

COS / Rate Design Task Force Meeting

Docket No. 20-057-11

January 13, 2020

Rate Design Results

Rate Design Ideas (discussed in last meeting)

- TS Small
 - No Admin Charge (built into first block of rates)
 - No Demand Charge (built into first block of rates)
 - Would treat all customers as firm
 - Same block breaks as current FS class
- TS Large
 - Block breaks same as current TBF (what they were prior to 2013 case)
- TS Medium
 - New class – open to ideas

Rate Design Comparison (TS Small)*

Blocks	Step 3 rates from 2019 case (full cost)
1 st Block 0-200 Dth	\$1.17191
2 nd Block 201-2,000 Dth	\$0.76608
3 rd Block 2,001 – 100,000 Dth	\$0.31328
4 th Block Over 100,000 Dth	\$0.11595
Demand Charge	\$0.33083

Blocks	Task Force Rates
1 st Block 0-200 Dth	\$0.46529
2 nd Block 201-2,000 Dth	\$0.32029
3 rd Block Over 2,000 Dth	\$0.16529
Demand Charge	\$0.18083

*Customers would also pay an admin fee

TS Small (Less than 25,000 Dth/year)

25th Percentile Customer 55 Dth Firm Demand

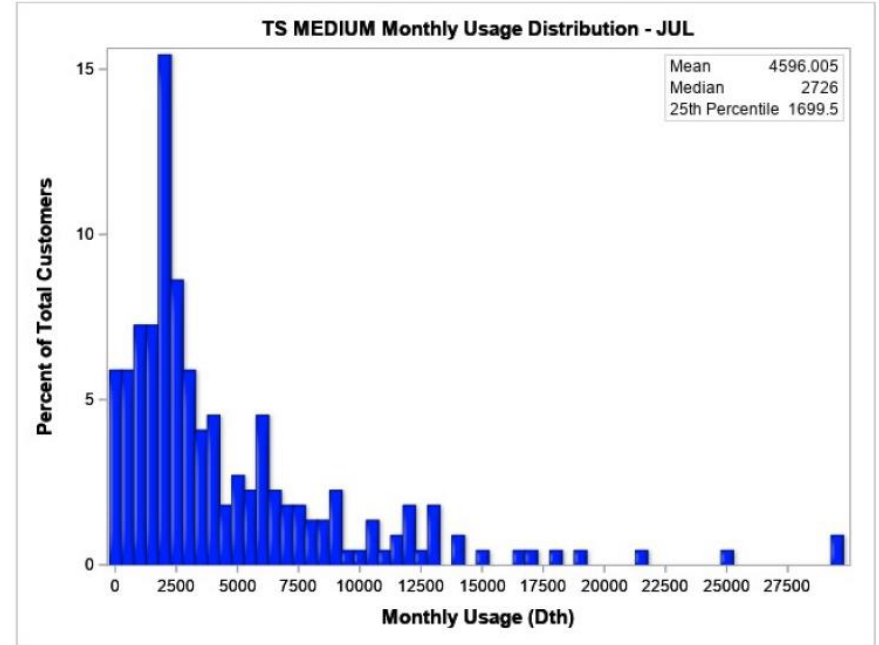
50th Percentile Customer 80 Dth Firm Demand

75th Percentile Customer 112 Dth Firm Demand

Month	25 th Percentile Customer 55 Dth Firm Demand				50 th Percentile Customer 80 Dth Firm Demand				75 th Percentile Customer 112 Dth Firm Demand			
	Usage In Dth	Step 3 Rate	Proposed TSS Rate	Change	Usage In Dth	Step 3 Rate	Proposed TSS Rate	Change	Usage In Dth	Step 3 Rate	Proposed TSS Rate	Change
Jan	843.0	\$1,058.67	\$622.45	(\$436.22)	1,524.0	\$1,588.64	\$845.09	(\$743.55)	2,126.0	\$2,360.10	\$1,380.91	(\$979.19)
Feb	717.0	\$962.14	\$582.09	(380.05)	1,323.0	\$1,434.66	\$780.71	(653.95)	1,856.0	\$2,210.31	\$1,313.96	(896.35)
Mar	499.0	\$795.14	\$512.27	(282.87)	923.0	\$1,128.22	\$652.59	(475.63)	1,181.0	\$1,693.21	\$1,097.77	(595.44)
Apr	310.0	\$650.35	\$451.74	(198.61)	354.0	\$692.32	\$470.35	(221.98)	865.0	\$1,451.13	\$996.55	(454.57)
May	209.0	\$572.97	\$419.39	(153.59)	201.0	\$575.11	\$421.34	(153.77)	727.0	\$1,345.41	\$952.35	(393.06)
Jun	82.0	\$427.79	\$361.60	(66.19)	27.0	\$371.61	\$340.53	(31.08)	205.0	\$945.52	\$785.16	(160.35)
Jul	106.0	\$455.92	\$372.77	(83.15)	16.0	\$358.72	\$335.41	(23.31)	87.0	\$809.26	\$730.98	(78.28)
Aug	101.0	\$450.06	\$370.44	(79.62)	16.0	\$358.72	\$335.41	(23.31)	140.0	\$871.37	\$755.64	(115.73)
Sep	107.0	\$457.09	\$373.23	(83.86)	52.0	\$400.91	\$352.16	(48.74)	590.0	\$1,240.46	\$908.47	(331.98)
Oct	459.0	\$764.49	\$499.46	(265.03)	655.0	\$922.92	\$566.76	(356.16)	1,460.0	\$1,906.95	\$1,187.13	(719.82)
Nov	548.0	\$832.67	\$527.96	(304.71)	917.0	\$1,123.63	\$650.67	(472.96)	1,223.0	\$1,725.39	\$1,111.22	(614.17)
Dec	852.0	\$1,065.56	\$625.33	(440.23)	1,352.0	\$1,456.87	\$790.00	(666.87)	1,463.0	\$1,909.24	\$1,188.09	(721.16)
Total	4,833.0	\$8,492.85	\$5,718.73	(\$2,774.12)	7,360.0	\$10,412.32	\$6,541.03	(\$3,871.29)	11,923.0	\$18,468.34	\$12,408.24	(\$6,060.10)

