

## Village of Akron

### Purchased Power Cost Explanation

When the Village of Akron began as a municipal electric provider in 1903, it was given a designated amount of electric that it could provide to its residents based on the size and population of the village at that time. This amount is charged the base rate as designated by the Public Service Commission in 2017, the most recent Tarrieff established for the village. When the allotment is exceeded and supplemental energy must be purchased, it is charged to the customer based on their individual usage. This is displayed as the Purchased Power Cost on the utility bills. The PPC rate is comprised of the cost of the electric, as well as the transmission charges that it costs to have the electricity delivered to the village. The PPC charge on customer's bills is also based on individual usage and not as a lump sum on each utility bill.

In colder winter months, the rate of the supplemental energy that has to be purchased by the village is done so at a higher rate due to the increased demand of the customers and the low supply from the hydropower producers. In winters where there is interference from weather and ice build-up at the hydroelectric station, there is a curtailment in the power produced, causing the rate to increase even further.

The electric rates that are charged to the customers of the Village of Akron are calculated on a per bill usage. The number of kilowatts that are measured by the meter are multiplied by the base rate. Additionally, the same number of kilowatts are also multiplied by the PPC rate as notated on each month's bill. This total with sales tax (4.75% for residential customers and 8.75% for commercial users) is what comprises the electric utility bill total. The village is not allowed by the PSC (Public Service Commission) to charge any additional rates that would result in profit for the Village. All charges that are passed onto the customers are used to pay the energy and transmission providers each month. Historically, the bill that arrives to customers for March 1<sup>st</sup> is the highest bill of the year due to the cold weather and high usage during that billing period.

The electric tariff and other information are available on the village website at [www.erie.gov/akron](http://www.erie.gov/akron) and also at the Village Hall at 21 Main Street.