STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on August 14, 2014

COMMISSIONERS PRESENT:

Audrey Zibelman, Chair
Patricia L. Acampora
Garry A. Brown
Gregg C. Sayre
Diane X. Burman

CASE 13-G-0584 – Petition of Village of Hamilton Municipal Utilities Commission for Approvals to Create Municipal Gas Distribution Utility.

ORDER DENYING REHEARING AND GRANTING RECONSIDERATION

(Issued and Effective August 18, 2014)

BY THE COMMISSION:

SUMMARY

On April 24, 2014, we issued an Order granting, with modifications, the Village of Hamilton Municipal Utilities Commission's (Hamilton or the Village) petition seeking a Certificate of Public Convenience and Necessity (Certificate) under Public Service Law (PSL) §68.[1] The Certificate authorized the Village to exercise gas franchises granted by several municipalities in Madison County and to construct distribution and service lines necessary to render gas service.

As part of our April 24 Order, we modified the Village's proposed tariffs and the rates for all the Village's

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[1] Case 12-G-0584, Village of Hamilton Municipal Utilities Commission – Petition for Public Service Law §68 Approval, Order Granting Certificate of Public Convenience and Necessity (issued April 24, 2014) (April 24 Order).

prospective customers to better align such rates with those charged by other similarly situated New York utilities. By Verified Petition dated May 21, 2014 (Rehearing Petition), the Village requested rehearing "on the limited issue of commercial customer rates due to both a mistake in fact and new circumstances."

Although we do not find that the Village has presented an error of fact or new circumstances sufficient to meet our standards for rehearing, we exercise our discretion and grant the Village reconsideration. Upon reconsideration, we modify our April 24 Order in the limited manner discussed herein.

BACKGROUND

Hamilton is located in Chenango Valley in Madison County. The Village currently operates regulated electric, water, and waste water municipal utilities in the Towns of Hamilton, Madison, Eaton, and Lebanon with 2,300 total customers receiving such services. Colgate University (Colgate) is located in the Village and is the primary driver of the economy in Hamilton. Colgate currently uses wood and oil as the main sources of fuel to heat its campus.

In its initial December 2013 Verified Petition seeking the Certificate (December 2013 Petition), Hamilton noted that in the summer, 2009, Colgate approached the Village to gauge the Village's interest in establishing a municipal natural gas utility. Colgate and another interested potential customer, Community Memorial Hospital, agreed to help defray the upfront exploratory costs of the Village's gas expansion project.

After performing a feasibility study, the Village's 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 yea to 86 nay. Thereafter, as part of its preliminary planning process, the Village worked with Colgate and other potential customers to determine estimates for loads, hourly peaks, costs and timing.

Importantly, the discussions between the Village and Colgate not only led to Colgate providing $100,000 to support upfront costs, but also to an Agreement, dated July 29, 2013, (the Agreement) pursuant to which Colgate guaranteed to cover the Village's costs of project development even if the project is delayed or canceled. Moreover, the Village noted in its December 2013 petition that Colgate was converting its boilers from #6 oil to natural gas and that such conversion would result in significant emissions reductions and air quality improvements. Finally, the Village's Agreement with Colgate provides for rates that will fully cover the Village gas utility's revenue requirement for at least 20 years from the date service begins, establishing Colgate as the "anchor customer" of the project. As other Colgate facilities and other customers become part of the system, and the fixed costs of the gas pipeline are spread to more customers, Colgate's boiler rates will flex down in accordance with the Agreement.

April 24 Order

In its December 2013 Petition, Hamilton proposed to set the monthly minimum charge for S.C. No. 1 – Small Customers (Residential and Commercial) at $35.00 and S.C. No. 2 - Large Customers at $1,500.00. Hamilton also proposed that the volumetric delivery rates be set for S.C. No. 1 – Small Customers (Residential and Commercial) at $6.15 per Mcf and S.C. No. 2 - Large Customers at $5.50 per Mcf.

