

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
NYPA HYDROPOWER CREDIT**

1 APPLICABILITY

A NYPA Hydropower Credit shall be applied to each rate schedule in which reference to such adjustment is incorporated.

2 DETERMINATION

The NYPA Hydropower Credit set forth in each applicable rate schedule of the Department shall be calculated on a per kWh basis calculated to the nearest thousandth of a cent (\$.00001) by the following formula:

$$\text{NYPA} = [(\text{GC} - (\text{NC} / \text{NK})) \times \text{NK}] / \text{RK}$$

NYPA = NYPA Hydropower Credit

GC = The Generation Charge in effect for the period

NC = The total forecasted cost of hydropower purchased from the New York Power Authority for the period

NK = The total forecasted kWh purchased from the New York Power Authority for the period

RK = The total estimated number of kWh to which the NYPA Hydropower Credit will be applied for the period

This calculation will normally be made on a quarterly basis and a single NYPA Hydropower Credit billed for the entire quarter, although the Department may change the NYPA Hydropower Credit more frequently if such changes are required.

- (*) An adjustment to the NYPA Hydropower Credit shall be made to reflect the difference between estimated and actual cost of hydropower purchased and the estimated and actual kWh sold in the prior period in order to recover or credit any under collection or over collection of the NYPA