

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**RATE REQUEST**

**BASED ON THE YEAR ENDED MAY 31, 2014 (BASE YEAR)  
FORECAST PERIOD AUGUST 1, 2015 (EFFECTIVE DATE  
OF RATE INCREASE) TO JULY 31, 2016**

**Issued February 27, 2015**

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ELECTRIC DEPARTMENT**

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FORECAST PERIOD AUGUST 1, 2015 (EFFECTIVE DATE  
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**Workpaper**

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**FORECASTED STATEMENT OF OPERATIONS  
Based on the Year Ended May 31, 2014 (Base Year)**

	Base Year May 31, 2014	Normalizing Adjustments	Adjusted Base Year	Rate Year Adjustments	Normalized Rate Year Before Revenue Increase	Revenue Increase Request	Rate Year After Increase	Note Reference
<b>Revenues</b>								
Operating revenues - Base	\$ 4,910,845	\$ (181,169)	\$ 4,729,676	\$ -	\$ 4,729,676	\$ 299,966	\$ 5,029,642	1
Operating revenues - PPAC	4,154,172	(41,303)	4,112,869	(53,066)	4,059,803	-	4,059,803	1
Late charges	21,899	-	21,899	-	21,899	-	21,899	1
Rent from electric property	13,013	-	13,013	-	13,013	-	13,013	1
Miscellaneous operating revenues	375,455	(77,514)	297,941	-	297,941	-	297,941	1
Total revenues	<u>9,475,384</u>	<u>(299,986)</u>	<u>9,175,398</u>	<u>(53,066)</u>	<u>9,122,332</u>	<u>299,966</u>	<u>9,422,298</u>	
<b>Expenses</b>								
Purchased power	6,485,568	(88,403)	6,397,165	-	6,397,165	-	6,397,165	2.a.
Labor, net of capitalized labor	719,476	(22,095)	697,381	65,970	763,351	-	763,351	2.b.1.
FICA, medical, retirement, workers' compensation, etc.	548,011	(34,500)	513,511	(17,987)	495,524	-	495,524	2.b.2.
Contractual/material expenses								
Transmission	9,293	-	9,293	(5,119)	4,174	-	4,174	2.b.3.
Maintenance of poles and fixtures	-	-	-	46	46	-	46	2.b.3.
Distribution	490,462	-	490,462	(129,006)	361,456	-	361,456	2.b.3.
Street lights	7,672	-	7,672	(3,657)	4,015	-	4,015	2.b.3.
Consumer accounting and collection	55,284	-	55,284	(11,150)	44,134	-	44,134	2.b.3.
Sales expense	31,419	(31,419)	-	-	-	-	-	2.b.3.
Administrative and general	380,696	-	380,696	(95,414)	285,282	-	285,282	2.b.3.
Insurance	32,781	-	32,781	658	33,439	-	33,439	2.b.4.
Uncollectible revenues	-	-	-	88,425	88,425	-	88,425	2.b.5.
Depreciation	540,522	-	540,522	(5,851)	534,671	-	534,671	2.b.6.
Taxes and PILOT	281,296	-	281,296	(6,651)	274,645	-	274,645	2.b.7.
PSC Regulatory Assessment	125,217	-	125,217	(30,946)	94,271	-	94,271	2.b.8.
Contributions to IEEP and NYPA Insulation loan payments	216,388	-	216,388	(22,120)	194,268	-	194,268	2.b.9.
Amortization of rate filing costs	-	-	-	6,000	6,000	-	6,000	2.b.10.
Miscellaneous credits transferred (Allocation of overhead)	(436,938)	-	(436,938)	(26,217)	(463,155)	-	(463,155)	2.b.11.
Total expenses	<u>9,487,147</u>	<u>(176,417)</u>	<u>9,310,730</u>	<u>(193,019)</u>	<u>9,117,711</u>	<u>-</u>	<u>9,117,711</u>	
<b>Operating income (loss) (*)</b>	<u><b>\$ (11,763)</b></u>	<u><b>\$ (123,569)</b></u>	<u><b>\$ (135,332)</b></u>	<u><b>\$ 139,953</b></u>	<u><b>\$ 4,621</b></u>	<u><b>\$ 299,966</b></u>	<u><b>\$ 304,587</b></u>	
<b>Rate Base</b>	<u><b>\$ 10,194,512</b></u>				<u><b>\$ 10,060,598</b></u>		<u><b>\$ 10,060,598</b></u>	
<b>Rate of Return</b>	<u><b>-0.12%</b></u>				<u><b>0.05%</b></u>		<u><b>3.03%</b></u>	
<b>Return on Surplus</b>	<u><b>-1.16%</b></u>				<u><b>-0.90%</b></u>		<u><b>3.44%</b></u>	

(\*) Operating income (loss) does not include interest income or interest expense.

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**SUMMARY OF NORMALIZATION AND RATE YEAR ADJUSTMENTS**

**Base Year Normalization Adjustments**

a) Operating revenues To reflect decrease in base revenues due to weather normalization	\$ (181,169)
b) To reflect decrease in purchased power due to weather normalization of revenues	(88,403)
c) To adjust PPAC revenues for over-billing of revenues in fiscal year 2014 (per PPAC Reconciliation)	(41,303)
d) To remove amounts included in Miscellaneous Revenues (Account 622) for proceeds received on sale of transformer	(24,000)
e) To reduce amounts included in Miscellaneous Revenues (Account 622) for reimbursement of costs associated with mutual aid	(53,514)
f) To reduce amounts charged to Selling Expense (Account 772) for costs associated with mutual aid	(31,419)
g) To reduce labor amounts associated with mutual aid, described above, to have zero effect on net operating income	(22,095)
h) To decrease fringe benefits due to non-recurring retirement incentive payout made during the Historic Base Year - May 31, 2014	(34,500)
<b>Total normalization adjustments</b>	<b><u>\$ (123,569)</u></b>

**Rate Year Adjustments**

i) To reflect net increase in expensed labor dollars due to anticipated wage increases, net of amounts to be allocated to capital accounts	<u>\$ 65,970</u>
j) To reflect decrease in PILOT to be paid to the Village's General Fund based on calculation using Village's existing tax rate	<u>\$ (6,651)</u>
k) To establish uncollectible revenues to equal 1% of gross electric billings	<u>\$ 88,425</u>
l) To reflect net changes in employee benefits due to payroll tax calculation or allocated budgeted or known amounts for shared costs	<u>\$ (17,987)</u>
m) <u>Contractual/material expenses</u>	
Transmission - 3 Year average with no inflation factor	<u>\$ (5,119)</u>
Maintenance of poles and fixtures - 3 year average with no inflation factor	<u>\$ 46</u>
Distribution - 2 year average with no inflation factor	<u>\$ (129,006)</u>
Street lights - 3 year average with no inflation factor	<u>\$ (3,657)</u>
Consumer accounting and collection - 2 year average with no inflation factor	<u>\$ (11,150)</u>
Administrative and general - 2 year average with no inflation factor	<u>\$ (95,414)</u>
n) To increase insurance expense to equal 2 year average with no inflation factor	<u>\$ 658</u>
o) To decrease depreciation expense for anticipated capital improvements and transfer of construction in progress for assets placed in service, net of correction for application of Contributions for Extension amounts	<u>\$ (5,851)</u>
p) To adjust PSC annual assessment to equal expected revenues in Rate Year multiplied by assessment rate	<u>\$ (30,946)</u>
q) To reflect decrease in PPAC revenues, related to to decrease in PSC annual assessment	<u>\$ (30,946)</u>
r) To reflect decrease in IEEP contributions based on anticipated decline in kWh sales	<u>\$ (22,120)</u>
s) Annual amortization of rate filing costs, over 3 years	<u>\$ 6,000</u>
t) To reflect increase in allocation of fringe benefits and supervision time due to increase in total direct labor dollars	<u>\$ (26,217)</u>
u) To reflect decrease in PPAC revenues, related to billings for IEEP contributions, due to anticipated decline in kWh sales	<u>\$ (22,120)</u>
<b>Total Rate Year Adjustments</b>	<b><u>\$ (139,953)</u></b>

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**FORECASTED RATE OF RETURN CALCULATION  
CAPITALIZATION MATRIX**

**Based on the Year Ended May 31, 2014,  
Adjusted for Rate Year Adjustments and Revenue Increase Request**

		<u>Amount</u>	<u>Per-Cent</u>	<u>Cost Rate</u>	<u>Rate of Return</u>
<b><u>2014 (Base Year)</u></b>					
Long-term debt	Exhibit 10	\$ 4,241,036	36.0%	1.73%	0.62%
Customer deposits	Exhibit 10	31,401	0.3%	0.74%	0.00%
Net surplus	Exhibit 10	<u>7,517,793</u>	<u>63.8%</u>	-1.16%	<u>-0.75%</u>
Total		<u><u>\$ 11,790,230</u></u>	<u><u>100.00%</u></u>		<u><u>-0.12%</u></u>
<b><u>Rate Year Before Revenue Increase</u></b>					
Long-term debt	Exhibit 10	\$ 3,518,756	31.2%	2.15%	0.67%
Customer deposits	Exhibit 10	23,341	0.2%	1.00%	0.00%
Net surplus	Exhibit 10	<u>7,727,594</u>	<u>68.6%</u>	-0.90%	<u>-0.62%</u>
Total		<u><u>\$ 11,269,691</u></u>	<u><u>100.00%</u></u>		<u><u>0.05%</u></u>
<b><u>Rate Year After Revenue Increase</u></b>					
Long-term debt	Exhibit 10	\$ 3,518,756	31.2%	2.15%	0.67%
Customer deposits	Exhibit 10	23,341	0.2%	1.00%	0.00%
Net surplus	Exhibit 10	<u>7,727,594</u>	<u>68.6%</u>	3.44%	<u>2.36%</u>
Total		<u><u>\$ 11,269,691</u></u>	<u><u>100.00%</u></u>		<u><u>3.03%</u></u>

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)****NOTE 1 - OPERATING REVENUES***Base Revenues*

Sales in kWh increased approximately 5.6% for the fiscal year ended May 31, 2014 (Base Year). This increase in electric consumption was primarily related to the extraordinarily cold winter period experienced during 2013/2014. Consumption increases in the Residential, Commercial, and Industrial rate classes were 8%, 3%, and 4%, respectively, for the fiscal year ended May 31, 2014 (Base Year).

As the increase in kWh consumption was primarily attributable to weather conditions (and not an increase in customers or usage patterns), kWh consumption and related Base Revenues in the Rate Year were calculated using weather normalization formulas discussed in Workpaper A. Weather normalization trends were developed using information included in the National Weather Service Forecast Office website (<http://www.nyserda.ny.gov/Cleantech-and-Innovation/EA-Reports-and-Studies/Weather-Data/Monthly-Cooling-and-Heating-Degree-Day-Data.aspx>) for heating degree days for the ten (10) year period 2005-2014. This data was specific to the Buffalo, New York area.

As the Department experienced minimal growth/decline in its customer base over the last four years, any impact on Base Revenues, as a result of customer growth or decline, has been ignored in this forecast.

Based on the weather normalization calculations described in Workpaper A, Base Revenues during the Rate Year are expected to decrease \$181,169 (3.7% decrease) from the Base Year.

*PPAC Revenues*

PPAC Revenues represent a “dollar-for-dollar” pass-through of incremental power costs (defined as power costs and other production costs in excess of base purchased power costs). This “dollar-for-dollar” pass-through is reconciled at the end of each fiscal year to identify if any overbilling or under billing of PPAC revenues had occurred during the fiscal period. As part of this rate filing, the Department is requesting that it formally prepare a reconciliation after each fiscal year, and recover (or credit) any under billing (over billing) in the subsequent fiscal period.

Assuming the Department will be successful in its request for reconciliation, PPAC revenues were decreased for the overbilling of PPAC revenues experienced during the Base Year. This over billing totaled \$41,303 (see Workpaper D), and will be recovered in the fiscal period subsequent to approval of the rate reconciliation process.

In addition, PPAC revenues include certain other costs that are passed onto the customer as part of the PPAC process. The Department currently bills its customers at a rate of .001/kWh for its contributions to the Independent Energy Efficiency Program (IEEP). All PPAC revenues collected from these billings are remitted to the IEEP for energy efficiency projects, and the revenues generated and the expenses incurred under this program do not enter into the determination of the Department’s net operating income. As such, they are considered “revenue neutral.” Revenues generated by this process are based on kWh sold. As kWh consumption is expected to decrease during the Rate Year, PPAC revenues related to this process are also expected to decrease. As such, PPAC revenues have been decreased by \$22,120. Conversely, contributions to the IEEP (classified as an expense) have also been decreased by \$22,120, to remain “revenue neutral” in the determination of net operating income.

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)****NOTE 1 - OPERATING REVENUES - Continued***PPAC Revenues - Continued*

The Department also makes payments to the New York Power Authority (NYPA) in connection with the Department's Insulation Program. Similar to the IEEP contributions described above, these payments are also passed onto the customer as part of the PPAC process. Payments to be made to NYPA for the Insulation Program during the Rate Year are expected to total \$56,833 which is equal to amounts paid in the Historic Base Year. As such, no adjustments have been made to PPAC revenues or the related NYPA Insulation expenses.

Also, as more fully described in Note 2.b. (8) below, the Department pays a regulatory assessment (Section 18-a) to the PSC, based on annual gross revenues in excess of \$500,000. This assessment is passed on to the Department's customers, on a dollar-for-dollar basis, via the PPAC process. Due to the anticipated reduction in the assessment rate and an expected decrease in gross revenues (due to normalization), the expected assessment will be \$94,271 in the Rate Year, a reduction of \$30,946 from the Historic Base Year. As such, PPAC revenues have also been reduced by this amount to reflect the nature of this pass-through.

*Base Revenue, Revenue Increase Rate*

The increase in Base Revenues (as a result of a 6.33% increase in base rates effective August 1, 2015) requested herein to support operations, capital improvements, annual debt service, establish adequate cash balances, and provide a reasonable rate of return on Rate Base, is expected to total \$299,966. Base Revenues in the Rate Year are expected to be \$5,029,642 (versus normalized Base Year revenues of \$4,729,676).

*Other Revenues*

Other revenues consist of late charges, rent from electric property, and miscellaneous electric revenues.

Revenues from late charges have been fairly consistent for the last three years (2012 to 2014), and have totaled approximately \$20,000 per annum. Revenues from late charges during the Rate Year are expected to equal \$21,899, the amount reported in the May 31, 2014 Historic Base Year.

The Department receives rental income from Time Warner Cable for pole attachments. This income, which has remained consistent from year to year, is evidenced by a long standing agreement with Time Warner Cable. Revenues from pole attachments during the Rate Year are expected to equal \$13,013, the amount reported in the May 31, 2014 Historic Base Year.

The Department reports as "Miscellaneous Operating Revenues" revenues it receives from Noble Environmental Power (Noble) for a wind park located in Wyoming County. The Department has a twenty-year operating agreement with Noble, in which Noble will pay the Department \$345,000 per year through 2028.

