

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

RATE REQUEST

**BASED ON THE YEAR ENDED FEBRUARY 28, 2014 (BASE YEAR)
FORECAST PERIOD FEBRUARY 1, 2015 (EFFECTIVE DATE
OF RATE INCREASE) TO JANUARY 31, 2016
Issued September 9, 2014**

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

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**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**FORECASTED STATEMENT OF OPERATIONS
Based on the Year Ended February 28, 2014 (Base Year)**

	Base Year February 28, 2014	Normalizing Adjustments	Adjusted Base Year	Rate Year Adjustments	Normalized Rate Year Before Revenue Increase	Revenue Increase Request	Rate Year After Increase	Note Reference
Revenues								
Operating revenues - Base	\$ 2,322,558	\$ (93,954)	\$ 2,228,604	\$ -	\$ 2,228,604	\$ 300,000	\$ 2,528,604	1
Operating revenues - PPAC	1,381,015	2,138	1,383,153	-	1,383,153	-	1,383,153	1
Late charges	22,816	-	22,816	-	22,816	-	22,816	1
Rent from electric property	24,470	-	24,470	-	24,470	-	24,470	1
Miscellaneous operating revenues	15,164	-	15,164	16,931	32,095	-	32,095	1
Total revenues	3,766,023	(91,816)	3,674,207	16,931	3,691,138	300,000	3,991,138	
Expenses								
Purchased power	2,525,958	(43,763)	2,482,195	-	2,482,195	-	2,482,195	2.a.
Labor, net of capitalized labor	361,410	-	361,410	(1,710)	359,700	-	359,700	2.b.1.
FICA, medical, retirement, training, workers' compensation, etc.	266,429	-	266,429	24,231	290,660	-	290,660	2.b.2.
Contractual/material expenses								
Maintenance of poles and fixtures	8,080	-	8,080	2,184	10,264	-	10,264	2.b.3.
Distribution	214,825	-	214,825	(12,368)	202,457	-	202,457	2.b.3.
Street lights	7,115	-	7,115	4,352	11,467	-	11,467	2.b.3.
Consumer accounting and collection	21,919	-	21,919	(428)	21,491	-	21,491	2.b.3.
Administrative and general	88,335	-	88,335	2,782	91,117	-	91,117	2.b.3.
Insurance	68,342	-	68,342	156	68,498	-	68,498	2.b.4.
Uncollectible revenues	40,400	-	40,400	(400)	40,000	-	40,000	2.b.5.
Depreciation	271,596	-	271,596	5,641	277,237	-	277,237	2.b.6.
Rent	45,632	-	45,632	(45,632)	-	-	-	2.b.7.
Taxes	2,975	-	2,975	-	2,975	-	2,975	2.b.8.
PSC Regulatory Assessment	46,738	-	46,738	4,757	51,495	-	51,495	2.b.9.
PILOT	-	-	-	27,000	27,000	-	27,000	2.b.10.
Energy efficiency costs	70,637	-	70,637	(9,190)	61,447	-	61,447	2.b.11.
Amortization of rate filing costs	-	-	-	5,933	5,933	-	5,933	2.b.12.
Miscellaneous credits transferred (Allocation of overhead)	(145,494)	-	(145,494)	(2,144)	(147,638)	-	(147,638)	2.b.13
Total expenses	3,894,897	(43,763)	3,851,134	5,164	3,856,298	-	3,856,298	
Operating income (*)	\$ (128,874)	\$ (48,053)	\$ (176,927)	\$ 11,767	\$ (165,160)	\$ 300,000	\$ 134,840	
Rate Base	\$ 2,654,639							
Rate of Return	-2.63%				-3.66%		3.00%	
Return on Surplus	-3.12%				-4.91%		2.74%	

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

**VILLAGE OF SHERBURNE
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	\$ (93,954)
b) To reflect decrease in purchased power due to revenue weather normalization	(43,763)
c) To adjust PPAC revenues for underbilling of revenues in fiscal year 2014	11,328
d) To decrease energy efficiency portion of PPAC revenues due to anticipated decrease in kWh sold	(9,190)
Total normalization adjustments	\$ (48,053)

Rate Year Adjustments

e) To increase miscellaneous operating revenues to equal 3 year average	\$ 16,931
f) To reflect net decrease in expensed labor dollars due to anticipated wage increases, net of amounts to be allocated to capital accounts	\$ (1,710)
g) To reflect net changes in employee benefits due to payroll tax calculation or allocated budgeted or known amounts for shared costs	\$ 24,231
h) <u>Contractual/material expenses</u>	
Maintenance of poles and fixtures - 3 year average with no inflation factor	\$ 2,184
Distribution - 3 year average with no inflation factor	\$ (12,368)
Street lights - 3 year average with no inflation factor	\$ 4,352
Consumer accounting and collection - 3 year average with no inflation factor	\$ (428)
Administrative and general - 3 year average with no inflation factor	\$ 2,782
i) To increase insurance expense to equal 3 year average with no inflation factor	\$ 156
j) To decrease uncollectible revenues to equal 3 year average	\$ (400)
k) To increase depreciation expense for anticipated capital improvements	\$ 5,641
l) To adjust rent expense, as this should have been classified as interest expense on a capitalized lease obligation	\$ (45,632)
m) To adjust PSC annual assessment to equal expected revenues in Rate Year multiplied by assessment rate	\$ 4,757
n) To establish estimated PILOT payment to be made to Village General Fund	\$ 27,000
o) To adjust energy efficiency reserve based on decline in kWh sales	\$ (9,190)
p) Amortization of rate filing costs, over 3 years	\$ 5,933
q) To reflect increase in allocation of fringe benefits and supervision time due to increase in total direct labor dollars	\$ (2,144)
Total Rate Year Adjustments	\$ (11,767)

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**FORECASTED RATE OF RETURN CALCULATION
CAPITALIZATION MATRIX**

**Based on the Year Ended February 28, 2014,
Adjusted for Rate Year Adjustments and Revenue Increase Request**

		<u>Amount</u>	<u>Percent</u>	<u>Cost Rate</u>	<u>Rate of Return</u>
<u>2014 (Base Year)</u>					
Long-term debt	Exhibit 10	\$ 994,500	15.8%	4.59%	0.72%
Customer deposits	Exhibit 10	300	0.0%	0.00%	0.00%
Net surplus	Exhibit 10	<u>5,318,808</u>	<u>84.2%</u>	-3.98%	<u>-3.36%</u>
Total		<u>\$ 6,313,608</u>	<u>100.00%</u>		<u>-2.63%</u>
<u>Rate Year Before Revenue Increase</u>					
Long-term debt	Exhibit 10	\$ 729,300	13.0%	4.70%	0.61%
Customer deposits	Exhibit 10	300	0.0%	0.00%	0.00%
Net surplus	Exhibit 10	<u>4,864,391</u>	<u>87.0%</u>	-4.91%	<u>-4.27%</u>
Total		<u>\$ 5,593,991</u>	<u>100.00%</u>		<u>-3.66%</u>
<u>Rate Year After Revenue Increase</u>					
Long-term debt	Exhibit 10	\$ 729,300	13.0%	4.70%	0.61%
Customer deposits	Exhibit 10	300	0.0%	0.00%	0.00%
Net surplus	Exhibit 10	<u>4,864,391</u>	<u>87.0%</u>	2.74%	<u>2.39%</u>
Total		<u>\$ 5,593,991</u>	<u>100.00%</u>		<u>3.00%</u>

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended February 28, 2014 (Base Year)****NOTE 1 - OPERATING REVENUES***Base Revenues*

Sales in kWh increased approximately 10% for the fiscal year ended February 28, 2014 (Base Year). This increase in electric consumption was primarily related to the extraordinary cold winter period experienced during 2013/2014. Consumption increases in the Residential, Commercial, and Industrial rate classes were 10%, 10%, and 17%, respectively, for the fiscal year ended February 28, 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/Energy-Prices-Data-and-Reports/Energy-Statistics-and-Weather-Data/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 Binghamton, 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 \$93,954 (6.6% 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 increased for the under billing of PPAC revenues experienced during the Base Year. This under billing totaled \$11,328 (see Workpaper D), and will be recovered in the fiscal period subsequent to approval of the rate reconciliation process.

In addition, PPAC revenues were decreased for 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 to generate cash reserves to be used for energy efficiency projects within its distribution system. The energy efficiency program is administered internally by the Department. All PPAC revenues collected from these billings are set aside in a reserve 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 \$9,190. Conversely, contributions (classified as an expense) to the energy efficiency program have also been decreased by \$9,190, to remain “revenue neutral” in the determination of net operating income.

Base Revenue, Revenue Increase Rate

The increase in Base Revenues (as a result of a 13.46% increase in base rates effective February 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 \$300,000. Base Revenues in the Rate Year are expected to be \$2,528,604 (versus normalized Base Year revenues of \$2,228,604).

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended February 28, 2014 (Base Year)****NOTE 1 - OPERATING REVENUES - Continued***Other Revenues*

Other revenues consist of late charges, rent from electric property, and miscellaneous electric revenues. These revenue sources, in general, are normally of an insignificant nature. Revenues from late charges and rent from electric property have been fairly consistent from year to year, and as such, are expected to be similar to Base Year amounts. Miscellaneous electric revenues have historically been provided by inconsistent sources; as such, miscellaneous electric revenues have been forecasted to equal the most recent three year (2012-2014) average of \$32,095, which represents a \$16,931 increase from the Base Year.

NOTE 2 - OPERATING EXPENSES

a. *Purchased Power* - The cost of electricity purchased for distribution is forecasted to be \$2,482,195 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 \$43,763 (Workpaper A).

b. *Other Operating Expenses* - Other operating expenses are adjusted as follows:

(1) Labor (charged to expense accounts)

Labor charged to expense accounts include:

- 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 \$380,780, of which \$19,370 was capitalized to operating property via the Department's work order system. Salaries charged to the various expense accounts of the Department totaled \$361,410 during Base Year 2014.

Total salaries to be incurred during the Rate Year are projected to be \$389,140; of which \$29,440 will be capitalized to operating property, and \$359,700 will be expensed in the forecasted statement of operations. (See Exhibit 15 for capitalized salaries).

The increase in total salaries from the Base Year was solely due to hourly wage increases (various percentages) and increases to salaried employees (various amounts), which were implemented on March 1, 2014. For conservative purposes, these salaries are not expected to change in the Rate Year. The wage increases had the effect of increasing total annual salaries by approximately \$8,500.

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended February 28, 2014 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(2) Employee Benefits

Employee benefits include medical insurance, prescription plan, workers' compensation, disability insurance, New York State retirement contributions, FICA and various safety training courses, safety clothes, and 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 had stabilized somewhat, after several years of significant increases. Employee benefits have approximated 60-65% 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. Rate Year employee benefit costs are expected to be approximately 75% of total labor dollars. Increase in employee benefits costs is expected to be as follows:

Type	Base Year 2014	Rate Year	Rate Year Increase (Decrease)
Medical insurance (a)	\$ 158,552	\$ 158,522	\$ (30)
NYS retirement (b)	61,596	85,000	23,404
Prescription service (c)	3,850	3,850	-
Disability insurance	268	268	-
FICA (d)	28,912	29,769	857
Safety clothes and laundry (e)	6,094	6,094	-
Safety/OSHA (e)	7,157	7,157	-
	<u>\$ 266,429</u>	<u>\$ 290,660</u>	<u>\$ 24,231</u>

- (a) Medical insurance is based on quoted premiums from the Village of Sherburne'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, medical insurance is expected to remain similar to amounts experienced in the Base Year 2014.
- (b) The costs reported in the Rate Year will be paid in either December 2014 or February 2015, 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.
- (c) The Village provides prescription services to its current and retired employees. Total Village-wide prescription services have been allocated to the Electric Department based on level of effort within the Department. Prescription services are expected to remain similar to amounts experienced in the Base Year 2014.

