

UPDATE: NBU Rate Study and the Community Advisory Panel (CAP)

Kimberly M. Britton

Chief Executive Officer & Founder

BRITTON STRATEGIES



NBU Rate Study and the CAP – November 2024

The CAP reviewed the difference in roles of the Board and the CAP in the process.

RAFTELIS Rate Study Process

They received an overview of the Raftelis Rate Study Process.



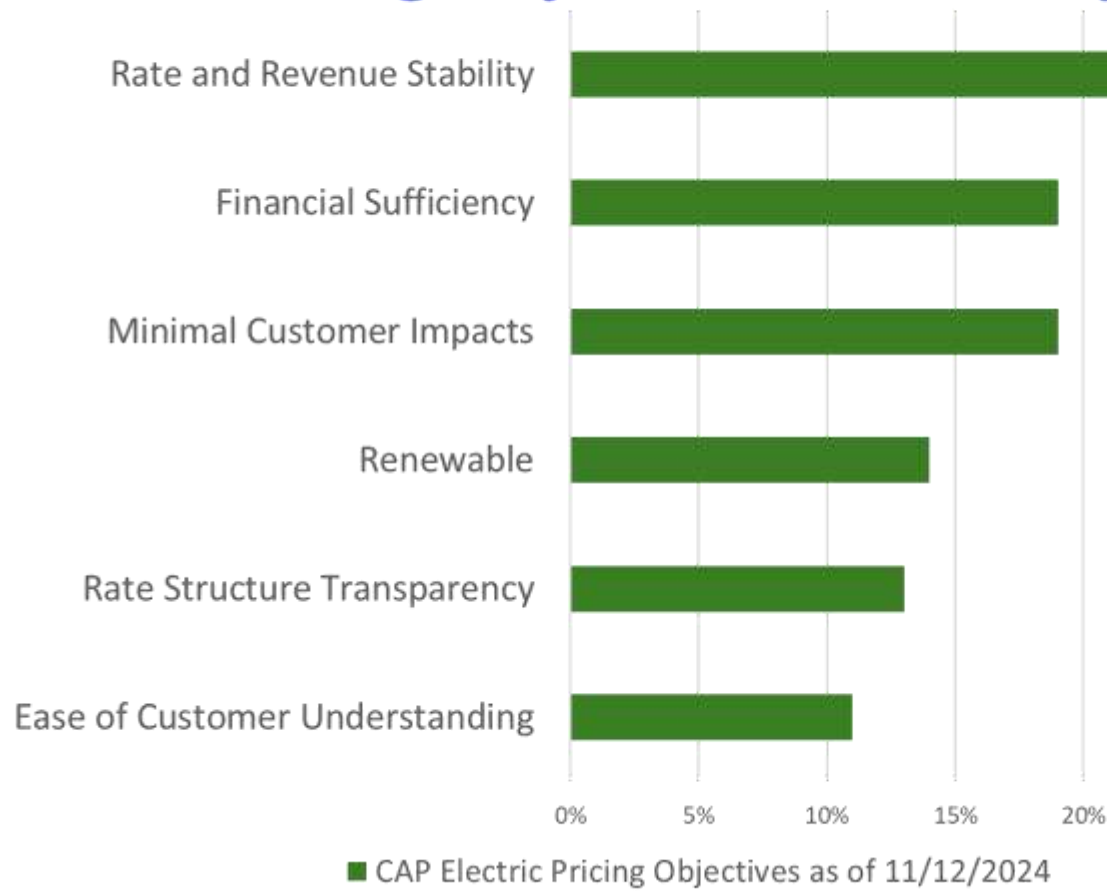
Began November 12, 2024, and continues to April 15, 2025.