Normalization adjustments made to Miscellaneous Operating Revenues in this forecast were as follows:

- During the Historic Base Year (May 31, 2014), the Department incorrectly reported the proceeds from the sale of a transformer as Miscellaneous Operating Revenues. This amount (\$24,000) should have been reported as a "credit" to Accumulated Depreciation to recognize the salvage value of the sold equipment. As such, \$24,000 has been removed from Miscellaneous Operating Revenues.

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)****NOTE 1 - OPERATING REVENUES - Continued***Other Revenues - Continued*

- During the Historic Base Year (May 31, 2014), the Department reported revenues from “mutual aid” for its emergency work performed at various locations in New York State. The majority of this revenue was from Long Island Power Authority (LIPA) in connection with Super Storm Sandy. These revenues, which totaled \$53,514 in the Historic Base Year, have been reduced to zero in the Rate Year, as these revenue sources are inconsistent, and normally, not significant. As such, costs related to this mutual aid have also been reduced to zero, as to remain “revenue neutral” to the operations of the Department.

**NOTE 2 - OPERATING EXPENSES**

- Purchased Power* - The cost of electricity purchased for distribution is forecasted to be \$6,397,165 during the Rate Year. This forecasted amount is based on actual purchased power costs incurred during the Base Year, adjusted for weather normalization calculations described in Workpaper A. As weather normalization is expected to decrease consumption and Base Revenues (Note 1), purchased power is also expected to decrease to meet those consumption needs. Decreases in purchased power, due to normalization adjustments, is expected to be \$88,403 (Workpaper A).
- Other Operating Expenses* - Other operating expenses are adjusted as follows:

- (1) Labor (charged to expense accounts)

Labor charged to expense accounts includes:

- Salaries of the line crew laborers (allocated via the work order system based on the work performed).
- Salaries of the Superintendent, Village Clerk/Treasurer, clerical workers, and the Village Board (allocated to the Electric Department based on estimated level of effort).

Total salaries incurred during Base Year 2014 were \$1,013,788, of which \$294,312 was capitalized to operating property via the Department’s work order system. Salaries charged to the various expense accounts of the Department totaled \$719,476 during Base Year 2014.

Total salaries to be incurred during the Rate Year are projected to be \$1,075,142, of which \$311,791 is expected to be capitalized to operating property, and \$763,351 will be expensed in the forecasted statement of operations. (See Exhibit 15 for capitalized salaries.) Capitalized salaries during the Rate Year have been forecasted to be at the same percentage of total salaries as those experienced in the Base Year 2014, which was 29% of total salaries.

The increase in total salaries from the Base Year was solely due to hourly wage increases and increases to salaried employees, which were implemented on June 1, 2014, and expected to be implemented on June 1, 2015. Based on the Village’s budget, salaries were increased 3% (on average) on June 1, 2014, and are expected to increase 3% (on average) on June 1, 2015. The combined wage increases had the effect of increasing total annual salaries by approximately \$61,000 from the Base Year 2014 to the Rate Year.



VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)

## NOTE 2 - OPERATING EXPENSES - Continued

## b. Other Operating Expenses - Continued

## (2) Employee Benefits

Employee benefits include medical insurance, workers' compensation, disability insurance, New York State retirement contributions, FICA, and allowances for safety clothing and related laundering. Costs in Base Year 2014 represent the Electric Department's share of actual invoiced amounts (or via calculation on labor dollars for FICA), and are primarily based on a ratio of Electric Department labor dollars to total Village labor dollars.

In general, employee benefit costs have remained fairly consistent over the past three years, primarily because health insurance and retirement contributions have stabilized somewhat (and in some instances, have decreased) after several years of significant increases. Employee benefits have approximated 50-55% of total salary costs over the last few years.

Rate Year employee benefit costs are based on (1) actual invoiced amounts, (2) calculation (FICA), or (3) budgeted amounts based on historic trend or vendor estimates. Rate Year employee benefit costs are expected to be approximately 46% of total labor dollars, primarily due to the anticipated reduction in the NYS retirement contribution and no anticipated payments for retirement incentives. The "net" decrease in employee benefits costs is expected to be as follows:

Type	Base Year 2014	Rate Year	Rate Year Increase (Decrease)
Medical insurance (a)	\$ 192,206	\$ 199,024	\$ 6,818
NYS retirement (b)	183,116	155,400	(27,716)
FICA (c)	84,464	82,248	(2,216)
Workers' compensation and disability insurance (d)	46,019	43,735	(2,284)
Safety clothing and laundry (e)	7,706	15,117	7,411
Retirement incentives (f)	34,500	-	(34,500)
	<u>\$ 548,011</u>	<u>\$ 495,524</u>	<u>\$ (52,487)</u>

- (a) Medical insurance is based on quoted premiums from the Village of Arcade's insurance providers. These premiums have been included in the Village's entity-wide budgets and have been allocated to the Electric Department based on level of effort within the Department. Based on recent premium quotes for 2015 of \$177,700 and the anticipated budget in the Rate Year, medical insurance is expected to increase 12% and total \$199,024 for the Rate Year, which is a \$6,818 increase from Base Year 2014.
- (b) The costs reported in the Rate Year will be paid in either December 2015 or February 2016, as allowed by the New York State Retirement System. Retirement cost included in the Rate Year is based on invoiced amounts to the Village, pro-rated to the Electric Department based on level of effort within the Department. Given the performance of the NYS Retirement System over the past year, the retirement contribution is expected to be \$155,400 during the Rate Year, which is a \$27,716 decrease from Base Year 2014.

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)

## NOTE 2 - OPERATING EXPENSES - Continued

## b. Other Operating Expenses - Continued

## (2) Employee Benefits - Continued

- (c) FICA is calculated at 7.65% of total gross salaries. Salaries expected in the Rate Year total \$1,075,142 (Note 2.b.)
- (d) Represents the cost of workers' compensation and disability insurance, and is based on recent premium quotes for 2015, which expected a 4.3% decline in premiums due to claim experience.
- (e) Represents a clothing allowance and laundering of safety clothing used by the line crew. Amounts in the Rate Year are expected to equal the three-year average (2012-2014) for these type costs, which is \$15,116.
- (f) Certain retirement incentives were paid in Base Year 2014. All retired employees were replaced at some point during the fiscal year ended May 31, 2014. No retirement incentives are expected to be paid during 2015 or the Rate Year.

## (3) Contractual/Material Expenses

Contractual and material expenses consist of materials, supplies, and/or services provided by outside vendors which are charged to the transmission, pole maintenance, distribution, street lights, consumer accounting, sales, and administrative and general cost categories.

During the Rate Year, these costs are expected to equal the two-year (2013-2014) or three-year average (2012-2014) of these categories, with no adjustment for inflation factors (see Workpaper C).

	Base Year 2014	Rate Year	Rate Year Increase (Decrease)
Transmission	\$ 9,293	\$ 4,174	\$ (5,119)
Maintenance of poles	-	46	46
Distribution	490,462	361,456	(129,006)
Street lights	7,672	4,015	(3,657)
Consumer accounting	55,284	44,134	(11,150)
Sales expense (a)	31,419	-	(31,419)
Administrative and general	380,696	285,282	(95,414)
	<u>\$ 974,826</u>	<u>\$ 699,107</u>	<u>\$ (275,719)</u>

- (a) The Electric Department does not normally incur sales expense. In years past, the Electric Department reported a portion of the costs associated with mutual aid in this account (Account 772). As no mutual aid revenue is forecasted for the Rate Year (see discussion in Note 1), sales expense has been reduced to zero in the Rate Year.

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)

## NOTE 2 - OPERATING EXPENSES - Continued

b. *Other Operating Expenses* - Continued

## (4) Insurance

Insurance expense represents the Electric Department's share of general liability insurance. As insurance premiums are not expected to change significantly from the past two years, general liability insurance during the Rate Year is based on the Electric Department's two year average (2013-2014).

Two-year average (2013-2014)	\$ 33,439
Base Year 2014	<u>32,781</u>
Rate Year increase	<u>\$ 658</u>

## (5) Uncollectible Revenues

In recent years, the Electric Department has not reported an annual expense for uncollectible revenues. As such, outstanding customer balances have remained in the Department's accounts receivable listing and the Allowance for Uncollectible Accounts, which was set up many years ago, had been adjusted annually for customer accounts actually written off.

Not recognizing an annual expense for uncollectible revenues is unrealistic, and the Village's Board and management is currently reviewing its policies for the recognition of uncollectible revenues, so as to not distort the true results of Department operations in any given year.

As part of this rate filing, the Department is looking to establish an annual expense for uncollectible revenues to equal 1% of total annual revenues billed. As such, using normalized Base and PPAC revenues of \$8,842,545 (total revenues prior to the revenue increase request), the expense for uncollectible revenues in the Rate Year would be \$88,425.

## (6) Depreciation Expense

Depreciation expense (Exhibit 14) has been calculated based on existing operating property plus future operating property acquisitions detailed in Exhibit 15. Future operating property acquisitions include anticipated costs for material and capitalized labor costs. Future operating property acquisitions are reported "net" of anticipated retirement values.

During the past few years, the Department has been incurring costs related to its renovation and construction of the County Line Substation and related equipment. These costs have been reported in Construction Work in Progress (Account 110) during the period of renovation/construction, and totaled \$3,572,894 at May 31, 2014 (Historic Base Year). During fiscal year 2015, the Department began energizing the renovated substation, and it is now in full operation. As such, the Department has reclassified the amounts formerly in Construction Work in Progress to the applicable Operating Property accounts. Accordingly, the Department began depreciating these capitalized costs since the inception of service. It should be noted that although the substation renovations have been placed into service before the Rate Year, this Rate Filing has calculated depreciation on these improvements on the "average annual balance." As such, depreciation expense on these improvements has been conservatively understated.

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)

## NOTE 2 - OPERATING EXPENSES - Continued

b. *Other Operating Expenses* - Continued

## (6) Depreciation Expense - Continued

In addition, during the preparation of this Rate Filing, it became known that in periods prior to Fiscal Year 2007, the Department did not properly account for Contributions for Extensions within its depreciation calculations. Specifically, the Department did not “net” the contributed amount from its operating property prior to performing its depreciation calculations. As such, depreciation expense (and related accumulated depreciation) in years prior to Fiscal Year 2007, were overstated. Beginning in Fiscal Year 2007, the Department began “netting” all new contributions directly against the applicable operating property accounts, which would allow for the correct calculation of depreciation expense on the “net” value of its operating property.

As part of this Rate Filing, the Department has corrected its accounting for contributions received prior to Fiscal Year 2007, and has calculated annual depreciation expense in the Rate Year on the “net” value of the effected operating property category (Exhibit 14). This correction in accounting has had the effect of decreasing annual depreciation expense in the Rate Year by approximately \$75,000 from amounts reported in the Historic Base Year 2014.

Depreciation charges are calculated using rates that are consistent with rates used in prior years. Depreciation charges are calculated on operating property balances, net of any contributed amounts, as required.

Depreciation expense, Rate Year	\$ 534,671
Depreciation expense, Base Year	<u>540,522</u>
Rate Year decrease	<u><u>\$ (5,851)</u></u>

## (7) Taxes and PILOT

The Department pays property taxes on certain property located outside the Village, as well as school taxes to the local school district. Property and school taxes paid to these taxing jurisdictions in the Rate Year are expected to be equal to amounts paid during the Historic Base Year. Expected property and school taxes to be incurred during the Rate Year are as follows:

Town of Sardinia	\$ 1,365
Town of Yorkshire	7,790
Town of Freedom	35,337
Wyoming County	44,339
School taxes	<u>79,814</u>
	<u><u>\$ 168,645</u></u>

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)

## NOTE 2 - OPERATING EXPENSES - Continued

## b. Other Operating Expenses - Continued

## (7) Taxes and PILOT - Continued

In addition, the Department makes a Payment in Lieu of Taxes (PILOT) to the Village's General Fund. The PILOT payment is based on the net book value of its operating property located within the Village multiplied by the Village's current property tax rate. The expected PILOT payment during the Rate Year will be \$106,000, and is calculated as follows (see Exhibit 14 for further analysis):

Operating property subject to PILOT calculation	\$ 15,993,478
Accumulated depreciation	(8,600,647)
Net book value	<u>7,392,831</u>
Village tax rate per \$1,000	<u>14.39</u>
PILOT (rounded)	<u><u>\$ 106,000</u></u>

## (8) PSC Regulatory Assessment

The Electric Department pays a regulatory assessment (Section 18-a) to the PSC, based on its annual gross revenues in excess of \$500,000. It is understood that, during the Rate Year, the assessment rate will be 1.13%. With normalized gross revenues (excluding the requested revenue requirement) anticipated to be \$8,842,545 (Base Revenues of \$4,729,676 and PPAC Revenues of \$4,112,869), the regulatory assessment is expected to be \$94,271, a reduction of \$30,946 from the Historic Base Year. The primary reasons for this decrease are (1) reduction in assessment rate and (2) reduction in revenues due to normalization adjustments.

## (9) Contributions to IEEP and Payments for NYPA Insulation Program

The Department participates in the Independent Energy Efficiency Program (IEEP) to offer programs and make capital improvements to promote energy efficiency by and for its customers. As previously described, contributions to the IEEP are based on kWh sold multiplied by .001 per kWh. Expected kWh sold in the Rate Year, due to weather normalization, is expected to approximate 137,435,000 kWh, which calls for a \$137,435 contribution to the IEEP during the Rate Year. These costs and related revenues (recovered by the PPAC process) are "revenue neutral" to the operations of the Department.

In addition, the Department participates in the NYPA Insulation Loan Program. The program was established by NYPA several years ago to help finance certain insulation projects for the Department's customers. Several municipal electric utilities in NYS also participate in this program.

Payments made to NYPA related to this program are treated in a similar manner as the IEEP contributions described above, as the costs and related revenues (recovered by the PPAC process) are "revenue neutral" to the operations of the Department.

During the Rate Year, the Department is to make loan payments to NYPA totaling \$56,833. This amount is equal to those payments made during the Historic Base Year. The loan and related payments are to cease in May 2016.

Contributions to the IEEP and NYPA loan payments are expected to be \$194,268 in the Rate Year, a decrease of \$22,120 from the Historic Base Year, and are solely attributable to the expected decrease in kWh sold, which drives the IEEP contribution. Accordingly, PPAC revenues in the Rate Year have been decreased by \$22,120 (see Note 1) to remain "revenue neutral."

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS  
Based on the Year Ended May 31, 2014 (Base Year)

## NOTE 2 - OPERATING EXPENSES - Continued

*b. Other Operating Expenses - Continued*

## (10) Amortization of Rate Filing Costs

The Department wishes to amortize the cost of its rate filing over a three-year period, the expected period of benefit. Amortization costs are expected to be \$6,000 per annum for each of the next three years.

## (11) Miscellaneous Credits Transferred

Miscellaneous credits transferred represent the allocation of employee benefits and supervision time (as the Superintendent's salary does not go through the work order process) to the various tasks performed by the line crew. It is the Electric Department's policy to allocate employee benefits and supervision time to capital (operating property) transactions and distribution system repair expense accounts. Employee benefits and the Superintendent's salary are reported in the Electric Department's general ledger (Account 785 and 741, respectively) at gross amounts, therefore, there is a need to have a "credit" account to properly allocate these costs to the various capital accounts, without losing the integrity of the actual amount of these costs in the general ledger.

