



# POWER COST ADJUSTMENT

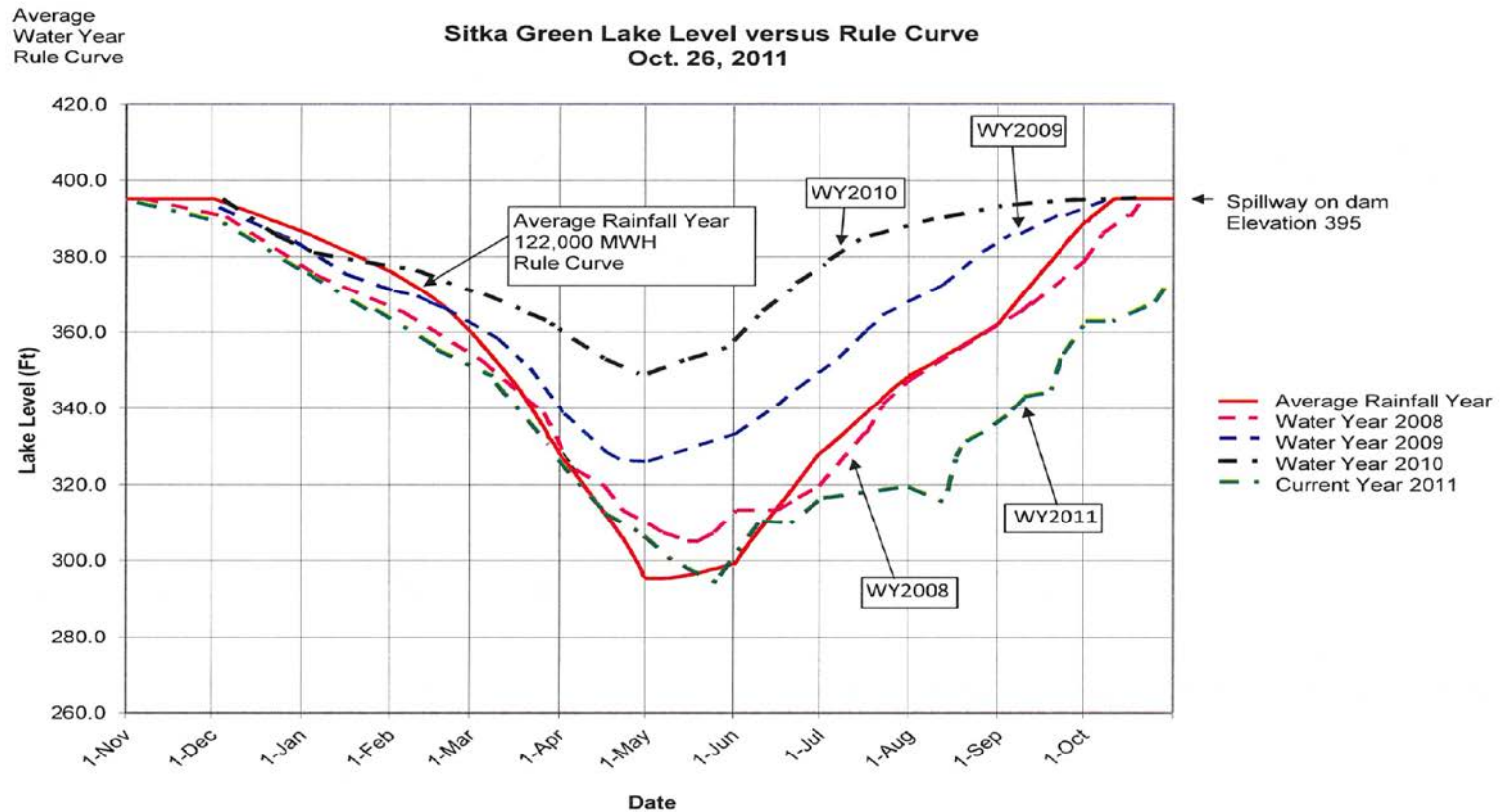
**Fuel Surcharge**

## CURRENT SITUATION

- Lakes will not fill this year
- Scheduled diesel operations in Nov-Dec
- Forecast is for a dry & cold winter
- Fuel reserve account drawn down from Thimbleberry outage
- \$400,000 from cash reserve for fuel purchase in September must be recovered
- System load cannot be met solely by hydro

