

Electric Cost Adjustment

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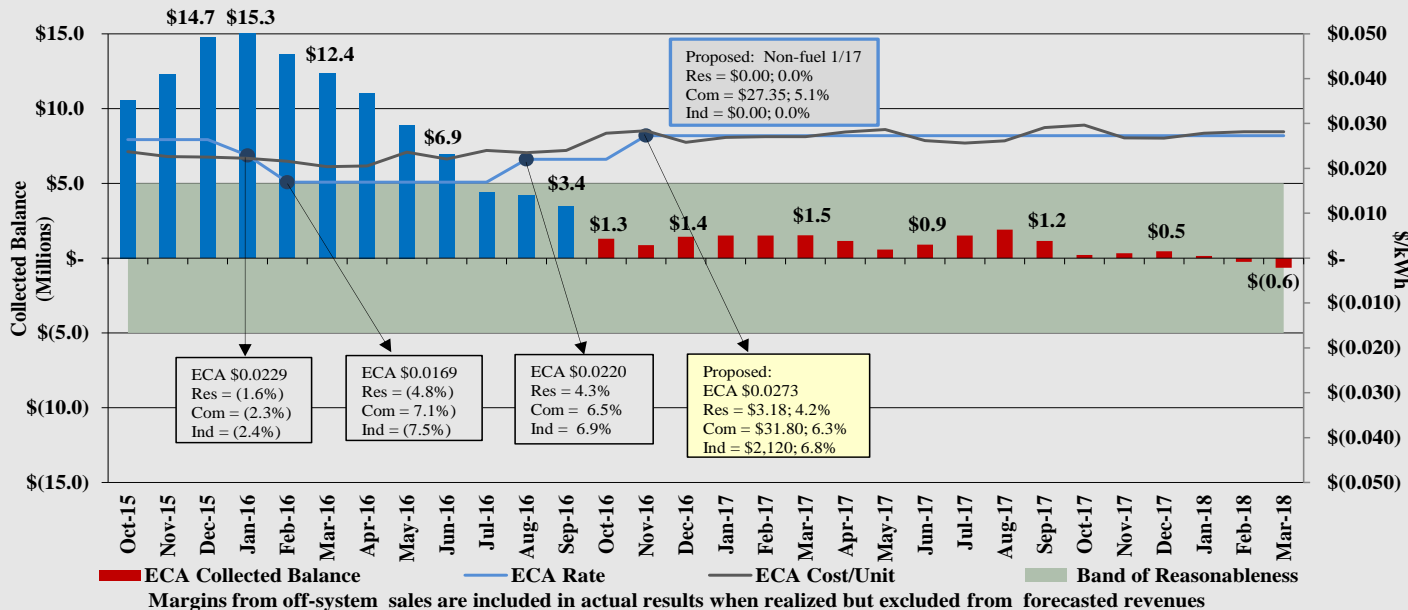
October 25, 2016

ECA Summary – Proposed Alternative 1 Consistent with Guidelines



- Routine forecast recovery period of 12 months
- ECA rate increase from \$0.0220 to \$0.0273 eff. 11/1/16:
 - Typical Residential Electric Bill = \$3.18; 4.2%
 - Typical Commercial Electric Bill = \$31.80; 6.3%
 - Typical Industrial Electric Bill = \$2,120.00; 6.8%
- Aligns rate with projected annual cost per kWh
- Future quarterly adjustments estimated to be minor
- Consistent with Guidelines when balances are within Band of Reasonableness

Proposed Alternative 1 – Consistent With Guidelines (12 Months) Effective 11/1/2016



Five Year Electric Bill Summary

Typical Residential Total Monthly Electric Bill		
Effective Date	Total Bill	% Change
5-year avg.		2.72%
01/01/17	\$ 78.03	3.50%
01/01/16	\$ 75.39	-0.26%
01/01/15	\$ 75.59	7.05%
01/01/14	\$ 70.61	3.43%
01/01/13	\$ 68.27	0.07%
01/01/12	\$ 68.22	

