

LOCKHART POWER COMPANY  
**SCHEDULE O**  
PURCHASED POWER ADJUSTMENT CLAUSE

Whenever the purchased power cost per kwh on electric power purchased by Lockhart Power Company shall increase above or decrease below 3.4438 cents per kwh sold by the Company, the Company will pass this change onto its individual customers.

The amount of the change per month will be determined by dividing the total monthly cost of purchased power in dollars by the total kwh's billed by the Company during the corresponding month; subtracting \$.034438; multiplying by 1.003 and rounding off to the nearest one-hundredth of a mil.

This increase or decrease will be adjusted to all bills rendered during the following month.