Electric Rate Analysis Report
City of Cody, Wyoming

Prepared December 17, 2014

Carl Brown, President
Carl Brown Consulting, LLC

Carl Brown Consulting, LLC 1014 Carousel Drive Jefferson City Missouri 65101 carl@carlbrownconsulting.com
www.carlbrownconsulting.com www.gettinggreatrates.com (573) 619-3411 (573) 632-2810 fax

Table of Contents

Purpose of the Report

This report is intended to help the staff of the City of Cody (simply called the "City" in the report) to prepare proposed rate and fee revisions and to help the council to better understand the City's situation and what should be done about it.

The report package includes:

- A cover letter,
- A synopsis that summarizes the initial action items,
- The remainder of the full narrative report covering the analysis, findings and recommendations in detail,
- A portable document format (pdf) version of the analysis model itself, which depicts what will happen if you adjust rates and fees in the ways described in the model, and
- The spreadsheet model in Excel format.

The spreadsheet model itself along with an instruction set will be sent separately on disk. Staff will use that in the future to model rate and fee updates.

Unlike many reports, this one starts with specific action items and progresses to more general issues and background information.

An action items section follows. The first part of that section covers actions you should take initially and very soon. The second part covers actions you may want to take or those that are less time sensitive.

For explanations, background data and analysis refer to the remainder of the report and the analysis model, called "Cody, WY Electric Rates Scenario 2014-1," later simply called "the model."

Summary

The utility's cash reserves are now modest considering the size of the utility's budget and potential financial upsets that could befall the utility. It's not an emergency but reserves should be increased starting right away. Fortunately, with a small increase initially and future inflationary increases as modeled, reserves will grow stronger. In addition, rates are modeled to be restructured to make them simpler and fairer.

Overall, rates need to go up by 11.0 percent initially, with 2.5 percent annual increases in future years to match most of the expected inflation. Future incremental increases were not modeled to fully recover inflation because I wanted to "front load" the increases in the first year, enabling the utility to get a jump start on building appropriate reserves in the early years.

I must stress that some customers' bills will go up more than the 11.0 percent and some will go up less or even go down because of rate restructuring. I also stress that the analysis model should not be considered by anyone as a dictum on where rates and fees *must* be set – that is the prerogative of the council. However, the model does provide guidance that will help you to, in an informed way, set rates and fees successfully. It also gives indications of how the modeled rates and fees will affect the several user classes. If you adopt rates other than those recommended, the comparisons in the analysis model will not apply to those rates and you may not collect sufficient revenue, as well.

I also point out that energy rates of the demand customers were discounted by 50 percent so those customers' bills would not increase as abruptly as they otherwise would. You may want to continue such modifications in the future or you may want to, and I recommend that you do, gradually phase them out. The model is designed to allow you to do that by adjusting just one factor.

Electric rates are normally structured with a minimum charge (called a "customer" charge), a unit charge (called an "energy" charge) and often with a usage allowance. The latter is not the case with Cody. Electric rates often include a demand charge intended to recapture the costs of building capacity sufficient to satisfy peak electric demands. The City is assessed demand charges by its supplier and meters measure demand of its largest customers. The City currently assesses demand charges to these customers and I recommend that practice be continued.

Street light usage data is calculated by City staff so energy usage by that equipment is fairly well known. The City's street light rates are generally assessed based upon a "grossed up" energy rate times the energy usage of each wattage light unit. I recommend changing that structure to assessing energy charges at the same rates as other non-demand customers plus a monthly customer charge calculated on a marginal cost basis.

Several charts in the analysis model graphically depict some things which would be difficult to pick out of the tables. In all the charts the blue line represents what would happen under the recommended rates. Those trends are compared to appropriate baselines. Chart 7 is especially telling. After adopting the recommended rates, cash reserves are modeled to barely grow through 2016. Starting in 2016, inflationary increases and new net revenues from Cody Labs start to grow the utility's reserves strongly, leading to appropriately strong reserves by the tenth modeling year. But note that reserves dip in 2022, due to two expensive capital improvements modeled to occur that year.

Cody Labs is, itself, a significant issue. Besides what I am sure are many other good outcomes for the City by having this expansion project, Cody Labs' purchase of electricity will be very substantial and result in a net electric rate revenue gain of approximately $400,000 the first year and double that in following years, disregarding customer costs and what are sure to be substantial upfront costs to secure the development.

As you set and later reset rates I suggest you follow the guidance I give in my book, "How to Get Great Rates." I gave a copy to the City early in the project. I know the City has a process for handling equipment replacements but you may also want to consider using the "Replacement Scheduler©" spreadsheet, available at no charge from my Web site and use it for future equipment replacement scheduling.

Initial Action Items

1. **Adjust all rates as described here early enough to enable you to collect at those rates for the February, 2015, billing. If you cannot do that, do it as soon as possible because delay will reduce revenue collection by approximately $116,000 per month of delay.**
2. **Set rates as shown in Table 1 – Recommended Rates, of the model.**
3. **Continue billing on a monthly cycle.**

Note: The most useful tables for the public to review are Table 1 – Recommended Rates, and Table 2 – Rate Statistics.

Additional Action Items

4. **If you do not already have a late payment/non-payment ordinance, you should adopt one that includes these criteria:**
    a) **All utility bill payments will be applied first to other utility bills in a stated order, and last to either the electric bill or the water bill, as you choose.**

b) If payment is insufficient, a late payment penalty of 10 percent of the outstanding balance or $10.00, whichever is greater, will be applied to the customer's account each month.

c) Service will be shut off in accordance with and at the earliest time allowed by State law.

d) Reconnection after non-payment will only be done after the customer has paid all fees and penalties owed, plus a reconnection fee that is 50 percent higher than your usual reconnection fee.

5. If all goes well, on the one-year anniversary of making the rate adjustments called for above, and for several years thereafter, raise all rates and fees across the board as shown near the top of Table 3 of the model. That percentage rate is 2.5 percent.

Decision Criteria

Several key criteria impact this analysis and include the following:

- The analysis used the test year of July 1, 2013 through June 30, 2014. This is the one-year period from which actual cost, revenue, usage and other data were gathered. The test year is the starting point for the analysis. Costs, revenues and all other data will change in future years based upon inflation, growth, the recommended rates and fees and many other things. Essentially the analysis seeks "best fit" rates to satisfy many issues facing the system.
- I assumed that almost all future operating costs will rise due to inflation of 4.0 percent per year, as shown in Table 4.
- I targeted total reserves at 10 years out that include these components:
  - The "Working Capital Goal" amount in the last year from the bottom of Table 4, plus
  - The "CIP Spending Net of Grants and Similar Sources" amount in the last year of Table 5.

These reserve levels are responsible, strong goals to build towards. The recommended rates will gradually accumulate these reserves over time.

Discussion of Significant Issues

How the Recommended Rates Were Calculated

To arrive at rates that are adequate and fairly structured, one must determine how much revenue will be needed and when, and how to fairly assess fees to the ratepayers to recover that amount of revenue. This discussion will briefly and simplistically cover how that was done.

Table 16 of the model shows the utility's costs for fiscal year 2014-15, which I determined to be a fairly typical year for cost structure. I classified each cost as either fixed (customer-related), variable (energy-related), demand (capacity-related) or a combination of these.

These classifications resulted in dollar amounts being assigned to customer, energy and demand cost categories. These amounts were then allocated to customer classes in the next table.

Table 17 allocates the cost amounts from Table 16 to the customer classes based upon the number of customers in each class, the volumes of energy each used during the test year and the volume of demand each accounted for during the test year. In short, for each customer class to pay enough fees to cover its fair share of system costs, it would need to pay customer, energy and demand-related fees in the amounts shown in this table.

The statement immediately above leaves out two important factors concerning the recommended rates.

First, to arrive at the final recommended rates I determined what reserve targets would be appropriate for the City 10 years from now, not just this year. The customer and energy costs from Table 17 were then increased by the amounts required to build the desired reserves over 10 years, accounting for the reality that costs will inflate over time. Then, those increased allocated amounts were used to calculate the initially adjusted rates for each cost component. Therefore, the recommended rates, though higher, will still be in the structure determined by Table 17.

Second, the current rate structure is moderately different from that which classification and allocation alone would yield. In plain words, the current rates do not completely and mathematically divvy costs up fairly. In most cases the rates paid by high volume and high demand customers are too low. But to adjust the current rates all the way to where they should be would be a dramatic change for some customers. Therefore, the recommended rate structure makes a strong start in that direction with the initial adjustments. You may want to continue that movement with future rate modeling and incremental rate adjustments, a process called "gradualism." The model I prepared for City staff gives direction on how to continue that process. I will be glad to advise them along the way, as well. This process will likely take several years. It is likely that you will need a new rate analysis before it is complete anyway so the future analyst can hone the structure more at that time.

Check Revenue Generation of Recommended Rates

The recommended rates should reliably generate the projected revenues, but doing an additional check will probably put your mind at ease. Please do the following.

Assuming you intend to adopt the recommended rates, enter those rates into your billing program. It should have a feature that allows you to test new rates. Check to see how much revenue the program predicts will be generated by a combination of the current rates for the early months of the current fiscal year and the new rates for the rest of the year. Because the new rates will not be in effect for the entire fiscal year that started on July 1, 2014, you will need to figure the revenues that will have been generated by the current rates up to the date the new rates will likely take effect. The analysis model assumes that will be March 1, 2015. In that case, you will collect revenues for nine months at the current rates and three months at the new rates.

Compare the revenue you calculate as described above with "55-200-4630 CHARGES FOR UTILITY SERVICES" in Table 3 of the analysis model. If these two amounts are within five percent or so of each other, proceed with adopting the recommended rates. If not, call me to discuss the situation before proceeding.

Cody Labs

Cody Labs is planning to do a major expansion. The facility will consume high volumes of energy and account for a rather high level of demand. Cody Labs has committed to paying for all electric facility upgrades required to serve this expansion. Therefore, the City's major expenses to serve this expansion will be energy and demand costs from WMPA. Consequently, the City will assess customer, energy and demand charges to Cody Labs. Those charges will result in a net revenue gain for the utility of approximately $400,000 the first year and $800,000 in succeeding years.

The City will incur an unknown level of additional costs to facilitate this expansion and administer and bill the account. In the future the City will also incur the expense of reinvesting in the upgraded or new facilities built to serve Cody Labs. But I am all but certain that these costs will not be greater than the net revenue gain modeled.

Based upon information supplied by the City, I scheduled the Cody Labs expansion to go on-line around January 1, 2017, mid-way through fiscal year 2016-17. Therefore, the year when Cody Labs goes on-line, it will generate approximately one-half of a normal year's revenues and costs. In all following years it will generate full years' revenues and costs.

The effects of Cody Labs is modeled in Tables 13 and 14. Its revenues and costs are added to Tables 3 and 4 as line items.

Street Lights

Street lights and security lights, whether City-owned or owned by others, are assessed a customer charge and an energy charge based upon the wattage rating of each light. The total of these charges are currently set so as to result in an all-in energy charge rate of $0.1274 per kWH. In the interest of maintaining as much rate structure consistency as possible, I have opted for a uniform energy charge for street lights that is the same as residential and similar customers, plus a marginal cost-based customer charge. That charge was calculated by multiplying the "Marginal % by Which This Cost is Customer-related" for this category in Table 18 by the customer charge calculated for the Electric Residential Base customer in Table 8.

The reasoning for using the marginal cost for customer charges is this. Street lights, almost by definition, are on during off-peak times, so they do not add to the system's peak load. They consume energy like most other appliances, so they should pay the same energy rate as most other customers. The big difference is this. They are very low cost "customers" to serve. They need to be billed each month and they infrequently require service. Therefore, the customer cost incurred to serve them is only a fraction of the cost – marginal cost – of serving a residential customer.

Capital Improvements and Equipment Repair and Replacement

Staff told me that the City has an equipment repair and replacement scheduling and funding mechanism for all City equipment. Therefore, the electric system will continue to use that process for equipment repair and replacement.

The system's capital improvement needs are quite modest. Were you to set aside reserves on the assumption that these needs will remain modest, you would have almost no capital improvement reserves on hand should a larger need arise. For that reason I added an unknown, unspecified capital improvement annual cost item in the amount of $50,000 so the model will build a bigger financial cushion for the utility over the next 10 years.

How Rate Adjustments Will Affect Customers

Affordability Index: The monthly charge for the average volume of residential service divided by the median monthly household income for the area served by the system. An index of 3.0 means a household pays three percent of its income on the electric bill.

Table 2 shows how the average customer in each rate class will be affected by the recommended rates. Chart 4 shows the affordability index for the average in-town residential customer. Their current bill amounts to 1.77 percent of their median household income. After the initial rate adjustments their electric bill will amount to 1.97 percent of median household income. That is an almost undetectable change in the average household's budget. Because Census Bureau statistics indicate median household incomes will rise almost as faster as future electric bills, the affordability index will almost stay flat over time. In other words, over time rates will stay about as affordable as they will be right after making the initial rate adjustments.

Optional Hardship Billing Procedure

While Cody's adjusted residential electric rates must be considered quite affordable on an indicator basis, they may cause a hardship for certain customers, typically retired folks with little if any income other than Social Security. The City has no obligation to reduce such customers' bills – electricity is not an entitlement. However, if you do decide to reduce some customers' bills I suggest you do it by means testing each household's income and then applying a discount.

To offer bill relief you might do that as follows:

- To set up qualification criteria for a reduced bill you should pick an income benchmark such as the Wyoming poverty income levels based upon household size.
- Then choose a benchmark for the electric bill above which you would grant a bill reduction. That might be, for example, a bill that exceeds seven percent of the household income.
- Decide how you will grant relief. That may be by reducing the bill by a set dollar amount, a set percentage amount or all the way down to the bill benchmark you calculated for each household.

- To qualify for the bill reduction program an applicant would show you "proof" of the household's income and household size. The best proof would be their tax return from the previous year. You might also allow their acceptance into a federal or state means tested program as their qualification criteria.
- Once you have established qualification criteria, had some people apply and qualify and you have determined how to grant them relief, each month before sending out their bills, City staff would need to review those bills to see if they merited relief. You might be able to do this through your billing program. If not, staff would need to do each one by hand. If the affordability of a customer's bill for one month does not reach their benchmark, no relief should be granted for that month.

As you can see, granting bill relief would be complex, it would take substantial staff time to do and you would inevitably get complaints from people who don't like the program requirements or who got turned down. I suspect you would also get complaints from other folks who do not think the City should be offering relief at all because that means their rates will have to be higher to pay for the program. Such a program is fraught with problems and work. I do not recommend such programs. But, I outline it here so you can have a better idea of what your options are.

Model License

The City opted to purchase a license to CBGreatRates© Power Version 6.5, the model used to calculate the recommended rates. Although presentation of the report package is usually the end of scenario building, it is still possible that the City would want another scenario run. Therefore, I postpone delivering licensed models to make sure that the latest data and scenario are depicted. Thus, the model will be finalized and packaged once City staff tells me they are ready for it.

Basic and Policy Action Items

Use the following as a checklist of "to-do" tasks. Many if not all of these things you are already doing but they bear repeating.

1. Before you officially propose or adopt new rate language, you may mail or e-mail the rate tables, ordinances or agreements to me and, as a part of this project, I will verify that your language will effectuate the intended rate and policy adjustments.
2. If you borrow, retain required funds in interest bearing debt service and debt reserve accounts when required by your lender(s).
3. Continue to track your volume usage, incomes and expenses on a regular basis so the data and information you generate will continue to support future rate adjustments as well as they did this one.

4. Determine how long, on average, it takes to perform the various services you provide in the field, such as after-hours service, meter disconnects and reconnects, special meter readings, etc. Be sure to include all the time you actually pay staff for performing these services. Then determine how much it costs the City per hour, on average, to have staff perform these services. This includes benefits, taxes, use of City vehicles, tools and minor equipment, etc. It should also include a fair amount to cover the time that office staff devotes to working on these services to track them, bill for them, etc. This should be the hourly rate you will charge for these services. In addition, set a minimum that you will charge for showing up, whether the service takes 30 minutes to perform or five minutes. In essence, set your fees in the same way electricians and similar technicians do – a set fee for showing up, which buys the customer a set amount of time, and an hourly rate if the job takes longer than the show up charge will cover. While accounting for time and other investments in the various functions is important, do not make the process burdensome. For many functions you likely can just estimate your time occasionally and charge fees based upon those estimates.
5. Start adopting management strategies that are included in what is most commonly called, "advanced asset management." These strategies can yield better service and reduced costs for utilities, especially those looking to build new facilities or replace existing facilities soon. Visit http://carlbrownconsulting.com/ for more information on asset management or call me to discuss how the City might move into asset management.
6. Have me conduct a full rate analysis again when your actual financial performance and my projections diverge significantly, but not longer than five years from now to make sure your rates remain adequate for the system and fair to your ratepayers.
7. As a reminder, check with your attorney for language and legality of all charges and issues discussed.

