



ELECTRIC POWER ENGINEERING

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Via Electronic Delivery

March 31, 2023

Hon. Michelle L. Phillips
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12233-1350

Re: Case 23-E-_____ - Minor Filing of the Village of Churchville to increase annual electric revenues by \$296,000, or 23.1%

Dear Secretary Phillips:

Please see attached as Appendix A the list of revised Tariff leaves filed by the Village of Churchville, issued March 31, 2023, to be effective October 1, 2023.

The Village of Churchville is a public power community in Monroe County, New York. Its annual revenues are less than \$2 MM. It has about 1,100 customers. Its 2022 peak load was approximately 5 MW. The Village's electric rates are extremely low. The average residential rate is about 4.58 cents per kWh. The increase proposed in this filing would raise electric rates to the average customer using 750 kW from the current \$34 to approximately \$42.30 and raise the overall bill for that customer from the current \$37.28 to approximately \$45.91. The Village's last base rate change was adopted by the Commission over a decade ago in April 2010, in Case 09-E-0782 – *Minor Rate Filing of Village of Churchville to Increase its Annual Revenues by about \$299,000, or 21.9%* (Issued and Effective April 19, 2010).

The Village has provided community-owned electric service to its residents and citizens since 1896. The Village electric department is governed by the elected Mayor and Trustees of the Village. By Resolution adopted on March 27, 2023, at a public meeting, the Board of Trustees directed the filing of these revised tariffs. A copy of the resolution is attached.

Churchville is a small community. The electric department is publicly owned and administered. The citizenry is active, informed, and involved. Customers visit the office with any questions about their service and to gather information on conservation and energy efficiency measures, and often to pay their bills in person. The electric department has three linemen, who are assisted by the appointed Village Clerk and other Village employees as necessary. No single employee is paid solely by the electric department.

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The Village's electric department provides efficient and reliable service. System reliability is excellent. Customer service is excellent, provided personally by Village personnel. There have been few complaints—none in the last year—and all customer service questions are promptly resolved.

The filing utilizes a base year ending February 28, 2022 which is the Village fiscal year and the last complete fiscal year for which information is available. The forecast rate year commenced March 1, 2023. The Village looks forward to discussing with the Department Staff whether a multi-year plan with a phased second stage rate change (to reflect items such as payroll and benefits) would be convenient and efficient and in the public interest.

The electric department's total capitalization is \$4.7MM, which includes \$870,000 of long term debt used to finance a substation project. Last year the Village reported operating income of approximately \$27k, for a return on surplus of 0.49%. The prior year, ending February 28, 2021, the electric department suffered a loss of approximately \$33k, or a return on surplus of 0.55%. As loath as the Village is to raise rates on its neighbors and citizens, it must protect the financial and operational integrity of its precious public power resource. The Trustees have determined that the revenue requirement presented in this filing is the minimum necessary to achieve that goal.

Purchased power is the greatest single cost element. Labor and employee health and pension costs are the other cost drivers. The electric department has a fairly significant capital budget in the rate year. In addition to the typical replacement projects for aging infrastructure, the Village proposed to replace a 2001 Digger Derrick, which has outlasted its useful life. In addition, the electric department plans to hire a fourth lineman. Like many other comparable municipal utilities, the Village is struggling to maintain its highly trained and qualified work force in the face of intense competition.

The proposed rate design is an equal across-the-board percentage increase. The Village is also proposing to update its rates for its outdoor lighting service classes to include LED fixtures, as well as to update reconnection charges to reflect current costs. The Village requests that new rates be implemented by October 1, 2023. As mentioned earlier, the Village is interested in exploring a second-rate year to allow for a multi-year rate plan to capture changes in future costs and moderate the effects of the increase on customers.

The Village requests waiver of newspaper publication of the proposed rate change. The public has been notified through the Trustee meetings, postings at Village Hall, the Village website, and of course, most effectively, by personal communication.

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This filing was prepared by the Village Clerk and Treasurer, Ms. Stacy Stanton, with the assistance of PLM, Inc. Their contact information is below.

Respectfully submitted,

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Appendix A

Revised Tariff Leaves

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Village of Churchville

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Authorization to File Rate Increase with the New York State Public Service Commission - Resolution No. 2023-17:

Trustee Michael Brown made a motion, seconded by Trustee Scott Cullen,

WHEREAS, the Village of Churchville has provided community-owned electric service to its residents and citizens since 1921 and the continued provision of such service is of great importance to the community; and

WHEREAS, the Village provides electric supply to its customers at lower rates compared to New York State's investor-owned utilities; and

WHEREAS, the Village has the obligation to provide safe and reliable service and must make investments to continue such quality of service; and

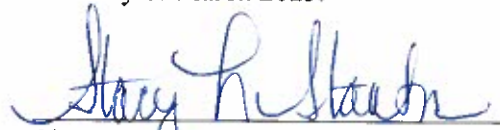

WHEREAS, the Village recognizes that the currently effective rates, last set by the Village in 2011, must be modified as they are insufficient to allow the Village to maintain and invest in its electric service infrastructure;

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

We hereby authorize the filing of a rate increase before the New York State Public Service Commission to set new rates so that the Village can continue to provide safe, reliable, and low cost electric service.

Motion passed unanimously.

I certify that this resolution was adopted by the Board of Trustees of the Village of Churchville, New York on the 27th day of March 2023.


Signature

Title

Stacy L. Stanton
Clerk/Treasurer

John B. Fitzsimmons
Village Attorney

John T. Hartman
Mayor

Michael H. Brown
Trustee

Scott A. Cullen
Trustee

Diane F. Pusateri
Deputy Mayor

Julie L. Michalko
Trustee

Paul A. Robinson
DPW Superintendent

John A. Mancuso
Planning Board Attorney