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended February 28, 2014 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(2) Employee Benefits - Continued

(d) FICA is calculated at 7.65% of total gross salaries. Salaries expected in the Rate Year total \$389,140 (Note 2.b.)

(e) Represents cost of linemen's training programs, attendance at various educational workshops and events, safety clothes, and related laundering. Costs in the Rate Year are anticipated to be similar to the Base 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 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)
Maintenance of poles	\$ 8,080	\$ 10,264	\$ 2,184
Distribution	214,825	202,457	(12,368)
Street lights	7,115	11,467	4,352
Consumer accounting	21,919	21,491	(428)
Administrative and general	88,335	91,117	2,782

(4) Insurance

Insurance expense represents the Electric Department's share of general liability insurance. As insurance premiums are not expected to change significantly, general liability insurance during the Rate Year is based on the Electric Department's three year average (2012-2014).

Three-year average (2012-2014)	\$ 68,498
Base Year 2014	<u>68,342</u>
Rate Year increase	<u>\$ 156</u>

(5) Uncollectible Revenues

Due to the demographics of its distribution area, the Electric Department has struggled with its collection of customer receivables. Uncollectible accounts during the Rate Year are expected to equal the Base Year 2014 amount, which is similar to the three-year average (2012-2014). Uncollectible revenues are expected to be \$40,000 in the Rate Year.

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended February 28, 2014 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. *Other Operating Expenses* - Continued

(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, capitalized labor, fringe benefits, overhead costs, and truck overhead. Future operating property acquisitions are reported "net" of anticipated retirement values.

During June 2014, the Department performed a physical inventory of its trucks and related transportation equipment. As a result of this physical inventory, it was necessary to adjust the accounting records for retirements of previously owned transportation equipment no longer in existence. The transportation equipment was removed from the operating property records at its original historic cost (Exhibit 14).

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	\$ 277,237
Depreciation expense, Base Year	<u>271,596</u>
Rate Year increase	<u><u>\$ 5,641</u></u>

(7) Rent

The Department has been incorrectly reporting interest expense on a capitalized lease obligation (see discussion below) as rent expense. This improper reporting was included in the PSC Annual Reports for the years ended February 28, 2014 and 2013. For purposes of this Rate Filing (and all future PSC Annual Reports), this interest will be classified as interest expense, and will not be included in the determination of net operating income. As such, rent expense in the Rate Year has been reduced to zero.

(8) Taxes

The Department pays property taxes on certain property located outside the Village. Property taxes over the years have been of an insignificant nature, and amounts in the Rate Year are expected to equal amounts paid during the Base Year 2014. Taxes are expected to remain at \$2,975.

(9) PSC Regulatory Assessment

The Electric Department pays a regulatory assessment (Section 18-a) to the PSC, based on its annual gross revenues. In general, the assessment has been 2% of gross electric revenues over \$500,000. It is understood that the assessment rate has been reduced to 1.65% for future periods. With Rate Year gross revenues (excluding the requested revenue requirement) anticipated to be \$3,611,757 (Base Revenues of \$2,228,604 and PPAC Revenues of \$1,383,153), the regulatory assessment is expected to be \$51,495.

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended February 28, 2014 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(10) PILOT

In previous years, the Department did not make a Payment in Lieu of Taxes (PILOT) to the Village's General Fund. Pending a successful rate increase to recover a PILOT payment, the Department will begin making this payment during the Rate Year. The PILOT payment will be 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 \$27,000, and is calculated as follows (see Exhibit 14 for further analysis):

Operating property subject to PILOT calculation	\$ 7,786,351
Accumulated depreciation	<u>(4,291,633)</u>
Net book value	\$ 3,494,718
Village tax rate per \$1,000	<u>7.80</u>
PILOT (rounded)	<u><u>\$ 27,000</u></u>

(11) Energy Efficiency Costs

As previously described, the Department currently bills its customers at a rate of .001/kWh to generate cash reserves to be used for energy efficiency projects within its distribution system. All PPAC revenues collected from these billings are set aside in a reserve 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."

The cost of energy efficiency projects are reported in this expense account. In addition, should the Department not expend all revenues collected in a given year, the excess cash is retained in a cash reserve account. This expense account is then increased to the extent the cash reserve has increased from the prior year, thus creating a "revenue neutral" status in the determination of net operating income.

As PPAC revenues are expected to decrease related to this program, energy efficiency costs are also expected to decrease by the same amount.

(12) 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 \$5,933 per annum for each of the next three years.

(13) 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.

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended February 28, 2014 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(13) Miscellaneous Credits Transferred - Continued

The allocation of employee benefit 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 80%. Direct labor dollars anticipated to be capitalized and/or charged to repair expense accounts during the Rate Year is approximately \$185,000.

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:

Capitalized lease obligation, issued December 2011, interest at 4.25%,
annual principal payments of \$132,600, due January 2021 (a)

\$ 663,000

- (a) Capitalized lease for rental of building. At lease termination, the building becomes the property of the Electric Department. In accordance with generally accepted accounting principles, the lease has been classified as a capital lease, and the building is included in the Electric Department's operating property.

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 February 28, 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 February 28, 2014. This rate of return on Rate Base and Surplus was negative (2.63)% and (3.12)%, respectively. The rate of return on Rate Base and Surplus for the Forecasted Rate Year of 3.00% and 2.74%, 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 SHERBURNE
ELECTRIC DEPARTMENT**

BALANCE SHEETS

	Fiscal 2012	Fiscal 2013	Fiscal 2014	2013-2014 Average Balance
ASSETS				
Plant in service	\$ 9,747,187	\$ 9,982,383	\$ 10,055,491	\$ 10,018,937
Construction work in progress	-	-	-	-
Depreciation reserve	(4,569,283)	(4,767,726)	(5,017,230)	(4,892,478)
Contribution for extensions	-	-	-	-
Net plant	<u>5,177,904</u>	<u>5,214,657</u>	<u>5,038,261</u>	<u>5,126,459</u>
Depreciation reserve funds	1,245,256	965,708	827,566	896,637
Cash	668,905	706,996	612,838	659,917
Working funds	150	150	150	150
Loans to Operating Municipality	-	-	-	-
Materials and supplies	100,530	97,715	96,632	97,174
Receivables from operating municipalities	6,514	21,265	10,319	15,792
Accounts receivable	498,765	554,298	841,225	697,762
Reserve for uncollectibles	(1,442)	(11,405)	(32,996)	(22,201)
Prepayments	93,943	93,943	93,943	93,943
Miscellaneous current assets	<u>601</u>	<u>300</u>	<u>300</u>	<u>300</u>
Total assets	<u>\$ 7,791,126</u>	<u>\$ 7,643,627</u>	<u>\$ 7,488,238</u>	<u>\$ 7,565,933</u>
LIABILITIES				
Accounts payable	\$ 199,871	\$ 227,815	350,603	\$ 289,209
Payables to Operating Municipality	-	-	-	-
Customer deposits	601	300	300	300
Taxes accrued	14,231	17,331	20,641	18,986
Interest accrued	-	-	-	-
Miscellaneous other current liabilities	<u>159,487</u>	<u>166,266</u>	<u>193,092</u>	<u>179,679</u>
Total current liabilities	374,190	411,712	564,636	488,174
Bonds payable	-	-	-	-
Long-term debt - other	1,193,400	1,060,800	928,200	994,500
Miscellaneous unadjusted credits	-	-	-	-
Total liabilities	<u>1,567,590</u>	<u>1,472,512</u>	<u>1,492,836</u>	<u>1,482,674</u>
Contributions for extensions	762,938	764,451	764,451	764,451
Contributions to municipality	(1,614,499)	(1,661,784)	(1,709,312)	(1,685,548)
Surplus	<u>7,075,097</u>	<u>7,068,448</u>	<u>6,940,263</u>	<u>7,004,356</u>
Total surplus	<u>6,223,536</u>	<u>6,171,115</u>	<u>5,995,402</u>	<u>6,083,259</u>
Total liabilities and surplus	<u>\$ 7,791,126</u>	<u>\$ 7,643,627</u>	<u>\$ 7,488,238</u>	<u>\$ 7,565,933</u>

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**INCOME STATEMENTS
(INCLUDING kWh SALES BY RATE CLASS)**

		<u>Fiscal 2012</u>	<u>Fiscal 2013</u>	<u>Fiscal 2014</u>	<u>Three Year Average</u>
Operating revenues					
A/C 601	Residential sales	\$ 1,579,108	\$ 1,641,184	\$ 2,025,623	\$ 1,748,638
A/C 602	Commercial sales	1,116,335	1,144,572	1,340,391	1,200,433
A/C 603	Industrial sales	130,486	182,643	232,625	181,918
A/C 604	Public street lighting - operating municipality	37,022	37,285	37,528	37,278
A/C 605	Public Street lighting - other	-	-	-	-
A/C 606	Other sales to operating municipality	45,374	47,839	53,374	48,862
A/C 607	Other sales to other public authorities	413	170	149	244
A/C 608	Sales to other distributors	-	-	-	-
A/C 609	Sales to railroads	-	-	-	-
A/C 610	Security lighting	35,078	35,679	36,699	35,819
A/C 621	Rent from electric property	19,340	19,390	24,470	21,067
A/C 622	Miscellaneous electric revenues	36,106	45,017	15,164	32,096
	Total operating revenues	<u>2,999,262</u>	<u>3,153,779</u>	<u>3,766,023</u>	<u>3,306,355</u>
Operation and maintenance expense					
	Electricity purchased	1,705,764	1,849,352	2,525,958	2,027,025
	Transmission expense	-	-	-	-
	Poles, towers, and fixtures	15,037	27,764	14,694	19,165
	Distribution expense	370,696	364,241	390,690	375,209
	Street lighting and signal expense	30,121	20,775	12,940	21,279
	Customer accounting and collection	38,176	41,579	39,862	39,872
	Sales expense	-	-	54,861	18,287
	Administrative and general expense	502,038	507,299	525,146	511,494
	Depreciation	206,872	263,653	271,595	247,373
	Taxes - electric	2,755	2,871	2,975	2,867
	Uncollectible revenues	70,400	20,400	40,400	43,733
	Total operation and maintenance expense	<u>2,941,859</u>	<u>3,097,934</u>	<u>3,879,121</u>	<u>3,306,305</u>
	Income from operations	<u>57,403</u>	<u>55,845</u>	<u>(113,098)</u>	<u>50</u>
Other income (expense)					
	Interest income	3,713	1,431	688	1,944
	Interest expense	(8,935)	-	-	(2,978)
	Contractual appropriations of income	(9,256)	(63,925)	(15,776)	(29,652)
	Miscellaneous interest deductions	-	-	-	-
	Other	-	-	-	-
	Total other income (expense)	<u>(14,478)</u>	<u>(62,494)</u>	<u>(15,088)</u>	<u>(30,687)</u>
	Net income (loss)	<u><u>\$ 42,925</u></u>	<u><u>\$ (6,649)</u></u>	<u><u>\$ (128,186)</u></u>	<u><u>\$ (30,637)</u></u>
kWh Sales					
A/C 601	Residential sales	31,302,703	31,285,212	34,429,001	32,338,972
A/C 602	Commercial sales	26,319,898	25,980,226	28,573,822	26,957,982
A/C 603	Industrial sales	2,882,400	5,229,600	6,148,800	4,753,600
A/C 604	Public street lighting - operating municipality	296,560	287,080	269,370	284,337
A/C 605	Public street lighting - other	-	-	-	-
A/C 606	Other sales to operating municipality	881,389	824,241	899,935	868,522
A/C 607	Other sales to other public authorities	7,020	2,045	1,620	3,562
A/C 608	Sales to other distributors	-	-	-	-
A/C 610	Security lighting	309,490	312,750	306,900	309,713
	Total kWh sold	<u><u>61,999,460</u></u>	<u><u>63,921,154</u></u>	<u><u>70,629,448</u></u>	<u><u>65,516,687</u></u>

