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Via Electronic Filing

December 27, 2013

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: CASE 13-_____ - Petition of the Village of Hamilton Municipal Utilities
Commission for Approvals to Create a Municipal Gas Distribution Utility.

Dear Secretary Burgess:

Enclosed for filing please find a Verified Petition of the Village of Hamilton Municipal Utilities Commission seeking the requisite authorizations to construct and operate a municipal gas distribution system. The Petition includes a motion for expedited treatment pursuant to 16 NYCRR Section 21.10. The Public Notice is attached as Exhibit 3 to the Petition. A completed Method of Service Form is also attached. The proposed tariff, Exhibit 2, because of its bulk, is being electronically submitted separately.

Respectfully submitted,

READ AND LANIADO, LLP
Attorneys for the Village of Hamilton
Municipal Utilities Commission

By: /s/ Kevin R. Brocks
Kevin R. Brocks
Konstantin Podolny

Enclosures

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 13-_____ - Petition of the Village of Hamilton Municipal
Utilities Commission for Approvals to
Create a Municipal Gas Distribution Utility

PETITION FOR ORDER GRANTING APPROVALS

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Dated: December 27, 2013
Albany, New York

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 13-_____ - Petition of the Village of Hamilton Municipal
Utilities Commission for Approvals to
Create a Municipal Gas Distribution Utility

PETITION FOR ORDER GRANTING APPROVALS

INTRODUCTION

The Village of Hamilton, acting through the Hamilton Municipal Utilities Commission (“Hamilton,” “Petitioner” or the “Village”) proposes to construct, own and operate a municipal gas utility (“the Project”). The Project will consist of a natural gas distribution pipeline system in the Village of Hamilton, Town of Eaton, Town of Madison and Town of Hamilton, Madison County, New York. The Project will consist of a distribution pipeline that will interconnect with the existing Tennessee Gas Pipeline (“TGP”) located north of US Route 20 (“Route 20”) near NYS Route 46 (“Route 46”) and Perkins Road in the Town of Eaton. The Project will provide natural gas to various users in the Village of Hamilton and adjacent towns, including the Community Memorial Hospital, the Hamilton Central School and Colgate University.

Hamilton hereby submits this Petition requesting the Commission (i) approve the exercise of franchises granted to Hamilton by the Towns of Eaton, Madison and Hamilton under Section 68 of the Public Service Law (“PSL”); (ii) approve the Customer Service Agreement (“CSA”) between Hamilton and Colgate University (“Colgate”) to be supplied as Exhibit 1 under Section 65 of the PSL; and (iii) approve the tariff applicable to all customers of Hamilton for gas service attached hereto as Exhibit 2 under Section 65 of the PSL. Hamilton is also requesting

expedited treatment of this Petition pursuant to Section 21.10(a) of the Commission's Rules and Regulations,¹ in order to commence construction activities in a timely manner. The Notice required by Section 21.10 is attached hereto as Exhibit 3. Correspondence and communications concerning this filing should be directed to:

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¹ 16 NYCRR § 21.10(a) (2010).

I. EXECUTIVE SUMMARY

A. Project Features

In order to realize significant financial and environmental benefits associated with increased use of natural gas, Hamilton is creating a municipally owned natural gas utility. The Project is the most significant regional economic development project in living memory. It is the fruit of an extraordinary cooperative effort between the Village of Hamilton and its resident world-renowned educational institution, Colgate University. The effort has been anxiously supported by prospective customers, such as the Hamilton Central School and the Community Memorial Hospital, as well as two major agricultural users and numerous other businesses and residents. The Project is also unique in its structure. Colgate's University Heating Plant ("boilers") is the "anchor customer." Colgate has agreed that Hamilton's rates for gas used in its boilers will fully cover the Village gas utility's revenue requirement. As other customers come online, and as other Colgate facilities come online, the University's boiler rates will flex down. Even in year 1, the University will save money by converting from fuel oil to natural gas. The savings are expected to grow dramatically as the customer base expands. Unlike other service area expansion proceedings, in this case projections of conversions are not an element of the Project analysis. The Colgate University Boiler CSA guarantees that Hamilton fully recovers its revenue requirement even if no other customers join up. Of course, given the economics, a lot of other customers, such as the School and the Hospital, the Colgate Inn and two large farms will convert to gas. But traditional PSL § 68 concerns, such as customer conversions and the "5 year rule," have no place here.

The Village of Hamilton is located in Madison County, New York, and is the home of Colgate University. Neither Hamilton, Colgate nor the neighboring Towns of Eaton or Madison currently has natural gas service.² Construction of the Project, which will be financed by Village municipal bonds, is expected to commence in the first quarter of 2014, and service to customers is expected to begin by September 1, 2014. The Bid Documents (bids are due January 23, 2014) require completion and commercial operation by August 29, 2014.

The Project will produce numerous local and statewide benefits. Locally, the Project will serve the Village and beyond, including Colgate University, the Hamilton Community Memorial Hospital, Hamilton schools, the Hamilton Airport Business Park, two large agricultural operations, and commercial and residential customers in the Village and adjoining towns. The Project will propel the revitalization of the Village's historic downtown district, as well as producing significant cost reductions to its customers. The University will benefit from reduced costs and substantially reduced emissions.

On a statewide level, the Project will reduce the use of less efficient heating fuels and promote the use of natural gas, in furtherance of both the Commission's and the State's explicit objectives. In addition, the Project will reduce air pollutants and regional greenhouse gas emissions by expanding the use of natural gas.

B. Gas Supply

The Project will operate as a merchant, buying gas supplies on the interstate market and reselling gas to ultimate consumers. During July 2013, Hamilton solicited bids for a gas

² The New York State Electric & Gas Corporation ("NYSEG") does serve some customers in the Village of Morrisville, which is located in the Town of Eaton. However, Hamilton's service territory is far from Morrisville and will not overlap with NYSEG's.

acquisition manager and selected Hess Corporation (“Hess” or “Direct Energy”).³ Hamilton’s supplies initially will be purchased at the Iroquois Market Center, and transported on Iroquois Gas Transmission System, L.P. (“Iroquois”), and Tennessee Gas Pipeline Company, L.L.C. (“TGP”), under firm capacity that will be held under contract by the Village. Hamilton and TGP will construct interconnecting facilities as part of the Project. Hamilton expects its initial interstate supply arrangements will change within a year due to expanded capacity of the interstate pipeline grid when the proposed Constitution Pipeline goes into service. At that point, Hamilton expects to purchase supplies at the Wright Market Center, enabling Hamilton to eliminate its transportation arrangements with Iroquois and lower the delivered cost of gas to its city-gate, thereby bringing even more savings to its customers. Direct Energy will broker Hamilton’s supplies and manage its interstate pipeline contracts, including capacity nominations and load balancing. Hamilton’s commodity (gas supply) transactions will be with Direct Energy. Hamilton’s transportation transactions will be with Iroquois and TGP. The Village has worked and will work with Staff to assure the most reliable and cost effective supply arrangements.

C. The Project’s History

In the Summer of 2009, Colgate approached the Village to gauge the Village’s interest in establishing a municipal natural gas utility. The Village has been in the utility business for over 100 years. Its Municipal Utilities Commission supplies electric, water and wastewater utilities. The University and the Hospital agreed to help defray the upfront exploratory costs of the Natural Gas Project. A preliminary feasibility study published in June 2011 concluded the gas utility potentially made sense for the community. Public outreach, environmental studies,

³ Hess’ energy marketing business during November 2013 was purchased by Direct Energy Business, LLC, a North American subsidiary of Centrica PLC.

supplier and pipeline discussions followed. In preparation for the requisite public referendum, a well-attended public meeting—one of many—was held in February 2012. The Village voters, in a public referendum held in April 2012 pursuant to General Municipal Law § 360, supported the creation of the gas utility by a vote of 240 yeas to only 86 nays. The Village has held numerous information sessions and met repeatedly with potential customers. During the whole process, the Village worked closely with Colgate and other potential customers to sharpen estimates of loads, hourly peaks, costs and timing. The discussions between the Village and Colgate not only led to Colgate providing \$100,000 to support upfront costs, but also led to an Agreement, dated July 29, 2013, pursuant to which Colgate guaranteed to cover the Village's costs of project development even if the project is delayed or canceled.