Modifying the Village's requested rate structure in our April 24 Order, we set the residential customer minimum charge at $18.36, and adopted for Hamilton's residential service a block rate structure with the second and third block rates set at $0.4291 per ccf and $0.1417 per ccf, respectively. We set the minimum charge for S.C. No. 2 – Small Commercial at $24.17, with the corresponding second and third block rates set at $0.3378 and $0.1876 per ccf, respectively. Lastly, we set the S.C. No. 3 – Large Commercial customers' minimum charge at $200 per month with their second and third block rates set at $0.19843 and $0.10531 per ccf, respectively.

Typically, delivery rates are designed based on a utility's costs to provide service as calculated by an embedded cost of service study. In this instance, however, as Colgate is covering the entirety of Hamilton's main extension costs, the typical rate design process cannot be applied as the actual costs to provide service are difficult to determine on a customer by customer basis. Thus, in our April 24 Order, we set the Village's delivery rates by using a proxy group consisting of the rates charged to the service classes of similarly situated New York gas utilities. As a result, the residential and commercial customer's rates established by our April 24 Order are comparable with those of like customers from other utilities.

Petition for Rehearing

On May 21, 2014, Hamilton filed its Rehearing Petition requesting rehearing on the limited issue of commercial customer rates. As grounds for rehearing, the Village alleges both a mistake in fact in our April 24 Order, and new circumstances warranting a different determination. Hamilton claims that its proposed rates as contained in its December 2013 Petition were, in fact, cost based and resulted in fair and reasonable rates for all applicants for service, effectively charging all customers approximately $16.30 per Dth (at an estimated commodity gas price of $8.61 per Dth).

Hamilton asserts that in discussions with prospective commercial customers it provided them information regarding the Village’s anticipated delivery rates for commercial service, as well as any associated and projected savings to be had by taking such service. Hamilton also states, however, that such communications and the corresponding commitments made by potential commercial customers as to the Village’s proposed rate design were not conveyed to us in the Village’s December 2013 Petition, nor were they conveyed to Staff during its investigation into such petition.

Thus, Hamilton argues, as a result of the miscommunication, our ordered rate design is based on a mistake in fact that effectively raises the boiler rate for Colgate (via its Agreement) eliminating any savings from Colgate’s current fuel and making the project uneconomical. As such, Colgate, without a change in the ordered rates for commercial customers, has indicated that it does not wish to receive gas service under the Agreement and has sought to be released from such.

PUBLIC NOTICE

In accordance with the State Administrative Procedure Act (SAPA) §202(1), notice of Hamilton’s Rehearing Petition was published in the State Register on May 27, 2014 (NY DOS SAPA No. 23-14-00005-P). The SAPA comment period expired on July 26, 2014.

Colgate provided comments supplementing the Village’s Rehearing Petition. Colgate notes that the proposed commercial rates as described in Hamilton’s Rehearing Petition are an accurate reflection of its understanding on which it entered into the Agreement with the Village. Colgate states that, at best, the rates contained in our April 24 Order put the university "in no better position with respect to the economics of its fuel mix" than it has when it burns principally oil and wood, and that our ordered rates may actually put Colgate "in a worse position [by] funding the facilitation of an energy source that will increase its overall energy cost." Colgate notes that it would like gas service because, as a fuel, it is "more environmentally benign" than its current wood and oil fuels. Colgate also notes that, as with most energy consumers, its heating bill is a significant line item in its operating budget. As such, Colgate expresses concern that, due to the university having to incur costs for the construction of a gas delivery system that would result in no energy savings, and perhaps even increased energy costs, it may have to cancel the Agreement and continue to use its existing fuel mix.

Comments also were received from Town of Madison Supervisor Ron Bono. Supervisor Bono commended us for our April 24 Order allowing Hamilton to exercise the gas franchise granted by the Town of Madison and noted that our April 24 Order appeared to restrict to Village of Madison residents a future gas expansion study that we also ordered. Supervisor Bono requests that we expand such study to "the Madison-Bouckville Route 20 Corridor which encompasses many residences, businesses and other venues in the Town of Madison."

