Filed Session of May 19, 2011
Approved as Recommended
and so Ordered
by the Commission

Jaclyn A. Brilling
Digitally Signed by Secretary
New York Public Service Commission

JACLYN A. BRILLING
Secretary

Issued and Effective May 23, 2011

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

May 4, 2011

TO: THE COMMISSION

FROM: OFFICE OF ELECTRIC, GAS AND WATER – Electric Rates & Tariffs
OFFICE OF ACCOUNTING AND FINANCE

SUBJECT: Case 11-E-0073 – Minor Rate Filing of Village Of Spencerport to Increase its Annual Electric Revenues by $289,561 or 10.2%.

RECOMMENDATION: Staff recommends that the tariff filing (see Appendix A) be authorized to become effective with modifications, as discussed in this memorandum, and that an increase in total annual electric revenues of $195,344, or 6.9%, be approved.

<u>Summary</u>

By letter dated February 18, 2011, the Village of Spencerport ("Spencerport" or "the Village") filed revised tariff leaves and supporting documents (Rate Application) seeking Commission approval to increase its total annual electric revenues by $289,561 or 10.2%, for the rate year commencing June 1, 2011. Spencerport indicates that the rate increase is necessary due to increases in costs and is necessary in order to maintain reliability and quality of service for its customers.

Staff reviewed Spencerport's Rate Application, and after reflecting necessary adjustments, recommends that the Commission approve an annual revenue increase of $195,344, or

6.9% to total revenues (10.5% increase to base revenues) effective June 1, 2011. Appendix B shows Spencerport's revenue requirement, as filed by the Village, and adjusted by Staff.

The Commission recognized the need for utilities to implement austerity measures to assist customers in weathering the current recessionary economy.[1] Spencerport has not explicitly reflected austerity savings in its rate year forecast. However, Spencerport instituted a voluntary early retirement program which provided for savings of approximately $70,000 in rate year labor and fringe benefits expenses. As discussed below, these savings are partially offset by a one-time payment of $46,178 to the New York State and Local Retirement System. The net savings during the rate year results in a significant savings to consumers and adequately reflects the current difficult economic times.

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on March 16, 2011. The public comment period provided for under SAPA has expired and no comments were received.

Background

Spencerport operates a municipal electric utility serving approximately 2,800 residential, commercial, and industrial customers in the Village of Spencerport and in portions of the Towns of Ogden and Parma, in Monroe County. The Village is located near Rochester, New York. Spencerport is a member of the New York Municipal Power Agency (NYMPA) and came under the Commission's jurisdiction on May 1, 1998, after it started to receive supplemental power from sources other than

[1] Case 09-M-0435, Proceeding Regarding Development of Utility Austerity Programs, Order Approving Ratepayer Credits (issued December 22, 2009).

the New York Power Authority (NYPA). Spencerport’s last electric rate increase was effective February 1, 2008 and produced an estimated additional $218,306, or 7.9% in annual electric operating revenues.[2]

Discussion

Spencerport based its rate year forecast on the historic test year ended May 31, 2010, its fiscal year. Spencerport made several normalizing and pro-forma adjustments to arrive at its rate year forecast. Consistent with normal ratemaking procedures, Staff used a cost-based approach to determine Spencerport’s revenue requirement. In order to compute Spencerport’s revenue requirement, Staff made several adjustments to operating revenues, operation and maintenance (O&M) expenses, rate base, and rate of return. Staff calculated net income by applying an appropriate rate of return to rate base. Staff then added net income to expenses to determine the level of annual revenues needed. The difference between revenues needed and projected revenues before the rate increase determines Spencerport's revenue deficiency.

Adjustments to Operating Revenues

Base Revenues

Spencerport made two adjustments amounting to $58,494 to historic revenues to arrive at its forecast of rate year revenues. First, it used a three-year average (2008 – 2010) of kWh sold as a basis for the projected rate year base revenues. This approach resulted in a decrease in forecast revenues of $54,255. Next Spencerport added $112,749 of revenues to reflect

[2] Case 07-E-0892, Minor Rate Filing by the Village of Spencerport to Increase its Annual Electric Revenues by $299,657 or 10.9%, (issued January 16, 2008) (“2008 Rate Order”).

the addition of a new commercial customer and two residential housing developments.

