



April 2, 2008

Jaclyn Brillling, Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Brillling,

Attached please find Leaf Numbers 4 through 10, and 13 of PSC No. 1 – Electricity for the Village of Richmondville Electric Department (“Richmondville” or “the Village”), issued April 2, 2008 to be effective September 1, 2008.

The proposed Tariff Leaves will result in additional annual revenues of approximately \$159,000; an increase of about 15.9%. The filing is a “mini-filing” under the Commission’s Rules of Procedures and a hearing is not required.

Village of Richmondville Electric Department

The Village of Richmondville Electric Department supplies electricity to approximately 1,100 customers in the Village of Richmondville and in portions of the Town of Richmondville in Schoharie County. It is a municipal electric utility governed by a Board of Trustees consisting of four members and the mayor of the Village. The average number of kWh sold has remained consistent over the past few years and there is no indication that this will change significantly in the near term. The quality of service is excellent with no customer complaints and minimal outages. The electric safety record is excellent and the utility is well managed and professionally operated. The electric losses on the system are approximately 3% which is a tribute to how well the system is maintained.

The Rate Filing

This filing provides an ample basis for the Commission to process the application expeditiously. The filing contains three years of balance sheets and income statements, as well as projections of revenues, expenses and rate base. The filing is based on fiscal year ending May 31, 2007 data. Detailed workpapers are attached supporting the rate request.

The Village's last rate increase was over twenty years ago with an effective date of 9/1/1987 (a revenue neutral adjustment was made in 2004 to roll in increased purchased power costs). For Fiscal Year 2007, the Village's rate of return was -6.33% (a loss of \$70,655). Because of this substantial net loss in FY '07, the Village has been forced to postpone purchasing a material handler bucket truck and a dump truck and upgrading street lights from 250 and 400 HPS to 100 HPS on poles in the Village. This rate case filing will help fund these much needed purchases and upgrades. In order to maintain the reliability and quality of service that their customers are accustomed to, the Village has a number of additional upgrades and capital projects which they intend to complete. Some of these must be done in the near term and are forecast in the rate filing. Others are in the future and the completion of these will also be determined by the availability of increased revenues.

One of the major factors driving this rate filing is the extraordinary increase in property taxes that the Electric Department has experienced. A revaluation was recently done by the Town of Richmondville with the Assessed Value of the Electric Department's property outside of the Village increasing from \$375,000 in 2006 to \$937,043 in 2007; a net change of \$562,043. This increase in property value caused an increase in property taxes from \$4,007 in fiscal year 2006 to \$33,602 in fiscal year 2008.

Included in this filing are updated reconnection charges which more accurately reflect the costs to the Village to perform these services. These charges have not been increased in many years. In addition, the Village would like to charge customers a higher fee for checks received as payment and subsequently dishonored by the bank. This fee will cover Richmondville's administrative costs for handling such checks as well as the fee charged by their bank. These two proposed tariff changes will not result in a material gain in revenues for the Village. Rather, they will better cover the costs associated with the services provided.

The Village would also like to update its Factor of Adjustment at this time. The six-year average Factor of Adjustment is 1.031208 and is identified in the revised tariff leaves. Also, the Village would like to begin performing annual reconciliations of their purchased power and recovering or refunding any variance that is determined as approved by the Commission in Case #05-E-1496.

While working on the filing, we discovered a typographical error on the currently effective Tariff Leaf Number 5. The Base Purchased Power Cost should be \$0.015966 not \$0.15966 as stated. This has been corrected in the attached revised leaves.

Public Notice


The Village of Richmondville Electric Department will publish a notice to the public of the proposed change once each week for four consecutive weeks in a newspaper having general circulation in their service area.

Further Information

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

Frank W. Radigan
Hudson River Energy Group
120 Washington Ave., 2nd Floor
Albany, NY 12210
Tel: (518) 436-1628

Respectfully submitted,
For Village of Richmondville Electric Department

A handwritten signature in cursive script that reads "Frank W. Radigan". The signature is written in dark ink and is positioned below the typed name and address.

Frank W. Radigan