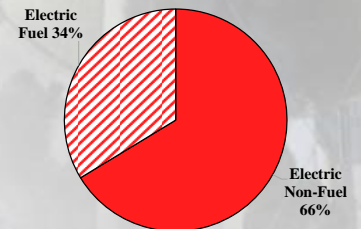
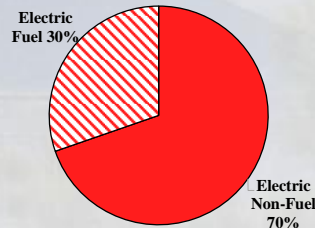
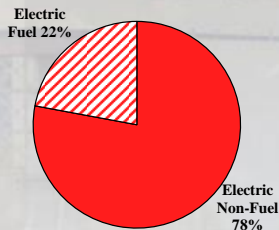
Based on typical residential usage: EIR 600 kWh

Typical Commercial Total Monthly Electric Bill		
Effective Date	Total Bill	% Change
5-year avg.		2.35%
01/01/17	\$ 564.05	10.53%
01/01/16	\$ 510.30	-2.32%
01/01/15	\$ 522.40	4.57%
01/01/14	\$ 499.57	-0.24%
01/01/13	\$ 500.77	-0.28%
01/01/12	\$ 502.20	

Based on typical commercial usage: E2C 6,000 kWh

Typical Industrial Total Monthly Electric Bill		
Effective Date	Total Bill	% Change
5-year avg.		2.46%
01/01/17	\$ 33,779.34	5.50%
01/01/16	\$ 32,019.34	-2.63%
01/01/15	\$ 32,884.11	6.93%
01/01/14	\$ 30,753.24	6.70%
01/01/13	\$ 28,820.84	-3.66%
01/01/12	\$ 29,916.40	

Based on typical industrial usage: EST 400,000 kWh and 1,000 kW



Notes: 1) Five year average reflects compounded annual percentage change. 2) Charts as of January 1, 2017 using recommended alternative.

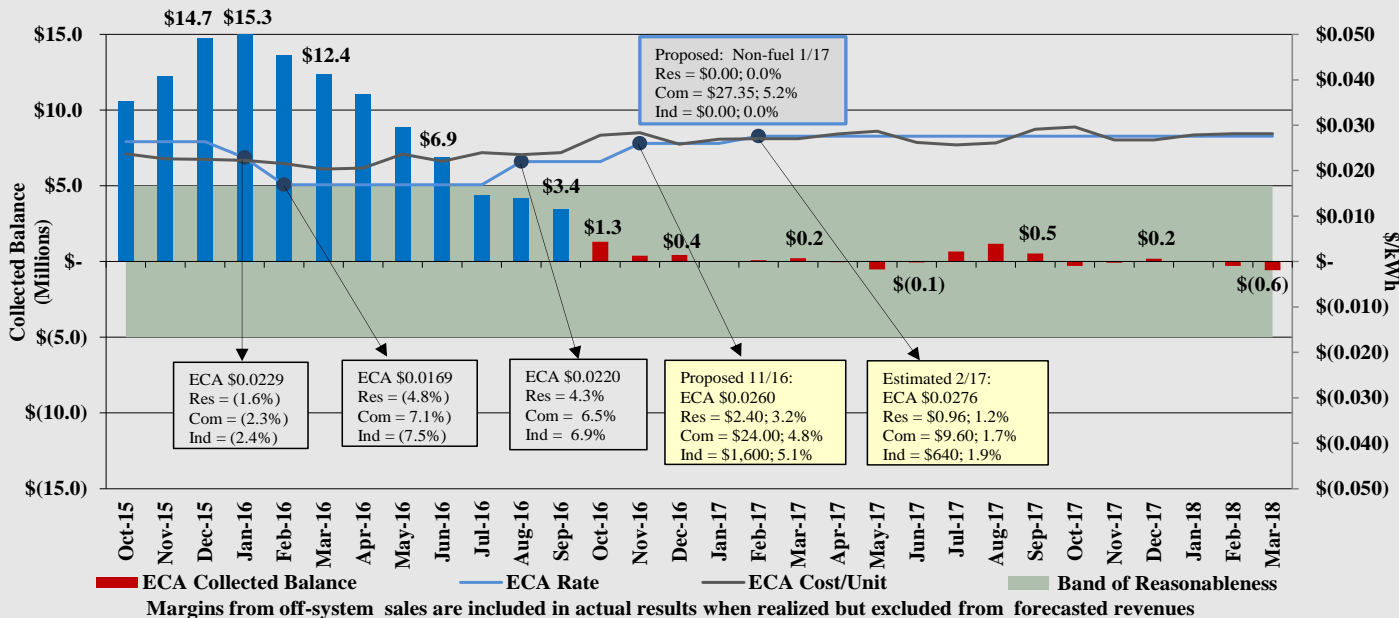
ECA Summary – Alternative 2 Inconsistent with Guidelines



