

PSC NO: 2 ELECTRICITY
COMPANY: MASSENA ELECTRIC DEPARTMENT
INITIAL EFFECTIVE DATE: 01/29/2009

LEAF: 36
REVISION: 4
SUPERSEDING REVISION: 3

PURCHASED POWER ADJUSTMENT CHARGE (PPAC)

APPLICABILITY

All customers receiving service under any of the Massena Electric Department service classifications are subject to purchased power adjustment charges, except those customers receiving service under Service Classification No. 8 (Individual Service Agreements).

ADJUSTMENT CHARGE

The PPAC shall be the amount added to each kilowatt-hour of each rate schedule to reflect and recover all purchased power and transmission costs billed to the Massena Electric Department 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 Massena Electric Department 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) of 1.06. The resultant cost per kilowatt-hour shall be rounded to the nearest \$0.000001/kilowatt-hour and applied as a charge or credit to all kilowatt-hours billed in the following month.

For the first year after the tariff leaf effective date the monthly bill increases will be capped at an amount not to exceed 10% of a bill calculated under the previous method, a 12-month rolling average, during the months of January, February, March, April and May 2009. The amount exceeding the 10% cap for the months listed will be aggregated and amortized, in equal amounts, over the months of July, August, September, October, November and December. The 10% will be used for the months listed to minimize the impact the change in calculation will have on customers during the winter months. This cap will only be in effect during the months listed, the PPAC will be calculated using the standard formula in each subsequent year. The 10% cap was based on the usage of an average customer during the winter period (1,400 kWh).

BASE COST OF POWER

The base cost of power for computation of the PPAC shall be \$0.016403/kilowatt-hour as measured at the system input level. The base cost of power measured at the sales level shall be \$0.017387/kilowatt-hour.

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