Principles

I use several guiding principles when I help systems set their utility rates, fees and policies. As you read the report and the model, keep in mind that my recommendations have been weighed against these principles:

1. Utilities are businesses, regardless of who owns them. Businesses must cash flow properly.
2. In addition to functioning in a business-like manner, a utility has a responsibility to its customers to nearly guarantee its long-term prosperity for their benefit. Customers expect the service to be there whenever they want to use it. Thus, a utility must err on the conservative side by maintaining strong reserves that will enable it to weather financial storms.

3. If a service costs the utility money, the utility should recover that cost from the most logical "person" if that makes good business and community administration sense. For example, generally "growth should pay for growth." Developers should fairly pay for their consumption of utility capacity. Likewise, service users should pay for their use. Each user or class of users should pay their fair share of service costs.
4. If adjusting a rate, fee or policy will turn currently "good" customers into "bad" customers, consider the necessity of the change carefully before making it. For example, while it may be warranted, raising the minimum charge markedly to your residential customers may make it very difficult for fixed, low-income customers to pay their utility bills. That may cause more of them to pay late or not pay at all. That may trigger the City's processes of having the City's attorney write threatening letters to those customers and eventually require shutoff of service. Thus, in the attempt to generate more net revenue by raising rates, net revenues may actually go down.

Closing

The system's reserves are substantial but far from where I would recommend they be. The recommended rates and future incremental increases will turn that situation around over the next several years. The recommended rate structure starts you in the direction of the rate structure I would eventually recommend. Using the model I prepared for the City, staff can continue that adjustment process over the next few years.

I recommend you make initial rate adjustments as soon as possible, preferably adopting the rates shown in Table 1, and follow up annually with incremental rate and fee increases that equal the percentages shown near the top of Table 3. In several years, after several rounds of inflationary increases, it will then be time to reanalyze and restructure rates again – restart the cycle with a brand new rate analysis and revamped model.

You now should do those things listed in the Action Items sections of this report.

Finally, as you address issues raised in this report and the model, you will have questions. Ask them. My goal is to help you set and keep adequate, fair and appropriately simple or complex rates. That takes time and effort so do not be shy about calling me in the future as issues arise. I'm here to help. If the issue can be addressed on the phone, and most can, there will be no charge for that service. If the issue requires more study I can do that on an hourly basis. Most such issues can be handled in a day or less so in all likelihood, whatever the issue is, it will probably be cheap to resolve.

Review of Current Rate Calculation Model City of Cody, Wyoming

Prepared December 17, 2014

Carl Brown, President
Carl Brown Consulting, LLC

Purpose of This Review

This review gives my assessment of the City's current rate calculation model, simply called the "calculator" later in this review.

Discussion

This review is short. Assessment of the calculator, however, took substantial time. It is complicated. I examined the City's calculator to assess whether or not it works well, is user-friendly and produces "show and tell" tables that make it easier for others to see why rates need to be set in a certain way. I also considered the methodology embedded in the calculator.

Originally, I intended to mimic the calculator and its methods to create an updated model for the City. I figured that by creating a model much like the current one I could minimize rate changes as much as possible while minimizing the learning curve for staff when they started to use a new model later on.

I recognized early on that my learning curve on the calculator would be long and I would end up changing it wholesale anyway. I decided to not use it or refer to it at all as I built my model. I felt it was better for the City that I create a fully functional and user-friendly model from the ground up. I must applaud City staff, however, for being able to use the calculator. I hope they will find my model to be much more satisfying to work with.

The following comments about the calculator are primarily negative. I do not mean them to be derogatory. I do not write them with a mean-spirited intent. Instead, I am trying to state some facts about the calculator which, as it turns out, point to shortcomings that can be improved upon.

As background for these comments, I am always focused on those who must use the results of my analyses and models as the basis for taking action. For that reason I always try to design models so they are informational, educational and as easy for readers to understand as I can reasonably make them.

Some of the individual calculations needed for setting proper rates are complicated. The fact that many calculations are strung together in a big matrix makes the overall model very complicated. But the end result of these calculations – the adoption of a set of rates – is pretty basic. I strive to design models that do the complex calculations, demonstrate the reasonableness of the results pretty simply and make it clear how new rates should be structured.

Thinking broadly and positively first, I think it is likely that the calculator was created to be only a calculating tool and not a results presentation tool. It's clear it was created by someone with deep knowledge and understanding of electric rate calculation but that appears to be their only focus, or at least their primary focus, in the design of this tool. "Reporting out" seems to have been left to the ingenuity of City staff.

Specifically considering the calculator, on the positive side it classifies and allocates costs in a generally reasonable and customary manner. It seems to then correctly calculate revenues that would be produced by rates that are entered, with a possible exception that I note later. And, it shows what those rates need to be in a table called, "Table 1 – Revenue from Cost of Service, Proposed and Existing Rates – WMPA Demand Estimate."

There are several negatives, as well:

- There is nearly no documentation, instructions or comments to tell the user what should be entered where, why, what to expect, etc.
- The calculator does not have a consistent formatting scheme to make it easier for users and readers to understand what they are looking at. This is a seemingly picky consideration but it is important to the end user and especially to decision-makers who need to understand what the calculator says so they can take appropriate actions.
- Graphs are helpful in making it easier to discern relationships and trends from complex data. The calculator includes only two graphs, neither of which actually shows all the data referenced in the keys. One graph shows projected monthly power purchases versus actual power purchases for calendar year 2013. The other shows projected and actual monthly sales for calendar year 2013. There are no graphs or even tables projecting into future years how costs, revenues, reserves or anything else will change. That is critical information for managers and decision-makers to have because all utility managers and decision-makers must look well into the future as they set rates, take other actions and make plans.
- The calculator uses incomes, expenses, etc. of the utility in its calculations, as it must. However, it collects this data by having the user enter or copy it from other sources and pasting it into tables of the calculator. That is functional. But my preference, whenever possible, is to link data into my models from their sources. By doing that, when data in the source file changes the data in the model will also be updated, enabling "on the fly" rate calculation updates.

- Frequently the calculator uses a value or a formula, a design rate for example, in several different places. Rather than link to that value or formula from other "downstream" cells that need to use the same value or formula, the value or formula must be re-entered downstream. This creates opportunities for making errors and at the least, makes the calculator more laborious.
- Similarly, the calculator often uses data copied down columns when that data needs to be the same. That makes doing "what-if" scenarios more difficult because the user must remember to copy new data into several cells. My preference is to create the same data in several cell locations by setting the additional locations as "equal to" the original location. That enables the user to change the data in just one cell. The model will then change equivalent data everywhere else and the results are available immediately. In modeling new rates there are several instances where it is useful to enter a value, check the result, then enter an incrementally higher or lower value, recheck the result and repeat until the desired result is achieved. Having a single data entry cell makes this process go much faster.
- Frequently the calculator does calculations "off to the side" that are integral to rate calculation. These calculations should be integrated into the tables of the calculator.
- The calculator seems to have at least one "loose end." It may have more but I did not look for more. In the "budget allocation" tab, where costs are allocated to several categories, costs were allocated to an "Other" category. When summed this category accounted for just over one million dollars of costs, approaching 10 percent of the systems budget. This cost category is used in other tabs of the calculator but it eventually goes to a dead end cell at the bottom of the budget allocation tab as an amount called, "Capital Allocation." It is not used for rate calculations unless it is used in some other way that I failed to find. I have no idea how this amount will be raised, since it does not appear to be figured into the rates. If this value is actually used for rate setting or collecting revenues in some other way, I also take issue with some of the costs that were classified as "Other" costs. I believe the resulting value from the calculator is erroneous.

The calculator has other shortcomings, in my view, but I will not belabor the issue.

Closing

I think it was wise that the City sought a rate analysis and model for future use. The current calculator seems to have served the City well enough so far but it is time to update rates and the model with which you will calculate them in the future.

Cody, WY Electric Rates Scenario 2014-1

This document contains the calculations that were performed to arrive at new user rates and fees for the next 10 years. These calculations are complex. They were impacted by policy issues, as well. Therefore, key issues are described in a narrative report that accompanies this model.

This analysis was conducted so as to establish user rates that are adequate to pay all reasonably expectable costs while charging rates that are fairly structured and appropriately simple or complex.

Important note: As to timing of rate adjustments, the initial rate adjustment should be made in time to start collecting at the new rates by the date stated near the top of Table 8. Rate adjustments for the next year should be done in time to start collecting at the re-adjusted rates on the first day of the next fiscal year. All subsequent adjustments should be done on the anniversary of this date.

Scenario Description: This analysis model assumes that, with certain exceptions, all customer expenses will be paid equally by all customers, all energy costs will be assessed as an energy charge that is the same for all volumes of energy and all demand costs will be assessed on a peak demand basis to demand-metered customers. After adopting the rates recommended in Table 1, inflationary rate increases will be done annually as shown at the top of Table 3.

For most, the best way to read and understand what this model means is this. Scan the "Index of Tables, Charts and Other Results" to see how the model is laid out. Scan the "Definitions" for any terms you are not already familiar with. Read and even ponder Table 1, Table 2 and the line graph charts. These will show you the recommended rates and how they will affect ratepayers and the system. If you need more detail than that, review the entire model. Finally, rate setting involves much more than just rates so you need to read the accompanying narrative report to understand what you need to do and why.

December 17, 2014

The initial rate analysis scenario created with this model was produced by
Carl E. Brown, Carl Brown Consulting, LLC
1014 Carousel Drive, Jefferson City, Missouri 65101
(573) 619-3411
http://gettinggreatrates.com/
carl@carlbrownconsulting.com

Cody, WY Electric Rates Scenario 2014-1
Index of Tables, Charts and Other Results

Note: When a numbered table or chart is missing from the list below and this model package, that was not a mistake. It simply means that table or chart from our master program was not needed in this situation.

Definitions

Affordability Index	The total annual charges for the average volume of residential service divided by the median annual household income in the area served by the system. It is a way of assessing how cheap or expensive service is.
Capacity Charge, also commonly called an Impact Fee or Availability Charge	A charge that buys a new customer system capacity. This is a charge levied on a new customer that recovers all or part of the capital costs to build capacity to be able to serve that customer's actual or potential demand. This charge may be a few thousand dollars for a residential customer to many thousands of dollars for a large industrial customer.
Capacity (Demand) Cost	Those that are related to the maximum load dedicated to a customer. Generally, capacity costs should be recovered with demand charges.
Capital Improvement Plan or Program (CIP)	A schedule of anticipated capital improvements. These are the more expensive items such as transmission lines and power plants that generally require bond or grant funding. They do not include equipment replacement items.
Capital Improvement Reserves	Cash reserves dedicated to funding the CIP
Comprehensive Rate Analysis	A thorough examination of a system's operating, capital improvement, equipment replacement and all other costs, revenues, current rates, number of users and their use of and demand on the system, growth rates and all other issues surrounding the system. This examination will determine how rates and fees should be set in the future to cash-flow the system properly, to build appropriate reserves and to be fair to the ratepayers. It also will determine how policies should be adjusted to enable the system to operate well now, operate well in the medium-range future (about 10 years) and prepare for expected and expectable events such as capital improvements and equipment replacement.
Connection Fee, Tap Fee or Hook up Fee	A charge that gives a new customer the right to connect to the system. This fee may include the costs of administering the connection program, such as staff time to 'sign up' new customers, get them into the system's billing program, do an inspection of the service connection to assure that it meets the system's standards and the like. When the utility makes the connection this fee will usually also include those costs. This charge is usually modest for a residential customer and maybe thousands of dollars for a large industrial customer.
Conservation (Inclining) Rates	Unit charges that go up as the volume used goes up
Cost to Produce	There are several ways to define cost to produce. Each is acceptable for different purposes. The cost to produce, generally calculated as the average cost to produce, is the total of all variable or commodity costs required to get service to a utility's customers during one year divided by the total units of service delivered during that year.
Cost to Serve Rates	Rates where fixed and variable costs generated by each user class are paid by that class with minimum and unit charges, respectively. In addition, demand costs are recaptured by demand charges assessed based upon the metered or estimated demand exerted by each customer.
Coverage Ratio (CR)	Incomes and reserves available to pay debt divided by the amount of the debt for that year. Most systems should have a CR of 1.25 or higher.
Current Position	For a year, the sum of all incomes and undedicated reserves minus all current financial obligations for that year. Future obligations (next year's loan payments) and depreciation are not included. Current position is a good measure of overall financial health.
Declining Rates	Rates where unit charges go down as the volume used goes up
Demand	A customer's use level when it is at its peak for a certain period of time, measured in kilowatts.
Demand Charge	Fee set to recover all or part of the costs of demand exerted by a customer
Fixed (Customer) Cost	Those costs that are related to the fact that someone is a customer. Generally, fixed costs should be recovered with minimum charges.
Flat Rates	Rates where all users pay exactly the same fee regardless of the volume of service they use. A minimum or customer charge is a form of flat rates.
Incremental Rate Adjustments	Rate increases done, generally annually, following the initial rate adjustment. The goal of these rate increases is to keep the system's income and reserve levels on track. Rate structure fairness is a small issue, if it is an issue at all. Such increases are usually small, in the two to five percent per year range.
Initial Rate Adjustments	Rate adjustments done in follow up to the comprehensive rate analysis. Generally, the goal of such adjustments is to establish rates that put the system's income and reserve levels on track with the system's financial needs and do it with a structure that is fair to the ratepayers.
Infrastructure	Hard assets, such as power plants, poles, lines and transformers needed to provide service to customers connected to the system

Definitions, Continued

Life-cycle Cost	The total cost to design, build, operate, maintain and eventually dispose of an asset. One asset may cost less to build but be more expensive to operate and maintain, yielding a higher life-cycle cost.
Marginal Costs	The part of fixed and/or variable costs that are unavoidable in order to serve one customer or even a class of customers. Generally marginal costs are less than the average costs but when a customer(s) requires a system upsizing, they can be greater. These costs are especially useful when considering selling service at wholesale.
Operating Costs	Definitions vary. For rate setting purposes operating costs are costs incurred because a system is maintained and operated. Such costs are generally recovered through user fees.
Operating Ratio (OR)	Current incomes and undedicated reserves minus current expenses, not including debt. An OR of 1.0 is "break even." Most systems should have an OR of 1.25 or higher.
Operating Revenues	Revenues generated by user fees
Payback Period (for This Analysis)	Time required for the investment made to get this analysis to return that investment through increased user and other fees or other types of income
Power Loss, Power Loss Factor	Electricity is lost between the power plant and its customers in several ways. Losses are greatest for low voltage customers due to transformer losses. Therefore, when a utility serves many customers that take power at different voltage levels, it is common for the utility to assess greater power loss surcharges to the low voltage customers to account for this additional cost. In the rate calculations this loss is expressed as a power loss factor.
Rate Structure Target Year	The one year period that is used as the basis for calculating the appropriate rates structure for future years. This might be the test year, if it was typical, or another year that is judged to be typical.
Replacement Reserves	Cash reserves used to fund the Replacement Schedule
Replacement Schedule	A timetable that describes equipment replacement and important repairs that are too infrequent and/or too expensive to cover as annual operating costs but not so expensive that they need to be covered as capital improvements.
Return on Investment (for this Analysis)	The dollar amount or percentage of revenue gain enabled by this analysis over a specified period of time
Tap Fee	See Connection Fee
Test Year	The one year period from which data was gathered to be the basis of the rate analysis
Usage Allowance	The volume, if any, that is "given away" with the minimum charge. Most systems give away no volume. If a system gave away an unlimited volume the rates would be called "flat rates" because all customers would pay the same amount regardless of how much volume they used.
User Fee, User Charge, User Rates	Customer, energy and demand fees assessed to customers for use of the system. Does not include tap, connection fees, late payment penalties or other types of charges.
Variable (Energy) Cost	Those that are related to the volume of the commodity delivered to customers. Generally, variable costs should be recovered with unit charges.
Working Capital, Net Income	The amount left in the operating fund after paying all costs due during that month, year or other time period. Working capital of $0 is "break even." One dollar less is commonly called operating in the "red."
Working Capital Goal	The desired percentage in excess of "break even" for the operating fund. Small systems (a few hundred connections) generally should target 35 percent or greater. Larger systems can target less, down to a minimum of about 20 percent for systems with 5,000 or more connections but the goal for each system should be based upon the needs of that system.

