

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

RATE REQUEST

**BASED ON THE YEAR ENDED MAY 31, 2016 (BASE YEAR)
FORECAST PERIOD JULY 1, 2017 (EFFECTIVE DATE
OF RATE INCREASE) TO JUNE 30, 2018**

Issued January 6, 2017

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

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FORECAST PERIOD JULY 1, 2017 (EFFECTIVE DATE
OF RATE INCREASE) TO JUNE 30, 2018
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**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT
31 SOUTH MAIN STREET
FAIRPORT, NEW YORK 14450-2132**

January 6, 2017

Hon. Kathleen H. Burgess, Secretary
New York State Public Service
Commission Empire State Plaza
Agency Building 3
Albany, New York 12223-1350

Dear Secretary Burgess:

Re: Village of Fairport - Electric Rates

Enclosed please find an electronic copy of the revised Leaf Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19, of PSC No. 1 - Electricity for the Village of Fairport (Village), issued January 6, 2017, to be effective July 1, 2017.

The proposed Tariff Leaves will increase the base revenue portion (customer charge and energy charge) of the monthly bill of a residential customer using 750 kilowatt-hours from \$35.83 to \$38.66, or 7.88%. The proposed change will increase the Village's normalized annual base revenues by \$1,602,891 (from \$18,087,928 to \$19,690,819). The filing is a "mini-filing" under the Commission's Rules of Procedures, and a hearing is not required.

The Village

The Village operates a municipal electric utility in the Village of Fairport, New York and its surrounding areas. It is governed by a Mayor, Board of Trustees, and Board of Commissioners and provides service to approximately 17,000 customers. The Village's service area is located in New York's Monroe County, approximately nine miles east of the City of Rochester. The average number of customers has remained consistent the last several years; however modest residential growth is expected over the next few years. The quality of service is excellent with no complaints. The electric safety record of the Village is excellent. The Village's Electric Department is well managed and professionally operated.

The Village continues to be an efficient and successful public power community. The Village will continue to provide safe, reliable, low cost power to its customers. Recognizing the need to use its low cost power prudently and efficiently, the Village will continue its programs promoting energy efficiency and strategically invest in economic development.

Hon. Kathleen H. Burgess, Secretary
New York State Public Service
January 6, 2017
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The Rate Filing

The Village's last rate increase was one year ago with an effective date of July 1, 2016. There are two primary reasons for the current rate increase. First, the Village's "normalized" rate of return on surplus for fiscal year May 2016 (its most recent year end) was -4.68%. The forecasted rate of return on surplus, before the requested revenue increase, is expected to be -3.78%. The low rate of return generated in the most recent historic year is due to the fact that the rate base and operating costs have grown considerably over the past few years. With the proposed change in base revenues, the rate of return on surplus will be 3.49% (3.0% on rate base).

Second, more than half of the Village's expenses are related to purchased power expense, with the next largest expense item being labor and fringe benefits. These costs continue to increase because of outside forces, and the Village's wishes to pay competitive wages and benefits in order to retain the existing workforce.

In addition, the Village has identified certain capital improvements necessary to keep the system in good repair. These capital improvements may be financed through (1) existing operating cash balances, (2) existing depreciation cash reserves, and (3) long-term financing. However, as a by-product of this request rate increase, the Village intends to replenish those depreciation reserves over time, with increased cash flows.

This filing requests an increase in base revenues of approximately \$1,526,480. The requested increase in base revenues is approximately 8.44% of normalized base revenues.

The Village has made significant efforts to increase opportunistic revenues and revenue sources and to economize and improve efficiencies to generate cash flows. These efforts have not been sufficient to offset rising mandated costs, inflation, and impact of reduced demand.

The Village's proposed rate design was structured so that each customer class would receive the same rate increase. The Village also proposes a fixed factor of adjustment of 1.046122, the average factor of adjustment over the last six years, to be applied to its customer billings, via the Purchase Power Adjustment.

The filing provides an ample basis for the Commission to process the application expeditiously. The filing contains three years of income statements and projections of revenues, expenses, and rate base. The filing is based on fiscal year May 31, 2016 data, the Village's most recent year-end for which data is available. The Village has detailed back-up Workpaper supporting the rate request and will provide them to staff in electronic and hard copy format upon request.

Public Notice

The Village will individually notify each of its customers regarding the rate request via mail. Notice will also be made to the public in a local newspaper for four (4) consecutive weeks.

Hon. Kathleen H. Burgess, Secretary
New York State Public Service
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Further Information

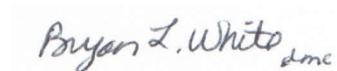
The Village asks that questions regarding this filing be directed to:

Aaron Daniels, CPA, Deputy Treasurer
Village of Fairport
31 South Main Street
Fairport, New York 14450
Tel: (585) 421-3228 (Direct Line)
aad@fairportny.com

The Village also utilized the assistance of William C. Freitag, CPA, of BST & Co. CPAs, LLP, in the development and submission of this filing Please feel free to contact Mr. Freitag at (518) 459-6700.

Respectfully submitted,

VILLAGE OF FAIRPORT



Bryan L. White Village Manager

BLW/dmc

Enclosures

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

FORECASTED STATEMENT OF OPERATIONS
Based on the Year Ended May 31, 2016 (Base Year)

	Base Year May 31, 2016	Normalizing Adjustments	Adjusted Base Year	Rate Year Adjustments	Normalized Rate Year Before Revenue Increase	Revenue Increase Request	Rate Year After Increase	Note Reference
Revenues								
Operating Revenues - Base	\$ 17,518,644	\$ 564,603	\$ 18,083,247	\$ -	\$ 18,083,247	\$ 1,526,480	\$ 19,609,727	1
Operating Revenues - PPAC	2,181,053	433,802	2,614,855	(59,297)	2,555,558	-	2,555,558	1
Late Charges	29,063	-	29,063	-	29,063	-	29,063	1
Rent from Electric Property	36,244	-	36,244	853	37,097	-	37,097	1
Miscellaneous Operating Revenues	61,566	-	61,566	(36,737)	24,829	-	24,829	1
Total Revenues	\$ 19,826,570	\$ 998,405	\$ 20,824,975	\$ (95,181)	\$ 20,729,794	\$ 1,526,480	\$ 22,256,274	
Expenses								
Purchased Power	\$ 12,967,383	\$ 155,962	\$ 13,123,345	\$ -	\$ 13,123,345	\$ -	\$ 13,123,345	2.a.
Labor, net of Capitalized Labor	2,346,997	-	2,346,997	160,143	2,507,140	-	2,507,140	2.b.1
GASB 68 Expense (Related to Net Pension Liability)	108,323	-	108,323	(108,323)	-	-	-	
Employee Benefits and Related Costs	1,078,363	-	1,078,363	175,224	1,253,587	-	1,253,587	2.b.2
Contractual/Material Expenses				-				
Transmission	191,929	-	191,929	7,764	199,693	-	199,693	2.b.3
Maintenance of Poles and Fixtures	137,913	-	137,913	12,558	150,471	-	150,471	2.b.3
Distribution	1,635,379	-	1,635,379	342,093	1,977,472	-	1,977,472	2.b.3
Street Lights	74,533	-	74,533	28,882	103,415	-	103,415	2.b.3
Consumer Accounting and Collection	228,614	-	228,614	63,571	292,185	-	292,185	2.b.3
Sales Expense	5,215	-	5,215	(652)	4,563	-	4,563	2.b.3
Administrative and General	346,008	-	346,008	(105,156)	240,852	-	240,852	2.b.3
Rent	14,305	-	14,305	-	14,305	-	14,305	2.b.4
Insurance	69,260	-	69,260	3,949	73,209	-	73,209	2.b.5
Uncollectible Revenues	13,583	-	13,583	(917)	12,666	-	12,666	2.b.6
Depreciation	1,574,991	-	1,574,991	173,933	1,748,924	-	1,748,924	2.b.7
Recapture of excess depreciation	(143,328)	-	(143,328)	-	(143,328)	-	(143,328)	2.b.7
Taxes and PILOT to General Fund	920,597	-	920,597	(20,987)	899,610	-	899,610	2.b.8
PSC Regulatory Assessment	242,571	-	242,571	(60,174)	182,397	-	182,397	2.b.9
Contributions for Energy Efficiency	441,314	-	441,314	877	442,191	-	442,191	2.b.10
Miscellaneous Credits Transferred (Allocation of Overhead)	(1,524,833)	-	(1,524,833)	(158,562)	(1,683,395)	-	(1,683,395)	2.b.11
Total Expense	\$ 20,729,117	\$ 155,962	\$ 20,885,079	\$ 514,223	\$ 21,399,302	\$ -	\$ 21,399,302	
Operating Income (*)	\$ (902,547)	\$ 842,443	\$ (60,104)	\$ (609,404)	\$ (669,508)	\$ 1,526,480	\$ 856,972	
Rate Base	\$ 27,912,036				\$ 28,540,302		\$ 28,540,302	
Rate of Return	-3.23%				-2.35%		3.00%	
Return on Surplus	-4.68%				-4.11%		3.49%	

Exhibit 1-A**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF NORMALIZATION AND RATE YEAR ADJUSTMENTS****Base Year Normalization Adjustments**

a) To reflect increase in base revenues due to weather normalization	\$	276,318
b) To reflect increase in purchased power due to weather normalization of revenues	\$	155,962
c) To adjust PPAC revenues for over-billing of revenues in fiscal year 2016 (per PPAC reconciliation)	\$	(146,285)
d) To normalize revenue for a refund related to a prior period PPAC over-collection	\$	580,087
e) To reflect increase in base revenues, as a result of July 1, 2016 rate increase	\$	288,285

Total Normalization Adjustments

\$	842,443
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Rate Year Adjustments**Revenues**

f) To adjust PPAC revenues, related to anticipated energy efficiency contributions	\$	877
g) To adjust PPAC revenues, related to decrease in PSC annual assessment, which is passed through the PPAC	\$	(60,174)
h) To reflect increase in rental income to equal 3 year average	\$	853
i) To reflect increase in miscellaneous operating revenues to equal 3 year average	\$	(36,737)

Total Rate Year Adjustments - Revenues

\$	(95,181)
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Expenses

j) To reflect net change in expensed labor dollars due to anticipated wage increases, transition of employees, and net effect of amounts to be allocated to capital accounts	\$	160,143
k) To reflect net changes in employee benefits due to payroll tax calculation or allocated budgeted or known amounts for shared costs.	\$	175,224
l) Contractual/material expenses		
Transmission - 3 Year average with no inflation factor	\$	7,764
Maintenance of poles and fixtures - 3 year average with no inflation factor	\$	12,558
Distribution - 3 year average with no inflation factor	\$	342,093
Street lights - 3 year average with no inflation factor	\$	28,882
Consumer accounting and collection - 3 year average with no inflation factor	\$	63,571
Sales expense - 3 year average with no inflation factor	\$	(652)
Administrative and general - 3 year average with no inflation factor	\$	(105,156)
m) No adjustment to rent	\$	-
n) To increase insurance expense to equal 3 year average with no inflation factor	\$	3,949

**Exhibit 1-A
Continued****VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF NORMALIZATION AND RATE YEAR ADJUSTMENTS**Rate Year Adjustments - ContinuedExpenses - Continued

o) To decrease uncollectible revenues to equal 3 year average	\$	(917)
p) To increase depreciation expense for existing operating property plus anticipated capital improvements in fiscal year 2017 and the Rate Year	\$	173,933
q) To reflect decrease in property taxes paid to outside jurisdictions and to include PILOT to be paid to the Village, based on assessed values.	\$	(20,987)
r) To adjust PSC annual assessment to equal expected revenues in Rate Year multiplied by assessment rate (related to revenue adjustment above)	\$	(60,174)
s) To reflect increase in energy efficiency contributions based on ten year average in kWh sales	\$	877
t) To reflect net change in miscellaneous credits transferred (allocation of overhead) based on forecasted labor amounts	\$	(158,562)
u) To adjust GASB 68 Expense (related to Net Pension Liability) to \$0 since it is not an allowable expense for rate design	\$	(108,323)

Total Rate Year Adjustments - Expenses**\$ 514,223****Total Rate Year Adjustments - Revenue/Expenses****\$ (609,404)**

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**FORECASTED RATE OF RETURN CALCULATION
CAPITALIZATION MATRIX
Based on the Year Ended May 31, 2016,
Adjusted for Rate Year Adjustments and Revenue Increase Request**

	<u>2016 (Base Year)</u>	<u>Amount</u>	<u>Percent</u>	<u>Cost Rate</u>	<u>Rate of Return</u>
Long-Term Debt	Exhibit 10	\$ 5,303,515	19.2%	2.64%	0.51%
Customer Deposits	Exhibit 10	\$ 233,533	0.8%	0.05%	0.00%
Net Surplus	Exhibit 10	\$ 22,060,229	79.9%	-4.68%	-3.74%
Total		<u>\$ 27,597,277</u>	<u>100.0%</u>		<u>-3.23%</u>
	<u>Rate Year Before Revenue Increase</u>	<u>Amount</u>	<u>Percent</u>	<u>Cost Rate</u>	<u>Rate of Return</u>
Long-Term Debt	Exhibit 10	\$ 8,238,818	28.8%	1.90%	0.55%
Customer Deposits	Exhibit 10	\$ 216,195	0.8%	0.05%	0.00%
Net Surplus	Exhibit 10	\$ 20,152,004	70.4%	-4.11%	-2.89%
Total		<u>\$ 28,607,017</u>	<u>100.0%</u>		<u>-2.35%</u>
	<u>Rate Year After Revenue Increase</u>	<u>Amount</u>	<u>Percent</u>	<u>Cost Rate</u>	<u>Rate of Return</u>
Long-Term Debt	Exhibit 10	\$ 8,238,818	28.8%	1.90%	0.55%
Customer Deposits	Exhibit 10	\$ 216,195	0.8%	0.05%	0.00%
Net Surplus	Exhibit 10	\$ 20,152,004	70.4%	3.49%	2.46%
Total		<u>\$ 28,607,017</u>	<u>100.0%</u>		<u>3.00%</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)****NOTE 1 - OPERATING REVENUES***Base Revenues*Weather Normalization

Sales in kWh decreased approximately 6.1% for the fiscal year ended May 31, 2016 (Base Year). This decrease in electric consumption was caused by factors such as a much milder winter period experienced during 2015-16 Base Year, the Economy, and energy conservation measures. Consumption increases (decreases) in the Residential, Commercial, and Industrial rate classes were (9.5%), (5.2%), and 2.5%, respectively, for the fiscal year ended May 31, 2016 (Base Year).

As the decrease in kWh consumption was primarily attributable to weather conditions, kWh consumption and related Base Revenues in the Rate Year were calculated using weather normalization formulas discussed in Workpaper A. Weather normalization trends were developed using information included in the National Weather Service Forecast Office website (<https://www.nyserda.ny.gov/About/Publications/EA-Reports-and-Studies/Weather-Data/Monthly-Cooling-and-Heating-Degree-Day-Data>) for heating degree days for the ten (10) year period 2007-2016. This data was specific to the Rochester, New York area.

Based on the weather normalization calculations described in Workpaper A, Base Revenues during the Rate Year are expected to increase \$276,318 (1.58% increase) from the Base Year.

Effect of Recent Rate Increase

Effective July 1, 2016, the Department received approval to increase its base rates for all customer rate classes. Base revenues recognized in fiscal year 2016 (Base Year) included zero (0) months of revenues at these increased rates.

Based on the analysis in Workpaper J, base revenues were normalized as if the July 1, 2016 rate increase was in effect for the entire 2016 fiscal year (Base Year). As such, base revenues were normalized for the period June 1, 2015 through May 31, 2016. The normalization adjustment (Workpaper J) for the effect of the recent rate increase was to increase base revenues by \$288,285.

PPAC Revenues

PPAC Revenues represent a “dollar-for-dollar” pass-through of incremental power costs (defined as power costs and other production costs in excess of base purchased power costs). This “dollar-for-dollar” pass-through is reconciled at the end of each fiscal year to identify if any overbilling or under billing of PPAC revenues had occurred during the fiscal period.

As can be seen in Workpaper D-1, PPAC revenues were over-billed by \$580,087 during the fiscal year ended May 31, 2015. This over-billing was returned to the customers during Summer 2015 (via the PPAC Factor calculation), and the Department’s customers were made “whole” on this over-billing. As a result of this over-billing, PPAC revenues (and the Department’s related net operating income) was understated by \$580,087 for the Base Year. As such, over-billed PPAC revenues were removed from total revenues to properly normalize PPAC revenues in the Rate Year.

As can be seen in Workpaper D-2, PPAC revenues were over-billed by \$146,285 during the fiscal year ended May 31, 2016 (Base Year). This over-billing was returned to the customers during Summer 2016 (via the PPAC Factor calculation), and the Department’s customers were made “whole” on this over-billing. As a result of this over-billing,

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)**

PPAC revenues (and the Department's related net operating income) was overstated by \$146,285. As such, over-billed PPAC revenues were removed from total revenues to properly normalize PPAC revenues in the Rate Year.

In addition, PPAC revenues include certain other costs that are passed onto the customer as part of the PPAC process. The Department currently bills its customers at a rate of .001/kWh for its contributions to the Independent Energy Efficiency Program (IEEP) and its internally administered Energy Efficiency Program (also known as the FMC-EEP). All PPAC revenues collected from these billings are either (1) remitted to the IEEP for energy efficiency projects, or (2) retained in a reserve held by the Department for energy efficiency projects. It should be noted that the revenues generated and the expenses incurred under these programs (both the IEEP and FMC-EEP) do not enter into the determination of the Department's net operating income. As such, they are considered "revenue neutral." Revenues generated by this process are based on kWh sold. PPAC revenues related to this process are based upon a ten (10) year average of kWh sold (Fiscal Years 2007 through 2016), and are presented in Workpaper F). Based on this ten (10) year average, PPAC revenues are expected to increase by \$877. Conversely, contributions to the IEEP and FMC-EEP (classified as an expense) have also been increased by \$877, to remain "revenue neutral" in the determination of net operating income.

Also, as more fully described in Note 2.b. (9) below, the Department pays a regulatory assessment (Section 18-a) to the PSC, based on annual gross revenues in excess of \$500,000. This assessment is passed on to the Department's customers, on a dollar for dollar basis, via the PPAC process. Due to the anticipated reduction in the assessment rate the expected assessment will be \$182,397 in the Rate Year (see Workpaper G), a reduction of \$60,174 from the Historic Base Year. As such, over billed PPAC revenues in the Base Year were removed from total revenues to properly normalize PPAC revenues in the Rate Year.

Base Revenue, Revenue Increase Rate

The increase in Base Revenues (as a result of a 8.44% increase in base rates effective July 1, 2017) requested herein to support operations, capital improvements, annual debt service, establish adequate cash balances, and provide a reasonable rate of return on Rate Base, is expected to total \$1,526,480. The requested increase in Base Revenues is equal to 8.44% of "Normalized Rate Year" Base Revenues, before the requested revenue increase. Base Revenues in the Rate Year are expected to be \$19,609,727 (versus normalized Base Year revenues of \$18,083,247).

Other Revenues

Other revenues consist of late charges, rent from electric property, and miscellaneous electric revenues.

Revenues from late charges have been fairly consistent for the last three years (2014 to 2016), and have totaled approximately \$34,000 per annum. Revenues from late charges during the Rate Year are expected to equal \$29,063, the amount reported in the May 31, 2016 Historic Base Year.

The Department receives rental income for certain pole attachments. This income, which has remained consistent from year to year, is evidenced by long standing agreements with outside parties. Revenues from pole attachments during the Rate Year are expected to equal the most recent three (3) year average of \$37,097. This amount represents an increase of \$853 from the amount reported in the May 31, 2016 Historic Base Year.

