

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on April 20, 2023

COMMISSIONERS PRESENT:

Rory M. Christian, Chair  
Diane X. Burman  
James S. Alesi  
Tracey A. Edwards  
John B. Howard  
David J. Valesky  
John B. Maggiore

CASE 22-E-0543 - Minor Rate Filing by the Village of Theresa to  
Increase Its Annual Revenues by about \$112,527  
or 19.29 Percent.

ORDER DETERMINING REVENUE REQUIREMENT AND RATE DESIGN

(Issued and Effective April 21, 2023)

BY THE COMMISSION:

INTRODUCTION

On September 27, 2022, the Village of Theresa -  
Electric Department (Theresa or the Village) filed tariff  
revisions to its electric tariff schedule, P.S.C. No. 1 -  
Electricity, and supporting documents (Rate Filing), proposing  
to increase its annual revenues by \$112,527, which is a  
28.10 percent increase in base revenues or a 19.29 percent  
increase in total revenues. The Village initially proposed that  
the tariff revision and rate increase become effective on

March 1, 2023. On January 17, 2023, the Village postponed the effective date to May 1, 2023.<sup>1</sup>

By this Order, the Village of Theresa is authorized to increase its annual base revenues by \$85,383, an increase to base revenues of approximately 21.32 percent, or 15.07 percent of total revenues, effective May 1, 2023. Additionally, the Village of Theresa is authorized to submit a second-stage compliance filing (Second Stage Update) within 60 days after the in-service date of a new bucket truck, which the Village expects to be in-service after the conclusion of the Rate Year. This filing will update the Village's delivery rates to reflect an additional revenue increase of \$10,869, representing an increase of 2.24 percent of base revenues or 1.66 percent of total revenues. The Second Stage Update shall be filed so as to effectuate the second stage revenue increase no earlier than May 1, 2024.

The tariff amendments for the Rate Year are identified in Appendix A. The Village's filed revenue requirements authorized in this Order for the Rate Year and Second Stage Update are identified in Appendix B, Schedule 1. The delivery rates and total bill impacts for the Rate Year and Second Stage Update are identified in Appendix C, Schedule 1 through Schedule 10.

#### BACKGROUND

The Village is located in Jefferson County, New York, and serves approximately 470 residential, commercial, and

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<sup>1</sup> As a result of the postponement filed by the Village of Theresa, the Rate Year in this Order refers to the period from May 1, 2023, through April 30, 2024.

industrial customers located throughout the Village of Theresa. Theresa's last rate increase went into effect June 1, 2003.<sup>2</sup>

In the cover letter submitted with its Rate Filing, the Village states that the requested increase is necessary due to the substantial growth of rate base and operating costs since its rates were last set in 2003. According to the Village, the major drivers for the proposed rate increase include increased operating costs reflecting labor and fringe benefits, rate base growth associated predominantly with the purchase of a new bucket truck, and rate of return.

#### NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on October 26, 2022 [SAPA No. 22-E-0543SP1]. The time for submission of comments pursuant to the Notice expired on December 27, 2022. No comments were received. The Village complied with the requirements of newspaper publication of its proposed tariff amendments pursuant to Public Service Law (PSL) §66(12)(b) and Title 16 New York Codes, Rules and Regulations (NYCRR) §720-8.1.

#### LEGAL AUTHORITY

Pursuant to PSL §§5, 65(1), 66(1), and 66(12), the Commission is required to review proposed tariff changes, and may approve, reject, or modify, in whole or in part, such filed tariffs, to ensure safe and adequate utility service at just and reasonable rates. As such, the Commission has the legal

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<sup>2</sup> Case 03-E-0167, Minor Rate Filing of Village of Theresa to Increase its Annual Electric Revenues by about \$25,000 or 8%, Village of Theresa, Order Regarding Tariff (issued May 23, 2003).

authority to review the Rate Filing and to approve effective tariff amendments as prescribed in this Order.

#### DISCUSSION

In its Rate Filing, the Village requested an increase in annual base electric revenues of \$112,527. Theresa used the twelve months ended May 31, 2022, as its historic test year (Test Year) and provided a forecast for the twelve months ending February 29, 2024, as its proposed rate year.

The revenue requirement increase of \$85,383 for the Rate Year, as approved in this Order, is supported by the Village's request and several adjustments to the Village's proposed Rate Year operating and maintenance (O&M) expenses, capital expenditures, and rate of return. Further, the adjustments discussed below support a Second Stage Update increase of \$10,869 as approved by this Order.

#### Adjustments to Operating Revenues

##### Purchased Power Adjustment Clause (PPAC) Revenues

PPAC revenues are collected to offset purchased power expenses in excess of the level collected through the cost of power included in base rates. The base rate collection level is also referred to as the base cost of power. In its Rate Filing, the Village forecasted PPAC revenues to be \$175,805 in the Rate Year, which is a decrease of \$110 from the Test Year PPAC Revenues. The Village forecasted the Rate Year PPAC revenues based on their weather normalized Rate Year kWh sales.

The forecast of total Rate Year purchased power revenues (i.e., base cost of power plus PPAC revenues) requires an adjustment to account for the weather normalized sales

adopted in this Order.<sup>3</sup> The Commission calculated the base cost of power by multiplying the weather normalized forecast of kWh sales by the base purchased power unit cost of \$0.016206 per kWh. Then, the Commission subtracts the forecasted base cost of power from the forecasted Rate Year Purchased Power Expense, discussed below, to calculate the forecast of Rate Year PPAC Revenues of \$158,887, a reduction of \$16,918 from the Village's forecast.

Adjustments to Operating and Maintenance Expenses

1. Purchase Power Expense

The Village forecasted a Rate Year Purchased Power Expense of \$295,017, using its weather normalized sales forecast. The Village's forecast is \$298 lower than the actual Test Year expense of \$295,315.

The Commission forecasted the Purchased Power Expense based on our weather normalized forecast of kWh sales for the Rate Year multiplied by the average purchased power expense rate over the three-year period of June 1, 2020, to May 31, 2022. The difference between the forecasted Purchased Power Expense and the base cost of power is reflected in the forecasted PPAC revenues. This ensures that total purchased power revenue collected in base rates and through PPAC revenues is equal to the forecast of Rate Year Purchased Power Expense. The Commission's forecast of Purchased Power Expense is \$275,529, or a reduction of \$19,488 from the Village's forecast.

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<sup>3</sup> Theresa adopted the Commission's methodology for forecasting weather normalized sales. Therefore, the Commission adopts the proposed weather normalized forecast for sales and customers as provided by Theresa.

2. Amortization of Rate Filing Costs

Theresa forecasted \$25,000 in rate case expense based on an estimate provided by the Village's consultant. Theresa proposed to amortize the cost over a three-year period.

Given that the Village last filed a rate case over a decade ago, the Commission finds a three-year amortization period to be shorter than necessary. Accordingly, the Commission authorizes a five-year amortization of rate case expense, which allows ample time for Theresa to recover the expense of this rate case and mitigate customer impacts. This results in a Rate Year forecast of \$5,000, or a downward adjustment of \$3,333 from the Village's forecast. Additionally, the Commission makes a corresponding adjustment to reflect the unamortized balance of rate case expense in the forecast of rate base.

