

**VILLAGE OF HAMILTON  
MUNICIPAL UTILITIES COMMISSION**

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**Commissioners:  
John Basher, President  
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Village Treasurer:  
Mary Ann Henderson  
Line Foreman:  
David Rhyde  
Village Administrator:  
Sean Graham**

February 12, 2014

For Immediate Release:

As everyone is aware, this winter has been exceptionally cold for longer periods of time, and hasn't just affected the Northern reaches of the country, but has extended well into the South and Midwest. This cold weather has had a direct impact on natural gas prices, increasing nearly twenty times (20) the rate it was in early December. Although we receive inexpensive hydropower, we are limited to a monthly amount. When our demand exceeds our allotment, we must purchase, though contracts with the New York Municipal Power Agency (NYMPA), any power that is in excess of our contracted hydro power allocation. The additional purchase of supplemental power comes from several types of generating units, which in New York State is mostly natural gas. The combination of events is resulting in record high electricity prices.

While we realize the electric bills you will receive soon will be higher than normal, it would have been much worse if we were not members of the NYMPA. NYMPA's charge is to purchase our supplemental power, and fortunately for our customers, the organization is very pro-active in hedging and securing lower pricing. In our current situation, this NYMPA's actions will save our membership approximately seven million dollars (\$7,000,000.00). Even with the foresight to purchase electricity in advance of winter months, this heating season we will exceed those hedges and have needed to purchase electricity off the Day Ahead Market (DAM). Purchasing this energy off the DAM will have a direct impact on the Purchased Power Adjustment Calculation (PPAC) line on your February electric bill.

It is estimated that residential customers using less than 1500 Kilowatt hours (Kwh) of power will see an increase in their PPAC line from .017 to .046 cents. The direct cost of power, for customers who use less than 1500 Kwh, is set at .033 cents. Adding the PPAC to the cost of power equates to a total of .079 cents per Kwh.

Residential customers that use in excess of 1500 Kwh's of power will see the same PPAC increase of .046 cents, but the direct cost of power for customers who use more than 1500 Kwh is .04 cents per Kwh. This equates to a total cost of .086 cents per Kwh.

Please remember these are estimates and they could fluctuate. We are hopeful that the winter returns to more normal temperatures in the next few weeks, and that our bills will return to more normal levels. If you have any questions, please feel free to contact the Village Office at 315-824-1111.