt-hour sold, by an amount determined in the formula below to the nearest one thousandth of a cent (.00001).

$$\text{MAF} = \frac{[C \times A] - B}{1,000 \text{ kWh}}$$

Where: C = The current month cost of 1000 kWh under rate "D," including the preceding month's MAF

B = Base rate cost of 1000 kWh under rate "D" which is \$114.00 at the effective date stated below; and

Where: A is determined as follows:

A = .9995 if T is greater than the target TIER level and D is greater than -0-

A = 1.0001 if T is less than or equal to the target TIER level and D is greater than -0-

A = 1.0035 if T is less than or equal to the target TIER level and D is less than -0-

Where: T = The Cooperative's TIER based on the most recent twelve-months' total margins

D = Accumulated Deferred Credit balance

TARGET TIER LEVEL

A "target" TIER level will be established from time to time by the Board of Trustees. Such TIER level will not be lower than the minimum level specified in the then current RUS Supplemental Mortgage Agreement or any successor mortgage covenant agreement with any lender.

DEFERRED CREDIT BALANCE ADJUSTMENT (DCB)

At any time, if the amount in the Deferred Account becomes excessively large, either positive or negative, the Board of Trustees may authorize a further adjustment to retail rates, to amortize the amount in the Deferred Account to rates.

MARGIN STABILIZATION PLAN/INDEXING

The MONTHLY ADJUSTMENT FACTOR is an integral part of the Cooperative's Margin Stabilization Plan adopted by the Board of Trustees on December 20, 1989 and is intended to assure attainment of a prescribed TIER level in each fiscal calendar year. In the event of a major increase or decrease in costs, the Cooperative may make a corresponding adjustment to factor "C" above for the purpose of indexing to the new level of costs.

The Board approved new rate schedules on July 28, 2010 effective with all bills rendered on or after November 1, 2010.