

Oak Ridge Workshop

Rate Design Update

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Summary of Discussion Analysis

- **Waste Water Summary:**

- Retail Rate Increases (each implemented in the month of January in each listed year)
 - 2014: 15% 2015: 10% 2016: 6% 2017: 6% 2018: 6% 2019: 6%
 - Applied equally to all non-Doe customers except 10" meter who has a larger impact in year 2014
 - First year impact to most common user meter size (5/8") \$2.78 monthly for 2,000 and under usage
- Borrow funds (\$30.942 million through FY14-19 of which \$8.55 million is new) to support capital spend plan of \$33.042 million with the difference being funded through retail rates

- **Water Summary:**

- Retail Rate Increases (each implemented in the month of January in each listed year)
 - 2014: 10% 2015: 8% 2016: 6% 2017: 4% 2018: 4% 2019: 4%
 - Applied equally to all non-Doe customers except 10" meter who has a larger impact in year 2014
 - First year impact to most common user meter size (5/8"): \$1.35 monthly for 2,000 and under usage
- Borrow funds (\$7.2 million through FY14-19 of which \$6.6 million is new), DOE contribution of 6.1 million) to support capital spend plan (\$21.25 million) along with rate increases

- **Electric Summary:**

- Retail Rate Increases (both implemented on October 2013 with no future year increases approved)
 - TVA 1.5% + Distributor 1.2% = 2.7% Total
 - Impact to Average Residential Customer: \$2.74 monthly

- **Estimated total impact (January 2014) to Residential Customer (5/8" meter 2,000 gallons and under usage) \$6.87 monthly**

- **Estimated total impact to commercial customer is equal percentage as residential customer but dollar estimate is unique to each customer because usage of customers vary greatly**

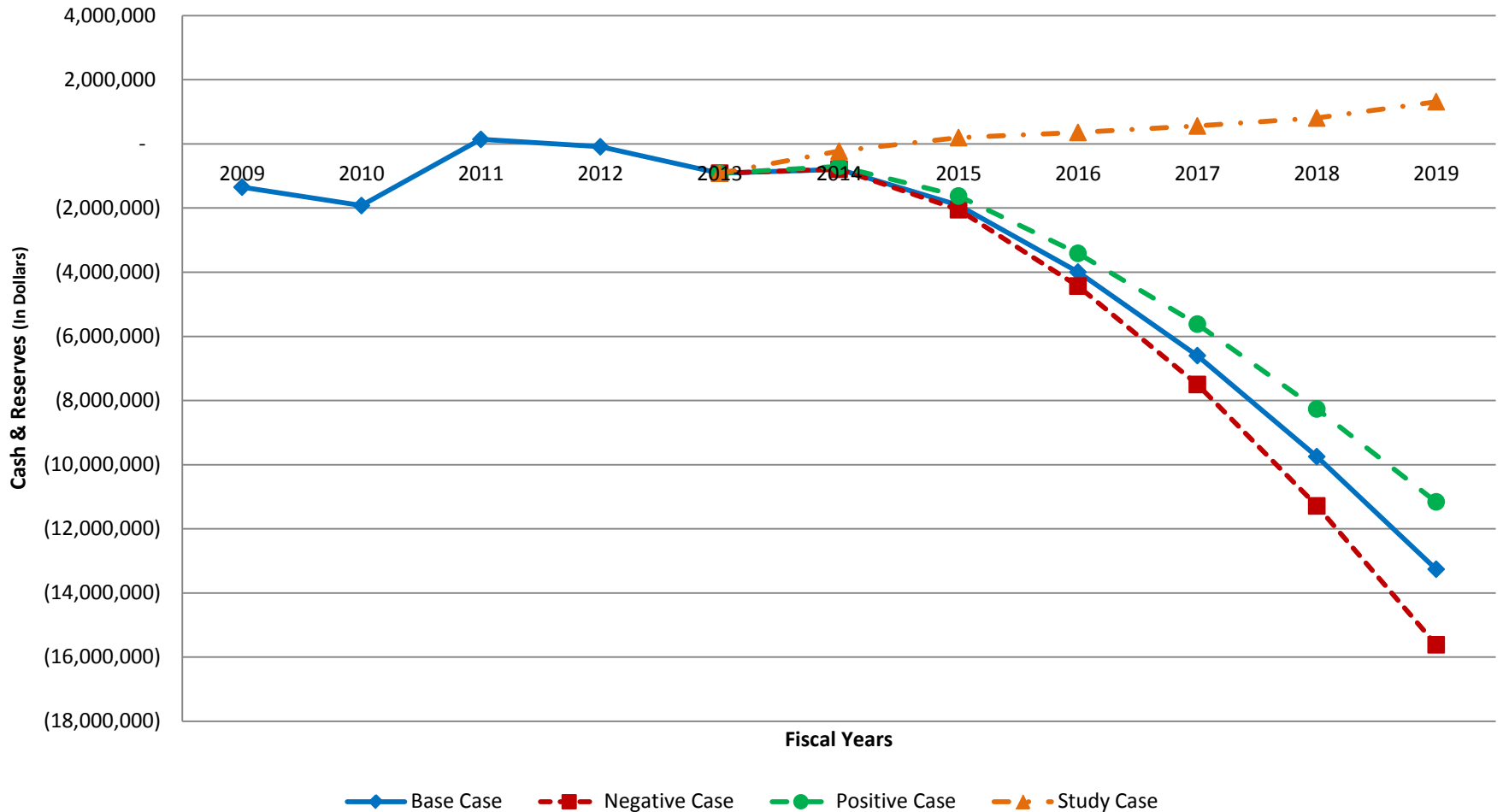
Waste Water Department Analysis – Bill Impacts