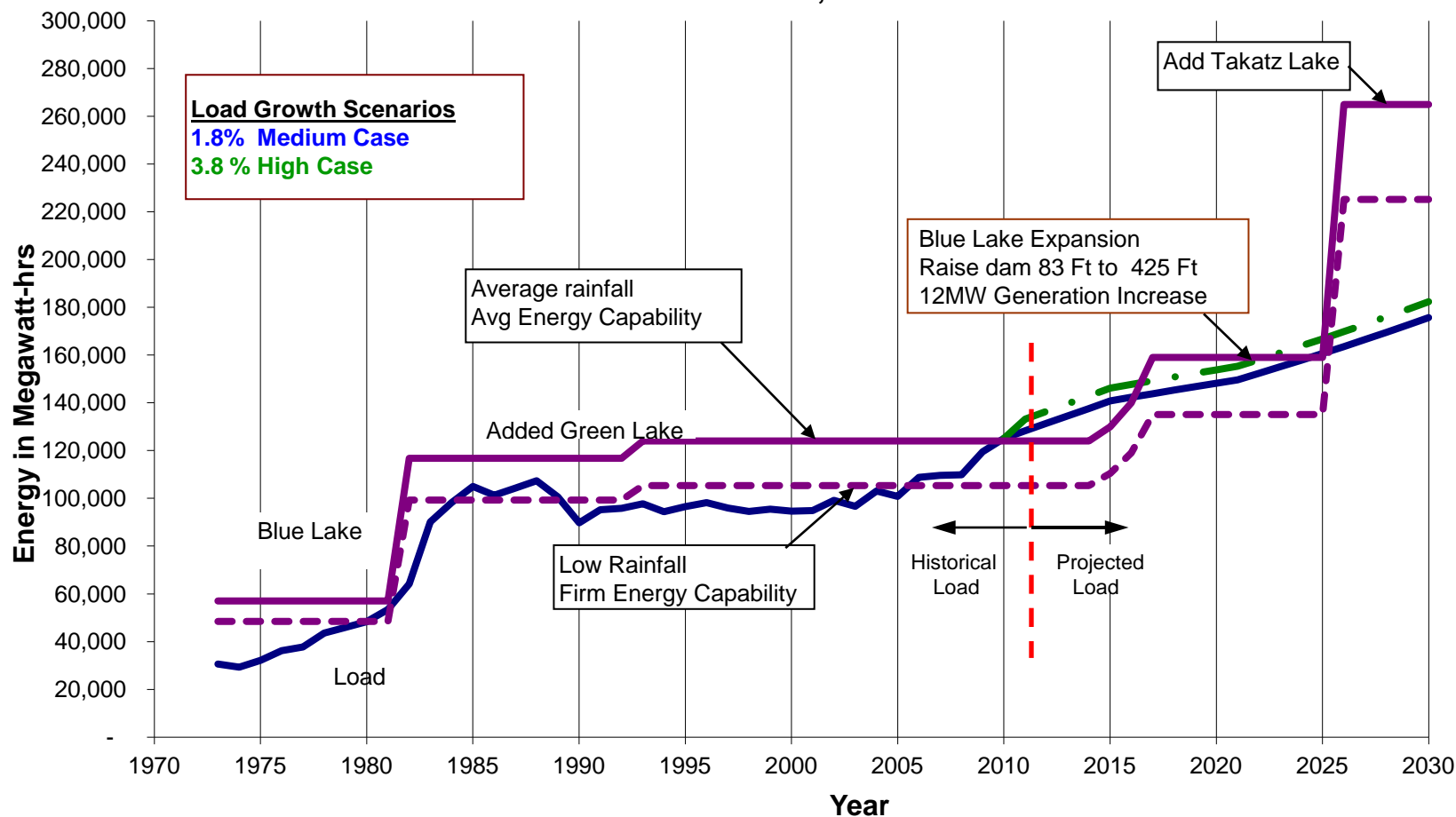
# RULE CURVE – WY2012

10/31/2011



# Sitka's Electric Energy Requirements and Resources (1973-2030)

October 13, 2011



10/31/2011

# FUEL CHARGE – OBJECTIVES

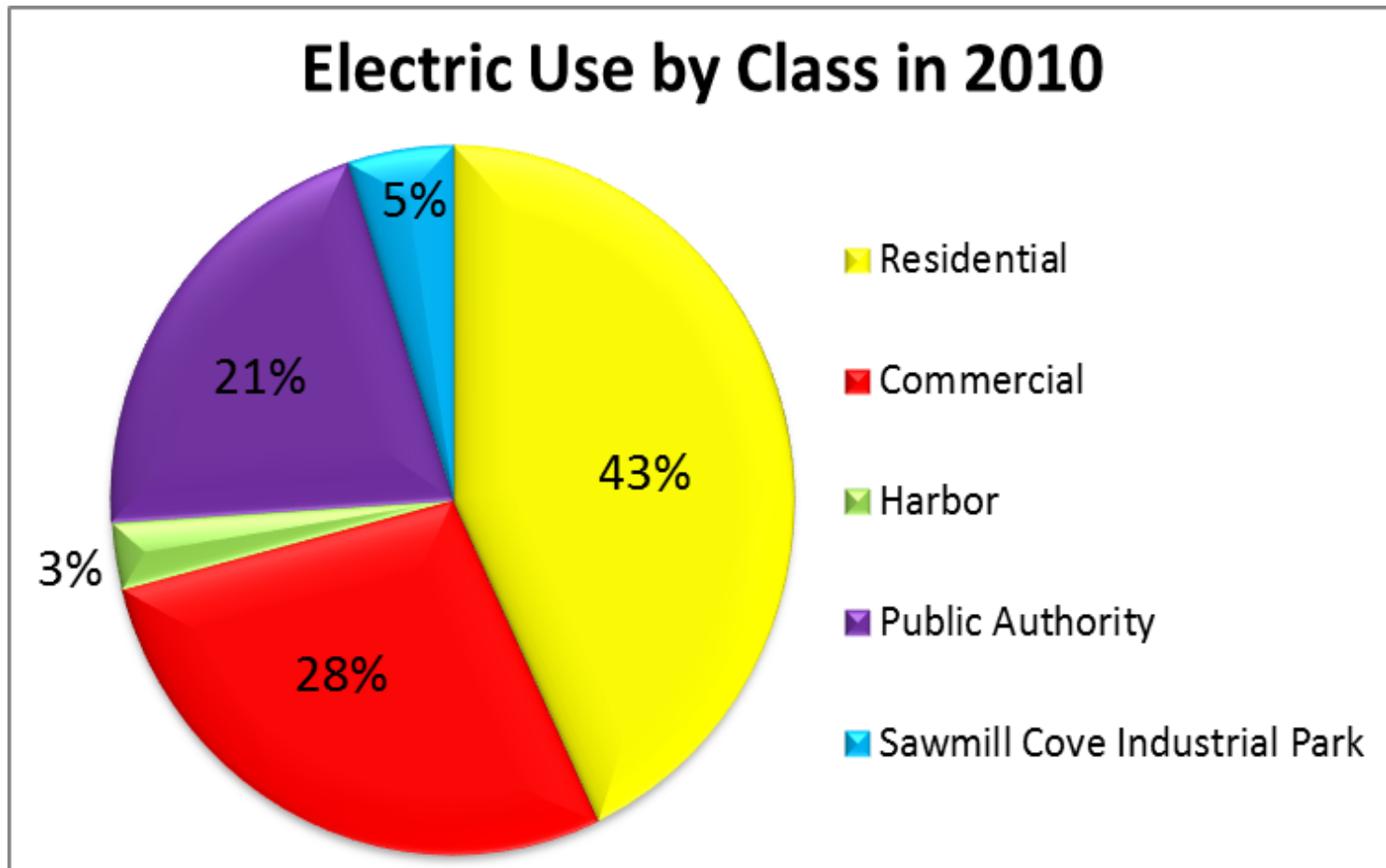
- Follow basic tenants of an enterprise fund
  - Cost of service recovered through rates
- Fuel costs do not draw down cash reserves
- Maintains bond covenant cash requirements
- Sends price signal before consumption allowing consumer usage modification
- Impacts all customer classes
- Seasonal customers pay