"Miscellaneous Operating Revenues" have remained fairly insignificant over the recent three (3) year period. Sources of this type of income are sporadic and usually unknown during the budgetary process. Due to the insignificance of these revenues, Miscellaneous Operating Revenues are expected to equal the most recent three (3) year average of \$24,829, which represents a decrease of \$36,737 from the amount reported in the May 31, 2016 Historic Base Year.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)****NOTE 2 - OPERATING EXPENSES**

a. *Purchased Power* - The cost of electricity purchased for distribution is forecasted to be \$13,123,345 during the Rate Year. This forecasted amount is based on actual purchased power costs incurred during the Base Year, adjusted for weather normalization calculations described in Workpaper A. As weather normalization is expected to increase consumption and Base Revenues (Note 1), purchased power is also expected to increase to meet those consumption needs. Increases in purchased power, due to weather normalization adjustments, is expected to be \$155,962 (Workpaper A).

b. *Other Operating Expenses* - Other operating expenses are adjusted as follows:

(1) Labor (charged to expense accounts)

Labor charged to expense accounts includes:

- Salaries of the line crew laborers (allocated via the work order system based on the work performed).
- Salaries of the Superintendent, Engineer, Village Manager, Village Treasurer, Village Deputy Treasurer various clerical and other operational workers, and the Municipal Commissioners.

Total salaries incurred during Base Year 2016 were \$2,661,001 of which \$314,004 was capitalized to operating property via the Department's work order system. Salaries charged to the various expense accounts of the Department totaled \$2,346,997 during Base Year 2016.

Total salaries to be incurred during the Rate Year are projected to be \$2,969,733 (see Workpaper E); of which \$462,593 is expected to be capitalized to operating property, and \$2,507,140 will be expensed in the forecasted statement of operations. (See Exhibit 15 for capitalized salaries). Capitalized salaries during the Rate Year have been forecasted to be at a similar percentage of total salaries, as those experienced in the Base Year 2016, which was approximately 15.6% of total salaries

The "net" increase in total salaries from the Base Year was due to (1) hourly wage increases and increases to salaried employees, which were implemented on June 1, 2016, and expected to be implemented on June 1, 2017, and (2) the transition/attrition of new and former employees. Based on the Village's budget, salaries were increased 2% (on average) on June 1, 2016, and are expected to increase 2% (on average) on June 1, 2017. Forecasted salaries charged to expense during the Rate Year is expected to be \$160,143 more than the Base Year 2016.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)**

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(2) Employee Benefits and Related Costs

Employee benefits include medical insurance and related costs, disability insurance, New York State retirement contributions, FICA and Medicare. Costs in Base Year 2016, represent the Electric Department's share of actual invoiced amounts (or via calculation on labor dollars for FICA/Medicare).

In general, employee benefit costs have remained fairly consistent over the past three years (three year average of approximately \$1,146,664), primarily because health insurance and retirement contributions have stabilized somewhat, after several years of significant increases during the period 2009 through 2012. Employee benefits have approximated 42.3% of total salary costs over the last few years.

Rate Year employee benefit costs are presented in Workpaper I, and are based on (1) actual invoiced amounts for Fiscal Year 2017, (2) calculation (FICA/Medicare), or (3) budgeted amounts based on historic trend or vendor estimates. Rate Year employee benefit costs are expected to be approximately 42.2% of total Rate Year labor dollars. Employee benefits and related costs are expected to be \$1,253,587 during the Rate Year, which represents a \$175,224 increase over the May 31, 2016 Base Year.

(3) Contractual/Material Expenses

Contractual and material expenses consist of materials, supplies, and/or services provided by outside vendors which are charged to the transmission, pole maintenance, distribution, street lights, consumer accounting, sales, and administrative and general cost categories.

During the Rate Year, these costs are expected to equal the three-year average (2014-2016) of these cost categories; with no adjustment for inflation factors (see Workpaper C).

	BASE YEAR 2015	RATE YEAR	RATE YEAR INCREASE (DECREASE)
Transmission	\$ 191,929	199,693	7,764
Maintenance of poles	137,913	150,471	12,558
Distribution (a)	1,635,379	1,977,472	342,093
Street Lights	74,533	103,415	28,882
Consumer accounting	228,614	292,185	63,571
Sales expense	5,215	4,563	(652)
Administrative and general	346,008	240,852	(105,156)
	\$ 2,619,591	\$ 2,968,651	\$ 349,060

(4) Rent

The Department pays rent to the Village's General Fund for the use of various office space within Village Hall. Annual rental payments have remained consistent over the past three years and have averaged \$14,305 per annum. Rent expense in the Rate Year is expected to equal this amount. This cost represents a rent of \$1 per square foot per month.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)****(5) Insurance**

Insurance expense represents the Electric Department's share of general liability and workers' compensation insurance. As insurance premiums are not expected to change significantly from the past three years, general liability and worker's compensation insurance during the Rate Year is based on the Electric Department's three year average (2014-2016).

Three-year average (2014-16)	\$	73,209
Base Year 2016		<u>69,260</u>
Rate Year Increase	\$	<u>3,949</u>

(6) Uncollectible Revenues

As a result of its collection policies and related efforts in this area, the Department has experienced low levels of uncollectible revenues. Uncollectible revenues have averaged \$12,666 per year over the last three fiscal years (2014-2016), which is approximately 0.07% of Base Year gross revenues. Uncollectible revenues in the Rate Year are expected to equal \$12,666 representing the most recent three year average. This amount represents a decrease of \$917 from the May 31, 2016 Base Year.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)**

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(7) Depreciation and Recapture of Excess Depreciation – Prior Years

Depreciation expense (Exhibit 14) has been calculated based on existing operating property plus future operating property acquisitions detailed in Exhibit 15. Future operating property acquisitions include anticipated costs for material and capitalized labor costs. Future operating property acquisitions are reported “net” of anticipated retirement values.

Depreciation charges are calculated using rates that are consistent with rates used in prior years (See Exhibit 14). Depreciation charges are calculated on expected average annual operating property balances, and have been adjusted in the Rate Year as follows:

Depreciation expense, Rate Year	\$ 1,748,924
Depreciation expense, Base Year	<u>1,574,991</u>
 Rate Year Increase	 <u>\$ 173,933</u>

During a recent rate filing (Case 11-E-0537, dated February 1, 2012), it was noted that the Department did not reduce the depreciable base of its operating property to account for Contributions for Extensions. Since contributions reimburse the utility for its operating plant, it is reasonable for the contributions to offset the cost of operating property to be included in rate base. It is also reasonable to reduce the depreciable base of the operating property for the amount of any contributions in calculating depreciation expense. As such, depreciation expense had been overstated in periods prior to the 2012 order.

As part of the 2012 rate filing, PSC Staff had recommended that this error be corrected on a “prospective basis” by applying an annual reduction in the calculated depreciation expense. This annual reduction is based on the value of Contributions for Extensions multiplied by a composite depreciation rate. Recapture of excess depreciation in the Rate Year, as calculated, is \$(143,328), thereby reducing the annual depreciation expense described above.

Since the 2012 order, the Department has been “netting” all new contributions directly against the applicable operating property accounts, which allows for the correct calculation of depreciation expense on the “net” value of its operating property. The only exception for this is for Energy Efficient vehicles purchased with interest free Loans as part of a program administered by the New York Power Authority (NYPA). These four vehicles account for \$817,362 at the end of the Rate Year, and are shown on Exhibit 14. These vehicles are considered contributed property, as these vehicles are financed by the utility’s customers through the PPAC portion of their bill, and are therefore not depreciated.

(8) Taxes and PILOT to General Fund

The Department pays property taxes on certain operating property located within the Town of Perinton, as well as school taxes to the Fairport Central School District. Property and school taxes paid to these taxing jurisdictions in the Rate Year are based on amounts paid (or to be paid) during fiscal year 2017, adjusted for the 2% tax cap increase. Expected property and school taxes to be incurred during the Rate Year, are as follows:

Town of Perinton	\$ 265,831
Fairport Central School District	553,724
PILOT to Village of Fairport	<u>80,055</u>
 Total Tax & PILOT for Rate Year	 <u>\$ 899,610</u>

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

The PILOT payment in the Rate Year has been developed using the methodology employed by the New York State Office of Real Property Services (ORPS) when it develops property values on investor owned utilities. In accordance with the Department's 2012 order (Case 11-E-0537), PSC Staff had recommended that the Department use "net plant in service" value rather than "replacement cost minus accumulated depreciation" for determining its annual PILOT payment. Case 11-E-0537 should be referred to for further clarification in calculating PILOT. Calculated PILOT in the Rate Year is expected to be \$80,055.

Taxes and PILOT during the Rate Year is expected to be \$899,610, a decrease of \$20,987 from the May 31, 2016 Base Year. This decrease is primarily due to a decrease in assessment as calculated by the New York State Office of Real Property Services (ORPS).

(9) PSC Regulatory Assessment

The Electric Department pays a regulatory assessment (Section 18-a) to the PSC, based on its annual gross revenues in excess of \$500,000. This regulatory assessment includes both a general assessment and a temporary assessment. The PSC Regulatory Assessment during the Rate Year is based on the Department's 2016 assessable intrastate revenues of \$19,199,697 multiplied by a 0.95% assessment rate (see Workpaper G, for calculation). The PSC Regulatory Assessment is expected to be \$182,397, a reduction of \$54,219 from the previous year. See further discussion in Note 1 for effect on PPAC revenues.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)****NOTE 2 - OPERATING EXPENSES - Continued***b. Other Operating Expenses - Continued*

(10) Contributions for Energy Efficiency

As previously discussed in Note 1, the Department participates in the Independent Energy Efficiency Program (IEEP) and the internally administered FMC-EEP, to offer programs and make capital improvements to promote energy efficiency by and for its customers. As previously described, contributions to the IEEP and FMC-EEP are based on kWh sold multiplied by .001 per kWh. Contributions to the IEEP and FMC-EEP are based upon a ten (10) year average of kWh sold (Fiscal Years 2007 through 2016), and are presented in Workpaper F. Based on this ten (10) year average, contributions are expected to increase \$877. Conversely, PPAC revenues have also been increased by \$877 (see Note 1), to remain "revenue neutral" in the determination of net operating income. Contributions to the IEEP and FMC-EEP are expected to be \$442,191 in the Rate Year.

(11) Miscellaneous Credits Transferred (Allocation of Overhead)

Miscellaneous credits transferred represent the allocation of employee benefits and supervision time (as the Superintendent's, Line Foreman and Engineer's salary does not go through the work order process) to the various tasks performed by the line crew. It is the Electric Department's policy to allocate employee benefits and supervision time to capital (operating property) transactions and distribution system repair expense accounts. Employee benefits and the Superintendent's and Engineer's salary are reported in the Electric Department's general ledger (Account 785 and 741, respectively) at gross amounts, therefore, there is a need to have a "credit" account to properly allocate these costs to the various capital accounts, without losing the integrity of the actual amount of these costs in the general ledger.

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(11) Miscellaneous Credits Transferred - Continued

The allocation of employee benefit costs is based on the Department's labor dollars multiplied by an overhead percentage representative of those costs to total labor dollars. Supervision costs are based on the Department's labor dollars (exclusive of the Superintendent's, Line Foreman and Engineer's salaries) multiplied by an overhead percentage representative of those costs to total direct labor dollars. The overhead rate used for employee benefits in the Rate Year is 43.4%. The overhead rate used for supervision in the Rate Year is 26.2%. Total labor dollars anticipated to be capitalized and/or charged to repair expense accounts during the Rate Year (adjusted for salary increases previously described) is approximately \$2,969,733. Allocation of employee benefit costs (reported in general ledger account 792) during the Rate Year is expected to be \$1,288,864 (\$2,969,733 x 43.4%). Total direct lineman labor dollars anticipated to be capitalized and/or charged to repair expense accounts during the Rate Year (adjusted for salary increases previously described) is approximately \$1,505,844. Allocation of supervision costs (reported in general ledger account 792) during the Rate Year is expected to be \$394,531 (\$1,505,844 x 26.2%). Total employee benefit and supervision costs (reported in general ledger account 792) during the Rate Year is expected to be \$1,683,395 (\$1,288,864 + \$394,531). See Workpaper C, for related calculation.

NOTE 3 - INDEBTEDNESS

The Electric Department's indebtedness at the end of the Rate Year consists of existing debt obligations and anticipated new debt obligations.

A summary of indebtedness at the end of the Rate Year is as follows:

Public Improvement Bond, issued December 2011, interest at 3.5653%, annual principal payments of \$212,50 due November 2022 (a)	\$ 1,049,750
Public Improvement Bond, issued December 2011, interest at 3.5653%, annual principal payments of \$200,000 to \$190,000 due December 2030 (b)	\$ 2,340,000
Equipment loan due NYPA, issued 2015, interest at 0%, annual principal payments of \$82,712 due June 2019 (c)	\$ 90,232
Equipment loan due NYPA, issued 2016, interest at 0%, annual principal payments of \$88,514 due May 2019 (c)	\$ 81,140
Equipment loan due NYPA, issued 2016, interest at 0%, annual principal payments of \$10,375 due May 2019 (c)	\$ 9,511
Anticipated Equipment loan due NYPA, to be issued 2017, interest at 0%, annual principal payments of \$83,328 due May 2020 (c)	\$ 159,724
Unamortized premium on debt related to bond issuances above (d)	\$ 20,560
Anticipated Bonds Payable after Completion of Hogan Substation Upgrade (e)	\$ 5,748,620
	\$ 9,499,537

(a) Financing for improvements to the Department's operation center

(b) Financing for improvements made to substation, related equipment and certain vehicles

(c) Financing from NYPA for the purchase of hybrid electrical vehicles

(d) Premium paid on bonds in (a) and (b), amortized on a straight line basis at \$4,702 per year.

(e) Anticipated bond for the substation upgrade, cable injection and 2015 BAN.

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2016 (Base Year)

NOTE 4 - RATE OF RETURN

The rate of return calculation is provided as an indicator of the level of forecasted income from operations compared to the risk/investment borne by the Electric Department.

The rate of return on Rate Base and Surplus for the year ended May 31, 2016, is calculated based on the prescribed format in the Village's Municipal Electric Utilities Annual Report filed with the New York State Department of Public Service for the year ended May 31, 2016. This rate of return on Rate Base and Surplus was -3.23% and -4.68%, respectively. The rate of return on Rate Base and Surplus for the Forecasted Rate Year of 3.00% and 3.49%, respectively, is calculated using Base Year 2016 amounts and applying forecasted changes to the Electric Department's operations, rate base, debt service, surplus, and request for additional base revenues as described herein.

Exhibit 4

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

BALANCE SHEETS

	Fiscal 2014	Fiscal 2015	Fiscal 2016	2015-16 Average Balance
ASSETS				
Plant in Service	\$ 49,106,271	\$ 50,151,567	\$ 51,349,419	\$ 50,750,493
Construction Work in Progress	102,321	44,628	(6,388)	19,120
Depreciation Reserve	(20,061,402)	(21,264,162)	(22,438,887)	(21,851,525)
Net Plant	<u>\$ 29,147,190</u>	<u>\$ 28,932,033</u>	<u>\$ 28,904,144</u>	<u>\$ 28,918,088</u>
Depreciation Reserve Funds	864,610	783,888	634,239	709,064
Miscellaneous Special Funds	308,659	254,976	262,232	258,604
Misc Special Funds	-	-	377,491	188,746
Cash	1,633,235	2,558,358	2,577,511	2,567,935
Working Funds	600	600	600	600
Loans to Operating Municipality	-	-	-	-
Materials and Supplies	995,360	927,172	1,027,693	977,433
Receivables From Operating Municipalities	13,315	14,173	22,757	18,465
Accounts Receivable	727,587	564,525	664,468	614,497
Reserve for Uncollectible	(12,000)	(29,000)	(27,824)	(28,412)
Prepayments	571,147	561,243	554,282	557,763
Miscellaneous Current Assets	<u>122,663</u>	<u>44,361</u>	<u>1,896,752</u>	<u>970,557</u>
Total Assets	<u>\$ 34,372,366</u>	<u>\$ 34,612,329</u>	<u>\$ 36,894,345</u>	<u>\$ 35,753,340</u>
LIABILITIES				
Accounts Payable	\$ 1,422,250	\$ 1,102,850	\$ 1,283,001	\$ 1,192,928
Notes Payable	-	-	815,000	407,500
Payables to Operating Municipality	78,918	-	49,346	24,673
Customer Deposits	308,786	250,871	216,195	233,533
Taxes Accrued	32,861	19,022	19,808	19,415
Interest Accrued	7,312	6,459	5,895	6,177
Miscellaneous Other Current Liabilities	<u>1,426,866</u>	<u>1,553,746</u>	<u>3,508,264</u>	<u>2,531,005</u>
Total Current Liabilities	3,276,993	2,932,948	5,897,509	4,415,231
Bonds Payable	5,074,750	4,627,250	4,214,750	4,421,000
Long-Term Debt - Other	140,853	317,256	567,362	442,309
Unamortized Premium on Debt	39,759	35,057	30,355	32,706
Miscellaneous Unadjusted Credits	-	-	171,033	85,517
Total Liabilities	<u>8,532,355</u>	<u>7,912,511</u>	<u>10,881,009</u>	<u>9,396,763</u>
SURPLUS				
Contributions for Extensions	4,009,800	4,009,800	4,582,897	4,296,349
Contributions to Municipality	(11,530,988)	(11,804,033)	(11,986,815)	(11,895,424)
Surplus	<u>33,361,199</u>	<u>34,494,051</u>	<u>33,417,254</u>	<u>33,955,653</u>
Total Surplus	<u>25,840,011</u>	<u>26,699,818</u>	<u>26,013,336</u>	<u>26,356,578</u>
Total Liabilities and Surplus	<u>\$ 34,372,366</u>	<u>\$ 34,612,329</u>	<u>\$ 36,894,345</u>	<u>\$ 35,753,341</u>

Exhibit 5

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**INCOME STATEMENTS
(INCLUDING kWh SALES BY RATE CLASS)**

