

**NEW YORK STATE
PUBLIC SERVICE COMMISSION**

CASE 06-E-0911 - Proceeding on Motion of the Commission as
to the Rates, Charges, Rules and Regulations of
Village of Freeport for Electric Service.

**JOINT PROPOSAL TO
NEW YORK STATE PUBLIC SERVICE COMMISSION**

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This joint proposal (Joint Proposal) is made as of the 11th day of April, 2007, by and between the Incorporated Village of Freeport (Village), Freeport Electric Department (Freeport or Electric Department) and Department of Public Service staff (Staff) (collectively, the Signatory Parties or Parties) and provides to the New York State Public Service Commission (Commission) a proposed resolution of all issues contained in Freeport's July 27, 2006 rate filing and other issues identified during the proceeding.

I. INTRODUCTION

This Joint Proposal sets forth the terms of the rates, charges, rules and regulations for Freeport beginning June 30, 2007. It provides changes to base revenues as well as Freeport's rate modifier and addresses various operational and accounting matters for the term of the Joint Proposal.

II. BACKGROUND

On July 27, 2006, Freeport filed with the Commission pre-filed testimony and revised tariff leaves designed to recover an additional \$4,739,354 of annual revenues, a 14.1% increase, based upon a forecast rate year ending February 29, 2008. According to the testimony contained in the filing, inflationary increases in operation and maintenance (O&M) expenses, increased debt service costs, addition of new personnel, increased salaries and benefits (resulting from a labor agreement), state mandated pension cost increases, training costs, and increases in Freeport's Payment In Lieu of Taxes (PILOT) to the Village are the driving forces behind the need for the proposed rate increase. In its filing, Freeport proposed various accounting and rate change proposals and cost of service adjustments. Freeport proposed that the rate increase be spread equally across all rate classes. In support of its proposed rates, Freeport filed testimony and supporting schedules and exhibits.

Pursuant to a ruling regarding the litigation schedule for this proceeding, on December 22, 2006, Staff filed direct testimony and exhibits addressing the proposals in Freeport's filing. On January 26, 2007, Freeport filed rebuttal testimony.

In accordance with Commission rules, all Parties to this proceeding were notified in writing of the pendency of negotiations prior to their commencement and notice of the

impending negotiations was duly filed with the Secretary to the Commission. No intervenor has sought to participate in this proceeding.

On January 26, 2007, in order to allow sufficient time for discussions regarding a possible joint proposal to the Commission, Freeport requested an extension of the period during which the effectiveness of the proposed rates would be suspended. The requested extension was sixty (60) days, provided that Freeport would be made whole for the delay of any rate increase resulting from the extension of the statutory suspension period. Staff supported the extension and make-whole provision, however, the Parties both expressed an interest to arrive at a Joint Proposal in a timely manner so that new rates would be effective at the end of the statutory suspension period.

In an effort to facilitate the possible resolution of the issues in this proceeding, a mediator was assigned by the Department of Public Service, Office of Hearings and Alternative Dispute Resolution. Mediation sessions took place in Albany on February 21, 22 and March 9, 2007. An agreement in principle was reached on March 9, 2007. The Signatory Parties believe that this Joint Proposal will further the objectives of the Commission, giving fair consideration to the interests of

customers and Freeport alike in assuring the provision of safe and adequate service at just and reasonable rates.

The Joint Proposal utilizes Freeport's original rate filing as a starting point, with several adjustments agreed to by the Signatory Parties, resulting in an increase in revenue requirement as set forth below.

III. REVENUE REQUIREMENT

This Joint Proposal proposes a rate plan for Freeport's electric rates beginning June 30, 2007. Subject to the updates provided for in sections VI, VII, XII and XIII, Freeport shall implement a change in base rates to achieve an increase of \$3.27 million, or approximately 9.1% in overall revenues. The rate modifier credit for the rate year is estimated to be \$1.4 million.¹ The Signatory Parties have agreed upon revenue and expense levels as the basis for calculating Freeport's revenue requirement. The revenue requirement proposed pursuant to this

¹ The proposal also transfers \$840,000 of capacity sales revenues from the rate modifier bill credit to base rates, which previously were returned to customers as a refund. In addition, the Commission approved Freeport's petition to apply \$539,800 of incremental employee benefits against the bill credit in Case 05-E-0760. These incremental employee benefits will be transferred to base rates effective with the rate year. These transfers will reduce the bill credit by \$300,200. This net reduction in the bill credit will become effective in the year after the rate year since the bill credits are returned to customers one year after the credits are earned by Freeport.

Joint Proposal is calculated in the customary manner of determining a reasonable estimation of costs to be incurred to provide utility service, based upon experienced test year costs adjusted for some, but not all known changes. The proposed revenue requirement, adjustments and corrections are contained in Appendix A. Recovery of the increase in revenue requirement will be spread equally among the rate classes.

IV. PAYMENT IN LIEU OF TAXES

The revenue requirement reflects a PILOT payment by the Electric Department to the Village in the amount of \$3.757 million. This amount for the purposes of the JP is based on the Village of Freeport's budget for the fiscal year ending February 29, 2008 and not on the Reproduction Cost New Less Depreciation (RCNLD) methodology used in Staff's testimony. This amount shall not be used as precedent and shall not be binding on Staff or the Commission in any future rate or other proceedings. Unless otherwise agreed, Freeport shall adhere to the Commission's then current policy for municipal electric utilities regarding the calculation of PILOT payments for ratemaking purposes. This commitment does not waive Freeport's right to also offer legal and policy reasons as to why the Commission should adopt a new or different policy (or methodology) regarding the calculation of PILOT payments for

ratemaking purposes and to provide a record basis for the Commission to do so.

Freeport shall include on all customers' electric bills a notice that indicates the dollar amount of the PILOT payment (\$3.757 million) and the approximate percentage of Freeport Electric's revenue requirement represented by the PILOT payment to the Village of Freeport. The following language shall be used:

Electric rates collectively recover approximately \$3.7 million as a Payment in Lieu of property Taxes from the electric department to the Village. This payment amounts to approximately 10% of your bill.

This notice requirement shall remain in effect until otherwise directed by the Commission.

Thirty (30) days prior to the first bill that implements rates set in this proceeding, Freeport shall provide to the Department of Public Service, for its review and approval, a sample bill format.

**V. FUEL ADJUSTMENT CLAUSE AND
RELATED MATTERS**

Freeport made three changes to its monthly Fuel Adjustment Clause (FAC) Statement from September 2005 through March 2006. During the time the changes implemented by Freeport were in place, Freeport collected \$1,833,960. Of this amount, \$778,100 was collected to update the FAC for actual fuel expenses and to

account for the kilowatt hours (kWhs) related to station service fuel charges for its LM6000 generating plant. The Joint Proposal would refund the remaining \$1,055,800 to customers. The Joint Proposal would also permit Freeport to offset this refund by \$400,000 (\$25,000 per month from March 2006 to June 2007) to address the issue raised in Case 03-E-0686. Allowing the utility to recover this amount reduces the amount due to customers to \$655,800. Freeport shall withdraw its petition in Case 03-E-0686 filed on December 20, 2006 upon adoption of this Joint Proposal by the Commission. Freeport shall establish a regulatory liability for the amount at issue (\$655,800), which shall be treated as a rate base offset. The regulatory liability rate base offset shall be amortized over a period of 41 years commencing with the first month the new rates are effective. Within 90 days after the effective date of new rates, Freeport shall submit to the Commission the journal entries recorded on its books to comply with this provision.

