OPALCO 2017 Budget Overview

November 2016 Board Meeting

How did we do in 2016 Q3?

Let's start with Budget to Actual…

2016 Q3 Results: Statement of Operations

	A. Audited Year End 12/31/2012	B. Audited Year End 12/31/2013	C. Audited Year End 12/31/2014	D. Audited Year End 12/31/2015	E. Budget Year End 12/31/2016	F. Budget Period End 9/30/2016	**G. Actual Period End 9/30/2016**	H. Budget Variance (G - F)	I. Actual Period End 9/30/2015
OPERATING REVENUES									
Residential	$ 14,861,010	$ 15,598,797	$ 15,913,325	$ 17,694,706	$ 17,744,698	$ 12,568,296	**$ 12,794,148**	225,852	$ 12,349,844
Commercial	5,260,451	5,467,588	5,694,901	6,356,143	6,701,511	4,848,110	**4,705,567**	(142,543)	4,659,720
Other	296,764	364,892	420,798	531,069	386,946	282,548	**486,866**	204,317	354,412
Total operating revenue	20,418,225	21,431,278	22,029,025	24,581,918	24,833,155	17,698,955	**17,986,581**	287,626	17,363,977
OPERATING EXPENSES									
Cost of power	7,240,696	7,514,128	8,037,428	7,787,142	7,624,980	5,302,102	**5,675,960**	373,857	5,487,741
Transmission	126,986	70,117	92,874	179,264	53,560	28,085	**47,787**	19,702	26,954
Distribution - operations	2,805,586	2,968,003	2,961,250	3,391,150	3,420,263	2,602,799	**2,441,628**	(161,171)	2,613,609
Distribution - maintenance	1,518,742	1,669,524	1,778,516	1,713,924	1,702,147	1,246,904	**1,457,133**	210,229	1,254,299
Consumer accounts	809,149	853,211	898,198	893,766	930,975	693,260	**724,862**	31,602	690,216
General and administration									
Administration	2,799,833	2,718,889	2,822,439	2,950,777	3,058,886	2,273,592	**2,154,123**	(119,469)	2,110,939
Energy services	276,269	462,966	373,323	658,939	410,376	280,423	**17,466**	(262,958)	563,513
Subsidiary charges (RIC network mgt services)	-	-	-	29,100	-	-	**26,190**	26,190	-
Total general and administration	3,076,102	3,181,855	3,195,763	3,638,816	3,469,262	2,554,016	**2,197,779**	(356,237)	2,674,452
Depreciation and amortization	2,652,194	2,719,560	2,975,650	3,308,154	3,673,019	2,720,240	**2,630,573**	(89,667)	2,450,525
Taxes	832,220	930,482	961,815	1,046,626	1,028,086	743,399	**912,859**	169,460	756,514
Total operating expenses	19,061,677	19,906,881	20,901,493	21,958,841	21,902,293	15,890,805	**16,088,582**	197,777	15,954,308
Operating margins before fixed charges	1,356,548	1,524,397	1,127,532	2,623,077	2,930,862	1,808,150	**1,897,999**	89,849	1,409,669
FIXED CHARGES									
Interest on long-term debt	759,686	786,193	908,934	1,047,248	1,360,588	973,065	**837,852**	(135,213)	754,249
Other Interest	-	-	-	-	-	-	**-**	-	-
Total fixed charges	759,686	786,193	908,934	1,047,248	1,360,588	973,065	**837,852**	(135,213)	754,249
Operating margins after fixed charges	596,861	738,204	218,598	1,575,829	1,570,274	835,085	**1,060,147**	225,062	655,420
PATRONAGE CAPITAL CREDITS	40,416	38,048	67,853	83,608	56,051	37,577	**67,239**	29,662	56,051
Net operating margins	637,277	776,252	286,451	1,659,437	1,626,325	872,661	**1,127,386**	254,724	711,471
NON-OPERATING MARGINS									
Interest income	32,228	33,261	32,130	127,804	28,907	21,862	**25,922**	4,060	21,164
Other income	21,995	46,893	23,458	71,081	20,381	18,288	**21,038**	2,749	9,422
Total Opalco non-operating margins	54,222	80,154	55,588	198,886	49,288	40,151	**46,960**	6,809	30,585
Fiber Optics Division (Island Network Department)									
IN Income	348,119	388,117	519,819	-	-	-	-	-	-
IN Expenses	225,095	273,006	739,907	-	-	-	-	-	-
Total Fiber Optics Division	123,024	115,111	(220,088)	-	-		-	-	-
Non-operating margins from Subsidiary									
Interest Income (RIC loan)	-	-	-	-	303,383	227,537	**161,141**	(66,396)	-
Other income (use of OPALCO backbone)	-	-	-	-	-	-	**65,905**	65,905	-
Total non-operating margins from Subsidiary	-	-	-	-	303,383	227,537	**227,046**	(491)	-
Net non-operating margins	177,246	195,265	(164,500)	198,886	352,670	267,688	**274,006**	6,318	30,585
NET MARGINS	$ 814,524	$ 971,518	$ 121,951	$ 1,858,322	$ 1,978,995	$ 1,140,349	**$ 1,401,392**	261,043	$ 742,056
TIER	2.07	2.24	1.13	2.51	2.20	1.95	**2.38**		1.98
Equity % of Total Cap	72.1%	69.5%	61.3%	53.3%	45.5%	48.1%	**49.7%**		55.1%

3rd Quarter Financials
Page 3 of 18

Total Operating Revenue

Cost of Power

Total Operating Expenses

Headline

- Revenue up. Expenses up less.

3rd Quarter Results

- Operating Margin: +$1,127,386
- Margin: +$1,401,392 (excludes Rock Island)

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Other	296,764	364,892	420,798	531,069	386,946	282,548	**486,866**	204,317	354,412
Total operating revenue	20,418,225	21,431,278	22,029,025	24,581,918	24,833,155	17,698,955	**17,986,581**	287,626	17,363,977
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Cost of power	7,240,696	7,514,128	8,037,428	7,787,142	7,624,980	5,302,102	**5,675,960**	373,857	5,487,741
Transmission	126,986	70,117	92,874	179,264	53,560	28,085	**47,787**	19,702	26,954
Distribution - operations	2,805,586	2,968,003	2,961,250	3,391,150	3,420,263	2,602,799	**2,441,628**	(161,171)	2,613,609
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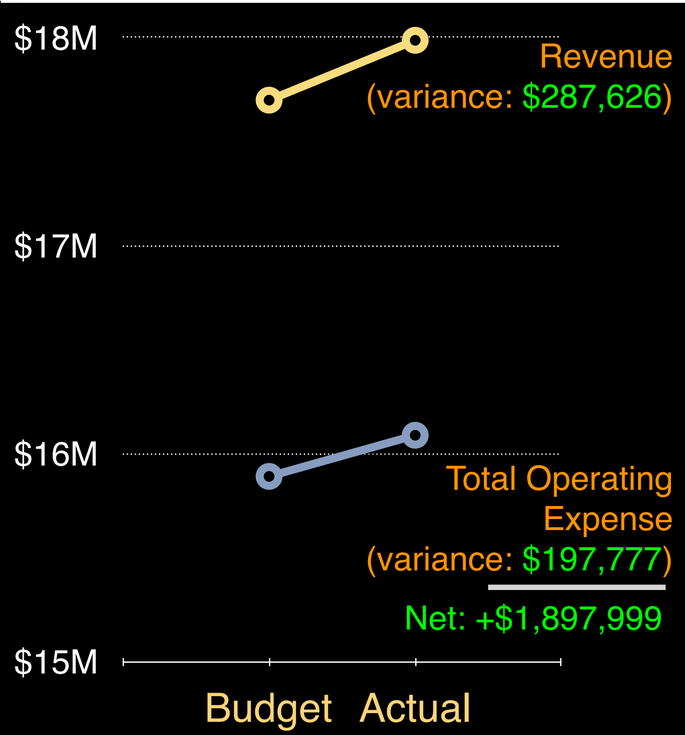

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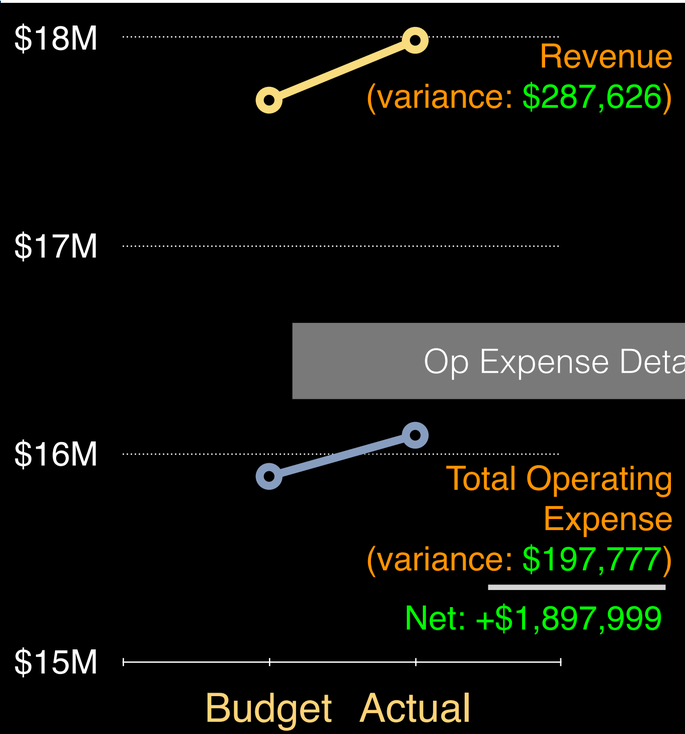
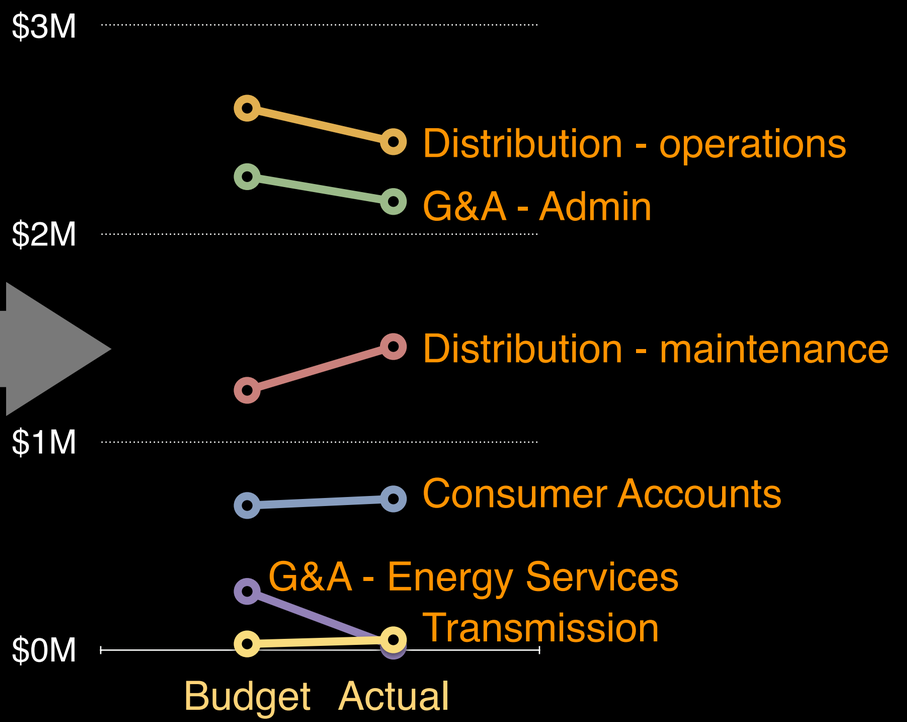
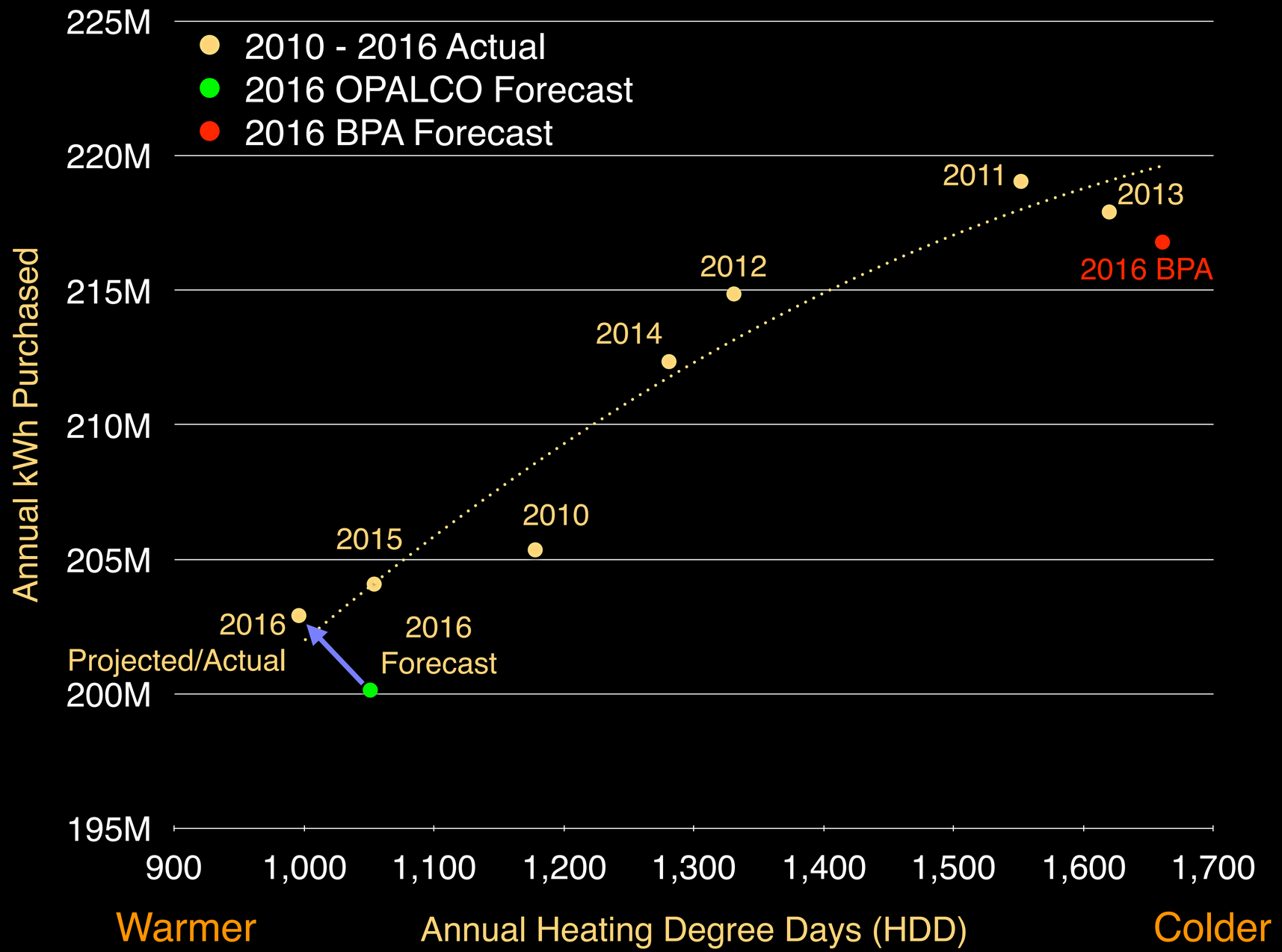