Cody, WY Electric Rates Scenario 2014-1

Table 1 - Recommended Rates

This table shows the rates calculated by the model that should be adopted initially

	Watts (Avg)	Monthly Customer Charge	Usage Allowance in kWH	Energy Charge per Billable kWH	Demand Charge per Billable kW
Energy Rate Classes					
ELEC RESIDENTIAL USAGE		N.A.	0	$0.083	N.A.
ELEC SMALL COMM USAGE		N.A.	0	$0.083	N.A.
ELEC COMM USAGE		N.A.	0	$0.083	N.A.
ELECTRIC DEMAND USAGE		N.A.	0	$0.041	N.A.
CITY COMM ELEC USAGE		N.A.	0	$0.083	N.A.
CITY ELEC DEMAND USAGE		N.A.	0	$0.041	N.A.
Street Light	55	N.A.	0	$0.083	N.A.
Street Light	63	N.A.	0	$0.083	N.A.
Street Light	70	N.A.	0	$0.083	N.A.
Street Light	77	N.A.	0	$0.083	N.A.
Street Light	85	N.A.	0	$0.083	N.A.
Street Light	100	N.A.	0	$0.083	N.A.
Street Light	150	N.A.	0	$0.083	N.A.
Street Light	175	N.A.	0	$0.083	N.A.
Street Light	200	N.A.	0	$0.083	N.A.
Street Light	250	N.A.	0	$0.083	N.A.
Street Light	400	N.A.	0	$0.083	N.A.
Street Light	1,000	N.A.	0	$0.083	N.A.
Street Light	1,500	N.A.	0	$0.083	N.A.
IRRIGATION <= 25 hp		N.A.	0	$0.083	N.A.
IRRIGATION > 25 hp		N.A.	0	$0.083	N.A.
ELEC DEMAND USAGE SPECIAL		N.A.	0	$0.083	N.A.
Base Rate Classes					
ELEC RESIDENTIAL BASE		$33.27	N.A.	N.A.	N.A.
ELEC SMALL COMM BASE		$33.27	N.A.	N.A.	N.A.
ELEC COMMERCIAL BASE		$33.27	N.A.	N.A.	N.A.
ELEC COMMERCIAL DEMAND		$33.27	N.A.	N.A.	N.A.
CITY ELECTRIC BASE		$33.27	N.A.	N.A.	N.A.
CITY ELEC DEMAND USAGE		$33.27	N.A.	N.A.	N.A.
Street Light	55	$3.03	N.A.	N.A.	N.A.
Street Light	63	$3.03	N.A.	N.A.	N.A.
Street Light	70	$3.03	N.A.	N.A.	N.A.
Street Light	77	$3.03	N.A.	N.A.	N.A.
Street Light	85	$3.03	N.A.	N.A.	N.A.
Street Light	100	$3.03	N.A.	N.A.	N.A.
Street Light	150	$3.03	N.A.	N.A.	N.A.
Street Light	175	$3.03	N.A.	N.A.	N.A.
Street Light	200	$3.03	N.A.	N.A.	N.A.
Street Light	250	$3.03	N.A.	N.A.	N.A.
Street Light	400	$3.03	N.A.	N.A.	N.A.
Street Light	1,000	$3.03	N.A.	N.A.	N.A.
Street Light	1,500	$3.03	N.A.	N.A.	N.A.
IRRIGATION <= 25 hp		$3.03	N.A.	N.A.	N.A.
IRRIGATION > 25 hp		$3.03	N.A.	N.A.	N.A.
ELEC DEMAND USAGE SPECIAL		$33.27	N.A.	N.A.	N.A.
Demand Rate Classes					
ELEC COMMERCIAL DEMAND		N.A.	N.A.	N.A.	$17.80
CITY COMMERCIAL DEMAND		N.A.	N.A.	N.A.	$17.80
ELEC COM DEMAND SPECIAL		N.A.	N.A.	N.A.	$17.80
ELEC DEMAND SPECIAL LABS		N.A.	N.A.	N.A.	$17.80