Summary of Waste Water Bill Impacts

Description	Retail Rates (starting January of each year)							Dollar Impacts (starting January of each year)					
	2013	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
Retail Rates for 1st 2,000 Gallons													
5/8"	18.50	21.28	23.41	24.81	26.30	27.88	29.55	2.78	2.13	1.40	1.49	1.58	1.67
3/4"	22.00	25.30	27.83	29.50	31.27	33.15	35.14	3.30	2.53	1.67	1.77	1.88	1.99
1"	35.00	40.25	44.28	46.94	49.76	52.75	55.92	5.25	4.03	2.66	2.82	2.99	3.17
1 1/2"	70.00	80.50	88.55	93.86	99.49	105.46	111.79	10.50	8.05	5.31	5.63	5.97	6.33
2'	130.00	149.50	164.45	174.32	184.78	195.87	207.62	19.50	14.95	9.87	10.46	11.09	11.75
3"	225.00	258.75	284.63	301.71	319.81	339.00	359.34	33.75	25.88	17.08	18.10	19.19	20.34
4"	295.00	339.25	373.18	395.57	419.30	444.46	471.13	44.25	33.93	22.39	23.73	25.16	26.67
6"	-	479.25	527.18	558.81	592.33	627.87	665.55	-	47.93	31.63	33.53	35.54	37.67
8"	-	619.25	681.18	722.05	765.37	811.29	859.97	-	61.93	40.87	43.32	45.92	48.68
10"	295.00	759.25	835.18	885.29	938.40	994.71	1,054.39	464.25	75.93	50.11	53.12	56.30	59.68
Over 3,000 Gallons	7.75	8.91	9.80	10.39	11.01	11.67	12.37						
DOE Rate for 1st 10M Gallons - fixed	0.162	0.162	0.162	0.162	0.162	0.162	0.162						
DOE over 10M Gallons	7.75	8.91	9.80	10.39	11.01	11.67	12.37						

