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IN THE MATTER OF THE PROVISION OF  
BASIC GENERATION SERVICE  
FOR THE PERIOD BEGINNING JUNE 1, 2020

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: **Docket No. ER19040428**  
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:

Public Service Electric and Gas Company, Jersey Central Power &  
Light Company, Atlantic City Electric Company, and Rockland  
Electric Company

**SUPPLEMENTAL PROPOSAL FOR  
BASIC GENERATION SERVICE  
REQUIREMENTS TO BE PROCURED EFFECTIVE  
JUNE 1, 2020**

**October 8, 2019**

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## **I. INTRODUCTION**

In response to the Order from the New Jersey Board of Public Utilities (“BPU” or “Board”) in BPU Docket No. ER19040428, the New Jersey electric distribution companies (“EDCs”) – Public Service Electric and Gas Company (“PSE&G”), Jersey Central Power & Light Company (“JCP&L”), Atlantic City Electric Company (“ACE”), and Rockland Electric Company (“RECO”) – filed a joint proposal on July 1, 2019 (“Initial Proposal”) for the procurement of electric power for basic generation service (“BGS”) customers for the period beginning June 1, 2020. The Board invited stakeholders to submit Initial Comments on all Proposals by September 4, 2019. A legislative-type hearing was held on September 19, 2019 (the “Hearing”). Final Comments were to be due by October 4, 2019.

Multiple parties expressed concerns in their Initial Comments and in oral comments presented at the Hearing that the postponement of PJM’s Base Residual Auction for the 2022/2023 delivery year, the last year of the BGS-RSCP supply period, would lead to an unknown capacity price that may adversely affect bids. On October 2, 2019, the EDCs filed a joint communication with the Board, indicating that the EDCs would submit a supplemental filing to address these concerns and requested that the deadline for Final Comments be extended to allow time for stakeholders to provide any comments on the supplemental filing. Following the EDCs’ filing of this joint communication, on October 2, 2019, the Board issued a notice alerting stakeholders of the EDCs’ intention to submit a supplemental filing relating to the capacity price for 2022/2023 and noting that a new deadline would be set upon receipt of the supplemental filing.

The purpose of this filing by the EDCs (“Supplemental Proposal”) is to propose a change to the EDCs’ Initial Proposal to address the fact that the capacity price for the third year of the BGS-RSCP supply period is not currently known to suppliers, and likely will not be known prior to the start of the BGS-RSCP Auction, which may adversely impact bids in the BGS-RSCP Auction.

## II. CAPACITY PROXY PRICE FOR THE 2022/2023 DELIVERY YEAR

Capacity is an important component of the BGS-RSCP product and the capacity price directly impacts the price that bidders are willing to offer in the BGS-RSCP Auction. If the capacity price is not known for the 2022/2023 delivery year, bidders are likely to include risk premiums into their bids and some potential bidders may choose not to participate in the BGS-RSCP Auction altogether. This could result in higher closing prices in the BGS-RSCP Auction than would otherwise be the case to the detriment of BGS customers.

The EDCs propose to address this issue by setting a proxy price (“Capacity Proxy Price”) as the 2022/2023 capacity price that bidders can incorporate into their bids. Winning BGS-RSCP suppliers will be paid the closing price (cents/kWh) in the BGS-RSCP Auction for the load served; furthermore, in the 2022/2023 delivery year, BGS-RSCP suppliers will additionally be paid the difference between the value of the actual capacity price charged to them by PJM and the Capacity Proxy Price set by the EDCs (or their payment for load served will be reduced by this difference should the Capacity Proxy Price be greater than the actual capacity price). These payments will only occur in the 2022/2023 delivery year even if the true value of the capacity price for that delivery year is known prior to the start of the 2022/2023 delivery year. This construct provides certainty to BGS-RSCP suppliers that they will be fully compensated for the actual capacity price in the 2022/2023 delivery year. In so doing, it removes the need for bidders in the BGS-RSCP Auction to include risk premiums into their bids to protect themselves from an unknown capacity price, to the benefit of BGS customers.

The EDCs propose to set the Capacity Proxy Price for the 2022/2023 delivery year for each EDC according to the values provided in the table below.

