



Mansfield Municipal Electric Department

125 High Street, Unit 2; Mansfield, Massachusetts 02048

Understanding Your Electric Bill

The following is an explanation of the five categories of charges that appear on our residential customers' electric bills. We thought it would be helpful to supply you with the definitions for each as well as the current charges.

CUSTOMER CHARGE – This portion of your bill covers the basic costs of maintaining your account on a monthly basis, regardless of the amount of electricity you use. Such services include metering equipment, meter reading, and billing. *Mansfield Electric's residential customers have a \$4.00 monthly customer charge.*

DISTRIBUTION CHARGE – For residential customers, this charge reflects MMED's cost to deliver energy through our utility's electric distribution system, including the cost to build and maintain local power lines and equipment, and other distribution service factors. *The distribution charge is calculated by taking your kilowatt-hours and multiplying them by .0367 for the first 1,000 kilowatt-hours and by .0533 for all additional kilowatt-hours.*

PURCHASE POWER CHARGE – These costs are not controlled by Mansfield Electric, and unfortunately have risen sharply in the last decade. A new Purchase Power Charge now replaces the previous Generation Charge. Power production costs are a combination of ownership interests, direct purchase power contracts, and open position market commitments. Transmission costs are instituted by transmission line providers by the regulatory guidelines set by the ISO New England – the entity that controls the regional powers grid – in order to maintain reliable power delivery. *The purchase power charge is calculated by taking your kilowatt-hours and multiplying them by .0928.*

PURCHASE POWER COST ADJUSTMENT – Occasionally, a market event may occur to make electric power or fuel costs dramatically turn upward. When these events do occur, MMED will implement a Purchase Power Cost Adjustment factor to recover such costs. *There are no plans to implement this charge in 2017.*

RESIDENTIAL CREDIT FACTOR - A new Credit Factor line item will return an excess cash reserve back to all customers over an identified time period. As a result, MMED will return about \$2 million to MMED customers over the next two years as a credit on each electric bill. The longstanding NYPA credit for residential customers has significantly reduced over the past 16 years, and is now part of the Residential Credit factor calculation. *The current residential credit factor, effective July 1, 2017, is calculated by taking your kilowatt-hours and multiplying them by .0155 for first 1,000 kilowatt-hours of usage.*

EARLY PAYMENT DISCOUNT – A twenty percent (20%) discount is allowed on the Distribution Charge if payment is received at the Department's office not later than 15 days from the billing date. No discount is allowed when arrears are due. Such discounts do not apply to the Purchase Power Charge or the Customer Charge.