

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

LEAF: 36
REVISION: 5
SUPERSEDING REVISION: 4

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 is divided into two parts. The "Hydro PPAC" and the "Supplemental Power PPAC". The Hydro PPAC shall consist of all power and transmission charges from purchases from the New York Power Authority (NYPA) including charges for demand and energy from the Niagara Power Project, and charges for NTAC, ISO Transmission Charges, ISO Ancillary Services related to transmitting the NYPA power to Massena as well as any charges for Long Sault, Inc. and any Surcharge/Refund resulting from the Annual Reconciliation of the PPAC. These Hydro PPAC charges shall be divided by the kWh purchases from NYPA 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 the hydro allocation to the applicable Service Classification in the following month.

The Supplemental Power PPAC shall consist of all other power purchases made by Massena to meet its energy needs together with any associated charges for transmitting that power to Massena. These Supplemental Power PPAC charges shall be divided by the kWh purchases from Non-NYPA sources 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 the non-hydro energy usage to the applicable Service Classification in the following month.

Each Customer in Service Classes SC-1 (Residential), SC-2 (Commercial with No-Charge Demand) and SC-3 (Commercial with Demand) will receive a set allocation of hydroelectric power. For this energy the customer will be charged "Hydro PPAC". Once a customer's usage goes above this allocation they will be charged the "Supplemental PPAC" for energy use greater than this allocation. The allocation for each class is as follows:

SC-1: 1,000 kWh/month
SC-2: 300 kWh/month
SC-3: 1,700 kWh/month

For all other service classes a blended PPAC will be charged consisting of 83% "Hydro PPAC" and 17% "Supplemental PPAC".