Rate Base

A major driver for the Village's requested rate increase is the purchase of a new bucket truck. The new bucket truck will replace the Village's current bucket truck. The Village explained that it purchased the existing bucket truck in 2004 and that the truck is currently in poor condition. The Village received a quote in August 2022 that stated the estimated delivery date of the new bucket truck is up to 52 months after the Village placed its order.<sup>4</sup>

The Commission agrees that the Village needs to replace the existing bucket truck as it needs significant repairs. However, including the cost of the new bucket truck in Rate Year rate base and delivery rates at this time is inappropriate as the Village does not expect the vehicle to be in-service during the Rate Year.

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<sup>4</sup> Village response to DPS-13 (received December 8, 2022).

To streamline a future potential rate filing and reduce future unnecessary rate case costs for the Village, the Commission authorizes a Second Stage Update allowing the Village to increase rates to reflect only the costs associated with the new bucket truck. The revenue requirement and delivery rates related to the Second Stage Update are established in this Order. The Village is authorized to effectuate the Second Stage Update rates by submitting a tariff filing within 60 days after the in-service date of the new bucket truck in compliance with this Order. The Village shall file the rates on not less than 30 days' notice and to become effective beginning on the 1st of a month. The Second Stage Update is to be filed no earlier than the end of the Rate Year, May 1, 2024.

In addition to removing the new bucket truck from plant in service during the Rate Year, the Commission makes other adjustments related to the depreciation reserve and depreciation rates, which affected the Rate Year rate base forecast. All rate base adjustments are described in further detail below.

1. Plant in Service, Capital Additions, and Retirements

The Village forecasted the Rate Year plant in service balance to be \$1,731,906, an increase of \$59,831 from the Test Year amount of \$1,672,075. The driver for this increase is the cost associated with the purchase of a new bucket truck. The Village forecasted a \$199,060 retirement of the current bucket truck during the Rate Year. For blanket capital work, Theresa used a three-year average of historical plant additions through the end of the Rate Year.

The Commission finds Theresa's forecast of plant additions associated with blanket capital work to be reasonable. However, since the Village will not place the new bucket truck in-service during the Rate Year, the Commission removes the new

bucket truck from plant additions as well as the associated retirement. This results in a Rate Year average plant balance of \$1,698,708, a decrease of \$33,198 from the Village's forecast of \$1,731,906.

To forecast the rate base for the Second Stage Update, the Commission calculated the average plant in service balance for the twelve months ending April 30, 2025. To determine the plant in service, the Commission assumes the new truck will be added to plant in service and the retirement of the existing truck will be removed from plant in service, at the beginning of this time-period, or May 1, 2024. These adjustments result in a plant in service balance of \$1,783,957 for the Second Stage Update, an increase of \$85,249 from the Rate Year.

2. Depreciation Rates and Expense

The Village did not request any modifications to its current depreciation rates. The Village forecasted a \$4,785 increase in depreciation expense, from \$44,972 in the Test Year to \$49,757 in the Rate Year.

The Commission identified three over-depreciated plant accounts. Plant accounts are over depreciated when the accumulated depreciation reserve amount is greater than the amount of gross plant in service plus estimated net salvage, based on the net salvage factor included in the calculation of the depreciation rate. Generally, municipalities do not file depreciation studies, and the depreciation rates established may or may not include an estimate of net salvage. In instances where it is not possible to determine if a net salvage factor was used in the initial setting of the depreciation rates, accounts are considered to be over-depreciated if the accumulated depreciation reserve is greater than the gross plant in service of the account.

In this case, the accumulated reserve is greater than the gross plant balance for three of the Village's accounts, indicating the average service lives for these accounts are too short compared to the actual service lives, resulting in depreciation rates that are too high. To address this, the Commission reduces the depreciation rates for Account No. 365 - Line Transformers, from 3.0 percent to 2.5 percent and Account No. 366 - Overhead Services, from 3.5 percent to 3.0 percent. Compared to other municipalities regulated by the Commission, for Account No. 365 and Account No. 366, the depreciation rates range from 2.3 percent to 4.0 percent and 2.1 percent to 5.0 percent, respectively. The Commission adjusted depreciation rates for Account Nos. 365 and 366 more accurately reflect the service lives for these accounts, and are still within the average range of other municipalities.

The Commission also adjusts Account No. 384 - Transportation Equipment, from 12.0 percent to five percent. The current bucket truck has been used and in-service since 2003. Lowering the depreciation rate to five percent more accurately reflects the actual service life of the bucket truck in this account. For comparison, Account No. 384 for other municipalities the Commission regulates, the depreciation rate ranges from 4.8 percent to 15.0 percent. The Commission finds the adjusted depreciation rates to be more indicative of the service lives of the assets within Account Nos. 365, 366, and 384, and are warranted because the accounts are over-depreciated, and Theresa was not able to substantiate the accuracy of the existing depreciation rates. Adjusting the depreciation rates for these plant accounts and the plant in service balances as described previously, result in a Rate Year depreciation expense of \$41,252, a decrease of \$8,505 from Theresa's Rate Year forecast. These depreciation rates will

remain unchanged through to the Second Stage Rate Filing, resulting in a depreciation expense increase of \$390 from the Rate Year for a total of \$41,642.

3. Accumulated Depreciation

The Village forecasted the Rate Year average accumulated depreciation balance to be \$1,424,150. The Village's accumulated depreciation is based on the average of its February 28, 2023 and February 29, 2024 balances. The Village's Rate Year accumulated depreciation reflects a retirement of \$199,060 for the current bucket truck, which will remain in-service until the new bucket truck is placed into service.

The review in this case brought to light an error in the Village's accumulated depreciation of Account No. 384 as reported in its 2020 Public Service Commission Annual Report. This error carried over into the data the Village used to forecast the depreciation reserve balance for the Rate Year. Specifically, the Village incorrectly assumed that it was not allowed to depreciate equipment more than its original cost. As a result, the Village made an accounting entry, a debit of \$184,098, to reduce the accumulated depreciation reserve amount to equal the original cost of the existing bucket truck. The Village then made a credit of \$184,098 to Account 281 - Surplus, or life-to-date net earnings, to show the effect of the prior year's presumed error. The Village acknowledged this was an improper entry and should not have been made.<sup>5</sup>

To correct this error, the Commission increased the May 31, 2022 Test Year end reserve accumulated depreciation balance of Account No. 384 by \$184,098. As a result of this correction and reversing the Village's retirement of the current

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<sup>5</sup> Village response to DPS-14 (received January 21, 2023).

bucket truck from the Rate Year accumulated depreciation, the Commission increases the accumulated depreciation by \$277,366 for an average balance of \$1,701,516 for the Rate Year.

The Commission also forecasts the average depreciation reserve balance for the Second Stage Update to reflect the retirement of the existing bucket truck. As stated above, we assume the existing bucket truck will be retired after the end of the Rate Year, or May 1, 2024. This results in a decrease in accumulated depreciation of \$145,996, or a total of \$1,555,520, for the Second Stage Update.