The outstanding and indeed astounding cooperation between the Village and the University speaks not only to a model “town and gown” relationship, it testifies to the profound need for this Project. The public wants this Project. The University has gone to great lengths to enable this Project. The University is now in the process of converting its boilers from #6 oil to natural gas. The resulting emissions reductions and air quality improvements are significant. The Village and University have devised a Project that guarantees savings to all participating customers without putting the Village taxpayers at risk.

The Village has so far financed the Project through BANs. The Village Board, having issued a Negative Declaration under SEQRA, passed a Bond Resolution for \$6 million at its December 17, 2013 Board Meeting. The bid package for construction was issued December 12, 2013 and bids are due January 23, 2014. We anticipate that offsite fabrication of the city gate will start in February, 2014. The Project must be in commercial operation before the end of August, so that testing can be complete and service up and running by September 2014. The

Village this month will be sending a significant check to TGP to assure that the city gate pipeline tap is ready in plenty of time. The application for a wetlands permit was filed on December 2, 2013, a copy of which was provided to Staff. The SHPPO no impact letter has been received and provided to Staff. The Franchises are in place, easements in hand, training underway and expectations high.

II. HAMILTON REQUESTS APPROVAL UNDER PSL § 68

Pursuant to the General Municipal Law, the Village does not need Commission approval to provide service in the Village. The Village is seeking approval to exercise the franchises granted to it by neighboring towns to provide service to customers in those towns.

Section 68 of the PSL provides in relevant part:

No municipality shall build, maintain and operate for other than municipal purposes any works or systems for the manufacture and supplying of gas or electricity for lighting purposes without a certificate of authority granted by the commission.⁴

The Commission's regulations prescribe the information that must be submitted before approval is granted. Each item is addressed in turn below.

A. Description of the Territory

16 NYCRR § 21.3 (a) requires an Applicant to show by competent evidence:

(a) Description and population of the territory within which it proposes to exercise authority granted by the franchise or consent and to begin construction, including the names of all cities, towns and villages; also the dates when construction will begin and service will be provided.

⁴ New York Public Service Law § 68 (McKinney Supp. 2011).

Hamilton is a Village located within the Town of Hamilton in Madison County, New York. It covers an area of approximately 2.5 square miles, and has an estimated population of 4,197. The Town of Hamilton is a Town in Madison County, New York. It covers an area of approximately 41.4 square miles, and has an estimated population of 6,690. The Town of Hamilton southern border line is the border of Madison County and Chenango County, New York. The Town of Eaton is a Town in Madison County, New York. It covers an area of approximately 45.6 square miles, and has an estimated population of 5,255. The Town of Madison is a Town in Madison County, New York. It covers an area of approximately 41.4 square miles, and has an estimated population of 3,008 as of the 2010 Census. With the exception of a remote portion of the Town of Eaton, far removed from this Project, none of the above currently has gas service. Construction of the Project is expected to commence in the first quarter of 2014, and service to customers is expected to be available in September of 2014. Customers in the towns are likely to obtain service along the route—indeed that is part of the reason the route was chosen.

B. Description of the Project and Estimated Cost

16 NYCRR § 21.3 (b) requires an Applicant to show by competent evidence a “[d]escription of the plant and system to be constructed and the estimated cost thereof.” The Applicant proposes to install the Project beginning North of the Village at an interconnect with the Tennessee Gas Pipeline located near Route 46 and Perkins Road in the Town of Eaton. A distribution pipeline system will be constructed in a generally southerly direction to and through the Village, ending at the southerly edge of the Village at properties owned by Colgate University (see Figures 1 and 2 in Exhibit 4). The Project is underground, with the exception of the “City Gate” site located at the interconnect with Tennessee Gas Pipeline. At that location,

several buildings will be constructed housing metering, regulating, and controls equipment. Additional above ground equipment typical of all City Gate sites will include valves, gas heater, relief valve, etc. The City Gate is designed to receive gas from Tennessee Gas Pipeline at approximately 760 psig and will be reduced to the Village system Maximum Allowable Operating Pressure of 100 psig, although it is intended that the initial normal operating pressure of the Village system will be 60 psig. A detailed description of the Project is attached hereto as Exhibit 5. As first constructed, the Project will likely provide service to a farm complex in the Town of Eaton, the Hamilton Municipal Airport, commercial and residential customers, such as the Madison Market Place, in the Town of Madison, the Hamilton Central School, potential users north and south along Madison Street in the Village, a farm complex along Smith Road in the Town of Eaton, the Hospital, the University Field House and the University's boilers, which is located on the east side of Route 12B, and University housing.

Additional laterals off the main pipelines will likely be installed as new customers convert from the use of existing fuels and are brought on to the distribution system over time. Those laterals that are reasonably anticipated to be added in the future are shown on Figures 1 and 2 of Exhibit 4 as "dashed" lines to distinguish them from the main pipeline. All of the laterals, including those discussed previously above are shown as dashed lines.

Project Costs

The Project is expected to cost approximately \$6 million. A detailed description of the anticipated costs is attached hereto as Exhibit 6.

C. Project Financing

16 NYCRR § 21.3 (c) requires an Applicant to show by competent evidence:

The manner in which the cost is to be financed. If the municipality is to be bonded, there shall be submitted a certified copy of the proposition submitted to the voters and the vote thereon.

The Project will be financed by the issuance of municipal bonds by Hamilton, bond anticipation notes (“BANs”), customer contributions, and any other grants and other financial assistance as may be available. To date, \$1.6 M in BANs were issued on November 15th, 2013. These BANs will mature on May 15, 2014. The Village Board adopted a bond resolution for \$6 million at its December 17, 2013 meeting that is subject to a permissive referendum. The present plan is to issue bonds on or about May 2014, depending on market conditions. The Village is currently rated A1 by Moody's. The Village's issuance of bonds to finance the Project is not subject to Commission jurisdiction.

D. The Rates to Be Charged

16 NYCRR § 21.3 (d) requires an Applicant to show by competent evidence “the rates to be charged for the classes of service rendered.” This Application contains two distinct categories of rates that Hamilton will charge its customers. The first is the CSA executed between Hamilton and Colgate, which embodies the rates Colgate agrees to pay for its boiler fuel. The second is the generic tariff, which will be applicable to all other Hamilton customers. Both of these rates should be approved under PSL §65 because they are just and reasonable and not discriminatory.

Colgate CSA

The Colgate CSA, which will be supplied upon formal execution, should be approved because it represents an arms-length transaction between two commercially sophisticated parties,

contains just and reasonable rates, and is indispensable to the commercial success of the Project. The CSA provides that Colgate will purchase the entirety of its gas requirements for boiler use from Hamilton for the 20-year term of the CSA. Colgate has agreed to pay Hamilton an annual customer charge in addition to a monthly usage charge. The CSA is structured in such a way that Hamilton's total revenue requirement will always be met. As additional customers connect to the Project, Colgate's boiler fuel gas price under the CSA will be proportionately reduced.

By entering into the CSA, Colgate is realizing significant savings in its boiler heating costs, as well as achieving significant reductions in its emissions. Even if no other customer is ever connected to the Project, the savings to Colgate remain significant. For that reason, the CSA represents just and reasonable rates, and should be approved by the Commission. The CSA is in the final stages of drafting and will be submitted to the Commission as soon as it is fully executed.

The Tariff

The Tariff, attached hereto as Exhibit 2, embodies the rates that will be applicable to all other customers of Hamilton. The Tariff should be approved because the rates contained therein are just and reasonable. The rates were developed using an average of presently available upstate gas rates. This average rate was adjusted to reflect that the Project is a brand new system, and that the city gate gas costs may be higher than that of other utilities, because of Hamilton's size, location and load factor. Because it is impossible to forecast sales on such a system, this is the most fair way that is available to set rates for the Project. The initial rates were designed through an iterative process, considering costs, regional utility rates, and fairness. (Rates are set out in Exhibit 10). The initial rates consist of a customer charge, a usage charge and a GAC. The customer charge differs between the large customer class (over 5,000 Dth per

month) and small customers. The rates were designed to be approximately equal among all customers. The crucial element of this Project, however, as we have stressed repeatedly, is that Colgate's boiler rate (the rate in the CSA) is a variable rate that may flex up or down to guarantee recovery of the revenue requirements for the Village gas operations. That allows all other rates to be fixed. Our projection, assuming a certain level of conversions, is that all customer rates will converge around the \$16 per Dth level by year 5 of the project build out. Because of the unique Colgate boiler rate, projections of customer conversions are not crucial.

