MASSENA ELECTRIC DEPARTMENT
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Notice to Massena Electric Department Customers

Over the past two winters increasing utility costs have become a major issue, including in New York State. Massena Electric, and its customers, are not insulated from the steep increases in energy supply costs (generation) and transmission costs (movement of electricity from generators to local distribution networks). Contributing factors to the increase in these costs is a lack of power generation throughout the state to meet the increased demand during extreme cold events, constraints to the transmission system and costs related to Green Energy projects that are unable to consistently produce electricity during severe weather events.

Massena Electric does not generate electricity and must purchase all the power needed to serve its customers. A portion of the power purchased is hydroelectric power from NYPA Niagara Project. Power from this project is at a price that is locked in by contract and the allocation received from NYPA is also fixed at 23.6 megawatts (MW). In the winter our system uses between 40 – 45 MW, depending on the weather. The power needed above the NYPA allocation is considered supplemental power and is at a price significantly higher than the hydroelectric Massena Electric is allocated.

An extended cold pattern at the end of January 2026 resulted in record high prices in New York State. These high prices will negatively impact Massena Electric customers and result in a higher PPAC (Purchase Power Adjustment Charge) during February and subsequent months. The average cost of supplemental power was \$195 / MWh (\$0.195 / kWh), an increase of over \$0.10 / kWh compared to December 2025 and January 2026, the two previous highs experienced by Massena Electric.

To minimize the impact on customers, Massena Electric received approval from its regulator to defer collecting 1/3 of its total power costs for January 2026, or \$998,000, to subsequent billing periods. The deferment will result in a lower PPAC for February 2026 compared to the PPAC that would be charged if the full cost was included in the monthly PPA calculation. The full calculation for February and the previous 12 months can be viewed at massenaelectric.com/ppa. A portion of the deferment will be applied to the March and April PPA calculation, resulting in a higher PPA during those months.

Other components of your bill, Customer Charge, Demand Charge for Non-Residential Customers, and the usage charge have remained unchanged since 2018. Revenues from these charges cover the costs associated with the day to day operations of Massena Electric. Massena Electric does not benefit from increased revenues from the PPAC. The PPAC recovers the cost of power purchased and is based on actual power related expenditures from the prior month Massena Electric must pay its supplier for electricity used by our customers. Massena Electric will still pay its suppliers the full cost for power purchased during January and future months. Delaying the recovery of the January power costs will mitigate some of the impact on customer bills due to the unusually high prices for supplemental energy.

Customers needing assistance with their bill can contact **HEAP (Home Energy assistance Program) at 315-379-2303**. Those that qualify can receive a regular heating benefit and an emergency benefit.

Massena Electric also offers levelized payment plans, or budget billing. This will not reduce the amount you owe. Participating in this program will spread these high heating bills over the course of the next several months. Customers interested in budget billing should call 315-764-0253 and ask about Budget Billing.

For information about your winter electric bill and Energy Efficiency programs offered by Massena Electric visit our website www.massenaelectric.com/winter.

TREE LINE USA.