Freeport shall be permitted to perform a monthly fuel reconciliation beginning in the rate year. Freeport shall implement the fuel reconciliation by quantifying the prior month's over or under collection of fuel and purchased power and any differences between fuel expense and fuel collections in the prior month will be charged (credited) to customers in the current month. The first month of fuel expenses that will be

reconciled will be July 2007 to be recovered in September 2007's Statement of Fuel Adjustment. For the period of July 1, 2007 through February 28, 2008 and thereafter for each fiscal year, Freeport will annually review the fuel expense included in the FAC to ensure that the prior period reconciliation captured all cash fuel expenses within that year. Over or under recoveries to customers shall be recovered in the next monthly period to reflect any adjustments. Freeport shall provide an explanation and workpapers for the monthly and annual reconciliation in Freeport's monthly Statement of Fuel Adjustment filed with the Commission. Freeport shall implement deferral accounting to reflect this fuel reconciliation. For purposes of calculating the monthly fuel reconciliation, the base cost of fuel will be \$0.03 base cost of fuel at the energy requirements level or \$.03126 per billed kWh.

VI. CAPITAL STRUCTURE

Freeport's return on surplus and overall Rate of Return (ROR) shall be recalculated on May 10, 2007 using the Standard and Poor's composite yield for general obligation bonds issued by municipalities. The revenue requirement schedules in Appendix A will be revised to reflect the May 10, 2007 update.

VII. INFLATION FACTOR

The inflation factor to be applied to expenses subject to inflation shall be based on the May 10, 2007 Blue Chip Economic Indicators GDP Chain-Weighted price index forecast. The revenue requirement schedules in Appendix A will be revised accordingly.

**VIII. METHODOLOGY FOR ALLOCATION OF EXPENSES
BETWEEN ELECTRIC DEPARTMENT AND VILLAGE**

The Electric Department and Village shall implement the appropriate accounting systems necessary to ensure the proper allocation of expenses between the Village and the Electric Department. These allocations shall apply to all transactions between the Village and the Electric Department, including the cost of labor, and all associated overhead, for work performed by municipal employees on behalf of the Electric Department, as well as work performed by Electric Department employees on behalf of the Village. The Electric Department shall submit to the Department of Public Service, for its review, within 120 days after the issuance of a rate order by the Commission in this proceeding, the basis for all allocations between the Village and the Electric Department. Should the Electric Department identify items that should be allocated between the Village and the Electric Department in the future, the Electric

Department will provide additional documentation to staff in support of these allocations.

IX. NET REVENUES FROM OFF-SYSTEM SALES

The electricity generated by Freeport's LM6000 generating station is bid into the New York Independent System Operator (NYISO) and all of the sales are classified as off-system sales. The net revenues from energy produced by Freeport to meet its own customers' needs shall be passed through Freeport's fuel adjustment clause (FAC). Net revenues from off-system sales are defined as revenues from off-system energy sales less: 1) fuel and delivery costs; 2) payments to the extraordinary maintenance deferral account as described in Section X and 3) LM6000 O&M expenses as described in Section XI 4) Capacity and energy sales to LIPA pursuant to the Freeport / LIPA Power Purchase Agreement. Net revenues from energy produced in excess of its own customers' needs shall be placed into the rate modifier account, a deferral account, to be refunded to customers through a credit on monthly bills. The deferral mechanism for the net revenues shall be calculated monthly for each fiscal year (from March 1st through February 28th) and the accumulated net revenues shall be refunded to customers on a monthly basis over a 12-month period beginning in May following each fiscal year by applying a rate modifier credit to customers' bills each month.

The rate modifier credit shall be an equal percentage reduction to base rate revenue for each customer and shall be calculated yearly by dividing the prior year's rate modifier by the prior year's base revenues. Freeport shall file with the Commission a "Statement of Off-System Sales Adjustment" (Statement), which will show the rate modifier credit factor being applied to customers' bills, no later than 30 days after the execution of this Joint Proposal. Subsequent Statements shall be filed with the Commission on or before April 15th of each calendar year for changes to the rate modifier credit effective in the month of May and at least 15 days before changes to the rate modifier credit effective in a month other than May. Every Statement shall also be accompanied by workpapers fully explaining the development of the rate modifier credit factor. All off-system sales margins shall be considered customer funds and shall not be available for use by the Incorporated Village of Freeport. Accumulated net revenues in the deferral account would accrue interest monthly so customers would be reimbursed for the fact that Freeport would have use of those funds until refunded to customers. Monies in this deferral account shall accrue interest at the actual interest rate paid on the account. However if Freeport uses any portion of these deferred funds for other purposes, interest will be paid at the other customer capital rate as determined by the

Commission. Freeport shall make monthly journal entries to record the interest on its accounting records associated with this deferred account.

The net credits from Rest-of-State (ROS) capacity sales and demand purchases currently included in the FAC shall continue to be included in the FAC as a credit. \$840,000 of revenues from excess Long Island Capacity (LIC) and any other capacity sales (OCS) not included in the FAC will be reflected in base rates. Freeport will be allowed to reconcile monthly these excess capacity sales revenues as follows: If Freeport sells more than \$70,000 of LIC and OCS in any month, it will flow the excess revenue into the current rate modifier account; if Freeport sells less than \$70,000 of LIC and OCS in any month, it may meet that shortfall by collecting the shortfall from the current rate modifier account.

Finally, Freeport will reconcile any under or over-collections relating to refunds made to customers and once the annual dollars have been paid out, the refunds will cease for that year. Over or under refunds to customers shall be transferred to the rate modifier account in the following year.

X. EXTRAORDINARY MAINTENANCE COSTS FOR THE LM6000

Freeport shall collect extraordinary maintenance costs of \$5.443 per megawatt hour (MWh) for energy produced by its LM6000

generating station for the specific purpose of establishing an extraordinary maintenance fund related to the LM6000 generating station. Freeport shall contribute to the extraordinary maintenance fund \$5.443 per MWh from all off-system energy sales incremental to the amount of capacity in excess of that provided for in the Power Purchase Agreement (PPA) with the Long Island Power Authority (LIPA). These monies contributed into the fund shall only be used for purposes related to extraordinary maintenance associated with the LM6000 and these monies will not otherwise be available for any other use by either Freeport or the Incorporated Village of Freeport. Monies in this extraordinary maintenance fund shall accrue interest monthly at the actual interest rate earned on that account. Any monies withdrawn from the extraordinary maintenance fund shall be documented and supported by Freeport in its next rate filing.

XI. O&M EXPENSES FOR THE LM6000

Freeport shall collect O&M expenses of \$2.482 per MWh for Freeport's share of energy produced by its LM6000 generating station. The revenues collected by this charge shall be available to Freeport to meet its daily operational needs.

XII. LIPA O&M CREDITS

If LIPA pays Freeport additional money before May 10, 2007 to account for labor loadings and certain outside services, this

money will be reflected as an adjustment in the rate year forecast. If these reimbursements for O&M loadings are received by Freeport after the May 10, 2007 updates, Freeport will defer any annual LIPA reimbursement to the current year's rate modifier account, to be refunded to customers in the following year.

XIII. RATE CASE EXPENSE

Freeport shall not exceed \$707,000 in rate case expense. Freeport shall offset the rate case expense with the Deferred Equus Reimbursements of \$251,100 authorized by the Commission's Rate Order in Case 03-E-0686.² The amount of the deferred Equus Reimbursement will be updated May 10, 2007. The remaining net deferral of approximately \$456,000 will be amortized over a three year period beginning in July 1, 2007.

Freeport shall no longer defer the Equus reimbursements since these credits have been reflected in the rate year forecast.

XIV. RATE DESIGN

Freeport shall recover the increase in revenue requirement on a percent across-the-board basis. The rate modifier credit

will also be applied on a percent across-the-board basis. A comparison of present and proposed unmoderated and moderated bill tables are also set forth in Appendix B. The moderated bill tables reflect the \$1.4 million rate modifier bill credits. This equates to a 5.57% credit to base rates.

**XV. LATE PAYMENT CHARGES FOR
RESIDENTIAL CUSTOMERS**

Freeport shall file tariffs to establish a late payment charge for residential customers in compliance with 16 NYCRR §11.15.

