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*REGISTERED TO PRACTICE BEFORE
U.S. PATENT AND TRADEMARK OFFICE

**ADMITTED ONLY IN ILLINOIS;
SUPERVISION BY PRINCIPALS OF THE
FIRM, MEMBERS OF THE DC BAR

March 28, 2018

VIA ELECTRONIC FILING

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

RE: Village of Sherburne – Revised Tariff Leaves to Implement New Demand and
Energy Charges for Service Classification Nos. 3 and 4

Dear Secretary Burgess,

Enclosed herewith are the following materials, issued and transmitted for filing on behalf of the Village of Sherburne (“Village”), in accordance with the requirements of the Public Service Commission (“Commission”).

1. Revised Tariff leaves for PSC No. 1, Electricity, containing provisions to govern the rates and conditions of service for demand metered general service in Service Classification No. 3 and large general service in Service Classification No. 4:

Revised Leaf No. 8, Revision 4
Revised Leaf No. 11, Revision 4

These revisions are issued as of March 28, 2018 and are proposed to be effective July 17, 2018.

The above proposed revision to Service Classification No. 3 is a net neutral revenue adjustment. It will increase the energy charge (from \$0.0069 per kWh to \$0.0089 per kWh) while reducing the demand charge (from \$6.09 per kW to \$5.57 per kW). The revision to Service Classification No. 3 also includes a change to the minimum charge that includes the greater of either the demand charge or the product of the base cost of fuel, adjustment factor and kWh usage.

The proposed revision to Service Classification No. 4, Large General Services, will lower the demand charge (from \$6.09 per kW to \$2.19 per kW) and increase the energy charge (from \$0.0059 to \$0.0170). Service Classification No. 4 is intended to apply to high load factor customers who do not qualify under existing economic development programs. As the Commission noted in its recent decision in Case 18-E-0126, High Density Load (“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 Due to the Village’s unique circumstances, tariff changes in addition to the NYMPA tariff are necessary to protect consumers. The revised demand and energy charges are necessary to protect existing municipal electric utility customers from increased supply costs resulting from high density load customers. The Village receives low-cost hydropower via allocations from the New York Power Authority (“NYPA”) and passes this low-cost power to its customers. Any additional power and energy needs for the Village are purchased via NYMPA at market prices that are more expensive than the NYPA preference hydropower. The higher cost supplemental power, purchased through NYMPA, is procured only intermittently, during peak conditions or seasonal high demand. The costs of the supplemental power and energy are recovered from all customers on a total quantity basis. The proposed revised rates for large general service 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.

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; b) William Acee, Mayor, Village of Sherburne, 15 West State St. P.O. Box 704, Sherburne, NY 13460, wacee@citlink.net (607-674-2300); and c) Travis DuBois,

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.

Superintendent, Village of Sherburne Electric Department, 15 West State St., P.O. Box 704,
Sherburne, NY 13460, Travis.Dubois@sherburne.org (607-674-2202).

Respectfully submitted,

/s/ Jeffrey C. Genzer

Jeffrey C. Genzer
Counsel to the Village of Sherburne,
Electric Department

cc: William Acee
Travis DuBois