Chart 1 - Operating Ratio, Year Ending

Cody, WY

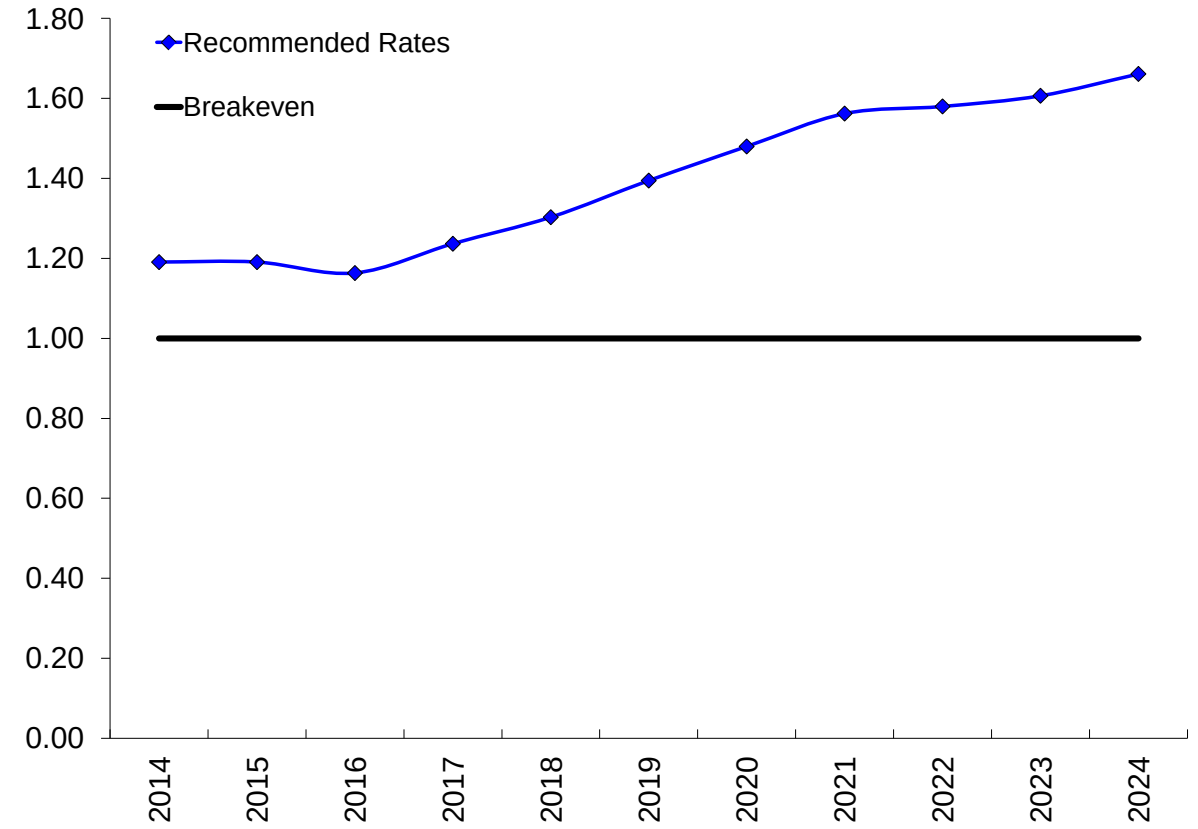


Chart 2 - Coverage Ratio, Year Ending

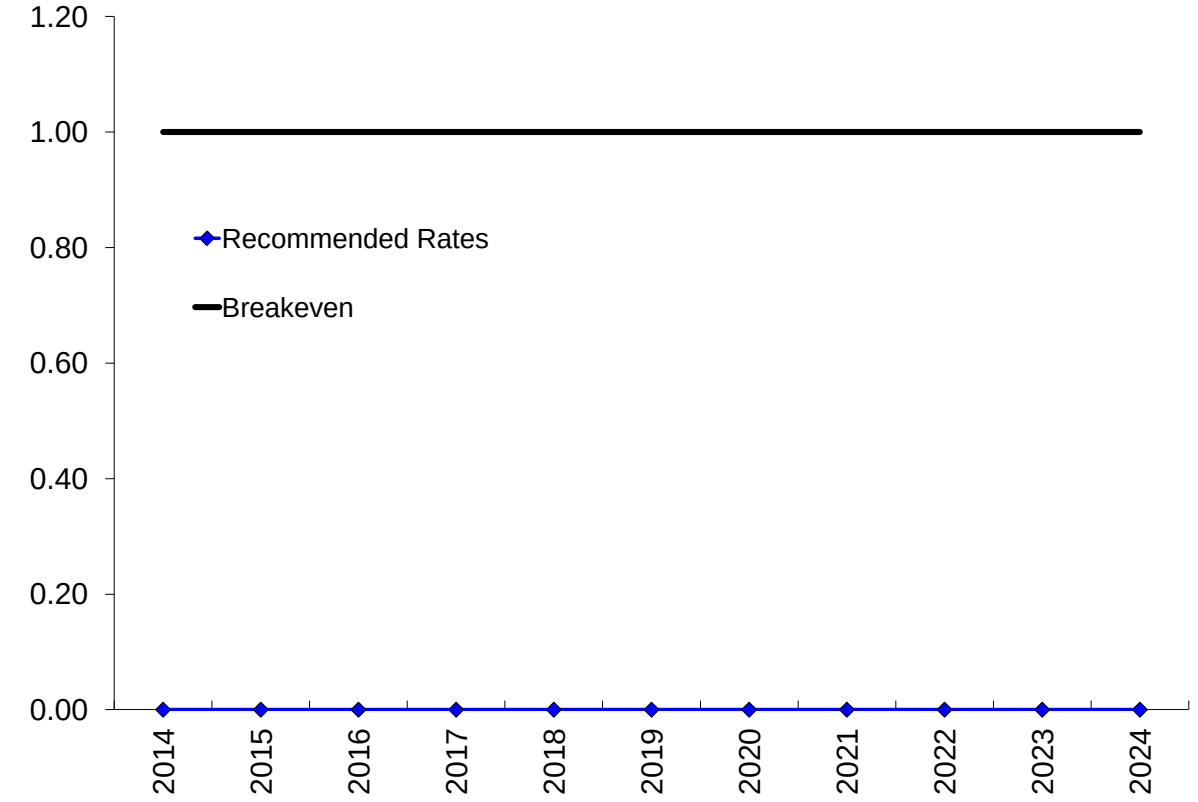


Chart 3 - Average Residential Customer's Bill, Year Ending

Cody, WY

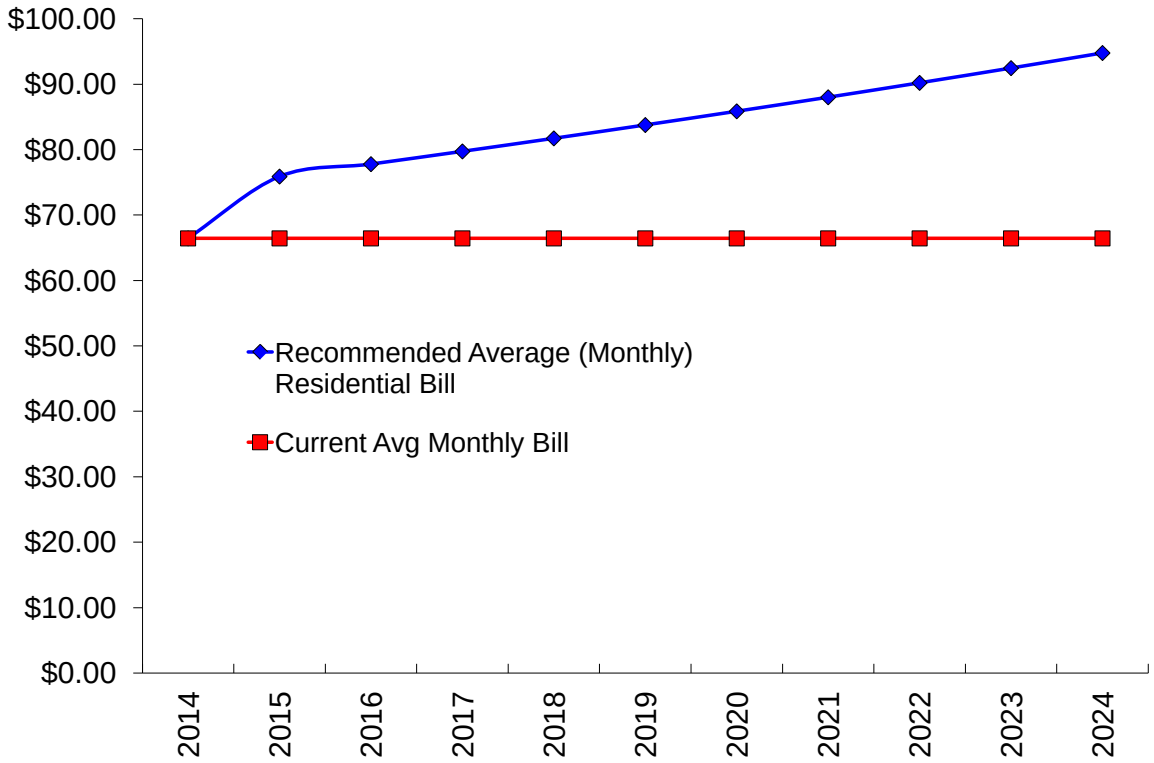


Chart 4 - Affordability Index, Year Ending

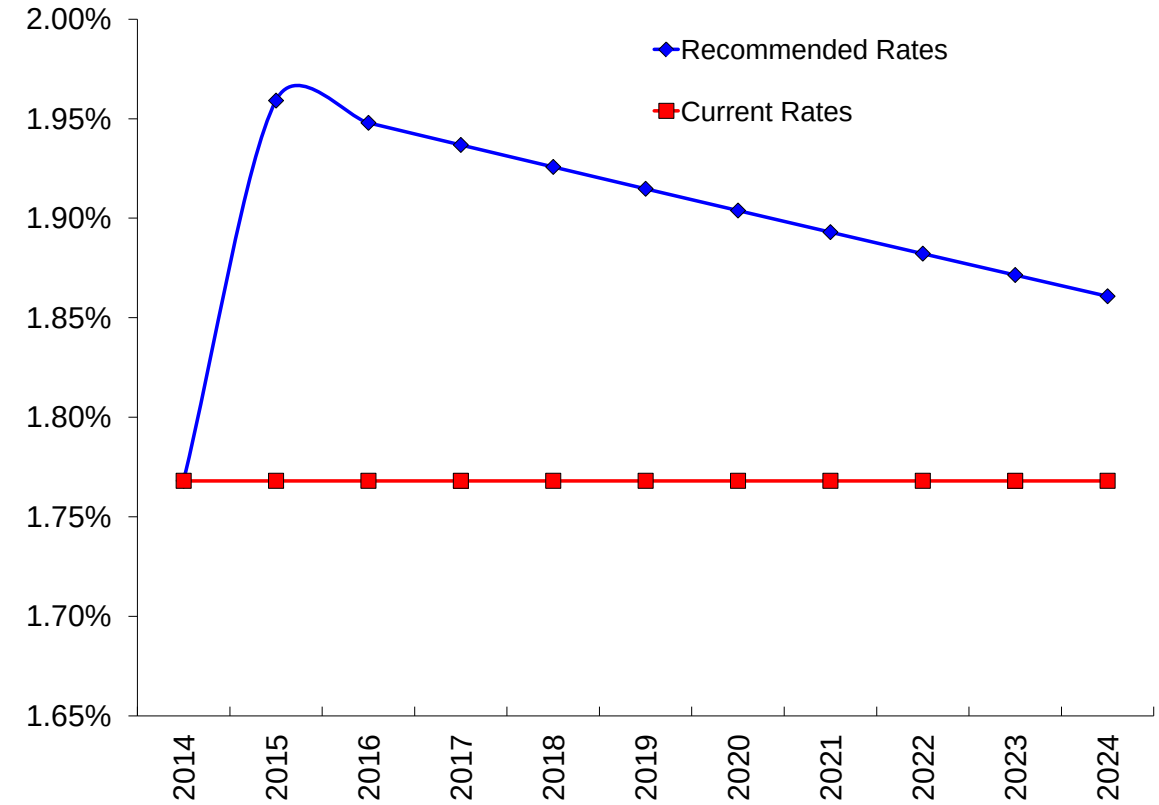


Chart 5 - Working Capital vs Goal, Year Ending

Cody, WY

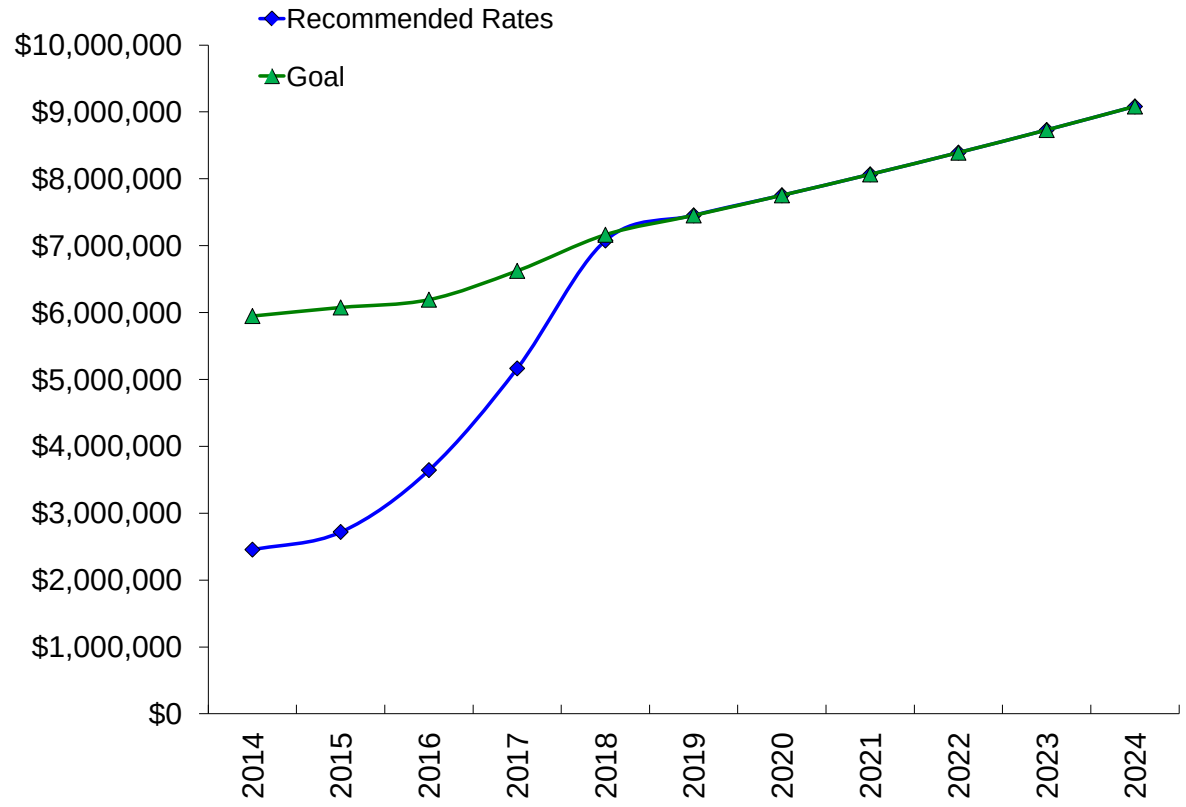


Chart 6 - Incomes at Recom Rates vs. Expenses, Year Ending

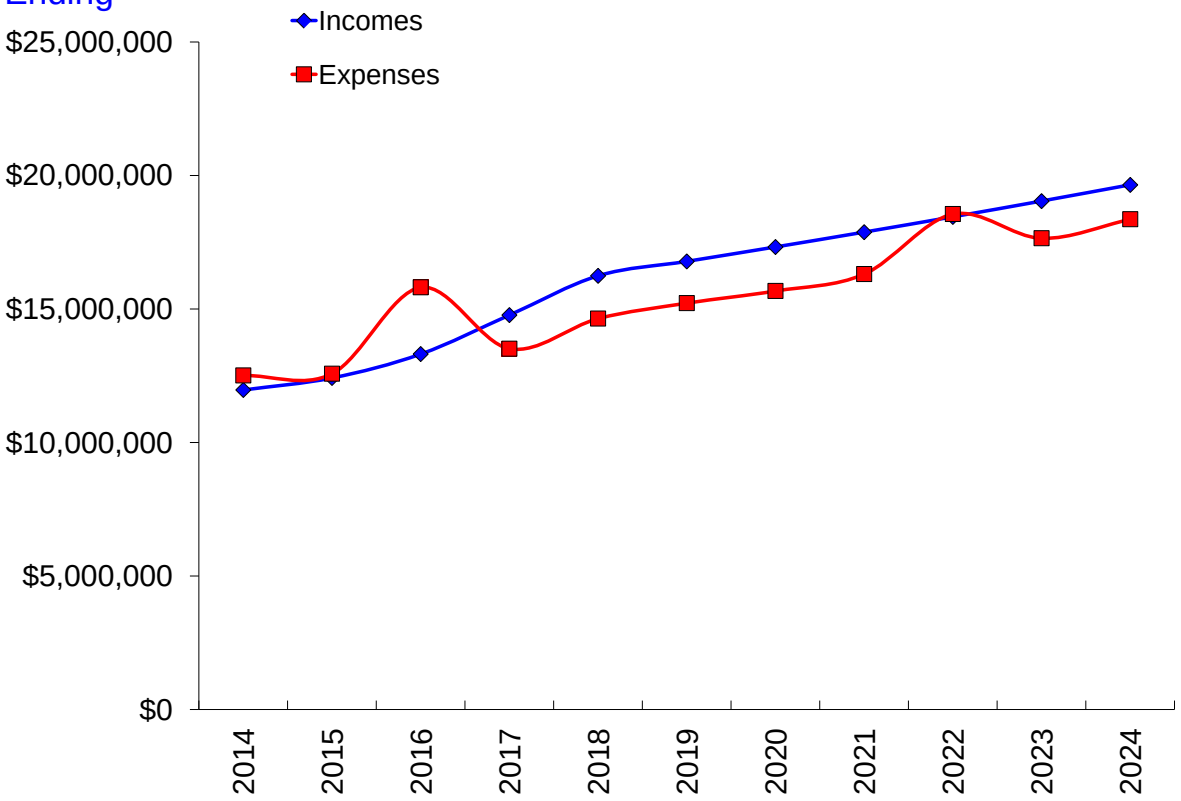
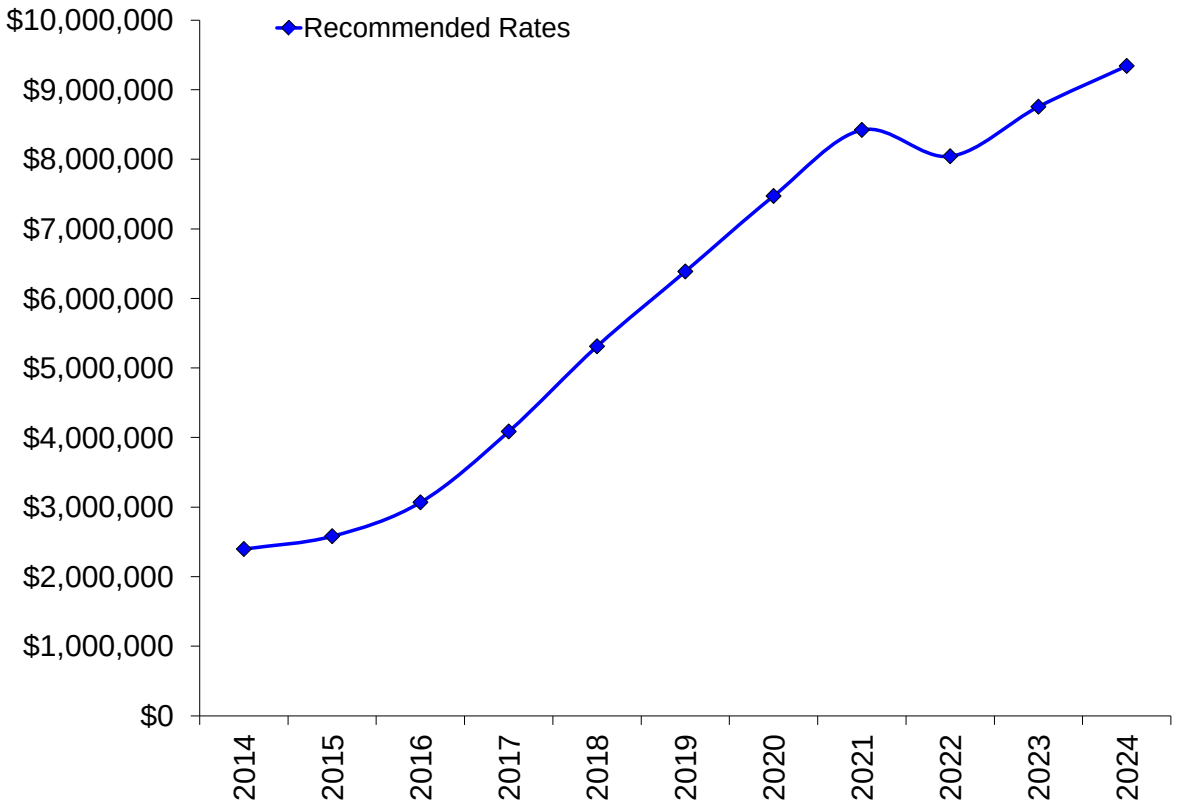


Chart 7 - Value of Cash Assets After Inflation, Year Ending

Cody, WY



Cody, WY Electric Rates Scenario 2014-1

Table 2 - Rate Statistics

CBGreatRates© Power Version 6.5

This table shows measures of equitability of the rates as modeled in Table 8.

Average residential customer uses 514 kWH Monthly

Rate Classes	Watts (Avg)	Number Customers, Adjusted for Growth	% of Customers	Average Monthly Bill at Current Rates	Average Monthly Bill at New Rates	Average Monthly Bill Increase or Decrease (-)	Average Monthly Bill Increase or Decrease (-) in %	Average Billable Use, in kWH, After Usage Allowance Deductions	% of Use	% of Demand	% Revenue at Modeled Rates
Energy Rate Classes											
ELEC RESIDENTIAL USAGE		5,968	80.2%	$50.85	$42.62	-$8.23	-16%	514	30.6%	N.A.	22.7%
ELEC SMALL COMM USAGE		62	0.8%	$18.73	$10.23	-$8.51	-45%	123	0.1%	N.A.	0.1%
ELEC COMM USAGE		887	11.9%	$116.13	$104.73	-$11.40	-10%	1,262	11.2%	N.A.	8.3%
ELECTRIC DEMAND USAGE		278	3.7%	$645.36	$789.73	$144.38	22%	19,037	52.8%	N.A.	19.6%
CITY COMM ELEC USAGE		48	0.7%	$71.63	$64.60	-$7.03	-10%	779	0.4%	N.A.	0.3%
CITY ELEC DEMAND USAGE		17	0.2%	$910.32	$1,113.98	$203.66	22%	26,853	4.6%	N.A.	1.7%
Street Light	55	0	0.0%	$2.56	$1.67	-$0.89	-35%	0	0.2%	N.A.	0.0%
Street Light	63	111	1.5%	$2.93	$1.91	-$1.02	-35%	27	0.0%	N.A.	0.0%
Street Light	70	0	0.0%	$3.26	$2.12	-$1.14	-35%	0	0.0%	N.A.	0.0%
Street Light	77	0	0.0%	$3.58	$2.33	-$1.25	-35%	0	0.0%	N.A.	0.0%
Street Light	85	0	0.0%	$3.95	$2.57	-$1.38	-35%	0	0.0%	N.A.	0.0%
Street Light	100	0	0.0%	$4.65	$3.03	-$1.62	-35%	0	0.0%	N.A.	0.0%
Street Light	150	7	0.1%	$6.98	$4.54	-$2.43	-35%	23	0.0%	N.A.	0.0%
Street Light	175	40	0.5%	$8.14	$5.30	-$2.84	-35%	187	0.1%	N.A.	0.1%
Street Light	200	0	0.0%	$9.30	$6.06	-$3.24	-35%	0	0.0%	N.A.	0.0%
Street Light	250	2	0.0%	$11.63	$7.57	-$4.05	-35%	91	0.0%	N.A.	0.0%
Street Light	400	0	0.0%	$18.60	$12.11	-$6.49	-35%	0	0.0%	N.A.	0.0%
Street Light	1,000	1	0.0%	$46.50	$30.28	-$16.22	-35%	365	0.0%	N.A.	0.0%
Street Light	1,500	0	0.0%	$69.75	$45.43	-$24.33	-35%	0	0.0%	N.A.	0.0%
IRRIGATION <= 25 hp		19	0.3%	$14.03	$17.40	$3.37	24%	210	0.0%	N.A.	0.0%
IRRIGATION > 25 hp		3	0.0%	$14.03	$17.40	$3.37	24%	210	0.0%	N.A.	0.0%
ELEC DEMAND USAGE SPECIAL		0	0.0%	$0.00	$0.00	$0.00	N.A.	0	0.0%	N.A.	0.0%
Totals		7,444	100.0%						100.0%		52.7%

Cody, WY Electric Rates Scenario 2014-1

Table 2 - Rate Statistics, Continued

CBGreatRates© Power Version 6.5

	Watts (Avg)	Number Customers, Adjusted for Growth	% of Customers	Average Monthly Bill at Current Rates	Average Monthly Bill at New Rates	Average Monthly Bill Increase or Decrease (-)	Average Monthly Bill Increase or Decrease (-) in %	Average Billable Use, in kWH, After Usage Allowance Deductions	% of Use	% of Demand	% Revenue at Modeled Rates
Base Rate Classes											
ELEC RESIDENTIAL BASE		6,043	80.2%	$15.58	$33.27	$17.68	113%	N.A.	N.A.	N.A.	17.9%
ELEC SMALL COMM BASE		62	0.8%	$16.71	$33.27	$16.56	99%	N.A.	N.A.	N.A.	0.2%
ELEC COMMERCIAL BASE		895	11.9%	$46.75	$33.27	-$13.48	-29%	N.A.	N.A.	N.A.	2.7%
ELEC COMMERCIAL DEMAND		281	3.7%	$93.50	$33.27	-$60.23	-64%	N.A.	N.A.	N.A.	0.8%
CITY ELECTRIC BASE		49	0.7%	$0.00	$33.27	$33.27	N.A.	N.A.	N.A.	N.A.	0.1%
CITY ELEC DEMAND USAGE		16	0.2%	$0.00	$33.27	$33.27	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	55	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	63	111	1.5%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	70	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	77	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	85	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	100	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	150	7	0.1%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	175	40	0.5%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	200	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	250	2	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	400	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	1,000	1	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
Street Light	1,500	0	0.0%	$0.00	$3.03	$3.03	N.A.	N.A.	N.A.	N.A.	0.0%
IRRIGATION <= 25 hp		19	0.3%	$100.51	$3.03	-$97.48	-97%	N.A.	N.A.	N.A.	0.0%
IRRIGATION > 25 hp		3	0.0%	$167.78	$3.03	-$164.75	-98%	N.A.	N.A.	N.A.	0.0%
ELEC DEMAND USAGE SPECIAL		0	0.0%	$0.00	$33.27	$33.27	N.A.	N.A.	N.A.	N.A.	0.0%
Totals		7,531	100.0%								21.8%
Demand Rate Classes											
ELEC COMMERCIAL DEMAND		260	94.3%	$851.86	$1,023.84	$171.98	20%	N.A.	N.A.	93.3%	23.7%
CITY COMMERCIAL DEMAND		16	5.7%	$1,003.14	$1,205.67	$202.52	20%	N.A.	N.A.	6.7%	1.7%
ELEC COM DEMAND SPECIAL		0	0.0%	$0.00	$0.00	$0.00	N.A.	N.A.	N.A.	0.0%	0.0%
ELEC DEMAND SPECIAL LABS		0	0.0%	$0.00	$0.00	$0.00	N.A.	N.A.	N.A.	0.0%	0.0%
Totals		276	100.0%							100.0%	25.4%

Cody, WY Electric Rates Scenario 2014-1

Table 2 - Rate Statistics, Continued

	Watts (Avg)	Number Customers, Adjusted for Growth	% of Customers	Average Monthly Bill at Current Rates	Average Monthly Bill at New Rates	Average Monthly Bill Increase or Decrease (-)	Average Monthly Bill Increase or Decrease (-) in %	Average Billable Use, in kWH, After Usage Allowance Deductions
Combined Bills by Rate Class								
ELEC RESIDENTIAL USAGE and ELEC RESIDENTIAL BASE				$66.43	$75.88	$9.45	14%	514
ELEC SMALL COMM USAGE and ELEC SMALL COMM BASE				$35.44	$43.49	$8.05	23%	123
ELEC COMM USAGE and ELEC COMMERCIAL BASE				$162.88	$138.00	-$24.88	-15%	1,262
ELECTRIC DEMAND USAGE and ELEC COMMERCIAL DEMAND and ELEC COMMERCIAL DEMAND				$1,590.72	$1,846.84	$84.15	16%	19,037
CITY COMM ELEC USAGE and CITY ELECTRIC BASE				$71.63	$97.86	$26.24	37%	779
CITY ELEC DEMAND USAGE and CITY ELEC DEMAND USAGE and CITY COMMERCIAL DEMAND				$1,913.46	$2,352.91	$236.92	23%	26,853
Street Light	55			$2.56	$4.70	$2.14	84%	0
Street Light	63			$2.93	$4.94	$2.01	69%	27
Street Light	70			$3.26	$5.15	$1.90	58%	0
Street Light	77			$3.58	$5.37	$1.78	50%	0
Street Light	85			$3.95	$5.61	$1.66	42%	0
Street Light	100			$4.65	$6.06	$1.41	30%	0
Street Light	150			$6.98	$7.58	$0.60	9%	23
Street Light	175			$8.14	$8.33	$0.20	2%	187
Street Light	200			$9.30	$9.09	-$0.21	-2%	0
Street Light	250			$11.63	$10.60	-$1.02	-9%	91
Street Light	400			$18.60	$15.15	-$3.45	-19%	0
Street Light	1,000			$46.50	$33.32	-$13.18	-28%	365
Street Light	1,500			$69.75	$48.46	-$21.29	-31%	0
IRRIGATION <= 25 hp				$114.54	$20.43	-$94.11	-82%	210
IRRIGATION > 25 hp				$181.81	$20.43	-$161.38	-89%	210
ELEC DEMAND USAGE SPECIAL and ELEC COM DEMAND SPECIAL				$0.00	$33.27	$33.27	N.A.	0

Cody, WY Electric Rates Scenario 2014-1

CBGreatRates© Power Version 6.5

Table 3 - Customer Count, Growth and Operating Incomes

This table depicts system incomes during the test year and for the next 10 years at the modeled rates.