BRITTON STRATEGIES



NBU Rate Study and the CAP – November 2024

CAP **Electric** Pricing Objectives Workshop Outcome

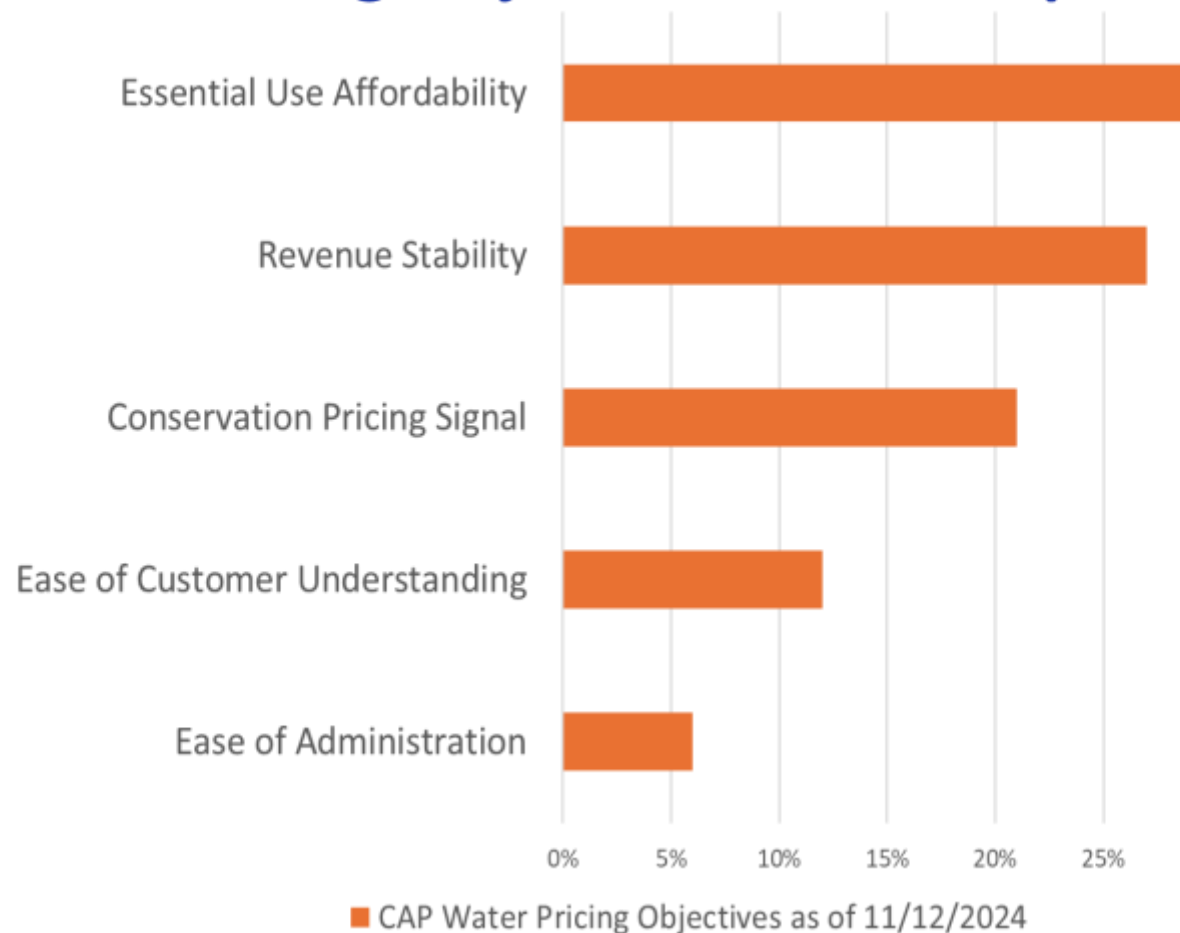


CAP defined its Pricing Objectives for Electric Rates

- 1) Rate & Revenue Stability
- 2) Financial Sufficiency
- 3) Minimal Customer Impacts
- 4) Renewable
- 5) Rate Structure Transparency
- 6) East of Customer Understanding

