

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

RATE REQUEST

**BASED ON THE YEAR ENDED MAY 31, 2010 (BASE YEAR)
FORECAST PERIOD JUNE 1, 2011 (EFFECTIVE DATE
OF RATE INCREASE) TO MAY 31, 2012
Issued February 18, 2011**

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**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**FORECASTED STATEMENT OF OPERATIONS
Based on the Year Ended May 31, 2010 (Base Year)**

	Base Year May 31, 2010	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	\$ 1,861,653	\$ (54,255)	\$ 1,807,398	\$ 112,749	\$ 1,920,147	\$ 289,561	\$ 2,209,708	1
Operating revenues - PPAC	910,705	-	910,705	14,701	925,406	-	925,406	1
Late charges	7,520	-	7,520	200	7,720	-	7,720	1
Miscellaneous operating revenues	59,863	(54,863)	5,000	-	5,000	-	5,000	1
Total revenues	<u>2,839,741</u>	<u>(109,118)</u>	<u>2,730,623</u>	<u>127,650</u>	<u>2,858,273</u>	<u>289,561</u>	<u>3,147,834</u>	
Expenses								
Purchased power	1,578,390	(30,891)	1,547,499	72,564	1,620,063	-	1,620,063	2.a.
Labor, net of capitalized labor	432,144	-	432,144	(29,951)	402,193	-	402,193	2.b.1
FICA, medical, retirement, training, workers' compensation,	347,533	-	347,533	50,895	398,428	-	398,428	2.b.2
Contractual/material expenses								
Maintenance of poles and fixtures	92	-	92	3,378	3,470	-	3,470	2.b.3
Distribution	116,445	-	116,445	8,259	124,704	-	124,704	2.b.3
Street lights	9,427	-	9,427	5,073	14,500	-	14,500	2.b.3
Consumer accounting and collection	22,185	-	22,185	1,574	23,759	-	23,759	2.b.3
Administrative and general	193,957	-	193,957	13,597	207,554	-	207,554	2.b.3
Miscellaneous credits transferred (Allocation of overhead)	(236,424)	-	(236,424)	19,224	(217,200)	-	(217,200)	2.b.9
Insurance	22,937	-	22,937	2,107	25,044	-	25,044	2.b.4
Uncollectible accounts	20,000	-	20,000	(2,785)	17,215	-	17,215	2.b.5
Depreciation	249,714	-	249,714	25,331	275,045	-	275,045	2.b.6
Taxes	34,015	-	34,015	115	34,130	-	34,130	2.b.7
Contractual appropriations of income - IEEP	68,906	-	68,906	(6,733)	62,173	-	62,173	2.b.8
Total expenses	<u>2,859,321</u>	<u>(30,891)</u>	<u>2,828,430</u>	<u>162,648</u>	<u>2,991,078</u>	<u>-</u>	<u>2,991,078</u>	
Operating income (loss) (*)	<u>\$ (19,580)</u>	<u>\$ (78,227)</u>	<u>\$ (97,807)</u>	<u>\$ (34,998)</u>	<u>\$ (132,805)</u>	<u>\$ 289,561</u>	<u>\$ 156,756</u>	
Rate Base	<u>\$ 2,712,654</u>				<u>\$ 2,818,353</u>		<u>\$ 2,818,353</u>	
Rate of Return	<u>-0.72%</u>				<u>-4.71%</u>		<u>5.56%</u>	
Return on Surplus	<u>-2.26%</u>				<u>-6.97%</u>		<u>6.27%</u>	

(*) Operating income (loss) does not include interest income or interest expense, but does include IEEP contributions, as related revenues is included in PPAC revenues.

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

SUMMARY OF NORMALIZATION AND RATE YEAR ADJUSTMENTS

Base Year Normalization Adjustments

a) Operating revenues	
Conservation trend/minor loss of customers	\$ (54,255)
b) Other operating revenues	
Miscellaneous operating revenues not expected to re-occur	(54,863)
c) To reflect decrease in purchased power due to conservation trend/minor loss of customers	<u>(30,891)</u>
Total normalization adjustments	<u><u>\$ (78,227)</u></u>

Rate Year Adjustments

d) Operating revenues	
System growth analysis	\$ 112,749
PPAC	14,701
	<u>\$ 127,450</u>
e) To reflect increase in Late charges - based on same percentage of late charges to revenues as the Base Year	<u>\$ 200</u>
f) To reflect increase in purchase power costs, due to anticipated kWh sales and to maintain the integrity of the gross profit percentage recognized in the Base Year	<u>\$ 72,564</u>
g) To reflect decrease in expensed labor dollars due to change in demographics of employees, anticipated wage increases, and amounts to be allocated to capital accounts	<u>\$ (29,951)</u>
h) To reflect net changes in employee benefits due to actual invoiced amount, payroll tax calculation, or allocated budget amounts for shared costs	<u>\$ 50,895</u>
i) <u>Contractual/material expenses</u>	
Maintenance of poles and fixtures, CPI inflation factor applied to three-year average	\$ 3,378
Distribution, CPI inflation factor applied to amounts reported in Base Year	8,259
Street lights, CPI inflation factor applied to three-year average	5,073
Consumer accounting and collection, CPI inflation factor applied to amounts reported in Base Year	1,574
Administrative and general, CPI inflation factor applied to three-year average, plus calculated amount of Section 18-a assessment	<u>13,597</u>
	<u>\$ 31,881</u>
j) To reflect decrease in allocation of fringe benefits and supervision time due to reduction in total direct labor dollars	<u>\$ 19,224</u>
k) To reflect increase in general insurance costs, based on Village budgeted amounts allocated to Electric Department	<u>\$ 2,107</u>
l) To reflect anticipated decrease in uncollectible accounts receivable, based on three-year average	<u>\$ (2,785)</u>
m) To reflect increase in annual depreciation expense, as the result of anticipated capital improvements during the period June 1, 2010 through May 31, 2012	<u>\$ 25,331</u>
n) To reflect increase in property and school taxes paid to communities located outside the Village boundaries - based on recent tax bills	<u>\$ 115</u>
o) To reflect decrease in IEEP contributions, based on anticipated kWh sales in Rate Year (Note: IEEP contributions reported in the Base Year were overpaid by approximately 10%)	<u>\$ (6,733)</u>
Total Rate Year Adjustments	<u><u>\$ (34,998)</u></u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**FORECASTED RATE OF RETURN CALCULATION
CAPITALIZATION MATRIX
Based on the Year Ended May 31, 2010,
Adjusted for Rate Year Adjustments and Revenue Increase Request**

		<u>Amount</u>	<u>Per- Cent</u>	<u>Cost Rate</u>	<u>Rate of Return</u>
<u>2010 (Base Year)</u>					
Long-term debt	Exhibit 10	\$ 605,890	24.5%	3.80%	0.93%
Customer deposits	Exhibit 10	35,896	1.5%	1.50%	0.02%
Net surplus	Exhibit 10	<u>1,826,620</u>	<u>74.0%</u>	-2.26%	<u>-1.68%</u>
Total		<u>\$ 2,468,406</u>	<u>100.00%</u>		<u>-0.72%</u>
<u>Rate Year Before Revenue Increase</u>					
Long-term debt	Exhibit 10	\$ 467,354	20.6%	3.25%	0.67%
Customer deposits	Exhibit 10	41,961	1.9%	1.50%	0.02%
Net surplus	Exhibit 10	<u>1,755,998</u>	<u>77.5%</u>	-6.97%	<u>-5.40%</u>
Total		<u>\$ 2,265,313</u>	<u>100.00%</u>		<u>-4.71%</u>
<u>Rate Year After Revenue Increase</u>					
Long-term debt	Exhibit 10	\$ 467,354	20.6%	3.25%	0.67%
Customer deposits	Exhibit 10	41,961	1.9%	1.50%	0.03%
Net surplus	Exhibit 10	<u>1,755,998</u>	<u>77.5%</u>	6.27%	<u>4.86%</u>
Total		<u>\$ 2,265,313</u>	<u>100.00%</u>		<u>5.56%</u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)**

NOTE 1 - OPERATING REVENUES

Base Revenues

Sales in kWh have shown a slight, but steady, decline for each of the fiscal years ended May 31, 2008, 2009, and 2010. In fact, this trend of decline actually began in periods prior to fiscal year May 31, 2008. This decline in kWh sales has been analyzed by Department management, and is due, in part, to the Department's energy efficiency programs and the closing of the Spencerport Municipal Sewage Treatment Plant during 2008. It is expected that this downward trend in kWh sales will continue during the Rate Year (June 1, 2011 to May 31, 2012). Management believes that this decline over the last five years is mostly driven by energy conservation and loss of customer versus weather conditions.

A summary of kWh sales for the last five fiscal years, ended May 31, is as follows:

2006	65,766,245 kWh
2007	64,426,387 kWh
2008	63,627,761 kWh
2009	63,468,115 kWh
2010	61,185,447 kWh

In addition to the information described above, certain system growth is anticipated from new commercial businesses established in 2010 and new housing developments planned for 2011.

Based on the assumptions described above, kWh sold during the Rate Year are expected to have a net increase of 1.61% from the Base Year (see Workpaper A). Total kWh expected to be sold in the Rate Year is 62,173,133 versus 61,185,457 in the Base Year.

Using average base revenue per kWh recognized in fiscal year 2010, base revenues are expected to increase as follows:

Forecasted base revenues, Rate Year	\$ 1,920,147
Base Year 2010 base revenues	<u>1,861,652</u>
Non Normalization Adjustment, decline	(54,255) (a)
Rate Year Adjustment for system growth	<u>112,749 (b)</u>
Net Normalization and Rate Year adjustment, increase (a) + (b)	<u><u>\$ 58,495</u></u>

Actual sales data for the fiscal years 2008, 2009, and 2010 and forecasted sales data for the Rate Year June 1, 2011 to May 31, 2012, are presented in Workpaper A.

PPAC Revenues

Based on forecasted purchased power costs and kWh delivered, an effective PPAC factor was derived. When the PPAC factor was applied to forecasted kWh sales in the Rate Year, PPAC revenues increased slightly from fiscal year 2010, as follows:

Forecasted PPAC revenues, Rate Year	\$ 925,406
Base Year 2010 PPAC revenues	<u>910,705</u>
Rate Year adjustment, increase	<u><u>\$ 14,701</u></u>

Anticipated PPAC revenues calculation is presented in Workpaper A.

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)

NOTE 1 - OPERATING REVENUES - Continued

Base Revenue, Revenue Increase Rate

Increase in base revenues (as a result of a 15.1% increase in base rates effective June 1, 2011) 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 as follows:

Forecasted electric sales (kWh), Rate Year	\$ 62,173,133
Increase to average base rate	<u>0.00466</u> (1)
Approximate increase in base revenues	<u>\$ 289,561</u>
(1) Average base rate per kWh, Base Year 2010 through May 31, 2010 (Workpaper A)	\$ 0.0309
Rate increase requested	<u>15.1%</u>
Increase to average base rate	<u>\$ 0.00466</u>

Other Revenues

Other revenues consist of late charges and miscellaneous electric revenues. These revenue sources, in general, are normally of an insignificant nature. These revenue sources are expected to increase (decrease) in the Rate Year as follows:

	<u>2010</u> <u>Base Year</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Rate</u> <u>Year</u>
Late charges	\$ 7,520	\$ 200	\$ 7,720 (a)
Miscellaneous operating	<u>59,863</u>	<u>(54,863)</u>	<u>5,000 (b)</u>
	<u>\$ 67,383</u>	<u>\$ (54,663)</u>	<u>\$ 12,720</u>

(a) Rate Year amount is based on the same percentage of late charges to total revenue experienced in the Base Year.

