

# Ephraim UT Electric Department

Electric Cost of Service, Financial Projection, and Rate Study  
July 17, 2024 Meeting

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# Presentation Objectives

- Review Financial Projection (main financial targets for “financial health”)
  - Significant Assumptions
  - Main Financial Targets (for “financial health”)
    - Debt Coverage Ratio
    - Minimum Cash
    - Adjusted Operating Income
- Review Cost of Service Results
  - Class Cost Results
  - Customer Charges
- Rate Evolution
  - Discuss Rate Plan (3 to 5-year progression) & Customer Impacts
  - PCA (power cost adjustment) – changes in UAMPS bills

# Significant Assumptions

| Ephraim City, UT               |                                                                                                                             |                                                        |                       |               |                            |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------|---------------|----------------------------|
| Electric Cost of Service Study |                                                                                                                             |                                                        |                       |               |                            |
| Projection Summary             |                                                                                                                             |                                                        |                       |               |                            |
|                                | * 6 month grace for FY2025 rates to become effective January 1, 2025, future years effective July 1 of each new fiscal year | <-number of months rate increase delayed mid year 2025 |                       |               |                            |
| Fiscal Year                    | Projected Rate Adjustments                                                                                                  | Inflation                                              | Purchase Power Change | Total Capital | Bond Issues Including Fees |
| 2025                           | 3.25%                                                                                                                       | 2.9%                                                   | 2.5%                  | \$ 138,000    | \$ -                       |
| 2026                           | 3.25%                                                                                                                       | 2.9%                                                   | 2.5%                  | 2,070,000     | -                          |
| 2027                           | 3.25%                                                                                                                       | 2.9%                                                   | 2.5%                  | 302,000       | -                          |
| 2028                           | 3.25%                                                                                                                       | 2.9%                                                   | 2.5%                  | 11,162,000    | 10,500,000                 |
| 2029                           | 3.25%                                                                                                                       | 2.9%                                                   | 2.5%                  | 347,000       | -                          |

\* Assumes January 1, 2025 for new FY2025 rates, then every July 1 for each new fiscal year

# Capital Improvement Plan

| Project Name                             | Category       | Project Description                                                                                                   | FY25   | FY26      | FY27    | FY28       | FY29    |
|------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------|--------|-----------|---------|------------|---------|
| Journeyman Lineman                       | Employee       | Add a new employee to the power department                                                                            |        | 133,000   |         |            |         |
| Public Works and Power Yard/Building     | Building       | Build new Public Works building                                                                                       |        | 1,500,000 |         |            |         |
| Bury power lines to GBEEC                | Infrastructure | Bury ~7 miles of power line from the ropes course the the GBEEC                                                       | 25,000 | 35,000    | 45,000  | 55,000     | 65,000  |
| LED street lights                        |                | Replace existing street lights with LED lights                                                                        | 7,000  | 7,000     | 7,000   | 7,000      | 7,000   |
| Upgrade Canyon Substation reclosure #2   | Infrastructure | Rebuild the reclosure system                                                                                          | 6,000  |           |         |            |         |
| Cable Pulling Trailer                    | Equipment      | Underground cable pulling machine/trailer                                                                             |        | 125,000   |         |            |         |
| Internal Power Generation source         | Infrastructure | Natural gas generating station (~\$5-6M), Solar panel generationg system (~\$1-2M)                                    |        |           |         | 8,000,000  |         |
| Substation                               | Infrastructure | New Substation at ~400 S 400 W to service growth in the southwest corner of the town                                  |        |           |         | 3,000,000  |         |
| Service Truck                            | Vehicle        | Replace the Dodge Service truck, the Ford service truck will need to be replaced in 2031                              |        |           | 150,000 |            | 175,000 |
| Repair needles and seats on Hydro Unit 1 | Infrastructure | Maintenance the needs to happen every 5-7 years                                                                       |        | 70,000    |         |            |         |
| Mini excavator                           | Vehicle        | Replace existing mini excavator - split cost 50/50 with Public Works                                                  |        | 50,000    |         |            |         |
| Backhoe                                  | Vehicle        | Backhoe buyback program to get a new backhoe on a 3 yr rotation (buy new one ~\$125K and trade in the old one ~\$90K) |        | 35,000    |         |            |         |
| UTV                                      | Vehicle        | Replace existing UTV                                                                                                  |        | 15,000    |         |            |         |
| New Meters                               |                | Additional new meters                                                                                                 |        |           |         |            |         |
| Admin truck                              | Vehicle        | Replace the current Power Director's truck                                                                            |        |           |         |            |         |
| Shop                                     | Building       | No needs at this point                                                                                                |        |           |         |            |         |
| Old Public Works Building                | Building       | No needs at this point                                                                                                |        |           |         |            |         |
|                                          |                |                                                                                                                       | 38,000 | 1,970,000 | 202,000 | 11,062,000 | 247,000 |

|      | Metering |         |
|------|----------|---------|
| 2025 | \$       | 100,000 |
| 2026 | \$       | 100,000 |
| 2027 | \$       | 100,000 |
| 2028 | \$       | 100,000 |
| 2029 | \$       | 100,000 |

# Main Financial Targets - Projection Summary (with 0.0% annual rate increases, with PCA)

| Ephraim City, UT               |                            |                     |                    |                    |                           |                         |                         |                       |
|--------------------------------|----------------------------|---------------------|--------------------|--------------------|---------------------------|-------------------------|-------------------------|-----------------------|
| Electric Cost of Service Study |                            |                     |                    |                    |                           |                         |                         |                       |
| Projection Summary             |                            |                     |                    |                    |                           |                         |                         |                       |
|                                | 0                          |                     |                    |                    |                           |                         |                         |                       |
| Fiscal Year                    | Projected Rate Adjustments | Debt Coverage Ratio | Projected Expenses | Projected Revenues | Adjusted Operating Income | Target Operating Income | Projected Cash Balances | Targeted Minimum Cash |
| 2025                           | 0.00%                      | 21.48               | \$ 5,473,013       | \$ 5,681,548       | \$ 208,536                | \$ 351,246              | \$ 3,746,215            | \$ 1,581,562          |
| 2026                           | 0.00%                      | 18.99               | 5,666,495          | 5,771,943          | \$ 105,448                | 420,631                 | \$ 2,108,965            | 1,516,963             |
| 2027                           | 0.00%                      | 16.80               | 5,851,030          | 5,864,598          | \$ 13,567                 | 429,829                 | \$ 2,187,089            | 1,536,203             |
| 2028                           | 0.00%                      | 0.31                | 6,329,498          | 5,959,568          | \$ (369,930)              | 733,880                 | \$ 978,778              | 2,171,158             |
| 2029                           | 0.00%                      | 0.25                | 6,699,897          | 6,056,914          | \$ (642,983)              | 727,467                 | \$ 36,552               | 2,188,026             |

# Main Financial Targets - Projection Summary (with 3.25% annual rate increases, with PCA)

| Ephraim City, UT               |                                                                                                                             |                     |                    |                    |                           |                         |                         |                       |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|--------------------|---------------------------|-------------------------|-------------------------|-----------------------|
| Electric Cost of Service Study |                                                                                                                             |                     |                    |                    |                           |                         |                         |                       |
| Projection Summary             |                                                                                                                             |                     |                    |                    |                           |                         |                         |                       |
|                                | * 6 month grace for FY2025 rates to become effective January 1, 2025, future years effective July 1 of each new fiscal year |                     |                    |                    |                           |                         |                         |                       |
| Fiscal Year                    | Projected Rate Adjustments                                                                                                  | Debt Coverage Ratio | Projected Expenses | Projected Revenues | Adjusted Operating Income | Target Operating Income | Projected Cash Balances | Targeted Minimum Cash |
| 2025                           | 3.25%                                                                                                                       | 21.67               | \$ 5,473,013       | \$ 5,686,144       | \$ 213,132                | \$ 351,246              | \$ 3,750,811            | \$ 1,581,562          |
| 2026                           | 3.25%                                                                                                                       | 33.62               | 5,666,495          | 6,123,738          | \$ 457,243                | 420,631                 | \$ 2,465,379            | 1,516,963             |
| 2027                           | 3.25%                                                                                                                       | 39.17               | 5,851,030          | 6,400,911          | \$ 549,881                | 429,829                 | \$ 3,081,598            | 1,536,203             |
| 2028                           | 3.25%                                                                                                                       | 1.23                | 6,329,498          | 6,686,397          | \$ 356,898                | 733,880                 | \$ 2,604,588            | 2,171,158             |
| 2029                           | 3.25%                                                                                                                       | 1.42                | 6,699,897          | 6,980,448          | \$ 280,552                | 727,467                 | \$ 2,594,026            | 2,188,026             |