		Fiscal 2014	Fiscal 2015	Fiscal 2016	Three Year Average
Operating Revenues					
A/C 601	Residential Sales	\$ 15,304,787	\$ 13,503,911	\$ 11,468,385	\$ 13,425,694
A/C 602	Commercial Sales	5,973,541	5,416,158	5,018,433	5,469,377
A/C 603	Industrial Sales	3,664,076	2,975,820	2,970,619	3,203,505
A/C 604	Public Street Lighting - Operating Municipality	148,496	138,317	139,025	141,946
A/C 605	Public Street Lighting - Other	71,148	68,640	67,924	69,237
A/C 606	Other Sales to Operating Municipality	56,928	48,902	43,639	49,823
A/C 607	Other Sales to Other Public Authorities	-	-	-	-
A/C 608	Sales to Other Distributors	-	-	-	-
A/C 609	Sales to Railroads	-	-	-	-
A/C 610	Security Lighting	21,239	20,575	20,735	20,850
A/C 621	Rent from Electric Property	36,036	39,011	36,244	37,097
A/C 622	Miscellaneous Electric Revenues	7,049	5,871	61,566	24,829
	Total Operating Revenues	<u>25,283,300</u>	<u>22,217,205</u>	<u>19,826,570</u>	<u>22,442,358</u>
Operation and Maintenance Expense					
	Electricity Purchased	\$ 16,801,780	\$ 13,744,587	\$ 12,967,383	\$ 14,504,583
	Transmission Expense	206,793	188,760	269,134	221,562
	Poles, Towers and Fixtures	13,967	35,887	28,512	26,122
	Distribution Expense	3,202,040	3,195,861	2,983,438	3,127,113
	Street Lighting and Signal Expense	225,280	139,348	133,411	166,013
	Customer Accounting and Collection	649,900	606,114	555,723	603,912
	Sales Expense	10,821	5,653	12,678	9,717
	Administrative and General Expense	511,358	139,139	809,918	486,805
	Depreciation	1,512,018	1,543,613	1,574,991	1,543,541
	Other Operating Expenses	-	1,151	-	384
	Taxes - Electric	745,895	793,274	920,597	819,922
	Uncollectible Revenues	8,633	15,782	13,583	12,666
	Total Operation and Maintenance Expenses	<u>23,888,485</u>	<u>20,409,169</u>	<u>20,269,368</u>	<u>21,522,340</u>
Income from Operations		\$ 1,394,815	\$ 1,808,036	\$ (442,798)	\$ 920,018
Other Income (Expense)					
	Interest Income	228	1,288	2,469	1,328
	Interest Expense	(170,350)	(158,173)	(149,697)	(159,407)
	Contractual Appropriations of Income	(518,103)	(520,851)	(459,748)	(499,567)
	Miscellaneous Interest Deductions	(8,247)	(2,150)	(109)	(3,502)
	Release of Premium on Debt	4,701	4,702	4,702	4,702
	Total Other Income (Expense)	<u>(691,771)</u>	<u>(675,184)</u>	<u>(602,383)</u>	<u>(656,446)</u>
Net Income (Loss)		\$ 703,044	\$ 1,132,852	\$ (1,045,181)	\$ 263,572
kWh Sales					
A/C 601	Residential Sales	265,205,918	258,109,304	233,645,598	252,320,273
A/C 602	Commercial Sales	96,536,490	96,478,277	91,677,044	94,897,270
A/C 603	Industrial Sales	90,735,320	85,864,400	87,983,420	88,194,380
A/C 604	Public Street Lighting - Operating Municipality	840,875	592,599	589,290	674,255
A/C 605	Public Street Lighting - Other	522,034	513,125	507,655	514,271
A/C 606	Other Sales to Operating Municipality	917,986	844,058	781,368	847,804
A/C 607	Other Sales to Other Public Authorities	0	0	0	0
A/C 608	Sales to Other Distributors	0	0	0	0
A/C 610	Security Lighting	144,420	147,616	149,058	147,031
	Total Operating Revenues	<u>454,903,043</u>	<u>442,549,379</u>	<u>415,333,433</u>	<u>437,595,284</u>

Exhibit 6

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT
STATEMENT OF SURPLUS**

	Fiscal 2014	Fiscal 2015	Fiscal 2016
BALANCE, beginning of year	\$ 25,442,391	\$ 25,840,011	\$ 26,699,818
Add:			
Net Income	703,044	1,132,852	(1,045,181)
Contributions for extensions	-	-	573,097
Deduct:			
Contributions to municipality	(305,424)	(273,045)	(182,782)
Prior period adjustment, if any	-	-	(31,616)
BALANCE, end of year	\$ 25,840,011	\$ 26,699,818	\$ 26,013,336

Exhibit 7

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

RATE OF RETURN STUDY

RATE BASE

Based on the Year Ended May 31, 2016 (Base Year)

	Reference (page, Column, Row)	(a) Fiscal Year	(b) Adjustments	(c) Adjusted Year	(d) Revenue Change	(e) Year After Revenue Change
35	Utility Plant in Service					
36	Construction WIP in Progress	\$ 50,750,493	\$ 3,996,476	\$ 54,746,969	\$ -	\$ 54,746,969
37	Total Utility Plant	19,120	(19,120)	-	-	-
38		50,769,613	3,977,356	54,746,969	-	54,746,969
39	Accumulated Provision for Depre and Amort RB, Ln 14 (c)	(21,851,525)	(2,870,813)	(24,722,338)	-	(24,722,338)
40						
41	Contribution for Extensions	(4,296,349)	(536,548)	(4,832,897)	-	(4,832,897)
42						
43	Net Utility Plant	24,621,739	569,995	25,191,734	-	25,191,734
44						
45	Materials and Supplies	977,433	-	977,433	-	977,433
46						
47	Prepayments	557,763	-	557,763	-	557,763
48						
49	Cash Working Capital	1,755,101	58,271	1,813,372	-	1,813,372
50						
51	Other: (Detail)					
52						
53						
54						
55						
56	Rate Base	\$ 27,912,036	\$ 628,266	\$ 28,540,302	\$ -	\$ 28,540,302
	ROR, Total Ln 43 => Ln 54					

Exhibit 8

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**RATE OF RETURN STUDY
CASH WORKING CAPITAL**

Based on the Year Ended May 31, 2016 (Base Year)

	Reference (page, Column, Row)	(a) Fiscal Year	(b) Adjustments	(c) Adjusted Year	(d) Revenue Change	(e) Year After Revenue Change
57 <u>Cash Working Capital</u>						
58 Total Operating Expenses	ROR, Ln 22	\$ 20,729,117	\$ 670,185	\$ 21,399,302	\$ -	\$ 21,399,302
59						
60 Deduct:						
61 Fuel	ROR, Ln 6					
62 Purchased Power	ROR, Ln 7	12,967,383	155,962	13,123,345	-	13,123,345
63 Depreciation	ROR, Ln 16	1,431,663	173,933	1,605,596	-	1,605,596
64 Other Taxes	ROR, Ln 17	920,597	(20,987)	899,610	-	899,610
65 Uncollectible	ROR, Ln 18	13,583	(917)	12,666	-	12,666
66						
67						
68 Unadjusted Amount	ROR, Ln 58 minus Ln 61 => Ln 67	5,395,891	362,194	5,758,085	-	5,758,085
69						
70 Working Capital - Operating Expenses @ 1/8	ROR, Ln 68/8	674,486	45,274	719,760	-	719,760
71						
72 Working Capital - Purchased Power @ 1/12	ROR, Ln 61/12	1,080,615	12,997	1,093,612	-	1,093,612
73						
74 Total Cash working Capital	ROR, Total Ln 70, Ln 72	\$ 1,755,101	\$ 58,271	\$ 1,813,372	\$ -	\$ 1,813,372

Exhibit 9

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**DETAIL OF RATE BASE
Based on the Year Ended May 31, 2016 (Base Year)**

	Reference (page, Column, Row)	(a) Balance at Beg of Year	(b) Balance at End of Year	(c) Average Balance	(d) Balance at Beg of Rate Year	(e) Balance at End of Rate Year	(f) Average Balance
1 Utility Plant in Service	Pg 104, Ln 2 (c) & (d)	\$ 50,151,567	\$ 51,349,419	\$ 50,750,493	\$ 53,500,596	\$ 55,993,341	\$ 54,746,969
2 Operating Property - Electric	Pg 104, Ln 3 (c) & (d)	-	-	-	-	-	-
3 Operating Property - Other Operations	Pg 104, Ln 4 (c) & (d)	-	-	-	-	-	-
4 Operating Property - General		-	-	-	-	-	-
5 Utility Plant in Service		\$ 50,151,567	\$ 51,349,419	\$ 50,750,493	\$ 53,500,596	\$ 55,993,341	\$ 54,746,969
6							
7 Construction Work in Progress	Pg 104, Ln 5 (c) & (d)	\$ 44,628	\$ (6,388)	\$ 19,120	\$ -	\$ -	\$ -
8							
9							
10							
11 Accumulated Provision for Depre and Amort							
12 Accumulated Provision for Depreciation	Pg 105, Ln 19 (c) & (d)	\$ 21,264,162	\$ 22,438,887	\$ 21,851,525	\$ 24,262,213	\$ 25,182,462	\$ 24,722,338
13 Accumulated Provision for Amortization	Pg 105, Ln 20 (c) & (d)	-	-	-	-	-	-
14 Accumulated Provision for Depre and Amort		\$ 21,264,162	\$ 22,438,887	\$ 21,851,525	\$ 24,262,213	\$ 25,182,462	\$ 24,722,338
15							
16 Contributions for Extensions	Pg 105, Ln 21 (c) & (d)	\$ 4,009,800	\$ 4,582,897	\$ 4,296,349	\$ 4,832,897	\$ 4,832,897	\$ 4,832,897
17							
18							
19							
20 Materials and Supplies	Pg 104, Ln 18 (c) & (d)	\$ 927,172	\$ 1,027,693	\$ 977,433	\$ 977,433	\$ 977,433	\$ 977,433
21							
22							
23							
24 Prepayments	Pg 104, Ln 23 (c) & (d)	\$ 561,243	\$ 554,282	\$ 557,763	\$ 557,763	\$ 557,763	\$ 557,763

Exhibit 10

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**DETAIL OF RATE OF RETURN
Based on the Year Ended May 31, 2016 (Base Year)**

Capital Structure		(a) Balance at Beg of Year	(b) Balance at End of Year	(c) Average Balance	(d) Balance at Beg of Rate Year	(e) Balance at End of Rate Year	(f) Average Balance
Reference (page, Column, Row)							
1 Debt							
2 Bonds	Pg 105, Ln 2 (c) & (d)	\$ 4,627,250	\$ 4,214,750	\$ 4,421,000	\$ 3,802,250	\$ 9,138,370	\$ 6,470,310
3 Equipment Obligations	Pg 105, Ln 3 (c) & (d)	-	-	-	-	-	-
4 Miscellaneous Long-Term Debt	Pg 105, Ln 4 (c) & (d)	317,256	567,362	442,309	613,056	340,607	476,832
5 Notes Payable	Pg 105, Ln 9 (c) & (d)	-	815,000	407,500	2,537,530	-	1,268,765
6 Matured Long-Term Debt	Pg 105, Ln 12 (c) & (d)	-	-	-	-	-	-
7 Unamortized Premium on Debt	Pg 105, Ln 28 (c) & (d)	35,057	30,355	32,706	25,262	20,560	22,911
8 Unamortized Debt Discount and Expense	Pg 104, Ln 28 (c) & (d)	-	-	-	-	-	-
9							
10							
11 Debt		\$ 4,979,563	\$ 5,627,467	\$ 5,303,515	\$ 6,978,098	\$ 9,499,537	\$ 8,238,818
12							
13							
14 Consumer Deposits	Pg 105, Ln 10 (c) & (d)	\$ 250,871	\$ 216,195	\$ 233,533	\$ 216,195	\$ 216,195	\$ 216,195
15							
16							
17 Surplus							
18 Contributions - Operating Municipality	Pg 105, Ln 32 (c) & (d)	\$ (11,804,033)	\$ (11,986,815)	\$ (11,895,424)	\$ (12,169,597)	\$ (12,352,379)	\$ (12,260,988)
19 Surplus	Pg 105, Ln 33 (c) & (d)	34,494,051	33,417,254	33,955,653	32,747,746	\$ 32,078,238	32,412,992
20 Deficit	Pg 104, Ln 37 (c) & (d)	-	-	-	-	-	-
21							
22							
23 Surplus		\$ 22,690,018	\$ 21,430,439	\$ 22,060,229	\$ 20,578,149	\$ 19,725,859	\$ 20,152,004
24							
25							
26 Interest Costs							
27 Interest on Debt							
28 Bonds	Pg 252, Ln 20 (k)			\$ 144,875		\$	\$ 122,953
29 Equipment Obligations	Pg 252, Ln 28 (k)			-			-
30 Miscellaneous Long-Term Debt	Pg 252, Ln 35 (k)			-			-
31 Notes Payable	Pg 250, Ln 22 (g)			-			37,941
32 Matured Long-Term Debt	N/A			-			-
33 Unamortized Premium on Debt	Pg 106, Ln 36 (c)			(4,702)			(4,702)
34 Amortization of Debt Premium	Pg 106, Ln 35 (c)			-			-
35							
36							
37							
38 Interest on Debt							
39 Cost Rate							
40							
41 Interest on Consumer Deposits	Pg 309, Ln 10 (f)	\$		\$ 140,173		\$	\$ 156,192
42 Cost Rate				2.64%			1.90%
						\$	\$ 109
							0.05%

Exhibit 11

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**REVENUE CHANGE
For the Historic Year Ended May 31, 2016
and the Rate Year Ending June 30, 2018**

	<u>Reference (Page, Column, Row)</u>	<u>Amount</u>	
106 Rate Base	ROR, Ln 30 (e)	\$28,540,302	
107			
108 Rate of Return	ROR, Ln 32 (e)	<u>3.00%</u>	
109			
110 Required Operating Income	ROR, Ln 106 * Ln 108	856,209	
111			
112 Adjusted Operating Income	ROR, Ln 28 (c)	<u>(669,508)</u>	
113			
114 Deficiency (Surplus)	ROR, Ln 110 - Ln 112	1,525,717	
115			
116 Retention Factor	ROR, Ln 132	<u>0.9995</u>	
117			
118 Revenue Increase (Decrease)	ROR, Ln 114 / Ln 116	<u>\$ 1,526,480</u>	
119			
120			
121			
122 Calculation of the Retention Factor		<u>Factor</u>	<u>Proof</u>
123 Sales Revenues		1.0000	\$ 1,526,480
124 - Revenue Taxes	N/A	N/A	N/A
125 - Uncollectibles	ROR, Ln 18/Ln 1	0.0005	763
126			
127			
128 Sub-Total	ROR, Ln123-Total Ln 124=>Ln127	<u>0.9995</u>	<u>1,525,717</u>
129			
130 Federal Income Tax @ 35%	N/A	<u>0.0000</u>	<u>-</u>
131			
132 Retention Factor	ROR, Ln 128-Ln 130	<u>0.9995</u>	<u>\$ 1,525,717</u>

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

CALCULATION OF AVERAGE LINE LOSS AND FACTOR OF ADJUSTMENT
Based on Line Losses for Fiscal Years 2011 Through 2016

	kWh Purchases	kWh Line Losses	Annual Line Loss	kWh Electric Department Use	kWh Sales
Fiscal Year 2011	472,054,840	-19,612,867	-0.041548	390,448	452,051,525
Fiscal Year 2012	444,593,660	-19,969,416	-0.044916	391,147	424,233,097
Fiscal Year 2013	458,238,911	-17,797,746	-0.038839	439,080	440,002,085
Fiscal Year 2014	474,446,545	-19,103,388	-0.040265	440,117	454,903,040
Fiscal Year 2015	462,317,461	-19,338,853	-0.041830	429,229	442,549,379
Fiscal Year 2016	438,780,134	-22,626,684	-0.051567	410,009	415,743,441
	2,750,431,551	-118,448,954		2,500,030	2,629,482,567

Average Line Loss

-0.043161

	kWh Purchases	kWh Sales	Annual Factor of Adjustment
Fiscal Year 2011	472,054,840	452,051,525	1.044250
Fiscal Year 2012	444,593,660	424,233,097	1.047994
Fiscal Year 2013	458,238,911	440,002,085	1.041447
Fiscal Year 2014	474,446,545	454,903,040	1.042962
Fiscal Year 2015	462,317,461	442,549,379	1.044669
Fiscal Year 2016	438,780,134	415,743,441	1.055411
	2,750,431,551	2,629,482,567	

Average Factor of Adjustment

1.046122

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

COMPARISON OF PRESENT AND PROPOSED RATES

	Present	Proposed	Increase \$	Increase %
<u>S.C. No. 1</u>				
Customer Charge	\$ 4.22	\$ 4.58	\$ 0.36	8.44%
Non-Winter Rate (April - November)				
Energy charge, per kWh	\$ 0.03690	\$ 0.04001	\$ 0.00311	8.44%
Winter Rate (December - March)				
Energy charge, per kWh				
first 1,000 kWh	\$ 0.03690	\$ 0.04001	\$ 0.00311	8.44%
over 1,000 kWh	\$ 0.05540	\$ 0.06008	\$ 0.00468	8.44%
<u>S.C. No. 2</u>				
Customer Charge	\$ 6.33	\$ 6.86	\$ 0.53	8.44%
Non-Winter Rate (April - November)				
Energy charge, per kWh	\$ 0.03690	\$ 0.04001	\$ 0.00311	8.44%
Winter Rate (December - March)				
Energy charge, per kWh	\$ 0.05540	\$ 0.06008	\$ 0.00468	8.44%
<u>S.C. No. 3</u>				
Demand Charge, per kW	\$ 3.17	\$ 3.44	\$ 0.27	8.44%
Energy Charge, per kWh	\$ 0.04330	\$ 0.04696	\$ 0.00366	8.44%
Minimum charge, per meter, per month	\$ 79.27	\$ 85.96	\$ 6.69	8.44%
<u>S.C. No. 4</u>				
Demand Charge, per kW	\$ 5.27	\$ 5.71	\$ 0.44	8.44%
Energy Charge, per kWh	\$ 0.02000	\$ 0.02169	\$ 0.00169	8.44%
Minimum charge, per meter, per month	\$ 2,637.10	\$ 2,859.71	\$ 222.61	8.44%
<u>S.C. No. 5</u>				
Rates per light, per month				
75 Watt HPS 175 Watt MV	\$ 5.97	\$ 6.47	\$ 0.50	8.44%
100 Watt HPS 250 Watt MV	\$ 7.12	\$ 7.72	\$ 0.60	8.44%
150 Watt HPS 375 Watt MV	\$ 8.44	\$ 9.15	\$ 0.71	8.44%
250 Watt HPS 400 Watt MV	\$ 9.77	\$ 10.59	\$ 0.82	8.44%
400 Watt HPS 1000 Watt MV	\$ 17.41	\$ 18.88	\$ 1.47	8.44%
<u>S.C. No. 6</u>				
Facilities Charge, per Lamp, per month	\$ 9.77	\$ 10.59	\$ 0.82	8.44%
Energy Charge, per kWh	\$ 0.02760	\$ 0.02993	\$ 0.00233	8.44%

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**COMPARISON OF MONTHLY BILLS**
S.C. NO. 1 - RESIDENTIAL SERVICE (APRIL - NOVEMBER)

kWh	Present		Proposed		Increase \$	Increase %
0	\$	4.22	\$	4.58	\$ 0.36	8.53%
2	\$	4.30	\$	4.67	\$ 0.37	8.51%
10	\$	4.64	\$	5.03	\$ 0.39	8.43%
25	\$	5.27	\$	5.71	\$ 0.44	8.30%
50	\$	6.33	\$	6.84	\$ 0.52	8.15%
75	\$	7.38	\$	7.97	\$ 0.59	8.04%
100	\$	8.44	\$	9.11	\$ 0.67	7.95%
150	\$	10.54	\$	11.37	\$ 0.83	7.84%
200	\$	12.65	\$	13.63	\$ 0.98	7.76%
250	\$	14.76	\$	15.90	\$ 1.14	7.71%
500	\$	25.30	\$	27.21	\$ 1.92	7.57%
750	\$	35.83	\$	38.53	\$ 2.69	7.51%
1,000	\$	46.37	\$	49.84	\$ 3.47	7.48%
1,500	\$	67.45	\$	72.47	\$ 5.03	7.45%
2,000	\$	88.52	\$	95.10	\$ 6.58	7.43%
5,000	\$	214.98	\$	230.89	\$ 15.91	7.40%
PPA/kWh include *	\$	0.005251	\$	0.005251		

* = PPAC Factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**COMPARISON OF MONTHLY BILLS**
S.C. NO. 1 - RESIDENTIAL SERVICE (DECEMBER - MARCH)

kWh	Present		Proposed		Increase \$	Increase %
0	\$	4.22	\$	4.58	\$ 0.36	8.53%
2	\$	4.30	\$	4.67	\$ 0.37	8.51%
10	\$	4.64	\$	5.03	\$ 0.39	8.43%
25	\$	5.27	\$	5.71	\$ 0.44	8.30%
50	\$	6.33	\$	6.84	\$ 0.52	8.15%
75	\$	7.38	\$	7.97	\$ 0.59	8.04%
100	\$	8.44	\$	9.11	\$ 0.67	7.95%
150	\$	10.54	\$	11.37	\$ 0.83	7.84%
200	\$	12.65	\$	13.63	\$ 0.98	7.76%
250	\$	14.76	\$	15.90	\$ 1.14	7.71%
500	\$	25.30	\$	27.21	\$ 1.92	7.57%
750	\$	35.83	\$	38.53	\$ 2.69	7.51%
1,000	\$	46.37	\$	49.84	\$ 3.47	7.48%
1,500	\$	76.70	\$	82.51	\$ 5.81	7.58%
2,000	\$	107.02	\$	115.17	\$ 8.15	7.62%
5,000	\$	288.98	\$	311.17	\$ 22.19	7.68%
PPA/kWh include *	\$	0.005251	\$	0.005251		