The Village is working with customers to explore options concerning conversions. One open item is whether the utility should waive the Customer Charge for a given period of time, for example 18 months, for all customers that convert by a date certain, such as December 31, 2014. Such an incentive may help customers make the conversion to natural gas, which helps all customers, including the Colgate boiler account. We ask the Commission to give the Village the flexibility to provide such an incentive if discussions with customers lead the Village to conclude that it is both fair and warranted.

The Tariff is modeled on recently filed initial gas utility tariffs, and complies in all respects with the Commission's regulations governing gas service.

The Village requests a waiver, at least for the first five years, of Part 230 of the Commission's Regulations regarding extensions of mains and services. The Village has carefully considered the route of its mains, using, *inter alia*, interviews with potential customers and two separate surveys. The proposed layout is a balancing of customer needs and resources. The Village does not and will not have "extra" surplus resources to extend mains at its own expense. With respect to services, the Village intends to install at its own expense all customer

services, and as noted above is considering incentives to grow customer load. The utility should not, however, be subject to any arbitrary requirements to provide a certain number of feet of mains and services for “free.” As an entirely new enterprise, the Village gas utility must proceed cautiously and prudently. The Village is bonding the entire capital costs of the Project. It does not have the means of financing additional capital to meet new extension requests without borrowing. The Commission should not force the Village to do so. Instead, the Commission should permit the Village to make such service extensions as are in its judgment prudent.

The University will also convert a number of its other facilities from heating oil to natural gas. The more it converts the more it saves. The School, Hospital and Colgate Inn will convert to natural gas and reap significant savings. Two large agricultural operations will convert their operations, including grain dryers, from propane to natural gas. Other commercial customers will convert from oil and propane to natural gas.

E. Revenues and Expenses

16 NYCRR § 21.3 (e) requires an Applicant to show by competent evidence:

Estimated revenues to be derived from operations covered by the petition, and the estimated expenses of such operations, each to be complete and in detail for each of the first three years of service; also estimate made from an actual survey of the territory of the number of prospective customers at the end of the first, second and third years of service showing for each date the number of prospective customers in the residential, commercial and industrial classes of service.

The revenues and expenses for the Project have been calculated using the most conservative assumptions. The detailed estimates, including projections of customer growth are attached hereto as Exhibit 7. The pro forma projections cover the first six years of operations.

F. Economic Feasibility

16 NYCRR § 21.3 (f) requires an Applicant to show by competent evidence:

The facts upon which it relies to entitle it to exercise the rights and privileges petitioned for, including evidence of the economic feasibility of the enterprise, proof of the applicant's ability to finance the project and to render adequate service and that the proposal is in the public interest.

As described above, due to the unique relationship between Hamilton and its “anchor customer” Colgate, the economic feasibility of the Project is guaranteed. The CSA was structured in such a way as to ensure that Hamilton will recover the entirety of its yearly revenue requirement, even if no customers beyond Colgate ever connect to the system. Colgate will still realize significant economic benefits from the arrangement.

Hamilton is able to provide adequate service. It has been providing utility service to its customers since 1895. The Hamilton Municipal Utilities Commission currently provides electric service to Village residents at some of the lowest rates in the State. The Village is currently cross training its staff, as well as hiring additional qualified employees to operate the Project. As necessary, the Village may turn to qualified contractors to help with the system start-up. In addition to qualified design engineers, the Project Team includes a veteran gas utility operator and other industry veterans to help with all aspects of design, training and start-up, gas supply, etc. In addition, the Village is developing all required procedures and manuals for the Project’s operations and has been working, and will continue to work, with Staff to ensure that all operating procedures are in place and up to date.

The Project Is in the Public Interest.

The State's and Commission's policy is to expand natural gas service. The Project should be approved because it is in the public interest. The Project represents a significant economic development effort among municipal and private entities, which will result in economic and environmental benefits.

In 2012, at the direction of Governor Cuomo, the New York Energy Highway Task Force issued the New York Energy Highway Blueprint ("Blueprint"). The Blueprint contained 13 recommended actions designed to advance the Governor's goal of modernizing New York's statewide energy system.⁵ One of those recommended actions was to "accelerate investments in natural gas distribution to reduce cost to customers and promote reliability, safety, and emission reductions."⁶ The Blueprint recommended that \$500 million be spent to upgrade the gas distribution system in the State by 2017.⁷ To that end, the Blueprint charged the Commission with developing a natural gas expansion policy and subsequently promoting projects replacing existing aging gas infrastructure, as well as expanding the distribution system to promote the conversion of heating customers from oil to natural gas.⁸

In response to the Blueprint's mandate, the Commission initiated a proceeding to review existing regulations and policies that may reduce the availability of natural gas to customers in New York. The Commission reiterated that "natural gas is cleaner than other fossil fuels used

⁵ Blueprint at 55. Available at: <http://www.nyenergyhighway.com/PDFs/BluePrint/EHBPPT/>

⁶ *Id.* at 57.

⁷ *Id.*

⁸ *Id.* at 66.

for home heating and under current market conditions costs a third as much.”⁹ The Commission also noted that:

New York State is well-located geographically to take advantage of existing and newly developed natural gas supplies located outside our State but which, when competitively-priced, are available to supply customers within the State. New York’s location relatively close to these new sources of supply could provide the State a competitive advantage in attracting and retaining employers concerned about costs of, and access to, a reliable source of energy. In addition, consumers may enjoy significant savings in household fuel expenses which in turn could benefit the State’s economy to the extent that households redeploy those savings.¹⁰

The Commission also extolled the environmental benefits of natural gas, stating, *inter alia*, that natural gas produces emission reductions in particulate matter, nitrous oxide, sulfur dioxide, and carbon dioxide.¹¹ In addition to environmental benefits, the Commission stated that expansion of natural gas use would promote economic development in the State and enhance reliability of the State energy system.¹² The Project is in the public interest because it achieves all of these goals and produces benefits, both locally and across the State.

III. STATE ENVIRONMENTAL QUALITY REVIEW ACT

This Project is classified as a New York State Environmental Quality Review (“SEQR”) Type I Action in accordance with 6 NYCRR Part 17.20 with the Village of Hamilton acting as the Lead Agency. On October 30, 2013, the Village as Lead Agency issued a Negative Declaration for this Project (attached hereto as Exhibit 8).

⁹ See, Case 12-G-0297, *Proceeding on Motion of the Commission to Examine Policies Regarding the Expansion of Natural Gas Service*, Order Instituting Proceeding and Establishing Further Procedures (issued November 30, 2012) at 1–2.

¹⁰ *Id.*

¹¹ *Id.* at 4.

¹² *Id.* at 4–5.

Hamilton is also actively engaged in acquiring all other permits needed for the construction and operation of the Project. The Table below lists each permit required for the construction and operation of the Project, and its current status.

Agency	Permit, Review or Approval	Status
State		
NYSDEC	Freshwater Wetlands Permit	Joint Application filed on December 4, 2013
	SPDES General Permit for Storm Water Discharges from Construction Activities	
NYPSC	Sections 68 and 65 approvals	Pending
New York State Department of Transportation	Road Work Permits / Use and Occupancy Permit	Pending
Office of Parks, Recreation and Historic Preservation	No Impact Letter	Received on November 19, 2013
Local		
Madison County Highway Department	Road Work Permit	Pending
Towns of Eaton, Madison, and Hamilton.	Franchises	Attached as Exhibit 9.
	Road Work Permits	Pending

CONCLUSION

Based on the foregoing, Hamilton respectfully requests that the Commission issue an order granting Hamilton the approvals requested herein.

Respectfully submitted,

READ AND LANIADO, LLP
Attorneys for the Hamilton Municipal
Utilities Commission

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Dated: December 27, 2013
Albany, New York

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 13-_____ - Petition of the Village of Hamilton
Municipal Utilities Commission for Approvals to Create a
Municipal Gas Distribution Utility.


STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

VERIFICATION

KEVIN R. BROCKS, being duly sworn deposes and says: (1) that he is the attorney for the Village of Hamilton Municipal Utilities Commission, (2) that he has read the foregoing Petition and knows the contents thereof; that the same is true to his own knowledge, except as to the matters stated therein to be upon information and belief, and as to those matters he believes them to be true.


