

Island Energy
energy solutions for Mare Island

FY 2011-2012

Proposed Rate Case

Presented to

Island Energy Advisory

Committee Board

- **Rate Case Process**
- **Multi Year Strategic Plan**
- **Benefit Programs**
- **Cost Containment & Reduction**
- **Upgrading System Reliability**
- **Supporting Mare Island Development**
- **Improve System Efficiency**
- **Rate Case Financials**
- **Pittsburg Power Company's Financial Assistance**
- **Taxes Paid to the City of Vallejo**
- **Questions & Answers**

- Forecast commodity costs
 - ❖ Electricity from Western Area Power Authority
 - ❖ Gas from California Department of General Services
- Forecast expenses
- Plan upgrades and maintenance
- Incorporate costs of mandated programs
- Create pricing plan to cover expenses with modest return

- Institute programs to benefit customers & the environment (ongoing)
- Cost containment and reduction (2010 & 2011)
- Upgrade system reliability (2009 – 2012)
- Improve system efficiency (2011 to 2013)
- Support City of Vallejo and Lennar Mare Island Development plans (ongoing)

For the Customer and the Environment

- Free energy audits
- Compact florescent light coupons
- Solar incentive program
- Rebates for energy efficient appliances
- Commercial lighting and equipment rebates
- Low income and medical assistance programs
- Credit card option for bill payment
- Transformers with high PCB content removed

- Ongoing vendor review
- Reduce reliance on vendors by doing more work in-house (e.g. excavation and vegetative management)
- Replace specialized vendors with internal vendors when possible (e.g. weed spraying)
- Acquire gasoline from City of Pittsburg (lower cost & tax free)
- Purchase rather than rent frequently used equipment
- More closely align staff with needs

- Vandal prevention measures
- Remove and recycle (when possible) unneeded or unusable equipment
- Aggressive preventative maintenance program
- Strict adherence to worker safety and regulatory rules
- Evaluation of gas main pressure reduction

- Completion of Station H upgrade (new circuit breaker, addition of isolation switches, updated protection systems)*
- Electronic mapping and asset management system *
- Upgrade to station in core industrial area *
- Coordination study *
- Aggressive preventative maintenance program
- Vandalism prevention program

* Funded by \$3 million loan from Pittsburg Power Company

Partnering with Vallejo and LMI

- North island electrical upgrade plans *
- G Street widening
- Removal of Causeway overhead pole line
- Removal of Station C
- Electronic mapping and asset management system *
- Evaluation of Building 680 electrical systems