(b) Miscellaneous operating revenue sources and related amounts remained fairly stable in past years (2004 through 2009), at approximately \$5,000 per annum. During 2010 (Base Year), the Department acted as a subcontractor on a large private redevelopment project, in which it recognized \$58,863 in revenues. This type of services and billing opportunity is rare and is not expected in the Rate Year or any foreseeable period. As such, the Department has reported its miscellaneous operating revenues at \$5,000 during the Rate Year to approximate normal trend of these type revenues.

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)

NOTE 2 - OPERATING EXPENSES

- a. *Purchased Power* - The cost of electricity purchased for distribution is forecasted to be \$1,620,063 during the Rate Year. This forecasted amount is based on the gross profit recognized by the Village during the fiscal year 2010 (Base Year). The gross profit of 43.07% during this period is similar to those gross profits recognized in recent years, after the Department's last rate filing. As forecasted sales of kWh are expected to increase (see Note 1), forecasted purchases of kWh will also increase.

The forecasted increase to purchase power during the Rate Year is as follows:

Base and PPAC revenues, as adjusted for normalized and Rate Year adjustments	\$ 2,845,553
Forecasted purchased power	<u>1,620,063</u>
Gross profit	<u>\$ 1,225,490</u>
Gross profit percentage	<u>43.07%</u>
Forecasted purchased power, Rate Year	\$ 1,620,063
Purchased power, Base Year 2010	<u>1,578,390</u>
Normalization and Rate Year adjustments, increase	<u>\$ 41,673</u>

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

Total salaries incurred during Base Year 2010 were \$527,422, of which \$95,278 was capitalized to operating property via the Department's work order system. Salaries charged to the various expense accounts of the Department totaled \$432,144 during Base Year 2010.

Total salaries to be incurred during the Rate Year are projected to be \$489,688; of which \$87,495 will be capitalized to operating property, and \$402,193 will be expensed in the forecasted statement of operations.

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(1) Labor (charged to expense accounts) - Continued

Total salaries, Base Year 2010	\$ 527,422
Effect of employee demographics in fiscal year 2011 and Rate Year	<u>(70,977) (a)</u>
Expected Rate Year salaries at Base Year 2010 wage rates	456,445
 <u>Rate Year Adjustments</u>	
Effect of wage rate increases expected through Rate Year	
Cost of living	18,908 (b)
Grade advances	<u>14,335</u>
Total forecasted Rate Year salaries	489,688
Less forecasted salaries, charged to capital	<u>(87,495)</u>
Forecasted salaries charged to expense	402,193
Salaries charged to expense, Base Year 2010	<u>432,144</u>
Rate Year adjustment, decrease	<u><u>\$ (29,951)</u></u>

(a) Effect on total salaries for the retirement and anticipated retirement of two linemen (May 2010 and May 2011), net of new hires for replacement at lower wage scales.

(b) Average wage increase of 2% was implemented on June 1, 2010. An average wage increase of 2.1% is anticipated as of June 1, 2011. As the rate filing covers the period through May 31, 2012, a combined increase of 4.1% has been applied to adjusted Base Year 2010 salaries to recognize the effect of the wage increases on June 1, 2011 and June 1, 2010.

(2) Employee Benefits

Employee benefits include medical insurance, workers' compensation, disability insurance, New York State retirement contributions, training and education courses, FICA, safety/OSHA costs, and unemployment insurance. Costs in Base Year 2010, represent the Electric Department's share of actual invoiced amounts (or via calculation on labor dollars for FICA), and is primarily based on Electric Department labor dollars to total Village labor dollars.

In general, employee benefit costs have increased significantly over the past few years, especially medical insurance and retirement costs. Employee benefits have approximated 60% of total salary costs over the last few years (61% in Base Year 2010).

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(2) Employee Benefits - Continued

Rate Year employee benefit costs are based on (1) actual invoiced amounts, (2) calculation (FICA), or (3) three-year trend. Increase in employee benefits costs is expected to be as follows:

Type	Base Year 2010	Rate Year	Rate Year Increase (Decrease)
Medical insurance (f)	\$ 135,151	\$ 120,015	\$ (15,136)
Worker's compensation (f)	17,089	21,840	4,751
Disability insurance (c)	(70)	966	1,036
NYS retirement (b)	36,326	126,941	90,615
Training/education (d)	59,914	59,914	-
FICA (e)	39,050	34,937	(4,113)
Safety/OSHA	24,827	24,827	-
Unemployment insurance (f)	7,146	8,988	1,842
Postretirement health insurance (a)	28,100	-	(28,100)
	\$ 347,533	\$ 398,428	\$ 50,895

- (a) The postretirement health insurance cost reported in Base Year 2010, represents the Electric Department's initial adoption of GASB No. 45. Due to its long-term nature, this cost is not included in employee benefits in the Rate Year.
- (b) In general, retirement costs have increased significantly from prior years; however, the amount included in the Rate Year includes a \$46,178 "one-time" contribution for an early retirement lump sum payment into the NYS Retirement System. The costs reported in the Rate Year will be paid in February 2012.
- (c) The credit reported in the Base Year for disability insurance was due to an over accrual of these costs in the prior year.
- (d) Represents cost of linemen's training programs (through the MEUA) and attendance at various educational workshops and events. Costs in the Rate Year are anticipated to be the same as the Base Year.
- (e) FICA is calculated at 7.65% of total gross salaries.
- (f) Based on quoted rates from insurance carriers and allocated to the Electric Department based on payroll.

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(3) Contractual/Material Expenses

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

During the Rate Year, these costs are expected to equal the (1) three-year average (2008-2010) plus a 2.2% inflation factor, or (2) the Base Year (2010) amount plus a 2.2% inflation factor (see Workpaper C). An inflation factor of 2.2% was derived from the Consumer Price Index (CPI) for the twelve-month period ended November 30, 2010 (which was 1.1%). The CPI of 1.1% was then doubled to reflect the anticipated inflation factor for the period ending May 31, 2011, and the Rate Year ending May 31, 2012.

	Base Year 2010	Rate Year	Increase
Pole maintenance	\$ 92	\$ 3,470	\$ 3,378
Distribution	116,445	124,704	8,259
Street lights	9,427	14,500	5,073
Consumer accounting	22,185	23,759	1,574
Administrative and general	193,957	207,554	13,597

(4) Insurance

Insurance expense represents the Electric Department's share of general liability insurance. General liability insurance during the Rate Year is based on the Village's preliminary budget for the year ending May 31, 2012, derived from recent premium quotes. The Village allocates general liability insurance to the Electric Department at 42% to total cost.

Insurance premiums anticipated	\$ 25,044
Base Year 2010	<u>22,937</u>
Rate Year increase	<u>\$ 2,107</u>

(5) Uncollectible Accounts

The Electric Department has had reasonably good results in its collection of customer receivables. Uncollectible accounts during the Rate Year are expected to equal the three-year average (2008-2010).

Three-year average (2008-2010)	\$ 17,215
Base Year 2010	<u>20,000</u>
Rate Year decrease	<u>\$ (2,785)</u>

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (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 and supervision overhead costs, and truck overhead. Future operating property acquisitions are reported "net" of anticipated retirement values.

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	\$ 275,045
Depreciation expense, Base Year 2010	<u>249,714</u>
Rate Year increase	<u><u>\$ 25,331</u></u>

(7) Taxes

The Electric Department pays school and property taxes to the Towns of Ogden and Parma and County of Monroe, based on its operating property located within these municipalities.

Taxes anticipated in the Rate Year are based on recent tax billings from these entities.

Taxes, Rate Year	\$ 34,130
Base Year 2010	<u>34,015</u>
Rate Year increase	<u><u>\$ 115</u></u>

(8) Contractual Appropriations of Income - IEEP

Contributions to the Independent Energy Efficiency Program (IEEP) during the Rate Year are expected to equal the forecasted sales of kWh during the Rate Year multiplied by the allowed .001 "adder."

Forecasted kWh during Rate Year	\$ 62,173,133
Multiplied by "adder"	<u>0.001</u>
Forecasted IEEP contributions	<u><u>\$ 62,173</u></u>

(9) Miscellaneous Credits Transferred

Miscellaneous credits transferred represents the allocation of employee benefits and supervision time to the various tasks performed by the line crew. These tasks can either be of a capital or expense nature, depending on the work performed. Employee benefits and supervision time are reported in the Electric Department's general ledger (Accounts 741 and 785) at gross amounts, therefore, there is a need to have a "credit" account to properly allocate these costs to capital accounts or other expense accounts, without losing the integrity of the actual amount of these costs in the general ledger.

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)**

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(9) Miscellaneous Credits Transferred - Continued

The allocation of employee benefit and supervision costs is based on direct labor dollars (essentially, the salaries of the line crew) multiplied by an overhead percentage representative of those costs to direct labor dollars. The overhead rate used for employee benefits and supervision time in the Rate Year is 85% (Workpaper D). Direct labor dollars (which are those salaries of the line crew) anticipated in the Rate Year is approximately \$255,000.

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:

Serial Bond, issued February 2008, interest at rates ranging from 3.125% to 3.625%, due February 2021 (a)	\$ 347,200
Loan payable - NYPA, issued December 2010, interest at 0.73%, due November 2015 (b)	47,666
Loan payable - NYPA, issued December 2009, no interest, due December 2012 (c)	9,631
Loan payable - General Fund, interest at .50%, due on demand (d)	<u>28,193</u>
	<u><u>\$ 432,690</u></u>

- (a) Bond issued for distribution system improvements.
- (b) Loan issued in connection with NYPA attic insulation program. Monthly payments of principal and interest are recovered through PPAC Factor.
- (c) Loan issued in connection with purchase of hybrid vehicle. Monthly payments of principal only are recovered through PPAC Factor.
- (d) Loan issued in connection with working capital requirements in prior years. Although the loan is due on demand, the Electric Department is currently paying annual payments of principal plus interest at .50%, until the note is paid off.

Principal and interest payments on existing obligations for the Rate Year are as follows:

	<u>Principal</u>	<u>Interest</u>
Serial Bond	\$ 102,700	\$ 14,784
Loan payable, NYPA	13,389	400
Loan payable, NYPA	9,624	-
Loan payable, General Fund	<u>57,000</u>	<u>425</u>
	<u><u>\$ 182,713</u></u>	<u><u>\$ 15,609</u></u>

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2010 (Base Year)

NOTE 4 - RATE OF RETURN

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

The rate of return for the year ended May 31, 2010, is calculated based on the prescribed format in the Village's Municipal Electric Utilities Annual Report filed with the New York State Department of Public Service for the year ended May 31, 2010. This rate of return is negative 0.72%. The rate of return for the Forecasted Rate Year of 5.56% is calculated using Base Year 2010 amounts and applying forecasted changes to the Electric Department's operation, rate base, debt service, and surplus, as described herein.

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

BALANCE SHEETS

	<u>Fiscal 2008</u>	<u>Fiscal 2009</u>	<u>Fiscal 2010</u>	<u>2009-2010 Average Balance</u>
ASSETS				
Plant in service	\$ 6,836,382	\$ 6,981,727	\$ 7,624,684	\$ 7,303,206
Construction work in progress	144,776	48,884	48,884	48,884
Depreciation reserve	(4,457,154)	(4,683,240)	(4,870,371)	(4,776,806)
Contribution for extensions	(60,595)	(60,595)	(520,487)	(290,541)
Net plant	<u>2,463,409</u>	<u>2,286,776</u>	<u>2,282,710</u>	<u>2,284,743</u>
Depreciation reserve funds	35,918	36,516	36,719	36,618
Cash	179,564	313,930	79,700	196,815
Working funds	300	300	289	295
Loans to operating municipality			5,399	2,700
Materials and supplies	151,958	165,700	159,881	162,791
Receivables from operating municipalities	7,135	3,863	3,060	3,462
Accounts receivable	347,426	300,446	380,209	340,328
Reserve for uncollectibles	(25,000)	(20,000)	(38,549)	(29,275)
Prepayments	22,775	15,283	7,591	11,437
Miscellaneous current assets	-	-	-	-
Total assets	<u>\$ 3,183,485</u>	<u>\$ 3,102,814</u>	<u>\$ 2,917,009</u>	<u>\$ 3,009,912</u>
LIABILITIES				
BANs payable		\$ -	\$ -	\$ -
Accounts payable	153,251	133,858	180,154	157,006
Payables to operating municipality	210,875	311,151	142,193	226,672
Customer deposits	28,671	32,781	39,011	35,896
Taxes accrued	10,905	8,948	9,033	8,991
Interest accrued	7,202	3,048	5,251	4,150
Miscellaneous other current liabilities	-	-	53,277	26,639
Total current liabilities	<u>410,904</u>	<u>489,786</u>	<u>428,919</u>	<u>459,353</u>
Bonds payable	723,000	635,300	547,600	591,450
Long-term debt, other	2,941	-	28,879	14,440
Miscellaneous unadjusted credits	168,642	134,914	101,186	118,050
Total liabilities	<u>1,305,487</u>	<u>1,260,000</u>	<u>1,106,584</u>	<u>1,183,292</u>
Contributions to municipality	(1,137,695)	(1,178,880)	(1,178,880)	(1,178,880)
Surplus	3,015,693	3,021,694	2,989,305	3,005,500
Total surplus	<u>1,877,998</u>	<u>1,842,814</u>	<u>1,810,425</u>	<u>1,826,620</u>
Total liabilities and surplus	<u>\$ 3,183,485</u>	<u>\$ 3,102,814</u>	<u>\$ 2,917,009</u>	<u>\$ 3,009,912</u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

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

	Fiscal 2008	Fiscal 2009	Fiscal 2010	Three Year Average
Operating revenues				
A/C 601 Residential sales	\$ 1,977,371	\$ 1,941,570	\$ 1,740,588	\$ 1,886,510
A/C 602 Commercial sales	283,499	306,759	297,092	295,783
A/C 603 Industrial sales	587,483	738,085	667,018	664,195
A/C 604 Public street lighting, operating municipality	35,515	38,467	35,628	36,537
A/C 605 Public Street lighting, other	-	-	-	-
A/C 606 Other sales to operating municipality	66,170	35,336	20,274	40,593
A/C 607 Other sales to other public authorities	-	-	-	-
A/C 608 Sales to other distributors	-	-	-	-
A/C 609 Sales to railroads	-	-	-	-
A/C 610 Security lighting	19,584	20,065	19,278	19,642
A/C 621 Rent from electric property	9,564	2,941	-	4,168
A/C 622 Miscellaneous electric revenues	13,434	1,212	59,863	24,836
Total operating revenues	<u>2,992,620</u>	<u>3,084,435</u>	<u>2,839,741</u>	<u>2,972,265</u>
Operation and maintenance expense				
Electricity purchased	1,889,771	1,807,550	1,578,390	1,758,570
Transmission expense	-	-	-	-
Poles, towers and fixtures	23,618	3,296	301	9,072
Distribution expense	535,500	501,742	381,829	473,024
Street lighting and signal expense	38,787	54,551	30,911	41,416
Customer accounting and collection	93,865	100,160	72,746	88,924
Sales expense	10,393	3,729	-	4,707
Administrative and general expense	496,282	532,118	658,933	562,444
Miscellaneous expense transferred	(274,985)	(247,156)	(236,424)	(252,855)
Depreciation	245,208	244,823	249,714	246,582
Taxes, electric	21,346	25,204	34,015	26,855
Uncollectible revenues	16,096	15,550	20,000	17,215
Total operation and maintenance expense	<u>3,095,881</u>	<u>3,041,567</u>	<u>2,790,415</u>	<u>2,975,954</u>
Income from operations	<u>(103,261)</u>	<u>42,868</u>	<u>49,326</u>	<u>(3,689)</u>
Other income (expense)				
Interest income	3,465	926	624	1,672
Interest expense	(33,020)	(19,382)	(23,011)	(25,138)
Contractual appropriations of income	(65,343)	(62,226)	(68,906)	(65,492)
Miscellaneous interest deductions	(425)	(552)	(585)	(521)
Other	65	44,367	33,728	26,053
Total other income (expense)	<u>(95,258)</u>	<u>(36,867)</u>	<u>(58,150)</u>	<u>(63,425)</u>
Net Income	<u>\$ (198,519)</u>	<u>\$ 6,001</u>	<u>\$ (8,824)</u>	<u>\$ (67,114)</u>
kWh Sales				
A/C 601 Residential sales	41,815,257	41,981,203	40,069,330	41,288,597
A/C 602 Commercial sales	5,110,372	5,115,557	5,181,715	5,135,881
A/C 603 Industrial sales	14,763,431	15,235,448	15,091,058	15,029,979
A/C 604 Public street lighting, operating municipality	284,960	287,725	273,638	282,108
A/C 605 Public street lighting, other	-	-	-	-
A/C 606 Other sales to operating municipality	1,423,351	617,422	340,036	793,603
A/C 607 Other sales to other public authorities	-	-	-	-
A/C 608 Sales to other distributors	-	-	-	-
A/C 610 Security lighting	230,390	230,760	229,680	230,277
Total kWh sold	<u>63,627,761</u>	<u>63,468,115</u>	<u>61,185,457</u>	<u>62,760,444</u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

STATEMENTS OF SURPLUS

	<u>Fiscal 2008</u>	<u>Fiscal 2009</u>	<u>Fiscal 2010</u>
BALANCE, beginning of year	\$ 2,272,884	\$ 1,877,998	\$ 1,842,814
Add:			
Net income (loss)	(198,519)	6,001	(8,824)
Prior period adjustment	(165,042)	-	(23,565)
Deduct:			
Contributions to municipality	<u>(31,325)</u>	<u>(41,185)</u>	<u>-</u>
BALANCE, end of year	<u>\$ 1,877,998</u>	<u>\$ 1,842,814</u>	<u>\$ 1,810,425</u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**RATE OF RETURN STUDY
RATE BASE**

Based on the Year Ended May 31, 2010 (Base Year)

	Reference (Page, Column, Row)	(a) Fiscal Year	(b) Adjustments	(c) Adjusted Year	(d) Revenue Change	(e) Year After Revenue Change	
35	Utility Plant in Service	RB, Ln 5 (c)	\$ 7,303,206	\$ 691,112	\$ 7,994,318	\$ -	\$ 7,994,318
36	Construction Work in Progress	RB, Ln 8 (c)	48,884	-	48,884	-	48,884
37	Total Utility Plant	ROR, Ln 35 plus Ln 36	7,352,090	691,112	8,043,202	-	8,043,202
38							
39	Accumulated Provision for Depre and Amort	RB, Ln 14 (c)	(4,776,806)	(395,582)	(5,172,388)	-	(5,172,388)
40							
41	Contributions for Extensions	RB, Ln 17 (c)	(290,541)	(194,976)	(485,517)	-	(485,517)
42							
43	Net Utility Plant	ROR, Total Ln 37, Ln 39, Ln 41	2,284,743	100,554	2,385,297	-	2,385,297
44							
45	Materials and Supplies	RB, Ln 21 (c)	162,791	(2,910)	159,881	-	159,881
46							
47	Prepayments	RB, Ln 24 (c)	11,437	(3,846)	7,591	-	7,591
48							
49	Cash Working Capital	ROR, Ln 74	253,683	11,902	265,584	N/A	265,584
50							
51	<u>Other: (Detail)</u>						
52							
53							
54							
55							
56	Rate Base	ROR, Total Ln 43=>Ln 54	\$ 2,712,654	\$ 105,700	\$ 2,818,353	\$ -	\$ 2,818,353

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**RATE OF RETURN STUDY
CASH WORKING CAPITAL
Based on the Year Ended May 31, 2010 (Base Year)**

		(a) Fiscal Year	(b) Adjustments	(c) Adjusted Year	(d) Revenue Change	(e) Year After Revenue Change
	<u>Reference (Page, Column, Row)</u>					
57	Cash Working Capital					
58	Total Operating Expenses	\$ 2,859,321	\$ 131,757	\$ 2,991,078	\$ -	\$ 2,991,078
59						
60	Deduct:					
61	Fuel	-	-	-	N/A	-
62	Purchased Power	1,578,390	41,673	1,620,063	N/A	1,620,063
63	Depreciation	249,714	25,331	275,045	N/A	275,045
64	Other Taxes	34,015	115	34,130	N/A	34,130
65	Uncollectibles	20,000	(2,785)	17,215	N/A	17,215
66						
67						
68	Adjusted Amount	977,202	67,423	1,044,625	-	1,044,625
69						
70	Working Capital - Operating Expenses @ 1/8	122,150	8,428	130,578	N/A	130,578
71						
72	Working Capital - Purchased Power @ 1/12	131,533	3,473	135,006	N/A	135,006
73						
74	Total Cash Working Capital	\$ 253,683	\$ 11,901	\$ 265,584	N/A	\$ 265,584

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**DETAIL OF RATE BASE
Based on the Year Ended May 31, 2010 (Base Year)**

		(a)	(b)	(c)	(d)	(e)	(f)	
	Reference (Page, Column, Row)	Balance at Beg of Year	Balance at End of Year	Avg Balance	Bal. At Beg. of Rate Year	Bal. At End of Rate Year	Avg. Balance	
1	<u>Utility Plant in Service</u>							
2	Operating Property - Electric	Pg 104, Ln 2 (c) & (d)	\$ 6,981,727	\$ 7,624,684	\$ 7,303,206	\$ 7,827,692	\$ 8,160,943	\$ 7,994,318
3	Operating Property - Other Operations	Pg 104, Ln 3 (c) & (d)	-	-	-	-	-	-
4	Operating Property - General	Pg 104, Ln 4 (c) & (d)	-	-	-	-	-	-
5	Utility Plant in Service		<u>\$ 6,981,727</u>	<u>\$ 7,624,684</u>	<u>\$ 7,303,206</u>	<u>\$ 7,827,692</u>	<u>\$ 8,160,943</u>	<u>\$ 7,994,318</u>
6								
7								
8	Construction Work in Progress	Pg 104, Ln 5 (c) & (d)	<u>\$ 48,884</u>	<u>\$ 48,884</u>	<u>\$ 48,884</u>	<u>\$ 48,884</u>	<u>\$ 48,884</u>	<u>\$ 48,884</u>
9								
10								
11	<u>Accumulated Provision for Depre and Amort</u>							
12	Accumulated Provision for Depreciation	Pg 105, Ln 19 (c) & (d)	\$ 4,683,240	\$ 4,870,371	\$ 4,776,806	\$ 4,999,937	\$ 5,344,838	\$ 5,172,388
13	Accumulated Provision for Amortization	Pg 105, Ln 20 (c) & (d)	-	-	-	-	-	-
14	Accumulated Provision for Depre and Amort		<u>\$ 4,683,240</u>	<u>\$ 4,870,371</u>	<u>\$ 4,776,806</u>	<u>\$ 4,999,937</u>	<u>\$ 5,344,838</u>	<u>\$ 5,172,388</u>
15								
16								
17	Contributions for Extensions	Pg 105, Ln 21 (c) & (d)	<u>\$ 60,595</u>	<u>\$ 520,487</u>	<u>\$ 290,541</u>	<u>\$ 485,517</u>	<u>\$ 485,517</u>	<u>\$ 485,517</u>
18								
19								
21	Materials and Supplies	Pg104, Ln 18 (c) & (d)	<u>\$ 165,700</u>	<u>\$ 159,881</u>	<u>\$ 162,791</u>	<u>\$ 159,881</u>	<u>\$ 159,881</u>	<u>\$ 159,881</u>
22								
23								
24	Prepayments	Pg 104, Ln 23 (c) & (d)	<u>\$ 15,283</u>	<u>\$ 7,591</u>	<u>\$ 11,437</u>	<u>\$ 7,591</u>	<u>\$ 7,591</u>	<u>\$ 7,591</u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**DETAIL OF RATE OF RETURN
Based on the Year Ended May 31, 2010 (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							
1	<u>Debt</u>						
2	Bonds	Pg 105, Ln 2 (c) & (d) \$ 635,300	Pg 105, Ln 3 (c) & (d) \$ 547,600	\$ 591,450	\$ 449,900	\$ 347,200	\$ 398,550
3	Equipment Obligations - Long Term	Pg 105, Ln 3 (c) & (d) -	-	-	-	-	-
4	Miscellaneous Long Term Debt	Pg 105, Ln 4 (c) & (d) -	28,879	14,440	80,310	57,297	68,804
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	\$ 635,300	\$ 576,479	\$ 605,890	\$ 530,210	\$ 404,497	\$ 467,354
12							
13							
14	Customer Deposits	Pg 105, Ln 10 (c) & (d) \$ 32,781	\$ 39,011	\$ 35,896	\$ 41,961	\$ 41,961	\$ 41,961
15							
16							
17	<u>Surplus</u>						
18	Contributions - Operating Municipality	Pg 105, Ln 32 (c) & (d) \$ (1,178,880)	\$ (1,178,880)	\$ (1,178,880)	\$ (1,178,880)	\$ (1,178,880)	\$ (1,178,880)
19	Surplus	Pg 105, Ln 33 (c) & (d) 3,021,694	2,989,305	3,005,500	2,856,500	3,013,256	2,934,878
20	Deficit	Pg 104, Ln 37 (c) & (d) -	-	-	-	-	-
21							
22							
23	Surplus	\$ 1,842,814	\$ 1,810,425	\$ 1,826,620	\$ 1,677,620	\$ 1,834,376	\$ 1,755,998
24							
25							
26	Interest Costs						
27	<u>Interest on Debt</u>						
28	Bonds	Pg 252, Ln 20 (k)		\$ 23,011			\$ 14,784
29	Equipment Obligations - Long Term	Pg 252, Ln 28 (k)		-			
30	Miscellaneous Long Term Debt	Pg 252, Ln 35 (k)		-			400
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			\$ 23,011			\$ 15,184
39	Cost Rate			3.80%			3.25%
40							
41	Interest on Customer Deposits	Pg 309, Ln 10 (f)		\$ 585			\$ 629
	Cost Rate			1.50%			1.50%

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**REVENUE CHANGE
For the Historic Year Ended May 31, 2010
and the Rate Year Ending May 31, 2012**

	<u>Reference (Page, Column, Row)</u>	<u>Amount</u>	
106 Rate Base	ROR, Ln 30 (e)	\$ 2,818,353	
107			
108 Rate of Return	ROR, Ln 32 (e)	<u>5.50%</u>	
109			
110 Required Operating Income	ROR, Ln 106 * Ln 108	155,009	
111			
112 Adjusted Operating Income	ROR, Ln 28 (c)	<u>(132,805)</u>	
113			
114 Deficiency (Surplus)	ROR, Ln 110 - Ln 112	287,814	
115			
116 Retention Factor	ROR, Ln 132	<u>0.9940</u>	
117			
118 Revenue Increase (Decrease)	ROR, Ln 114 / Ln 116	<u><u>\$ 289,561</u></u>	
119			
120			
121			
122 Calculation of the Retention Factor:		<u>Factor</u>	<u>Proof</u>
123 Sales Revenues		1.0000	289,561
124 - Revenue Taxes	N/A	N/A	N/A
125 - Uncollectibles	ROR, Ln 18/Ln 1	0.0060	1,747
126			
127			
128 Sub-Total	ROR, Ln123-Total Ln124=>Ln127	<u>0.9940</u>	<u>287,814</u>
129			
130 Federal Income Tax @ 35%	N/A	<u>0.00</u>	<u>0</u>
131			
132 Retention Factor	ROR, Ln 128 - Ln 130	<u><u>0.9940</u></u>	<u><u>287,814</u></u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**CALCULATION OF AVERAGE LINE LOSS AND FACTOR OF ADJUSTMENT
Based on Line Losses for Fiscal Years 2005 Through 2010**

	kWh Purchases	kWh Line Losses	Annual Line Loss	kWh Electric Dept. Use	kWh Sales
Fiscal Year 2005	67,246,191	1,146,606	0.017051	-	66,099,585
Fiscal Year 2006	66,993,936	1,227,691	0.018325	-	65,766,245
Fiscal Year 2007	67,038,011	2,611,624	0.038957	-	64,426,387
Fiscal Year 2008	65,696,567	2,068,806	0.031490	-	63,627,761
Fiscal Year 2009	65,662,070	2,193,955	0.033413	-	63,468,115
Fiscal Year 2010	63,489,888	2,304,431	0.036296	-	61,185,457
	<u>396,126,663</u>	<u>11,553,113</u>		<u>-</u>	<u>384,573,550</u>

Average Line Loss

0.029165

	kWh Purchases	kWh Sales	Annual Factor Of Adjustment
Fiscal Year 2005	67,246,191	66,099,585	1.017347
Fiscal Year 2006	66,993,936	65,766,245	1.018667
Fiscal Year 2007	67,038,011	64,426,387	1.040537
Fiscal Year 2008	65,696,567	63,627,761	1.032514
Fiscal Year 2009	65,662,070	63,468,115	1.034568
Fiscal Year 2010	63,489,888	61,185,457	1.037663
	<u>396,126,663</u>	<u>384,573,550</u>	

Average Factor of Adjustment

1.030041

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

COMPARISON OF PRESENT AND PROPOSED RATES

	<u>Present</u>	<u>Proposed Effective June 1, 2011</u>	<u>Increase \$</u>	<u>Increase %</u>
<u>S.C. No. 1 - RESIDENTIAL</u>				
Customer Charge (Minimum)	\$ 2.41	\$ 2.77	\$ 0.36	15.10%
Energy Charge, per kWh	\$ 0.02636	\$ 0.03034	\$ 0.00398	15.10%
<u>S.C. No. 2 - GENERAL SERVICE - NON DEMAND METERED</u>				
Customer Charge (Minimum)	\$ 4.33	\$ 4.98	\$ 0.65	15.10%
Energy Charge, per kWh	\$ 0.03079	\$ 0.03544	\$ 0.00465	15.10%
<u>S.C. No. 3 - GENERAL SERVICE - DEMAND METERED</u>				
Demand charge, per kW	\$ 3.00	\$ 3.45	\$ 0.45	15.10%
Energy charge, per kWh	\$ 0.02264	\$ 0.02606	\$ 0.00342	15.10%
<u>S.C. No. 5 - PRIVATE OUTDOOR LIGHTING</u>				
Facilities Charge, per lamp:				
100 Watt post light	\$ 11.09	\$ 12.76	\$ 1.67	15.10%
100 Watt HPS	\$ 7.71	\$ 8.87	\$ 1.16	15.10%
150 Watt HPS	\$ 9.17	\$ 10.55	\$ 1.38	15.10%
250 Watt HPS	\$ 10.60	\$ 12.20	\$ 1.60	15.10%
400 Watt HPS	\$ 16.87	\$ 19.42	\$ 2.55	15.10%
Pole Rental, per pole	\$ 1.23	\$ 1.42	\$ 0.19	15.10%
<u>S.C. No. 6 - STREET LIGHTING AND TRAFFIC LIGHTS</u>				
<u>Street Lighting</u>				
Energy Charge, per kWh	\$ 0.11645	\$ 0.13403	\$ 0.01758	15.10%
<u>Traffic Lights</u>				
Per Traffic Light	\$ 4.33	\$ 4.98	\$ 0.65	15.10%
Energy Charge, per kWh	\$ 0.03079	\$ 0.03544	\$ 0.00465	15.10%
<u>S.C. No. 7 - LARGE GENERAL SERVICE</u>				
Demand charge, per kW	\$ 3.18	\$ 3.66	\$ 0.48	15.10%
Energy charge, per kWh	\$ 0.01931	\$ 0.02223	\$ 0.00292	15.10%

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**COMPARISON OF MONTHLY BILLS
S.C. NO. 1 - RESIDENTIAL**

<u>kWh</u>	<u>Present</u>	<u>Proposed Effective June 1, 2011</u>	<u>Increase \$</u>	<u>Increase %</u>
0	\$ 2.41	\$ 2.77	\$ 0.36	14.94%
2	\$ 2.49	\$ 2.86	\$ 0.37	14.76%
10	\$ 2.82	\$ 3.22	\$ 0.40	14.17%
25	\$ 3.44	\$ 3.90	\$ 0.46	13.35%
50	\$ 4.47	\$ 5.03	\$ 0.56	12.50%
75	\$ 5.50	\$ 6.16	\$ 0.66	11.97%
100	\$ 6.53	\$ 7.29	\$ 0.76	11.60%
150	\$ 8.60	\$ 9.55	\$ 0.96	11.13%
200	\$ 10.66	\$ 11.81	\$ 1.16	10.85%
250	\$ 12.72	\$ 14.08	\$ 1.36	10.65%
500	\$ 23.03	\$ 25.38	\$ 2.35	10.20%
750	\$ 33.34	\$ 36.69	\$ 3.35	10.03%
1,000	\$ 43.65	\$ 47.99	\$ 4.34	9.94%
1,500	\$ 64.28	\$ 70.61	\$ 6.33	9.85%
2,000	\$ 84.90	\$ 93.22	\$ 8.32	9.80%
5,000	\$ 208.63	\$ 228.89	\$ 20.26	9.71%
PPA/kWh include*	0.014884	0.014884		

