

Long Island Power Authority

Statement of Monthly Energy Cost Adjustment for the Long Island Choice Program

for the month of August 1999

Applicable to all licensed Energy Service Companies (ESCOs) and
Direct Retail Customers (DRCs) under Service Classification No. 14
as set forth in the Tariff for Electric Service

1. Marginal Cost of Energy (\$/mWh)	\$30.00	
2. Total Generation from Unavoidable Capacity (mWh)	<u>1,000,000</u>	
3. Marginal Cost based Revenues		\$30,000,000
4. Total Variable Cost of Fuel and Purchased Power from Unavoidable Capacity		\$22,000,000
5. Variable Transmission Costs		<u>\$0</u>
6. Implicit Profit/(Loss) on Energy		\$8,000,000
7. Profit Included in Energy Credit (\$/mWh)	\$8.00	
8. Total Generation from Unavoidable Capacity (mWh)	<u>1,000,000</u>	
9. Profit Included in Rates		<u>\$8,000,000</u>
10. Profit Included in Energy Cost Adjustment		\$0
11. Energy Bill Credit (\$/mWh)	\$30.02	
12. Expected Avoided Energy Cost (\$/mWh)	<u>\$27.37</u>	
13. Expected Difference (\$/mWh)	\$2.65	
14. Total Generation for all Sources (mWh)	<u>1,800,000</u>	
15. Expected Difference in Avoided Energy Costs		<u>\$4,770,000</u>
16. Total Energy Cost Adjustment		<u>-\$4,770,000</u>
17. Total Summer Peak Capacity Requirement (MW)		4,205
18. Unit Energy Cost Adjustment (\$/MW)		-\$1,122.88

Note: The values shown on this example are for illustrative purposes only.

Effective: