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Via Electronic Delivery

April 19, 2024

Hon. Michelle L. Phillips
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12233-1350

Re: Case 24-E-_____ - Minor Rate Filing of the Municipal Commission of Boonville to Increase Its Annual Revenues by about \$942,000 or 19.8% in Rate Year 1 and by about \$108,000 or 1.9% in Rate Year 2.

Dear Secretary Phillips:

Please see attached as Appendix A the list of revised Tariff leaves filed by the Municipal Commission of Boonville ("MCB"), issued April 19, 2024, to be effective October 1, 2024.

Introduction

MCB is a public power utility in Oneida County, New York that provides electric service to the Village of Boonville ("Village") and several neighboring municipalities. Its annual revenues are approximately \$4.8 MM and it has about 3,500 customers. Its peak load for the Fiscal Year ending May 31, 2023, was approximately 21.2 MW. MCB's electric rates are extremely low. The average residential rate is about 3.46 cents per kWh. The increase proposed in this filing would raise the overall bill for that customer from the current \$29.06 to approximately \$37.22 in Rate Year 1 and \$38.14 in Rate Year 2. MCB's last base rate change was adopted by the Commission in 2019, in Case 19-E-0177 – *Minor Rate Filing of Municipal Commission of Boonville to Increase its Annual Revenues by about \$291,141 or 6.5%* (Issued and Effective November 15, 2019).

Background

MCB has provided community-owned electric service to the area's residents and citizens since 1902. In addition to electric service, MCB also provides water services. MCB is governed by the Village's elected Mayor and Board of Trustees. Accordingly, MCB is held directly accountable for its actions and quality of service by its customers at the ballot box. Unlike customers of investor-owned utilities, customers can influence MCB's operations and decision making at public Village Board meetings and at the ballot box. By resolution adopted on April 10,

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2024, at a public meeting, the Board of Trustees directed the filing of these revised tariffs. A copy of the resolution is attached as Attachment 1.

MCB is publicly owned and administered and serves a small community. The citizenry is active, informed, and involved. Customers visit the office with any questions about their service and to gather information on conservation and energy efficiency measures, and often to pay their bills in person. MCB has five linemen, who are overseen by the Electric Superintendent. Office functions are handled by the Senior Account Clerk and several other Boonville employees as necessary, none of whom work exclusively for MCB.

MCB provides efficient and reliable service. System reliability is excellent. Customer service is remarkably good, provided personally by MCB personnel. There have been no customer complaints in the last year and all customer service questions are promptly resolved.

Rate Filing

The filing utilizes a base year ending May 31, 2023, which is MCB's fiscal year and the last complete fiscal year for which information is available. The Linking Period in the filing is between June 1, 2023–September 30, 2024, and the forecast rate year will commence October 1, 2024. MCB will update its filing, if necessary, once its 2024 Annual Report is available. MCB's total capitalization is \$4.1MM, which includes \$1.0MM of long-term debt. Last year MCB suffered a loss of approximately \$115,000, for a return on surplus of -8.8%. Purchased power is the greatest single cost element, comprising approximately 66% of total expenses. Labor and employee health and pension costs are the other major cost drivers and make up another 14% of expenses.

In addition to the typical replacement projects for aging infrastructure, MCB has determined that an upgrade to the distribution system's voltage level and a wage increase for its employees are necessary in order to maintain safe and reliable service. As loath as the Municipal Commission is to raise rates, it must protect the financial and operational integrity of its precious public power resource.

1. System Voltage Upgrade Project

An upgrade to MCB's distribution system voltage from 8.3kV to 13.2kV is necessary in order to reduce significant line losses and to prepare for the anticipated load growth required for building and vehicle electrification. Accordingly, MCB proposes a multi-year plan to account for the voltage upgrade project, which will be in service shortly after Rate Year 2. The voltage upgrade project will also require MCB to expand its tree trimming operations. MCB is fairly unique among its peers, in that its system is much more spread out than others. The system includes 180 miles of distribution lines, which MCB has already begun to trim to prepare for the planned voltage upgrade. However, MCB has determined that additional investment is needed so that the voltage upgrade project can go into service in 2027. By motion on November 8, 2023, the Board of the Municipal Commission approved the incorporation of tree trimming expenses contained in this rate filing. The tree trimming program will allow for the conversion, and a subsequent five-year trim cycle. The Municipal Commission Board meeting minutes from the November 8, 2023, session is attached as Attachment 2.