DISCUSSION

Rehearing

Under PSL §22 and the Commission's rules in 16 NYCCRR 3.7(a), rehearing may be sought on the grounds that the Commission "committed an error of fact or law or that new circumstances warrant a different determination." In this case, Hamilton has alleged no Commission error of fact or new circumstances, insomuch as it acknowledges that the information upon which it asks us to grant rehearing was known to the Village at least between the time of its December 2013 Petition and our April 24 Order, but was not communicated to us or even to Staff during Staff's investigation. The Village admits in its petition for rehearing that the "circumstances regarding much of the Village of Hamilton's dealings with prospective commercial customers, and the resulting communications and commitments from those customers" took place after Hamilton filed its December 2013 Petition, but that such "developments were not conveyed to Staff." These miscommunications, as Hamilton describes them, do not constitute errors of fact when they were known to exist prior to our April 24 Order, but not timely presented; nor, do they establish new circumstances for the same reason.[2] Thus, Hamilton's request for rehearing is denied.[3]

Even where we have denied rehearing, however, we have exercised our discretion to grant reconsideration.[4] Moreover, our discretion allows us to consider a pleading as different in

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[2] Compare Case 06-E-1433, Orange and Rockland Utilities, Inc. – Electric Rates, Order on Rehearing (issued August 21, 2008) (noting that six months after the Commission released an Order rejecting an energy efficiency plan proposed by Orange and Rockland, it released a subsequent Order in Case 07-M-0548, Energy Efficiency Portfolio Standard, creating new circumstances upon which Orange and Rockland could be granted rehearing).

[3] See Case 13-E-0573, Consolidated Edison Company of New York, Inc. – Tariff Filings Revising Demand Response Programs, Order Denying Petition for Rehearing but Granting Reconsideration in Part (issued June 27, 2014) at pp. 7-8.

[4] Ibid.

effect from that contained in its caption.[5] Given the public policy considerations at issue in Hamilton's request, we exercise our discretion to treat Hamilton's Rehearing Petition as one for reconsideration of our April 24 Order and grant such reconsideration, as well as the relief Hamilton seeks regarding commercial rates.

Initially, we recognize the important environmental considerations raised by Colgate in its comments whereby it notes that it is currently using a combination of wood and oil and wishes to switch to the more environmentally benign fuel of natural gas. We previously have recognized such benefits in our generic examination of our policies regarding the expansion of gas service in New York. In fact, the very first sentence of our Order initiating the generic proceeding stated: "Natural gas is cleaner than other fossil fuels used for home heating…."[6]

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[5] Case 09-V-0266, CSC Acquisition, Inc. – Franchise Renewal, Order Denying Rehearing and Granting Reconsideration and Clarification (issued November 23, 2010) at p. 1 n.2 (stating "[w]hile the petition does not comply with the requirements for a petition for rehearing under Public Service Law (PSL) §22 and 16 NYCRR §3.7, we exercise our discretion to consider the petition as one for reconsideration."). See Case 13-E-0573, supra, Order Denying Petition for Rehearing but Granting Reconsideration in Part, pp. 7-8 (treating Consolidated Edison's "response as comments on the reconsideration request"). See also Case 06-E-1084, Matter of 16 NYCRR Complaint Procedures – Appeal of Park Belvedere, Commission Determination on Rehearing (issued May 23, 2011) at n.1 (stating "[t]here is no advantage to complainant in having its petition deemed one for "reconsideration" because, while we may review such a petition (though it may have been submitted after the statutory time limit for rehearing) such review is entirely discretionary.").

[6] Case 12-G-0297, Commission Examination of Natural Gas Expansion Polices, Order Instituting Proceeding and Establishing Further Procedures (issued November 30, 2012).

