

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
POWER ADJUSTMENT CHARGE / CREDIT**

1 APPLICABILITY

A power adjustment charge / credit shall be applied to each rate schedule in which reference to such adjustment is incorporated.

2 DETERMINATION

The Power Supply Services charge set forth in each applicable rate schedule and contract of the Department shall be increased or decreased by the Power Adjustment Charge / Credit (PAC) calculated for each rate schedule on a per kWh basis calculated to the nearest thousandth of a cent (\$.00001) by the following formula:

$$\text{PAC} = [(P / S) + \text{RS}] - B$$

PAC = Power Adjustment Charge / Credit

P = Estimated Cost of Power Sold including NEPOOL interchange charge to Accounts 555, 556, 557 and 565 (*) for the period plus the NYPA savings calculated pursuant to effective rate schedule

S = Estimated kWh to be sold during the period

RS = Rate Stabilization Fund contribution

B = Base period cost of power sold recovered by the Departments base rates, expressed as an amount per kWh sold

The difference between the base cost and the annual cost per kWh estimated to be sold will be applied in the billing period.

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

(*) An adjustment to the cost of power sold shall be made to reflect the difference between estimated and actual cost of power sold and kWh sold in the prior period in order to recover or credit any under collection or over collection of the power adjustment charge / credit.