4. Adjustments to Net Plant

The Village of Theresa forecasted an increase of \$29,996 in its average net plant balance, i.e., the average plant-in-service balance less the average depreciation reserve balance, from \$158,051 in the Test Year to \$188,047 in the Rate Year. The Village forecasted this increase based on the expected purchase of a new bucket truck.

As a result of the Commission's adjustments to plant in service and accumulated depreciation above, the average net plant balance decreases by \$310,564, resulting in a negative net plant balance of \$122,517 for the Rate Year. For the Second Stage Update, which includes the new bucket truck in the plant-in-service balance, the Commission forecasts a net plant balance of \$108,728, based on the average plant in service and average accumulated depreciation for the period of May 1, 2024, through April 30, 2025, as previously discussed. This is an increase of \$231,245 from the Rate Year average net plant balance.

5. Rate Base Associated with Unamortized Rate Case Expense

As previously discussed, the Commission provides Theresa with a five-year rate case expense amortization, or \$5,000 in the Rate Year, which is included in O&M expenses. The Commission made a corresponding adjustment to reflect the

average unamortized balance of rate case expense, which increases rate base by \$1,665.

6. Cash Working Capital Allowance

The Commission adjusts the cash working capital allowance to reflect the effects of the previously discussed adjustments to O&M expenses. This decreases cash working capital by \$1,624 in the Rate Year.

Rate of Return

Theresa requested a 4.00 percent rate of return in its Rate Filing. Traditionally, when calculating a municipality's rate of return, the Commission sets the return on surplus (akin to return on equity for investor-owned utilities) at the incremental borrowing rate, which is the rate for a municipality's current cost of issuing debt in the capital markets. Using the incremental borrowing rate for a return on surplus renders a municipality indifferent to using either debt or surplus to fund its capital requirements. The cost of issuing long-term debt in the capital markets varies based on the credit rating of a given municipality. Since Theresa is not currently rated by a rating agency, the Commission uses a three-month average of the Moody's Investors Service, Inc. (Moody's) U.S. municipal bond rating of "Baa" to determine the net surplus cost rate. The Commission uses a three-month average to temper short-term volatility in interest rates. The three-month average of Moody's U.S. municipal bond "Baa" rating is 4.52 percent.<sup>6</sup> Therefore, the Commission forecasts Theresa's net surplus cost rate to be 4.52 percent. The Commission removed Theresa's long-term debt of \$243,901 from the Rate Year, as it relates to debt associated with the costs of the new bucket

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<sup>6</sup> For the three-month period of December 2022 through February 2023.

truck, which the Village will place in-service after the Rate Year.

The cost rate for customer deposits will be set equal to the customer deposits rate for municipal utilities beginning January 1, 2023. The Commission set this rate equal to 1.80 percent at the November 18, 2022 Session.<sup>7</sup>

Given the costs of capital and the percentages of each type of capital used by Theresa for electric service, the Commission forecasts the overall Rate Year rate of return to be 3.81 percent. For the Second Stage Update, the Commission forecasts the Village's overall rate of return to be 4.39 percent, which reflects the addition of Theresa's \$243,901 of long-term debt at a cost rate of 4.50 percent, associated with the new bucket truck.

#### Revenue Allocation and Rate Design

The annual revenue increase of \$85,383 for the Rate Year, as authorized in this Order, produces a base revenue increase of approximately 21.32 percent. In its Rate Filing, the Village proposed to allocate the average base revenue increase uniformly among all service classes. This method of revenue allocation is generally reasonable in the absence of an embedded cost of service study. For Service Classification (SC) No. 1 - Residential and SC. No.2 - General Service Non-demand Metered, the Commission uniformly increases the customer charge and energy charge by the average base revenue increase of 21.32 percent. However, for SC No. 3 - Street Lighting and SC No. 4 - General Service Demand Metered, the Commission sets energy rates

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<sup>7</sup> Case 22-M-0491, In the Matter of Rules and Regulations of the Public Service Commission, Contained in 16 NYCRR, Prescribing Inter Rates Applicable to Customer Deposits, Customer Deposits Interest Rates Letter (filed November 18, 2022).

equal to the base cost of power multiplied by the factor of adjustment, grossed up by five percent. This rate adjustment establishes an energy rate that is slightly higher than the base cost of power rate. It is critical to ensure that revenues from energy charges are high enough to offset base cost of power and that all customers make a reasonable contribution toward system costs.

For SC No. 3, the energy charge will increase by \$0.0110 per kWh from the current level of \$0.0079 per kWh to \$0.0189 per kWh. After determining the energy charges for SC No. 3, the Commission allocates the remaining revenue increase to the facility charge. As a result, the SC No. 3 facility charge increases by \$0.46 per facility from \$4.16 to \$4.62 per facility.

For SC No. 4, energy rates will increase by \$0.0057 per kWh from the current level of \$0.0132 per kWh to \$0.0189 per kWh. After determining the energy charges for SC No. 3, the Commission allocates the remaining revenue increase to the demand charge. As a result, the SC No. 4 demand charge increases by \$0.48 per kW from \$6.18 to \$6.66 per kW.

The annual revenue increase of \$10,869 for the Second Stage Update authorized in this Order produces a base revenue increase of approximately 2.24 percent of Rate Year revenues. For SC Nos. 1, 2, 3, and 4 the customer charges, facility charges, and energy rates will increase by the system average base revenue increase of 2.24 percent.

Appendix C Schedule 1 presents a comparison of the current rates and those the Commission adopts in this Order for SC Nos. 1, 2, 3, and 4 for the Rate Year. The corresponding total bill impacts related to the current and Rate Year adopted rates are set forth in Appendix C Schedule 2 through Schedule 5. Appendix C Schedule 6 presents a comparison of the Commission's

Rate Year rates and Second Stage Update rates as adopted in this Order for SC Nos. 1, 2, 3, and 4. The corresponding total bill impacts related to the Rate Year adopted rates and the Second Stage Update rates are set forth in Appendix C Schedule 7 through Schedule 10.

The rates for the Rate Year shall become effective on May 1, 2023. As discussed above, the Village shall file the rates contained in the Second Stage Update within 60 days of the bucket truck being placed in-service, and shall file the Second Stage Update tariff revisions on not less than 30 days' notice and to become effective, on a permanent basis, on the 1st of a month.

#### Consumer Services

The review in this case included an assessment by the Department of Public Service Staff (Staff) of the Village's customer service procedures and documents in use for its customer service operations for compliance with 16 NYCRR Part 11, which implements the Home Energy Fair Practices Act (HEFPA) and the Department's best practices. Staff examined the Village's staffing, contact information, service application procedures and forms, billing and payment procedures, billing format and invoice content, and customer communication channels. Staff also reviewed the Village's customer-facing materials, including annual notifications, budget billing, past due reminder notices, deferred payment agreement forms and procedures, referrals to the Home Energy Assistance Program, and other sources for financial assistance. Further, Staff reviewed the confidential asset evaluation form, notice to social services of customers' inability to pay, residential special protections form, customer complaint handling, service terminations and policy, and the Village's reconnection charges, which became effective after April 9, 2002 and are set at \$30.00

during regular hours and \$60.00 after regular hours. Finally, Staff reviewed the Village's COVID-19 pandemic impacts, meter reading, meter testing procedures, and meter annual compliance filings.

