

**ELECTRIC DIVISION  
DEPARTMENT OF PUBLIC UTILITIES  
WALLINGFORD, CONNECTICUT**

**ELECTRIC SERVICE  
RATE NO. 12  
POWER COST ADJUSTMENT CLAUSE**

NET MONTHLY CHARGE OR CREDIT

The net monthly charge or credit shall be computed by multiplying the Power Cost Adjustment Factor ("PCA") in dollars per kilowatt-hour ("\$/kWh") by the customer's kilowatt-hours billed (measured or estimated) in the month.

STANDARD FREQUENCY OF PCA CALCULATION

Except in cases where a mid-period calculation of the PCA takes place, as described below, the PCA shall be computed twice each year based on the attached worksheet, at such times so that any revised PCA can be implemented on bills dated July through December and January through June. The calculation is designed to provide periodic true up of projected power costs to actual power costs. Furthermore, the PCA that is established only for the period of January 1, 2017 through June 30, 2017 shall utilize the previous eight (8) month period of May 2016 through December 2016 and there shall be no routine PCA adjustment on November 1, 2016.

MID-PERIOD CALCULATION OF THE PCA

It may be determined during a given six-month period, as defined above, that the actual power costs to date during that period, plus the forecasted power costs for the remainder of that period, will be significantly greater than or less than the forecasted power costs upon which the PCA for that period was based. When that difference in power costs is of such magnitude that a PCA calculation for that period based on the updated power costs would produce a PCA that varies from the actual PCA for that period by more than \$0.005 per kWh, then the PUC may authorize a mid-period calculation of the PCA. For the period July through December, the re-calculated PCA shall be effective for the remaining period October through December. This provision provides the means to minimize the amount of over-collection or under-collection in a given six-month period due to actual power costs varying significantly from forecasted power costs.

In the event that the PUC elects to authorize a mid-period calculation, the PCA shall be calculated based on the attached worksheet, for the same six-month period that was the basis for the prevailing PCA. For example: For a mid-period calculation that will be effective October 1, the previous six-month period used in the calculation shall be the previous January through June. The next six-month period used in the calculation shall be the current period: July through December.

#### PUC ADJUSTMENT OF THE CALCULATED PCA

Subject to the stipulations listed below, the PUC may adjust the PCA that is calculated based on the attached worksheet, for any three-month or six-month period described above when, without adjustment, the PCA for that period would vary from the PCA for the preceding period by more than \$.005 per kWh. This provision enables the PUC to reduce the impact on customers of large swings in power cost.

#### REDUCTION IN THE CALCULATED PCA

The amount by which the calculated PCA may be reduced shall be limited by the following stipulation: The projected cash reserve balance at the end of the period for which the PCA is set shall not be less than the greater of the following: \$10,000,000 or 80% of the prevailing minimum recommended cash reserve level, inclusive of any RSA (as defined below) approved by the PUC for that period.

#### INCREASE IN THE CALCULATED PCA

The amount by which the calculated PCA may be increased shall be limited by the following stipulation: The cash reserve balance at the time of the adjustment shall not be greater than 120% of the prevailing minimum recommended cash reserve level.

Adjustments of the PCA shall be excluded from the value of over-collection or under-collection as contained in the worksheet for calculating the PCA.

#### RATE STABILIZATION ADJUSTMENT (The "RSA")

The RSA assigns WED cash to reduce the wholesale power costs that will be entered into the calculation of the PCA for a future six-month PCA period.

The PUC may, at any time prior to the calculation of the PCA for a six-month period, approve the application of an RSA in order to cover up to 100% of the portion of a Qualifying Wholesale Power Cost that is expected to occur within that six-month period.

The amount of the RSA shall not exceed the difference between the WED's cash reserve balance and the prevailing minimum recommended cash reserve level. For the purpose of this comparison, the cash reserve balance shall be the forecast value at the end of the six-month PCA period, exclusive of the effect of the proposed RSA. The minimum recommended cash reserve level shall be calculated at the time of the forecast for the cash reserve balance.

Application of the RSA shall be excluded from the value of over-collection or under-collection as contained in the worksheet for calculating the PCA.

A Qualifying Wholesale Power Cost is any future wholesale power cost that the WED will pay over a defined period of time, which is known with reasonable certainty.

Examples include the following:

- a. Single year increase in a given ISO-NE charge: In a three-year period the WED's net cost for capacity in the middle year is forecast to be significantly higher than in the first or second year.
- b. One-time charges: The FERC requires ISO-NE to carry out a Capacity Resettlement, which will result in a one-time charge to the WED.
- c. Deviations from base year power costs: The WED has adopted rates that are designed to recover the same wholesale power cost in the base rates (non-PCA charges) for two or more years, using one of these years as the base year. Deviations in power cost from the base year cost are contained in the PCA's for the non-base years.

Effective: July 1, 2021

Adopted: May 18, 2021



Robert Beaumont  
Chairman-Public Utilities Commission

WORKSHEET FOR CALCULATING SIX MONTH PCA

1. Purchased Power costs for previous six months \$ \_\_\_\_\_
2. Sales during previous six months MWh \_\_\_\_\_
3. Base Purchased Power Rate during previous six months  
\$/MWh \_\_\_\_\_
4. Net PCA used during previous six months \$/MWh \_\_\_\_\_
5. Calculation: (3) + (4) \$/MWh \_\_\_\_\_
6. Calculation: (2) x (5) \$ \_\_\_\_\_
7. Under (Over) Collection during previous six months  
(1) - (6) \$ \_\_\_\_\_
8. Adjustment for estimates in prior PCA calculation \$ \_\_\_\_\_
9. Adjustment for PUC action to adjust PCA in  
previous six months including RSA \$ \_\_\_\_\_
10. Net Adjustment (7) + (8) + (9) \$ \_\_\_\_\_
11. Projected Sales over next six months MWh \_\_\_\_\_
12. Projected Purchased Power costs over next six months  
\$ \_\_\_\_\_
13. Base Purchased Power Rate over next six months \$/MWh \_\_\_\_\_
14. Calculation: (10) + (12) \$ \_\_\_\_\_
15. Calculation: (14) / (11) \$/MWh \_\_\_\_\_
16. Net PCA for next six months [(15) - (13)] / 1000 \$/kWh \_\_\_\_\_
17. North Branford current six month PCA  
Calculation: (16) + NTR \$/kWh \_\_\_\_\_

NTR = North Branford tax rate adjustment expressed in \$/kWh

NTR is calculated as follows:

$$\text{NTR} = \frac{\text{NT}}{\text{NKWH}}$$

Where NT is the amount of North Branford taxes paid by the Electric Division in the most recent six months, and NKWH represents the estimated kilowatt-hours sales from the Wallingford Electric Division distribution system to customers in the Northford section of North Branford in the current period.