Moreover, in that same Order, we also recognized the economic benefits natural gas service can provide under existing commodity market conditions.[7] Our generic gas expansion proceeding demonstrates our commitment to assisting gas expansion where such expansion makes sense for the utility proposing the expansion and for the prospective customers.[8]

As Colgate in its comments has verified Hamilton's assertion that the gas project may not go forward without a reconsideration of the rates ordered for commercial customers, we grant reconsideration. Likewise, given Hamilton's representation that the rates requested by the Village and Colgate for those other commercial customers have been explained to such potential customers and have been understood and agreed to by them, on reconsideration, we modify our April 24 Order to revise the Village's commercial rates. Our exercise of discretion here, therefore, allows those potential commercial customers to weigh the availability of the new service and decide if it makes economic sense for them to sign up for the new gas service potentially spurring economic development in the new Hamilton gas service area.

Rate Design

In examining the proposed delivery rates in Hamilton's December 2013 Petition, we found that any commercial customers signing up for the new service would pay at least twice as much as they would under other similarly situated utilities in New York. We typically design delivery rates to offset costs that are appropriately reflected in an embedded cost of service

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[7] Ibid.

[8] See, e.g., Case 12-G-0202, Niagara Mohawk Power Corporation d/b/a National Grid – Electric Rates, Order Approving Gas Growth Collaborative Report Recommendations (issued July 28, 2014).

study. A typical cost of service study allocates the major utility plant assets to each service class by using a peak day allocation. A service classification's peak usage and load factor, therefore, impacts the amount of costs allocated to it. If Hamilton's new gas service costs were allocated using a forecasted peak day methodology, the Colgate boiler, which has a poor load factor, would have to pay significantly higher delivery rates.

Per the Agreement between Hamilton and Colgate, Colgate agreed to keep its gas receipts below 62 Dth per hour unless authorized by Hamilton. At 62 Dth per hour, the Village's distribution pipeline would have to be designed to accommodate a peak day throughput of 1,488 Dth just to serve Colgate's Boiler load. Our analysis, which can be seen in Appendix A, shows that the three other major commercial customers, which include a hotel, hospital, and the Village's school, only need 258 Dth on their peak days.[9] All other small commercial and residential customers combined would require only 208 Dth on a peak day. Based on the calculated peak day requirements, the large and small commercial customers should be allocated 11.7% and 9.4% of the total revenue requirement while Colgate should be allocated the balance of the cost.

At year five of the build out, with the estimated revenue requirement of $993,795, the "fair and reasonable cost-based rates" that the large and small commercial customers should pay are $2.25 and $6.23 per Dth ($10.85 and $14.83 including gas costs), respectively. As a result, Colgate's effective rate should be approximately $12.37. These rates are

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[9] To calculate the peak day load, we assumed a load factor of 33% (a ratio of average daily usage to peak daily usage) which is typical of residential customers. Commercial customers who use natural gas all year would have a higher load factor but in this case we assume a load factor of 33% as a very conservative estimate.

comparable to the rates that we adopted in our April 24 Order that comprised effective rates for large and small commercial customers of $2.07 and $3.16 per Dth, respectively. Our effective rate for residential customers' is approximately $4.93. In contrast, Hamilton's proposed delivery rates were based on the average costs with no consideration given to how different customers would use the system. As a result, Hamilton's December 2013 Petition proposed to charge all customers $8.61 per Dth.

Commercial Rates

In its Rehearing Petition, Hamilton clarified that Colgate is willing to "back stop" the project should no other customers decide to take gas service and that it is not willing to pay higher rates than all the other customers. Colgate believes that it is paying an artificially higher rate that is unfair. Thus, it would ultimately stop the project if its rates are not effectively lowered through our reconsideration of the other potential commercial customers' rates.