Op Expense Details



Load Forecast: 2016 Forecast versus Projected



2017 Budget

Revenue

Rule of Thumb

each 1 million kWh sold
= $100,000 in revenue
= $70,000 incremental margin

each 1 % rate increase = $250,000 in revenue

Rule of Thumb

Temperature ➜ HDD ➜ kWh ➜ $

(Water & Air)

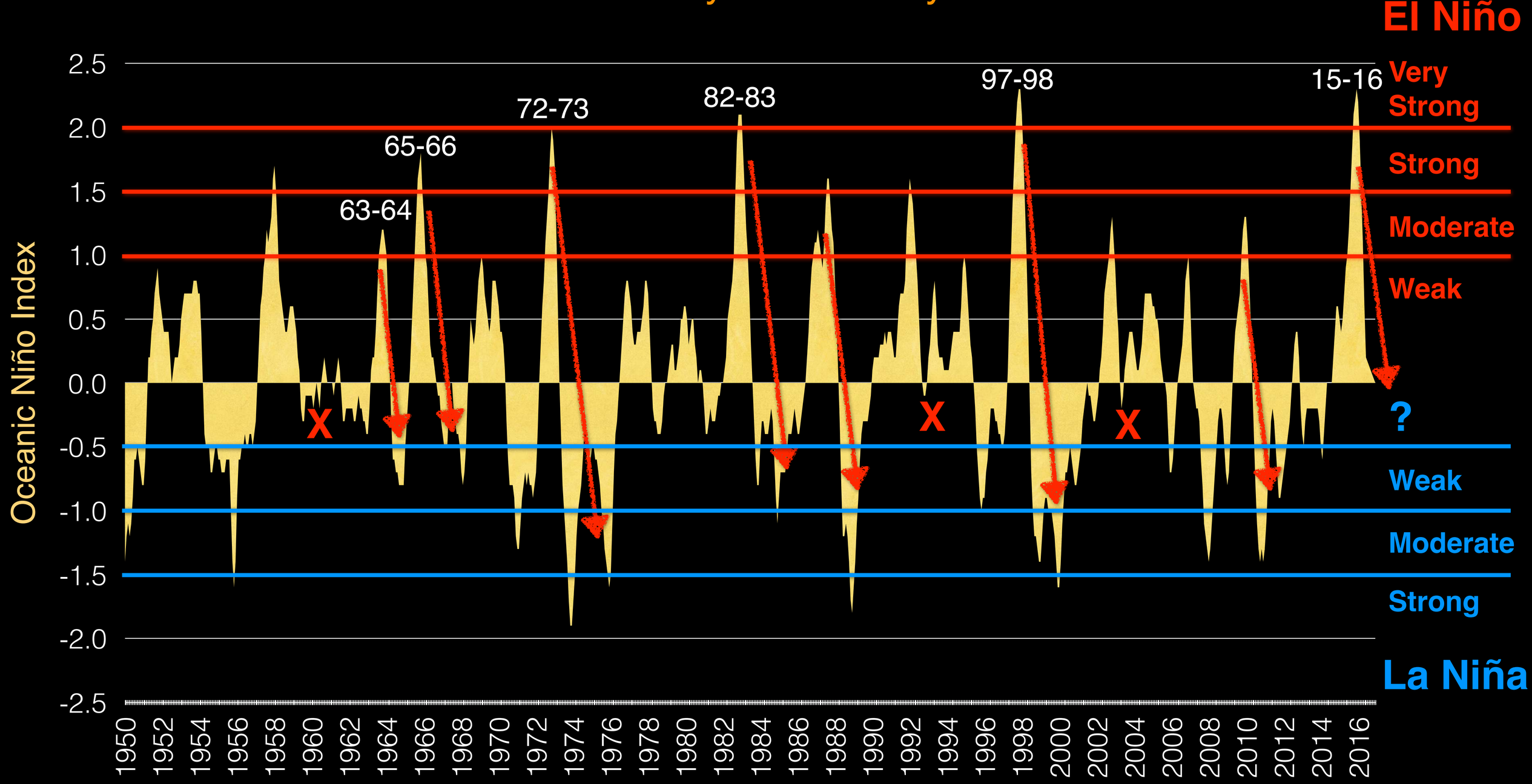
Rule of Thumb

Weather Cycle	Avg. Water Temp (Fº)	Avg. Air Temp (Fº)	Anual HDD	Annual kWh (M)
La Niña	48.3	48.5	1,677	221
Neutral	48.9	49.6	1,448	216
El Niño	50.0	51.3	1,064	204
Niño - Niña	1.7	2.8	-613	-17.2
Margin change	-$720,000	-$425,000	$2,000	$70,000
per increase in:	Fº	Fº	HDD	M kWH

annual average temperate

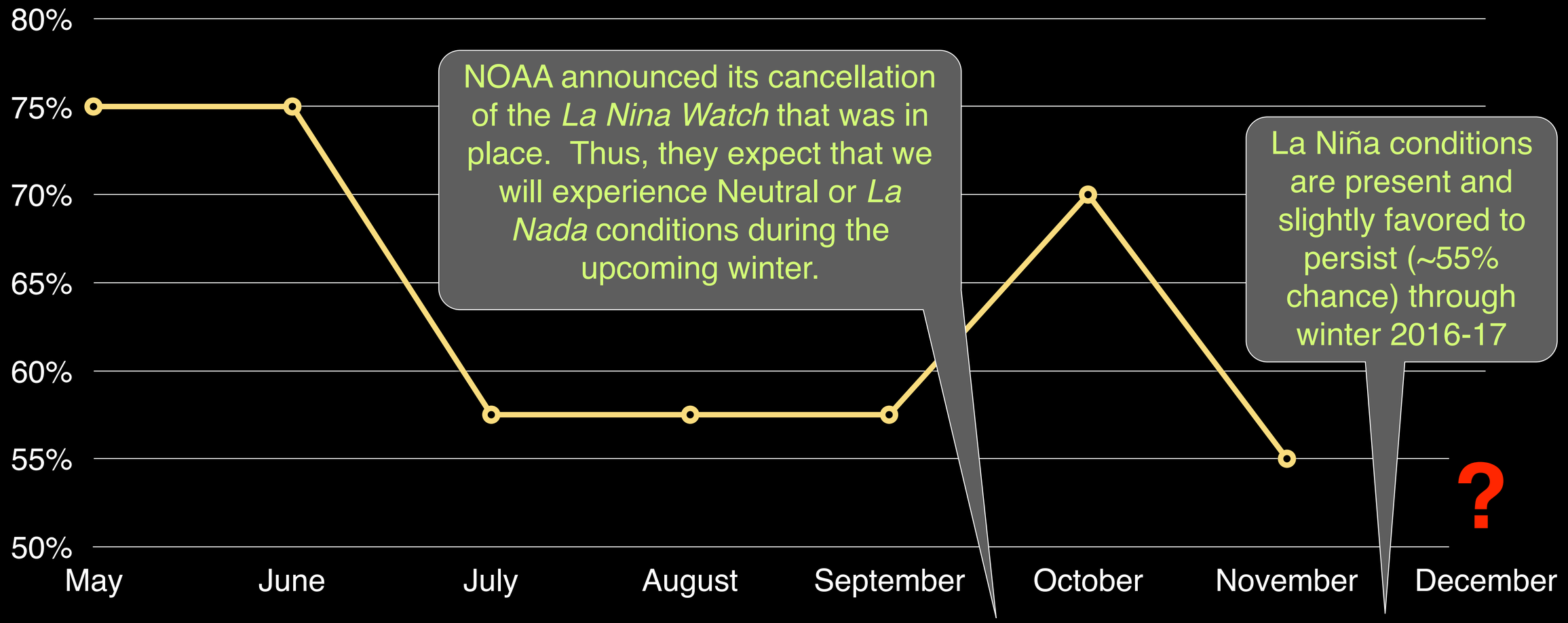
Load Forecast

Global El Niño: Usually followed by extended La Niña



Weather Uncertainty: A Global Perspective

Shifting probability of La Niña in the fall/winter of 2016

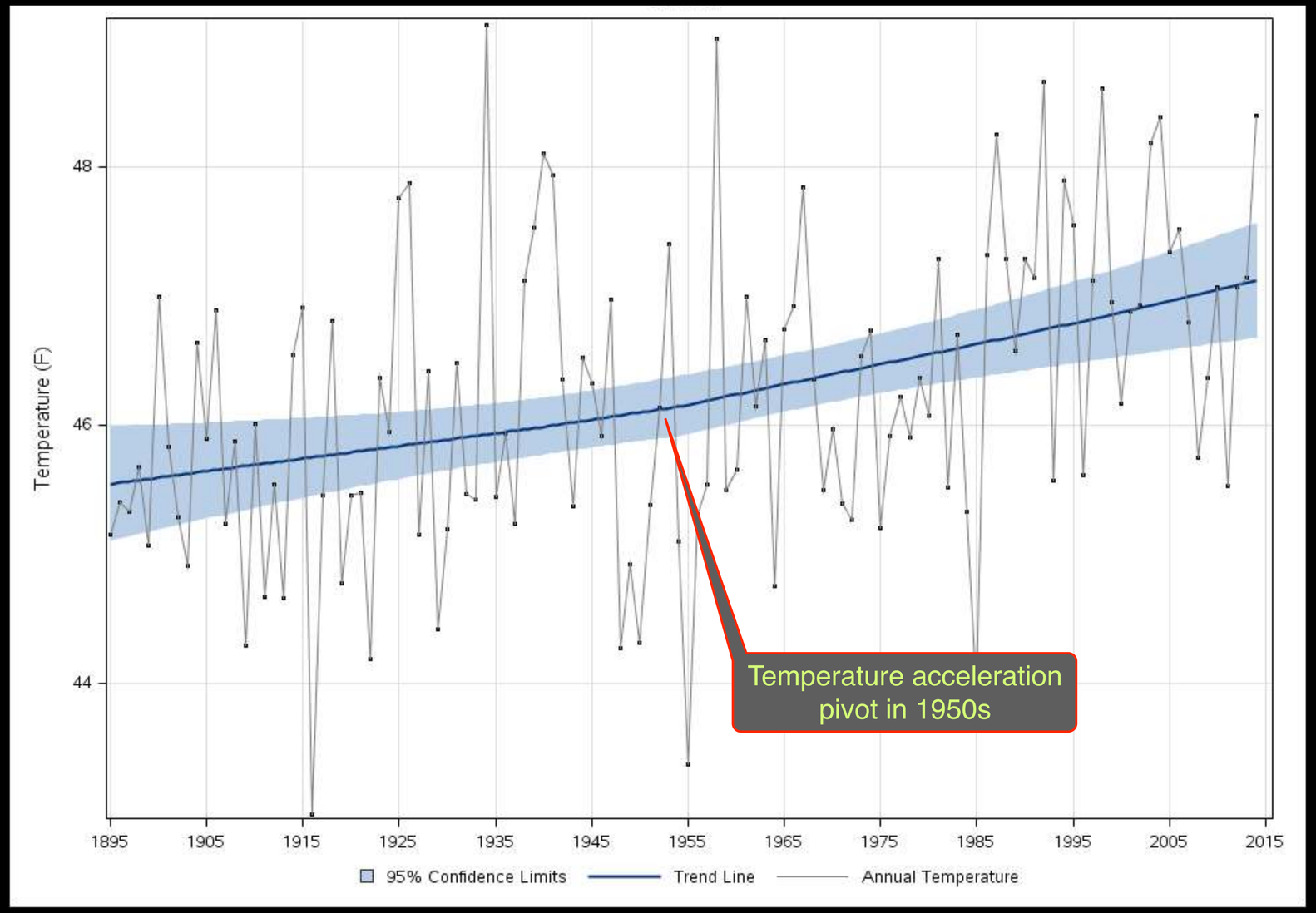


NOAA Monthly Advisory

Source: NOAA, UW Climate Impacts Group

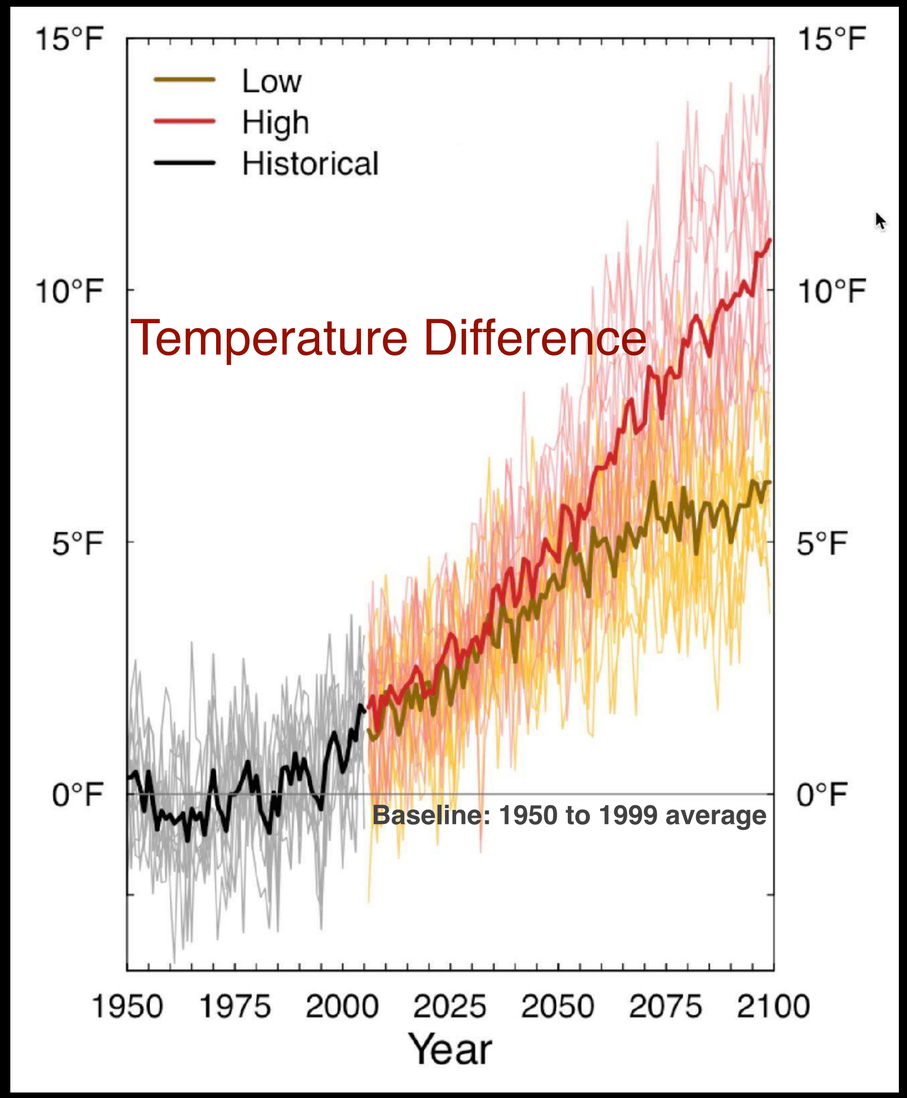
Regional Warming Trend: Washington State