(First year incomes are actual, subsequent years are projected.)	Infla./De-flation (–) Factor	Test Year Year Starting 7/1/13	This Year Year Starting 7/1/14	2nd Year Year Starting 7/1/15	3rd Year Year Starting 7/1/16	4th Year Year Starting 7/1/17	5th Year Year Starting 7/1/18	6th Year Year Starting 7/1/19	7th Year Year Starting 7/1/20	8th Year Year Starting 7/1/21	9th Year Year Starting 7/1/22	10th Year Year Starting 7/1/23
Customer Count												
Average Customers for the Year	N.A.	7382	7444	7506	7568	7630	7692	7754	7816	7878	7940	8002
Customers Added/Lost During the Year	N.A.	62	62	62	62	62	62	62	62	62	62	62
Customer Growth or Loss Rate	N.A.	0.84%	0.84%	0.83%	0.83%	0.81%	0.81%	0.80%	0.79%	0.79%	0.78%	0.77%
Weighted-average Rate Increases Started During This & Future Years	N.A.	N.A.	11.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

The gray highlighted line above shows the rate revenue increase for "This Year" (heading highlighted blue). However, for "This Year," each customer's bill will go up or down based upon how the new rates apply to their actual use and demand. In future years it is assumed that all rates and fees will go up, either by a simple inflationary factor shown on this line or restructured rates that produce this level of income increases.

In the "This Year" column above (heading highlighted blue), revenues will be collected at the now-current rates for the first part of the year. Then, starting on the date near the top of Table 8, revenues will be collected at the modeled rates for the last part of the year. Thus, the revenues shown in this column of the table are "blended" revenues; part collected at the old rates and part collected at the new rates. It was then assumed that all rate adjustments made after the initial (major) adjustment will be done annually on the anniversary of when they were initially adjusted. However, because these "out year" rate increases will be small, the revenue effects of their timing is less critical than the initial rate adjustments.

Operating Incomes

55-200-4630 CHARGES FOR UTILITY SERVICES	N.A.	$11,777,556	$12,263,160	$13,235,474	$13,678,419	$14,134,307	$14,604,440	$15,089,245	$15,589,164	$16,104,647	$16,636,161	$17,184,186
Penalties	N.A.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-500-4529 HOOK UP FEES	% Above	$33,602	$22,371	$22,930	$23,503	$24,091	$24,693	$25,310	$25,943	$26,592	$27,256	$27,938
55-200-4745 INTEREST REVENUE	N.A.	$37,856	$24,554	$27,193	$36,441	$51,653	$70,769	$74,528	$77,533	$80,659	$83,912	$87,296
55-200-4630 MISCELLANEOUS REVENUE	N.A.	$13,197	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800	$7,800
55-200-4760 SALE OF ASSETS	N.A.	$3,162	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
55-500-4540 SUBDIVISION DEVELOPMENT FEES	N.A.	$19,887	$81,777	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
55-500-4545 SERVICE EXTENSION FEES	N.A.	$59,680	$10,000	$10,000	$10,000	$10,000	$10,000	$10,080	$10,160	$10,240	$10,320	$10,400
55-500-4546 POLE ATTACHMENT FEES	N.A.	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352
55-500-4744 DAMAGE CLAIM REIMBURSEMENTS	N.A.	$9,612	$0	$0	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352	$12,352
55-500-6506 WEST STRIP ELEC LINES REIMB	N.A.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cody Labs, Phase 2	N.A.	$0	$0	$0	$982,451	$1,981,185	$2,030,715	$2,081,483	$2,133,520	$2,186,858	$2,241,529	$2,297,567
Revenue Loss Due to Late Rate Adjustment	N.A.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Revenue Loss Due to Conservation	2.0%	$0	-$9,712	-$19,446	-$8,859	-$9,118	-$9,403	-$9,696	-$9,998	-$10,310	-$10,630	-$10,960
Total Regular Income		$11,966,904	$12,417,301	$13,311,302	$14,769,459	$16,239,622	$16,778,718	$17,318,454	$17,873,825	$18,446,190	$19,036,052	$19,643,930

Cody, WY Electric Rates Scenario 2014-1

Table 4 - Operating Costs

This table depicts expenses during the test year, this year and for the next 10 years.

(First year costs and net incomes are actual, subsequent years are projected.)

	Infla./De-flation (–) Factor	Test Year Year Starting 7/1/13	This Year Year Starting 7/1/14	2nd Year Year Starting 7/1/15	3rd Year Year Starting 7/1/16	4th Year Year Starting 7/1/17	5th Year Year Starting 7/1/18	6th Year Year Starting 7/1/19	7th Year Year Starting 7/1/20	8th Year Year Starting 7/1/21	9th Year Year Starting 7/1/22	10th Year Year Starting 7/1/23
(Note: Some future costs will experience inflation. Those costs that go up as use goes up are also increased by the growth rate in users and the percentage by which that cost is variable as reported in Chart 4.)												
55-560-5110 SALARIES - REGULAR	4.0%	$619,143	$634,504	$647,194	$660,138	$686,543	$719,760	$754,536	$790,942	$829,053	$868,948	$910,708
55-560-5112 SALARIES - TEMPORARY / SEASONAL	4.0%	$4,027	$8,025	$3,600	$3,600	$3,744	$3,894	$4,050	$4,211	$4,380	$4,555	$4,737
55-560-5113 SALARIES - OVERTIME	4.0%	$11,354	$15,000	$15,000	$15,000	$15,600	$16,224	$16,873	$17,548	$18,250	$18,980	$19,739
55-560-5130 FICA EXPENSE	4.0%	$46,632	$50,301	$51,307	$52,333	$54,426	$56,603	$58,868	$61,222	$63,671	$66,218	$68,867
55-560-5131 HEALTH INSURANCE EXPENSE	4.0%	$135,853	$160,257	$163,462	$166,732	$173,401	$180,337	$187,550	$195,052	$202,854	$210,969	$219,407
55-560-5132 RETIREMENT CONTRIBUTIONS	4.0%	$65,592	$74,303	$75,789	$77,305	$80,397	$83,613	$86,958	$90,436	$94,053	$97,816	$101,728
55-560-5134 WORKERS COMPENSATION	4.0%	$13,262	$12,033	$12,273	$12,519	$13,020	$13,540	$14,082	$14,645	$15,231	$15,840	$16,474
55-560-5137 LONG TERM DISABILITY INS	4.0%	$3,983	$4,271	$4,356	$4,443	$4,621	$4,806	$4,998	$5,198	$5,406	$5,622	$5,847
55-560-5140 EDUCATION & TRAINING	4.0%	$1,842	$3,325	$2,650	$2,650	$2,756	$2,866	$2,981	$3,100	$3,224	$3,353	$3,487
55-560-5142 SUBSTANCE TESTING	4.0%	$491	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
55-560-5160 TRAVEL & MEETINGS EXPENSE	4.0%	$1,476	$2,320	$2,436	$2,558	$2,660	$2,767	$2,877	$2,992	$3,112	$3,236	$3,366
55-560-5170 UNIFORMS	4.0%	$7,339	$10,610	$11,141	$11,698	$12,165	$12,652	$13,158	$13,684	$14,232	$14,801	$15,393
55-560-5210 DIESEL FUEL	4.0%	$13,765	$12,875	$13,133	$13,395	$13,931	$14,488	$15,068	$15,670	$16,297	$16,949	$17,627
55-560-5211 GASOLINE	4.0%	$13,124	$12,000	$12,240	$12,485	$12,984	$13,504	$14,044	$14,605	$15,190	$15,797	$16,429
55-560-5213 TOOLS	4.0%	$16,815	$5,130	$10,000	$10,000	$10,400	$10,816	$11,249	$11,699	$12,167	$12,653	$13,159
55-560-5220 CLAIMS AGAINST THE CITY	4.0%	$884	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5230 CABLE	4.0%	$17,909	$19,050	$20,003	$21,003	$21,843	$22,716	$23,625	$24,570	$25,553	$26,575	$27,638
55-560-5234 MATERIALS & SUPPLIES	4.0%	$8,878	$9,601	$10,081	$10,585	$11,009	$11,449	$11,907	$12,383	$12,879	$13,394	$13,930
55-560-5236 SAFETY SUPPLIES & EQUIPMENT	4.0%	$13,028	$11,810	$12,401	$13,021	$13,541	$14,083	$14,646	$15,232	$15,841	$16,475	$17,134
55-560-5240 MAINTENANCE & REPAIRS - BUILDINGS	4.0%	$1,594	$300	$315	$331	$344	$358	$372	$387	$402	$419	$435
55-560-5241 MAINTENANCE & REPAIRS - EQUIPMENT	4.0%	$5,369	$12,518	$7,500	$7,875	$8,190	$8,518	$8,858	$9,213	$9,581	$9,964	$10,363
55-560-5243 MAINTENANCE & REPAIRS - SYSTEMS	4.0%	$23,793	$15,000	$15,000	$15,000	$15,600	$16,224	$16,873	$17,548	$18,250	$18,980	$19,739
55-560-5249 ALLOCATED FLEET MAINTENANCE	4.0%	$39,871	$19,900	$19,900	$19,900	$20,696	$21,523	$22,384	$23,280	$24,211	$25,179	$26,186
55-560-5260 MAINTENANCE & REPAIRS - SUBSTATIONS	4.0%	$3,142	$43,530	$20,000	$3,500	$3,640	$3,786	$3,937	$4,095	$4,258	$4,429	$4,606
55-560-5261 MAINTENANCE & REPAIRS - METERS	4.0%	$2,523	$3,000	$3,150	$3,308	$3,440	$3,577	$3,720	$3,869	$4,024	$4,185	$4,352
55-560-5262 MAINTENANCE & REPAIRS-SERVICE DROPS	4.0%	$3,988	$6,000	$6,300	$6,615	$6,880	$7,155	$7,441	$7,739	$8,048	$8,370	$8,705
55-560-5263 MAINTENANCE & REPAIRS - STREET LIGHTS	4.0%	$3,523	$5,000	$5,250	$5,513	$5,733	$5,962	$6,201	$6,449	$6,707	$6,975	$7,254
55-560-5310 BAD DEBT EXPENSE	4.0%	$3,020	$3,000	$3,000	$3,000	$3,120	$3,245	$3,375	$3,510	$3,650	$3,796	$3,948
55-560-5311 BANKING FEES	4.0%	$0	$6,035	$6,035	$6,035	$6,277	$6,528	$6,789	$7,060	$7,343	$7,637	$7,942
55-560-5313 TAXES	4.0%	$83,686	$66,637	$66,637	$66,637	$69,302	$72,075	$74,958	$77,956	$81,074	$84,317	$87,690
55-560-5314 UTILITIES	4.0%	$19,597	$15,804	$15,962	$16,122	$16,767	$17,437	$18,135	$18,860	$19,615	$20,399	$21,215
55-560-5315 UTILITIES - STREET LIGHTS	4.0%	$48,045	$52,365	$52,889	$53,418	$55,554	$57,776	$60,087	$62,491	$64,991	$67,590	$70,294
55-560-5317 FRANCHISE FEES	4.0%	$588,878	$606,579	$602,100	$607,100	$631,384	$656,639	$682,905	$710,221	$738,630	$768,175	$798,902
55-560-5323 COMPUTER SUPPORT SERVICES	4.0%	$945	$2,097	$3,302	$3,467	$3,606	$3,750	$3,900	$4,056	$4,218	$4,387	$4,562
55-560-5326 CONTRACTUAL SERVICES	4.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5327 DUES & SUBSCRIPTIONS	4.0%	$3,552	$4,165	$4,248	$4,333	$4,507	$4,687	$4,874	$5,069	$5,272	$5,483	$5,702
55-560-5333 PROFESSIONAL FEES & SERVICES	4.0%	$7,051	$36,692	$20,000	$20,000	$20,969	$21,984	$23,046	$24,158	$25,322	$26,540	$27,816

	Infla./De-flation (–) Factor	Test Year Year Starting 7/1/13	This Year Year Starting 7/1/14	2nd Year Year Starting 7/1/15	3rd Year Year Starting 7/1/16	4th Year Year Starting 7/1/17	5th Year Year Starting 7/1/18	6th Year Year Starting 7/1/19	7th Year Year Starting 7/1/20	8th Year Year Starting 7/1/21	9th Year Year Starting 7/1/22	10th Year Year Starting 7/1/23
55-560-5337 RIGHT OF WAY CLEARING	4.0%	$1,875	$6,500	$6,500	$6,500	$6,760	$7,030	$7,312	$7,604	$7,908	$8,225	$8,554
UTILITY PURCHASES FOR RESALE - Energy	4.0%	$3,127,080	$3,143,540	$3,237,846	$3,332,152	$3,465,438	$3,604,056	$3,748,218	$3,898,147	$4,054,072	$4,216,235	$4,384,885
UTILITY PURCHASES FOR RESALE - Demand	4.0%	$5,876,818	$5,907,750	$6,084,983	$6,262,215	$6,512,704	$6,773,212	$7,044,141	$7,325,906	$7,618,942	$7,923,700	$8,240,648
55-560-5355 INVENTORY PURCHASES PHASE 1	4.0%	-$101,682	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5356 INVENTORY PURCHASES PHASE 2	4.0%	-$53,901	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5360 LEASES & RENTALS - EQUIPMENT	4.0%	$0	$6,000	$6,000	$6,000	$6,240	$6,490	$6,749	$7,019	$7,300	$7,592	$7,896
55-560-5420 IMPROVEMENTS OTHER THAN BUILDING	4.0%	$1,072	$2,500	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5425 FURNITURE & FIXTURES	4.0%	$3,443	$2,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5430 COMPUTER EQUIPMENT & SOFTWARE	4.0%	$0	$275	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5435 MACHINERY & EQUIPMENT	4.0%	$669	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5440 METERS	4.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5455 TRANSFORMERS	4.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5456 NEW STREET LIGHTS	4.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5465 SYSTEMS UPGRADE & EXPANSION	4.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5547 NORTH CODY 2AB PROJECT	4.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5551 BLACKBURN PUD PROJECT	4.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-7506 Hampton Inn Project (Cancelled)	4.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5610 LOAN REPAYMENTS	0.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5611 INTEREST EXPENSE	0.0%	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
55-560-5770 BAD DEBT WRITE OFFS	4.0%	$8,289	$6,321	$6,300	$6,300	$6,552	$6,814	$7,087	$7,370	$7,665	$7,972	$8,290
55-560-5780 VEHICLE REPLACEMENT ALLOCATION	4.0%	$149,959	$56,203	$45,268	$45,268	$47,079	$48,962	$50,921	$52,958	$55,076	$57,279	$59,570
55-560-5785 DEPRECIATION EXPENSE	4.0%	$429,141	$429,188	$431,567	$434,694	$452,082	$470,165	$488,972	$508,531	$528,872	$550,027	$572,028
55-560-5790 TRANSFERS OUT	4.0%	$578,675	$606,212	$606,212	$606,212	$630,460	$655,679	$681,906	$709,182	$737,549	$767,051	$797,733
55-560-5842 GRANTS - ARRA ENERGY EFFICIENT	4.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
UTILITY PURCHASES FOR RESALE - Energy for Cody Labs, Phase 2 (See Table 13)	4.0%	$0	$0	$0	$564,184	$1,137,720	$1,183,229	$1,230,558	$1,279,780	$1,330,971	$1,384,210	$1,439,579
Other Cost Increases Due to Cody Labs, Phase 2 (See Table 14)	4.0%	$0	$0	$0	$9,600	$9,984	$10,383	$10,799	$11,231	$11,680	$12,147	$12,633
Total Operating Costs		$11,896,866	$12,153,347	$12,386,515	$13,248,294	$14,327,986	$14,905,645	$15,506,633	$16,131,893	$16,782,404	$17,459,189	$18,163,307
Net Income (or Loss)		$70,038	$263,954	$924,787	$1,521,165	$1,911,635	$1,873,073	$1,811,822	$1,741,932	$1,663,785	$1,576,863	$1,480,623
Working Capital Goal: 50%	In Dollars, That is:	$5,948,433	$6,076,673	$6,193,258	$6,624,147	$7,163,993	$7,452,822	$7,753,316	$8,065,946	$8,391,202	$8,729,594	$9,081,654

Cody, WY Electric Rates Scenario 2014-1

Table 5 - Capital Improvement Program

This table depicts capital improvements and their funding. Costs reflect inflation.

