

PSC NO: 1 ELECTRICITY
COMPANY: GREEN ISLAND POWER AUTHORITY
INITIAL EFFECTIVE DATE: 12/01/2011

LEAF: 13
REVISION: 0
SUPERSEDING REVISION:

PURCHASED POWER ADJUSTMENT CHARGE

APPLICABILITY:

All customers receiving service under any of the Green Island Power Authority's Service Classifications are subject to purchased power adjustment charges ("PPAC").

ADJUSTMENT CHARGE:

The PPAC shall be the amount which shall be added to each kilowatt-hour of each rate schedule to reflect and recover all purchased power and transmission costs billed to the Power Authority from all service providers.

CALCULATION OF THE PURCHASED POWER ADJUSTMENT CHARGE:

The PPAC shall equal the total cost of all power and transmission costs billed to the Power Authority in each month divided by the total kWh purchases in that month, less the base cost of purchased power measured at system input level adjusted by a loss factor (Factor of Adjustment). The resultant cost per kWh shall be rounded to the nearest \$0.000001 and applied as a charge or credit to all kilowatt-hours billed in the following month.

ANNUAL RECONCILIATION:

At the end of each fiscal year the Power Authority will perform a reconciliation to determine whether there was an under- or over-collection of purchased power expense during the preceding year. The calculation is as follows:

Total Purchased Power Cost – (kWh sold x Base Cost of Purchased Power x Factor of Adjustment)

The result will then be compared to the actual PPAC revenues recovered during this period to determine if a PPA Reconciliation Surcharge or Refund is applicable. The resultant Surcharge or Refund will be included as a line item in the following month(s) calculation(s) of PPAC in order to adjust revenues to more accurately reflect actual expenses. The total surcharge or refund amount will be collected over the 12 months subsequent to the reconciliation. The amount of under-collection or over-collection surcharged or refunded each month will be in accordance with the percentage of delivered sales to total annual delivered sales for the corresponding month in the reconciled year.