Although we disagree with Colgate and Hamilton that our adopted delivery rate would result in Colgate paying an unfair rate, stopping the project would result in providing no benefits to anyone in the Village and franchise areas, including all local residences and businesses that would otherwise be served by a new gas distribution system. Because we find that the rates proposed by Hamilton are within the range of just and reasonable for the potential commercial customers, and because we are not affecting anyone currently receiving service as no such service yet exists (allowing potential customers to weigh the effect of any rates before deciding to take service), we revise the rates for the S.C. No. 2 – Small Commercial and S.C.

No. 3 Large Commercial customers. Our revised rates are shown in Appendix C.

The commercial rates have been re-designed such that they provide the same revenue per customer as Hamilton originally proposed. The minimum charge for S.C. 2 small commercial customers is increased from $24.17 per month to $25.00 per month. The large customer's minimum charge is also increased from $200 per month to $1,000 per month. The volumetric rates are also increased for both service classes. We find these changes acceptable as they produce an effect similar to that of contributions in aid of construction (CIAC) on existing distribution systems.

In other similar situations where it is not economical to provide gas service to residential customers at the tariff rates, customers would have to pay an additional surcharge which is commonly referred to as a revenue surcharge or CIAC to help offset construction costs. In our scenario, the re-designed rates are comparable with the revenue surcharge. We anticipate that the higher rates will make the construction project economical while still providing to customers significant fuel cost savings. Hamilton has stated in its Rehearing Petition that potential customers have expressed interest in converting to gas service at the proposed rates as such revised rates will not result in higher bills than what customers were told when they were surveyed initially. Depending on the individual usage, we calculate that each commercial customer can still expect to save at least 40% in fuel costs.

Residential Rates

Hamilton did not request, and we do not make here, any revision to the S.C. No. 1-Residential rates. Based on our analysis, shown in Appendix B, Hamilton's proposed rates result in a payback period of 8 years for residential customers, whereas our rates provide customers a quicker payback period of just 4.5 years for customers converting from oil to natural gas. Additionally, approximately 50% of the customers in Hamilton use low cost electricity for heating. Our adopted rates would make natural gas not only competitive with other fossil fuels, but make it comparable with electricity. This should incent more customers to convert to gas and deter future conversions to electricity. As more customers convert to using natural gas, Colgate will receive further benefit as those residential customers' contributions help offset utility expenses.

Ultimately, we believe the revised rate structure adopted in this Order is reasonable for all customers since it allows the project to proceed, bringing natural gas service to the Village of Hamilton and its surrounding local area where it has been granted franchise rights.

Maximum Revenue Offset

Because Colgate is guaranteeing the actual revenue requirement of Hamilton, we believe it is reasonable for Colgate to benefit from the net revenues generated by the non-boiler Colgate customers. In the April 24 Order, we set a maximum amount of $643,189 that Colgate can receive via the flex credit and the boiler unit rate. Such amount represents the difference between the rates under the Agreement ($700,000) and the rates under S.C. No. 3 ($76,819) that Colgate would have to pay without such Agreement. Our requirement was designed to ensure Colgate's annual contribution is always higher than any credit it receives. Because we have revised the rates for S.C. No. 3 in this Order, the maximum amount Colgate can receive via the flex credit and the boiler unit rate shall be re-calculated accordingly. An example calculation of the amount is shown in

Appendix D. The revised amount is approximately $392,865 depending on actual sales.

Any amount in excess of this annual target shall be deferred for future customer benefit. The ultimate disposition of these potential credits can be decided by the Commission in the re-examination of the Village's gas rates in five years as required in our April 24 Order. Moreover, we expect, now, that an embedded cost of service study be included in Hamilton's re-examination of gas rates in five years.

