

**HYDROELECTRIC POWER
ADJUSTMENT CLAUSE**

AVAILABILITY

This clause is applicable to Department electric rate schedules which provide service to residential customers only.

HYDROPOWER ADJUSTMENT

The cost per KWH for all energy will be adjusted due to the power costs resulting from the purchase by the Department of hydroelectric power from the Niagara project. The adjustment in cost per KWH will be determined by computing any savings in power costs from the Niagara Project including production, fuel and transmission costs and dividing by the concurrent KWH sold for residential purposes. The credit applied will be adjusted from time to time such that the savings in power costs will accrue entirely to the Department's residential customers.

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