**Table 1. Proposed Capacity Proxy Prices.**

| EDC   | Capacity Proxy Price (\$/MW-day) |
|-------|----------------------------------|
| PSE&G | 162.13                           |
| JCP&L | 152.06                           |
| ACE   | 152.06                           |
| RECO  | 152.06                           |

The Capacity Proxy Price for each EDC represents the average of the capacity prices for the last two years<sup>1</sup> for the EDC's zone using the most recent data available from PJM, multiplied by a factor of 0.9. The EDCs propose basing the Capacity Proxy Price on the PJM capacity auction results from the 2020/2021 and 2021/2022 delivery years, as those two delivery years correspond to two of the three delivery years covered by the upcoming BGS-RSCP supply period. However, recognizing that the BGS-RSCP Auction covers a three-year supply period, and that the capacity price for the 2019/2020 delivery period was noticeably lower than the capacity prices in the two subsequent delivery years, the EDCs propose to apply a 0.9 factor to the average of the two delivery years that are included in the upcoming BGS-RSCP supply period to calculate the Capacity Proxy Price. This recognizes the potential for lower prices in the pending PJM capacity auction for the 2022/2023 delivery year.

Some of the other states within PJM that also procure supply for their BGS-type customers on a three-year basis have taken action to address the uncertainty regarding the capacity price for the 2022/2023 delivery year. On July 29, 2019, Duke Energy Ohio, Inc. ("Duke") filed a notice to the Public Utilities Commission of Ohio ("PUCO") regarding the FERC Order to postpone the PJM capacity auction and requested to remove the third year from its product and procure supply for a two-year term from June 2020 to May 2022. The PUCO approved this change. In the District of Columbia, Potomac Electric Power Company ("Pepco") proposed a number of options to the Public Service Commission of the District of Columbia ("DC Commission"), including fixing a proxy capacity price of \$0/MW-day. The DC Commission approved the proxy capacity price of \$0, which means that Pepco will reimburse suppliers for the entirety of the actual capacity price once determined.

The EDCs have considered these options and the EDCs respectfully submit that a Capacity Proxy Price set at a reasonable estimate of the capacity price for the 2022/2023 delivery year as detailed above is the best approach for BGS customers. Reducing the term of the product to two years in Ohio was a change consistent with Duke's general approach of procuring a portfolio of one-year, two-year, and three-year products to supply its BGS-type customers. BGS-

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<sup>1</sup> The average of the Zonal Net Load Price (\$/MW-day) using the results of PJM's 2020-2021 Second Incremental Auction and PJM's 2021-2022 First Incremental Auction.

RSCP customers in New Jersey are in a different situation. They have been served for many years through the procurement of one-third of their annual supply via three-year BGS contracts. A reduction of the supply period to two years would be a fundamental change in the BGS-RSCP construct that moves away from the term-averaging that has served residential and small commercial customers so well. Furthermore, a proposal would have to be made and considered on how and when to procure supply for the 2022/2023 delivery year.

Pepco provided a number of options to the DC Commission on how to remove the uncertainty associated with the postponement of the PJM capacity auction but it did not consider setting a capacity proxy price other than \$0. While a capacity proxy price of \$0 may seem initially attractive as it eliminates the need to specify a method to formulate a reasonable estimate of a future capacity price, it will result in the greatest additional payment to BGS-RSCP suppliers in the 2022/2023 delivery year, and thus it will also result in the greatest change in rates for BGS customers. In the 2019 BGS-RSCP Auction, capacity costs, as seen from the BGS customer side, were in the range of 1.8-2.0¢/kWh depending on the EDC. Given that the proxy capacity price would affect one-third of the BGS-RSCP supply, customers could see an increase of 0.6-0.7¢/kWh to their BGS rates, which is far from insignificant. For this reason, the EDCs consider it imperative to set the capacity proxy price at a level that is in line with a reasonable estimate of capacity prices using current market data as detailed above.

### **III. SUPPLEMENTAL PROPOSAL**

To implement the Capacity Proxy Price, the EDCs' Supplemental Proposal must include two critical components: (i) a mechanism to pay BGS-RSCP suppliers the difference between the actual capacity price charged to the BGS-RSCP suppliers by PJM and the Capacity Proxy Price in the 2022/2023 delivery year; and (ii) a mechanism to recover such additional payments from BGS-RSCP customers. The EDCs propose to implement these changes much as they did when PJM implemented its Capacity Performance Product in 2014/2015. Namely, the EDCs propose to append to the BGS-RSCP Supplier Master Agreement ("SMA") a "Supplement" that will describe the payment to BGS-RSCP suppliers for the 2022/2023 delivery year, and to add a worksheet to the EDCs' rate design spreadsheets to show how auction prices will be adjusted for rate design purposes to reflect these additional supplier payments.