* = PPAC factor in effect during Fiscal Year 2010

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**COMPARISON OF MONTHLY BILLS
S.C. NO. 2 - GENERAL SERVICE - NON DEMAND METERED**

kWh	Present	Proposed Effective June 1, 2011	Increase \$	Increase %
0	\$ 4.33	\$ 4.98	\$ 0.65	15.01%
2	\$ 4.42	\$ 5.08	\$ 0.66	14.91%
10	\$ 4.79	\$ 5.48	\$ 0.70	14.55%
25	\$ 5.47	\$ 6.24	\$ 0.77	14.00%
50	\$ 6.61	\$ 7.50	\$ 0.88	13.34%
75	\$ 7.76	\$ 8.75	\$ 1.00	12.88%
100	\$ 8.90	\$ 10.01	\$ 1.12	12.53%
150	\$ 11.18	\$ 12.53	\$ 1.35	12.05%
200	\$ 13.46	\$ 15.04	\$ 1.58	11.73%
250	\$ 15.75	\$ 17.56	\$ 1.81	11.51%
500	\$ 27.17	\$ 30.14	\$ 2.98	10.95%
750	\$ 38.59	\$ 42.72	\$ 4.14	10.72%
1,000	\$ 50.00	\$ 55.30	\$ 5.30	10.60%
1,500	\$ 72.84	\$ 80.47	\$ 7.63	10.47%
2,000	\$ 95.68	\$ 105.63	\$ 9.95	10.40%
5,000	\$ 232.70	\$ 256.60	\$ 23.90	10.27%
PPA/kWh include*	0.014884	0.014884		

* = PPAC factor in effect during Fiscal Year 2010

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**COMPARISON OF MONTHLY BILLS
S.C. NO. 3 - GENERAL SERVICE - DEMAND METERED**

<u>kW</u>	<u>kWh</u>	<u>Present</u>	<u>Proposed Effective June 1, 2011</u>	<u>Increase \$</u>	<u>Increase %</u>
50	1,000	\$ 187.52	\$ 213.44	\$ 25.92	13.82%
	1,500	\$ 206.29	\$ 233.92	\$ 27.63	13.39%
	2,000	\$ 225.05	\$ 254.39	\$ 29.34	13.04%
75	2,000	\$ 300.05	\$ 340.64	\$ 40.59	13.53%
	3,000	\$ 337.57	\$ 381.58	\$ 44.01	13.04%
	4,000	\$ 375.10	\$ 422.53	\$ 47.43	12.64%
100	5,000	\$ 487.62	\$ 549.72	\$ 62.10	12.74%
	7,500	\$ 581.43	\$ 652.08	\$ 70.65	12.15%
	10,000	\$ 675.24	\$ 754.44	\$ 79.20	11.73%
PPA/kWh include*		0.014884	0.014884		

* = PPAC factor in effect during Fiscal Year 2010

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENTCOMPARISON OF MONTHLY BILLS
S.C. NO. 5 - PRIVATE OUTDOOR LIGHTING
(Pole Rental and 150 Watt, High Pressure Sodium Fixture)

<u># of Fixtures</u>	<u>Present</u>	<u>Proposed Effective June 1, 2011</u>	<u>Increase \$</u>	<u>Increase %</u>
1	\$ 10.40	\$ 11.97	\$ 1.57	15.10%
5	\$ 52.00	\$ 59.85	\$ 7.85	15.10%
10	\$ 104.00	\$ 119.70	\$ 15.70	15.10%
15	\$ 156.00	\$ 179.55	\$ 23.55	15.10%

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**COMPARISON OF MONTHLY BILLS
S.C. NO. 6 - STREET LIGHTING**

kWh	Present	Proposed Effective June 1, 2011	Increase \$	Increase %
2	\$ 0.26	\$ 0.30	\$ 0.04	15.10%
10	\$ 1.16	\$ 1.34	\$ 0.18	15.10%
25	\$ 2.91	\$ 3.35	\$ 0.44	15.10%
50	\$ 5.82	\$ 6.70	\$ 0.88	15.10%
75	\$ 8.73	\$ 10.05	\$ 1.32	15.10%
100	\$ 11.65	\$ 13.40	\$ 1.76	15.10%
150	\$ 17.47	\$ 20.10	\$ 2.64	15.10%
200	\$ 23.29	\$ 26.81	\$ 3.52	15.10%
250	\$ 29.11	\$ 33.51	\$ 4.40	15.10%
500	\$ 58.23	\$ 67.02	\$ 8.79	15.10%
750	\$ 87.34	\$ 100.52	\$ 13.19	15.10%
1,000	\$ 116.45	\$ 134.03	\$ 17.58	15.10%
1,500	\$ 174.68	\$ 201.05	\$ 26.37	15.10%
2,000	\$ 232.90	\$ 268.06	\$ 35.16	15.10%
PPA/kWh include*	0.014884	0.014884		

* = PPAC factor in effect during Fiscal Year 2010

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**COMPARISON OF MONTHLY BILLS
S.C. NO. 7 - LARGE GENERAL SERVICE**

kW	kWh	Present	Proposed Effective June 1, 2011	Increase \$	Increase %
50	1,000	\$ 193.19	\$ 220.11	\$ 26.92	13.93%
	1,500	\$ 210.29	\$ 238.67	\$ 28.38	13.50%
	2,000	\$ 227.39	\$ 257.23	\$ 29.84	13.12%
75	2,000	\$ 306.89	\$ 348.73	\$ 41.84	13.63%
	3,000	\$ 341.08	\$ 385.84	\$ 44.76	13.12%
	4,000	\$ 375.28	\$ 422.96	\$ 47.68	12.71%
100	5,000	\$ 488.97	\$ 551.57	\$ 62.60	12.80%
	7,500	\$ 574.46	\$ 644.36	\$ 69.90	12.17%
	10,000	\$ 659.94	\$ 737.14	\$ 77.20	11.70%
PPA/kWh include*		0.014884	0.014884		

* = PPAC factor in effect during Fiscal Year 2010

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**OPERATING PROPERTY ANALYSIS
May 31, 2008 Through March 31, 2010**

A/C#	5/31/10 Beg of Yr. Bal.	Actual Additions 6/1/10 to 12/31/2010	Actual Retirements 6/1/10 to 12/31/2010	Estimated Additions, net of retirements 1/1/11 to 5/31/11	Projected 5/31/11 End of Year bal	(Material Only) Additions, Net of Retirements	Forecasted Capitalized Salaries	Forecasted Overhead	Projected 5/31/12 End of Rate Yr. Bal.
301	\$ 4,019	\$ -	\$ -	\$ -	\$ 4,019				\$ 4,019
302	2,063	-	-	-	2,063				2,063
303					-				-
311	484	-	-	-	484				484
312	433,785	-	-	-	433,785				433,785
321					-				-
322					-				-
323					-				-
325					-				-
331					-				-
332					-				-
333					-				-
334					-				-
342					-				-
344					-				-
345					-				-
351					-				-
352					-				-
353					-				-
354					-				-
358	535,031	38,283	(5,071)	113,372	681,615	40,300	46,640	56,435	824,990
359	554,422	22,229	(36,353)	-	540,298	21,871	22,880	27,685	612,734
361	1,608,323	-	-	-	1,608,323	5,000	1,760	2,130	1,617,213
362					-				-
363	564,162	4,936	(4,286)	-	564,812				564,812
364	775,099	66,837	(5,874)	12,559	848,621	19,431	4,400	5,324	877,776
365	871,939	58,192	(35,181)	3,600	898,550	48,760	5,280	6,388	958,978
366	151,608	377	-	-	151,985				151,985
367	151,583	-	-	-	151,583				151,583
368	234,500	56,561	(54,348)	4,032	240,745	10,400	-	-	251,145
369	70,246	16,275	(13,143)	659	74,037	(5,875)	6,535	7,907	82,603
370	64,818	-	-	-	64,818				64,818
371	620,125	3,835	-	-	623,960				623,960
381	70,513	11,183	-	-	81,696				81,696
382	3,780	-	-	-	3,780				3,780
383					-				-
384	787,428	-	(55,665)	-	731,763				731,763
385	1,764	-	-	-	1,764				1,764
386	24,555	-	-	-	24,555				24,555
387	94,437	-	-	-	94,437				94,437
388					-				-
391					-				-
392					-				-
393					-				-
	\$ 7,624,684	\$ 278,707	\$ (209,921)	\$ 134,222	\$ 7,827,692	\$ 139,887	\$ 87,495	\$ 105,869	\$ 8,160,943

(a)

(a)

(b)

(a) - Includes capitalized salaries and overhead.

(b) - Overhead consists of allocation of fringe benefit, supervision and truck costs. Aggregate overhead rate used - 121% of capitalized salaries.

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

DEPRECIATION CALCULATIONS
Period Ended March 31, 2009

A/C#	5/31/10 Beg of Yr. Bal.	5/31/11 End of Yr. Bal.	Avg. Gross Bal.	Less: Contributions for Extension	Avg. Balance Subject to Depreciation	Dep. Rate	Depreciation Expense		Depreciation Reserves		5/31/11 End of Yr. Bal.	Remaining Cost
							A/C#	Amt.	Beg of Yr. Bal.	Retirements		
301	\$ 4,019	\$ 4,019	\$ 4,019	\$ -	\$ 4,019			\$ -		\$ -	\$ 4,019	
302	2,063	2,063	2,063	-	2,063			-		-	2,063	
303	-	-	-	-	-			-		-	-	
311	484	484	484	-	484		743 & 788	-		-	484	
312	433,785	433,785	433,785	(32,439)	401,346	2.50%	743 & 788	10,034	80,119	90,153	343,632	
321	-	-	-	-	-			-		-	-	
322	-	-	-	-	-			-		-	-	
323	-	-	-	-	-			-		-	-	
325	-	-	-	-	-			-		-	-	
331	-	-	-	-	-		711	-		-	-	
332	-	-	-	-	-		711	-		-	-	
333	-	-	-	-	-		711	-		-	-	
334	-	-	-	-	-		711	-		-	-	
342	-	-	-	-	-		717	-		-	-	
344	-	-	-	-	-		717	-		-	-	
345	-	-	-	-	-		717	-		-	-	
351	-	-	-	-	-		733	-		-	-	
352	-	-	-	-	-		733	-		-	-	
353	-	-	-	-	-		733	-		-	-	
354	-	-	-	-	-		733	-		-	-	
358	535,031	681,615	608,323	(53,583)	554,740	5.00%	738	27,737	487,459	(7,925)	507,271	174,344
359	554,422	540,298	547,360	(70,190)	477,170	1.67%	738	7,969	38,853	(36,353)	10,469	529,830
361	1,608,323	1,608,323	1,608,323	-	1,608,323	4.00%	743	64,333	1,726,421		1,790,754	(182,431)
362	-	-	-	-	-		743	-		-	-	-
363	564,162	564,812	564,487	-	564,487	4.00%	743	22,579	441,916	(4,286)	460,209	104,603
364	775,099	848,621	811,860	-	811,860	4.00%	743	32,474	376,343	(5,874)	402,943	445,678
365	871,939	898,550	885,244	(3,411)	881,833	4.00%	743	35,273	437,529	(40,961)	431,841	466,708
366	151,608	151,985	151,796	(1,576)	150,220	5.00%	743	7,511	173,088		180,599	(28,614)
367	151,583	151,583	151,583	(1,576)	150,007	5.00%	743	7,500	80,319		87,819	63,764
368	234,500	240,745	237,623	(92,971)	144,651	4.00%	743	5,786	92,301	(62,988)	35,099	205,646
369	70,246	74,037	72,142	-	72,142	4.00%	743	2,886	2,412		5,298	68,739
370	64,818	64,818	64,818	-	64,818	4.00%	743	2,593	39,489	(19,018)	23,064	41,754
371	620,125	623,960	622,042	(107,856)	514,186	4.00%	753	20,567	194,908		215,475	408,484
381	70,513	81,696	76,104	-	76,104	10.00%	788	7,610	11,009		18,619	63,076
382	3,780	3,780	3,780	-	3,780	4.00%	788	151	122		273	3,507
383	-	-	-	-	-		788	-		-	-	-
384	787,428	731,763	759,596	(97,534)	662,062	15.00%	804	99,309	565,323	(55,665)	608,967	122,796
385	1,764	1,764	1,764	-	1,764	5.00%	788	88	1,848		1,936	(172)
386	24,555	24,555	24,555	-	24,555	5.00%	803	1,228	20,997		22,225	2,330
387	94,437	94,437	94,437	(24,380)	70,057	10.00%	788	7,006	99,915		106,921	(12,484)
388	-	-	-	-	-		788	-		-	-	-
391	-	-	-	-	-		788	-		-	-	-
	<u>\$ 7,624,684</u>	<u>\$ 7,827,692</u>	<u>\$ 7,726,188</u>	<u>\$ (485,517)</u>	<u>\$ 7,240,672</u>			<u>\$ 362,635</u>	<u>\$ 4,870,371</u>	<u>\$ (233,070)</u>	<u>\$ 4,999,936</u>	<u>\$ 2,827,756</u>

