

PSC NO: 2 ELECTRICITY  
COMPANY: MASSENA ELECTRIC DEPARTMENT  
EFFECTIVE DATE: 07/01/2015

LEAF: 37  
REVISION: 1  
SUPERSEDING REVISION: 0

PURCHASED POWER ADJUSTMENT CHARGE (PPAC) (Cont'd)

ANNUAL RECONCILIATION:

At the end of each fiscal year the Massena electric department will perform a reconciliation to determine whether an under- or over-collection of purchased power expense occurred during the preceding year. The calculation is follows:

Total Purchased Power Cost shall equal (kWh sold x Base Cost of Purchased Power x Factor Adjustment).

The result will then be compared to the actual PPAC revenues recovered during the same period to determine if a PPA Reconciliation Surcharge or Refund is applicable. The resultant Surcharge or Refund will be included as a line item the following month(s) calculation(s) of PPAC in order to adjust revenues to 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.

BASE COST OF POWER

The base cost of power for computation of the PPAC shall be \$0.02300/kilowatt-hour as measured at the system input level. The base cost of power measured at the sales level shall be \$0.02399/kilowatt- hour.

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