XVI. HEFPA COMPLIANCE

Freeport and Staff shall continue to collaborate to ensure that Freeport fully complies with the Home Energy Fair Practices Act (Public Service Law (PSL) Article 2) and 16 NYCRR Part 11. Freeport shall use its best efforts to be in full compliance with HEFPA as soon as possible.

XVII. METER TESTING

Freeport shall adhere to the requirements contained in 16 NYCRR Part 92 regarding meter testing and reporting. Freeport's

² Freeport was directed by the Commission to defer in a separate account, for customer benefit, any margins earned by Freeport for any service or operational work.

test standard shall be upgraded to allow for meter performance data to be electronically downloaded to a computerized database.

Freeport shall not charge for the first meter accuracy test conducted at a customer's request during a twelve month interval. If at the first test the meter is found to be within the Commission's allowed accuracy range, customers who request additional meter tests during the same twelve month interval may be charged for subsequent tests. For additional tests within the same 12-month period, Freeport may charge \$50.00 for residential and non-demand meters, and a \$60.00 combined charge for commercial meters and ancillary devices. If an additional test within the same year shows a meter error outside the Commission prescribed limits of 98.0 to 102.0 per cent, Freeport shall not charge the customer for the expense of the additional test.

The Freeport meter tester technician shall attend an electrical training course that will provide a thorough technical introduction to demand interval testing for mechanical and solid state electric meters. Freeport will inform the Commission when this training is completed.

XVIII. LINE EXTENSIONS

At the time of Freeport's filing in compliance with the Commission's rate order in this proceeding, Freeport shall file

tariffs in compliance with the Commission's line extension requirements contained in 16 NYCRR Parts 98, 99 and 100.

XIX. SMART METERING PROGRAM FUNDS

Funds remaining in the Smart Metering program will be allocated to conservation programs agreed to by Freeport and Staff. Within 90 days after the issuance of the rate order in this proceeding, Freeport will submit a plan to the Commission indicating the amount of funds remaining, with workpapers, and a proposal or proposals regarding use of the monies for conservation purposes.

XX. GENERAL PROVISIONS

A. It is understood that each provision of this Joint Proposal is in consideration and support of all the other provisions and each provision is expressly conditioned upon adoption by the Commission of this Joint Proposal.

B. None of the terms and provisions of this Joint Proposal, nor any methodology or principle utilized herein, and none of the positions taken herein by any Signatory Party may be referred to, cited or relied upon in any fashion as precedent in any proceeding before the Commission, or any other regulatory agency, or before any court of law for any purpose except in furtherance of the purposes and results of the Joint Proposal

and except as may be necessary in explaining the derivation of cost or accounting treatment as relevant to future ratemaking proceedings.

C. The Signatory Parties recognize that certain provisions of this Joint Proposal require that actions be taken in the future to effectuate fully this Joint Proposal. Accordingly, the Signatory Parties agree to cooperate with each other in good faith in taking such actions.

D. Freeport will file tariffs in a manner consistent with the terms of this Joint Proposal and as directed by the Commission.

E. In the event of any disagreement over the interpretation of this Joint Proposal or the implementation of any of the provisions of this Joint Proposal, which cannot be resolved informally among the Signatory Parties, such disagreement shall be resolved as follows: the Signatory Parties shall promptly confer and shall attempt in good faith to resolve such disagreement. If any such disagreement cannot be resolved by the Parties within fifteen (15) business days from notification to a Signatory Party or a longer period if agreed to by the Signatory Parties, the matter shall be submitted to an Administrative Law Judge (ALJ) designated by the Chief ALJ for a non-binding determination on an expedited basis using alternative dispute resolution techniques or such other

procedures as the ALJ decides are appropriate under the circumstances. Within fifteen (15) days from the ALJ's decision, any Party may petition the Commission on the disputed matter.

F. This Joint Proposal is being executed in counterpart originals, and shall be binding on each Signatory Party when the counterparts have been executed.

G. Except for notices or filings to the Department of Public Service for which a recipient is otherwise specified in this Joint Proposal, all communications provided for herein or with reference to this Joint Proposal shall be deemed to have been sufficiently given or served for all purposes if sent by overnight courier service, by hand or by facsimile, to the following addresses:

If to Freeport:

Hubert M. Bianco, Superintendent
Freeport Electric
220 W. Sunrise Highway
Freeport, New York 11520

If to Staff:

Jaclyn A. Brillling, Secretary
NYS Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

or such other addresses as the Parties may designate from time to time by notice given in accordance with the foregoing.

H. If the Commission does not issue an order with an effective date that allows new tariffs by June 30, 2007, all terms and conditions will provide Freeport one-time revenues, through the rate modifier, equivalent to what Freeport would have received had increased rates taken effect from June 30, 2007 to the actual effective date of the increased rates.

XXI. RESERVATION OF RIGHTS

To the extent that new mandatory regulatory, legislative, accounting or tax law changes, or other regulatory policy changes, or other events materially affecting Freeport's cost of providing service, not specifically addressed herein, become effective or occur during the effective dates of this Joint Proposal, any Signatory Party may petition the Commission to adjust Freeport's rates accordingly.

Nothing in this Joint Proposal shall be construed to limit the Commission's authority to act pursuant to the Public Service Law.

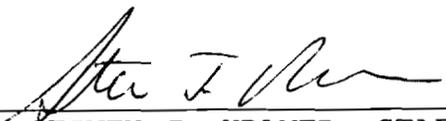
Case 06-E-0911

Incorporated Village of Freeport, Electric
Department



WILLIAM F. GLACKEN, ~~MA~~
MAYOR

Department of Public Service Staff


By: STEVEN J. KRAMER, STAFF COUNSEL

APPENDIX A

**Incorporated Village of Freeport, Freeport Electric
Income Statement and Rate of Return Calculation
For the Rate Year Beginning July 1, 2007**

	Historic Period Ending February 28, 2006	Company Adjustments	As Adjusted by Company (Before Rate Inc.)	Adj #	Staff Adjustments	As Adjusted By Staff (Before Rate Inc.)	Revenue Requirement Increase	Final After Rate Increase
Revenues:								
Base Revenues	\$26,328,148	(1,173,867)	\$25,154,281	1	\$0	\$25,154,281	\$3,274,743	\$28,429,024
Fuel Adjustment Clause Revenues	8,038,544	2,647,671	10,686,215	2	(\$2,375,831)	8,310,384		8,310,384
Operating Revenues	34,366,692	1,473,804	35,840,496		(2,375,831)	33,464,665	3,274,743	36,739,408
Capacity Revenue	1,527,972	0	1,527,972	3	\$840,000	2,367,972		2,367,972
Miscellaneous Revenue	190,654	0	190,654	4	(\$13,314)	177,340		177,340
Revenues	36,085,318	1,473,804	37,559,122		(\$1,549,145)	\$36,009,977	\$3,274,743	\$39,284,720
Operating Expenses:								
Operating & Maintenance Expenses	27,544,863	3,793,946	31,338,809		(2,591,273)	28,747,536	5,520	28,753,056
Depreciation Expense	2,837,214	112,252	2,949,466		92,291	3,041,757		3,041,757
PILOT	3,377,781	262,091	3,639,872		117,128	3,757,000		3,757,000
Total Operating Expenses	33,759,858	4,168,289	37,928,147		(2,381,854)	35,546,293	5,520	35,551,813
Interest Expense	0	0	0		0	0	0	0
Federal Income Taxes	0	0	0		0	0	0	0
Operating Income	2,325,460	(2,694,485)	(369,025)		832,709	463,684	3,269,223	\$3,733,082
Rate Base	\$87,113,790		\$85,994,912		(\$570,394)	\$85,424,517	\$695	\$85,425,212
Rate of Return	2.67%		-0.43%			0.54%		4.37%

Incorporated Village of Freeport, Freeport Electric
Detail of Operating and Maintenance Expenses
For the Rate Year Beginning July 1, 2007