\* Assumes January 1, 2025 for new FY2025 rates, then every July 1 for each new fiscal year

# Customer Classes (Rates)

- Electric Rates are broken into groups of similar customers
  - Main Classes (Customer Groups)
    - Residential (housing)
    - Commercial (businesses)
  - The Residential rate 101 and Commercial rate 112 make up over 80% of revenue for the electric department
  - The other rates are variations of residential and commercial to accommodate for
    - Customer installed solar
    - Various sizes and uses of commercial customers

# COS Summary Results

% change needed to meet COS and financial targets

|                                              |                                             |                                             |                                             |                                             |                                             |        |
|----------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|--------|
| <b>Ephraim City, UT</b>                      |                                             |                                             |                                             |                                             |                                             |        |
| <b>Rate Design</b>                           |                                             |                                             |                                             |                                             |                                             |        |
| <b>Rate Design Summary</b>                   |                                             |                                             |                                             |                                             |                                             |        |
|                                              |                                             |                                             |                                             |                                             |                                             |        |
|                                              | FY2025                                      | FY2026                                      | FY2027                                      | FY2028                                      | FY2029                                      | FY2024 |
|                                              | Projected<br>Percentage<br>Change<br>Year 1 | Projected<br>Percentage<br>Change<br>Year 2 | Projected<br>Percentage<br>Change<br>Year 3 | Projected<br>Percentage<br>Change<br>Year 4 | Projected<br>Percentage<br>Change<br>Year 5 | COS    |
| Customer Class                               |                                             |                                             |                                             |                                             |                                             |        |
| Residential Service (Schedule A - 101)       | 3.95%                                       | 4.03%                                       | 3.94%                                       | 3.92%                                       | 3.84%                                       | 11.9%  |
| Solar Residential Service (Schedule D - 102) | 5.01%                                       | 2.86%                                       | 2.85%                                       | 2.91%                                       | 2.90%                                       | 15.4%  |
| Commercial Service (Schedule B - 111)        | 2.03%                                       | 4.35%                                       | 4.23%                                       | 4.18%                                       | 4.07%                                       | -4.3%  |
| Commercial Service (Schedule B - 112)        | 2.89%                                       | 2.38%                                       | 2.40%                                       | 2.47%                                       | 2.48%                                       | -4.0%  |
| Pumping Service (Schedule C - 113)           | 3.39%                                       | 3.90%                                       | 3.83%                                       | 3.83%                                       | 3.76%                                       | -2.7%  |
| Solar Commercial Service (Schedule E - 114)  | 1.03%                                       | 0.92%                                       | 0.98%                                       | 1.10%                                       | 1.15%                                       | -3.0%  |
| Commercial In County (Rate Class 115)        | 4.35%                                       | 6.87%                                       | 6.48%                                       | 6.18%                                       | 5.87%                                       | 13.6%  |
| Totals                                       | 3.26%                                       | 3.28%                                       | 3.25%                                       | 3.27%                                       | 3.23%                                       | 2.5%   |

# Main Billing Components

- Monthly Customer Charge
  - Intended for some operational fixed cost recovery (non UAMPS)
- Customer kWh energy usage
  - Intended to recover variable power supply – (UAMPS bills)
- Customer peak demand kW usage
  - Intended to recover fixed cost recovery for operations (non UAMPS)
- PCA – Power Cost Adjustment
  - Intended to recover variations in power supply costs – (UAMPS bills)

# Monthly Customer Charges

Customer charge, portion of fixed cost recovery (non power supply), customer service, meter reading, billing, portion of distribution system. These are costs that don't go away with varying customer usage.

