

VILLAGE OF BROCTON
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December 8, 2009

Jaclyn A. Brillling, Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 1223-1350

Dear Secretary Brillling:

Enclosed please find the Village of Brocton's revised Tariff Leaves and the exhibits supporting the Village's rate request. The Village is requesting this rate increase based on an analysis showing that the current rate of return is negative 9.57% and it is anticipated that without a rate increase this rate of return will decrease to a negative 13.23%, Exhibit 1.

We are requesting that the revised Tariff Leaves be effective with the usage of electric services May 1, 2010, which corresponds to the billing of June 2010, and that the Village be granted a waiver of required four week notification and that rate payers will receive individual notification of the rate increase in lieu of the publication of notification of the rate increase.

The rates per the revised Tariff Leaves reflect at 29.8% increase across all service classifications. The last rate increase the Village of Brocton requested was in 1993 on a full requirement customer of NYPA.

A major factor driving this rate increase is the electrical infrastructure improvements in progress at the Village's substation. Most of the substation equipment is 1967 vintage or earlier and is well beyond its 30 year design life. Equipment in the substation North Bay does not have sufficient capacity to meet present and future load requirements. There is no secondary containment for oil-filled equipment. The load tap changer on the north transformer is approaching 1,000,000 operations. Improvements presently in progress include a new transformer, recloser, and switches for the North Bay, as well as secondary containment for the north transformer.

The Village of Brocton will be issuing permanent debt for the costs of the transformer and associated equipment with a scheduled completion date of May 31, 2010. The permanent debt is included in Exhibit 10 of our submittal.

As a new Mayor and Board of Trustees, we were advised by our electrical engineer that the equipment will not meet present or future requirements and the fact that the lead time for the new transformer to be delivered could be one (1) year, compelled us to act as quickly as possible to address this potentially life threatening situation.

Sincerely,

J. Dale Abram
Village Mayor