* Funded by \$3 million loan from Pittsburg Power Company

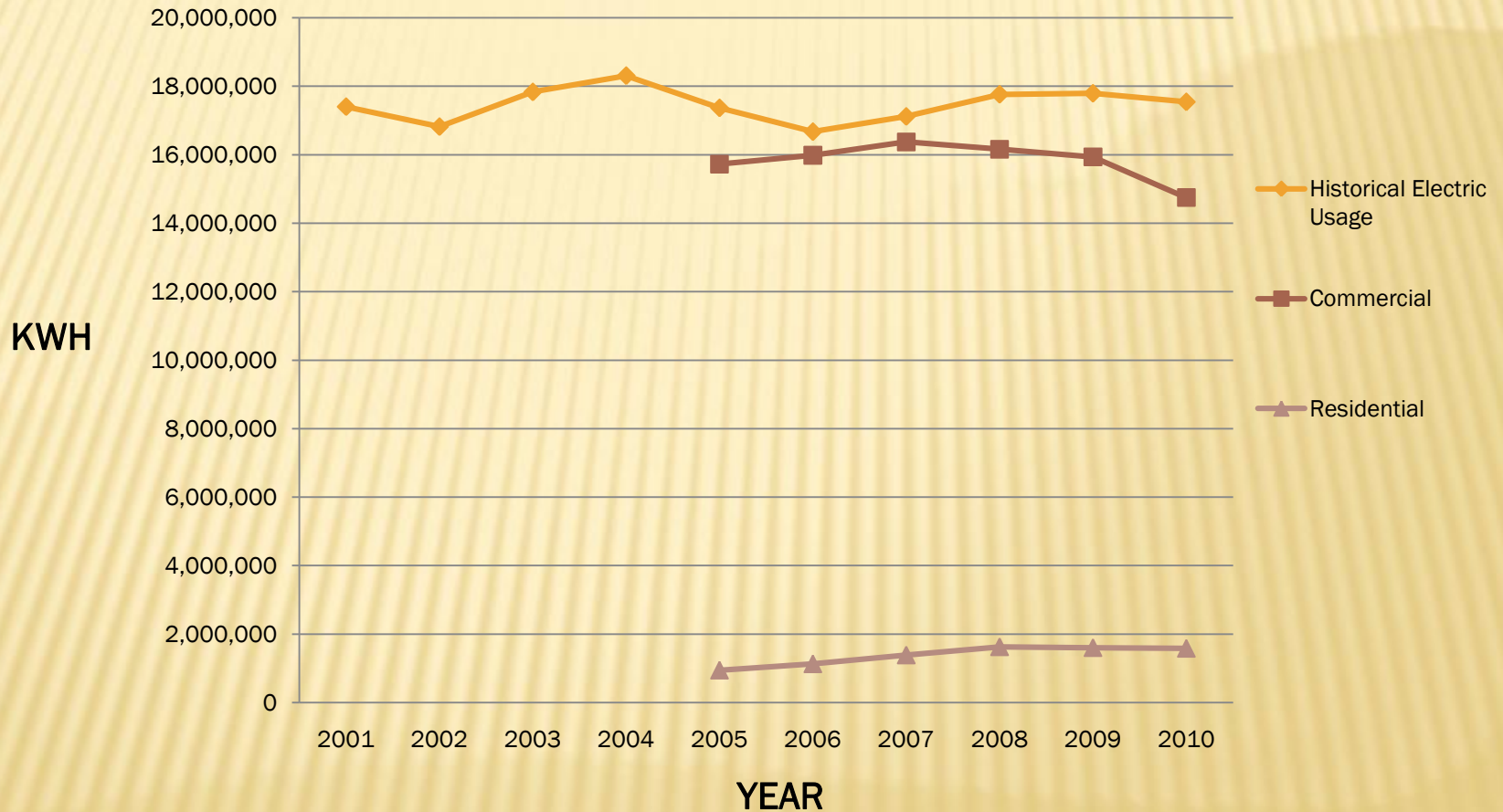
Current Activities & Future Plans

- Electronic mapping and asset management system *
- Right size and remove transformers to reduce system losses *
- Replace RA switches with modern equipment
- Consider solar or other local generation options *

* Funded by \$3 million loan from Pittsburg Power Company

HISTORICAL LOADS

ELECTRIC 2000-2010



HISTORICAL LOADS

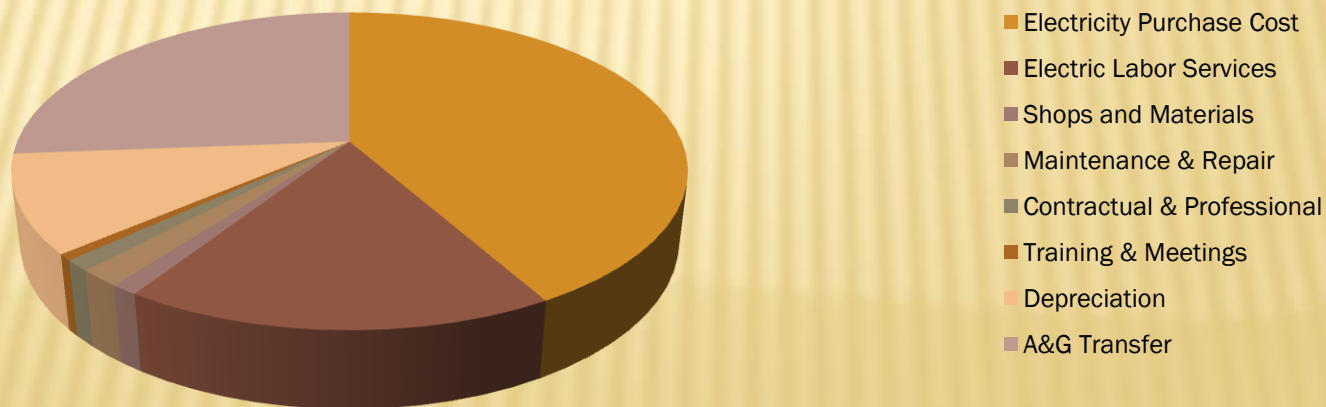
GAS 2000-2010



PROPOSED **ELECTRIC** OPERATION EXPENSES FY 2011-2012

Electric Operation	Expenses	Percentage
Electricity Purchase Cost	\$1,303,607	41.83%
Electric Labor Services	\$541,577	17.38%
Shops and Materials	\$34,000	1.09%
Maintenance & Repair	\$55,000	1.76%
Contractual & Professional	\$36,000	1.16%
Training & Meetings	\$20,000	0.64%
Depreciation	\$310,000	9.95%
A&G Transfer	\$816,208	26.19%

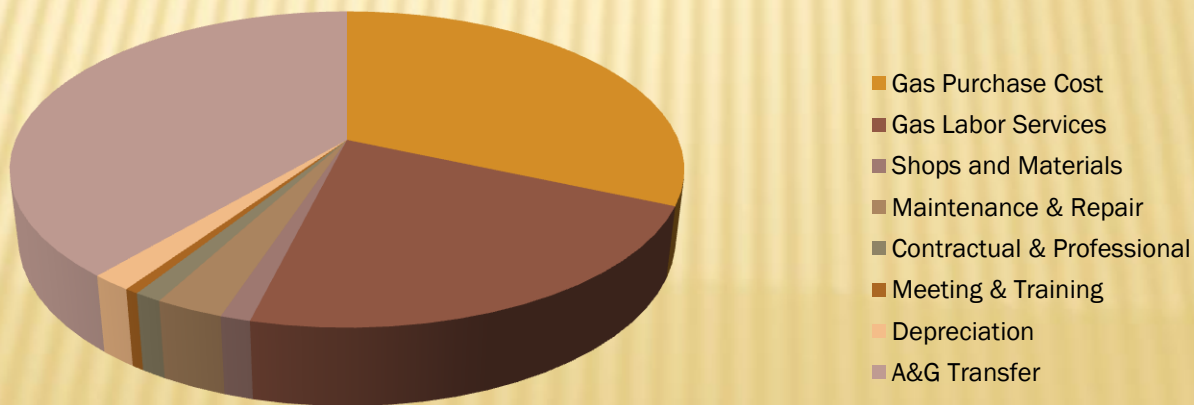
FY 2011-2012 Electric Operation Expense Pie Chart



PROPOSED GAS OPERATION EXPENSES FY 2011-2012

Gas Operation	Expenses	Percentage
Gas Purchase Cost	\$284,561	31.59%
Gas Labor Services	\$200,553	22.26%
Shops and Materials	\$11,000	1.22%
Maintenance & Repair	\$25,000	2.77%
Contractual & Professional	\$10,000	1.11%
Meeting & Training	\$5,000	0.55%
Depreciation	\$15,000	1.66%
A&G Transfer	\$349,803	38.83%