	Historic Period Ending February 28, 2006	Company Adjustments	As Adjusted by Company Before Rate Inc.	Adj #	Staff Adjustments	As Adjusted By Staff (Before Rate Inc.)	Revenue Requirement Increase	Final After Rate Increase
Computers	135,198	11,033	146,231			146,231		146,231
Dental/Vision Insurance	52,385	4,275	56,660	5	(22,188)	34,472		34,472
Depreciation	2,837,214	112,252	2,949,466	6	92,291	3,041,757		3,041,757
DSM	35,602	2,446	38,048			38,048		38,048
Engine Fuel - LM 6000 (Net of LIPA Share)	861,747	636,402	1,498,149	7	(1,498,149)	0		0
Engine Fuel - Non LM 6000	748,739	0	748,739			748,739		748,739
Executive Services	52,925	4,319	57,244			57,244		57,244
Extraordinary Maintenance	46,387	(11,622)	34,765	8	(34,765)	0		0
FAC Deferral	(525,796)	(20,062)	(545,858)	9	545,858	0		0
FICA	298,339	24,344	322,683			322,683		322,683
General Rents	77,174	0	77,174			77,174		77,174
Inflation	0	0	0	10	(54,085)	(54,085)		(54,085)
Insurance	215,508	(7,726)	207,782			207,782		207,782
Labor	4,773,565	839,221	5,612,786	11	(105,222)	5,507,564		5,507,564
Legal Services	207,090	16,899	223,989			223,989		223,989
LIPA Reimbursement	(357,325)	(27,605)	(384,930)	12	(13,300)	(398,230)		(398,230)
M&S	821,846	61,494	883,340			883,340		883,340
Major GT Maintenance	(90,424)	14,185	(76,239)	13	(66,461)	(142,700)		(142,700)
Management Services	194,997	(57,900)	137,097			137,097		137,097
Medical Insurance	1,872,193	440,807	2,313,000	14	(382,109)	1,930,891		1,930,891
Medicare Contributions	77,787	6,347	84,134			84,134		84,134
Miscellaneous	69,551	(22,218)	47,333			47,333		47,333
NYS Disability	0	0	0			0		0
Other Benefits	37,711	3,077	40,788			40,788		40,788
P.I.L.O.T	3,377,781	262,091	3,639,872	15	117,128	3,757,000		3,757,000
PP-Con Edison	1,486,290	0	1,486,290			1,486,290		1,486,290
PP-ICAP/UCAP	76,967	0	76,967			76,967		76,967
PP-NYISO	9,613,307	702,514	10,315,821	16	(480,380)	9,835,441		9,835,441
PP-NYPA	4,785,589	0	4,785,589			4,785,589		4,785,589
Production Rents	0	376,830	376,830			376,830		376,830
Productivity	0	0	0	17	(81,359)	(81,359)		(81,359)
Rate Case Amortization	0	83,333	83,333	18	68,671	152,004		152,004
Regulatory Agency Fees	504,673	(138,079)	366,594	19	(87,200)	279,394	0	279,394
Retiree Medicare Reimbursement	48,865	3,988	52,853			52,853		52,853
Retirement	0	580,500	580,500	20	(8,934)	571,566		571,566
Safety and Education	105,282	8,591	113,873			113,873		113,873
Security	179,571	190	179,761			179,761		179,761
Shop & Lab/Trans Clearing Accts.	178,727	14,584	193,311			193,311		193,311
Sick Benefits Acc	166,622	59,231	225,853			225,853		225,853
Station Service	13,374	102,956	116,330			116,330		116,330
Storm Reserve Expense		200,000	200,000	21	(200,000)	0		0
Treasury and Accounting Services	462,418	(179,330)	283,088			283,088		283,088
Uncollectable Accounts	60,828	34,172	95,000	22	(6,952)	88,048	5,520	93,568
Worker's Comp	257,150	26,750	283,900	23	(164,698)	119,202		119,202
Total Operating and Maintenance Expenses	\$33,759,858	\$4,168,289	\$37,928,147		(\$2,381,854)	\$35,546,293	\$5,520	\$35,551,813

Incorporated Village of Freeport, Freeport Electric
Rate Base
For the Rate Year Beginning July 1, 2007

	Historic Period Ending February 28, 2006	Company Adjustments	As Adjusted by Company Before Rate Inc.	Adj #	Staff Adjustments	As Adjusted By Staff (Before Rate Inc.)	Revenue Requirement Increase	Final After Rate Increase
Plant in Service	\$109,748,201	3,326,075	\$113,074,276	24a	(\$655,800)	\$112,418,476		\$112,418,476
Construction Work In Progress	489,018	163,801	652,819			\$652,819		\$652,819
Accumulated Depreciation	(28,494,240)	(5,168,512)	(33,662,752)	25	(7,998)	(33,670,750)		(33,670,750)
Net Plant	81,742,979	(1,678,636)	80,064,343		(663,798)	79,400,545		79,400,545
Customer Advances	(303,674)	(14,400)	(318,074)		0	(318,074)		(318,074)
Prepayments	49,761	3,025	52,786		0	52,786		52,786
Materials & Supplies	2,192,493	133,304	2,325,797		0	2,325,797		2,325,797
Cash Working Capital	3,432,231	437,829	3,870,060	26	(286,607)	3,583,453	695	3,584,148
Unamortized Balances				24b	380,010	380,010		380,010
Earnings Base over Capitalization						0		0
RATE BASE	\$87,113,790	(\$1,118,878)	\$85,994,912		(\$570,394)	\$85,424,517	\$695	\$85,425,212

Incorporated Village of Freeport, Freeport Electric
Calculation of Cash Working Capital
For the Rate Year Beginning July 1, 2007

	Historic Period Ending February 28, 2006	Company Adjustments	As Adjusted by Company Before Rate Inc.	Adj #	Staff Adjustments	As Adjusted By Staff (Before Rate Inc.)	Revenue Requirement Increase	Final After Rate Increase
Operating and Maintenance Expenses	\$33,759,858	4,168,289	\$37,928,147		(\$2,381,854)	\$35,546,293	\$5,520	\$35,551,813
<u>Deduct:</u>								
Purchased Power	16,093,396	710,618	16,804,014		(480,380)	16,323,634		16,323,634
Uncollectible Accounts	60,828	34,172	95,000		(6,952)	88,048		88,048
Depreciation	2,837,214	112,252	2,949,466		92,291	3,041,757		3,041,757
Rate Case Amortization		83,333	83,333		68,671	152,004		152,004
Other Expenses	26,189	(26,189)	0		0	0		0
PILOT	3,377,781	262,091	3,639,872		117,128	3,757,000		3,757,000
Storm Reserve		200,000	200,000		(200,000)	0		0
Total Deductions	22,395,408	1,376,277	23,771,685		(409,242)	23,362,443	0	23,362,443
Balance	\$11,364,450	2,792,012	\$14,156,462		(\$1,972,612)	\$12,183,850	\$5,520	\$12,189,370
Working Capital-Operating Expenses (1/8)	1,420,556	349,002	1,769,558		(246,577)	1,522,981	690	1,523,671
Working Capital-Purchased Power (Co 1/8; Staff 1/12)	2,011,675	88,827	2,100,502		(40,030)	2,060,472	0	2,060,472
Cash Working Capital Allowance	\$3,432,231	437,829	\$3,870,060		(\$286,607)	\$3,583,453	\$690	\$3,584,143

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Appendix A
Schedule 5

Incorporated Village of Freeport, Freeport Electric
Capitalization Matrix
For the Rate Year Beginning July 1, 2007

	<u>Amount</u>	<u>Percentage of Total Capitalization</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Customer Deposit	\$1,266,115	1.47%	1.95%	0.03%
Embedded Debt	\$74,356,658	86.49%	4.40%	3.80%
Net Surplus	10,348,178	12.04%	4.46%	0.54%
Total	<u>\$85,970,951</u>	<u>100.00%</u>		<u>4.37%</u>