| Customer Class                               | COS<br>Customer<br>Charge | Current<br>Average<br>Customer<br>Charge | Current<br>Customer<br>Charge<br>Applied as<br>Minimum |
|----------------------------------------------|---------------------------|------------------------------------------|--------------------------------------------------------|
| Residential Service (Schedule A - 101)       | \$ 17.29                  | \$ 0.28                                  | \$ 9.25                                                |
| Solar Residential Service (Schedule D - 102) | 19.03                     | 0.09                                     | \$ 9.25                                                |
| Commercial Service (Schedule B - 111)        | 56.23                     | 1.81                                     | \$ 15.00                                               |
| Commercial Service (Schedule B - 112)        | 73.39                     | 1.12                                     | \$ 30.00                                               |
| Pumping Service (Schedule C - 113)           | 39.01                     | 1.76                                     | \$ 10.00                                               |
| Solar Commercial Service (Schedule E - 114)  | 73.66                     | -                                        | \$ -                                                   |
| Commercial In County (Rate Class 115)        | 56.23                     | 2.61                                     | \$ 15.00                                               |

- Current monthly charges are applied as Minimum (includes free kWh)
- Best to charge as a base fee plus kWh usage fee

# Rate Evolution

- Rate Evolution
  - Discuss Rate Plan (3 to 5-year progression) & Customer Impacts
    - Change monthly charge to base instead of minimum
    - Change to flat monthly kWh instead of rate tiers
    - Charge for all kW for demand customers (don't give first 15 kW free to select customers)
  - PCA (power cost adjustment) – changes in UAMPS bills

# Rate Plan & Customer Impacts

## Residential Monthly Billing Summary

| Residential Service (Schedule A - 101)     |           |           |           |           |           |           |                                           |
|--------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------------------------|
| Low, Medium, High kWh Usage Bill \$ Total  | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2025 - FY2029                           |
| kWh                                        |           |           |           |           |           |           | Monthly Cumulative \$ Change Over 5 Years |
| 0                                          | \$ 9.25   | \$ 5.00   | \$ 9.00   | \$ 13.00  | \$ 17.00  | \$ 21.00  | \$ 11.75                                  |
| 600                                        | \$ 81.35  | \$ 84.62  | \$ 87.78  | \$ 91.00  | \$ 94.34  | \$ 97.74  | \$ 16.39                                  |
| 1,200                                      | \$ 158.75 | \$ 164.24 | \$ 166.56 | \$ 169.00 | \$ 171.68 | \$ 174.48 | \$ 15.73                                  |
|                                            |           |           |           |           |           |           |                                           |
| Low, Medium, High kWh Usage Bill \$ Change | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2025 - FY2029                           |
| kWh                                        |           |           |           |           |           |           | Average Monthly \$ Change Over 5 Years    |
| 0                                          | \$ -      | \$ (4.25) | \$ 4.00   | \$ 4.00   | \$ 4.00   | \$ 4.00   | \$ 2.35                                   |
| 600                                        | \$ -      | \$ 3.27   | \$ 3.16   | \$ 3.22   | \$ 3.34   | \$ 3.40   | \$ 3.28                                   |
| 1,200                                      | \$ -      | \$ 5.49   | \$ 2.32   | \$ 2.44   | \$ 2.68   | \$ 2.80   | \$ 3.15                                   |

# Rate Plan & Customer Impacts

## Residential Rate Details

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Residential Service (Schedule A - 101)                                |                |               |               |               |               |               |
|                                                                       |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 9.25        | \$ 5.00       | \$ 9.00       | \$ 13.00      | \$ 17.00      | \$ 21.00      |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 50 kWh)                                                  | \$ 0.1850      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Block 2 (51 - 150 kWh)                                                | \$ 0.1405      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Block 3 (Excess)                                                      | \$ 0.1290      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 2,055,649   | \$ 2,136,867  | \$ 2,223,018  | \$ 2,310,677  | \$ 2,401,356  | \$ 2,493,543  |
| Average Usage                                                         | 563            |               |               |               |               |               |
| Monthly Customers                                                     | 2,235          |               |               |               |               |               |
| Average Bill \$                                                       | \$ 76.65       | \$ 79.67      | \$ 82.89      | \$ 86.16      | \$ 89.54      | \$ 92.97      |
| Average % Change                                                      |                | 4.0%          | 4.0%          | 3.9%          | 3.9%          | 3.8%          |
| Average Monthly Change \$                                             |                | \$ 3.03       | \$ 3.21       | \$ 3.27       | \$ 3.38       | \$ 3.44       |