- Shortened forecast recovery period of 3 months
- ECA rate increase from \$0.0220 to \$0.0260 eff. 11/1/16:
 - Typical Residential Electric Bill = \$2.40; 3.2%
 - Typical Commercial Electric Bill = \$24.00; 4.8%
 - Typical Industrial Electric Bill = \$1,600.00; 5.1%
- Delayed alignment of ECA rate with annual cost per kWh
- Incremental rate adjustments in November 2016 and February 2017
- Inconsistent with Guidelines when balances are within Band of Reasonableness

Estimated: Jan filing
effective 2/1/2017
ECA \$0.0276
Res = \$0.96; 1.2%
Com = \$9.60; 1.8%
Ind = \$640.00; 1.9%

Alternative 2 – Inconsistent with Guidelines (3 Months) Effective 11/1/2016 with Estimated 2/1/2017



Request for Approval - ECA Rate Adjustment

- Proposed Alternative 1: 12 month recovery period
 - Routine path consistent with Cost Adjustment Guidelines
 - ECA rate increase from \$0.0220 to \$0.0273 eff. 11/1/16:
 - Typical Residential Electric Bill = \$3.18; 4.2%
 - Typical Commercial Electric Bill = \$31.80; 6.3%
 - Typical Industrial Electric Bill = \$2,120.00; 6.8%
- Alternative 2: 3 month recovery period
 - Inconsistent with Cost Adjustment Guidelines
 - ECA rate increase from \$0.0220 to \$0.0260 eff. 11/1/16:
 - Typical Residential Electric Bill = \$2.40; 3.2%
 - Typical Commercial Electric Bill = \$24.00; 4.8%
 - Typical Industrial Electric Bill = \$1,600.00; 5.1%