TS Medium Rate Design

- Did not use cost curves
- Two blocks – objective was to make sure all customers fit well in first block
- Remainder of costs collected in 2nd block
- 25th percentile in low-use July was at 1,700 Dth.
- Rounded up to 2,000
 - End of 2nd block for TSS



Rate Design Comparison (TS Medium)*

Blocks	Step 3 rates from 2019 case (full cost)
1 st Block 0-200 Dth	\$1.17191
2 nd Block 201-2,000 Dth	\$0.76608
3 rd Block 2,001 – 100,000 Dth	\$0.31328
4 th Block Over 100,000 Dth	\$0.11595
Demand Charge	\$0.33083

Blocks	Task Force Rates
1 st Block 0-2000 Dth	\$0.61440
2 nd Block Over 2,000 Dth	\$0.35554
Demand Charge	\$0.26250

*Customers would also pay an admin fee

TS Medium (25,000 – 250,000 Dth/year)

25th Percentile Customer 250 Dth Firm Demand

50th Percentile Customer 320 Dth Firm Demand

75th Percentile Customer 450 Dth Firm Demand

Month	Usage In Dth	Step 3 Rate	Proposed TSM Rate	Change	Usage In Dth	Step 3 Rate	Proposed TSM Rate	Change	Usage In Dth	Step 3 Rate	Proposed TSM Rate	Change
Jan	5,848.0	\$3,215.04	\$2,976.04	(\$238.99)	7,723.0	\$3,825.59	\$3,661.06	(\$164.54)	7,587.0	\$4,182.75	\$4,003.58	(\$179.17)
Feb	4,839.0	\$2,898.94	\$2,617.30	(281.63)	6,731.0	\$3,514.82	\$3,308.36	(206.46)	7,024.0	\$4,006.37	\$3,803.41	(202.96)
Mar	4,442.0	\$2,774.56	\$2,476.15	(298.41)	5,576.0	\$3,152.98	\$2,897.71	(255.27)	7,403.0	\$4,125.10	\$3,938.16	(186.95)
Apr	2,477.0	\$2,158.97	\$1,777.52	(381.45)	3,649.0	\$2,549.29	\$2,212.59	(336.71)	6,913.0	\$3,971.60	\$3,763.94	(207.65)
May	2,328.0	\$2,112.29	\$1,724.54	(387.75)	3,069.0	\$2,367.59	\$2,006.37	(361.22)	7,082.0	\$4,024.54	\$3,824.03	(200.51)
Jun	259.0	\$675.79	\$538.25	(137.53)	1,159.0	\$1,388.42	\$1,109.59	(278.83)	7,260.0	\$4,080.30	\$3,887.32	(192.99)
Jul	169.0	\$594.26	\$482.96	(111.30)	325.0	\$749.51	\$597.18	(152.33)	6,701.0	\$3,905.18	\$3,688.57	(216.61)
Aug	171.0	\$596.60	\$484.19	(112.42)	329.0	\$752.57	\$599.64	(152.94)	6,668.0	\$3,894.84	\$3,676.84	(218.01)
Sep	228.0	\$652.04	\$519.21	(132.83)	1,373.0	\$1,552.36	\$1,241.07	(311.29)	7,380.0	\$4,117.90	\$3,929.98	(187.92)
Oct	2,702.0	\$2,229.46	\$1,857.51	(371.94)	5,032.0	\$2,982.56	\$2,704.30	(278.26)	7,056.0	\$4,016.39	\$3,814.79	(201.61)
Nov	3,519.0	\$2,485.41	\$2,147.99	(337.42)	5,735.0	\$3,202.79	\$2,954.24	(248.55)	6,679.0	\$3,898.29	\$3,680.75	(217.54)
Dec	4,823.0	\$2,893.92	\$2,611.61	(282.31)	7,222.0	\$3,668.64	\$3,482.93	(185.71)	6,868.0	\$3,957.50	\$3,747.94	(209.55)
Total	31,805.0	\$23,287.28	\$20,213.29	(\$3,073.99)	47,923.0	\$29,707.13	\$26,775.03	(\$2,932.10)	84,621.0	\$48,180.76	\$45,759.29	(\$2,421.47)