# Rate Plan & Customer Impacts

## Commercial Poly Phase (3 phase) Rate Details

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Projected Commercial Service (Schedule B - 112) Rates                 |                |               |               |               |               |               |
| Energy tied to rate Commercial B - 111                                |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 30.00       | \$ 20.00      | \$ 40.00      | \$ 60.00      | \$ 80.00      | \$ 100.00     |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 500 kWh)                                                 | \$ 0.1812      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Block 2 (501 - 500 kWh)                                               | \$ 0.1452      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Block 3 (501 - 5,000 kWh)                                             | \$ 0.1310      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Block 4 (Excess)                                                      | \$ 0.1221      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Demand Charge (All kW)                                                | \$ 4.82        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 1 (0 - 15 kW)                                                   | \$ -           | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 2 (Excess)                                                      | \$ 5.78        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 2,511,275   | \$ 2,583,855  | \$ 2,645,455  | \$ 2,708,866  | \$ 2,775,897  | \$ 2,844,739  |
|                                                                       |                |               |               |               |               |               |
| Average Usage                                                         | 3,267          |               |               |               |               |               |
| Monthly Customers                                                     | 83             |               |               |               |               |               |
| Average Bill \$                                                       | \$ 2,521.36    | \$ 2,594.23   | \$ 2,656.08   | \$ 2,719.74   | \$ 2,787.05   | \$ 2,856.16   |
| Average % Change                                                      |                | 2.9%          | 2.4%          | 2.4%          | 2.5%          | 2.5%          |
| Average Monthly Change \$                                             |                | \$ 72.87      | \$ 61.85      | \$ 63.67      | \$ 67.30      | \$ 69.12      |

# PCA – Power Cost Adjustment

- Mechanism to fairly and smoothly charge customers for varying power costs
- Intended to recoup power costs that are more than what's being collected in retail rates
- Charged on a per kWh basis as an additional fee to balance power cost overages

# PCA – Basic Concepts Example

| PCA Basic Concepts Example |                                                   |
|----------------------------|---------------------------------------------------|
| \$ 0.0800                  | PCA base - Typical Power Cost (included in rates) |
| \$ 0.0850                  | New Power Cost (future monthly power costs)       |
| \$ 0.0050                  | PCA to balance old cost with new cost             |

# Questions?



# Appendix

- Rate Plan (3 to 5-year progression) & Customer Impacts
  - Change monthly charge to base instead of minimum
  - Change to flat monthly kWh instead of rate tiers
  - Charge for all kW for demand customers (don't give first 15 kW free to select customers)
- PCA (power cost adjustment) – changes in UAMPS bills

# Rate Plan & Customer Impacts

## Residential

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Residential Service (Schedule A - 101)                                |                |               |               |               |               |               |
|                                                                       |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 9.25        | \$ 5.00       | \$ 9.00       | \$ 13.00      | \$ 17.00      | \$ 21.00      |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 50 kWh)                                                  | \$ 0.1850      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Block 2 (51 - 150 kWh)                                                | \$ 0.1405      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Block 3 (Excess)                                                      | \$ 0.1290      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 2,055,649   | \$ 2,136,867  | \$ 2,223,018  | \$ 2,310,677  | \$ 2,401,356  | \$ 2,493,543  |
| Average Usage                                                         | 563            |               |               |               |               |               |
| Monthly Customers                                                     | 2,235          |               |               |               |               |               |
| Average Bill \$                                                       | \$ 76.65       | \$ 79.67      | \$ 82.89      | \$ 86.16      | \$ 89.54      | \$ 92.97      |
| Average % Change                                                      |                | 4.0%          | 4.0%          | 3.9%          | 3.9%          | 3.8%          |
| Average Monthly Change \$                                             |                | \$ 3.03       | \$ 3.21       | \$ 3.27       | \$ 3.38       | \$ 3.44       |

