

ATTACHMENT 1

**DETAILS ON COSTS AND REVENUES
FOR RECOMMENDED FY 2020 GRID ACCESS
CHARGE**

**Table A1-1
Proposed FY 2020 Operating Budget Summary (\$000)**

<u>Proposed FY 2020 Operating Budget</u>	<u>Total</u>	<u>Distribution</u>	<u>Customer</u>	<u>D&C</u>
Revenues:				
Distribution and Customer Charge Revenues	\$69,459	\$62,110	\$7,349	\$69,459
<i>Proposed Fixed Distribution Revenue</i>	\$10,318	\$10,318		\$10,318
Public Benefit Charge	\$7,242			\$0
Energy Charge Fund (ECF) Revenue	\$93,098			\$0
<i>Proposed PCA Increase</i>	\$7,819			\$0
Trans Services Charge (TSC) Revenue	\$13,717			\$0
Wholesale Sales Revenue	\$3,401			\$0
Ancillary Service Revenue	\$1,161			\$0
ISO-PTO 7095	\$15,220			\$0
Resource Adequacy Capacity Revenue	\$13			\$0
Climate Change Revenue-Retail	\$4,240			\$0
Climate Change Revenue-Wholesale	\$535			\$0
Accrued Unbilled Revenue, Services Fees, & Misc.	\$470		\$470	\$470
Total Operating Revenues	\$226,693	\$72,428	\$7,820	\$80,247
Operating Expenses:				
Fuel & Gas Purchased - Retail	\$7,349			\$0
Fuel & Gas Purchased - Wholesale	\$2,595			\$0
Purchased Power	\$65,261			\$0
Public Benefit Charge	\$7,600			\$0
Climate Change Expense-Retail	\$155			\$0
Climate Change Expense-Wholesale	\$585			\$0
Purchased Power-Transmission	\$13,938			\$0
Purchased Power-ISO System (TAC& GMC)	\$13,116			\$0
Direct Operating Expenses	\$39,069	\$26,070		\$26,070
General and Administrative Expenses	\$15,083	\$9,653	\$5,430	\$15,083
Interest Expense	\$10,149	\$4,248	\$779	\$5,027
Amortization Expense/(Discount)	-\$774	-\$44		-\$44
Depreciation Expense	\$31,796	\$15,476		\$15,476
Total Operating Expenses	\$205,922	\$55,403	\$6,209	\$61,612
General Fund Transfer	\$17,388	\$6,848	\$7	\$6,856
Less Depreciation	-\$31,796	-\$15,476	\$0	-\$15,476
Less Principal	-\$13,005	-\$5,450	\$0	-\$5,450
Less Interest	-\$10,149	-\$4,248	-\$779	-\$5,027
Total O&M Expense (less Depreciation, P&I)	\$168,360	\$37,078	\$5,437	\$42,515

**Table A1-2
FY 2020 Customer and Distribution Revenue Requirements (\$000)**

<u>Customer and Distribution Cost of Service Summary</u>	<u>Distribution</u>	<u>Customer</u>	<u>Total D&C*</u>
Total O&M Expense (less Depreciation, P&I)	\$37,078	\$5,437	\$42,515
Debt Service (P&I)	\$9,698	\$779	\$10,477
PAYGO Capital Expense	\$30,463	\$0	\$30,463
Total Cost of Service	\$77,239	\$6,216	\$83,455

* Cost of service revenue requirements used in Table 1 of Agenda Report

**Table A1-3
FY 2020 Non-Rate Revenues (\$000)**

Non-Rate Revenues	<u>FY 2020 Budget</u>
Energy	
Investment Earnings from Stranded Investment Reserve	\$1,311,591
Stranded Investment Reserve Unrealized Gain/(Loss)	-\$1,199,113
Interest Earned-Intermountain Public Authority Notes Receivable	<u>\$725,099</u>
Total Energy**	\$837,577
Distribution and Customer	
Investment Earnings	\$2,721,140
Investment Earnings - Bonds	\$327,164
Interest Income	\$5,720
Gain/Loss on Pooled Investment	-\$2,363,264
Rental Income	\$10,000
Salvage Sales	\$96,714
Miscellaneous Revenues	\$325,000
Merchandise Jobbing & Contract	\$175,000
Miscellaneous Non-Operating	<u>\$5,000</u>
Services To Sewer Fund	\$29,800
Services To Underground Utilities Fund	\$40,561
Services To Refuse Collection Fund	\$199,809
Bad Debt Recovery	<u>\$200,000</u>
Total Distribution and Customer**	\$1,772,644