Kevin R. Brocks

Sworn to before me this
27th day of December, 2013



Notary Public

KONSTANTIN PODOLNY
Notary Public, State of New York
Qualified in Albany County
No. 02PO6230727
Commission Expires Nov. 08, 2014

EXHIBIT 1

**THIS EXHIBIT WILL BE SUPPLIED ONCE
IT IS DULY EXECUTED BY THE PARTIES**

EXHIBIT 2

**THIS EXHIBIT IS BEING SUBMITTED BY
SEPARATE ATTACHMENT**

EXHIBIT 3

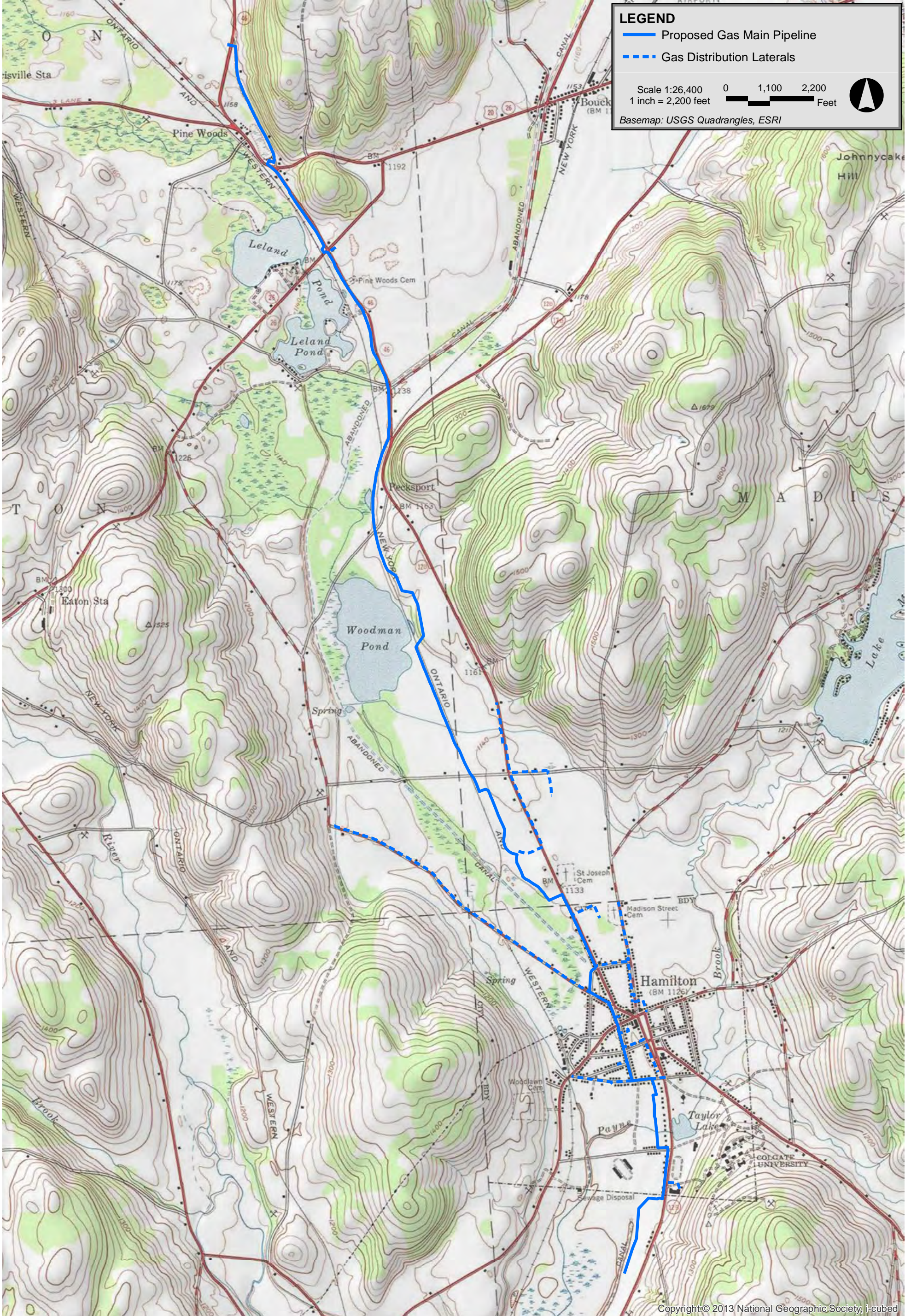
NOTICE

PLEASE TAKE NOTICE that on or about December 27, 2013, Hamilton Municipal Utilities Commission (“Applicant”) filed a petition with the New York Public Service Commission (“NYPSC”) for approvals to construct, own and operate a municipal gas utility (“the Project”). The Project will consist of a natural gas distribution pipeline system in the Village of Hamilton, Town of Eaton, Town of Madison and Town of Hamilton, Madison County, New York. The Project will consist of a distribution pipeline that will interconnect with the existing Tennessee Gas Pipeline located north of US Route 20 near NYS Route 46 and Perkins Road in the Town of Eaton. The Project will provide natural gas to various users in the Village of Hamilton and adjacent towns, including the Community Memorial Hospital, the Hamilton Central School and Colgate University. The Applicant has requested that the NYPSC approve the exercise of franchises granted to Hamilton by the Towns of Eaton, Madison and Hamilton; approve the Customer Service Agreement between Hamilton and Colgate University; and approve the tariff applicable to all customers of Applicant for gas service.

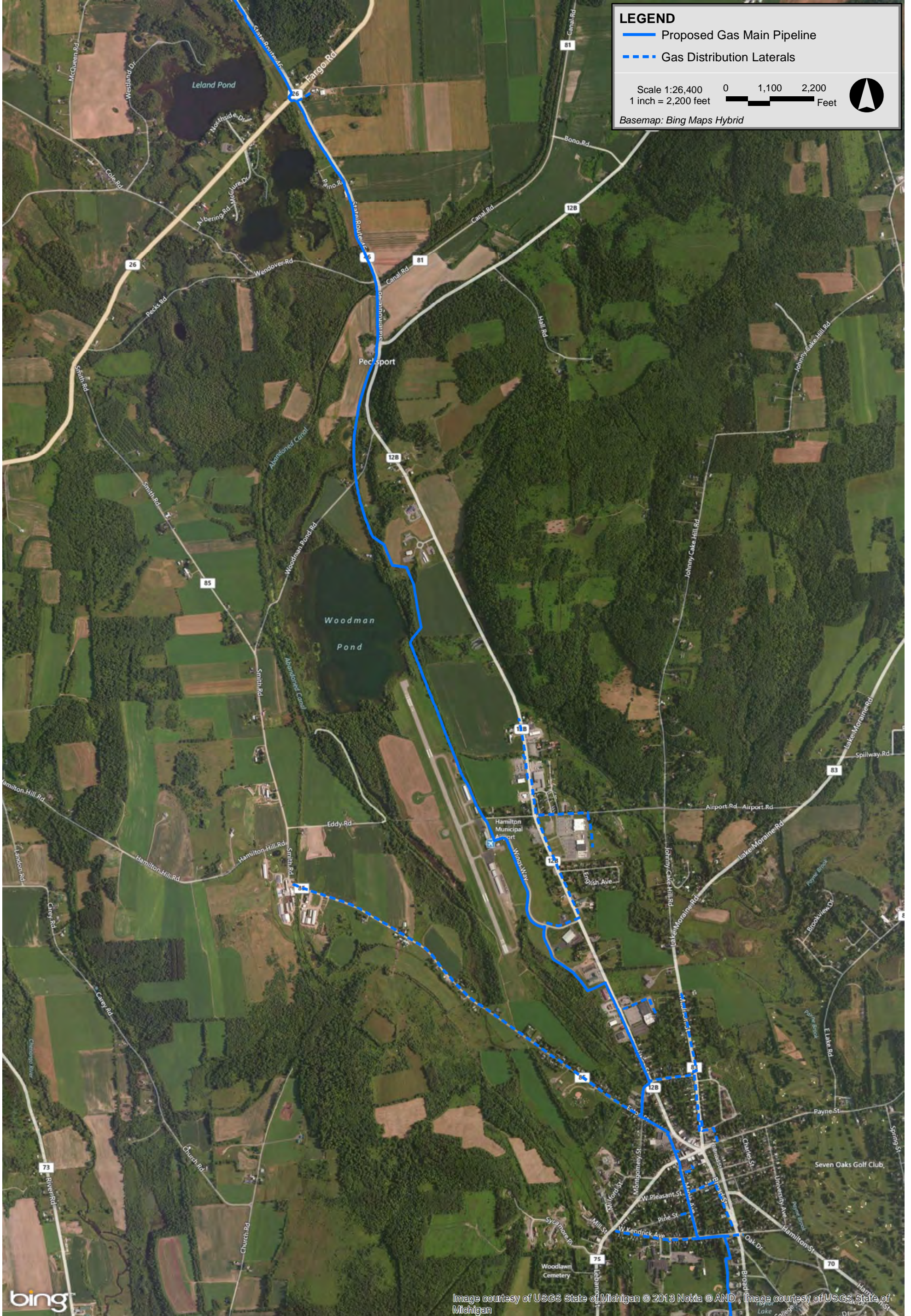
The applicant has moved that the public hearing required by the Public Service Law be held before the NYPSC on the basis of the application and such exhibits, prepared testimony and any other information as may have been filed by any party or staff counsel, and that oral testimony not be taken.