# FUEL CHARGE - CONCERNS

- Forecast model has inherent variability
  - Weather
  - Electric Load
  - Precipitation
- Collects revenue before costs incurred
- May not be well understood by customer base

# CONSUMPTION BY KILOWATT HOURS SOLD

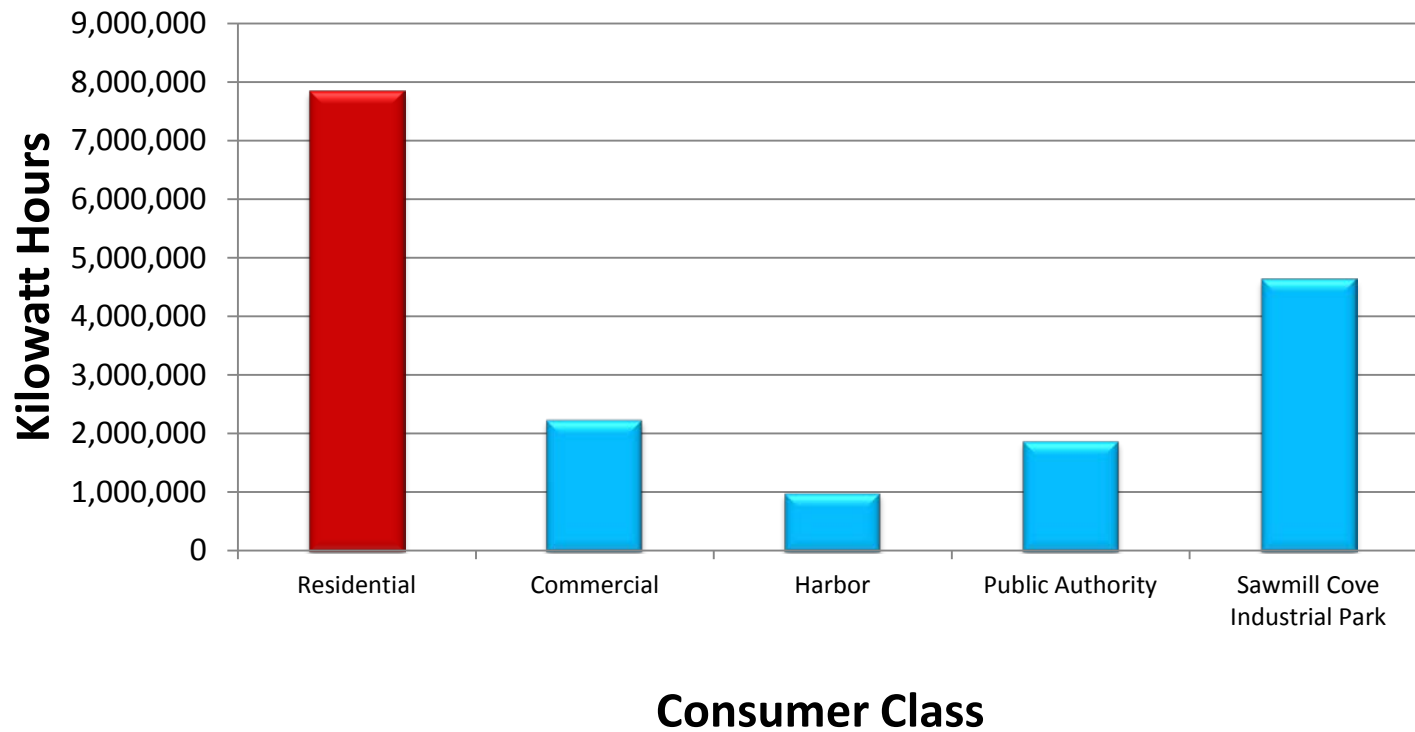
10/31/2011



# SYSTEM LOAD GROWTH 2001-2010

10/31/2011

## kWh Increase in Last 10 Years