NBU Rate Study and the CAP – November 2024

CAP Water Pricing Objectives Workshop Outcome



CAP defined its Pricing Objectives for Water Rates

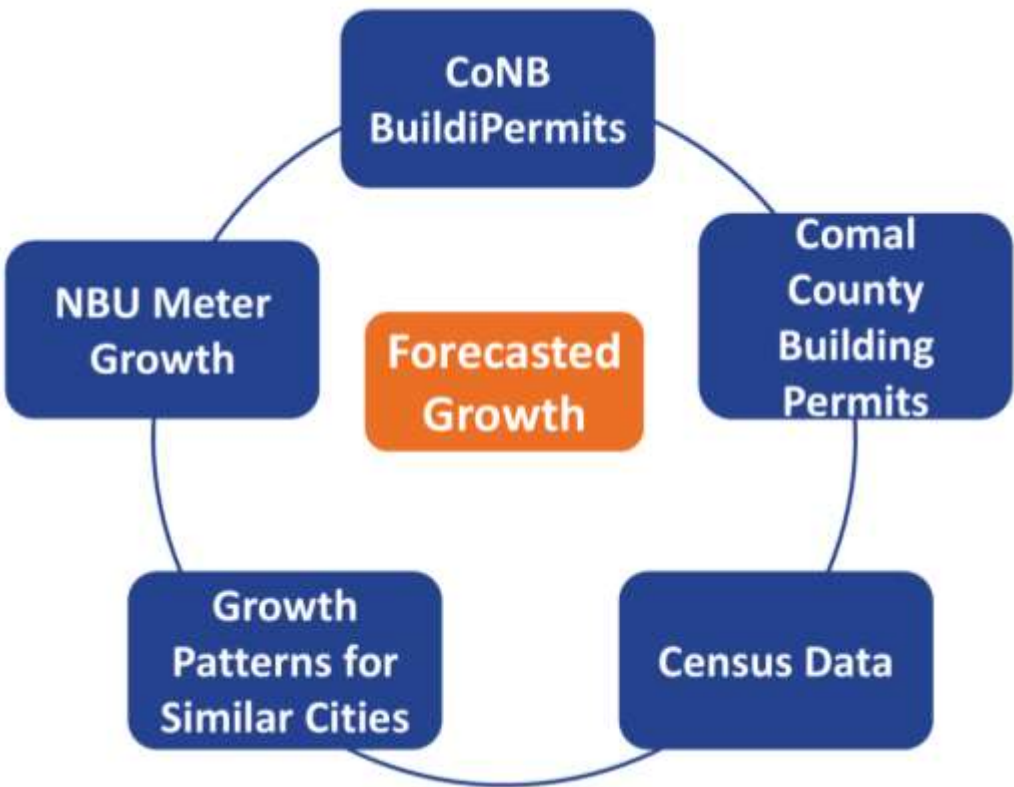
- 1) Essential Use Affordability
- 2) Revenue Stability
- 3) Conservation Pricing Signal
- 4) Ease of Customer Understanding
- 5) Ease of Administration

NBU Rate Study and the CAP – January 2025

Examined Key Inputs for Determining Revenue Requirements and Rates

- Growth Forecast and Process – Projected yearly growth rates*:

	Electric	Water	Sewer
FY26	5.5%	5.4%	3.7%
FY27	5.4%	3.2%	3.7%
FY28	5.1%	3.2%	3.7%
FY29	4.9%	3.2%	3.7%
FY30	4.6%	3.2%	3.7%



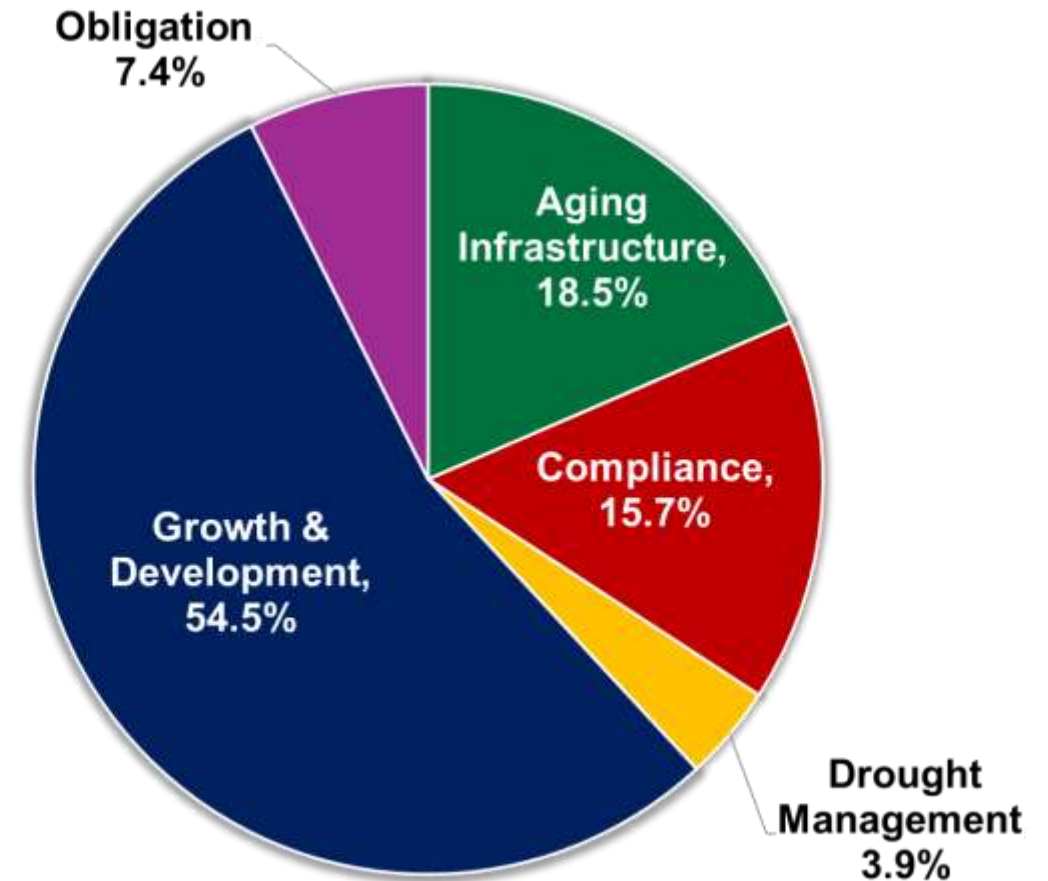
* Growth percentages are as of December 2024 and are subject to change as they are updated regularly.