Any person opposed to the granting of the franchise, or wishing to comment on the petition should, within 10 days of the date of the publication of this notice, notify in writing the secretary of the Public Service Commission at Agency Building 3, Empire State Plaza, Albany, NY 12223, or by email to secretary@dps.ny.gov of the reasons for the opposition.

EXHIBIT 4



Natural Gas Distribution Pipeline - Village of Hamilton Madison County, New York



Natural Gas Distribution Pipeline - Village of Hamilton Madison County, New York

EXHIBIT 5

The site for the gate station is located immediately adjacent to Route 46 and on the west side of Perkins Road. From the gate station location the pipeline would be installed within a four to five feet deep trench under Route 46 and continue east to Perkins Road where it will be installed along the shoulder of Perkins Road. The pipeline will be routed south approximately 3,500 feet to Route 20. From there, it would continue a short distance (approximately 200 feet) along the north side of Route 20 within the ROW before crossing under Route 20/46 just west of the intersection of the two state highways (Routes 20 & 46).

From there the pipeline would be installed along the west side of Route 46 from the intersection south approximately 2,700 feet to the intersection of Route 46 and New York State Route 26 where it will cross under the west side of the intersection. After crossing under the intersection, a two (2) inch service lateral pipeline will tap the main pipeline and run under Route 46 approximately 400 feet to a farm complex on the east side of Route 46. The main pipeline would continue south along the west side of Route 46 approximately 3,800 feet before crossing under the former Chenango Canal using directional drilling technology, and continuing another 1,000 feet to a location just west of the intersection of Routes 46 and 12B.

From the location just west of the intersection of Routes 46 and 12B, the main pipeline will be installed within an abandoned railroad bed along the route of the former New York Ontario and Western Railway (also identified as the "Chenango Canal Heritage Trail"). The route will proceed in a southerly direction within the railroad bed crossing under Woodman Pond Road for a distance of approximately 4,100 feet where the pipeline route will turn for a short distance to the south and then the southwest to cross under the Chenango Canal Heritage Trail and follow along the eastern edge of Hamilton Municipal Airport property. At this point, the pipeline will be directionally drilled under the Madison Feeder Canal. The pipeline route will continue south along the ROW for approximately one (1) mile to Airport Road where the pipeline will be installed approximately 2,000 feet along an access road (Wings Way) to the airport.

The pipeline is then routed south from Wings Way primarily along a driveway behind commercial properties along Route 12B. A smaller diameter (4 inch) lateral will be installed along Wings Way to Route 12B where it continues under Route 12B to the east side of the road.

From the east side of Route 12B, a two (2) inch service lateral will run north to serve commercial and residential customers, such as the Madison Market Place, in the Town of Madison. The lateral will be directionally drilled under the Madison Feeder Canal.

The main gas pipeline will continue south along the driveway, then be routed in an easterly direction to the west side of Route 12B (aka Utica Street in the Village), where it will be installed along the west side of the road approximately 2,000 feet to Montgomery Street. The main gas pipeline will be installed along Montgomery Street to Eaton Street, then to Maple Avenue where it will continue to West Kendrick Avenue at which point it will be divided into two separate, smaller four (4) to six (6) inch pipes, one proceeding west along West Kendrick Avenue to Lebanon Street, the other east along West Kendrick. A lateral off of the pipeline on West Kendrick Avenue will serve the Hamilton Central School. A

smaller lateral pipeline will be installed along Wylie Street to Madison Street where it will branch to serve potential users north and south along Madison Street. In addition to these laterals, a two (2) inch service lateral pipe may be routed northwest along Eaton Street to Smith Road (Eaton Street becomes Smith Road in the Town of Eaton) to a farm complex along Smith Road.

From West Kendrick Avenue the smaller pipe will be installed to, and then along Lebanon Street to College Street. The main pipeline will be installed a short distance east along West Kendrick Avenue, then due south behind a row of fraternity houses and other structures along Route 12B, crossing under College Street to Colgate University. Laterals off the pipeline will serve the Hospital, the University Field House and the University heating plant, which is located on the east side of Route 12B. A smaller pipe will continue south to serve University housing along the east side Route 12B.

Additional laterals off the main pipelines will likely be installed as new customers convert from the use of existing fuels and are brought on to the distribution system over time.

EXHIBIT 6

Hamilton Municipal Gas System Estimated Cost of Completion

	Legal	Environmental	Rates/ Regulatory	Gas Supply	Engineering	New Equipment	City Gate	Distribution System	Other	Contingency @ 15%	Total	Cumulative Total
Costs through 2011	\$ 64,570	\$ 26,743	\$ 34,173						168		\$ 125,654	\$ 125,654
2012												
Q1	\$ 24,450	\$ 21,133							\$ 1,396		\$ 46,979	\$ 172,633
Q2	\$ 12,020	\$ 5,514							\$ 1,619		\$ 19,153	\$ 191,786
Q3	\$ 5,086		\$ 17,200								\$ 22,286	\$ 214,072
Q4	\$ 23,982	\$ 6,123	\$ 2,640		\$ 528				\$ 3,768		\$ 37,041	\$ 251,113
2013												
Q1	\$ 45,438	\$ 36,588	\$ 25,036	\$ 19,869	\$ 116,444				\$ 3,278		\$ 246,652	\$ 497,765
Q2	\$ 45,438	\$ 46,706	\$ 10,717	\$ 10,862	\$ 46,417				\$ 12,035	\$ -	\$ 172,175	\$ 669,940
Q3 - Paid to Date	\$ 10,340	\$ 52,472	\$ -	\$ 1,788	\$ 37,970					\$ -	\$ 102,570	\$ 772,510
Q3 - September Forecast	\$ 20,000	\$ 17,500	\$ 20,000	\$ 26,675	\$ 42,030					\$ -	\$ 126,205	\$ 898,715
Q4	\$ 30,000	\$ 17,500	\$ 25,000	\$ 19,388	\$ 83,000					\$ -	\$ 174,888	\$ 1,073,603
2014												
Q1	\$ 30,000		\$ 35,000	\$ 2,750	\$ 40,000	\$ -	\$ 465,000	\$ 1,450,000		\$ 287,250	\$ 2,310,000	\$ 3,383,603
Q2	\$ 30,000		\$ 12,500	\$ 2,063	\$ -		\$ 465,000	\$ 1,450,000		\$ 287,250	\$ 2,246,813	\$ 5,630,416
Q3	\$ 30,000		\$ 10,000	2063	\$ 40,000	\$ 250,000				\$ 37,500	\$ 369,563	\$ 5,999,979
Q4					\$ 40,000					\$ -	\$ 40,000	\$ 6,039,979
	\$ 371,324	\$ 230,278	\$ 192,266	\$ 85,458	\$ 446,389	\$ 250,000	\$ 930,000	\$ 2,900,000	\$ 22,264	\$ 612,000	\$ 6,039,979	

Note: Numbers through August 2013 are actual.
 Prepared by: Frank Radigan, Hudson River Energy Group
 Date: 9-Aug-13