Regarding supplier payments, the EDCs propose to use a Supplement rather than directly amending the terms of the BGS-RSCP SMA because the need to remove the uncertainty regarding the PJM capacity price is due to extraordinary circumstances that are not expected to be permanent. Exhibit 1 to this filing contains the proposed Supplement for the BGS-RSCP SMA. The Supplement would replace paragraphs in Section 9 of the SMA concerning payments to BGS-RSCP suppliers. The Supplement provides that payments to suppliers will increase (or decrease) by the difference between the PJM RPM Zonal Net Load Price actually charged for load served on the day for the company's PJM zone and the Capacity Proxy Price, multiplied by the BGS-RSCP Supplier Responsibility Share of the BGS-RSCP Capacity obligation (expressed in MW) for each day of the Billing Month in question. This difference will be presented as a separate line item on the supplier invoice, as either an additional payment to the BGS-RSCP supplier or as a charge, depending on the difference between the actual PJM RPM Zonal Net Load Price and the Capacity Proxy Price.

Regarding recovery through rates, the EDCs propose to (i) add a worksheet to their rate spreadsheets that will calculate the adjustment to the auction price necessary to recover (or reimburse) BGS-RSCP customers for the estimated additional payments made to (or from) BGS-RSCP suppliers under the Supplement; and (ii) add a line item to Table A to add the adjustment to the auction price. These tables will be populated with "0" or "N/A" for purposes of setting the BGS-RSCP tariffs for the 2020/2021 delivery year, as shown in Exhibits 2A and 2B. (These tables would similarly be populated with "0" and "N/A" for purposes of setting the BGS-RSCP tariffs for the 2021/2022 delivery years). However, to be absolutely clear on the rate design changes that are needed, in Exhibit 2C to this Supplemental Proposal, the EDCs present a worksheet that illustrates the methodology to calculate an estimated dollar per MWh value of the payments that would be due to (or from) BGS-RSCP Suppliers as a result of the Supplement to the BGS-RSCP SMA using purely illustrative 2022/2023 data. Similarly, in Exhibit 2D to this Supplemental Proposal, the EDCs show how Table A is modified to add this estimated cent per kWh value to the auction price. If the Board approves the Supplement as part of the BGS-RSCP SMA, each EDC will add the required tables to its Company-Specific Addendum in a compliance filing and reflect the use of these tables in the description of the methodology. Furthermore, the EDCs' compliance filings will include any additional amendments to the Company-Specific

Addenda necessary to address changes in the description of the components of the capacity charges for the 2020/2021 delivery year.

The EDCs note that the calculations provided in Exhibits 2C and 2D are identical to the calculations that were made for purposes of adjustment of rates after the implementation of the Capacity Performance Product for the rate design starting June 1, 2015 and ending May 31, 2017 that have been previously approved by the Board.

No other document or portion of the Initial Proposal needs to be amended as a result of including a Capacity Proxy Price for the 2022/2023 delivery year.

#### **IV. CONCLUSION**

The EDCs urge the Board to provide certainty to BGS-RSCP suppliers regarding the capacity price in the 2022/2023 delivery year so as to protect BGS customers from higher rates due to risk premiums embedded in the BGS bids. The EDCs respectfully request that the Board approve the EDCs' Initial Proposal, as amended by this Supplemental Proposal, which includes the following:

- the proposed level of the Capacity Proxy Price for each EDC as provided in Table 1 of this filing;
- the Supplement to the BGS-RSCP SMA provided as Exhibit 1 to this filing to allow payment to (or from) the BGS-RSCP suppliers of the difference between the actual capacity price in the 2022/2023 delivery year and the Capacity Proxy Price; and
- the insertion of a worksheet and a line item to Table A of the rate design methodology in each EDC's Company Specific Addendum to allow for the eventual calculation of the change in the auction price necessary to accommodate additional payments to (or from) BGS-RSCP suppliers.



