

"Revenue Credit" - Excess Revenue - Q&A
02-25-2022 PAS

***The Board of Electric Commissioners authorized a 10% COVID billing discount for all accounts in 2021, which was provided to our customers for 10 of 12 billing months throughout 2021. **A total of \$2,809,026 was provided back to customers as part of the COVID 10% billing discount in 2021.**

Adding the Revenue credit to the COVID 10% bill discount totals \$3,464,690 back to customers.

Q: How much of a "Revenue Credit" will I receive?

A: The Board of Electric Commissioners voted to provide NAED customers with a one-time "Revenue Credit" of **\$0.003127** per kWh for all 2021 kWh's to be provided to current customers with usage in 2021.

Q: How is a customer's credit calculated?

A: NAED will use the following data and calculation:

- NAED 2021 total kWh sales **~209,682,122 kWh** = A
- Surplus Revenues for 2021 **~\$655,664** = B
- BOARD will set a Revenue Credit "rate" in \$/kWh **(\$0.003127)** = C = (B / A)
- **Active** customer 2021 kWh Purchases (unique for each customer) = D

Revenue Credit = (C * D)

Example 1: Residential Customer: Annual kWh purchases total 6000 kWh (An average usage of 750 kWh per month)

Revenue Credit = **(\$0.003127 * 6000 kWh) = \$18.76**

Example 2: Commercial or Industrial Customer: Annual kWh purchases total 120,000 kWh (An average usage of 10,000 kWh per month)

Revenue Credit = **(\$0.003127 * 120,000 kWh) = \$375.24**

Q: Why are there excess revenues?

A: NAED operation expenses (cost of running the business) for 2021 were less than budgeted resulting in surplus revenue which can be returned to customers. These surplus revenues were considered surplus to the needs of the department for 2021.

Q: Why was this year's credit different than last year?

A: A "Revenue Credit" is not guaranteed. If there are revenues that are considered surplus to the needs of NAED, the Board of Electric Commissioners will have the opportunity to vote to return these funds to customers.

Q: Why is there no PCA (Power Cost Adjustment) Credit this year?

A: A "PCA Credit" is not guaranteed. Power supply costs that NAED incurs can rise and fall throughout the year. If it is determined that NAED over collected power supply revenue, the Board can choose to return excess power supply revenue to customers. NAED has a Power Revenue Deficit for FY2021 totaling \$1,241,060, the Department is not in a position to issue a PCA Credit as defined in the PCA Tariff.