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

STATEMENTS OF SURPLUS

	<u>Fiscal 2012</u>	<u>Fiscal 2013</u>	<u>Fiscal 2014</u>
BALANCE, beginning of year	\$ 5,814,979	\$ 6,223,536	\$ 6,171,115
Add:			
Net income (loss)	42,925	(6,649)	(128,186)
Contributions for extensions	412,654	1,513	-
Deduct:			
Contributions to municipality	(47,022)	(47,285)	(47,527)
Prior period adjustment	-	-	-
BALANCE, end of year	<u><u>\$ 6,223,536</u></u>	<u><u>\$ 6,171,115</u></u>	<u><u>\$ 5,995,402</u></u>

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**RATE OF RETURN STUDY
RATE BASE**

Based on the Year Ended February 28, 2014 (Base Year)

			(a)	(b)	(c)	(d)	(e)
		<u>Reference (Page, Column, Row)</u>	<u>Fiscal Year</u>	<u>Adjustments</u>	<u>Adjusted Year</u>	<u>Revenue Change</u>	<u>Year After Revenue Change</u>
35	Utility Plant in Service	RB, Ln 5 (c)	\$ 10,018,937	\$ 20,614	\$ 10,039,551	\$ -	\$ 10,039,551
36	Construction Work in Progress	RB, Ln 8 (c)	-	-	-	-	-
37	Total Utility Plant	ROR, Ln 35 plus Ln 36	10,018,937	20,614	10,039,551	-	10,039,551
38							
39	Accumulated Provision for Depre and Amort	RB, Ln 14 (c)	(4,892,478)	(411,283)	(5,303,761)	-	(5,303,761)
40							
41	Contributions for Extensions	RB, Ln 17 (c)	(764,451)	-	(764,451)	-	(764,451)
42							
43	Net Utility Plant	ROR, Total Ln 37, Ln 39, Ln 41	4,362,008	(390,669)	3,971,339	-	3,971,339
44							
45	Materials and Supplies	RB, Ln 21 (c)	97,174	-	97,174	-	97,174
46							
47	Prepayments	RB, Ln 24 (c)	93,943	-	93,943	-	93,943
48							
49	Cash Working Capital	ROR, Ln 74	342,243	(3,657)	338,586	N/A	338,586
50							
51	<u>Other: (Detail)</u>						
52							
53							
54							
55							
56	Rate Base	ROR, Total Ln 43=>Ln 54	\$ 4,895,368	\$ (394,326)	\$ 4,501,042	\$ -	\$ 4,501,042

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**RATE OF RETURN STUDY
CASH WORKING CAPITAL
Based on the Year Ended February 28, 2014 (Base Year)**

		(a)	(b)	(c)	(d)	(e)
	Reference (Page, Column, Row)	Fiscal Year	Adjustments	Adjusted Year	Revenue Change	Year After Revenue Change
57 <u>Cash Working Capital</u>						
58 Total Operating Expenses	ROR, Ln 22	\$ 3,894,897	\$ (38,599)	\$ 3,856,298	\$ -	\$ 3,856,298
59						
60 Deduct:						
61 Fuel	ROR, Ln 6	-	-	-	N/A	-
62 Purchased Power	ROR, Ln 7	2,525,958	(43,763)	2,482,195	N/A	2,482,195
63 Depreciation	ROR, Ln16	271,595	5,641	277,236	N/A	277,236
64 Other Taxes	ROR, Ln17	2,975	-	2,975	N/A	2,975
65 Uncollectibles	ROR, Ln18	40,400	(400)	40,000	N/A	40,000
66						
67						
68 Adjusted Amount	ROR, Ln 58 minus Ln 61=>Ln 67	1,053,969	(77)	1,053,892	-	1,053,892
69						
70 Working Capital - Operating Expenses @ 1/8	ROR, Ln 68/8	131,746	(10)	131,737	N/A	131,737
71						
72 Working Capital - Purchased Power @ 1/12	ROR, Ln 61/12	210,497	(3,647)	206,850	N/A	206,850
73						
74 Total Cash Working Capital	ROR, Total Ln 70, Ln 72	\$ 342,243	\$ (3,657)	\$ 338,586	N/A	\$ 338,586

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**DETAIL OF RATE BASE
Based on the Year Ended February 28, 2014 (Base Year)**

		(a) Balance at Beg of Year	(b) Balance at End of Year	(c) Avg Balance	(d) Bal. At Beg. of Rate Year	(e) Bal. 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)	\$ 9,872,169	\$ 9,945,277	\$ 9,908,723	\$ 9,805,846	\$ 9,929,337
3	Operating Property - Other Operations	Pg 104, Ln 3 (c) & (d)	-	-	-	-	-
4	Operating Property - General	Pg 104, Ln 4 (c) & (d)	110,214	110,214	110,214	110,214	110,214
5	Utility Plant in Service		<u>\$ 9,982,383</u>	<u>\$ 10,055,491</u>	<u>\$ 10,018,937</u>	<u>\$ 9,916,060</u>	<u>\$ 10,039,551</u>
6							
7							
8	Construction Work in Progress	Pg 104, Ln 5 (c) & (d)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9							
10							
11	<u>Accumulated Provision for Depre and Amort</u>						
12	Accumulated Provision for Depreciation	Pg 105, Ln 19 (c) & (d)	\$ 4,767,726	\$ 5,017,230	\$ 4,892,478	\$ 5,163,505	\$ 5,303,761
13	Accumulated Provision for Amortization	Pg 105, Ln 20 (c) & (d)	-	-	-	-	-
14	Accumulated Provision for Depre and Amort		<u>\$ 4,767,726</u>	<u>\$ 5,017,230</u>	<u>\$ 4,892,478</u>	<u>\$ 5,163,505</u>	<u>\$ 5,303,761</u>
15							
16							
17	Contributions for Extensions	Pg 105, Ln 21 (c) & (d)	<u>\$ 764,451</u>	<u>\$ 764,451</u>	<u>\$ 764,451</u>	<u>\$ 764,451</u>	<u>\$ 764,451</u>
18							
19							
21	Materials and Supplies	Pg104, Ln 18 (c) & (d)	<u>\$ 97,715</u>	<u>\$ 96,632</u>	<u>\$ 97,174</u>	<u>\$ 97,174</u>	<u>\$ 97,174</u>
22							
23							
24	Prepayments	Pg 104, Ln 23 (c) & (d)	<u>\$ 93,943</u>	<u>\$ 93,943</u>	<u>\$ 93,943</u>	<u>\$ 93,943</u>	<u>\$ 93,943</u>

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**DETAIL OF RATE OF RETURN
Based on the Year Ended February 28, 2014 (Base Year)**

		(a) Balance at Beg of Year	(b) Balance at End of Year	(c) Avg Balance	(d) Bal. At Beg. of Rate Year	(e) Bal. At End of Rate Year	(f) Avg. Balance
Capital Structure	<u>Reference (Page, Column, Row)</u>						
1 <u>Debt</u>							
2 Bonds	Pg 105, Ln 2 (c) & (d)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Equipment Obligations	Pg 105, Ln 3 (c) & (d)	-	-	-	-	-	-
4 Miscellaneous Long Term Debt	Pg 105, Ln 4 (c) & (d)	1,060,800	928,200	994,500	795,600	663,000	729,300
5 Notes Payable	Pg 105, Ln 9 (c) & (d)	-	-	-	-	-	-
6 Matured Long-Term Debt	Pg 105, Ln 12 (c) & (d)	-	-	-	-	-	-
7 Unamortized Premium on Debt	Pg 105, Ln 28 (c) & (d)	-	-	-	-	-	-
8 Unamortized Debt Discount and Expense	Pg 104, Ln 28 (c) & (d)	-	-	-	-	-	-
9							
10							
11 Debt		<u>\$ 1,060,800</u>	<u>\$ 928,200</u>	<u>\$ 994,500</u>	<u>\$ 795,600</u>	<u>\$ 663,000</u>	<u>\$ 729,300</u>
12							
13							
14 Customer Deposits	Pg 105, Ln 10 (c) & (d)	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>
15							
16							
17 <u>Surplus</u>							
18 Contributions - Operating Municipality	Pg 105, Ln 32 (c) & (d)	\$ (1,661,784)	\$ (1,709,312)	\$ (1,685,548)	\$ (1,804,368)	\$ (1,851,896)	\$ (1,828,132)
19 Surplus	Pg 105, Ln 33 (c) & (d)	7,068,448	6,940,263	7,004,356	6,775,103	6,609,943	6,692,523
20 Deficit	Pg 104, Ln 37 (c) & (d)	-	-	-	-	-	-
21							
22							
23 Surplus		<u>\$ 5,406,664</u>	<u>\$ 5,230,951</u>	<u>\$ 5,318,808</u>	<u>\$ 4,970,735</u>	<u>\$ 4,758,047</u>	<u>\$ 4,864,391</u>
24							
25							
26 Interest Costs							
27 <u>Interest on Debt</u>							
28 Bonds	Pg 252, Ln 20 (k)			\$ -			\$ -
29 Equipment Obligations	Pg 252, Ln 28 (k)			-			-
30 Miscellaneous Long Term Debt	Pg 252, Ln 35 (k)			45,632			34,283
31 Notes Payable	Pg 250, Ln 22 (g)			-			-
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>\$ 45,632</u>			<u>\$ 34,283</u>
39 Cost Rate				<u>4.59%</u>			<u>4.70%</u>
40							
41 Interest on Customer Deposits	Pg 309, Ln 10 (f)			\$ -			\$ -
Cost Rate				<u>0.00%</u>			<u>0.00%</u>

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**REVENUE CHANGE
For the Historic Year Ended February 28, 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)	4,501,042	
107			
108 Rate of Return	ROR, Ln 32 (e)	4.00%	
109			
110 Required Operating Income	ROR, Ln 106 * Ln 108	180,042	
111			
112 Adjusted Operating Income	ROR, Ln 28 (c)	(165,160)	
113			
114 Deficiency (Surplus)	ROR, Ln 110 - Ln 112	345,202	
115			
116 Retention Factor	ROR, Ln 132	0.9890	
117			
118 Revenue Increase (Decrease)	ROR, Ln 114 / Ln 116	300,000	Maximum increase
119			
120			
121			
122 Calculation of the Retention Factor:		<u>Factor</u>	<u>Proof</u>
123 Sales Revenues		1.0000	300,000
124 - Revenue Taxes	N/A	N/A	N/A
125 - Uncollectibles	ROR, Ln 18/Ln 1	0.0110	3,286
126			
127			
128 Sub-Total	ROR, Ln123-Total Ln124=>Ln127	0.9890	296,714
129			
130 Federal Income Tax @ 35%	N/A	0.00	0
131			
132 Retention Factor	ROR, Ln 128 - Ln 130	0.9890	296,714