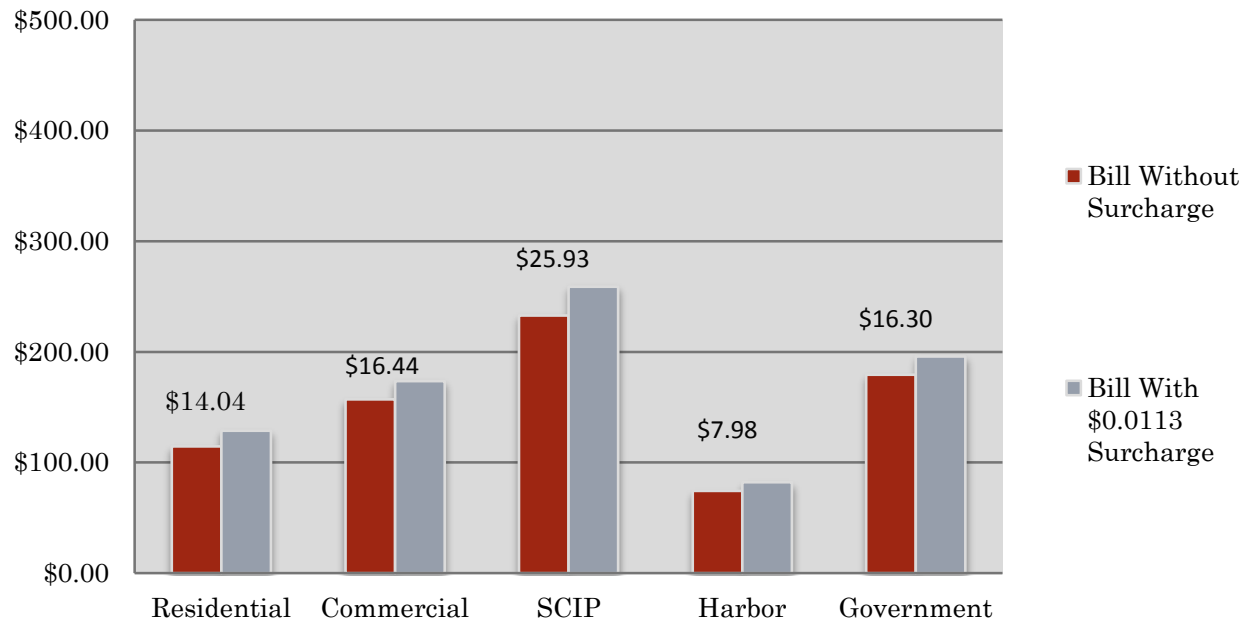




# FUEL CHARGE IMPACTS – JAN-MAR 2012

10/31/2011

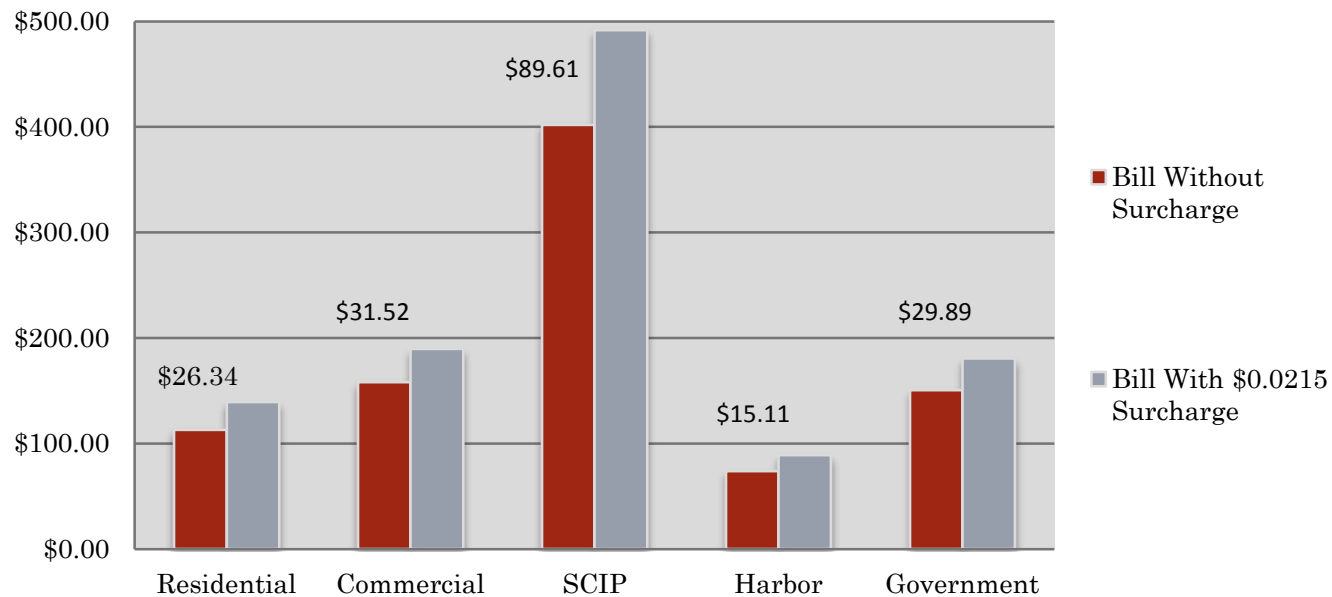
## Average January Bill Difference



# FUEL CHARGE IMPACTS – APR-JUN 