

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

RATE REQUEST

**BASED ON THE YEAR ENDED MAY 31, 2015 (BASE YEAR)
FORECAST PERIOD JULY 1, 2016 (EFFECTIVE DATE
OF RATE INCREASE) TO JUNE 30, 2017
Issued December 30, 2015**

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

RATE REQUEST

**BASED ON THE YEAR ENDED MAY 31, 2015 (BASE YEAR)
FORECAST PERIOD JULY 1, 2016 (EFFECTIVE DATE
OF RATE INCREASE) TO JUNE 30, 2017
Issued December 30, 2015**

C O N T E N T S

	Exhibit
Transmittal letter	
Forecasted Statement of Operations - Adjusted Base Year and Rate Year	1
Summary of Normalization and Rate Year Adjustments	1-A
Forecasted Rate of Return Calculation - Capitalization Matrix	
Based on the Year Ended May 31, 2015, Adjusted for Rate Year Adjustments and Revenue Increase Request	2
Summary of Significant Forecast Assumptions	3
<ul style="list-style-type: none"> • <i>Operating Revenues</i> • <i>Operating Expenses</i> • <i>Indebtedness</i> • <i>Rate of Return</i> 	
 SUPPLEMENTAL INFORMATION	
 <i>Historical Data</i>	
Balance Sheets, 2013 - 2015	4
Income Statements (Including kWh sold) - 2013 - 2015	5
Statements of Surplus, 2013 - 2015	6
 <i>Pro-Forma Data</i>	
Rate of Return Study Rate Base	7
Rate of Return Study Cash Working Capital	8
Detail of Rate Base	9
Detail of Rate of Return	10
Revenue Change	11
Calculation of Average Line Loss and Factor of Adjustment	12
Comparison of Present and Proposed Rates and Monthly Bills	13
Operating Property Analysis, Including Additions and Depreciation Calculations, 2016 - 2017	14
Forecasted Capital Improvements	15
Forecasted Statements of Cash Flows with 2.5% Base Revenue Increase Effective July 1, 2016	16
 Revised Tariff Leaves	
 Select Workpapers	
	Workpaper
Weather Normalization Calculations	A
Expense Allocation (Fiscal 2015)	B
Expense Allocation (Fiscal 2014)	B-1
Expense Allocation (Fiscal 2013)	B-2
Projected Costs for Rate Year	C
Distribution Expense Adjustment	C-1
Purchased Power Adjustment Reconciliation	D
Additional Base Revenues - Customer Growth	E
Removal of "Profit" From Sales to Operating Municipality	F
Forecast Salaries	G
IEEP Contributions	H
Normalization of Revenues to Account for Mid-Year Rate Increase	I
PSC Assessment	J
Calculation of PILOT Payment	K
Forecasted Employee Benefits	L

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT
31 SOUTH MAIN STREET
FAIRPORT, NEW YORK 14450-2132**

December 30, 2015

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 December 30, 2015, to be effective July 1, 2016.

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 \$36.92 to \$37.70, or 2.12%. The proposed change will increase the Village's normalized annual base revenues by \$464,440 (from \$18,577,618 to \$19,042,058). 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 over 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.

The Rate Filing

The Village's last rate increase was approximately one year ago with an effective date of November 1, 2014. There are two primary reasons for the current rate increase. First, the Village's "normalized" rate of return on surplus for fiscal year May 2015 (its most recent year end) was 1.92%. The forecasted rate of return on surplus, before the requested revenue increase, is expected to be 0.88%. 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 2.90%.

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.

Hon. Kathleen H. Burgess, Secretary
New York State Public Service Commission
December 30, 2015
Page 2

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 requested 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 \$465,000 which allows the Village to file as a "mini-filing" under the Commission's Rules and Regulations. The requested increase in base revenues is approximately 2.5% 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 the 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 1.045263, the average factor of adjustment over the last six years, to be applied to its customer billings, via the Purchased 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, 2015 data, the Village's most recent year-end for which data is available. The Village has detailed back-up workpapers 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.

Further Information

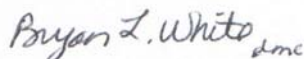
The Village asks that questions regarding this filing be directed to:

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 SaxBST 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

A handwritten signature in dark ink that reads "Bryan L. White" followed by a small, stylized monogram "dmc".

Bryan L. White
Village Manager

BLW/dmc
Enclosures

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**FORECASTED STATEMENT OF OPERATIONS
Based on the Year Ended May 31, 2015 (Base Year)**

	<u>Base Year May 31, 2015</u>	<u>Normalizing Adjustments</u>	<u>Adjusted Base Year</u>	<u>Rate Year Adjustments</u>	<u>Normalized Rate Year Before Revenue Increase</u>	<u>Revenue Increase Request</u>	<u>Rate Year After Increase</u>	<u>Note Reference</u>
Revenues								
Operating revenues - Base	\$ 18,888,883	\$ (429,383)	\$ 18,459,500	\$ 118,118	\$ 18,577,618	\$ 464,440	\$ 19,042,058	1
Operating revenues - PPAC	3,249,854	(580,087)	2,669,767	(147,341)	2,522,426	-	2,522,426	1
Late charges	33,586	-	33,586	-	33,586	-	33,586	1
Rent from electric property	39,011	-	39,011	(2,059)	36,952	-	36,952	1
Miscellaneous operating revenues	5,871	-	5,871	2,942	8,813	-	8,813	1
Total revenues	<u>22,217,205</u>	<u>(1,009,470)</u>	<u>21,207,735</u>	<u>(28,340)</u>	<u>21,179,395</u>	<u>464,440</u>	<u>21,643,835</u>	
Expenses								
Purchased power	13,744,587	(268,024)	13,476,563	65,827	13,542,390	-	13,542,390	2.a.
Labor, net of capitalized labor	2,184,585	-	2,184,585	6,014	2,190,599	-	2,190,599	2.b.1.
Employee benefits and related costs	1,140,529	-	1,140,529	(83,971)	1,056,558	-	1,056,558	2.b.2.
Contractual/material expenses								
Transmission	200,371	-	200,371	(9,616)	190,755	-	190,755	2.b.3.
Maintenance of poles and fixtures	168,033	-	168,033	(23,738)	144,295	-	144,295	2.b.3.
Distribution	2,165,624	-	2,165,624	(43,066)	2,122,558	-	2,122,558	2.b.3.
Street lights	96,882	-	96,882	13,614	110,496	-	110,496	2.b.3.
Consumer accounting and collection	314,736	-	314,736	(8,119)	306,617	-	306,617	2.b.3.
Sales expense	2,935	-	2,935	2,166	5,101	-	5,101	2.b.3.
Administrative and general	108,725	-	108,725	113,739	222,464	-	222,464	2.b.3.
Rent	14,458	-	14,458	(102)	14,356	-	14,356	2.b.4.
Insurance	78,875	-	78,875	(4,528)	74,347	-	74,347	2.b.5.
Uncollectible revenues	15,782	-	15,782	(5,042)	10,740	-	10,740	2.b.6.
Depreciation	1,543,614	-	1,543,614	116,903	1,660,517	-	1,660,517	2.b.7.
Recapture of excess depreciation - prior years (Contributions for Ext)	(178,917)	-	(178,917)	35,589	(143,328)	-	(143,328)	2.b.7.
Taxes and PILOT to General Fund	793,274	-	793,274	118,423	911,697	-	911,697	2.b.8.
PSC Regulatory Assessment	285,889	-	285,889	(69,502)	216,387	-	216,387	2.b.9.
Contributions for Energy Efficiency and NYPA weatherization program	520,851	-	520,851	(77,839)	443,012	-	443,012	2.b.10.
Rate filing costs	-	-	-	18,000	18,000	-	18,000	2.b.11.
Miscellaneous credits transferred (Allocation of overhead)	(2,270,813)	-	(2,270,813)	12,383	(2,258,430)	-	(2,258,430)	2.b.12.
Total expenses	<u>20,930,020</u>	<u>(268,024)</u>	<u>20,661,996</u>	<u>177,135</u>	<u>20,839,131</u>	<u>-</u>	<u>20,839,131</u>	
Operating income (*)	<u>\$ 1,287,185</u>	<u>\$ (741,446)</u>	<u>\$ 545,739</u>	<u>\$ (205,475)</u>	<u>\$ 340,264</u>	<u>\$ 464,440</u>	<u>\$ 804,704</u>	
Rate Base	<u>\$ 28,306,751</u>				<u>\$ 27,406,176</u>		<u>\$ 27,406,176</u>	
Rate of Return	<u>4.55%</u>				<u>1.25%</u>		<u>2.93%</u>	
Return on Surplus	<u>4.95%</u>				<u>0.88%</u>		<u>2.90%</u>	

(*) Operating income (loss) does not include interest income or interest expense.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

SUMMARY OF NORMALIZATION AND RATE YEAR ADJUSTMENTS

Base Year Normalization Adjustments

a) To reflect decrease in base revenues due to weather normalization	\$ (480,913)
b) To reflect decrease in purchased power due to weather normalization of revenues	(268,024)
c) To adjust PPAC revenues for over-billing of revenues in fiscal year 2015 (per PPAC Reconciliation)	(580,087)
d) To reflect increase in base revenues, as a result of November 1, 2014 rate increase (cumulative effect on June 2014 to October 2014 base revenues, billed at former rates)	72,105
e) To remove "profit" from sales to operating municipality (Accounts 604 and 606)	<u>(20,575)</u>
Total normalization adjustments	<u>\$ (741,446)</u>

Rate Year Adjustments
Revenues

f) To reflect increase in base revenues attributed to anticipated growth in customer base	<u>\$ 118,118</u>
g) To reduce PPAC revenues for expiration of NYPA weatherization payments passed through to customers via the PPAC	<u>\$ (78,302)</u>
h) To reflect increase in PPAC revenues, related to anticipated IEEP contributions	<u>\$ 463</u>
i) To adjust PPAC revenues, related to decrease in PSC annual assessment, which is passed through the PPAC	<u>\$ (69,502)</u>
j) To reflect decrease in rental income to equal 3 year average	<u>\$ (2,059)</u>
k) To reflect increase in miscellaneous operating revenues to equal 3 year average	<u>\$ 2,942</u>
Total Rate Year Adjustments - Revenues	<u>\$ (28,340)</u>

Expenses

l) To reflect increase in purchased power costs attributed to anticipated growth in customer base (related to base revenue adjustment above)	<u>\$ 65,827</u>
m) 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	<u>\$ 6,014</u>
n) To reflect net changes in employee benefits due to payroll tax calculation or allocated budgeted or known amounts for shared costs	<u>\$ (83,971)</u>

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

SUMMARY OF NORMALIZATION AND RATE YEAR ADJUSTMENTS

Rate Year Adjustments - Continued
Expenses - Continued

o) <u>Contractual/material expenses</u>	
Transmission - 3 Year average with no inflation factor	\$ (9,616)
Maintenance of poles and fixtures - 3 year average with no inflation factor	\$ (23,738)
Distribution - 3 year average with no inflation factor, adjusted for deferred tree trimming costs	\$ (43,066)
Street lights - 3 year average with no inflation factor	\$ 13,614
Consumer accounting and collection - 3 year average with no inflation factor	\$ (8,119)
Sales expense - 3 year average with no inflation factor	\$ 2,166
Administrative and general - 3 year average with no inflation factor	\$ 113,739
p) To decrease rent expense to equal 3 year average	\$ (102)
q) To decrease insurance expense to equal 3 year average with no inflation factor	\$ (4,528)
r) To decrease uncollectible revenues to equal 3 year average	\$ (5,042)
s) To increase depreciation expense for existing operating property plus anticipated capital improvements in fiscal year 2016 and the Rate Year	\$ 116,903
t) To adjust recapture of prior years depreciation expense taken on contributed property	\$ 35,589
u) To reflect increase in property taxes paid to outside jurisdictions and to include PILOT to be paid to the Village, based on assessed values	\$ 118,423
v) To adjust PSC annual assessment to equal expected revenues in Rate Year multiplied by assessment rate (related to revenue adjustment above)	\$ (69,502)
w) To reduce NYPA weatherization payments to zero due to expiration of program (Related to PPAC adjustment above)	(78,302)
x) To reflect increase in IEEP contributions based on ten year average in kWh sales	\$ 463
y) Rate Filing costs, considered a current period cost	\$ 18,000
z) To reflect net change in miscellaneous credits transferred (allocation of overhead) based on forecasted labor amounts	\$ 12,383
Total Rate Year Adjustments - Expenses	\$ 177,135
Total Rate Year Adjustments - Revenues/Expenses	\$ 205,475

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**FORECASTED RATE OF RETURN CALCULATION
CAPITALIZATION MATRIX**

**Based on the Year Ended May 31, 2015,
Adjusted for Rate Year Adjustments and Revenue Increase Request**

		<u>Amount</u>	<u>Per- Cent</u>	<u>Cost Rate</u>	<u>Rate of Return</u>
<u>2015 (Base Year)</u>					
Long-term debt	Exhibit 10	\$ 5,117,463	18.5%	3.03%	0.56%
Customer deposits	Exhibit 10	279,829	1.0%	0.77%	0.01%
Net surplus	Exhibit 10	<u>22,260,115</u>	<u>80.5%</u>	4.95%	<u>3.98%</u>
Total		<u>\$ 27,657,407</u>	<u>100.00%</u>		<u>4.55%</u>
<u>Rate Year Before Revenue Increase</u>					
Long-term debt	Exhibit 10	\$ 4,225,989	15.5%	3.25%	0.50%
Customer deposits	Exhibit 10	250,871	0.9%	0.86%	0.01%
Net surplus	Exhibit 10	<u>22,767,682</u>	<u>83.6%</u>	0.88%	<u>0.74%</u>
Total		<u>\$ 27,244,542</u>	<u>100.00%</u>		<u>1.25%</u>
<u>Rate Year After Revenue Increase</u>					
Long-term debt	Exhibit 10	\$ 4,225,989	15.5%	3.25%	0.50%
Customer deposits	Exhibit 10	250,871	0.9%	0.86%	0.01%
Net surplus	Exhibit 10	<u>22,767,682</u>	<u>83.6%</u>	2.90%	<u>2.42%</u>
Total		<u>\$ 27,244,542</u>	<u>100.00%</u>		<u>2.93%</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)****NOTE 1 - OPERATING REVENUES***Base Revenues*Weather Normalization

Sales in kWh decreased approximately 2.7% for the fiscal year ended May 31, 2015 (Base Year). This decrease in electric consumption was primarily related to (1) a slightly milder winter period experienced during 2014/2015, and (2) energy conservation measures. Consumption decreases in the Residential, Commercial, and Industrial rate classes were 2.7%, 0.1%, and 5.4%, respectively, for the fiscal year ended May 31, 2015 (Base Year).

As the decrease in kWh consumption was primarily attributable to weather conditions (and not a decrease in customers or usage patterns), 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 (<http://www.nyscrda.ny.gov/Cleantech-and-Innovation/EA-Reports-and-Studies/Weather-Data/Monthly-Cooling-and-Heating-Degree-Day-Data.aspx>) for heating degree days for the ten (10) year period 2006-2015. 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 decrease \$480,913 (2.3% decrease) from the Base Year.

Effect of Recent Rate Increase

Effective November 1, 2014, the Department received approval to increase its base rates for all customer rate classes. Base revenues recognized in fiscal year 2015 (Base Year) included seven (7) months (November 2014 to May 2015) of revenues at these increased rates.

Based on the analysis in Workpaper I, base revenues were normalized as if the November 1, 2014 rate increase was in effect for the entire 2015 fiscal year (Base Year). As such, base revenues were normalized for the period June 1, 2014 through October 31, 2014. The normalization adjustment (Workpaper I) for the effect of the recent rate increase was to increase base revenues by \$72,105.

Sales to Operating Municipality

The Department contributes street lighting and other electric service to the Village's General Fund. As the Village's General Fund does not pay for these services, the gross "sales value" of these services are effectively "written off" and reported as a Contribution to Operating Municipality. Because gross revenues from these services are included in operating revenues in the Department's Annual Report (and provide no financial benefit to the Department), it is necessary to remove the "profit" of these sales from the Department's operating statement, and to only reflect the purchased power cost of these contributions. The "profit" related to sales to the Operating Municipality for fiscal year 2015 (Base Year) has been calculated at Workpaper F. The normalization adjustment for the removal of "profit" on these sales was \$20,575.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)****NOTE 1 - OPERATING REVENUES - Continued***Base Revenues - Continued*Anticipated Customer Growth

Based on recent residential development, the Department has considered customer growth in this rate filing. Management believes that an additional 456 residential customers will be added to the distribution system during the period December 2015 through June 2017. This represents a 2.7% growth in current customer base (3.0% growth in the residential rate class). With this additional demand, the Department expects to sell an additional 2,624,736 kWh during the Rate Year. This represents a 0.6% increase in total kWh consumption over the Base Year. Additional base revenues (including minimum service charges) expected to be generated during the Rate Year total \$118,118 (see Workpaper E-1). The related effect on purchased power costs to meet this additional customer demand, is described below.

