

PSC NO: 2 ELECTRICITY
COMPANY: MASSENA ELECTRIC DEPARTMENT
EFFECTIVE DATE: 07/08/11

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TEMPORARY STATE ASSESSMENT ADJUSTMENT

Pursuant to Section 18-a(6) of the Public Service Law (PSL), and Case 09-M-0311 Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law Section 18-a(6) (the Order), the Town of Massena Electric Department (Massena Electric) is authorized to implement a surcharge to recover the Temporary State Energy and Utility Service Conservation Assessment (Temporary State Assessment).

The Temporary State Assessment, which is applicable to municipal electric corporations, requires an annual payment for the next five years equal to 2% of gross operating revenues from intrastate utility operations, exclusive of the first \$500,000, less the amounts assessed for Department of Public Service costs and expenses (General Assessment) that are authorized in the annual State Budget.

Recovery of the revenues required for payment of the Combined General and Temporary State Assessment less the amount of the General Assessment which is currently included in Base Rates will occur over the 5 year period July 1, 2009 through June 30, 2014. Massena Electric will utilize the surcharge method of recovery. The rates and charges for service under all Service Classifications including fuel adjustment charges will have an additional surcharge. The surcharge will be calculated as a percentage of each bill rendered, such percentage will be uniform for all Service Classifications. This alleviates any disparate treatment between Service Classifications. For the year July 1, 2011 through June 30, 2012 the rate charged for recovery will be 1.49%. This rate was developed using the Temporary State Assessment Adjustment and the projected sales for the period July 1, 2011 through June 30, 2012. No carrying charges will be imputed at this time as Massena Electric has the funds necessary to cover the Temporary State Assessment and will not be seeking additional funding at this time. Reconciliation of the amounts collected through the surcharge will be performed annually. In each subsequent year, a new Temporary State Assessment surcharge will be calculated, due to changes in projected intrastate gross operating revenues.

Issued June 1, 2009 by: James Shaw, Chairman MEUB, P.O. Box 209, Massena, NY 13662-0209