



Mansfield Municipal Electric Department

125 High Street, Unit 2; Mansfield, Massachusetts 02048

Understanding Your Residential Electric Bill

The following is an explanation of the five categories of charges that appear on our residential customers' electric bills.

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 – This charge is a combination of both 'Power Production' and 'Transmission' charges attributed to Mansfield Electric. Power Production costs are a combination of ownership interests, direct purchase power contracts, and open position market commitments in the electric power supply. 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 throughout New England. *The purchase power charge is calculated by taking your kilowatt-hours and multiplying them by .0928.*

PURCHASE POWER COST ADJUSTMENT – Occasionally, a market event can occur which requires an adjustment for the charges to electric power or fuel costs. When these events do occur, MMED will implement a Purchase Power Cost Adjustment factor to adjust these costs. **Starting July 1, 2018, MMED will be issuing a credit of \$0.0022/kWH. The Purchase Power Cost Adjustment is calculated by taking your kilowatt-hours and multiplying them by (.0022).**

RESIDENTIAL CREDIT FACTOR - The Credit Factor line item is a credit to return any excess cash reserve back to all customers over an identified time period. MMED anticipates returning approximately \$2 million to MMED customers over a two-year period. For residential customers, the additional NYPA credit is within the Residential Credit Factor calculation. *Starting July 1, 2018, the Residential Credit Factor is calculated by taking your kilowatt-hours and multiplying them by (.0130) 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.

Specific charges and descriptions for each rate category can be found on the 'Rate Sheets' tab on the Mansfield Electric website: www.mansfielelectric.com.