CBGreatRates© Power Version 6.5

CIP Spending Plan	Year Starting	This Year Year Starting	Next Year Year Starting	3rd Year Year Starting	4th Year Year Starting	5th Year Year Starting	6th Year Year Starting	7th Year Year Starting	8th Year Year Starting	9th Year Year Starting	10th Year Year Starting
	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21	7/1/22	7/1/23
Capital Improvements to be Paid With Debt											
None	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Capital Improvements to be Paid With Debt	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Improvements to be Paid With Cash											
55-560-5904 Grants - SLIB Olive Glenn Sub Phase 1	$171,281	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-7503 Grants - SLIB Olive Glenn Sub Phase 2	$292,433	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-7505 River's Bend Takeover	$25,517	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-7506 Hampton Inn Project (Cancelled)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-7504 Beacon Hill Tie Line (4 phases)	$6,466	$70,530	$73,351	$76,285	$0	$0	$0	$0	$0	$0	$0
55-560-7512 Trailhead 6 Subdivision	$0	$85,560	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-7513 Skyline Subdivision Cable Replacement - Livingston School to 10th	$0	$130,100	$123,708	$0	$0	$0	$0	$0	$0	$0	$0
Stock Addition Cable Replacement	$0	$0	$0	$92,841	$0	$0	$0	$0	$0	$0	$0
Conifer Subdivision Cable Replacement	$0	$0	$0	$0	$68,228	$0	$0	$0	$0	$0	$0
E. Sheridan Back Feed Line	$0	$0	$0	$0	$89,302	$0	$0	$0	$0	$0	$0
Country Estates Cable Replacement	$0	$0	$0	$0	$0	$80,616	$0	$0	$0	$0	$0
Addix Addition Cable Replacement	$0	$0	$0	$0	$0	$71,053	$0	$0	$0	$0	$0
Canyon Meadows Cable Replacement	$0	$0	$0	$0	$0	$0	$0	$0	$701,892	$0	$0
Valley View URD & Conversion	$0	$0	$0	$0	$0	$0	$0	$0	$834,370	$0	$0
Green Acres Cable Replacement	$0	$0	$0	$0	$0	$0	$0	$0	$54,020	$0	$0
Cody Labs, Phase 2	$0	$0	$3,120,000	$0	$0	$0	$0	$0	$0	$0	$0
55-560-7605 Birddog Plus Analyzer Upgrade	$7,086	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-7801 Autodesk Utility Design Software	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5440 METERS	$32,643	$34,060	$35,422	$36,839	$38,313	$39,845	$41,439	$43,097	$44,821	$46,613	$48,478
55-560-5455 TRANSFORMERS	$23,309	$29,100	$30,264	$31,475	$32,734	$34,043	$35,405	$36,821	$38,294	$39,825	$41,418
55-560-5456 NEW STREET LIGHTS	$6,648	$20,950	$21,788	$22,660	$23,566	$24,509	$25,489	$26,508	$27,569	$28,672	$29,818
55-560-5465 SYSTEMS UPGRADE & EXPANSION	$49,098	$53,165	$20,191	$4,732	$4,921	$5,118	$5,323	$5,536	$5,757	$5,987	$6,227
55-560-5547 NORTH CODY 2AB PROJECT	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5551 BLACKBURN PUD PROJECT	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Unanticipated and Unspecified CIP Needs	$0	$0	$0	$0	$56,243	$58,493	$60,833	$63,266	$65,797	$68,428	$71,166
Total Cap Improvements to be Paid With Cash	$614,482	$423,465	$3,424,724	$264,832	$313,306	$313,677	$168,488	$175,228	$1,772,519	$189,526	$197,107
Total CIP Planned Spending	$614,482	$423,465	$3,424,724	$264,832	$313,306	$313,677	$168,488	$175,228	$1,772,519	$189,526	$197,107
CIP Funding Plan											
CIP Reserves Carryover Plus Transfers in	$0	-$57,638	-$137,045	-$447,251	-$729,973	$424,667	$1,579,419	$2,841,595	$4,033,143	$3,552,987	$4,538,314
CIP Reserves Interest Earned (or Paid)	$0	-$2,306	-$5,482	-$17,890	-$29,199	-$42,899	$1,362	$28,246	$53,892	$46,290	$68,195
55-500-4904 Grants-SLIB Olive Glenn Sub Phase 1	$133,776	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-500-6503 Grants-SLIB Olive Glenn Sub Phase 2	$144,646	$105,812	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-500-4719 Trailhead 6 Subdivision Reimb	$0	$67,370	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cody Labs, Phase 2 Contribution	$0	$0	$3,120,000	$0	$0	$0	$0	$0	$0	$0	$0
Grants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total CIP Fund Sources	$278,422	$113,238	$2,977,473	-$465,141	-$759,172	$381,768	$1,580,781	$2,869,841	$4,087,035	$3,599,277	$4,606,509
CIP Debt Payment Plan	Payments for future loans assume 100 percent financing for projects, term of:					20	years and	4.00%	interest		
55-560-5610 LOAN REPAYMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
55-560-5611 INTEREST EXPENSE	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CIP Spending Plus Debt Payments	$614,482	$423,465	$3,424,724	$264,832	$313,306	$313,677	$168,488	$175,228	$1,772,519	$189,526	$197,107
CIP Spending Net of Grants and Similar Sources	$336,060	$250,283	$3,424,724	$264,832	$313,306	$313,677	$168,488	$175,228	$1,772,519	$189,526	$197,107
CIP Reserves Balance	-$57,638	-$137,045	-$447,251	-$729,973	-$1,072,478	$68,091	$1,412,293	$2,694,613	$2,314,516	$3,409,751	$4,409,402

Notes: Cody Labs, a large manufacturing plant, has proposed to expand in Cody, requiring substantial upgrade to the electric system. That company would pay the costs for all upgrades associated with it so such costs would not permanently be bourne by the City. All other improvements, with only a few noted exceptions, would be paid from system reserves.

Cody, WY Electric Rates Scenario 2014-1

CBGreatRates© Power Version 6.5

Table 8 - Initial Rate Adjustments and Resulting Revenues

Rate revenues shown here are for the one year period 7/1/14 through 6/30/15

Collection at new rates will commence on 3/1/15

This table depicts sales to be billed the year after the test year, including subtotals for sales at the current rates prior to expected adjustments, adjusted (new) rates and the blended grand total of all sales for the year.

		Sales at Current Rates			Rates and Sales at New Rates, Which Will be Assessed Monthly									
Rate Classes	Watts (Avg)	Number Customers, Adjusted for Growth	Average Monthly Bill at Current Rates	Sales	Monthly Customer Charge	Average Use in kWH Before Allowance Deduction	Usage Allowance in kWH	Average Billable Use, in kWH, After Usage Allowance Deductions	Energy Charge per Billable kWH	Average Demand, in kW	Demand Charge per Billable kW	Average Bill at New Rates	Sales	Grand Total Blended Sales This Year (see Note below)
Energy Rate Classes														
ELEC RESIDENTIAL USAGE		5,968	$50.85	$2,424,353	N.A.	514	0	514	$0.083	N.A.	N.A.	$42.62	$1,020,059	$3,444,412
ELEC SMALL COMM USAGE		62	$18.73	$9,206	N.A.	123	0	123	$0.083	N.A.	N.A.	$10.23	$2,523	$11,729
ELEC COMM USAGE		887	$116.13	$823,324	N.A.	1,262	0	1,262	$0.083	N.A.	N.A.	$104.73	$372,776	$1,196,100
ELECTRIC DEMAND USAGE		278	$645.36	$1,434,945	N.A.	19,037	0	19,037	$0.041	N.A.	N.A.	$789.73	$881,598	$2,316,543
CITY COMM ELEC USAGE		48	$71.63	$27,698	N.A.	779	0	779	$0.083	N.A.	N.A.	$64.60	$12,541	$40,239
CITY ELEC DEMAND USAGE		17	$910.32	$124,672	N.A.	26,853	0	26,853	$0.041	N.A.	N.A.	$1,113.98	$76,596	$201,268
Street Light	55	0	$2.56	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Street Light	63	111	$2.93	$2,596	N.A.	27	0	27	$0.083	N.A.	N.A.	$2.20	$980	$3,576
Street Light	70	0	$3.26	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Street Light	77	0	$3.58	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Street Light	85	0	$3.95	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Street Light	100	0	$4.65	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Street Light	150	7	$6.98	$393	N.A.	23	0	23	$0.083	N.A.	N.A.	$1.95	$55	$448
Street Light	175	40	$8.14	$2,622	N.A.	187	0	187	$0.083	N.A.	N.A.	$15.50	$2,508	$5,130
Street Light	200	0	$9.30	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Street Light	250	2	$11.63	$187	N.A.	91	0	91	$0.083	N.A.	N.A.	$7.57	$61	$249
Street Light	400	0	$18.60	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Street Light	1,000	1	$46.50	$375	N.A.	365	0	365	$0.083	N.A.	N.A.	$30.28	$122	$497
Street Light	1,500	0	$69.75	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
IRRIGATION <= 25 hp		19	$14.03	$2,148	N.A.	210	0	210	$0.083	N.A.	N.A.	$17.40	$1,337	$3,485
IRRIGATION > 25 hp		3	$14.03	$339	N.A.	210	0	210	$0.083	N.A.	N.A.	$17.40	$211	$550
ELEC DEMAND USAGE SPECIAL		0	$0.00	$0	N.A.	0	0	0	$0.083	N.A.	N.A.	$0.00	$0	$0
Totals		7,444		$4,852,859									$2,371,367	$7,224,227
Base Rate Classes														
ELEC RESIDENTIAL BASE		6,043	$15.58	$752,354	$33.27	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$33.27	$806,384	$1,558,738
ELEC SMALL COMM BASE		62	$16.71	$8,212	$33.27	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$33.27	$8,208	$16,420
ELEC COMMERCIAL BASE		895	$46.75	$334,443	$33.27	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$33.27	$119,484	$453,927
ELEC COMMERCIAL DEMAND		281	$93.50	$210,156	$33.27	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$33.27	$37,541	$247,697
CITY ELECTRIC BASE		49	$0.00	$0	$33.27	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$33.27	$6,593	$6,593
CITY ELEC DEMAND USAGE		16	$0.00	$0	$33.27	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$33.27	$2,153	$2,153
Street Light	55	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
Street Light	63	111	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$1,350	$1,350
Street Light	70	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
Street Light	77	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
Street Light	85	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
Street Light	100	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
Street Light	150	7	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$86	$86
Street Light	175	40	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$491	$491
Street Light	200	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
Street Light	250	2	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$25	$25
Street Light	400	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
Street Light	1,000	1	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$12	$12
Street Light	1,500	0	$0.00	$0	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$0	$0
IRRIGATION <= 25 hp		19	$100.51	$15,385	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$233	$15,618
IRRIGATION > 25 hp		3	$167.78	$4,055	$3.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$3.03	$37	$4,092
ELEC DEMAND USAGE SPECIAL		0	$0.00	$0	$33.27	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$33.27	$0	$0
Totals		7,531		$1,324,605									$982,596	$2,307,200
Demand Rate Classes														
ELEC COMMERCIAL DEMAND		260	$851.86	$1,767,718	N.A.	N.A.	N.A.	N.A.	N.A.	57.5	$17.80	$1,023.84	$1,066,673	$2,834,391
CITY COMMERCIAL DEMAND		16	$1,003.14	$126,609	N.A.	N.A.	N.A.	N.A.	N.A.	67.7	$17.80	$1,205.67	$76,398	$203,008
ELEC COM DEMAND SPECIAL		0	$0.00	$0	N.A.	N.A.	N.A.	N.A.	N.A.	0.0	$17.80	$0.00	$0	$0
ELEC DEMAND SPECIAL LABS		0	$0.00	$0	N.A.	N.A.	N.A.	N.A.	N.A.	0.0	$17.80	$0.00	$0	$0
Totals		276		$1,894,327									$1,143,071	$3,037,399
		Grand Total Rate Revenues at Current Rates		$8,071,792								Rate Rev at Adjusted Rates	$4,497,034	$12,568,826

Note concerning blended rate revenues: During the year following the test year, assumed to be the year when rates will be adjusted, rate revenues generated will be "blended" revenues - part collected at the current rates and part collected at the newly adjusted rates. The table above calculates both kinds of revenue and totals them in the right-most column. Therefore, the timing of rate adjustments shown at the top of this table will cause rates to be charged as follows:

8.0	months at the old user charge rates	and	4.0	months at the new user charge rates.

Cody, WY Electric Rates Scenario 2014-1
Table 9 - Financial Capacity Indicators

This table depicts the affordability of future rates, the financial health of the system and the ending balances in various accounts for the test year and the next 10 years.

CBGreatRates© Power Version 6.5

Financial Capacity Indicators	Year Starting 7/1/13	Year Starting 7/1/14	Year Starting 7/1/15	Year Starting 7/1/16	Year Starting 7/1/17	Year Starting 7/1/18	Year Starting 7/1/19	Year Starting 7/1/20	Year Starting 7/1/21	Year Starting 7/1/22	Year Starting 7/1/23
Recommended Average (Monthly) Residential Bill	$66.43	$75.88	$77.78	$79.72	$81.72	$83.76	$85.85	$88.00	$90.20	$92.46	$94.77
Annual Median Household Income (AMHI)	$45,088	$46,480	$47,916	$49,395	$50,920	$52,493	$54,114	$55,785	$57,507	$59,283	$61,114
Affordability Index for Recommended Rates	1.77%	1.96%	1.95%	1.94%	1.93%	1.91%	1.90%	1.89%	1.88%	1.87%	1.86%
Affordability Index is the percent of AMHI needed by the average residential customer to pay their bills for the year.											
Estimated Operating Ratio for Proposed Rates	1.19	1.19	1.16	1.24	1.30	1.39	1.48	1.56	1.58	1.61	1.66
1.0 is break even for Operating Ratio. Below 1.0 indicates operating in the "red." Generally, the operating ratio should be at least 1.15 for large systems, 1.30 or more for medium systems and perhaps as high as 2.0 for small systems.											
Estimated Coverage Ratio for Proposed Rates	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Coverage Ratio applies only to years with debt service. 1.0 is break even. Generally, the coverage ratio should be at least 1.25.											

Reserves	Balance Ending on 6/30/13	Balance Ending on 6/30/14	Balance Ending on 6/30/15	Balance Ending on 6/30/16	Balance Ending on 6/30/17	Balance Ending on 6/30/18	Balance Ending on 6/30/19	Balance Ending on 6/30/20	Balance Ending on 6/30/21	Balance Ending on 6/30/22	Balance Ending on 6/30/23	Balance Ending on 6/30/24
Current Position (Working Capital)	$2,385,314	$2,455,353	$2,719,307	$3,644,094	$5,165,259	$7,076,894	$7,452,822	$7,753,316	$8,065,946	$8,391,202	$8,729,594	$9,081,654
CIP Reserves	$0	-$57,638	-$137,045	-$447,251	-$729,973	-$1,072,478	$68,091	$1,412,293	$2,694,613	$2,314,516	$3,409,751	$4,409,402
Other Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Cash Assets (Excluding Dedicated Reserves) Before Inflation	$2,385,314	$2,397,714	$2,582,262	$3,196,843	$4,435,286	$6,004,416	$7,520,914	$9,165,609	$10,760,560	$10,705,718	$12,139,345	$13,491,056
Total Cash Assets (Excluding Dedicated Reserves) Discounted for Inflation (Future Unrestricted Purchasing Power)	$2,385,314	$2,397,714	$2,582,262	$3,068,969	$4,087,560	$5,312,323	$6,387,862	$7,473,387	$8,422,912	$8,044,785	$8,757,197	$9,343,015
Debt Service Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sum of All Reserves	$2,385,314	$2,397,714	$2,582,262	$3,196,843	$4,435,286	$6,004,416	$7,520,914	$9,165,609	$10,760,560	$10,705,718	$12,139,345	$13,491,056

Cody, WY Electric Rates Scenario 2014-1
Table 10 - Wholesale Power Bill Breakdown

CBGreatRates© Power Version 6.5

This table breaks down amounts billed by the power supplier

Total billed in test year starting: 7/1/2013

$9,003,898	Amount
123,885,654	Energy kWH
241,367	Demand kW

Supplier stated billing rates

$0.02288	Energy per kWH
$22.07	Demand per kW

Calculated bill breakdown in $s and %

$2,834,503.76	34.730%	Energy kWH
$5,326,969.69	65.270%	Demand kW
$8,161,473.45	100.000%	

Note: These percencentages are used to classify the wholesale power bill in Table 12.

$842,424.44 Difference between total billed and calculated breakdown total

Cody, WY
Electric Rates Scenario 2014-1
Table 11 - Test Year Use, Demand and Rates

CBGreatRates© Power Version 6.5

Date this scenario created: 12/8/2014

Test year, the one-year period being analyzed starts: 7/1/2013

This table shows the annual customer count, energy use (kWH) and demand (kW) of each class, plus the rates paid for that use during the test year.

