

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Case 18-E-0606 - Petition of Village of Solvay, Electric Department to use a Portion of New York Power Authority's Rebate Check to Purchase a Replacement Bucket Truck.

JOINT PROPOSAL

THIS JOINT PROPOSAL, made as of the 4th day of March 2019, by and between the Village of Solvay (Solvay or the Village) and New York State Department of Public Service staff (Staff) (collectively referred to as the Signatory Parties), sets forth the Signatory Parties' joint recommendations to the New York State Public Service Commission (Commission) regarding the disposition, pursuant to Public Service Law (PSL) §113(2), of a refund of \$733,000 from the New York Power Authority (NYPA) for overcharges by NYPA for the Village's electric supply over a period of years.

By petition dated July 13, 2018 (Petition), Solvay states that NYPA and the Village agreed that the \$733,000 refund would be passed back to the Village as follows: A check for \$230,000 was sent to the Village, with which it planned to purchase a new bucket truck; and, the remaining \$503,000 would be used to offset the Village's monthly NYPA hydroelectric power bills for the period November 2018 to March 2019, thus resulting in customers receiving the refund through the Purchased Power Adjustment Charge ("PPAC") on their electric bills. The Village informed Staff that NYPA did in fact begin in November 2018 to pass back the \$503,000 in equal monthly installments. Solvay and Staff have since reached agreement on the disposition of this NYPA refund. No other party has intervened in this

proceeding. While the bucket truck was purchased, the \$230,000 in proceeds related to the NYPA refund were not used to pay for the bucket truck.

I. Background

In 2010, NYPA entered into a Master Power Purchase and Sale Agreement (MPPSA) on behalf of the Village to procure renewable energy and capacity from a biomass facility. In 2016, the MPPSA was assigned to the Village at their request. As part of the assignment it was discovered that NYPA had been overbilled under the MPPSA, which charges were passed through to the Village. The resulting audit revealed that NYPA, and through it the Village of Solvay had been overcharged a total amount of \$733,395.33 from 2010 through 2016. NYPA has agreed to reimburse the Village of Solvay for a total amount of \$733,395.33.

II. The Terms of the Joint Proposal

1. The Signatory Parties propose that the Village be allowed to pass back to customers the \$733,000 refund in its entirety. Under this proposal, the Signatory Parties propose that the Commission allow \$503,000 to be passed back to customers by a credit provided by NYPA to offset the Village's monthly hydroelectric power bills for the period November 2018 to March 2019. The remaining \$230,000 would be passed back to customers through the same mechanism in the first billing period after Commission adoption of this joint proposal, or as otherwise approved by the Commission.

2. No portion of the \$733,000 refund from NYPA will be used to pay for the Village's new bucket truck.

3. Solvay agrees that when, in the future, it receives a refund from any source, that it will seek prior approval from the Commission pursuant to PSL §113.

4. The Signatory Parties intend this Joint Proposal to be a complete resolution of all the issues raised in this proceeding relating to the subject matter of this proceeding, the NYPA refund to Solvay of \$733,000. It is understood that each provision of this Joint Proposal is in consideration and support of all the other provisions, and expressly conditioned upon acceptance by the Commission.

5. Except as set forth herein, none of the Signatory Parties are deemed to have approved, agreed to, or consented to any principle, methodology, or interpretation of law underlying or supposed to underlie any provision herein.

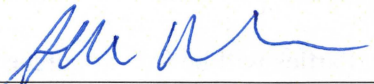
6. If the Commission fails to adopt this Joint Proposal according to its terms, then the Signatory Parties will be free to pursue their respective positions in this proceeding without prejudice.

IN WITNESS WHEREOF, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Joint Proposal as of the date first above written.

VILLAGE OF SOLVAY

By /s/ Konstantin Podolny
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