

Rochelle Municipal Utilities Electric Department

Electric Cost of Service Study/Financial Projection

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Objectives

- Financial Projection
 - Debt Coverage Ratio
 - Minimum Cash Levels
 - Target Operating Income
- Rate Adjustment Plan
- Review Cost of Service Results
 - Class Cost Results
 - Customer Charges
- Sample Rate Designs

Significant Assumptions

Fiscal Year	Inflation	Additional Industrial Growth	Growth	Purchase Power Change	Investment Income	Utility Funded Capital
2025	3.5%	5.0%	2.5%	3.0%	0.5%	11,128,214
2026	3.0%		1.0%	3.0%	0.5%	6,731,278
2027	3.0%		1.0%	3.0%	0.5%	3,096,044
2028	3.0%		0.5%	3.0%	0.5%	3,110,971
2029	3.0%		0.5%	3.0%	0.5%	3,136,652

COS Summary Financial Results (without rate increase)

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2025	0.0%	2.90	\$ 2,495,272	\$ 3,144,753	\$ 33,726,609	\$ 10,992,518
2026	0.0%	2.83	\$ 4,303,964	3,394,933	\$ 30,506,323	11,274,621
2027	0.0%	2.71	\$ 3,971,039	3,498,532	\$ 30,707,404	11,497,621
2028	0.0%	2.57	\$ 3,614,845	3,607,003	\$ 30,607,225	11,706,984
2029	0.0%	2.41	\$ 3,240,754	3,721,902	\$ 30,183,040	13,248,137

COS Summary Results

Customer Class	Cost of Service	Projected Revenues	Effective % Change
Residential	\$ 6,823,215	\$ 6,386,973	6.8%
Small General Service (130)	\$ 5,305,874	\$ 5,409,711	-1.9%
Lighting	\$ 242,765	\$ 50,873	377.2%
Large General	\$ 28,908,906	\$ 28,783,722	0.4%
	\$ 41,280,760	\$ 40,631,279	1.6%

Monthly Customer Charges

Customer Class	COS Customer Charge	Current Average Customer Charge
Residential	\$ 22.28	\$ 10.00
Small General Service (130)	43.63	23.00
Large General	271.67	180.00

Next Steps

Proposed Rate Change

- Planned 0%

Develop Bandwidth Rates (Rate Adjustment Plan)