Normal Sales

In arriving at its base forecast, Spencerport did not weather normalize its sales. Because most of its revenues occur in the winter when weather affects sales most, it is appropriate to normalize the winter revenues. As a result, Spencerport's $54,255 adjustment to base revenues should be reversed. Instead, Staff recommends two adjustments to arrive at a more accurate forecast of base rate year sales.

First, Staff weather normalized test year sales. To arrive at weather normalized sales, Staff analyzed the average "Degree Day" information for the 10-year period 2000 through 2010 in the Rochester, NY area, and determined that the test year heating degree days were 3.3% lower than the 10-year average. Because the historic year winter was warmer than an average winter, Staff increased the historic year base winter revenues for the 3.3% deviation. Staff's adjustment to reflect a weather normalized historic test year increases Spencerport's forecast of base revenues by $13,353.

Next, Staff analyzed the weather normalized kWh sales growth over the previous three years to determine recent growth trends among all sales classes and computed an average kWh decrease of -1.36% per year. Staff applied this rate to the adjusted historic test year's sales and accordingly recommends that base revenues be reduced by $44,302.

As a result of Staff's adjustments to normalize sales, base revenues increase $23,306.

New Customers

The Village is projecting the addition of a new large commercial customer and two residential housing developments to begin taking electric service during the rate year. To reflect the new customers, Spencerport used its rate year kWh projected usage for these customers and multiplied that by the historic test year actual base revenue per kWh sold for each customer's respective sales class. In its Rate Application, Spencerport adjusted rate year sales by $112,749 to reflect these new customers. It is appropriate to separately forecast new large-use customers because these significant increased revenues have not been incorporated into the average sales growth rate.

The new large commercial customer began service in September 2010 (after the historic period) and has a projected total usage of 2,092,710 kWh annually. Spencerport projected the housing developments to be in service by May 2011, but later revised the forecasted in service date to year end of 2011. The two residential housing developments are expected to house a total of 50 residential customers during the rate year with a projected usage of 810,250 kWh annually. Staff adjusted Spencerport's new residential customer projected sales to reflect the Village's updated in service date of the two housing developments. This adjustment reduces base revenues by $11,371 to $101,378.

Staff's total proposed adjustments to historic test year base revenues amount to $70,429, or $11,936 more than Spencerport's proposed rate year forecasted increase of $58,494.

Purchased Power Expense

In its Filing, Spencerport increased purchased power expense to reflect projected increases in sales by determining a gross profit percentage of 43.07% for the historic year and applying it to the rate year. To determine a gross profit percentage, Spencerport divided its historic test year gross profit (revenue minus purchased power) by its historic test year revenue.

A gross profit percentage approach as applied by Spencerport is inappropriate because Staff and Spencerport are proposing some changes that will affect rate year revenue and purchased power levels, causing the gross profit percentage to differ from the historic test year to the rate year.

To determine the impact of Spencerport's projected kWh sales increases on base purchase power expense, Staff multiplied the projected kWh sales increase by the base cost of power per kWh and increased this result by the factor of adjustment currently reflected in Spencerport's tariffs. This adjustment corrects Spencerport's forecast and reduces its projected purchased power expense by $61,592. In addition, to reflect Staff's adjustment of sales due to forecasted new customer growth in the Village and weather normalized sales, purchased power expense was increased by $29,896 and $5,485 respectively. Staff's resultant purchased power expense is $26,211 less than Spencerport's projection.

Operation & Maintenance Expenses

Pension

Spencerport instituted a voluntary early retirement program during 2010 offered by the New York State and Local Retirement System (Retirement System). Participation in the program provided Spencerport with the opportunity to reduce costs on labor and related benefits for the one electric department employee who participated. Staff projected this rate year savings including labor expense and related benefits to be approximately $70,000.

As a condition for participating in the early retirement program, Spencerport is required to make a one-time payment of $46,178 to the Retirement System, and has included this cost in its rate year forecast. Staff proposes to remove this one-time cost from the rate year forecast and instead amortize it over a three-year period ($15,393 per year). It is appropriate to amortize large one-time payments to smooth out significant year to year fluctuations in expenses. Staff chose a 3-year period because it is the approximate time between Spencerport's 2008 Rate Order and this Rate Application. Staff also made an adjustment to include the unamortized balance of $38,482 in rate base.

Regulatory Liability – Depreciation Credit

In its 2008 Rate Order, the Commission required Spencerport to record a regulatory liability related to an over-collection of depreciation expense, and amortize the liability over a five-year period. As of June 1, 2011 Spencerport will have a remaining balance of $56,215 related to this regulatory liability. Spencerport did not reflect this required amortization in its Rate Application.