# Rate Plan & Customer Impacts

## Residential Solar

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Solar Residential Service (Schedule D - 102)                          |                |               |               |               |               |               |
| Rates tied to Residential Rate A - 101                                |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 9.25        | \$ 5.00       | \$ 9.00       | \$ 13.00      | \$ 17.00      | \$ 21.00      |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 50 kWh)                                                  | \$ 0.1850      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Block 2 (51 - 150 kWh)                                                | \$ 0.1405      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Block 3 (Excess)                                                      | \$ 0.1290      | \$ 0.1327     | \$ 0.1313     | \$ 0.1300     | \$ 0.1289     | \$ 0.1279     |
| Other:                                                                |                |               |               |               |               |               |
| Solar Production Rate Rate * As updated by Staff                      | \$ (0.0410)    | \$ (0.0410)   | \$ (0.0410)   | \$ (0.0410)   | \$ (0.0410)   | \$ (0.0410)   |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 26,967      | \$ 28,318     | \$ 29,129     | \$ 29,960     | \$ 30,833     | \$ 31,727     |
| Average Usage                                                         | 760            |               |               |               |               |               |
| Monthly Customers                                                     | 23             |               |               |               |               |               |
| Average Bill \$                                                       | \$ 97.71       | \$ 102.60     | \$ 105.54     | \$ 108.55     | \$ 111.71     | \$ 114.95     |
| Average % Change                                                      |                | 5.0%          | 2.9%          | 2.9%          | 2.9%          | 2.9%          |
| Average Monthly Change \$                                             |                | \$ 4.90       | \$ 2.94       | \$ 3.01       | \$ 3.16       | \$ 3.24       |

# Rate Plan & Customer Impacts

## Commercial Single Phase (1 phase)

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Projected Commercial Service (Schedule B - 111) Rates                 |                |               |               |               |               |               |
|                                                                       |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 15.00       | \$ 10.00      | \$ 20.00      | \$ 30.00      | \$ 40.00      | \$ 50.00      |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 500 kWh)                                                 | \$ 0.1812      | \$ 0.1372     | \$ 0.1348     | \$ 0.1325     | \$ 0.1304     | \$ 0.1284     |
| Block 2 (501 - 500 kWh)                                               | \$ 0.1452      | \$ 0.1372     | \$ 0.1348     | \$ 0.1325     | \$ 0.1304     | \$ 0.1284     |
| Block 3 (501 - 5,000 kWh)                                             | \$ 0.1310      | \$ 0.1372     | \$ 0.1348     | \$ 0.1325     | \$ 0.1304     | \$ 0.1284     |
| Block 4 (Excess)                                                      | \$ 0.1221      | \$ 0.1372     | \$ 0.1348     | \$ 0.1325     | \$ 0.1304     | \$ 0.1284     |
| Demand Charge (All kW)                                                | \$ 0.85        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 1 (0 - 15 kW)                                                   | \$ -           | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 2 (Excess)                                                      | \$ 5.78        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 427,231     | \$ 435,886    | \$ 454,862    | \$ 474,125    | \$ 493,964    | \$ 514,090    |
|                                                                       |                |               |               |               |               |               |
| Average Usage                                                         | 1,219          |               |               |               |               |               |
| Monthly Customers                                                     | 187            |               |               |               |               |               |
| Average Bill \$                                                       | \$ 190.39      | \$ 194.25     | \$ 202.70     | \$ 211.29     | \$ 220.13     | \$ 229.10     |
| Average % Change                                                      |                | 2.0%          | 4.4%          | 4.2%          | 4.2%          | 4.1%          |
| Average Monthly Change \$                                             |                | \$ 3.86       | \$ 8.46       | \$ 8.58       | \$ 8.84       | \$ 8.97       |

# Rate Plan & Customer Impacts

## Commercial Poly Phase (3 phase)

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Projected Commercial Service (Schedule B - 112) Rates                 |                |               |               |               |               |               |
| Energy tied to rate Commercial B - 111                                |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 30.00       | \$ 20.00      | \$ 40.00      | \$ 60.00      | \$ 80.00      | \$ 100.00     |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 500 kWh)                                                 | \$ 0.1812      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Block 2 (501 - 500 kWh)                                               | \$ 0.1452      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Block 3 (501 - 5,000 kWh)                                             | \$ 0.1310      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Block 4 (Excess)                                                      | \$ 0.1221      | \$ 0.1262     | \$ 0.1257     | \$ 0.1253     | \$ 0.1251     | \$ 0.1250     |
| Demand Charge (All kW)                                                | \$ 4.82        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 1 (0 - 15 kW)                                                   | \$ -           | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 2 (Excess)                                                      | \$ 5.78        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 2,511,275   | \$ 2,583,855  | \$ 2,645,455  | \$ 2,708,866  | \$ 2,775,897  | \$ 2,844,739  |
|                                                                       |                |               |               |               |               |               |
| Average Usage                                                         | 3,267          |               |               |               |               |               |
| Monthly Customers                                                     | 83             |               |               |               |               |               |
| Average Bill \$                                                       | \$ 2,521.36    | \$ 2,594.23   | \$ 2,656.08   | \$ 2,719.74   | \$ 2,787.05   | \$ 2,856.16   |
| Average % Change                                                      |                | 2.9%          | 2.4%          | 2.4%          | 2.5%          | 2.5%          |
| Average Monthly Change \$                                             |                | \$ 72.87      | \$ 61.85      | \$ 63.67      | \$ 67.30      | \$ 69.12      |