**Exhibit 1**  
**Supplement to BGS-RSCP SMA**

**APPENDIX E TO BGS-RSCP SUPPLIER MASTER AGREEMENT,**  
DATED \_\_\_\_\_, 20\_\_\_\_,  
BY AND BETWEEN \_\_\_\_\_

**SUPPLEMENT**

This Supplement to the BGS-RSCP Supplier Master Agreement (“SMA”) entered into as of February \_\_, 20\_\_, by and between \_\_\_\_\_ (the “Company”) and \_\_\_\_\_ (the “BGS-RSCP Supplier”) (together, the “Parties”) is effective as of the Effective Date of the SMA. Except as specifically modified in and by this Supplement, all terms and conditions of the SMA shall remain in full force and effect and shall apply to this Supplement. For purposes of this Supplement: (i) the “PJM RPM Zonal Net Load Price” is the price charged by PJM to LSEs for capacity in the Company’s PJM zone under the Reliability Pricing Model (“RPM”) or its successor; and (ii) the “Capacity Proxy Price” for the Company is \$\_\_\_\_\_/MW-day.

For and in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 9.1 (a) of the SMA is replaced with the following:

Each Billing Month, the Company will prepare a Statement of amounts due to the BGS-RSCP Supplier. A line item on this Statement will show amounts due equal to the Auction Price multiplied by the applicable Seasonal Billing Factor multiplied by PMEA for the Billing Month in question. For each Billing Month of Energy Year 2023, an additional line item will show the difference between the PJM RPM Zonal Net Load Price actually charged for load served on the day for the Company’s PJM zone and the Capacity Proxy Price multiplied by the BGS-RSCP Supplier Responsibility Share of the BGS-RSCP Capacity obligation (expressed in MW) for each day of the Billing Month in question.

Section 9.1 (d) of the SMA is replaced with the following:

In the event that the Company’s minimum senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) falls below the Required Rating, and until the Company’s minimum senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) becomes equal or higher than the Required Rating, (i) the Company shall make an initial payment on the first business day after the 5th day of the calendar month for approximately 50% of the amount due to the BGS-RSCP Supplier for the previous calendar month (the “Initial Payment”), and (ii) the Company shall make a second payment on the first business day after the 19th day of the calendar month for any remaining amounts associated with the previous calendar month, which will include the difference

between the Initial Payment and any amounts due equal to the Auction Price multiplied by the applicable Seasonal Billing Factor multiplied by PMEA for the Billing Month in question and, for any Billing Month of Energy Year 2023, will also include the difference between the PJM RPM Zonal Net Load Price actually charged for load served on the day for the Company's PJM zone and the Capacity Proxy Price multiplied by the BGS-RSCP Supplier Responsibility Share of the BGS-RSCP Capacity obligation (expressed in MW) for each day of the Billing Month in question.

Section 9.1 (k) is added:

To the extent that the FMEA differs from the PMEA, the Company will pay or charge the BGS-RSCP Supplier for the PMEA/FMEA Adjustment Amount within the PJM deadline for conducting the final settlement. For any Billing Month in Energy Year 2023, to the extent that the daily Capacity Obligation used in the calculations detailed in Section 9.1(a) and 9.1(d) are adjusted after the PJM deadline for conducting final settlement, the Company will pay or charge the BGS-RSCP Supplier any net difference between the payments calculated and made within the PJM deadline for conducting final settlement, and the payments calculated using the adjusted values.

Section 9.1 (l) is added:

Additionally, for Energy Year 2023, if PJM assesses any charge on LSEs for the purchase of capacity in connection with implementation of changes to the PJM capacity market, other than the PJM RPM Zonal Net Load Price, the cost of any such additional charge attributable to the BGS-RSCP load actually served by the BGS-RSCP Supplier will be calculated by the EDC and paid to the BGS-RSCP Supplier using such methodology as will be submitted by the EDCs in a compliance filing after a final FERC decision is made in regards to such additional charge and the EDCs' compliance filing is accepted by the Board.