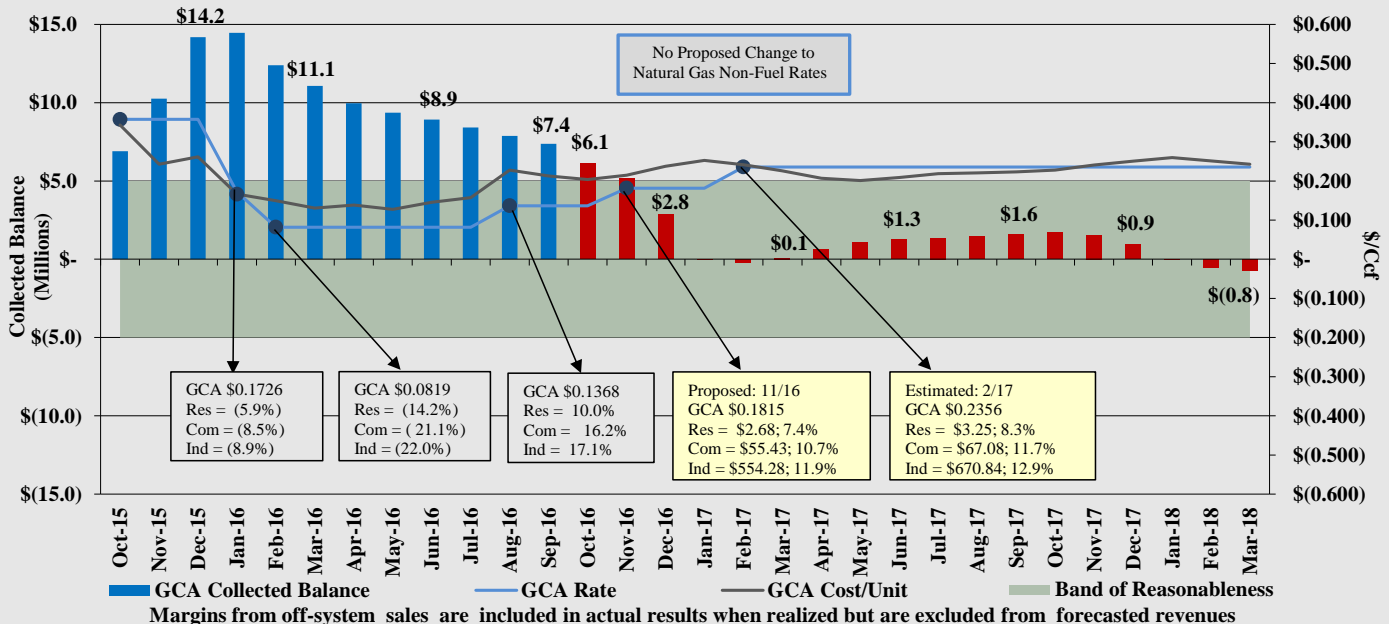
Gas Cost Adjustment



- Shortened forecast recovery period of 3 months
- GCA rate increase from \$0.1368 to \$0.1815 eff. 11/1/16:
 - Typical Residential Gas Bill = \$2.68; 7.4%
 - Typical Commercial Gas Bill = \$55.43; 10.7%
 - Typical Industrial Gas Bill = \$554.28; 11.9%
- Incremental rate adjustments in November 2016 and February 2017
- Delayed alignment of GCA rate with cost per Ccf
- Anticipate over collection within Band of Reasonableness in December 2016

Estimated: Jan filing
effective 2/1/2017
GCA \$0.2356
Res = \$3.25; 8.3%
Com = \$67.08; 11.7%
Ind = \$670.84; 12.9%

Proposed Alternative 1 – 3 Months Effective 11/1/2016 with Estimated 2/1/2017



Five Year Natural Gas Bill Summary



Typical Residential Total Monthly Natural Gas Bill		
Effective Date	Total Bill	% Change
<i>5-year avg.</i>		
01/01/17	\$ 38.99	1.39%
01/01/16	\$ 38.45	-23.51%
01/01/15	\$ 50.27	7.51%
01/01/14	\$ 46.76	0.30%
01/01/13	\$ 46.63	-12.11%
01/01/12	\$ 53.05	

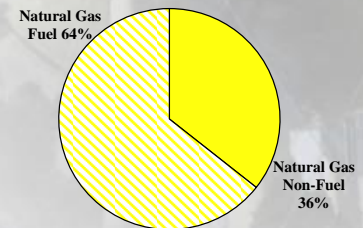
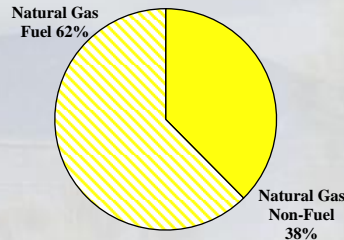
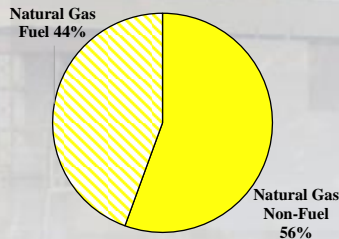
Based on typical residential usage: G1R 60 Ccf

Typical Commercial Total Monthly Natural Gas Bill		
Effective Date	Total Bill	% Change
<i>5-year avg.</i>		
01/01/17	\$ 573.88	3.56%
01/01/16	\$ 554.18	-30.59%
01/01/15	\$ 798.46	9.99%
01/01/14	\$ 725.92	-3.86%
01/01/13	\$ 755.09	-9.12%
01/01/12	\$ 830.83	

Based on typical commercial usage: G1CL 1,240 Ccf

Typical Industrial Total Monthly Natural Gas Bill		
Effective Date	Total Bill	% Change
<i>5-year avg.</i>		
01/01/17	\$ 5,217.94	2.16%
01/01/16	\$ 5,107.58	-34.29%
01/01/15	\$ 7,772.34	10.29%
01/01/14	\$ 7,046.94	-4.06%
01/01/13	\$ 7,345.07	-14.61%
01/01/12	\$ 8,602.03	

