



# Electric Utility Revenue Requirement Update



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# Overview

- **Rate setting process**
- **Background**
- **Updated revenue requirement forecast**
  - » Key changes
  - » Results
- **Cost of service phase-in**
- **Rate design phase-in**
- **Discussion / questions**



# Overview of Rate Setting Process

## Fiscal Policies – Set the Management Foundation

**Step 1:**  
**Revenue Requirement**  
(defining overall needs)

Revenue

Debt

Reserves

O&M

Capital

**Step 2:**  
**Cost of Service**  
(equity evaluation)

Define Customer Classes

Allocate Costs

**Step 3:**  
**Design Rates**  
(collect target revenue)

Fixed Charge

Variable Charge



# Background – Revenue Requirement

- **Performed a comprehensive cost of service rate study in 2018**
  - » Overall rates were not meeting ongoing obligations
  - » Evaluated 3 scenarios balancing debt financing and rate funded capital
    - Scenario 1: higher debt funding
    - Scenario 2: balance between rates and debt; phase-in depreciation
    - Scenario 3: higher cash funding; 100% depreciation first year
  - » Board selected Scenario 2

Utility	Selected Scenario					
	2019	2020	2021	2022	2023	2024
Electric	7.00%	7.00%	7.00%	7.00%	4.75%	4.00%



# Background – Cost of Service

- **Inequities between classes were identified**
  - » Residential & G.S. Non kW Metered paying below COSA
  - » G.S. kW Metered, Large Industrial and Cannabis paying above COSA
- **Board selected to phase-in cost of service over 6-year period**
  - » Residential & G.S. Non kW Metered increase at high than average increase
  - » G.S. kW Metered & Large Industrial below average increase
  - » Cannabis tied to market rates (BPA Load Shaping)

Cost of Service Phase-In	Cost of Service Phase-In					
	2019	2020	2021	2022	2023	2024
Residential	9.1%	8.9%	8.7%	8.6%	5.5%	4.4%
General Service Non-Metered	11.6%	11.6%	11.6%	11.6%	9.0%	9.0%
General Service Metered	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%
Large Industrial 3P (Metered)	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%
Yard Lighting	7.0%	7.0%	7.0%	7.0%	4.8%	4.0%
Street Lighting	7.0%	7.0%	7.0%	7.0%	4.8%	4.0%
<b>Overall Rate Increase</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>4.7%</b>	<b>4.0%</b>



# Background – Rate Design

- **Analysis identified cost-based unit costs**

Unit Costs	Residential	GS 1P (non-metered)	GS 1P (metered)	GS 3P (non-metered)	GS 3P (metered)	Large Industrial	Cannabis
<b>2019</b>							
Energy - \$/kWh	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0414
Demand - \$/kW	2.94	5.57	4.51	7.67	6.13	5.91	7.06
Customer - \$/Month	51.46	76.27	76.27	98.73	98.73	98.73	98.73
<b>2024</b>							
Energy - \$/kWh	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483	\$ 0.0483
Demand - \$/kW	4.40	8.16	6.51	11.55	9.05	8.69	10.59
Customer - \$/Month	73.59	114.17	114.17	145.39	145.39	145.39	145.39

- **Rates phased-in towards unit costs over a 6-year period**
  - » Aligned with the cost of service phase-in



# Background – Rate Design (continued)

Class	Basic (Customer) Charge - \$ per month						
	2018	2019	2020	2021	2022	2023	2024
Residential	\$ 22.75	\$ 30.00	\$ 39.00	\$ 49.00	\$ 60.50	\$ 68.00	\$ 73.00
General Service Non-Metered - 1Ph	22.75	35.00	49.00	65.00	83.00	99.00	114.00
General Service Non-Metered - 3Ph	34.75	55.00	75.00	95.00	115.00	130.00	145.00
General Service Metered - 1Ph	32.50	47.00	62.00	77.00	92.00	103.00	114.00
General Service Metered - 3Ph	75.75	88.00	100.00	112.00	124.00	134.00	145.00
Large Industrial 3P (Metered)	108.25	115.00	122.00	129.00	136.00	141.00	145.00