- 1% Bandwidth
 - Maximum Increase 1%
 - Maximum Decrease 1%

Customer Charges

- Move toward Cost of Service

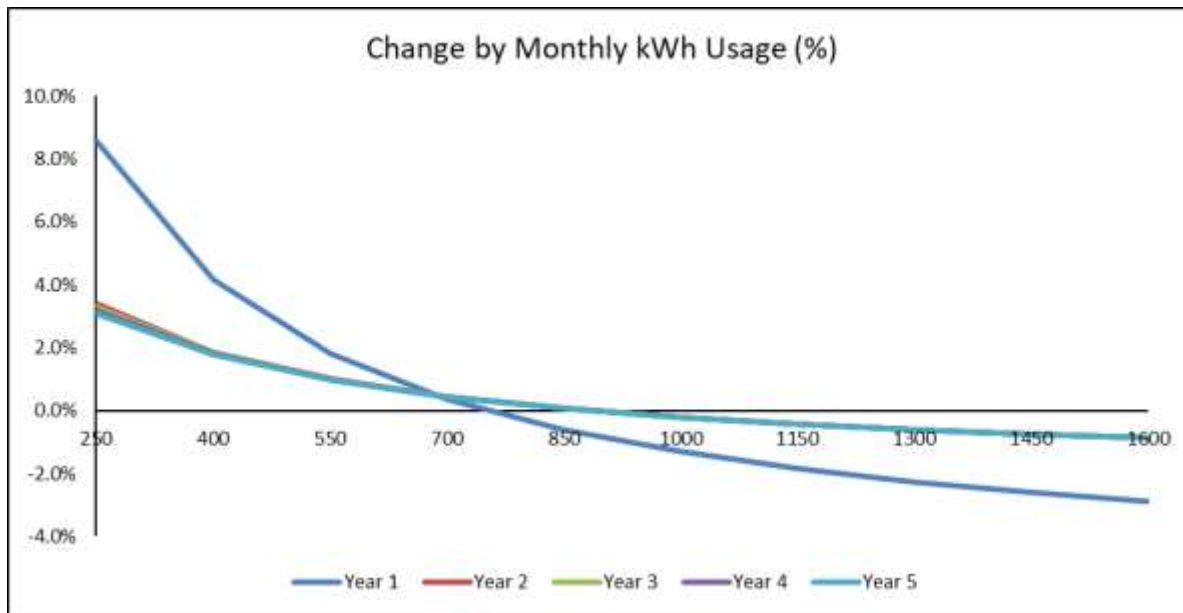
True – Up PCA

- Adjust base to \$0.0607

Sample Residential Rate

Rates	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Customer Charge:						
All Customers	\$ 10.00	\$ 15.00	\$ 17.00	\$ 19.00	\$ 21.00	\$ 23.00
Energy Charge:						
Summer Energy	\$ 0.12750	\$ 0.12086	\$ 0.11860	\$ 0.11634	\$ 0.11409	\$ 0.11184
Non Summer Energy	\$ 0.11000	\$ 0.10336	\$ 0.10110	\$ 0.09884	\$ 0.09659	\$ 0.09434
Revenue from Rate	\$ 5,527,113	\$ 5,554,748	\$ 5,582,522	\$ 5,610,435	\$ 5,638,487	\$ 5,666,679
Change from Previous		0.5%	0.5%	0.5%	0.5%	0.5%