Amount of depreciation expense charged to:

A/C#	Amount Charged	
711	\$ -	
717	-	
733	-	
738	35,706	
743	190,970	
753	20,567	
788	14,856	
804	100,537	(included in overhead allocation)
	<u>\$ 362,635</u>	
	262,098	Depreciation Expense - FY 2011
	100,537	Depreciation charges on trucks allocated through work orders - FY 2012
	<u>\$ 362,635</u>	

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

DEPRECIATION CALCULATIONS
Rate Year Ended April 30, 2010

A/C#	5/31/11 Beg of Yr. Bal.	5/31/12 End of Yr. Bal.	Avg. Gross Bal.	Less: Contributions for Extension	Avg. Balance Subject to Depreciation	Dep. Rate	Depreciation Reserves			5/31/12 End of Yr. Bal.	Remaining Cost	
							Depreciation Expense A/C#	Amt.	Beg of Yr. Bal. Retirements			
301	\$ 4,019	\$ 4,019	\$ 4,019		\$ 4,019			\$ -	\$ -	\$ -	\$ 4,019	
302	2,063	2,063	2,063		2,063			-	-	-	2,063	
303	-	-	-		-			-	-	-	-	
311	484	484	484		484		743 & 788	-	-	-	484	
312	433,785	433,785	433,785	(32,439)	401,346	2.50%	743 & 788	10,034	90,153	100,186	333,599	
321	-	-	-		-			-	-	-	-	
322	-	-	-		-			-	-	-	-	
323	-	-	-		-			-	-	-	-	
325	-	-	-		-			-	-	-	-	
331	-	-	-		-		711	-	-	-	-	
332	-	-	-		-		711	-	-	-	-	
333	-	-	-		-		711	-	-	-	-	
334	-	-	-		-		711	-	-	-	-	
342	-	-	-		-		717	-	-	-	-	
344	-	-	-		-		717	-	-	-	-	
345	-	-	-		-		717	-	-	-	-	
351	-	-	-		-		733	-	-	-	-	
352	-	-	-		-		733	-	-	-	-	
353	-	-	-		-		733	-	-	-	-	
354	-	-	-		-		733	-	-	-	-	
358	681,615	824,990	753,303	(53,583)	699,720	5.00%	738	34,986	507,271	(3,830)	538,427	286,563
359	540,298	612,734	576,516	(70,190)	506,326	1.67%	738	8,456	10,469		18,924	593,810
361	1,608,323	1,617,213	1,612,768		1,612,768	4.00%	743	64,511	1,790,754		1,855,265	(238,052)
362	-	-	-		-		743	-	-	-	-	-
363	564,812	564,812	564,812		564,812	4.00%	743	22,592	460,209		482,802	82,010
364	848,621	877,776	863,199		863,199	4.00%	743	34,528	402,943		437,471	440,305
365	898,550	958,978	928,764	(3,411)	925,352	4.00%	743	37,014	431,841	(3,200)	465,655	493,322
366	151,985	151,985	151,985	(1,576)	150,408	5.00%	743	7,520	180,599		188,119	(36,135)
367	151,583	151,583	151,583	(1,576)	150,007	5.00%	743	7,500	87,819		95,320	56,263
368	240,745	251,145	245,945	(92,971)	152,974	4.00%	743	6,119	35,099	(13,600)	27,618	223,527
369	74,037	82,603	78,320		78,320	4.00%	743	3,133	5,298	(5,875)	2,555	80,048
370	64,818	64,818	64,818		64,818	4.00%	743	2,593	23,064		25,656	39,162
371	623,960	623,960	623,960	(107,856)	516,104	4.00%	753	20,644	215,475		236,120	387,840
381	81,696	81,696	81,696		81,696	10.00%	788	8,170	18,619		26,789	54,907
382	3,780	3,780	3,780		3,780	4.00%	788	151	273		424	3,356
383	-	-	-		-		788	-	-		-	-
384	731,763	731,763	731,763	(97,534)	634,229	15.00%	804	95,134	608,967		704,102	27,661
385	1,764	1,764	1,764		1,764	5.00%	788	88	1,936		2,024	(260)
386	24,555	24,555	24,555		24,555	5.00%	803	1,228	22,225		23,453	1,103
387	94,437	94,437	94,437	(24,380)	70,057	10.00%	788	7,006	106,921		113,926	(19,489)
388	-	-	-		-		788	-	-		-	-
391	-	-	-		-		788	-	-		-	-
	<u>\$ 7,827,692</u>	<u>\$ 8,160,943</u>	<u>\$ 7,994,318</u>	<u>\$ (485,517)</u>	<u>\$ 7,508,801</u>			<u>\$ 371,407</u>	<u>\$ 4,999,936</u>	<u>\$ (26,505)</u>	<u>\$ 5,344,838</u>	<u>\$ 2,816,105</u>

Amount of depreciation expense charged to:

A/C#	Amount Charged
711	\$ -
717	-
733	-
738	43,442
743	195,544
753	20,644
788	15,415
804	96,362 (included in overhead allocation)
	<u>\$ 371,407</u>
	275,045 Depreciation Expense - FY 2012 (Rate Year)
	96,362 Depreciation charges on trucks allocated through work orders - FY 2012
	<u>\$ 371,407</u>

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

FORECASTED CAPITAL IMPROVEMENTS

The Village has identified certain capital improvements expected to be completed during the current year and in the Rate Year. These improvements include material costs and capitalized labor and overhead, and are netted of retirements in the charts below.

<u>Five-Month Period Ending May 31, 2011</u>	Material Net of Retirements	Capitalized Labor	Allocated Overhead	Capitalized Amount	Acct. #
NRL Lyell Avenue	\$ 698	\$ 1,039	\$ 1,246	\$ 2,983	358
SRL Lyell Avenue	4,889	7,271	8,725	20,884	358
Various (VOS)	8,381	12,464	14,956	35,802	358
NRL Meadow Drive	4,191	6,232	7,478	17,901	358.1
Various (Ogden)	8,381	12,464	14,956	35,801	358.1
Cross Roads Apts (Ogden)	3,759	4,000	4,800	12,559	364.1
SRL Lyell Avenue	3,600	-	-	3,600	365
Various Itron Meters (Ogden)	4,032	-	-	4,032	368.1
Various Itron Meter Installation (Ogden)	(5,875)	2,970	3,564	659	369.1
	<u>\$ 32,057</u>	<u>\$ 46,439</u>	<u>\$ 55,726</u>	<u>\$ 134,222</u>	
 <u>Rate Year Ending May 31, 2012</u>					
Various (VOS)	\$ 16,763	\$ 21,120	\$ 25,555	\$ 63,438	358
Brockport Road Townhouses (Phase 1)	1,925	880	1,065	3,870	358
Various (Ogden)	16,763	21,120	25,555	63,438	358.1
Parkview Center (Phase 1)	2,925	1,760	2,130	6,815	358.1
Cross Road Apts (Ogden)	1,925	1,760	2,130	5,815	358.1
Brockport Road Townhouses (Phase 1)	15,726	10,560	12,778	39,063	359
Parkview Center (Phase 1)	1,737	3,520	4,259	9,516	359.1
Cross Road Apts (Ogden)	4,408	8,800	10,648	23,856	359.1
SME Substation (Generator)	5,000	1,760	2,130	8,890	361
Parkview Center (Phase 1)	16,848	2,640	3,194	22,682	364.1
Brockport Road Townhouses (Phase 1)	2,583	1,760	2,130	6,472	364
Various Transformers (VOS)	1,080	-	-	1,080	365
Various Transformers (Ogden)	1,080	-	-	1,080	365.1
Parkview Center (Phase 1)	22,000	2,640	3,194	27,834	365.1
Three, 3 phase Pdmt Transformers (stock reserve)	18,000	-	-	18,000	365
Brockport Road Townhouses (Phase 1)	6,600	2,640	3,194	12,434	365
Various Itron Demand Meters (VOS)	10,400	-	-	10,400	368
Various Itron Demand Meter Installation (VOS)	(5,875)	6,535	7,907	8,566	369
	<u>\$ 139,887</u>	<u>\$ 87,495</u>	<u>\$ 105,868</u>	<u>\$ 333,250</u>	

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

**FORECASTED STATEMENTS OF CASH FLOWS WITH 15.1% REVENUE
INCREASE EFFECTIVE JUNE 1, 2011
Actual for Years Ended May 31, 2009 and 2010, and Forecast for Rate Year**

	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>Forecasted Rate Year</u>
NET INCOME (LOSS), as reported in Annual Report	\$ 6,001	\$ (8,824)	\$ 175,300
Add: depreciation expense	244,823	249,714	275,045
Less: amortization of regulatory asset	(33,728)	(33,728)	(33,728)
Receipts (expenditures)			
Acquisition of operating property and change in CWIP	(68,190)	(705,540)	(227,382)
Deposits in depreciation fund, operating revenue	(598)	(203)	-
Advances to other funds	-	(5,399)	-
Contribution of surplus to General Fund	(41,185)	-	-
Issuance (Repayment) of long-term debt, net	(90,641)	(58,821)	(125,713)
Repayment of loan, General Fund	-	-	(57,000)
Contributions for extension	-	459,892	-
Change in other assets, net	44,002	(65,449)	-
Change in other liabilities, net	73,882	(65,883)	-
	<u>134,366</u>	<u>(234,241)</u>	<u>\$ 6,522</u>
Net increase (decrease) in operating cash			
OPERATING CASH, beginning of year	<u>179,864</u>	<u>314,230</u>	
OPERATING CASH, end of year	<u>\$ 314,230</u>	<u>\$ 79,989</u>	
DEPRECIATION FUND CASH, end of year	<u>\$ 36,516</u>	<u>\$ 36,719</u>	

Revised Tariff Leaves

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 1
REVISION: 4
SUPERSEDING REVISION: 3

COVER

VILLAGE OF SPENCERPORT
CONCURRENCE TARIFF

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 2
REVISION: 4
SUPERSEDING REVISION: 3

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PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 3
REVISION: 4
SUPERSEDING REVISION: 3

GENERAL INFORMATION

A. CONCURRENCE:

The Village of Spencerport 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 Spencerport, NY, and that portion of the Towns of Ogden and Parma served under franchises granted to the Village of Spencerport, NY.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 4
REVISION: 5
SUPERSEDING REVISION: 4

SERVICE CLASSIFICATION NO. 1
Residential

APPLICABLE TO USE OF SERVICE FOR:

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

CHARACTER OF SERVICE:

Continuous, alternating current, single phase, 60 cycle, 120 volt 2 wire, or 120/240 volt or 120/208 volt 3 wire.