NBU Rate Study and the CAP – January 2025

Examined Key Inputs for Determining Revenue Requirements and Rates

- Capital Projects and Aging Infrastructure Methodology
- Capital Funding – Cash vs. Debt

BRITTON STRATEGIES

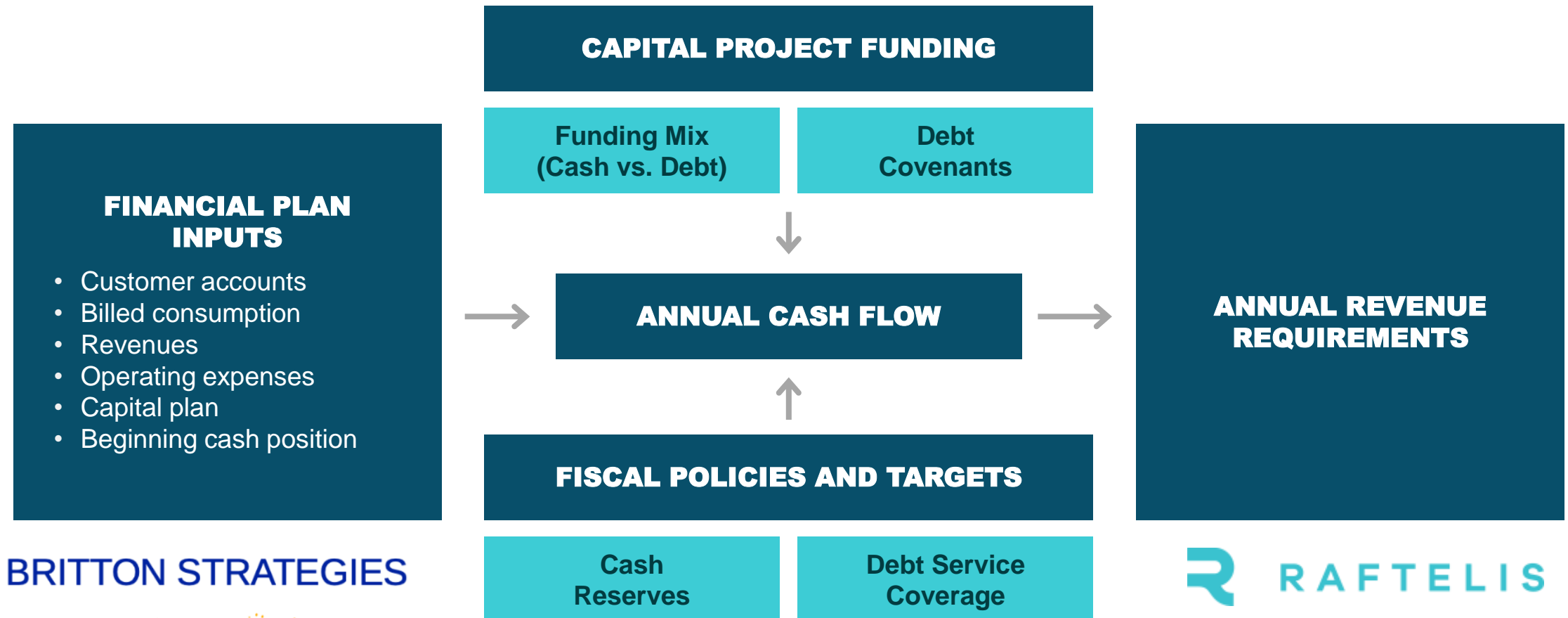


Example graphic taken from the Water portion of the January CAP presentation.