Energy Rate Classes	Watts (Avg)	# Units	Rate Number	Bill Count	Number Customers	Total Usage in kWH	Usage Allowance in kWH	Total Billable Usage in kWH	Energy Charge per Billable kWH	Energy Charges in $s, Actual	Energy Charge Adjustments in $s, Actual	Net Energy Charges in $s, Actual	Net Energy Charges in $s, Calculated
ELEC RESIDENTIAL USAGE			101	71,016	5,918	36,476,644	0	36,476,644	$0.0990	$3,607,837.86	$336.96	$3,607,500.90	$3,611,187.76
ELEC SMALL COMM USAGE			110	732	61	90,218	0	90,218	$0.1520	$13,713.19	$68.09	$13,645.10	$13,713.14
ELEC COMM USAGE			111	10,560	880	13,330,216	0	13,330,216	$0.0920	$1,226,021.99	-$1,180.74	$1,227,202.73	$1,226,379.87
ELECTRIC DEMAND USAGE			112	3,312	276	63,050,709	0	63,050,709	$0.0339	$2,137,758.04	-$522.98	$2,138,281.02	$2,137,419.04
CITY COMM ELEC USAGE			122	576	48	448,456	0	448,456	$0.0920	$41,257.95	$0.00	$41,257.95	$41,257.95
CITY ELEC DEMAND USAGE			123	204	17	5,478,031	0	5,478,031	$0.0339	$185,723.81	$0.00	$185,723.81	$185,705.25
Street Light	55	1,025		0	0	246,923	0	246,923	$0.1274	$31,457.93	$0.00	$31,457.93	$31,457.93
Street Light	63	127	1,106	1,320	110	35,044	0	35,044	$0.1274	$4,464.65	$0.00	$4,464.65	$4,464.65
Street Light	70	0		0	0	0	0	0	$0.1274	$0.00	$0.00	$0.00	$0.00
Street Light	77	3		0	0	1,012	0	1,012	$0.1274	$128.90	$0.00	$128.90	$128.90
Street Light	85	19		0	0	7,074	0	7,074	$0.1274	$901.19	$0.00	$901.19	$901.19
Street Light	100	62		0	0	27,156	0	27,156	$0.1274	$3,459.67	$0.00	$3,459.67	$3,459.67
Street Light	150	3	1,105	84	7	1,971	0	1,971	$0.1274	$251.11	$0.00	$251.11	$251.11
Street Light	175	117	1,101	480	40	89,681	0	89,681	$0.1274	$11,425.30	$0.00	$11,425.30	$11,425.30
Street Light	200	29		0	0	25,404	0	25,404	$0.1274	$3,236.47	$0.00	$3,236.47	$3,236.47
Street Light	250	2	1,102	24	2	2,190	0	2,190	$0.1274	$279.01	$0.00	$279.01	$279.01
Street Light	400	0		0	0	0	0	0	$0.1274	$0.00	$0.00	$0.00	$0.00
Street Light	1,000	1	1,104	12	1	4,380	0	4,380	$0.1274	$558.01	$0.00	$558.01	$558.01
Street Light	1,500	1		0	0	6,570	0	6,570	$0.1274	$837.02	$0.00	$837.02	$837.02
IRRIGATION <= 25 hp			2,201	228	19	47,819	0	47,819	$0.0669	$3,199.07	$0.00	$0.00	$3,199.07
IRRIGATION > 25 hp			2,201	36	3	7,550	0	7,550	$0.0669	$505.12	$0.00	$0.00	$505.12
ELEC DEMAND USAGE SPECIAL			114	0	0	0	0	0	$0.0220	$0.00	$0.00	$0.00	$0.00
Totals				88,584	7,382	119,377,047		119,377,047		$7,273,016.28	-$1,298.67	$7,270,610.76	$7,276,366.44

Cody, WY, Electric Rates Scenario 2014-1
Table 11 - Test Year Use, Demand and Rates, Continued

CBGreatRates© Power Version 6.5

Base Rate Classes	Watts (Avg)	# Units	Rate Number	Bill Count	Number Customers	Monthly Customer Charge	Base/Minimum	Excess Amount	Adjustment	Net Base Charges in $s, Actual	Net Base Charges in $s, Calculated
ELEC RESIDENTIAL BASE			201	71,916	5,993	$15.583	$873,767.36	$0.00	$15.58	$873,751.78	$1,120,667.03
ELEC SMALL COMM BASE			203	732	61	$16.710	$10,594.14	$0.00	$0.00	$10,594.14	$12,231.72
ELEC COMMERCIAL BASE			202	10,656	888	$46.750	$437,421.11	$0.00	$39.00	$437,382.11	$498,168.00
ELEC COMMERCIAL DEMAND			204	3,348	279	$93.500	$291,699.39	$0.00	-$25.16	$291,724.55	$313,038.00
CITY ELECTRIC BASE			207	588	49	$0.000	$23,617.83	$13,943.40	$394.18	$37,167.05	$0.00
CITY ELEC DEMAND USAGE			208	192	16	$0.000	$17,952.00	$0.00	$0.00	$17,952.00	$0.00
Street Light	55	1,025	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	63	127	1,106	1,320	110	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	70	0	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	77	3	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	85	19	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	100	62	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	150	3	1,105	84	7	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	175	117	1,101	480	40	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	200	29	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	250	2	1,102	24	2	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	400	0	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	1,000	1	1,104	12	1	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Street Light	1,500	1	0	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
IRRIGATION <= 25 hp			2,301	228	19	$100.510	$0.00	$0.00	$0.00	$0.00	$22,916.28
IRRIGATION > 25 hp			2,302	36	3	$167.780	$0.00	$0.00	$0.00	$0.00	$6,040.08
ELEC DEMAND USAGE SPECIAL			114	0	0	$0.000	$0.00	$0.00	$0.00	$0.00	$0.00
Totals				89,616	7,468		$1,655,051.83	$13,943.40	$423.60	$1,668,571.63	$1,973,061.11
									% of Total Charges	14.21%	16.35%

Demand Rate Classes	Rate Number	Bill Count	Number Customers	Total Demand in kW	Demand Charge per Billable kW	Base/Minimum	Excess Amount	Adjustment	Net Demand Charges in $s, Actual	Net Demand Charges in $s, Calculated	Grand Total All Charges, in $s, Actual	Grand Total All Charges, in $s, Calculated
ELEC COMMERCIAL DEMAND	401	3,091	258	177,792	$14.810	$0.00	$2,633,099.52	$21,334.58	$2,611,764.94	$2,633,099.52		
CITY COMMERCIAL DEMAND	402	188	16	12,734	$14.810	$0.00	$188,590.54	$221.33	$188,369.21	$188,590.54		
ELEC COM DEMAND SPECIAL	403	0	0	0	$3.000	$0.00	$0.00	$0.00	$0.00	$0.00		
ELEC DEMAND SPECIAL LABS	405	0	0	0	$4.200	$0.00	$0.00	$0.00	$0.00	$0.00		
Totals		3,279	273	190,526			$2,821,690.06	$21,555.91	$2,800,134.15	$2,821,690.06	$11,739,316.55	$12,071,117.61

Electric Rates Scenario 2014-1

CBGreatRates© Power Version 6.5

Table 12 - City Streetlight Energy Usage Calculation

This table shows the number and wattages of light fixtures and their energy use for a full year

Date data compiled: 11/20/2014

Watts	Qty	Total Watts	Hr/day	Day/mo	Days/yr	kWhr/mo	kWhr/yr
55	1,025	56,375	12	30	365	20,295	246,923
63	127	8,001	12	30	365	2,880	35,044
70	0	0	12	30	365	0	0
77	3	231	12	30	365	83	1,012 **
85	19	1,615	12	30	365	581	7,074
100	62	6,200	12	30	365	2,232	27,156
150	3	450	12	30	365	162	1,971
175	117	20,475	12	30	365	7,371	89,681
200	29	5,800	12	30	365	2,088	25,404
250	0	0	12	30	365	0	0
400	0	0	12	30	365	0	0
1,000	1	1,000	12	30	365	360	4,380
1,500	1	1,500	12	30	365	540	6,570
Totals:	1,387	101,647				36,593	445,214

** LED Fixtures changed to hi drive setting

Cody, WY Electric Rates Scenario 2014-1

CBGreatRates© Power Version 6.5

Table 13 - Revenues From Cody Labs, Phase 2

Rate revenues shown here are for the one year period 7/1/16 through 6/30/17

Collection from this or these customer(s) will commence on 1/1/17

This table depicts sales generated by Cody Labs, Phase 2. This revenue is then included in Table 3 starting in the appropriate year.

	Sales at Current Rates			New Rates Will be Assessed Monthly									
Rate Classes	Number Customers, Adjusted for Growth	Average Monthly Bill at Current Rates	Sales	Monthly Customer Charge at Then Current Rate	Average Use in kWH Before Allowance Deduction	Usage Allowance in kWH	Average Billable Use, in kWH, After Usage Allowance Deductions	Energy Charge per Billable kWH at Then Current Rate	Average Demand Volume in kW	Demand Charge per Billable kW at Then Current Rate	Average Bill	Sales	Grand Total Blended Sales This Year
Energy Rate Classes													
Cody Labs, Phase 2	1	$0.00	$0	N.A.	1,250,000	0	1,250,000	$0.087	N.A.	N.A.	$108,960.46	$648,389	$648,389
Totals	1		$0									$648,389	$648,389
Base Rate Classes													
Cody Labs, Phase 2	1	$0.00	$0	$34.95	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	$34.95	$208	$208
Totals	1		$0									$208	$208
Demand Rate Classes													
Cody Labs, Phase 2	1	$0.00	$0	N.A.	N.A.	N.A.	N.A.	N.A.	3,000	$18.70	$56,103.35	$333,853	$333,853
Totals	1		$0									$333,853	$333,853
Grand Total Rate Revenues at Current Rates			$0							Rate Rev at Adjusted Rates		$982,451	$982,451

Note on blended rate revenues: This or these significant new customer(s) probably will not start paying fees at the beginning of a fiscal year. Therefore, it is assumed rate collection will begin part way through the year modeled, creating "blended" revenues - part of the year with no payments and part collected at the then current projected rates. The table above calculates both kinds of revenue and totals them in the right-most column. Therefore, the timing of rate adjustments shown at the top of this table will cause rates to be charged for:

6.0 months at no user charge rates and 6.0 months at the then current projected rates.

Revenues generated by this or these customers are then projected at the full-year levels, plus inflationary increases, for all future years near the bottom of Table 3. Revenues from smaller customers that make up the majority of system growth are included in the regular projection of rate revenues near the middle of Table 3.

Table 14 - New Energy Supply Costs Caused by Cody Labs, Phase 2

CBGreatRates© Power Version 6.5

Costs shown here are for the one year period 7/1/16 through 6/30/17

This table depicts energy expenses caused by Cody Labs, Phase 2. This expense is then included in Table 4 starting in the appropriate year.

	Energy Supply Costs at Then Current Wholesale Rates			Energy Supply Costs at Then Current Wholesale Rates								
Rate Classes	Number Customers, Adjusted for Growth	Average Cost at Current Wholesale Rates	Total Wholesale Cost	Average Use in kWH Before Allowance Deduction	Wholesale Usage Allowance in kWH	Average Billable Use, in kWH, After Usage Allowance Deductions	Wholesale Energy Cost per Billable kWH at Then Current Rate	Average Demand Volume in kW	Wholesale Demand Cost per Billable kW at Then Current Rate	Average Total Cost at Wholesale at Then Current Rates	Total Wholesale Cost	Grand Total Blended Sales This Year
Energy												
Cody Labs, Phase 2	1	$0.00	$0	1,250,000	0	1,250,000	$0.023	N.A.	N.A.	$28,600.00	$170,190	$170,190
Totals	1		$0								$170,190	$170,190
Demand	0											
Cody Labs, Phase 2	1	$0.00	$0	N.A.	N.A.	N.A.	N.A.	3,000.0	$22.070	$66,210.00	$393,995	$393,995
Totals	1		$0								$393,995	$393,995
Grand Total Wholesale Energy Costs at Then Current Rates			$0						Rate Rev at Adjusted Rates		$564,184	$564,184

Cody, WY Electric Rates Scenario 2014-1
Table 15 - AMHI and Test Year Incomes

CBGreatRates© Power Version 6.5

This table shows annual median household income and system incomes for the test year.

Test year, the one-year period being analyzed starts: 7/1/2013

Annual Median Household Income (AMHI)

$45,088	Census Bureau estimate of AMHI for the year	2010	"AMHI" stands for annual median household income
$34,450	Census Bureau estimate of AMHI for the year	2000	
$10,638	AMHI growth during these years		
3.1%	Simple annual income growth rate during these years (used to project incomes into the future)		

System Incomes for 7/1/13 Through 6/30/14

$11,777,556	55-200-4630 CHARGES FOR UTILITY SERVICES
$0	Penalties
62	Number New Hookups
$542	Average Hookup Fee
$33,602	55-500-4529 HOOK UP FEES
$37,856	55-200-4745 INTEREST REVENU
$13,197	55-200-4630 MISCELLANEOUS REVENUE
$3,162	55-200-4760 SALE OF ASSETS
$19,887	55-500-4540 SUBDIVISION DEVELOPMENT FEES
$59,680	55-500-4545 SERVICE EXTENSION FEES
$12,352	55-500-4546 POLE ATTACHMENT FEES
$9,612	55-500-4744 DAMAGE CLAIM REIMBURSEMENTS
$0	55-500-6506 WEST STRIP ELEC LINES REIMB
$11,966,904	Total Regular Income

Cody, WY Electric Rates Scenario 2014-1

Table 16 - Cost Classification

CBGreatRates© Power Version 6.5

This table classifies costs from a representative or normal cost year (the "target" year) by these types: demand (capacity costs), customer (fixed costs) and energy (commodity or variable costs). Therefore, this table is the basis for the recommended rate structure developed by this model.

The rate structure target year starts on 7/1/2014

Operating Costs	Total Cost	% This Cost is Customer-related	% This Cost is Energy-related	% This Cost is Demand-related	Customer Costs	Energy Costs	Demand Costs
		Cost Classification			Resulting Classified Cost Amounts		
55-560-5110 SALARIES - REGULAR	$634,504	25.0%	75.0%	0.0%	$158,626	$475,878	$0
55-560-5112 SALARIES - TEMPORARY / SEASONAL	$8,025	25.0%	75.0%	0.0%	$2,006	$6,019	$0
55-560-5113 SALARIES - OVERTIME	$15,000	25.0%	75.0%	0.0%	$3,750	$11,250	$0
55-560-5130 FICA EXPENSE	$50,301	25.0%	75.0%	0.0%	$12,575	$37,726	$0
55-560-5131 HEALTH INSURANCE EXPENSE	$160,257	25.0%	75.0%	0.0%	$40,064	$120,193	$0
55-560-5132 RETIREMENT CONTRIBUTIONS	$74,303	25.0%	75.0%	0.0%	$18,576	$55,727	$0
55-560-5134 WORKERS COMPENSATION	$12,033	25.0%	75.0%	0.0%	$3,008	$9,025	$0
55-560-5137 LONG TERM DISABILITY INS	$4,271	25.0%	75.0%	0.0%	$1,068	$3,203	$0
55-560-5140 EDUCATION & TRAINING	$3,325	25.0%	75.0%	0.0%	$831	$2,494	$0
55-560-5142 SUBSTANCE TESTING	$1,000	25.0%	75.0%	0.0%	$250	$750	$0
55-560-5160 TRAVEL & MEETINGS EXPENSE	$2,320	25.0%	75.0%	0.0%	$580	$1,740	$0
55-560-5170 UNIFORMS	$10,610	25.0%	75.0%	0.0%	$2,653	$7,958	$0
55-560-5210 DIESEL FUEL	$12,875	25.0%	75.0%	0.0%	$3,219	$9,656	$0
55-560-5211 GASOLINE	$12,000	25.0%	75.0%	0.0%	$3,000	$9,000	$0
55-560-5213 TOOLS	$5,130	25.0%	75.0%	0.0%	$1,283	$3,848	$0
55-560-5220 CLAIMS AGAINST THE CITY	$0	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5230 CABLE	$19,050	25.0%	75.0%	0.0%	$4,763	$14,288	$0
55-560-5234 MATERIALS & SUPPLIES	$9,601	25.0%	75.0%	0.0%	$2,400	$7,201	$0
55-560-5236 SAFETY SUPPLIES & EQUIPMENT	$11,810	25.0%	75.0%	0.0%	$2,953	$8,858	$0
55-560-5240 MAINTENANCE & REPAIRS - BUILDINGS	$300	25.0%	75.0%	0.0%	$75	$225	$0
55-560-5241 MAINTENANCE & REPAIRS - EQUIPMENT	$12,518	25.0%	75.0%	0.0%	$3,129	$9,388	$0
55-560-5243 MAINTENANCE & REPAIRS - SYSTEMS	$15,000	25.0%	75.0%	0.0%	$3,750	$11,250	$0
55-560-5249 ALLOCATED FLEET MAINTENANCE	$19,900	25.0%	75.0%	0.0%	$4,975	$14,925	$0
55-560-5260 MAINTENANCE & REPAIRS - SUBSTATIONS	$43,530	25.0%	75.0%	0.0%	$10,883	$32,648	$0
55-560-5261 MAINTENANCE & REPAIRS - METERS	$3,000	25.0%	75.0%	0.0%	$750	$2,250	$0
55-560-5262 MAINTENANCE & REPAIRS-SERVICE DROPS	$6,000	25.0%	75.0%	0.0%	$1,500	$4,500	$0
55-560-5263 MAINTENANCE & REPAIRS - STREET LIGHTS	$5,000	25.0%	75.0%	0.0%	$1,250	$3,750	$0
55-560-5310 BAD DEBT EXPENSE	$3,000	25.0%	75.0%	0.0%	$750	$2,250	$0
55-560-5311 BANKING FEES	$6,035	25.0%	75.0%	0.0%	$1,509	$4,526	$0
55-560-5313 TAXES	$66,637	25.0%	75.0%	0.0%	$16,659	$49,978	$0
55-560-5314 UTILITIES	$15,804	25.0%	75.0%	0.0%	$3,951	$11,853	$0
55-560-5315 UTILITIES - STREET LIGHTS	$52,365	25.0%	75.0%	0.0%	$13,091	$39,274	$0
55-560-5317 FRANCHISE FEES	$606,579	25.0%	75.0%	0.0%	$151,645	$454,934	$0
55-560-5323 COMPUTER SUPPORT SERVICES	$2,097	25.0%	75.0%	0.0%	$524	$1,573	$0
55-560-5326 CONTRACTUAL SERVICES	$0	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5327 DUES & SUBSCRIPTIONS	$4,165	25.0%	75.0%	0.0%	$1,041	$3,124	$0
55-560-5333 PROFESSIONAL FEES & SERVICES	$36,692	25.0%	75.0%	0.0%	$9,173	$27,519	$0
55-560-5337 RIGHT OF WAY CLEARING	$6,500	25.0%	75.0%	0.0%	$1,625	$4,875	$0
UTILITY PURCHASES FOR RESALE - Energy	$3,143,540	0.0%	100.0%	0.0%	$0	$3,143,540	$0
UTILITY PURCHASES FOR RESALE - Demand	$5,907,750	21.3%	21.3%	57.4%	$1,258,195	$1,258,195	$3,391,361
55-560-5355 INVENTORY PURCHASES PHASE 1	$0	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5356 INVENTORY PURCHASES PHASE 2	$0	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5360 LEASES & RENTALS - EQUIPMENT	$6,000	25.0%	75.0%	0.0%	$1,500	$4,500	$0
55-560-5420 IMPROVEMENTS OTHER THAN BUILDING	$2,500	25.0%	75.0%	0.0%	$625	$1,875	$0
55-560-5425 FURNITURE & FIXTURES	$2,000	25.0%	75.0%	0.0%	$500	$1,500	$0
55-560-5430 COMPUTER EQUIPMENT & SOFTWARE	$275	25.0%	75.0%	0.0%	$69	$206	$0
55-560-5435 MACHINERY & EQUIPMENT	$0	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5440 METERS	Below	0.0%	100.0%	0.0%	$0	$0	$0
55-560-5455 TRANSFORMERS	Below	0.0%	100.0%	0.0%	$0	$0	$0
55-560-5456 NEW STREET LIGHTS	Below	25.0%	75.0%	65.3%	$0	$0	$0
55-560-5465 SYSTEMS UPGRADE & EXPANSION	Below	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5547 NORTH CODY 2AB PROJECT	Below	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5551 BLACKBURN PUD PROJECT	Below	25.0%	75.0%	0.0%	$0	$0	$0
55-560-7506 Hampton Inn Project (Cancelled)	Below	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5610 LOAN REPAYMENTS	Below	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5611 INTEREST EXPENSE	Below	25.0%	75.0%	0.0%	$0	$0	$0
55-560-5770 BAD DEBT WRITE OFFS	$6,321	25.0%	75.0%	0.0%	$1,580	$4,741	$0
55-560-5780 VEHICLE REPLACEMENT ALLOCATION	$56,203	25.0%	75.0%	0.0%	$14,051	$42,152	$0
55-560-5785 DEPRECIATION EXPENSE	$429,188	25.0%	75.0%	0.0%	$107,297	$321,891	$0
55-560-5790 TRANSFERS OUT	$606,212	25.0%	75.0%	0.0%	$151,553	$454,659	$0
55-560-5842 GRANTS - ARRA ENERGY EFFICIENT	$0	25.0%	75.0%	0.0%	$0	$0	$0
CIP Spending Plus Debt Payments	$423,465	25.0%	75.0%	0.0%	$105,866	$317,599	$0
Grand Total Costs, Weighted Avg Percentages	$12,534,991	17.0%	56.0%	27.1%	$2,129,120	$7,014,510	$3,391,361
			100%			$12,534,991	

