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May 1, 2018

VIA ELECTRONIC FILING

The Honorable Kathleen H. Burgess
Secretary
State of New York, Public Service Commission
Three Empire State Plaza
Albany, NY 12223

RE: City of Jamestown Board of Public Utilities – New Tariff Leaves to Implement New Service Classification No. 7 for High Density Load Customers, and Other Conforming Leaves and Revisions

Dear Secretary Burgess,

Enclosed herewith are the following materials, issued and transmitted for filing on behalf of the City of Jamestown Board of Public Utilities ("JBPU"), in accordance with the requirements of the Public Service Commission ("Commission").

1. New Tariff leaves for P.S.C. No. 7, Electricity, containing provisions to govern the rates, conditions of service, and terms for individual contractual obligations for service as a High Density Load customer:

New Leaf No. 133, Revision 0

New Leaf No. 134, Revision 0

New Leaf No. 135, Revision 0

2. Revised Tariff leaves for P.S.C. No. 7, Electricity, containing revisions to clarify that High Density Load customers may not take service as large general service under existing Service Classification No. 3:

Revised Leaf No. 102, Revision 14

Revised Leaf No. 103, Revision 1

Revised Leaf No. 123, Revision 2

These revisions are issued as of May 1, 2018 and are proposed to be effective September 1, 2018.

The above proposed addition of Service Classification No. 7 is intended to apply to new and existing High Density Load (“HDL”) customers who do not qualify under existing business development assistance programs as contemplated in Rider No. 5 of the JBPU tariff. As defined in the new tariff leaves, HDL customers are those who have a maximum load greater than 300 kW and an annual Energy Use Intensity (“EUI”) greater than 250 kWh per operating space square footage. In addition to a fixed monthly customer charge and a reactive power charge calculated per kW of measured demand, energy and demand charges will be specified in individually negotiated contracts with HDL customers. Energy charges will be adjusted monthly by the incremental purchased power costs incurred by the JBPU for all HDL customers served.

As the Commission noted in its recent decision in Case 18-E-0126, HDL customers of municipalities that are a part of the New York Municipal Power Agency (“NYMPA”) will not pay charges under the Purchase Power Adjustment Clause. Rather, HDL customers will pay the HDL Purchased Power Adjustment (“HDL PPA”) charge under NYMPA’s Generic Tariff, Rider A, as approved by the Commission in Case No. 18-E-1126.¹ The new HDL terms and charges are necessary to protect existing municipal electric utility customers from increased supply costs resulting from HDL customer requirements. The JBPU receives low-cost preference power via allocations from the New York Power Authority (“NYPA”) and passes this low-cost power to its customers. Any additional power needs for the JBPU is either generated at the BPU’s power plant or purchased at market prices that are more expensive than the NYPA preference power. The higher cost incremental power is then recovered from all customers on a total quantity basis.

The JBPU’s proposal to add a separate classification and rate structure for HDL customers would prevent increasing costs to existing customers by allocating the appropriate cost of service charges to HDL customers, who do not qualify for any of the existing economic development programs. Following the Commission’s order in Case 18-E-0126, other municipalities that utilize NYMPA’s Generic Tariff have filed tariff revisions as a supplement to the NYMPA order, *e.g.*, Village of Sherburne² and the Massena Electric Department³. The JBPU is not a member of NYMPA. The new terms and conditions for HDL customers are necessary to protect the JBPU’s existing municipal electric utility customers from increased supply costs.

¹ *Order Approving Tariff Amendments with Modifications*, Case No. 18-E-0126, Tariff Filing by the New York Municipal Power Agency to Implement a New Rider A – Rates and Charges for High Density Load Service at 5.

² Case No. 18-E-0197, Tariff Filing by the Village of Sherburne to Revise its Demand and Energy Charges for Service Classification No. 3 - General Service-Demand Metered and Service Classification No. 4 - Large General Service in its Electric Tariff Schedule, P.S.C. No. 1 – Electricity.

³ Case No. 18-E-0211, Tariff Filing by Massena Electric Department to Implement High Density Load Customer Program Under Service Classification No. 8 - Individual Service Agreements in its Electric Tariff Schedule, P.S.C. No. 2. - Electricity.

In compliance with the newspaper publication requirements of PSL § 66(12)(b), the proposed tariff changes will be published in the local newspaper for four consecutive weeks following the date of issuance.

We request that the following individuals be advised of any action taken in regard to this filing: a) the undersigned; and b) Jeffrey C. Genzer, Counsel to the Jamestown Board of Public Utilities, 1615 M St., NW, Suite 800, Washington, D.C. 20036, jcg@dwgp.com (202-467-6370).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Leathers". The signature is stylized with a large, sweeping initial "D" and a cursive "Leathers".

David L. Leathers
General Manager
City of Jamestown Board of Public Utilities

cc: Jeffrey C. Genzer