2012

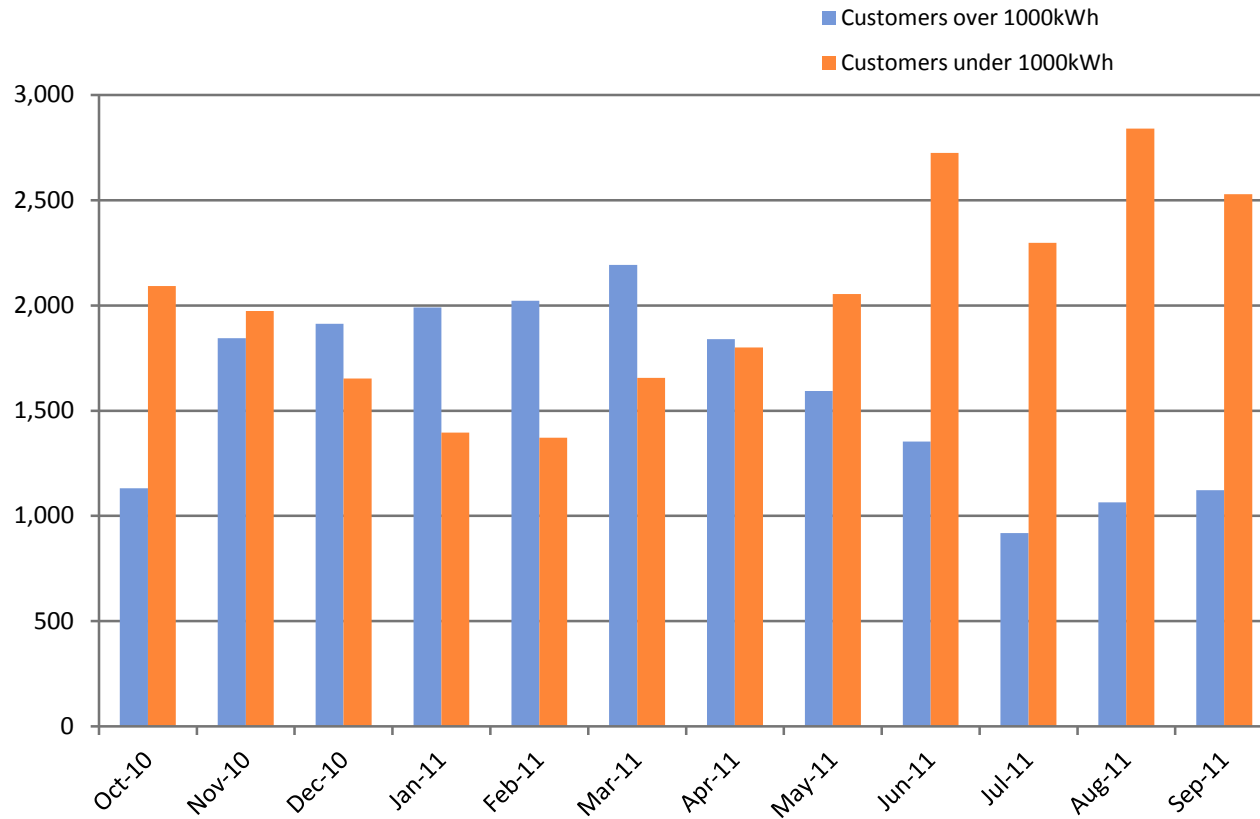
10/31/2011

## Average April Bill Difference



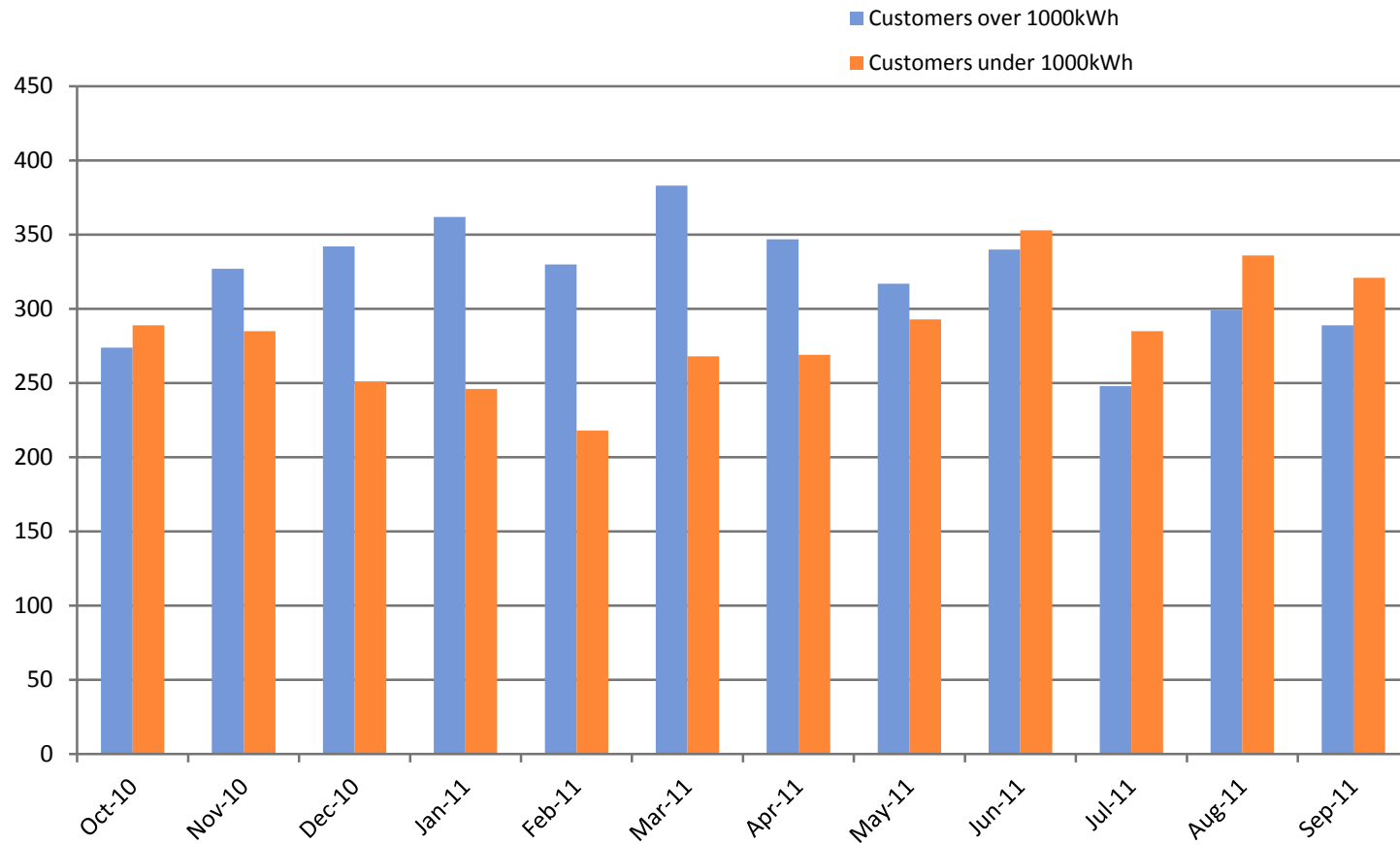
# CUSTOMER CONSUMPTION

## 2010-2011 Residential Customers



