

Village of Yellow Springs

2022 ELECTRIC RATE ANALYSIS

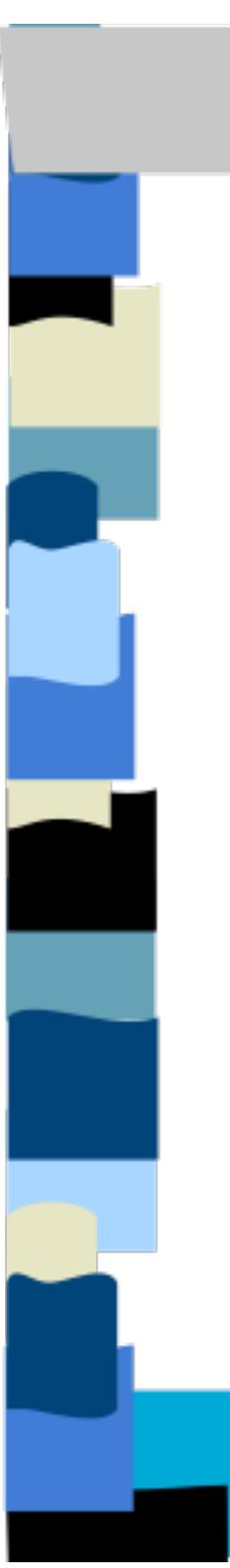
SCOPE OF SERVICES

- Data Acquisition/Verification
- Projected Revenue Requirements
- *Rate Review **
- Presentation of Results

** To Be Completed*

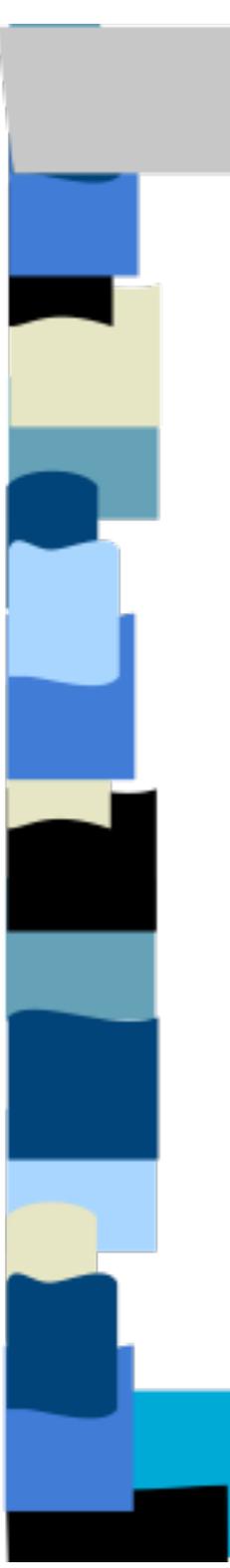
DATA ACQUISITION/VERIFICATION

- Identify Availability of Information
- Prepare and Submit Data Request
- Review Information and Data Provided
 - Billing Statistics
 - Operational Data
 - Financial Statements/Reports
- Verify the Accuracy of the Information Provided