The allocation of employee benefit and supervision costs is based on direct labor dollars charged by the line crew for capital and repair tasks multiplied by an overhead percentage representative of those costs to direct labor dollars. The overhead rate used for employee benefits and supervision in the Rate Year is 95%, which is similar to overhead rates used in the past four fiscal years. Direct labor dollars anticipated to be capitalized and/or charged to repair expense accounts during the Rate Year (adjusted for salary increases previously described) is approximately \$488,000, which is equal to the Historic Base Year 2014, adjusted for salary increases.

## NOTE 3 - INDEBTEDNESS

The Electric Department's indebtedness at the end of the Rate Year consists of existing debt obligations. No additional debt is expected to be incurred in the Rate Year, as all capital improvements are expected to be financed from operating cash balances and/or depreciation reserves.

A summary of indebtedness at the end of the Rate Year is as follows:

Public Improvement Bond, issued December 2013, interest at 2 to 3%, annual principal payments of \$115,000 to \$135,000 due September 2021 (a)	\$ 615,000
Bond Anticipation Note, issued August 2014, interest at 1.5%, annual principal payments of \$70,000, due August 2016 (b)	2,795,000
	<u>\$ 3,410,000</u>

(a) Financing for improvements to substation, tap switch, and transmission line equipment.

(b) Financing for improvements made to substation and related equipment. This Bond Anticipation Note is expected to be refinanced by a long-term (25-year) bond issuance during August 2016.

**VILLAGE OF ARCADE**  
**ELECTRIC DEPARTMENT**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**  
**Based on the Year Ended May 31, 2014 (Base Year)**

**NOTE 4 - RATE OF RETURN**

The rate of return calculation is provided as an indicator of the level of forecasted income from operations compared to the risk/investment borne by the Electric Department.

The rate of return on Rate Base and Surplus for the year ended May 31, 2014, is calculated based on the prescribed format in the Village's Municipal Electric Utilities Annual Report filed with the New York State Department of Public Service for the year ended May 31, 2014. This rate of return on Rate Base and Surplus was negative (0.12)% and negative (1.16)%, respectively. The rate of return on Rate Base and Surplus for the Forecasted Rate Year of 3.03% and 3.44%, respectively, is calculated using Base Year 2014 amounts and applying forecasted changes to the Electric Department's operation, rate base, debt service, and surplus, as described herein.

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**BALANCE SHEETS  
May 31,**

	<b>Fiscal 2012</b>	<b>Fiscal 2013</b>	<b>Fiscal 2014</b>	<b>2013-2014 Average Balance</b>
<b>ASSETS</b>				
Plant in service	\$ 17,061,516	\$ 17,114,332	\$ 17,832,434	\$ 17,473,383
Construction work in progress	3,518,905	3,967,219	3,572,894	3,770,057
Depreciation reserve	(9,034,166)	(9,477,194)	(9,950,934)	(9,714,064)
Contribution for extensions	-	-	-	-
Net plant	<u>11,546,255</u>	<u>11,604,357</u>	<u>11,454,394</u>	<u>11,529,376</u>
Depreciation reserve funds	844,783	846,346	903,801	875,074
Miscellaneous special funds	160,477	118,798	108,810	113,804
Cash	1,438,336	1,148,612	624,102	886,357
Working funds	-	-	-	-
Loans to operating municipality	-	-	-	-
Materials and supplies	326,771	320,332	303,783	312,058
Receivables from operating municipalities	290,987	290,987	290,987	290,987
Accounts receivable	384,691	534,134	888,922	711,528
Reserve for uncollectibles	(127,908)	(109,668)	(92,764)	(101,216)
Prepayments	-	2,000	-	1,000
Miscellaneous current assets	<u>200,849</u>	<u>152,002</u>	<u>176,642</u>	<u>164,322</u>
<b>Total assets</b>	<b><u>\$ 15,065,241</u></b>	<b><u>\$ 14,907,900</u></b>	<b><u>\$ 14,658,677</u></b>	<b><u>\$ 14,783,289</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 62,546	\$ 73,986	-	\$ 36,993
Notes payable	3,075,336	3,075,336	3,024,384	3,049,860
Payables to operating municipality	-	-	-	-
Customer deposits	35,843	39,460	23,341	31,401
Taxes accrued	-	-	-	-
Interest accrued	56,288	56,288	55,376	55,832
Miscellaneous other current liabilities	<u>286,317</u>	<u>291,254</u>	<u>345,459</u>	<u>318,357</u>
Total current liabilities	3,516,330	3,536,324	3,448,560	3,492,442
Bonds payable	1,275,000	1,080,000	1,020,000	1,050,000
Long-term debt, other	200,037	152,002	109,363	130,683
Miscellaneous reserves	<u>240,460</u>	<u>240,460</u>	<u>22,570</u>	<u>131,515</u>
Total liabilities	<u>5,231,827</u>	<u>5,008,786</u>	<u>4,600,493</u>	<u>4,804,640</u>
Contributions for extensions	2,460,856	2,460,856	2,460,856	2,460,856
Contributions to municipality	(2,395,143)	(2,403,684)	(2,413,884)	(2,408,784)
Surplus	<u>9,767,701</u>	<u>9,841,942</u>	<u>10,011,212</u>	<u>9,926,577</u>
Total surplus	<u>9,833,414</u>	<u>9,899,114</u>	<u>10,058,184</u>	<u>9,978,649</u>
<b>Total liabilities and surplus</b>	<b><u>\$ 15,065,241</u></b>	<b><u>\$ 14,907,900</u></b>	<b><u>\$ 14,658,677</u></b>	<b><u>\$ 14,783,289</u></b>



**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**INCOME STATEMENTS  
(INCLUDING kWh SALES BY RATE CLASS)  
Years Ended May 31,**

		<b>Fiscal 2012</b>	<b>Fiscal 2013</b>	<b>Fiscal 2014</b>	<b>Three-Year Average</b>
<b>Operating revenues</b>					
A/C 601	Residential sales	\$ 3,286,206	\$ 3,856,515	\$ 4,826,732	\$ 3,989,818
A/C 602	Commercial sales	1,792,102	1,886,363	2,199,432	1,959,299
A/C 603	Industrial sales	1,453,573	1,587,586	1,902,077	1,647,745
A/C 604	Public street lighting - operating municipality	25,873	27,169	29,997	27,680
A/C 605	Public street lighting - other	12,899	13,447	14,581	13,642
A/C 606	Other sales to operating municipality	52,743	58,804	69,387	60,311
A/C 607	Other sales to other public authorities	3,030	3,063	3,214	3,102
A/C 608	Sales to other distributors	1,560	1,934	2,046	1,847
A/C 609	Sales to railroads	-	-	-	-
A/C 610	Security lighting	34,303	35,772	39,451	36,509
A/C 621	Rent from electric property	12,543	12,669	13,012	12,741
A/C 622	Miscellaneous electric revenues	457,507	404,107	375,455	412,356
	<b>Total operating revenues</b>	<b>7,132,339</b>	<b>7,887,429</b>	<b>9,475,384</b>	<b>8,165,051</b>
<b>Operation and maintenance expense</b>					
	Electricity purchased	4,380,088	5,066,377	6,485,568	5,310,678
	Transmission expense	9,612	1,540	16,480	9,211
	Poles, towers, and fixtures	2,406	(1,554)	-	284
	Distribution expense	619,016	673,400	869,808	720,741
	Street lighting and signal expense	8,202	5,998	13,605	9,268
	Customer accounting and collection	82,482	95,555	98,044	92,027
	Sales expense	-	6,291	55,720	20,670
	Administrative and general expense	503,543	901,841	909,716	771,700
	Depreciation	496,357	507,778	540,522	514,886
	Taxes, electric	100,898	257,533	281,296	213,242
	Uncollectible revenues	-	-	-	-
	<b>Total operation and maintenance expense</b>	<b>6,202,604</b>	<b>7,514,759</b>	<b>9,270,759</b>	<b>7,662,707</b>
	<b>Income from operations</b>	<b>929,735</b>	<b>372,670</b>	<b>204,625</b>	<b>502,343</b>
<b>Other income (expense)</b>					
	Interest income	1,106	1,860	1,226	1,397
	Interest expense	(64,397)	(57,476)	(29,811)	(50,561)
	Contractual appropriations of income	(182,602)	(197,911)	(216,388)	(198,967)
	Miscellaneous interest deductions	(36,916)	(50,992)	(42,742)	(43,550)
	Other	26,980	6,090	46,995	26,688
	<b>Total other income (expense)</b>	<b>(255,829)</b>	<b>(298,429)</b>	<b>(240,720)</b>	<b>(264,993)</b>
	<b>Net income (loss)</b>	<b>\$ 673,906</b>	<b>\$ 74,241</b>	<b>\$ (36,095)</b>	<b>\$ 237,351</b>
<b>kWh Sales</b>					
A/C 601	Residential sales	66,197,059	72,022,730	77,897,870	72,039,220
A/C 602	Commercial sales	41,738,257	40,563,104	41,860,834	41,387,398
A/C 603	Industrial sales	36,333,878	37,197,288	38,581,020	37,370,729
A/C 604	Public street lighting, operating municipality	460,474	460,271	463,812	461,519
A/C 605	Public street lighting, other	208,212	207,960	206,900	207,691
A/C 606	Other sales to operating municipality	1,206,971	1,273,763	1,283,179	1,254,638
A/C 607	Other sales to other public authorities	10,461	10,560	10,560	10,527
A/C 608	Sales to other distributors	28,782	32,824	31,666	31,091
A/C 610	Security lighting	596,916	591,941	596,157	595,005
	<b>Total kWh sold</b>	<b>146,781,010</b>	<b>152,360,441</b>	<b>160,931,998</b>	<b>153,357,816</b>

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**STATEMENTS OF SURPLUS  
Years Ended May 31,**

	<u>Fiscal 2012</u>	<u>Fiscal 2013</u>	<u>Fiscal 2014</u>
<b>BALANCE, <i>beginning of year</i></b>	\$ 9,258,613	\$ 9,833,414	\$ 9,899,114
Add:			
Net income (loss)	673,906	74,241	(36,095)
Contributions for extensions	-	-	-
Deduct:			
Contributions to municipality	(99,105)	(8,541)	(10,200)
Prior period adjustment	-	-	205,365
<b>BALANCE, <i>end of year</i></b>	<u><u>\$ 9,833,414</u></u>	<u><u>\$ 9,899,114</u></u>	<u><u>\$ 10,058,184</u></u>

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**RATE OF RETURN STUDY**

**RATE BASE**

**Based on the Year Ended May 31, 2014 (Base Year)**

		(a)	(b)	(c)	(d)	(e)	
		Fiscal		Adjusted	Revenue	Year After	
	<u>Reference (Page, Column, Row)</u>	<u>Year</u>	<u>Adjustments</u>	<u>Year</u>	<u>Change</u>	<u>Revenue</u> <u>Change</u>	
35	Utility Plant in Service	RB, Ln 5 (c)	\$ 17,473,383	\$ 2,111,773	\$ 19,585,156	\$ -	\$ 19,585,156
36	Construction Work in Progress	RB, Ln 8 (c)	3,770,057	(1,808,610)	1,961,447	-	1,961,447
37	Total Utility Plant	ROR, Ln 35 plus Ln 36	21,243,440	303,163	21,546,603	-	21,546,603
38							
39	Accumulated Provision for Depre and Amort	RB, Ln 14 (c)	(9,714,064)	(385,091)	(10,099,155)	-	(10,099,155)
40							
41	Contributions for Extensions	RB, Ln 17 (c)	(2,460,856)	-	(2,460,856)	-	(2,460,856)
42							
43	Net Utility Plant	ROR, Total Ln 37, Ln 39, Ln 41	9,068,520	(81,928)	8,986,592	-	8,986,592
44							
45	Materials and Supplies	RB, Ln 21 (c)	312,058	-	312,058	-	312,058
46							
47	Prepayments	RB, Ln 24 (c)	1,000	-	1,000	-	1,000
48							
49	Cash Working Capital	ROR, Ln 74	812,934	(51,986)	760,948	N/A	760,948
50							
51	<u>Other: (Detail)</u>						
52							
53							
54							
55							
56	Rate Base	ROR, Total Ln 43=>Ln 54	\$ 10,194,512	\$ (133,914)	\$ 10,060,598	\$ -	\$ 10,060,598

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**RATE OF RETURN BASE  
CASH WORKING CAPITAL  
Based on the Year Ended May 31, 2014 (Base Year)**

		(a)	(b)	(c)	(d)	(e)
	Reference (Page, Column, Row)	Fiscal Year	Adjustments	Adjusted Year	Revenue Change	Year After Revenue Change
57 Cash Working Capital						
58 Total Operating Expenses	ROR, Ln 22	\$ 9,487,147	\$ (369,436)	\$ 9,117,711	\$ -	\$ 9,117,711
59						
60 Deduct:						
61 Fuel	ROR, Ln 6	-	-	-	N/A	-
62 Purchased Power	ROR, Ln 7	6,485,568	(88,403)	6,397,165	N/A	6,397,165
63 Depreciation	ROR, Ln16	540,522	(5,851)	534,671	N/A	534,671
64 Other Taxes	ROR, Ln17	281,296	(6,651)	274,645	N/A	274,645
65 Uncollectibles	ROR, Ln18	-	88,425	88,425	N/A	88,425
66						
67						
68 Adjusted Amount	ROR, Ln 58 minus Ln 61=>Ln 67	2,179,761	(356,956)	1,822,805	-	1,822,805
69						
70 Working Capital - Operating Expenses @ 1/8	ROR, Ln 68/8	272,470	(44,620)	227,851	N/A	227,851
71						
72 Working Capital - Purchased Power @ 1/12	ROR, Ln 61/12	540,464	(7,367)	533,097	N/A	533,097
73						
74 Total Cash Working Capital	ROR, Total Ln 70, Ln 72	\$ 812,934	\$ (51,986)	\$ 760,948	N/A	\$ 760,948

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**DETAIL OF RATE BASE  
Based on the Year Ended May 31, 2014 (Base Year)**