WA Annual Mean Temperature



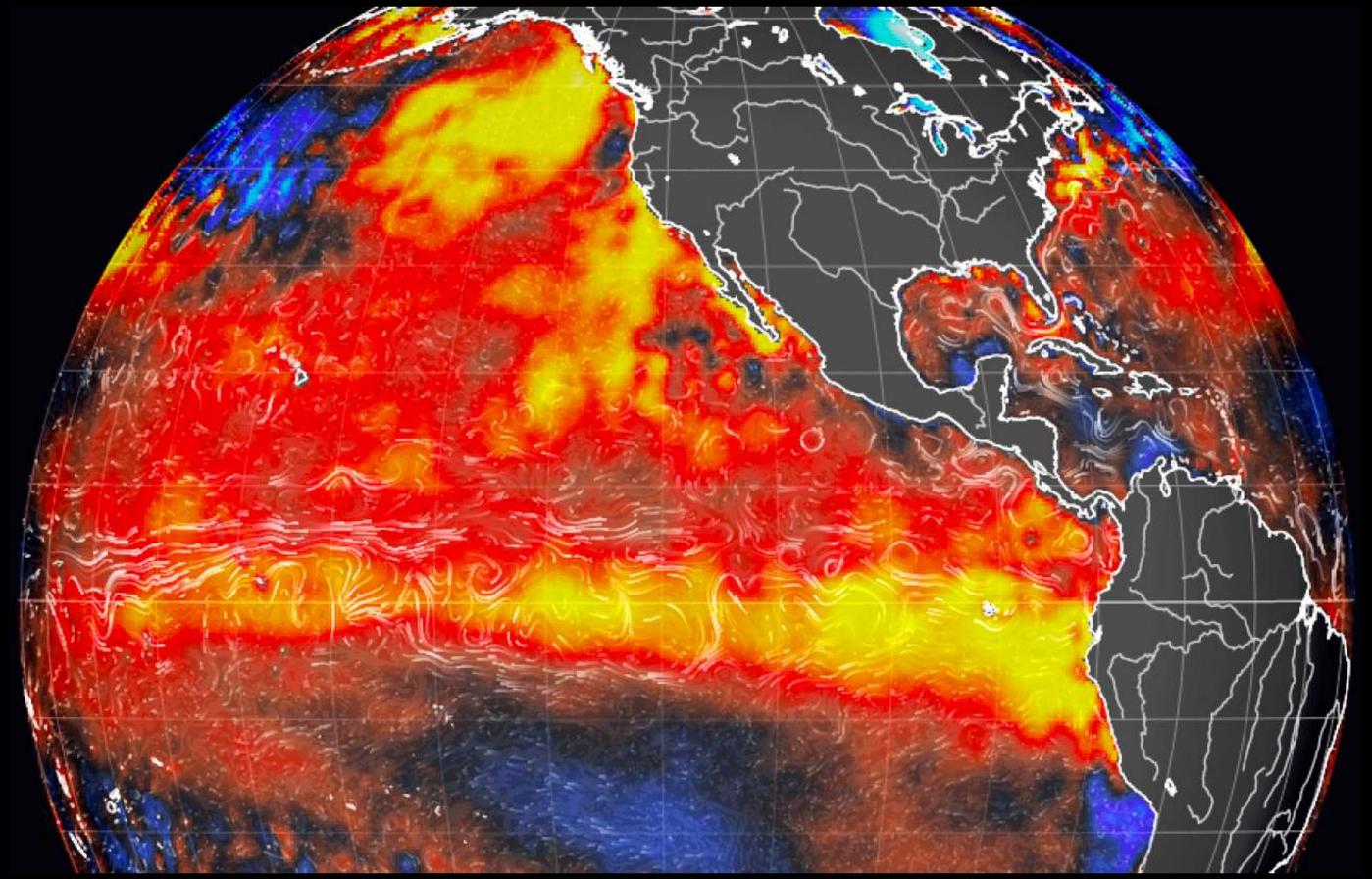
Temperature Difference

(relative to 1950 to 1999 average)



Source: NOAA, UW Climate Impacts Group

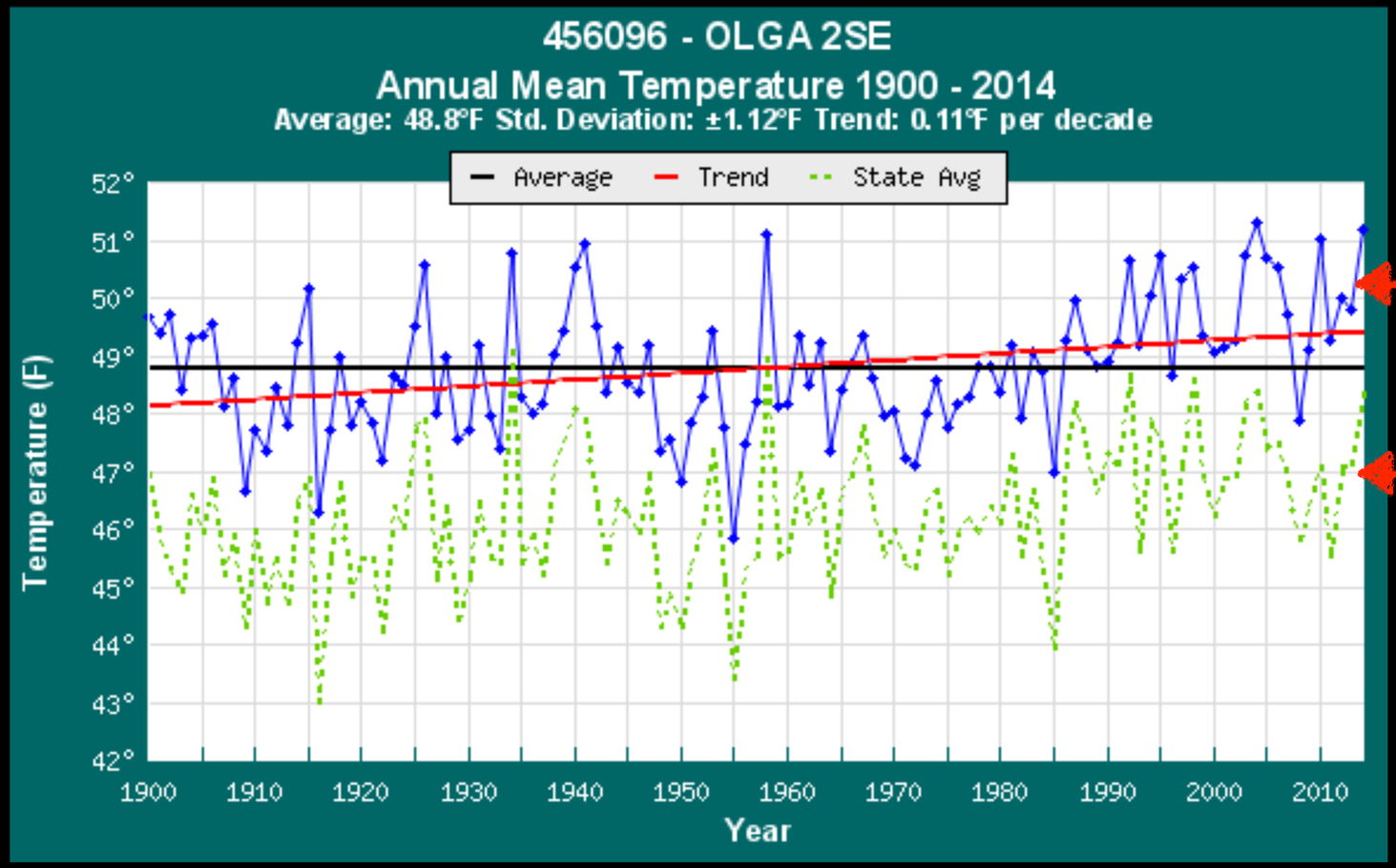
Cliff Mass on WA Weather



This Fall

"We are living through the warmest early November in the history of the Northwest."

Local Trend Warmer Than WA: Olga Weather Station



Olga

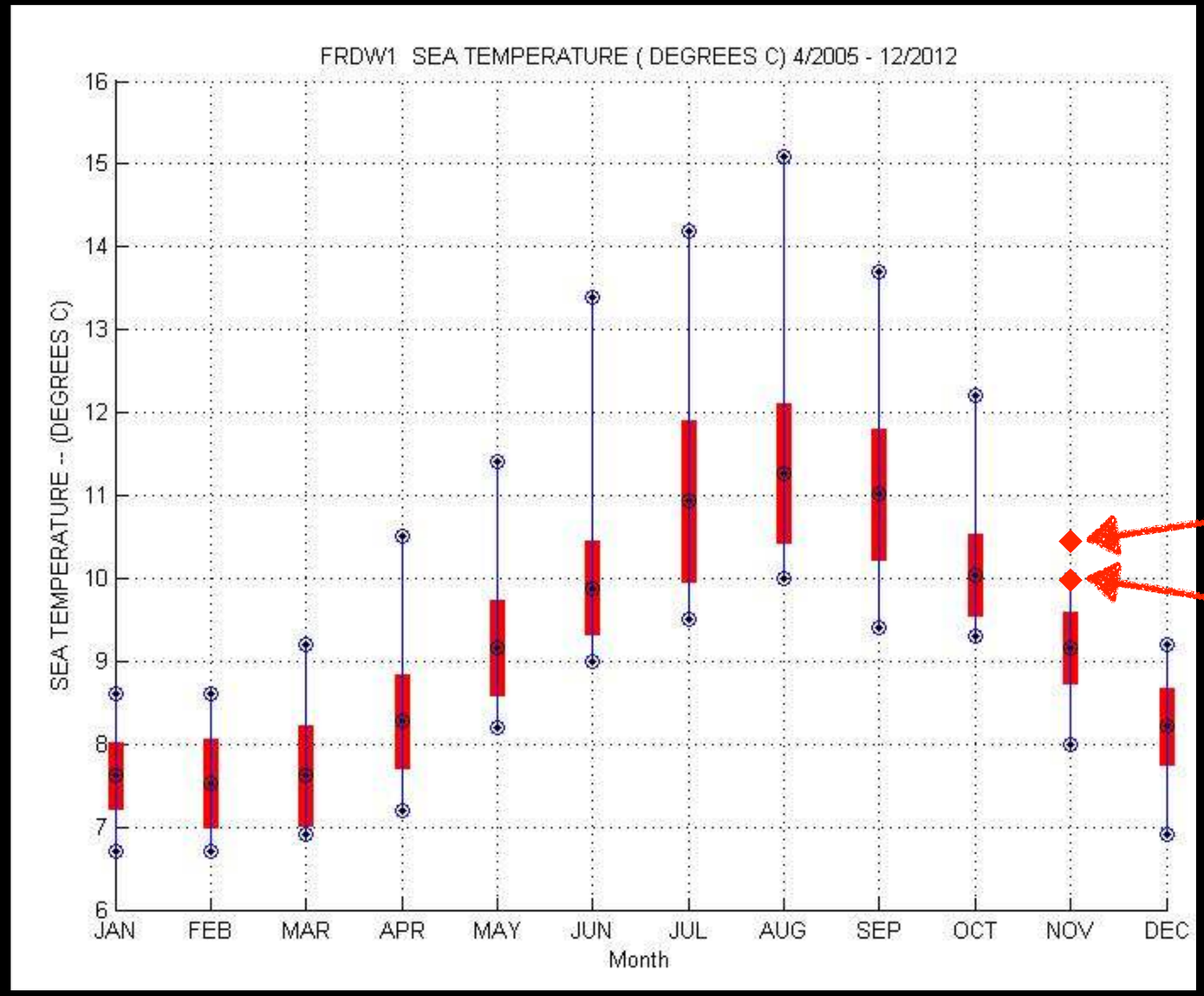
WA State

Headline

- Olga has one of the longest consistently measure temperature records in the state.
- Olga and the county, is warmer than State average, due to the moderating influence surrounding Salish Sea
- Since 1986, temperature is significantly above 20th century average

