



OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

January 19, 2013

Members of the Public Service Commission:

Street Lighting expenditures for municipalities such as Syracuse, NY are burdensome and account for over 55% of the City's utility costs. On an annual basis, the City spends approximately \$4.5 million in street lighting. Due to existing electric tariffs there is little, if anything, the City can do to reduce street lighting costs, which eventually are passed down to the taxpayer.

National Grid has promoted their latest rate plan as a net decrease in electric delivery rates for certain customer classes. They have requested an electric rate increase of \$131 million that will be offset by the expiration of \$190 million in electric deferral surcharges for a net decrease of \$59 million. This is true for all customer classes **except street lighting and traffic signal delivery.**

Impacts of recent rate changes have been very favorable for large commercial/industrial customers with a 39-44% decrease in January 2012 and a proposed rate reduction of 5% in April 2013. Small commercial/industrial customers saw their bills decrease by 9-21% in January 2012 and a proposed 6.1% decrease in April 2013. Residential customer's rates averaged 11% reduction in 2012 with a 3.2% proposed reduction in April 2013¹.

Municipal Street Lighting has only seen **rate increases** during the years 2005-2012 (see Table 1). The delivery charge per kWh for street lighting was 5.1¢ in 2006. In 2012 the delivery charge was 9.1¢ per kWh (includes deferral recovery), a 78% increase in 7 years.

¹ Information from National Grid website.

Table 1

Syracuse NY Costs for Delivery & Facility Charges for Street Lighting

Year	Delivery & Facility Charges	kWh
2005	\$2,990,181	14,373,415
2006	\$3,202,354	14,115,666
2007	\$3,098,452	14,106,658
2008	\$3,215,377	14,182,420
2009	\$3,234,068	14,242,517
2010	\$3,567,130	14,431,704
2011	\$3,713,407	14,353,105
2012	\$3,876,972	14,409,994
2013	<i>\$3,927,040</i>	<i>14,409,994</i>
2014	<i>\$4,062,694</i>	<i>14,409,994</i>
2015	<i>\$4,092,793</i>	<i>14,409,994</i>

There is a .25% increase in kWh and a 36.9% increase in costs.

Municipal Street Lighting accounts are also facing a 13% increase in “Facility Charges”, a perpetual charge for existing facilities. The facility increase, as calculated by John Fiume from National Grid to the City is \$292,690 over a three year period.

At a minimum, we would like to request the Commission consider lowering Street Lighting and traffic signal delivery rates and Facility Charges back to 2006 levels. National Grid should not be raising rates on Street Lighting while decreasing rates for all other service classifications. There are no programs for municipalities to implement in an effort to lower these costs. The delivery rates for this **unmetered service** are not justifiable; especially when the rate is almost double what it is for a small business or residential customer.

While the impact on utility charges for traffic signals is not as large, it is an increase none the less. Percentage increases for the three year period total 3.11%, .56% and .14% respectively.

As all levels of government are facing budget deficits, the increasing cost of “keeping the lights on” has put more strain on limited revenues for local governments. Arbitrary rate increases on Street Lighting by National Grid affect all City taxpayers.

Net Impact on City Electric Accounts Over Next Three Years

	Year One	Year Two	Year Three	Total
Street Lighting	\$50,574	\$133,944	\$31,010	\$215,528

As a separate relevant municipal issue, we would like the Commission to re-address the state imposed Temporary Assessment rate class allocations to insure a more fair and equitable allocation as envisioned by our Governor and endorsed by other investor owned utilities under the regulatory authority of the NYS PSC. National Grid determines the charge by rate class and Street Lighting pays a much greater proportional share than other rate classes.

No other investor owned utility in NYS charges more than \$.003 per kWh for the ISAS charge for Street Lighting.

National Grid has assessed their Street Lighting Customers \$.00724 per kWh.

Accordingly, I ask that you consider the detrimental impact on financially distressed cities, such as Syracuse, and act to relieve that pressure.

Sincerely,

Stephanie A. Miner
Mayor