		(a) Balance at Beg. of Year	(b) Balance at End of Year	(c) Avg Balance	(d) Balance at Beg. of Rate Year	(e) Balance at End of Rate Year	(f) Avg. Balance
	<u>Reference (Page, Column, Row)</u>						
1	<u>Utility Plant in Service</u>						
2	Operating Property - Electric	Pg 104, Ln 2 (c) & (d)	\$ 17,114,332	\$ 17,832,434	\$ 17,473,383	\$ 17,714,813	\$ 21,455,498
3	Operating Property - Other Operations	Pg 104, Ln 3 (c) & (d)	-	-	-	-	-
4	Operating Property - General	Pg 104, Ln 4 (c) & (d)	-	-	-	-	-
5	Utility Plant in Service		<u>\$ 17,114,332</u>	<u>\$ 17,832,434</u>	<u>\$ 17,473,383</u>	<u>\$ 17,714,813</u>	<u>\$ 21,455,498</u>
6							
7							
8	Construction Work in Progress	Pg 104, Ln 5 (c) & (d)	<u>\$ 3,967,219</u>	<u>\$ 3,572,894</u>	<u>\$ 3,770,057</u>	<u>\$ 3,572,894</u>	<u>\$ 350,000</u>
9							
10							
11	<u>Accumulated Provision for Depre and Amort</u>						
12	Accumulated Provision for Depreciation	Pg 105, Ln 19 (c) & (d)	\$ 9,477,194	\$ 9,950,934	\$ 9,714,064	\$ 10,055,170	\$ 10,143,139
13	Accumulated Provision for Amortization	Pg 105, Ln 20 (c) & (d)	-	-	-	-	-
14	Accumulated Provision for Depre and Amort		<u>\$ 9,477,194</u>	<u>\$ 9,950,934</u>	<u>\$ 9,714,064</u>	<u>\$ 10,055,170</u>	<u>\$ 10,143,139</u>
15							
16							
17	Contributions for Extensions	Pg 105, Ln 21 (c) & (d)	<u>\$ 2,460,856</u>	<u>\$ 2,460,856</u>	<u>\$ 2,460,856</u>	<u>\$ 2,460,856</u>	<u>\$ 2,460,856</u>
18							
19							
21	Materials and Supplies	Pg104, Ln 18 (c) & (d)	<u>\$ 320,332</u>	<u>\$ 303,783</u>	<u>\$ 312,058</u>	<u>\$ 312,058</u>	<u>\$ 312,058</u>
22							
23							
24	Prepayments	Pg 104, Ln 23 (c) & (d)	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**DETAIL OF RATE OF RETURN  
Based on the Year Ended May 31, 2014 (Base Year)**

		(a) Balance at Beg. of Year	(b) Balance at End of Year	(c) Avg Balance	(d) Balance at Beg. of Rate Year	(e) Balance at End of Rate Year	(f) Avg. Balance
<b><u>Capital Structure</u></b>	<b><u>Reference (Page, Column, Row)</u></b>						
1 <b><u>Debt</u></b>							
2 Bonds	Pg 105, Ln 2 (c) & (d)	\$ 1,080,000	\$ 1,020,000	\$ 1,050,000	\$ 3,600,000	\$ 3,410,000	\$ 3,505,000
3 Equipment Obligations	Pg 105, Ln 3 (c) & (d)	-	-	-	-	-	-
4 Miscellaneous Long Term Debt - NYPA Loan	Pg 105, Ln 4 (c) & (d)	152,002	109,363	130,683	17,017	-	8,509
5 Notes Payable	Pg 105, Ln 9 (c) & (d)	3,075,336	3,024,384	3,049,860	-	-	-
6 Matured Long-Term Debt	Pg 105, Ln 12 (c) & (d)	-	-	-	-	-	-
7 Unamortized Premium on Debt	Pg 105, Ln 28 (c) & (d)	-	20,987	10,494	10,494	-	5,247
8 Unamortized Debt Discount and Expense	Pg 104, Ln 28 (c) & (d)	-	-	-	-	-	-
9							
10							
11 Debt		<u>\$ 4,307,338</u>	<u>\$ 4,174,734</u>	<u>\$ 4,241,036</u>	<u>\$ 3,627,511</u>	<u>\$ 3,410,000</u>	<u>\$ 3,518,756</u>
12							
13							
14 Customer Deposits	Pg 105, Ln 10 (c) & (d)	<u>\$ 39,460</u>	<u>\$ 23,341</u>	<u>\$ 31,401</u>	<u>\$ 23,341</u>	<u>\$ 23,341</u>	<u>\$ 23,341</u>
15							
16							
17 <b><u>Surplus</u></b>							
18 Contributions - Operating Municipality	Pg 105, Ln 32 (c) & (d)	\$ (2,403,684)	\$ (2,413,884)	\$ (2,408,784)	\$ (2,434,284)	\$ (2,444,484)	\$ (2,439,384)
19 Surplus	Pg 105, Ln 33 (c) & (d)	9,841,942	10,011,212	9,926,577	9,999,449	10,334,506	10,166,978
20 Deficit	Pg 104, Ln 37 (c) & (d)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
21							
22							
23 Surplus		<u>\$ 7,438,258</u>	<u>\$ 7,597,328</u>	<u>\$ 7,517,793</u>	<u>\$ 7,565,165</u>	<u>\$ 7,890,022</u>	<u>\$ 7,727,594</u>
24							
25							
26 <b><u>Interest Costs</u></b>							
27 <b><u>Interest on Debt</u></b>							
28 Bonds	Pg 252, Ln 20 (k)			\$ 29,811			\$ 75,230
29 Equipment Obligations	Pg 252, Ln 28 (k)			-			-
30 Miscellaneous Long-Term Debt	Pg 252, Ln 35 (k)			1,203			255
31 Notes Payable	Pg 250, Ln 22 (g)			42,509			-
32 Matured Long-Term Debt	N/A			-			-
33 Unamortized Premium on Debt (Credit)	Pg 106, Ln 36 (c)			-			-
34 Amortization of Debt Discount and Expense	Pg 106, Ln 35 (c)			-			-
35				-			-
36							-
37							-
38 Interest on Debt				<u>\$ 73,523</u>			<u>\$ 75,485</u>
39 Cost Rate				<u>1.73%</u>			<u>2.15%</u>
40							
41 Interest on Customer Deposits	Pg 309, Ln 10 (f)			<u>\$ 233</u>			<u>\$ 233</u>
Cost Rate				<u>0.74%</u>			<u>1.00%</u>

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**REVENUE CHANGE  
For the Historic Year Ended May 31, 2014  
and the Rate Year Ending January 31, 2016**

	<u>Reference (Page, Column, Row)</u>	<u>Amount</u>	
106 Rate Base	ROR, Ln 30 (e)	10,060,598	
107			
108 Rate of Return	ROR, Ln 32 (e)	3.48%	
109			
110 Required Operating Income	ROR, Ln 106 * Ln 108	350,109	
111			
112 Adjusted Operating Income	ROR, Ln 28 (c)	4,621	
113			
114 Deficiency (Surplus)	ROR, Ln 110 - Ln 112	345,488	
115			
116 Retention Factor	ROR, Ln 132	0.9900	
117			
118 Revenue Increase (Decrease)	ROR, Ln 114 / Ln 116	299,966	Maximum increase
119			
120			
121			
122 Calculation of the Retention Factor:		<u>Factor</u>	<u>Proof</u>
123 Sales Revenues		1.0000	299,966
124 - Revenue Taxes	N/A	N/A	N/A
125 - Uncollectibles	ROR, Ln 18/Ln 1	0.0100	3,011
126			
127			
128 Sub-Total	ROR, Ln123-Total Ln124=>Ln127	0.9900	296,955
129			
130 Federal Income Tax @ 35%	N/A	0.00	0
131			
132 Retention Factor	ROR, Ln 128 - Ln 130	0.9900	296,955

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**CALCULATION OF AVERAGE LINE LOSS AND FACTOR OF ADJUSTMENT  
Based on Line Losses for Fiscal Years 2009 Through 2014**

	<b>kWh Purchases</b>	<b>kWh Line Losses</b>	<b>Annual Line Loss</b>	<b>kWh Electric Dept. Use</b>	<b>kWh Sales</b>
Fiscal Year 2009	163,729,718	(6,581,254)	-0.040196	632,105	156,516,359
Fiscal Year 2010	152,266,122	(7,255,299)	-0.047649	618,395	144,392,428
Fiscal Year 2011	162,154,955	(7,145,599)	-0.044066	674,280	154,335,076
Fiscal Year 2012	155,039,897	(7,547,998)	-0.048684	710,889	146,781,010
Fiscal Year 2013	159,813,928	(7,453,487)	-0.046639	893,023	152,360,441
Fiscal Year 2014	168,805,814	(7,873,816)	-0.046644	711,860	160,931,998
	<u>961,810,434</u>	<u>(43,857,453)</u>		<u>4,240,552</u>	<u>915,317,312</u>
<b>Average Line Loss</b>			<u><b>-0.045599</b></u>		

	<b>kWh Purchases</b>	<b>kWh Sales</b>	<b>Annual Factor of Adjustment</b>
Fiscal Year 2009	163,729,718	156,516,359	1.046087
Fiscal Year 2010	152,266,122	144,392,428	1.054530
Fiscal Year 2011	162,154,955	154,335,076	1.050668
Fiscal Year 2012	155,039,897	146,781,010	1.056267
Fiscal Year 2013	159,813,928	152,360,441	1.048920
Fiscal Year 2014	168,805,814	160,931,998	1.048926
	<u>961,810,434</u>	<u>915,317,312</u>	
<b>Average Factor of Adjustment</b>			<u><b>1.050795</b></u>



VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF PRESENT AND PROPOSED RATES

	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
<b><u>S.C. No. 1</u></b>				
Customer Charge	\$ 2.37	\$ 2.52	\$ 0.15	6.33%
Non-Winter Rate (May - October)				
Energy charge, per kWh	\$ 0.0286	\$ 0.0304	\$ 0.0018	6.33%
Winter Rate (November - April)				
Energy charge, per kWh				
first 750 kWh	\$ 0.0286	\$ 0.0304	\$ 0.0018	6.33%
over 750 kWh	\$ 0.0368	\$ 0.0391	\$ 0.0023	6.33%
<b><u>S.C. No. 2</u></b>				
Customer Charge	\$ 2.37	\$ 2.52	\$ 0.15	6.33%
Non-Winter Rate (May - October)				
Energy charge, per kWh	\$ 0.0273	\$ 0.0290	\$ 0.0017	6.33%
Winter Rate (November - April)				
Energy charge, per kWh	\$ 0.0368	\$ 0.0391	\$ 0.0023	6.33%
<b><u>S.C. No. 2A</u></b>				
Demand Charge, per kW	\$ 5.59	\$ 5.94	\$ 0.35	6.33%
Energy Charge, per kWh	\$ 0.0095	\$ 0.0101	\$ 0.0006	6.33%
<b><u>S.C. No. 3</u></b>				
Demand Charge, per kW	\$ 4.45	\$ 4.73	\$ 0.28	6.33%
Energy Charge, per kWh	\$ 0.0108	\$ 0.0115	\$ 0.0007	6.33%
<b><u>S.C. No. 4</u></b>				
Monthly Rate (Energy Charge Only)				
150 Watt Incandescent Lamp	\$ 0.0497	\$ 0.0528	\$ 0.0031	6.33%
175 Watt Mercury Vapor Lamp	\$ 0.0418	\$ 0.0444	\$ 0.0026	6.33%
70 Watt High Pressure Sodium Lamp	\$ 0.0859	\$ 0.0913	\$ 0.0054	6.33%
400 Watt Mercury Vapor Lamp	\$ 0.0434	\$ 0.0461	\$ 0.0027	6.33%
400 Watt High Pressure Sodium Lamp	\$ 0.0413	\$ 0.0439	\$ 0.0026	6.33%
250 Watt High Pressure Sodium Lamp	\$ 0.0390	\$ 0.0415	\$ 0.0025	6.33%
<b><u>S.C. No. 5</u></b>				
Facilities Charge, per Lamp	\$ 2.61	\$ 2.78	\$ 0.17	6.33%
Energy Charge, per kWh				
150 Watt Incandescent Lamp	\$ 0.0176	\$ 0.0187	\$ 0.0011	6.33%
175 Watt Mercury Vapor Lamp	\$ 0.0161	\$ 0.0171	\$ 0.0010	6.33%
70 Watt High Pressure Sodium Lamp	\$ 0.0201	\$ 0.0214	\$ 0.0013	6.33%
400 Watt Mercury Vapor Lamp	\$ 0.0141	\$ 0.0150	\$ 0.0009	6.33%
250 Watt High Pressure Sodium Lamp	\$ 0.0150	\$ 0.0159	\$ 0.0009	6.33%
400 Watt High Pressure Sodium Lamp	\$ 0.0141	\$ 0.0150	\$ 0.0009	6.33%
Traffic Signals	\$ 0.0363	\$ 0.0386	\$ 0.0023	6.33%

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF MONTHLY BILLS

## S.C. NO. 1 - RESIDENTIAL (MAY - OCTOBER)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
0	\$ 2.37	\$ 2.52	\$ 0.15	6.33%
2	\$ 2.48	\$ 2.63	\$ 0.15	6.20%
10	\$ 2.91	\$ 3.08	\$ 0.17	5.76%
25	\$ 3.73	\$ 3.93	\$ 0.19	5.23%
50	\$ 5.09	\$ 5.33	\$ 0.24	4.71%
75	\$ 6.45	\$ 6.74	\$ 0.28	4.42%
100	\$ 7.81	\$ 8.14	\$ 0.33	4.22%
150	\$ 10.53	\$ 10.95	\$ 0.42	3.99%
200	\$ 13.25	\$ 13.76	\$ 0.51	3.85%
250	\$ 15.97	\$ 16.57	\$ 0.60	3.76%
500	\$ 29.58	\$ 30.63	\$ 1.05	3.55%
750	\$ 43.18	\$ 44.68	\$ 1.50	3.47%
1,000	\$ 56.78	\$ 58.73	\$ 1.95	3.43%
1,500	\$ 83.99	\$ 86.84	\$ 2.85	3.39%
2,000	\$ 111.20	\$ 114.95	\$ 3.75	3.37%
5,000	\$ 274.44	\$ 283.59	\$ 9.15	3.33%
PPA/kWh include.*	0.02581321	0.025813		

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

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF MONTHLY BILLS

## S.C. No. 1 - RESIDENTIAL (NOVEMBER - APRIL)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
0	\$ 2.37	\$ 2.52	\$ 0.15	6.33%
2	\$ 2.48	\$ 2.66	\$ 0.18	7.41%
10	\$ 2.91	\$ 3.11	\$ 0.20	6.79%
25	\$ 3.73	\$ 3.96	\$ 0.23	6.03%
50	\$ 5.09	\$ 5.36	\$ 0.27	5.30%
75	\$ 6.45	\$ 6.77	\$ 0.32	4.88%
100	\$ 7.81	\$ 8.17	\$ 0.36	4.61%
150	\$ 10.53	\$ 10.98	\$ 0.45	4.27%
200	\$ 13.25	\$ 13.79	\$ 0.54	4.07%
250	\$ 15.97	\$ 16.60	\$ 0.63	3.94%
500	\$ 29.58	\$ 30.66	\$ 1.08	3.65%
750	\$ 43.18	\$ 44.71	\$ 1.53	3.54%
1,000	\$ 58.83	\$ 60.94	\$ 2.11	3.58%
1,500	\$ 90.14	\$ 93.39	\$ 3.26	3.61%
2,000	\$ 121.45	\$ 125.85	\$ 4.41	3.63%
5,000	\$ 309.29	\$ 320.59	\$ 11.31	3.66%
PPA/kWh include.*	0.025813	0.025813		