EXHIBIT 7

Village of Hamilton
Example of Gas Department Rate Setting Process

LOAD	2014		2015		2016		2017		2018		2019		2020	
	Dth	\$/Dth	Dth	\$/Dth	Dth	\$/Dth	Dth	\$/Dth	Dth	\$/Dth	Dth	\$/Dth	Dth	\$/Dth
Colgate - Boiler Fuel	55,874		55,874		55,874		55,874		55,874		55,874		55,874	
Colgate Non-Boiler Fuel	6,352		6,352		15,641		15,641		24,929		24,929		24,929	
Village - Non-Colgate	31,107		31,107		37,514		37,514		43,920		43,920		43,920	
Non-Village	0		0		3,750		3,750		7,500		7,500		7,500	
Total	93,333		93,333		112,779		112,779		132,223		132,223		132,223	
REVENUE REQUIREMENT														
Annual Debt Payment (\$6 million at 4%)	\$ 441,491		\$ 441,491		\$ 441,491		\$ 441,491		\$ 441,491		\$ 441,491		\$ 441,491	
Property Taxes	\$ -		\$ 50,000		\$ 100,000		\$ 100,000		\$ 150,000		\$ 150,000		\$ 150,000	
O&M	\$ 166,227		\$ 361,303		\$ 383,210		\$ 390,586		\$ 402,304		\$ 414,373		\$ 426,804	
Purchased Gas Cost @ \$8.61 per Dth. It assumed that the GAC is zero every year	\$ 803,597		\$ 803,597		\$ 971,027		\$ 971,027		\$ 1,138,440		\$ 1,138,440		\$ 1,138,440	
Annual Revenue Requirement	\$ 1,411,315		\$ 1,656,391		\$ 1,895,728		\$ 1,903,104		\$ 2,132,235		\$ 2,144,304		\$ 2,156,735	
REVENUES FROM CUSTOMERS BY CLASS														
Boiler Fuel (# 1)														
Customer Charge Revenues @ \$60,000	\$ 720,000		\$ 720,000		\$ 720,000		\$ 720,000		\$ 720,000		\$ 720,000		\$ 720,000	
Boiler Fuel Usage Rate = See Below	\$ (256,914)		\$ (11,838)		\$ (14,824)		\$ (7,448)		\$ (20,617)		\$ (8,548)		\$ 3,883	
Revenue Credit (50% of previous years fixed charges to large and small customers)			\$ (144,631)		\$ (144,631)		\$ (219,524)		\$ (219,524)		\$ (294,411)		\$ (294,411)	
Purchased Gas Charge @ \$8.61/Dth	\$ 481,075		\$ 481,075		\$ 481,075		\$ 481,075		\$ 481,075		\$ 481,075		\$ 481,075	
Total Revenues	\$ 944,162	\$ 16.9	\$ 1,044,606	\$ 18.7	\$ 1,041,620	\$ 18.6	\$ 974,103	\$ 17.4	\$ 960,934	\$ 17.2	\$ 898,116	\$ 16.1	\$ 910,547	\$ 16.3
Large Customers (4 at year one)														
Customer Charge Revenues @ \$1,500	\$ 72,000		\$ 72,000		\$ 72,000		\$ 72,000		\$ 72,000		\$ 72,000		\$ 72,000	
Usage Rate @ \$5.8/Dth	\$ 217,262		\$ 217,262		\$ 217,262		\$ 217,262		\$ 217,262		\$ 217,262		\$ 217,262	
Purchased Gas Charge @ \$8.61/Dth	\$ 322,522		\$ 322,522		\$ 322,522		\$ 322,522		\$ 322,522		\$ 322,522		\$ 322,522	
Total Revenues	\$ 611,784	\$ 16.3	\$ 611,784	\$ 16.3	\$ 611,784	\$ 16.3	\$ 611,784	\$ 16.3	\$ 611,784	\$ 16.3	\$ 611,784	\$ 16.3	\$ 611,784	\$ 16.3
Small Customers														
Customer Charge Revenues @ \$35					\$ 24,360		\$ 24,360		\$ 48,720		\$ 48,720		\$ 48,720	
Usage Rate @ \$6.45/Dth					\$ 125,427		\$ 125,427		\$ 250,841		\$ 250,841		\$ 250,841	
Purchased Gas Charge @ \$8.61/Dth					\$ 167,430		\$ 167,430		\$ 334,843		\$ 334,843		\$ 334,843	
Total Revenue					\$ 317,217	\$ 16.3	\$ 317,217	\$ 16.3	\$ 634,403	\$ 16.3	\$ 634,403	\$ 16.3	\$ 634,403	\$ 16.3
All Customers														
Monthly Fee	\$ 792,000		\$ 792,000		\$ 816,360		\$ 816,360		\$ 840,720		\$ 840,720		\$ 840,720	
Usage Rate Revenues	\$ (39,651)		\$ 205,425		\$ 327,865		\$ 335,241		\$ 447,486		\$ 459,555		\$ 471,986	
Purchased Gas Revenues	\$ 803,597		\$ 803,597		\$ 971,027		\$ 971,027		\$ 1,138,440		\$ 1,138,440		\$ 1,138,440	
Total Revenues	\$ 1,555,946	\$ 16.7	\$ 1,656,391	\$ 17.7	\$ 1,970,621	\$ 17.5	\$ 1,903,104	\$ 16.9	\$ 2,207,121	\$ 16.7	\$ 2,144,304	\$ 16.2	\$ 2,156,735	\$ 16.3
Boiler Fuel Usage Rate														
Revenue Requirement	\$ 1,411,315		\$ 1,656,391		\$ 1,895,728		\$ 1,903,104		\$ 2,132,235		\$ 2,144,304		\$ 2,156,735	
Fixed Charges	\$ (720,000)		\$ (720,000)		\$ (720,000)		\$ (720,000)		\$ (720,000)		\$ (720,000)		\$ (720,000)	
Purchased Gas Charge	\$ (803,597)		\$ (803,597)		\$ (971,027)		\$ (971,027)		\$ (1,138,440)		\$ (1,138,440)		\$ (1,138,440)	
Other Revenue Offset = 50% of revenues from fixed charges and usage from other customers for this year	\$ (144,631)		\$ (144,631)		\$ (219,524)		\$ (219,524)		\$ (294,411)		\$ (294,411)		\$ (294,411)	
Net Usage Rate	\$ (256,914)		\$ (11,838)		\$ (14,824)		\$ (7,448)		\$ (20,617)		\$ (8,548)		\$ 3,883	

Notes: Large customers are customers that use over 5,000 Dth per year. The four large customers here are the School, the Hospital the Colgate Inn and the combined load of the Townhouses and Sanford Field House. Small customers are all other customers of which there are 116 by year five.

If the Conisutition pipeline comes on-line as forecast (March 2015), forecasted gas prices could decline by as much as \$2 Dth in year two and beyond.

Municipal Commission of Hamilton
 Natural Gas Feasibility Study
 Sales Forecast

Prepared by Frank Radigan
 Hudson River Energy Group
 December 19, 2013

Load (Name of Building)	Year 1 DTh	Year 3 DTh	Year 5 DTh
<u>Colgate Non-Boiler Load</u>			
Townhouses	4,925	4,925	4,925
Sanford Field House	1,427	1,427	1,427
Other Non-Boiler Oil		8,984	17,969
Subtotal Oil	6,352	15,257	24,162
Non-Boiler Kerosene	-	384	767
Grand Total Colgate - Non-Boiler	6,352	15,641	24,929
 <u>Colgate Boiler Fuel</u>	 55,874	 55,874	 55,874
 <u>Village Non-Colgate</u>			
School	9,351	9,351	9,351
Hospital -Oil	12,906	12,906	12,906
Hospital -Propane	661	661	661
Colgate Inn	8,190	8,190	8,190
Residential Units		2,657	5,313
Commercial Customers		3,750	7,500
Total Village	31,107	37,514	43,920
 <u>Non-Village</u>			
Commercial Customers		3,750	7,500
 Total Village Load	 93,333	 112,778	 132,223

EXHIBIT 8

State Environmental Quality Review
NEGATIVE DECLARATION
Notice of Determination of Non-Significance

Project Number: n/a

Date: 10/30/2013

This notice is issued pursuant to Part 617 of the implementing regulations pertaining to Article 8 (State Environmental Quality Review Act) of the Environmental Conservation Law.

The Board of Trustees of the Village of Hamilton as lead agency, has determined that the proposed action described below will not have a significant adverse environmental impact and a Draft Environmental Impact Statement will not be prepared.

Name of Action:

Natural Gas Distribution Pipeline for the Village of Hamilton and Environs

SEQR Status: Type 1
Unlisted

Conditioned Negative Declaration: Yes
 No

Description of the Action:

The Action consists of the installation of a natural gas distribution pipeline system within the Village of Hamilton, Town of Eaton, Town of Madison and Town of Hamilton. The Action is underground, with the exception of small outbuilding(s), piping and equipment enclosures at the "City Gate" intersection with the interstate pipeline, and a driveway at that location. Gas meters will generally be located above ground at each customer's location. The Action will consist of a distribution pipeline that will interconnect with the existing interstate Tennessee Gas Pipeline at one of two alternate locations near US Route 20 in the Town of Madison or the Town of Eaton.