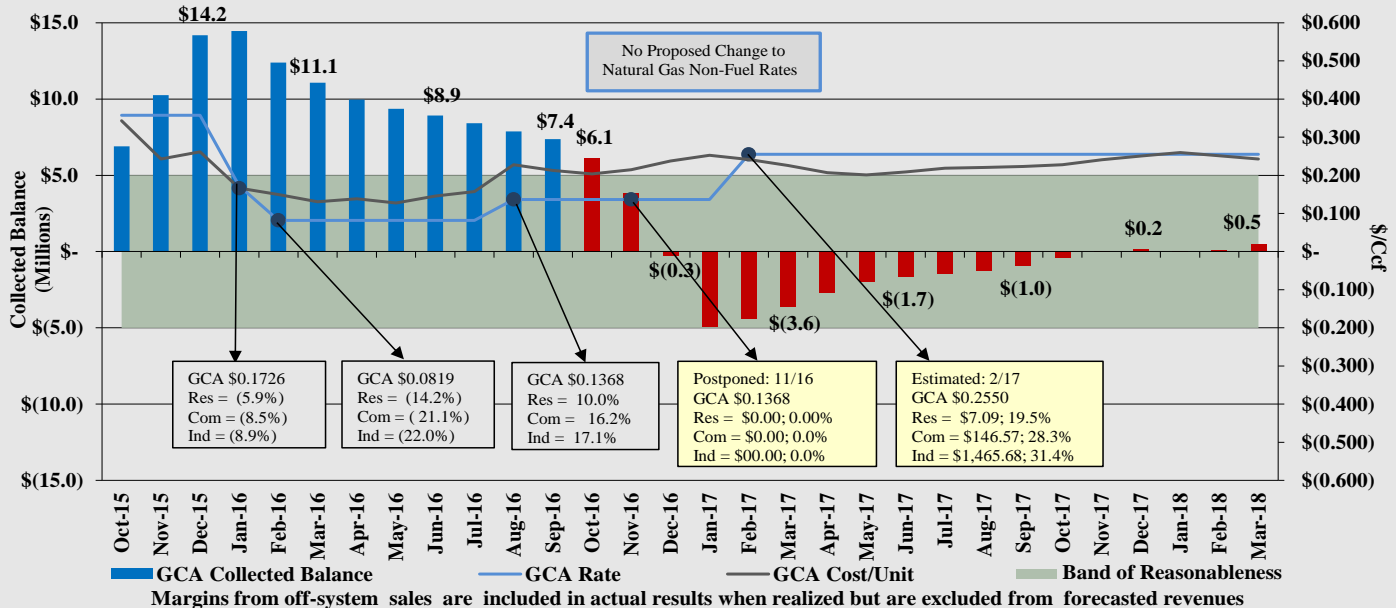
Based on typical industrial usage: G1CL 12,400 Ccf



Notes: 1) Five year average reflects compounded annual percentage change. 2) Charts as of January 1, 2017 using recommended alternative.

- Postpones quarterly adjustment until January 2017 filing
 - Anticipated GCA rate increase from \$0.1368 to \$0.2550 eff. 02/1/17:
 - Typical Residential Gas Bill = \$7.09; 19.5%
 - Typical Commercial Gas Bill = \$146.57; 28.3%
 - Typical Industrial Gas Bill = \$1,465.68; 31.4%
- Postpones but increases future bill impact
- Delayed alignment of GCA rate with cost per Ccf
- Risk of under collection being out of Band of Reasonableness in January 2017

Alternative 2 – Postponed Quarterly Filing Estimated 2/1/2017



Request for Approval - GCA Rate Adjustment

– Proposed Alternative 1:

- GCA rate increase from \$0.1368 to \$0.1815 eff. 11/1/16:
 - Typical Residential Gas Bill = \$2.68; 7.4%
 - Typical Commercial Gas Bill = \$55.43; 10.7%
 - Typical Industrial Gas Bill = \$554.28; 11.9%

– Alternative 2:

- No GCA rate action October 25, 2016