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Appendix A
Schedule 6

Incorporated Village of Freeport, Freeport Electric
Calculation of Revenue Requirement
For the Rate Year Beginning July 1, 2007

Rate Base	\$85,425,212
Rate of Return	<u>4.37%</u>
Required Return	3,732,907
Operating Income before Revenue Requirement	<u>463,684</u>
Deficiency	3,269,223
Retention Factor	<u>99.83%</u>
	<u><u>\$3,274,743</u></u>

APPENDIX B

Comparison of Current and Proposed Rates (unmoderated)

	Rates Current	Proposed	Amount Changed	Percent Change
SC-1 RESIDENTIAL - NON-HEATING				
Customer Charge (per month)	\$ 6.48	\$ 7.31	\$ 0.83	12.88%
Energy Rates (cents per kwh per month)				
Summer - First 250 kwh	0.08266	0.09331	0.01065	12.88%
251-1,000 kwh	0.09353	0.10558	0.01205	12.88%
Over 1,000 kwh	0.09921	0.11199	0.01278	12.88%
Winter - All Usage	0.08266	0.09331	0.01065	12.88%

	Rates Current	Proposed	Amount Changed	Percent Change
SC-1 RESIDENTIAL - WATER HEATING				
Customer Charge (per month)	\$ 6.48	\$ 7.31	\$ 0.83	12.88%
Energy Rates (cents per kwh per month)				
Summer - First 250 kwh	0.08266	0.09331	0.01065	12.88%
251-500 kwh	0.09353	0.10558	0.01205	12.88%
501-1000 kwh	0.07770	0.08771	0.01001	12.88%
Over 1,000 kwh	0.09921	0.11199	0.01278	12.88%
Winter - First 250 kwh	0.08266	0.09331	0.01065	12.88%
251-500 kwh	0.08266	0.09331	0.01065	12.88%
501-1,000 kwh	0.07033	0.07939	0.00906	12.88%
Over 1,000 kwh	0.08266	0.09331	0.01065	12.88%

Comparison of Current and Proposed Rates (unmoderated)

	Current Rates	Proposed Rates	Amount Changed	Percent Change
SC-1 RESIDENTIAL - SPACE HEATING				
Customer Charge (per month)	\$ 6.48	\$ 7.31	\$ 0.83	12.88%
Energy Rates (cents per kwh per month)				
Summer - First 250 kwh	0.08266	0.09331	0.01065	12.88%
251-1,000 kwh	0.09353	0.10558	0.01205	12.88%
Over 1,000 kwh	0.09921	0.11199	0.01278	12.88%
Winter - First 250 kwh	0.08266	0.09331	0.01065	12.88%
251-1,000 kwh	0.08266	0.09331	0.01065	12.88%
Over 1,000 kwh	0.07033	0.07939	0.00906	12.88%

	Current Rates	Proposed Rates	Amount Changed	Percent Change
SC-1 RESIDENTIAL - SPACE AND WATER HEATING				
Customer Charge (per month)	\$ 6.48	\$ 7.31	\$ 0.83	12.88%
Energy Rates (cents per kwh per month)				
Summer - First 250 kwh	0.08266	0.09331	0.01065	12.88%
251-500 kwh	0.09353	0.10558	0.01205	12.88%
501-1,000 kwh	0.07033	0.07939	0.00906	12.88%
Over 1,000 kwh	0.09921	0.11199	0.01278	12.88%
Winter - First 250 kwh	0.08266	0.09331	0.01065	12.88%
251-500 kwh	0.08266	0.09331	0.01065	12.88%
501-1,000 kwh	0.07033	0.07939	0.00906	12.88%
Over 1,000 kwh	0.07033	0.07939	0.00906	12.88%

Comparison of Current and Proposed Rates (unmoderated)

	Rates Current	Proposed	Amount Changed	Percent Change
SC-2 GENERAL SERVICE - Non-Demand				
Customer Charge (per month)	\$ 8.41	\$ 9.49	\$ 1.08	12.88%
Energy Rates (cents per kwh per month)				
Summer - All Usage	0.09523	0.10750	0.01227	12.88%
Winter - All Usage	0.08994	0.10152	0.01158	12.88%

	Rates Current	Proposed	Amount Changed	Percent Change
SC-2 GENERAL SERVICE - Demand				
Customer Charge (per month)	\$ 32.36	\$ 36.53	\$ 4.17	12.88%
Energy Rates (cents per kwh per month)				
Summer - All Usage	0.05596	0.06317	0.00721	12.88%
Winter - All Usage	0.05284	0.05965	0.00681	12.88%
Demand Rates (Dollars per KW per month)				
Summer - First 5 KW	7.44	8.40	0.96	12.88%
Over 5 KW	7.83	8.84	1.01	12.88%
Winter - All usage	7.44	8.40	0.96	12.88%

	Rates Current	Proposed	Amount Changed	Percent Change
SC-3 Outdoor Lighting				
Charges (Dollars per lamp per month)				
Additional Pole Charge	8.33	9.40	1.07	12.88%
Metal Halide (Size)				
20,000 Lumens, 250 Watts	18.96	21.40	2.44	12.88%
36,000 Lumens, 400 Watts	23.65	26.70	3.05	12.88%
High Pressure Sodium (Size)				
25,000 Lumens, 250 Watts	19.03	21.48	2.45	12.88%
40,000 Lumens, 400 Watts	23.88	26.96	3.08	12.88%

NYS Department of Public Service
Case 06-E-0911
BILL COMPARISONS (unmoderated)
SC-1 Residential - Non Heating
Rate Year Ended February 29, 2008

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	<u>Sales (kWh)</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
			<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per Monthly Bill</u>	<u>%</u>	
<u>Summer</u>	Minimum	\$	6.48	\$	7.31	\$0.83	12.88%
	10		7.59		8.53	0.94	12.40%
	100		17.58		19.48	1.90	10.81%
	250		34.22		37.72	3.50	10.22%
	500		64.68		71.19	6.51	10.06%
	1,000		125.60		138.13	12.53	9.98%
	1,500		189.36		208.28	18.92	9.99%
	2,000		253.12		278.43	25.31	10.00%
	2,500		316.88		348.58	31.70	10.00%
	5,000		635.68		699.33	63.64	10.01%
<u>Winter</u>	Minimum	\$	6.48	\$	7.31	\$0.83	12.88%
	10		7.59		8.53	0.94	12.40%
	100		17.58		19.48	1.90	10.81%
	250		34.22		37.72	3.50	10.22%
	500		61.97		68.12	6.16	9.94%
	1,000		117.45		128.93	11.48	9.78%
	1,500		172.94		189.74	16.80	9.72%
	2,000		228.42		250.55	22.13	9.69%
	2,500		283.91		311.36	27.45	9.67%
	5,000		561.33		615.40	54.07	9.63%

Note: Present and Proposed FAC = \$0.02831/kWh

INCORPORATED VILLAGE OF FREEPORT
Case 06-E-0911
BILL COMPARISONS (unmoderated)
SC-1 Residential - Water Heating
Rate Year Ended February 29, 2008

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	<u>Sales (kWh)</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
			<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per Monthly Bill</u>	<u>%</u>	
<u>Summer</u>	Minimum	\$	6.48	\$	7.31	\$0.83	12.88%
	10		7.59		8.53	0.94	12.40%
	100		17.58		19.48	1.90	10.81%
	250		34.22		37.72	3.50	10.22%
	500		64.68		71.19	6.51	10.06%
	1,000		117.69		129.20	11.51	9.78%
	1,500		181.45		199.35	17.90	9.87%
	2,000		245.21		269.50	24.29	9.91%
	2,500		308.97		339.65	30.68	9.93%
	5,000		627.77		690.39	62.62	9.98%
<u>Winter</u>	Minimum	\$	6.48	\$	7.31	\$0.83	12.88%
	10		7.59		8.53	0.94	12.40%
	100		17.58		19.48	1.90	10.81%
	250		34.22		37.72	3.50	10.22%
	500		61.96		68.12	6.16	9.94%
	1,000		111.29		121.97	10.69	9.60%
	1,500		166.77		182.78	16.01	9.60%
	2,000		222.26		243.59	21.33	9.60%
	2,500		277.74		304.40	26.66	9.60%
	5,000		555.17		608.44	53.27	9.60%