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

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

	kWh Purchases	kWh Line Losses	Annual Line Loss	kWh Electric Dept. Use	kWh Sales
Fiscal Year 2009	73,376,391	(2,872,450)	-0.039147	25,630	70,478,311
Fiscal Year 2010	72,529,882	(5,231,308)	-0.072126	25,440	67,273,134
Fiscal Year 2011	69,151,610	(3,283,514)	-0.047483	23,380	65,844,716
Fiscal Year 2012	65,166,007	(3,073,077)	-0.047158	93,470	61,999,460
Fiscal Year 2013	67,194,601	(3,273,447)	-0.048716	-	63,921,154
Fiscal Year 2014	75,108,690	(4,479,242)	-0.059637	-	70,629,448
	<u>422,527,181</u>	<u>(22,213,038)</u>		<u>167,920</u>	<u>400,146,223</u>
Average Line Loss			<u>-0.052572</u>		

	kWh Purchases	kWh Sales	Annual Factor Of Adjustment
Fiscal Year 2009	73,376,391	70,478,311	1.041120
Fiscal Year 2010	72,529,882	67,273,134	1.078140
Fiscal Year 2011	69,151,610	65,844,716	1.050223
Fiscal Year 2012	65,166,007	61,999,460	1.051074
Fiscal Year 2013	67,194,601	63,921,154	1.051211
Fiscal Year 2014	75,108,690	70,629,448	1.063419
	<u>422,527,181</u>	<u>400,146,223</u>	
Average Factor of Adjustment			<u>1.055932</u>

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT

COMPARISON OF PRESENT AND PROPOSED RATES

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
<u>S.C. No. 1</u>				
Customer Charge	\$ 2.25	\$ 2.55	\$ 0.30	13.46%
Non-Winter Rate (May - October) Energy charge, per kWh	\$ 0.0300	\$ 0.0340	\$ 0.0040	13.46%
Winter Rate (November - April) Energy charge, per kWh				
first 1000 kWh	\$ 0.0300	\$ 0.0340	\$ 0.0040	13.46%
over 1000 kWh	\$ 0.0434	\$ 0.0492	\$ 0.0058	13.46%
<u>S.C. No. 2</u>				
Customer Charge	\$ 2.50	\$ 2.84	\$ 0.34	13.46%
Non-Winter Rate (May - October) Energy charge, per kWh	\$ 0.0333	\$ 0.0378	\$ 0.0045	13.46%
Winter Rate (November - April) Energy charge, per kWh	0.0433	\$ 0.0491	\$ 0.0058	13.46%
<u>S.C. No. 3</u>				
Demand Charge, per kW	\$ 5.50	\$ 6.24	\$ 0.74	13.46%
Energy Charge, per kWh	\$ 0.0062	\$ 0.0070	\$ 0.0008	13.46%
<u>S.C. No. 4</u>				
Demand Charge, per kW	\$ 5.50	\$ 6.24	\$ 0.74	13.46%
Energy Charge, per kWh	\$ 0.0053	\$ 0.0060	\$ 0.0007	13.46%
<u>S.C. No. 5</u>				
Facilities Charge, per Unit				
175 watt (MV) unit	\$ 8.65	\$ 9.81	\$ 1.16	13.46%
400 watt (MV) unit	\$ 13.70	\$ 15.54	\$ 1.84	13.46%
400 watt (HPS) unit	\$ 14.00	\$ 15.88	\$ 1.88	13.46%
<u>S.C. No. 6</u>				
Facilities Charge, per Lamp	\$ 7.95	\$ 9.02	\$ 1.07	13.46%
Energy Charge, per kWh	\$ 0.0220	\$ 0.0250	\$ 0.0030	13.46%

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTCOMPARISON 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	\$ 2.25	\$ 2.55	\$ 0.30	13.33%
2	\$ 2.35	\$ 2.66	\$ 0.31	13.11%
10	\$ 2.75	\$ 3.09	\$ 0.34	12.38%
25	\$ 3.49	\$ 3.89	\$ 0.40	11.47%
50	\$ 4.73	\$ 5.23	\$ 0.50	10.58%
75	\$ 5.97	\$ 6.57	\$ 0.60	10.06%
100	\$ 7.21	\$ 7.91	\$ 0.70	9.72%
150	\$ 9.68	\$ 10.58	\$ 0.90	9.29%
200	\$ 12.16	\$ 13.26	\$ 1.10	9.05%
250	\$ 14.64	\$ 15.94	\$ 1.30	8.88%
500	\$ 27.03	\$ 29.33	\$ 2.30	8.51%
750	\$ 39.41	\$ 42.71	\$ 3.30	8.37%
1,000	\$ 51.80	\$ 56.10	\$ 4.30	8.30%
1,500	\$ 76.58	\$ 82.88	\$ 6.30	8.23%
2,000	\$ 101.36	\$ 109.66	\$ 8.30	8.19%
5,000	\$ 250.01	\$ 270.32	\$ 20.30	8.12%
PPA/kWh include.*	0.01955296	0.019553		

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

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTCOMPARISON 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	\$ 2.25	\$ 2.55	\$ 0.30	13.33%
2	\$ 2.34	\$ 2.66	\$ 0.32	13.46%
10	\$ 2.75	\$ 3.09	\$ 0.34	12.38%
25	\$ 3.49	\$ 3.89	\$ 0.40	11.47%
50	\$ 4.73	\$ 5.23	\$ 0.50	10.58%
75	\$ 5.97	\$ 6.57	\$ 0.60	10.06%
100	\$ 7.21	\$ 7.91	\$ 0.70	9.72%
150	\$ 9.68	\$ 10.58	\$ 0.90	9.29%
200	\$ 12.16	\$ 13.26	\$ 1.10	9.05%
250	\$ 14.64	\$ 15.94	\$ 1.30	8.88%
500	\$ 27.03	\$ 29.33	\$ 2.30	8.51%
750	\$ 39.41	\$ 42.71	\$ 3.30	8.37%
1,000	\$ 51.80	\$ 56.10	\$ 4.30	8.30%
1,500	\$ 83.28	\$ 90.48	\$ 7.20	8.65%
2,000	\$ 114.76	\$ 124.86	\$ 10.10	8.80%
5,000	\$ 303.62	\$ 331.12	\$ 27.50	9.06%
PPA/kWh include.*	0.019553	0.019553		

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

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTCOMPARISON 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>Increase %</u>
0	\$ 2.50	\$ 2.84	\$ 0.34	13.60%
2	\$ 2.61	\$ 2.95	\$ 0.35	13.39%
10	\$ 3.03	\$ 3.41	\$ 0.38	12.71%
25	\$ 3.82	\$ 4.27	\$ 0.45	11.84%
50	\$ 5.14	\$ 5.71	\$ 0.57	10.99%
75	\$ 6.46	\$ 7.14	\$ 0.68	10.48%
100	\$ 7.79	\$ 8.58	\$ 0.79	10.15%
150	\$ 10.43	\$ 11.44	\$ 1.02	9.73%
200	\$ 13.07	\$ 14.31	\$ 1.24	9.49%
250	\$ 15.71	\$ 17.18	\$ 1.47	9.32%
500	\$ 28.93	\$ 31.52	\$ 2.59	8.95%
750	\$ 42.14	\$ 45.85	\$ 3.72	8.82%
1,000	\$ 55.35	\$ 60.19	\$ 4.84	8.74%
1,500	\$ 81.78	\$ 88.87	\$ 7.09	8.67%
2,000	\$ 108.21	\$ 117.55	\$ 9.34	8.63%
5,000	\$ 266.77	\$ 289.61	\$ 22.84	8.56%
10,000	\$ 531.03	\$ 576.37	\$ 45.34	8.54%

PPA/kWh include.* 0.019553 0.019553

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

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTCOMPARISON 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	\$ 2.50	\$ 2.84	\$ 0.34	13.60%
2	\$ 2.63	\$ 2.98	\$ 0.35	13.39%
10	\$ 3.13	\$ 3.53	\$ 0.40	12.72%
25	\$ 4.07	\$ 4.56	\$ 0.49	11.91%
50	\$ 5.64	\$ 6.27	\$ 0.63	11.16%
75	\$ 7.21	\$ 7.99	\$ 0.77	10.74%
100	\$ 8.79	\$ 9.71	\$ 0.92	10.47%
150	\$ 11.93	\$ 13.14	\$ 1.21	10.14%
200	\$ 15.07	\$ 16.57	\$ 1.50	9.95%
250	\$ 18.21	\$ 20.00	\$ 1.79	9.83%
500	\$ 33.93	\$ 37.17	\$ 3.24	9.55%
750	\$ 49.64	\$ 54.33	\$ 4.69	9.45%
1,000	\$ 65.35	\$ 71.49	\$ 6.14	9.40%
1,500	\$ 96.78	\$ 105.82	\$ 9.04	9.34%
2,000	\$ 128.21	\$ 140.15	\$ 11.94	9.31%
5,000	\$ 316.77	\$ 346.11	\$ 29.34	9.26%
10,000	\$ 631.03	\$ 689.37	\$ 58.34	9.25%

PPA/kWh include.* 0.019553 0.019553

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

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTCOMPARISON OF MONTHLY BILLS
S.C. No. 3 - 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	\$ 300.75	\$ 338.55	\$ 37.80	12.57%
	1,500	\$ 313.63	\$ 351.83	\$ 38.20	12.18%
	2,000	\$ 326.51	\$ 365.11	\$ 38.60	11.82%
75	2,000	\$ 464.01	\$ 521.11	\$ 57.10	12.31%
	3,000	\$ 489.76	\$ 547.66	\$ 57.90	11.82%
	4,000	\$ 515.51	\$ 574.21	\$ 58.70	11.39%
100	5,000	\$ 678.77	\$ 756.77	\$ 78.00	11.49%
	7,500	\$ 743.15	\$ 823.15	\$ 80.00	10.77%
	10,000	\$ 807.53	\$ 889.53	\$ 82.00	10.15%

PPA/kWh include.*	0.019553	0.019553
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* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTCOMPARISON OF MONTHLY BILLS
S.C. No. 4 - LARGE GENERAL SERVICE

<u>kW</u>	<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
50	1,000	\$ 299.85	\$ 337.55	\$ 37.70	12.57%
	1,500	\$ 312.28	\$ 350.33	\$ 38.05	12.18%
	2,000	\$ 324.71	\$ 363.11	\$ 38.40	11.83%
75	2,000	\$ 462.21	\$ 519.11	\$ 56.90	12.31%
	3,000	\$ 487.06	\$ 544.66	\$ 57.60	11.83%
	4,000	\$ 511.91	\$ 570.21	\$ 58.30	11.39%
100	5,000	\$ 674.27	\$ 751.77	\$ 77.50	11.49%
	7,500	\$ 736.40	\$ 815.65	\$ 79.25	10.76%
	10,000	\$ 798.53	\$ 879.53	\$ 81.00	10.14%

PPA/kWh include.*	0.019553	0.019553
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* = PPAC factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTCOMPARISON OF MONTHLY BILLS
S.C. No. 5 - PRIVATE OUTDOOR LIGHTING