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

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF MONTHLY BILLS

## S.C. No. 2 - GENERAL SERVICE - NON-DEMAND METERED (MAY - OCTOBER)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
0	\$ 2.37	\$ 2.52	\$ 0.15	6.33%
2	\$ 2.48	\$ 2.63	\$ 0.15	6.19%
10	\$ 2.90	\$ 3.07	\$ 0.17	5.76%
25	\$ 3.70	\$ 3.89	\$ 0.19	5.21%
50	\$ 5.03	\$ 5.26	\$ 0.23	4.68%
75	\$ 6.35	\$ 6.63	\$ 0.28	4.37%
100	\$ 7.68	\$ 8.00	\$ 0.32	4.17%
150	\$ 10.34	\$ 10.74	\$ 0.40	3.92%
200	\$ 12.99	\$ 13.48	\$ 0.49	3.77%
250	\$ 15.65	\$ 16.22	\$ 0.57	3.67%
500	\$ 28.93	\$ 29.93	\$ 1.00	3.46%
750	\$ 42.20	\$ 43.63	\$ 1.43	3.38%
1,000	\$ 55.48	\$ 57.33	\$ 1.85	3.33%
1,500	\$ 82.04	\$ 84.74	\$ 2.70	3.29%
2,000	\$ 108.60	\$ 112.15	\$ 3.55	3.27%
5,000	\$ 267.94	\$ 276.59	\$ 8.65	3.23%
10,000	\$ 533.50	\$ 550.65	\$ 17.15	3.21%

PPA/kWh include.*	0.025813	0.025813
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\* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF MONTHLY BILLS

## S.C. No. 2 - GENERAL SERVICE - NON-DEMAND METERED (NOVEMBER - APRIL)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
0	\$ 2.37	\$ 2.52	\$ 0.15	6.33%
2	\$ 2.50	\$ 2.65	\$ 0.15	6.20%
10	\$ 3.00	\$ 3.17	\$ 0.17	5.77%
25	\$ 3.94	\$ 4.14	\$ 0.21	5.27%
50	\$ 5.50	\$ 5.77	\$ 0.27	4.82%
75	\$ 7.07	\$ 7.39	\$ 0.32	4.56%
100	\$ 8.63	\$ 9.01	\$ 0.38	4.40%
150	\$ 11.76	\$ 12.26	\$ 0.50	4.21%
200	\$ 14.89	\$ 15.50	\$ 0.61	4.10%
250	\$ 18.02	\$ 18.75	\$ 0.72	4.02%
500	\$ 33.68	\$ 34.98	\$ 1.30	3.86%
750	\$ 49.33	\$ 51.20	\$ 1.88	3.80%
1,000	\$ 64.98	\$ 67.43	\$ 2.45	3.77%
1,500	\$ 96.29	\$ 99.89	\$ 3.60	3.74%
2,000	\$ 127.60	\$ 132.35	\$ 4.75	3.72%
5,000	\$ 315.44	\$ 327.09	\$ 11.65	3.69%
10,000	\$ 628.50	\$ 651.65	\$ 23.15	3.68%
PPA/kWh include.*	0.025813	0.025813		

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

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF MONTHLY BILLS

## S.C. No. 2A - GENERAL SERVICE - DEMAND METERED

<u>kW</u>	<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
50	1,000	\$ 314.81	\$ 332.91	\$ 18.10	5.75%
	1,500	\$ 332.47	\$ 350.87	\$ 18.40	5.53%
	2,000	\$ 350.13	\$ 368.83	\$ 18.70	5.34%
75	2,000	\$ 489.88	\$ 517.33	\$ 27.45	5.60%
	3,000	\$ 525.19	\$ 553.24	\$ 28.05	5.34%
	4,000	\$ 560.50	\$ 589.15	\$ 28.65	5.11%
100	5,000	\$ 735.57	\$ 773.57	\$ 38.00	5.17%
	7,500	\$ 823.85	\$ 863.35	\$ 39.50	4.79%
	10,000	\$ 912.13	\$ 953.13	\$ 41.00	4.49%
PPA/kWh include.*		0.025813	0.025813		

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

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF MONTHLY BILLS

## S.C. No. 3 - LARGE GENERAL SERVICE

<u>kW</u>	<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
50	1,000	\$ 259.11	\$ 273.81	\$ 14.70	5.67%
	1,500	\$ 277.42	\$ 292.47	\$ 15.05	5.42%
	2,000	\$ 295.73	\$ 311.13	\$ 15.40	5.21%
75	2,000	\$ 406.98	\$ 429.38	\$ 22.40	5.50%
	3,000	\$ 443.59	\$ 466.69	\$ 23.10	5.21%
	4,000	\$ 480.20	\$ 504.00	\$ 23.80	4.96%
100	5,000	\$ 628.07	\$ 659.57	\$ 31.50	5.02%
	7,500	\$ 719.60	\$ 752.85	\$ 33.25	4.62%
	10,000	\$ 811.13	\$ 846.13	\$ 35.00	4.31%
PPA/kWh include.*		0.025813	0.025813		

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

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT

## COMPARISON OF MONTHLY BILLS

## S.C. No. 4 - PRIVATE OUTDOOR LIGHTING

Type of Lamps	Minimum Monthly kWh	Present	Proposed	Increase \$	Increase %
150 Watt Incandescent Lamp	50	\$ 3.78	\$ 3.93	\$ 0.16	4.11%
175 Watt Mercury Vapor Lamp	70	\$ 4.73	\$ 4.91	\$ 0.18	3.85%
70 Watt High Pressure Sodium Lamp	34	\$ 3.80	\$ 3.98	\$ 0.18	4.83%
400 Watt Mercury Vapor Lamp	152	\$ 10.52	\$ 10.93	\$ 0.41	3.90%
400 Watt High Pressure Sodium Lamp	159	\$ 10.67	\$ 11.08	\$ 0.41	3.87%
250 Watt High Pressure Sodium Lamp	105	\$ 6.81	\$ 7.07	\$ 0.26	3.86%

PPA/kWh include.*	0.025813	0.025813
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\* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)



VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTCOMPARISON OF MONTHLY BILLS  
S.C. No. 6 - STREET LIGHTING

Type of Lamps	Minimum Monthly kWh	Present	Proposed	Increase \$	Increase %
150 Watt Incandescent Lamp	50	\$ 4.78	\$ 5.01	\$ 0.23	4.71%
175 Watt Mercury Vapor Lamp	70	\$ 5.54	\$ 5.78	\$ 0.24	4.33%
70 Watt High Pressure Sodium Lamp	34	\$ 4.17	\$ 4.39	\$ 0.21	5.14%
400 Watt Mercury Vapor Lamp	152	\$ 8.68	\$ 8.98	\$ 0.31	3.54%
250 Watt High Pressure Sodium Lamp	105	\$ 6.90	\$ 7.16	\$ 0.26	3.84%
400 Watt High Pressure Sodium Lamp	159	\$ 8.96	\$ 9.27	\$ 0.31	3.50%
Traffic Signals	11	\$ 3.29	\$ 3.49		

PPA/kWh include.\*

0.025813

0.025813

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

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTOPERATING PROPERTY ANALYSIS, INCLUDING ADDITIONS AND  
DEPRECIATION CALCULATIONS, 2015 - 2016  
May 31, 2014 Through May 31, 2016

A/C#	5/31/14 Beg of Yr. Bal.	Actual Additions 6/1/14 to 11/30/2014	Actual Retirements 6/1/14 to 11/30/2014	Estimated Additions, net of retirements 12/1/14 to 5/31/15	Projected 5/31/15 End of Year Bal.	Rate Year Additions Net of Retirements	Projected End of Rate Yr. Bal.
301	\$ 239				\$ 239		\$ 239
302	65				65		65
303					-		-
311	166,857				166,857		166,857
312	1,689,706	1,390	(4,855)		1,686,241		1,686,241
321					-		-
322					-		-
323					-		-
325					-		-
331					-		-
332					-		-
333					-		-
334					-		-
342					-		-
344					-		-
345					-		-
351	95,362				95,362		95,362
352	11,645				11,645		11,645
353	385,410				385,410		385,410
354					-		-
358	2,181,253	44,690	(10,643)	45,000	2,260,300	661,791	2,922,091
359	141,262				141,262		141,262
361	4,362,573		(27,729)		4,334,844	3,062,894	7,397,738
362					-		-
363	1,526,626	7,047	(535)	7,000	1,540,138		1,540,138
364	649,881				649,881		649,881
365	3,097,909	7,813	(1,282)	8,000	3,112,440		3,112,440
366	311,455	2,319	(682)	2,000	315,092		315,092
367	164,712		(251)		164,461		164,461
368	544,345	3,424		3,500	551,269		551,269
369					-		-
370	238,617	1,642	(890)	1,500	240,869		240,869
371	324,828	10,552	(7,973)	10,000	337,407		337,407
381	301,700		(235,213)		66,487		66,487
382	9,496				9,496		9,496
383					-		-
384	991,652		(6,396)		985,256	16,000	1,001,256
385	242,189	190,179	(104,833)		327,535		327,535
386	4,549				4,549		4,549
387	336,373	12,339	(72,084)		276,628		276,628
388	2,650		(2,650)		-		-
391	51,080				51,080		51,080
392					-		-
393					-		-
<b>\$ 17,832,434 \$ 281,395 \$ (476,016) \$ 77,000 \$ 17,714,813 \$ 3,740,685 \$ 21,455,498</b>							

(a)

(b)

(c)

(d) &amp; (e)

- (a) - Includes capitalized salaries, materials, and related overhead. These amounts represent actual amounts capitalized for the period June 1, 2014 through November 30, 2014.
- (b) - Historic value of operating property retired during the period June 1, 2014 through November 30, 2014.
- (c) - Represents estimated operating property additions to be made during the period December 1, 2014 through May 31, 2015. Estimate to equal first six months of year (for certain property).
- (d) - Consists of Construction in Progress at May 31, 2014 that will be placed into service in late Fiscal Year 2015, net of anticipated retirements of existing property of \$510,000.
- (e) - Consists of anticipated costs related to (1) Rt. 16 upgrades and Industrial Park upgrades and (2) replacement of vehicles net of retired amounts. Material costs related to upgrades is expected to be \$350,000. Capitalized salaries are expected to be \$311,791.

VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTOPERATING PROPERTY ANALYSIS, INCLUDING ADDITIONS AND  
DEPRECIATION CALCULATIONS, 2015 - 2016  
Year Ended May 31, 2015

A/C#	5/31/2014 Beg. of Yr. Bal.	5/31/2015 End of Yr. Bal.	Avg. Gross Bal.	Less: Contributions for Extension	Avg. Balance Subject to Depreciation	Dep. Rate	Depreciation Expense A/C#	Amt.	Depreciation Reserves Beg. of Yr. Bal.	Retirements	5/31/2015 End of Yr. Bal.	Remaining Cost
301	\$ 239	\$ 239	\$ 239		\$ 239			\$ -			\$ -	\$ 239
302	65	65	65		65			-			-	65
303	-	-	-		-			-			-	-
311	166,857	166,857	166,857		166,857			-	-		-	166,857
312	1,689,706	1,686,241	1,687,974		1,687,974	2.90%	788	48,951	854,880	(4,855)	898,976	787,265
321	-	-	-		-			-			-	-
322	-	-	-		-			-			-	-
323	-	-	-		-			-			-	-
325	-	-	-		-			-			-	-
331	-	-	-		-		711	-			-	-
332	-	-	-		-		711	-			-	-
333	-	-	-		-		711	-			-	-
334	-	-	-		-		711	-			-	-
342	-	-	-		-		717	-			-	-
344	-	-	-		-		717	-			-	-
345	-	-	-		-		717	-			-	-
351	95,362	95,362	95,362		95,362	2.50%	733	2,384	27,340		29,724	65,638
352	11,645	11,645	11,645		11,645	2.50%	733	291	5,685		5,976	5,669
353	385,410	385,410	385,410		385,410	2.50%	733	9,635	153,401		163,036	222,374
354	-	-	-		-		738	-			-	-
358	2,181,253	2,260,300	2,220,777	(586,985)	1,633,792	2.60%	738	42,479	934,498	(10,643)	966,334	1,293,966
359	141,262	141,262	141,262		141,262	2.50%	733	3,532	49,377		52,909	88,353
361	4,362,573	4,334,844	4,348,709	(801,376)	3,547,333	3.30%	743	117,062	3,006,914	(27,729)	3,096,247	1,238,597
362	-	-	-		-		743	-			-	-
363	1,526,626	1,540,138	1,533,382	(346,285)	1,187,097	2.50%	743	29,677	578,024	(535)	607,166	932,972
364	649,881	649,881	649,881	(196,875)	453,006	2.50%	743	11,325	207,066		218,391	431,490
365	3,097,909	3,112,440	3,105,175	(502,458)	2,602,717	3.90%	743	101,506	1,789,815	(1,282)	1,890,039	1,222,401
366	311,455	315,092	313,274		313,274	3.30%	743	10,338	131,660	(682)	141,316	173,776
367	164,712	164,461	164,587		164,587	3.30%	743	5,431	74,990	(251)	80,170	84,291
368	544,345	551,269	547,807		547,807	3.10%	743	16,982	285,729		302,711	248,558
369	-	-	-		-		743	-			-	-
370	238,617	240,869	239,743	(26,877)	212,866	3.00%	743	6,386	4,544	(890)	10,040	230,829
371	324,828	337,407	331,118		331,118	3.00%	753	9,934	135,651	(7,973)	137,612	199,795
381	301,700	66,487	184,094		184,094	4.40%	788	8,100	201,976	(235,213)	(25,137)	91,624
382	9,496	9,496	9,496		9,496	2.90%	788	275	8,796		9,071	425
383	-	-	-		-		788	-			-	-
384	991,652	985,256	988,454		988,454	10.40%	804	102,799	998,954	(6,396)	1,095,357	(110,101)
385	242,189	327,535	284,862		284,862	10.00%	788	28,486	184,691	(104,833)	108,344	219,191
386	4,549	4,549	4,549		4,549	2.80%	788	127	4,549		4,676	(127)
387	336,373	276,628	306,501		306,501	7.50%	788	22,988	282,100	(72,084)	233,004	43,624
388	2,650	-	1,325		1,325	10.00%	788	133	2,650	(2,650)	133	(133)
391	51,080	51,080	51,080		51,080	2.80%	788	1,430	27,644		29,074	22,006

<u>\$ 17,832,434</u>	<u>\$ 17,714,813</u>	<u>\$ 17,773,624</u>	<u>\$ (2,460,856)</u>	<u>\$ 15,312,768</u>	<u>\$ 580,252</u>	<u>\$ 9,950,934</u>	<u>\$ (476,016)</u>	<u>\$ 10,055,170</u>	<u>\$ 7,659,643</u>
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Amount of depreciation expense charged to:

A/C#	Amount Charged
733	15,842
738	42,479
743	298,708
753	9,934
788	110,491
Deprec Expense	<u>477,453</u>
804 (Clearing)	<u>102,799</u>
	<u>\$ 580,252</u>



VILLAGE OF ARCADE  
ELECTRIC DEPARTMENTOPERATING PROPERTY ANALYSIS, INCLUDING ADDITIONS AND  
DEPRECIATION CALCULATIONS, 2015 - 2016  
Rate Year Ended May 31, 2016

