

VILLAGE OF CASTILE
51 NORTH MAIN STREET
P.O. BOX 515
CASTILE, NY 14427-0515

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August 23, 2005

Jaclyn A. Brilling, Secretary
New York State Dept of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Dear Ms. Brilling:

The Village of Castile is seeking to increase our electric rates by 5%. Our total sales for the year which ended May 31, 2005 was \$387,872.00. This across the board increase would give us an additional \$19,394.00 annually. We have not increased our rates since 1992 and feel that we need this additional amount in order to safely and efficiently continue to serve our community.

We have many reasons for the request but will highlight a few of them as follows:

1. We are in the process of purchasing a new 55' over center material handling electric bucket truck for \$140,068.00. We will use our NYSEG refund of \$37,822 (which includes investment interest) and a portion of our depreciation fund but will need time to finance the balance.
2. We have major electrical system updating that needs to be done. We have approximately 300 poles that are over 45 years old which need replacing, including primary and secondary reconductoring work.
3. There has been an increase in man hours because of the additional stray voltage work that needs to be done annually. The amount paid from work orders for stray voltage work since January 2005 is over \$6,600.00. We also increase wages by approximately 3% each year.
4. The increased amount our electric department paid for NYS Retirement rose dramatically from \$268.00 in 2004 to \$9,216.00 in 2005.

Our most recent annually report has been sent to the Public Service Commission which shows a rate of return study for our municipality.

Thank you for considering our request and please let me know what I need to do next to facilitate the rate increase process.

Sincerely,

Waneta Weiss
Village Clerk