Future Gas Expansion

Lastly, we address the comments of Town of Madison Supervisor Ron Bono. Supervisor Bono's comments are addressed to the section on "Future Gas Expansion" of our April 24 Order. There, we discussed a number of comments received on Hamilton's December 2013 Petition from the neighboring Village of Madison and its residents seeking the rerouting of the project or expansion to its municipality. As we explained therein, "limiting the potential expansion of gas service in the state to the residences of Madison may be inconsistent with our gas expansion initiatives and the New York Energy Highway Blueprint."[10]

Supervisor Bono expresses the concern that our April 24 Order "appears to restrict the [future gas expansion] study to the Village of Madison residents," and notes that the Town comments refer to the Madison-Bouckville Route 20 Corridor that "encompasses many residences, businesses, and other venues in the Town of Madison." As such, he urges us "to make sure the study encompasses these potential customers as well."

[10] April 24 Order at p. 15.

Supervisor Bono is correct that we relied, in part, on the Town's comments regarding the alternative Route 20 corridor when ordering Hamilton to perform its customer survey and economic feasibility study[11] characterized in our April 24 Order as being directed to Village of Madison residents. To the extent that our April 24 Order could be read to preclude other adjoining municipalities from being precluded from such study, we clarify here that such preclusion was not intended. Thus, Hamilton should include those adjoining municipalities to the Village of Madison in its customer survey and economic feasibility study, it should so include those residences and businesses.

CONCLUSION

Although we deny rehearing due to Hamilton's inability to meet the legal standard for rehearing, in light of the important policy considerations at issue in this matter, we exercise our discretion and grant reconsideration of our April 24 Order and revise the Village's as stated in the body of this Order.

The Commission orders:

1. The Petition of the Village of Hamilton for Rehearing is denied, however, the petition is deemed one for reconsideration and, as such, is granted.

[11] As our April 24 Order correctly notes on page 14 "there were a significant amount of comments received from residents that live along Route 20 and residents of the Village of Madison" (emphasis supplied).

2. Within 10 days of the issuance of this Order, the Village shall file revisions consistent with the discussion in the body of this Order to its gas tariff schedule, P.S.C. No. 1 - Gas. Such tariff revisions shall not become effective on a permanent basis until approved by the Commission.

3. The Secretary in her sole discretion may extend the deadlines of this order. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least one (1) day prior to the affected deadline.

4. This proceeding is continued.

By the Commission,

Kathleen H. Burgess

Digitally Signed by Secretary
New York Public Service Commission

KATHLEEN H. BURGESS
Secretary

Peak Hour Calculation

		Annual usage	Average Hour	load factor	Peak Hour
Large Commercial					
	Hospital	13,500	1.54	33%	4.7
	Hotel	8,190	0.93	33%	2.8
	School	9,351	1.07	33%	3.2
	Total				**10.7**
Residential		2,500	0.29	33%	**1**
Small Commercial		15,000	1.71	33%	**5**
Colgate Other Load		25,000	2.85	33%	**8.6**

Unit Rate Calculation

	Peak Day	Demand %	Total Costs	Total Therms	Cost/Dth
Colgate Boiler	1536 dth	69.5%	$ 691,079	55,874	$ 12.37
Colgate Other	208	9.4%	$ 93,383	25,000	$ 3.74
Total Colgate	**1,744**				
Large Commercial	258 dth	11.7%	$ 115,949	51,420	$ 2.25
Small	208 dth	9.4%	$ 93,383	15,000	$ 6.23
Total	**2,209**	**100%**	**$ 993,795**	**132,294**	**$ 7.51**

The Village of Hamilton
Appendix B - Energy Cost Savings

	No. 2 Oil	Electric	Hamilton's Proposed Rates	Commission's Adopted Rates
Usage	560 Gal	23,529 kWh	80 Dth	80
Commodity Costs	$ 2,240.00	$ 517.65	$ 688.80	$ 688.80
Delivery Costs	$ -	$ 857.56	$ 936.00	$ 456.00
Total	**$ 2,240.00**	**$ 1,375.21**	**$ 1,624.80**	**$ 1,144.80**
Fuel Savings			$ 615.20	$ 1,095.20
Payback Period (Yrs)			**8.1**	**4.6**