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 presented in Workpaper D-2, PPAC revenues were over-billed by \$580,087 during the fiscal year ended May 31, 2015 (Base Year). 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 overstated by \$580,087. As such, over-billed PPAC revenues were removed from total revenues to properly normalize PPAC revenues in the Base 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 EEP-FMC). 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 EEP-FMC) 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 2006 through 2015), and are presented in Workpaper H. Based on this ten (10) year average, PPAC revenues are expected to increase by \$463. Conversely, contributions to the IEEP and EEP-FMC (classified as an expense) have also been increased by \$463, to remain “revenue neutral” in the determination of net operating income.

During the fiscal year May 31, 2015 (Base Year) the Department made payments to the New York Power Authority (NYPA) in connection with the Department’s Weatherization Program. Similar to the IEEP and EEP-FMC contributions described above, these payments are also passed onto the customer as part of the PPAC process. Payments made to NYPA for the Weatherization Program during the Base Year totaled \$78,302. During fiscal year 2016, payments under the Weatherization Program expired. As such, PPAC revenues related to the Weatherization Program, totaling \$78,302, have been removed from Base Year PPAC revenues. In addition, the related expense for these payments, totaling \$78,302, has been removed from Base Year expenses to remain “revenue neutral” in the determination of net operating income.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)****NOTE 1 - OPERATING REVENUES - Continued***PPAC Revenues - Continued*

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 and an expected decrease in gross revenues (due to normalization), the expected assessment will be \$216,387 in the Rate Year (see Workpaper J), a reduction of \$69,502 from the Historic Base Year. As such, PPAC revenues have also been reduced by this amount to reflect the nature of this pass-through.

Base Revenue, Revenue Increase Rate

The increase in Base Revenues (as a result of a 2.50% increase in base rates effective July 1, 2016) 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 \$464,440. The requested increase in Base Revenues is equal to 2.5% of "Normalized Rate Year" Base Revenues, before the requested revenue increase. Base Revenues in the Rate Year are expected to be \$19,042,058 (versus normalized Base Year revenues of \$18,577,618).

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 (2013 to 2015), and have totaled approximately \$34,000 per annum. Revenues from late charges during the Rate Year are expected to equal \$33,586, the amount reported in the May 31, 2015 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 \$36,952. This amount represents a decrease of \$2,059 from the amount reported in the May 31, 2015 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 \$8,813, which represents an increase of \$2,942 from the amount reported in the May 31, 2015 Historic Base Year.

NOTE 2 - OPERATING EXPENSES

- a. *Purchased Power* - The cost of electricity purchased for distribution is forecasted to be \$13,542,390 during the Rate Year. This forecasted amount is based on actual purchased power costs incurred during the Base Year, adjusted for (1) weather normalization calculations described in Workpaper A, and (2) anticipated customer growth (as described above). As weather normalization is expected to decrease consumption and Base Revenues (Note 1), purchased power is also expected to decrease to meet those consumption needs. Decreases in purchased power, due to weather normalization adjustments, is expected to be \$268,024 (Workpaper A).

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)****NOTE 2 - OPERATING EXPENSES - Continued***a. Purchased Power - Continued*

As described above, the Department has considered customer growth in this rate filing. With this additional demand, the Department expects to sell an additional 2,624,736 kWh during the Rate Year. As a result of this additional demand, purchased power cost is expected to increase \$65,827. The cost of this additional power has been calculated at Workpaper E-1, based on the gross profit percentage calculated in the weather normalization adjustment (Workpaper A). Purchased power is estimated to equal 55.73% of additional revenues generated by expected customer growth.

*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 (allocated to the Electric Department based on estimated level of effort).

Total salaries incurred during Base Year 2015 were \$2,613,867 of which \$429,282 was capitalized to operating property via the Department's work order system. Salaries charged to the various expense accounts of the Department totaled \$2,184,585 during Base Year 2015.

Total salaries to be incurred during the Rate Year are projected to be \$2,627,599 (see Workpaper G); of which \$437,000 is expected to be capitalized to operating property, and \$2,190,599 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 2015, which was approximately 17% 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, 2015, and expected to be implemented on June 1, 2016, 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, 2015, and are expected to increase 2% (on average) on June 1, 2016. The combined wage increases, net of the effects of salary changes for new hires and former employees, had the effect of increasing total annual salaries by only \$14,000 from the Base Year 2015 to the Rate Year. Forecasted salaries charged to expense during the Rate Year is expected to be \$6,014 more than the Base Year 2015.

(2) Employee Benefits and Related Costs

Employee benefits include medical insurance and related costs, disability insurance, New York State retirement contributions, FICA/Medicare and safety training. Costs in Base Year 2015, represent the Electric Department's share of actual invoiced amounts (or via calculation on labor dollars for FICA/Medicare), and are primarily based on a ratio of Electric Department labor dollars to total Village labor dollars.

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. *Other Operating Expenses* - Continued

(2) Employee Benefits and Related Costs - Continued

In general, employee benefit costs have remained fairly consistent over the past three years (three year average of approximately \$1,131,000), 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 43% of total salary costs over the last few years.

Rate Year employee benefit costs are presented in Workpaper L, and are based on (1) actual invoiced amounts for Fiscal Year 2016, (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 40% of total Rate Year labor dollars, primarily due to a slight increase in expected medical premiums and related costs. Employee benefits and related costs are expected to be \$1,056,558 during the Rate Year, which represents a \$83,971 decrease over the May 31, 2015 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 (2013-2015) of these cost categories; with no adjustment for inflation factors (see Workpaper C).

	Base Year 2015	Rate Year	Rate Year Increase (Decrease)
Transmission	\$ 200,371	\$ 190,755	\$ (9,616)
Maintenance of poles	168,033	144,295	(23,738)
Distribution (a)	2,165,624	2,122,558	(43,066)
Street lights	96,882	110,496	13,614
Consumer accounting	314,736	306,617	(8,119)
Sales expense	2,935	5,101	2,166
Administrative and general	108,725	222,464	113,739
	<u>\$ 3,057,306</u>	<u>\$ 3,102,286</u>	<u>\$ 44,980</u>

- (a) Three year average for contractual/material expenses of the Distribution category has been adjusted to reflect the inclusion of certain tree trimming costs that had been deferred in prior years due to cash flow deficiencies. See calculation of adjusted three year average at Workpaper C-1.

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. *Other Operating Expenses* - Continued

(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 \$14,356 per annum. Rent expense in the Rate Year is expected to equal this three year average. As such, rent expense has been reduced \$102 from the 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 (2013-2015).

Three-year average (2013-2015)	\$ 74,347
Base Year 2015	<u>78,875</u>
Rate Year decrease	<u><u>\$ (4,528)</u></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 \$10,740 per year over the last three fiscal years (2013-2015), which is approximately 0.05% of Base Year gross revenues. Uncollectible revenues in the Rate Year are expected to equal \$10,740, representing the most recent three year average. This amount represents a decrease of \$5,042 from the May 31, 2015 Base Year.

(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, subcontractor, 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	\$ 1,660,517
Depreciation expense, Base Year	<u>1,543,614</u>
Rate Year increase	<u><u>\$ 116,903</u></u>

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. *Other Operating Expenses* - Continued

(7) Depreciation and Recapture of Excess Depreciation - Prior Years - Continued

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.

During the preparation of this rate filing, it was noted that the Department incorrectly reported its recapture of excess depreciation in the May 31, 2015 Annual Report (Base Year). Amounts reported in the Annual Report totaled \$(178,917), which represented an overstatement of \$35,589. This reporting has been corrected in the Rate Year, and totals \$(143,328), an adjustment of \$35,589. The recapture of excess depreciation has been reported in Account 793 in the Department’s Annual Reports.

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.

(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 2016, 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	\$ 263,661
Fairport Central School District	566,849
	<u>\$ 830,510</u>

In addition, the Department makes a Payment in Lieu of Taxes (PILOT) to the Village’s General Fund. In prior years’ Annual Report filings (May 31, 2015 and prior), the PILOT payment was reported as a Contribution to Municipality. For future periods, the Department has elected to reclassify the PILOT payment as an operating expense, to be recovered by customer base rates.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)****NOTE 2 - OPERATING EXPENSES - Continued***b. Other Operating Expenses - Continued***(8) Taxes and PILOT to General Fund - 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 \$81,187 (see workpaper K).

Taxes and PILOT during the Rate Year is expected to be \$911,697, an increase of \$118,423 from the May 31, 2015 Base Year. This increase is primarily due to the change in classification of the PILOT from a Contribution to Operating Municipality to an operating expense.

(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 2015 assessable intrastate revenues of \$21,638,737 multiplied by a 1% assessment rate (see Workpaper J, for calculation). The PSC Regulatory Assessment is expected to be \$216,387, a reduction of \$69,502 from the previous year. See further discussion in Note 1 for effect on PPAC revenues.

(10) Contributions for Energy Efficiency and NYPA Weatherization Program

As previously discussed in Note 1, the Department participates in the Independent Energy Efficiency Program (IEEP) and the internally administered EEP-FMC, to offer programs and make capital improvements to promote energy efficiency by and for its customers. As previously described, contributions to the IEEP and EEP-FMC are based on kWh sold multiplied by .001 per kWh. Contributions to the IEEP and EEP-FMC are based upon a ten (10) year average of kWh sold (Fiscal Years 2006 through 2015), and are presented in Workpaper H. Based on this ten (10) year average, contributions are expected to increase \$463. Conversely, PPAC revenues have also been increased by \$463 (see Note 1), to remain "revenue neutral" in the determination of net operating income. Contributions to the IEEP and EEP-FMC are expected to be \$443,012 in the Rate Year.

In addition, during the fiscal year May 31, 2015 (Base Year), the Department made payments to the New York Power Authority (NYPA) in connection with the Department's Weatherization Program (see further discussion in Note 1 for effect on PPAC revenues). These payments expired during fiscal year 2016. As such, costs related to this program totaling \$78,302, have been removed from forecasted expenses in the Rate Year, to remain "revenue neutral" in the determination of net operating income.

(11) Rate Filing Costs

As the Department expects to prepare and submit a subsequent rate filing on or about the one year anniversary date of the rates requested in this rate filing, the Department considers the cost of this rate filing as a current period cost.

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTSUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (Base Year)

NOTE 2 - OPERATING EXPENSES - Continued

b. Other Operating Expenses - Continued

(12) Miscellaneous Credits Transferred (Allocation of Overhead)

Miscellaneous credits transferred represent the allocation of employee benefits and supervision time (as the Superintendent's 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 and expense accounts, without losing the integrity of the actual amount of these costs in the general ledger.

The allocation of employee benefit and supervision costs is based on the Department's labor dollars (exclusive of the Superintendent's, Engineer's and Commissioner's salaries) multiplied by an overhead percentage representative of those costs to total labor dollars. The overhead rate used for employee benefits and supervision in the Rate Year is 95%, which is similar to overhead rates used in the past four fiscal years. 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 \$2,377,295. Allocation of employee benefit and supervision costs (reported in general ledger account 792) during the Rate Year is expected to be \$2,258,430 ($\$2,377,295 \times 95\%$). See Workpaper G, for related calculation.

NOTE 3 - INDEBTEDNESS

The Electric Department's indebtedness at the end of the Rate Year consists of existing debt obligations. No additional debt is expected to be incurred in the Rate Year, as all capital improvements are expected to be financed from operating cash balances and/or depreciation reserves.

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)	\$ 1,262,250
Public Improvement Bond, issued December 2011, interest at 3.5653%, annual principal payments of \$200,000 to \$190,000 due December 2030 (b)	2,540,000
Equipment loan due NYPA, issued 2015, interest at 0%, annual principal payments of \$54,139 due December 2020 (c)	162,415
Unamortized premium on debt related to bond issuances above (d)	<u>25,653</u>
	<u><u>\$ 3,990,318</u></u>

- (a) Financing for improvements to the Department's operations center.
- (b) Financing for improvements made to substation, related equipment and certain vehicles.
- (c) Financing from NYPA for the purchase of a hybrid electrical vehicle, under NYPA's MAP program.
- (d) Premium paid on bonds in (a) and (b), amortized on a straight line basis at \$4,702 per year.

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
Based on the Year Ended May 31, 2015 (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, 2015, 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, 2015. This rate of return on Rate Base and Surplus was 4.55% and 4.95%, respectively. The rate of return on Rate Base and Surplus for the Forecasted Rate Year of 2.93% and 2.90%, respectively, is calculated using Base Year 2015 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.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

BALANCE SHEETS

	Fiscal <u>2013</u>	Fiscal <u>2014</u>	Fiscal <u>2015</u>	2014-2015 Average <u>Balance</u>
ASSETS				
Plant in service	\$ 48,024,388	\$ 49,106,271	\$ 50,151,567	\$ 49,628,919
Construction work in progress	33,895	102,321	44,628	73,475
Depreciation reserve	<u>(19,119,953)</u>	<u>(20,061,402)</u>	<u>(21,264,162)</u>	<u>(20,662,782)</u>
Net plant	<u>28,938,330</u>	<u>29,147,190</u>	<u>28,932,033</u>	<u>29,039,612</u>
Depreciation reserve funds	1,478,933	864,610	783,888	824,249
Miscellaneous special funds	303,501	308,659	254,976	281,818
Cash	1,011,818	1,633,235	2,558,358	2,095,797
Working funds	600	600	600	600
Loans to Operating Municipality	-	-	-	-
Materials and supplies	1,031,811	995,360	927,172	961,266
Receivables from operating municipalities	1,695	13,315	14,174	13,745
Accounts receivable	576,235	727,587	564,525	646,056
Reserve for uncollectibles	(7,800)	(12,000)	(29,000)	(20,500)
Prepayments	774,518	571,147	561,243	566,195
Miscellaneous current assets	<u>185,863</u>	<u>122,663</u>	<u>44,360</u>	<u>83,512</u>
Total assets	<u>\$ 34,295,504</u>	<u>\$ 34,372,366</u>	<u>\$ 34,612,329</u>	<u>\$ 34,492,348</u>
LIABILITIES				
Accounts payable	\$ 1,389,130	\$ 1,422,250	1,102,854	\$ 1,262,552
Notes payable	-	-	-	-
Payables to Operating Municipality	-	78,918	-	39,459
Customer deposits	302,872	308,786	250,871	279,829
Taxes accrued	32,794	32,861	19,022	25,942
Interest accrued	7,613	7,312	6,459	6,886
Miscellaneous other current liabilities	<u>1,329,892</u>	<u>1,426,866</u>	<u>1,553,742</u>	<u>1,490,304</u>
Total current liabilities	3,062,301	3,276,993	2,932,948	3,104,971
Bonds payable	5,517,250	5,074,750	4,627,250	4,851,000
Long-term debt - other	229,103	140,853	317,256	229,055
Unamortized premium on debt	<u>44,459</u>	<u>39,759</u>	<u>35,057</u>	<u>37,408</u>
Total liabilities	<u>8,853,113</u>	<u>8,532,355</u>	<u>7,912,511</u>	<u>8,222,433</u>
Contributions for extensions	4,009,800	4,009,800	4,009,800	4,009,800
Contributions to municipality	(11,225,564)	(11,530,988)	(11,804,033)	(11,667,511)
Surplus	<u>32,658,155</u>	<u>33,361,199</u>	<u>34,494,051</u>	<u>33,927,625</u>
Total surplus	<u>25,442,391</u>	<u>25,840,011</u>	<u>26,699,818</u>	<u>26,269,915</u>
Total liabilities and surplus	<u>\$ 34,295,504</u>	<u>\$ 34,372,366</u>	<u>\$ 34,612,329</u>	<u>\$ 34,492,348</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