Class	Energy Charge - \$ per kWh						
	2018	2019	2020	2021	2022	2023	2024
Residential	\$ 0.0759	\$ 0.0782	\$ 0.0796	\$ 0.0808	\$ 0.0812	\$ 0.0821	\$ 0.0839
General Service Non-Metered	0.0761	0.0772	0.0784	0.0796	0.0810	0.0820	0.0849
General Service Metered	0.0628	0.0634	0.0640	0.0647	0.0654	0.0661	0.0668
Large Industrial 3P (Metered)	0.0533	0.0535	0.0538	0.0540	0.0542	0.0544	0.0545
Cannabis	0.0481	0.0481	0.0481	0.0481	0.0481	0.0481	0.0481

Class	Demand Charge - \$ per kW						
	2018	2019	2020	2021	2022	2023	2024
General Service Metered - Over 35kW	\$ 6.21	\$ 6.25	\$ 6.30	\$ 6.35	\$ 6.40	\$ 6.45	\$ 6.50
Large Industrial 3P (Metered) - Over 35kW	6.21	6.25	6.30	6.35	6.40	6.45	6.50



# Update Area of Focus

## Revenue requirement

- Incorporate the latest budget and actual performance
- Extend forecast period to account for additional years
- Confirm remaining rate setting period can be maintained (2021-2024)

## Cost of service

- Assess if progress has been made towards COSA
- Confirm if phase-in strategy can be maintained

## Rate design

- Confirm if original phase-in strategy can be maintained
- Discuss alternatives for consideration





100,000  
10,000  
10,000

# Revenue Requirement



# Comparisons – General

- **Remaining rate setting period unchanged: 2021 through 2024**
- **Study period updated to align with latest capital plan**
  - » Original study period: 2019-2028
  - » Updated study period: 2021-2030
- **Fiscal policies tied to original study:**
  - » Operating reserve: 35% of O&M & 20% of power
  - » Capital reserve: 1.0% of original plant in service
  - » System reinvestment: phase-in 100% depreciation by 2023
  - » Debt service coverage:
    - Minimum: 1.25x
    - Target:  $\geq 1.75x$



# Comparisons – Load

- **Load is a critical component of rates setting impacting**
  - » Revenue and power cost forecasting, cost of service allocation and rate design
  - » Forecast updated with a combination of 2018 and 2019 actual metered sales
    - 2018 was an average year
    - 2019 was a high year

Study	Load Forecast Comparison - Sales @ Meter						
	2018	2019	2020	2021	2022	2023	2024
Original Study - kWh	122,777,726	121,965,551	122,223,826	122,482,747	122,742,315	123,002,531	123,263,399
Update - kWh	120,304,469	125,183,202	120,235,240	120,491,181	120,747,763	121,004,985	121,262,851
Difference	(2,473,257)	3,217,651	(1,988,586)	(1,991,565)	(1,994,552)	(1,997,546)	(2,000,548)

**Note:** Update - kWh 2018 and 2019 figures are based on actual.

- 2020 and thereafter assume average consumption
  - Adjusted for reduced Cannabis loads



# Comparisons – Rate Revenue

- Revenues updated based on adopted rates and revised forecast

Study	Actual		Forecasted Revenues in 2020 (Today's) Dollars				
	2018	2019	2020	2021	2022	2023	2024
Original Study @ 2020 Dollars	\$ 11,066,947	\$ 11,767,696	\$ 12,616,212	\$ 12,645,991	\$ 12,673,371	\$ 12,700,819	\$ 12,725,860
Update	11,013,211	12,088,496	12,623,983	12,654,159	12,682,198	12,710,307	12,736,270
Difference	\$ (53,736)	\$ 320,800	\$ 7,771	\$ 8,168	\$ 8,827	\$ 9,488	\$ 10,410

**Notes:**

1. 2018 & 2019 Original Study compares forecast to the Actual revenue received in the Update.
2. 2020 and thereafter compares revenues in 2020 dollars between studies.