Company

BGS-RSCP Supplier

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit 2**  
**Worksheet and Table A**

## Exhibit 2A

### Development of Capacity Proxy Price True-Up - \$/MWh 2020/2021 Delivery Year (Illustrative PSE&G Data)

|   | 2020/2021<br>Delivery Year |  |
|---|----------------------------|--|
| 1 PJM Final Zonal Net Load Price (\$/MW-day) - Zone                     | \$190.00                   | <i>Notes:</i><br>PJM RPM Final Zonal Net Load Price - Zone |
| 2 Capacity Proxy Price (\$/MW-day)                                      | N/A                        |  |
| 3 Capacity Proxy Price True-Up - \$/MW-day                              | N/A                        | = line 1 - line 2  |
| 4 BGS-RSCP Gen Obl - MW   | 7,834.3                    |  |
| 5 Days in Year  | 365                        |  |
| 6 Capacity Proxy Price True-Up Annual RPM Cost                          | N/A                        | = line 3 * line 4 * line 5                                 |
| 7 Eligible Tranches   | 0                          | from Table A   |
| 8 Total Tranches  | 85                         | from Table A   |
| 9 % of tranches eligible for Incremental RPM Cost payment               | 0.00%                      | = line 7 / line 8  |
| 10 Capacity Proxy Price True-Up RPM Cost                                | \$0                        | = line 6 * line 9  |
| 11 Total Applicable Customer Usage @ transmission nodes - <i>in MWh</i> | 25,882,989                 |  |
| 12 Eligible Customer Usage @ transmission nodes - <i>in MWh</i>         | 0                          | = line 9 * line 11   |
| 13 Capacity Proxy Price True-Up - \$/MWh                                | <b>\$0.00</b>              | = line 10/ line 12 - rounded to 2 decimal places           |

## Exhibit 2B

**Table A With Additional Line Item**  
**Calculation of June 2020 to May 2021 BGS-RSCP Rates**

*Illustrative Purposes Only*

*NJ Sales & Use Tax (SUT) excluded*

**Table A Auction Results**

| line # | Specific BGS-RSCP Auction >>  | remaining portion of<br>36 month bid - 2018<br>auction | remaining<br>portion of 36<br>month bid -<br>2019 auction | 36 month bid -<br>2020 auction | Notes:  |
|--------|---|--|---|--------------------------------|---|
| 1      | Winning Bid - in \$/MWh   | 91.77  | 98.04   | 99.54                          | Winning Bid   |
| 1A     | Capacity Proxy Price True-up - in \$/MWh                                |  |   | 0.00                           |   |
|        | <b>Total - in \$/MWh</b>  | \$ 91.77   | \$ 98.04  | \$ 99.54                       | = line 1 + line 2   |
|        | <i>(includes all payments, including impact of PJM marginal losses)</i> |  |   |                                |   |
| 2      | # of Tranches for Bid   | 29   | 28  | 28                             |   |
| 3      | Total # of Tranches   | 85   | 85  | 85                             |   |
|        | <b>Payment Factors</b>  |  |   |                                |   |
| 4      | Summer  | 1.0000   | 1.0000  | 1.0000                         |   |
| 5      | Winter  | 1.0000   | 1.0000  | 1.0000                         |   |
|        | <b>Applicable Customer Usage @ transmission nodes - in MWh</b>          |  |   |                                |   |
| 6      | Summer MWh  | 10,193,805   |   |                                |   |
| 7      | Winter MWh  | 15,689,184   |   |                                |   |
|        | <b>Total Payment to Suppliers - in \$1000</b>                           |  |   |                                |   |
| 8      | Summer  | \$ 319,166   | \$ 329,214  | \$ 334,251                     | = (1+1A) * (2)/(3) * (4) * (6) + (1A) * (2)/(3) * (6)       |
| 9      | Winter  | \$ 491,225   | \$ 506,690  | \$ 514,443                     | = (1+1A) * (2)/(3) * (5) * (7) + (1A) * (2)/(3) * (7)       |
| 10     | Total   | \$ 810,390   | \$ 835,905  | \$ 848,694                     | Note: \$ reflect total payment                              |
|        | <b>Average Payment to Suppliers - in \$/MWh</b>                         |  |   |                                |   |
| 11     | Summer  | \$ 96.395  |   |                                | = sum(line 8) / (6) - rounded to 3 decimal places           |
| 12     | Winter  | \$ 96.395  |   |                                | = sum(line 9) / (7) - rounded to 3 decimal places           |
| 13     | Total weighted average  | \$ 96.395  | <<< used in calculation of<br>Customer Rates              |                                | = sum(line 10) / [(6) + (7)]<br>rounded to 3 decimal places |