Gas Operation FY 2011-2012 Expense Pie Chart





PROPOSED FY 2011-2012 OPERATING EXPENSE

Electric Operation	FY 10-11 Rate Case	FY 11-12 Rate Case	\$ Change	% Change
Electric Labor Services	\$424,400	\$541,577	\$117,177	28%
Energy Purchase	\$1,436,331	\$1,303,607	(\$132,724)	-9%
Shops and Materials	\$22,000	\$34,000	\$12,000	55%
Maintenance & Repairs	\$65,000	\$55,000	(\$10,000)	-15%
Contractual & Professional	\$28,000	\$36,000	\$7,000	25%
Meeting & Training	\$4,500	\$20,000	\$15,500	344%
Admin. & General	\$986,173	\$816,208	(\$170,072)	-17%
Depreciation	\$310,000	\$310,000	\$0	0%
Electric Total	\$3,276,404	\$3,116,392	(\$160,012)	-4.9%
Gas Operation	FY 10-11 Rate Case	FY 11-12 Rate Case	\$ Change	% Change
Gas Labor Services	\$295,000	\$200,553	(\$94,447)	-32%
NG Purchase	\$347,560	\$284,561	(\$62,999)	-18%
Shop and Materials	\$16,500	\$11,000	(\$5,500)	-33%
Maintenance & Repairs	\$70,000	\$25,000	(\$45,000)	-64%
Contractual & Professional	\$20,000	\$10,000	(\$10,000)	-50%
Meeting & Training	\$3,000	\$5,000	\$2,000	67%
Admin. & General	\$248,395	\$349,803	\$101,4108	41%
Depreciation	\$15,000	\$15,000	\$0	0%
Gas Total	\$1,015,455	\$900,918	(\$114,537)	-11.28%
Total Proposed Expense	\$4,291,859	\$4,011,995	(\$279,864)	-6.52%



PROPOSED ELECTRIC RATES

FY 2011-2012

RESIDENTIAL

Tier	FY 2010-2011 Residential Electric Rate (\$/Kwh)	FY 2011-2012 Residential Electric Rate (\$/Kwh)	Difference
Tier 1:	\$ 0.11877	\$ 0.12233	2.91%
Tier 2:	\$ 0.13502	\$ 0.13907	2.91%
Tier 3:	\$ 0.28562	\$ 0.29385	2.80%
Tier 4:	\$ 0.42482	\$ 0.40352	-5.28%
Tier 5:	\$ 0.44098	\$ 0.40352	-9.28%

NON-RESIDENTIAL

Customer Class	FY 2010-2011 Non-Residential Electric Rate (\$/Kwh)	FY2011-2012 Non-Residential Electric Rate (\$/Kwh)	Difference
Small Commercial	\$ 0.18603	\$ 0.18089	-2.76%
Large Commercial	\$ 0.16508	\$ 0.16013	-3.00%
Street Light	\$ 0.11423	\$ 0.12153	6.39%

* Rates Subject to Change as PG&E's rate changes

PROPOSED GAS RATES

FY 2010-2011

- Gas operations have not been self sufficient even with a sales increase in FY 2010-2011
- Commodity rate remains a pass-through at an average of \$0.618/Therm (22% decrease from previous year's forecast)
- 5% reduction in gas delivery charge for residential customers, from \$1.2258/Therm to \$1.1645/Therm
- Gas delivery charge for non-residential customers remains \$1.2258/Therm for FY 2011-2012



PROPOSED FY 2011-2012 OPERATING REVENUES

ELECTRIC

Customer Class	Current Rate Case FY 10/11	Proposed Rate Case FY 11/12	\$ Change	% Change
Residential	\$233,747	\$250,074	\$16,327	6.98%
Non-Residential	\$2,813,646	\$2,603,842	(\$209,804)	-7.46%
Street Lighting	\$27,289	\$27,049	(\$240)	-0.88%
Total Electric Revenue	\$3,074,682	\$2,880,965	(\$193,717)	-6.30%

GAS

Customer Class	Current Rate Case FY 10/11	Proposed Rate Case FY 11-12	\$ Change	% Change
Commodity Charge	\$347,560	\$ 284,561	\$ (62,999)	-18.13%
Delivery Charge	\$537,440	\$ 555,723	\$ 18,283	3.40%
Meter Service Charge	\$24,729	\$ 24,729	\$ -	0.00%
Total Gas Revenue	\$909,729	\$ 865,013	\$ (44,716)	-4.92%

PROPOSED FY 2011-2012 OPERATING INCOME

Operation	Electric	Gas	Total
Revenues	\$2,880,965	\$ 865,013	\$3,745,977
Expenses	\$3,116,392	\$ 900,918	\$4,017,310
Surplus/(Deficit)	(\$235,427)	\$ (35,905)	(\$271,332)
Depreciation	\$310,000	\$15,000	\$325,000
Cumulative Cash Flow of FY 2011-2012			\$53,668



PITTSBURG POWER COMPANY'S FINANCIAL ASSISTANCE

Island Energy Establishment Loan	\$	300,000
Facility Relocation Loan	\$	200,000
Loan for Gas/Electric Meters	\$	650,000
Loan for Operational Support	\$	100,000
Investment on System Upgrade	\$	3,000,000
Total Financial Assistance to Island Energy	\$	4,250,000



