

Jefferson County PUD

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Proposed Rate Design for 2017 & 2018

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Presented by:

Gail Tabone, Senior Associate

EES Consulting, Inc.

A registered professional engineering corporation and management consulting firm with offices in the Seattle and Portland metropolitan areas
Telephone (425) 889-2700 Facsimile (425) 889-2725



Agenda

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- **Overview**
- **Revenue Requirements**
- **Rate Design by Class**
- **Miscellaneous Fees and Programs**
- **Questions/Answers**

Overview of Proposed Rate Approach

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- **Presented Revenue Requirements, COSA Results and Rate Design Options to the Board**
- **Proposed Rates by Class Developed Based on Input from the Board**
- **January 2017 – Increase in Basic Charges**
- **June 2017 – Simplification of Rates and Overall Increase to Demand and Energy Charges**
- **January 2017 – Increase in Basic Charges in Some Cases**
- **June 2018 – Increase Applied to Demand and Energy Charges**

Revenue Requirements

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■ **Goals for 2017 and 2018**

- All CIP funded from Rates or Reserves
- Up to \$2 million from Reserves in 2017
- Add \$500,000 per year funding for Low Income Program – roughly \$2 per customer per month
- Meet TIER/Debt Service Coverage Targets of 1.5 (Above 1.25 requirement)
- Results in 9% Target Rate Increase in 2017 – less overall for the year due to partial year increases, contributes to need for reserve funding
- Additional 7% Rate Increase in 2018 – different overall for the year due to timing of increases in 2017 and 2018

■ **2019 and 2020**

- Expect roughly 3% per year increase

Table 1: Proposed Revenues vs Costs

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		Total 2017	Total 2018
Revenues at Current Rates		\$31,537,594	\$31,771,033
Rate Increase		\$2,438,940	\$5,191,142
Proposed Revenues		\$33,976,534	\$36,728,737
Total Purchased Power		\$15,874,333	\$16,780,794
O&M/Customer/A&G		\$7,838,890	\$8,034,862
Low Income Funding		\$500,000	\$500,000
Total Taxes		\$1,918,186	\$1,966,141
Total Interest / Debt Service Expense		\$5,986,760	\$5,986,760
Total Other Revenues		-\$734,756	-\$753,125
Revenue Requirement Before CIP		\$31,383,413	\$32,515,432
Total CIP Budget		\$3,737,500	\$4,447,500
CIP Funded from Rates		\$2,593,121	\$4,266,864
CIP Funded from Reserves		\$1,144,379	\$180,636
Rate Increase		7.7%	8.1%
Debt Service Coverage Ratio		1.4	1.7

Impacts of Latest BPA Rate Announcement

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■ Change in Rate Increase

- Power Supply from 7% increase to 3% increase
- Transmission from 3% increase to 1% increase
- Roughly \$500k savings in 2018 (full year) and \$150k in 2017 (Oct-Dec)

■ Impacts on Rate Increases

- 2017 roughly 0.5% decrease: Need 9% but proposed 7.7% due to timing and using reserves
- 2018 roughly 1.5% decrease: proposed 8.1% increase
- Option 1: keep 2017 at 7.7%, 2018 changes to 6.6%
- Option 2: change 2017 to 7.2% and 2018 changes to 7.1%

■ Not Yet Incorporated in Proposed Rates in Following Pages

Rate 7/8: Residential/Farm Rates

- **January 1, 2017 – Change Basic Charge to \$14.50 (\$12.50 plus \$2 for Low Income)**
- **June 1, 2017 – Increase Energy Rates and Move Schedule 8 Customers to Rate 7**
 - **Option 1 – Keep taxes within rate**
 - **Option 2 – Shows taxes on bill (results in lower energy rate before taxes)**
- **January 1, 2018 – Increase Basic Charge to \$17.00**
- **June 1, 2018 - Increase Energy Rate**