Most of the Village's customer service operations practices, procedures, and its documents and forms conform to the requirements of HEFPA and 16 NYCRR Part 11. Staff, however, did identify four areas of improvement: (1) the Village does not currently have a customer service training manual; (2) the Village does not have customer outreach and education materials to distribute to customers; (3) the Village's website lacks visibility of electric utility service; and (4) the Village's meter testing and meter test compliance filings are lacking and need to be updated.

Staff and the Village worked collaboratively to address the customer service training manual, outreach and education materials, and improvements to its website. During the pendency of this Rate Filing, the Village developed and implemented a customer service training manual for its employees. The training manual will help provide consistency to the Village's customer service operations and offer best practices in handling customer services, communications, billing, and educational materials. Staff provided the Village with the Department of Public Service's educational brochures to distribute at its offices. Staff sent the Village the following consumer guides: "Household Electricity Use and Energy Saving Tips" and "Take the Chill out of Your Winter Energy Bills." The Village placed the Department's brochures in its electric customer service billing area at 124 Commercial Street. In addition to the printed materials, the Village has expanded the

visibility of the electric services and energy conservation materials on its website.<sup>8</sup>

The Commission's regulations require utilities and municipalities to conduct testing of electric meters that are in service to ensure accurate customer billing.<sup>9</sup> The electric utilities must file annual reports detailing the results of such testing. The Commission determines that the Village's in-service meter testing program does not meet the level of testing defined in these regulations nor has the Village provided the required annual reports. Within 60 days of the date of this Order, the Village of Theresa shall file a meter test plan for its in-service electric meters with the Secretary to the Commission. Following Staff's work with the Village to improve customer facing information, and provided the Village file a meter testing plan in compliance with this Order, the Village's customer service operations will be in good standing.

#### CONCLUSION

Based on the foregoing, the Village of Theresa is authorized to increase its annual revenues by \$85,383, an increase of approximately 15.07 percent of total revenues, effective May 1, 2023. Additionally, the Village of Theresa is authorized to submit a compliance filing for the Second Stage Update to increase its delivery rates to reflect a revenue increase of \$10,869, or an increase of 1.66 percent of total revenues when the new bucket truck is placed into service. The additional revenue will allow the Village of Theresa to continue to provide safe and adequate electric service to its customers.

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<sup>8</sup> <https://www.villageoftheresany.com/municipal-electric.html>

<sup>9</sup> 16 NYCRR §92.10; 16 NYCRR Part 92 Operating Manual.

The Commission orders:

1. The Village of Theresa is directed to file a cancellation supplement, on not less than one day's notice and to be effective on or before April 27, 2023, cancelling the tariff amendments listed in Appendix A.

2. The Village of Theresa is directed to file, on not less than five days' notice and to be effective on May 1, 2023, further tariff revisions establishing the approved rates as shown in Appendix C Schedule 1 and any other tariff changes necessary to effectuate this Order, consistent with the discussion in the body of this Order.

3. The Village of Theresa is directed to provide its customers with notification of the Commission's determination in this Order no later than four weeks after the issuance of this Order, either by individual customer notification or by newspaper publication once a week for four consecutive weeks.

4. The Village of Theresa is directed to file with the Secretary to the Commission, no later than six weeks after the issuance of this Order, a copy of the customer notification, identified in Ordering Clause No. 3, and an attestation that the Village of Theresa complied with Ordering Clause No. 3.

5. Within 60 days of the date of issuance of this Order, the Village of Theresa shall file with the Secretary to the Commission an electric meter test plan as described in the body of this Order.

6. The Village of Theresa is directed to file further tariff amendments as authorized in this Order to effectuate new delivery rates for the Second Stage Update within 60 days after the in-service date of the new bucket truck, on not less than 30 days' notice, and to become effective on the first day of a month, but not earlier than May 1, 2024.

7. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

8. This proceeding is closed pending compliance with Ordering Clause Nos. 1, 2, 4, 5, and 6.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS  
Secretary

SUBJECT: Filing by the VILLAGE OF THERESA

Amendments to Schedule P.S.C. No. 1 - Electricity

Second Revised Leaves Nos. 7, 10

Third Revised Leaves Nos. 1, 2, 3, 5

Fourth Revised Leaves Nos. 8, 9

Fifth Revised Leaves Nos. 4, 6, 11

Issued: September 27, 2022      Effective: March 1, 2023

Postponed to May 1, 2023

SAPA: 22-E-0543SP1 - STATE REGISTER - October 26, 2022

NEWSPAPER PUBLICATION: October 4, 10, 17 and 24, 2022.

**Village of Theresa  
Income Statement and Rate of Return Calculation  
For the Rate Year Ending April 30, 2024 and Second Stage Update**