* = PPAC Factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**COMPARISON OF MONTHLY BILLS**
S.C. NO. 2 - SMALL COMMERCIAL SERVICE (APRIL - NOVEMBER)

kWh	Present		Proposed		Increase \$	Increase %
0	\$	6.33	\$	6.86	\$ 0.53	8.37%
2	\$	6.41	\$	6.95	\$ 0.54	8.36%
10	\$	6.75	\$	7.31	\$ 0.56	8.31%
25	\$	7.38	\$	7.99	\$ 0.61	8.23%
50	\$	8.44	\$	9.12	\$ 0.69	8.12%
75	\$	9.49	\$	10.25	\$ 0.76	8.04%
100	\$	10.55	\$	11.39	\$ 0.84	7.98%
150	\$	12.65	\$	13.65	\$ 1.00	7.88%
200	\$	14.76	\$	15.91	\$ 1.15	7.80%
250	\$	16.87	\$	18.18	\$ 1.31	7.75%
500	\$	27.41	\$	29.49	\$ 2.09	7.61%
750	\$	37.94	\$	40.81	\$ 2.86	7.54%
1,000	\$	48.48	\$	52.12	\$ 3.64	7.51%
1,500	\$	69.56	\$	74.75	\$ 5.20	7.47%
2,000	\$	90.63	\$	97.38	\$ 6.75	7.45%
5,000	\$	217.09	\$	233.17	\$ 16.08	7.41%
10,000	\$	427.84	\$	459.47	\$ 31.63	7.39%
PPA/kWh include *	\$	0.005251	\$	0.005251		

* = PPAC Factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**COMPARISON OF MONTHLY BILLS**
S.C. NO. 2 - SMALL COMMERCIAL SERVICE (DECEMBER - MARCH)

kWh	Present		Proposed		Increase \$	Increase %
0	\$	6.33	\$	6.86	\$ 0.53	8.37%
2	\$	6.45	\$	6.99	\$ 0.54	8.36%
10	\$	6.94	\$	7.51	\$ 0.58	8.32%
25	\$	7.85	\$	8.49	\$ 0.65	8.25%
50	\$	9.36	\$	10.13	\$ 0.76	8.16%
75	\$	10.88	\$	11.76	\$ 0.88	8.10%
100	\$	12.40	\$	13.39	\$ 1.00	8.05%
150	\$	15.43	\$	16.66	\$ 1.23	7.99%
200	\$	18.46	\$	19.93	\$ 1.47	7.94%
250	\$	21.49	\$	23.19	\$ 1.70	7.91%
500	\$	36.66	\$	39.53	\$ 2.87	7.83%
750	\$	51.82	\$	55.86	\$ 4.04	7.80%
1,000	\$	66.98	\$	72.19	\$ 5.21	7.78%
1,500	\$	97.31	\$	104.86	\$ 7.55	7.76%
2,000	\$	127.63	\$	137.52	\$ 9.89	7.75%
5,000	\$	309.59	\$	333.52	\$ 23.93	7.73%
10,000	\$	612.84	\$	660.17	\$ 47.33	7.72%
PPA/kWh include *	\$	0.005251	\$	0.005251		

* = PPAC Factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTCOMPARISON OF MONTHLY BILLS
S.C. NO. 3 - LARGE COMMERCIAL SERVICE

kW	kWh	Present	Proposed	Increase \$	Increase %
50	1,000	\$ 207.05	\$ 224.21	\$ 17.16	8.29%
	1,500	\$ 231.33	\$ 250.32	\$ 18.99	8.21%
	2,000	\$ 255.60	\$ 276.42	\$ 20.82	8.15%
75	2,000	\$ 334.85	\$ 362.42	\$ 27.57	8.23%
	3,000	\$ 383.40	\$ 414.63	\$ 31.23	8.15%
	4,000	\$ 431.96	\$ 466.85	\$ 34.89	8.08%
100	5,000	\$ 559.76	\$ 605.06	\$ 45.30	8.09%
	7,500	\$ 681.13	\$ 735.58	\$ 54.45	7.99%
	10,000	\$ 802.51	\$ 866.11	\$ 63.60	7.93%
PPA/kWh include *		\$ 0.005251	\$ 0.005251		

* = PPAC Factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**COMPARISON OF MONTHLY BILLS**
S.C. NO. 4 - INDUSTRIAL POWER SERVICE

kW	kWh	Present	Proposed	Increase \$	Increase %
500	10,000	\$ 2,887.51	\$ 3,124.41	\$ 236.90	8.20%
	15,000	\$ 3,013.77	\$ 3,259.12	\$ 245.35	8.14%
	20,000	\$ 3,140.03	\$ 3,393.83	\$ 253.80	8.08%
750	20,000	\$ 4,457.53	\$ 4,821.33	\$ 363.80	8.16%
	30,000	\$ 4,710.04	\$ 5,090.74	\$ 380.70	8.08%
	40,000	\$ 4,962.55	\$ 5,360.15	\$ 397.60	8.01%
1,000	50,000	\$ 6,532.57	\$ 7,057.07	\$ 524.50	8.03%
	75,000	\$ 7,163.85	\$ 7,730.60	\$ 566.75	7.91%
	100,000	\$ 7,795.13	\$ 8,404.13	\$ 609.00	7.81%
PPA/kWh include *		\$ 0.005251	\$ 0.005251		

* = PPAC Factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**COMPARISON OF MONTHLY BILLS**
S.C. NO. 5 - SECURITY LIGHTING SERVICE

Type of Lamps	Present	Proposed	Increase \$	Increase %
75 Watt HPS 175 Watt MV	\$ 5.97	\$ 6.47	\$ 0.50	8.38%
100 Watt HPS 250 Watt MV	\$ 7.12	\$ 7.72	\$ 0.60	8.43%
150 Watt HPS 375 Watt MV	\$ 8.44	\$ 9.15	\$ 0.71	8.41%
250 Watt HPS 400 Watt MV	\$ 9.77	\$ 10.59	\$ 0.82	8.39%
400 Watt HPS 1000 Watt MV	\$ 17.41	\$ 18.88	\$ 1.47	8.44%

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

COMPARISON OF MONTHLY BILLS
S.C. NO. 6 - PUBLIC STREET LIGHTING SERVICES

kW	Present		Proposed		Increase \$	Increase %
50	\$	11.41	\$	12.35	\$ 0.94	8.21%
75	\$	12.23	\$	13.23	\$ 0.99	8.13%
100	\$	13.06	\$	14.11	\$ 1.05	8.07%
125	\$	13.88	\$	14.99	\$ 1.11	8.01%
150	\$	14.70	\$	15.87	\$ 1.17	7.96%
175	\$	15.52	\$	16.75	\$ 1.23	7.91%
200	\$	16.34	\$	17.63	\$ 1.29	7.87%
PPA/kWh include *	\$	0.005251	\$	0.005251		

* = PPAC Factor in effect during Rate Year (equivalent to average PPAC Factor in Base Year)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTOPERATING PROPERTY ANALYSIS
June 1, 2016 through May 31, 2017

	5/31/2016 Beg of Yr. Bal.	Actual Additions 6/1/16 to 9/30/2016	Actual Retirements 6/1/16 to 9/30/2016	Estimated Additions, net of retirements 10/1/16 to 5/31/17	Projected 5/31/2017 End of Yr. Bal	rate year additions, net of retirements	Projected 6/30/2018 End of Yr. Bal
301 \$	100	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 100
302 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
311 \$	600,069	\$ -	\$ -	\$ -	\$ 600,069	\$ -	\$ 600,069
312 \$	5,594,647	\$ -	\$ -	\$ -	\$ 5,594,647	\$ -	\$ 5,594,647
321 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
322 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
323 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
325 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
332 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
333 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
334 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
344 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
345 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
351 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
352 \$	7,486,708	\$ 132,662	\$ -	\$ 884,450	\$ 8,503,820	\$ 1,779,400	\$ 10,283,220
353 \$	61,562	\$ -	\$ -	\$ -	\$ 61,562	\$ -	\$ 61,562
354 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
358 \$	5,975,686	\$ 92,917	\$ (82,600)	\$ 380,094	\$ 6,366,097	\$ 390,411	\$ 6,756,508
359 \$	2,984,380	\$ 56,501	\$ (6,027)	\$ -	\$ 3,034,854	\$ -	\$ 3,034,854
361 \$	474,146	\$ -	\$ -	\$ -	\$ 474,146	\$ -	\$ 474,146
362 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
363 \$	4,605,792	\$ 15,444	\$ (5,240)	\$ 130,000	\$ 4,745,996	\$ -	\$ 4,745,996
364 \$	8,518,322	\$ 318,598	\$ (15,497)	\$ -	\$ 8,821,423	\$ 214,221	\$ 9,035,644
365 \$	7,025,811	\$ 51,105	\$ (1,474)	\$ 80,000	\$ 7,155,442	\$ -	\$ 7,155,442
366 \$	292,192	\$ 639	\$ (143)	\$ 10,000	\$ 302,688	\$ -	\$ 302,688
367 \$	551,883	\$ -	\$ -	\$ -	\$ 551,883	\$ -	\$ 551,883
368 \$	1,642,218	\$ 15,728	\$ (15,270)	\$ -	\$ 1,642,676	\$ -	\$ 1,642,676
369 \$	255,585	\$ -	\$ -	\$ -	\$ 255,585	\$ -	\$ 255,585
370 \$	61,502	\$ -	\$ -	\$ -	\$ 61,502	\$ -	\$ 61,502
371 \$	1,200,096	\$ 2,983	\$ (1,269)	\$ -	\$ 1,201,810	\$ -	\$ 1,201,810
381 \$	83,310	\$ -	\$ -	\$ -	\$ 83,310	\$ -	\$ 83,310
382 \$	61,673	\$ -	\$ -	\$ -	\$ 61,673	\$ -	\$ 61,673
383 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384 \$	3,092,500	\$ -	\$ -	\$ 107,577	\$ 3,200,077	\$ 38,213	\$ 3,238,290
385 \$	439,107	\$ -	\$ -	\$ -	\$ 439,107	\$ 70,500	\$ 509,607
386 \$	77,916	\$ -	\$ -	\$ -	\$ 77,916	\$ -	\$ 77,916
387 \$	264,213	\$ -	\$ -	\$ -	\$ 264,213	\$ -	\$ 264,213
388 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
392 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
393 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	51,349,418	\$ 686,577	\$ (127,520)	\$ 1,592,121	\$ 53,500,596	\$ 2,492,745	\$ 55,993,341
	(a)	(b)	(c)	(d)			

(a) - Includes capitalized salaries, materials and related overhead. These amounts represent actual amounts capitalized for period June 1, 2016 through September 30, 2016

(b) - Historic value of operating property retired during the period June 1, 2016 through September 30, 2016

(c) - Represents estimated operating property additions to be made during the period October 1, 2015 through May 31, , net of anticipated retirements.

(d) - Represents estimated operating property additions to be made during the Rate Year, net of anticipated retirements.

PERIOD OCTOBER 1, 2016 TO MAY 31, 2017 - PER CAPITAL BUDGET				RATE YEAR - PER CAPITAL BUDGET			
ACCOUNT NUMBER	ADDITION AMOUNT	RETIREMENT AMOUNT	NET ADDITION AMOUNT	ADDITION AMOUNT	RETIREMENT AMOUNT	NET ADDITION AMOUNT	
* 352	\$ 1,263,500	\$ (379,050)	\$ 884,450	\$ 2,593,814	\$ (778,144)	\$ 1,815,670	
(e) 358	\$ 426,808	\$ (46,714)	\$ 380,094	\$ 519,725	\$ (129,314)	\$ 390,411	
* 363	\$ 185,714	\$ (55,714)	\$ 130,000	\$ -	\$ -	\$ -	
* 364	\$ -	\$ -	\$ -	\$ 306,030	\$ (91,809)	\$ 214,221	
* 365	\$ 114,286	\$ (34,286)	\$ 80,000	\$ -	\$ -	\$ -	
* 366	\$ 14,286	\$ (4,286)	\$ 10,000	\$ -	\$ -	\$ -	
(f) 384	\$ 298,000	\$ (190,423)	\$ 107,577	\$ 305,000	\$ (266,787)	\$ 38,213	
(g) 385	\$ -	\$ -	\$ -	\$ 75,000	\$ (4,500)	\$ 70,500	
\$	2,302,594	\$ (710,473)	\$ 1,592,121	\$ 3,799,569	\$ (1,270,554)	\$ 2,529,015	

* - retirement equal to 30% of addition, based on conservative estimate

(e) - retirement based on three year averages

(f) - retirement based on actual known historic cost of asset

(g) - see exhibit 15 for detail

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTDEPRECIATION CALCULATIONS
Year ended May 31, 2017

	5/31/2016 Beg of Yr. Bal.	5/31/2017 End of Yr. Bal.	Average Gross Balance	Less: Contributions for Extensions	Avg. Balance Subject to Depreciation	Dep. Rate	Deprec. Expen. A/C #	Amt	Depr. Reser. Beg of Yr. Bal.	Retirements	End of Yr. Bal.	Remaining Cost
301	\$ 100	\$ 100	\$ 100	\$ -	\$ 100				\$ -	\$ -	\$ -	\$ 100
302	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
303	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
311	\$ 600,069	\$ 600,069	\$ 600,069	\$ -	\$ 600,069				\$ -	\$ -	\$ -	\$ 600,069
312	\$ 5,594,647	\$ 5,594,647	\$ 5,594,647	\$ -	\$ 5,594,647	1.7%	743	\$ 95,109	\$ 1,211,013	\$ -	\$ 1,306,122	\$ 4,288,525
321	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
322	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
323	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
325	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
331	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
332	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
333	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
334	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
342	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
344	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
345	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
351	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
352	\$ 7,486,708	\$ 8,503,820	\$ 7,995,264	\$ -	\$ 7,995,264	4.0%	733	\$ 319,811	\$ 4,114,122	\$ -	\$ 4,433,933	\$ 4,069,887
353	\$ 61,562	\$ 61,562	\$ 61,562	\$ -	\$ 61,562	3.6%	733	\$ 2,216	\$ 19,023	\$ -	\$ 21,239	\$ 40,323
354	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
358	\$ 5,975,686	\$ 6,366,097	\$ 6,170,892	\$ -	\$ 6,170,892	4.0%	738	\$ 246,836	\$ 961,454	\$ (82,600)	\$ 1,125,690	\$ 5,240,407
359	\$ 2,984,380	\$ 3,034,854	\$ 3,009,617	\$ -	\$ 3,009,617	2.5%	738	\$ 75,240	\$ 870,655	\$ (6,027)	\$ 939,868	\$ 2,094,986
361	\$ 474,146	\$ 474,146	\$ 474,146	\$ -	\$ 474,146	4.0%	743	\$ 18,966	\$ 473,871	\$ -	\$ 492,837	\$ (18,691)
362	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
363	\$ 4,605,792	\$ 4,745,996	\$ 4,675,894	\$ -	\$ 4,675,894	3.6%	743	\$ 168,332	\$ 2,511,989	\$ (5,240)	\$ 2,675,081	\$ 2,070,915
364	\$ 8,518,322	\$ 8,821,423	\$ 8,669,873	\$ -	\$ 8,669,873	4.0%	743	\$ 346,795	\$ 4,278,146	\$ (15,497)	\$ 4,609,444	\$ 4,211,979
365	\$ 7,025,811	\$ 7,155,442	\$ 7,090,627	\$ -	\$ 7,090,627	4.0%	743	\$ 283,625	\$ 4,784,976	\$ (1,474)	\$ 5,067,127	\$ 2,088,315
366	\$ 292,192	\$ 302,688	\$ 297,440	\$ -	\$ 297,440	3.6%	743	\$ 10,708	\$ 226,937	\$ (143)	\$ 237,502	\$ 65,186
367	\$ 551,883	\$ 551,883	\$ 551,883	\$ -	\$ 551,883	4.0%	743	\$ 22,075	\$ 193,068	\$ -	\$ 215,143	\$ 336,740
368	\$ 1,642,218	\$ 1,642,676	\$ 1,642,447	\$ -	\$ 1,642,447	4.0%	743	\$ 65,698	\$ 930,157	\$ (15,270)	\$ 980,585	\$ 662,091
369	\$ 255,585	\$ 255,585	\$ 255,585	\$ -	\$ 255,585	4.0%	743	\$ 10,223	\$ 159,200	\$ -	\$ 169,423	\$ 86,162
370	\$ 61,502	\$ 61,502	\$ 61,502	\$ -	\$ 61,502	3.6%	743	\$ 2,214	\$ 27,273	\$ -	\$ 29,487	\$ 32,015
371	\$ 1,200,096	\$ 1,201,810	\$ 1,200,953	\$ -	\$ 1,200,953	4.0%	753	\$ 48,038	\$ 553,430	\$ (1,269)	\$ 600,199	\$ 601,611
381	\$ 83,310	\$ 83,310	\$ 83,310	\$ -	\$ 83,310	5.0%	788	\$ 4,166	\$ 54,666	\$ -	\$ 58,832	\$ 24,478
382	\$ 61,673	\$ 61,673	\$ 61,673	\$ -	\$ 61,673	5.0%	802	\$ 3,084	\$ 41,825	\$ -	\$ 44,909	\$ 16,764
383	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
384	\$ 3,092,500	\$ 3,200,077	\$ 3,146,289	\$ (817,362)	\$ 2,328,927	12.5%	804	\$ 291,116	\$ 2,187,214	\$ -	\$ 2,478,330	\$ 721,747
385	\$ 439,107	\$ 439,107	\$ 439,107	\$ -	\$ 439,107	12.5%	788	\$ 54,888	\$ 343,179	\$ -	\$ 398,067	\$ 41,040
386	\$ 77,916	\$ 77,916	\$ 77,916	\$ -	\$ 77,916	5.0%	743	\$ 3,896	\$ 69,175	\$ -	\$ 73,071	\$ 4,845
387	\$ 264,213	\$ 264,213	\$ 264,213	\$ -	\$ 264,213	8.0%	743	\$ 21,137	\$ 208,187	\$ -	\$ 229,324	\$ 34,889
388	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
391	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
392	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
393	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
(a)	\$ -	\$ -	\$ -	\$ -	\$ -		793	\$ (143,328)	\$ (1,780,672)	\$ -	\$ (1,924,000)	\$ -
	\$ 51,349,418	\$ 53,500,596	\$ 52,425,009	\$ (817,362)	\$ 51,607,647			\$ 1,950,845	\$ 22,438,888	\$ (127,520)	\$ 24,262,213	\$ 27,314,383

(b), (c)

Amount of depreciation expense charged to:

A/C #	Amount Charged
733	\$ 322,027
738	\$ 322,076
743	\$ 1,048,778
753	\$ 48,038
788	\$ 59,054
793	\$ (143,328) (a)
Deprec Expense	<u>\$ 1,656,645</u>

802/804 (Clearing)	\$ 294,200
	<u>\$ 1,950,845</u>

(a) Recapture of prior year depreciation on Contributed Operating Property

(b) Exclusion of Contributions for Extension in Depreciation Expense calculation is not necessary (except for (c) below), as there is a general reduction of annual depreciation expense noted in (a), which replaces the exclusion.

(c) Subsequent to FMC adopting the straight-line recapture method outlined in (B) above, we have acquired several trucks that are considered contributed property, as these assets are financed by the utilities customers through the PPAC portion of their bill, and therefore not depreciated. By May 31, 2017, FMC will have a total of 4 vehicles covered by NYPA Loans (considered contributed property and therefore not depreciated). These four vehicles total \$817,362. These four vehicles are the only contributed property not covered by (B) above and therefore we are breaking them out separately.