Note: Present and Proposed FAC = \$0.02831/kWh

INCORPORATED VILLAGE OF FREEPORT
Case 06-E-0911
BILL COMPARISONS (unmoderated)
SC-1 Residential - Space Heating
Rate Year Ended February 29, 2008

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		<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
		<u>Sales (kWh)</u>	<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per</u>	<u>%</u>	
					<u>Monthly Bill</u>		
<u>Summer</u>	Minimum		\$ 6.48	\$ 7.31	\$0.83	12.88%	
	10		7.59	8.53	0.94	12.40%	
	100		17.58	19.48	1.90	10.81%	
	250		34.22	37.72	3.50	10.22%	
	500		64.68	71.19	6.51	10.06%	
	1,000		125.60	138.13	12.53	9.98%	
	1,500		189.36	208.28	18.92	9.99%	
	2,000		253.12	278.43	25.31	10.00%	
	2,500		316.88	348.58	31.70	10.00%	
	5,000		635.68	699.33	63.64	10.01%	
<u>Winter</u>	Minimum		\$ 6.48	\$ 7.31	\$0.83	12.88%	
	10		7.59	8.53	0.94	12.40%	
	100		17.58	19.48	1.90	10.81%	
	250		34.22	37.72	3.50	10.22%	
	500		61.97	68.12	6.16	9.94%	
	1,000		117.45	128.93	11.48	9.78%	
	1,500		166.77	182.78	16.01	9.60%	
	2,000		216.09	236.63	20.54	9.51%	
	2,500		265.41	290.48	25.07	9.45%	
	5,000		512.01	559.72	47.72	9.32%	

Note: Present and Proposed FAC = \$0.02831/kWh

INCORPORATED VILLAGE OF FREEPORT
Case 06-E-0911
BILL COMPARISONS (unmoderated)
SC-1 Residential - Space and Water Heating
Rate Year Ended February 29, 2008

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	<u>Sales (kWh)</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
			<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per Monthly Bill</u>	<u>%</u>	
<u>Summer</u>	Minimum	\$	6.48	\$	7.31	\$0.83	12.88%
	10		7.59		8.53	0.94	12.40%
	100		17.58		19.48	1.90	10.81%
	250		34.22		37.72	3.50	10.22%
	500		64.68		71.19	6.51	10.06%
	1,000		114.00		125.04	11.04	9.68%
	1,500		177.76		195.19	17.43	9.80%
	2,000		241.52		265.34	23.82	9.86%
	2,500		305.28		335.49	30.20	9.89%
	5,000		624.08		686.23	62.15	9.96%
<u>Winter</u>	Minimum	\$	6.48	\$	7.31	\$0.83	12.88%
	10		7.59		8.53	0.94	12.40%
	100		17.58		19.48	1.90	10.81%
	250		34.22		37.72	3.50	10.22%
	500		61.96		68.12	6.16	9.94%
	1,000		111.28		121.97	10.69	9.60%
	1,500		160.60		175.82	15.22	9.47%
	2,000		209.92		229.67	19.75	9.41%
	2,500		259.24		283.52	24.27	9.36%
	5,000		505.84		552.77	46.92	9.28%

Note: Present and Proposed FAC = \$0.02831/kWh

INCORPORATED VILLAGE OF FREEPORT

Case 06-E-0911

BILL COMPARISONS (unmoderated)

SC-2 General Service - Non-Demand

Rate Year Ended February 29, 2008

Case 06-E-0911

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		<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
		<u>Sales (kWh)</u>	<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per</u>	<u>%</u>	
					<u>Monthly Bill</u>		
<u>Summer</u>	Minimum		\$ 8.41	\$ 9.49	\$1.08		12.88%
	10		9.65	10.85	1.21		12.50%
	100		20.76	23.07	2.31		11.12%
	250		39.30	43.44	4.15		10.56%
	500		70.18	77.40	7.22		10.28%
	1,000		131.95	145.30	13.35		10.12%
	1,500		193.72	213.20	19.48		10.06%
	2,000		255.49	281.10	25.61		10.03%
	2,500		317.26	349.01	31.75		10.01%
	5,000		626.11	688.52	62.41		9.97%
<u>Winter</u>	Minimum		\$ 8.41	\$ 9.49			
	10		9.59	10.79	1.20		12.50%
	100		20.24	22.48	2.24		11.08%
	250		37.97	41.95	3.98		10.48%
	500		67.54	74.41	6.88		10.18%
	1,000		126.66	139.33	12.67		10.00%
	1,500		185.79	204.24	18.46		9.94%
	2,000		244.91	269.16	24.25		9.90%
	2,500		304.04	334.08	30.04		9.88%
	5,000		599.66	658.66	59.00		9.84%

Note: Present and Proposed FAC = \$0.02831/kWh

INCORPORATED VILLAGE OF FREEPORT

Case 06-E-0911

BILL COMPARISONS (unmoderated)

SC-2 General Service - Demand

Rate Year Ended February 29, 2008

Case 06-E-0911

Appendix B

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		<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
		<u>Sales (kWh)</u>	<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per</u> <u>Monthly Bill</u>	<u>%</u>	
5 kW Demand							
<u>Summer (load factors)</u>	Minimum		\$ 32.36	\$ 36.53	\$4.17	12.88%	
	10%	365	100.32	111.91	11.59	11.55%	
	20%	730	131.08	145.30	14.22	10.85%	
	30%	1,095	161.84	178.69	16.85	10.41%	
	40%	1,460	192.59	212.08	19.48	10.12%	
	50%	1,825	223.35	245.47	22.11	9.90%	
	60%	2,190	254.11	278.86	24.74	9.74%	
<u>Winter (Load factors)</u>	Minimum		\$ 32.36	\$ 36.53	\$4.17	12.88%	
	10%	365	99.18	110.62	11.44	11.54%	
	20%	730	128.80	142.73	13.93	10.81%	
	30%	1,095	158.42	174.83	16.41	10.36%	
	40%	1,460	188.04	206.93	18.90	10.05%	
	50%	1,825	217.66	239.04	21.38	9.82%	
	60%	2,190	247.28	271.14	23.86	9.65%	
10 kW Demand							
<u>Summer (load factors)</u>	Minimum		\$ 32.36	\$ 36.53	\$4.17	12.88%	
	10%	730	170.23	189.49	19.26	11.32%	
	20%	1,460	231.74	256.27	24.53	10.58%	
	30%	2,190	293.26	323.05	29.79	10.16%	
	40%	2,920	354.78	389.83	35.05	9.88%	
	50%	3,650	416.30	456.61	40.31	9.68%	
	60%	4,380	477.81	523.38	45.57	9.54%	
<u>Winter (Load factors)</u>	Minimum		\$ 32.36	\$ 36.53	\$4.17	12.88%	
	10%	730	166.00	184.72	18.72	11.28%	
	20%	1,460	225.24	248.93	23.69	10.52%	
	30%	2,190	284.48	313.13	28.66	10.07%	
	40%	2,920	343.72	377.34	33.62	9.78%	
	50%	3,650	402.96	441.55	38.59	9.58%	
	60%	4,380	462.20	505.76	43.56	9.42%	

Note: Present and Proposed FAC = \$0.02831/kWh

INCORPORATED VILLAGE OF FREEPORT
Case 06-E-0911
BILL COMPARISONS (unmoderated)
SC-2 General Service - Demand
Rate Year Ended February 29, 2008