A/C#	5/31/2015 Beg. of Yr. Bal.	5/31/2016 End of Yr. Bal.	Avg. Gross Bal.	Less: Contributions for Extension	Avg. Balance Subject to Depreciation	Dep. Rate	Depreciation Expense A/C#	Amt.	Depreciation Reserves Beg. of Yr. Bal.	Retirements	5/31/2016 End of Yr. Bal.	Remaining Cost
301	\$ 239	\$ 239	\$ 239		\$ 239			\$ -	\$ -		\$ -	\$ 239
302	65	65	65		65			-	-		-	65
303	-	-	-		-			-	-		-	-
311	166,857	166,857	166,857		166,857			-	-		-	166,857
312	1,686,241	1,686,241	1,686,241		1,686,241	2.90%	788	48,901	898,976		947,877	738,364
321	-	-	-		-			-	-		-	-
322	-	-	-		-			-	-		-	-
323	-	-	-		-			-	-		-	-
325	-	-	-		-			-	-		-	-
331	-	-	-		-		711	-	-		-	-
332	-	-	-		-		711	-	-		-	-
333	-	-	-		-		711	-	-		-	-
334	-	-	-		-		711	-	-		-	-
342	-	-	-		-		717	-	-		-	-
344	-	-	-		-		717	-	-		-	-
345	-	-	-		-		717	-	-		-	-
351	95,362	95,362	95,362		95,362	2.50%	733	2,384	29,724		32,108	63,254
352	11,645	11,645	11,645		11,645	2.50%	733	291	5,976		6,267	5,378
353	385,410	385,410	385,410		385,410	2.50%	733	9,635	163,036		172,672	212,739
354	-	-	-		-		738	-	-		-	-
358	2,260,300	2,922,091	2,591,196	(586,985)	2,004,211	2.60%	738	52,109	966,334		1,018,443	1,903,648
359	141,262	141,262	141,262		141,262	2.50%	733	3,532	52,909		56,440	84,822
361	4,334,844	7,397,738	5,866,291	(801,376)	5,064,915	3.30%	743	167,142	3,096,247	(510,000)	2,753,389	4,644,349
362	-	-	-		-		743	-	-		-	-
363	1,540,138	1,540,138	1,540,138	(346,285)	1,193,853	2.50%	743	29,846	607,166		637,013	903,125
364	649,881	649,881	649,881	(196,875)	453,006	2.50%	743	11,325	218,391		229,716	420,165
365	3,112,440	3,112,440	3,112,440	(502,458)	2,609,982	3.90%	743	101,789	1,890,039		1,991,828	1,120,612
366	315,092	315,092	315,092		315,092	3.30%	743	10,398	141,316		151,714	163,378
367	164,461	164,461	164,461		164,461	3.30%	743	5,427	80,170		85,598	78,863
368	551,269	551,269	551,269		551,269	3.10%	743	17,089	302,711		319,800	231,469
369	-	-	-		-		743	-	-		-	-
370	240,869	240,869	240,869	(26,877)	213,992	3.00%	743	6,420	10,040		16,460	224,409
371	337,407	337,407	337,407		337,407	3.00%	753	10,122	137,612		147,734	189,673
381	66,487	66,487	66,487		66,487	4.40%	788	2,925	(25,137)		(22,211)	88,698
382	9,496	9,496	9,496		9,496	2.90%	788	275	9,071		9,347	149
383	-	-	-		-		788	-	-		-	-
384	985,256	1,001,256	993,256		993,256	10.40%	804	103,299	1,095,357	(40,000)	1,158,656	(157,400)
385	327,535	327,535	327,535		327,535	10.00%	788	32,754	108,344		141,098	186,437
386	4,549	4,549	4,549		4,549	2.80%	788	127	4,676		4,804	(255)
387	276,628	276,628	276,628		276,628	7.50%	788	20,747	233,004		253,751	22,877
388	-	-	-		-	10.00%	788	-	133		133	(133)
391	51,080	51,080	51,080		51,080	2.80%	788	1,430	29,074		30,504	20,576
								<u>\$ 637,970</u>	<u>\$ 10,055,170</u>	<u>\$ (550,000)</u>	<u>\$ 10,143,139</u>	<u>\$ 11,312,359</u>

Amount of depreciation expense charged to:

A/C#	Amount Charged
733	15,842
738	52,109
743	349,437
753	10,122
788	107,160
Deprec Expense	<u>534,671</u>
804	103,299
	<u>\$ 637,970</u>

## PILOT Calculation

A/C# 311 to 371	\$ 15,993,478	Balance at Beg of Yr
Accum Deprec	<u>(8,600,647)</u>	Balance at Beg of Yr
Net Book Value	\$ 7,392,831	
Prop Tax Rate	<u>\$ 14.39</u>	2015-2016 Tax Rate
PILOT - Rounded	<u>\$ 106,383</u>	
PILOT - Rounded	<u>\$ 106,000</u>	

Note: Depreciation on Substation improvements in Account 361 has been calculated on the Average balance for the Rate Year, even though the Construction In Progress amounts were transferred at the beginning of the Rate Year. Therefore, depreciation expense on the substation during the Rate Year is presented in a conservative amount (understated).

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**FORECASTED CAPITAL IMPROVEMENTS**

The Department has identified certain capital improvements expected to be completed during the Rate Year. These improvements include material costs and capitalized labor and overhead, and are reported net of retirement values.

**Rate Year - Per Superintendent's Capital Budget**

<b><u>Account</u></b>	<b><u>Type</u></b>	<b><u>Capitalized Labor</u></b>	<b><u>Capitalized Material/ Vendor Costs</u></b>	<b><u>Transfer of Const in Progress</u></b>	<b><u>Total Cost</u></b>	<b><u>Value of Asset Retired</u></b>
358	<b><u>Poles and Related Equipment</u></b>					
	Rt. 16 and Industrial Park upgrades	\$ 311,791	\$ 350,000	\$ -	\$ 661,791 (a)	\$ -
361	<b><u>Distribution Substation Equipment</u></b>					
	Transfer of CWIP - County Line Substation	-	-	3,572,894	3,572,894 (b)	510,000
384	<b><u>Transportation Equipment</u></b>					
	Replacement of two (2) F150 pickups	-	56,000	-	56,000 (c)	40,000
		<b><u>\$ 311,791</u></b>	<b><u>\$ 406,000</u></b>	<b><u>\$ 3,572,894</u></b>	<b><u>\$ 4,290,685</u></b>	<b><u>\$ 550,000</u></b>
312	<b><u>Building</u></b>					
	Construction of Electric Garage	\$ -	\$ 350,000	\$ -	\$ 350,000 (d)	\$ -

(a) Capitalized cost of upgrades planned for Rte 16 - Gernatts and the Industrial Park.

(b) Costs incurred in prior years related to the renovation and upgrade of the County Line Substation. These costs will be transferred from CWIP to Operating Property prior to the Rate Year, net of anticipated retirements of \$510,000.

(c) Cost of replacement for two (2) F15 pickup trucks. Retirement of old pickups at historic cost is \$40,000.

(d) Cost of construction of electric garage will remain in Construction in Progress during the Rate Year, and therefore will not be depreciated during Rate Year.

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**STATEMENTS OF CASH FLOWS WITH 6.33% REVENUE  
INCREASE EFFECTIVE JULY 1, 2015  
Actual for Years Ended May 31, 2013 and 2014, and Forecast for Rate Year**

	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>Forecasted Rate Year</b>
<b>Net operating income (loss), as reported in Annual Report</b>	<b>\$ 174,759</b>	<b>\$ (11,763)</b>	<b>\$ 304,427</b>
Add: depreciation expense	507,778	540,522	534,671
Receipts (expenditures)			
Acquisition of operating property, net	(634,300)	(397,329)	(574,492)
Transfers to depreciation and miscellaneous reserves, net	40,116	(47,467)	-
Contributions to General Fund	(8,541)	(10,200)	(10,200)
Repayment of long-term debt, net	(243,035)	(153,591)	(205,000)
Interest expense paid	(57,476)	(30,723)	(61,903)
Interest income received	1,860	1,226	1,200
Non-operating revenues	6,090	8,818	-
Change in other assets, net	(96,969)	(336,239)	-
Change in other liabilities, net	19,994	(87,764)	-
	<hr/>	<hr/>	<hr/>
<b>Net decrease in operating cash</b>	<b>(289,724)</b>	<b>(524,510)</b>	<b><u><u>\$ (11,297)</u></u></b>
 OPERATING CASH, <i>beginning of year</i>	 1,438,336	 1,148,612	
	<hr/>	<hr/>	
<b>OPERATING CASH, <i>end of year</i></b>	<b><u><u>\$ 1,148,612</u></u></b>	<b><u><u>\$ 624,102</u></u></b>	

## **Revised Tariff Leaves**

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 1  
REVISION: 2  
SUPERSEDING REVISION: 1

COVER

VILLAGE OF ARCADE  
CONCURRENCE TARIFF



PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 2  
REVISION: 4  
SUPERSEDING REVISION: 2

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PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 3  
REVISION: 2  
SUPERSEDING REVISION: 1

### GENERAL INFORMATION

A. CONCURRENCE:

The Village of Arcade concurs in and agrees to abide by the rules and regulations as set forth in the generic tariff filed by the New York Municipal Power Agency (NYMPA) in Case No. 97-E-1575.

B. TERRITORY TO WHICH SCHEDULE APPLIES:

These rules and regulations apply to the following territory:

TOWN OF ARCADE: Incorporated Village of Arcade, New York and the Town of Arcade, Wyoming County, New York.

TOWN OF FREEDOM: The Town of Freedom, Cattaraugus County, New York.

TOWN OF SARDINIA: From Yorkshire Bridge, north to about opposite dwelling house now occupied by Fred Wilkins, along Scott Street; West to opposite Mrs. J.E. Ward's house, and along Grove Street, and from Schutt's Corners, East to Floyd Holme's property and along Lake Street...upon the Chaffee Curriers Road, from the present terminus of said electric line opposite the Fred Wilkins premises on said road, to the boundary line between the Towns of Sardina, Erie County, and Arcade, Wyoming County, New York.

TOWN OF YORKSHIRE: Hamlet of Yorkshire, (otherwise described as the Village of Yorkshire, an unincorporated hamlet) within lots No. 1, 9, 16 and 25 of the said Town of Yorkshire, Cattaraugus County, New York; these lots as comprising a triangular area along the northerly part of town; i.e.: the base of the triangle being formed by the westerly extension of the southern boundary of Wyoming County.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 4  
REVISION: 2  
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO.  
Residential

APPLICABLE TO USE OF SERVICE FOR:

Single-phase residential purpose usage in an individual residence; in an individual flat or individual apartment in a multiple-family dwelling; for residential purposes in a rooming house where not more than four (4) rooms are available for rent; and for single phase farm service when supplied through the farm residence meter; use exclusively in connection with religious purposes by corporations or associations organized and conducted in good faith for religious purposes, and including the operation by such corporation or association of a school, notwithstanding that secular subjects are taught at such school; for single-phase service exclusively in connection with a community residence as defined in subdivision 28, 28A or 28B of section 1.03 of the Mental Hygiene Law, provided that such residence is operated by a not-for-profit corporation and if supervisory staff is on site on a twenty-four hour per day basis that the residence provides living accommodations for fourteen or fewer residents; and use for any post or hall owned or leased by a not-for-profit organization that is a veterans organization.\

CHARACTER OF SERVICE:

Continuous alternating current at 60 cycles, and depending upon the character of service locally available; single phase-120 volt, two wire, or 120/240 volt, three wire; or three phase, three wire-277/480 volt or 240 volt or 480 volt: or three phase, four wire-120/240 volt or 120/208 volt. Voltage and frequency are approximate only.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 5  
REVISION: 7  
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 1 (CONT'D)  
Residential

MONTHLY RATE:

	<u>Rate</u>
Customer Charge	\$2.52
Energy Charge, per kWh	
<u>Non-Winter (May - October)</u>	\$0.0304
<u>Winter Rate (November - April)</u>	
First 750 kWh	\$0.0304
Over 750 kWh	\$0.0391

MINIMUM CHARGE:

The minimum charge is the customer charge.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment as explained in Rule IX of the NYMPA generic tariff.

BASE PURCHASED POWER PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is \$.016092.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.050795.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 6  
REVISION: 7  
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 2  
General Service - Non-Demand Metered

APPLICABLE TO USE OF SERVICE FOR:

Commercial, business, professional, and small industrial power installations that do not require the use of a demand meter in the entire territory.

CHARACTER OF SERVICE:

Continuous alternating current at 60 cycles, and depending upon the character of service locally available, single phase 120/240 volt three wire, voltage frequency being approximate only.

MONTHLY RATE:

Customer Charge	<u>Rate</u> \$2.52
Energy Charge, per kWh	
<u>Non-Winter (May - October)</u>	\$0.0290
<u>Winter Rate (November - April)</u>	\$0.0391

MINIMUM CHARGE:

The minimum charge is the customer charge.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

BASE PURCHASED POWER PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is \$.016092.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.050795.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 7  
REVISION: 3  
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION NO. 2 (CONT'D)  
General Service - Non-Demand Metered

TERM:

One month and thereafter until terminated by three days' notice, provided that customer is not subject to certain provisions under Rule V of the NYMPA generic tariff.

SPECIAL PROVISIONS:

Any customer having two or more apartments which are located on the same premises and is currently supplied through one meter, shall be billed for such service under this classification.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment as explained in Rule IX of the NYMPA generic tariff.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 8  
REVISION: 7  
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 2A  
General Service - Demand Metered

APPLICABLE TO USE OF SERVICE FOR:

Commercial, business, professional, and small industrial power installations that require the use of a demand meter in the entire territory.

CHARACTER OF SERVICE:

Continuous alternating current at 60 cycles, and depending upon the character of service locally available, single phase 120/240 volt three wire; or three phase, 208, 240, or 277/480 volt four-wire, voltage frequently being approximate only.

MONTHLY RATE:

Customer Charge	<u>Rate</u>
Energy Charge, per kWh	\$5.94
	\$0.0101

MINIMUM CHARGE:

The minimum charge is the demand charge as defined in "DETERMINATION OF DEMAND."

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

BASE PURCHASED POWER PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is \$.016092.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.050795.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 9  
REVISION: 4  
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 2A (CONT'D)  
General Service - Demand Metered

DETERMINATION OF DEMAND:

- A. The demand will be determined by meter when three phase service is supplied or when the total connected load is equivalent to 15 KW or more; or when the customer's consumption has exceeded 2,000 kilowatt hours in each of two consecutive months; or when it is estimated that a new customer's consumption will exceed such an amount in future billing periods.
- B. When demand is so determined by measurement, the billing demand shall be the greatest of the following:
  - 1. The maximum fifteen-minute integrated kilowatt demand, determined by meter, occurring during the month for which charge is made.
  - 2. Seventy-five percent of the highest maximum demand which shall have occurred in winter months (December through March) during the preceding eleven months.
  - 3. Twenty-five percent of the highest maximum demand which shall have occurred in summer months (April - November) during the preceding eleven months.
  - 4. Fifteen kilowatts.