|  | Historic<br>Period Ending<br>May 31, 2022 | Utility<br>Adjustments | Normalized Rate<br>Year Before<br>Revenue Increase<br>Per Utility | Adj # | Rate Year<br>Adopted<br>Adjustments | Rate Year<br>As Adjusted<br>by Order<br>Before<br>Increase | Rate Year<br>Revenue<br>Increase | Rate Year<br>After Increase | Second Stage<br>Adjustments | Second Stage<br>As Adjusted by<br>Order Before<br>Increase | Second Stage<br>Revenue<br>Increase | Second Stage<br>After Increase |
|--|---|------------------------|---|-------|-------------------------------------|--|----------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|--------------------------------|
| <b>Revenues</b>  |   |                        |   |       |                                     |  |                                  |                             |                             |  |                                     |                                |
| Operating Revenues - Base                              | \$ 401,461                                | \$ (1,034)             | \$ 400,427  |       |                                     | \$ 400,427   | \$ 85,383                        | \$ 485,810                  |                             | \$ 485,810   | \$ 10,869                           | \$ 496,679                     |
| Operating Revenues - PPAC                              | 175,915                                   | (110)                  | 175,805   | 1     | (16,918)                            | 158,887  | -                                | 158,887                     |                             | 158,887  |                                     | 158,887                        |
| Late Charges   | 7,474                                     | (1,470)                | 6,004   |       |                                     | 6,004  |                                  | 6,004                       |                             | 6,004  |                                     | 6,004                          |
| Miscellaneous Operating Revenues                       | 703                                       | 470                    | 1,173   |       |                                     | 1,173  |                                  | 1,173                       |                             | 1,173  |                                     | 1,173                          |
| Total Revenues   | 585,553                                   | (2,144)                | 583,409   |       | (16,918)                            | 566,491  | 85,383                           | 651,874                     | -                           | 651,874  | 10,869                              | 662,743                        |
| <b>Operating Expenses</b>                              |   |                        |   |       |                                     |  |                                  |                             |                             |  |                                     |                                |
| Purchased Power, and related costs                     | 295,315                                   | (298)                  | 295,017   | 2     | (19,488)                            | 275,529  | -                                | 275,529                     |                             | 275,529  |                                     | 275,529                        |
| Labor, net of Capitalized Labor                        | 155,387                                   | 4,977                  | 160,364   |       |                                     | 160,364  | -                                | 160,364                     |                             | 160,364  |                                     | 160,364                        |
| FICA, medical, retirement, workers' compensation, etc. | 73,908                                    | (5,177)                | 68,731  |       |                                     | 68,731   | -                                | 68,731                      |                             | 68,731   |                                     | 68,731                         |
| Allocation of employee benefits - capitalized          | (2,943)                                   | 666                    | (2,277)   |       |                                     | (2,277)  | -                                | (2,277)                     |                             | (2,277)  |                                     | (2,277)                        |
| Allocation of employee benefits - expensed             | (19,664)                                  | (91)                   | (19,755)  |       |                                     | (19,755)   | (91)                             | (19,755)                    |                             | (19,755)   |                                     | (19,755)                       |
| Distribution   | 47,165                                    | 5,430                  | 52,595  |       |                                     | 52,595   | -                                | 52,595                      |                             | 52,595   |                                     | 52,595                         |
| Customer's Accounting & Collection                     | 15,405                                    | 567                    | 15,972  |       |                                     | 15,972   | -                                | 15,972                      |                             | 15,972   |                                     | 15,972                         |
| Administrative & General                               | 22,421                                    | 7,767                  | 30,188  |       |                                     | 30,188   | -                                | 30,188                      |                             | 30,188   |                                     | 30,188                         |
| Uncollectible accounts                                 | 6,459                                     | (2,445)                | 4,014   |       |                                     | 4,014  | 589                              | 4,603                       |                             | 4,603  | 75                                  | 4,678                          |
| Depreciation   | 44,972                                    | 4,785                  | 49,757  | 3     | (8,505)                             | 41,252   | -                                | 41,252                      | 390                         | 41,642   |                                     | 41,642                         |
| Rent   | 10,000                                    |                        | 10,000  |       |                                     | 10,000   | -                                | 10,000                      |                             | 10,000   |                                     | 10,000                         |
| PILOT to Village of Theresa                            | -   | 776                    | 776   |       |                                     | 776  | -                                | 776                         |                             | 776  |                                     | 776                            |
| Amortization of Rate Filing Costs                      | -   | 8,333                  | 8,333   | 4     | (3,333)                             | 5,000  | -                                | 5,000                       |                             | 5,000  |                                     | 5,000                          |
| Contributions appropriations of income - IEEP          | 7,246                                     | (49)                   | 7,197   |       |                                     | 7,197  | -                                | 7,197                       |                             | 7,197  |                                     | 7,197                          |
| Total Operating and Maintenance Expenses               | 655,671                                   | 25,241                 | 680,912   |       | (31,326)                            | 649,586  | 589                              | 650,174                     | 390                         | 650,564  | 75                                  | 650,639                        |
| Net Operating Income                                   | \$ (70,118)                               | \$ (27,385)            | \$ (97,503)   |       | \$ 14,408                           | \$ (83,095)  | \$ 84,795                        | \$ 1,700                    | \$ (390)                    | \$ 1,310   | \$ 10,794                           | \$ 12,104                      |
| Rate Base  | \$ 300,376                                | \$ 54,781              | \$ 355,159  |       | \$ (310,523)                        | \$ 44,636  | \$ -                             | \$ 44,636                   | \$ 231,245                  | \$ 275,881   |                                     | \$ 275,881                     |
| Rate of Return   | -23.34%                                   |                        | -27.45%   |       |                                     | -186.16%   |                                  | 3.81%                       |                             |  |                                     | 4.39%                          |

**Village of Theresa  
Rate Base and Cash Working Capital  
For the Rate Year Ending April 30, 2024 and Second Stage Update**

| <u>Rate Base</u>                                      | Historic                      | Utility          | Normalized Rate                                | Adj # | Rate Year           | Rate Year                                     | Rate Year   | Rate Year        | Second Stage      | Second Stage      | Second Stage | Second Stage      |
|---|-------------------------------|------------------|--|-------|---------------------|---|-------------|------------------|-------------------|-------------------|--------------|-------------------|
|   | Period Ending<br>May 31, 2022 | Adjustments      | Year Before<br>Revenue Increase<br>Per Utility |       | Adjusted            | As Adjusted<br>by Order<br>Before<br>Increase |             |                  |                   |                   |              |                   |
| Plant in Service                                      | \$1,672,075                   | \$59,831         | \$1,731,906                                    | 5     | \$ (33,198)         | \$1,698,708                                   | \$ -        | \$1,698,708      | 85,249            | \$1,783,957       |              | \$1,783,957       |
| Accumulated Depreciation                              | 1,395,305                     | 28,845           | 1,424,150                                      | 6     | 277,366             | 1,701,516                                     | -           | 1,701,516        | (145,996)         | 1,555,520         |              | 1,555,520         |
| Contributions for Extensions                          | 118,719                       | 990              | 119,709  |       |                     | 119,709                                       | -           | 119,709          |                   | 119,709           |              | 119,709           |
| Net Plant   | \$158,051                     | \$29,996         | \$188,047                                      |       | (\$310,564)         | (\$122,517)                                   | -           | (\$122,517)      | \$231,245         | \$108,728         |              | \$108,728         |
| Materials & Supplies                                  | 79,101                        | 2,215            | 81,316   |       |                     | 81,316  | -           | 81,316           |                   | 81,316            |              | 81,316            |
| Prepayments   | -                             | -                | -  |       |                     | -   | -           | -                |                   | -                 |              | -                 |
| Cash Working Capital                                  | \$63,225                      | 1,736            | 64,962   | 7     | (1,624)             | 63,338  | -           | 63,338           |                   | 63,338            |              | 63,338            |
| Unamortized Rate Case Expense                         | -                             | 20,834           | 20,834   | 8     | 1,665               | 22,499  | -           | 22,499           |                   | 22,499            |              | 22,499            |
| Rate Base   | <u>\$ 300,376</u>             | <u>\$ 54,781</u> | <u>\$ 355,159</u>                              |       | <u>\$ (310,523)</u> | <u>\$ 44,636</u>                              | <u>\$ -</u> | <u>\$ 44,636</u> | <u>\$ 231,245</u> | <u>\$ 275,881</u> | <u>\$ -</u>  | <u>\$ 275,881</u> |
| <u>Cash Working Capital</u>                           |                               |                  |  |       |                     |   |             |                  |                   |                   |              |                   |
| Operating and Maintenance Expenses                    | \$ 655,671                    | \$ 25,241        | \$ 680,912                                     |       | \$ (31,326)         | \$ 649,586                                    | \$ 589      | \$ 650,174       | \$ 390            | \$ 650,564        |              | \$ 650,564        |
| <u>Deduct:</u>  |                               |                  |  |       |                     |   |             |                  |                   |                   |              |                   |
| Purchased Power                                       | 295,315                       | (298)            | 295,017  |       | (19,488)            | 275,529                                       | -           | 275,529          | -                 | 275,529           |              | 275,529           |
| Depreciation  | 44,972                        | 4,785            | 49,757   |       | (8,505)             | 41,252  | -           | 41,252           | 390               | 41,642            |              | 41,642            |
| Other Taxes   | -                             | 776              | 776  |       | -                   | 776   | -           | 776              | -                 | 776               |              | 776               |
| Uncollectible Accounts                                | 6,459                         | (2,445)          | 4,014  |       | -                   | 4,014   | 589         | 4,603            | -                 | 4,603             |              | 4,603             |
| Amortization of Rate Case Expense                     | -                             | 8,333            | 8,333  |       | (3,333)             | 5,000   | -           | 5,000            |                   | 5,000             |              | 5,000             |
| Total Deductions                                      | <u>346,746</u>                | <u>11,151</u>    | <u>357,897</u>                                 |       | <u>(31,326)</u>     | <u>326,571</u>                                | <u>589</u>  | <u>327,159</u>   | <u>390</u>        | <u>327,549</u>    | <u>-</u>     | <u>327,549</u>    |
| O&M Expense Balance                                   | 308,925                       | 14,090           | 323,015  |       | -                   | 323,015                                       | -           | 323,015          | -                 | 323,015           |              | 323,015           |
| Purchased Power Expense                               | 295,315                       | (298)            | 295,017  |       | (19,488)            | 275,529                                       | -           | 275,529          | -                 | 275,529           |              | 275,529           |
| Net Expenses for Cash Working Capital                 | <u>604,240</u>                | <u>13,792</u>    | <u>618,032</u>                                 |       | <u>(19,488)</u>     | <u>598,544</u>                                | <u>-</u>    | <u>598,544</u>   | <u>-</u>          | <u>598,544</u>    | <u>-</u>     | <u>598,544</u>    |
| Cash Working Capital - Operating Expenses (1/8)       | 38,616                        | 1,761            | 40,377   |       | -                   | 40,377  | -           | 40,377           | -                 | 40,377            |              | 40,377            |
| Cash Working Capital - Purchased Power Expense (1/12) | 24,610                        | (25)             | 24,585   |       | (1,624)             | 22,961  | -           | 22,961           | -                 | 22,961            |              | 22,961            |
| Cash Working Capital Allowance                        | <u>\$ 63,225</u>              | <u>\$ 1,736</u>  | <u>\$ 64,962</u>                               |       | <u>\$ (1,624)</u>   | <u>\$ 63,338</u>                              | <u>\$ -</u> | <u>\$ 63,338</u> | <u>\$ -</u>       | <u>\$ 63,338</u>  | <u>\$ -</u>  | <u>\$ 63,338</u>  |