# Rate Plan & Customer Impacts

## Pumping

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Projected Pumping Service (Schedule C - 113) Rates                    |                |               |               |               |               |               |
|                                                                       |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 10.00       | \$ 10.00      | \$ 20.00      | \$ 30.00      | \$ 40.00      | \$ 50.00      |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 1,000 kWh)                                               | \$ 0.1221      | \$ 0.1196     | \$ 0.1212     | \$ 0.1229     | \$ 0.1248     | \$ 0.1268     |
| Block 2 (Excess)                                                      | \$ 0.1163      | \$ 0.1196     | \$ 0.1212     | \$ 0.1229     | \$ 0.1248     | \$ 0.1268     |
| Demand Charge (All kW)                                                | \$ 5.78        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| All Demand                                                            | \$ 5.78        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 151,421     | \$ 156,555    | \$ 162,658    | \$ 168,882    | \$ 175,347    | \$ 181,933    |
|                                                                       |                |               |               |               |               |               |
| Average Usage                                                         | 5,031          |               |               |               |               |               |
| Monthly Customers                                                     | 20             |               |               |               |               |               |
| Average Bill \$                                                       | \$ 630.92      | \$ 652.31     | \$ 677.74     | \$ 703.67     | \$ 730.61     | \$ 758.06     |
| Average % Change                                                      |                | 3.4%          | 3.9%          | 3.8%          | 3.8%          | 3.8%          |
| Average Monthly Change \$                                             |                | \$ 21.39      | \$ 25.43      | \$ 25.93      | \$ 26.94      | \$ 27.44      |

# Rate Plan & Customer Impacts

## Commercial Solar

|                                                                       |             |             |             |             |             |             |
|-----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Ephraim City, UT</b>                                               |             |             |             |             |             |             |
| <b>Electric Rate Design</b>                                           |             |             |             |             |             |             |
| Projected Solar Commercial Service (Schedule E - 114) Rates           |             |             |             |             |             |             |
| Rates tied to Commercial Rate B - 111                                 |             |             |             |             |             |             |
|                                                                       | FY2024      | FY2025      | FY2026      | FY2027      | FY2028      | FY2029      |
| Rates                                                                 | Current     | Year 1      | Year 2      | Year 3      | Year 4      | Year 5      |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ -        | \$ 10.00    | \$ 20.00    | \$ 30.00    | \$ 40.00    | \$ 50.00    |
| Energy Charge: (All kWh)                                              |             |             |             |             |             |             |
| Block 1 (0 - 500 kWh)                                                 | \$ 0.1812   | \$ 0.1372   | \$ 0.1348   | \$ 0.1325   | \$ 0.1304   | \$ 0.1284   |
| Block 2 (501 - 500 kWh)                                               | \$ 0.1452   | \$ 0.1372   | \$ 0.1348   | \$ 0.1325   | \$ 0.1304   | \$ 0.1284   |
| Block 3 (501 - 5,000 kWh)                                             | \$ 0.1310   | \$ 0.1372   | \$ 0.1348   | \$ 0.1325   | \$ 0.1304   | \$ 0.1284   |
| Block 4 (Excess)                                                      | \$ 0.1221   | \$ 0.1372   | \$ 0.1348   | \$ 0.1325   | \$ 0.1304   | \$ 0.1284   |
| Demand Charge (All kW)                                                | \$ 5.78     | \$ 5.50     | \$ 6.50     | \$ 7.50     | \$ 8.50     | \$ 9.50     |
| All Demand                                                            | \$ 5.78     | \$ 5.50     | \$ 6.50     | \$ 7.50     | \$ 8.50     | \$ 9.50     |
| Other:                                                                |             |             |             |             |             |             |
| Solar Production Rate Rate * As updated by Staff                      | \$ (0.0410) | \$ (0.0410) | \$ (0.0410) | \$ (0.0410) | \$ (0.0410) | \$ (0.0410) |
| Power Cost Adjustment:                                                |             |             |             |             |             |             |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Revenue from Rate                                                     | \$ 65,967   | \$ 66,648   | \$ 67,259   | \$ 67,914   | \$ 68,662   | \$ 69,455   |
| Average Usage                                                         | 3,498       |             |             |             |             |             |
| Monthly Customers                                                     | 10          |             |             |             |             |             |
| Average Bill \$                                                       | \$ 549.73   | \$ 555.40   | \$ 560.49   | \$ 565.95   | \$ 572.18   | \$ 578.79   |
| Average % Change                                                      |             | 1.0%        | 0.9%        | 1.0%        | 1.1%        | 1.2%        |
| Average Monthly Change \$                                             |             | \$ 5.68     | \$ 5.09     | \$ 5.47     | \$ 6.23     | \$ 6.61     |