TAXES PAID TO THE CITY OF VALLEJO

Year	FY 99/02	FY 02/03	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	To Present
COV Sales Tax	\$153,444	\$126,064	\$130,816	\$132,785	\$160,864	\$176,264	\$207,411	\$213,517	\$221,505	131,116
Electric Franchise Fee				\$11,476	\$43,398	\$53,578	\$59,019	\$58,981	\$60,976	57,124
Gas Franchise Fee								\$13,711	\$ 13,753	17,845
Annual Tax Payment to COV	\$261,000	\$126,064	\$130,816	\$144,261	\$204,262	\$229,842	\$266,430	\$286,209	\$296,234	206,085

Total Taxes Paid to the City of Vallejo: \$2,151,203

Gas Operation Franchise Fee started January 1, 2009



**thanks you for your participation at
today's**

**Fiscal Year 2011-2012
Rate Case Workshop**

ISLAND ENERGY
Rate Design for FY 2011/2012

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Proposed FY 2011-2012	Rate Case FY 2010-2011	
Forecast Energy Loads															
Electricity Purchases															
Capacity (MW)	3.87	3.62	3.74	4.21	3.52	4.15	3.96	3.79	4.36	4.01	3.89	3.53	4.36	4.60	
Energy (MWh)	1,697	1,588	1,640	1,843	1,540	1,816	1,735	1,660	1,910	1,758	1,702	1,546	20,435	21,579	
Load Factor	60.0%														
Base Resources	42.3%	1,483	1,066	786	360	125	216	247	600	175	957	1,390	1,231	8,636	9,139
Custom Product Purchases	57.7%	214	522	854	1,483	1,415	1,600	1,488	1,060	1,735	801	315	11,799	12,440	
Electricity Sales to Retail Customers	1,374	1,286	1,328	1,493	1,248	1,471	1,406	1,344	1,547	1,424	1,379	1,252	16,552	17,479	
Electric Loss Factor	19.0%														
Gas (Therms)															
Purchases	22,469	20,694	17,632	29,366	41,535	64,527	67,675	75,468	48,889	41,626	31,184	18,580	479,645	456,709	
Sales	21,570	19,866	16,927	28,191	39,874	61,946	64,968	72,449	46,933	39,961	29,937	17,836	460,459	438,411	
Gas Shrinkage Factor	4.0%														
Non-Residential Gas Consumption (therm)	16,779	14,733	12,530	21,879	26,421	41,876	44,289	39,329	34,416	29,692	22,992	13,444	318,381		
Residential Gas Consumption (Therm)	4,791	5,133	4,397	6,312	13,453	20,070	20,679	33,120	12,517	10,269	6,945	4,392	142,078		
Purchased Energy															
Electricity															
Custom Product	214	522	854	1,483	1,415	1,600	1,488	1,060	1,735	801	312	315	11,799	12,440	
CP Price	\$ 45.16	\$ 51.78	\$ 53.71	\$ 55.38	\$ 57.93	\$ 56.40	\$ 57.33	\$ 56.42	\$ 56.55	\$ 53.87	\$ 39.17	\$ 51.13	\$ 55.09	\$ 61.60	
CP Expense	\$ 9,655	\$ 27,016	\$ 45,868	\$ 82,140	\$ 81,982	\$ 90,241	\$ 85,319	\$ 59,784	\$ 98,099	\$ 43,130	\$ 12,236	\$ 16,102	\$ 651,570	\$ 767,106	
Base Resource															
Monthly Charge	\$ 29,929	\$ 29,929	\$ 29,929	\$ 10,062	\$ 10,062	\$ 10,062	\$ 10,062	\$ 10,062	\$ 10,062	\$ 30,186	\$ 30,186	\$ 30,186	\$ 240,717	\$ 247,800	
BR Expenses	\$ 29,929	\$ 29,929	\$ 29,929	\$ 10,062	\$ 10,062	\$ 10,062	\$ 10,062	\$ 10,062	\$ 10,062	\$ 30,186	\$ 30,186	\$ 30,186	\$ 240,717	\$ 247,800	
Regulatory Charges															
Portfolio Management	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 27,000	\$ 27,000	
SC Charge	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 4,950	\$ 59,400	\$ 59,400	
ISO Charge -- Market+TAC	\$ 8.25 \$ 13,999	\$ 13,099	\$ 13,529	\$ 15,207	\$ 12,706	\$ 14,982	\$ 14,316	\$ 13,692	\$ 15,756	\$ 14,501	\$ 14,045	\$ 12,754	\$ 168,586	\$ 178,029	
ISO Charge -- Admin	\$ 0.94 \$ 1,595	\$ 1,492	\$ 1,542	\$ 1,733	\$ 1,448	\$ 1,707	\$ 1,631	\$ 1,560	\$ 1,795	\$ 1,652	\$ 1,600	\$ 1,453	\$ 19,209	\$ 20,285	
RA Purchase	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000	\$ 5,520	
FERC Fees	\$ 0.050 \$ 85	\$ 79	\$ 82	\$ 92	\$ 77	\$ 91	\$ 87	\$ 83	\$ 95	\$ 88	\$ 85	\$ 77	\$ 1,022	\$ 1,079	
Wregis System Administration	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500	\$ 1,500	
Renewable Energy Credit	\$ 30	\$ 21	\$ 16	\$ 7	\$ 3	\$ 4	\$ 5	\$ 12	\$ 4	\$ 19	\$ 28	\$ 25	\$ 173	\$ 183	
Restoration Fund	\$ 8,765	\$ 8,765	\$ 12,640	\$ 12,640	\$ 12,640	\$ 12,640	\$ 12,640	\$ 12,640	\$ 8,765	\$ 8,765	\$ 8,765	\$ 8,765	\$ 128,430	\$ 128,430	
	\$ 32,298	\$ 31,282	\$ 35,634	\$ 37,504	\$ 34,698	\$ 37,249	\$ 36,504	\$ 35,812	\$ 34,240	\$ 32,850	\$ 32,348	\$ 30,899	\$ 411,320	\$ 421,426	
Total Electric Purchases	\$ 71,882	\$ 88,227	\$ 111,430	\$ 129,706	\$ 126,743	\$ 137,552	\$ 131,885	\$ 105,658	\$ 142,401	\$ 106,166	\$ 74,770	\$ 77,187	\$ 1,303,607	\$ 1,436,332	
Per MWh	\$ 42.36	\$ 55.57	\$ 67.95	\$ 70.37	\$ 82.29	\$ 75.74	\$ 76.00	\$ 63.66	\$ 74.56	\$ 60.40	\$ 43.92	\$ 49.93	\$ 63.7937	\$ 66.56	
Gas															
Commodity															
Gas Commodity Price/Therm	\$ 0.4978	\$ 0.4985	\$ 0.5008	\$ 0.5176	\$ 0.5269	\$ 0.5315	\$ 0.5303	\$ 0.5316	\$ 0.5297	\$ 0.5158	\$ 0.5169	\$ 0.5212	\$ 0.5182	\$ 0.6781	
Gas Commodity Cost	\$ 11,185	\$ 10,316	\$ 8,829	\$ 15,201	\$ 21,883	\$ 34,295	\$ 35,891	\$ 40,119	\$ 25,897	\$ 21,470	\$ 16,120	\$ 9,684	\$ 250,889	\$ 313,888	
PG&E Redwood Section Gas Pipeline Charge	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 306	\$ 3,672	\$ 3,672	
Transport Fee and DGS Charge	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000	\$ 30,000	
Total Commodity Cost	\$ 13,991	\$ 13,122	\$ 11,635	\$ 18,007	\$ 24,689	\$ 37,101	\$ 38,697	\$ 42,925	\$ 28,703	\$ 24,276	\$ 18,926	\$ 12,490	\$ 284,561	\$ 347,560	
(commodity Rate: \$/therm)	\$ 0.649	\$ 0.661	\$ 0.687	\$ 0.639	\$ 0.619	\$ 0.599	\$ 0.596	\$ 0.592	\$ 0.612	\$ 0.607	\$ 0.632	\$ 0.700	\$ 0.618	\$ 0.793	