<u>Type of Lamps</u>	<u># of Units</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
175 Watt (MV) unit	1	\$ 8.65	\$ 9.81	\$ 1.16	13.41%
	10	\$ 86.50	\$ 98.10	\$ 11.60	13.41%
	20	\$ 173.00	\$ 196.20	\$ 23.20	13.41%
400 Watt (MV) unit	1	\$ 13.70	\$ 15.54	\$ 1.84	13.43%
	10	\$ 137.00	\$ 155.40	\$ 18.40	13.43%
	20	\$ 274.00	\$ 310.80	\$ 36.80	13.43%
400 Watt (HPS) unit	1	\$ 14.00	\$ 15.88	\$ 1.88	13.43%
	10	\$ 140.00	\$ 158.80	\$ 18.80	13.43%
	20	\$ 280.00	\$ 317.60	\$ 37.60	13.43%

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

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>	
			<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
0	\$ 7.95	\$ 9.02	\$ 1.07	13.46%
2	\$ 8.03	\$ 9.11	\$ 1.08	13.39%
10	\$ 8.37	\$ 9.47	\$ 1.10	13.15%
25	\$ 8.99	\$ 10.13	\$ 1.15	12.74%
50	\$ 10.03	\$ 11.25	\$ 1.22	12.17%
75	\$ 11.07	\$ 12.36	\$ 1.30	11.70%
100	\$ 12.11	\$ 13.48	\$ 1.37	11.32%
150	\$ 14.18	\$ 15.70	\$ 1.52	10.72%
200	\$ 16.26	\$ 17.93	\$ 1.67	10.27%
250	\$ 18.34	\$ 20.16	\$ 1.82	9.92%
500	\$ 28.73	\$ 31.30	\$ 2.57	8.95%
750	\$ 39.11	\$ 42.43	\$ 3.32	8.49%
1,000	\$ 49.50	\$ 53.57	\$ 4.07	8.22%
PPA/kWh include.*	0.019553	0.019553		

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

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTOPERATING PROPERTY ANALYSIS
February 28, 2014 Through January 31, 2016

<u>A/C#</u>	<u>2/28/14 Beg of Yr. Bal.</u>	<u>Actual Additions 3/1/14 to 5/31/2014</u>	<u>Actual Retirements 3/1/14 to 5/31/2014</u>	<u>Estimated Additions, net of retirements 6/1/14 to 2/28/15</u>	<u>PROJECTED 2/28/15 END OF Year BAL</u>	<u>RATE YEAR ADDITIONS, NET OF RETIREMENTS</u>	<u>PROJECTED 2/28/16 END OF RATE YR. BAL</u>
301					\$ -		\$ -
302					-		-
303					-		-
311	130,051				130,051		130,051
312	2,085,546				2,085,546	7,500	2,093,046
321					-		-
322					-		-
323					-		-
325					-		-
331					-		-
332					-		-
333					-		-
334					-		-
342					-		-
344					-		-
345					-		-
351					-		-
352					-		-
353	31,865				31,865		31,865
354					-		-
358	1,719,075	3,784	(3,225)	25,000	1,744,634	51,000	1,795,634
359					-		-
361	1,509,361				1,509,361	36,000	1,545,361
362					-		-
363	943,387	1,202	(2,279)	9,000	951,310		951,310
364	70,163				70,163		70,163
365	1,001,730	166	(1,595)	22,000	1,022,301	12,000	1,034,301
366	203,859	923	(968)		203,814		203,814
367	15,751				15,751		15,751
368	465,066			5,000	470,066		470,066
369	136,460	55	(646)		135,869		135,869
370	59,971	28	(111)		59,888		59,888
371	68,208	28	(1,303)		66,933		66,933
381	156,418				156,418	82,000	238,418
382					-		-
383	59,067				59,067	50,000	109,067
384	1,000,182			(196,490)	803,692	8,481	812,173
385	6,000				6,000		6,000
386	6,199				6,199		6,199
387	41,010				41,010		41,010
388					-		-
391	235,908				235,908		235,908
392					-		-
393					-		-
<hr/>							
	\$ 9,945,277	\$ 6,186	\$ (10,127)	\$ (135,490)	\$ 9,805,846	\$ 246,981	\$ 10,052,827

(a) - Includes capitalized salaries, materials and related overhead.

(b) - Operating additions for Accounts 358, 363, 365, and 368 include capitalized salaries, materials and related overheads, and are based on amounts actually incurred (net of retirements) in fiscal year February 28, 2014.

(c) - During June 2014, the Village conducted a physical inventory of its transportation equipment (Account 384). As a result of the physical inventory, it was necessary to adjust the accounting records for retirements of previously owned transportation equipment, no longer in existence. The reduction is the removal of vehicles at their original historic cost.

DEPRECIATION CALCULATIONS
Year Ended February 28, 2015

	2/28/2014	2/28/15	Avg.	Less:	Avg. Balance			Depreciation Reserves			2/28/15	
A/C#	Beg of Yr. Bal.	End of Yr. Bal.	Gross Bal.	Contributions for Extension	Subject to Depreciation	Dep. Rate	Depreciation Expense A/C#	Amt.	Beg of Yr. Bal.	Retirements	End of Yr. Bal.	Remaining Cost
301	\$ -	\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
302	-	-	-		-			-			-	-
303	-	-	-		-			-			-	-
311	130,051	130,051	130,051		130,051			-	-		-	130,051
312	2,085,546	2,085,546	2,085,546		2,085,546	3.00%	788	62,566	273,584		336,150	1,749,396
321	-	-	-		-			-			-	-
322	-	-	-		-			-			-	-
323	-	-	-		-			-			-	-
325	-	-	-		-			-			-	-
331	-	-	-		-		711	-			-	-
332	-	-	-		-		711	-			-	-
333	-	-	-		-		711	-			-	-
334	-	-	-		-		711	-			-	-
342	-	-	-		-		717	-			-	-
344	-	-	-		-		717	-			-	-
345	-	-	-		-		717	-			-	-
351	-	-	-		-		733	-			-	-
352	-	-	-		-		733	-			-	-
353	31,865	31,865	31,865		31,865	3.00%	738	956	32,415		33,371	(1,506)
354	-	-	-		-		738	-			-	-
358	1,719,075	1,744,634	1,731,855	(395,756)	1,336,099	3.00%	738	40,083	645,002		685,085	1,059,549
359	-	-	-		-		738	-			-	-
361	1,509,361	1,509,361	1,509,361		1,509,361	3.00%	743	45,281	1,165,956		1,211,237	298,124
362	-	-	-		-		743	-			-	-
363	943,387	951,310	947,349		947,349	4.00%	743	37,894	759,488		797,382	153,928
364	70,163	70,163	70,163		70,163	4.00%	743	2,807	24,469		27,276	42,887
365	1,001,730	1,022,301	1,012,016		1,012,016	3.00%	743	30,360	513,551		543,911	478,390
366	203,859	203,814	203,837		203,837	4.00%	743	8,153	129,831		137,984	65,830
367	15,751	15,751	15,751		15,751	4.00%	743	630	3,331		3,961	11,790
368	465,066	470,066	467,566	(224,965)	242,601	3.00%	743	7,278	218,432		225,710	244,356
369	136,460	135,869	136,165	(143,730)	(7,566)	3.00%	743	(227)	40,671		40,444	95,425
370	59,971	59,888	59,930		59,930	3.00%	743	1,798	(1,104)		694	59,194
371	68,208	66,933	67,571		67,571	3.00%	753	2,027	21,301		23,328	43,605
381	156,418	156,418	156,418		156,418	5.00%	788	7,821	136,330		144,151	12,267
382	-	-	-		-		788	-			-	-
383	59,067	59,067	59,067		59,067	5.00%	788	2,953	58,934		61,887	(2,820)
384	1,000,182	803,692	901,937		901,937	10.00%	804	90,194	678,409	(196,490)	572,113	231,579
385	6,000	6,000	6,000		6,000	4.00%	788	240	80		320	5,680
386	6,199	6,199	6,199		6,199	5.00%	788	310	5,703		6,013	186
387	41,010	41,010	41,010		41,010	4.00%	788	1,640	47,337		48,977	(7,967)
388	-	-	-		-		788	-			-	-
391	235,908	235,908	235,908		235,908	8.00%	788	-	263,510		263,510	(27,602)
	<u>\$ 9,945,277</u>	<u>\$ 9,805,846</u>	<u>\$ 9,875,562</u>	<u>\$ (764,451)</u>	<u>\$ 9,111,111</u>			<u>\$ 342,765</u>	<u>\$ 5,017,230</u>	<u>\$ (196,490)</u>	<u>\$ 5,163,505</u>	<u>\$ 4,642,341</u>
Amount of depreciation expense charged to:												
	Amount											
A/C#	Charged											
738	41,039											
743	133,974											
753	2,027											
788	75,531											
Deprec Expense	<u>252,571</u>											
804	90,194											
	<u>\$ 342,765</u>											

VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENTDEPRECIATION CALCULATIONS
Rate Year Ended January 31, 2016

A/C#	2/28/2015 Beg of Yr. Bal.	2/28/2016 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	2/28/2016 End of Yr. Bal.	Remaining Cost
301	\$ -	\$ -	\$ -		\$ -			\$ -	\$ -		\$ -	\$ -
302	-	-	-		-			-	-		-	-
303	-	-	-		-			-	-		-	-
311	130,051	130,051	130,051		130,051			-	-		-	130,051
312	2,085,546	2,093,046	2,089,296		2,089,296	3.00%	788	62,679	336,150		398,829	1,694,217
321	-	-	-		-			-	-		-	-
322	-	-	-		-			-	-		-	-
323	-	-	-		-			-	-		-	-
325	-	-	-		-			-	-		-	-
331	-	-	-		-		711	-	-		-	-
332	-	-	-		-		711	-	-		-	-
333	-	-	-		-		711	-	-		-	-
334	-	-	-		-		711	-	-		-	-
342	-	-	-		-		717	-	-		-	-
344	-	-	-		-		717	-	-		-	-
345	-	-	-		-		717	-	-		-	-
351	-	-	-		-		733	-	-		-	-
352	-	-	-		-		733	-	-		-	-
353	31,865	31,865	31,865		31,865	3.00%	738	956	33,371		34,327	(2,462)
354	-	-	-		-		738	-	-		-	-
358	1,744,634	1,795,634	1,770,134	(395,756)	1,374,378	3.00%	738	41,231	685,085	(17,000)	709,316	1,086,318
359	-	-	-		-		738	-	-		-	-
361	1,509,361	1,545,361	1,527,361		1,527,361	3.00%	743	45,821	1,211,237		1,257,058	288,303
362	-	-	-		-		743	-	-		-	-
363	951,310	951,310	951,310		951,310	4.00%	743	38,052	797,382		835,434	115,876
364	70,163	70,163	70,163		70,163	4.00%	743	2,807	27,276		30,082	40,081
365	1,022,301	1,034,301	1,028,301		1,028,301	3.00%	743	30,849	543,911		574,760	459,541
366	203,814	203,814	203,814		203,814	4.00%	743	8,153	137,984		146,137	57,677
367	15,751	15,751	15,751		15,751	4.00%	743	630	3,961		4,591	11,160
368	470,066	470,066	470,066	(224,965)	245,101	3.00%	743	7,353	225,710		233,063	237,003
369	135,869	135,869	135,869	(143,730)	(7,861)	3.00%	743	(236)	40,444		40,208	95,661
370	59,888	59,888	59,888		59,888	3.00%	743	1,797	694		2,491	57,397
371	66,933	66,933	66,933		66,933	3.00%	753	2,008	23,328		25,336	41,597
381	156,418	238,418	197,418		197,418	5.00%	788	9,871	144,151	(14,000)	140,022	98,396
382	-	-	-		-		788	-	-		-	-
383	59,067	109,067	84,067		84,067	5.00%	788	4,203	61,887		66,091	42,976
384	803,692	812,173	807,933		807,933	10.00%	804	80,793	572,113	(46,519)	606,387	205,786
385	6,000	6,000	6,000		6,000	4.00%	788	240	320		560	5,440
386	6,199	6,199	6,199		6,199	5.00%	788	310	6,013		6,323	(124)
387	41,010	41,010	41,010		41,010	4.00%	788	1,640	48,977		50,618	(9,608)
388	-	-	-		-		788	-	-		-	-
391	235,908	235,908	235,908		235,908	8.00%	788	18,873	263,510		282,383	(46,475)
	<u>\$ 9,805,846</u>	<u>\$ 10,052,827</u>	<u>\$ 9,929,337</u>	<u>\$ (764,451)</u>	<u>\$ 9,164,886</u>			<u>\$ 358,030</u>	<u>\$ 5,163,505</u>	<u>\$ (77,519)</u>	<u>\$ 5,444,016</u>	<u>\$ 4,608,811</u>