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In addition, MCB plans to rebuild its substation that was damaged by a fire on December 11, 2021. The fire resulted in the total loss of one of the three 8.3kV transformers and its corresponding switchgear. Accordingly, the Village plans to replace the damaged transformer with a 13.2kV transformer.

2. Employee Wage Increase

MCB and the Village have also determined that an across-the-board wage increase is necessary in order to retain their skilled employees and stop the poaching of municipal trained workers by the investor-owned utilities. By motion on November 8, 2023, the Board of the Municipal Commission approved the wage increase—ranging from \$3.00 to \$5.00 per hour, starting June 1, 2024—contained in this rate filing. The Municipal Commission Board meeting minutes from the November 8, 2023, session is attached as Attachment 2.

MCB proposes to provide an update when the voltage upgrade project is complete and to reflect other known items (such as labor and benefits). The Board of Trustees has determined that the revenue requirement presented in this filing, designed as an equal across-the-board percentage increase, is the minimum necessary to achieve its goal of providing safe and reliable service. MCB proposes that new rates be implemented by October 1, 2024.

3. LED Rates

MCB is also proposing to update its rates for Service Classification (“SC”) Nos. 5 and 6 to include 70- and 100-watt LED fixtures. The LED fixture charges were calculated using a formula previously reviewed by Department of Public Service Staff that accounts for fixture cost, labor costs, and the useful life of the fixture. MCB also proposes to modify its tariff to specify that new or replacement luminaires will be in-kind while available in MCB’s existing inventory. Once the existing inventory of a non-LED fixture type is exhausted, all new or replacement luminaires will be LED.

Conclusion

This filing was prepared by the Electric Superintendent, Robert Schnieder, with the assistance of PLM, Inc. Their contact information is below.

Respectfully submitted,

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Boonville

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Appendix A

Revised Tariff Leaves

	<u>LEAF #</u>
SERVICE CLASSIFICATION NO. 1	4
SERVICE CLASSIFICATION NO. 1 (CONT'D)	5
SERVICE CLASSIFICATION NO. 1A	6.1
SERVICE CLASSIFICATION NO. 1A (CONT'D)	6.2
SERVICE CLASSIFICATION NO. 2	7
SERVICE CLASSIFICATION NO. 2 (CONT'D)	8
SERVICE CLASSIFICATION NO. 3	11
SERVICE CLASSIFICATION NO. 5	15
SERVICE CLASSIFICATION NO. 5 (CONT'D)	16
SERVICE CLASSIFICATION NO. 6	17
SERVICE CLASSIFICATION NO. 6 (CONT'D)	18
FORMS	20
PURCHASED POWER ADJUSTMENT CHARGE	22

ATTACHMENT 1

RATE FILING RESOLUTION

Boonville Rate Filing Resolution

Authorization to File Rate Increase with the New York State Public Service Commission - Resolution No. 410-2024:

WHEREAS, the Village of Boonville, Municipal Commission of Boonville ("Village") provides community-owned electric service to its residents and citizens and the continued provision of such service is of great importance to the community; and

WHEREAS, the Village provides electric supply to its customers at lower rates compared to New York State's investor-owned utilities; and

WHEREAS, the Village has the obligation to provide safe and reliable service and must make investments to continue such quality of service; and

WHEREAS, the Village recognizes that the currently effective rates, last set by the Village in 2019, must be modified as they are insufficient to allow the Village to maintain and invest in its electric service infrastructure;

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

We hereby authorize the filing of a rate increase before the New York State Public Service Commission to set new rates so that the Village can continue to provide safe, reliable, and low-cost electric service.

Motion on April 10, 2024 by Commissioner Bailey, seconded by Commissioner Emery to approve resolution No. 410-2024 to proceed with the rate filing as proposed. Ayes – Commissioners Bailey, Egnaczyk, Emery Ernst, and Leffingwell; Nays – None. Motion Carried.


Commission Clerk Pritchard


Date

ATTACHMENT 2

TREE TRIMMING AND WAGE INCREASE
MOTIONS

Board Meeting of November 8, 2023
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PRESENT: Chairman Egnaczyk called the meeting to order at 6:58pm, with Supt Schneider, Commissioners Bailey, Egnaczyk, Emery, and Leffingwell, employee Ben Doty and Secretary Zimmer.

