

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, not subject to refund, received from the host Transmission Owner of the pricing zone

Approved By: Henderson Utility Commission (August 1, 2022)  
Approved By: Henderson Board of Commissioners ( )

Effective: For all customer billings issued on and after October 1, 2022

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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

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