Amount of depreciation expense charged to:

A/C#	Amount Charged
738	42,187
743	135,225
753	2,008
788	97,816
Deprec Expense	<u>277,237</u>
804	<u>80,793</u>
	<u>\$ 358,030</u>

PILOT Calculation

A/C# 311 to 371	\$ 7,786,351	Balance at Beg of Yr
Accum Deprec	(4,291,633)	Balance at Beg of Yr
Net Book Value	\$ 3,494,718	
Prop Tax Rate	\$ 7.80	2014-2015 Tax Rate
PILOT - Rounded	<u>\$ 27,259</u>	
PILOT - Rounded	<u>\$ 27,000</u>	

**VILLAGE OF SHERBURNE
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

<u>Account</u>	<u>Type</u>	<u>Capitalized Labor</u>	<u>Capitalized Material</u>	<u>Total Cost</u>	<u>Value of Asset Retired</u>
358	<u>Poles</u>				
	3 Phase pole replacements	\$ 8,910	\$ 18,090	\$ 27,000 (d)	\$ 6,750
	1 Phase pole replacements	13,530	27,470	41,000	10,250
312	<u>Structures and Improvements</u>				
	Re-build North Sub Control House	-	7,500	7,500	-
361	<u>Distribution Substation Equipment</u>				
	Replace SF6 bottles	5,000	31,000	36,000	-
365	<u>Line Transformers</u>				
	South Sub East - Replace two bushings	2,000	10,000	12,000	-
381	<u>Office Equipment</u>				
	Computer system	-	96,000	96,000 (a)	14,000
383	<u>Shop Equipment</u>				
	Install fiber for Scada	-	50,000	50,000	-
384	<u>Transportation Equipment</u>				
	Replacement of Prius	-	25,000	25,000 (b)	22,519
	Replacement of 2005 Chevy 2500 pickup	-	30,000	30,000 (c)	24,000
		<u>\$ 29,440</u>	<u>\$ 295,060</u>	<u>\$ 324,500</u>	<u>\$ 77,519</u>

(a) Cost of new computer system is expected to be \$96,000. Retirement of old system at historic cost of \$14,000.

(b) Cost of replacement for Prius is \$25,000. Retirement of old Prius at historic cost is \$22,519.

(c) Cost of replacement for 2005 Chevy 2500 pickup is \$30,000. Retirement of old pickup at historic cost is \$22,421.

(d) Due to the complexity of calculating historic cost of the poles retired, historic cost has been determined at 25% of replacement value.

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**FORECASTED STATEMENTS OF CASH FLOWS WITH 13.46% REVENUE
INCREASE EFFECTIVE FEBRUARY 1, 2015
Actual for Years Ended February 28, 2013 and 2014, and Forecast for Rate Year**

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>Forecasted Rate Year</u>
Net operating loss, as reported in Annual Report	\$ (8,080)	\$ (128,874)	\$ 134,840
Add: depreciation expense	263,654	271,596	277,237
Receipts (expenditures)			
Acquisition of operating property	(300,405)	(95,200)	(246,981)
Contributions for extensions	1,513	-	-
Use of depreciation reserves	279,548	138,142	246,981
Contributions to General Fund	(47,285)	(47,528)	(47,500)
PILOT payment	-	-	(27,000)
Repayment of long-term debt, net	(132,600)	(132,600)	(132,600)
Interest expense paid	-	-	(26,670)
Interest income received	1,429	688	-
Change in other assets, net	(57,506)	(253,307)	-
Change in other liabilities, net	<u>37,823</u>	<u>152,926</u>	<u>-</u>
Net increase (decrease) in operating cash	38,091	(94,157)	<u>\$ 178,307</u>
OPERATING CASH, beginning of year	<u>669,055</u>	<u>707,146</u>	
OPERATING CASH, end of year	<u><u>\$ 707,146</u></u>	<u><u>\$ 612,989</u></u>	

Revised Tariff Leaves

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 1
REVISION: 2
SUPERSEDING REVISION: 1

COVER

VILLAGE OF SHERBURNE

CONCURRENCE TARIFF

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 2
REVISION: 2
SUPERSEDING REVISION: 1

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PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 3
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION

A. CONCURRENCE:

The Village of Sherburne 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 rates, rules and regulations are applicable to the Village of Sherburne served under franchises granted to the Village of Sherburne.

PSC NO: 1 ELECTRICITY
 COMPANY: VILLAGE OF SHERBURNE
 INITIAL EFFECTIVE DATE: 02/01/2015

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, not withstanding 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 - 60 hertz alternating current at 120 or 120/240 volts, single phase, voltage at the option of the Village of Sherburne.

MONTHLY RATE:

	<u>Rate</u>
Customer Charge	\$2.55
Energy Charge, per kWh	
Non-Winter (May through October)	\$0.0340
Winter (November through April)	
First 1,000 kWh	\$0.0340
All kWh over 1,000 kWh	\$0.0492

MINIMUM CHARGE:

The minimum charge is the customer charge.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 5
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 1 (CONT'D)
Residential

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 and thereafter until terminated on 48 hours written notice to the Village.

SPECIAL PROVISIONS:

- A. Motors whose individual capacity exceed 5 H.P. will not be served under this service classification. Motors whose individual capacity exceeds 1/2 H.P. shall be supplied at 240 volts.
- B. If a portion of a residence is used for business or professional purposes, this classification will apply for the entire service only if the primary residential use, character and appearance of the premises is not changed, and further provided that the connected load of the portion used for business or professional purposes does not exceed 1500 watts. Otherwise the commercial rate will apply for the entire service unless the wiring is so arranged that each portion may be separately metered and billed at the appropriate rate.

PURCHASED POWER ADJUSTMENT:

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 SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 6
REVISION: 2
SUPERSEDING REVISION: 1

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

APPLICABLE TO USE OF SERVICE FOR:

Commercial, business, schools, small industrial power and light installations, (not served under Service Classification No. 3) and service for premises partially used for business or professional and partially used for residential purposes, where applicable. Consumption of 6,000 kWh in any winter month (November through April) will be moved to Service Classification No. 3.

CHARACTER OF SERVICE:

Continuous - 60 hertz alternating current; 120 or 120/240 volts, single phase, or 240 volts, three phase, or 120/208 three phase; voltage and phase at the option of the Village of Sherburne.

MONTHLY RATE:

	<u>Rate</u>
Customer Charge	\$2.84
Energy Charge, per kWh	
Non-winter (November through April)	\$0.0378
Winter (May through October)	\$0.0491

MINIMUM CHARGE:

The minimum charge is the customer charge.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 7
REVISION: 2
SUPERSEDING REVISION: 1

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

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 and thereafter until terminated on 48 hours written notice to the Village.

PURCHASED POWER ADJUSTMENT:

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

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 8
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 3
General Service - Demand Metered

APPLICATION TO USE OF SERVICE FOR:

Large light and power installations either agreeing in advance to minimum billing demand of 10 kilowatts, or the maximum monthly demands of which are established by measurement as provided below. Customers will remain on this service classification until usage drops below 6,000 kWh and demand drops below 10 kW in every winter month (November through April).

CHARACTER OF SERVICE:

Continuous - 60 hertz alternating current; 120/240 volts, single phase, or 240 volts, three phase; or 120/208 three phase; voltage and phase at the option of the Village of Sherburne.

MONTHLY RATE:

Energy Charge, per kWh	<u>Rate</u> \$0.0070
Demand Charge, per kW	\$6.24

MINIMUM CHARGE:

The minimum charge shall be the demand charge as explained in DETERMINATION OF DEMAND.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 9
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 3 (CONT'D)
General Service - Demand Metered

DETERMINATION OF DEMAND:

The demand will be determined by measurement and where the demand as determined is 10 KW or greater, a demand meter will be installed and the charge shall be the greatest of the following:

- A. The maximum fifteen minute integrated demand occurring during the monthly period;
- B. 75% of the highest demand in the preceding eleven months; or
- C. Ten kilowatts.

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 and thereafter until terminated on 48 hours written notice to the Village.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 10
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 3 (CONT'D)
General Service - Demand Metered

SPECIAL PROVISIONS:

- A. The individual capacity of motors to be supplied at 120 volts shall not exceed 1/2 H.P. The individual capacity of single phase motors shall not exceed 5 H.P. except, where three phase service is not available.
- B. A customer taking 3 phase service at 240 volts who also requires 110/240 volt single phase service may obtain it either:
 - 1. By providing at his own expense and on his side of the meter the necessary equipment to obtain such service from the three phase circuits; or
 - 2. By making separate application for such service, in which case it will be separately metered and billed.
- C. Service may be measured by demand and watt hour meters on the primary side of the Village's transformers, in which case the recorded demand and energy consumption will be reduced 2% for billing purposes.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this Service Classification shall be subject to a purchased power adjustment clause as explained in Rule IX of the generic tariff.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 11
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 4
Large General Service

APPLICABLE TO USE OF SERVICE FOR:

Large light and power service with a long-term contract providing for a guarantee of payment of a minimum monthly demand of 1,000 kilowatts.

CHARACTER OF SERVICE:

Continuous - 60 hertz alternating current; 8,320 volts; three phase.

MONTHLY RATE:

	<u>Rate</u>
Demand Charge, per KW	\$6.24
Energy Charge, per kWh	\$0.0060

MINIMUM CHARGE:

The minimum charge shall be the demand charge as explained in DETERMINATION OF DEMAND.

DETERMINATION OF DEMAND:

The demand shall be the greatest of the following:

- A. The maximum fifteen minute integrated kilowatt demand, determined by meter, occurring during the month for which charge is made;
- B. The highest maximum demand which shall have occurred during the preceding twelve months; or
- C. One Thousand kilowatts.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 12
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 4 (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.

PURCHASED POWER ADJUSTMENT:

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

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 13
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 5
Private Outdoor Lighting

APPLICABLE TO USE OF SERVICE FOR:

Driveways, roadways, protection of property, lighting entrance and parking areas. The utility may meter one service and impute this measured service to the other services of the same size and character. In that event, monthly charges are assessed by multiplying the usage of one metered fixture by the total number of fixtures.