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTDEPRECIATION CALCULATIONS
Rate Year

	5/31/2017 Beg of Yr. Bal.	5/31/2018 End of Yr. Bal.	Average Gross Balance	Less: Contributions for Extensions	Avg. Balance Subject to Depreciation	Dep. Rate	Deprec. A/C #	Expen. Amt	Depr. Reser. Beg of Yr. Bal.	Retirements	End of Yr. Bal.	Remaining Cost
301 \$	100	100	100	-	100				-	-	-	100
302 \$	-	-	-	-	-				-	-	-	-
303 \$	-	-	-	-	-				-	-	-	-
311 \$	600,069	600,069	600,069	-	600,069				-	-	-	600,069
312 \$	5,594,647	5,594,647	5,594,647	-	5,594,647	1.7%	743	\$ 95,109	1,306,122	-	1,401,231	4,193,416
321 \$	-	-	-	-	-				-	-	-	-
322 \$	-	-	-	-	-				-	-	-	-
323 \$	-	-	-	-	-				-	-	-	-
325 \$	-	-	-	-	-				-	-	-	-
331 \$	-	-	-	-	-				-	-	-	-
332 \$	-	-	-	-	-				-	-	-	-
333 \$	-	-	-	-	-				-	-	-	-
334 \$	-	-	-	-	-				-	-	-	-
342 \$	-	-	-	-	-				-	-	-	-
344 \$	-	-	-	-	-				-	-	-	-
345 \$	-	-	-	-	-				-	-	-	-
351 \$	-	-	-	-	-				-	-	-	-
352 \$	8,503,820	10,283,220	9,393,520	-	9,393,520	4.0%	733	\$ 375,741	4,433,933	(736,200)	4,073,474	6,209,746
353 \$	61,562	61,562	61,562	-	61,562	3.6%	733	\$ 2,216	21,239	-	23,455	38,107
354 \$	-	-	-	-	-				-	-	-	-
358 \$	6,366,097	6,756,508	6,561,303	-	6,561,303	4.0%	738	\$ 262,452	1,125,690	(129,000)	1,259,142	5,497,366
359 \$	3,034,854	3,034,854	3,034,854	-	3,034,854	2.5%	738	\$ 75,871	939,868	-	1,015,739	2,019,115
361 \$	474,146	474,146	474,146	-	474,146	4.0%	743	\$ 18,966	492,837	-	511,803	(37,657)
362 \$	-	-	-	-	-				-	-	-	-
363 \$	4,745,996	4,745,996	4,745,996	-	4,745,996	3.6%	743	\$ 170,856	2,675,081	-	2,845,937	1,900,059
364 \$	8,821,423	9,035,644	8,928,534	-	8,928,534	4.0%	743	\$ 357,141	4,609,444	-	4,966,585	4,069,059
365 \$	7,155,442	7,155,442	7,155,442	-	7,155,442	4.0%	743	\$ 286,218	5,067,127	-	5,353,345	1,802,097
366 \$	302,688	302,688	302,688	-	302,688	3.6%	743	\$ 10,897	237,502	-	248,399	54,289
367 \$	551,883	551,883	551,883	-	551,883	4.0%	743	\$ 22,075	215,143	-	237,218	314,665
368 \$	1,642,676	1,642,676	1,642,676	-	1,642,676	4.0%	743	\$ 65,707	980,585	-	1,046,292	596,384
369 \$	255,585	255,585	255,585	-	255,585	4.0%	743	\$ 10,223	169,423	-	179,646	75,939
370 \$	61,502	61,502	61,502	-	61,502	3.6%	743	\$ 2,214	29,487	-	31,701	29,801
371 \$	1,201,810	1,201,810	1,201,810	-	1,201,810	4.0%	753	\$ 48,072	600,199	-	648,271	553,539
381 \$	83,310	83,310	83,310	-	83,310	5.0%	788	\$ 4,166	58,832	-	62,998	20,312
382 \$	61,673	61,673	61,673	-	61,673	5.0%	802	\$ 3,084	44,909	-	47,993	13,680
383 \$	-	-	-	-	-				-	-	-	-
384 \$	3,200,077	3,238,290	3,219,184	(817,362)	2,401,822	12.5%	804	\$ 300,228	2,478,330	(266,787)	2,511,771	726,519
385 \$	439,107	509,607	474,357	-	474,357	12.5%	788	\$ 59,295	398,067	-	457,362	52,245
386 \$	77,916	77,916	77,916	-	77,916	5.0%	743	\$ 3,896	73,071	-	76,967	949
387 \$	264,213	264,213	264,213	-	264,213	8.0%	743	\$ 21,137	229,324	-	250,461	13,752
388 \$	-	-	-	-	-				-	-	-	-
391 \$	-	-	-	-	-				-	-	-	-
392 \$	-	-	-	-	-				-	-	-	-
393 \$	-	-	-	-	-				-	-	-	-
(a) \$	-	-	-	-	-		793	\$ (143,328)	(1,924,000)	-	(2,067,328)	-
\$ 53,500,596	\$ 55,993,341	\$ 54,746,970	\$ (817,362)	\$ 53,929,608				\$ 2,052,236	\$ 24,262,213	\$ (1,131,987)	\$ 25,182,462	\$ 28,743,551

Amount of depreciation expense charged to:

A/C #	Amount Charged
733	\$ 377,957
738	\$ 338,323
743	\$ 1,064,439
753	\$ 48,072
788	\$ 63,461
793	\$ (143,328)
Deprec Expense	\$ 1,748,924

802/804 (Clearing)	\$ 303,312
	<u>\$ 2,052,236</u>

(a) Recapture of prior year depreciation on Contributed Operating Property

(b) Exclusion of Contributions for Extension in Depreciation Expense calculation is not necessary (except for (c) below), as there is a general reduction of annual depreciation expense noted in (a), which replaces the exclusion.

(c) Subsequent to FMC adopting the straight-line recapture method outlined in (B) above, we have acquired several trucks that are considered contributed property, as these assets are financed by the utilities customers through the PPAC portion of their bill, and therefore not depreciated. By May 31, 2017, FMC will have a total of 4 vehicles covered by NYPA Loans (considered contributed property and therefore not depreciated). These four vehicles total \$817,362. These four vehicles are the only contributed property not covered by (B) above and therefore we are breaking them out separately. We cannot anticipate any new contributed vehicles to be acquired between May 31, 2017 and the end of the rate year.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

FORECASTED CAPITAL IMPROVEMENTS

The Department has identified certain capital improvements expected to be completed during the Fiscal Year May 31, 2017 and the Rate Year. These improvements include material costs and capitalized labor and overhead, and are reported net of retirement values.

Period October 1, 2016 to May 31, 2017 - Per Capital Budget

Account	Type	Capitalized Labor	Capitalized Material	Total Cost	
352	<u>Distribution Substation Equipment</u>				
	Hogan Substation Upgrades	\$ -	\$ 779,450	\$ 779,450	(a)
	Hogan Control Building Flood Prevention	\$ -	\$ 105,000	\$ 105,000	(a)
		\$ -	\$ 884,450	\$ 884,450	
358	<u>Poles, Towers and Fixtures</u>				
	General upgrades and installations **	\$ 114,028	\$ 266,066	\$ 380,094	(b)
363	<u>Distribution OH Conductors</u>				
	Subdivision Work **	\$ 39,000	\$ 91,000	\$ 130,000	(b)
365	<u>Line Transformers</u>				
	Subdivision Work **	\$ 24,000	\$ 56,000	\$ 80,000	(b)
366	<u>Overhead Services</u>				
	Various Projects **	\$ 3,000	\$ 7,000	\$ 10,000	(b)
384	<u>Transportation Equipment</u>				
	Digger Derrick	\$ -	\$ 88,098	\$ 88,098	
	F550 Dump Truck	\$ -	\$ 19,479	\$ 19,479	
		\$ -	\$ 107,577	\$ 107,577	
		\$ 180,028	\$ 1,412,093	\$ 1,592,121	

(a) Capitalized cost of upgrades planned for Hogan Substation, net of retirement @ 30%

(b) Capitalized cost of upgrades planned for Projects Church Street, Manor Hill, Whitney Farms, Birling Gap, Perinton Hills

Rate Year - Per Capital Budget

Account	Type	Capitalized Labor	Capitalized Material	Total Cost	Anticipated Retirement Values
352	<u>Distribution Substation Equipment</u>				
	Hogan Substation Upgrades	\$ 161,814	\$ 2,432,000	\$ 2,593,814	\$ (778,144)
358	<u>Poles, Towers and Fixtures</u>				
	General upgrades and installations **	\$ 300,000	\$ 219,725	\$ 519,725	\$ (129,314)
364	<u>Distribution Underground Conduits</u>				
	Annual cable injection	\$ -	\$ 306,030	\$ 306,030	\$ (91,809)
384	<u>Transportation Equipment</u>				
	Ford Escape Hybrid	\$ -	\$ 30,000	\$ 30,000	\$ (29,526)
	Bucket Truck	\$ -	\$ 275,000	\$ 275,000	\$ (237,261)
		\$ -	\$ 305,000	\$ 305,000	\$ (266,787)
385	<u>Communication Equipment</u>				
	Network Virtualization	\$ -	\$ 30,000	\$ 30,000	\$ -
	Fiber Optic Extension/Tie In to County/FMC Fiber	\$ -	\$ 30,000	\$ 30,000	\$ -
	Slurry Seal-FMC Operations Center	\$ -	\$ 15,000	\$ 15,000	\$ (4,500)
		\$ -	\$ 75,000	\$ 75,000	\$ (4,500)
	Total Rate Year Capital Improvements	\$ 461,814	\$ 3,337,755	\$ 3,799,569	\$ (1,270,554)

** - represents 3 year average (2016, 2015, 2014) of installations and retirements and operation plan of known projects.

REVISED TARIFF LEAVES

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 1
REVISION: 4
SUPERSEDING REVISION: 3

COVER

VILLAGE OF FAIRPORT
CONCURRENCE TARIFF

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 2
REVISION: 6
SUPERSEDING REVISION: 5

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PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 3
REVISION: 4
SUPERSEDING REVISION: 3

GENERAL INFORMATION

A. CONCURRENCE:

The Village of Fairport concurs in and agrees to abide by the rules and regulations as set forth in the generic tariff filed by the New York Municipal Power Agency (NYMPA) in Case No. 97-E-1575.

B. TERRITORY TO WHICH SCHEDULE APPLIES:

These rates, rules and regulations are applicable to the Village of Fairport and that portion of the Town of Perinton served under franchises granted to the Village of Fairport.

PSC NO: 1 ELECTRICITY
 COMPANY: VILLAGE OF FAIRPORT
 INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 4
 REVISION: 7
 SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 1
 Residential

APPLICABLE TO USE OF SERVICE FOR:

Single-phase residential purpose usage in an individual residence; in an individual flat or individual apartment in a multiple-family dwelling; for residential purposes in a rooming house where not more than four (4) rooms are available for rent; and for single phase farm service when supplied through the farm residence meter; use exclusively in connection with religious purposes by corporations or associations organized and conducted in good faith for religious purposes, and including the operation by such corporation or association of a school, notwithstanding that secular subjects are taught at such school; for single-phase service exclusively in connection with a community residence as defined in subdivision 28, 28A or 28B of section 1.03 of the Mental Hygiene Law, provided that such residence is operated by a not-for-profit corporation and if supervisory staff is on site on a twenty-four hour per day basis that the residence provides living accommodations for fourteen or fewer residents; and use for any post or hall owned or leased by a not-for-profit organization that is a veterans organization.

CHARACTER OF SERVICE:

Continuous, Alternating Current at approximately 60 cycle, 120 Volt, two wire or 120/240 volt, three wire single phase, depending upon the characteristics of the load and the circuits from which service is supplied.

MONTHLY RATE:

	<u>Rate</u>
Customer Service Charge	\$ 4.58
Energy Charge, per kWh	
Non-Winter (April - November)	\$ 0.04001
Winter (December - March)	
First 1,000 kWh	\$ 0.04001
Over 1,000 kWh	\$ 0.06008

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 5
REVISION: 6
SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 1 (CONT'D)
Residential

SPECIAL PROVISIONS:

- A. Electricity will not be supplied under this classification when any part of the building, house, flat or apartment occupied as a home, residence or sleeping place is also used for the conduct of a business or any activity non-residential in character, unless the wiring is separate and the part devoted to such non-residential purposes is metered and billed under another and appropriate classification.
- B. The customer shall maintain a power factor at the point of delivery of not less than 90% lagging or leading as measured on a 30 minute basis. If the customer is notified that their power factor has fallen below 90%, corrective action must be taken within ninety (90) days. If the customer fails to take corrective action within the ninety (90) days after notification, the Municipal Commission shall install the necessary corrective equipment and the customer shall be billed for all costs incurred to correct the power factor to the required level.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.046122.

PURCHASED POWER ADJUSTMENT:

All kilowatt-hours sold under this service classification shall be subject to Purchased Power Adjustment Charges in accordance with Section IX of the Village of Fairport Tariff and consistent with Rule IX of the NYMPA generic tariff.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 6
REVISION: 7
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 2
Small Commercial Service

APPLICABLE TO USE OF SERVICE FOR:

Commercial, business, schools, small industrial power and light installations (with less than 7500 kwh or 25 kw in a month), multiple dwellings (two or more families in one house or where more than two rooms are rented) and any service for premises partially used for business or professional and partially used for residential purposes.

CHARACTER OF SERVICE:

Continuous, Alternating Current, 60 Hertz, 120/240 volts single phase, 240 or 480 volts three phase also, with Municipal Commission's permission, 120/208 volts three phase, depending upon the characteristics of the load and the circuit from which service is supplied.

RATES PER METER, PER MONTH:

Customer Service Charge	\$ 6.86
Energy charge per kWh	
Non-Winter (April - November)	\$ 0.04001
Winter (December - March)	\$ 0.06008

SPECIAL PROVISIONS:

- A. Motors whose individual capacity exceeds 1/2 hp will be served at 240 volts. Motors whose individual capacity exceeds 5 hp must be three phase except that in sections where three phase is not available single phase motors of not more than 10 hp will be permitted if equipped with suitable starting devices.
- B. Customers taking three phase service, who also require single phase service, may obtain it by installing, at their own expense and their side of the meter, the necessary equipment to obtain this service from the three phase circuits.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 7
REVISION: 6
SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 2 (CONT'D)
Small Commercial Service

SPECIAL PROVISIONS - Continued

- C. When the load is of a highly fluctuating or large instantaneous demand, or the installation is for "Breakdown or Auxiliary Service," the minimum charge will be based on the capacity of transformers required to supply the service, and shall be \$1.00 net, per month, per kVA capacity of the transformers.
- D. The customer shall maintain a power factor at the point of delivery of not less than 90% lagging or leading as measured on a 30 minute basis. If the customer is notified that their power factor has fallen below 90%, corrective action must be taken within ninety (90) days. If the customer fails to take corrective action within the ninety (90) days after notification, the Municipal Commission shall install the necessary corrective equipment and the customer shall be billed for all costs incurred to correct the power factor to the required level.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.046122.

PURCHASED POWER ADJUSTMENT:

All kilowatt-hours sold under this service classification shall be subject to Purchased Power Adjustment Charges in accordance with Section IX of the Village of Fairport Tariff and consistent with Rule IX of the NYMPA generic tariff.

TERM:

Service will be discontinued at any time on three days' notice, but if the total charges from the time of connection to the time of disconnection have not equaled 12 times the minimum charge applicable in the final month, the deficiency will thereupon become due and payable.

Issued by: Bryan L. White, Village Manager, Fairport, NY

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 8
REVISION: 7
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 3
Large Commercial Service

APPLICABLE TO USE OF SERVICE FOR:

Light and power installations with a minimum consumption of 7,500 kWh/month and a minimum demand of twenty-five (25) kW/month and less than five hundred (500) kw/month.

CHARACTER OF SERVICE:

Continuous, Alternating Current, 60 Hertz, 120/240 volts single phase, 240 or 480 volts three phase 120/208 as well as 4,160 volts or 12,470 volts three phase service, depending upon the characteristics of the load and the circuit from which service is supplied.

RATES PER METER, PER MONTH:

Energy Charge per kWh	\$ 0.04696
Demand Charge per kw	\$ 3.44
Minimum charge, per meter, per month	\$ 85.96

PRIMARY SERVICE DISCOUNT:

See Special Provision A.

DETERMINATION OF DEMAND AND ENERGY:

The demand will be determined by meter and will be the maximum 30 minute integrated demand during the month but will not be less than 25 kw. The energy use will be determined by meter but will not be less than 7,500 kWh/month. New customers, claiming rate 3 qualifications, will be monitored on a monthly basis and in the event their demand or energy consumption falls below the minimums they will be reassigned to the applicable rate class, for the following 12 month period. Customers with a 12-month history will be reviewed on an annual basis, on or about April 1st of each year, and in the event any of the 12 prior months demand or energy consumption fell below the minimums, the customer will be reassigned to the appropriate rate class for the following 12 months.

TERM:

Service will be discontinued at any time on three days' notice, but if the total charges from the time of connection to the time of disconnection have not equaled 12 times the minimum charge applicable in the final month, the deficiency will thereupon become due and payable.

Issued by: Bryan L. White, Village Manager, Fairport, NY

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 9
REVISION: 4
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 3 (CONT'D)
Large Commercial Service

SPECIAL PROVISIONS:

- (a) Customers electing to furnish, install and maintain their own transformers and accessory equipment, and who are served by the Municipal Commission, 4,160 or 12,470 volt system shall be given the following discounts on demand, energy and minimum charges:

For 4,160 volt service - 4% discount

For 12,470 volt service - 5% discount

Service at these voltages will be supplied only to customers who employ a competent electrician to maintain and operate the equipment.

- (b) Energy supplied under this Service Classification may also be used for lighting of the premises provided the connected lighting load does not exceed 20% of the total connected load. Customers desiring to avail themselves of this privilege shall provide at their own expense and on their side of the meter, the necessary equipment to obtain the required single phase current from the three phase circuits.
- (c) When the customer's equipment includes devices which have a highly fluctuating or large instantaneous demand, such as X-Ray apparatus, welders, and other like equipment, and the customer has not provided corrective equipment to reduce the inrush current to an amount which will not cause disturbance to other customers, the demand of such devices shall be taken as the sum of the maximum instantaneous capacities as determined from the name plates or by test of those pieces of apparatus which are so connected that they may be operated at one time.
- (d) Where the billing demand of such customer is determined by a demand meter, the demand of such highly fluctuating demand devices, determined as described above, shall be added to the demand as shown by the demand meter. The sum of these two demands shall be the billing demand.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 10
REVISION: 6
SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 3 (CONT'D)
Large Commercial Service

SPECIAL PROVISIONS - Continued

- (e) Customer, in taking three phase electric energy, shall maintain as nearly as is reasonably possible, equal currents in each of the three phase conductors at the point of taking. If at any time the current in any phase conductor shall exceed the average of the currents in all the three phase conductors by more than five percent (5%) the amount to be paid by the customer for the period, within which the unbalance occurred, shall be increased by a percentage equal to that of the unbalance.
- (f) The customer shall maintain a power factor at the point of delivery of not less than 90% lagging or leading as measured on a 30 minute basis. If the customer is notified that their power factor has fallen below 90%, corrective action must be taken within ninety (90) days. If the customer fails to take corrective action within the ninety (90) days after notification, the Municipal Commission shall discontinue service under Service Classification #3 and bill service under Service Classification #2 until power factor is corrected.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.046122.

PURCHASED POWER ADJUSTMENT:

All kilowatt-hours sold under this service classification shall be subject to Purchased Power Adjustment Charges in accordance with Section IX of the Village of Fairport Tariff and consistent with Rule IX of the NYMPA generic tariff.

