

RMP 2014 GRC Filing Requirements

R746-700-22.D.40

OMAG - Cost-saving Programs. Please list and describe in detail cost-saving or cost increasing programs implemented during the Base Year and To Date. This request seeks information on major plans or programs beyond efforts undertaken in the normal course of business.

Response to R746-700-22.D.40

As a result of the 2012 general rate case stipulation and the two-year rate plan which prohibited the Company from filing a request for an increase in rates prior to January 1, 2014, the Company has continued to strive to live within its means and earn the allowed rate of return. The load forecast revenues the Company expected that did not materialize and the necessary capital expenditures the Company had to make required the Company to continue to re-evaluate all operations-related expenses during the base period up to present day.

Examples of operations-related expenses that were included as potential cost-cutting measures include:

- Reducing plant operations, overhaul and customer service costs via process improvements,
- Decreasing distribution operations and maintenance,
- Minimizing outside consulting costs wherever possible, and
- Implementing other efficiencies wherever possible such as reduced benefits.