

# **POWER COST ADJUSTMENT**

## **Frequently Asked Questions**

1. What is the Power Cost Adjustment?  
It is an increase or decrease in the electric costs to our customers based on the cost to the city from our wholesale energy provider. This is a separate charge from the customer's base rate.
2. What factors change the Power Cost Adjustment calculation?
  - City of Paris monthly energy rate
  - Energy bill from wholesale energy provider
  - Credits from any energy generated by City of Paris Power Plant
  - Fuel purchased to generate energy at the City of Paris Power Plant
3. Where can I find the Power Cost Adjustment on the bill?  
It is part of the rate shown on the Electric Charges line on the bill above the Electric Surcharge line. The Electric charge line includes the customer's monthly energy rate for Kilowatt hours and the power cost adjustment charge. To calculate the power adjustment charge, multiply your monthly energy rate by the electric consumption. The remaining amount is the power cost adjustment.

SERVICE	PREVIOUS READING	PRESENT READING	CONSUMPTION	CHARGES
WATER	469	478	9	\$6.06
SEWER			9	\$8.74
<b>ELECTRIC</b>	48085	48901	816	<b>\$89.33</b>
ELECTRIC SURCHARGE				\$10.80
911 ASSESSMENT				\$4.50
OTHER TAX				\$3.12
TOTAL				\$122.55

4. Why is the Power Cost Adjustment necessary?  
Fuel and power costs make up a significant portion of the cost of generating electricity. These prices can fluctuate widely over short periods of time. This adjustment allows for the utilities to reflect these fluctuations without having to frequently change monthly energy charge rates.
5. Do utilities earn a profit from the Power Cost Adjustment?  
No. The Power Cost Adjustment serves strictly to reflect the cost of fuel and purchased power. Locally owned municipal utilities are non-profit organizations.