**Village of Theresa  
Capitalization Matrix and Revenue Requirement Calculation  
For the Rate Year Ending April 30, 2024 and Second Stage Update**

| <b>Capitalization Matrix</b> | RY1             |                |           |               | Second Stage      |                |           |               |
|------------------------------|-----------------|----------------|-----------|---------------|-------------------|----------------|-----------|---------------|
|                              | Amount          | Percent        | Cost Rate | Weighted Cost | Amount            | Percent        | Cost Rate | Weighted Cost |
| Long Term Debt               | \$0             | 0.00%          | 0.00%     | 0.00%         | \$243,901         | 88.41%         | 4.50%     | 3.98%         |
| Customer Deposits            | 11,669          | 26.14%         | 1.80%     | 0.47%         | 11,669            | 4.23%          | 1.80%     | 0.08%         |
| Net Surplus                  | 32,967          | 73.86%         | 4.52%     | 3.34%         | 20,311            | 7.36%          | 4.52%     | 0.33%         |
| <b>Total</b>                 | <b>\$44,636</b> | <b>100.00%</b> |           | <b>3.81%</b>  | <b>\$ 275,881</b> | <b>100.00%</b> |           | <b>4.39%</b>  |

|   | RY 1     | 2nd Stage |
|---|----------|-----------|
| <b>Calculation of Revenue Requirement</b>   |          |           |
| Rate Base                                   | \$44,636 | 275,881   |
| Rate of Return                              | 3.81%    | 4.39%     |
| Required Return                             | 1,700    | 12,104    |
| Operating Income before Revenue Requirement | (83,095) | 1,310     |
| Deficiency                                  | 84,795   | 10,794    |
| Retention Factor                            | 99.31%   | 99.31%    |
| Incremental Revenue Requirement             | \$85,383 | \$10,869  |

**Village of Theresa**  
**Summary of Adjustments**  
**For the Rate Year Ending April 30, 2024 and 2nd Stage Update**

| <u>Adjustment</u><br><u>No.</u>             | <u>Description</u>   | <u>Amount</u>       | <u>2nd Stage</u><br><u>Update</u> |
|---|--|---------------------|-----------------------------------|
| <b>Revenues</b>                             |  |                     |                                   |
| 1   | <u>Operating Revenues - PPAC</u><br>To match PPAC revenues with PPAC expenses                                      | \$ (16,918)         |                                   |
| <b>Operation &amp; Maintenance Expenses</b> |  |                     |                                   |
| 2   | <u>Purchased Power</u><br>To reflect Staff's forecast of purchased power   | \$ (19,488)         |                                   |
| 3   | <u>Depreciation</u><br>To reflect Staff's rate year projection of depreciation expense                             | (8,505)             | 390                               |
| 4   | <u>Amortization of Rate Filing Costs</u><br>To amortize rate case expenses over a five-year period                 | (3,333)             |                                   |
|   | Total Adjustments to Operating & Maintenance Expenses  | <u>\$ (31,326)</u>  | <u>\$ 390</u>                     |
| <b>Rate Base</b>                            |  |                     |                                   |
| 5   | <u>Plant In Service</u><br>To reflect Staff's forecast of Plant In Service   | \$ (33,198)         | \$ 85,249                         |
| 6   | <u>Accumulated Depreciation</u><br>To reflect Staff's forecast of Accumulated Depreciation                         | 277,366             | (145,996)                         |
| 7   | <u>Cash Working Capital</u><br>Tracking Staff O&M Expense  | (1,624)             |                                   |
| 8   | <u>Unamortized Rate Case Expense</u><br>To reflect Staff's forecast of Unamortized Rate Case Expense at five years | 1,665               |                                   |
|   | Total Adjustments to Rate Base   | <u>\$ (310,523)</u> | <u>\$231,245</u>                  |

Village of Theresa  
Comparison of Present and Commission Adopted Rates

| §C1                                  | Present Rates | Commission Adopted Rates | Increase \$ | Increase % |
|--------------------------------------|---------------|--------------------------|-------------|------------|
| Customer Service Charge              | \$ 3.95       | \$ 4.79                  | \$ 0.84     | 21.25%     |
| Non-Winter Energy Charge (May - Oct) |               |                          |             |            |
| All kwh, per kwh                     | \$ 0.0488     | \$ 0.0592                | \$ 0.0104   | 21.25%     |
| Winter Energy Charge (Nov - Apr)     |               |                          |             |            |
| First 1000 kwh, per kwh              | \$ 0.0488     | \$ 0.0592                | \$ 0.0104   | 21.25%     |
| Over 1000 kwh, per kwh               | \$ 0.0759     | \$ 0.0920                | \$ 0.0161   | 21.25%     |

