



Ashburnham Municipal Light Plant
24 Williams Road, P.O. Box 823, Ashburnham MA 01430-0823
(978) 827-4423 www.amlp.org

Re: Purchased Power Adjustment Clause

7/11/2022

Dear Customer;

Beginning November of 2021, the AMLP began to experience increased power supply expenses due to the cold weather and reduction of fuel supply. While this sort of increase in cost is not unexpected during the winter months, in January the cost of our power supply doubled over December's increase, which is unusual. February brought an additional increase of roughly 2.5 times that of January. From November of 2021 and for the next five months, this increase has cost the AMLP an additional \$500,000 over our normalized power costs for the same period. There are three reasons for what has happened: winter fuel constraints, inflation and more recently, political unrest. Utility cost increases as described are being felt locally, regionally and nationally.

The AMLP is usually able to 'ride through' short-term increases in power supply costs. This cost increase is much more severe requiring the AMLP to take action, increasing its purchased power fuel cost it charges customers for the generation aspect of power supply. The mechanism for 'fuel volatility' cost recovery is a component of our rate structure known as the Purchased Power Cost Adjustment (PPCA).

To offset the increase, the AMLP will increase the present PPCA from \$0.03/kWh to \$0.08/kWh beginning August 1st 2022. This filed rate is a stop-gap measure meant to recover costs for reasons such as this. The length of time the increase will remain in effect is currently unknown.

For example, if you use:

- **500 kWh of power, PPCA will increase by \$25.00 for the period**
- **750 kWh of power, PPCA will increase by \$37.50 for the period**
- **1,000 kWh of power, PPCA will increase by \$50.00 for the period**

The AMLP takes great pride in being able to provide electricity at such a low cost, until now, managing to hold rates steady for years. I will continue to communicate with customers on this fluid situation as more information becomes available. The best tool customers can use to mitigate the impacts of this change is energy conservation.

Respectfully,

Kevin Sullivan
General Manager
Ashburnham Municipal Light Plant

Cc: B. Czasnowski
AMLB Commissioners