- **Overall revenues at current (2020) dollars remain similar**
  - » Reduction in total metered sales is offset in part to
    - Higher than anticipated growth in accounts
    - Transition towards cost of service based higher fixed charges



# Comparisons – O&M

- **2021 budget used as baseline for update**

Description	2021		
	Original	Update	Difference
Distribution	\$ 2,485,531	\$ 2,552,050	\$ 66,519
Customer Billing	664,434	725,500	61,066
Administrative & General	1,869,795	1,851,125	(18,670)
Taxes	793,249	816,896	23,647
Transfers	226,131	525,000	298,869
<b>Total</b>	<b>\$ 6,039,141</b>	<b>\$ 6,470,571</b>	<b>\$ 431,430</b>
<b>Transfers</b>			
Equipment	\$ 120,000	\$ 160,000	\$ 40,000
Retirement	90,000	90,000	-
Rate stabilization	16,131	275,000	258,869

- **Expenses are greater than forecasted primarily due to transfers**

Description	O&M Budget					
	2019	2020	2021	2022	2023	2024
Original Study	\$ 5,504,583	\$ 5,928,788	\$ 6,039,141	\$ 6,235,029	\$ 6,395,406	\$ 6,609,161
Update	5,466,005	6,213,536	6,470,571	6,668,526	6,588,196	6,755,709
Difference	\$ (38,578)	\$ 284,748	\$ 431,430	\$ 433,497	\$ 192,790	\$ 146,548

**Notes:**

1. 2019 compared original budget to actual performance, 2020 and thereafter compares the forecast.
2. Rate stabilization transfers decrease starting 2023.



# Comparisons – Power

- **Power costs updated with latest FY2020 (October 2019) rates and load forecast**

Description	Purchased Power							
	2018	2019	2020	2021	2022	2023	2024	
Original Study	\$ 5,408,902	\$ 5,452,332	\$ 5,807,974	\$ 5,895,205	\$ 6,125,012	\$ 6,204,593	\$ 6,453,006	
Update	5,555,659	6,037,523	5,640,054	5,713,160	5,935,999	6,011,291	6,241,262	
Difference	\$ 146,757	\$ 585,191	\$ (167,921)	\$ (182,045)	\$ (189,013)	\$ (193,302)	\$ (211,744)	

**Notes:**

1. 2018 through 2019 compares Original Study forecast to actual in Update.

- **Differences in power costs include**

- » 2018 and 2019 system losses increased from 8% up to 15%
  - Greater losses result in higher energy purchases
  - Future losses assumed at 12%
- » Original study assumed 5.0% increase in FY2020
- » Reduced load forecast starting in 2020



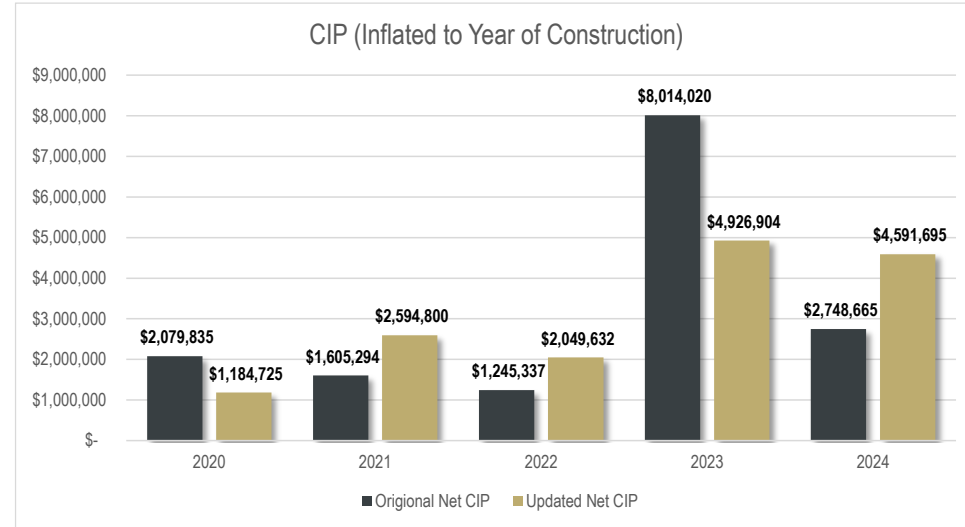
# Comparisons – Capital

- **Incorporated update capital improvement program: \$15.6MM original vs \$15.3MM update**