System-wide Average Customer Cost: $24.04 per month
System-wide Average Energy Cost: $0.059 per kWH
System-wide Average Demand Cost: $14.70 per kWH

Cody, WY Electric Rates Scenario 2014-1

Table 17 - Cost Allocation

CBGreatRates© Power Version 6.5

This table determines the percentages by which costs should be allocated to each class of customer.

The rate structure target year starts on 7/1/2013

		Criteria and Resulting Allocation Factors									Allocated Costs		
Customer Classes	Watts (Avg)	Total Billable Usage in kWH	Metered Energy Allocation Factor	Energy Loss Adjustment Factor	Generated Energy in kWH	Generated Energy Allocation Factor	Demand kW	Demand Allocation Factor	Average Number of Customers	Customer Allocation Factor	Customer	Energy	Demand
Energy Rate Classes													
ELEC RESIDENTIAL USAGE		36,476,644	31%	102%	37,206,177	31%	N.A.	N.A.	N.A.	N.A.	N.A.	$2,143,341	N.A.
ELEC SMALL COMM USAGE		90,218	0%	102%	92,022	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$5,301	N.A.
ELEC COMM USAGE		13,330,216	11%	102%	13,596,820	11%	N.A.	N.A.	N.A.	N.A.	N.A.	$783,274	N.A.
ELECTRIC DEMAND USAGE		63,050,709	53%	102%	64,311,723	53%	N.A.	N.A.	N.A.	N.A.	N.A.	$3,704,815	N.A.
CITY COMM ELEC USAGE		448,456	0%	102%	457,425	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$26,351	N.A.
CITY ELEC DEMAND USAGE		5,478,031	5%	102%	5,587,592	5%	N.A.	N.A.	N.A.	N.A.	N.A.	$321,885	N.A.
Street Light	55	246,923	0%	102%	251,861	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$14,509	N.A.
Street Light	63	35,044	0%	102%	35,745	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$2,059	N.A.
Street Light	70	0	0%	102%	0	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$0	N.A.
Street Light	77	1,012	0%	102%	1,032	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$59	N.A.
Street Light	85	7,074	0%	102%	7,215	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$416	N.A.
Street Light	100	27,156	0%	102%	27,699	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$1,596	N.A.
Street Light	150	1,971	0%	102%	2,010	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$116	N.A.
Street Light	175	89,681	0%	102%	91,474	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$5,270	N.A.
Street Light	200	25,404	0%	102%	25,912	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$1,493	N.A.
Street Light	250	2,190	0%	102%	2,234	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$129	N.A.
Street Light	400	0	0%	102%	0	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$0	N.A.
Street Light	1,000	4,380	0%	102%	4,468	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$257	N.A.
Street Light	1,500	6,570	0%	102%	6,701	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$386	N.A.
IRRIGATION <= 25 hp		47,819	0%	102%	48,775	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$2,810	N.A.
IRRIGATION > 25 hp		7,550	0%	102%	7,701	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$444	N.A.
ELEC DEMAND USAGE SPECIAL		0	0%	102%	0	0%	N.A.	N.A.	N.A.	N.A.	N.A.	$0	N.A.
Totals		119,377,047	100%		121,764,588	100%						$7,014,510	

Cody, WY Electric Rates Scenario 2014-1

Table 17 - Cost Allocation

CBGreatRates© Power Version 6.5

		Criteria and Resulting Allocation Factors									Allocated Costs		
Customer Classes	Watts (Avg)	Total Billable Usage in kWH	Metered Energy Allocation Factor	Energy Loss Adjustment Factor	Generated Energy in kWH	Generated Energy Allocation Factor	Demand kW	Demand Allocation Factor	Average Number of Customers	Customer Allocation Factor	Customer	Energy	Demand
Base Rate Classes													
ELEC RESIDENTIAL USAGE		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	5,993	80%	$1,708,599	N.A.	N.A.
ELEC SMALL COMM USAGE		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	61	1%	$17,391	N.A.	N.A.
ELEC COMM USAGE		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	888	12%	$253,168	N.A.	N.A.
ELECTRIC DEMAND USAGE		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	279	4%	$79,543	N.A.	N.A.
CITY COMM ELEC USAGE		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	49	1%	$13,970	N.A.	N.A.
CITY ELEC DEMAND USAGE		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	16	0%	$4,562	N.A.	N.A.
Street Light	55	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Street Light	63	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	110	1%	$31,361	N.A.	N.A.
Street Light	70	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Street Light	77	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Street Light	85	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Street Light	100	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Street Light	150	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	7	0%	$1,996	N.A.	N.A.
Street Light	175	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	40	1%	$11,404	N.A.	N.A.
Street Light	200	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Street Light	250	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	2	0%	$570	N.A.	N.A.
Street Light	400	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Street Light	1,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	0%	$285	N.A.	N.A.
Street Light	1,500	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
IRRIGATION <= 25 hp		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	19	0%	$5,417	N.A.	N.A.
IRRIGATION > 25 hp		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3	0%	$855	N.A.	N.A.
ELEC DEMAND USAGE SPECIAL		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	$0	N.A.	N.A.
Totals									7,468	100%	$2,129,120		
Demand Rate Classes													
ELEC COMMERCIAL DEMAND		N.A.	N.A.	N.A.	N.A.	N.A.	177,792	93%	N.A.	N.A.	N.A.	N.A.	$3,164,696
CITY COMMERCIAL DEMAND		N.A.	N.A.	N.A.	N.A.	N.A.	12,734	7%	N.A.	N.A.	N.A.	N.A.	$226,665
ELEC COM DEMAND SPECIAL		N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	N.A.	N.A.	N.A.	N.A.	$0
ELEC DEMAND SPECIAL LABS		N.A.	N.A.	N.A.	N.A.	N.A.	0	0%	N.A.	N.A.	N.A.	N.A.	$0
							190,526	100%					$3,391,361
Grand Total											$12,534,990.80		

Cody, WY Electric Rates Scenario 2014-1

Table 18 - Marginal Costs for Rate Structure Target Year

CBGreatRates© Power Version 6.5

This table depicts incremetal costs that would be incurred for incidental customers. Such service has little effect on most costs other than those that are direct customer and energy costs like basic maintenance and energy purchased for resale. This table specifically models costs for street lights and off-peak irrigation.

The rate structure target year starts on 7/1/2014

Operating Costs	Total Cost	Marginal % by Which This Cost is Customer-related	Marginal Customer Cost	Marginal % by Which This Cost is Energy-related	Marginal Energy Cost	Marginal % by Which This Cost is Demand-related	Marginal Demand Cost
55-560-5110 SALARIES - REGULAR	$634,504	10%	$15,863	100%	$475,878	0%	$0
55-560-5112 SALARIES - TEMPORARY / SEASONAL	$8,025	10%	$201	100%	$6,019	0%	$0
55-560-5113 SALARIES - OVERTIME	$15,000	10%	$375	100%	$11,250	0%	$0
55-560-5130 FICA EXPENSE	$50,301	10%	$1,258	100%	$37,726	0%	$0
55-560-5131 HEALTH INSURANCE EXPENSE	$160,257	10%	$4,006	100%	$120,193	0%	$0
55-560-5132 RETIREMENT CONTRIBUTIONS	$74,303	10%	$1,858	100%	$55,727	0%	$0
55-560-5134 WORKERS COMPENSATION	$12,033	10%	$301	100%	$9,025	0%	$0
55-560-5137 LONG TERM DISABILITY INS	$4,271	10%	$107	100%	$3,203	0%	$0
55-560-5140 EDUCATION & TRAINING	$3,325	10%	$83	100%	$2,494	0%	$0
55-560-5142 SUBSTANCE TESTING	$1,000	10%	$25	100%	$750	0%	$0
55-560-5160 TRAVEL & MEETINGS EXPENSE	$2,320	10%	$58	100%	$1,740	0%	$0
55-560-5170 UNIFORMS	$10,610	10%	$265	100%	$7,958	0%	$0
55-560-5210 DIESEL FUEL	$12,875	10%	$322	100%	$9,656	0%	$0
55-560-5211 GASOLINE	$12,000	10%	$300	100%	$9,000	0%	$0
55-560-5213 TOOLS	$5,130	10%	$128	100%	$3,848	0%	$0
55-560-5220 CLAIMS AGAINST THE CITY	$0	10%	$0	100%	$0	0%	$0
55-560-5230 CABLE	$19,050	10%	$476	100%	$14,288	0%	$0
55-560-5234 MATERIALS & SUPPLIES	$9,601	10%	$240	100%	$7,201	0%	$0
55-560-5236 SAFETY SUPPLIES & EQUIPMENT	$11,810	10%	$295	100%	$8,858	0%	$0
55-560-5240 MAINTENANCE & REPAIRS - BUILDINGS	$300	10%	$8	100%	$225	0%	$0
55-560-5241 MAINTENANCE & REPAIRS - EQUIPMENT	$12,518	10%	$313	100%	$9,388	0%	$0
55-560-5243 MAINTENANCE & REPAIRS - SYSTEMS	$15,000	10%	$375	100%	$11,250	0%	$0
55-560-5249 ALLOCATED FLEET MAINTENANCE	$19,900	10%	$497	100%	$14,925	0%	$0
55-560-5260 MAINTENANCE & REPAIRS - SUBSTATIONS	$43,530	10%	$1,088	100%	$32,648	0%	$0
55-560-5261 MAINTENANCE & REPAIRS - METERS	$3,000	10%	$75	100%	$2,250	0%	$0
55-560-5262 MAINTENANCE & REPAIRS-SERVICE DROPS	$6,000	10%	$150	100%	$4,500	0%	$0
55-560-5263 MAINTENANCE & REPAIRS - STREET LIGHTS	$5,000	10%	$125	100%	$3,750	0%	$0
55-560-5310 BAD DEBT EXPENSE	$3,000	10%	$75	100%	$2,250	0%	$0
55-560-5311 BANKING FEES	$6,035	10%	$151	100%	$4,526	0%	$0
55-560-5313 TAXES	$66,637	10%	$1,666	100%	$49,978	0%	$0
55-560-5314 UTILITIES	$15,804	10%	$395	100%	$11,853	0%	$0
55-560-5315 UTILITIES - STREET LIGHTS	$52,365	10%	$1,309	100%	$39,274	0%	$0
55-560-5317 FRANCHISE FEES	$606,579	10%	$15,164	100%	$454,934	0%	$0
55-560-5323 COMPUTER SUPPORT SERVICES	$2,097	10%	$52	100%	$1,573	0%	$0
55-560-5326 CONTRACTUAL SERVICES	$0	10%	$0	100%	$0	0%	$0
55-560-5327 DUES & SUBSCRIPTIONS	$4,165	10%	$104	100%	$3,124	0%	$0
55-560-5333 PROFESSIONAL FEES & SERVICES	$36,692	10%	$917	100%	$27,519	0%	$0
55-560-5337 RIGHT OF WAY CLEARING	$6,500	10%	$163	100%	$4,875	0%	$0
UTILITY PURCHASES FOR RESALE - Energy	$3,143,540	100%	$0	100%	$3,143,540	0%	$0
UTILITY PURCHASES FOR RESALE - Demand	$5,907,750	0%	$0	0%	$0	0%	$0
55-560-5355 INVENTORY PURCHASES PHASE 1	$0	10%	$0	100%	$0	0%	$0
55-560-5356 INVENTORY PURCHASES PHASE 2	$0	10%	$0	100%	$0	0%	$0
55-560-5360 LEASES & RENTALS - EQUIPMENT	$6,000	10%	$150	100%	$4,500	0%	$0
55-560-5420 IMPROVEMENTS OTHER THAN BUILDING	$2,500	10%	$63	100%	$1,875	0%	$0
55-560-5425 FURNITURE & FIXTURES	$2,000	10%	$50	100%	$1,500	0%	$0
55-560-5430 COMPUTER EQUIPMENT & SOFTWARE	$275	10%	$7	100%	$206	0%	$0
55-560-5435 MACHINERY & EQUIPMENT	$0	10%	$0	100%	$0	0%	$0
55-560-5440 METERS	Below	100%	$0	100%	$0	0%	$0
55-560-5455 TRANSFORMERS	Below	100%	$0	100%	$0	0%	$0
55-560-5456 NEW STREET LIGHTS	Below	10%	$0	100%	$0	0%	$0
55-560-5465 SYSTEMS UPGRADE & EXPANSION	Below	10%	$0	100%	$0	0%	$0
55-560-5547 NORTH CODY 2AB PROJECT	Below	10%	$0	100%	$0	0%	$0
55-560-5551 BLACKBURN PUD PROJECT	Below	10%	$0	100%	$0	0%	$0
55-560-7506 Hampton Inn Project (Cancelled)	Below	10%	$0	100%	$0	0%	$0
CIP Spending Plus Debt Payments	$423,465	50%	$52,933	100%	$317,599	0%	$0
Grand Total and Weighted-average Marginal Percentages of All Costs	$12,534,991	6.1%	$129,439	82.1%	$5,756,315	0.0%	$0
Desired Profit Margin Over Marginal Cost Recovery		50.0%		0.0%		0.0%	
Percent of Regular Rates to Charge to Recover Costs Plus Profit		9.1%		82.1%		0.0%	

Note: The system would lose money if it set customer, energy or demand charges at less than the marginal percentage of full cost. To make a "profit" on a marginal cost basis, the percentages above should be increased by a desired amount. (In some special cases, these percentage could exceed 100% but normally they will be well below 100%.) Enter the desired margins in the yellow highlighted cells above and the marginal plus profit percentage rates will be calculated for you on the next line. Then, for any customer you desire to assess marginal rates to, simply multiply the rates in their normal rate class by the final percentages shown above.