Waste Water Department Cash Flow Analysis – Graph

Analysis of Unrestricted Cash



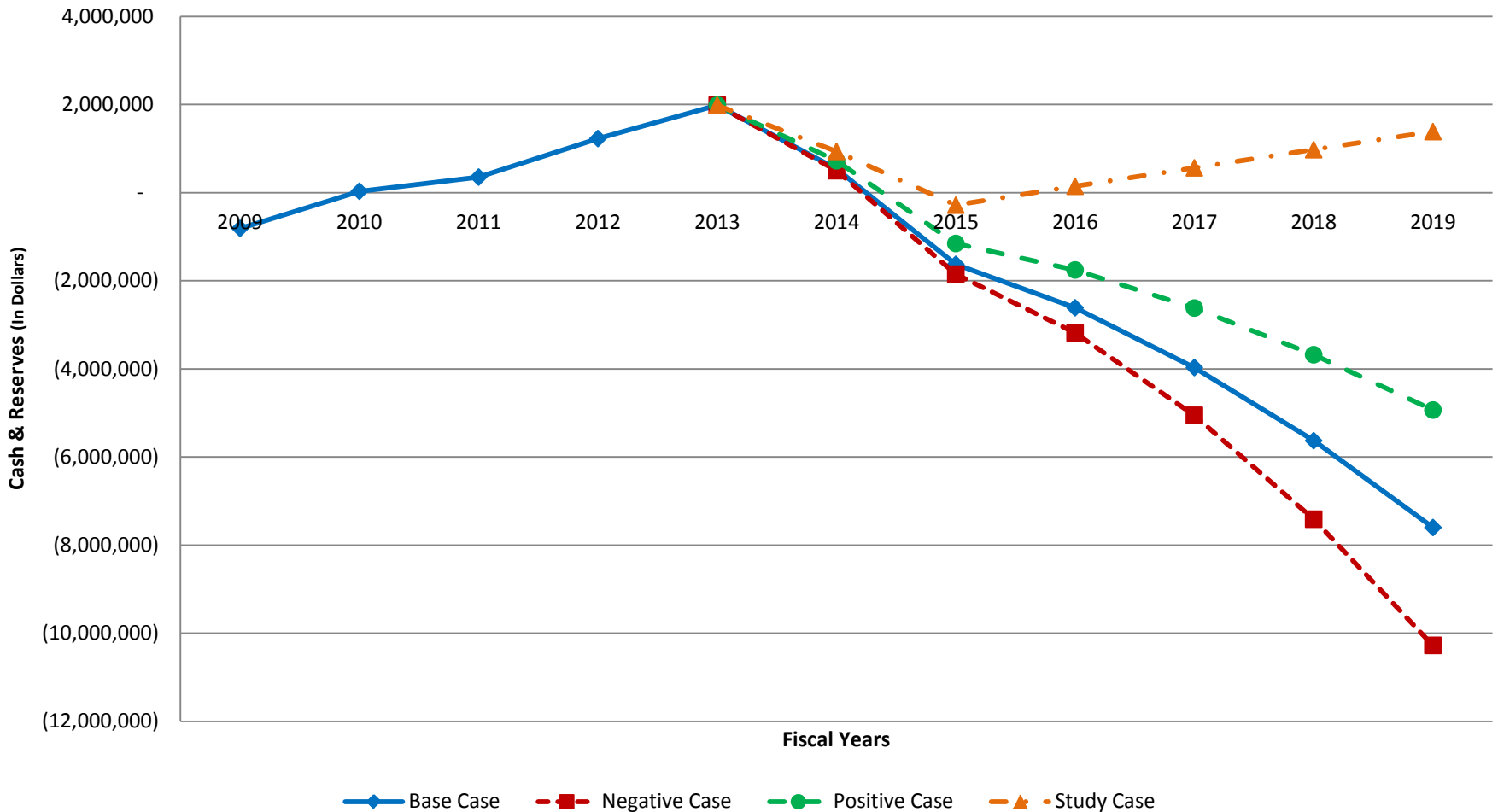
Water Department Analysis – Bill Impacts

Summary of Water Bill Impacts

Description	Retail Rates (starting January of each year)							Dollar Impacts (starting January of each year)					
	2013	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
Retail Rates for 1st 2,000 Gallons													
5/8"	13.50	14.85	16.04	17.00	17.68	18.39	19.13	1.35	1.19	0.96	0.68	0.71	0.74
3/4"	17.00	18.70	20.20	21.41	22.27	23.16	24.09	1.70	1.50	1.21	0.86	0.89	0.93
1"	30.00	33.00	35.64	37.78	39.29	40.86	42.49	3.00	2.64	2.14	1.51	1.57	1.63
1 1/2"	65.00	71.50	77.22	81.85	85.12	88.52	92.06	6.50	5.72	4.63	3.27	3.40	3.54
2'	125.00	137.50	148.50	157.41	163.71	170.26	177.07	12.50	11.00	8.91	6.30	6.55	6.81
3"	220.00	242.00	261.36	277.04	288.12	299.64	311.63	22.00	19.36	15.68	11.08	11.52	11.99
4"	290.00	319.00	344.52	365.19	379.80	394.99	410.79	29.00	25.52	20.67	14.61	15.19	15.80
6"	-	459.00	495.72	525.46	546.48	568.34	591.07		36.72	29.74	21.02	21.86	22.73
8"	-	599.00	646.92	685.74	713.16	741.69	771.36		47.92	38.82	27.43	28.53	29.67
10"	290.00	739.00	798.12	846.01	879.85	915.04	951.64	449.00	59.12	47.89	33.84	35.19	36.60
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Retail Rates for 3k-10k Gallons	5.60	6.16	6.65	7.05	7.33	7.62	7.92						
Retail Rates for next 40k Gallons	5.10	5.61	6.06	6.42	6.68	6.95	7.23						
Retail Rates for next 50k Gallons	4.15	4.57	4.94	5.24	5.45	5.67	5.90						