# Rate Plan & Customer Impacts

## Commercial In County

|                                                                       |                |               |               |               |               |               |
|-----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Ephraim City, UT</b>                                               |                |               |               |               |               |               |
| <b>Electric Rate Design</b>                                           |                |               |               |               |               |               |
| Projected Commercial In County (Rate Class 115) Rates                 |                |               |               |               |               |               |
|                                                                       |                |               |               |               |               |               |
|                                                                       | FY2024         | FY2025        | FY2026        | FY2027        | FY2028        | FY2029        |
| <b>Rates</b>                                                          | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Monthly Facilities Charge: (FY2024 as Minimum, FY2025-FY2029 as Base) | \$ 15.00       | \$ 10.00      | \$ 25.00      | \$ 40.00      | \$ 55.00      | \$ 70.00      |
| Energy Charge: (All kWh)                                              |                |               |               |               |               |               |
| Block 1 (0 - 500 kWh)                                                 | \$ 0.1812      | \$ 0.1357     | \$ 0.1336     | \$ 0.1316     | \$ 0.1298     | \$ 0.1281     |
| Block 2 (501 - 500 kWh)                                               | \$ 0.1452      | \$ 0.1357     | \$ 0.1336     | \$ 0.1316     | \$ 0.1298     | \$ 0.1281     |
| Block 3 (501 - 5,000 kWh)                                             | \$ 0.1310      | \$ 0.1357     | \$ 0.1336     | \$ 0.1316     | \$ 0.1298     | \$ 0.1281     |
| Block 4 (Excess)                                                      | \$ 0.1221      | \$ 0.1357     | \$ 0.1336     | \$ 0.1316     | \$ 0.1298     | \$ 0.1281     |
| Demand Charge (All kW)                                                | \$ 5.26        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 1 (0 - 15 kW)                                                   | \$ -           | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Block 2 (Excess)                                                      | \$ 5.78        | \$ 5.50       | \$ 6.50       | \$ 7.50       | \$ 8.50       | \$ 9.50       |
| Power Cost Adjustment:                                                |                |               |               |               |               |               |
| All Energy * As calculated and balanced by Staff via PCA model        | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Revenue from Rate                                                     | \$ 87,176      | \$ 90,968     | \$ 97,215     | \$ 103,513    | \$ 109,914    | \$ 116,366    |
|                                                                       |                |               |               |               |               |               |
| Average Usage                                                         | 949            |               |               |               |               |               |
| Monthly Customers                                                     | 22             |               |               |               |               |               |
| Average Bill \$                                                       | \$ 330.21      | \$ 344.58     | \$ 368.24     | \$ 392.09     | \$ 416.34     | \$ 440.78     |
| Average % Change                                                      |                | 4.3%          | 6.9%          | 6.5%          | 6.2%          | 5.9%          |
| Average Monthly Change \$                                             |                | \$ 14.36      | \$ 23.66      | \$ 23.86      | \$ 24.25      | \$ 24.44      |

# PCA – Power Cost Adjustment

- Mechanism to fairly and smoothly charge customers for varying power costs
- Intended to recoup power costs that are more than what's being collected in retail rates
- Charged on a per kWh basis as an additional fee to balance power cost overages