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

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Three Year Average
Operating revenues				
A/C 601 Residential sales	\$ 12,756,310	\$ 15,304,788	\$ 13,503,911	\$ 13,855,003
A/C 602 Commercial sales	5,239,824	5,973,541	5,416,158	5,543,174
A/C 603 Industrial sales	3,196,719	3,664,076	2,975,820	3,278,872
A/C 604 Public street lighting - operating municipality	144,616	148,496	138,317	143,810
A/C 605 Public Street lighting - other	68,839	71,148	68,640	69,542
A/C 606 Other sales to operating municipality	52,178	56,928	48,902	52,669
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	20,544	21,238	20,575	20,786
A/C 621 Rent from electric property	35,810	36,036	39,011	36,952
A/C 622 Miscellaneous electric revenues	6,831	7,049	5,871	6,584
Total operating revenues	<u>21,521,671</u>	<u>25,283,300</u>	<u>22,217,205</u>	<u>23,007,392</u>
Operation and maintenance expense				
Electricity purchased	14,020,374	16,801,780	13,744,587	14,855,580
Transmission expense	160,155	206,793	188,760	185,236
Poles, towers and fixtures	19,806	13,967	35,887	23,220
Distribution expense	2,908,460	3,202,040	3,195,859	3,102,120
Street lighting and signal expense	163,331	225,280	139,348	175,986
Customer accounting and collection	592,324	649,900	606,113	616,112
Sales expense	14,820	10,821	5,653	10,431
Administrative and general expense	534,066	511,358	139,141	394,855
Depreciation	1,482,994	1,512,018	1,543,614	1,512,875
Other operating expenses	-	-	1,151	-
Taxes - electric	714,679	745,895	793,274	751,283
Uncollectible revenues	7,804	8,633	15,782	10,740
Total operation and maintenance expense	<u>20,618,813</u>	<u>23,888,485</u>	<u>20,409,169</u>	<u>21,638,439</u>
Income from operations	<u>902,858</u>	<u>1,394,815</u>	<u>1,808,036</u>	<u>1,368,953</u>
Other income (expense)				
Interest income	2,136	228	1,288	1,217
Interest expense	(184,033)	(170,350)	(158,173)	(170,852)
Contractual appropriations of income	(482,659)	(518,103)	(520,851)	(507,204)
Miscellaneous interest deductions	(1,546)	(8,247)	(2,150)	(3,981)
Release of premium on debt	4,700	4,701	4,702	4,701
Total other income (expense)	<u>(661,402)</u>	<u>(691,771)</u>	<u>(675,184)</u>	<u>(676,119)</u>
Net Income (loss)	<u>\$ 241,456</u>	<u>\$ 703,044</u>	<u>\$ 1,132,852</u>	<u>\$ 692,834</u>
kWh Sales				
A/C 601 Residential sales	252,903,352	265,205,918	258,109,304	258,739,525
A/C 602 Commercial sales	93,860,273	96,536,490	96,478,277	95,625,013
A/C 603 Industrial sales	90,774,140	90,735,320	85,864,400	89,124,620
A/C 604 Public street lighting - operating municipality	849,478	840,875	592,599	760,984
A/C 605 Public street lighting - other	522,069	522,034	513,125	519,076
A/C 606 Other sales to operating municipality	938,763	917,986	844,058	900,269
A/C 607 Other sales to other public authorities	-	-	-	-
A/C 608 Sales to other distributors	-	-	-	-
A/C 610 Security lighting	154,010	144,420	147,616	148,682
Total kWh sold	<u>440,002,085</u>	<u>454,903,043</u>	<u>442,549,379</u>	<u>445,818,169</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT****STATEMENTS OF SURPLUS**

	<u>Fiscal 2013</u>	<u>Fiscal 2014</u>	<u>Fiscal 2015</u>
BALANCE, beginning of year	\$ 25,515,604	\$ 25,442,391	\$ 25,840,011
Add:			
Net income	241,456	703,044	1,132,852
Contributions for extensions	37,433	-	-
Deduct:			
Contributions to municipality	(352,102)	(305,424)	(273,045)
Prior period adjustment, if any	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, end of year	<u>\$ 25,442,391</u>	<u>\$ 25,840,011</u>	<u>\$ 26,699,818</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

RATE OF RETURN STUDY

RATE BASE

Based on the Year Ended May 31, 2015 (Base Year)

		(a)	(b)	(c)	(d)	(e)
	<u>Reference (Page, Column, Row)</u>	<u>Fiscal Year</u>	<u>Adjustments</u>	<u>Adjusted Year</u>	<u>Revenue Change</u>	<u>Year After Revenue Change</u>
35	Utility Plant in Service	RB, Ln 5 (c)	\$ 49,628,919	\$ 2,580,404	\$ 52,209,323	\$ 52,209,323
36	Construction Work in Progress	RB, Ln 8 (c)	<u>73,475</u>	<u>(73,475)</u>	<u>-</u>	<u>-</u>
37	Total Utility Plant	ROR, Ln 35 plus Ln 36	49,702,394	2,506,929	52,209,323	52,209,323
38						
39	Accumulated Provision for Depre and Amort	RB, Ln 14 (c)	(20,662,782)	(3,375,782)	(24,038,564)	(24,038,564)
40						
41	Contributions for Extensions	RB, Ln 17 (c)	<u>(4,009,800)</u>	<u>-</u>	<u>(4,009,800)</u>	<u>(4,009,800)</u>
42						
43	Net Utility Plant	ROR, Total Ln 37, Ln 39, Ln 41	25,029,812	(868,853)	24,160,960	24,160,960
44						
45	Materials and Supplies	RB, Ln 21 (c)	961,266	-	961,266	961,266
46						
47	Prepayments	RB, Ln 24 (c)	566,195	-	566,195	566,195
48						
49	Cash Working Capital	ROR, Ln 74	<u>1,749,478</u>	<u>(31,722)</u>	<u>1,717,756</u>	<u>1,717,756</u>
50						
51	<u>Other: (Detail)</u>					
52						
53						
54						
55						
56	Rate Base	ROR, Total Ln 43=>Ln 54	<u>\$ 28,306,751</u>	<u>\$ (900,574)</u>	<u>\$ 27,406,176</u>	<u>\$ 27,406,176</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**RATE OF RETURN STUDY
CASH WORKING CAPITAL
Based on the Year Ended May 31, 2015 (Base Year)**

		(a)	(b)	(c)	(d)	(e)
	<u>Reference (Page, Column, Row)</u>	<u>Fiscal Year</u>	<u>Adjustments</u>	<u>Adjusted Year</u>	<u>Revenue Change</u>	<u>Year After Revenue Change</u>
57 <u>Cash Working Capital</u>						
58 Total Operating Expenses	ROR, Ln 22	\$ 20,930,020	\$ (90,889)	\$ 20,839,131	\$ -	\$ 20,839,131
59						
60 Deduct:						
61 Fuel	ROR, Ln 6	-	-	-	N/A	-
62 Purchased Power	ROR, Ln 7	13,744,587	(202,197)	13,542,390	N/A	13,542,390
63 Depreciation	ROR, Ln 16	1,543,614	116,903	1,660,517	N/A	1,660,517
64 Other Taxes	ROR, Ln 17	793,274	118,423	911,697	N/A	911,697
65 Uncollectibles	ROR, Ln 18	<u>15,782</u>	<u>(5,042)</u>	<u>10,740</u>	<u>N/A</u>	<u>10,740</u>
66						
67						
68 Adjusted Amount	ROR, Ln 58 minus Ln 61=>Ln 67	<u>4,832,763</u>	<u>(118,976)</u>	<u>4,713,787</u>	<u>-</u>	<u>4,713,787</u>
69						
70 Working Capital - Operating Expenses @ 1/8	ROR, Ln 68/8	<u>604,095</u>	<u>(14,872)</u>	<u>589,223</u>	<u>N/A</u>	<u>589,223</u>
71						
72 Working Capital - Purchased Power @ 1/12	ROR, Ln 61/12	<u>1,145,382</u>	<u>(16,850)</u>	<u>1,128,533</u>	<u>N/A</u>	<u>1,128,533</u>
73						
74 Total Cash Working Capital	ROR, Total Ln 70, Ln 72	<u>\$ 1,749,478</u>	<u>\$ (31,722)</u>	<u>\$ 1,717,756</u>	<u>N/A</u>	<u>\$ 1,717,756</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**DETAIL OF RATE BASE
Based on the Year Ended May 31, 2015 (Base Year)**

		(a) Balance at <u>Beg of Year</u>	(b) Balance at <u>End of Year</u>	(c) Avg <u>Balance</u>	(d) Bal. At Beg. <u>of Rate Year</u>	(e) Bal. At End <u>of Rate Year</u>	(f) Avg. <u>Balance</u>
	<u>Reference (Page, Column, Row)</u>						
1	<u>Utility Plant in Service</u>						
2	Operating Property - Electric	Pg 104, Ln 2 (c) & (d)	\$ 49,106,271	\$ 50,151,567	\$ 49,628,919	\$ 50,702,323	\$ 53,716,323
3	Operating Property - Other Operations	Pg 104, Ln 3 (c) & (d)	-	-	-	-	-
4	Operating Property - General	Pg 104, Ln 4 (c) & (d)	-	-	-	-	-
5	Utility Plant in Service		<u>\$ 49,106,271</u>	<u>\$ 50,151,567</u>	<u>\$ 49,628,919</u>	<u>\$ 50,702,323</u>	<u>\$ 53,716,323</u>
6							
7							
8	Construction Work in Progress	Pg 104, Ln 5 (c) & (d)	<u>\$ 102,321</u>	<u>\$ 44,628</u>	<u>\$ 73,475</u>	<u>\$ -</u>	<u>\$ -</u>
9							
10							
11	<u>Accumulated Provision for Depre and Amort</u>						
12	Accumulated Provision for Depreciation	Pg 105, Ln 19 (c) & (d)	\$ 20,061,402	\$ 21,264,162	\$ 20,662,782	\$ 23,087,219	\$ 24,989,908
13	Accumulated Provision for Amortization	Pg 105, Ln 20 (c) & (d)	-	-	-	-	-
14	Accumulated Provision for Depre and Amort		<u>\$ 20,061,402</u>	<u>\$ 21,264,162</u>	<u>\$ 20,662,782</u>	<u>\$ 23,087,219</u>	<u>\$ 24,989,908</u>
15							
16							
17	Contributions for Extensions	Pg 105, Ln 21 (c) & (d)	<u>\$ 4,009,800</u>	<u>\$ 4,009,800</u>	<u>\$ 4,009,800</u>	<u>\$ 4,009,800</u>	<u>\$ 4,009,800</u>
18							
19							
21	Materials and Supplies	Pg 104, Ln 18 (c) & (d)	<u>\$ 995,360</u>	<u>\$ 927,172</u>	<u>\$ 961,266</u>	<u>\$ 961,266</u>	<u>\$ 961,266</u>
22							
23							
24	Prepayments	Pg 104, Ln 23 (c) & (d)	<u>\$ 571,147</u>	<u>\$ 561,243</u>	<u>\$ 566,195</u>	<u>\$ 566,195</u>	<u>\$ 566,195</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**DETAIL OF RATE OF RETURN
Based on the Year Ended May 31, 2015 (Base Year)**

		(a) Balance at Beg of Year	(b) Balance at End of Year	(c) Avg Balance	(d) Bal. At Beg. of Rate Year	(e) Bal. At End of Rate Year	(f) Avg. Balance
<u>Capital Structure</u>	<u>Reference (Page, Column, Row)</u>						
1 <u>Debt</u>							
2 Bonds	Pg 105, Ln 2 (c) & (d)	\$ 5,074,750	\$ 4,627,250	\$ 4,851,000	\$ 4,214,750	\$ 3,802,250	\$ 4,008,500
3 Equipment Obligations	Pg 105, Ln 3 (c) & (d)	-	-	-	-	-	-
4 Miscellaneous Long-Term Debt	Pg 105, Ln 4 (c) & (d)	140,853	317,256	229,055	216,554	162,415	189,485
5 Notes Payable	Pg 105, Ln 9 (c) & (d)	-	-	-	-	-	-
6 Matured Long-Term Debt	Pg 105, Ln 12 (c) & (d)	-	-	-	-	-	-
7 Unamortized Premium on Debt	Pg 105, Ln 28 (c) & (d)	39,759	35,057	37,408	30,355	25,653	28,004
8 Unamortized Debt Discount and Expense	Pg 104, Ln 28 (c) & (d)	-	-	-	-	-	-
9							
10							
11 Debt		<u>\$ 5,255,362</u>	<u>\$ 4,979,563</u>	<u>\$ 5,117,463</u>	<u>\$ 4,461,659</u>	<u>\$ 3,990,318</u>	<u>\$ 4,225,989</u>
12							
13							
14 Customer Deposits	Pg 105, Ln 10 (c) & (d)	<u>\$ 308,786</u>	<u>\$ 250,871</u>	<u>\$ 279,829</u>	<u>\$ 250,871</u>	<u>\$ 250,871</u>	<u>\$ 250,871</u>
15							
16							
17 <u>Surplus</u>							
18 Contributions - Operating Municipality	Pg 105, Ln 32 (c) & (d)	\$ (11,530,988)	\$ (11,804,033)	\$ (11,667,511)	\$ (11,977,078)	\$ (12,150,123)	\$ (12,063,601)
19 Surplus	Pg 105, Ln 33 (c) & (d)	33,361,199	34,494,051	33,927,625	34,718,872	34,943,693	34,831,283
20 Deficit	Pg 104, Ln 37 (c) & (d)	-	-	-	-	-	-
21							
22							
23 Surplus		<u>\$ 21,830,211</u>	<u>\$ 22,690,018</u>	<u>\$ 22,260,115</u>	<u>\$ 22,741,794</u>	<u>\$ 22,793,570</u>	<u>\$ 22,767,682</u>
24							
25							
26 <u>Interest Costs</u>							
27 <u>Interest on Debt</u>							
28 Bonds	Pg 252, Ln 20 (k)			\$ 158,173			\$ 136,438
29 Equipment Obligations	Pg 252, Ln 28 (k)			-			-
30 Miscellaneous Long-Term Debt	Pg 252, Ln 35 (k)			1,350			5,685
31 Notes Payable	Pg 250, Ln 22 (g)			-			-
32 Matured Long-Term Debt	N/A			-			-
33 Unamortized Premium on Debt (Credit)	Pg 106, Ln 36 (c)			(4,702)			(4,702)
34 Amortization of Debt Discount and Expense	Pg 106, Ln 35 (c)			-			-
35				-			-
36							-
37							-
38 Interest on Debt				<u>\$ 154,821</u>			<u>\$ 137,421</u>
39 Cost Rate				<u>3.03%</u>			<u>3.25%</u>
40							
41 Interest on Customer Deposits	Pg 309, Ln 10 (f)			<u>\$ 2,150</u>			<u>\$ 2,150</u>
Cost Rate				<u>0.77%</u>			<u>0.86%</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**REVENUE CHANGE
For the Historic Year Ended May 31, 2015
and the Rate Year Ending June 30, 2017**

	<u>Reference (Page, Column, Row)</u>	<u>Amount</u>	
106 Rate Base	ROR, Ln 30 (e)	27,406,176	
107			
108 Rate of Return	ROR, Ln 32 (e)	3.35%	
109			
110 Required Operating Income	ROR, Ln 106 * Ln 108	918,107	
111			
112 Adjusted Operating Income	ROR, Ln 28 (c)	340,264	
113			
114 Deficiency (Surplus)	ROR, Ln 110 - Ln 112	577,843	
115			
116 Retention Factor	ROR, Ln 132	0.9995	
117			
118 Revenue Increase (Decrease)	ROR, Ln 114 / Ln 116	578,137	Maximum increase based on ROR
119 Revenue Increase (Decrease)		464,440	Maximum increase based on 2.5% of Normalized Base Revenues
120			
121			
122 Calculation of the Retention Factor:			
123 Sales Revenues		<u>Factor</u>	<u>Proof</u>
124 - Revenue Taxes	N/A	1.0000	578,137
125 - Uncollectibles	ROR, Ln 18/Ln 1	N/A	N/A
126		0.0005	294
127			
128 Sub-Total	ROR, Ln123-Total Ln124=>Ln127	0.9995	577,843
129			
130 Federal Income Tax @ 35%	N/A	0.00	0
131			
132 Retention Factor	ROR, Ln 128 - Ln 130	0.9995	577,843

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**CALCULATION OF AVERAGE LINE LOSS AND FACTOR OF ADJUSTMENT
Based on Line Losses for Fiscal Years 2010 Through 2015**

