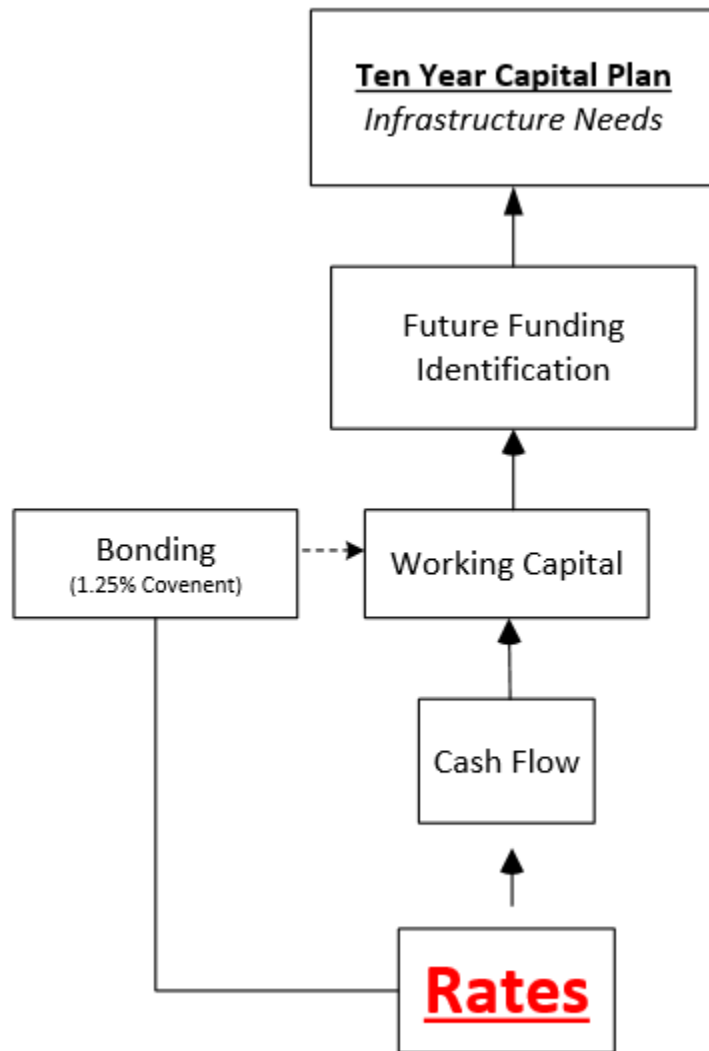




ELECTRIC DEPARTMENT – *RATES*



Challenges

- **NEEDED FY17** – Planned 5% Rate increase requires shortfall funding
- **NEEDED FY18** - Based on a 5% Increase in Load an additional 11% increase needed in FY18
 - 1% Increase in Revenue per year thereafter
 - This scenario avoids external funding for the Electric Dept Enterprise fund
- **NEEDED FY18** – Based on 0% Increase in Load an 18% increase needed in FY18
- **NEEDED FY18** – Based on 1% Decline in Load in FY17 a 20% increase is needed in FY18
- **RISKS** – Total annual kWhrs continues to trend down, not up
- **REVENUE OPPORTUNITIES ARE CRITICAL** - \$1.6M or 10% of Total Revenue

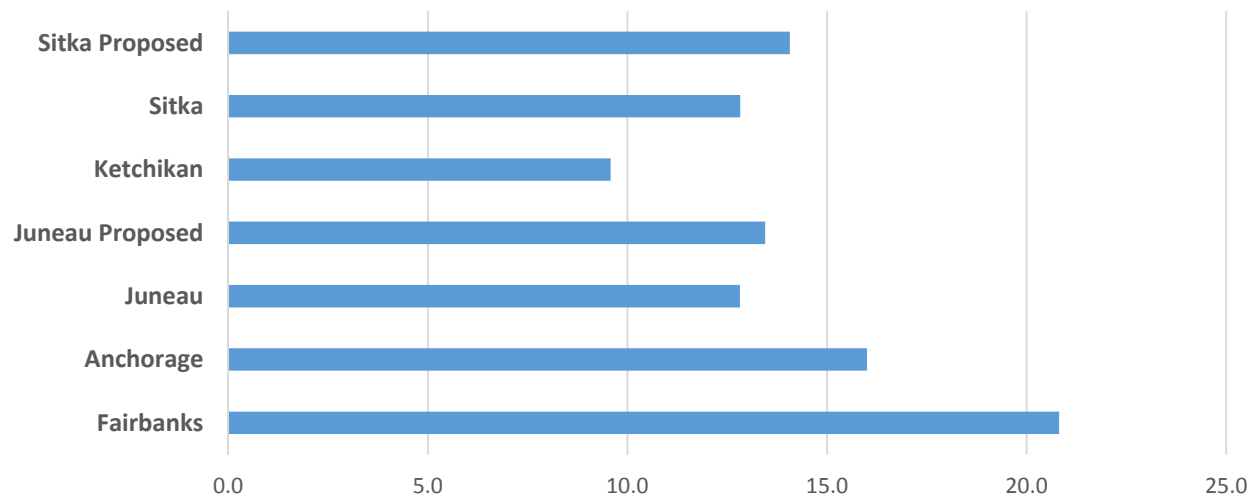


ELECTRIC DEPARTMENT – *RATES*

FY2017 Rate Increase - Executive Summary

- 5% Increase to all rates (Residential, Harbor, Commercial, Industrial)
- Eliminate Residential Tier from 0-200 kWhrs/mo (approx. 350 accts, 6\$/mo impact)
 - Was 0-200@8.58 cents, 200-800@11.45c, >1000@13.05c
 - Proposed 0-1000@12.03c, >1000@13.7c
- Increase monthly connection fees
 - 5% (Residential, Commercial, Industrial)
 - Harbors from \$8.75/mo to \$19.50/mo to pay for replacement of failed meters
- **Raises typical family bill from \$128/mo to \$140/mo.....\$144/yr**
- **Lowest users <200kwhrs/mo from \$37/mo to \$44.54/mo.....\$90/yr**

Average Cents/kwhr (based on 1000 kWhrs/month Residential User)





ELECTRIC DEPARTMENT – *RATES*

Summary

- **FY17 –**
 - 5% Increase in Rates
 - Eliminate First Tier
 - Shortfall Options
 - Rates comparison in AK
- **FY18 Shortfall Options-**
 - Fund from ?
 - 11%-20% Increase
 - Bond Convent Scenarios
- **RISKS –**
 - Electric Use trending down, not up
 - FY17 Commercial Fishing
- **UPSIDE POTENTIAL**
 - \$1.6M or 10% of Total Revenue

Potential New Electric Dept Revenue