		Current	Jan-17	Jun-17	Jan-18	Jun-18
Basic		\$7.49	\$14.50	\$14.50	\$17.00	\$17.00
Energy (with taxes)						
Block 1		\$0.085011	\$0.085011	\$0.08550	\$0.08550	\$0.09250
Block 2		\$0.103589	\$0.103589	\$0.10418	\$0.10418	\$0.11271
Energy (without taxes)						
Block 1				\$0.08287	\$0.08287	\$0.08631
Block 2				\$0.10098	\$0.10098	\$0.10517
Average Rate Increase			5.7%	3.8%	1.9%	6.7%

Residential/Farm Bill Impacts

kWh/mo	Current	Jan 2017	June 2017	Jan 2018	June 2018
Average Bill per Month					
100	\$15.99	\$23.00	\$23.05	\$25.55	\$26.25
500	\$50.00	\$57.01	\$57.25	\$59.75	\$63.25
1,000	\$99.93	\$106.94	\$107.48	\$109.98	\$117.59
1,500	\$151.73	\$158.74	\$159.57	\$162.07	\$173.94
2,000	\$203.52	\$210.53	\$211.66	\$214.16	\$230.30
Percent Impact					
100		43.8%	0.2%	10.8%	2.7%
500		14.0%	0.4%	4.4%	5.9%
1,000		7.0%	0.5%	2.3%	6.9%
1,500		4.6%	0.5%	1.6%	7.3%
2,000		3.4%	0.5%	1.2%	7.5%

Rate 24: General Service (<50 kW)

- **January 1, 2017 – Increase Basic Charge to \$17 (\$2.50 more than residential)**
- **June 1, 2017 – Change to Flat Energy Rate and Increase Rate**
- **June 1, 2018 – Increase Energy Rate**

		Current	Jan-17	Jun-17	Jan-18	Jun-18
Basic		\$9.66	\$17.00	\$17.00	\$19.00	\$19.00
Energy (with taxes)				\$0.0990	\$0.0990	\$0.1040
Energy (without taxes)				\$0.0928	\$0.1040	\$0.0974
Winter		\$0.095072	\$0.095072			
Summer		\$0.091974	\$0.091974			
Average Rate Increase			3.9%	5.5%	1.0%	4.5%

Rate 24: General Service Bill Impacts

kWh/mo	Current	Jan 2017	June 2017	Jan 2018	June 2018
Average Bill per Month					
300	\$38	\$45	\$47	\$49	\$50
800	\$85	\$92	\$96	\$98	\$102
1,757	\$174	\$182	\$191	\$193	\$202
5,000	\$478	\$485	\$512	\$514	\$539
10,000	\$946	\$953	\$1,007	\$1,009	\$1,059
Percent Impact					
300		19.4%	3.6%	4.3%	3.1%
800		8.7%	4.7%	2.1%	4.1%
1,757		4.2%	5.2%	1.0%	4.6%
5,000		1.5%	5.5%	0.4%	4.9%
10,000		0.8%	5.6%	0.2%	5.0%

Rate 25: Small Demand General Service (50-350 kW)

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- **January 1, 2017 – Increase Basic Charge to \$60**
- **June 1, 2017 – Change to Flat Demand on All kW and Increase Rates**
- **June 1, 2018 – Increase Demand and Energy Rate**

		Current	Jan-17	Jun-17	Jun-18
Basic		\$51.67	\$60.00	\$60.00	\$60.00
Demand - All kW				\$5.00	\$5.50
Winter (over 50 kW)		\$9.01	\$9.01		
Summer (over 50 kW)		\$6.01	\$6.01		
Energy (with taxes)				\$0.0810	\$0.0880
Energy (without taxes)				\$0.0753	\$0.0818
Winter		\$0.094791	\$0.094791		
Summer		\$0.086638	\$0.086638		
Block 2		\$0.069280	\$0.069280		
Average Rate Increase			0.3%	9.2%	8.7%