	<u>kWh Purchases</u>	<u>kWh Line Losses</u>	<u>Annual Line Loss</u>	<u>kWh Electric Dept. Use</u>	<u>kWh Sales</u>
Fiscal Year 2010	446,736,133	(21,173,173)	-0.047395	360,492	425,202,468
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	(19,543,505)	-0.041192	440,117	454,903,040
Fiscal Year 2015	462,317,461	(19,768,082)	-0.042759	429,229	442,549,379
	<u>2,758,387,550</u>	<u>(117,864,789)</u>		<u>2,450,513</u>	<u>2,638,941,594</u>
Average Line Loss			<u>-0.042730</u>		

	<u>kWh Purchases</u>	<u>kWh Sales</u>	<u>Annual Factor Of Adjustment</u>
Fiscal Year 2010	446,736,133	425,202,468	1.050643
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
	<u>2,758,387,550</u>	<u>2,638,941,594</u>	
Average Factor of Adjustment			<u>1.045263</u>

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT

COMPARISON OF PRESENT AND PROPOSED RATES

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> \$	<u>Increase</u> %
<u>S.C. No. 1</u>				
Customer Charge	\$ 4.15	\$ 4.25	\$ 0.10	2.50%
Non-Winter Rate (April - November)				
Energy charge, per kWh	\$ 0.03635	\$ 0.03726	\$ 0.0009	2.50%
Winter Rate (December - March)				
Energy charge, per kWh				
first 1,000 kWh	\$ 0.03635	\$ 0.03726	\$ 0.0009	2.50%
over 1,000 kWh	\$ 0.05452	\$ 0.05588	\$ 0.0014	2.50%
<u>S.C. No. 2</u>				
Customer Charge	\$ 6.23	\$ 6.39	\$ 0.16	2.50%
Non-Winter Rate (April - November)				
Energy charge, per kWh	\$ 0.0363	\$ 0.0372	\$ 0.0009	2.50%
Winter Rate (December - March)				
Energy charge, per kWh	\$ 0.0545	\$ 0.0559	\$ 0.0014	2.50%
<u>S.C. No. 3</u>				
Demand Charge, per kW	\$ 3.12	\$ 3.20	\$ 0.08	2.50%
Energy Charge, per kWh	\$ 0.0426	\$ 0.0437	\$ 0.0011	2.50%
Minimum charge, per meter, per month	\$ 78.00	\$ 80.00	\$ 2.00	2.56%
<u>S.C. No. 4</u>				
Demand Charge, per kW	\$ 5.19	\$ 5.32	\$ 0.13	2.50%
Energy Charge, per kWh	\$ 0.0197	\$ 0.0202	\$ 0.0005	2.50%
Minimum charge, per meter, per month	\$ 2,595.00	\$ 2,660.00	\$ 65.00	2.50%
<u>S.C. No. 5</u>				
Rates per light, per month				
75 Watt HPS 175 Watt MV	\$ 5.87	\$ 6.02	\$ 0.15	2.50%
100 Watt HPS 250 Watt MV	\$ 7.01	\$ 7.19	\$ 0.18	2.50%
150 Watt HPS 375 Watt MV	\$ 8.31	\$ 8.52	\$ 0.21	2.50%
250 Watt HPS 400 Watt MV	\$ 9.61	\$ 9.85	\$ 0.24	2.50%
400 Watt HPS 1000 Watt MV	\$ 17.13	\$ 17.56	\$ 0.43	2.50%
<u>S.C. No. 6</u>				
Facilities Charge, per Lamp, per month	\$ 9.61	\$ 9.85	\$ 0.24	2.50%
Energy Charge, per kWh	\$ 0.0272	\$ 0.0279	\$ 0.0007	2.50%

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTCOMPARISON OF MONTHLY BILLS
S.C. NO. 1 - RESIDENTIAL (APRIL - NOVEMBER)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
0	\$ 4.15	\$ 4.25	\$ 0.10	2.41%
2	\$ 4.24	\$ 4.34	\$ 0.10	2.40%
10	\$ 4.59	\$ 4.70	\$ 0.11	2.38%
25	\$ 5.24	\$ 5.37	\$ 0.12	2.34%
50	\$ 6.33	\$ 6.48	\$ 0.15	2.30%
75	\$ 7.43	\$ 7.60	\$ 0.17	2.27%
100	\$ 8.52	\$ 8.71	\$ 0.19	2.24%
150	\$ 10.70	\$ 10.94	\$ 0.24	2.21%
200	\$ 12.89	\$ 13.17	\$ 0.28	2.19%
250	\$ 15.07	\$ 15.40	\$ 0.33	2.17%
500	\$ 26.00	\$ 26.55	\$ 0.55	2.13%
750	\$ 36.92	\$ 37.70	\$ 0.78	2.12%
1,000	\$ 47.84	\$ 48.85	\$ 1.01	2.11%
1,500	\$ 69.69	\$ 71.15	\$ 1.47	2.10%
2,000	\$ 91.54	\$ 93.46	\$ 1.92	2.10%
5,000	\$ 222.62	\$ 227.27	\$ 4.65	2.09%
PPA/kWh include.*	0.007343	0.007343		

* = 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. 1 - RESIDENTIAL (DECEMBER - MARCH)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
0	\$ 4.15	\$ 4.25	\$ 0.10	2.41%
2	\$ 4.24	\$ 4.34	\$ 0.10	2.40%
10	\$ 4.59	\$ 4.70	\$ 0.11	2.38%
25	\$ 5.24	\$ 5.37	\$ 0.12	2.34%
50	\$ 6.33	\$ 6.48	\$ 0.15	2.30%
75	\$ 7.43	\$ 7.60	\$ 0.17	2.27%
100	\$ 8.52	\$ 8.71	\$ 0.19	2.24%
150	\$ 10.70	\$ 10.94	\$ 0.24	2.21%
200	\$ 12.89	\$ 13.17	\$ 0.28	2.19%
250	\$ 15.07	\$ 15.40	\$ 0.33	2.17%
500	\$ 26.00	\$ 26.55	\$ 0.55	2.13%
750	\$ 36.92	\$ 37.70	\$ 0.78	2.12%
1,000	\$ 47.84	\$ 48.85	\$ 1.01	2.11%
1,500	\$ 78.77	\$ 80.46	\$ 1.69	2.15%
2,000	\$ 109.71	\$ 112.08	\$ 2.37	2.16%
5,000	\$ 295.30	\$ 301.75	\$ 6.45	2.18%

PPA/kWh include.* 0.007343 0.007343

* = 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. 2 - SMALL COMMERCIAL SERVICE (APRIL-NOVEMBER)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
0	\$ 6.23	\$ 6.39	\$ 0.16	2.57%
2	\$ 6.32	\$ 6.48	\$ 0.16	2.56%
10	\$ 6.67	\$ 6.84	\$ 0.17	2.54%
25	\$ 7.32	\$ 7.50	\$ 0.18	2.49%
50	\$ 8.41	\$ 8.62	\$ 0.20	2.44%
75	\$ 9.50	\$ 9.73	\$ 0.23	2.39%
100	\$ 10.59	\$ 10.84	\$ 0.25	2.36%
150	\$ 12.78	\$ 13.07	\$ 0.29	2.31%
200	\$ 14.96	\$ 15.30	\$ 0.34	2.27%
250	\$ 17.14	\$ 17.53	\$ 0.38	2.25%
500	\$ 28.05	\$ 28.66	\$ 0.61	2.17%
750	\$ 38.96	\$ 39.80	\$ 0.84	2.14%
1,000	\$ 49.87	\$ 50.93	\$ 1.06	2.13%
1,500	\$ 71.69	\$ 73.20	\$ 1.51	2.11%
2,000	\$ 93.52	\$ 95.48	\$ 1.96	2.10%
5,000	\$ 224.45	\$ 229.11	\$ 4.66	2.08%
10,000	\$ 442.66	\$ 451.82	\$ 9.16	2.07%

PPA/kWh include.* 0.007343 0.007343

* = 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. 2 - SMALL COMMERCIAL SERVICE (DECEMBER-MARCH)

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
0	\$ 6.23	\$ 6.39	\$ 0.16	2.57%
2	\$ 6.35	\$ 6.52	\$ 0.16	2.56%
10	\$ 6.85	\$ 7.02	\$ 0.17	2.54%
25	\$ 7.78	\$ 7.97	\$ 0.19	2.51%
50	\$ 9.32	\$ 9.55	\$ 0.23	2.47%
75	\$ 10.87	\$ 11.13	\$ 0.26	2.44%
100	\$ 12.41	\$ 12.71	\$ 0.30	2.42%
150	\$ 15.51	\$ 15.88	\$ 0.37	2.39%
200	\$ 18.60	\$ 19.04	\$ 0.44	2.37%
250	\$ 21.69	\$ 22.20	\$ 0.51	2.35%
500	\$ 37.15	\$ 38.01	\$ 0.86	2.31%
750	\$ 52.61	\$ 53.82	\$ 1.21	2.30%
1,000	\$ 68.07	\$ 69.63	\$ 1.56	2.29%
1,500	\$ 98.99	\$ 101.25	\$ 2.26	2.28%
2,000	\$ 129.92	\$ 132.88	\$ 2.96	2.28%
5,000	\$ 315.45	\$ 322.61	\$ 7.16	2.27%
10,000	\$ 624.66	\$ 638.82	\$ 14.16	2.27%

PPA/kWh include.* 0.007343 0.007343

* = 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

<u>kW</u>	<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
50	1,000	\$ 205.94	\$ 211.04	\$ 5.10	2.48%
	1,500	\$ 230.91	\$ 236.56	\$ 5.65	2.45%
	2,000	\$ 255.89	\$ 262.09	\$ 6.20	2.42%
75	2,000	\$ 333.89	\$ 342.09	\$ 8.20	2.46%
	3,000	\$ 383.83	\$ 393.13	\$ 9.30	2.42%
	4,000	\$ 433.77	\$ 444.17	\$ 10.40	2.40%
100	5,000	\$ 561.72	\$ 575.22	\$ 13.50	2.40%
	7,500	\$ 686.57	\$ 702.82	\$ 16.25	2.37%
	10,000	\$ 811.43	\$ 830.43	\$ 19.00	2.34%
PPA/kWh include.*		0.007343	0.007343		

* = 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**

<u>kW</u>	<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
500	10,000	\$2,799.34	\$2,869.34	\$ 70.00	2.50%
	15,000	\$2,901.51	\$2,974.01	\$ 72.50	2.50%
	20,000	\$3,003.69	\$3,078.69	\$ 75.00	2.50%
750	20,000	\$4,301.19	\$4,408.69	\$ 107.50	2.50%
	30,000	\$4,505.53	\$4,618.03	\$ 112.50	2.50%
	40,000	\$4,709.87	\$4,827.37	\$ 117.50	2.49%
1000	50,000	\$6,211.72	\$6,366.72	\$ 155.00	2.50%
	75,000	\$6,722.57	\$6,890.07	\$ 167.50	2.49%
	100,000	\$7,233.43	\$7,413.43	\$ 180.00	2.49%
PPA/kWh include.*		0.007343	0.007343		

* = 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. 5 - SECURITY LIGHTING SERVICE

<u>Type of Lamps</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase \$</u>	<u>Increase %</u>
Watt HPS 175 Watt MV	\$ 5.87	\$ 6.02	\$ 0.15	2.56%
Watt HPS 250 Watt MV	\$ 7.01	\$ 7.19	\$ 0.18	2.57%
Watt HPS 375 Watt MV	\$ 8.31	\$ 8.52	\$ 0.21	2.53%
Watt HPS 400 Watt MV	\$ 9.61	\$ 9.85	\$ 0.24	2.50%
Watt HPS 1000 Watt MV	\$ 17.13	\$ 17.56	\$ 0.43	2.51%

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**COMPARISON OF MONTHLY BILLS
S.C. No. 6 - PUBLIC STREET LIGHTING SERVICE**

<u>kWh</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u> <u>\$</u>	<u>Increase</u> <u>%</u>
50	\$ 11.34	\$ 11.61	\$ 0.28	2.43%
75	\$ 12.20	\$ 12.49	\$ 0.29	2.40%
100	\$ 13.06	\$ 13.37	\$ 0.31	2.37%
125	\$ 13.93	\$ 14.26	\$ 0.33	2.35%
150	\$ 14.79	\$ 15.14	\$ 0.35	2.33%
175	\$ 15.66	\$ 16.02	\$ 0.36	2.32%
200	\$ 16.52	\$ 16.90	\$ 0.38	2.30%

PPA/kWh include.* 0.007343 0.007343

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

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTOPERATING PROPERTY ANALYSIS
June 1, 2015 Through May 31, 2016

<u>A/C#</u>	<u>5/31/15 Beg of Yr. Bal.</u>	<u>Actual Additions 6/1/15 to 8/31/2015</u>	<u>Actual Retirements 6/1/15 to 8/31/2015</u>	<u>Estimated Additions, net of retirements 9/1/15 to 5/31/16</u>	<u>PROJECTED 5/31/16 END OF Year BAL</u>	<u>RATE YEAR ADDITIONS, NET OF RETIREMENTS</u>	<u>PROJECTED 6/30/17 END OF RATE YR. BAL</u>
301	\$ 100	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 100
302	-	-	-	-	-	-	-
303	-	-	-	-	-	-	-
311	600,069	-	-	-	600,069	-	600,069
312	5,589,408	-	-	-	5,589,408	30,000	5,619,408
321	-	-	-	-	-	-	-
322	-	-	-	-	-	-	-
323	-	-	-	-	-	-	-
325	-	-	-	-	-	-	-
331	-	-	-	-	-	-	-
332	-	-	-	-	-	-	-
333	-	-	-	-	-	-	-
334	-	-	-	-	-	-	-
342	-	-	-	-	-	-	-
344	-	-	-	-	-	-	-
345	-	-	-	-	-	-	-
351	-	-	-	-	-	-	-
352	7,480,102	-	-	-	7,480,102	-	7,480,102
353	61,562	-	-	-	61,562	-	61,562
354	-	-	-	-	-	-	-
358	5,646,698	180,496	(50,850)	-	5,776,344	418,000	6,194,344
359	2,876,293	21,382	(1,603)	-	2,896,072	-	2,896,072
361	474,146	-	-	59,000	533,146	1,900,000	2,433,146
362	-	-	-	-	-	-	-
363	4,507,280	57,104	(4,310)	24,000	4,584,074	-	4,584,074
364	8,325,918	24,704	(5,658)	24,000	8,368,964	303,000	8,671,964
365	6,926,157	181,797	(54,755)	48,000	7,101,199	-	7,101,199
366	281,474	2,022	(549)	47,000	329,947	-	329,947
367	552,829	-	(946)	-	551,883	-	551,883
368	1,599,498	-	-	-	1,599,498	-	1,599,498
369	255,585	-	-	-	255,585	-	255,585
370	62,201	-	(1,091)	-	61,110	-	61,110
371	1,191,428	3,902	(2,889)	-	1,192,441	-	1,192,441
381	83,310	-	-	-	83,310	-	83,310
382	61,673	-	-	-	61,673	-	61,673
383	-	-	-	-	-	-	-
384	2,795,705	-	-	-	2,795,705	298,000	3,093,705
385	439,107	-	-	-	439,107	65,000	504,107
386	77,916	-	-	-	77,916	-	77,916
387	263,108	-	-	-	263,108	-	263,108
388	-	-	-	-	-	-	-
391	-	-	-	-	-	-	-
392	-	-	-	-	-	-	-
393	-	-	-	-	-	-	-
	<u>\$ 50,151,567</u>	<u>\$ 471,407</u>	<u>\$ (122,651)</u>	<u>\$ 202,000</u>	<u>\$ 50,702,323</u>	<u>\$ 3,014,000</u>	<u>\$ 53,716,323</u>
		(a)	(b)	(c)		(d)	

(a) - Includes capitalized salaries, materials and related overhead. These amounts represent actual amounts capitalized for period June 1, 2015 through August 31, 2015.

(b) - Historic value of operating property retired during the period June 1, 2015 through August 31, 2015.

(c) - Represents estimated operating property additions to be made during the period September 1, 2015 through May 31, 2016.