Sample Residential Effects

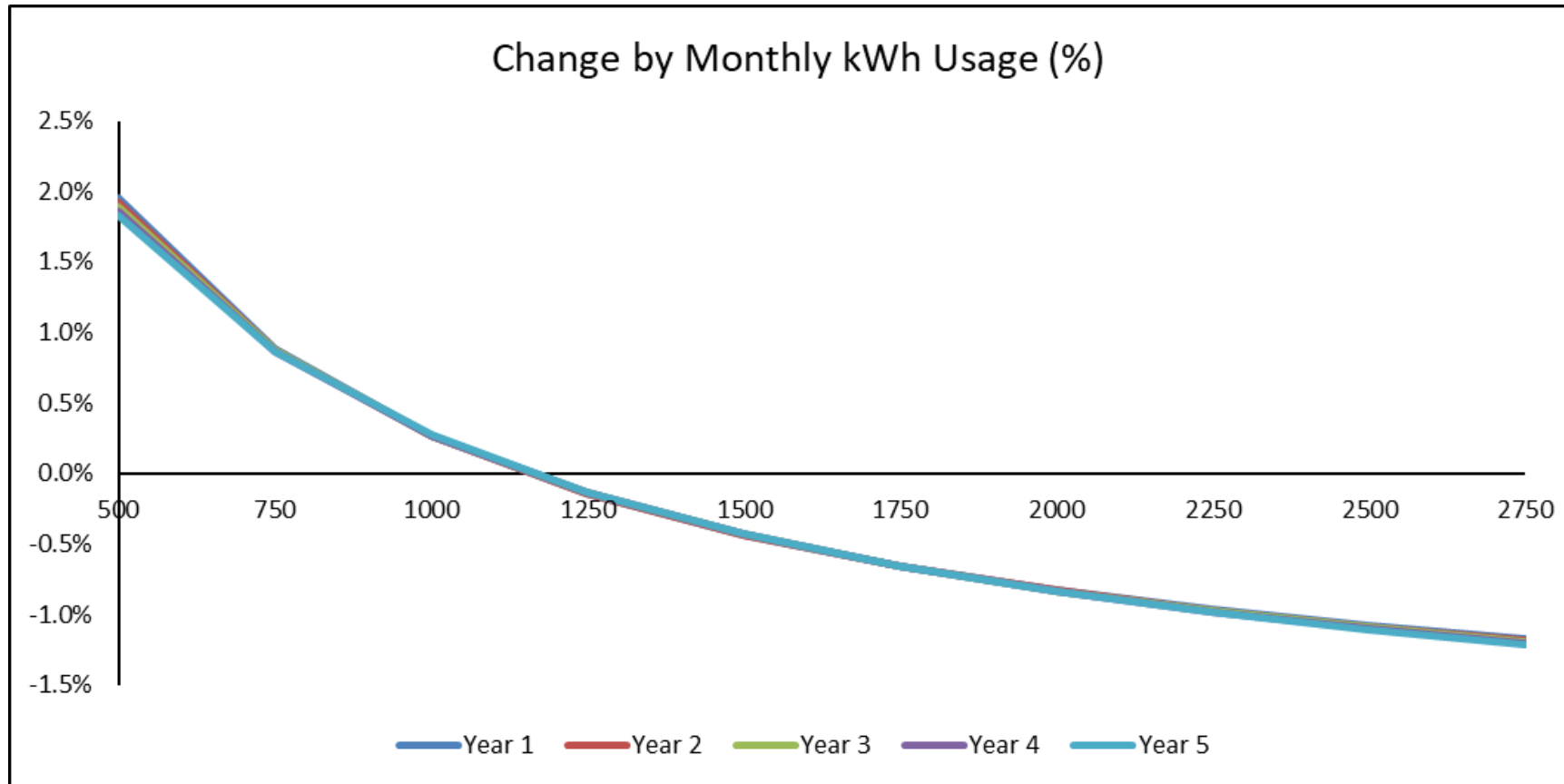


		Change by Monthly kWh Usage (\$)									
Usage		Year 1		Year 2		Year 3		Year 4		Year 5	
250	\$	3.34	\$	1.44	\$	1.44	\$	1.44	\$	1.44	\$
400	\$	2.34	\$	1.10	\$	1.10	\$	1.10	\$	1.10	\$
550	\$	1.35	\$	0.76	\$	0.76	\$	0.76	\$	0.76	\$
700	\$	0.35	\$	0.42	\$	0.42	\$	0.42	\$	0.43	\$
850	\$	(0.65)	\$	0.08	\$	0.08	\$	0.09	\$	0.09	\$
1000	\$	(1.64)	\$	(0.26)	\$	(0.26)	\$	(0.25)	\$	(0.25)	\$
1150	\$	(2.64)	\$	(0.60)	\$	(0.59)	\$	(0.59)	\$	(0.59)	\$
1300	\$	(3.64)	\$	(0.94)	\$	(0.93)	\$	(0.93)	\$	(0.92)	\$
1450	\$	(4.63)	\$	(1.28)	\$	(1.27)	\$	(1.27)	\$	(1.26)	\$
1600	\$	(5.63)	\$	(1.61)	\$	(1.61)	\$	(1.60)	\$	(1.60)	\$

Sample Small Commercial Rate

Rates	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Monthly Facilities Charge:						
All Customers	\$ 23.00	\$ 26.00	\$ 29.00	\$ 32.00	\$ 35.00	\$ 38.00
Energy Charge:						
Block 1 (0 - 1,000 kWh)	\$ 0.12735	\$ 0.12475	\$ 0.12214	\$ 0.11955	\$ 0.11696	\$ 0.11437
Block 2 (Excess)	\$ 0.11735	\$ 0.11475	\$ 0.11214	\$ 0.10955	\$ 0.10696	\$ 0.10437
Power Cost Adjustment:						
All Energy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Rate	\$ 2,416,992	\$ 2,402,518	\$ 2,388,131	\$ 2,373,830	\$ 2,359,614	\$ 2,345,484
Change from Previous		-0.6%	-0.6%	-0.6%	-0.6%	-0.6%

Sample Small Commercial Effects



Other items

- Optional Market Based Rate (M1)
- Customers with Monthly Aggregate Loads > 15,000kW served at 34.5 kVA
- Fixed Customer Monthly Facilities Charge (\$850)
- Distribution Demand Recovery Charge (\$8.02)
- Market Capacity and Transmission Charge (plus losses/PILOT)
- Market Energy Charge (plus losses/PILOT)

Questions?

