



## Cost of Service Study

### For Town of Landis

July 22, 2026

## Cost of Service Study

### Scope:

- Executive Summary for Management and the Board of Directors
  - a. Cost of service identifying cost to serve each class of customers
  - b. Minimum system analysis to identify cost to recover in customer charges
  - c. Load research development on how customers use electricity
    - i. Load Factors
    - ii. Contribution to system peak demands
    - iii. Peak demand of each class of customers
  - d. Power Supply cost breakdown by class
    - i. By season, demand and energy
  - e. Distribution breakdown of costs
    - iv. Customer charge
    - v. Distribution charges at voltage (service) level
- Financial Projection and long-term rate track
  - a. Development of five-year financial projection
  - b. Identification of long-term rate adjustments
  - c. Identification of projected debt coverage ratios
  - d. Minimum cash reserve for the utility to maintain
  - e. Identification of target operating income
- Rate Design for one year at current rate structure
  - a. Impact of rate designs at various usage levels within each class
  - b. Movement of rate toward cost of service
- Detailed report for Management
  - a. Identifying process and result of study
- Presentation to Management and the Board of Directors/Town Council
  - a. Presentation of results via MS Teams included, on-site optional
  - b. Training at the presentation on financial targets and how to consider looking at costs
- Input from Board/Council on rate adjustments and movement toward cost of service
- Fees by number of customers. Fees below include an MS Teams presentation, on-site optional.

### Time to Complete:

3-6 months after receipt of data

### ElectriCities Role:

ElectriCities will partner with Utility Financial Solutions (UFS) to provide the above deliverables. ElectriCities staff will assist by reviewing data inputs, analysis and reports; facilitating meetings; and providing information and guidance regarding NCPA1 wholesale power costs and retail rate design objectives.

**Project Cost (a):**

|                                        |          |
|----------------------------------------|----------|
| Cost Quote (a):                        | \$29,900 |
| Less System Betterment Allocation (b): | \$ 5,000 |
| Net Cost to Town:                      | \$24,900 |

- (a) Quoted price is effective until February 28, 2027.
- (b) The Town may elect to reduce the cost of this service by utilizing \$5,000 of funding available from the ElectriCities System Betterment Program if not already designated for other purposes.