- » Includes North Bonneville Substation costs
  - Costs increased from \$5.6 million (inflated) to \$10.2 million (inflated)
  - Update includes 80% grant - \$8.2 million (inflated)
    - Net PUD cost of \$2.0 million
- » Includes AMI meter replacement \$4.6 million (inflated) in 2023-2024

- **2025+ CIP increase from \$10.0 million to \$21.4 million**

- » Stevenson Substation rebuild - \$6.4 million (inflated) in 2029
- » Storage and office building improvements - \$6.1 million inflated in 2025, 2028-2029





# New Debt Proceeds

- **Debt financing adjusted based on revised CIP**

Description	New Debt Proceeds							Rate Setting Period	2025-2029	Study Period
	2018	2019	2020	2021	2022	2023	2024			
Original Study	\$ 1,500,000		\$ 1,100,000		\$ 4,000,000			\$ 6,600,000		\$ 6,600,000
Update	769,581			650,000		5,500,000		6,919,581	7,700,000	14,619,581

**Notes:**

1. Original study 2018 debt issuance assumed through a 15-year term.
2. Only a portion of the original draw was made in 2018, the remainder is anticipated to be drawn in 2021.

- » Additional debt is projected outside the rate setting period
- » Rate setting period new proceeds increased





# Revenue Requirement Findings

Original Study	Revenue Requirement					
	2020	2021	2022	2023	2024	
<b>Rate Strategy</b>		7.0%	7.0%	4.8%	4.0%	
<b>Ending Fund Balance</b>						
Operating	\$ 2,708,071	\$ 3,259,055	\$ 3,373,504	\$ 3,445,479	\$ 3,569,909	
<i>Target</i>	\$ 3,203,065	\$ 3,259,055	\$ 3,373,504	\$ 3,445,479	\$ 3,569,909	
Rate Stabilization	\$ 1,731,196	\$ 1,773,296	\$ 1,834,367	\$ 1,873,724	\$ 1,939,193	
<i>Target</i>	\$ 1,731,196	\$ 1,773,296	\$ 1,834,367	\$ 1,873,724	\$ 1,939,193	
Capital	\$ 506,103	\$ 757,079	\$ 5,616,438	\$ 662,832	\$ 528,689	
<i>Target</i>	\$ 478,368	\$ 495,420	\$ 508,874	\$ 589,014	\$ 616,501	

Update	Revenue Requirement					
	2020	2021	2022	2023	2024	
<b>Rate Strategy</b>		7.0%	7.0%	4.8%	4.0%	
<b>Ending Fund Balance</b>						
Operating	\$ 2,384,371	\$ 2,867,846	\$ 2,872,736	\$ 3,004,641	\$ 3,241,226	
<i>Target</i>	\$ 3,302,748	\$ 3,407,332	\$ 3,521,184	\$ 3,508,127	\$ 3,612,750	
Rate Stabilization	\$ 1,287,692	\$ 1,575,569	\$ 1,906,148	\$ 1,971,951	\$ 2,015,788	
<i>Target</i>	\$ 1,739,038	\$ 1,786,310	\$ 1,844,046	\$ 1,883,627	\$ 1,947,407	
Capital	\$ 758,624	\$ 636,312	\$ 936	\$ 2,859,685	\$ 921,922	
<i>Target</i>	\$ 404,802	\$ 432,830	\$ 464,142	\$ 519,711	\$ 565,628	

Note: Both tables include increases through 2020.

- **Overall, rate strategy can be maintained**
  - » Operating reserve targets are higher due to increases in O&M expenses
  - » Reserves projected to recover by 2026
  - » 2021 debt issuance needs to be evaluated closer to time of issuance

# Cost of Service Analysis



# Cost of Service Comparison

- **Comparing results on a revenue neutral basis – apples to apples**
  - » Without the overall increase

Cost of Service Phase-In	Test Year Comparison	
	Original	Update
Residential	7.6%	4.0%
General Service Non-Metered	24.7%	16.8%
General Service Metered	-17.8%	-11.5%
Large Industrial 3P (Metered)	-24.1%	-16.0%
Cannabis	-28.3%	-22.8%
<b>Revenue Neutral</b>	<b>0.0%</b>	<b>0.0%</b>