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

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTDEPRECIATION CALCULATIONS
Year Ended May 31, 2016

A/C#	5/31/2015 Beg of Yr. Bal.	5/31/2016 End of Yr. Bal.	Avg. Gross Bal.	Less: Contributions for Extension	Avg. Balance Subject to Depreciation	Dep. Rate	Depreciation Expense A/C#	Amt.	Depreciation Reserves Beg of Yr. Bal.	Retirements	5/31/2016 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	5,589,408	5,589,408	5,589,408		5,589,408	1.70%	743	95,020	1,115,935	-	1,210,955	4,378,453
321	-	-	-		-			-	-	-	-	-
322	-	-	-		-			-	-	-	-	-
323	-	-	-		-			-	-	-	-	-
325	-	-	-		-			-	-	-	-	-
331	-	-	-		-			-	-	-	-	-
332	-	-	-		-			-	-	-	-	-
333	-	-	-		-			-	-	-	-	-
334	-	-	-		-			-	-	-	-	-
342	-	-	-		-			-	-	-	-	-
344	-	-	-		-			-	-	-	-	-
345	-	-	-		-			-	-	-	-	-
351	-	-	-		-			-	-	-	-	-
352	7,480,102	7,480,102	7,480,102		7,480,102	4.00%	733	299,204	3,920,790	-	4,219,994	3,260,108
353	61,562	61,562	61,562		61,562	3.60%	733	2,216	16,807	-	19,023	42,539
354	-	-	-		-			-	-	-	-	-
358	5,646,698	5,776,344	5,711,521		5,711,521	4.00%	738	228,461	921,069	(50,850)	1,098,680	4,677,664
359	2,876,293	2,896,072	2,886,183		2,886,183	2.50%	738	72,155	798,126	(1,603)	868,678	2,027,394
361	474,146	533,146	503,646		503,646	4.00%	743	20,146	473,609	-	493,755	39,391
362	-	-	-		-			-	-	-	-	-
363	4,507,280	4,584,074	4,545,677		4,545,677	3.60%	743	163,644	2,388,148	(4,310)	2,547,482	2,036,592
364	8,325,918	8,368,964	8,347,441		8,347,441	4.00%	743	333,898	4,000,406	(5,658)	4,328,646	4,040,318
365	6,926,157	7,101,199	7,013,678		7,013,678	4.00%	743	280,547	4,639,916	(54,755)	4,865,708	2,235,491
366	281,474	329,947	305,711		305,711	3.60%	743	11,006	221,326	(549)	231,783	98,164
367	552,829	551,883	552,356		552,356	4.00%	743	22,094	172,049	(946)	193,197	358,686
368	1,599,498	1,599,498	1,599,498		1,599,498	4.00%	743	63,980	883,182	-	947,162	652,336
369	255,585	255,585	255,585		255,585	4.00%	743	10,223	148,987	-	159,210	96,375
370	62,201	61,110	61,656		61,656	3.60%	743	2,220	26,448	(1,091)	27,577	33,533
371	1,191,428	1,192,441	1,191,935		1,191,935	4.00%	753	47,677	509,645	(2,889)	554,433	638,008
381	83,310	83,310	83,310		83,310	5.00%	788	4,166	50,801	-	54,967	28,344
382	61,673	61,673	61,673		61,673	5.00%	802	3,084	38,813	-	41,897	19,776
383	-	-	-		-			-	-	-	-	-
384	2,795,705	2,795,705	2,795,705		2,795,705	12.50%	804	349,463	1,994,371	-	2,343,834	451,871
385	439,107	439,107	439,107		439,107	12.50%	788	54,888	315,873	-	370,761	68,346
386	77,916	77,916	77,916		77,916	5.00%	743	3,896	66,767	-	70,663	7,253
387	263,108	263,108	263,108		263,108	8.00%	743	21,049	198,438	-	219,487	43,621
388	-	-	-		-			-	-	-	-	-
391	-	-	-		-			-	-	-	-	-
(a)							793	(143,328)	(a)	(1,637,344)	(1,780,672)	-
	<u>\$ 50,151,567</u>	<u>\$ 50,702,323</u>	<u>\$ 50,426,945</u>	<u>\$ -</u>	<u>\$ 50,426,945</u>			<u>\$ 1,945,708</u>	<u>\$ 21,264,162</u>	<u>\$ (122,651)</u>	<u>\$ 23,087,219</u>	<u>\$ 25,834,432</u>

(b)

Amount of depreciation expense charged to:

A/C#	Amount Charged
733	301,420
738	300,615
743	1,027,722
753	47,677
788	59,054
793	(143,328) (a)
Deprec Expense	<u>1,593,161</u>
802/804 (Clearing)	<u>352,547</u>
	<u>\$ 1,945,708</u>

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

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

VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENTDEPRECIATION CALCULATIONS
Rate Year Ended June 30, 2017

A/C#	5/31/2016 Beg of Yr. Bal.	5/31/2017 End of Yr. Bal.	Avg. Gross Bal.	Less: Contributions for Extension	Avg. Balance Subject to Depreciation	Dep. Rate	Depreciation Expense A/C#	Amt.	Depreciation Reserves Beg of Rate Yr. Bal.	Retirements	Rate Year 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	5,589,408	5,619,408	5,604,408		5,604,408	1.70%	743	95,275	1,210,955	-	1,306,230	4,313,178
321	-	-	-		-			-	-	-	-	-
322	-	-	-		-			-	-	-	-	-
323	-	-	-		-			-	-	-	-	-
325	-	-	-		-			-	-	-	-	-
331	-	-	-		-			-	-	-	-	-
332	-	-	-		-			-	-	-	-	-
333	-	-	-		-			-	-	-	-	-
334	-	-	-		-			-	-	-	-	-
342	-	-	-		-			-	-	-	-	-
344	-	-	-		-			-	-	-	-	-
345	-	-	-		-			-	-	-	-	-
351	-	-	-		-			-	-	-	-	-
352	7,480,102	7,480,102	7,480,102		7,480,102	4.00%	733	299,204	4,219,994	-	4,519,198	2,960,904
353	61,562	61,562	61,562		61,562	3.60%	733	2,216	19,023	-	21,239	40,323
354	-	-	-		-			-	-	-	-	-
358	5,776,344	6,194,344	5,985,344		5,985,344	4.00%	738	239,414	1,098,680	(129,000)	1,209,094	4,985,250
359	2,896,072	2,896,072	2,896,072		2,896,072	2.50%	738	72,402	868,678	-	941,079	1,954,993
361	533,146	2,433,146	1,483,146		1,483,146	4.00%	743	59,326	493,755	-	553,081	1,880,065
362	-	-	-		-			-	-	-	-	-
363	4,584,074	4,584,074	4,584,074		4,584,074	3.60%	743	165,027	2,547,482	-	2,712,509	1,871,565
364	8,368,964	8,671,964	8,520,464		8,520,464	4.00%	743	340,819	4,328,646	-	4,669,464	4,002,500
365	7,101,199	7,101,199	7,101,199		7,101,199	4.00%	743	284,048	4,865,708	-	5,149,756	1,951,443
366	329,947	329,947	329,947		329,947	3.60%	743	11,878	231,783	-	243,661	86,286
367	551,883	551,883	551,883		551,883	4.00%	743	22,075	193,197	-	215,273	336,610
368	1,599,498	1,599,498	1,599,498		1,599,498	4.00%	743	63,980	947,162	-	1,011,142	588,356
369	255,585	255,585	255,585		255,585	4.00%	743	10,223	159,210	-	169,434	86,151
370	61,110	61,110	61,110		61,110	3.60%	743	2,200	27,577	-	29,777	31,333
371	1,192,441	1,192,441	1,192,441		1,192,441	4.00%	753	47,698	554,433	-	602,131	590,310
381	83,310	83,310	83,310		83,310	5.00%	788	4,166	54,967	-	59,132	24,178
382	61,673	61,673	61,673		61,673	5.00%	802	3,084	41,897	-	44,980	16,693
383	-	-	-		-			-	-	-	-	-
384	2,795,705	3,093,705	2,944,705		2,944,705	12.50%	804	368,088	2,343,834	-	2,711,922	381,783
385	439,107	504,107	471,607		471,607	12.50%	788	58,951	370,761	-	429,712	74,395
386	77,916	77,916	77,916		77,916	5.00%	743	3,896	70,663	-	74,559	3,357
387	263,108	263,108	263,108		263,108	8.00%	743	21,049	219,487	-	240,535	22,573
388	-	-	-		-			-	-	-	-	-
391	-	-	-		-			-	-	-	-	-
(a)							793	(143,328)	(a)	(1,780,672)	-	(1,924,000)
	<u>\$ 50,702,323</u>	<u>\$ 53,716,323</u>	<u>\$ 52,209,323</u>	<u>\$ -</u>	<u>\$ 52,209,323</u>			<u>\$2,031,689</u>	<u>\$ 23,087,219</u>	<u>\$ (129,000)</u>	<u>\$24,989,908</u>	<u>\$ 26,802,415</u>
				(b)								

Amount of depreciation expense charged to:

A/C#	Amount Charged
733	301,420
738	311,816
743	1,079,795
753	47,698
788	63,116
793	(143,328) (a)
Deprec Expense	<u>1,660,517</u>
802/804 (Clearing)	<u>371,172</u>
	<u>\$ 2,031,689</u>

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

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

**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, 2016 and the Rate Year. These improvements include material costs and capitalized labor and overhead, and are reported net of retirement values.

Period September 1, 2015 to May 31, 2016 - Per Capital Budget

<u>Account</u>	<u>Type</u>	<u>Capitalized Labor</u>	<u>Capitalized Material</u>	<u>Total Cost</u>	
358	<u>Distribution Substations (3)</u>				
	Substation maintenance and upgrades	\$ 18,880	\$ 40,120	\$ 59,000	(a)
363	<u>Distribution OH Conductors</u>				
	Subdivision work	7,680	16,320	24,000	(b)
364	<u>Distribution Underground Conduit</u>				
	Subdivision work	7,680	16,320	24,000	(b)
365	<u>Line Transformers</u>				
	Subdivision work	15,360	32,640	48,000	(b)
366	<u>Overhead Services</u>				
	Various Projects	15,040	31,960	47,000	
		<u>\$ 34,240</u>	<u>\$ 137,360</u>	<u>\$ 202,000</u>	

(a) Capitalized cost of upgrades planned for all three substations.

(b) Capitalized cost of upgrades planned for Subdivisions - Magnolia Manor, Creekstone, Bumpus, Perinton Hills Apts, Canalside, Stonebrook.

Rate Year - Per Capital Budget

	<u>Capitalized Labor</u>	<u>Capitalized Material</u>	<u>Total Cost</u>	<u>Anticipated Retirement Values</u>
312				
	<u>Structures and Improvements</u>			
	Replace fiber optic line (FMC to Village Hall)	\$ 22,000	\$ 30,000	\$ -
358				
	<u>Poles, Towers and Fixtures</u>			
	General upgrades and installations**	300,000	247,000	547,000
361				
	<u>Distribution Substation Equipment</u>			
	Hogan Substation - Switch motor and related equipment	100,000	1,400,000	1,500,000
	Hogan Substation - Block house raise and rebuild	15,000	135,000	150,000
	Lawler Substation - Transmission NERC Upgrade	-	250,000	250,000
		<u>115,000</u>	<u>1,785,000</u>	<u>1,900,000</u>
364				
	<u>Distribution Underground Conduits</u>			
	Annual cable injection	-	303,000	303,000
384				
	<u>Transportation Equipment</u>			
	Freightliner Digger Derrick	-	250,000	250,000
	Ford F-550 Dump Truck	-	48,000	48,000
		<u>-</u>	<u>298,000</u>	<u>298,000</u>
385				
	<u>Communication Equipment</u>			
	Network Virtualization	-	25,000	25,000
	Truck tablet/Tablet replacement	-	22,000	22,000
	Computer server - 2nd floor	-	18,000	18,000
		<u>-</u>	<u>65,000</u>	<u>65,000</u>
	Total Rate Year Capital Improvements	<u>\$ 437,000</u>	<u>\$ 2,706,000</u>	<u>\$ 3,143,000</u>
				<u>\$ (129,000)</u>

** - represents 3 year average (2015, 2014 and 2013) of installations and retirements

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**FORECASTED STATEMENTS OF CASH FLOWS WITH 2.5% REVENUE
INCREASE EFFECTIVE JULY 1, 2016
Actual for Years Ended May 31, 2014 and 2015, and Forecast for Rate Year**

	2014 Actual	2015 Actual	Forecasted Rate Year
Net operating income, as reported in Annual Report	\$ 876,712	\$ 1,287,185	\$ 804,704
Add: depreciation expense	1,368,690	1,364,696	1,660,517
Receipts (expenditures)			
Proceeds from debt	-	176,403	1,900,000
Acquisition of operating property, net	(1,578,050)	(1,137,241)	(3,143,000)
Use of depreciation and miscellaneous reserves, net	609,165	134,405	-
Contributions to General Fund	(305,424)	(273,045)	(192,045)
Repayment of long-term debt, net	(530,750)	(447,500)	(412,500)
Interest expense paid	(173,896)	(155,621)	(136,438)
Interest income received	228	1,288	-
Change in other assets, net	140,050	318,598	-
Change in other liabilities, net	214,692	(344,045)	-
Net increase in operating cash	621,417	925,123	\$ 481,238
OPERATING CASH, <i>beginning of year</i>	1,011,818	1,633,235	
OPERATING CASH, <i>end of year</i>	\$ 1,633,235	\$ 2,558,358	

Revised Tariff Leaves

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2016

LEAF: 1
REVISION: 2
SUPERSEDING REVISION: 1

COVER

VILLAGE OF FAIRPORT
CONCURRENCE TARIFF

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2016

LEAF: 2
REVISION: 4
SUPERSEDING REVISION: 3

TABLE OF CONTENTS	<u>LEAF #</u>
I. CONCURRENCE	
A. CONCURRENCE	3
B. TERRITORY TO WHICH SCHEDULE APPLIES	3
II. SERVICE CLASSIFICATION NO. 1 Residential	4
III. SERVICE CLASSIFICATION NO. 2 Small Commercial Service	6
IV. SERVICE CLASSIFICATION NO. 3 Large Commercial Service	8
V. SERVICE CLASSIFICATION NO. 4 Industrial Power Service	11
VI. SERVICE CLASSIFICATION NO. 5 Security Lighting Service	14
VII. SERVICE CLASSIFICATION NO. 6 Public Street Lighting Service	16
VIII. CHARGE	18
IX. PURCHASED POWER ADJUSTMENT CHARGE	19

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2016

LEAF: 3
REVISION: 2
SUPERSEDING REVISION: 1

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: 07/01/2016

LEAF: 4
 REVISION: 5
 SUPERSEDING REVISION: 4

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, not withstanding 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	\$ 4.25
Energy Charge, per kWh	
Non-Winter (April - November)	\$ 0.03726
Winter (December - March)	
First 1,000 kWh	\$ 0.03726
Over 1,000 kWh	\$ 0.05588

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2016

LEAF: 5
REVISION: 4
SUPERSEDING REVISION: 3

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 1.045263.

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: 07/01/2016

LEAF: 6
REVISION: 5
SUPERSEDING REVISION: 4

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	\$ 6.39
Energy charge per kWh	
Non-Winter (April - November)	\$ 0.0372
Winter (December - March)	\$ 0.0559

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: 07/01/2016

LEAF: 7
REVISION: 4
SUPERSEDING REVISION: 3

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 1.045263.

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: 07/01/2016

LEAF: 8
REVISION: 5
SUPERSEDING REVISION: 4

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	\$ 0.0437
Demand Charge per kw	\$ 3.20
Minimum charge, per meter, per month	\$ 80.00

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: 07/01/2016

LEAF: 9
REVISION: 2
SUPERSEDING REVISION: 1

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: 07/01/2016

LEAF: 10
REVISION: 4
SUPERSEDING REVISION: 3

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 1.045263.

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: 07/01/2016

LEAF: 11
REVISION: 6
SUPERSEDING REVISION: 5

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	\$ 0.0202
Demand Charge, per kW	\$ 5.32
Minimum Charge, per month	\$ 2,660.00

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: 07/01/2016

LEAF: 12
REVISION: 4
SUPERSEDING REVISION: 3

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 1.045263.

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: 07/01/2016

LEAF: 13
REVISION: 4
SUPERSEDING REVISION: 3

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: 07/01/2016

LEAF: 14
REVISION: 5
SUPERSEDING REVISION: 4

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	\$ 6.02
100	Watt HPS 250 Watt MV	\$ 7.19
150	Watt HPS 375 Watt MV	\$ 8.52
250	Watt HPS 400 Watt MV	\$ 9.85
400	Watt HPS 1000 Watt MV	\$ 17.56

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: 07/01/2016

LEAF: 15
REVISION: 4
SUPERSEDING REVISION: 3

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 1.045263.

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: 07/01/2016

LEAF: 16
REVISION: 5
SUPERSEDING REVISION: 4

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	\$ 9.85
Energy Charge, per kwh	\$ 0.0279

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 1.045263.