Rate Design Comparison (TS Large)*

Blocks	Step 3 rates from 2019 case (full cost)
1 st Block 0-200 Dth	\$1.17191
2 nd Block 201-2,000 Dth	\$0.76608
3 rd Block 2,001 – 100,000 Dth	\$0.31328
4 th Block Over 100,000 Dth	\$0.11595
Demand Charge	\$0.33083

Blocks	Task Force Rates
1 st Block 0-10,000 Dth	\$0.40913
2 nd Block 10,001-122,500 Dth	\$0.37481
3 rd Block 122,501 – 600,000 Dth	\$0.22224
4 th Block Over 600,000 Dth	No customers reach this block
Demand Charge	\$0.41083

*Customers would also pay an admin fee

TS Large (Greater than 250,000 Dth/year)

25th Percentile Customer 400 Dth Firm Demand

50th Percentile Customer 550 Dth Firm Demand

75th Percentile Customer 1200 Dth Firm Demand

Month	25 th Percentile Customer 400 Dth Firm Demand				50 th Percentile Customer 550 Dth Firm Demand				75 th Percentile Customer 1200 Dth Firm Demand			
	Usage In Dth	Step 3 Rate	Proposed TSL Rate	Change	Usage In Dth	Step 3 Rate	Proposed TSL Rate	Change	Usage In Dth	Step 3 Rate	Proposed TSL Rate	Change
Jan	46,267.0	\$16,704.13	\$18,939.37	\$2,235.24	46,643.0	\$16,871.54	\$19,141.92	\$2,270.38	76,036.0	\$25,874.57	\$30,005.50	\$4,130.93
Feb	38,341.0	\$14,221.07	\$15,968.62	1,747.56	39,384.0	\$14,597.44	\$16,421.18	1,823.73	68,620.0	\$23,551.29	\$27,225.91	3,674.62
Mar	36,724.0	\$13,714.49	\$15,362.56	1,648.06	44,378.0	\$16,161.96	\$18,292.98	2,131.01	75,862.0	\$25,820.06	\$29,940.29	4,120.22
Apr	27,754.0	\$10,904.37	\$12,000.51	1,096.14	40,579.0	\$14,971.81	\$16,869.07	1,897.26	68,249.0	\$23,435.06	\$27,086.86	3,651.79
May	24,969.0	\$10,031.89	\$10,956.66	924.78	42,306.0	\$15,512.85	\$17,516.37	2,003.52	55,244.0	\$19,360.86	\$22,212.45	2,851.60
Jun	19,133.0	\$8,203.59	\$8,769.27	565.69	39,526.0	\$14,641.93	\$16,474.40	1,832.47	65,915.0	\$22,703.87	\$26,212.05	3,508.18
Jul	14,327.0	\$6,697.96	\$6,967.94	269.97	40,568.0	\$14,968.37	\$16,864.95	1,896.58	66,492.0	\$22,884.63	\$26,428.32	3,543.69
Aug	15,802.0	\$7,160.05	\$7,520.78	360.73	42,656.0	\$15,622.50	\$17,647.55	2,025.06	64,161.0	\$22,154.37	\$25,554.63	3,400.26
Sep	20,222.0	\$8,544.75	\$9,177.44	632.69	40,294.0	\$14,882.53	\$16,762.25	1,879.72	65,599.0	\$22,604.87	\$26,093.61	3,488.74
Oct	32,669.0	\$12,444.14	\$13,842.70	1,398.56	46,379.0	\$16,788.84	\$19,042.97	2,254.13	68,982.0	\$23,664.70	\$27,361.59	3,696.90
Nov	33,788.0	\$12,794.70	\$14,262.11	1,467.41	44,224.0	\$16,113.72	\$18,235.26	2,121.54	59,331.0	\$20,641.23	\$23,744.30	3,103.07
Dec	41,552.0	\$15,227.01	\$17,172.14	1,945.13	46,805.0	\$16,922.29	\$19,202.64	2,280.35	51,004.0	\$18,032.55	\$20,623.26	2,590.71
Total	351,548.0	\$136,648.15	\$150,940.11	\$14,291.96	513,742.0	\$188,055.79	\$212,471.54	\$24,415.75	785,495.0	\$270,728.07	\$312,488.78	\$41,760.72

Next Steps

- Any requests for new analysis?
- Status Conference – Wednesday, March 17, 9:00 a.m.
- Final Report Due to the PSC Thursday, July 1

Questions