Issued by: Bryan L. White, Village Manager, Fairport, NY

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 11
REVISION: 8
SUPERSEDING REVISION: 7

SERVICE CLASSIFICATION NO. 4
Industrial Power Service

APPLICABLE TO USE OF SERVICE FOR:

Large light and power installations for non-residential purposes with a minimum monthly peak demand of 500 kilowatts.

CHARACTER OF SERVICE:

Continuous, Alternating Current, 60 Hertz, 120/240 volts single phase, 240 or 480 volts three phase 120/208 as well as 4,160 volts or 12,470 volts three phase service; depending upon the characteristics of the load and the circuit from which services are supplied.

RATE PER METER, PER MONTH:

Energy Charge, per KWH	\$ 0.02169
Demand Charge, per kW	\$ 5.71
Minimum Charge, per month	\$ 2,859.71

PRIMARY SERVICE DISCOUNT:

See Special Provision (a).

DETERMINATION OF DEMAND:

The demand will be determined by meter and will be the maximum 30 minute integrated demand during the month but will not be less than 500 kw. New customers, claiming rate 4 qualifications, will be monitored on a monthly basis and in the event their demand falls below 500 kw/month they will be reassigned to the applicable rate class for the following 12-month period. Customers with a 12-month history will be reviewed on an annual basis, on or about April 1st of each year, and in the event any of the 12 prior months demand fell below 500 kw the customer will be reassigned to the appropriate rate class for the following 12 months.

TERM:

Service will be discontinued at any time on three days' notice, but if the total charges from the time of connection to the time of disconnection have not equaled 12 times the maximum charge applicable in the final month, the deficiency will thereupon become due and payable.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

Issued by: Bryan L. White, Village Manager, Fairport, NY

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 12
REVISION: 6
SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 4 (CONT'D)
Industrial Power Service

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.046122.

PURCHASED POWER ADJUSTMENT:

All kilowatt-hours sold under this service classification shall be subject to Purchased Power Adjustment Charges in accordance with Section IX of the Village of Fairport Tariff and consistent with Rule IX of the NYMPA generic tariff.

SPECIAL PROVISIONS:

- (a) Customers electing to furnish, install and maintain their own transformers and accessory equipment, and who are served by the Municipal Commission, 4,160 or 12,470 volt system shall be given the following discounts on demand, energy and minimum charges:

For 4,160 volt service - 4% discount For 12,470 volt service - 5% discount

Service at these voltages will be supplied only to customers who employ a competent electrician to maintain and operate the equipment.

- (b) Energy supplied under this Service Classification may also be used for lighting of the premises provided the connected lighting load does not exceed 20% of the total connected load. Customers desiring to avail themselves of this privilege shall provide at their own expense and on their side of the meter, the necessary equipment to obtain the required single phase current from the three phase circuits.
- (c) When the customer's equipment includes devices which have a highly fluctuating or large instantaneous demand, such as X-Ray apparatus, welders, and other like equipment, and the customer has not provided corrective equipment to reduce the inrush current to an amount which will not cause disturbance to other customers, the demand of such devices shall be taken as the sum of the maximum instantaneous capacities as determined from the name plates or by test of those pieces of apparatus which are so connected that they may be operated at one time.
- (d) Where the billing demand of such customer is determined by a demand meter, the demand of such highly fluctuating demand devices, determined as described above, shall be added to the demand as shown by the demand meter. The sum of these two demands shall be the billing demand.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 13
REVISION: 6
SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 4 (CONT'D)
Industrial Power Service

SPECIAL PROVISIONS - Continued

- (e) The customer, in taking three phase electric energy, shall maintain as nearly as is reasonably possible, equal currents in each of the three phase conductors at the point of taking. If at any time the current in any phase conductor shall exceed the average of the currents in all the three phase conductors by more than five percent (5%) the amount to be paid by the customer for the period within which the unbalance occurred, shall be increased by a percentage equal to that of the unbalance.
- (f) The customer shall maintain a power factor at the point of delivery of not less than 90% lagging or leading as measured on a 30 minute basis. If the customer is notified that their power factor has fallen below 90%, corrective action must be taken within ninety (90) days. If the customer fails to take corrective action within the ninety (90) days after notification, the Municipal Commission shall discontinue service under Service Classification #4 and bill service under Service Classification #3 until power factor is corrected.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 14
REVISION: 7
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 5
Security Lighting Service

APPLICATION TO USE OF SERVICE FOR:

Private outdoor lighting from existing overhead distribution.

CHARACTER OF SERVICE:

Limited period, approximately 4200 hours per year, 60 cycle AC at approximately 20/240 volt.

RATES PER LIGHT, PER MONTH:

75	Watt HPS 175 Watt MV	\$ 6.47
100	Watt HPS 250 Watt MV	\$ 7.72
150	Watt HPS 375 Watt MV	\$ 9.15
250	Watt HPS 400 Watt MV	\$ 10.59
400	Watt HPS 1000 Watt MV	\$ 18.88

POLE RENTAL CHARGE:

When suitable wood poles are available on Municipal Commission existing distribution circuits or Customer's existing service lateral, no additional charge will be made for attachment of lamps served under this Service Classification. A maximum of one additional wood pole for each lamp served will be owned and maintained by the Municipal Commission. See Special Provisions F.

SPECIAL PROVISIONS:

- A. The Municipal Commission will furnish, install, own, operate and maintain enclosed, photo-electrically controlled luminaire complete with 30 inch pipe bracket. The Municipal Commission reserves the right to impose the actual cost of non-standard brackets installed at the customer's request.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 15
REVISION: 6
SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 5 (CONT'D)
Security Lighting Service

SPECIAL PROVISIONS - Continued

- B. The lighting unit will be installed only on private property owned or leased by the customer. The Municipal Commission reserves the right to require a mounting height which will provide proper light distribution from the unit. Where the Municipal Commission-owned pole is appropriately located on premises owned or leased by the customer, the Municipal Commission may waive the requirement that the support be furnished by the customer, and it may install the unit on the Municipal Commission-owned pole.
- C. Upon request of the customer, the Municipal Commission will change the location of the lighting unit, providing a proper support is furnished and the customer agrees to pay the Municipal Commission for the cost incurred in making such a change.
- D. Lighting service will be provided every night and all night during the hours between sunset and sunrise, aggregating about 4,200 hours per year, unless prevented by accidents or other causes beyond the control of the Municipal Commission.
- E. The customer shall notify the Municipal Commission whenever the lamp shall become extinguished or out of service for any reason and the Municipal Commission shall replace the lamp and/or make the necessary repairs with reasonable promptness.
- F. Where necessary for proper illumination or where existing poles are inadequate, the Municipal Commission may install or cause to be installed one additional pole for each installed light, at a distance not to exceed one hundred (100) feet per pole span from said existing lines. Each additional pole span shall not exceed a span spacing of one hundred (100) feet. Additional poles required to install a light in a customer's specifically desired location shall bear a cost of three hundred dollars (\$300.00) for each pole, payable by the customer prior to installation.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.046122.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

PURCHASED POWER ADJUSTMENT:

All kilowatt-hours sold under this service classification shall be subject to Purchased Power Adjustment Charges in accordance with Section IX of the Village of Fairport Tariff and consistent with Rule IX of the NYMPA generic tariff.

Issued by: Bryan L. White, Village Manager, Fairport, NY

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 16
REVISION: 7
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION NO. 6
Public Street Lighting Service

APPLICABLE TO USE OF SERVICE FOR:

Lighting of public streets, roads, alleys and highways, and the outdoor lighting of public parks and playgrounds, and of public school district property providing said equipment is, and remains, readily accessible for maintenance purposes.

CHARACTER OF SERVICE:

Unmetered lighting service, dusk-to-dawn, and at other times of abnormal darkness, approximately 4200 hours annually.

Traditionaire fixtures or other fixtures approved by the Municipal Commission with standard poles and or other mounting devices and/or standard cobra lighting fixtures and mounting devices or other suitable luminaire/lamp combination, at the discretion of the Municipal Commission.

RATE:

Facilities Charge, per lamp, per month	\$ 10.59
Energy Charge, per kwh	\$ 0.02993

POLE RENTAL CHARGE:

When suitable wood poles are available on Municipal Commission existing distribution circuits or Customer's existing service lateral, no additional charge will be made for attachment of lamps served under this Service Classification. A maximum of one additional wood pole for each lamp served will be installed, owned and maintained by the Fairport Municipal Commission for a monthly rental of \$1.00 per pole.

TERMS OF PAYMENT:

All bills are due when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of 1.5% as provided in Rule VIII of the NYMPA generic tariff.

FACTOR OF ADJUSTMENT:

The factor of adjustment pursuant to Rule IX.D of the NYMPA generic tariff is 1.046122.

Issued by: Bryan L. White, Village Manager, Fairport, NY

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 17
REVISION: 6
SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 6 (CONT'D)
Public Street Lighting Service

PURCHASED POWER ADJUSTMENT:

All kilowatt-hours sold under this service classification shall be subject to Purchased Power Adjustment Charges in accordance with Section IX of the Village of Fairport Tariff and consistent with Rule IX of the NYMPA generic tariff.

SPECIAL PROVISIONS:

- A. The Municipal Commission will own, operate and maintain enclosed, photo-electrically controlled luminaire complete with mounting hardware.
- B. The lighting unit will be installed only on public property or quasi-public property as spelled out in paragraph one herein. The customer may furnish the necessary pole or other support however; the Municipal Commission reserves the right to require a mounting height which will provide proper light distribution from the unit. Where a Municipal Commission-owned pole is appropriately located on premises owned or leased by the customer, the Municipal Commission may waive the requirement that the support be furnished by the customer, and it may install the unit on the Municipal Commission owned pole at no additional cost.
- C. Upon request of the customer, the Municipal Commission will change the location of the lighting unit, providing a proper support is furnished and the customer agrees to pay the Municipal Commission for the cost incurred in making such a change.
- D. Lighting service will be provided every night and all night during the hours between sunset and sunrise, aggregating about 4,200 hours per year, unless prevented by accidents or other causes beyond the control of the Municipal Commission.
- E. The customer shall notify the Municipal Commission whenever the lamp shall be come extinguished or out of service for any reason and the Municipal Commission shall replace the lamp and/or make the necessary repairs with reasonable promptness.\
- F. The Municipal Commission reserves the right to impose a higher facilities charge per lamp per month for non-standard installations to recover the cost of replacement.
- G. The Municipal Commission reserves the right to impose such other conditions, including customer installation and provision of spare parts, as is deemed necessary for reliable and economical service.

Issued by: Bryan L. White, Village Manager, Fairport, NY

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 18
REVISION: 4
SUPERSEDING REVISION: 3

CHARGES

RECONNECTION CHARGE:

When service has been discontinued, either by the Municipal Commission as provided in Rule (XIII) of the NYMPA generic tariff or at the request of the customer and the same consumer applies for reconnection of service at the same premise within four (4) months, there shall be a reconnection charge payable before service will be reestablished, in the amounts as follows:

During the normal crew available hours of the Electric Department Monday through Friday, inclusive, less holidays	\$ 25.00
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After the above specified hours, on a holiday, or a weekend period (Saturday or Sunday), the charge will be the full employee cost for a one-person or up to a two-person crew, three hours callout and based on the full in-force wages of these employees at the time of the callout.

INSUFFICIENT FUNDS CHECK CHARGE:

Any checks received in payment for electric service which are returned to the Municipal Commission for insufficient funds, or are otherwise dishonored by the bank, shall bear a nonrecurring charge of \$20.00 for each check that has to be processed by the Municipal Commission. If two checks have been returned by the bank, the customer who issued the dishonored checks may be required by the Municipal Commission to render future payments by cash, money order, certified or cashier's check. Post-dated checks shall be returned to the customer as invalid for the transaction. Only United States currency shall be accepted for payment of accounts due the Municipal Commission.

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2017

LEAF: 19
REVISION: 5
SUPERSEDING REVISION: 4

PURCHASED POWER ADJUSTMENT CHARGE

APPLICABILITY:

All customers receiving service under any of the Municipal Commission's Electric Department's Service Classifications are subject to purchased power adjustment charges ("PPAC").

ADJUSTMENT CHARGE:

The PPAC shall be the amount which shall be added to each kilowatt-hour of each rate schedule to reflect and recover all purchased power and transmission costs billed to the Municipal Commission's Electric Department from all service providers.

CALCULATION OF THE PURCHASED POWER ADJUSTMENT CHARGE:

The PPAC shall equal the total cost of all power and transmission costs billed to the Municipal Commission's Electric Department in each month divided by the total kWh purchases in that month, less the base cost of purchased power measured at system input level adjusted by a loss factor (Factor of Adjustment) and costs associated with Energy Efficiency programs (MAP, IEEP, etc.). The resultant cost per kWh shall be rounded to the nearest \$0.000001 and applied as a charge or credit to all kilowatt-hours billed in the following month.

ANNUAL RECONCILIATION:

At the end of each fiscal year the Municipal Commission will perform a reconciliation to determine whether there was an under- or over-collection of purchased power expense during the preceding year. The calculation is as follows:

Total Purchased Power Cost + Total Energy Efficiency Program Cost -
(kWh delivered x Base Cost of Purchased Power)

The result will then be compared to the actual PPAC revenues recovered during this period to determine if a PPA Reconciliation Surcharge or Refund is applicable. The resultant Surcharge or Refund will be included as a line item in the following month(s) calculation(s) of PPAC in order to adjust revenues to more accurately reflect actual expenses. The number of months over which the Surcharge or Refund will be included will depend on the size of the Surcharge or Refund. If the Surcharge/Refund is \$75,000 or less it will be included in one month and any Surcharges/Refunds that are over \$75,000 will be charged/credited in \$75,000/month increments until complete in order to minimize the impact on rate payers.

BASE COST OF POWER:

The base cost of power for computation of the PPAC shall be \$0.025556/kilowatt-hour as measured at the system input level. The base cost of power measured at the sales level shall be \$0.026724 /kilowatt-hour.

WORKPAPERS

Workpaper A

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2016)

Assume non-weather load to be average of lowest two months kWh Sales

From 5/31/16 Annual Report: Actual kWh & Actual Base Revenue

	kWh Sold			Base Revenue			
	Winter	Summer		Total	Winter		Summer
		Nov-April kWh	May-Oct kWh		Nov-April kWh	May-Oct kWh	
601 Residential	130,851,286		102,794,312	233,645,598	\$ 6,019,845	\$ 4,121,685	\$ 10,141,530
602 Commercial	49,785,173		41,891,871	91,677,044	\$ 2,536,130	\$ 1,998,180	\$ 4,534,310
Total	180,636,459		144,686,183	325,322,642	\$ 8,555,975	\$ 6,119,865	\$ 14,675,840

Weather Normalization - Sales

	Nov-April kWh		Nov-April kWh		Increase/(Decrease)
	Non-Weather kWh		Weather kWh		
				12.62%	
601 Residential	93,982,287	36,868,999	41,521,867	Adjusted Nov-Apr kWh	135,504,154
602 Commercial	40,428,264	9,356,909	10,537,751		50,966,015
Total	134,410,551	46,225,908	52,059,618		186,470,169

	kWh		Adjustment %
	Adjustment		
	After Adjustment	Before Adjustment	
	186,470,169	180,636,459	
Adjustment	5,833,710		3.23%

	Nov-April kWh		Nov-April kWh Weather \$
	Non-Weather \$		
601 Residential	\$	6,019,845	6,214,258
602 Commercial	\$	2,536,130	2,618,035
Total	\$	8,555,975	8,832,293
			\$ 276,318

Weather Normalization - Purchased Power

Change in kWh	5,833,710
Base Cost of Power	\$ 0.025556
FOA - RY	1.046122
	\$ 0.026735
Adjustment	\$ 155,962

Staff Adjustment		Revenue Req. Effect
Revenue	\$ 276,318	\$ (276,318)
Purchased Power	\$ 155,962	\$ 155,962
Net	\$	\$ (120,356)

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2016)

5/31/2016 Sales - From Annual Report

601-Residential

	kWh	Lowest Two Months	Base Revenues		kWh	Lowest Two Months	Base Revenues
June	15,559,894	15,559,894	\$ 629,688	June	6,818,341	0	\$ 327,928
July	16,363,172	0	658,972	July	6,699,017	6,699,017	320,838
August	19,473,801	0	772,008	August	7,051,995	0	332,874
September	17,486,414	0	699,858	September	7,086,462	0	336,709
October	15,857,755	0	640,558	October	6,999,728	0	334,522
November	15,767,535	15,767,535	637,241	November	6,777,071	6,777,071	326,264
December	17,687,137	0	723,602	December	7,785,587	0	375,145
January	22,128,475	0	1,044,525	January	8,241,926	0	433,242
February	28,807,434	0	1,407,953	February	9,770,631	0	506,544
March	25,954,498	0	1,260,466	March	9,308,888	0	486,936
April	20,506,207	0	946,058	April	7,901,070	0	407,999
May	18,053,276	0	720,601	May	7,236,328	0	345,309
TOTALS	233,645,598		\$ 10,141,530	TOTALS	91,677,044		
AVERAGES		15,663,715		AVERAGES		6,738,044	

Workpaper A-2

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2016)

Heating Degree Data
<https://www.nyseda.ny.gov/About/Publications/EA-Reports-and-Studies/Weather-Data/Monthly-Cooling-and-Heating-Degree-Day-Data>
Rochester, New York

Season	Nov	Dec	Jan	Feb	Mar	Apr	Total	% Deviation from 10 Year Average
2006-07	566	802	1,085	1,250	914	612	5,229	
2007-08	795	1,105	1,068	1,113	1,029	390	5,500	
2008-09	767	1,063	1,416	1,003	903	557	5,709	
2009-10	679	1,143	1,263	1,102	773	377	5,337	
2010-11	748	1,198	1,333	1,131	965	557	5,932	
2011-12	574	925	1,068	959	548	578	4,652	
2012-13	762	888	1,071	1,064	976	551	5,312	
2013-14	820	1,131	1,372	1,221	1,149	565	6,258	
2014-15	782	944	1,405	1,476	1,077	516	6,200	
2015-16	551	705	1,161	1,022	767	679	4,885	12.62%
							5,501	Ten Year Average of November - April

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

PSC ASSESSMENT

Fiscal Year 2015-16		Expense	Amount	Comment
	\$	Purchased Power	12,967,383	Account 721, PSC Report page 306
		Labor, net of Capitalized Labor	2,346,997	Labor \$2,346,997 PSC Report, page 102. Total salaries less salaries capitalized (\$2,661,001 less \$314,004)
		GASB 68 Expense (Related to Net Pension Liability)	108,323	Based on Calculation prepared by Auditor
		Taxes and PILOT to General Fund	920,597	Taxes and PILOT, Account 403, PSC Report page 106
		Uncollectible Revenues	13,583	Uncollectible revenues, Account 404, PSC Report page 106
		Rent	14,305	Rent, Accounts 764, and 786, PSC Report page 307
		Employee Benefits and Related Costs	1,078,363	FICA, Medical, Retirement, etc., Actual amount (portion of Account 785, PSC Report page 307)
		Insurance	69,260	Insurance, Account 783, PSC Report page 307
		Depreciation	1,574,991	Depreciation, Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
		Recapture of Excess Depreciation - Prior Years	(143,328)	Recapture of excess depreciation - prior years, Account 793, PSC Report pages 306 and 307
		Contractual/Material Expenses		Contractual
		Transmission	191,929	Represents an allocation of remaining costs based on cost of individual category. (See below)
		Maintenance of Poles and Fixtures	137,913	Represents an allocation of remaining costs based on cost of individual category. (See below)
		Distribution	1,635,379	Represents an allocation of remaining costs based on cost of individual category. (See below)
		Street Lights	74,533	Represents an allocation of remaining costs based on cost of individual category. (See below)
		Consumer Accounting and Collection	228,614	Represents an allocation of remaining costs based on cost of individual category. (See below)
		Sales Expense	5,215	Represents an allocation of remaining costs based on cost of individual category. (See below)
		Administrative and General	346,008	Represents an allocation of remaining costs based on cost of individual category. (See below)
		PSC Regulatory Assessment	242,571	PSC Annual Assessment \$ Included in Account 785, PSC Report page 307
		Contractual Appropriations of Income	441,314	Contractual Appropriations of Income, Account 459, PSC Report page 106
		Miscellaneous Credits Transferred	(1,524,833)	Miscellaneous credits transferred, Account 793, PSC Report page 307
	\$		20,729,117	
	\$	Total Cost in P&L (not including interest expense)	20,729,116	
		*** Contractual Costs		