NBU Rate Study and the CAP – February 2025

Key Inputs for Determining Revenue Requirements and Rates

FINANCIAL PLAN ELEMENTS



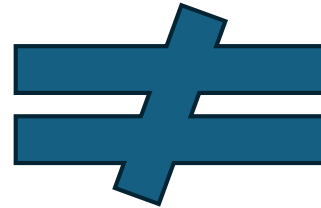
BRITTON STRATEGIES

RAFTELIS

NBU Rate Study and the CAP – February 2025

FY 2024 - 2025 Rate Plan Review (Freese and Nichols Report)

FIRST, REMEMBER THAT TYPICALLY...

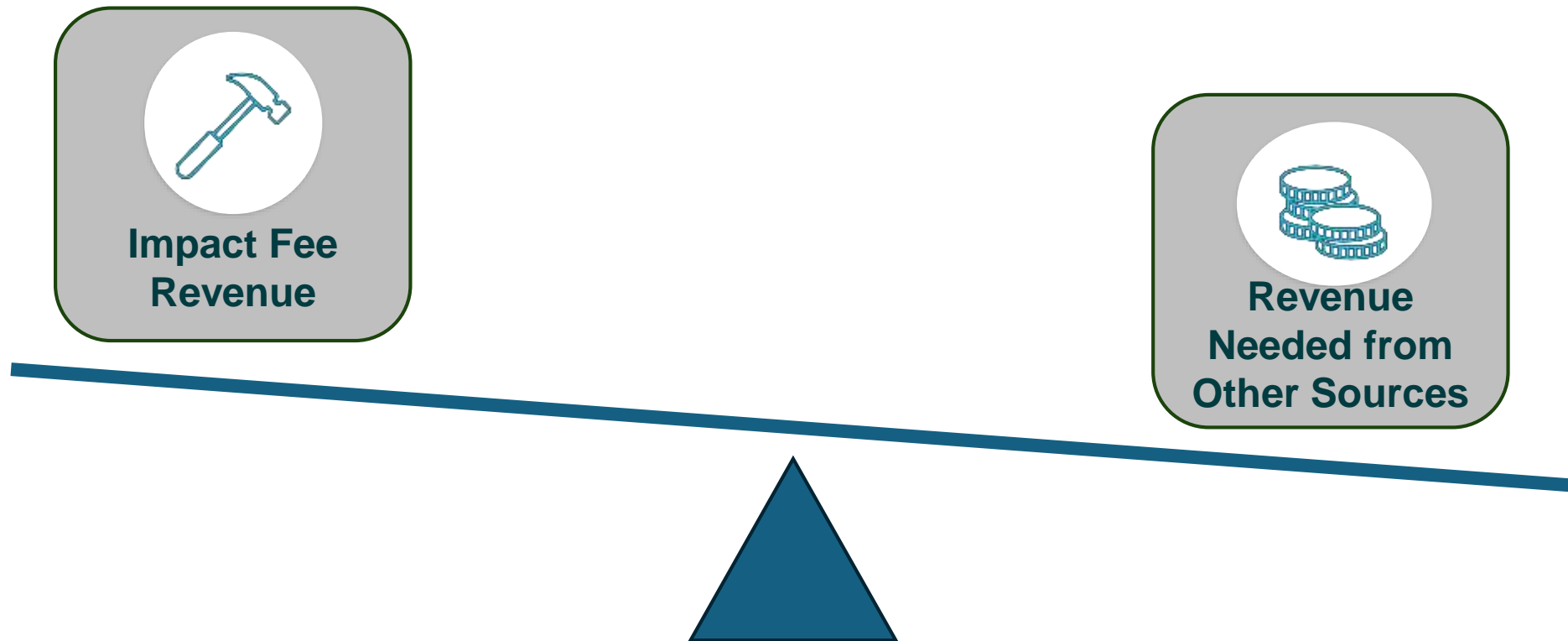


BRITTON STRATEGIES



NBU Rate Study and the CAP – February 2025

FY 2024 - 2025 Rate Plan Review (Freese and Nichols Report)