Staff proposes an adjustment to amortize the remaining balance of the regulatory credit over a three-year period, beginning June 1, 2011 ($18,735 per year). Staff proposes to establish a new three-year amortization period for the remaining depreciation credit to match the amortization period for the costs related to the early retirement program. Staff also made an adjustment to include the unamortized balance of $46,846 in rate base.

Depreciation Expense

During its review, Staff discovered that four accounts have accrued more depreciation than the original cost of the plant being depreciated creating a negative net plant balance. As a result, the depreciation rates for these accounts are too high. These conditions exist for Account 361 (Distribution

Substation Equipment), Account 366 (Overhead Services), Account 385 (Communication Equipment), and Account 387 (General Tools and Equipment). Account 386 (Laboratory Equipment) is also very close to being fully depreciated. For each account, Staff recommends reducing the current deprecation rates by 1%. This movement brings the depreciation rates for these accounts more in line with the rates currently being used by other municipal electric utilities. Staff proposes that Spencerport reduce the depreciation rates, rather than stop taking depreciation, to provide a cushion to Spencerport in the event the Village adds substantial new plant to these accounts. The recommendation will also minimize the impact on the municipality and promote rate stability in the future. The overall effect of Staff's adjustments reduces the rate year depreciation by $18,595 as shown in Appendix C.

Rate Base

Net Plant

Spencerport forecasted a net plant increase of $295,530 between the historic test year and rate year to reflect normal plant additions and retirements. Staff agrees with Spencerport's forecast.

Plant Retirements

During Spencerport's last rate case, Staff determined that Spencerport had not been retiring its operating property from its accounts or its books when the plant was no longer used for utility service. Additionally, Spencerport was not keeping up to date Continuing Property Records (CPR). As a result, the 2008 Rate Order required Spencerport to take corrective actions and the Commission required the Village to file annual progress reports regarding the corrections of plant accounts, demonstrating that its accounting for plant in service was consistent with Part 197.23 – Operating Property Retired of the Uniform System of Accounts.

Spencerport has complied with the 2008 Rate Order and filed three annual progress reports between 2009 and 2011. These reports detailed the corrections and improvements that the Village made to its operating property accounts and plant accounting. Staff's review of Spencerport's Rate Filing indicates it has improved its internal processes to properly account for operating plant retirements. Staff concludes that Spencerport's CPR is currently up-to-date; therefore, we recommend that Spencerport be no longer required to file annual progress reports with the Commission.

Rate of Return

Spencerport calculated its required rate of return to be 5.56%, based on a return on surplus of 6.27%.

A fair rate of return for a municipal utility should ensure continuing support in the capital markets at terms that are reasonable, such that the utility may provide safe and adequate service to its customers. Investors in the debt of a municipal utility receive a relatively certain fixed income stream. The incremental borrowing rate of the municipality is applied to the surplus so that a municipality will be neutral when choosing between debt and surplus to meet its capital requirements. A fair rate of return allows the municipal utility to recover its prudently incurred embedded cost of debt and provides a return equivalent to the utility's current borrowing rate on its surplus.

Generally, a fair rate of return can be calculated through a weighted average of the individual cost components of a utility's capital structure, as shown on Appendix B, Schedule

3. The average cost rate for Spencerport's long-term debt is 3.25%. The cost of customer deposits, as prescribed by the Commission, is 0.75%. The return on surplus is set at the incremental borrowing rate, which is the municipality's current cost of issuing debt in the capital markets. Since Spencerport's debt is not rated, Staff used Baa-rated 20-year municipal bonds as a proxy for the purpose of determining the cost of surplus, which is comparable to the credit ratings of other similarly situated municipalities in New York State. The average yield for Baa-rated 20-year municipal bonds for the most recent three months is 6.31%. Based on these cost rates, an overall rate of return of 5.72% is reasonable and should be approved.

Factor of Adjustment

Spencerport computed the factor of adjustment (FOA) by dividing the total purchased energy entering its system by the total energy metered (sold) to customers. Spencerport proposes to decrease the factor of adjustment from 1.037663 to 1.030041 in this rate case, based on a six-year average of purchased power and sales data. Staff determined that Spencerport used an acceptable method to calculate the proposed factor of adjustment and recommends that the factor of adjustment be approved.