Source: NOAA

San Juan County: Sea Temperature

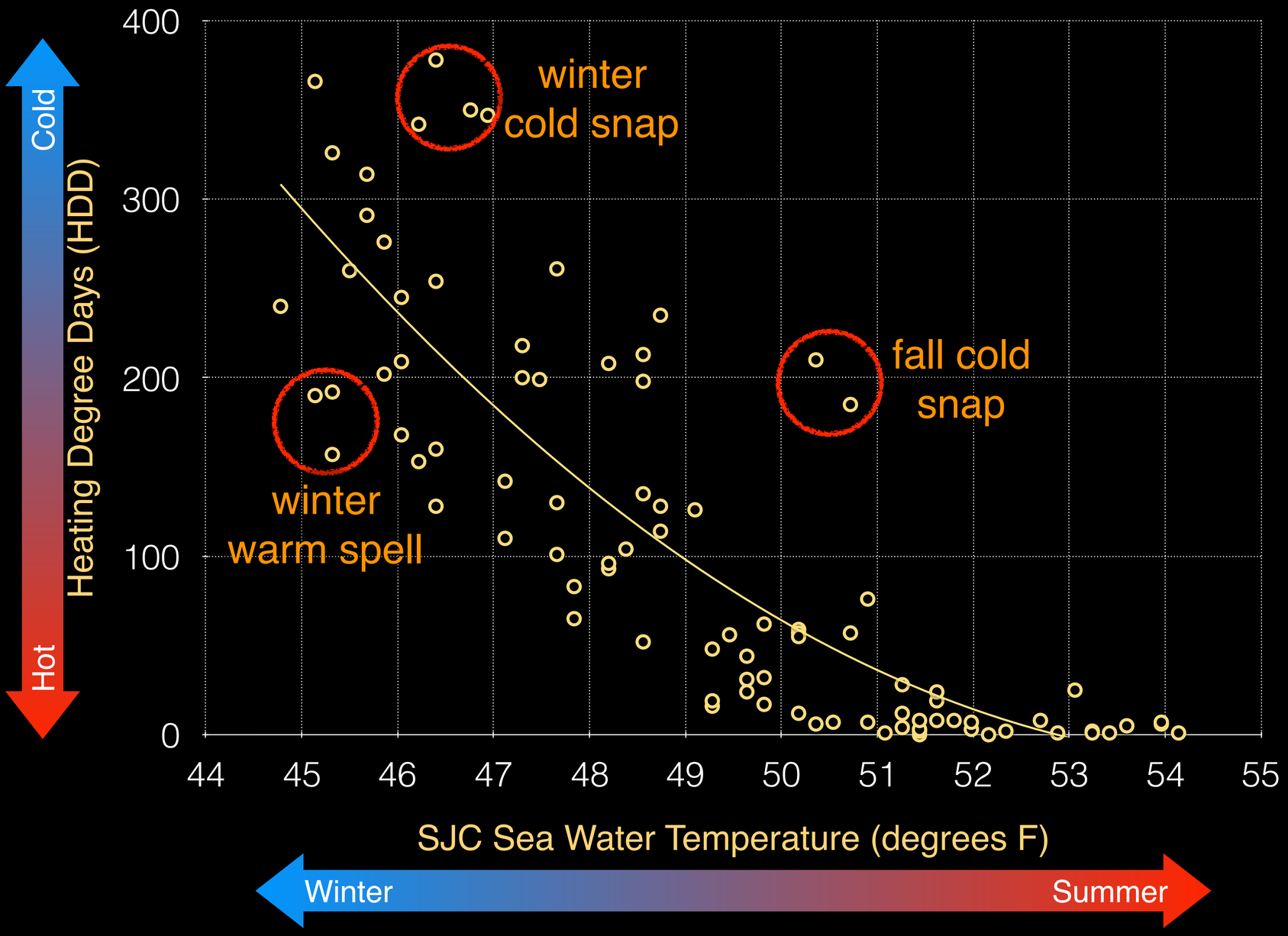


Headline

- Sea temperature is warmer than normal for November (average 2005 through 2012)

Source: NOAA, National Data Buoy Center

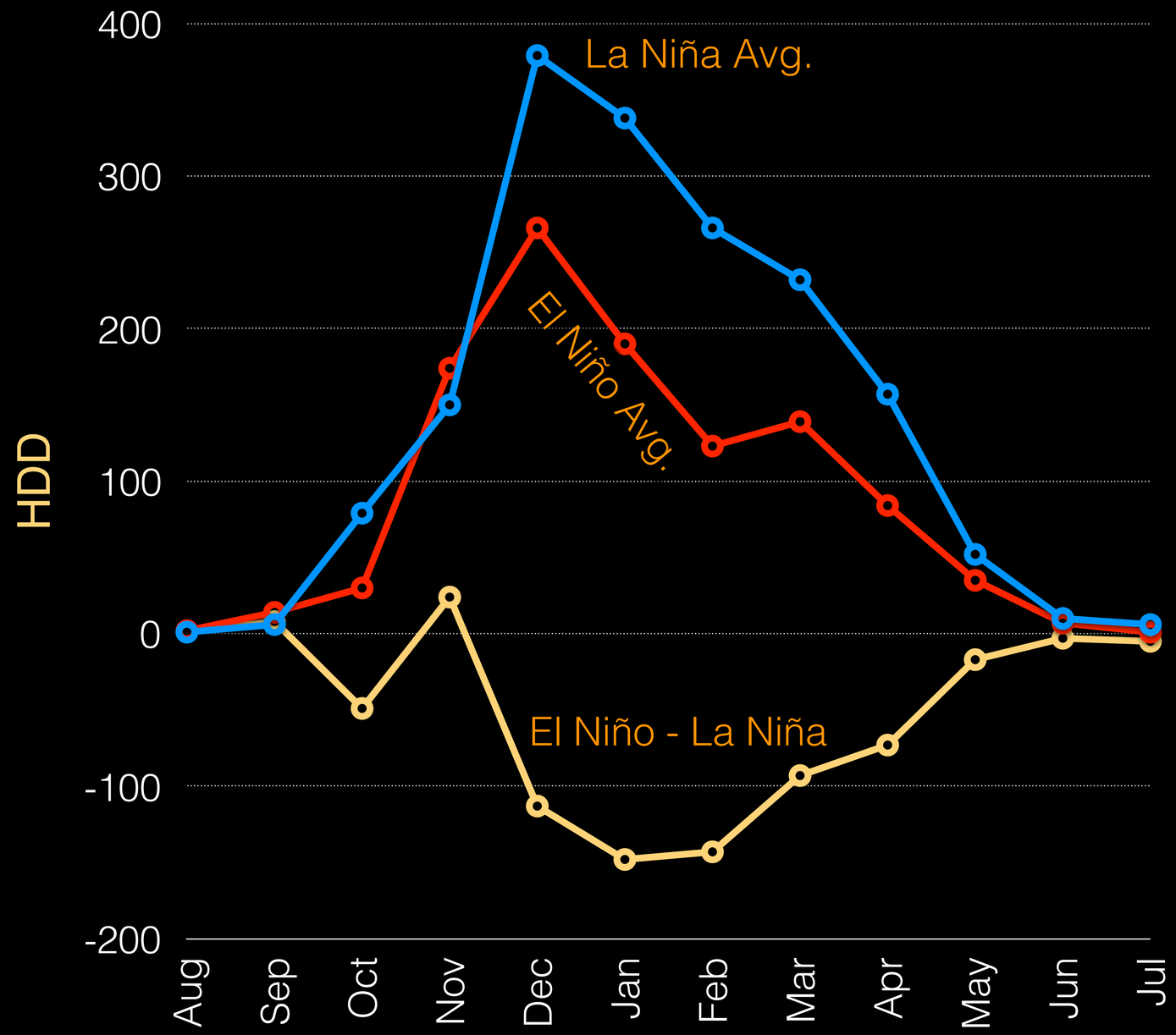
Monthly Sea Temperature and Heating Degree Days in SJC



Notes

- Sea Temperature: NOAA buoy FRDW1, Friday Harbor, WA
- HDD: KFHR weather station, Friday Harbor, WA
- January 2009 through August 2016
- Sea temperature introduces a baseline, with wide variation in HDD driven by sun and atmospheric temperature, wind, direction (e.g. a cold north wind on a gray day drives temperature down, a warm southerly wind on a sunny day drives temperature up).

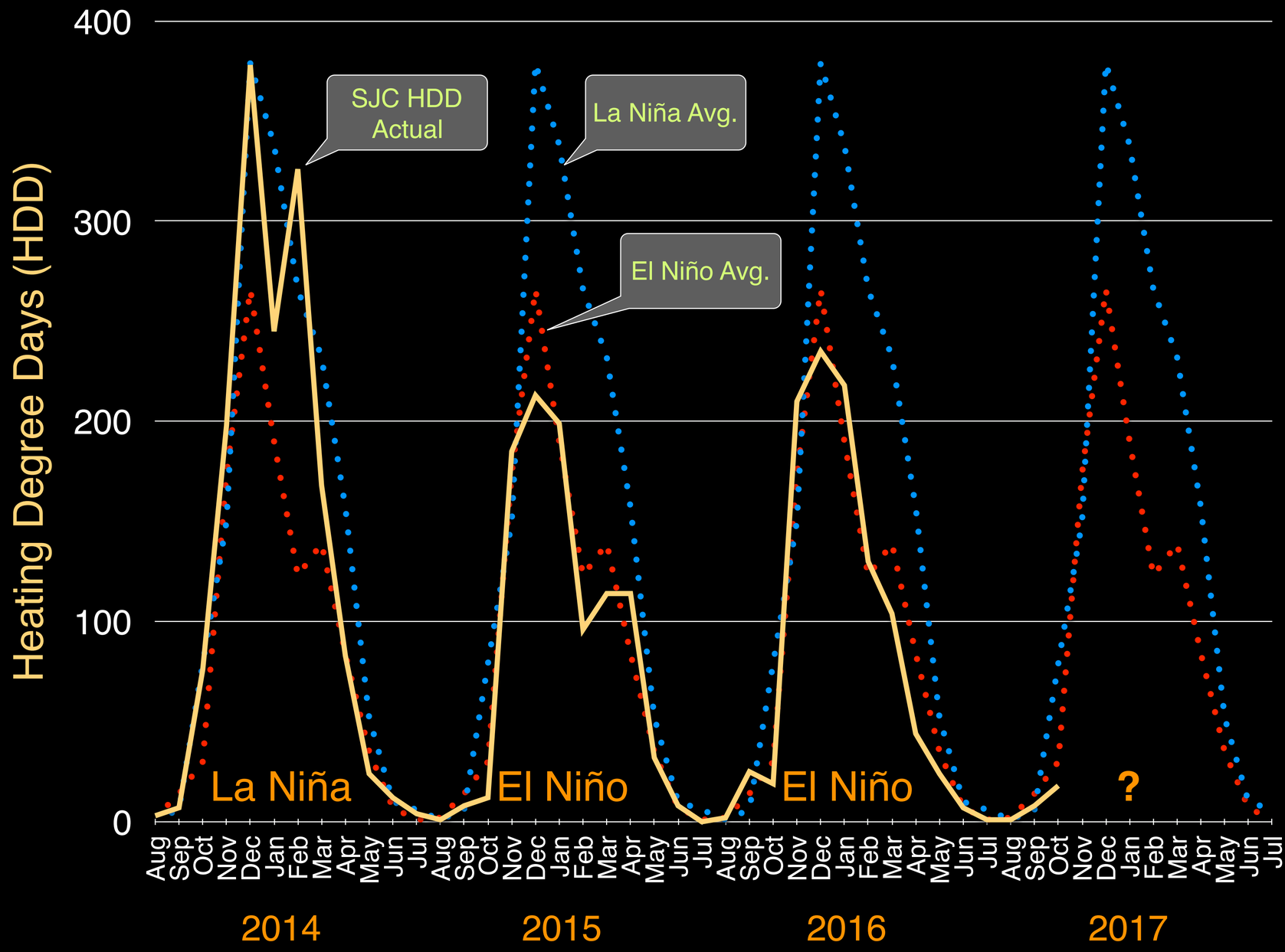
Monthly SJC HDD Sorted into Global El Niño, La Niña, and Neutral Years



Notes

- SJC HDD (Heating Degree Days) monthly averages computed for El Niño and La Niña years
- El Niño - La Niña line shows HDD reduction in El Niño years compared to La Niña years
- 2007 to present
  - El Niño Years: 2009, 2014, 2015
  - La Niña Years: 2007, 2008, 2010
- Year starts in August, through July of following year
- HDD: KFHR weather station, Friday Harbor, WA (cold months = bigger HDD)
- Niño/Niña years from NOAA Oceanic Niño Index (ONI)

Monthly SJC HDD Compared to Global El Niño and La Niña Years



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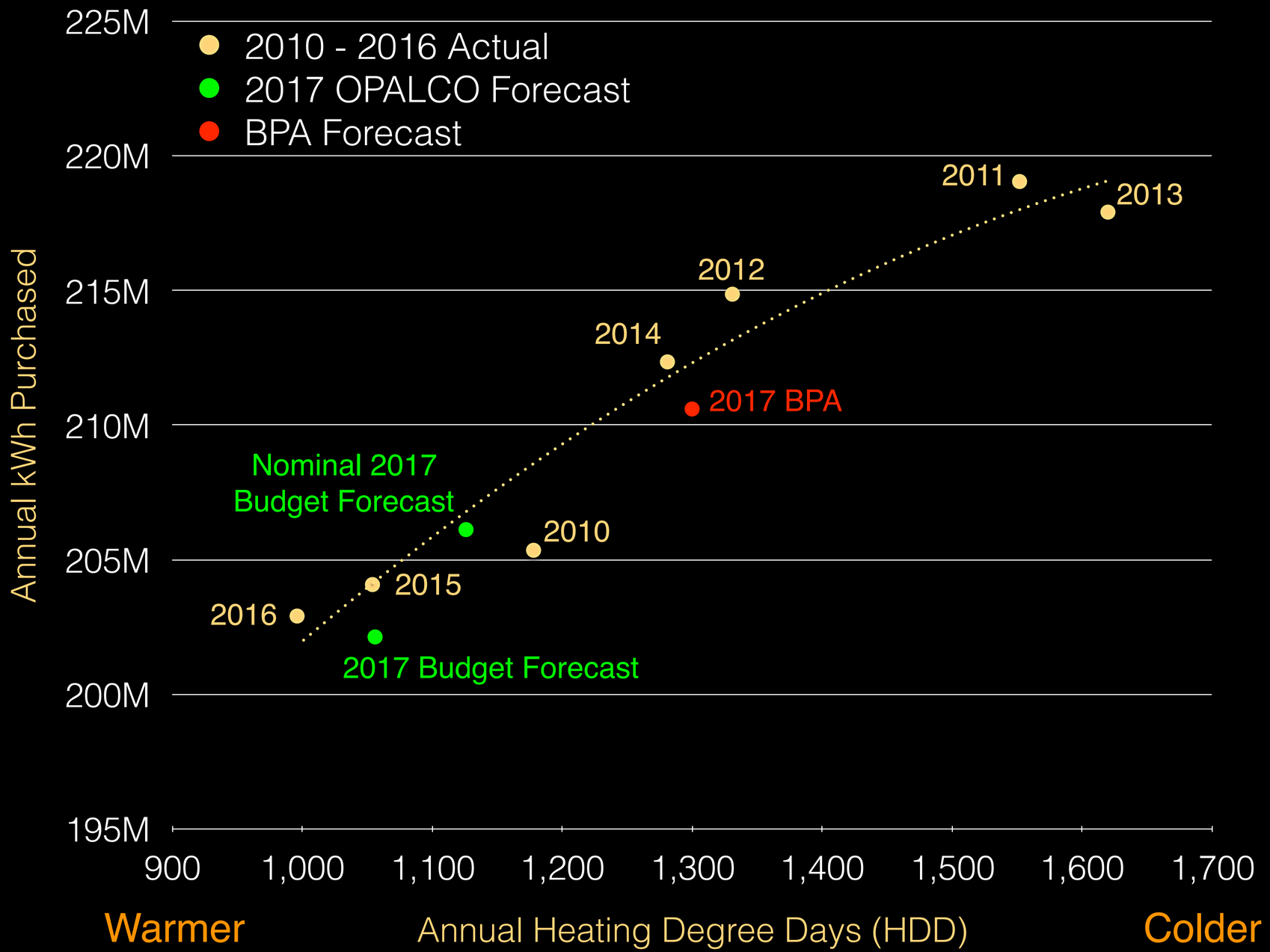
Load Forecast: 2017 Forecast