Administrative and General Operations

A&G Labor Services	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	28,418	\$	341,022	\$	413,900	
Utilities and Insurance	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	17,721	\$	212,650	\$	241,150	
Office Materials	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	1,967	\$	23,600	\$	36,000	
Professional Services	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	8,383	\$	100,600	\$	48,500	
Other Operational Expenses	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	2,958	\$	35,500	\$	34,900	
Travel, Memberships and Advertising	\$	750	\$	750	\$	750	\$	750	\$	750	\$	750	\$	750	\$	750	\$	750	\$	750	\$	750	\$	750	\$	9,000	\$	5,000	
Bad Debt Expense	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	6,000	\$	8,000	
Loan Repayment to PPC	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	500	\$	6,000	\$	6,000	
Relocation Reserve Account	\$	5,600	\$	5,232	\$	5,270	\$	6,302	\$	5,840	\$	7,395	\$	7,280	\$	7,315	\$	7,148	\$	6,465	\$	5,972	\$	5,101	\$	74,920	\$	79,688	
Pittsburg Power Company Costs	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	29,727	\$	356,720	\$	361,430	
Administrative and General Expenses	\$	96,525	\$	96,156	\$	96,194	\$	97,226	\$	96,764	\$	98,319	\$	98,204	\$	98,240	\$	98,072	\$	97,389	\$	96,896	\$	96,025	\$	1,166,011	\$	1,234,568	
Total A&G and Overhead Expenses	\$	96,525	\$	96,156	\$	96,194	\$	97,226	\$	96,764	\$	98,319	\$	98,204	\$	98,240	\$	98,072	\$	97,389	\$	96,896	\$	96,025	\$	1,166,011	\$	1,234,568	
Allocated to Electric Ops	70.00%	\$	67,567	\$	67,309	\$	67,336	\$	68,059	\$	67,735	\$	68,823	\$	68,743	\$	68,768	\$	68,651	\$	68,173	\$	67,827	\$	67,218	\$	816,208	\$	864,198
Allocated to Gas Ops	30.00%	\$	28,957	\$	28,847	\$	28,858	\$	29,168	\$	29,029	\$	29,496	\$	29,461	\$	29,472	\$	29,422	\$	29,217	\$	29,069	\$	28,808	\$	349,803	\$	370,370

Deferred Loan Repayment to PPC

Operational Loan (6% on a 10 year Repayment Plan)

Principal Payment for Operational Support (\$100,000)	\$	610	\$	610	\$	610	\$	610	\$	610	\$	610	\$	610	\$	610	\$	610	\$	7,322	\$	7,322
Island Energy Establishment Loan (\$300,000)	\$	3,397	\$	3,397	\$	3,397	\$	3,397	\$	3,397	\$	3,397	\$	3,397	\$	3,397	\$	3,397	\$	40,760	\$	40,760
Facility Relocation Fund (\$200,000)	\$	2,264	\$	2,264	\$	2,264	\$	2,264	\$	2,264	\$	2,264	\$	2,264	\$	2,264	\$	2,264	\$	27,174	\$	27,174

Infrastructure Loan (6% on a 30 Year Repayment Plan)