Revenue Allocation and Rate Design

Spencerport proposes to increase rates uniformly for all service classes to achieve the requested revenue increase. This method is typically used by municipal utilities for revenue allocation and rate design under circumstances where a fully allocated cost-of-service study was not performed. Current base rates will be increased by approximately 10.5% to achieve Staff's recommended revenue increase of $195,344.

Appendix D shows the current rates and Staff's recommended rates. Also, for SC-1 (Residential), SC-2 (General Non-Demand) and SC-3 (General Demand Metered), total bill amounts are provided based on current and recommended rates with varying usage levels to demonstrate the dollar impacts and percentage increases that customers can anticipate to experience. For example, a residential customer using 100 kWh will experience a bill increase of $0.49 or 7.6%, while an average customer using 500 kWh will experience a bill increase of $1.53 or 6.6%. A customer using 2,000 kWh will have a bill increase of $5.40 or 6.4%.

Conclusion and Recommendation

Staff recommends an annual revenue increase of $195,344 or 6.9%, effective June 1, 2011, and approval of the rates for the rate year as shown in Appendix D.

It is recommended that:

1. the amendments listed in Appendix A be authorized to become effective on June 1, 2011, provided the Village of Spencerport files tariff revisions consistent with Staff's recommended rates shown in Appendix C;
2. the further revisions directed in Clause No. 1 above be authorized to become effective, on not less than one day's notice, on June 1, 2011;
3. the Village of Spencerport be authorized to defer $46,178 of pension costs and recover those expenses over a three year period beginning June 1, 2011;
4. the requirement of Public Service Law §66(12) and 16 NYCRR 720.8.1 regarding newspaper publication of the further revisions directed in Clause No. 1 be waived, provided the Village of Spencerport individually notifies its customers, not later than July 1, 2011, of the Commission's determination in this matter; and,

5. upon compliance with Ordering Clause Nos. 1, 2 and 4, this proceeding be closed.

Respectfully submitted,

RICHARD GEORGE
Utility Engineer 1

DEBBIE EVANS
Public Utilities Auditor 2

TSHEPO SIMPSON
Senior Auditor

Reviewed by:

GUY MAZZA
Assistant Counsel
Office of General Counsel

Approved by:

THOMAS D’AMBROSIA
Chief
Office of Accounting & Finance

BRUCE E. ALCH
Chief, Electric Rates & Tariffs
Office of Electric, Gas and Water

CASE 11-E-0073 APPENDIX A

SUBJECT: Filing by the VILLAGE OF SPENCERPORT

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

First Revised Leaf No. 16
Third Revised Leaves Nos. 6.1, 8, 10, 12, 14, 15
Fourth Revised Leaves Nos. 1,2,3,5,6,9,11,13
Fifth Revised Leaves Nos. 4, 7

Issued: February 18, 2011
Effective: June 1, 2011

SAPAS: 11-E-0073SP1 – STATE REGISTER – March 16, 2011

NEWSPAPER PUBLICATION: Waived.

Case 11-E-0073

Appendix B
Schedule 1

Village of Spencerport
Income Statement and Rate of Return Calculation
For the Rate Year Ending May 31, 2012

	Historic Period Ending May 31, 2010	Utility Adjustments	Normalized Rate Year Before Revenue Increase Per Utility	Adj #	Staff Adjustments	As Adjusted By Staff	Revenue Requirement	As Finally Adjusted
Revenues								
Operating Revenues - Base	$1,861,653	$58,494	$1,920,147	1	$11,935	$1,932,082	$195,344	$2,127,426
Operating Revenues - PPAC	910,705	14,701	925,406		-	925,406		925,406
Late Charges	7,520	200	7,720		-	7,720		7,720
Miscellaneous Operating Revenues	59,863	(54,863)	5,000		-	5,000		5,000
Revenues	$2,839,741	$18,532	$2,858,273		$11,935	$2,870,208	$195,344	$3,065,552
Operating Expenses								
Purchased Power	$1,578,390	41,673	$1,620,063	2	($26,211)	$1,593,852		$1,593,852
Labor	432,144	(29,951)	402,193		-	402,193		402,193
Employee Benefits	347,533	50,895	398,428	3	(30,785)	367,643		367,643
Maintenance	92	3,378	3,470		-	3,470		3,470
Distribution	116,445	8,259	124,704		-	124,704		124,704
Street Lights	9,427	5,073	14,500		-	14,500		14,500
Customer's Accounting & Collection	22,185	1,574	23,759		-	23,759		23,759
Administrative & General	193,957	13,597	207,554		-	207,554		207,554
Insurance	22,937	2,107	25,044		-	25,044		25,044
Taxes	34,015	115	34,130		-	34,130		34,130
PILOT	-	-	-	4	6,077	6,077		6,077
Uncollectible	20,000	(2,785)	17,215		-	17,215	1,376	18,591
Miscellaneous Expenses Transferred	(236,424)	19,224	(217,200)		-	(217,200)		(217,200)
Depreciation	249,714	25,331	275,045	5	(37,330)	237,715		237,715
Contractual Appropriations of Income - IEEP	68,906	(6,733)	62,173		-	62,173		62,173
Total Operating and Maintenance Expenses	$2,859,321	$131,757	$2,991,078		($88,249)	$2,902,829	$1,376	$2,904,205
Net Operating Income	($19,580)	($113,225)	($132,805)		$100,184	($32,621)	$193,968	$161,347
Rate Base	$2,712,654	$105,699	$2,818,353	6-7	$2,271	$2,820,624	-	$2,820,624
Rate of Return	-0.72%		-4.71%			-1.16%		5.72%

