

Pascoag Utility District - Electric Department  
Standard Offer

**Standard Offer**

The Standard Offer is defined as the total costs of purchased power less Transition and Transmission Costs. The demand and energy cost of the New York Power Authority hydroelectric power is to be recovered in the Standard Offer.

**Calculation of Per Unit Rate Charges**

The per-unit rate of the Standard Offer shall be calculated every twelve (12) months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until the Commission approves a new rate. The calculation of the per-unit rate is as follows:

1. Estimate the total costs of each component of purchased power expense for the upcoming twelve-month period;
2. Allocate the estimated costs to either the Transition Costs, the Transmission Cost, or Standard Offer in accordance with the definitions of those elements of purchased power;
3. Add or deduct any over-collection or under-collection from previously approved rates to ensure the reconciliation of costs; and
4. Divide the allocated costs by the sum of the estimated District's sales made to the residential, commercial, and industrial classes. The sales to be used are the estimated sales that the District will service at the Standard Offer during the upcoming six-month period.

In the event that conditions affecting the cost of Standard Offer service which are actually experienced or are reasonably anticipated during the period when the approved per-unit charges defined herein are in effect, indicate that the recovery of Standard Offer costs to be incurred by the District during said period will vary by 10 percent or more above or below the revenues collected and to be collected, the District may apply to the Commission for approval and authorization of an appropriate interim increase or decrease in the approved per unit charges to be applicable during the remainder of said period.

Filing Date: June May 19, 2016

Effective Date: June 22, 2016