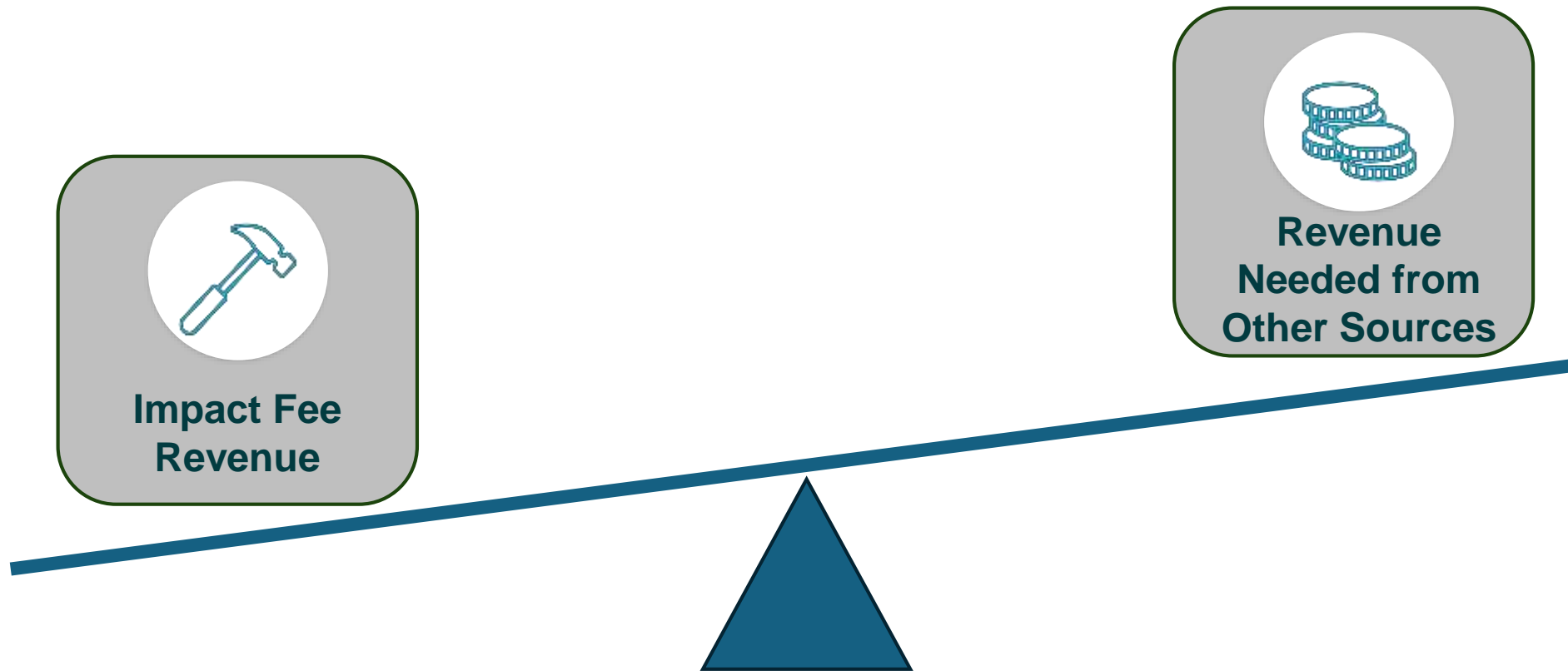


BRITTON STRATEGIES



NBU Rate Study and the CAP – February 2025

FY 2024 - 2025 Rate Plan Review (Freese and Nichols Report)



BRITTON STRATEGIES



Items Presented for CAP Feedback

November 2024 – February 2025



Growth Projections

Reasonableness of NBU's growth projections?



Aging Infrastructure Replacement

Reasonableness of NBU's level of aging replacement?



Impact Fees

Should growth continue to pay for itself up to the maximum?

BRITTON STRATEGIES



NBU Rate Study and the CAP – April 2025

Rate Design Options and Rate Scenarios

Rate Proposals



What percentage of revenue increases will be needed? Are they reasonable?

BRITTON STRATEGIES



Scenarios



In the event of a rate increase, what are the best scenarios for increasing rates?

Rate Design Options



The work of the RAC was extensive.
Are there any updates needed?



Questions and Comments

BRITTON STRATEGIES