Rate 25: Small Demand Bill Impacts

kWh/mo	kW Demand	Current	Jan 2017	June 2017	Jan 2018	June 2018
Average Bill per Month						
15,000	49.2	\$1,305	\$1,314	\$1,521	\$1,521	\$1,650
24,840	81.5	\$2,224	\$2,232	\$2,480	\$2,480	\$2,694
50,000	163.9	\$4,583	\$4,592	\$4,930	\$4,930	\$5,362
100,000	327.8	\$9,275	\$9,284	\$9,799	\$9,799	\$10,663
Percent Impact						
15,000			0.6%	15.8%	0.0%	8.5%
24,840			0.4%	11.1%	0.0%	8.7%
50,000			0.2%	7.4%	0.0%	8.8%
100,000			0.1%	5.6%	0.0%	8.8%

Rate 26: Large Demand General Service (>350 kW)

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- **January 1, 2017 – Increase Basic Charge to \$110**
- **June 1, 2017 – Change to Flat Demand Rate and Increase Demand and Energy Rate**
- **June 1, 2018 – Increase Energy Rate**

		Current	Jan-17	Jun-17	Jun-18
Basic		\$104.46	\$110.00	\$110.00	\$110.00
Demand - All kW				\$9.00	\$9.00
Winter		\$8.94	\$8.94		
Summer		\$5.96	\$5.96		
Energy (with taxes)		\$0.06706	\$0.06706	\$0.0720	\$0.0780
Energy (without taxes)				\$0.0670	\$0.0711
Average Rate Increase			0.0%	10.0%	6.8%

Rate 26: Large Demand Bill Impacts

kWh/mo	kW Demand	Current	Jan 2017	June 2017	Jan 2018	June 2018
Average Bill per Month						
180,000	367	\$14,912	\$14,918	\$16,376	\$16,376	\$17,456
270,405	552	\$22,349	\$22,355	\$24,546	\$24,546	\$26,168
500,000	1020	\$41,237	\$41,242	\$45,293	\$45,293	\$48,293
Percent Impact						
180,000			0.0%	9.8%	0.0%	6.6%
270,405			0.0%	9.8%	0.0%	6.6%
500,000			0.0%	9.8%	0.0%	6.6%

Rate 31: Primary General Service

- **January 1, 2017 – No Change**
- **June 1, 2017 – Decrease Basic Charge, Change to Flat Demand Rate, Increase Energy Rates**
- **June 1, 2018 – Increase Demand and Energy Rate**

		Current	Jan-17	Jun-17	Jun-18
Basic		\$339.51	\$339.51	\$300.00	\$300.00
Demand - All kW				\$8.25	\$8.50
Winter		\$8.64	\$8.64		
Summer		\$5.76	\$5.76		
Energy (with taxes)		\$0.06492	\$0.06492	\$0.0710	\$0.0780
Energy (without taxes)				\$0.0645	\$0.0696
Average Rate Increase			0.0%	10.9%	7.2%

Rate 31: Primary General Service

kWh/mo	kW Demand	Current	Jan 2017	June 2017	Jan 2018	June 2018
Average Bill per Month						
25,000	111	\$2,764	\$2,764	\$2,993	\$2,993	\$3,196
74,779	333	\$7,591	\$7,591	\$8,356	\$8,356	\$8,963
150,000	668	\$14,886	\$14,886	\$16,460	\$16,460	\$17,677
Percent Impact						
25,000			0.0%	8.3%	0.0%	6.8%
74,779			0.0%	10.1%	0.0%	7.3%
150,000			0.0%	10.6%	0.0%	7.4%

Rate 43: Interruptible Schools

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- **January 1, 2017 – No Change**
- **June 1, 2017 – Decrease Basic, Increase Demand and Energy Rates**
- **June 1, 2018 – Increase Demand and Energy Rates**

		Current	Jan-17	Jun-17	Jun-18
Basic		\$339.51	\$339.51	\$300.00	\$300.00
Demand - All kW		\$4.60	\$4.60	\$5.00	\$5.50
Energy (with taxes)		\$0.06066	\$0.06066	\$0.0680	\$0.0735
Energy (without taxes)				\$0.0606	\$0.0672
Average Rate Increase			0.0%	10.0%	8.4%