Expenses

Energy Purchases
People
Everything Else

2017 Budget: Income Statement

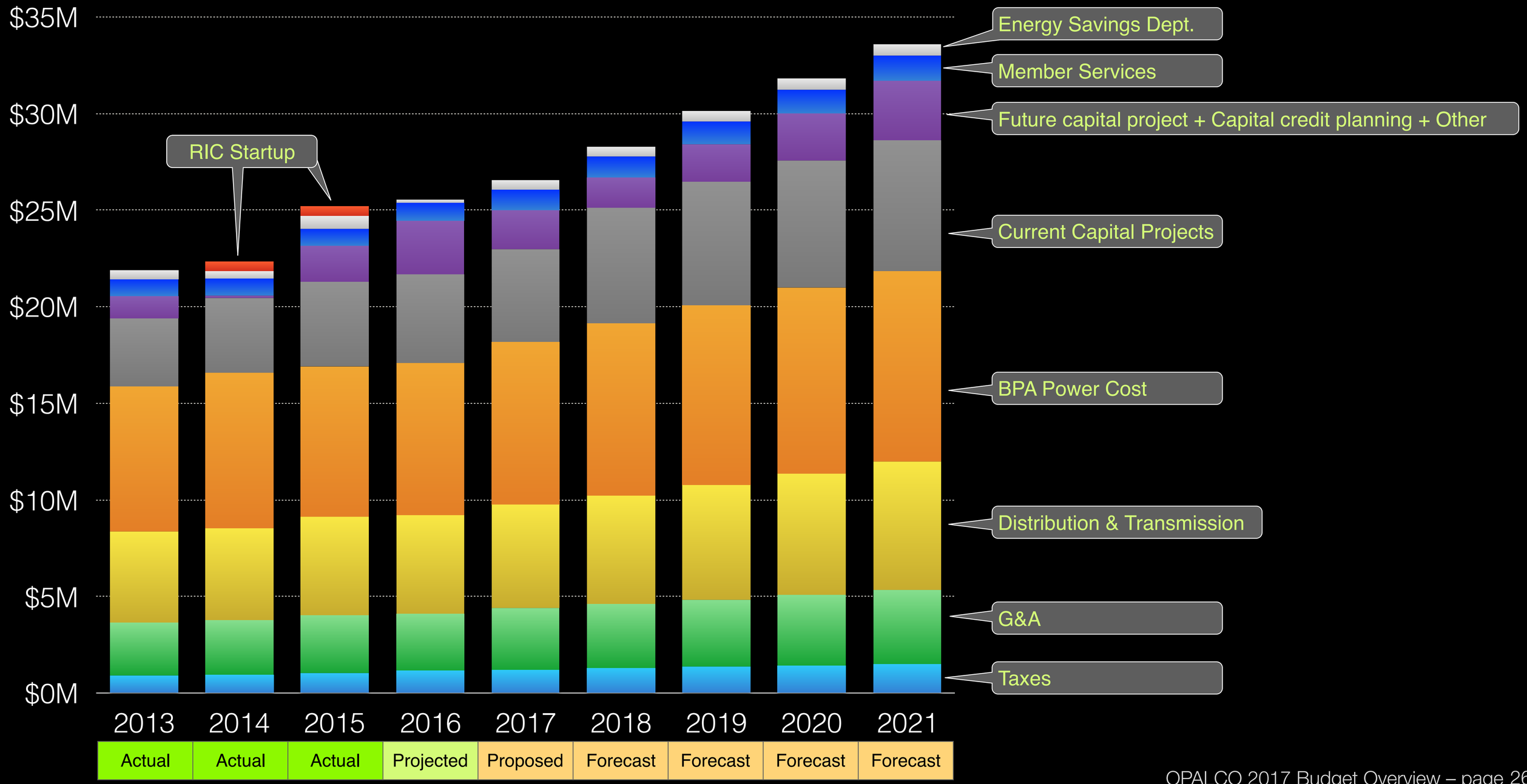
	A. Audited Year End 12/31/2013	B. Audited Year End 12/31/2014	C. Audited Year End 12/31/2015	D. Approved Budget 12/31/2016	E. Projected Year End 12/31/2016	**F. Proposed Budget 12/31/2017**	G. % Change (F - E)	H. Forecast 12/31/2018	I. Forecast 12/31/2019	J. Forecast 12/31/2020	K. Forecast 12/31/2021
OPERATING REVENUES											
kWh Sales	206,560,734	198,231,749	191,169,018	187,272,362	190,622,548	**189,105,732**		190,996,989	192,907,159	194,836,431	196,784,995
% Rate Increase				5%		**5%**		6%	6%	5%	5%
% Revenue Increase	5%	3%	12%	1%	3%	**5%**		7%	7%	6%	6%
Residential	$ 15,598,797	$ 15,913,325	$ 17,694,706	$ 18,018,001	$ 18,084,448	**$ 18,910,272**	5%	$ 20,177,923	$ 21,530,633	$ 22,763,290	$ 24,066,578
Commercial	5,467,588	5,694,901	6,356,143	6,591,872	6,553,294	**6,851,153**	5%	7,308,371	7,796,268	8,240,864	8,710,935
Other	364,892	420,798	531,069	223,282	630,065	**648,189**	3%	676,009	705,697	732,749	761,352
Energy assistance Program	-	-	-	(90,000)	-	-		-	-	-	-
Total operating revenue	21,431,278	22,029,025	24,581,918	24,833,155	25,267,806	**26,409,613**	5%	28,162,303	30,032,598	31,736,903	33,538,865
OPERATING EXPENSES											
Cost of power	7,514,128	8,037,428	7,787,142	7,624,980	7,862,852	**8,402,223**	7%	8,931,486	9,297,382	9,637,125	9,864,637
Transmission	70,117	92,874	179,264	53,560	140,173	**177,500**	27%	183,660	192,797	202,433	212,629
Distribution - operations	2,968,003	2,961,250	3,391,150	3,420,263	3,235,145	**3,514,721**	9%	3,687,219	3,913,628	4,136,797	4,381,228
Distribution - maintenance	1,669,524	1,778,516	1,713,924	1,702,147	1,854,448	**1,851,312**	0%	1,929,035	2,048,253	2,157,023	2,272,562
Consumer accounts	853,211	898,198	893,766	930,975	963,270	**1,045,340**	9%	1,098,689	1,167,827	1,234,922	1,306,534
General and administration											
Administration G&A	2,718,889	2,822,439	2,950,777	3,058,886	2,930,413	**3,110,220**	6%	3,253,597	3,388,552	3,559,654	3,751,812
Energy services G&A	462,966	373,323	658,939	410,376	146,577	**491,931**	236%	511,911	537,927	561,258	595,980
Subsidiary Charges	-	-	29,100	-	34,920	**69,720**	100%	69,720	69,720	69,720	69,720
Total general and administration	3,181,855	3,195,763	3,638,816	3,469,263	3,111,910	**3,671,871**	18%	3,835,228	3,996,199	4,190,633	4,417,511
Depreciation and amortization	2,719,560	2,975,650	3,308,154	3,673,019	3,516,601	**3,801,831**	8%	4,467,061	4,777,216	5,007,962	5,250,245
Taxes	930,482	961,815	1,046,626	1,028,086	1,153,464	**1,220,252**	6%	1,285,844	1,355,143	1,431,060	1,511,317
Total operating expenses	19,906,881	20,901,493	21,958,841	21,902,293	21,837,862	**23,685,050**	8%	25,418,222	26,748,445	27,997,955	29,216,664
Operating margins before fixed charges	1,524,397	1,127,532	2,623,077	2,930,863	3,429,945	**2,724,563**	-21%	2,744,081	3,284,153	3,738,948	4,322,201
FIXED CHARGES											
Interest on long-term debt	786,193	908,934	1,047,248	1,360,588	1,100,506	**1,019,178**	-7%	1,482,669	1,613,904	1,573,625	1,525,124
Other Interest	-	-	-	-	-	-		-	-	-	-
Total fixed charges	786,193	908,934	1,047,248	1,360,588	1,100,506	**1,019,178**	-7%	1,482,669	1,613,904	1,573,625	1,525,124
Operating margins after fixed charges	738,204	218,598	1,575,829	1,570,274	2,329,439	**1,705,385**	-27%	1,261,413	1,670,249	2,165,323	2,797,077
PATRONAGE CAPITAL CREDITS	38,048	67,853	83,608	56,051	79,323	**79,323**	0%	81,702	84,153	87,519	91,020
Net operating margins	776,252	286,451	1,659,437	1,626,325	2,408,761	**1,784,707**	-26%	1,343,115	1,754,402	2,252,842	2,888,097
NON-OPERATING MARGINS											
Interest income	33,261	32,130	127,804	332,289	217,357	**112,357**	-48%	113,442	84,559	61,092	42,688
Other income	46,893	23,458	71,081	20,381	112,311	**113,036**	1%	113,781	114,550	115,605	116,702
Fiber Optics Division	115,111	(220,088)	-	-	-	-		-	-	-	-
Net non-operating margins	195,265	(164,500)	198,886	352,670	329,669	**225,393**	-32%	227,223	199,108	176,697	159,390
NET MARGINS	$ 971,518	$ 121,951	$ 1,858,322	$ 1,978,996	$ 2,738,430	**$ 2,010,100**	-27%	$ 1,570,338	$ 1,953,510	$ 2,429,540	$ 3,047,487
OPALCO TIER	2.24	1.13	2.51	2.20	2.99	**2.36**	-21%	1.94	2.15	2.47	2.91
OPALCO Equity % of Total Cap	69.5%	61.3%	53.3%	45.6%	48.3%	**43.0%**	-11%	41.5%	42.8%	44.8%	47.4%

Total Operating Revenue

Total Operating Expenses

TIER and Equity

Revenue Allocation



2017 Budget: Capital Projects

		RUS CWP DESCRIPTION	A. Actual 12/31/2013	B. Actual 12/31/2014	C. Actual 12/31/2015	D. Budget 2016	E. Projected Year End 2016	F. **Proposed Budget 2017**	G. Forecast 2018	H. Forecast 2019	I. Forecast 2020	J. Forecast 2021
1	DISTRIBUTION											
2	100	New Services	$ 125,675	$ 256,450	$ 221,770	$ 170,000	$ 282,148	**$ 291,000**	$ 300,000	$ 309,000	$ 319,000	$ 329,000
3	200	New Tie Lines	319,404	341,347	147,776	-	16,001	**200,000**				
4	300	Conversions and Line Changes	692,238	1,194,755	528,776	975,000	594,967	**1,335,000**	1,592,000	875,000	510,000	$ 643,000
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-					
6	500	Substation, Switching Station, Metering Point Changes	123,386	23,034	145	-	2,443	**126,000**	2,150,000	450,000	350,000	
7	600	Miscellaneous Distribution Equipment										
8		601 Transformers & Meters	372,396	575,840	627,342	500,000	499,490	**525,000**	541,000	558,000	576,000	594,000
9		602 Sets of Service Wires to increase Capacity	-	-	-	-	-					
10		603 Sectionalizing Equipment	68,473	401,127	101,557	255,000	2,618	**100,000**	700,000	100,000	220,000	75,000
11		604 Regulators	156,491	131,410	15,911	325,000	8,439		75,000	75,000	80,000	
12		605 Capacitors	-	-	-	-	-					
13		606 Ordinary Replacements	236,490	179,366	170,439	275,000	278,519	**119,000**	123,000	127,000	131,000	135,000
14		608 Underground Dist. Cable Replacement	924,947	3,202,174	2,127,270	2,285,000	2,843,911	**1,942,000**	1,211,000	1,732,000	2,161,000	2,226,000
15	700	Other Distribution Items										
16		701 Engineering Fees	-	-	-	-	-					
17		704 LMS & SCADA	52,327	1,805	32,715	45,000	86,026	**89,000**	162,000	84,000	44,000	23,000
18		705 AMR (not including meters)	-	-	-	-	-		200,000			
19		706 Communications										
20		706.0 Island Network	322,418	349,692	-	-	-					
21		706.1 Fiber/Microwave Infrastructure (1)	474,460	1,747,051	2,528,428	2,400,000	2,418,139	**1,290,000**	300,000	15,000	16,000	17,000
22	TRANSMISSION											
23	800	New Tie Line	-	-	-	-	-					
24	900	New Substations, switching station, metering point, etc.	-	11,321	443	600,000	250,427	**650,000**	500,000			
25	1000	Line and Station Changes	365,876	257,537	900,338	3,025,000	6,338,884	**8,408,000**	1,886,000	89,000	92,000	95,000
26	1100	Other Transmission	-	-	-	-	-					
27	GENERATION											
28	1200	Generation	-	-	-	-	-					
29	OTHER											
30	1300	Facilities	249,280	62,112	409,976	124,000	156,229	**300,000**	60,000	63,000	67,000	71,000
31	1400	Acquisitions	-	-	-		-					
32	1500	All Other										
33		1501 Transportation/Equipment/Tools/Radios	448,241	426,919	335,842	463,000	563,860	**450,000**	315,000	331,000	348,000	366,000
34		1502 Office Equipment/Furniture/Etc.	4,601	7,938	70,727	30,000	26,866	**20,000**	21,000	22,000	23,000	24,000
35		1503 Computer/Servers/Software	358,351	212,073	283,254	262,000	251,684	**298,000**	313,000	329,000	346,000	364,000
36		1504 Community Solar (member funded) (2)			-	300,000	-		500,000	500,000		
37	1600	Minor Projects	549,042	212,306	94,343	90,000	247,694	**100,000**	103,000	107,000	111,000	115,000
38		**RUS CWP SUBTOTAL**	5,844,096	9,594,257	8,597,052	12,124,000	14,868,344	**16,243,000**	11,052,000	5,766,000	5,394,000	5,077,000
39	**CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)**											
40		New Services	(583,883)	(272,300)	(181,922)	(318,000)	(373,294)	**(356,000)**	(367,000)	(379,000)	(391,000)	(403,000)
41		Meters and Transformers		(137,843)	(176,241)		(253,486)	**(209,000)**	(216,000)	(223,000)	(230,000)	(237,000)
42		Joint Projects		(184,657)	(329,145)		(120,107)	**(233,000)**	(156,000)	(104,000)	(108,000)	(112,000)
43		Island Network Department		(305,819)								
44		WA DOC Grant Funding							(1,000,000)			
45		Community Solar Member Contributions				(300,000)		**(250,000)**	(500,000)	(250,000)		
46		**RUS CWP NET TOTAL**	5,260,213	8,693,638	7,909,744	11,506,000	14,121,458	**15,195,000**	8,813,000	4,810,000	4,665,000	4,325,000