CHARACTER OF SERVICE:

Limited period approximately 4,200 hours per year - 60 hertz alternating current at approximately 120/240 volts.

MONTHLY RATE:

	<u>Rate</u>
Facilities Charge, per unit	
175 watt (MV) unit	\$ 9.81
400 watt (MV) unit	\$15.54
400 watt (HPS) unit	\$15.88

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 commencing at the date of installation, and thereafter from year to year until canceled by the customer upon 30 days' notice.

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 SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 14
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 5 (CONT'D)
Private Outdoor Lighting

SPECIAL PROVISIONS:

- A. The Village of Sherburne shall furnish, install, own, operate and maintain a photo-electrically controlled Luminaire complete with not less than a 30 inch bracket, ballast and a multiple lamp at the wattage designated under the rate charge desired. The Board shall also provide a cable service span of 100 feet, which will be connected on the line side of the customer's meter. Where the service span exceeds 100 feet, the customer shall pay for the additional cable used.
- B. The lighting unit will be installed only on private property owned or leased by the customer. The customer shall furnish the necessary pole (minimum 30 ft. class 5 pressure treated) or other support, except as hereinafter provided. The Village of Sherburne reserves the right to require a mounting height which will provide proper light distribution from the unit. Where a pole is appropriately located on the premises, the Village of Sherburne may waive the requirement that the support be furnished by the customer, and install the unit on its own pole.
- C. Upon request of the customer, the Village of Sherburne will change the location of the lighting unit, providing a proper support is furnished and customer agrees to pay the Village of Sherburne for cost incurred in making such change.
- D. Lighting service will be provided every night and all night during the hours between 30 minutes after sunset and 30 minutes before sunrise, aggregating about 4,200 hours per year, unless prevented by accidents or other causes beyond the control of the Village of Sherburne.
- E. The customer shall notify the Village of Sherburne whenever the lamp shall become extinguished or out of service for any reason and the Village of Sherburne shall replace the lamp and/or make the necessary repairs with reasonable promptness.
- F. The contract is subject to cancellation in the event that maintenance or lamp replacement becomes excessive due to vandalism and other causes.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 15
REVISION: 2
SUPERSEDING REVISION: 1

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PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 16
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 6
Street Lighting

APPLICABLE TO USE OF SERVICE FOR:

Public Street lighting for the Village of Sherburne. The utility may meter one service and impute this measured service to the other services of the same size and character. In that event, monthly charges are assessed by multiplying the usage of one metered fixture by the total number of fixtures.

CHARACTER OF SERVICE:

Limited period approximately 4200 hours per year, alternating current, 60 Hertz; at approximately 120 volts.

MONTHLY RATE:

	<u>Rate</u>
Facilities Charge, per lamp	\$9.02
Energy Charge, per kwh	\$0.0250

MINIMUM CHARGE:

The minimum charge is the facilities 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:

One year and thereafter until terminated on 48 hours written notice to the Village Electric Department.

PURCHASED POWER ADJUSTMENT:

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

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 17
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 6 (CONT'D)
Street Lighting

SPECIAL PROVISIONS:

- A. The Village of Sherburne Electric Department shall furnish any and all system requirements for erection and repair of street lights at no cost to operating municipality (General Fund).
- B. The Village of Sherburne Electric Department shall furnish labor and maintenance necessary for functioning of the Public Street Lighting.
- C. Additional lights may be added or deducted upon agreement by the Village Electric Department.
- D. The Village of Sherburne Board of Trustees shall, from time to time, adjust the energy rate for this service classification as may be required to reflect operation and maintenance costs. Generally, such adjustments will be made at the end of the fiscal year when the annual report is submitted to the Public Service Commission of the State of New York or at other times, following a cost of service study.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 18
REVISION: 2
SUPERSEDING REVISION: 1

CHARGES

A. RECONNECTION CHARGE:

When service has been discontinued, either by the Municipality as provided in the NYMPA generic tariff or at the request of the consumer and the same consumer applies for reconnection of service at the same premises within four (4) months, there shall be a reconnection charge payable before service will be reestablished, in the amounts as follows:

\$25.00 during the regular working hours of the Electric Department, Monday through Friday;

\$75.00 after the regular working hours of the Electric Department, Monday through Friday, and Saturday, Sunday and Holidays.

B. INSUFFICIENT FUNDS CHECK CHARGE:

Any checks received in payment for electric service which are returned to the Municipality for insufficient funds, or are otherwise dishonored by the bank, shall bear a nonrecurring charge of \$10.00 for each check that has to be processed by the Municipality. If two checks have been returned by the bank, the customer who issued the dishonored checks may be required by the Municipality to render future payments by cash, money order, certified or cashier's check.

Post-dated checks shall be returned to the customer as invalid for the transaction.

Only United States currency shall be accepted for payment of accounts due the Municipality.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SHERBURNE
INITIAL EFFECTIVE DATE: 02/01/2015

LEAF: 19
REVISION: 0
SUPERSEDING REVISION:

PURCHASED POWER ADJUSTMENT CHARGE

APPLICABILITY:

All customers receiving service under any of the Village of Sherburne'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 Sherburne 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 Sherburne 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 Sherburne 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 sold x Base Cost of Purchased Power x Factor of Adjustment)

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

WEATHER NORMALIZATION OF REVENUES (BASED ON FEBRUARY 28, 2014)

VILLAGE OF SHERBURNE - ELECTRIC DEPARTMENT						Historic 2/28/2014
Assume non-weather load to be average of lowest two months kWh sales						
From 2/31/14 Annual Report: Actual kWh & Actual Base Revenue						
	kWh Sold			Base Revenue		
	Winter	Summer		Winter	Summer	
	<u>Nov - April kWh</u>	<u>May - Oct kWh</u>	<u>Total kWh</u>	<u>Nov - April \$</u>	<u>May - Oct \$</u>	<u>Total \$</u>
601 Residential	24,783,955	9,645,046	34,429,001	\$ 973,491	\$ 313,751	\$ 1,287,242
602 Commercial	16,467,606	12,106,216	28,573,822	\$ 453,369	\$ 354,226	\$ 807,595
Total	41,251,561	21,751,262	63,002,823	\$ 1,426,860	\$ 667,977	\$ 2,094,837
<u>Weather Normalization</u>						
	Nov - April	Nov - April	Increase/(Decrease)	Adjusted		
	<u>Non-Weather kWh</u>	<u>Weather kWh</u>	-13.0%	<u>Nov - Apr kWh</u>		
			<u>Weather Load</u>			
601 Residential	8,795,643	15,988,312	13,908,034	22,703,677		
602 Commercial	11,579,496	4,888,110	4,252,106	15,831,602	38,535,279	
Total	20,375,139	20,876,422	18,160,140	38,535,279	41,251,561	
					(2,716,282)	-6.6%
	Nov - April	Adjusted				
	<u>Base Revenue</u>	<u>Base Revenue</u>				
601 Residential	973,491	909,390				
602 Commercial	453,369	423,516				
Total	1,426,860	1,332,906	(93,954)			
<u>Purchased Power</u>						
change in kWh		(2,716,282)				
Base Cost of Fuel		0.015258				
FOA - RY		1.055932				
		0.0161114				
		(43,763)				

	Staff Adjustment	Rev. Req. Effect
Revenue	(93,954)	93,954
Purchased Power	(43,763)	(43,763)
Net		50,191

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

WEATHER NORMALIZATION OF REVENUES (BASED ON FEBRUARY 28, 2014)

Note: Copy kWh data from Annual Report / Historic Test Year. Determine 2 lowest months of kWh usage for Residential and Commercial.													
VILLAGE OF SHERBURNE - ELECTRIC DEPARTMENT													
2/28/2014 Sales - from Annual Report													
601- RESIDENTIAL													
	kWh				Total					Base Rev			Total
June	1,622,710				1,622,710					\$ 52,751			\$ 52,751
July	1,546,705				1,546,705		Lowest 2 Months			50,440			50,440
August	1,496,948				1,496,948		1,496,948	Aug		48,961			48,961
September	1,434,933				1,434,933		1,434,933	Sep		47,143			47,143
October	1,548,400				1,548,400					50,525			50,525
November	2,767,025				2,767,025		AVG			104,107			104,107
December	4,068,500				4,068,500		1,465,941			159,345			159,345
January	4,945,780				4,945,780					197,070			197,070
February	5,241,145				5,241,145					209,533			209,533
March	3,988,765				3,988,765					156,422			156,422
April	3,772,740				3,772,740					147,014			147,014
May	1,995,350				1,995,350					63,931			63,931
	34,429,001				34,429,001					\$ 1,287,242			\$ 1,287,242
602 - COMMERCIAL													
	kWh				Total					Base Rev			Total
June	2,043,756				2,043,756					\$ 59,172			\$ 59,172
July	1,912,586				1,912,586		Lowest 2 Months			58,121			58,121
August	2,041,836				2,041,836		1,947,246	Oct		59,546			59,546
September	2,060,236				2,060,236		1,912,586	July		59,668			59,668
October	1,947,246				1,947,246					57,621			57,621
November	2,355,041				2,355,041		AVG			67,671			67,671
December	2,790,504				2,790,504		1,929,916			78,129			78,129
January	2,987,846				2,987,846					78,293			78,293
February	3,222,296				3,222,296					84,707			84,707
March	2,523,762				2,523,762					72,179			72,179
April	2,588,157				2,588,157					72,390			72,390
May	2,100,556				2,100,556					60,098			60,098
	28,573,822				28,573,822					\$ 807,595			\$ 807,595

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

WEATHER NORMALIZATION OF REVENUES (BASED ON FEBRUARY 28, 2014)

Note: Update HDD from weather station closest to municipality.

Village of Sherburne - Electric Department

Heating Degree Data

<http://www.nyserda.ny.gov/Energy-Prices-Data-and-Reports/Energy-Statistics-and-Weather-Data/Weather-Data/Monthly-Cooling-and-Heating-Degree-Day-Data.aspx>

Binghamton, New York

SEASON	NOV	DEC	JAN	FEB	MAR	APR	Total	% deviation from 10-yr avg
2004-05	779	1174	1395	1076	1111	512	6047	
2005-06	710	1273	1058	1111	1004	545	5701	
2006-07	654	917	1169	1283	998	679	5700	
2007-08	817	1161	1164	1177	1026	459	5804	
2008-09	853	1171	1489	1084	924	533	6054	
2009-10	666	1204	1320	1135	768	416	5509	
2010-11	767	1296	1404	1127	1050	570	6214	
2011-12	613	990	1157	992	609	614	4975	
2012-13	863	1009	1204	1144	1073	622	5915	
2013-14	912	1151	1475	1264	1204	609	6615	13.0%
							5853	10 Year Average of November-April

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION
Fiscal Year February 28, 2014**

Expense	Fiscal Yr. 2014 Amount	Comment
Purchased Power	\$ 2,525,958	Account 721, PSC Report page 306
Labor	361,410	PSC Report, page 102. Total salaries less salaries capitalized (\$380,780 less \$19,370)
Taxes	2,975	Account 403, PSC Report page 106
Uncollectible revenues	40,400	Account 404, PSC Report page 106
Rent	45,632	Account 786, PSC Report page 307
FICA, Medical, Retirement, DBL, Training, etc.	266,429	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	68,342	Account 783, PSC Report page 307
Depreciation	271,596	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Transmission	-	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	8,080	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	214,825	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	7,115	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	21,919	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.	88,335	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	46,738	Included in Account 785, PSC Report page 307
Energy Efficiency Costs to remain revenue neutral	15,776	Account 459, PSC Report page 106
Energy Efficiency expenses	54,861	Account 772, PSC Report page 306
Miscellaneous credits transferred	(145,494)	Account 793, PSC Report page 307
	<u>\$ 3,894,897</u>	