Case 11-E-0073

Appendix B
Schedule 2

Village of Spencerport
Rate Base and Cash Working Capital
For the Rate Year Ending May 31, 2012

Rate Base	Historic Period Ending 40,329	Utility Adjustments	Normalized Rate Year Before Revenue Increase Per Utility	Adj #	Staff Adjustments	As Adjusted By Staff	Revenue Requirement	As Finally Adjusted
Plant in Service	$7,303,206	$691,112	$7,994,318		-	$7,994,318		$7,994,318
Construction Work In Progress	48,884	-	48,884		-	48,884		48,884
Accumulated Depreciation	4,776,806	395,582	5,172,388		-	5,172,388		5,172,388
Net Plant	$2,575,284	$295,530	$2,870,814		-	$2,870,814		$2,870,814
Contribution for Extensions	290,541	194,976	485,517		-	485,517		485,517
Prepayments	11,437	(3,846)	7,591		-	7,591		7,591
Materials & Supplies	162,791	(2,910)	159,881		-	159,881		159,881
Unamortized Balances	-	-	-	6	8,303	8,303		8,303
Cash Working Capital	253,683	11,901	265,584	7	(6,032)	259,552		259,552
RATE BASE	$2,712,654	$105,699	$2,818,353		$2,271	$2,820,624		$2,820,624

Cash Working Capital	Historic Period Ending 40,329	Utility Adjustments	Normalized Rate Year Before Revenue Increase Per Utility	Adj #	Staff Adjustments	As Adjusted By Staff	Revenue Requirement	As Finally Adjusted
Operating and Maintenance Expenses			$2,991,078		($88,249)	$2,902,829	$1,376	$2,904,205
Deduct:								
Purchased Power			1,620,063		(26,211)	1,593,852	-	1,593,852
Depreciation			275,045		(37,330)	237,715	-	237,715
Uncollectible Accounts			17,215		-	17,215	-	17,215
Property Taxes			34,130		-	34,130	-	34,130
PILOT			-		6,077	6,077	-	6,077
Total Deductions			1,946,453		(57,464)	1,888,989	-	1,888,989
O&M Expense Balance (1/8)			$1,044,625		($30,785)	$1,013,840	$1,376	$1,015,216
Purchased Power Expense (1/12)			1,620,063		(26,211)	1,593,852	-	$1,593,852
Net Expenses for Working Capital			$2,664,688		($56,996)	$2,607,692	$1,376	$2,609,068
Working Capital-Operating Expenses (1/8)			$130,578		($3,848)	$126,730	-	$126,730
Working PPAC Revenues (1/12)			$135,005		($2,184)	$132,821	-	$132,821
Cash Working Capital Allowance			$265,583		($6,032)	$259,551	-	$259,551

Case 11-E-0073

Appendix B
Schedule 3

Village of Spencerport
Capitalization Matrix and Revenue Requirement Calculation
For the Rate Year Ending May 31, 2012

Capitalization Matrix	Amount	Percent	Cost Rate	Weighted Cost
Customer Deposits	$41,961	1.49%	0.75%	0.01%
Long Term Debt	467,354	16.57%	3.25%	0.54%
Net Surplus	2,311,309	81.94%	6.31%	5.17%
Total	$2,820,624	100.00%		5.72%