*** Non-rate revenues used in Agenda Report Table 1*

**Table A1-4
FY 2020 Five Year Capital Plan and Pay-Go Requirements (\$000)**

<u>Proposed FY 2020 Capital Budget</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>5-Year Total</u>
Finance and Admin Projects	\$4,071	\$7,517	\$737	\$490	\$490	\$13,305
Power Delivery	\$23,098	\$34,438	\$34,245	\$41,955	\$41,067	\$174,802
Power Supply	\$9,999	\$1,900	\$3,003	\$3,325	\$1,776	\$20,003
Total Power Fund Capital Projects	\$37,168	\$43,855	\$37,985	\$45,770	\$43,333	\$208,111
<u>Less: Funded Capital Projects (Power Delivery)</u>						
Non-Rate Funded Capital	(\$5,993)	(\$7,300)	(\$7,500)	(\$7,500)	(\$7,500)	(\$35,793)
<u>Net: Pay-Go Capital Requirements</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>5-Year Avg.</u>
Finance and Admin Projects (D&C)	\$4,071	\$7,517	\$737	\$490	\$490	\$2,661
Power Delivery (Distribution)	\$17,106	\$27,138	\$26,745	\$34,455	\$33,567	\$27,802
Power Supply (Energy)	\$9,999	\$1,900	\$3,003	\$3,325	\$1,776	\$4,001
FY2020 Pay-Go Capital Revenue Requirement***						
Distribution and Customer	\$30,463					
Energy	\$4,001					

*** Pay-Go Cost of service revenue requirements used in Table A1-2 and Agenda Report Table 1

ATTACHMENT 2

**COST ALLOCATIONS AND RATE DETERMINATION
FOR RECOMMENDED FY 2020 GRID ACCESS
CHARGE**

Recommended FY 2020 Grid Access Charge Cost Allocations and Rate Determination

PWP has identified a \$12.3 million shortfall in FY 2020 revenue requirements classified as Customer and Distribution and Costs. A significant portion of the Distribution revenue requirements are fixed monthly costs. For example, Distribution revenue requirements for debt service will be \$11.5 million in FY 2020.

PWP is proposing to recover \$10.3 million of the FY 2020 Distribution revenue requirements from a new monthly, fixed Grid Access Charge. This amount is less than both easily identifiable fixed Distribution revenues requirements and the overall revenue shortfall anticipated for FY 2020 under PWP's current rates.

To determine the recommended monthly charges for each customer class, PWP allocated the \$10.3 million annual revenue requirement to each customer class based on cost allocation factors determined in the 2013 Burns & McDonnell Electric Cost of Service Study and Rate Design Study that continues to guide PWP's current electric rates. Dividing the annual revenue allocated to each class by the number of customers in that class yields the recommended Grid Access Charges for FY 2020 as shown in Table A2-1.

**Table A2-1
Determination of Grid Access Charge Rates**

Customer Class	Distribution Cost Allocation Factor	Allocated Revenue Requirement (\$000/yr)	Number of Customers	Recommended Grid Access Charge ¹ (\$/mo)
Residential	30%	\$3,090	57,500	\$4.50
Small Commercial	15%	1,545	7,600	17.00
Medium Commercial	25%	2,575	900	250
Large Commercial	30%	3,090	165	1,500
Total	100%	10,300	66,165	