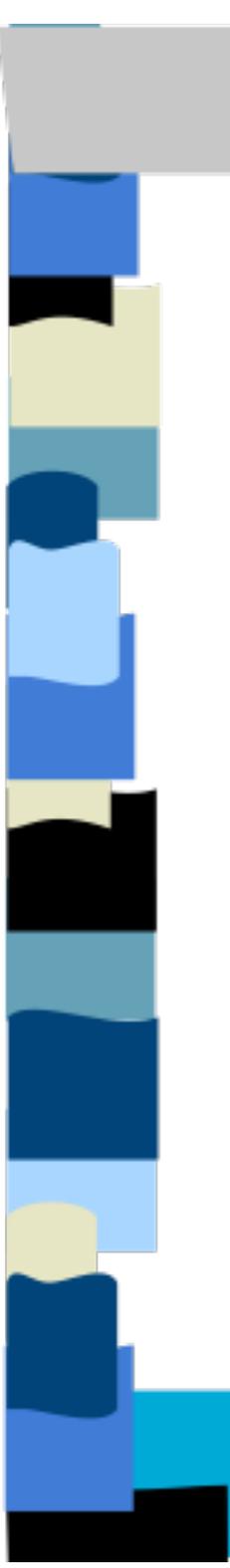
PROJECTED REVENUE REQUIREMENTS

1. Project Energy Sales
2. Project Power Supply Requirements/
Costs
3. Project Revenues at Current Rates
4. Project Revenue Requirements
5. Determine Overall Revenue
Adjustment



1. Project Energy Sales

- Separate Sales by Customer Class
- Normalize Historical Data
- Project Sales Growth Rates



SALES GROWTH RATES

Residential - 0.0%

Commercial - 0.0%

Large Power - 0.0%

PROJECTED ENERGY SALES (kWh)

	2023	2024	2025	2026
Residential	15,586,000	15,586,000	15,586,000	15,586,000
Commercial	5,500,800	5,500,800	5,500,800	5,500,800
Large Power	9,600,000	9,600,000	9,600,800	9,600,800
Totals	29,686,800	29,686,800	29,686,800	29,686,800

2. Project Power Supply Requirements and Costs

- Energy Requirements = Energy Sales + Losses (18%)
- Includes Projected Cost for All Power Supply Resources
- Power Supply Cost Projections Provided by AMP

PROJECTED POWER SUPPLY REQUIREMENTS & COSTS

<u>Year</u>	<u>kWh(1)</u>	<u>Amount</u>	<u>\$/kWh</u>
2023	36,203,415	\$ 3,306,458	\$ 0.09133
2024	36,203,415	\$ 3,292,701	\$ 0.09095
(1)	36,203,415	\$ 3,339,041	\$ 0.09223
2026	36,203,415	\$ 3,264,462	\$ 0.09017

(1) Includes
losses.

November 21, 2022

Courtney & Associates

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3. Project Revenues at Current Rates

- Project Average Revenues by Rate Class *

Residential	- \$ 0.1574/kWh
Commercial	- 0.1395/kWh
Large Power	- 0.1117/kWh

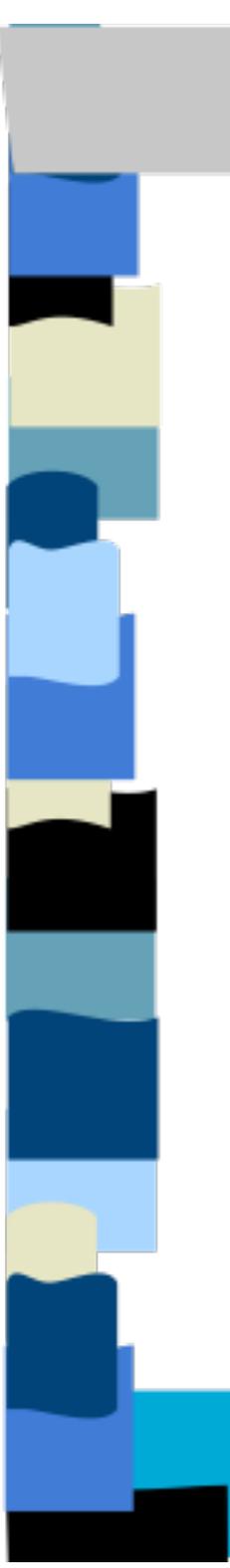
- Multiply Energy Sales by Average Rates

* Average rates shown include projected Power Supply Cost Adjustment of \$ 0.019708 per kWh.

