



July 14, 2017

VIA ELECTRONIC FILING

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

Re: Case 17-G-_____ - Rate Filing of Bath Electric, Gas and Water Systems to Increase its Annual Gas Revenues by \$304,629 or 14%

Dear Secretary Burgess:

On behalf of the Bath Electric, Gas and Water Systems -Gas Department ("Bath"), in accordance with the provision of the New York State Public Service Law and the Public Service Commission's ("Commission") regulations, the following tariff leaves are being revised: Leaf Nos. 109, 110, 112, 114. A new Leaf, Leaf No. 118, is being introduced. The filing contains provisions and rates designed to increase the monthly bill of a residential customer using approximately 100 CCF of gas per month from \$67.45 to \$76.35 or 13.2%. The proposed increase will produce an estimated annual aggregate increase in revenues of \$304,629 or 14% based on a forecast test year ending October 31, 2018.

In accordance with Commission regulations and practices, notice to the public will be made in a local newspaper of general circulation for four (4) consecutive weeks.

Bath would also like to update its Factor of Adjustment at this time. Using data which Bath deems reliable from meter readings at it Murray Avenue gate gives a three year average of Lost and Unaccounted Gas of 1.0076. Bath does not request a change in

the Commission directed factor of adjustment of 1.0229.

Bath's Gas Department is well run. However, purchased gas remains our largest expense. Labor and fringe benefits to BEGWS employees is our second largest expense. We continue to maximize the utilization of our employees as they work diligently to comply with system requirements including but not limited to:

- Weekly readings on transportation customers
- Maintenance on rotary and turbine meters
- Calibration of leak testing, corrosion testing and confined space equipment
- Inspection of transmitters and receivers
- Active and inactive services
- Operator Qualification (OQ) program requirements, computer-based tutorials, classes and exams, along with field evaluations, for 15 employees
- Interior and exterior leak surveys
- Gas meter testing and retirement program for residential and commercial diaphragm meters
- Atmospheric and pipeline corrosion survey
- Main line valve maintenance program
- Ongoing gas main and service leak repairs, checks
- Monitor, maintain and inspection 14 gas regulator stations

Furthermore, Bath and has invested over \$700,000 in gross plant additions since the last rate case. These additions include:

- Liberty Street gas main replacement (1,765 linear feet (LF))
- East Steuben Street gas main replacement Pine Street gas main replacement (770 LF)
- Pine Street gas main replacement (480 LF)
- Ellis Avenue gas main replacement (340 LF)
- Cook Street gas main and valve replacement (201 LF)
- Industrial Park gas main replacement (120 LF)
- Replacement of gas distribution regulators

- Veterans Administration regulator station (i.e. Belfast) and main replacement (75 LF)
- Colonial Lawns gas main and valve replacement (834 LF)
- Ark Street gas main replacement (133 LF)
- Burton Street gas main replacement (142 LF)
- Route 54 gas main installation (322 LF)
- County Route 113 gas main installation (1180 LF)
- Wilson Avenue gas main replacement (186 LF)
- Lackawanna Street gas main replacement (80 LF)
- Pine Street gas main replacement (40 LF)
- Murray Avenue gas main replacement (40 LF)
- Chestnut Street gas main extension (374 LF)

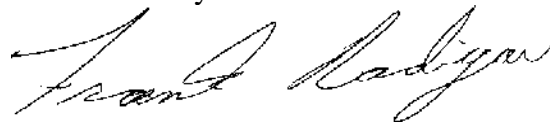
Expenses continue to increase and revenues have decreased of late due to two warm winters and the loss of one of Bath's largest customers when Philips Lighting closed its factory in 2014. Despite the loss of operating revenues, Bath was unable to reduce its operating expenses proportionately since the warm winters and reduction of one significant industrial customer does not reduce the resources required to operate and maintain our system such that we can provide gas to our customers in a safe and reliable manner and comply with system requirements.

Together these facts have taken a toll on the Gas Department and Bath is operating the Gas Department at a loss. Currently the Gas Department owes other Departments over \$470,000. Currently, Bath is being allowed to recover \$39,163 per year in unrecovered gas costs and the Commission allowed Bath to defer \$102,190 in fees paid for outside services for its efforts in recovering the unrecovered gas costs. Bath requests that it be allowed to recover the deferred balance when rates are reset (the requested effective date for new rates is November 1, 2017). At that time the total unrecovered balances due to Bath is estimated to be approximately \$320,000. In order to alleviate Bath's financial stress, Bath respectfully asks that this amount be recovered over 4 years.

Bath respectfully asks that questions regarding this filing be directed to Erin Bonacci,

Director of Municipal Utilities, 7 South Avenue, Bath, NY 14810, Phone: (607) 664-9103, or via e-mail at ebonacci@begws.com, and Frank Radigan of the Hudson River Energy Group who may be reached at 235 Lark Street, Albany, NY, 12203, Phone: (518) 431-8480, or via e-mail at FRadigan@aol.com.

Respectfully submitted for Bath Electric,
Gas and Water Systems

A handwritten signature in cursive script, appearing to read "Frank Radigan". The signature is written in black ink and is positioned below the typed name.