  

| SC2                                  | Present Rates | Commission Adopted Rates | Increase \$ | Increase % |
|--------------------------------------|---------------|--------------------------|-------------|------------|
| Customer Service Charge              | \$ 3.95       | \$ 4.79                  | \$ 0.84     | 21.25%     |
| Non-Winter Energy Charge (May - Oct) |               |                          |             |            |
| All kwh, per kwh                     | \$ 0.0262     | \$ 0.0318                | \$ 0.0056   | 21.25%     |
| Winter Energy Charge (Nov - Apr)     |               |                          |             |            |
| All kwh, per kwh                     | \$ 0.0409     | \$ 0.0496                | \$ 0.0087   | 21.25%     |

  

| SC3                         | Present Rates | Commission Adopted Rates | Increase \$ | Increase % |
|-----------------------------|---------------|--------------------------|-------------|------------|
| Facilities Charge, per unit | \$ 4.16       | \$ 4.62                  | \$ 0.46     | 11.02%     |
| Energy Charge, per kWh      | \$ 0.0079     | \$ 0.0189                | \$ 0.0110   | 139.03%    |

  

| SC4                    | Present Rates | Commission Adopted Rates | Increase \$ | Increase % |
|------------------------|---------------|--------------------------|-------------|------------|
| Demand Charge, per kW  | \$ 6.18       | \$ 6.66                  | \$ 0.48     | 7.81%      |
| Energy Charge, per kWh | \$ 0.0132     | \$ 0.0189                | \$ 0.0057   | 43.06%     |

Village of Theresa  
Comparison of Current and Rate Year Monthly Bill  
Electric Rates - Service Class 1 Residential

| kWh  | Present   | Staff Proposed | Increase \$ | Increase % |
|------|-----------|----------------|-------------|------------|
| 0    | \$ 3.95   | \$ 4.79        | \$ 0.84     | 21.25%     |
| 2    | \$ 4.09   | \$ 4.95        | \$ 0.86     | 21.00%     |
| 10   | \$ 4.67   | \$ 5.61        | \$ 0.94     | 20.19%     |
| 25   | \$ 5.75   | \$ 6.85        | \$ 1.10     | 19.10%     |
| 50   | \$ 7.55   | \$ 8.91        | \$ 1.36     | 17.97%     |
| 75   | \$ 9.36   | \$ 10.97       | \$ 1.62     | 17.28%     |
| 100  | \$ 11.16  | \$ 13.03       | \$ 1.88     | 16.81%     |
| 150  | \$ 14.76  | \$ 17.16       | \$ 2.39     | 16.22%     |
| 200  | \$ 18.37  | \$ 21.28       | \$ 2.91     | 15.86%     |
| 250  | \$ 21.97  | \$ 25.40       | \$ 3.43     | 15.62%     |
| 500  | \$ 39.99  | \$ 46.01       | \$ 6.02     | 15.06%     |
| 750  | \$ 58.01  | \$ 66.63       | \$ 8.61     | 14.85%     |
| 825  | \$ 63.42  | \$ 72.81       | \$ 9.39     | 14.81%     |
| 1000 | \$ 76.03  | \$ 87.24       | \$ 11.21    | 14.74%     |
| 1500 | \$ 112.08 | \$ 128.47      | \$ 16.39    | 14.62%     |
| 2000 | \$ 148.12 | \$ 169.69      | \$ 21.57    | 14.57%     |
| 5000 | \$ 364.37 | \$ 417.04      | \$ 52.68    | 14.46%     |

Average User Bill

PPA/kWh includes\*      0.023283417    0.023283417

\* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

Village of Theresa  
Comparison of Current and Rate Year Monthly Bill  
Electric Rates - Service Class 2 General Service Non-Demand Metered

| kWh   | Present   | Staff Proposed | Increase \$ | Increase % |
|-------|-----------|----------------|-------------|------------|
| 0     | \$ 3.95   | \$ 4.79        | \$ 0.84     | 21.25%     |
| 2     | \$ 4.05   | \$ 4.90        | \$ 0.85     | 20.99%     |
| 10    | \$ 4.46   | \$ 5.35        | \$ 0.89     | 20.08%     |
| 25    | \$ 5.21   | \$ 6.19        | \$ 0.98     | 18.76%     |
| 50    | \$ 6.48   | \$ 7.60        | \$ 1.12     | 17.25%     |
| 75    | \$ 7.74   | \$ 9.00        | \$ 1.26     | 16.23%     |
| 100   | \$ 9.01   | \$ 10.40       | \$ 1.40     | 15.49%     |
| 150   | \$ 11.54  | \$ 13.21       | \$ 1.67     | 14.51%     |
| 200   | \$ 14.07  | \$ 16.02       | \$ 1.95     | 13.88%     |
| 250   | \$ 16.60  | \$ 18.83       | \$ 2.23     | 13.44%     |
| 500   | \$ 29.24  | \$ 32.86       | \$ 3.62     | 12.39%     |
| 750   | \$ 41.89  | \$ 46.90       | \$ 5.01     | 11.97%     |
| 1000  | \$ 54.54  | \$ 60.94       | \$ 6.41     | 11.75%     |
| 1025  | \$ 55.80  | \$ 62.34       | \$ 6.54     | 11.73%     |
| 1500  | \$ 79.83  | \$ 89.02       | \$ 9.19     | 11.51%     |
| 2000  | \$ 105.12 | \$ 117.09      | \$ 11.97    | 11.39%     |
| 5000  | \$ 256.88 | \$ 285.55      | \$ 28.67    | 11.16%     |
| 10000 | \$ 509.80 | \$ 566.30      | \$ 56.50    | 11.08%     |

Average  
User Bill

PPA/kWh include.\*      0.024385145      0.024385145

Village of Theresa  
Comparison of Current and Rate Year Monthly Bill  
Electric Rates - Service Class 3 Street Lighting

| kWh | Present | Staff Proposed | Increase \$ | Increase % |
|-----|---------|----------------|-------------|------------|
| 30  | \$ 5.10 | \$ 5.88        | \$ 0.79     | 15.47%     |
| 40  | \$ 5.41 | \$ 6.31        | \$ 0.90     | 16.61%     |
| 50  | \$ 5.72 | \$ 6.73        | \$ 1.01     | 17.62%     |

PPA/kWh include.\*                      0.023283417                      0.023283417

\* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)