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

PSC NO: 1 ELECTRICITY
COMPANY: VILLAGE OF FAIRPORT
INITIAL EFFECTIVE DATE: 07/01/2016

LEAF: 17
REVISION: 4
SUPERSEDING REVISION: 3

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: 07/01/2016

LEAF: 18
REVISION: 2
SUPERSEDING REVISION: 1

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
--	----------

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: 07/01/2016

LEAF: 19
REVISION: 3
SUPERSEDING REVISION: 2

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

WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2015)

VILLAGE OF FAIRPORT - ELECTRIC DEPARTMENT				Historic 5/31/2015																	
Assume non-weather load to be average of lowest two months kWh sales																					
From 5/31/15 Annual Report: Actual kWh & Actual Base Revenue																					
	kWh Sold			Base Revenue																	
	Winter	Summer		Winter	Summer																
	Nov - April kWh	May - Oct kWh	Total kWh	Nov - April \$	May - Oct \$	Total \$															
601 Residential	158,507,051	99,602,253	258,109,304	\$ 7,443,462	\$ 3,964,187	\$ 11,407,649															
602 Commercial	54,287,448	42,190,829	96,478,277	\$ 2,755,856	\$ 1,977,413	\$ 4,733,269															
Total	212,794,499	141,793,082	354,587,581	\$ 10,199,318	\$ 5,941,600	\$ 16,140,918															
Weather Normalization																					
	Nov - April	Nov - April	Increase/(Decrease)	Adjusted																	
	Non-Weather kWh	Weather kWh	-12.2%	Nov - Apr kWh																	
			Weather Load																		
601 Residential	90,724,434	67,782,617	59,482,204	150,206,638																	
602 Commercial	40,134,213	14,153,235	12,420,081	52,554,294	202,760,932																
Total	130,858,647	81,935,852	71,902,285	202,760,932	212,794,499																
					(10,033,567)	-4.7%															
	Nov - April	Adjusted																			
	Base Revenue	Base Revenue																			
601 Residential	7,443,462	7,092,492																			
602 Commercial	2,755,856	2,625,913																			
Total	10,199,318	9,718,405	(480,913)																		
Purchased Power																					
change in kWh		(10,033,567)																			
Base Cost of Fuel		0.025556																			
FOA - RY		1.045263																			
		0.0267127																			
		(268,024)																			
<table><tr><td></td><td>Staff</td><td>Rev. Req.</td></tr><tr><td></td><td>Adjustment</td><td>Effect</td></tr><tr><td>Revenue</td><td>(480,913)</td><td>480,913</td></tr><tr><td>Purchased Power</td><td>(268,024)</td><td>(268,024)</td></tr><tr><td>Net</td><td></td><td>212,888</td></tr></table>								Staff	Rev. Req.		Adjustment	Effect	Revenue	(480,913)	480,913	Purchased Power	(268,024)	(268,024)	Net		212,888
	Staff	Rev. Req.																			
	Adjustment	Effect																			
Revenue	(480,913)	480,913																			
Purchased Power	(268,024)	(268,024)																			
Net		212,888																			

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2015)

VILLAGE OF FAIRPORT - ELECTRIC DEPARTMENT

5/31/2015 Sales - from Annual Report

601- RESIDENTIAL

	<u>kWh</u>	<u>Total</u>		<u>Base Rev</u>	<u>Total</u>
June	15,628,728	15,628,728		\$ 624,384	\$ 624,384
July	16,583,965	16,583,965	<u>Lowest 2 Months</u>	658,712	658,712
August	17,577,165	17,577,165	14,612,750 Oct	694,328	694,328
September	17,468,806	17,468,806	15,628,728 June	690,474	690,474
October	14,612,750	14,612,750		587,732	587,732
November	16,446,807	16,446,807	<u>AVG</u>	661,602	661,602
December	21,154,428	21,154,428	15,120,739	860,277	860,277
January	28,685,379	28,685,379		1,396,192	1,396,192
February	33,014,986	33,014,986		1,635,128	1,635,128
March	34,128,840	34,128,840		1,701,548	1,701,548
April	25,076,611	25,076,611		1,188,715	1,188,715
May	17,730,839	17,730,839		708,557	708,557
	<u>258,109,304</u>	<u>258,109,304</u>		<u>\$ 11,407,649</u>	<u>\$ 11,407,649</u>

602 - COMMERCIAL

	<u>kWh</u>	<u>Total</u>		<u>Base Rev</u>	<u>Total</u>
June	6,803,665	6,803,665		\$ 321,420	\$ 321,420
July	7,031,042	7,031,042	<u>Lowest 2 Months</u>	330,136	330,136
August	7,055,885	7,055,885	6,574,406 Oct	328,319	328,319
September	7,035,359	7,035,359	6,803,665 June	325,174	325,174
October	6,574,406	6,574,406		310,009	310,009
November	6,891,523	6,891,523	<u>AVG</u>	326,334	326,334
December	8,029,848	8,029,848	6,689,036	387,345	387,345
January	9,847,619	9,847,619		509,306	509,306
February	10,378,225	10,378,225		541,122	541,122
March	10,374,341	10,374,341		540,671	540,671
April	8,765,892	8,765,892		451,078	451,078
May	7,690,472	7,690,472		362,355	362,355
	<u>96,478,277</u>	<u>96,478,277</u>		<u>\$ 4,733,269</u>	<u>\$ 4,733,269</u>

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

WEATHER NORMALIZATION OF REVENUES (BASED ON MAY 31, 2015)

Village of Fairport - Electric Department

Heating Degree Data

<http://www.nyserda.ny.gov/Cleantech-and-Innovation/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-yr avg
2005-06	634	1143	909	1020	894	507	5107	
2006-07	566	802	1085	1250	914	612	5229	
2007-08	795	1105	1068	1113	1029	390	5500	
2008-09	767	1063	1416	1003	903	557	5709	
2009-10	679	1143	1263	1102	773	377	5337	
2010-11	748	1198	1333	1131	965	557	5932	
2011-12	574	925	1068	959	548	578	4652	
2012-13	762	888	1071	1064	976	551	5312	
2013-14	820	1131	1372	1221	1149	565	6258	
2014-15	782	944	1405	1476	1077	516	6200	12.2%

5524 10 Year Average of November-April

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION
Fiscal Year May 31, 2015**

Expense	Fiscal Yr. 2015 Amount	Comment
Purchased Power	\$ 13,744,587	Account 721, PSC Report page 306
Labor	2,184,585	PSC Report, page 102. Total salaries less salaries capitalized (\$2,613,867 less \$429,282)
Taxes and PILOT	793,274	Account 403, PSC Report page 106
Uncollectible revenues	15,782	Account 404, PSC Report page 106
Rent	14,458	Accounts 764, 774 and 786, PSC Report page 307
FICA, Medical, Retirement, DBL, etc.	1,140,529	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	78,875	Account 783, PSC Report page 307
Depreciation	1,543,614	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Recapture of excess depreciation - prior years	(178,917)	Account 793, PSC Report pages 306 and 307
Contractual		
Transmission	200,371	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	168,033	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	2,165,624	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	96,882	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	314,736	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	2,935	Represents an allocation of remaining costs based on cost of individual category. (See below)
General & Administ.	108,725	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	285,889	Included in Account 785, PSC Report page 307
Contractual Appropriations of Income	520,851	Account 459, PSC Report page 106
Miscellaneous credits transferred	(2,270,813)	Account 793, PSC Report page 307
	<u>\$ 20,930,020</u>	

Cost Category (per PSC Report, excluding depreciation and separately stated costs)	Actual	%	Allocated Remaining Cost**
Transmission	\$ 385,870	6.55%	\$ 200,371
Maint. Poles	323,595	5.50%	168,033
Distribution	4,170,519	70.83%	2,165,624
Street Lights	186,573	3.17%	96,882
Consumer Accounting and Collection	606,113	10.29%	314,736
Sales Expense	5,653	0.10%	2,935
General & Administrative	209,382	3.56%	108,728
Total Cost in P&L (not incl. interest expense)	<u>\$ 5,887,705</u>	<u>100.00%</u>	<u>\$ 3,057,306</u>

** Contractual Costs

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION
Fiscal Year May 31, 2014**

Expense	Fiscal Yr. 2014 Amount	Comment
Purchased Power	\$ 16,801,780	Account 721, PSC Report page 306
Labor	2,208,795	PSC Report, page 102. Total salaries less salaries capitalized (\$2,710,420 less \$501,625)
Taxes and PILOT	745,895	Account 403, PSC Report page 106
Uncollectible revenues	8,633	Account 404, PSC Report page 106
Rent	14,305	Account 786, PSC Report page 307
FICA, Medical, Retirement, DBL, etc.	1,146,664	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	71,489	Account 783, PSC Report page 307
Depreciation	1,512,018	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Recapture of excess depreciation - prior years	(143,328)	Account 793, PSC Report pages 306 and 307
Contractual		
Transmission	205,626	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	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)
General & Administ.	284,602	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	367,584	Included in Account 785, PSC Report page 307
Contractual Appropriations of Income	518,103	Account 459, PSC Report page 106
Miscellaneous credits transferred	(2,074,230)	Account 793, PSC Report page 307
	<u>\$ 24,406,588</u>	

Cost Category (per PSC Report, excluding depreciation and separately stated costs)	Actual	%	Allocated Remaining Cost**
Transmission	\$ 403,254	6.37%	\$ 205,626
Maint. Poles	283,379	4.48%	144,500
Distribution	4,155,521	65.63%	2,118,968
Street Lights	271,165	4.28%	138,271
Consumer Accounting and Collection	649,900	10.26%	331,395
Sales Expense	10,821	0.17%	5,518
General & Administrative	558,137	8.81%	284,603
Total Cost in P&L (not incl. interest expense)	<u>\$ 6,332,177</u>	<u>100.00%</u>	<u>\$ 3,228,880</u>

** Contractual Costs

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**EXPENSE ALLOCATION
Fiscal Year May 31, 2013**

Expense	Fiscal Yr. 2013 Amount	Comment
Purchased Power	\$ 14,020,374	Account 721, PSC Report page 306
Labor	2,220,974	PSC Report, page 102. Total salaries less salaries capitalized (\$2,682,637 less \$461,663)
Taxes and PILOT	714,679	Account 403, PSC Report page 106
Uncollectible revenues	7,804	Account 404, PSC Report page 106
Rent	14,305	Account 786, PSC Report page 307
FICA, Medical, Retirement, DBL, etc.	1,105,161	Actual per client (portion of Account 785, PSC Report page 307)
Insurance	72,678	Account 783, PSC Report page 307
Depreciation	1,482,994	Accounts 738, 743, 753, 788, PSC Report pages 306 and 307
Recapture of excess depreciation - prior years	(142,842)	Account 793, PSC Report pages 306 and 307
Contractual		
Transmission	166,267	Represents an allocation of remaining costs based on cost of individual category. (See below)
Maint. Poles	120,352	Represents an allocation of remaining costs based on cost of individual category. (See below)
Distribution	1,777,761	Represents an allocation of remaining costs based on cost of individual category. (See below)
Street Lights	96,336	Represents an allocation of remaining costs based on cost of individual category. (See below)
Consumer Accounting and Collection	273,720	Represents an allocation of remaining costs based on cost of individual category. (See below)
Sales Expense	6,849	Represents an allocation of remaining costs based on cost of individual category. (See below)
General & Administ.	274,065	Represents an allocation of remaining costs based on cost of individual category. (See below)
PSC Annual Assessment	409,586	Included in Account 785, PSC Report page 307
Contractual Appropriations of Income	482,659	Account 459, PSC Report page 106
Miscellaneous credits transferred	(2,002,250)	Account 793, PSC Report page 307
	<u>\$ 21,101,472</u>	

Cost Category (per PSC Report, excluding depreciation and separately stated costs)	Actual	%	Allocated Remaining Cost**
Transmission	\$ 359,798	6.12%	\$ 166,267
Maint. Poles	260,438	4.43%	120,352
Distribution	3,847,035	65.47%	1,777,761
Street Lights	208,469	3.55%	96,336
Consumer Accounting and Collection	592,324	10.08%	273,720
Sales Expense	14,820	0.25%	6,849
General & Administrative	593,072	10.09%	274,066
Total Cost in P&L (not incl. interest expense)	<u>\$ 5,875,956</u>	<u>100.00%</u>	<u>\$ 2,715,350</u>

** Contractual Costs

VILLAGE OF FAIRPORT ELECTRIC DEPARTMENT

PROJECTED COSTS FOR RATE YEAR

Expense	(Workpaper B) Fiscal Yr. 2015 Amount	(Workpaper B-1) Fiscal Yr. 2014 Amount	(Workpaper B-2) Fiscal Yr. 2013 Amount	Three Year Average	Costs Adjusted for Known or Calculated Changes	Cost Determined by:
Purchased Power	\$ 13,744,587	\$ 16,801,780	\$ 14,020,374	\$ 14,855,580	\$ 13,542,390	Calculated - Weather Normalization Adjustment plus additional purchased power for customer growth
Labor	2,184,585	2,208,795	2,220,974	2,204,785	2,190,599	See Workpaper G for salary information. Salaries for fiscal year 2016 were increased 2% over 2015 amounts. Salaries for the Rate Year are expected to increase 2% from 2016 amounts. Salaries were also adjusted for transition of employees. Total salaries are expected to be \$2,616,266 less capitalized salaries of \$437,000.
Taxes and PILOT to General Fund	793,274	745,895	714,679	751,283	911,697	Taxes paid to outside taxing jurisdictions (School and Town) plus PILOT to Village of Fairport.
Uncollectible revenues	15,782	8,633	7,804	10,740	10,740	3 Year average (2013-2015)
Rent	14,458	14,305	14,305	14,356	14,356	3 Year average (2013-2015)
FICA, Medical, Retirement, DBL, etc.	1,140,529	1,146,664	1,105,161	1,130,785	1,056,558	Based on Village budgeted amounts from vendor quotes and calculation of FICA on expected salaries.
Insurance	78,875	71,489	72,678	74,347	74,347	3 Year average (2013-2015)
Depreciation	1,543,614	1,512,018	1,482,994	1,512,875	1,660,517	Calculated at Exhibit 14. Increase is due to asset additions, net of retirements.
Recapture of excess depreciation - prior years	(178,917)	(143,328)	(142,842)	(155,029)	(143,328)	Straight line recapture of excess depreciation taken in prior years on contributed property.
Contractual						
Transmission	200,371	205,626	166,267	190,755	190,755	3 Year average (2013-2015)
Maint. Poles	168,033	144,500	120,352	144,295	144,295	3 Year average (2013-2015)
Distribution	2,165,624	2,118,968	1,777,761	2,020,784	2,122,558	3 Year average (2013-2015) plus effect of deferred tree trimming costs (See Workpaper C-1)
Street Lights	96,882	138,271	96,336	110,496	110,496	3 Year average (2013-2015)
Consumer Accounting and Collection	314,736	331,395	273,720	306,617	306,617	3 Year average (2013-2015)
Sales Expense	2,935	5,518	6,849	5,101	5,101	3 Year average (2013-2015)
General & Administ.	108,725	284,602	274,065	222,464	222,464	3 Year average (2013-2015)
PSC Annual Assessment	285,889	367,584	409,586	354,353	216,387	Calculated - Anticipated operating revenues less \$500,000; multiplied by 1.00% assessment rate. Reduction is due to reduction in assessment rate.
Contractual Appropriations of Income	520,851	518,103	482,659	507,204	443,012	IEEP contributions during the Rate Year are expected to equal the ten (10) year average of kWh sold, multiplied by the .001/per kWh adder. Total expense is less than prior year(s), as prior years included payments for the NYPA weatherization program, which ceased prior to the Rate Year. Anticipated system growth has been ignored in this calculation.
Rate Filing Costs	-	-	-	-	18,000	Cost of Rate Filing (\$18,000), considered a current period cost, as the Department will submit a rate filing in the next fiscal period.
						Combined Supervision and Fringe Benefit Overhead rate at 95% multiplied by total labor dollars (capitalized and expensed labor dollars, excluding Superintendent, Engineer and Commissioner salaries), which is allocated to operating property and other expense accounts.
Miscellaneous credits transferred	(2,270,813)	(2,074,230)	(2,002,250)	(2,115,764)	(2,258,430)	
	<u>\$ 20,930,020</u>	<u>\$ 24,406,588</u>	<u>\$ 21,101,472</u>	<u>\$ 22,146,027</u>	<u>\$ 20,839,131</u>	

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

DISTRIBUTION EXPENSE ADJUSTMENT

In the 2014-15 fiscal year, the Fairport Municipal Commission experienced cash constraints. Due to the cash constraints, the Commission unfortunately deferred maintenance costs. At the time of this decision, the Commission was unaware of the impact that it would have on the profit and loss of the commission (inflating ROR). It is for this reason that the Commission proposes an adjustment to Distribution Expense to account for the tree trimming expenditures that they should not have deferred. The deferred expenditures only caused reduced reliability and inflated ROR.

