

CHAPTER 4 RATE ADJUSTMENT MECHANISM

Erratum: Chapter 4 – Please Replace Table 4-3

Table 4-3 Illustration of Pricing Flexibility Among Rate Baskets			
	Residential Class	General Service Class	Utility Overall Rate Adjustment of
Existing Rates	\$10.00	\$35	(\$3.00)
Step 1 Class Revenue Weighting Adjusted Rate	30% \$9.10	70% \$32.90	(\$3.00)
Step 2 Flexibility Range Min Adjusted Rate Max Adjusted Rate	\$9.10 ± 5% \$9.56 \$8.65	\$32.90 ± 5% \$34.55 \$31.21	(\$0.89) (\$5.09)
Step 3 Flexibility Option Taken	+4.5% \$9.50	-1.2% \$32.50	(\$3.00)

APPENDIX C

GLOSSARY

Erratum: Appendix C – Please replace Page 2

Z Factor	The Z factor is an adjustment of a utility's rates that accommodates extraordinary events over which the utility has no control.
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