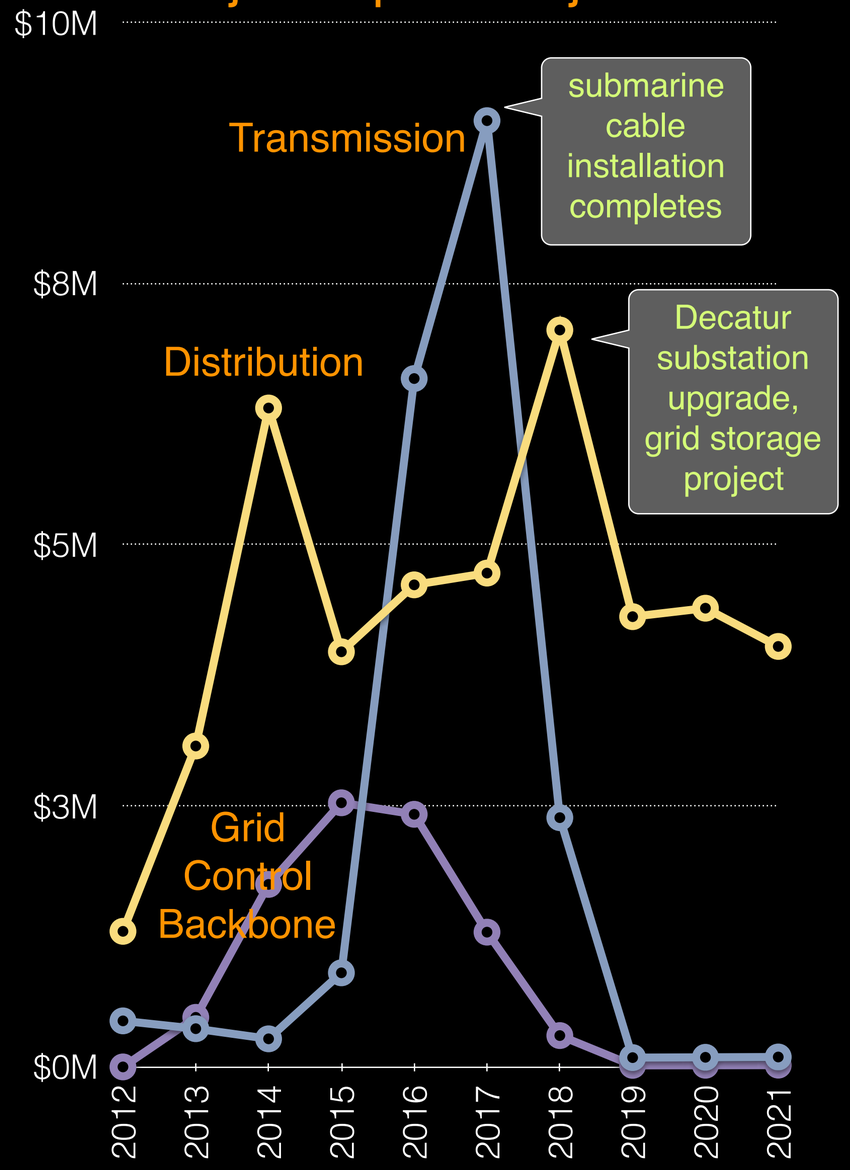
Distribution

Grid Control Backbone

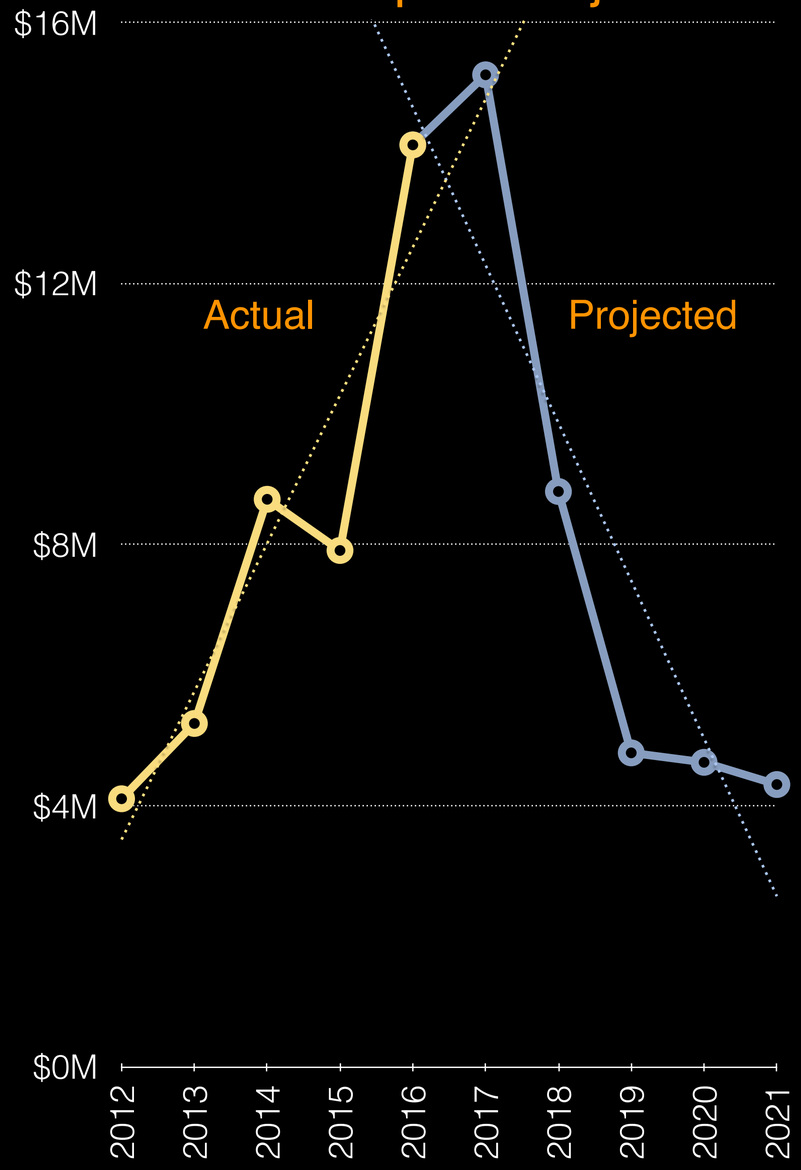
Submarine Cables

2017 Budget: Capital Projects

Major Capital Projects



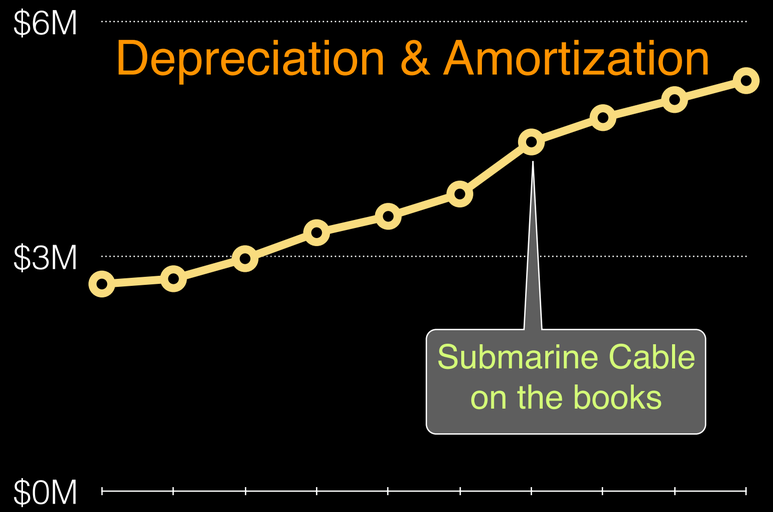
Total Capital Projects

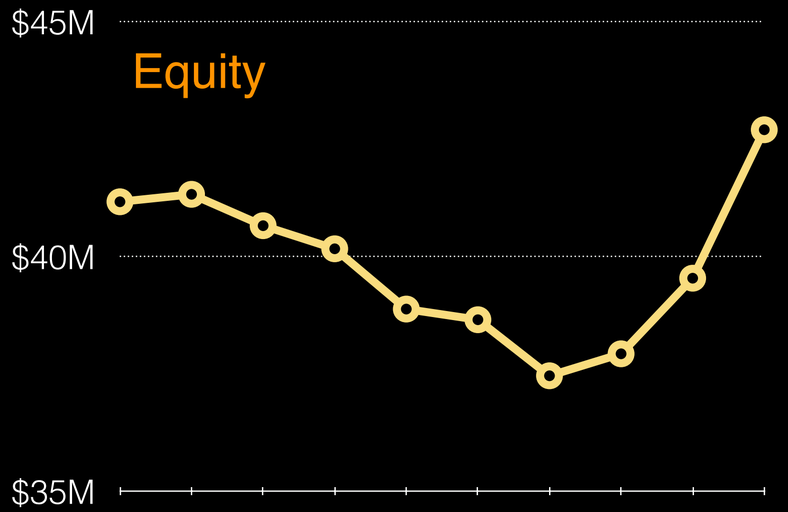


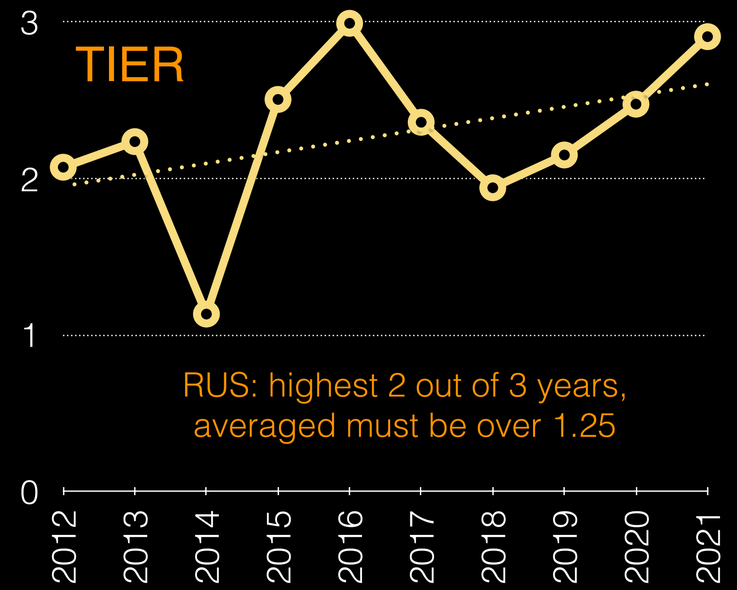
Headline

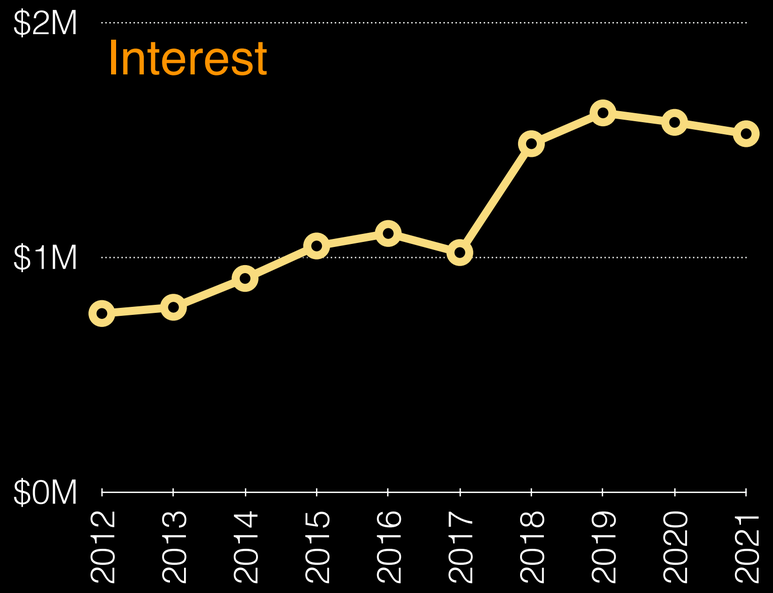
- Transmission: peak is Lopez San Juan submarine cable
- Distribution: Normal under-grounding to improve reliability, Decatur substation upgrade, grid storage project
- Grid Control Backbone: Expansion to improve
  - reliability
  - field communications
  - preparing for intermittent local renewable energy resources