Loan for Electric and Gas Meters (\$650,000)	\$	3,935	\$	3,935	\$	3,935	\$	3,935	\$	3,935	\$	3,935	\$	3,935	\$	3,935	\$	3,935	\$	47,222	\$	47,222
Loan for Substation "H" Upgrade (\$300,000)	\$	1,816	\$	1,816	\$	1,816	\$	1,816	\$	1,816	\$	1,816	\$	1,816	\$	1,816	\$	1,816	\$	21,794	\$	21,794

Total Deferred Annual Loan Payment

\$ 144,272 \$ 144,272

Electric Operations

Purchased Electricity for Resale	\$	71,882	\$	88,227	\$	111,430	\$	129,706	\$	126,743	\$	137,552	\$	131,885	\$	105,658	\$	142,401	\$	106,166	\$	74,770	\$	77,187	\$	1,303,607	\$	1,436,331		
Electric Labor Services	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	45,131	\$	541,577	\$	424,400
Shop and Materials	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	2,833	\$	34,000	\$	22,000
Maintenance and Repair	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	4,583	\$	55,000	\$	65,000
Professional Services	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	36,000	\$	28,000
Travel, Memberships and Advertising	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	1,667	\$	20,000	\$	4,500
Depreciation Expense	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	25,833	\$	310,000	\$	310,000
Capital Expense	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	25,000
Transfer from Admin and Gen Ops	\$	67,567	\$	67,309	\$	67,336	\$	68,059	\$	67,735	\$	68,823	\$	68,743	\$	68,768	\$	68,651	\$	68,173	\$	67,827	\$	67,218	\$	67,218	\$	816,208	\$	864,198
Total Electric Operations Expenditures	\$	222,497	\$	238,584	\$	261,814	\$	280,812	\$	277,526	\$	289,424	\$	283,676	\$	257,474	\$	294,100	\$	257,386	\$	225,645	\$	227,453	\$	227,453	\$	3,116,392	\$	3,179,429

Electric Cost Summary

Expenses for Period	\$	222,497	\$	238,584	\$	261,814	\$	280,812	\$	277,526	\$	289,424	\$	283,676	\$	257,474	\$	294,100	\$	257,386	\$	225,645	\$	227,453	\$	227,453	\$	3,116,392	\$	3,179,429
Forecast Sales of Electricity (MWh)		1,374		1,286		1,328		1,493		1,248		1,471		1,406		1,344		1,547		1,424		1,379		1,252		1,252		16,552		17,982
Implicit Electric Rate (\$/MWh)		161.89		185.51		197.10		188.08		222.46		196.75		201.82		191.52		190.11		180.78		163.64		181.64		181.64		188.28		188.88
Implicit Electric Rate (\$/Kwh)		0.1619		0.1855		0.1971		0.1881		0.2225		0.1968		0.2018		0.1915		0.1901		0.1808		0.1636		0.1816		0.1816		0.1883		0.1889

Gas Operations

Delivery Operations

Gas Labor Services	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	16,713	\$	200,553	\$	295,000
Shop and Materials	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	917	\$	11,000	\$	16,500
Maintenance & Repairs	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	2,083	\$	25,000	\$	70,000
Professional Services	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	833	\$	10,000	\$	20,000
Travel, Memberships and Advertising	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	417	\$	5,000	\$	3,000
Depreciation Expense	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	1,250	\$	15,000	\$	15,000
Transfer from Admin and Gen Ops	\$	28,957	\$	28,847	\$	28,858	\$	29,168	\$	29,029	\$	29,496	\$	29,461	\$	29,472	\$	29,422	\$	29,217	\$	29,069	\$	28,808	\$	28,808	\$	349,803	\$	370,370
Total Gas Operations Expenditures	\$	51,170	\$	51,060	\$	51,071	\$	51,381	\$	51,242	\$	51,708	\$	51,674	\$	51,685	\$	51,634	\$	51,430	\$	51,282	\$	51,020	\$	51,020	\$	616,356	\$	789,870

Gas Cost Summary

Operational Expenses for Period	\$	51,170	\$	51,060	\$	51,071	\$	51,381	\$	51,242	\$	51,708	\$	51,674	\$	51,685	\$	51,634	\$	51,430	\$	51,282	\$	51,020	\$	51,020	\$	616,356	\$	789,870
Commodity Cost for Period	\$	13,991	\$	13,122	\$	11,635	\$	18,007	\$	24,689	\$	37,101	\$	38,697	\$	42,925	\$	28,703	\$	24,276	\$	18,926	\$	12,490	\$	12,490	\$	284,561	\$	347,560
Total Gas Operating Expenses	\$	65,161	\$	64,182	\$	62,706	\$	69,387	\$	75,931	\$	88,809	\$	90,371	\$	94,610	\$	80,337	\$	75,706	\$	70,207	\$	63,510	\$	63,510	\$	900,918	\$	1,137,430
Forecast Sales of Gas (therms)		21,570		19,866		16,927		28,191		39,874		61,946		64,968		72,449		46,933		39,961		29,937		17,836		17,836		460,459		438,411

Rate Design and Revenue Forecasts

Electric Operations

Proposed Rates

Residential	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Proposed FY 2010-2011
Rate	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39	\$ 148.39
Sales	114	118	128	129	142	170	151	138	146	127	110	110	1,585
Revenue	\$ 16,973	\$ 17,537	\$ 19,054	\$ 19,118	\$ 21,116	\$ 25,240	\$ 22,470	\$ 20,415	\$ 21,689	\$ 18,904	\$ 16,331	\$ 16,278	\$ 235,127
Basic Service Fee	\$ 4.65	\$ 4.65	\$ 4.50	\$ 4.65	\$ 4.50	\$ 4.65	\$ 4.65	\$ 4.20	\$ 4.65	\$ 4.50	\$ 4.65	\$ 4.50	\$ 54.75
Meters	273	273	273	273	273	273	273	273	273	273	273	273	273
Revenue	\$ 1,269	\$ 1,269	\$ 1,229	\$ 1,269	\$ 1,229	\$ 1,269	\$ 1,269	\$ 1,147	\$ 1,269	\$ 1,229	\$ 1,269	\$ 1,229	\$ 14,947

