**UNDERSTANDING YOUR RESIDENTIAL ELECTRIC BILL**

**EXPLANATION OF CHARGES**

Each month, the Green Island Power Authority (GIPA) generates and sends you a bill for the energy you used during that billing period. Below are explanations of the various charges that appear on your monthly billing statement. Please call the billing office if you have any additional questions that are not addressed below.

**Base Rate**

The first two lines of your bill combine to form our base rate and these rates are determined after the approval of a rate case. The first line is calculated by multiplying the KWH used by the fixed rate of 0.06588. The Customer Charge is also a fixed charge of $1.84 per month, no matter how much electricity is used. These amounts are used to help recover the costs associated with maintaining and operating our distribution system (meter reading, equipment, repairs, vehicles, billing, personnel, etc.).

**PPAC Reading**

The Purchase Power Adjustment Charge (PPAC) is a way for GIPA to recover the cost for the generation and transmission of power to GIPA’s substation, as well as State assessments. Part of this charge is for the costs that GIPA incurs related to purchasing the energy used by our customers. This is a variable charge and will fluctuate every month. All power used within the Village is purchased through a contract with the New York Power Authority (NYPA). GIPA is billed monthly by the NYPA. The total amount paid by GIPA in one month is then used to calculate the PPAC rate that customers are charged in the bill they receive the following month. GIPA does not have any control over rates and the rate customers are charged reflects the exact amount that GIPA has paid to purchase power. These rates can fluctuate greatly based on extreme weather as well as the price of gas, which is used to produce electricity.

Power is purchased from the NYPA and is brought from outside the Village to the GIPA substation using National Grid’s transmission lines. GIPA receives a bill from National Grid on a monthly basis for the use of the transmission lines. This cost is included in the PPAC rate.

State mandated assessments are also included in the PPAC rate. These amounts are set by the State and the funds are used by the State. GIPA receives a bill from the State for the amount that we are required to collect from our customers and send to the State.

The NYPA reviews and approves the PPAC rate calculation monthly.

**Current Charges**

Current charges are determined by adding the above charges together. Residential customers are not required to pay any tax for their electric usage.

**Previous Balance and Penalty**

Any amount due and not paid by the previous due date will appear as a previous balance and this amount is subject to a 1.5% penalty. Please note that monthly bills are typically calculated and printed a few days after the previous due date. For example, the bill for your December 2021 usage was calculated and printed on January 20, 2022 and was due by February 15, 2022. If you made a payment more than a few days after that due date it is very likely that your next bill was already printed and mailed to you and includes a previous balance in the total amount due, even though you have made the payment for the previous balance. Please call the billing office if you need to confirm that your payment was received and you will be given an updated total amount due.