

City of Traverse City
Light and Power Department
Effective: July 1, 2014

POWER SERVICE COST RECOVERY

The Power Service Cost Recovery shall be derived as follows: The net purchased power costs, including MISO expenses, during the month shall be totaled and then divided by the net Traverse City energy provided to yield a cost per kWh experienced during that month. This experienced cost is then compared to the base cost of 64.57 mils/kWh with the resulting difference in mils/kWh to be multiplied by 105%; the resulting difference so multiplied shall be known as the Power Service Cost Recovery and shall be applied as follows beginning on the first day of the second month following data acquisition. If the experienced cost is higher than the base cost, the Power Service Cost Recovery shall be added onto the cost of all kWh billed. If the experienced cost is lower than the base cost, the Power Service Cost Recovery will be subtracted from the cost of all kWh billed.

The Department shall establish a (0-15 mil) DELAYED PSCR BILLING BANK to be administered by the Executive Director, or designate, for the purpose of stabilizing the PSCR as rendered.