Total Revenue for Non-Residential														\$	250,074	
CES-1 Rate for General Commercial Class																
75% of the Total Non-Residential Load is on A-1 Schedule																
Rate	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 180.98	\$ 186.03
Sales	807	747	768	1,009	815	962	927	891	1,037	959	938	843			10,704	10,166
Revenue	\$ 146,084	\$ 135,245	\$ 139,015	\$ 182,699	\$ 147,543	\$ 174,105	\$ 167,759	\$ 161,328	\$ 187,667	\$ 173,484	\$ 169,759	\$ 152,607	\$ 1,937,295	\$ 1,891,181		
Basic Service Fee	\$ 9.17	\$ 9.17	\$ 8.87	\$ 9.17	\$ 8.87	\$ 9.17	\$ 9.17	\$ 8.28	\$ 9.17	\$ 8.87	\$ 9.17	\$ 8.87				
Meters	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175
Revenue	\$ 1,604	\$ 1,604	\$ 1,552	\$ 1,604	\$ 1,552	\$ 1,604	\$ 1,604	\$ 1,449	\$ 1,604	\$ 1,552	\$ 1,604	\$ 1,552	\$ 18,887	\$ 18,887		
CES-2 Rate for Large Commercial Class																
25% of the Total Non-Residential Load is on A-10 Schedule																
Rate	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 160.13	\$ 165.08
Sales	435	402	414	336	272	321	309	297	346	320	313	281			4,045	5,474
Revenue	\$ 69,599	\$ 64,434	\$ 66,230	\$ 53,884	\$ 43,515	\$ 51,349	\$ 49,477	\$ 47,581	\$ 55,349	\$ 51,166	\$ 50,067	\$ 45,009	\$ 647,660	\$ 903,648		
Total Revenue for Non-Residential	\$ 217,287	\$ 201,283	\$ 206,797	\$ 238,187	\$ 192,611	\$ 227,058	\$ 218,841	\$ 210,357	\$ 244,620	\$ 226,202	\$ 221,431	\$ 199,168	\$ 2,603,842	\$ 2,813,716		
Street Lighting																
Rate	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 121.53	\$ 114.23
Sales	18.21	18.21	18.21	18.21	18.21	18.21	18.21	18.21	18.21	18.21	18.21	18.21	18.21	18.21	219	234
Monthly Facility Charge	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	\$ 0.187	0.187	0.187
Number of Lamps	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	238
Revenue	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 2,254	\$ 27,049	\$ 27,289		
Total Electric Revenues	\$ 237,783	\$ 222,344	\$ 229,334	\$ 260,829	\$ 217,210	\$ 255,821	\$ 244,834	\$ 234,174	\$ 269,833	\$ 248,589	\$ 241,285	\$ 218,928	\$ 2,880,965	\$ 3,074,751		
Cost of Service	\$ 222,497	\$ 238,584	\$ 261,814	\$ 280,812	\$ 277,526	\$ 289,424	\$ 283,676	\$ 257,474	\$ 294,100	\$ 257,386	\$ 225,645	\$ 227,453	\$ 3,116,392	\$ 3,179,429		
Surplus/(Deficit)	\$ 15,286	\$ (16,240)	\$ (32,480)	\$ (19,983)	\$ (60,316)	\$ (33,602)	\$ (38,842)	\$ (23,301)	\$ (24,267)	\$ (8,797)	\$ 15,639	\$ (8,525)	\$ (235,427)	\$ (104,677)		