MONTHLY RATE:

	<u>Rate</u>
Customer Charge	\$ 2.77
Energy Charge, per kWh	\$0.03034

MINIMUM CHARGE:

The minimum charge is the customer charge.

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COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 5
REVISION: 4
SUPERSEDING REVISION: 3

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.

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment in accordance with Section IX of the Village of Spencerport tariff and consistent with Rule IX of the NYMPA generic tariff.

BASE PURCHASED POWER COST PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is 0.01162.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.030041.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 6
REVISION: 5
SUPERSEDING REVISION: 4

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

APPLICABLE TO USE OF SERVICE FOR:

Non-demand metered commercial service.

CHARACTER OF SERVICE:

Continuous, alternating current, single phase, 60 cycle, 120 volt 2 wire, or 120/240 volt or 120/208 volt 3 wire.

MONTHLY RATE:

	<u>Rate</u>
Customer Charge	\$ 4.98
Energy Charge, per kWh	\$0.03544

MINIMUM CHARGE:

The minimum charge is the customer charge.

TERMS OF PAYMENT:

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

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment in accordance with Section IX of the Village of Spencerport tariff and consistent with Rule IX of the NYMPA generic tariff.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 6.1
REVISION: 3
SUPERSEDING REVISION: 2

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

BASE PURCHASED POWER COST PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is 0.01162.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.030041.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 7
REVISION: 5
SUPERSEDING REVISION: 4

SERVICE CLASSIFICATION NO. 3
General Service - Demand Metered

APPLICABLE TO USE OF SERVICE FOR:

Demand metered commercial service.

CHARACTER OF SERVICE:

Continuous, alternating current, single phase, 60 cycle, 120 volt 2 wire, or 120/240 volt or 120/208 volt 3 wire.

MONTHLY RATE:

	<u>Rate</u>
Demand Charge, per kW	\$ 3.45
Energy Charge, per kWh	\$0.02606

MINIMUM CHARGE:

The minimum charge is the demand charge.

DETERMINATION OF DEMAND:

The demand shall be the maximum fifteen minute integrated kilowatt demand, determined by meter. For billing purposes, the demand shall be the greatest of the following

1. the demand occurring during the month for which charge is made, or
2. seventy-five percent of the highest demand during the preceding twelve months.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 8
REVISION: 3
SUPERSEDING REVISION: 2

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

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment in accordance with Section IX of the Village of Spencerport tariff and consistent with Rule IX of the NYMPA generic tariff.

BASE PURCHASED POWER COST PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is 0.01162.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.030041.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 9
REVISION: 4
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 5
Private Outdoor Lighting

APPLICABLE TO USE OF SERVICE FOR:

Private, outdoor lighting. Monthly charges are assessed at a flat rate per fixture.

CHARACTER OF SERVICE:

Unmetered service.

MONTHLY RATE:

	<u>Rate</u>
Facilities Charge, per lamp	
100 Watt post light	\$ 12.76
100 Watt HPS	\$ 8.87
150 Watt HPS	\$ 10.55
250 Watt HPS	\$ 12.20
400 Watt HPS	\$ 19.42
Pole Rental, per pole	\$ 1.42

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.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 10
REVISION: 3
SUPERSEDING REVISION: 2

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

PURCHASED POWER ADJUSTMENT:

The charges set forth in this service classification shall be subject to a purchased power adjustment in accordance with Section IX of the Village of Spencerport tariff and consistent with Rule IX of the NYMPA generic tariff.

BASE PURCHASED POWER COST PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is 0.01162.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.030041.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 11
REVISION: 4
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 6
Street Lighting and Traffic Lights

APPLICABLE TO USE OF SERVICE FOR:

Street lighting - 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.

Traffic lights - Traffic signals and/or other related traffic control equipment located in entire service territory.

CHARACTER OF SERVICE:

Street lighting - Limited period, approximately four thousand (4,000) hours per year, 60 cycle alternating current.

Traffic lights - Continuous, alternating current, approximately 60 hertz, and at appropriate voltages designated by the utility.

MONTHLY RATE:

Street Lighting

Energy Charge, per kWh

Rate
\$0.13403

Traffic Lights

Per Traffic Light
Energy Charge, per kWh

Rate
\$ 4.98
\$0.03544

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 12
REVISION: 3
SUPERSEDING REVISION: 2

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

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 in accordance with Section IX of the Village of Spencerport tariff and consistent with Rule IX of the NYMPA generic tariff.

BASE PURCHASED POWER COST PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is 0.01162.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.030041.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 13
REVISION: 4
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 7
Large General Service

APPLICABLE TO USE OF SERVICE FOR:

Industrial customers whose demand exceeds 20 kW.

CHARACTER OF SERVICE:

Continuous, alternating current, single phase, 60 cycle. Voltage dependant on available circuits.

MONTHLY RATE:

	<u>Rate</u>
Demand Charge, per kW	\$ 3.66
Energy Charge, per kWh	\$0.02223

MINIMUM CHARGE:

The minimum charge shall be the demand charge.

DETERMINATION OF DEMAND:

The demand shall be the maximum fifteen minute integrated kilowatt demand, determined by meter. For billing purposes, the demand will be the greatest of the following:

- 1) the demand occurring during the month for which charge is made,
- 2) seventy-five percent of the highest demand during the preceding twelve months, or
- 3) twenty kilowatts.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 14
REVISION: 3
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION NO. 7 (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 in accordance with Section IX of the Village of Spencerport tariff and consistent with Rule IX of the NYMPA generic tariff.

BASE PURCHASED POWER COST PER KILOWATT-HOUR:

The base purchase power cost per kilowatt-hour pursuant to Rule IX.B of the NYMPA generic tariff is 0.01162.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.030041.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 15
REVISION: 3
SUPERSEDING REVISION: 2

CHARGES

A. RECONNECTION CHARGE:

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

\$50.00 during the regular working hours of the Electric Department, Monday through Friday;

\$200.00 after the regular working hours of the Electric Department, Monday through Friday, and all day 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 \$33.00 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 cashiers 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.

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

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF SPENCERPORT
INITIAL EFFECTIVE DATE: 6/01/2011

LEAF: 16
REVISION: 1
SUPERSEDING REVISION: 0

PURCHASED POWER ADJUSTMENT CHARGE

APPLICABILITY:

All customers receiving service under any of the Village of Spencerport'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 Spencerport 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 Spencerport 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 result 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 Spencerport 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

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

NORMALIZATION OF REVENUES (BASED ON MAY 31, 2010)
ADJUSTED FOR GROWTH/DECLINE TREND

Fiscal Year 2010 Base Revenue (Actual)

Account	2010 kWh Sold	2010 Base Revenue	2010 Average Base Rev./kWh	kWh Sold 2009	kWh Sold 2008	3 Year Average kWh Sold 2008/ 2009/ 2010 Avg.	Percentage Growth / (Decline) 2010 vs 2009	Existing Customers Anticipated kWh to be Sold	New Growth Anticipated kWh to be Sold	Total Anticipated kWh to be Sold
601	40,069,330	\$ 1,124,749	0.0281	41,981,203	41,815,257	41,288,597	-4.55%	38,244,526	810,250	39,054,776
602	5,181,715	222,861	0.0430	5,115,557	5,110,372	5,135,881	1.29%	5,248,729	2,092,710	7,341,439
603	15,091,058	451,378	0.0299	15,235,448	14,763,431	15,029,979	-0.95%	14,948,036	-	14,948,036
604	273,638	31,865	0.1164	287,725	284,960	282,108	-4.90%	260,241	-	260,241
606	340,036	14,671	0.0431	617,422	1,423,351	793,603	0.00% *	340,036	-	340,036
607	-	-	-	-	-	-	0.00%	-	-	-
610	229,680	16,128	0.0702	230,760	230,390	230,277	-0.47%	228,605	-	228,605
	<u>61,185,457</u>	<u>\$ 1,861,652</u>	<u>0.0304</u>	<u>63,468,115</u>	<u>63,627,761</u>	<u>62,760,444</u>	<u>-3.60%</u>	<u>59,270,173</u>	<u>2,902,960</u>	<u>62,173,133</u>

* Manually adjusted 606 percentage growth/Decline
Significant prior year reductions due to shut-down of
Municipal Sewer Treatment Plant complete in 2009

Forecasted Rate Year Base Revenue (Before Rate Increase)

Service Class	Anticipated kWh to be Sold	Average Base Rev./kWh	Rate Year Anticipated Base Revenue	Actual 2010 Base Revenue	Normalization Adjusted Anticipated Revenue Change		
					Due to Trend	New Growth	Total
601	39,054,776	0.0281	\$ 1,096,270	\$ 1,124,749	\$ (51,222)	\$ 22,744	\$ (28,479)
602	7,341,439	0.0430	315,749	222,861	2,882	90,006	92,888
603	14,948,036	0.0299	447,100	451,378	(4,278)	-	(4,278)
604	260,241	0.1164	30,305	31,865	(1,560)	-	(1,560)
606	340,036	0.0431	14,671	14,671	-	-	-
607	-	-	-	-	-	-	-
610	228,605	0.0702	16,052	16,128	(76)	-	(76)
	<u>62,173,133</u>	<u>0.0309</u>	<u>\$ 1,920,147</u>	<u>\$ 1,861,652</u>	<u>\$ (54,255)</u>	<u>\$ 112,749</u>	<u>\$ 58,495</u>

Source	# Customers	Projected Annual KWH
Tops Market (New Sept 2010)	1 Comm w/Demand	2,048,400
Tops Gas Station (New Sept 2010)	1 Comm w/Demand	44,310
Parkview Center (2011 FYE)	40 Residential	648,200
Brockport Rd Twnh (2011 FYE)	10 Residential	162,050
		<u>2,902,960</u>

Forecasted Rate Year Purchased Power Cost

	Fiscal 2010	Anticipated Rate Year	Anticipated Revenue Change	Anticipated PPAC Revenues Calculation
Base Revenue	\$ 1,861,652	\$ 1,920,147	\$ 58,495	PPAC Revenues - 2010 \$ 910,705
PPA Revenue	910,705	925,406	14,701	kWh Sold - 2010 61,185,457
				PPAC Factor per kWh Sold - 2010 0.014884
Total Revenue	2,772,357	2,845,553	73,196	Anticipated kWh Sold - Rate Year 62,173,133
Purchased Power	1,578,390	1,620,063	41,673	Anticipated PPAC Revenues \$ 925,406
Gross Profit	1,193,967	1,225,490	31,523	
Gross Profit %	43.07%	43.07%		