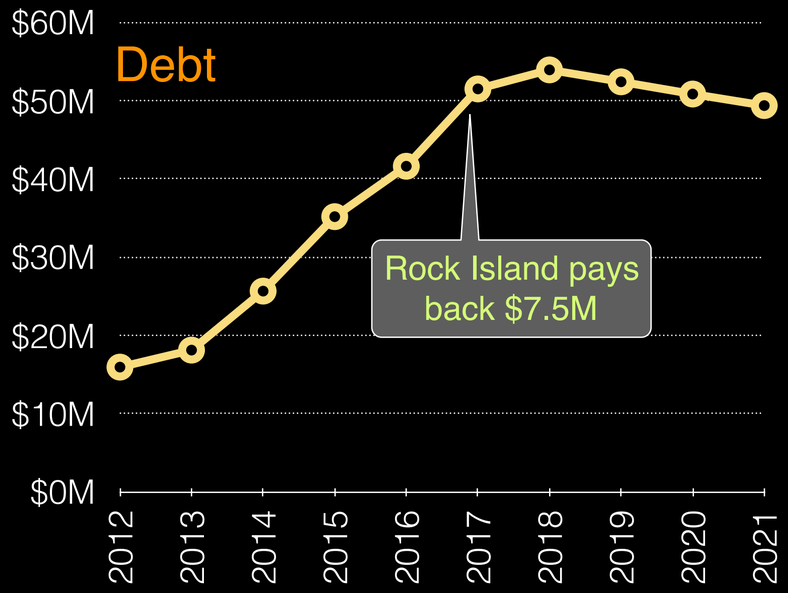
2016 Budget: Financial Metrics

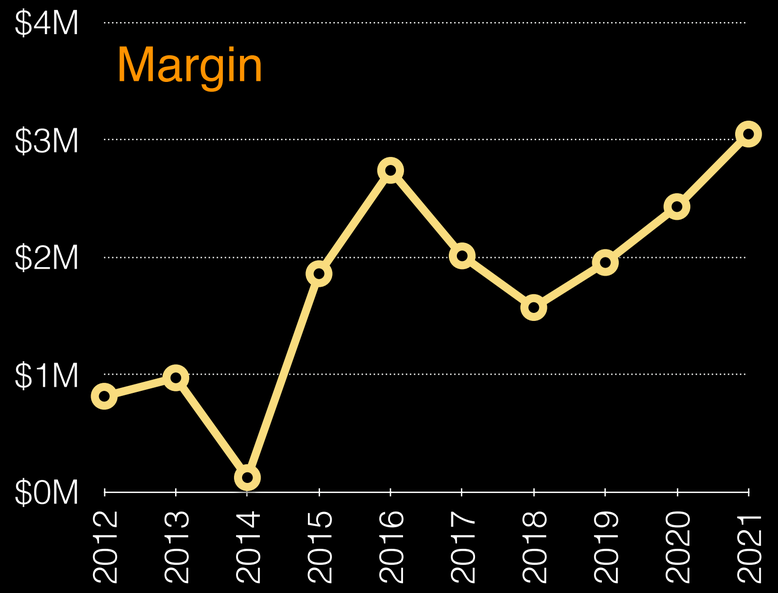






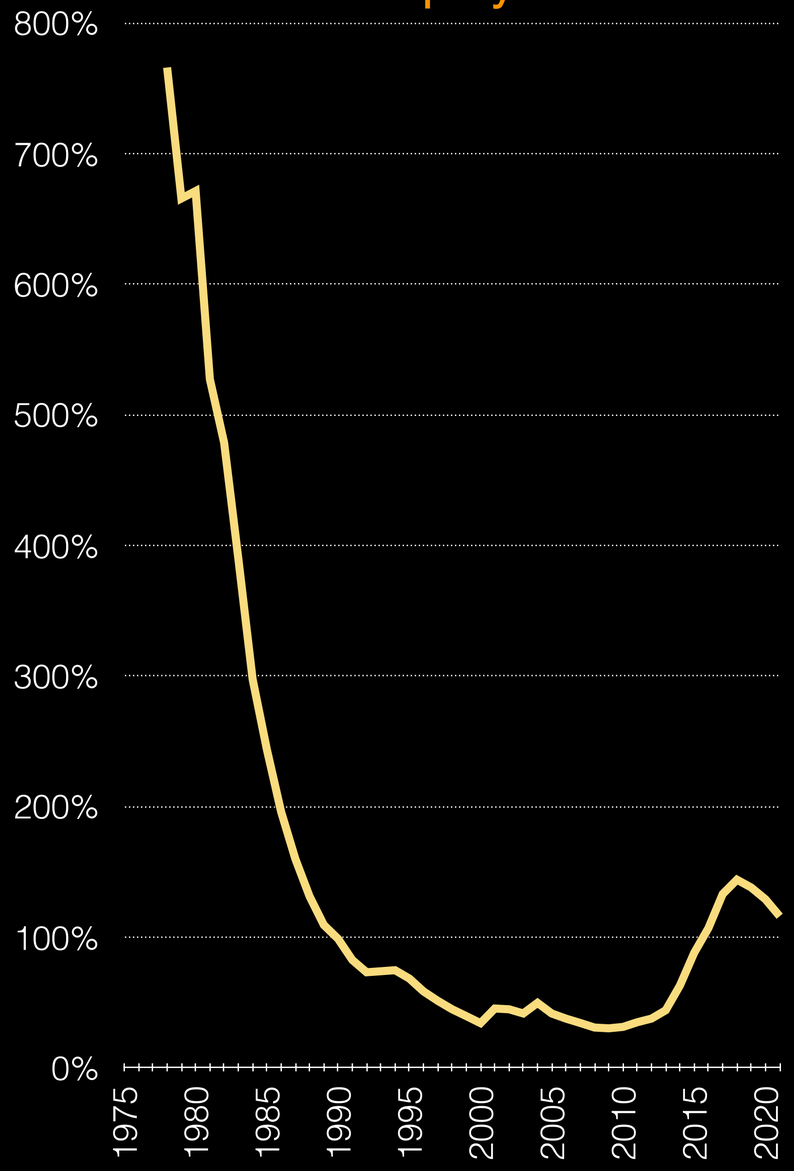




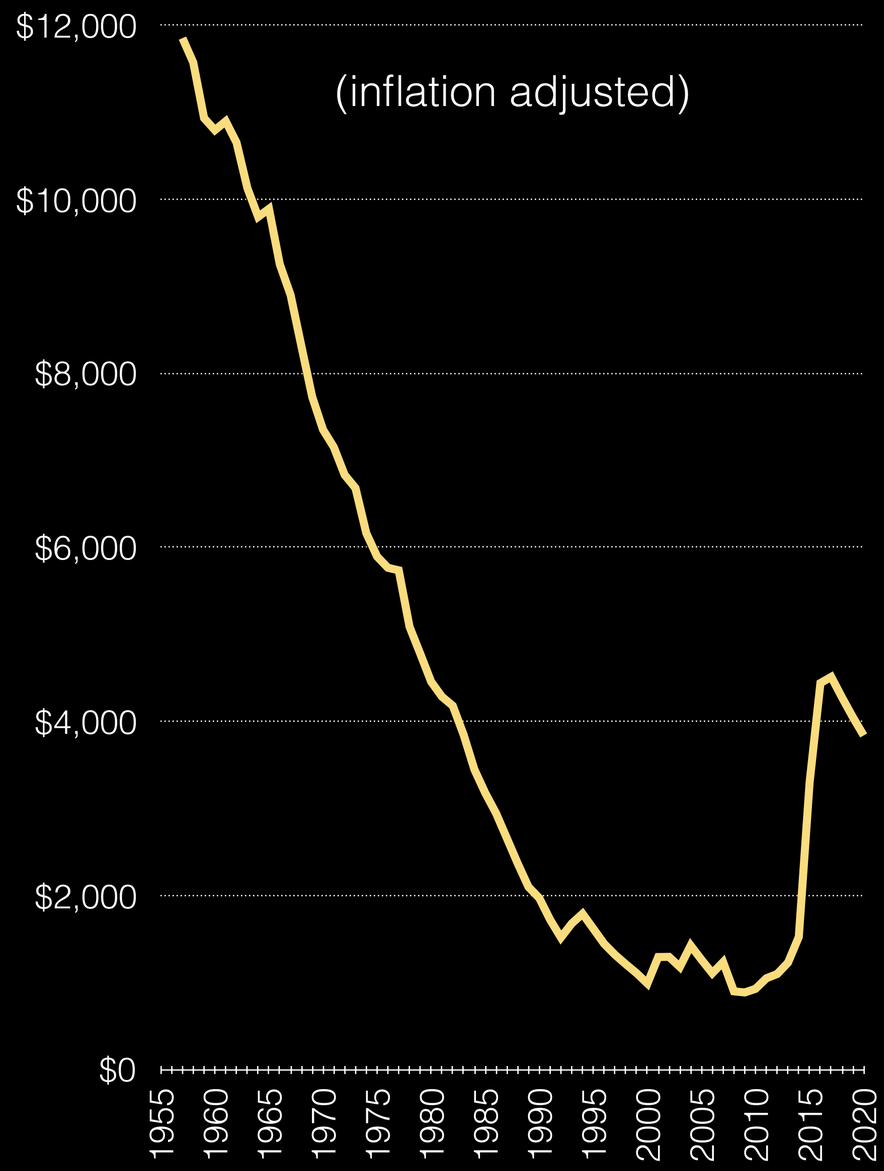


2016 Budget: Debt Analysis

Debt to Equity Ratio

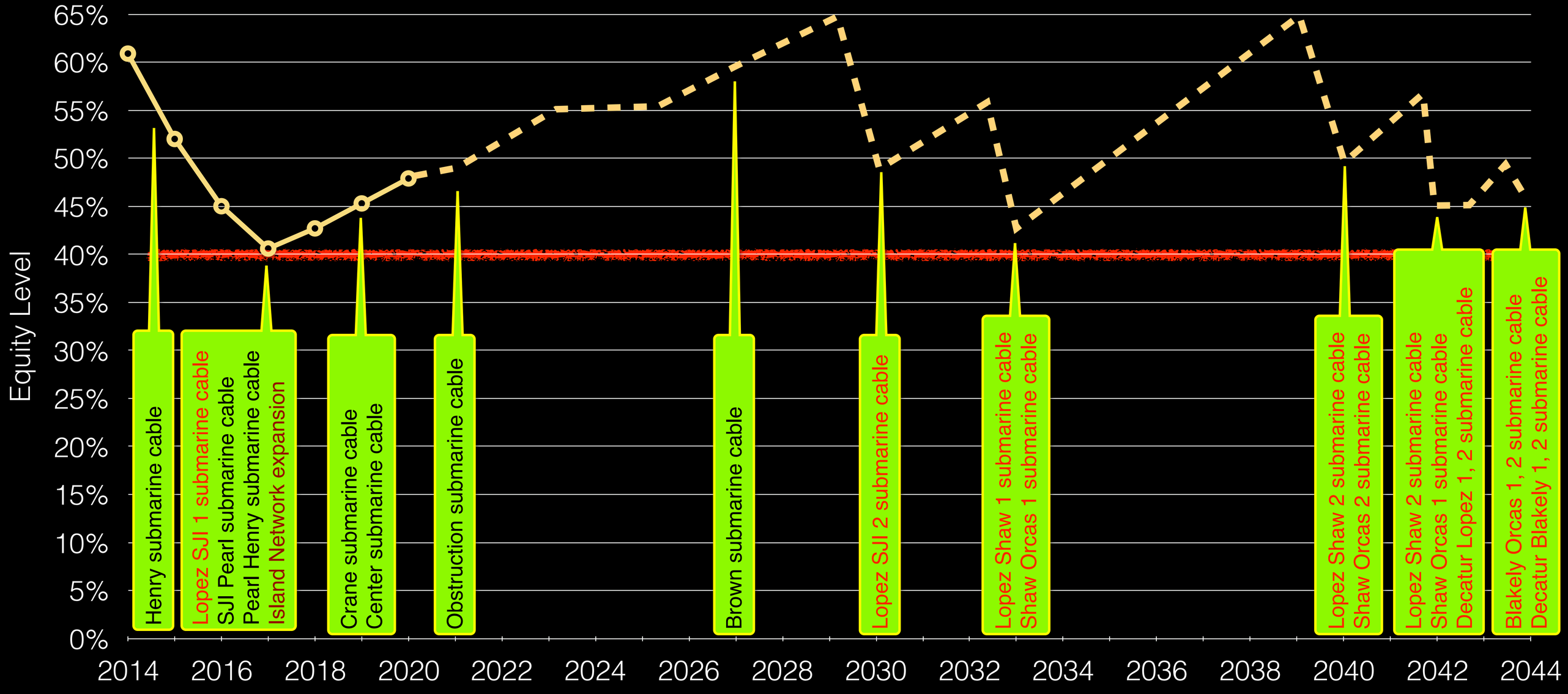


Debt Per Meter Connection



Submarine Cable Replacements: Managing Equity Level

Note: Schematic to illustrate equity planning process



How does OPALCO compare to our mainland counterparts?

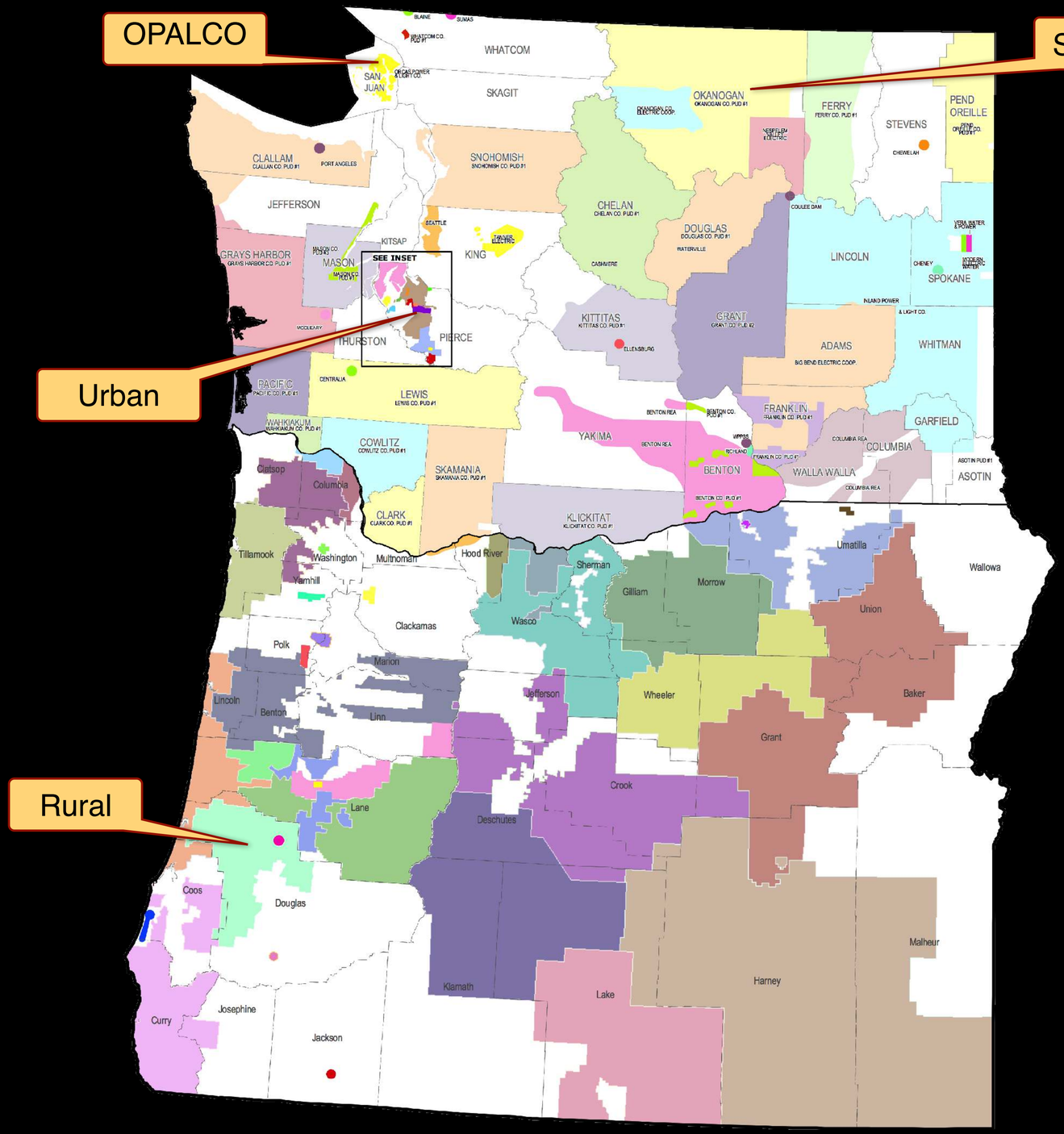
OPALCO's 20 island service area and infrastructure is the most complicated in the nation.