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		Present Rates		Proposed Rates		Increase	
		Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	\$ per	%
		Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill
50 kW Demand							
<u>Summer (load factors)</u>		Minimum	\$ 32.36	\$ 36.53	\$ 4.17	12.88%	
10%	3,650	729.50	810.15	80.65	11.06%		
20%	7,300	1,037.08	1,144.04	106.96	10.31%		
30%	10,950	1,344.67	1,477.93	133.27	9.91%		
40%	14,600	1,652.25	1,811.83	159.57	9.66%		
50%	18,250	1,959.84	2,145.72	185.88	9.48%		
60%	21,900	2,267.42	2,479.61	212.19	9.36%		
<u>Winter (Load factors)</u>		Minimum	\$ 32.36	\$ 36.53	\$ 4.17	12.88%	
10%	3,650	700.56	777.48	76.92	10.98%		
20%	7,300	996.76	1,098.52	101.76	10.21%		
30%	10,950	1,292.95	1,419.56	126.60	9.79%		
40%	14,600	1,589.15	1,740.60	151.45	9.53%		
50%	18,250	1,885.35	2,061.63	176.29	9.35%		
60%	21,900	2,181.55	2,382.67	201.13	9.22%		
100 kW Demand							
<u>Summer (load factors)</u>		Minimum	\$ 32.36	\$ 36.53	\$ 4.17	12.88%	
10%	7,300	1,428.58	1,585.96	157.38	11.02%		
20%	14,600	2,043.75	2,253.75	210.00	10.28%		
30%	21,900	2,658.92	2,921.54	262.61	9.88%		
40%	29,200	3,274.09	3,589.32	315.23	9.63%		
50%	36,500	3,889.27	4,257.11	367.85	9.46%		
60%	43,800	4,504.44	4,924.90	420.46	9.33%		
<u>Winter (Load factors)</u>		Minimum	\$ 32.36	\$ 36.53	\$ 4.17	12.88%	
10%	7,300	1,368.76	1,518.43	149.68	10.94%		
20%	14,600	1,961.15	2,160.51	199.36	10.17%		
30%	21,900	2,553.55	2,802.59	249.04	9.75%		
40%	29,200	3,145.94	3,444.66	298.72	9.50%		
50%	36,500	3,738.34	4,086.74	348.41	9.32%		
60%	43,800	4,330.73	4,728.82	398.09	9.19%		

Note: Present and Proposed FAC = \$0.02831/kWh

NYS Department of Public Service
Case 06-E-0911
BILL COMPARISONS INCLUDING RATE MODIFIER OF 5.57%
SC-1 Residential - Non Heating
Rate Year Ended February 29, 2008

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	<u>Sales (kWh)</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
			<u>Monthly Bill</u>		<u>Monthly Bill</u>	<u>\$ per Monthly Bill</u>	<u>%</u>
<u>Summer</u>	Minimum	\$	6.12	\$	6.95	\$0.83	13.64%
	10		7.18		8.12	0.94	13.10%
	100		16.76		18.65	1.90	11.34%
	250		32.71		36.21	3.50	10.69%
	500		61.87		68.38	6.51	10.52%
	1,000		120.18		132.72	12.53	10.43%
	1,500		181.18		200.10	18.92	10.44%
	2,000		242.18		267.49	25.31	10.45%
	2,500		303.17		334.87	31.70	10.46%
	5,000		608.16		671.80	63.64	10.47%
<u>Winter</u>	Minimum	\$	6.12	\$	6.95	\$0.83	13.64%
	10		7.18		8.12	0.94	13.10%
	100		16.76		18.65	1.90	11.34%
	250		32.71		36.21	3.50	10.69%
	500		59.30		65.46	6.16	10.38%
	1,000		112.48		123.97	11.48	10.21%
	1,500		165.67		182.47	16.80	10.14%
	2,000		218.85		240.98	22.13	10.11%
	2,500		272.03		299.48	27.45	10.09%
	5,000		537.95		592.02	54.07	10.05%

Note: Present and Proposed FAC = \$0.02831 / kWh

INCORPORATED VILLAGE OF FREEPORT

Case 06-E-0911

BILL COMPARISONS INCLUDING RATE MODIFIER OF 5.57%

SC-1 Residential - Water Heating

Rate Year Ended February 29, 2008

Case 06-E-0911

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	<u>Sales (kWh)</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
			<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per Monthly Bill</u>	<u>%</u>	
<u>Summer</u>	Minimum	\$	6.12	\$	6.95	\$0.83	13.64%
	10		7.18		8.12	0.94	13.10%
	100		16.76		18.65	1.90	11.34%
	250		32.71		36.21	3.50	10.69%
	500		61.87		68.38	6.51	10.52%
	1,000		112.71		124.22	11.51	10.21%
	1,500		173.71		191.61	17.90	10.31%
	2,000		234.70		258.99	24.29	10.35%
	2,500		295.70		326.38	30.68	10.38%
	5,000		600.69		663.31	62.62	10.43%
<u>Winter</u>	Minimum	\$	6.12	\$	6.95	\$0.83	13.64%
	10		7.18		8.12	0.94	13.10%
	100		16.76		18.65	1.90	11.34%
	250		32.71		36.21	3.50	10.69%
	500		59.30		65.46	6.16	10.38%
	1,000		106.66		117.35	10.69	10.02%
	1,500		159.85		175.86	16.01	10.02%
	2,000		213.03		234.36	21.33	10.01%
	2,500		266.21		292.87	26.66	10.01%
	5,000		532.13		585.40	53.27	10.01%

Note: Present and Proposed FAC = \$0.02831 / kWh

INCORPORATED VILLAGE OF FREEPORT

Case 06-E-0911

BILL COMPARISONS INCLUDING RATE MODIFIER OF 5.57%

SC-1 Residential - Space Heating

Rate Year Ended February 29, 2008

Case 06-E-0911

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	<u>Sales (kWh)</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
			<u>Monthly Bill</u>		<u>Monthly Bill</u>	<u>\$ per</u> <u>Monthly Bill</u>	<u>%</u>
<u>Summer</u>	Minimum	\$	6.12	\$	6.95	\$0.83	13.64%
	10		7.18		8.12	0.94	13.10%
	100		16.76		18.65	1.90	11.34%
	250		32.71		36.21	3.50	10.69%
	500		61.87		68.38	6.51	10.52%
	1,000		120.18		132.72	12.53	10.43%
	1,500		181.18		200.10	18.92	10.44%
	2,000		242.18		267.49	25.31	10.45%
	2,500		303.17		334.87	31.70	10.46%
	5,000		608.16		671.80	63.64	10.47%
<u>Winter</u>	Minimum	\$	6.12	\$	6.95	\$0.83	13.64%
	10		7.18		8.12	0.94	13.10%
	100		16.76		18.65	1.90	11.34%
	250		32.71		36.21	3.50	10.69%
	500		59.30		65.46	6.16	10.38%
	1,000		112.48		123.97	11.48	10.21%
	1,500		159.85		175.86	16.01	10.02%
	2,000		207.21		227.75	20.54	9.91%
	2,500		254.57		279.64	25.07	9.85%
	5,000		491.38		539.09	47.72	9.71%

