



Rochelle Municipal Utilities Business and Financial Analysis

Memo

To: Dave Plyman
From: Dan Westin
Date: April 22nd 2015
Re: Electric Rate Modification FY2015/2016

SUBJECT: Recommendation Establishing Utility Services Price Schedule for Electric

Recommended Action: Consider Approving a Resolution Establishing Utility Services Price Schedule for Electric

History and Fact: RMU has retained Universal Financial Solutions (UFS) to perform rate design analysis since 2012. For FY15/16 UFS has again reviewed RMU's rate structure with a resulting average rate modification of 2 % in increased revenue recognition based on the updated financial projections including cost factor changes and the FY15/16 budget draft.

Discussion: A typical residential customer with an average electric summer bill of \$ 95.77 will see an increase of \$ 2.60 per month in the four summer months and an increase by \$ 2.67 per month in the eight non-summer months with no changes in energy use.

In the Time-of-Use rate (Summer Saver) a typical residential customer with an average (new) electric bill of \$ 98.37 will see an opportunity to save up to \$ 24.88 per summer month by modifying the energy consumption based on hours of usage by moving 50 % of usage between 2 pm and 7 pm weekdays to other hours in the week. Web based information will be available to provide information of actual usage hour by hour.

The Power Cost Adjustment (PCA) formula has been updated with a new base power cost factor with the target of an average PCA of 1 cent. The PCA formula also includes a cap of the PCA at 2 cents.

The UAB formally recommended to approve the modification of the electrical rate structure at its meeting April 8th.

Recommendation: Approve a Resolution Establishing Utility Services Price Schedule and related riders for Electric Effective July 1, 2015