PROJECTED REVENUES AT CURRENT RATES *

	<u>kWh</u>	<u>\$/kWh*</u>	<u>Amount</u>
Residential	15,586,000	\$ 0.1574	\$ 2,296,347
Commercial	5,500,800	0.1395	767,589
Large Power	9,600,000	0.1117	1,072,398
Totals	<u>29,686,800</u>	<u>\$ 0.1393</u>	<u>\$ 4,136,334</u>

* Reflects 2022 projected Sales. Includes Power Cost Adjustment of \$ 0.019708 per kWh.



4. Project Revenue Requirements

- Cash Basis vs. Rate of Return
- Normalize Historical Data
- Projected Power Supply Costs Based on Projected Sales
- Current Budget (2022)

4. Project Revenue Requirements (Cont.)

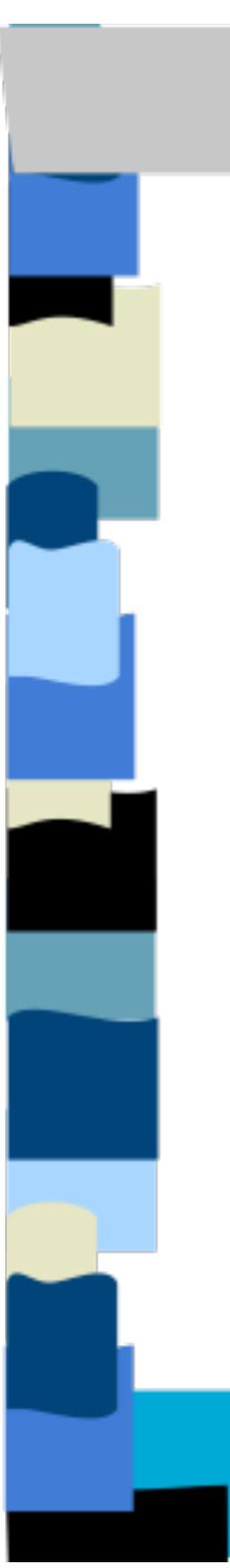
- Anticipated Changes in Operations
- Inflation (3% Per Year)
- Transfer to Capital Improvement Fund

- Other Income Credits
- Miscellaneous

PROJECTED REVENUE REQUIREMENTS

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Personnel Services	\$ 561,297	\$ 578,136	\$ 595,480	\$ 613,344
Contractual Services	337,840	347,975	358,414	369,167
Purchased Power	3,306,458	3,292,701	3,339,041	3,264,462
Transportation	4,120	4,244	4,371	4,502
Supplies and Materials	99,962	102,960	106,049	109,231
kWh Tax *	3,500	3,500	3,500	3,500
Transfer to Capital Fund	120,000	120,000	120,000	120,000
Miscellaneous	2,500	2,500	2,500	2,500
Other Income	<u>(180,000)</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>(180,000)</u>
NET REVENUE REQUIREMENTS	\$ 4,255,676	\$ 4,272,015	\$ 4,349,355	\$ 4,306,705

* Reflects Outside kWh Tax. Inside kWh Tax deposited directly to General Fund



5. Determine Overall Revenue Adjustment

- Compare Projected Revenue Requirements to Projected Revenues at Current Rates

DETERMINATION OF OVERALL REVENUE ADJUSTMENT

	<u>Revenue Requirements</u>	<u>Revenues at Current Rates</u>	<u>Revenue Adjustment Amount</u>	<u>%</u>
2023	\$ 4,255,676	\$ 4,045,531	\$ 210,145	5.2%
2024	\$ 4,272,015	\$ 4,061,042	\$ 210,973	5.2%
2025	\$ 4,349,355	\$ 4,075,737	\$ 273,618	6.7%
2026	\$ 4,306,705	\$ 4,063,002	\$ 243,704	6.0%

Conclusions &

Recommendations

- Projected Revenues at Current Rates are **NOT** Sufficient to Meet the Projected Revenue Requirement.
- Revenues Would Need to be Increased by Approximately 6% in Order to Meet the Projected 2026 Revenue Requirements.
- Continue to Monitor Revenue Requirements and Adjust Rates, as Needed.