Rate 43: Interruptible Schools Bill Impacts

kWh/mo	kW Demand	Current	Jan 2017	June 2017	Jan 2018	June 2018
Average Bill per Month						
50,000	264	\$4,587	\$4,587	\$5,020	\$5,020	\$5,427
105,504	557	\$9,301	\$9,301	\$10,259	\$10,259	\$11,117
200,000	1,056	\$17,328	\$17,328	\$19,178	\$19,178	\$20,806
Percent Impact						
50,000			0.0%	9.4%	0.0%	8.1%
105,504			0.0%	10.3%	0.0%	8.4%
200,000			0.0%	10.7%	0.0%	8.5%

Rate 29: Irrigation

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- **January 1, 2017 – Increase Basic Charge to \$17 (\$2.50 more than residential)**
- **June 1, 2017 – Change to Flat Energy Rate and Increase Rate**
- **June 1, 2018 – Increase Energy Rate**

		Current	Jan-17	Jun-17	Jun-18
Basic		\$24.28	\$30.00	\$30.00	\$30.00
Energy (with taxes)				\$0.06500	\$0.07000
Energy (without taxes)				\$0.06082	\$0.06554
Block 1		\$0.06372	\$0.06372		
Block 2		\$0.05483	\$0.05483		
Average Rate Increase			0.0%	8.8%	6.8%

Rate 29: Irrigation Bill Impacts

kWh/mo	Current	Jan 2017	June 2017	Jan 2018	June 2018
Average Bill per Month					
100	\$30.65	\$36.37	\$36.50	\$36.50	\$37.00
5,850	\$397.03	\$402.75	\$410.25	\$410.25	\$439.50
9,340	\$619.41	\$625.13	\$637.10	\$637.10	\$683.80
Percent Impact					
100		18.7%	0.4%	0.0%	1.4%
5,850		1.4%	1.9%	0.0%	7.1%
9,340		0.9%	1.9%	0.0%	7.3%

Summary of Rate Increases

	Jan 2017	June 2017	Jan 2018	June 2018	2017-2018
Rate 7 – Residential	5.7%	3.8%	1.9%	6.7%	14.2%
Rate 24 – General Service	3.9%	5.5%	1.0%	4.5%	14.1%
Rate 25 – Small Demand	0.3%	9.2%	0.0%	8.7%	14.0%
Rate 26 – Large Demand	0.0%	10.0%	0.0%	6.8%	14.1%
Rate 31 – Large Demand Primary	0.0%	10.9%	0.0%	7.2%	14.3%
Rate 29 – Irrigation	0.0%	8.8%	0.0%	6.8%	17.1%
Rate 43 – Interruptible Schools	0.0%	10.0%	0.0%	8.4%	15.1%
Street & Hwy Lighting	9.0%	0.0%	7.0%	0.0%	16.6%

Other Rates/Fees

■ PTP Rate Increase

- Pass-through of BPA and taxes, will increase as BPA increases
- Currently pay \$1,229 per month Legal and Admin
- COSA shows costs (excluding BPA and taxes) of \$25,434 per year
- Proposed Basic Charge of \$2,120 per month

■ Lighting Rates

- Average rate increase in January each year
- Apply lowest rate to other non-metered loads

	Current	Jan 2017	Jan 2018	% 2017	% 2018
Less than 100 Watts	\$12.00	\$13.00	\$14.00	8.3%	7.7%
100>=200 Watts	\$14.00	\$15.25	\$16.25	8.9%	6.6%
More than 200 Watts	\$16.00	\$17.50	\$18.75	9.4%	7.1%

Other Miscellaneous Fees

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■ Other Miscellaneous Fees

- No late fee
- No generator charge
- NSF at \$30 but \$0 if no bank charges to JPUD
- Power factor – change from kW to kVA when metering allows
- Other fees adjusted to reflect costs/other utilities

Questions / Answers