

## **How does a Utility operate within a Town, Village, or City, and what options do we have as Residents?**

It is important to fully understand how the utilities were developed. Guidelines were set up by New York State Legislature and overseen by the Public Service Commission. These same guidelines are used for Villages, Towns & Cities to follow. Today there are approximately 58 Utilities being operated by a Town or Village. Locally some of them are Wellsville, Fairport, Brockport, Andover, and Springville, to name a few.

One important key to remember is that Municipals do not pay a System Benefit Charge (SBC). All other public utilities are required to collect this charge which is a flow through charge to other State organizations. The end result is that the fee is collected for both NYSERDA and Public Service Commission to develop Solar, Windmills and many other programs. Over the years many have debated the value of this charge as to whether it is cost effective or not.

In looking at energy, we believe that people must understand what the value of a Million BTU of energy is, but more importantly how much it costs. For example:

- Natural Gas takes 1 Mcf or 1 Dth and costs approximately \$5.00
- Coal requires .41 Short Ton and costs \$13.02
- #2 Oil takes 7.5 gal and costs \$29.25
- Propane takes 11.1 gallons and costs \$32.71
- and Electric requires 293/kWh or \$35.16.

To up grade your City, Town or Village, the Mayor or Supervisor must review who is operating their Electric, Natural Gas, Water or Sewer District to determine what is needed for safety and growth of their Community. Many area's in the State do not have the correct growth pattern to grow their Community as there is not ample Capacity as it relates to Natural Gas, Water or Sewers. The bottom line is that you should fully understand how your Utility operates within your municipality but equally understand how they are controlled by the Public Service Commission.