Borough of Butler Electric Utility
Rate Schedule No. 6
Energy Adjustment Clause

An additional charge shall apply to all kilowatt hours supplied under this tariff for metered service or estimated kilowatt hours consumed by non metered service for the twelve month period ending March 31, 2017, for the projected average cost per kilowatt hour for demand and energy purchased by the Borough during said period, computed as follows:

$$A = [(C) (P/S)]$$

Where "A" is the adjustment per kilowatt hour applicable to each kilowatt hour furnished under the tariff in the period.

"C" is the projected cost of purchased energy and demand during the ensuing twelve months divided by the total number of kilowatt hours to be received in said period.

"P" is the projected total number of kilowatt hours to be purchased by the Borough during the ensuing twelve-month period.

"S" is the projected total number of kilowatt hours to be delivered by the Borough to it's consumers during said period.

All calculations of ratios and money (in dollars) shall be made to six decimal places, with the value of "A" rounded to the nearest ten thousandth of a cent per kilowatt hour.

The energy adjustment shall apply after the rate and minimum charge provisions of the tariff and any contracts.

In order to assure that during the said period of time the Borough recovers neither more nor less through the application of this clause than the excess cost of purchased energy and demand above the base energy cost, the following procedure shall apply:

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Effective for service rendered on
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Issued by James P. Lampmann
Borough Administrator
Butler, New Jersey

Filed pursuant to Order of the Board of Public Utilities
Dated   -_____   in Docket No.   -_____

Borough of Butler Electric Utility
Rate Schedule No. 6
Energy Adjustment Clause
(Continued)

The Borough of Butler Electric Utility shall maintain a monthly record of the amounts paid to the various energy suppliers, attributable to the energy adjustment clause. A record shall be kept of the amounts of energy adjustment charges billed by the Borough of Butler to its retail customers. The Borough of Butler Electric Utility shall report the transactions and balances to the Board of Public Utilities monthly. Any balance (debit or credit) remaining at December 31 of each year shall be considered when calculating the succeeding period's energy adjustment clause.

Should actual costs vary from projections by 5% or more, the Borough of Butler shall file a revision to this tariff section. For the purpose of determining the amounts of recovery to which the Borough is actually entitled, the same formula will apply with these changes:

"A" will apply to the current month.

"C" will be the projected cost of purchased energy and demand during the prior month divided by the total number of kilowatt hours received in said prior month.

"P" is the total number of kilowatt hours purchased by the Borough during the twelve month period ending with the prior month.

"S" is the total number of kilowatt hours delivered by the Borough to it's consumers during the most recent twelve-month period.

Petitions for changes in the energy adjustment clause shall be filed at least 45 days before the effective date of such changes.

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Borough of Butler Electric Utility
Rate Schedule No. 6
Energy Adjustment Clause
(Continued)

Projected Cost per kilowatt hour of energy purchased during the twelve months ending March 31, 2017	$0.053269
Amount per kilowatt hour of energy adjustment charge for line losses to customers of 8.31 percent	$0.004830
Energy adjustment charge per kilowatt hour to be applied to each class of service provided	$0.058098

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