Approved Tree Trimming Costs	\$	425,000
Actual Costs Incurred	\$	119,678
Deferred Maintenance Costs	\$	305,322

	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	THREE YEAR
	2015	2014	2013	AVERAGE
Distribution Expense (Actual)	\$ 2,165,624.00	\$ 2,118,968.00	\$ 1,777,761.00	\$ 2,020,784.33
Distribution Expense (Should Have Been)	\$ 2,470,946.00	\$ 2,118,968.00	\$ 1,777,761.00	\$ 2,122,558.33
Adjustments	\$ 305,322.00			\$ 101,774.00

PURCHASED POWER ADJUSTMENT RECONCILIATION
Fiscal Year May 31, 2014

Municipality/Coop Name				PURCHASE POWER ADJUSTMENT CLAUSE RECONCILIATION FOR THE FISCAL YEAR ENDED										May 31, 2014	
FAIRPORT															
Total sales per annual report Schedule 125															
From FMC Billing															
BILLING Month	KWH Sales	PPAC (\$ per KWH)	PPAC Revenues	BILLING Month	Total Power Bills (\$)	Surcharge (credit) (\$ [1])	Total Delivered KWH	Base Cost of Power (\$ per KWH)	Present cost of power	Base cost of power	Difference in Present and Base Costs	Net (Overcollection) Undercollection	Adjustment Factor	Cumulative (over)/under	
JUNE '13	31,159,213	0.004466	\$ 139,169	JUNE' 13	935,989	150,240	32,687,570	0.025556	1,086,229	835,364	250,866	111,697	1.045700	111,697	
JULY	31,806,536	0.007317	\$ 232,723	JULY	1,147,792	145,951	37,790,174	0.025556	1,293,743	965,766	327,977	95,254	1.045700	206,951	
AUG	35,090,657	0.008318	\$ 291,873	AUG	733,590	148,880	34,741,538	0.025556	882,470	887,855	(5,385)	(297,258)	1.045700	(90,307)	
SEPT	33,053,226	0.005306	\$ 175,367	SEPT	813,945	71,621	30,644,045	0.025556	885,566	783,139	102,427	(72,940)	1.045700	(163,247)	
OCT	28,714,737	(0.000644)	\$ (18,497)	OCT	720,947	68,221	31,704,003	0.025556	789,168	810,228	(21,060)	(2,563)	1.045700	(165,810)	
NOV	30,271,766	0.002013	\$ 60,951	NOV	983,350	69,643	38,983,894	0.025556	1,052,993	996,272	56,721	(4,230)	1.045700	(170,040)	
DEC	39,010,095	0.000196	\$ 7,643	DEC	1,804,498	78,301	49,037,886	0.025556	1,882,799	1,253,212	629,587	621,944	1.045700	451,904	
JAN '14	47,700,965	0.006009	\$ 286,625	JAN '14	3,578,161	86,883	56,722,343	0.025556	3,665,044	1,449,596	2,215,448	1,928,823	1.045700	2,380,726	
FEB	54,741,564	0.023034	\$ 1,260,915	FEB	2,176,862	93,765	48,662,324	0.025556	2,270,627	1,243,614	1,027,012	(233,903)	1.045700	2,146,824	
MARCH	47,812,420	0.039714	\$ 1,898,839	MARCH	1,973,492	87,218	48,570,035	0.025556	2,060,710	1,241,256	819,454	(1,079,385)	1.045700	1,067,439	
APRIL	42,085,274	0.030424	\$ 1,280,422	APRIL	1,024,997	81,563	34,226,071	0.025556	1,106,560	874,681	231,879	(1,048,543)	1.045700	18,895	
MAY	33,456,590	0.010908	\$ 364,958	MAY	908,157	72,856	30,676,662	0.025556	981,013	783,973	197,040	(167,918)	1.045700	(149,022)	
TOTAL	454,903,043		\$5,980,988	TOTAL	\$16,801,780	\$1,155,142	474,446,545		17,956,921	12,124,956	\$5,831,966	(\$149,022)			

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**PURCHASED POWER ADJUSTMENT RECONCILIATION
Fiscal Year May 31, 2015**

PURCHASE POWER ADJUSTMENT CLAUSE RECONCILIATION FOR THE FISCAL YEAR ENDED							May 31, 2015				
BILLING Month	Total Power Bills (\$)	Surcharge (credit) (\$) [1]	Total Delivered KWH	Base Cost of Power (\$ per KWH)	Present Cost	Base Costs	[Note 1] Difference in Present and Base Costs	[Note 2] Net (Overcollection) Undercollection	Adjustment Factor		
JUNE' 14	855,482	100,642	33,405,171	0.025556	956,124	853,703	102,421	88,023	1.045700		
JULY	743,868	99,671	34,489,957	0.025556	843,539	881,425	(37,886)	(107,705)	1.045700		
AUG	633,294	125,629	33,237,872	0.025556	758,923	849,427	(90,504)	(168,587)	1.045700		
SEPT	746,877	99,632	30,587,878	0.025556	846,509	781,704	64,805	101,167	1.045700		
OCT	661,790	97,478	31,001,620	0.025556	759,268	792,277	(33,009)	11,032	1.045700		
NOV	1,034,169	97,416	37,841,855	0.025556	1,131,585	967,086	164,499	113,100	1.045700		
DEC	1,330,041	102,780	44,392,123	0.025556	1,432,821	1,134,485	298,336	114,945	1.045700		
JAN '15	2,001,210	110,637	54,658,639	0.025556	2,111,847	1,396,856	714,991	(48,295)	1.045700		
FEB	2,230,629	113,509	53,471,380	0.025556	2,344,138	1,366,515	977,623	(45,904)	1.045700		
MARCH	1,618,675	116,637	45,669,819	0.025556	1,735,312	1,167,138	568,174	(318,653)	1.045700		
APRIL	628,456	105,379	32,605,549	0.025556	733,835	833,267	(99,432)	(475,762)	1.045700		
MAY	733,440	97,410	30,955,598	0.025556	830,850	791,101	39,749	156,553	1.045700		
TOTAL							\$13,217,931	\$1,266,820	462,317,461	\$2,669,766	(\$580,087)
[1] Credits and Surcharges are as follow: Please enter nature, amount and months affected)							[Note 1] Difference in Present and Base Costs = [Total Power Bill & Surcharges - Credits] - [Total Delivered KWH x Base Cost of Power]				
Credits & Surcharges							[Note 2] Net (Overcollection) Undercollection = Difference in Present and Base Cost - PPAC Revenues collected				
2014 Overcollection							\$ (149,025)				
M.A.P.(Electric) Veh. Prog.							15,988				
NYISO TCC							526,656				
I.E. Energy Efficiency Prog.							221,275				
FMC Energy Efficiency Prog.							221,275				
PSC Assessment Charges							351,761				
NYPA (IEEP) Weather. Prog.							78,890				
							\$ 1,266,820				

VILLAGE OF FAIRPORT ELECTRIC DEPARTMENT

ADDITIONAL BASE REVENUES - CUSTOMER GROWTH

Development	Percentage complete by end of FY 2016	Developer	Engineer	Type	Voltage	Phase	Number of Meters	Final Approval	Broke Ground	Year Expected	Pre construction Date	Construction Date	Job Number	Agreement Sent	Type A Homes	Type B Homes	Type C Homes	Type A Homes KWH usage at 307/month/year	Type B Homes KWH usage at 671/month/year	Type C Homes KWH usage at 1192/month/year	
The Glen at Perinton Hills, Route 31 and Route 250, Town of Perinton	100%	Reidman Development/Uniland	Costich Engineering	200A	120/208N	3	66	Yes	Yes	2015	3/16/2015 10:00AM	3/16/2015	1980	Yes	66.00	0.00	0.00	243144.00	0.00	0.00	
Creekstone Sect 1, off Route 31 between Broadmoor Trail and Mason Road, Town of Perinton	100%	Pridemark	Costich Engineering	200A	120/240	1	51	Yes	Yes	2015	04/07/15 10:00AM	4/13/2015	1862	Yes	20.00	31.00	0.00	73680.00	249612.00	0.00	
Stonebrook Sect 2, Off Route 31 between Load and Thayer Road, Town of Perinton	100%	A&D Development	BME	200A	120/240	1	33	Yes	Yes	2015	07/02/15 2:00PM	7/6/2015	1986	Yes	0.00	33.00	0.00	0.00	265716.00	0.00	
Bumpus Sub, End of Ryan Road, Town of Perinton	50%	Sorbello Brothers Rochester	Apollo Engineering	200A	120/240	1	4	Yes	Yes	2015	5/12/2015	5/25/2015	1860	Yes	0.00	0.00	2.00	0.00	0.00	28608.00	Only Partially built out through FY 2016
Perinton Small house Development at Creekstone, Town of Perinton	100%	Presbyterian Homes	SWBR	400A	120/208	3	2	Yes	Yes	2015	10/14/2015	10/19/2015	1997	Yes	44.00	0.00	0.00	162096.00	0.00	0.00	Single meter for 22 unit assisted living home
The Residences at Canalside, Parker Street, Village of Fairport	50%	Reidman Development	BME	200A	120/208N	3	50	Yes	Yes	2015		Tentative 2/1/16		N/A	25.00	0.00	0.00	92100.00	0.00	0.00	Only Partially built out through FY 2016
Stonebrook Sect 1A, OFFICE BUILDING, Off Route 31 between Load and Thayer Road, Town of Perinton	0%	A&D Development	BME	800A	480/277	3	1	Yes	Yes	2015		Tentative 3/1/16		N/A	0.00	0.00	0.00	0.00	0.00	0.00	Only Partially built out through FY 2016
Creekstone Sect 2, off Route 31 between Broadmoor Trail and Mason Road, Town of Perinton	100%	Pridemark	Costich Engineering	200A	120/208N	3	69	Yes	Yes	2015	10/14/2015	10/19/2015	1998	Yes	69.00	0.00	0.00	254196.00	0.00	0.00	
Creekstone Sect 2, off Route 31 between Broadmoor Trail and Mason Road, Town of Perinton	100%	Pridemark	Costich Engineering	200A	120/240	1	48	Yes	Yes	2015	10/14/2015	10/19/2015	1998	Yes	0.00	48.00	0.00	0.00	386496.00	0.00	
Lyons National Bank Oconnor Road/Fairport Road, Town of Perinton	100%	LNB	BME	400A	120/240	1	1	Yes	Yes	2015	N/A	7/1/2015	N/A	N/A	0.00	0.00	0.00	0.00	0.00	39600.00	Bank estimated at 3300 KWH/month
Fairport Senior Housing, High Street/Durant Place, Village of Fairport	0%	Spoleta Management	Passero Associates	200A	120/208N	3	75	Pending	No	2015		Tentative 5/1/16		No	0.00	0.00	0.00	0.00	0.00	0.00	Only Partially built out through FY 2016
The Summit at Woodcliff, Off Woodcliff Drive between Cathedral Oaks and Woodcliff Lodge, Town of Perinton	100%	Aristo Development	BME	200A	120/240	1	27	Yes	Yes	2015	11/24/2015	11/30/2015	1996 / 1999	Yes	0.00	27.00	0.00	0.00	217404.00	0.00	
Janders Run, off Pebble Hill Road, Town of Perinton	100%		Parrone Engineering	200A	120/240	1	17	Yes	Yes	2016		Tentative 1/1/16	2081	No	0.00	0.00	17.00	0.00	0.00	243168.00	
Whitney Town Center, 666 Whitney Road West, Town of Perinton	33%	James Taylor	Marathon Engineering	200A	120/208N	3	151	Yes	Yes	2016		Tentative 3/1/16	2035	Yes	51.00	0.00	0.00	187884.00	0.00	0.00	Only Partially built out through FY 2016
Whitney Town Center, 666 Whitney Road West, Town of Perinton	50%	James Taylor	Marathon Engineering	2000A	480/277	3	14	Yes	Yes	2016		Tentative 2/1/16	2035	Yes	0.00	0.00	0.00	0.00	0.00	43200.00	2 small commercial estimated at 1800 kwh/month
ESL Plaza, NYS Route 31F/Jefferson Avenue Town of Perinton	0%	ESL	Marathon Engineering	200A	120/208	3	38	Pending	No	2016		Tentative 06/1/16		No	0.00	0.00	0.00	0.00	0.00	0.00	Only Partially built out through FY 2016
Longboat Crossing, West Church Street, Village of Fairport	50%	Randy Pacek	Grove Engineering	200A	120/240	1	5	Pending	No	2016		Tentative 06/1/16		No	0.00	0.00	3.00	0.00	0.00	42912.00	Only Partially built out through FY 2016
821 Mosley Road, Filterplant Property, Town of Perinton	66%	Jeff Seidel	Thornton Engineering	200A	120/240	1	3	Yes	Yes	2016		Tentative 02/1/16		No	0.00	0.00	2.00	0.00	0.00	28608.00	Only Partially built out through FY 2016
Stonebrook Sect 4, Off Route 31 between Load and Thayer Road, Town of Perinton	50%	A&D Development	BME	200A	120/240	1	26	Yes	Yes	2016		Tentative 4/1/16		N/A	13.00	0.00	0.00	47892.00	0.00	0.00	Only Partially built out through FY 2016
92 South Main Street, Village of Fairport	50%	Jeff Seidel	Architectural	400A	120/208N	3	10	No	No	2015		Tentative 3/1/16		No	5.00	0.00	0.00	18420.00	0.00	0.00	Only Partially built out through FY 2016
																		293.00	139.00	24.00	
																		1079412.00	1119228.00	426096.00	
																		Total New Customers FY 2016:			456.00
																		Total New Customers FY 2016 Annual KWH:			2,624,736
Existing Customers	16802	Annual Growth		%																	
Total Potential New Customers:		691		4%																	
120/208N	3 Phase 120/208 Network Meters		421																		
120/208	3 Phase 120/208 Meters		40																		
120/240	1 Phase 120/240 Meters		215																		
480/277	3 Phase 480/277 Meters		15																		
																		Type A House , typical 1200sf apartment, gas heat. : Average 307KWH/month usage			
																		Type B House , typical 2200sf Patio Home, gas heat. : Average 671KWH/month usage			
																		Type C House , typical 2800sf single family home, gas heat. : Average 1192KWH/month usage			

Type A House , typical 1200sf apartment, gas heat. : Average 307KWH/month usage
Type B House , typical 2200sf Patio Home, gas heat. : Average 671KWH/month usage
Type C House , typical 2800sf single family home, gas heat. : Average 1192KWH/month usage

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

ADDITIONAL BASE REVENUES - CUSTOMER GROWTH

	ENERGY 2016-2017	SERVICE 2016-2017
Additional Energy Sales (kWhs)	2,624,736	5,472 *
Base Revenue Rate	\$ 0.036350	\$ 4.15
TOTAL ADDITIONAL BASE REVENUES	\$ 95,409	\$ 22,709
 *456 customers a month times 12 months		
 Total Energy	 \$ 95,409	
Total Service	\$ 22,709	
Total Additional Revenues for 2016-2017	\$ 118,118	

Purchased Power Related to Additional Base Revenues

	<u>\$</u>	<u>%</u>
Total Additional Revenues for 2016-2017	\$ 118,118	100.00
Purchased power equal to 55.73% of additional revenues (a)	\$ 65,827	55.73%
Gross profit on additional revenues (a)	\$ 52,291	44.27%

(a) based on gross profit percentage calculated in weather normalization adjustment.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**REMOVAL OF "PROFIT" FROM SALES TO OPERATING MUNICIPALITY
Fiscal Year May 31, 2015**

Revenue Recorded From Sales to Operating Municipality	\$ 48,902
Less Actual Cost of Purchased Power Sold to Operating Municipality	(28,327)
Adjusted to Revenue to Remove "Profit" From Sales to Operating Municipality	<u><u>\$ 20,575</u></u>

Fairport Municipal Commission
COST OF POWER SOLD TO OPERATING MUNICIPALITY
For the Year Ended May 31, 2015