Cost Category (per PSC Report, excluding depreciation and separately stated costs)	Actual	%	Allocated Remaining Cost**
Transmission	\$ -	0.00%	\$ -
Maint. Poles	14,694	2.37%	8,080
Distribution	390,690	63.13%	214,825
Street Lights	12,940	2.09%	7,115
Consumer Accounting and Collection	39,862	6.44%	21,919
Sales Expense	-	0.00%	-
General & Administrative	160,652	25.96%	88,335
	<u>\$ 618,838</u>	<u>100.00%</u>	<u>\$ 340,274</u>

Total Cost in P&L (not incl. interest expense)

\$ 3,894,897

**** Contractual Costs**

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION
Fiscal Year February 28, 2013**

Expense	Fiscal Yr. 2013 Amount	Comment
Purchased Power	\$ 1,849,352	Account 721, PSC Report page 306
Labor	371,405	PSC Report, page 102. Total salaries less salaries capitalized (\$389,668 less \$18,263)
Taxes	2,871	Account 403, PSC Report page 106
Uncollectible revenues	20,400	Account 404, PSC Report page 106
Rent	51,486	Account 786, PSC Report page 307
FICA, Medical, Wcomp, Retirement, DBL, Training	256,550	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	70,990	Account 783, PSC Report page 307
Depreciation	263,654	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Transmission	-	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	14,514	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	190,409	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	10,860	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	21,736	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.	78,730	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	56,617	Included in Account 785, PSC Report page 307
Energy Efficiency Costs to remain revenue neutral	63,925	Account 459, PSC Report page 106
Energy Efficiency expenses	-	Account 772, PSC Report page 306
Miscellaneous credits transferred	(161,640)	Account 793, PSC Report page 307
	<u>\$ 3,161,859</u>	

Cost Category (per PSC Report, excluding depreciation and separately stated costs)	Actual	%	Allocated Remaining Cost**
Transmission	\$ -	0.00%	\$ -
Maint. Poles	27,764	4.59%	14,514
Distribution	364,241	60.21%	190,409
Street Lights	20,775	3.43%	10,860
Consumer Accounting and Collection	41,579	6.87%	21,736
Sales Expense	-	0.00%	-
General & Administrative	150,605	24.89%	78,730
Total Cost in P&L (not incl. interest expense)	<u>\$ 604,964</u>	<u>100.00%</u>	<u>\$ 316,249</u>

** Contractual Costs

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION
Fiscal Year February 28, 2012**

Expense	Fiscal Yr. 2012 Amount	Comment
Purchased Power	\$ 1,705,764	Account 721, PSC Report page 306
Labor	389,073	PSC Report, page 102. Total salaries less salaries capitalized (\$410,127 less \$21,054)
Taxes	2,755	Account 403, PSC Report page 106
Uncollectible revenues	70,400	Account 404, PSC Report page 106
Rent	-	Account 786, PSC Report page 307
FICA, Medical, Wcomp, Retirement, DBL, Training	260,127	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	66,161	Account 783, PSC Report page 307
Depreciation	206,872	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Transmission	-	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	8,199	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	202,136	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	16,425	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	20,817	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.	106,286	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	53,040	Included in Account 785, PSC Report page 307
Additional Energy Efficiency Costs to remain revenue neutral	9,256	Account 459, PSC Report page 106
Energy Efficiency expenses	-	Account 772, PSC Report page 306
Miscellaneous credits transferred	(166,196)	Account 793, PSC Report page 307
	<u>\$ 2,951,115</u>	

Cost Category (per PSC Report, excluding depreciation and separately stated costs)	Actual	%	Allocated Remaining Cost**
Transmission	\$ -	0.00%	\$ -
Maint. Poles	15,037	2.32%	8,199
Distribution	370,696	57.12%	202,136
Street Lights	30,121	4.64%	16,425
Consumer Accounting and Collection	38,176	5.88%	20,817
Sales Expense	-	0.00%	-
General & Administrative	194,918	30.04%	106,286
Total Cost in P&L (not incl. interest expense)	<u>\$ 648,948</u>	<u>100.00%</u>	<u>\$ 353,863</u>

** Contractual Costs

**VILLAGE OF SHERBURNE
ELECTRIC DEPARTMENT**

PROJECTED COSTS FOR RATE YEAR

	(Workpaper B) Fiscal Yr. 2014	(Workpaper B-1) Fiscal Yr. 2013	(Workpaper B-2) Fiscal Yr. 2012	Three Year Average	Costs Adjusted for Known or Calculated Changes	Cost Determined by:
Expense	Amount	Amount	Amount	Amount	Amount	
Purchased Power	\$ 2,525,958	\$ 1,849,352	\$ 1,705,764	\$ 2,027,025	\$ 2,482,195	Calculated - Weather Normalization Adjustment
Labor	361,410	371,405	389,073	373,963	359,700	Salaries were increased in varying amounts and percentages for Fiscal Year 2014-2015. Total salaries for the Rate Year are budgeted to be \$389,140, of which \$29,440 are expected to be capitalized.
Taxes	2,975	2,871	2,755	2,867	2,975	Estimated to be similar to Historic Base Year
Uncollectible revenues	40,400	20,400	70,400	43,733	40,000	Estimated to be similar to Historic Base Year
Rent	45,632	51,486	-	32,373	-	Amount has been incorrectly reported in prior year Annual Reports. This represents interest expense on a capitalized lease obligation. The Rate Filing has been adjusted accordingly to remove Rent from the calculation.
FICA, Medical, Retirement, DBL, Training, etc.	266,429	256,550	260,127	261,035	290,660	Expected to be similar to Historic Base Year, adjusted for increase in NYS Retirement and calculation of FICA on expected salaries.
Insurance	68,342	70,990	66,161	68,498	68,498	3 Year average
Depreciation	271,596	263,654	206,872	247,374	277,237	Calculated at Exhibit 14. Increase is due to asset additions, net of retirements.
Contractual						
Transmission	-	-	-	-	-	3 Year average
Maint. Poles	8,080	14,514	8,199	10,264	10,264	3 Year average
Distribution	214,825	190,409	202,136	202,457	202,457	3 Year average
Street Lights	7,115	10,860	16,425	11,467	11,467	3 Year average
Consumer Accounting and Collection	21,919	21,736	20,817	21,491	21,491	3 Year average
Sales Expense	-	-	-	-	-	3 Year average
General & Administ.	88,335	78,730	106,286	91,117	91,117	3 Year average
PSC Annual Assessment	46,738	56,617	53,040	52,132	51,495	Calculated - Anticipated operating revenues less \$500,000; multiplied by 1.65% assessment rate
Energy Efficiency Costs (Internal Program)	70,637	63,925	9,256	47,939	61,447	Rate Year costs include 13% reduction in kWh consumption, as the result of weather normalization (Historic Base Year consumption of 70,629,448 x 87% x .001/kWh = \$61,447
Taxes/Pilot	-	-	-	-	27,000	PILOT made to Village based on placed infrastructure (Calculated at Exhibit 14)
Amortization of Rate Filing Costs	-	-	-	-	5,933	Cost of Rate Filing (\$17,800) amortized over 3 years, the period of expected benefit.
Miscellaneous credits transferred	(145,494)	(161,640)	(166,196)	(157,777)	(147,638)	Total direct labor dollars multiplied by 80% overhead rate for employee benefits and supervision time.
	<u><u>\$ 3,894,897</u></u>	<u><u>\$ 3,161,859</u></u>	<u><u>\$ 2,951,115</u></u>	<u><u>\$ 3,335,957</u></u>	<u><u>\$ 3,856,298</u></u>	

**VILLAGE OF SHEBURNE
ELECTRIC DEPARTMENT**

PURCHASED POWER ADJUSTMENT RECONCILIATION

Fiscal Year February 28, 2014

(a*b)										IEEP		(d+e+f+f.1.+f.2)		(h*i)		(g-m)		(k-c)										
(a)			(b)		(c)		(d)		(e)		(f)		(f.1.)		(f.2.)		(g)		(h)		(i)		(m)		(k)		(l)	
			KWH	PPAC	PPAC	PURCHASE	TOTAL		SUR-	NYPA HYBRID	SUR-	TOTAL	TOTAL	BASE	BASE	DIFF.	NET											
MONTH	Y	R	SALES	\$/KWH	REVENUES	MONTH	BILL	NYSEG	CHARGE	AND	CHARGE	PRESENT	KWH	COST	COST	PRESENT	(OVER)											
									18A ASSESS	TCC COST	(CREDIT)	COST	DEL.	\$ / KWH	POWER	VS. BASE	UNDER											
MARCH	1	3	7,125,497	0.017430	124,197	FEBRUARY	205,022	22,792	4,636	11,743	7,125	251,318	7,905,149	0.015258	120,617	130,702	6,505											
APRIL	1	3	7,050,836	0.021412	150,973	MARCH	258,853	-	4,636	11,743	7,051	282,283	7,937,231	0.015258	121,106	161,177	10,204											
MAY	1	3	4,695,906	0.006918	32,486	APRIL	107,353	-	4,636	11,743	4,696	128,428	5,923,562	0.015258	90,382	38,046	5,560											
JUNE	1	3	4,287,957	0.012167	52,172	MAY	81,739	20,927	4,636	11,743	4,288	123,333	4,599,701	0.015258	70,182	53,151	979											
JULY	1	3	4,135,011	0.013197	54,570	JUNE	72,741	23,738	4,636	11,743	4,135	116,993	4,201,485	0.015258	64,106	52,887	(1,683)											
AUGUST	1	3	4,223,954	0.010982	46,387	JULY	72,817	25,511	4,636	11,743	4,224	118,931	4,633,964	0.015258	70,705	48,226	1,839											
SEPTEMBER	1	3	4,161,719	0.010375	43,178	AUGUST	68,890	19,851	4,003	11,743	4,162	108,649	4,321,847	0.015258	65,943	42,706	(472)											
OCTOBER	1	3	3,932,445	0.011831	46,525	SEPTEMBER	74,779	17,018	4,003	11,743	3,932	111,475	4,207,272	0.015258	64,195	47,281	756											
NOVEMBER	1	3	5,784,658	0.009598	55,521	OCTOBER	74,192	26,815	4,003	11,743	5,785	122,538	4,981,513	0.015258	76,008	46,530	(8,991)											
DECEMBER	1	3	7,474,563	0.014943	111,692	NOVEMBER	144,786	38,950	4,003	11,743	7,475	206,957	6,994,029	0.015258	106,715	100,242	(11,450)											
JANUARY	1	4	8,566,420	0.023809	203,958	DECEMBER	248,606	49,750	4,003	11,743	8,566	322,668	8,499,330	0.015258	129,683	192,986	(10,972)											
FEBRUARY	1	4	9,190,482	0.049982	459,356	JANUARY	566,716	40,407	4,003	11,743	9,190	632,059	10,070,017	0.015258	153,648	478,411	19,055											
			70,629,448		1,381,015		1,976,494	285,759	51,834	140,916	70,629	2,525,632	74,275,100		1,133,289	1,392,343	11,328											