

Transportation Rates Move Towards Full Cost of Service

- Cost to serve TS class in last rate case was \$14.7 million annually
- Rates designed to collect \$12.8 million annually
- Fall of 2015 rates will be adjusted to collect \$13.3 million annually
- Fall 2015 Increases

	Increase
0 – 200 DTH	\$0.02955
201 – 2,000 DTH	\$0.01932
2,001 – 100,000 DTH	\$0.00790
OVER 100,000 DTH	\$0.00292
Annual Demand Charge	\$1.04

In the next general rate case, rates will be designed to collect the full cost of service.

2016 General Rate Case

- Must file next case by July 1, 2016

May 1,
2016

- Projected Rate Case Filing Date

Jan 1,
2017

- New Transportation Rates Effective

- Continue to move towards full cost of serv

2016 General Rate Case

- Case was filed July 1, 2016

Aug 16, 2016


- Case withdrawn as part of Merger stipulation

July 1, 2019 –
Dec 31, 2019


- Next rate case effective in 2020

- Continue to move toward full cost of service

General Rate Case Schedule

- 
- July 1, 2016
 - Filed general rate case

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- August 16, 2016
 - Case withdrawn as part of merger stipulation

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- July 1, 2019
 - File general rate case
 - Rates effective in early 2020
 - Continue to move toward full cost of service



2019 Rate Case

- July 1, 2019 – file the rate case
- March 1, 2020 – rates go into effect
- Issues included in general rate case:
 - Update cost recovery to reflect current operations
 - Tariff revisions
 - Policies, clean up old language, customer class qualifications, etc.
 - Accurate cost allocation
 - Continue to move toward full cost of service in all classes (remove interclass subsidies)
 - Accurate rate design (remove intraclass subsidies)
 - Volumetric rates, block structures, demand charges, basic service fees, etc.





Impact of Proposed TS Rates in 2016 Rate Case

Annual Usage (Dth)	Number of Customers	Average Increase
0 – 30,000	394	15% - 25%
30,001 – 100,000	87	8% - 12%
100,001 – 805,000	58	2% - 5%
>805,000	5	0% - 2%