	POWER COSTS	DELIVERED kWhs	PURCHASED POWER / kWh	SALES TO OPER. MUNIC. (kWhs)	ACTUAL COST
June	\$ 968,543	29,906,052	\$ 0.03239	49,880	\$ 1,615
July	\$ 855,958	31,565,333	\$ 0.02712	54,806	\$ 1,486
August	\$ 771,342	32,622,759	\$ 0.02364	58,386	\$ 1,380
September	\$ 858,928	32,401,935	\$ 0.02651	55,970	\$ 1,484
October	\$ 771,687	29,126,350	\$ 0.02649	49,539	\$ 1,313
November	\$ 1,144,004	30,516,045	\$ 0.03749	55,467	\$ 2,079
December	\$ 1,445,240	35,954,512	\$ 0.04020	73,398	\$ 2,950
January	\$ 2,124,266	45,740,150	\$ 0.04644	95,366	\$ 4,429
February	\$ 2,356,557	50,072,261	\$ 0.04706	107,858	\$ 5,076
March	\$ 1,747,731	51,683,246	\$ 0.03382	102,448	\$ 3,464
April	\$ 746,254	40,428,082	\$ 0.01846	80,633	\$ 1,488
May	\$ 843,266	32,569,004	\$ 0.02589	60,307	\$ 1,561
	\$ 14,633,776	442,585,729		844,058	\$ 28,327

Fairport Municipal Commission
REVENUE FROM OPERATING MUNICIPALITY
For the Year Ended May 31, 2015

	TOTAL REVENUES	BASE REVENUES	PPAC REVENUES
June	\$ 2,316	\$ 2,316	\$ -
July	\$ 2,580	\$ 2,498	\$ 82
August	\$ 2,852	\$ 2,643	\$ 209
September	\$ 2,545	\$ 2,543	\$ 2
October	\$ 2,147	\$ 2,310	\$ (163)
November	\$ 2,738	\$ 2,596	\$ 142
December	\$ 3,486	\$ 3,486	\$ -
January	\$ 6,493	\$ 5,140	\$ 1,353
February	\$ 8,009	\$ 5,704	\$ 2,305
March	\$ 7,344	\$ 5,418	\$ 1,926
April	\$ 5,527	\$ 4,431	\$ 1,096
May	\$ 2,865	\$ 2,865	\$ -
	\$ 48,902	\$ 41,950	\$ 6,952

VILLAGE OF FAIRPORT ELECTRIC DEPARTMENT

FORECAST SALARIES (Rate Year)

FIRST NAME	LAST NAME		TITLE OF POSITION		TOTAL SALARY		PORTION ALLOC. TO ELECTRIC
Robert J.	Cantwell	550	Municipal Commissioner	\$	4,156	\$	4,156
William	Fritsch	555	Municipal Commissioner	\$	3,394	\$	3,394
Timothy	Keef	556	Municipal Commissioner	\$	3,394	\$	3,394
Steven E	Schalabba	553	Municipal Commissioner	\$	3,394	\$	3,394
Michael	Starenko	552	Municipal Commissioner	\$	3,394	\$	3,394
TOTAL COMMISSIONERS (5)				\$	17,734	\$	17,734
Robert T.	Clark	458	Lineworker	\$	87,495	\$	87,495
Kevin P.	Cowan	480	Lineworker	\$	84,044	\$	84,044
Chris	Faticone	422	Lineworker	\$	52,870	\$	52,870
Michael E.	Hofer	462	Lineworker	\$	85,618	\$	85,618
Calin C.	Hotelling	431	Lineworker	\$	64,987	\$	64,987
Scott	Houtz	424	Lineworker	\$	58,410	\$	58,410
Paul C	Kolb	465	Lineworker (Crew Chief)	\$	93,346	\$	93,346
Brent A.	Losey	469	Lineworker (Crew Chief)	\$	92,640	\$	92,640
John R.	Neufeld Jr.	452	Lineworker	\$	83,197	\$	83,197
Frank E.	Noeson	449	Lineworker (Crew Chief)	\$	94,529	\$	94,529
Jared	Smith	423	Lineworker	\$	47,438	\$	47,438
Ryan	Steedman	426	Lineworker	\$	53,153	\$	53,153
Brian	Travis	464	Lineworker (Crew Chief)	\$	98,213	\$	98,213
Ryan J.	Trinkl	471	Lineworker	\$	84,208	\$	84,208
Shawn A.	Wright	454	Lineworker	\$	84,730	\$	84,730
Andrew	Zess	428	Lineworker	\$	65,798	\$	65,798
TOTAL LINEWORKERS (19)				\$	1,230,675	\$	1,230,675
Gayle R.	Achim	541	Station Operator	\$	57,057	\$	57,057
David B.	Andrews	539	Station Operator	\$	56,620	\$	56,620
Lynn H.	Williams	537	Station Operator	\$	56,556	\$	56,556
TOTAL STATION OPERATORS (3)				\$	170,233	\$	170,233
Christopher	Bechle	503	Laborer	\$	5,737	\$	5,737
Jackson	Bluhm	420	Laborer	\$	6,669	\$	6,669
Gregory	Johnson	421	Laborer	\$	4,739	\$	4,739
Connor	Kenrick	437	Laborer	\$	9,245	\$	9,245
Stephen	Lucas	418	Laborer	\$	4,291	\$	4,291
William	Price	435	Laborer	\$	6,618	\$	6,618
Dustin	Welker	504	Laborer	\$	6,436	\$	6,436
TOTAL LABORERS (7)				\$	43,735	\$	43,735
Linda	Cummings	615	Clerk III	\$	38,104	\$	38,104
Cathy	Nenno	614	Clerk III	\$	39,914	\$	39,914
Janine	Panipinto	612	Clerk III	\$	54,695	\$	54,695
Mary E.H.	Wilke	595	Sr. Account Clerk Typist	\$	62,938	\$	62,938
TOTAL ACCOUNT CLERKS (5)				\$	195,651	\$	195,651
Aaron	Daniels	616	Deputy Village Treasurer	\$	60,784	\$	60,784
Susan	Dolan	613	Bookkeeper	\$	59,489	\$	59,489
Donna B	Froelicher	496	Stock Clerk	\$	63,352	\$	63,352
Eric	Heeg	510	Meter Foreman	\$	70,516	\$	70,516
Matthew J.	Hegarty	410	Distribution Engineer	\$	116,285	\$	116,285
John K.	Levandowski	416	Network Administrator	\$	59,861	\$	29,930
Andrew J	May	491	Mechanic	\$	63,467	\$	63,467
Thomas J.	Santillo	445	Lineworker (Line Foreman)	\$	103,239	\$	103,239
Chris	Smith	412	Asst. Distribution Eng.	\$	53,889	\$	53,889
Kenneth J	VanHemel	467	Meter Tester	\$	80,317	\$	80,317
Luke D.	Wenschhof	415	IT / GIS Coordinator	\$	82,161	\$	82,161
Laura Kay	Wharmby		Village Treasurer	\$	88,640	\$	22,160
Bryan	White		Village Manager	\$	95,400	\$	47,700
Mitchell C.	Wilke	400	Superintendent of Elec	\$	116,285	\$	116,285
TOTAL OTHER SALARIES (15)				\$	1,113,682	\$	969,571
TOTAL SALARIES				\$	2,771,709	\$	2,627,599

Salaries for overhead calculations (Account 792), Excludes Superintendent, Engineer and Commissioner salaries

\$	2,377,295.20
	95%
\$	2,258,430.44

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

IEEP CONTRIBUTIONS

IEEP-CONTRIBUTIONS

We charge our customers a \$0.001 kWh "addor" for all kWh sold. This revenue is included in our PPAC revenues. We send 50% of our funds to IEEP and we maintain 50% of the funds (EEP-FMC). This "self-directed" FMC-EEP fund is used for energy efficiency as well. The total EEP revenues/expenditures for Fiscal 2015 are \$442,549.36. There would be a memo entry to pull the revenue out of PPA revenues if we were to show them separately (equaling expenditures).

MONTH		EEP-FMC		IEEP		TOTAL
June	\$	14,953.03	\$	14,953.03	\$	29,906.06
July	\$	15,782.66	\$	15,782.66	\$	31,565.32
August	\$	16,311.38	\$	16,311.38	\$	32,622.76
September	\$	16,200.27	\$	16,200.27	\$	32,400.54
October	\$	14,563.17	\$	14,563.17	\$	29,126.34
November	\$	15,257.97	\$	15,257.97	\$	30,515.94
December	\$	17,977.26	\$	17,977.26	\$	35,954.52
January	\$	22,870.07	\$	22,870.07	\$	45,740.14
February	\$	25,036.13	\$	25,036.13	\$	50,072.26
March	\$	25,841.62	\$	25,841.62	\$	51,683.24
April	\$	16,267.08	\$	16,267.08	\$	32,534.16
May	\$	20,214.04	\$	20,214.04	\$	40,428.08
TOTALS	\$	221,274.68	\$	221,274.68	\$	442,549.36

Ten (10) Year Average of kWh Sales

<u>Fiscal Year</u>	<u>kWh Sales</u>
2015	442,549,379
2014	454,903,043
2013	440,002,085
2012	424,233,097
2011	452,051,525
2010	425,202,468
2009	444,885,419
2008	448,348,437
2007	448,428,695
2006	449,518,298
	4,430,122,446
10 year average	443,012,245
x .001 addor	0.001
Average IEEP Contrib	443,012

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

**NORMALIZATION OF REVENUES TO ACCOUNT
FOR MID YEAR RATE INCREASE**

*Fairport Municipal Commission obtained a rate increase, effective November 1, 2014.
To facilitate the rate filing for test year May 31, 2015, we will normalize revenues to
reflect the previous rate increase had it been in effect all year long.*

PROCEDURE 1: DETERMINE AVERAGE RATE INCREASE

SERVICE CLASS	PREVIOUS RATE	CURRENT RATE	% INCREASE
Residential - S.C. 1			
Customer Charge	\$ 4.10	\$ 4.15	1.2195%
Energy Charge	\$ 0.0359	\$ 0.03635	1.2253%
Small Commercial - S.C. 2			
Customer Charge	\$ 6.16	\$ 6.23	1.1364%
Energy Charge	\$ 0.0359	\$ 0.0363	1.1142%
Large Commercial - S.C. 3			
Energy Charge	\$ 0.0421	\$ 0.0426	1.1876%
Demand Charge	\$ 3.08	\$ 3.12	1.2987%
Industrial - S.C. 4			
Energy Charge	\$ 0.0195	\$ 0.0197	1.0256%
Demand Charge	\$ 5.13	\$ 5.19	1.1696%
Security Lighting - S.C. 5			
70 Watt HPS or 175 Watt MV	\$ 5.80	\$ 5.87	1.2069%
100 Watt HPS or 175 Watt MV	\$ 6.93	\$ 7.01	1.1544%
150 Watt HPS or 175 Watt MV	\$ 8.21	\$ 8.31	1.2180%
250 Watt HPS or 175 Watt MV	\$ 9.49	\$ 9.61	1.2645%
Public Street Lighting - S.C. 6			
Facilities Charge	\$ 9.49	\$ 9.61	1.2645%
Energy Charge	\$ 0.0269	\$ 0.0272	1.1152%
AVERAGE INCREASE			1.1857%

PROCEDURE 2: APPLY AVERAGE RATE INCREASE TO UNAFFECTED REVENUES

UNAFFECTED MONTH	BASE REVENUES	AVERAGE INCREASE	ADJUSTED REVENUES	DOLLAR ADJUSTMENT
June, 2014	\$ 1,181,079	1.1857%	\$ 1,195,083.64	\$ 14,004.64
July, 2014	\$ 1,235,259	1.1857%	\$ 1,249,906.08	\$ 14,647.08
August, 2014	\$ 1,268,415	1.1857%	\$ 1,283,455.22	\$ 15,040.22
September, 2014	\$ 1,256,439	1.1857%	\$ 1,271,337.22	\$ 14,898.22
October, 2014	\$ 1,139,788	1.1857%	\$ 1,153,303.03	\$ 13,515.03
TOTAL ADJUSTMENT	\$ 6,080,980	1.1857%	\$ 6,153,085	\$ 72,105

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

PSC ASSESSMENT

2014			2015-2016	
	<u>Assessable Intrastate Revenue</u>		<u>Assessment</u>	<u>%</u>
Temporary Assessment	24,744,886	*	192,524	0.78%
General Assessment	24,744,886	*	54,925	0.22%
			<u>247,449</u>	<u>1.00%</u>
2015			2016-2017 (b)	
	<u>Assessable Intrastate Revenue</u>		<u>Assessment</u>	<u>%</u>
Temporary Assessment	21,638,737	* (a)	168,782	0.78%
General Assessment	21,638,737	* (a)	47,605	0.22%
			<u>216,387</u>	<u>1.00%</u>
* - net of the \$500,000 revenue exclusion				
(a) - traced to gross revenue in 2015 PSC Annual Report				
(b) Rate Year Assessment				

CALCULATION OF PILOT PAYMENT NEW METHOD FOR 2016-2017

EXPLANATIONS:

- (A)** The \$23,565,682 in Capital Assets within the town of Perinton was obtained from an Utility Advisory Appraisal Report prepared by the New York State Office of Real Property Tax Services. The valuation date was 07/01/2013 and the Taxable Status was 03/01/2014. This was the most recent report made available to us.
- (B)** The Total Capital Assets which exist within the Village of Fairport is 34% of the Total Capital Assets. The remaining 66% exist within the Town of Perinton. The determination of ownership (split) was obtained by examining the general ledger accounts. We account for Assets within the Village and Assets within the Town separately on the general ledger, and therefore we were able to calculate an actual split.
- (C)** The total Assessed Value of Capital Assets within the Village of Fairport was extrapolated using the Assessed Value within the Town of Perinton and the known percentages of geographic split.
- (D)** The approved tax rate for the 2015-2016 fiscal year for the Village of Fairport.

**VILLAGE OF FAIRPORT
ELECTRIC DEPARTMENT**

FORECASTED EMPLOYEE BENEFITS

ANALYSIS:	Vertical Analysis							
	2013	2014	Actual 2015	Forecasted 2016	Actual 2013	Actual 2014	Actual 2015	Forecasted 2016
MVP	\$ 314,360	\$ 346,251	\$ 345,250	\$ 329,200	91%	89%	89%	85%
Blue Cross	\$ 15,419	\$ 17,612	\$ 16,271	\$ 15,965	4%	5%	4%	4%
EBS (Lifetime)	\$ 8,084	\$ 5,483	\$ 3,093	\$ 2,050	2%	1%	1%	1%
Chase H.S.A.	\$ 2,800	\$ 18,600	\$ 24,476	\$ 37,724	1%	5%	6%	10%
EAP	\$ 1,148	\$ 1,148	\$ 748	\$ 900	0%	0%	0%	0%
Unemployment	\$ 374	\$ 225	\$ -	\$ -	0%	0%	0%	0%
J. Sunde (retiree)	\$ 4,118	\$ -	\$ -	\$ -	1%	0%	0%	0%
Safety Training	\$ -	\$ -	\$ 141	\$ -	0%	0%	0%	0%
Total From AP	\$ 346,303	\$ 389,318	\$ 389,978	\$ 385,839	100%	100%	100%	100%
FICA	\$ 153,653	\$ 155,859	\$ 153,825	\$ 162,911	68%	67%	67%	68%
Medicare	\$ 35,935	\$ 36,451	\$ 35,975	\$ 38,100	16%	16%	16%	16%
Vehicle Use	\$ 1,248	\$ 1,328	\$ 1,430	\$ 1,622	1%	1%	1%	1%
Insurance Buyout	\$ 4,808	\$ 10,215	\$ 12,594	\$ 12,500	2%	4%	5%	5%
Longevity	\$ 20,800	\$ 20,900	\$ 17,100	\$ 16,900	9%	9%	7%	7%
Misc. Earnings	\$ 8,169	\$ 7,305	\$ 9,400	\$ 8,291	4%	3%	4%	3%
Total From PR	\$ 224,613	\$ 232,058	\$ 230,323	\$ 240,324	100%	100%	100%	100%
NYS ERS Accrual	\$ 454,992	\$ 481,156	\$ 484,473	\$ 430,395	85%	92%	93%	100%
Misc. Other Adjustments	\$ 79,253	\$ 44,132	\$ 35,755	\$ -				
Total Adjust.	\$ 534,245	\$ 525,288	\$ 520,228	\$ 430,395	100%	100%	100%	100%
Total Fringe Benefits	\$ 1,105,161	\$ 1,146,664	\$ 1,140,529	\$ 1,056,558				