¹ Recommended charge based on rounded results

ATTACHMENT 3

IMPACTS OF RECOMMENDED GRID ACCESS CHARGE, PCA INCREASE, AND RECOMMENDED SUSPENSION OF UNDERGROUND SURTAX

**Table A3-1
Residential Bill Impact Examples***

Monthly Usage (kWh)	350	500	750	1,000
Customer Charge	\$8.96	\$8.96	\$8.96	\$8.96
Grid Access Charge	\$4.50	\$4.50	\$4.50	\$4.50
Distribution Charge				
First 0-350 kWh	\$6.61	\$6.61	\$6.61	\$6.61
Next 351-750 kWh		\$22.01	\$58.69	\$58.69
Greater than 751 kWh				\$26.76
Energy Charge	\$35.19	\$50.27	\$75.40	\$100.53
Transmission Charge	\$4.67	\$6.67	\$10.00	\$13.33
Total Electric Services	\$59.93	\$99.02	\$164.16	\$219.38
Public Benefit Charge	\$2.40	\$3.43	\$5.14	\$6.85
State Environmental Surcharge	\$0.10	\$0.15	\$0.22	\$0.29
Underground Surtax	\$2.60	\$4.30	\$7.12	\$9.52
Underground Surtax (Credit)	-\$2.60	-\$4.30	-\$7.12	-\$9.52
Utility User's Tax	\$4.60	\$7.59	\$12.59	\$16.83
Total Electric Bill	\$67.03	\$110.19	\$182.11	\$243.35
Net Change \$	\$5.39	\$4.94	\$4.23	\$3.92
Net Change %	8.7%	4.7%	2.4%	1.6%

**Table A3-2
Small Commercial Bill Impact Examples***

Current Bill					
	500	1,000	1,500	2,000	
Monthly Usage (kWh)	500	1,000	1,500	2,000	
Customer Charge	\$9.42	\$9.42	\$9.42	\$9.42	
Distribution Charge	\$32.12	\$64.23	\$96.35	\$128.46	
Energy Charge	\$45.66	\$91.31	\$136.97	\$182.62	
Transmission Charge	\$6.67	\$13.33	\$20.00	\$26.66	
Total Electric Services	\$93.87	\$178.29	\$262.74	\$347.16	
Public Benefit Charge	\$3.43	\$6.85	\$10.28	\$13.70	
State Environmental Surcharge	\$0.15	\$0.29	\$0.44	\$0.58	
S.L.A.T.S.			\$6.27	\$12.55	
Underground Surtax	\$4.07	\$7.74	\$11.40	\$15.07	
Utility User's Tax	\$7.20	\$13.67	\$20.15	\$26.63	
Total Electric Bill	\$108.72	\$206.84	\$311.28	\$415.69	
Recommended Bill					
	500	1,000	1,500	2,000	
Monthly Usage (kWh)	500	1,000	1,500	2,000	
Customer Charge	\$9.42	\$9.42	\$9.42	\$9.42	
Grid Access Charge	\$17.00	\$17.00	\$17.00	\$17.00	
Distribution Charge	\$32.12	\$64.23	\$96.35	\$128.46	
Energy Charge	\$49.41	\$98.81	\$148.22	\$197.62	
Transmission Charge	\$6.67	\$13.33	\$20.00	\$26.66	
Total Electric Services	\$114.62	\$202.79	\$290.99	\$379.16	
Public Benefit Charge	\$3.43	\$6.85	\$10.28	\$13.70	
State Environmental Surcharge	\$0.15	\$0.29	\$0.44	\$0.58	
			\$6.55	\$13.10	
Underground Surtax	\$4.97	\$8.80	\$12.63	\$16.46	
Underground Surtax (Credit)	-\$4.97	-\$8.80	-\$12.63	-\$16.46	
Utility User's Tax	\$8.79	\$15.55	\$22.32	\$29.08	
Total Electric Bill	\$126.99	\$225.48	\$330.58	\$435.62	
Net Change \$	\$18.27	\$18.64	\$19.30	\$19.93	
Net Change %	16.8%	9.0%	6.2%	4.8%	

* Bill impact details of examples used in Agenda Report Table 5