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### Summary of Dramatic Increase in the NYMPA Billing for February & March 2014

January 2014 saw electricity prices soar to near all-time highs due to the extreme and extended cold weather coupled with natural gas prices increasing 20 times the rate it was in early December. Natural gas fuels most generators in New York State and that resulted in record levels for electricity prices. On January 6<sup>th</sup>, natural gas prices exceeded oil prices.

The cold spell caused a new record to be set in New York State for winter peaking load for electricity. On the evening of January 6<sup>th</sup>, PJM lost 3,000 Mw of Western Pa. & Ohio generation and Indian Point tripped bringing total generation unavailable in New York to 1,373 Mw. On January 7<sup>th</sup>, the NYISO set an all-time winter peaking load of 25,738 Mw breaking the 2004 record of 25,541 Mw.

NYMPA was faced with purchasing all of their supplemental energy in a dramatic supply and demand market. NYMPA had to take out a \$15 million line of credit to immediately cover their electricity cost to supply its members. Their weekly went from roughly \$1 million in the second & third weeks of January to \$7.9 million in week two and \$7.6 million in week three.

The Village of Akron NYMPA bill invoiced in January was \$129,046. Our February invoiced bill for supplemental power is \$290,764. This is an increase of \$161,718. The Village of Akron all-time high demand for supplemental power occurred in February 2009 with a 11,772 KW and a cost of \$183,186. Our January 2014 peak demand was 11,729 at the cost of \$290,764.

Today, Tammy Anderson just received the final electric bill used to calculate the PPA for the March electric bills and the rate is \$0.058, up from the \$0.036 rate billed in February 2014. Therefore, our customers will see an increase in cost of their electric by \$0.022 per KWH. This is roughly a 39% increase. We have been told that this might remain this high for another month.