Village of Theresa  
Comparison of Rate Year 1 and Second Stage Rates

| SC1                                  | Rate Year 1 | Second Stage Rates | Increase \$ | Increase % |
|--------------------------------------|-------------|--------------------|-------------|------------|
| Customer Service Charge              | \$ 4.79     | \$ 4.90            | \$ 0.11     | 2.23%      |
| Non-Winter Energy Charge (May - Oct) |             |                    |             |            |
| All kwh, per kwh                     | \$ 0.0592   | \$ 0.0605          | \$ 0.0013   | 2.23%      |
| Winter Energy Charge (Nov - Apr)     |             |                    |             |            |
| First 1000 kwh, per kwh              | \$ 0.0592   | \$ 0.0605          | \$ 0.0013   | 2.23%      |
| Over 1000 kwh, per kwh               | \$ 0.0920   | \$ 0.0941          | \$ 0.0021   | 2.23%      |

  

| SC2                                  | Rate Year 1 | Second Stage Rates | Increase \$ | Increase % |
|--------------------------------------|-------------|--------------------|-------------|------------|
| Customer Service Charge              | \$ 4.79     | \$ 4.90            | \$ 0.11     | 2.23%      |
| Non-Winter Energy Charge (May - Oct) |             |                    |             |            |
| All kwh, per kwh                     | \$ 0.0318   | \$ 0.0325          | \$ 0.0007   | 2.23%      |
| Winter Energy Charge (Nov - Apr)     |             |                    |             |            |
| All kwh, per kwh                     | \$ 0.0496   | \$ 0.0507          | \$ 0.0011   | 2.23%      |

  

| SC3                         | Rate Year 1 | Second Stage Rates | Increase \$ | Increase % |
|-----------------------------|-------------|--------------------|-------------|------------|
| Facilities Charge, per unit | \$ 4.62     | \$ 4.72            | \$ 0.10     | 2.23%      |
| Energy Charge, per kWh      | \$ 0.0189   | \$ 0.0193          | \$ 0.0004   | 2.23%      |

  

| SC4                    | Rate Year 1 | Second Stage Rates | Increase \$ | Increase % |
|------------------------|-------------|--------------------|-------------|------------|
| Demand Charge, per kW  | \$ 6.66     | \$ 6.81            | \$ 0.15     | 2.23%      |
| Energy Charge, per kWh | \$ 0.0189   | \$ 0.0193          | \$ 0.0004   | 2.23%      |

Village of Theresa  
Comparison of Rate Year and Second Stage Monthly Bill  
Electric Rates - Service Class 1 Residential

| kWh  | Rate Year 1 | Second Stage Rates | Increase \$ | Increase % |
|------|-------------|--------------------|-------------|------------|
| 0    | \$ 4.79     | \$ 4.90            | \$ 0.11     | 2.23%      |
| 2    | \$ 4.95     | \$ 5.06            | \$ 0.11     | 2.21%      |
| 10   | \$ 5.61     | \$ 5.73            | \$ 0.12     | 2.14%      |
| 25   | \$ 6.85     | \$ 6.99            | \$ 0.14     | 2.04%      |
| 50   | \$ 8.91     | \$ 9.08            | \$ 0.17     | 1.94%      |
| 75   | \$ 10.97    | \$ 11.18           | \$ 0.21     | 1.88%      |
| 100  | \$ 13.03    | \$ 13.27           | \$ 0.24     | 1.83%      |
| 150  | \$ 17.16    | \$ 17.46           | \$ 0.30     | 1.78%      |
| 200  | \$ 21.28    | \$ 21.65           | \$ 0.37     | 1.74%      |
| 250  | \$ 25.40    | \$ 25.84           | \$ 0.44     | 1.72%      |
| 500  | \$ 46.01    | \$ 46.78           | \$ 0.77     | 1.67%      |
| 750  | \$ 66.63    | \$ 67.72           | \$ 1.10     | 1.65%      |
| 825  | \$ 72.81    | \$ 74.01           | \$ 1.20     | 1.64%      |
| 1000 | \$ 87.24    | \$ 88.67           | \$ 1.43     | 1.64%      |
| 1500 | \$ 128.47   | \$ 130.55          | \$ 2.09     | 1.62%      |
| 2000 | \$ 169.69   | \$ 172.44          | \$ 2.75     | 1.62%      |
| 5000 | \$ 417.04   | \$ 423.75          | \$ 6.71     | 1.61%      |

Average User Bill

PPA/kWh include.\*      0.023283417    0.023283417

\* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

Village of Theresa  
Comparison of Rate Year and Second Stage Monthly Bill  
Electric Rates - Service Class 2 General Service Non-Demand Metered

| kWh   | Rate Year 1 | Second Stage Rates | Increase \$ | Increase % |
|-------|-------------|--------------------|-------------|------------|
| 0     | \$ 4.79     | \$ 4.90            | \$ 0.11     | 2.23%      |
| 2     | \$ 4.90     | \$ 5.01            | \$ 0.11     | 2.21%      |
| 10    | \$ 5.35     | \$ 5.46            | \$ 0.11     | 2.13%      |
| 25    | \$ 6.19     | \$ 6.32            | \$ 0.12     | 2.01%      |
| 50    | \$ 7.60     | \$ 7.74            | \$ 0.14     | 1.87%      |
| 75    | \$ 9.00     | \$ 9.16            | \$ 0.16     | 1.78%      |
| 100   | \$ 10.40    | \$ 10.58           | \$ 0.18     | 1.71%      |
| 150   | \$ 13.21    | \$ 13.42           | \$ 0.21     | 1.61%      |
| 200   | \$ 16.02    | \$ 16.27           | \$ 0.25     | 1.55%      |
| 250   | \$ 18.83    | \$ 19.11           | \$ 0.28     | 1.51%      |
| 500   | \$ 32.86    | \$ 33.33           | \$ 0.46     | 1.40%      |
| 750   | \$ 46.90    | \$ 47.54           | \$ 0.64     | 1.36%      |
| 1000  | \$ 60.94    | \$ 61.76           | \$ 0.82     | 1.34%      |
| 1025  | \$ 62.34    | \$ 63.18           | \$ 0.83     | 1.34%      |
| 1500  | \$ 89.02    | \$ 90.19           | \$ 1.17     | 1.31%      |
| 2000  | \$ 117.09   | \$ 118.62          | \$ 1.52     | 1.30%      |
| 5000  | \$ 285.55   | \$ 289.20          | \$ 3.65     | 1.28%      |
| 10000 | \$ 566.30   | \$ 573.50          | \$ 7.19     | 1.27%      |

Average  
User Bill

PPA/kWh include.\*      0.023283417      0.023283417

\* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

Village of Theresa  
Comparison of Rate Year and Second Stage Monthly Bill  
Electric Rates - Service Class 3 Street Lighting

| kWh | Rate Year 1 | Second Stage Rates | Increase \$ | Increase % |
|-----|-------------|--------------------|-------------|------------|
| 30  | \$ 5.88     | \$ 6.00            | \$ 0.12     | 1.97%      |
| 40  | \$ 6.31     | \$ 6.43            | \$ 0.12     | 1.90%      |
| 50  | \$ 6.73     | \$ 6.85            | \$ 0.12     | 1.84%      |

PPA/kWh include.\*                      0.023283417                      0.023283417

\* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