Assuming conversion cost of $5,000

S.C. 2 - Small Commercial

	Monthly Allocation	Usage		Hamilton Proposed		Revised
Jan	18.1%	1,086	$	703	$	712
Feb	18.2%	1,090	$	706	$	714
Mar	14.1%	844	$	554	$	559
Apr	8.6%	516	$	352	$	353
May	5.3%	316	$	230	$	227
Jun	3.1%	188	$	151	$	146
Jul	2.9%	177	$	144	$	139
Aug	2.8%	167	$	138	$	133
Sep	3.1%	187	$	150	$	145
Oct	4.1%	248	$	188	$	184
Nov	7.3%	435	$	303	$	302
Dec	12.4%	745	$	493	$	497
Total	**100.0%**	**6,000**	**$**	**4,110**	**$**	**4,110**
Unit Cost				**0.685**		**0.685**
Customers				25		25
Total Revenues			**$**	**102,750**	**$**	**102,756**

Hamilton Proposed		Revised	
			$/ccf
Customer Charge	35	First 3	25.00
all > 0	0.615	Next 47	0.7305
		Over 50	0.6293

S.C. 3 - Large Commercial

	Monthly Allocation	Usage		Hamilton Proposed		Revised
Jan	18.1%	18,378	$	11,608	$	11,608
Feb	18.2%	18,443	$	11,644	$	11,644
Mar	14.1%	14,273	$	9,350	$	9,350
Apr	8.6%	8,732	$	6,303	$	6,303
May	5.3%	5,350	$	4,443	$	4,443
Jun	3.1%	3,183	$	3,250	$	3,250
Jul	2.9%	2,990	$	3,145	$	3,145
Aug	2.8%	2,823	$	3,053	$	3,053
Sep	3.1%	3,158	$	3,237	$	3,237
Oct	4.1%	4,199	$	3,809	$	3,809
Nov	7.3%	7,361	$	5,549	$	5,549
Dec	12.4%	12,599	$	8,429	$	8,429
Total	**100.0%**	**101,490**	**$**	**73,820**	**$**	**73,820**
		Unit Cost		**0.727**		**0.727**
		Customers		3		3
		Total Revenu	**$**	**221,459**	**$**	**221,459**

Hamilton Proposed		Revised	
			$/ccf
		First 100	1,000
Customer Charge	1,500	Next 4900	0.6831
all > 0	0.580	Over 5000	0.5497

	Monthly Allocation	Usage	Minimum charge	2nd Block	3rd Block	Total Delivery Cost
Jan	18.1%	101,178	1,000	3,416	52,867	$ 57,283
Feb	18.2%	101,537	1,000	3,416	53,064	$ 57,480
Mar	14.1%	78,579	1,000	3,416	40,445	$ 44,860
Apr	8.6%	48,073	1,000	3,416	23,676	$ 28,092
May	5.3%	29,456	1,000	3,416	13,443	$ 17,858
Jun	3.1%	17,522	1,000	3,416	6,883	$ 11,299
Jul	2.9%	16,461	1,000	3,416	6,300	$ 10,716
Aug	2.8%	15,542	1,000	3,416	5,795	$ 10,210
Sep	3.1%	17,387	1,000	3,416	6,809	$ 11,224
Oct	4.1%	23,117	1,000	3,416	9,958	$ 14,374
Nov	7.3%	40,527	1,000	3,416	19,528	$ 23,944
Dec	12.4%	69,362	1,000	3,416	35,379	$ 39,794
Total	**100.0%**	**558,740**				**$ 327,135**

Minimum Charge	$ 720,000	a
Boiler Load - Minimum Delivery Bill	$ 327,135	b
Total Credit to be received by Colgate	**$ 392,865**	c = a-b
Revenue Requirement	$ 803,597	d
Annual Maximum Revenues to be used for Revenue Credit and Flexing Net Usage Rate	**$ 1,196,462**	e = c+d