Worksheet B-1

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

PSC ASSESSMENT

Expense	Fiscal Year 2014-15 Amount	Comment
Purchased Power	\$ 13,744,587	Account 721, PSC Report page 306
Labor, net of Capitalized Labor	2,184,584	Labor \$2,184,585 PSC Report, page 102. Total salaries less salaries capitalized (\$2,613,867 less \$429,282)
Taxes and PILOT to General Fund	793,274	Taxes, Account 403, PSC Report page 106
Uncollectible Revenues	15,782	Uncollectible revenues, Account 404, PSC Report page 106
Rent	14,305	Rent, Accounts 764, and 786, PSC Report page 307
Employee Benefits and Related Costs	1,140,529	FICA, Medical, Retirement, etc., Actual amount (portion of Account 785, PSC Report page 306 and 307)
Insurance	78,875	Insurance, Account 783, PSC Report page 307
Depreciation	1,543,613	Depreciation, Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Recapture of Excess Depreciation - Prior Years	(178,917)	Recapture of excess depreciation - prior years, Account 793, PSC Report pages 306 and 307
Contractual/Material Expenses		Contractual
Transmission	204,522	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maintenance of Poles and Fixtures	168,998	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	2,178,065	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	97,438	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	316,544	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	2,952	Represents an allocation of remaining costs based on cost of individual category. (See below)
Administrative and General	91,942	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Regulatory Assessment	285,889	PSC Annual Assessment \$ Included in Account 785, PSC Report page 307
Contractual Appropriations of Income	520,851	Contractual Appropriations of Income, Account 459, PSC Report page 106
Miscellaneous Credits Transferred	(2,270,813)	Miscellaneous credits transferred, Account 793, PSC Report page 307
	\$ 20,930,020	

Total Cost in P&L (not including interest expense)

\$ 20,930,020

** Contractual Costs

Cost Category (per PSC Report, excluding depreciation)	ACTUAL	%	ALLOCATED REMAINING COSTS **
Transmission	\$ 385,870	6.59%	\$ 201,522
Maint. Poles	323,595	5.53%	\$ 168,998
Distribution	4,170,521	71.24%	\$ 2,178,065
Street Lights	186,573	3.19%	\$ 97,438
Consumer Accounting and Collection	606,114	10.35%	\$ 316,544
Sales Expense	5,653	0.10%	\$ 2,952
General & Administrative	176,049	3.01%	\$ 91,942
	\$ 5,854,375	100%	\$ 3,057,461

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

PSC ASSESSMENT

<u>Expense</u>	<u>Fiscal Year</u> 2013-14	Amount	Comment
Purchased Power	\$	16,801,780	Account 721, PSC Report page 306
Labor, net of Capitalized Labor		2,208,795	Labor \$2,208,795 Total salaries capitalized (\$2,710,420 less \$501,625)
Taxes and PILOT to General Fund		745,895	Taxes, Account 403, PSC Report page 106
Uncollectible Revenues		8,633	Uncollectible revenues, Account 404, PSC Report page 106
Rent		14,305	Rent, Accounts 764, and 786, PSC Report page 307
Employee Benefits and Related Costs		1,146,664	FICA, Medical, Retirement, etc., Actual amount (portion of Account 785, PSC Report page 307)
Insurance		71,489	Insurance, Account 783, PSC Report page 307
Depreciation		1,512,018	Depreciation, Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Recapture of Excess Depreciation - Prior Years		(143,328)	Recapture of excess depreciation - prior years, Account 793, PSC Report pages 306 and 307
Contractual/Material Expenses			Contractual
Transmission		205,626	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maintenance of Poles and Fixtures		144,500	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution		2,118,968	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights		138,271	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection		331,395	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense		5,518	Represents an allocation of remaining costs based on cost of individual category. (See below)
Administrative and General		284,603	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Regulatory Assessment		367,584	PSC Annual Assessment \$ Included in Account 785, PSC Report page 307
Contractual Appropriations of Income		518,103	Contractual Appropriations of Income, Account 459, PSC Report page 106
Miscellaneous Credits Transferred		(2,074,230)	Miscellaneous credits transferred, Account 793, PSC Report page 307
		\$ 24,406,589	
		\$ 24,406,588	
Total Cost in P&L (not including interest expense)			
*** Contractual Costs			

	ALLOCATED	REMAINING	COSTS **	%	ACTUAL	Cost Category (per PSC Report, excluding depreciation)
	\$	205,626		6.37%	\$ 403,254	Transmission
	\$	144,500		4.48%	283,379	Maint. Poles
	\$	2,118,968		65.63%	4,155,521	Distribution
	\$	138,271		4.28%	271,165	Street Lights
	\$	331,395		10.26%	649,900	Consumer Accounting and Collection
	\$	5,518		0.17%	10,821	Sales Expense
	\$	284,603		8.81%	558,137	General & Administrative
	\$	3,228,881		100%	\$ 6,332,177	

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

PROJECTED COSTS FOR RATE YEAR

Expense	(Workpaper B) Fiscal Year 2016 Amount	(Workpaper B-1) Fiscal Year 2015 Amount	(Workpaper B-2) Fiscal Year 2014 Amount	Three Year Average	Costs Adjusted for Known or Calculated Changes	Cost Determined by:
Purchased Power	\$ 12,967,383	\$ 13,744,587	\$ 16,801,780	\$ 14,504,583	\$ 13,123,345	See Workpaper A. Weather Normalization Adjustment.
Labor	\$ 2,346,997	\$ 2,184,584	\$ 2,208,795	\$ 2,246,792	\$ 2,507,140	See Workpaper E for salary information. Salaries for fiscal year 2017 were increased 2% over 2016 amounts. Salaries for the Rate Year are expected to increase 2% from 2017 amounts. Salaries were also adjusted for transition of employees.
GASB 68 Expense (Related to Net Pension Liability)	\$ 108,323	\$ -	\$ -	\$ 36,108	\$ -	GASB 68 excluded from rate design
Taxes and PILOT to General Fund	\$ 920,597	\$ 793,274	\$ 745,895	\$ 819,922	\$ 899,610	See Workpaper H. Taxes paid to outside jurisdictions (School and Town) plus PILOT to Village of Fairport.
Uncollectible revenues	\$ 13,583	\$ 15,782	\$ 8,633	\$ 12,666	\$ 12,666	3 Year Average (2014-16)
Rent	\$ 14,305	\$ 14,305	\$ 14,305	\$ 14,305	\$ 14,305	3 Year Average (2014-16). This has been \$14,305 for many years.
FICA, Medicare, Retirement, etc.	\$ 1,078,363	\$ 1,140,529	\$ 1,146,664	\$ 1,121,853	\$ 1,253,587	See Workpaper I. Based on Village budgeted amounts from vendor quotes and calculation of FICA on expected salaries.
Insurance	\$ 69,260	\$ 78,875	\$ 71,489	\$ 73,209	\$ 73,209	3 Year Average (2014-16).
Depreciation	\$ 1,574,991	\$ 1,543,613	\$ 1,512,018	\$ 1,543,542	\$ 1,748,924	See exhibit 14. Increase is due to asset additions, net of retirements.
Recapture of excess depreciation - prior years	\$ (143,328)	\$ (178,917)	\$ (143,328)	\$ (155,190)	\$ (143,328)	Straight line recapture of excess depreciation taken in prior years on contributed property
Contractual						
Transmission	\$ 191,929	\$ 201,522	\$ 205,626	\$ 199,693	\$ 199,693	3 Year Average (2014-16).
Maint. Poles	\$ 137,913	\$ 168,998	\$ 144,500	\$ 150,471	\$ 150,471	3 Year Average (2014-16).
Distribution	\$ 1,635,379	\$ 2,178,065	\$ 2,118,968	\$ 1,977,472	\$ 1,977,472	3 Year Average (2014-16).
Street Lights	\$ 74,533	\$ 97,438	\$ 138,271	\$ 103,415	\$ 103,415	3 Year Average (2014-16).
Consumer Accounting and Collection	\$ 228,614	\$ 316,544	\$ 331,395	\$ 292,185	\$ 292,185	3 Year Average (2014-16).
Sales Expense	\$ 5,215	\$ 2,952	\$ 5,518	\$ 4,563	\$ 4,563	3 Year Average (2014-16).
General & Administ.	\$ 346,008	\$ 91,942	\$ 284,603	\$ 240,852	\$ 240,852	3 Year Average (2014-16).
PSC Annual Assessment	\$ 242,571	\$ 283,889	\$ 367,584	\$ 298,682	\$ 182,397	See Workpaper G. Calculated - Anticipated operating revenues
Contractual Appropriations of Income	\$ 441,314	\$ 520,851	\$ 518,103	\$ 493,424	\$ 442,191	See workpaper F. Energy Efficiency contributions during the Rate Year are expected to equal the ten (10) year average of kWh sold, multiplied b the \$0.001/per kWh adder.
Miscellaneous Credits Transferred	\$ (1,524,833)	\$ (2,270,813)	\$ (2,074,230)	\$ (1,956,624)	\$ (1,683,395)	Supervision Overhead Rate of 26.2% multiplied by linemen and seasonal workers salaries of \$1,505,844 to calculate Supervision Expense Transferred of \$394,531. Benefits Overhead Rate of 43.4% multiplied by all salaries of \$2,969,733 to calculate Benefits Expense Transferred of \$1,288,864. Total expense transferred equals \$1,683,395.
	\$ 20,729,117	\$ 20,930,020	\$ 24,406,589	\$ 22,021,923	\$ 21,399,302	

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

PURCHASED POWER ADJUSTMENT RECONCILIATION
Fiscal Year May 31, 2014

FROM FMC BILLING				PURCHASE POWER ADJUSTMENT CLAUSE RECONCILIATION FOR THE FISCAL YEAR END							
BILLING MONTH	KWH SALES	KWH SALES	PPAC REVENUES	[1]							
				MONTHLY POWER INVOICES	MONTHLY ADDITIONAL SURCHARGES	MONTHLY DELIVERED KWH	BASE COST OF POWER \$ / KWH	MONTHLY PRESENT COST	MONTHLY BASE COST	DIFFERENCE IN PRESENT & BASE COST	NET OVER / (UNDER) COLLECTION
Jun-14	31,159,213	\$ 0.004466	\$ 139,172	\$ 935,989	\$ 150,240	32,687,570	\$ 0.025556	\$ 1,086,229	\$ 835,364	\$ (250,865)	\$ (111,693)
Jul-14	31,806,536	\$ 0.007317	\$ 232,723	\$ 1,147,792	\$ 145,951	37,790,174	\$ 0.025556	\$ 1,293,743	\$ 965,766	\$ (327,977)	\$ (95,254)
Aug-14	35,090,657	\$ 0.008318	\$ 291,873	\$ 733,590	\$ 148,880	34,741,538	\$ 0.025556	\$ 882,470	\$ 887,855	\$ 5,385	\$ 297,258
Sep-14	33,053,226	\$ 0.005306	\$ 175,367	\$ 813,945	\$ 71,621	30,644,045	\$ 0.025556	\$ 885,566	\$ 783,139	\$ (102,427)	\$ 72,940
Oct-14	28,714,737	\$(0.000644)	\$(18,497)	\$ 720,947	\$ 68,221	31,704,003	\$ 0.025556	\$ 789,168	\$ 810,228	\$ 21,060	\$ 2,563
Nov-14	30,271,766	\$ 0.002013	\$ 60,951	\$ 983,350	\$ 69,643	38,983,894	\$ 0.025556	\$ 1,052,993	\$ 996,272	\$ (56,721)	\$ 4,230
Dec-14	39,010,095	\$ 0.000196	\$ 7,643	\$ 1,804,498	\$ 78,301	49,037,886	\$ 0.025556	\$ 1,882,799	\$ 1,253,212	\$ (629,587)	\$ (621,944)
Jan-15	47,700,965	\$ 0.006009	\$ 286,625	\$ 3,578,161	\$ 86,883	56,722,343	\$ 0.025556	\$ 3,665,044	\$ 1,449,596	\$ (2,215,448)	\$ (1,928,823)
Feb-15	54,741,564	\$ 0.023034	\$ 1,260,915	\$ 2,176,862	\$ 93,765	48,662,324	\$ 0.025556	\$ 2,270,627	\$ 1,243,614	\$ (1,027,013)	\$ 233,902
Mar-15	47,812,420	\$ 0.039714	\$ 1,898,839	\$ 1,973,492	\$ 87,218	48,570,035	\$ 0.025556	\$ 2,060,710	\$ 1,241,256	\$ (819,454)	\$ 1,079,385
Apr-15	42,085,274	\$ 0.030424	\$ 1,280,422	\$ 1,024,997	\$ 81,563	34,226,071	\$ 0.025556	\$ 1,106,560	\$ 784,681	\$ (231,879)	\$ 1,048,543
May-15	33,456,590	\$ 0.010908	\$ 364,958	\$ 908,157	\$ 72,856	30,676,662	\$ 0.025556	\$ 981,013	\$ 783,973	\$ (197,040)	\$ 167,918
TOTALS	454,903,043	-	5,980,991	\$ 16,801,780	\$ 1,155,142	474,446,545	-	\$ 17,956,922	\$ 12,124,956	\$ (5,831,966)	\$ 149,025

NOTES:

[1]	Additional surcharges we incur/bill (see detail below)
	2013 Overcollection (\$149,025) \$ 223,380
	NYP& Weather Program 64,550
	NYP& Vehicle Program 25,050
	PSC Assessment (with interest) 387,260
	EEP Money 454,902
	NYISO TCC -
	TOTAL \$ 1,155,142

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

PURCHASED POWER ADJUSTMENT RECONCILIATION
Fiscal Year May 31, 2015

FROM FMC BILLING			PURCHASE POWER ADJUSTMENT CLAUSE RECONCILIATION FOR THE FISCAL YEAR END								
BILLING MONTH	KWH SALES	KWH SALES	PPAC REVENUES	[1]							NET OVER / (UNDER) COLLECTION
				MONTHLY POWER INVOICES	MONTHLY ADDITIONAL SURCHARGES	MONTHLY DELIVERED KWH	BASE COST OF POWER \$ / KWH	MONTHLY PRESENT COST	MONTHLY BASE COST	DIFFERENCE IN PRESENT & BASE COST	
Jun-14	29,906,052	\$ 0.000481	\$ 14,398	\$ 855,482	\$ 100,642	33,405,171	\$ 0.025556	\$ 956,124	\$ 853,703	\$ (102,421)	\$ (88,023)
Jul-14	31,565,333	\$ 0.002212	\$ 69,819	\$ 743,868	\$ 99,671	34,489,957	\$ 0.025556	\$ 843,539	\$ 881,425	\$ 37,886	\$ 107,705
Aug-14	32,622,759	\$ 0.002394	\$ 78,083	\$ 633,294	\$ 125,629	33,237,872	\$ 0.025556	\$ 758,923	\$ 849,427	\$ 90,504	\$ 168,587
Sep-14	32,401,935	\$ (0.001122)	\$ (36,362)	\$ 746,877	\$ 99,632	30,587,878	\$ 0.025556	\$ 846,509	\$ 781,704	\$ (64,805)	\$ (101,167)
Oct-14	29,126,350	\$ (0.001512)	\$ (44,041)	\$ 661,790	\$ 97,478	31,001,620	\$ 0.025556	\$ 759,268	\$ 792,277	\$ 33,009	\$ (11,032)
Nov-14	30,516,045	\$ 0.001684	\$ 51,399	\$ 1,034,169	\$ 97,416	37,841,855	\$ 0.025556	\$ 1,131,585	\$ 967,086	\$ (164,499)	\$ (113,100)
Dec-14	35,954,512	\$ 0.005101	\$ 183,391	\$ 1,330,041	\$ 102,780	44,392,123	\$ 0.025556	\$ 1,432,821	\$ 1,134,485	\$ (298,336)	\$ (114,945)
Jan-15	45,740,150	\$ 0.016687	\$ 763,286	\$ 2,001,210	\$ 110,637	54,658,639	\$ 0.025556	\$ 2,111,847	\$ 1,396,856	\$ (714,991)	\$ 48,295
Feb-15	50,072,261	\$ 0.020441	\$ 1,023,527	\$ 2,230,629	\$ 113,509	53,471,380	\$ 0.025556	\$ 2,344,138	\$ 1,366,515	\$ (977,623)	\$ 45,904
Mar-15	51,683,246	\$ 0.017159	\$ 886,827	\$ 1,618,675	\$ 116,637	45,669,819	\$ 0.025556	\$ 1,735,312	\$ 1,167,138	\$ (568,174)	\$ 318,653
Apr-15	40,428,082	\$ 0.009309	\$ 376,330	\$ 628,456	\$ 105,379	32,605,549	\$ 0.025556	\$ 733,835	\$ 833,267	\$ 99,432	\$ 475,762
May-15	32,534,164	\$ (0.003590)	\$ (116,804)	\$ 733,440	\$ 97,410	30,955,598	\$ 0.025556	\$ 830,850	\$ 791,102	\$ (39,748)	\$ (156,552)
TOTALS	442,550,889	-	3,249,853	\$ 13,217,931	\$ 1,266,820	462,317,461	-	\$ 14,484,751	\$ 11,814,985	\$ (2,669,766)	\$ 580,087

NOTES:

[1]	Additional surcharges we incur/bill (see detail below)
	2014 Overcollection (\$149,022) \$ (149,025)
	NYP& Weather Program 78,890
	NYP& Vehicle Program 15,988
	PSC Assessment (with interest) 351,761
	E&P Money 442,550
	NYISO TCC 526,656
	TOTAL \$ 1,266,820

