25. **Monthly Rate Adjustment**

The Delivery Service Price under Schedules R, RL, G, GS and GL is adjusted to reflect test year base rate revenues established in the latest base rate proceedings, after adjustments to recognize the change in the number of customers from the test year level and to prevent the collection of revenue from the commencement of a Major Outage Event and continuing until all Major Outage Event-related sustained interruptions are restored. The change in revenues associated with the Customer Charge is the change in number of customers multiplied by the Customer Charge for the rate schedule. In calculating the change in revenues associated with kilowatt hour (kWh) sales, Schedules R and RL are also subdivided into heating (RH and RLH) and non-heating (R and RL) subclasses. The change in revenues associated with kilowatt hour (kWh) sales is the test year average use per customer for each rate class or subclass multiplied by the net number of customers added to each rate class or subclass since the like-month during the test year and multiplying that product by the Delivery Service Price for the rate schedule.

The change in revenues associated with the Customer Charge and kWh sales for each subclass (if applicable) is added to test year revenue for the applicable rate schedule to restate test year revenues for the month to include the revised values. Actual revenues collected for the month are compared to the restated test year revenues, adjusted for any Major Outage Events, and any difference is divided by estimated sales for the second succeeding month to obtain the adjustment to the applicable Delivery Service Price. Any difference between actual and estimated sales is reconciled in the determination of the adjustment for a future month.

The Major Outage Event adjustment is calculated by summing the lost delivery charge revenue, lost customer charge revenue and lost demand charge revenue. The lost delivery charge revenue is calculated by multiplying the kWh lost, determined using test year average usage per hour, by the delivery charge rate. The lost customer charge revenue is calculated by multiplying the customer charge (converted to an hourly rate) by the customer hours lost. The lost demand delivery charge revenue is the product of the customer hours lost per schedule, the test year average demand per hour from the corresponding test year month and the distribution demand charge.

The Monthly Rate Adjustment is calculated separately for each applicable schedule. The maximum monthly change in the Monthly Rate Adjustment is limited to 10%. Imbalances are carried forward and charged to customers in a future calculation. Details of the calculation of the billing adjustment are filed monthly with the Public Service Commission.