Gas Operations														Proposed	
Proposed Rates	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	FY 2010-2011		
Proposed Commercial Delivery Rates	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	\$ 1.2258	1.2258
Proposed Residential Delivery Rates	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	\$ 1.1645	1.1645
Unit Cost of Commodity	\$ 0.6486	\$ 0.6605	\$ 0.6874	\$ 0.6387	\$ 0.6192	\$ 0.5989	\$ 0.5956	\$ 0.5925	\$ 0.6116	\$ 0.6075	\$ 0.6322	\$ 0.7003	\$ 0.6180	\$ 0.7927	
Total Gas Rate-Non-Residential	\$ 1.8744	\$ 1.8863	\$ 1.9132	\$ 1.8645	\$ 1.8450	\$ 1.8247	\$ 1.8214	\$ 1.8183	\$ 1.8374	\$ 1.8333	\$ 1.8580	\$ 1.9261		\$ 2.0185	
Total Gas Rate-Residential	\$ 1.8131	\$ 1.8250	\$ 1.8519	\$ 1.8032	\$ 1.7837	\$ 1.7634	\$ 1.7601	\$ 1.7570	\$ 1.7761	\$ 1.7720	\$ 1.7967	\$ 1.8648			
Gas Sales Revenue-Non-Residential	\$ 31,451	\$ 27,791	\$ 23,972	\$ 40,794	\$ 48,746	\$ 76,412	\$ 80,669	\$ 71,511	\$ 63,236	\$ 54,435	\$ 42,718	\$ 25,895	\$ 587,631	\$ 885,000	
Gas Sales Revenue-Residential	\$ 8,687	\$ 9,368	\$ 8,143	\$ 11,382	\$ 23,996	\$ 35,392	\$ 36,398	\$ 58,192	\$ 22,231	\$ 18,197	\$ 12,478	\$ 8,190	\$ 252,653		
Total Gas Revenue	\$ 40,138	\$ 37,159	\$ 32,115	\$ 52,176	\$ 72,742	\$ 111,804	\$ 117,067	\$ 129,703	\$ 85,467	\$ 72,632	\$ 55,196	\$ 34,085	\$ 840,284		
Residential															
Basic Service Fee	\$ 4.65	\$ 4.65	\$ 4.50	\$ 4.65	\$ 4.50	\$ 4.65	\$ 4.65	\$ 4.20	\$ 4.65	\$ 4.50	\$ 4.65	\$ 4.50	\$ 54.75	\$ 54.75	
Meters	265	265	265	265	265	265	265	265	265	265	265	265	265	265	
Revenue	\$ 1,232	\$ 1,232	\$ 1,193	\$ 1,232	\$ 1,193	\$ 1,232	\$ 1,232	\$ 1,113	\$ 1,232	\$ 1,193	\$ 1,232	\$ 1,193	\$ 14,509	\$ 14,509	
Non-Residential															
Basic Service Fee	\$ 15.50	\$ 15.50	\$ 15.00	\$ 15.50	\$ 15.00	\$ 15.50	\$ 15.50	\$ 14.00	\$ 15.50	\$ 15.00	\$ 15.50	\$ 15.00	\$ 183	\$ 183	
Meters	56	56	56	56	56	56	56	56	56	56	56	56	56	56	
Revenue	\$ 868	\$ 868	\$ 840	\$ 868	\$ 840	\$ 868	\$ 868	\$ 784	\$ 868	\$ 840	\$ 868	\$ 840	\$ 10,220	\$ 10,220	
Forecast Sales	21,570	19,866	16,927	28,191	39,874	61,946	64,968	72,449	46,933	39,961	29,937	17,836	460,459	\$ 438,441	
Total Gas Revenues	\$ 42,238	\$ 39,259	\$ 34,148	\$ 54,276	\$ 74,775	\$ 113,904	\$ 119,167	\$ 131,600	\$ 87,567	\$ 74,664	\$ 57,297	\$ 36,117	\$ 865,013	\$ 909,729	
Cost of Service	\$ 65,161	\$ 64,182	\$ 62,706	\$ 69,387	\$ 75,931	\$ 88,809	\$ 90,371	\$ 94,610	\$ 80,337	\$ 75,706	\$ 70,207	\$ 63,510	\$ 900,918	\$ 1,137,430	
Surplus/(Deficit)	\$ (22,923)	\$ (24,922)	\$ (28,559)	\$ (15,111)	\$ (1,156)	\$ 25,095	\$ 28,797	\$ 36,990	\$ 7,230	\$ (1,042)	\$ (12,910)	\$ (27,393)	\$ (35,905)	\$ (227,702)	

Total Utility Operations

Revenues																												
Electric	\$	237,783	\$	222,344	\$	229,334	\$	260,829	\$	217,210	\$	255,821	\$	244,834	\$	234,174	\$	269,833	\$	248,589	\$	241,285	\$	218,928	\$	2,880,965	\$	3,074,751
Gas	\$	42,238	\$	39,259	\$	34,148	\$	54,276	\$	74,775	\$	113,904	\$	119,167	\$	131,600	\$	87,567	\$	74,664	\$	57,297	\$	36,117	\$	865,013	\$	909,729
Total Revenues	\$	280,021	\$	261,604	\$	263,482	\$	315,105	\$	291,984	\$	369,726	\$	364,001	\$	365,774	\$	357,400	\$	323,253	\$	298,582	\$	255,046	\$	3,745,977	\$	3,984,480
Expenses																												
Electric	\$	(222,497)	\$	(238,584)	\$	(261,814)	\$	(280,812)	\$	(277,526)	\$	(289,424)	\$	(283,676)	\$	(257,474)	\$	(294,100)	\$	(257,386)	\$	(225,645)	\$	(227,453)	\$	(3,116,392)	\$	3,179,429
Gas	\$	(65,161)	\$	(64,182)	\$	(62,706)	\$	(69,387)	\$	(75,931)	\$	(88,809)	\$	(90,371)	\$	(94,610)	\$	(80,337)	\$	(75,706)	\$	(70,207)	\$	(63,510)	\$	(900,918)	\$	1,137,430
Total Expenses	\$	(287,658)	\$	(302,766)	\$	(324,520)	\$	(350,199)	\$	(353,457)	\$	(378,233)	\$	(374,047)	\$	(352,084)	\$	(374,437)	\$	(333,092)	\$	(295,853)	\$	(290,963)	\$	(4,017,310)	\$	4,316,859
Surplus / (Deficit)	\$	(7,637)	\$	(41,163)	\$	(61,039)	\$	(35,094)	\$	(61,472)	\$	(8,507)	\$	(10,045)	\$	13,690	\$	(17,037)	\$	(9,839)	\$	2,729	\$	(35,918)	\$	(271,332)	\$	8,301,339
Cumulative Surplus / (Deficit)	\$	(7,637)	\$	(48,800)	\$	(109,838)	\$	(144,932)	\$	(206,405)	\$	(214,912)	\$	(224,957)	\$	(211,268)	\$	(228,305)	\$	(238,144)	\$	(235,415)	\$	(271,332)	\$	(271,332)	\$	8,301,339
Cumulative Cash Flow	\$	19,446	\$	(14,079)	\$	(33,955)	\$	(8,011)	\$	(34,389)	\$	18,576	\$	17,038	\$	40,773	\$	10,046	\$	17,244	\$	29,812	\$	(8,834)	\$	53,668	\$	367