# Exhibit 2C

## Development of Capacity Proxy Price True-Up - \$/MWh Using 2022/2023 Illustrative Data for PSE&G

|  | 2022/23<br>Delivery Year |   |
|--|--------------------------|---|
| 1 PJM Final Zonal Net Load Price (\$/MW-day) - Zone              | \$190.00                 | Notes:<br>PJM RPM Final Zonal Net Load Price - Zone |
| 2 Capacity Proxy Price (\$/MW-day)                               | \$180.00                 |   |
| 3 Capacity Proxy Price True-Up - \$/MW-day                       | \$10.00                  | = line 1 - line 2                                   |
| 4 BGS-RSCP Gen Obl - MW  | 7,834.3                  |   |
| 5 Days in Year   | 365                      |   |
| 6 Capacity Proxy Price True-Up Annual RPM Cost                   | \$28,595,195             | = line 3 * line 4 * line 5                          |
| 7 Eligible Tranches  | 28                       | from Table A  |
| 8 Total Tranches   | 85                       | from Table A  |
| 9 % of tranches eligible for Incremental RPM Cost payment        | 32.94%                   | = line 7 / line 8                                   |
| 10 Capacity Proxy Price True-Up RPM Cost                         | \$9,419,594              | = line 6 * line 9                                   |
| 11 Total Applicable Customer Usage @ transmission nodes - in MWh | 25,882,989               |   |
| 12 Eligible Customer Usage @ transmission nodes - in MWh         | 8,526,161                | = line 9 * line 11                                  |
| 13 Capacity Proxy Price True-Up - \$/MWh                         | <b>\$1.10</b>            | = line 10/ line 12 - rounded to 2 decimal places    |

## Exhibit 2D

### Table A With Additional Line Item Calculation of June 2022 to May 2023 BGS-RSCP Rates

*Illustrative Purposes Only*

*NJ Sales & Use Tax (SUT) excluded*

**Table A Auction Results**

| line # | Specific BGS-RSCP Auction >>  | remaining portion of<br>36 month bid - 2020<br>auction | remaining<br>portion of 36<br>month bid -<br>2021 auction | 36 month bid -<br>2022 auction | Notes:  |
|--------|---|--|---|--------------------------------|---|
| 1      | Winning Bid - in \$/MWh   | 99.54  | 96.38   | 96.38                          | Winning Bid   |
| 1A     | Capacity Proxy Price True-up - in \$/MWh                                | 1.1000   |   |                                |   |
|        | <b>Total - in \$/MWh</b>  | \$ 100.64  | \$ 96.38  | \$ 96.38                       | = line 1 + line 2   |
|        | <i>(includes all payments, including impact of PJM marginal losses)</i> |  |   |                                |   |
| 2      | # of Tranches for Bid   | 28   | 29  | 28                             |   |
| 3      | Total # of Tranches   | 85   | 85  | 85                             |   |
|        | <b>Payment Factors</b>  |  |   |                                |   |
| 4      | Summer  | 1.0000   | 1.0000  | 1.0000                         |   |
| 5      | Winter  | 1.0000   | 1.0000  | 1.0000                         |   |
|        | <b>Applicable Customer Usage @ transmission nodes - in MWh</b>          |  |   |                                |   |
| 6      | Summer MWh  | 10,193,805   |   |                                |   |
| 7      | Winter MWh  | 15,689,184   |   |                                |   |
|        | <b>Total Payment to Suppliers - in \$1000</b>                           |  |   |                                |   |
| 8      | Summer  | \$ 337,945   | \$ 335,199  | \$ 323,640                     | = (1+1A) * (2)/(3) * (4) * (6) + (1A) * (2)/(3) * (6)       |
| 9      | Winter  | \$ 520,128   | \$ 515,901  | \$ 498,111                     | = (1+1A) * (2)/(3) * (5) * (7) + (1A) * (2)/(3) * (7)       |
| 10     | Total   | \$ 858,073   | \$ 851,100  | \$ 821,751                     | Note: \$ reflect total payment                              |
|        | <b>Average Payment to Suppliers - in \$/MWh</b>                         |  |   |                                |   |
| 11     | Summer  | \$ 97.783  |   |                                | = sum(line 8) / (6) - rounded to 3 decimal places           |
| 12     | Winter  | \$ 97.783  |   |                                | = sum(line 9) / (7) - rounded to 3 decimal places           |
| 13     | Total weighted average  | \$ 97.783  | <<< used in calculation of<br>Customer Rates              |                                | = sum(line 10) / [(6) + (7)]<br>rounded to 3 decimal places |