The Action will provide natural gas to various users in the Village of Hamilton, including the Community Memorial Hospital, the Hamilton Central School and Colgate University. These facilities currently use either No. 2 distillate or No. 6 oil for heating and will benefit from lower fuel costs and reductions in air emissions by switching to natural gas. The Action will also provide opportunities for commercial and residential fuel users to convert from oil or propane to natural gas and thereby benefit from lower fuel costs.

The main pipeline will vary in diameter from two (2) to ten (10) inches, and is planned to operate at a pipeline pressure of approximately 60 pounds per square inch, with a maximum operating pressure of approximately 100 pounds per square inch. Generally, the project will require the acquisition of rights-of-way (ROW) from private property owners, while other portions of the pipeline will be co-located within existing roads, sidewalks or utility ROW. The ROW necessary to construct and maintain the Action varies from potentially as great as 50-foot wide within agricultural lands to as little as 4-

SEQR Negative Declaration

feet where co-located within existing roads and sidewalks. The length of the pipeline from the TGP tie-in point to the southern extent of the Village of Hamilton is approximately eight (8) miles. Additional smaller diameter pipelines will be installed as laterals off the main pipeline. Environmental studies along the entirety of the Action were conducted within a 50-foot wide (25-feet on either side of the proposed pipeline location) study area.

Location: (include street address and name of the municipality/county. A location map of appropriate scale is also recommended.)

The Action is located within the Village of Hamilton, Town of Eaton, Town of Madison and Town of Hamilton, Madison County, New York (see Figure 1: USGS Locus Map (7.5 Minute USGS Topographic Quads: Munnsville and Hamilton).

Reasons Supporting This Determination:

(See 617.7(a)-(c) for requirements of this determination; see 617.7(d) for Conditioned Negative Declaration)

The Board of Trustees of the Village of Hamilton, acting as the SEQR lead agency, has determined that the proposed action will not have a significant adverse environmental impact, and a Draft Environmental Impact Statement will not be prepared. Based on the information available and included in the EAF Part 1 the detailed information contained in the supplemental reports prepared by the Village's environmental assessment consultants, Epsilon Associates, Inc. and its cultural resources consultant, Birchwood Archaeological Services, it is reasonable to conclude that the identified impacts of the Action are individually and collectively minor in scale and scope of impact, and therefore not significant.

The Action consists almost entirely of the installation of underground pipeline, which involves a temporary disturbance of the ground surface of the project site, but the utilization of best management practices during construction and restoration should ensure that any impacts are purely temporary in nature, limited to the brief period of construction. Existing slopes and grades (98% of which are less than 10%) will be maintained, thereby avoiding the alteration of drainage patterns, and best practices erosion control measures will be used to avoid sedimentation and water quality impacts. After construction and restoration are completed, the only above-ground indication of the pipeline installation will be unobtrusive line markers required to be installed for safety purposes in locating the line in the future. The pipeline route has been selected to avoid, to the maximum extent practicable, culturally and environmentally sensitive areas, including wetlands. Most, if not all, stream crossings of the pipeline will be accomplished by subsurface borings, rather than open cut trenches, thereby avoiding even most temporary impacts to protected and non-protected water bodies. The "City Gate" site for the tap into the interstate TGP near Route 20 will require less than one-half acre of surface disturbance on an essentially level site, and, after construction, most of the disturbed area will have a gravel stone surface that is at least semi-pervious.

The operation of the pipeline distribution system will not produce any waste materials or atmospheric emissions, and as such there will be no impacts on air quality or public

SEQR Negative Declaration

health. Available sources were consulted regarding threatened and endangered species, and none was identified in the project area. No wildlife or significant plant habitat is being eliminated by this Action. There are no designated critical environmental areas within or near the project site.

While a significant portion of the pipeline will be installed on agricultural lands, contractors will be required to adhere to practices recommended by the New York State Department of Agriculture and Markets to segregate and replace topsoil separately from subsoils to preserve the agricultural integrity of the soils. Deep trenching or deep installation of field drain tiles could be precluded in the immediate area of the pipeline, but this should not be an issue as the pipeline has been almost entirely located on the edge of agricultural fields near roadways.

As the project is almost entirely underground, there will be no impact on aesthetic resources, open space, recreational areas, or historic buildings. The one pre-contact archaeological site identified by Birchwood Archaeological Services near the project area (east of NYS Route 46) has been avoided by locating the pipeline to the west side of Route 46. The Action, by its nature, will not generate traffic, and will have no impact on transportation. There will be no significant impact on public health. Under normal operating conditions, there will be no significant release of natural gas or other substances or materials to the environment. The use of hdpe pipe and qualified contractors adhering to pipe installation requirements as specific by the municipal utility and the Public Service Commission, combined with inspection by qualified inspectors, during and after construction, and the maintenance of a 24 hour emergency hotline and response capability by the municipal utility in accordance with Public Service Commission requirements, significantly reduces the likelihood of a catastrophic release or explosion of natural gas, and any associated resulting impact on public health, in the event of an accident or upset conditions.

As described within the EAF materials, the Action may represent a significant positive environmental impact to the community in terms of energy, and will support the Village of Hamilton's efforts to promote business development in its Airport Business Park and other areas. The Action involves creation of a natural gas distribution pipeline that would allow for facilities and residents that currently burn No. 2 distillate oil or No. 6 fuel oil to convert from oil to natural gas. The proposed fuel conversion will thereby increase energy efficiency and reduce emissions of air pollutants within the community. Although, the proposed Action constitutes a major change in use of the type of energy, there will be net positive environmental benefits to the community and the region by changing energy sources within this community.

For all of the reasons set forth, the Action will not have any significant adverse impact on the environment and, therefore, the issuance of this Negative Declaration is warranted.

If Conditioned Negative Declaration, provide on attachment the specific mitigation measures imposed, and identify comment period (not less than 30 days from date of publication in the ENB)

SEQR Negative Declaration

For Further Information:

Contact Person: Sean Graham, Village of Hamilton, Village Administrator

Address: 3 Broad Street (PO Box 119), Hamilton, New York, 13346

Telephone Number: 315-824-1111

For Type 1 Actions and Conditioned Negative Declarations, a Copy of this Notice is sent to:

New York State Department of Environmental Conservation, 50 Wolf Road, Albany,
New York 12233-1750

NY DOT Region 2

New York State Department of Environmental Conservation Region 7

NYS Public Service Commission

New York State Historic Preservation Office

New York State Department of Agriculture and Markets, Division of Agricultural
Development

NYS Thruway Authority Canal Corporation

Town of Madison

Town of Eaton

Town of Eaton Planning Board

Town of Hamilton

Village of Hamilton Board of Trustees

Town of Lebanon

Madison County Board of Supervisors

Madison County Planning Department

Madison County Industrial Development Agency

Madison County Highway Department

Madison County Agricultural Economic Development

Madison County Department of Health

United States Army Corps of Engineers Buffalo District

United States Federal Aviation Administration, New York Airport District Office

EXHIBIT 9

STATE OF NEW YORK)
COUNTY OF MADISON) SS.:

I, ALANA SCHECKLER, Clerk of the Village of Hamilton, in the County of Madison, State of New York, DO HEREBY CERTIFY that I have compared the preceding Gas Franchise Agreement with the original on file in the office of the Village Clerk of the Village of Hamilton, and that the same is a true and correct copy of said original and of the whole thereof so far as the same relates to the subject matters referred to therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Village this 20th day of December, 2013.

[VILLAGE SEAL]



Alana Scheckler, Village Clerk

GAS FRANCHISE AGREEMENT OF
THE VILLAGE OF HAMILTON
HAMILTON COUNTY, STATE OF NEW YORK

WITNESSETH

THIS AGREEMENT is entered into as of this 9th day of May, 2013 by the VILLAGE OF HAMILTON, a municipal corporation duly incorporated under the laws of the State of New York with an office at 35 Cedar Street, Morrisville, New York 13346 (hereinafter, the "VILLAGE"), and the TOWN OF EATON, a municipal corporation duly existing under the laws of the State of New York with an office at 35 Eaton Street, Morrisville, New York 13408 (hereinafter the "TOWN").

