

PSC NO: 2 ELECTRICITY
COMPANY: MOHAWK MUNICIPAL COMMISSION
INITIAL EFFECTIVE DATE: 1/01/2017

LEAF: 23
REVISION: 2
SUPERSEDING REVISION:

PURCHASED POWER ADJUSTMENT CHARGE

APPLICABILITY:

All customers receiving service under any of the Mohawk Municipal Commission's Electric Department's Service Classification 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 Mohawk Municipal Commission 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 Mohawk Municipal Commission Electric Department in each month divided by the 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 result 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 Mohawk Municipal Commission 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 number of months over which the Surcharge or Refund will be included will depend on the size of the Surcharge or Refund. If the Surcharge/Refund is under \$10,000 it will be included in one month. Surcharges/Refunds between \$10,000 and \$20,000 will be split between two months and any Surcharges/Refunds over \$20,000 will be charged/credited in \$10,000/month increments until complete in order to minimize the impact on rate payers.

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