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

PURCHASED POWER ADJUSTMENT RECONCILIATION
Fiscal Year May 31, 2016

FROM FMC BILLING				PURCHASE POWER ADJUSTMENT CLAUSE RECONCILIATION FOR THE FISCAL YEAR END							
BILLING MONTH	KWH SALES	KWH SALES	PPAC REVENUES	[1]							
				MONTHLY POWER INVOICES	MONTHLY ADDITIONAL SURCHARGES	MONTHLY DELIVERED KWH	BASE COST OF POWER \$ / KWH	MONTHLY PRESENT COST	MONTHLY BASE COST	DIFFERENCE IN PRESENT & BASE COST	NET OVER / (UNDER) COLLECTION
Jun-15	29,361,331	\$ (0.012696)	\$ (372,765)	\$ 708,631	\$ 98,559	31,540,571	\$ 0.025556	\$ 807,190	\$ 806,051	\$ (1,139)	\$ (373,904)
Jul-15	30,995,514	\$ (0.010256)	\$ (317,899)	\$ 974,978	\$ 100,121	35,645,944	\$ 0.025556	\$ 1,075,099	\$ 910,968	\$ (164,131)	\$ (482,030)
Aug-15	33,915,255	\$ 0.000295	\$ 9,998	\$ 913,191	\$ 102,268	34,494,266	\$ 0.025556	\$ 1,015,459	\$ 881,535	\$ (133,924)	\$ (123,926)
Sep-15	32,867,560	\$ 0.008909	\$ 292,817	\$ 889,038	\$ 102,348	32,617,733	\$ 0.025556	\$ 991,386	\$ 833,579	\$ (157,807)	\$ 135,010
Oct-15	30,857,425	\$ 0.006270	\$ 193,486	\$ 784,213	\$ 100,246	31,339,383	\$ 0.025556	\$ 884,459	\$ 800,909	\$ (83,550)	\$ 109,936
Nov-15	29,711,623	\$ 0.008553	\$ 254,110	\$ 931,770	\$ 99,047	33,151,283	\$ 0.025556	\$ 1,030,817	\$ 847,214	\$ (183,603)	\$ 70,507
Dec-15	33,071,671	\$ 0.008519	\$ 281,745	\$ 1,041,567	\$ 102,338	38,321,109	\$ 0.025556	\$ 1,143,905	\$ 979,334	\$ (164,571)	\$ 117,174
Jan-16	36,868,487	\$ 0.008433	\$ 310,906	\$ 1,768,908	\$ 105,753	48,787,677	\$ 0.025556	\$ 1,874,661	\$ 1,246,818	\$ (627,843)	\$ (316,937)
Feb-16	46,221,493	\$ 0.012141	\$ 561,169	\$ 1,576,457	\$ 115,068	44,087,291	\$ 0.025556	\$ 1,691,525	\$ 1,126,695	\$ (564,830)	\$ (3,661)
Mar-16	43,469,642	\$ 0.017659	\$ 767,619	\$ 1,175,702	\$ 112,239	38,807,969	\$ 0.025556	\$ 1,287,941	\$ 991,776	\$ (296,165)	\$ 471,454
Apr-16	35,405,661	\$ 0.008246	\$ 291,944	\$ 853,712	\$ 100,434	34,287,243	\$ 0.025556	\$ 954,146	\$ 876,245	\$ (77,901)	\$ 214,043
May-16	32,587,771	\$ (0.002826)	\$ (92,078)	\$ 858,016	\$ 105,801	31,477,001	\$ 0.025556	\$ 963,817	\$ 804,427	\$ (159,390)	\$ (251,468)
TOTALS	415,333,433	-	2,181,052	\$ 12,476,183	\$ 1,244,222	434,557,470	-	\$ 13,720,405	\$ 11,105,551	\$ (2,614,854)	\$ (433,802)

NOTES:

[1] Additional surcharges we incur/bill (see detail below)

Map Program	\$ 1,926
NYPA Weather Program	40,442
NYPA Vehicle Program	8,241
PSC Assessment (with interest)	251,624
EEP Money	415,334
NYISO TCC	526,656
TOTAL	\$ 1,244,222

RECONCILIATION:

Total Over/(Under) Collection From Above	\$ (433,802)
Prior Year Overcollection (returned June and July 2015)	\$ 580,087
Total Current Over/(Under) Collection	\$ 146,285

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

FORECAST SALARIES (RATE YEAR)

FIRST NAME	LAST NAME	EMPLOYEE NUMBER	TITLE OF POSITION	2017-18 SALARY	FMC PORTION
Robert	Cantwell	550	Municipal Commissioner	\$ 4,738	\$ 4,738
William	Fritsch	555	Municipal Commissioner	\$ 3,870	\$ 3,870
Timothy	Keef	556	Municipal Commissioner	\$ 3,870	\$ 3,870
Steven	Schalabba	553	Municipal Commissioner	\$ 3,870	\$ 3,870
Michael	Starenko	552	Municipal Commissioner	\$ 3,870	\$ 3,870
TOTAL COMMISSIONERS (5)				\$ 20,218	\$ 20,218
Robert	Clark	458	Lineworker	\$ 91,377	\$ 91,377
Kevin	Cowan	480	Lineworker	\$ 83,359	\$ 83,359
Chris	Fanticone	422	Lineworker	\$ 67,246	\$ 67,246
Michael	Hofer	462	Lineworker	\$ 83,359	\$ 83,359
Calin	Hotelling	431	Lineworker	\$ 77,074	\$ 77,074
Scott	Houtz	424	Lineworker	\$ 70,959	\$ 70,959
Paul	Kolb	465	Crew Chief	\$ 91,377	\$ 91,377
Brent	Losey	469	Crew Chief	\$ 91,377	\$ 91,377
John	Neufeld	452	Lineworker	\$ 83,359	\$ 83,359
Brian	Travis	464	Lineworker	\$ 91,377	\$ 91,377
Shawn	Wright	454	Lineworker	\$ 83,359	\$ 83,359
Andrew	Zess	428	Lineworker	\$ 77,074	\$ 77,074
Eric	Heeg	510	Lineworker	\$ 72,050	\$ 72,050
Chris	Carr	427	Lineworker	\$ 82,716	\$ 82,716
Kory	Rosenburg	516	Lineworker	\$ 61,992	\$ 61,992
Steve	Brown	515	Lineworker	\$ 61,992	\$ 61,992
Jeff	Bodine	523	Lineworker	\$ 82,718	\$ 82,718
Budgeted Overtime (three year average, COLA)				\$ 76,600	\$ 76,600
Budgeted On-Call (three year average, COLA)				\$ 31,479	\$ 31,479
TOTAL LINEWORERS (17)				\$ 1,460,844	\$ 1,460,844
Team (24 hours x 365 days x \$18)			Dispatchers	\$ 157,680	\$ 157,680
Holiday Differential (24 hours x 6 holidays x \$9.00)				\$ 1,296	\$ 1,296
PART TIME DISPATCHERS				\$ 158,976	\$ 158,976
Summer Help			Seasonal Laborer	\$ 45,000	\$ 45,000
TOTAL SEASONAL HELPERS				\$ 45,000	\$ 45,000
Linda	Cummings	615	Clerk III	\$ 42,963	\$ 42,963
Cathy	Nenno	614	Clerk III	\$ 44,174	\$ 44,174
Janine	Panipinto	612	Clerk III	\$ 55,648	\$ 55,648
Mary	Wilke	595	Senior Account Clerk	\$ 64,093	\$ 64,093
TOTAL ACCOUNT CLERKS (4)				\$ 206,878	\$ 206,878
Aaron	Daniels	616	Deputy Village Treasurer	\$ 77,502	\$ 77,502
Susan	Dolan	613	Bookkeeper	\$ 60,656	\$ 60,656
Donna	Froelicher	496	Stock Clerk	\$ 64,093	\$ 64,093
Andrew	May	491	Mechanic	\$ 64,093	\$ 64,093
Matthew	Hegarty	410	Distribution Engineer	\$ 118,601	\$ 118,601
John	Levandowski	416	Network Administrator	\$ 61,069	\$ 30,535
Ryan	Trinkl		Meter Foreman	\$ 88,684	\$ 88,684
Thomas	Santillo	445	Lineworker (Line Foreman)	\$ 94,538	\$ 94,538
Kenneth	VanHemel	467	Meter Tester	\$ 81,745	\$ 81,745
Luke	Wenschhof	415	GIS Coordinator	\$ 82,514	\$ 82,514
Laura Kay	Wharmby		Village Treasurer	\$ 90,412	\$ 22,603
Bryan	White		Village Manager	\$ 107,303	\$ 53,652
Mitchell	Wilke	400	Superintendent of Electric	\$ 118,601	\$ 118,601
New Engineer 1 (\$60,000)				\$ 60,000	\$ 60,000
New Engineer 2 (\$60,000)				\$ 60,000	\$ 60,000
TOTAL OTHER SALARIES (13)				\$ 1,229,811	\$ 1,077,817
TOTAL SALARIES				\$ 3,121,727	\$ 2,969,733

PAYROLL EXPENSED

Total FMC Payroll Dollars 2016-17	\$ 2,969,733
Less Average Capitalized Payroll Dollars	\$ (462,593)
Payroll Dollars Net of Capitalization	\$ 2,507,140
Payroll Dollars 2015-16	\$ (2,346,997)
Rate Year Adjustment	\$ 160,143

PAYROLL CAPITALIZED

Total FMC Payroll Dollars 2016-17	\$ 2,969,733
Capitalization Rate	15.6%
	\$ 462,593

AVERAGE CAPITALIZED PAYROLL DOLLARS

	TOTAL PAYROLL	CAPITALIZED PAYROLL	
2015-16	\$ 314,004	\$ 2,661,001	11.8%
2014-15	\$ 429,282	\$ 2,613,867	16.4%
2013-14	\$ 501,625	\$ 2,710,420	18.5%
AVERAGE CAPITALIZED	\$ 414,970	\$ 2,661,763	15.6%

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

Workpaper F

ENERGY EFFICIENCY CONTRIBUTIONS

Energy Efficiency Contributions

We charge our customers a \$0.001 kWh "adder" for all kWh's sold. This revenue is included in our PPAC revenues. We submit 50% of funds collected this way to the Independent Energy Efficiency Program (IEEP) and we retain the remaining 50% of these funds (FMC-EEP). IEEP is a 3rd Party Administrator that administers energy efficiency programs on our behalf. FMC-EEP is a "self-directed" fund that we use for energy efficiency programs directly (without the assistance and cost of a 3rd party administrator). The total EEP revenues/expenditures for Fiscal Year 2015-16 are as follows.

<u>MONTH</u>	<u>FMC-EEP</u>	<u>IEEP</u>	<u>TOTAL</u>
June	\$ 22,870	\$ 22,870	\$ 45,740
July	25,036	25,036	50,072
August	25,842	25,842	51,684
September	20,233	20,233	40,466
October	16,267	16,267	32,534
November	14,681	14,681	29,362
December	15,498	15,498	30,996
January	16,958	16,958	33,916
February	16,434	16,434	32,868
March	15,429	15,429	30,858
April	14,856	14,856	29,712
May	16,553	16,553	33,106
TOTALS	\$ 220,657	\$ 220,657	\$ 441,314

Ten (10) Year Average of kWh Sales		
<u>FISCAL YEAR</u>	<u>kWh SALES</u>	
2015-16	441,309,412	
2014-15	442,549,379	
2013-14	454,903,043	
2012-13	440,002,085	
2011-12	424,233,097	
2010-11	452,051,525	
2009-10	425,202,468	
2008-09	444,885,419	
2007-08	448,348,437	
2006-07	448,428,695	
		4,421,913,560
10 Year Average	442,191,356	
x 0.001 adder	0.001	
	\$	442,191

Adjustment to Base \$ 877
Year Amount

Workpaper G

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

PSC ASSESSMENT

2014-15		2016-17	
<u>ASSESSABLE INTRASTATE REVENUE</u>		<u>ASSESSMENT</u>	
Temporary Assessment *	21,638,737	168,782	0.78%
General Assessment *	21,638,737	47,605	0.22%
		\$ 216,387	1.00%

2015-16		2017-18 (b)	
<u>ASSESSABLE INTRASTATE REVENUE</u>		<u>ASSESSMENT</u>	
Temporary Assessment *	19,199,697	140,158	0.73%
General Assessment *	19,199,697	42,239	0.22%
		\$ 182,397	0.95%

* - net of \$500,000 revenue exclusion
(a) - traced to gross revenue in 2016 annual report
(b) Rate year assessment

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

CALCULATION OF PILOT/TAX PAYMENTS

RATE YEAR ADJUSTMENT CALCULATION:

Total School Taxes for Rate Year	\$	553,724
Total Town Taxes for Rate Year	\$	265,831
Total PILOT for Rate Year	\$	80,055
TOTAL TAX & PILOT	\$	899,610

TAX CALCULATION:

	Fiscal Year 2016-17	Projected 2017-18	
School Taxes	\$ 542,867	\$ 553,724	(b)
Town Taxes (a)	\$ 260,618	\$ 265,831	(b)
		(b)	

(a) Town Taxes are not yet known for the 17 calendar year so we will use the three most recent years known. The three year average is inclusive of \$266,340, \$268,491 and \$247,024 for Calendar Year's 2014, 2015 and 2016 respectively. This three year average equals \$260,618

(b) School and Town taxes were adjusted up for the rate year to account for the 2% tax cap.

PILOT CALCULATION:

NET PLANT AT 05/31/16	TOWN OF PERINTON	VILLAGE OF FAIRPORT
\$ 25,415,214	\$ 13,229,897	\$ 12,185,317
100%	52%	48%

Assessed Value of Capital Assets owned by Fairport Municipal Commission within the Village of Fairport's Taxing District	\$ 12,185,317
Tax Rate (6.68762/1,000)	0.65698%
PILOT Payment Due	\$ 80,055

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

FORECASTED EMPLOYEE BENEFITS

ANALYSIS:	Actual 2013-14	Actual 2014-15	Actual 2015-16	Forecasted Rate Year	Actual 2013-14	Vertical Analysis		Forecasted 2016-17
						Actual 2014-15	Actual 2015-16	
MVP - Health Insurance	\$ 346,251	\$ 345,250	\$ 371,100	\$ 471,311	30%	30%	34%	38%
Blue Cross - Dental Insurance	17,612	16,271	16,153	\$ 17,568	2%	1%	1%	1%
Health Insurance Buyout	10,215	12,594	9,564	\$ 11,000	1%	1%	1%	1%
Cafeteria Plan Contributions	400	400	400	400	0%	0%	0%	0%
HSA Contributions	18,600	24,476	34,574	\$ 49,800	2%	2%	3%	4%
TOTAL HEALTH RELATED BENEFITS	\$ 393,078	\$ 398,991	\$ 431,791	\$ 550,079	34%	35%	40%	44%
Longevity	20,900	17,100	16,300	\$ 15,100	2%	1%	2%	1%
Sick and Vacation Buyback	7,305	9,400	7,894	\$ 5,800	1%	1%	1%	0%
TOTAL OTHER EARNINGS	\$ 28,205	\$ 26,500	\$ 24,194	\$ 20,900	2%	2%	2%	2%
EBS Program Fees (Lifetime)	5,483	3,093	2,108	\$ -	0%	0%	0%	0%
Proflex Program Fees (Lifetime)	-	-	-	96	0%	0%	0%	0%
HSA Administration Fees	-	-	-	300	0%	0%	0%	0%
MFG Program Fees (EAP program)	-	-	-	900	0%	0%	0%	0%
EAP Program Fees	1,148	748	900	-	0%	0%	0%	0%
HR Works Program Fees	-	-	948	500	0%	0%	0%	0%
Compass Program Fees	-	-	-	1,200	0%	0%	0%	0%
Unemployment	225	-	-	-	0%	0%	0%	0%
ACA Consulting Fees	-	-	2,207	2,500	0%	0%	0%	0%
Safety Training	-	141	-	-	0%	0%	0%	0%
Wellness Program	500	500	500	500	0%	0%	0%	0%
TOTAL BENEFIT RELATED FEES	\$ 7,356	\$ 4,482	\$ 6,663	\$ 5,996	1%	0%	1%	0%
FICA & Medicare	\$ 192,309	\$ 189,798	\$ 188,057	\$ 219,869	17%	17%	17%	18%
Vehicle Use	1,328	1,430	1,460	\$ 1,406	0%	0%	0%	0%
TOTAL PAYROLL TAXES	\$ 193,637	\$ 191,228	\$ 189,517	\$ 221,275	17%	17%	18%	18%
New York State Retirement	\$ 481,156	\$ 484,473	\$ 426,198	\$ 455,337	42%	42%	40%	36%
Misc. Other Adjustments	43,232	34,855	-	-	4%	3%	0%	0%
TOTAL RETIREMENT & OTHER	\$ 524,388	\$ 519,328	\$ 426,198	\$ 455,337	46%	46%	40%	36%
Total Fringe Benefits	\$ 1,146,664	\$ 1,140,529	\$ 1,078,363	\$ 1,253,587	100%	100%	100%	100%

FICA & MEDICARE CALCULATION

Payroll Dollars	\$ 2,969,733
Less Individual Salaries over \$118,500	\$ (33,702)
Less HSA/Cafeteria Plan Contributions	\$ (61,924)
Taxable Payroll Dollars	\$ 2,874,107
FICA & Medicare Combined Rate	7.65%
FICA & Medicare Expense	\$ 219,869

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

NORMALIZATION OF REVENUES TO ACCOUNT
FOR PRIOR YEAR RATE INCREASE

Fairport Municipal Commission obtained a rate increase effective July 1, 2016. To facilitate the rate filing for base year May 31, 2016, we will normalize revenues to reflect the previous rate increase had it been in effect for the entire fiscal year.

PROCEDURE 1: DETERMINE AVERAGE RATE INCREASE

Service Class	Previous Rate	New Rate	Average Increase	S.C. No. 4 Service Class	Previous Rate	New Rate	Average Increase
S.C. No. 1							
Customer Charge				Demand Charge, per kW	\$ 5.19	\$ 5.27	1.62%
Non-Winter Rate (April-November)	\$ 4.15	\$ 4.22	1.62%	Energy charge, per kWh	\$ 0.0197	\$ 0.0200	1.62%
Energy charge, per kWh	\$ 0.0364	\$ 0.0369	1.62%	Minimum charge, per meter, per month	\$ 2,595.00	\$ 2,637.10	1.62%
Winter Rate (December-March)							
Energy charge, per kWh				S.C. No. 5			
first 1,000 kWh	\$ 0.0364	\$ 0.0369	1.62%	Rates per light, per month			
over 1,000 kWh	\$ 0.0545	\$ 0.0554	1.62%	75 Watt HPS 175 Watt MV	\$ 5.87	\$ 5.97	1.62%
S.C. No. 2				100 Watt HPS 250 Watt MV	\$ 7.01	\$ 7.12	1.62%
Customer Charge	\$ 6.23	\$ 6.33	1.62%	150 Watt HPS 375 Watt MV	\$ 8.31	\$ 8.44	1.62%
Non-Winter Rate (April-November)				250 Watt HPS 400 Watt MV	\$ 9.61	\$ 9.77	1.62%
Energy charge, per kWh	\$ 0.0363	\$ 0.0369	1.62%	400 Watt HPS 1000 Watt MV	\$ 17.13	\$ 17.41	1.62%
Winter Rate (December-March)							
Energy charge, per kWh	\$ 0.0545	\$ 0.0554	1.62%	S.C. No. 6			
S.C. No. 3				Facilities Charge, per Lamp, per Month	\$ 5.19	\$ 5.27	1.62%
Demand Charge, per kW	\$ 3.12	\$ 3.17	1.62%	Energy charge, per kWh	\$ 0.0197	\$ 0.0200	1.62%
Energy charge, per kWh	\$ 0.0426	\$ 0.0433	1.62%				
Minimum charge, per meter, per month	\$ 78.00	\$ 79.27	1.62%	AVERAGE RATE INCREASE	1.62%		

PROCEDURE 2: APPLY AVERAGE RATE INCREASE TO UNAFFECTED REVENUES

Month	Base Revenues	Average Increase	Adjusted Revenues	Dollar Adjustment
June of 2015	\$ 1,178,557	1.62%	\$ 1,197,650	\$ 19,093
July of 2015	\$ 1,223,147	1.62%	\$ 1,242,962	\$ 19,815
August of 2015	\$ 1,338,732	1.62%	\$ 1,360,419	\$ 21,687
September of 2015	\$ 1,291,446	1.62%	\$ 1,312,367	\$ 20,921
October of 2015	\$ 1,222,428	1.62%	\$ 1,242,231	\$ 19,803
November of 2015	\$ 1,189,343	1.62%	\$ 1,208,610	\$ 19,267
December of 2015	\$ 1,333,154	1.62%	\$ 1,354,751	\$ 21,597
January of 2016	\$ 1,695,211	1.62%	\$ 1,722,673	\$ 27,462
February of 2016	\$ 2,158,347	1.62%	\$ 2,193,312	\$ 34,965
March of 2016	\$ 2,005,540	1.62%	\$ 2,038,030	\$ 32,490
April of 2016	\$ 1,586,899	1.62%	\$ 1,612,607	\$ 25,708
May of 2016	\$ 1,295,840	1.62%	\$ 1,316,833	\$ 20,993
TOTALS	\$ 17,518,644	-	\$ 17,802,445	\$ 283,801
Multiplied by Normalization Rate				1.58%
Normalized Effect of Prior Year Rate Increase				\$ 288,285