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

EXPENSE ALLOCATION
Fiscal Year May 31, 2010

Fiscal Yr. 2010

<u>Expense</u>	<u>Amount</u>	<u>Comment</u>
Purchased Power	\$ 1,578,390	Account 721, PSC Report page 306
Labor	432,144	PSC Report, page 102. Total salaries less salaries capitalized (\$527,422 less \$95,278)
Taxes	34,015	Account 403, PSC Report page 106
Uncollectible revenues	20,000	Account 404, PSC Report page 106
Rent	-	Account 786, PSC Report page 307
FICA, Medical, Wcomp, Retirement, Training	347,533	Actual per client (less imbedded labor \$ for training)
Insurance	22,937	Account 783, PSC Report page 307
Depreciation	249,714	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Maint. Poles	92	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	116,445	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	9,427	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	22,185	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.	193,957	Represents an allocation of remaining costs based on cost of individual category. (See below)
Contractual appropriations of income - IEEP	68,906	Account 459, PSC Report page 106
Miscellaneous credits transferred	<u>(236,424)</u>	Account 792, PSC Report page 307
	<u><u>\$ 2,859,321</u></u>	

Cost Category (per PSC Report, excluding depreciation and separately stated costs)

<u>Cost Category (per PSC Report, excluding depreciation and separately stated costs)</u>	<u>Actual</u>	<u>%</u>	<u>Allocated Remaining Cost**</u>
Maint. Poles	301	0.03%	92
Distribution	381,829	34.04%	116,445
Street Lights	30,911	2.76%	9,427
Consumer Accounting and Collection	72,746	6.48%	22,186
Sales Expense	-	0.00%	-
General & Administrative	635,996	56.70%	193,957
Total Cost in P&L (not incl. interest expense)	<u><u>\$ 1,121,783</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 342,106</u></u>

** Contractual Costs

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

EXPENSE ALLOCATION
Fiscal Year May 31, 2009

<u>Expense</u>	<u>Fiscal Yr. 2009</u> <u>Amount</u>	<u>Comment</u>
Purchased Power	\$ 1,807,550	Account 721, PSC Report page 306
Labor	506,228	PSC Report, page 102. Total salaries less salaries capitalized (\$535,897 less \$29,669)
Taxes	25,204	Account 403, PSC Report page 106
Uncollectible revenues	15,550	Account 404, PSC Report page 106
Rent	-	Account 786, PSC Report page 307
FICA, Medical, Wcomp, Retirement, Training	280,857	Actual per client
Insurance	24,330	Account 783, PSC Report page 307
Depreciation	244,823	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Maint. Poles	1,081	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	164,574	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	17,893	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	32,853	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	1,223	Represents an allocation of remaining costs based on cost of individual category. (See below)
General & Administ.	166,557	Represents an allocation of remaining costs based on cost of individual category. (See below)
Contractual appropriations of income - IEEP	62,226	Account 459, PSC Report page 106
Miscellaneous credits transferred	<u>(247,156)</u>	Account 792, PSC Report page 307
	<u>\$ 3,103,793</u>	

<u>Cost Category (per PSC Report, excluding depreciation and separately stated costs)</u>	<u>Actual</u>	<u>%</u>	<u>Allocated Remaining Cost**</u>
Maint. Poles	3,296	0.28%	1,081
Distribution	501,742	42.84%	164,574
Street Lights	54,551	4.66%	17,893
Consumer Accounting and Collection	100,160	8.55%	32,853
Sales Expense	3,729	0.32%	1,223
General & Administrative	507,788	43.35%	166,557
Total Cost in P&L (not incl. interest expense)	<u>\$ 3,103,793</u>	<u>100.00%</u>	<u>\$ 384,181</u>

** Contractual Costs

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

EXPENSE ALLOCATION
Fiscal Year May 31, 2008

<u>Expense</u>	<u>Fiscal Yr. 2008</u> <u>Amount</u>	<u>Comment</u>
Purchased Power	\$ 1,889,771	Account 721, PSC Report page 306
Labor	463,560	PSC Report, page 102. Total salaries less salaries capitalized (\$501,660 less \$38,100)
Taxes	21,346	Account 403, PSC Report page 106
Uncollectible revenues	16,096	Account 404, PSC Report page 106
Rent	-	Account 786, PSC Report page 307
FICA, Medical, Wcomp, Retirement, Training	260,863	Actual per client
Insurance	27,395	Account 783, PSC Report page 307
Depreciation	245,208	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Contractual		
Maint. Poles	9,008	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	204,234	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	14,793	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	35,799	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	3,964	Represents an allocation of remaining costs based on cost of individual category. (See below)
General & Administ.	178,829	Represents an allocation of remaining costs based on cost of individual category. (See below)
Contractual appropriations of income - IEEP	65,342	Account 459, PSC Report page 106
Miscellaneous credits transferred	<u>(274,984)</u>	Account 792, PSC Report page 307

\$ 3,161,224

<u>Cost Category (per PSC Report, excluding depreciation and separately stated costs)</u>	<u>Actual</u>	<u>%</u>	<u>Allocated Remaining Cost**</u>
Maint. Poles	23,618	2.02%	9,008
Distribution	535,500	45.73%	204,234
Street Lights	38,787	3.31%	14,793
Consumer Accounting and Collection	93,865	8.02%	35,799
Sales Expense	10,393	0.89%	3,964
General & Administrative	468,887	40.04%	178,829
Total Cost in P&L (not incl. interest expense)	<u>\$ 1,171,050</u>	<u>100.00%</u>	<u>\$ 446,626</u>

** Contractual Costs

**VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT**

PROJECTED COSTS FOR RATE YEAR

Expense	(Workpaper B) Fiscal Yr. 2010 Amount	(Workpaper B-1) Fiscal Yr. 2009 Amount	(Workpaper B-2) Fiscal Yr. 2008 Amount	Three Year Average	Costs Adjusted for 2.2% Inflation	Costs Adjusted for Known or Calculated Changes	Cost Determined by:
Purchased Power	\$ 1,578,390	\$ 1,807,550	\$ 1,889,771	\$ 1,758,570	\$ -	\$ 1,620,063	Calculated to maintain gross profit of 43.07 % recognized in the Base Year
Labor, net of capitalized amounts	432,144	506,228	463,560	467,311	-	402,193	Salaries of existing employees will increase 2% (COLA) over actual fiscal year 2011 salaries. Gross salaries decrease due the retirement of 2 employees in 2011/2012, who were (or will be) replaced by 2 lower wage Salaries anticipated to be capitalized will be \$15,000. Salary expensed will be \$185,617*10% minus \$15,000.
Taxes	34,015	25,204	21,346	26,855	-	34,130	Based on recent School and Town (Ogden and Parma) and County (Monroe) taxes on electric properties.
Uncollectible revenues	20,000	15,550	16,096	17,215	-	17,215	Generally good collection history. Rate Year is equal to 3 year (2010/2009/2008) average.
Rent	-	-	-	-	-	-	No rent anticipated.
FICA, Medical, Wcomp, Retirement, Training	347,533	280,857	260,863	296,418	-	398,428	Based on actual invoiced amounts (allocated to Electric Department), calculation (for FICA) on total salaries or allocated budgeted amounts.
Insurance	22,937	24,330	27,395	24,887	-	25,044	Village 2011-2012 preliminary budget, based on recent invoices (allocated at 42% to Electric Department)
Depreciation	249,714	244,823	245,208	246,582	-	275,045	Calculated at Exhibit 14. Increase is due to asset additions.
Contractual							
Maint. Poles	92	1,081	9,008	3,394	3,470	-	2.2% CPI inflation factor applied to 3 year average cost.
Distribution	116,445	164,574	204,234	161,751	124,704	-	Costs in Rate Year are expected to be similar to Base Year 2010, due to similar efforts related to capital improvements (Adjusted for 2.2% CPI)
Street Lights	9,427	17,893	14,793	14,038	14,500	-	2.2% CPI inflation factor applied to 3 year average cost.
Consumer Accounting and Collection	22,185	32,853	35,799	30,279	23,759	-	Costs in Rate Year are expected to be similar to Base Year 2010, due to effect of automatic meter reading (Adjusted for 2.2% CPI).
Sales Expense	-	1,223	3,964	1,729	-	-	No known current costs.
General & Administ.	193,957	166,557	178,829	179,781	160,642	46,912	Base Year 2010 was the first full year of the Section 18-a assessment. Costs in the Rate year are based on 3 year average cost (without the Section 18-a assessment), adjusted for 2.2% CPI...then the anticipated Section 18-a assessment was added to this amount.
Contractual appropriations of income - IEEP	68,906	62,226	65,342	65,491	-	62,173	IEEP contributions based on anticipated kWh sold during the Rate Year multiplied by .001 "adder"
Miscellaneous credits transferred*	(236,424)	(247,156)	(274,984)	(252,855)	-	(217,200)	Total direct labor dollars multiplied by 85% overhead rate for employee benefits and supervision (Approx. \$255,528 of direct labor (including salary increases x 85%))
	<u>\$ 2,859,321</u>	<u>\$ 3,103,793</u>	<u>\$ 3,161,224</u>	<u>\$ 3,041,446</u>	<u>\$ 327,076</u>	<u>\$ 2,664,003</u>	

* Supervision and Fringe Benefit allocation

VILLAGE OF SPENCERPORT
ELECTRIC DEPARTMENT

OVERHEAD RATE CALCULATIONS
Fiscal Year May 31, 2010 (for use in fiscal May 31, 2011 and the Rate Year)

1 Account 802 - Stores Clearing

$$\frac{\text{Debits to Acct 802}}{\text{Credits to Acct 123}} = \frac{2,620}{120,121} = \underline{\underline{2\%}}$$

← Debits to Acct 802 represents actual costs to maintain shop.
Credits to Acct 123 represents cost of materials issued during year

2 Account 804 - Transportation Clearing

(a) Direct Labor

$$\text{Credits to Acct 792} = 236,424 / \text{Prior year rate } 85\% = \underline{\underline{278,146}}$$

← Direct labor charged through workorders

(b) Transportation clearing

$$\frac{\text{Debits to Acct 804}}{\text{Direct labor}} = \frac{100,985}{278,146} = \underline{\underline{36\%}}$$

← Debits to Acct 804 represents actual costs to operate and maintain owned trucks and vehicles, including depreciation charges.

3 Account 792 - Supervision & Fringe

Fringe:

$$\frac{\text{Acct 785.1}}{\text{Total salaries}} = \frac{319,433}{527,422} = \underline{\underline{61\%}}$$

← Fringe benefits include only employee benefit type costs.
(does not include vacation/holiday salary costs)

Supervision:

$$\frac{\text{Acct. 741.1*}}{\text{Total Direct labor}} = \frac{68,241}{278,146} = \underline{\underline{25\%}}$$

← * represents Superintendents salary that does not get allocated directly through workorder.

$$\text{Combined} = \underline{\underline{85\%}}$$