ABSENT: Commissioner Ernst

MINUTES: A motion was made by Commissioner Emery, seconded by Commissioner Bailey, to approve the meeting minutes of 10/18/23. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays – none. Motion carried.

AUDIT: A motion was made by Commissioner Emery, seconded by Commissioner Bailey to approve the bills as presented. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays – none. Motion carried.

Electric Fund:	Manuals	Warrant #829	\$ 269,344.51	Elec. General
	Manuals	Warrant #830	\$ 157,468.04	Elec. General
	Meeting	Warrant #831	\$ 112,555.98	Elec. General
Water Fund:	Manuals	Warrant #686	\$ 343.10	Water General
	Manuals	Warrant #687	\$ 10,258.08	Water General
	Meeting	Warrant #688	\$ 1,168.97	Water General

MONTHLY TRANSFERS

From:	To:	Amount:
Electric Dept General Funds	Electric Dept Special Funds	\$ 51,800.00
Water Dept General Funds	Water Dept Special Funds	\$ 4,850.00

Motion by Commissioner Emery, seconded by Commissioner Bailey to approve the transfers as presented. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays – none. Motion carried.

EMPLOYEE CONCERNS: None

OLD BUSINESS:

- **NYCLASS Investment:** The initial investment of the West Street Substation insurance check into the NYCLASS was made. Since it was invested on 10/30/2023 the account has accumulated \$2,828.57 in interest thus far.
- **PLM Rate Case – Update:** Supt. Schneider and Senior Account Clerk Zimmer have been responding to the first round of inquiries from PLM. The first responses were sent to PLM on Tuesday 11/7/2023 and work will continue to respond to the initial 16 questions this week.

A motion was made by Commissioner Bailey, Seconded by Commissioner Emery to pursue outsourcing system wide trimming. Currently all trimming is done in house, bidding out trimming is necessary to complete the upcoming voltage conversion and help maintain overall system reliability. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays-none. Motion Carried.

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- **Route 12 Intersection NYS DOT project – Update:** Supt. Schneider has spoken with the NYS DOT and as of right now it looks like O’Connell Electric and 3 Phase Line Construction are the only two potential bidders for the make ready work. Supt. Schneider has also reached out to Altec to price the equipment needed if the make ready work was to be done in house.

NEW BUSINESS:

- **IEEP – Shop Lighting Upgrade:** New high bay lighting and 8’ LED strip lighting for the main portion of the truck garage will be ordered and installed. The new lighting will be financed through the IEEP, and installation will be covered by the MCB.
- **Shop – Heating System Upgrade:** New 3 phase 208V electric wall heaters have been installed in the main truck garage. Old heaters were no longer blowing warm air and have been in service for 30 + years. The new heaters are much more efficient and should significantly reduce the yearly cost of operation.

CORRESPONDENCE:

- November 1st through November 30th, 2023, shows no reduction in allocated hydro power.

SUPERINTENDENT’S REPORT:

- Monthly Load Info – The West Street Substation hourly load factor for the month of October was 37.9%. The peak demand for the month was 8.46 (kW) which is a decrease of 48.5% from October 2022’s read of 13.88 (kW). The energy recorded for the month was 4.18 MWh, down from last Octobers reading of 6.00 MWh or a decrease of 35.8%.

- Forecasted weather for November 2023 shows above average temperatures.
- Monthly Water Systems Operation Report and Average Daily Consumption Report for October 2023 were provided to the Commissioners. The daily average was 366,087 gallons, a decrease of -8.1% from October 2022.

EXECUTIVE SESSION: Motion carried by Commissioner Bailey, seconded by Commissioner Leffingwell to enter executive session at 7:20 pm to discuss employee details to be included in the rate case. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays – none. Motion carried.

A motion to exit the executive session at 7:50 pm was made by Commissioner Bailey, seconded by Commissioner Leffingwell. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays – none.

A motion was made by Commissioner Bailey, seconded by Commissioner Egnaczyk to approve wage increases for all employees effective June 1, 2024. These increases will be determined using the MEUA wage survey in an effort to make Municipal Commission of Boonville employees’ wages competitive to those Municipalities who participated in the MEUA survey. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays – none.

ADJOURNMENT: There being no other business, a motion was made to adjourn at 7:51 pm by Commissioner Bailey, seconded by Commissioner Leffingwell. Ayes – Commissioners Bailey, Egnaczyk, Emery and Leffingwell; Nays – none. Motion carried.

Board Clerk