Calculation of Revenue Requirement	Amount
Rate Base	$2,820,624
Rate of Return	5.72%
Required Return	161,347
Operating Income before Revenue Requirement	(32,621)
Deficiency	193,968
Retention Factor	99.30%
Revenue Requirement	$195,344

Village of Spencerport
Summary of Adjustments
For the Rate Year Ending May 31, 2012

Adjustment No.	Description	Amount
	Revenues	
1	Base Revenues	
(a)	To reflect weather normalized sales growth.	$9,953
(b)	To reflect weather normalized historic year revenues.	$13,353
(c)	To reflect Staff's forecast of new customer growth.	($11,371)
	Total Adjustment to Base Revenues	$11,935
	Operation & Maintenance Expenses	
2	Purchased Power	
(a)	To decrease purchased power to reflect weather normalized sales growth.	($31,696)
(b)	To adjust purchased power for weather normalization of historic year.	$5,485
	Total Adjustment to Purchased Power	($26,211)
3	Employee Benefits	
(a)	To remove one-time retirement payment.	($46,178)
(b)	To reflect amortization of early retirement payment over 3 years.	$15,393
	Total Adjustment to Employee Benefits	($30,785)
4	PILOT	
	To reflect rate year PILOT allowance.	$6,077
5	Depreciation	
(a)	To adjust for Staff's forecast of depreciation expense.	($18,595)
(b)	To amortize regulatory credit from Case 07-E-0892 over 3 years.	($18,735)
	Total Adjustment to Depreciation	(37,330)
	Total Adjustment to Operation & Maintenance Expenses	($88,249)
	Rate Base	
6	Unamortized Balances	
(a)	To reflect unamortized portion of the regulatory depreciation credit.	($46,846)
(b)	To reflect unamortized portion of the early retirement payment.	$38,482
(c)	To reflect unamortized portion of rate case expense.	$16,667
	Total Adjustment to Unamortized Balances	$8,303
7	Cash Working Capital	
	To reflect cash working capital tracking Staff's O&M adjustments.	($6,032)
	Total Adjustment to Rate Base	$2,271

APPENDIX C

SPENCERPORT DEPRECIATION

Account	Average Plant Balance	Current Rate	Proposed Rate	Current Expense	Proposed Expense	Difference
361	1,612,768	0.04	0.03	$ 64,511	$ 48,383	$ 16,128
366	150,408	0.05	0.04	$ 7,520	$ 6,016	$ 1,504
385	1,764	0.05	0.04	$ 88	$ 71	$ 18
386	24,455	0.05	0.04	$ 1,223	$ 978	$ 245
387	70,057	0.10	0.09	$ 7,006	$ 6,305	$ 701
TOTAL				$ 80,348	$ 61,753	$ 18,595

VILLAGE OF SPENCERPORT
Comparison of Monthly Rates

S.C. No. 1 - Residential

	Present	Staff Recommended	Rate Increase Amount	Rate Increase Percent
Customer Charge (Minimum)	$2.41	$2.66	$0.25	10.5%
Energy Charge (Per KWH)	$0.02636	$0.02913	$0.00277	10.5%

S.C. No. 2 - General Non-Demand

	Present	Staff Recommended	Rate Increase Amount	Rate Increase Percent
Customer Charge (Minimum)	$4.33	$4.78	$0.45	10.5%
Energy Charge (Per KWH)	$0.03079	$0.03402	$0.00323	10.5%

S.C. No. 3 - General Demand Metered

	Present	Staff Recommended	Rate Increase Amount	Rate Increase Percent
Demand Charge (Per KW)	$3.00	$3.32	$0.32	10.5%
Energy Charge (Per KWH)	$0.02264	$0.02502	$0.00238	10.5%

S.C. No. 5 - Private Outdoor Lighting

	Present	Staff Recommended	Rate Increase Amount	Rate Increase Percent
Facilities Charge, per unit:				
100 Watt post light	$11.09	$12.25	$1.16	10.5%
100 Watt HPS	$7.71	$8.52	$0.81	10.5%
100 Watt HPS	$9.17	$10.13	$0.96	10.5%
250 Watt HPS	$10.60	$11.71	$1.11	10.5%
400 Watt HPS	$16.87	$18.64	$1.77	10.5%
Pole Rental, per pole	$1.23	$1.36	$0.13	10.5%