# CUSTOMER CONSUMPTION

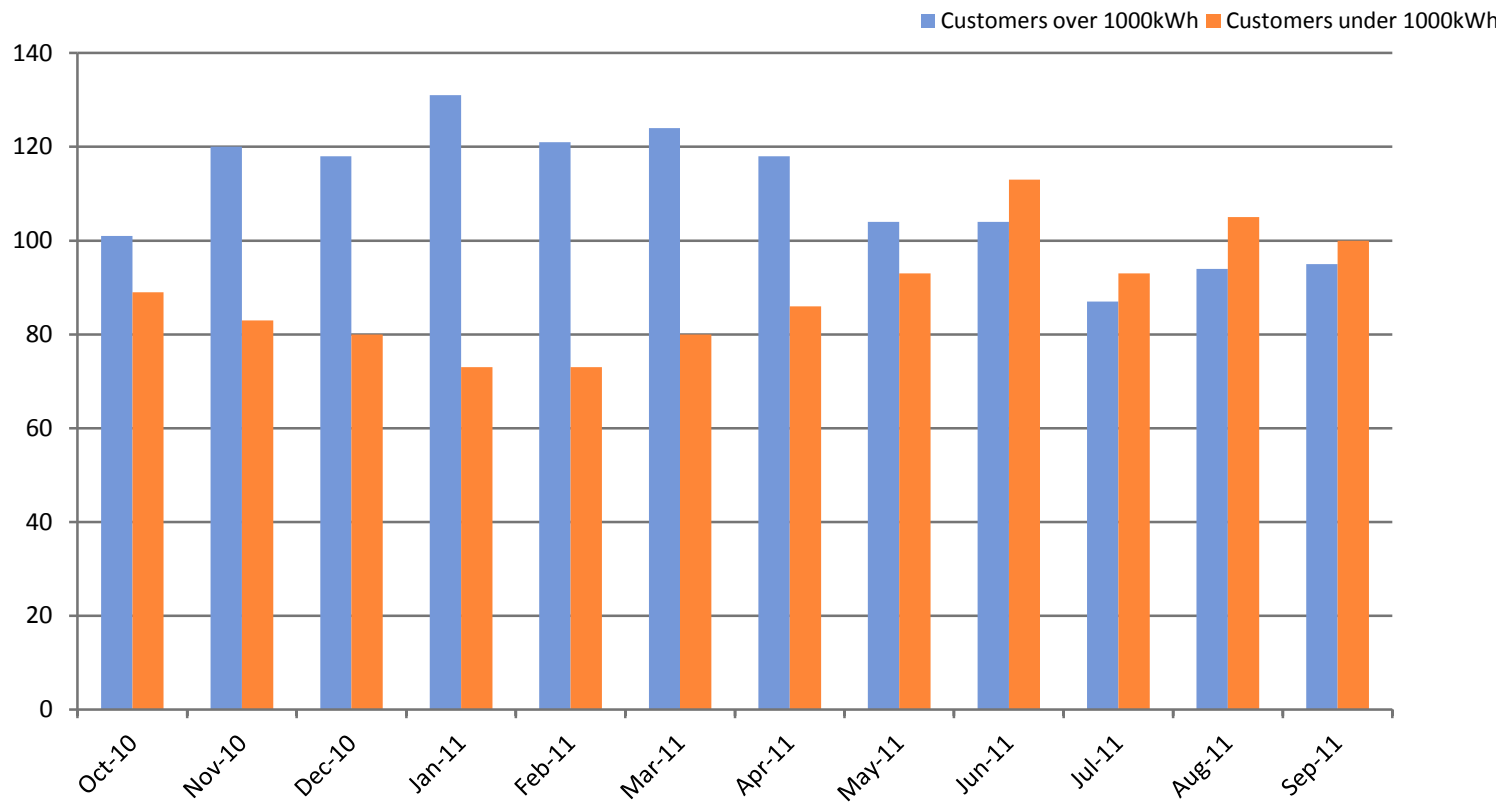
## Commercial Customers 10/10-9/11



10/31/2011

# CUSTOMER CONSUMPTION

## Government Customers 10/10-9/11



10/31/2011