WHEREAS, the Village of Hamilton, acting by and through its Board of Trustees, has duly established a municipal natural gas public utility service pursuant to the authority granted under New York State General Municipal Law Article 14-A, Section 360, *et. seq.*, and

WHEREAS, the VILLAGE has petitioned the TOWN for permission, consent and a franchise to construct, reconstruct, relocate, operate, repair, maintain, replace, remove, inspect and patrol, underground or grade level gas systems including, but not limited to, gas mains, gas service pipes, conduits, vaults, manholes, housings, connectors, markers, anchors, fittings, braces, foundations, valves and vents, together with any and all necessary appurtenances and accessories (collectively, the "Gas Facilities") as VILLAGE may now and from time-to-time deem necessary and reasonable, in, under, along, across, through and beyond the highways, streets and roads in the TOWN (the "Town Land") for the purpose of providing gas service to VILLAGE's customers, or otherwise in connection with VILLAGE's gas distribution or transmission operations (the "Franchise"), and

WHEREAS, the VILLAGE and the TOWN desire to enter into a franchise agreement for a period of twenty (20) years commencing from the date of approval of this franchise agreement by the New York State Public Service Commission. The term of this Franchise shall automatically renew thereafter for successive twenty (20) year period(s) unless otherwise terminated by the Village after the first initial twenty (20) year period, and

WHEREAS, due notice of said petition and request of the VILLAGE has been given by publication of the notice of public hearing in the official TOWN newspaper ten (10) days prior to holding said hearing, a public hearing has been duly held, the petition has been duly considered by the Town Board and the TOWN is willing to issue the Franchise as set forth herein.

WHEREAS, the Town Board finds that it is in the public interest of its residents to enter into a franchise agreement with the VILLAGE.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged under seal,

BE IT RESOLVED that the non-exclusive Franchise is granted to the VILLAGE and its successors, to construct, reconstruct, relocate, operate, repair, maintain, replace, remove, inspect and patrol the Gas Facilities as VILLAGE may now and from time-to-time deem

STATE OF NEW YORK)
COUNTY OF MADISON) SS.:

I, ALANA SCHECKLER, Clerk of the Village of Hamilton, in the County of Madison, State of New York, DO HEREBY CERTIFY that I have compared the preceding Gas Franchise Agreement with the original on file in the office of the Village Clerk of the Village of Hamilton, and that the same is a true and correct copy of said original and of the whole thereof so far as the same relates to the subject matters referred to therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Village this 20th day of December, 2013.

[VILLAGE SEAL]



Alana Scheckler, Village Clerk.

GAS FRANCHISE AGREEMENT OF
THE VILLAGE OF HAMILTON
MADISON COUNTY, STATE OF NEW YORK

WITNESSETH

THIS AGREEMENT is entered into as of this 22nd day of May, 2013 by the VILLAGE OF HAMILTON, a municipal corporation duly incorporated under the laws of the State of New York with an office at 3 Broad Street, Hamilton, New York 13346 (hereinafter, the "VILLAGE"), and the TOWN OF MADISON, a municipal corporation duly existing under the laws of the State of New York with an office at 7358 State Route 20, Madison, New York 13402 (hereinafter the "TOWN").

WHEREAS, the Village of Hamilton, acting by and through its Board of Trustees, has duly established a municipal natural gas public utility service pursuant to the authority granted under New York State General Municipal Law Article 14-A, Section 360, *et. seq.*, and

WHEREAS, the VILLAGE has petitioned the TOWN for permission, consent and a franchise to construct, reconstruct, relocate, operate, repair, maintain, replace, remove, inspect and patrol, underground or grade level gas systems including, but not limited to, gas mains, gas service pipes, conduits, vaults, manholes, housings, connectors, markers, anchors, fittings, braces, foundations, valves and vents, together with any and all necessary appurtenances and accessories (collectively, the "Gas Facilities") as VILLAGE may now and from time-to-time deem necessary and reasonable, in, under, along, across, through and beyond the highways, streets and roads in the TOWN (the "Town Land") for the purpose of providing gas service to VILLAGE's customers, or otherwise in connection with VILLAGE's gas distribution or transmission operations (the "Franchise"), and

WHEREAS, the VILLAGE and the TOWN desire to enter into a franchise agreement for a period of twenty (20) years commencing from the date of approval of this franchise agreement by the New York State Public Service Commission. The term of this Franchise shall automatically renew thereafter for successive twenty (20) year period(s) unless otherwise terminated by the Village after the first initial twenty (20) year period, and

WHEREAS, due notice of said petition and request of the VILLAGE has been given by publication of the notice of public hearing in the official TOWN newspaper ten (10) days prior to holding said hearing, a public hearing has been duly held, the petition has been duly considered by the Town Board and the TOWN is willing to issue the Franchise as set forth herein.

WHEREAS, the Town Board finds that it is in the public interest of its residents to enter into a franchise agreement with the VILLAGE.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged under seal,

BE IT RESOLVED that the non-exclusive Franchise is granted to VILLAGE and its successors, to construct, reconstruct, relocate, operate, repair, maintain, replace, remove, inspect and patrol the Gas Facilities as VILLAGE may now and from time-to-time deem

STATE OF NEW YORK)
COUNTY OF MADISON) SS.:

I, ALANA SCHECKLER, Clerk of the Village of Hamilton, in the County of Madison, State of New York, DO HEREBY CERTIFY that I have compared the preceding Gas Franchise Agreement with the original on file in the office of the Village Clerk of the Village of Hamilton, and that the same is a true and correct copy of said original and of the whole thereof so far as the same relates to the subject matters referred to therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Village this 20th day of December, 2013.

[VILLAGE SEAL]



Alana Scheckler, Village Clerk

GAS FRANCHISE AGREEMENT OF
THE VILLAGE OF HAMILTON
HAMILTON COUNTY, STATE OF NEW YORK

WITNESSETH

THIS AGREEMENT is entered into as of this 13th day of June, 2013 by the VILLAGE OF HAMILTON, a municipal corporation duly incorporated under the laws of the State of New York with an office at 3 Broad Street, Hamilton, New York 13346 (hereinafter, the "VILLAGE"), and the TOWN OF HAMILTON, a municipal corporation duly existing under the laws of the State of New York with an office at 16 Broad Street, Hamilton, New York 13346 (hereinafter the "TOWN").

WHEREAS, the Village of Hamilton, acting by and through its Board of Trustees, has duly established a municipal natural gas public utility service pursuant to the authority granted under New York State General Municipal Law Article 14-A, Section 360, *et. seq.*, and

WHEREAS, the VILLAGE has petitioned the TOWN for permission, consent and a franchise to construct, reconstruct, relocate, operate, repair, maintain, replace, remove, inspect and patrol, underground or grade level gas systems including, but not limited to, gas mains, gas service pipes, conduits, vaults, manholes, housings, connectors, markers, anchors, fittings, braces, foundations, valves and vents, together with any and all necessary appurtenances and accessories (collectively, the "Gas Facilities") as VILLAGE may now and from time-to-time deem necessary and reasonable, in, under, along, across, through and beyond the highways, streets and roads in the TOWN (the "Town Land") for the purpose of providing gas service to VILLAGE's customers, or otherwise in connection with VILLAGE's gas distribution or transmission operations (the "Franchise"), and

WHEREAS, the VILLAGE and the TOWN desire to enter into a franchise agreement for a period of twenty (20) years commencing from the date of approval of this franchise agreement by the New York State Public Service Commission. The term of this Franchise shall automatically renew thereafter for successive twenty (20) year period(s) unless otherwise terminated by the Village after the first initial twenty (20) year period, and

WHEREAS, due notice of said petition and request of the VILLAGE has been given by publication of the notice of public hearing in the official TOWN newspaper ten (10) days prior to holding said hearing, a public hearing has been duly held, the petition has been duly considered by the Town Board and the TOWN is willing to issue the Franchise as set forth herein.

WHEREAS, the Town Board finds that it is in the public interest of its residents to enter into a franchise agreement with the VILLAGE.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged under seal,

BE IT RESOLVED that the non-exclusive Franchise is granted to the VILLAGE and its successors, to construct, reconstruct, relocate, operate, repair, maintain, replace, remove, inspect and patrol the Gas Facilities as VILLAGE may now and from time-to-time deem

EXHIBIT 10

SERVICE CLASSIFICATION	Customer Charge	Usage Charge/CCF	Gas Supply Charge ("GAC")
1	\$35.00	\$0.00615	TBD
2	\$1,500.00	\$0.0052	TBD
3	NEGOTIATED	NEGOTIATED	TBD