TERM:

- A. Single Phase Service: One month and thereafter until terminated by three days' notice, provided that customer is not subject to certain provisions under Rule V of the NYMPA generic tariff.
- B. Three Phase Service: One month and thereafter until terminated by three days' notice, provided that customer is not subject to certain provisions under Rule V of the NYMPA generic tariff.



PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 9.1  
REVISION: 3  
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION NO. 2A (CONT'D)  
General Service - Demand Metered

SPECIAL PROVISIONS:

- A. Any customer having two or more apartments which are located on the same premises and is currently supplied through one meter, shall be billed for such service under this classification.
- B. Standby or breakdown service will be furnished under this classification to a customer part or all of whose source of energy, whether electrically or mechanically produced, shall be introduced or permitted, directly or indirectly, in connection with the operation of customer's equipment. For such service the monthly demand shall be taken at not less than seventy-five percent of the highest measured demand determined in any of the preceding 12 months.
- C. Where the installation includes devices which have a highly fluctuating or large instantaneous demand, such as X-ray apparatus, welders, etc., the demand of such devices shall be added to the monthly maximum demand determined either by meter or by estimate as above provided. The demand of such devices shall be taken either as the rated capacity to supply adequate service to such apparatus, or as determined by test.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment as explained in Rule IX of the NYMPA generic tariff.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 10  
REVISION: 7  
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 3  
Large General Service

APPLICABLE TO USE OF SERVICE FOR:

All customers who guarantee to pay for a minimum monthly demand of 75 kilowatts in the entire territory.

CHARACTER OF SERVICE:

Continuous alternating current at 60 cycles, three phase; three wire, 4800 or four wire, 8320 volts. The frequency and voltage specified are approximate only.

MONTHLY RATE:

Demand Charge, per kWh	Rate
Energy Charge, per kWh	\$4.73
	\$0.0115

DETERMINATION OF DEMAND:

The demand shall be the greatest of the following:

1. The maximum fifteen-minute integrated kilowatt demand, determined by meter, occurring during the month for which charge is made.
2. Seventy-five percent of the highest maximum demand which shall have occurred in winter months (December through March) during the preceding eleven months.
3. Twenty-five percent of the highest maximum demand which shall have occurred in summer months (April - November) during the preceding eleven months.
4. Seventy-five kilowatts.

MINIMUM CHARGE:

The demand charge as defined in "DETERMINATION OF DEMAND."

BASE PURCHASED POWER PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is \$.016092.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.050795.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 11  
REVISION: 4  
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 3 (CONT'D)  
Large General Service

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

TERM:

One year from commencement of service and thereafter until terminated by 30 days' notice by either party provided that a customer is not subject to certain provisions under Rule V of the NYMPA generic tariff.

SPECIAL PROVISIONS:

- A. Standby or breakdown service will be furnished under this classification to a customer part of all of whose source of energy, whether electrically or mechanically produced shall be introduced or permitted, directly or indirectly, in connection with the operation of customer's equipment. For such service the monthly demand shall be taken at not less than seventy-five percent of highest measured demand determined in any of the preceding 12 months.
- B. Customer, in taking three-phase electric energy, shall maintain as nearly as is reasonably possible, equal currents in each of the three-phase conductors at the point of taking. If at any time the current in any phase conductor shall exceed the average of the currents in all the three-phase conductors by more than five percent (5%), the amount to be paid by customer for the period within which the unbalance occurred may be increased by a percentage equal to that of the unbalance.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment as explained in Rule IX of the NYMPA generic tariff.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 12  
REVISION: 7  
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 4  
Private Outdoor Lighting

APPLICABLE TO USE OF SERVICE FOR:

Private street and area lighting.

CHARACTER OF SERVICE:

Unmetered service. Limited period, approximately 4,000 hours per year, 60 cycle alternating current at approximately 115 volts.

MONTHLY RATE:

	Rate (per kWh)
A. Post and lantern unit located on private property, with 150 Watt Incandescent Lamp (50 kWh per month).	\$0.0528
B. Four-six foot bracket mounted luminaire or open reflector unit located on private property with 175 Watt Mercury Vapor Lamp (70 kWh per month).	\$0.0444
C. Six foot bracket mounted enclosed luminaire located on private property, with 70 Watt High Pressure Sodium Lamp (34 kWh per month). \$	0.0913
D. Six foot bracket mounted enclosed luminaire located on private property, with 400 Watt Mercury Vapor Lamp (152 kWh per month).	\$0.0461
E. Six foot bracket mounted enclosed luminaire located on private property, with 400 Watt High Pressure Sodium Lamp (159 kWh per month).	\$0.0439
F. Six foot bracket mounted enclosed luminaire located on private property, with 250 Watt High Pressure Sodium Lamp (105 kWh per month).	\$0.0415

BASE PURCHASED POWER PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is \$.016092.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.050795.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 13  
REVISION: 2  
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 4 (CONT'D)  
Private Outdoor Lighting

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

TERM:

- A. For installation on private property, one (1) year, commencing at the date of installation and thereafter from year to year until canceled upon 30 days' written or verbal notice.
- B. When service has been discontinued at the request of the customer, and the customer applies for reconnection of service within six (6) months, there shall be a reconnection charge of \$ 10.00 per luminaire. Reconnection shall be made only during regular working hours of the electric department, Monday through Friday.

SPECIAL PROVISIONS:

- A. Upon application, the Village will furnish, own, operate, and maintain lighting equipment as follows at the monthly rates shown herein. (Installation by or at the expense of the applicant.)

Post mounted, photo-electrically controlled, enclosed lantern with seven foot metal post, necessary internal wiring and 150 Watt Incandescent Lamp.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 14  
REVISION: 2  
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 4 (CONT'D)  
Private Outdoor Lighting

- B. Upon application, the Village will furnish, install, own, operate and maintain lighting equipment as follows at the monthly rates shown herein:
1. Four-six foot bracket mounted, photoelectrically controlled, enclosed luminaire or open reflector unit with necessary internal wiring and 175 Watt Mercury Vapor Lamp rated at approximately 8,000 lumens (initial).
  2. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring and 400 Watt Mercury Vapor Lamp rated at approximately 22,000 lumens (initial).
  3. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring and 70 Watt High Pressure Sodium Lamp rated at approximately 8,800 lumens (initial).
  4. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring and 400 Watt High Pressure Sodium Lamp rated at approximately 47,000 lumens (initial).
  5. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring, and 250 Watt High Pressure Sodium Lamp rated at approximately 26,000 lumens (initial).
- C. Lighting equipment installed on private property will be located only on land owned or leased by the applicant. The applicant will provide the pole or other support for equipment listed in SPECIAL PROVISIONS, paragraph (a) and, in all cases, the necessary wiring to connect the equipment to the line side of the applicants meter or nearest unmetered source. Where a Village owned pole is appropriately located on land owned or leased by the applicant, the Village may waive the requirement that the pole be provided by the applicant and install the equipment on the Village owned pole.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 15  
REVISION: 2  
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 4 (CONT'D)  
Private Outdoor Lighting

SPECIAL PROVISIONS (CONT'D):

- D. When requested by the customer, the Village will change the location of any lighting unit providing a proper support is provided and the customer agrees to pay the Village for the cost incurred in making such change.
- E. Lighting service will be provided every night and all night during hours between 30 minutes after sunset and 30 minutes before sunrise aggregating about 4,000 hours per year unless prevented by an accident or other causes beyond the control of the Village.
- F. The customer shall notify the Village whenever the lamp shall become extinguished or out of service for any reason and the Village will replace the lamp and/or make necessary repairs with reasonable promptness.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment as explained in Rule IX of the NYMPA generic tariff.

PSC NO: 1 ELECTRICITY  
 COMPANY: VILLAGE OF ARCADE  
 INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 16  
 REVISION: 7  
 SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 5  
 Street Lighting

APPLICABLE TO USE OF SERVICE FOR:

Public street and area lighting.

CHARACTER OF SERVICE:

Limited period, approximately 4,000 hours per year, 60 cycles alternating current at approximately 115 volts.

MONTHLY RATE: \$2.61 per face per month plus energy.

	<u>Rate (per kWh)</u>
A. Post and lantern unit located in public street or highway, with 150 Watt Incandescent Lamp (50 kWh per month).	\$0.0187
B. Four-six foot bracket mounted luminaire or open reflector unit located in public street or highway, with 175 Watt Mercury Vapor Lamp (70 kWh per month).	\$0.0171
C. Four-six foot bracket mounted luminaire or open reflector unit located in public street or highway, with 70 Watt High Pressure Sodium Lamp (34 kWh per month).	\$0.0214
D. Six foot bracket mounted enclosed luminaire located in public street or highway, with 400 Watt Mercury Vapor Lamp (152 kWh per month).	\$0.0150
E. Six foot bracket mounted enclosed luminaire located in public street or highway, with 250 Watt High Pressure Sodium Lamp (105 kWh per month).	\$0.0159
F. Six foot bracket mounted enclosed luminaire located in public street or highway, with 400 Watt High Pressure Sodium Lamp (159 kWh per month).	\$0.0150
G. Traffic Signals (11 kWh per month).	\$0.0386

BASE PURCHASED POWER PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is \$.016092.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.050795.

Issued by: Mayor Jay May, 17 Church Street, Arcade, New York 14009



PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 17  
REVISION: 2  
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 5 (CONT'D)

Street Lighting

MINIMUM CHARGE:

No minimum monthly charge.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

TERM:

- A. For installation in public street or highway, five (5) years commencing at the date of installation and thereafter from year to year until canceled upon 30 days written or verbal notice.
- B. When service has been discontinued at the request of the customer, and the customer applies for reconnection of service within six (6) months, there shall be a reconnection charge of \$10.00 per luminaire. Reconnection shall be made only during regular working hours of the electric department, Monday through Friday.

SPECIAL PROVISIONS:

- A. Upon application, the Village will furnish, own, operate, and maintain lighting equipment as follows at the monthly rates shown herein. (Installation by or at the expense of the applicant.)

Post mounted, photo-electrically controlled, enclosed lantern with seven foot metal post, necessary internal wiring and 150 Watt Incandescent Lamp.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 18  
REVISION: 2  
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 5 (CONT'D)  
Street Lighting

SPECIAL PROVISIONS (CONT'D):

- B. Upon application, the Village will furnish, install, own, operate and maintain lighting equipment as follows at the monthly rates shown herein:
1. Four-six foot bracket mounted, photo-electrically controlled, enclosed luminaire or reflector unit with necessary internal wiring and 150 Watt Incandescent Lamp rated at approximately 4,700 lumens (initial).
  2. Four-six foot bracket mounted, photo-electrically controlled, enclosed luminaire or open reflector unit with necessary internal wiring and 175 Watt Mercury Vapor Lamp rated at approximately 8,000 lumens (initial).
  3. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring and 400 Watt Mercury Vapor Lamp rated at approximately 22,000 lumens (initial).
  4. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring and 250 Watt High Pressure Sodium Lamp rated at approximately 26,000 lumens.
  5. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring and 400 Watt High Pressure Sodium Lamp rated at approximately 26,000 lumens (initial).
  6. Six foot bracket mounted, photo-electrically controlled, enclosed luminaire with necessary internal wiring and 70 Watt High Pressure Sodium Lamp rated at approximately 8,800 lumens (initial).

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 19  
REVISION: 2  
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 5 (CONT'D)  
Street Lighting

SPECIAL PROVISIONS (CONT'D):

- C. Lighting equipment installed in public street or highway will be installed only on existing, appropriately located Village owned poles of sufficient height. Where ever existing Village owned poles are not adequately or appropriately located, the applicant will bear the cost of furnishing and installing the necessary poles and wiring and/or the additional cost of special brackets or arms.
- D. When requested by the customer, the Village will change the location of any lighting unit providing a proper support is provided and the customer agrees to pay the Village for the cost incurred in making such change.
- E. Lighting service will be provided every night and all night during hours between 30 minutes after sunset and 30 minutes before sunrise aggregating about 4,000 hours per year unless prevented by an accident or other causes beyond the control of the Village.
- F. The customer shall notify the Village whenever the lamp shall become extinguished or out of service for any reason and the Village will replace the lamp and/or make the necessary repairs with reasonable promptness.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment as explained in Rule IX of the NYMPA generic tariff.

PSC NO: 1 ELECTRICITY  
COMPANY: VILLAGE OF ARCADE  
INITIAL EFFECTIVE DATE: 08/01/2015

LEAF: 20  
REVISION: 1  
SUPERSEDING REVISION:

## PURCHASED POWER ADJUSTMENT CHARGE

### APPLICABILITY:

All customers receiving service under any of the Village of Arcade's Electric Department's Service Classification are subject to purchased power adjustment charges ("PPAC").

### ADJUSTMENT CHARGE:

The PPAC shall be the amount which shall be added to each kilowatt-hour of each rate schedule to reflect and recover all purchased power and transmission costs billed to the Village of Arcade Electric Department from all service providers.

### CALCULATION OF THE PURCHASED POWER ADJUSTMENT CHARGE:

The PPAC shall equal the total cost of all power and transmission costs billed to the Village of Arcade Electric Department in each month divided by the kWh purchases in that month, less the base cost of purchased power measured at system input level adjusted by a loss factor (Factor of Adjustment). The resultant cost per kWh shall be rounded to the nearest \$0.000001 and applied as a charge or credit to all kilowatt-hours billed in the following month.

### ANNUAL RECONCILIATION:

At the end of each fiscal year, the Village of Arcade will perform a reconciliation to determine whether there was an under- or over-collection of purchased power expense during the preceding year. The calculation is as follows:

Total Purchased Power Cost - (kWh delivered x Base Cost of Purchased Power).

The result will then be compared to the actual PPAC revenues recovered during this period to determine if a PPA Reconciliation Surcharge or Refund is applicable. The resultant Surcharge or Refund will be included as a line item in the following month(s) calculation(s) of PPAC in order to adjust revenues to more accurately reflect actual expenses. The number of months over which the Surcharge or Refund will be included will depend on the size of the Surcharge or Refund. If the Surcharge/Refund is under \$10,000 it will be included in one month. Surcharges/Refunds between \$10,000 and \$20,000 will be split between two months and any Surcharges/Refunds over \$20,000 will be charged/credited in \$10,000/month increments until complete in order to minimize the impact on rate payers.

