

City of Henderson, Kentucky
Henderson Municipal Power & Light

Power Cost Adjustment Rate Schedule Schedule PCA

Service Area – All areas served by Henderson Municipal Power & Light (HMP&L).

Applicability – For all kilowatt hours metered

Power Cost Adjustment – To recover power supply costs that are not recovered by base rate charges, the monthly Power Cost Adjustment will be multiplied by the customer’s kWh billed for the month. For purposes of the calculation, all power supply, transmission, and capacity costs for the base year were calculated to be \$0.04274/kWh and is included in the base rate charges in the applicable electric rate schedules.

1. Calculation: The formula for calculating the Power Cost Adjustment is as follows:

$$\text{PCA} = \frac{\text{Purchased Energy} + \text{Purchased Capacity} + \text{Transmission Costs} - \text{Market Sales} - \text{Transmission Revenue} \pm \text{Reconciliation}}{\text{Total kWh Sales}} - \$0.04274$$

*Base year = FY 2020

2. Definitions:

Purchased Energy- Including, but not limited to, block purchases, market energy purchases, SEPA purchases, SEPA tagging services, MISO services

Purchased Capacity- Including, but not limited to, capacity purchased from MISO, bilateral agreements, or other agreements

Transmission Costs – Including, but not limited to, transmission fees from MISO, LBA (Local Balancing Authority) services, TOP (Transmission Operator) services

Market Sales – Including, but not limited to, sales of energy and/or capacity in the MISO market or from other sales agreements

Transmission Revenue – Including, but not limited to, transmission revenue received from the host Transmission Owner of the pricing zone

Approved By: Henderson Utility Commission (March 17, 2020)
Approved By: Henderson Board of Commissioners (April 28, 2020)

Effective: For all customer billings
issued on and after June 1, 2020

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Reconciliation – Total amount of costs for over/under collection of PCA Revenue from previous months

Total kWh Sales – Total amount of kWh billed for the month