S.C. No. 6 - Street Lighting and Traffic Lights

	Present	Staff Recommended	Rate Increase Amount	Rate Increase Percent
Street Lighting, Energy Charge (Per KWH)	$0.11645	$0.12868	$0.01	10.5%
Traffic Lights				
Per Traffic Light	$4.33	$4.78	$0.45	10.5%
Energy Charge (Per KWH)	$0.03079	$0.03402	$0.00323	10.5%

S.C. No. 7 - Large General Service

	Present	Staff Recommended	Rate Increase Amount	Rate Increase Percent
Demand Charge, per kW	$3.18	$3.51	$0.33	10.5%
Energy Charge, per kWh	$0.01931	$0.02134	$0.00203	10.5%

	Present	Staff Recommended
Purchased Power Adjustment Charge		
Applicable to all service classifications Per kWh	$0.014884	$0.014884
Reconnection Charge		
Regular Working Hours, Mon. - Fri.	$50.00	$50.00
After Regular Working Hours and all day Saturday, Sunday and Holidays	$200.00	$200.00
Insufficient Funds Check Charge	$33.00	$33.00

VILLAGE OF SPENCERPORT
Comparison of Monthly Bills
S.C. No. 1 - Residential

		Staff	Increase	
kWh	Present	Recommended	Amount	Percent
0	$2.41	$2.66	$0.25	10.5%
2	$2.49	$2.75	$0.26	10.4%
10	$2.82	$3.10	$0.28	9.9%
25	$3.44	$3.76	$0.32	9.4%
50	$4.47	$4.86	$0.39	8.8%
75	$5.50	$5.96	$0.46	8.4%
100	$6.53	$7.06	$0.53	8.1%
150	$8.60	$9.26	$0.67	7.8%
200	$10.66	$11.47	$0.81	7.6%
250	$12.72	$13.67	$0.95	7.4%
500	$23.03	$24.67	$1.64	7.1%
600	$27.16	$29.07	$1.91	7.0%
750	$33.34	$35.67	$2.33	7.0%
1,000	$43.65	$46.67	$3.02	6.9%
1,500	$64.28	$68.68	$4.40	6.9%
2,000	$84.90	$90.69	$5.79	6.8%
5,000	$208.63	$222.72	$14.09	6.8%

Note: A PPAC of $0.014884 was used in the calculations.

VILLAGE OF SPENCERPORT
Comparison of Monthly Bills
S.C. No. 2 - General Non-Demand

kWh	Present	Staff Recommended	Increase Amount	Increase Percent
0	$4.33	$4.78	$0.45	10.5%
2	$4.42	$4.88	$0.46	10.4%
10	$4.79	$5.27	$0.49	10.2%
25	$5.47	$6.01	$0.54	9.8%
50	$6.61	$7.23	$0.62	9.3%
75	$7.76	$8.45	$0.70	9.0%
100	$8.90	$9.68	$0.78	8.7%
150	$11.18	$12.12	$0.94	8.4%
200	$13.46	$14.57	$1.10	8.2%
250	$15.75	$17.01	$1.26	8.0%
500	$27.17	$29.24	$2.07	7.6%
750	$38.59	$41.46	$2.88	7.5%
1000	$50.00	$53.69	$3.69	7.4%
1,500	$72.84	$78.15	$5.30	7.3%
2,000	$95.68	$102.60	$6.92	7.2%
5,000	$232.70	$249.32	$16.62	7.1%
10,000	$461.07	$493.85	$32.78	7.1%

Note: A PPAC of $0.014884 was used in the calculations.

VILLAGE OF SPENCERPORT
Comparison of Monthly Bills
S.C. No. 3 - General Demand Metered

			Staff	Increase	
kW	kWh	Present	Recommended	Amount	Percent
50	1,000	$187.52	$205.65	$18.13	9.7%
	1,500	$206.29	$225.60	$19.32	9.4%
	2,000	$225.05	$245.55	$20.50	9.1%
75	2,000	$300.05	$328.43	$28.38	9.5%
	3,000	$337.57	$368.33	$30.76	9.1%
	4,000	$375.10	$408.23	$33.13	8.8%
100	5,000	$487.62	$531.01	$43.39	8.9%
	7,500	$581.43	$630.76	$49.33	8.5%
	10,000	$675.24	$730.51	$55.27	8.2%

Note: A PPAC of $0.014884 was used in the calculations.