## **Workpapers**



**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2014 YEAR END)**

**VILLAGE OF ARCADE - ELECTRIC DEPARTMENT**

**5/31/2014 Sales - from Annual Report**

**601- RESIDENTIAL**

	<u>kWh</u>	<u>Total</u>		<u>Base Rev</u>	<u>Total</u>
June	4,416,981	4,416,981		\$ 134,808	\$ 134,808
July	3,477,378	3,477,378	<u>Lowest 2 Months</u>	107,971	107,971
August	3,487,715	3,487,715	3,273,418 Oct	108,240	108,240
September	3,535,290	3,535,290	3,477,378 July	109,611	109,611
October	3,273,418	3,273,418		102,116	102,116
November	3,634,606	3,634,606	<u>AVG</u>	124,544	124,544
December	6,779,831	6,779,831	3,375,398	238,782	238,782
January	8,908,428	8,908,428		315,190	315,190
February	10,464,394	10,464,394		373,531	373,531
March	12,663,516	12,663,516		454,481	454,481
April	9,255,562	9,255,562		329,227	329,227
May	8,000,761	8,000,761		238,160	238,160
	<u>77,897,880</u>	<u>77,897,880</u>		<u>\$ 2,636,661</u>	<u>\$ 2,636,661</u>

**602 - COMMERCIAL**

	<u>kWh</u>	<u>Total</u>		<u>Base Rev</u>	<u>Total</u>
June	2,928,323	2,928,323		\$ 91,572	\$ 91,572
July	2,871,338	2,871,338	<u>Lowest 2 Months</u>	88,838	88,838
August	2,830,410	2,830,410	2,830,410 Aug	89,876	89,876
September	3,110,642	3,110,642	2,871,338 July	92,238	92,238
October	3,129,500	3,129,500		92,685	92,685
November	2,987,681	2,987,681	<u>AVG</u>	91,624	91,624
December	3,797,141	3,797,141	2,850,874	103,355	103,355
January	4,154,756	4,154,756		109,727	109,727
February	4,003,338	4,003,338		111,158	111,158
March	4,537,586	4,537,586		117,930	117,930
April	3,856,264	3,856,264		108,231	108,231
May	3,653,855	3,653,855		103,386	103,386
	<u>41,860,834</u>	<u>41,860,834</u>		<u>\$ 1,200,620</u>	<u>\$ 1,200,620</u>

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2014 YEAR END)**

Village of Arcade - Electric Department

Heating Degree Data

<http://www.nyserda.ny.gov/Cleantech-and-Innovation/EA-Reports-and-Studies/Weather-Data/Monthly-Cooling-and-Heating-Degree-Day-Data>

Buffalo, New York

SEASON	NOV	DEC	JAN	FEB	MAR	APR	Total	% deviation from 10-yr avg
2004-05	675	1089	1267	1107	1099	541	5778	
2005-06	645	1171	928	1037	917	506	5204	
2006-07	604	857	1115	1290	923	674	5463	
2007-08	772	1101	1085	1148	1035	426	5567	
2008-09	750	1096	1434	1050	911	550	5791	
2009-10	625	1121	1287	1128	829	413	5403	
2010-11	697	1199	1350	1124	1022	580	5972	
2011-12	556	914	1069	961	549	590	4639	
2012-13	761	888	1089	1085	987	553	5363	
2013-14	816	1143	1389	1262	1181	572	6363	14.6%

5554 10 Year Average of November-April



**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION  
Fiscal Year May 31, 2014**

<b>Expense</b>	<b>Fiscal Yr. 2014 Amount</b>	<b>Comment</b>
Purchased Power	\$ 6,485,568	Account 721, PSC Report page 306
Labor	719,476	PSC Report, page 102. Total salaries less salaries capitalized (\$1,013,788 less \$294,312)
Taxes and PILOT	281,296	Account 403, PSC Report page 106
Uncollectible revenues	-	Account 404, PSC Report page 106
Rent	-	Account 786, PSC Report page 307
FICA, Medical, Retirement, DBL, Workers Comp, etc.	548,011	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	32,781	Account 783, PSC Report page 307
Depreciation	540,522	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Transmission	9,293	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	-	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	490,462	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	7,672	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	55,284	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	31,419	Represents an allocation of remaining costs based on cost of individual category. (See below)
General & Administ.	380,696	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	125,217	Included in Account 785, PSC Report page 307
Contractual Appropriations of Income	216,388	Account 459, PSC Report page 106
Miscellaneous credits transferred	(436,938)	Account 793, PSC Report page 307
	<b><u>\$ 9,487,147</u></b>	

<b>Cost Category (per PSC Report, excluding depreciation and separately stated costs)</b>	<b>Actual</b>	<b>%</b>	<b>Allocated Remaining Cost**</b>
Transmission	\$ 16,480	0.95%	\$ 9,293
Maint. Poles	-	0.00%	-
Distribution	869,808	50.31%	490,462
Street Lights	13,605	0.79%	7,672
Consumer Accounting and Collection	98,044	5.67%	55,284
Sales Expense	55,720	3.22%	31,419
General & Administrative	675,145	39.05%	380,697
<b>Total Cost in P&amp;L (not incl. interest expense)</b>	<b><u>\$ 1,728,802</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 974,826</u></b>

\*\* Contractual Costs

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION  
Fiscal Year May 31, 2013**

<b>Expense</b>	<b>Fiscal Yr. 2013 Amount</b>	<b>Comment</b>
Purchased Power	\$ 5,066,377	Account 721, PSC Report page 306
Labor	871,736	PSC Report, page 102. Total salaries less salaries capitalized (\$926,378 less \$54,642)
Taxes and PILOT	257,533	Account 403, PSC Report page 106
Uncollectible revenues	-	Account 404, PSC Report page 106
Rent	-	Account 786, PSC Report page 307
FICA, Medical, Retirement, DBL, Workers Comp, etc.	544,754	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	34,097	Account 783, PSC Report page 307
Depreciation	507,778	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Transmission	532	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	(536)	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	232,449	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	2,070	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	32,984	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	2,172	Represents an allocation of remaining costs based on cost of individual category. (See below)
General & Administ.	189,868	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	155,482	Included in Account 785, PSC Report page 307
Contractual Appropriations of Income	197,911	Account 459, PSC Report page 106
Miscellaneous credits transferred	(382,537)	Account 793, PSC Report page 307
	<u><u>\$ 7,712,670</u></u>	

<b>Cost Category (per PSC Report, excluding depreciation and separately stated costs)</b>	<b>Actual</b>	<b>%</b>	<b>Allocated Remaining Cost**</b>
Transmission	\$ 1,540	0.12%	\$ 532
Maint. Poles	(1,554)	-0.12%	(536)
Distribution	673,400	50.58%	232,449
Street Lights	5,998	0.45%	2,070
Consumer Accounting and Collection	95,555	7.18%	32,984
Sales Expense	6,291	0.47%	2,172
General & Administrative	550,045	41.32%	189,868
<b>Total Cost in P&amp;L (not incl. interest expense)</b>	<u><u>\$ 1,331,275</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 459,539</u></u>

\*\* Contractual Costs

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION  
Fiscal Year May 31, 2012**

<b>Expense</b>	<b>Fiscal Yr. 2012 Amount</b>	<b>Comment</b>
Purchased Power	\$ 4,380,088	Account 721, PSC Report page 306
Labor	866,002	PSC Report, page 102. Total salaries less salaries capitalized (\$999,021 less \$133,019)
Taxes and PILOT	100,898	Account 403, PSC Report page 106
Uncollectible revenues	-	Account 404, PSC Report page 106
Rent	-	Account 786, PSC Report page 307
FICA, Medical, Retirement, DBL, Workers Comp, etc.	287,334	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	21,396	Account 783, PSC Report page 307
Depreciation	496,357	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Transmission	2,697	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	675	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	173,717	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	2,303	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	23,147	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	-	Represents an allocation of remaining costs based on cost of individual category. (See below)
General & Administ.	135,300	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	117,386	Included in Account 785, PSC Report page 307
Contractual Appropriations of Income	182,602	Account 459, PSC Report page 106
Miscellaneous credits transferred	(404,696)	Account 793, PSC Report page 307
	<b><u>\$ 6,385,206</u></b>	

<b>Cost Category (per PSC Report, excluding depreciation and separately stated costs)</b>	<b>Actual</b>	<b>%</b>	<b>Allocated Remaining Cost**</b>
Transmission	\$ 9,612	0.80%	\$ 2,697
Maint. Poles	2,406	0.20%	675
Distribution	619,016	51.42%	173,717
Street Lights	8,202	0.68%	2,302
Consumer Accounting and Collection	82,482	6.85%	23,147
Sales Expense	-	0.00%	-
General & Administrative	482,123	40.05%	135,300
<b>Total Cost in P&amp;L (not incl. interest expense)</b>	<b><u>\$ 1,203,841</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 337,839</u></b>

\*\* Contractual Costs

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**PROJECTED COSTS FOR RATE YEAR**

<b>Expense</b>	<b>(Workpaper B) Fiscal Yr. 2014 Amount</b>	<b>(Workpaper B-1) Fiscal Yr. 2013 Amount</b>	<b>(Workpaper B-2) Fiscal Yr. 2012 Amount</b>	<b>Three Year Average</b>	<b>Costs Adjusted for Known or Calculated Changes</b>	<b>Cost Determined by:</b>
Purchased Power	\$ 6,485,568	\$ 5,066,377	\$ 4,380,088	\$ 5,310,678	\$ 6,397,165	Calculated - Weather Normalization Adjustment
Labor	719,476	871,736	866,002	819,071	763,351	Salaries for fiscal year 2015 were increased 3% over 2014 amounts. Salaries are expected to be increased another 3% for the Rate Year. Capitalized salaries are expected to be similar, in percentage (29%), to those capitalized salaries reported in FY 2014. Total salaries are expected to be \$1,075,142 less capitalized salaries of \$311,791.
Taxes and PILOT	281,296	257,533	100,898	213,242	274,645	Taxes paid to outside taxing jurisdictions plus PILOT to Village of Arcade.
Uncollectible revenues	-	-	-	-	88,425	Estimated to be 1% of anticipated Base Revenues and PPAC Revenues.
Rent	-	-	-	-	-	None expected.
FICA, Medical, Retirement, DBL, Workers' Comp, etc.	548,011	544,754	287,334	460,033	495,524	Based on Village budgeted amounts from vendor quotes and calculation of FICA on expected salaries.
Insurance	32,781	34,097	21,396	29,425	33,439	2-Year average
Depreciation	540,522	507,778	496,357	514,886	534,671	Calculated at Exhibit 14. Increase is due to asset additions, net of retirements.
Contractual						
Transmission	9,293	532	2,697	4,174	4,174	3-Year average (2012-2014)
Maint. Poles	-	(536)	675	46	46	3-Year average (2012-2014)
Distribution	490,462	232,449	173,717	298,876	361,456	2-Year average (2013-2014)
Street Lights	7,672	2,070	2,303	4,015	4,015	3-Year average (2012-2014)
Consumer Accounting and Collection	55,284	32,984	23,147	37,138	44,134	2-Year average (2013-2014)
Sales Expense	31,419	2,172	-	11,197	-	Expected to be zero in Rate Year (Prior years only included costs for mutual aid)
General & Administ.	380,696	189,868	135,300	235,288	285,282	2-Year average (2013-2014)
PSC Annual Assessment	125,217	155,482	117,386	132,695	94,271	Calculated - Anticipated operating revenues less \$500,000; multiplied by 1.13% assessment rate
Contractual Appropriations of Income	216,388	197,911	182,602	198,967	194,268	IEEP costs in the Rate Year include a 14.6% reduction in kWh consumption, as the result of weather normalization (Historic Base Year consumption of 160,931,998 x 85.4% x .001/kWh = \$137,435 IEEP Cost)... This account also includes payments on the NYPA loan for the insulation program, which is recovered through PPAC revenues, as such this annual cost (totaling \$56,833) must be included in this line item.
Amortization of Rate Filing Costs	-	-	-	-	6,000	Cost of Rate Filing (\$18,000) amortized over 3 years, the period of expected benefit.
Miscellaneous credits transferred	(436,938)	(382,537)	(404,696)	(408,057)	(463,155)	Overhead rate (95%) and direct labor dollars (\$459,935) expected to be similar to fiscal year 2014 amounts, adjusted for 3% labor increases in fiscal year 2015 and Rate Year.
	<u><b>\$ 9,487,147</b></u>	<u><b>\$ 7,712,670</b></u>	<u><b>\$ 6,385,206</b></u>	<u><b>\$ 7,861,674</b></u>	<u><b>\$ 9,117,711</b></u>	

**VILLAGE OF ARCADE  
ELECTRIC DEPARTMENT**

**PURCHASED POWER ADJUSTMENT RECONCILIATION  
Fiscal Year May 31, 2014**

Total Sales per annual report									[Note 1] Difference in	[Note 2]	
Month	KWH Sales	PPAC \$ per KWH	PPAC Revenues	NYPA Billing Month	Total Power Bill (\$)	Surcharge (Credit) \$ [1]	Total Delivered KWH	Base Cost of Power \$ per KWH	Present and Base Costs	Net (Overcollection) Undercollection	Adjustment Factor
06/13	10,433,407.00	0.012810	133,653.00	05/13	271,790.62	24,916.10	10,210,031	0.016092	132,406.90	-1,246.10	1.0520360
07/13	9,312,544.00	0.013907	129,509.00	06/13	233,847.98	23,795.23	9,299,101	0.016092	108,002.08	-21,506.92	1.0520360
08/13	8,899,504.00	0.010769	95,838.00	07/13	247,632.33	23,382.19	10,006,878	0.016092	109,983.84	14,145.84	1.0520360
09/13	9,590,444.00	0.010545	101,132.00	08/13	190,930.70	25,072.92	9,718,597	0.016092	59,611.96	-41,520.04	1.0520360
10/13	9,299,887.00	0.010910	101,447.00	09/13	242,482.89	24,782.37	9,731,471	0.016092	110,666.43	9,219.43	1.0520360
11/13	9,580,025.00	0.013363	128,015.00	10/13	254,058.35	25,062.51	11,841,843	0.016092	88,561.92	-39,453.08	1.0520360
12/13	14,420,636.00	0.016531	238,481.00	11/13	520,299.01	29,903.12	15,815,429	0.016092	295,700.25	57,219.25	1.0520360
01/14	16,850,045.00	0.025986	437,854.00	12/13	743,666.33	32,332.53	18,572,528	0.016092	477,129.74	39,275.74	1.0520360
02/14	18,458,413.00	0.054466	1,005,332.00	01/14	1,481,833.52	33,940.89	21,799,605	0.016092	1,164,975.17	159,643.17	1.0520360
03/14	21,865,603.00	0.040197	878,931.00	02/14	946,432.37	37,348.08	19,181,965	0.016092	675,104.27	-203,826.73	1.0520360
04/14	17,021,245.00	0.033945	577,677.00	03/14	853,776.17	32,503.73	19,131,213	0.016092	578,420.42	743.42	1.0520360
05/14	15,200,245.00	0.021467	326,303.00	04/14	498,817.55	30,684.21	13,497,153	0.016092	312,305.57	-13,997.43	1.0520360
<b>Total</b>					<b>6,485,567.82</b>	<b>343,723.88</b>	<b>168,805,814.00</b>		<b>4,112,868.54</b>	<b>-41,303.46</b>	

[1] Credits and Surcharges are as follows:  
Please enter nature, amt. & months affected)

Energy Efficiency Prog:	all 12 months	128,238.96
PSC Annual Fees: Jun through May		160,933.49
NYPA VIP Program		54,551.43
<b>Total Surcharges</b>		<b>343,723.88</b>

[Note 1]  
Difference in Present and Base Costs =  
[Total Power Bill + Surcharges - Credits] -  
[Total Delivered KWH x Base Cost of Power]

[Note 2]  
Net (Overcollection) Undercollection=Difference in  
Present and Base Costs-PPAC Revenues collected