- **All major classes of service have made progress towards cost of service**
  - » Phase-in is working as intended
  - » Goals it to get each class as close to 0% as possible
    - Cost of service range of reasonableness is typically  $\pm 5\%$
    - Residential is now within the range



# Cost of Service Phase-in

- **Continue remaining phase-in**

Cost of Service Phase-In	Remaining Cost of Service Phase-In			
	2021	2022	2023	2024
Residential	8.7%	8.6%	5.5%	4.4%
General Service Non-Metered	11.6%	11.6%	9.0%	9.0%
General Service Metered	2.3%	2.3%	2.0%	2.0%
Large Industrial 3P (Metered)	0.6%	0.6%	0.5%	0.5%
Yard Lighting	7.0%	7.0%	4.8%	4.0%
Street Lighting	7.0%	7.0%	4.8%	4.0%
<b>Overall Rate Increase</b>	<b>7.0%</b>	<b>7.0%</b>	<b>4.7%</b>	<b>4.0%</b>

- » Cannabis tied to market rate

- **Revisit COSA**

- » If significant load changes occur

- » If AMI data becomes available



# Cost of Service Comparison

- **Comparing results on a revenue neutral basis – apples to apples**

- » Without the overall increase

Cost of Service Phase-In	Test Year Comparison	
	Original	Update
Residential	7.6%	4.0%
General Service Non-Metered	24.7%	16.8%
General Service Metered	-17.8%	-11.5%
Large Industrial 3P (Metered)	-24.1%	-16.0%
Cannabis	-28.3%	-22.8%
<b>Revenue Neutral</b>	<b>0.0%</b>	<b>0.0%</b>

- **All major classes of service have made progress towards cost of service**

- » Phase-in is working as intended

- » Goals it to get each class as close to 0% as possible

- Cost of service range of reasonableness is typically  $\pm 5\%$
- Residential is now within the range

A photograph of a business meeting with a digital overlay. In the foreground, a person's hand in a dark suit sleeve holds a pen, pointing at a tablet. The tablet displays a bar chart with the number '56' and the text 'MACHINE LEARNING'. In the background, another person's hands are visible near a laptop. The entire scene is overlaid with a network of glowing yellow nodes and lines, suggesting data connectivity. A dark blue arrow-shaped banner is positioned across the middle of the image.

# Rate Design



# Rate Design Existing Phase-in

- Existing adopted phase-in can be maintained

Class	Existing	2021	2022	2023	2024
Residential	\$ 39.00	\$ 49.00	\$ 60.50	\$ 68.00	\$ 73.00
General Service Non-Metered - 1Ph	49.00	65.00	83.00	99.00	114.00
General Service Non-Metered - 3Ph	75.00	95.00	115.00	130.00	145.00
General Service Metered - 1Ph	62.00	77.00	92.00	103.00	114.00
General Service Metered - 3Ph	100.00	112.00	124.00	134.00	145.00
Large Industrial 3P (Metered)	122.00	129.00	136.00	141.00	145.00

Class	Existing	2021	2022	2023	2024
Residential	\$ 0.0796	\$ 0.0808	\$ 0.0812	\$ 0.0821	\$ 0.0839
General Service Non-Metered	0.0784	0.0796	0.0810	0.0820	0.0849
General Service Metered	0.0640	0.0647	0.0654	0.0661	0.0668
Large Industrial 3P (Metered)	0.0538	0.0540	0.0542	0.0544	0.0545
Cannabis	0.0481	0.0481	0.0481	0.0481	0.0481

Class	Existing	2021	2022	2023	2024
General Service Metered - Over 35kW	\$ 6.30	\$ 6.35	\$ 6.40	\$ 6.45	\$ 6.50
Large Industrial 3P (Metered) - Over 35kW	6.30	6.35	6.40	6.45	6.50



# Rate Design Phase-in Alternative

- **Alternative for consideration**

- » Slower basic charge phase-in for Residential & General Service 1-phase meters – approximately 75%-80% of cost of service
  - General Service 3-phase meters are close to cost of service
- » Reduced basic charges require higher energy charges to collect the same amount of revenue

- **Impacts**

- » Fixed charge revenue reduced from 37% in 2024 to 30%
  - Less revenue stability, greater impacts from load changes
- » Reduced impact on lower users
- » Increased impact on higher users