Note: Present and Proposed FAC = \$0.02831 / kWh

INCORPORATED VILLAGE OF FREEPORT

Case 06-E-0911

BILL COMPARISONS INCLUDING RATE MODIFIER OF 5.57%

SC-1 Residential - Space and Water Heating

Rate Year Ended February 29, 2008

Case 06-E-0911

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	Sales (kWh)	Present Rates		Proposed Rates		Increase	
		Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	\$ per	%
<u>Summer</u>	Minimum	\$ 6.12	\$ 6.95			\$0.83	13.64%
	10	7.18	8.12			0.94	13.10%
	100	16.76	18.65			1.90	11.34%
	250	32.71	36.21			3.50	10.69%
	500	61.87	68.38			6.51	10.52%
	1,000	109.23	120.27			11.04	10.10%
	1,500	170.23	187.65			17.43	10.24%
	2,000	231.22	255.04			23.82	10.30%
	2,500	292.22	322.43			30.20	10.34%
	5,000	597.21	659.36			62.15	10.41%
<u>Winter</u>	Minimum	\$ 6.12	\$ 6.95			\$0.83	13.64%
	10	7.18	8.12			0.94	13.10%
	100	16.76	18.65			1.90	11.34%
	250	32.71	36.21			3.50	10.69%
	500	59.30	65.46			6.16	10.38%
	1,000	106.66	117.35			10.69	10.02%
	1,500	154.02	169.24			15.22	9.88%
	2,000	201.39	221.13			19.75	9.80%
	2,500	248.75	273.02			24.27	9.76%
	5,000	485.55	532.47			46.92	9.66%

Note: Present and Proposed FAC = \$0.02831 / kWh

INCORPORATED VILLAGE OF FREEPORT
Case 06-E-0911
BILL COMPARISONS INCLUDING RATE MODIFIER OF 5.57%
SC-2 General Service - Non-Demand
Rate Year Ended February 29, 2008

Case 06-E-0911
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		<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
						<u>\$ per</u>	
<u>Sales (kWh)</u>		<u>Monthly Bill</u>		<u>Monthly Bill</u>		<u>Monthly Bill</u>	
						<u>%</u>	
<u>Summer</u>	Minimum	\$	7.94	\$	9.02	\$1.08	13.64%
	10		9.12		10.33	1.21	13.22%
	100		19.77		22.07	2.31	11.69%
	250		37.50		41.65	4.15	11.07%
	500		67.06		74.28	7.22	10.76%
	1,000		126.18		139.53	13.35	10.58%
	1,500		185.30		204.78	19.48	10.51%
	2,000		244.41		270.03	25.61	10.48%
	2,500		303.53		335.28	31.75	10.46%
	5,000		599.12		661.53	62.41	10.42%
<u>Winter</u>	Minimum	\$	7.94	\$	9.02		
	10		9.07		10.27	1.20	13.21%
	100		19.27		21.51	2.24	11.64%
	250		36.25		40.23	3.98	10.98%
	500		64.56		71.44	6.88	10.65%
	1,000		121.18		133.85	12.67	10.45%
	1,500		177.80		196.26	18.46	10.38%
	2,000		234.42		258.67	24.25	10.35%
	2,500		291.04		321.09	30.04	10.32%
	5,000		574.14		633.15	59.00	10.28%

Note: Present and Proposed FAC = \$0.02831 / kWh

INCORPORATED VILLAGE OF FREEPORT

Case 06-E-0911

BILL COMPARISONS INCLUDING RATE MODIFIER OF 5.57%

SC-2 General Service - Demand

Rate Year Ended February 29, 2008

Case 06-E-0911

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		<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>		
				<u>\$ per</u>		
		<u>Sales (kWh)</u>	<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>%</u>
5 kW Demand						
<u>Summer (load factors)</u>	Minimum	\$ 30.56	\$ 34.73	\$4.17	13.64%	
	10%	365 95.31	106.90	11.59	12.16%	
	20%	730 124.93	139.15	14.22	11.38%	
	30%	1,095 154.55	171.40	16.85	10.90%	
	40%	1,460 184.17	203.65	19.48	10.58%	
	50%	1,825 213.79	235.90	22.11	10.34%	
	60%	2,190 243.41	268.15	24.74	10.17%	
<u>Winter (Load factors)</u>	Minimum	\$ 30.56	\$ 34.73	\$4.17	13.64%	
	10%	365 94.23	105.67	11.44	12.14%	
	20%	730 122.78	136.70	13.93	11.34%	
	30%	1,095 151.32	167.73	16.41	10.85%	
	40%	1,460 179.87	198.76	18.90	10.51%	
	50%	1,825 208.41	229.79	21.38	10.26%	
	60%	2,190 236.96	260.82	23.86	10.07%	
10 kW Demand						
<u>Summer (load factors)</u>	Minimum	\$ 30.56	\$ 34.73	\$4.17	13.64%	
	10%	730 161.90	181.16	19.26	11.90%	
	20%	1,460 221.14	245.66	24.53	11.09%	
	30%	2,190 280.38	310.17	29.79	10.62%	
	40%	2,920 339.62	374.67	35.05	10.32%	
	50%	3,650 398.86	439.17	40.31	10.11%	
	60%	4,380 458.11	503.68	45.57	9.95%	
<u>Winter (Load factors)</u>	Minimum	\$ 30.56	\$ 34.73	\$4.17	13.64%	
	10%	730 157.90	176.62	18.72	11.85%	
	20%	1,460 215.00	238.68	23.69	11.02%	
	30%	2,190 272.09	300.74	28.66	10.53%	
	40%	2,920 329.18	362.80	33.62	10.21%	
	50%	3,650 386.27	424.86	38.59	9.99%	
	60%	4,380 443.36	486.92	43.56	9.83%	

Note: Present and Proposed FAC = \$0.02831 / kWh

INCORPORATED VILLAGE OF FREEPORT

Case 06-E-0911

BILL COMPARISONS INCLUDING RATE MODIFIER OF 5.57%

SC-2 General Service - Demand

Rate Year Ended February 29, 2008

Case 06-E-0911

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		<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Increase</u>	
		<u>Sales (kWh)</u>	<u>Monthly Bill</u>	<u>Monthly Bill</u>	<u>\$ per</u>	<u>%</u>	
					<u>Monthly Bill</u>		
50 kW Demand							
<u>Summer (load factors)</u>	Minimum		\$ 30.56	\$ 34.73	\$4.17		13.64%
	10%	3,650	694.62	775.27	80.65		11.61%
	20%	7,300	990.83	1,097.78	106.96		10.79%
	30%	10,950	1,287.04	1,420.30	133.27		10.35%
	40%	14,600	1,583.24	1,742.82	159.57		10.08%
	50%	18,250	1,879.45	2,065.33	185.88		9.89%
	60%	21,900	2,175.66	2,387.85	212.19		9.75%
<u>Winter (Load factors)</u>	Minimum		\$ 30.56	\$ 34.73	\$4.17		13.64%
	10%	3,650	667.29	744.21	76.92		11.53%
	20%	7,300	952.75	1,054.51	101.76		10.68%
	30%	10,950	1,238.20	1,364.81	126.60		10.22%
	40%	14,600	1,523.66	1,675.10	151.45		9.94%
	50%	18,250	1,809.11	1,985.40	176.29		9.74%
	60%	21,900	2,094.57	2,295.69	201.13		9.60%
100 kW Demand							
<u>Summer (load factors)</u>	Minimum		\$ 30.56	\$ 34.73	\$4.17		13.64%
	10%	7,300	1,360.52	1,517.90	157.38		11.57%
	20%	14,600	1,952.94	2,162.94	210.00		10.75%
	30%	21,900	2,545.35	2,807.97	262.61		10.32%
	40%	29,200	3,137.77	3,453.00	315.23		10.05%
	50%	36,500	3,730.19	4,098.03	367.85		9.86%
	60%	43,800	4,322.61	4,743.07	420.46		9.73%
<u>Winter (Load factors)</u>	Minimum		\$ 30.56	\$ 34.73	\$4.17		13.64%
	10%	7,300	1,304.03	1,453.70	149.68		11.48%
	20%	14,600	1,874.94	2,074.30	199.36		10.63%
	30%	21,900	2,445.85	2,694.89	249.04		10.18%
	40%	29,200	3,016.76	3,315.48	298.72		9.90%
	50%	36,500	3,587.67	3,936.07	348.41		9.71%
	60%	43,800	4,158.58	4,556.66	398.09		9.57%

Note: Present and Proposed FAC = \$0.02831 / kWh