Water Department Cash Flow Analysis – Graph

Analysis of Unrestricted Cash



Electric Department Analysis – Bill Impacts

Rate Impact Analysis for Residential Class With Fuel Cost of 0.02518 after line losses

Average Monthly kWh	Plateau - Current					Annual Total Bill	Plateau - Proposed					Annual Total Bill	% Increase of Current	Monthly \$ Impact	
	Customer Charge	Energy Bill (4 months each season)					Customer Charge	Energy Bill (4 months each season)							
		Summer	Winter	Transition	12 Mth Total			Summer	Winter	Transition	12 Mth Total				
100	9.70	9.75	9.75	9.75	117	233	9.83	9.86	9.86	9.86	118	236	1.26%	\$ 0.25	
500	9.70	48.74	48.74	48.74	585	701	9.83	49.32	49.32	49.32	592	710	1.21%	\$ 0.71	
800	9.70	77.98	77.98	77.98	936	1,052	9.83	78.91	78.91	78.91	947	1,065	1.21%	\$ 1.06	
954	9.70	93.00	93.00	93.00	1,116	1,232	9.83	94.10	94.10	94.10	1,129	1,247	1.20%	\$ 1.24	
1000	9.70	97.48	97.48	97.48	1,170	1,286	9.83	98.64	98.64	98.64	1,184	1,302	1.20%	\$ 1.29	
1200	9.70	116.98	116.98	116.98	1,404	1,520	9.83	118.37	118.37	118.37	1,420	1,538	1.20%	\$ 1.52	
1400	9.70	136.47	136.47	136.47	1,638	1,754	9.83	138.10	138.10	138.10	1,657	1,775	1.20%	\$ 1.75	
1500	9.70	146.22	146.22	146.22	1,755	1,871	9.83	147.96	147.96	147.96	1,776	1,893	1.20%	\$ 1.87	
2000	9.70	194.96	194.96	194.96	2,340	2,456	9.83	197.28	197.28	197.28	2,367	2,485	1.20%	\$ 2.45	
2500	9.70	243.70	243.70	243.70	2,924	3,041	9.83	246.60	246.60	246.60	2,959	3,077	1.20%	\$ 3.03	
3000	9.70	292.44	292.44	292.44	3,509	3,626	9.83	295.92	295.92	295.92	3,551	3,669	1.19%	\$ 3.61	
3500	9.70	341.18	341.18	341.18	4,094	4,211	9.83	345.24	345.24	345.24	4,143	4,261	1.19%	\$ 4.19	
4000	9.70	389.92	389.92	389.92	4,679	4,795	9.83	394.56	394.56	394.56	4,735	4,853	1.19%	\$ 4.77	
4500	9.70	438.66	438.66	438.66	5,264	5,380	9.83	443.88	443.88	443.88	5,327	5,445	1.19%	\$ 5.35	
5000	9.70	487.40	487.40	487.40	5,849	5,965	9.83	493.20	493.20	493.20	5,918	6,036	1.19%	\$ 5.93	
Month Total Bill (1000 kWh)		107.18	107.18	107.18	1,286			108.47	108.47	108.47	1,302				
		Plateau - Current						Plateau - Proposed							
		Summer	Winter	Transition				Summer	Winter	Transition					
		9.70	9.70	9.70	Base Customer Chg			9.83	9.83	9.83	Base Customer Chg				
		0.09748	0.09748	0.09748	Energy (kwh)			0.09864	0.09864	0.09864	Energy (kwh)				

Electric Department Cash Flow Analysis – Graph

Analysis of Cash & Reserves

