

PSC NO: 2 ELECTRICITY
COMPANY: MASSENA ELECTRIC DEPARTMENT
INITIAL EFFECTIVE DATE: 05/01/16

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SUPERSEDING REVISION: 4

Issued in compliance with Commission Order issued April 21, 2016 in Case 15-E-0307

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.

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 \$0.017109/kilowatt- hour.

CALCULATION OF THE PURCHASED POWER ADJUSTMENT CHARGE

During the Summer Period (for bills issued during the months of May through October inclusive) the PPAC shall equal the total cost of all power and transmission costs billed to the Massena Electric Department during the prior 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 1.0431. 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.

During the Winter Period (for bills issued during the months of November through April inclusive), the PPAC is divided into two parts; the "Supplemental Power PPAC" and the "Base PPAC". The Supplemental Power PPAC shall consist of all power and transmission charges from Supplemental Power suppliers including charges for demand and energy for Supplemental Power and charges for NTAC, ISO Transmission Charges, ISO Ancillary Services and any charges related to scheduling in order to transmit the Supplemental power to Massena divided by the kWh of Supplemental Power delivered for the month associated with the Supplemental Power Costs less the base cost of purchased power measured at system input level adjusted by a loss factor (Factor of Adjustment) of 1.0431. The resultant cost per kilowatt-hour shall be rounded to the nearest \$0.000001/kilowatt-hour and applied as a charge or credit to the actual usage for customers in Service Classification No. 1 for their usage above 1,500 kWh in the following month.

The Base PPAC shall equal the total cost of power and transmission costs billed to the Massena Electric Department less the estimated revenues from Service Classification No. 1 for usage above 1,500 kWh for the appropriate month divided by the difference between the total kWh purchases in that month and the Weather Normalized Service Classification No. 1 Sales above 1,500 kWh adjusted by the loss factor of 1.0431. The quotient is reduced by the base cost of power measured at system input level, and then adjusted by the loss factor of

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