# Rate Design Phase-in Comparisons

- **Basic charges**

- » Existing

Class	Existing	2021	2022	2023	2024
Residential	\$ 39.00	\$ 49.00	\$ 60.50	\$ 68.00	\$ 73.00
General Service Non-Metered - 1Ph	49.00	65.00	83.00	99.00	114.00
General Service Non-Metered - 3Ph	75.00	95.00	115.00	130.00	145.00
General Service Metered - 1Ph	62.00	77.00	92.00	103.00	114.00
General Service Metered - 3Ph	100.00	112.00	124.00	134.00	145.00
Large Industrial 3P (Metered)	122.00	129.00	136.00	141.00	145.00

- » Alternative

Class	Existing	2021	2022	2023	2024
Residential	\$ 39.00	\$ 43.00	\$ 47.00	\$ 51.00	\$ 55.00
General Service Non-Metered - 1Ph	49.00	58.00	67.00	76.00	85.00
General Service Non-Metered - 3Ph	75.00	95.00	115.00	130.00	145.00
General Service Metered - 1Ph	62.00	67.00	73.00	79.00	85.00
General Service Metered - 3Ph	100.00	112.00	124.00	134.00	145.00
Large Industrial 3P (Metered)	122.00	129.00	136.00	141.00	145.00



# Rate Design Phase-in Comparisons

- **Energy charges**

- » Existing

Class	Existing	2021	2022	2023	2024
Residential	\$ 0.0796	\$ 0.0808	\$ 0.0812	\$ 0.0821	\$ 0.0839
General Service Non-Metered	0.0784	0.0796	0.0810	0.0820	0.0849
General Service Metered	0.0640	0.0647	0.0654	0.0661	0.0668
Large Industrial 3P (Metered)	0.0538	0.0540	0.0542	0.0544	0.0545
Cannabis	0.0481	0.0481	0.0481	0.0481	0.0481

- » Alternative

Class	Existing	2021	2022	2023	2024
Residential	\$ 0.0796	\$ 0.0859	\$ 0.0929	\$ 0.0966	\$ 0.0992
General Service Non-Metered	0.0784	0.0837	0.0907	0.0960	0.1026
General Service Metered	0.0640	0.0648	0.0657	0.0664	0.0671
Large Industrial 3P (Metered)	0.0538	0.0540	0.0542	0.0544	0.0546
Cannabis	0.0481	0.0481	0.0481	0.0481	0.0481



# Rate Design Phase-in Comparisons

- Demand charges – no changes
  - » Existing

Class	Existing	2021	2022	2023	2024
General Service Metered - Over 35kW	\$ 6.30	\$ 6.35	\$ 6.40	\$ 6.45	\$ 6.50
Large Industrial 3P (Metered) - Over 35kW	6.30	6.35	6.40	6.45	6.50



# Next Steps

- **Continue with original revenue requirement strategy**
  - » Monitor expenses and revenues due to increase in costs and reduced balance projections
- **Continue with cost of service phase-in**
  - » Currently all major classes are making progress
  - » Revisit if major changes occur
- **Rate design**
  - » Existing rate strategy – 100% cost of service by 2024
  - » Alternative rate strategy – slower phase-in for Residential and 1-phase General Service basic charges

