



November 12, 2010

Hon. Jaclyn A. Brillling
Secretary
New York State Dept. of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Brillling:

The following tariff leaves, filed on behalf of the village of Endicott Electric Department ("the Village"), in accordance with the provisions of the New York State Public Service Law and Public Service Commission's ("Commission") Regulations contain provisions and rates designed to increase the monthly bill of a residential customer using 2,100 kilowatt-hours per month from \$111.27 to approximately \$122.60 or 10.2%. The proposed increase will produce an estimated annual aggregate increase in revenues of \$300,000 based on forecast billing data for the twelve months ending April 30, 2012. The instant filing is a "mini" rate case under the Commission's Rules of Procedures and a hearing is not required.

Seventh Revised Leaves Nos. 4, 5, 6, 7, 8, 11, 12, 14 and 15

Notice to the public will be made in a local newspaper for four (4) consecutive weeks.

The Village is a municipal electric utility governed by the Village of Endicott Light Commission. The Village serves a service area of approximately one mile by one mile and serves 3,200 customers. Recently the Village has invested over \$1,000,000 in upgrading its distribution infrastructure which is the main cause for the rate increase. The quality of service is

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excellent with no complaints. The electric safety record is excellent and the utility is well managed and professionally operated.

The Village is proposing to change the rate design for its residential customers by introducing an inclining block rate structure. The Village currently has a flat rate for all usage of 4.04 cents per kilowatt-hour (kWh). The Village would like to have three rate blocks one for usage up to 1,000 kWhs, one for usage above 1,000 kWhs and 2,500 kWhs and one for usage above 2,500 kWhs. The Village would like to price the top block at close to the marginal cost of power (8.0 cents per kWh) and proposes a rate of 6.5 cents per kWh. For the middle block, usage above 1,000 kWh and 2,500 kWhs per month, the rate would be one cent less at 5.5 cents per kWh. In order to remain revenue neutral this proposed rate structure would then result in a rate for the initial block, usage between 1 kWh and 1,000 kWh, of 3.52 cents per kWh. For an average use residential customer using 750 kWhs of energy per month the average monthly bill is proposed to decrease from \$42.15 to \$38.72 or 8.1%. For a residential customer using 2,500 kWhs of energy per month the monthly bill is proposed to increase from \$131.75 per month to \$148.92 per month or 13.0%. For non-demand metered General Service customers the average monthly bill of approximately 1,750 kWhs per month is proposed to increase from \$99.30 per month to \$109.68 per month or 10.5%. The purpose for introducing an inkling block rate structure is to encourage energy conservation.

The Village would also like to update its Factor of Adjustment at this time. The six-year average Factor of Adjustment is 1.0491 which is the method that the Commission has historically used to set the Factor of Adjustment.

The Village is 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. This filing provides a sound

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basis for the Commission to process the application expeditiously. The instant filing is based on fiscal year 2010 data and contains three years of income statements and projections of revenues, expenses and rate base. Detailed work papers supporting the rate request will be forwarded to Commission Staff.

Further Information and Communications

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

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Respectfully submitted,

For Bath Electric, Gas and Water Systems

By:



Frank W. Radigan