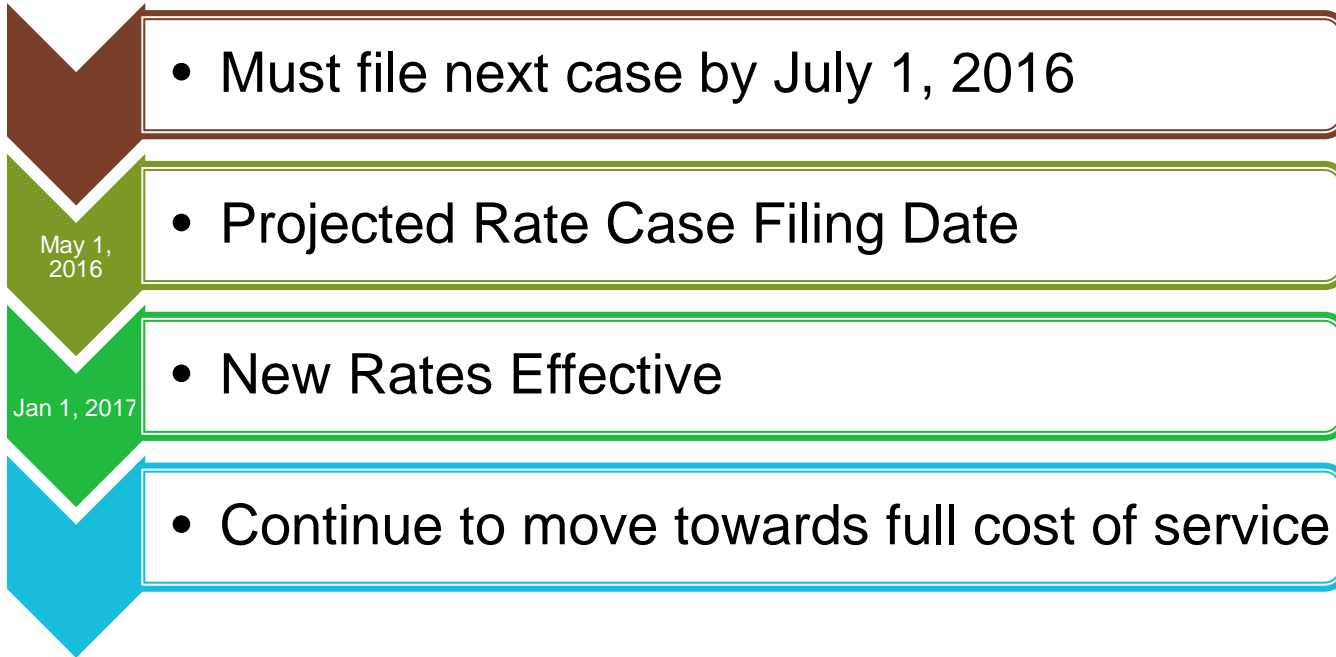




Transportation Service (TS)

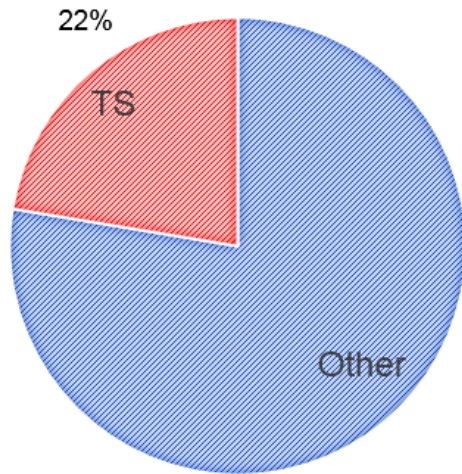
- Moved 60% to full cost in March 2014
- Will move 72% to full cost in Fall 2015
- Company plans to propose 100% full cost by July 2016

2016 General Rate Case

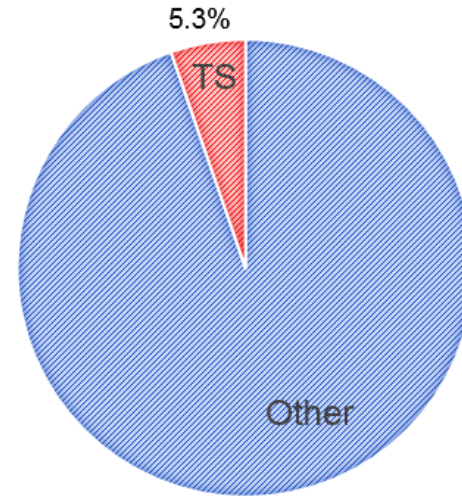


Transportation Customers Moved to Full Cost-of-Service

VOLUMES

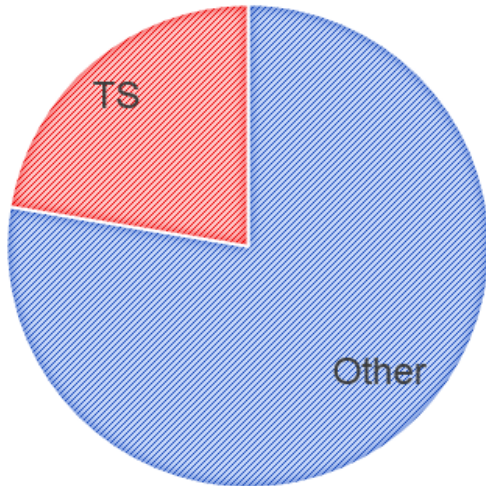


REVENUE - \$300.8MM



Transportation Customers Moved to Full Cost-of-Service

VOLUMES



REVENUE - \$300.8MM