**Thank you!**  
**Questions?**

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# Comparisons – Capital

- Incorporated update capital improvement program

Description	CIP (Inflated to Year of Construction)					Rate Setting CIP	CIP (Inflated to Year of Construction)					Total Study Period
	2020	2021	2022	2023	2024		2025	2026	2027	2028	2029	
Original Study	\$ 2,179,835	\$ 1,705,294	\$ 1,345,337	\$ 8,014,020	\$ 2,748,665	\$ 15,993,151	\$ 2,818,042	\$ 2,004,954	\$ 2,354,265	\$ 2,828,859		\$ 25,999,270
less: Grants	(100,000)	(100,000)	(100,000)			(300,000)						(300,000)
<b>Net CIP</b>	<b>\$ 2,079,835</b>	<b>\$ 1,605,294</b>	<b>\$ 1,245,337</b>	<b>\$ 8,014,020</b>	<b>\$ 2,748,665</b>	<b>\$ 15,693,151</b>	<b>\$ 2,818,042</b>	<b>\$ 2,004,954</b>	<b>\$ 2,354,265</b>	<b>\$ 2,828,859</b>	<b>\$ -</b>	<b>\$ 25,699,270</b>
<b>Cumulative CIP</b>	<b>\$ 2,079,835</b>	<b>\$ 3,685,129</b>	<b>\$ 4,930,466</b>	<b>\$ 12,944,486</b>	<b>\$ 15,693,151</b>	<b>\$ 15,693,151</b>	<b>\$ 18,511,193</b>	<b>\$ 20,516,146</b>	<b>\$ 22,870,411</b>	<b>\$ 25,699,270</b>	<b>\$ 25,699,270</b>	<b>\$ 25,699,270</b>
Update	\$ 1,965,101	\$ 3,645,983	\$ 7,515,783	\$ 8,110,390	\$ 4,591,695	\$ 25,828,952	\$ 4,118,370	\$ 2,391,453	\$ 2,848,992	\$ 5,289,519	\$ 11,400,728	\$ 51,878,014
less: Grants	(780,376)	(1,051,183)	(5,466,151)	(3,183,486)		(10,481,196)						(10,481,196)
<b>Net CIP</b>	<b>\$ 1,184,725</b>	<b>\$ 2,594,800</b>	<b>\$ 2,049,632</b>	<b>\$ 4,926,904</b>	<b>\$ 4,591,695</b>	<b>\$ 15,347,756</b>	<b>\$ 4,118,370</b>	<b>\$ 2,391,453</b>	<b>\$ 2,848,992</b>	<b>\$ 5,289,519</b>	<b>\$ 11,400,728</b>	<b>\$ 41,396,818</b>
<b>Cumulative CIP</b>	<b>\$ 1,184,725</b>	<b>\$ 3,779,525</b>	<b>\$ 5,829,157</b>	<b>\$ 10,756,061</b>	<b>\$ 15,347,756</b>	<b>\$ 15,347,756</b>	<b>\$ 19,466,126</b>	<b>\$ 21,857,579</b>	<b>\$ 24,706,571</b>	<b>\$ 29,996,091</b>	<b>\$ 41,396,818</b>	<b>\$ 41,396,818</b>

- » Updated CIP includes North Bonneville Substation costs
  - Costs increased from \$5.6 million (inflated) to \$10.2 million (inflated)
  - Update includes 80% grant - \$8.2 million (inflated)
    - Net PUD cost of \$2.0 million
- » Other notable changes:
  - AMI meter replacement \$4.6 million (inflated) in 2023-2024
  - Stevenson Substation rebuild - \$6.4 million (inflated) in 2029
  - Storage and office building improvements - \$6.1 million inflated in 2025, 2028-2029



# Rate Design Phase-in Alternative

- Alternative for consideration

Class	Existing	2021	2022	2023	2024
Residential	\$ 39.00	\$ 43.00	\$ 47.00	\$ 51.00	\$ 55.00
General Service Non-Metered - 1Ph	49.00	58.00	67.00	76.00	85.00
General Service Non-Metered - 3Ph	75.00	95.00	115.00	130.00	145.00
General Service Metered - 1Ph	62.00	67.00	73.00	79.00	85.00
General Service Metered - 3Ph	100.00	112.00	124.00	134.00	145.00
Large Industrial 3P (Metered)	122.00	129.00	136.00	141.00	145.00

Class	Existing	2021	2022	2023	2024
Residential	\$ 0.0796	\$ 0.0859	\$ 0.0929	\$ 0.0966	\$ 0.0992
General Service Non-Metered	0.0784	0.0837	0.0907	0.0960	0.1026
General Service Metered	0.0640	0.0648	0.0657	0.0664	0.0671
Large Industrial 3P (Metered)	0.0538	0.0540	0.0542	0.0544	0.0546
Cannabis	0.0481	0.0481	0.0481	0.0481	0.0481

Class	Existing	2021	2022	2023	2024
General Service Metered - Over 35kW	\$ 6.30	\$ 6.35	\$ 6.40	\$ 6.45	\$ 6.50
Large Industrial 3P (Metered) - Over 35kW	6.30	6.35	6.40	6.45	6.50