

PSC NO: 1 ELECTRICITY
COMPANY: HAMILTON MUNICIPAL UTILITIES COMMISSION.
INITIAL EFFECTIVE DATE: 6/1/2019

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REVISION: 0
Effective Date: 10/01/2019
SUPERSEDING REVISION:

REVENUE DECOUPLING MECHANISM ("RDM")

The Revenue Decoupling Mechanism reconciles actual billed delivery service revenues for the RDM reconciliation period to Delivery Revenue Targets for delivery service as approved in the Company's most recent rate case for each Reconciliation Group subject to the RDM defined in RDM Rule 1.1. The RDM reconciliation shall determine the difference between actual billed delivery service revenues and the Delivery Service Targets for all Reconciliation Group listed in RDM Rule 1.1 in each annual RDM reconciliation period and forms the basis of the RDM adjustment for that Reconciliation Group.

1.1 Delivery service revenue shall be defined as charges associated with base rates (customer, demand, reactive, and energy charges) applicable to retail delivery service customers subject to this RDM. For the first month after a delivery service rate change, the "billed delivery service revenues" will be defined as the product of actual sales and rate year rates. The RDM reconciliation shall be performed for the following Reconciliation Groups:

1. SC-1 – Residential
2. SC-2 - General Service –Non Demand Metered
3. SC-3 – General Service – Demand Metered

1.2 The RDM reconciliation period reflects a twelve month period for which actual billed delivery service revenues will be reconciled to the Delivery Service Targets for the Reconciliation Groups defined in RDM Rule No. 1.1. Annually, the Company shall calculate a credit or surcharge to be assessed to customers included in the RDM as follows:

1.2.1 If the RDM reconciliation has a positive balance, then the RDM adjustment will be a credit to customer's bills. If the RDM reconciliation has a negative balance, then the RDM adjustment will be a surcharge on customer's bills.

1.2.2 The RDM adjustment will be calculated by dividing the resulting difference for each Reconciliation Group by each Reconciliation Group's forecasted sales and applied on a volumetric basis

1.2.3 The RDM adjustment will be effective over a twelve month period, April 1 through March 31, ("RDM adjustment period") commencing with the June billing month in the year following the RDM reconciliation period.

Issued by: James Stokes, Village Administrator, PO Box 119, Hamilton, NY 13346