Unlike the mainland, much of the electricity transmission and distribution is via very expensive submarine cables - over 30 miles, costing from $1,000,000 to $5,600,000 per mile.

Lopez - San Juan submarine 2017 replacement cable is estimated to cost at least $15,000,000 for just under 3 miles of cable.

Despite our complex 20 Island environment the OPALCO team outperforms our mainland counterparts by working smarter and

Doing More With Less



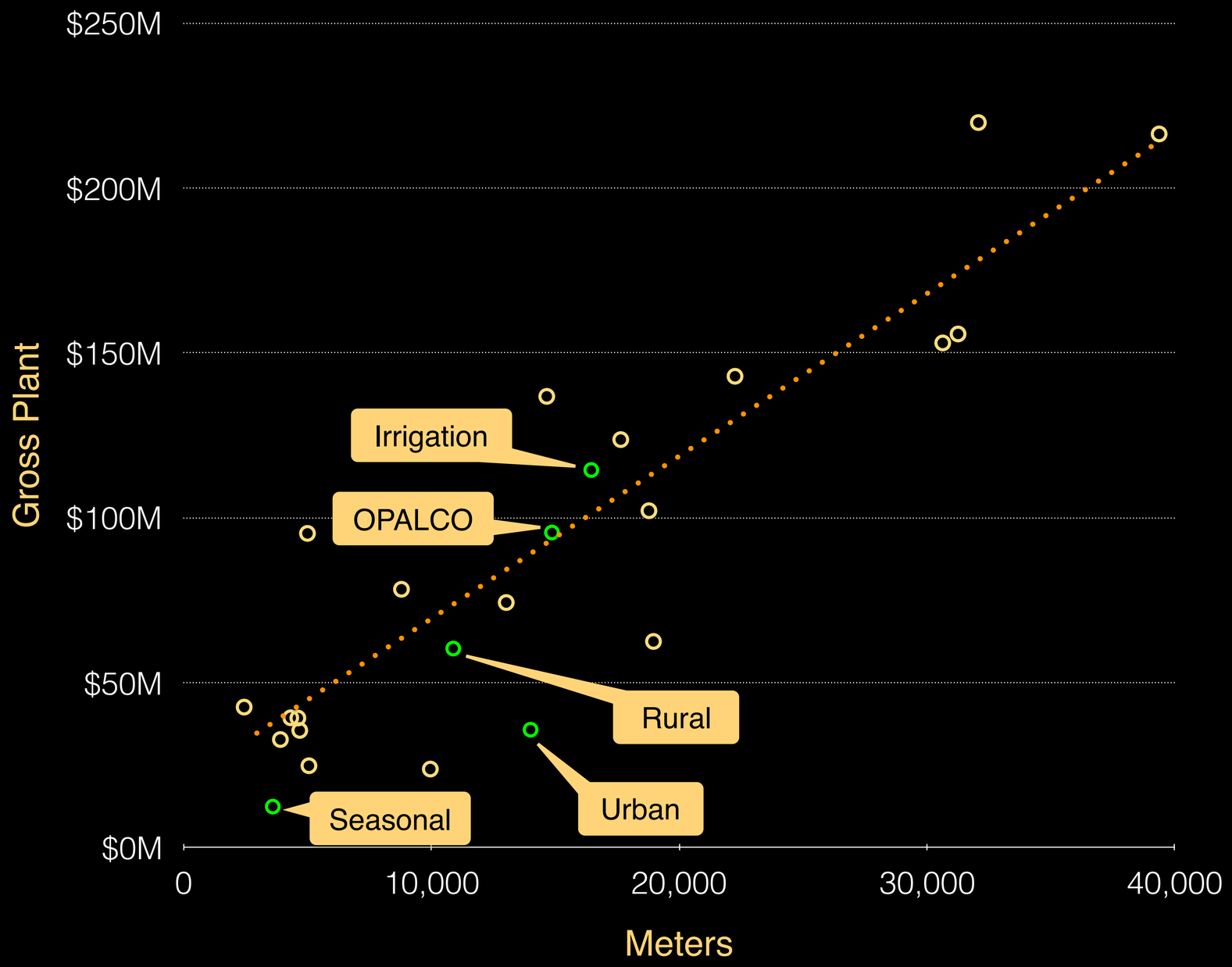
Co-Op	State	Meters	Gross Plant	Revenue	Area
Harney Electric Co-op	OR	2,413	40,784,551	11,360,640	
Okanogan	WA	3,517	11,356,250	4,878,680	175
Columbia Basin Electric Co-op	OR	3,860	32,179,650	7,687,785	
West Oregon Electric Co-op	OR	4,273	38,181,664	8,971,521	
Tanner	WA	4,558	36,288,323	9,275,330	
Wasco Electric Co-op	OR	4,633	32,306,084	9,977,253	
Columbia	WA	4,942	81,436,054	20,991,250	
Blachy-Lane Electric Cooperative	OR	5,000	24,139,628	11,517,863	
Big Bend	WA	8,694	70,102,236	27,526,577	
Lakeview	WA	9,848	27,264,950	20,716,498	
Douglas Electric Co-op	OR	10,000	56,989,726	13,651,722	2,500
Lane Electric Cooperative	OR	12,878	66,755,182	21,514,334	
Elmhurst	WA	13,935	34,226,787	14,558,913	16
Umatilla Electric Co-op	OR	14,497	131,101,784	54,662,143	
OPALCO	WA	14,738	83,593,001	20,987,011	120
Benton	WA	16,041	109,158,098	37,875,726	
Coos-Curry Electric Co-op	OR	17,452	116,955,019	30,974,262	
Midstate Electric Co-op	OR	18,578	96,194,065	27,083,144	
Salem Electric	OR	18,759	56,493,242	24,654,247	
Consumers Power, Inc.	OR	22,014	136,937,382	32,926,511	
Oregon Trail Electric Consumers Co-op	OR	30,309	146,627,833	46,589,603	
Peninsula Light Co	WA	30,921	149,236,086	49,139,008	
Central Electric Co-op	OR	31,733	206,192,112	49,355,300	
Inland Power and Light Co	WA	38,951	199,954,999	60,654,566	

Notes

Source: 2012 IRS Form 990 tax filings

Area: Square miles of land

Regional Co-Op Comparison: Meters & Gross Plant

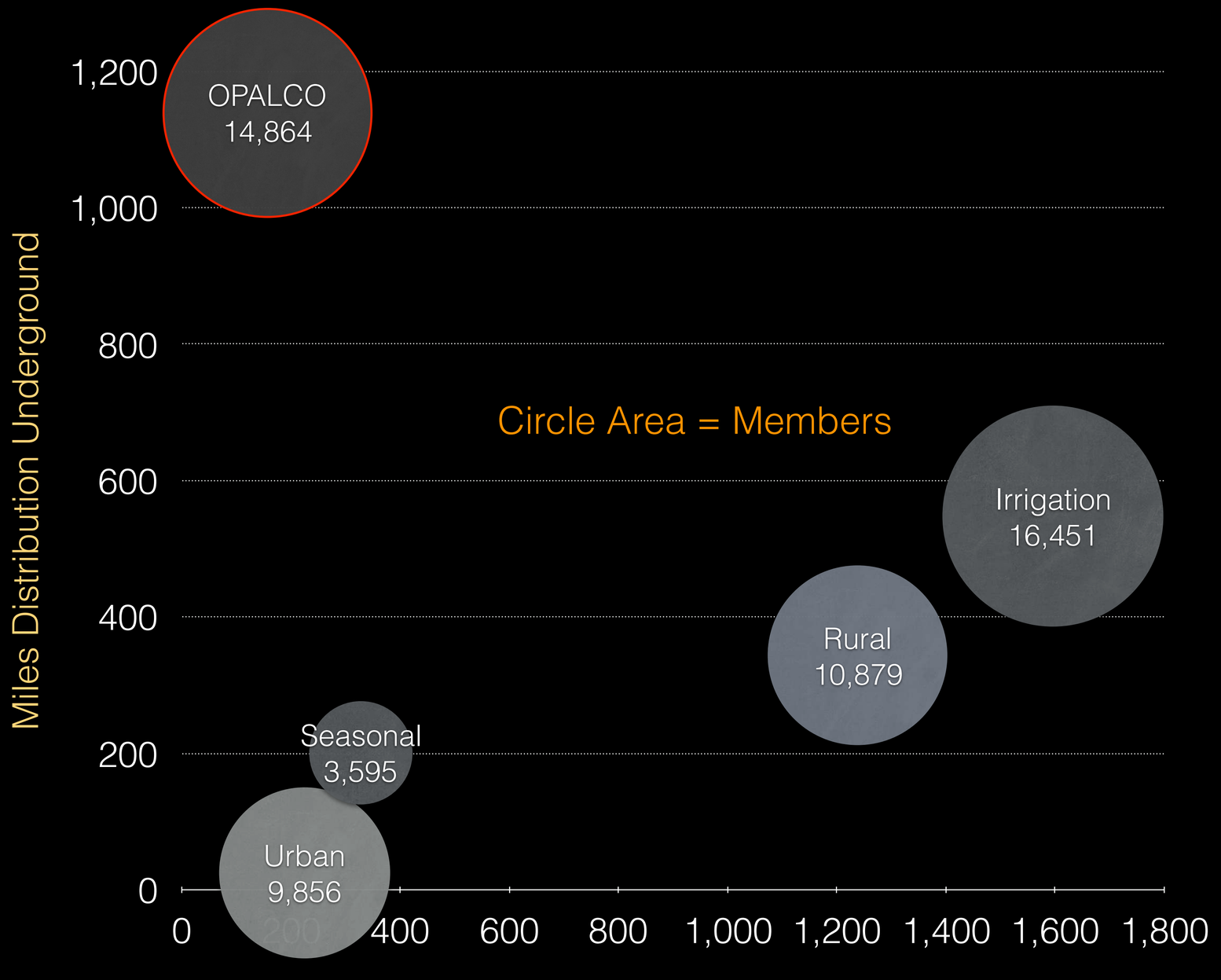


Notes

Serving 20 Islands with multi-island substations and distributed aerial, buried and submarine infrastructure is much more expensive than mainland counterparts

- Yet, OPALCO plant expense is in-line with mainland counterpart

Distribution: Overhead versus Underground Cable



Notes

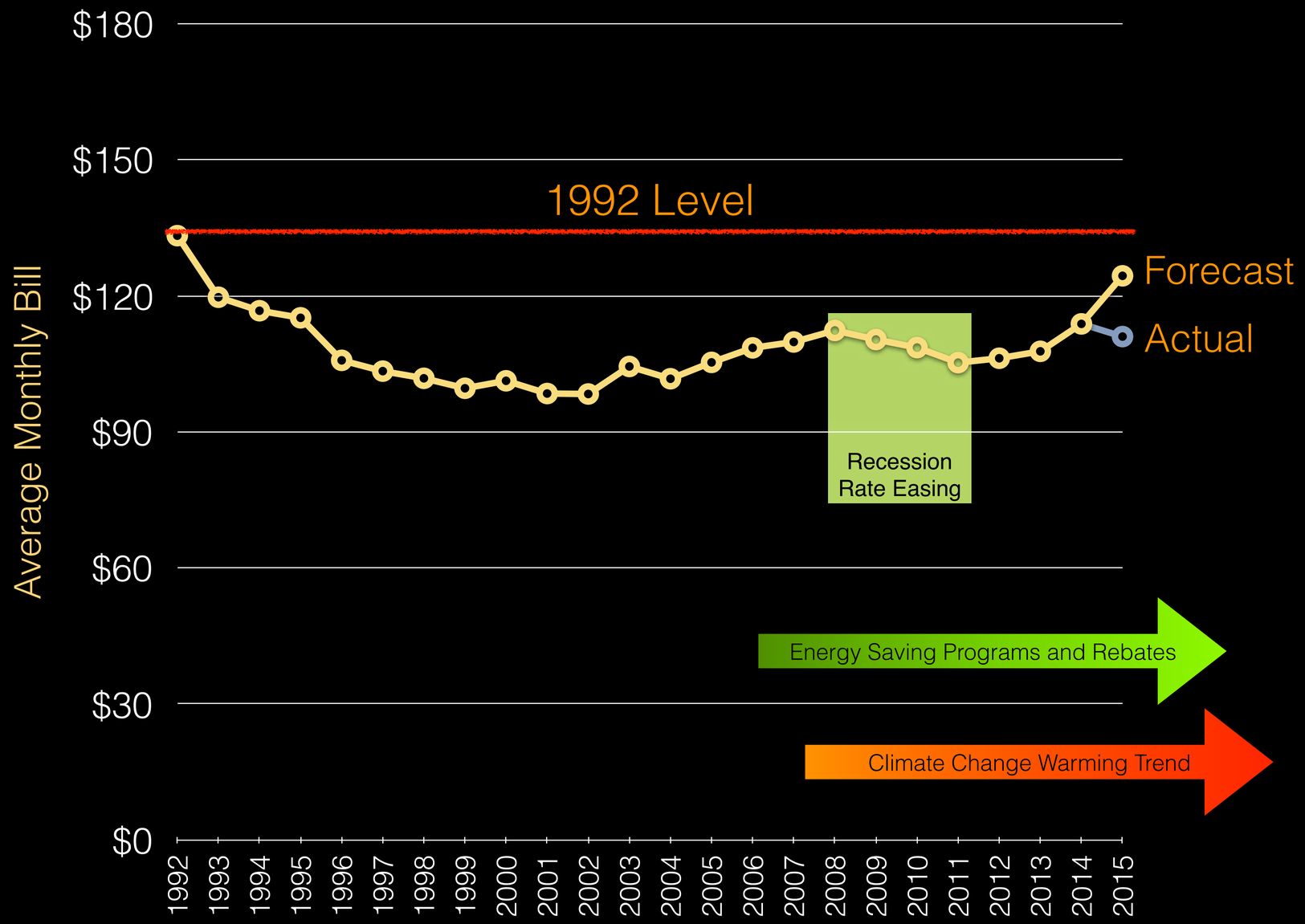
Serving 20 Islands with storm-hardened infrastructure requires very expensive buried distribution cable for comparable reliability

- ”Rural 1” service area 200 times larger than OPALCO
- “Seasonal” territory size similar to OPALCO, with concentrated neighborhoods rather than our scattered rural population

Rates

Proposed rate study in 2018

History of 1,000 kWh Monthly Bill Inflation Adjusted



Headline

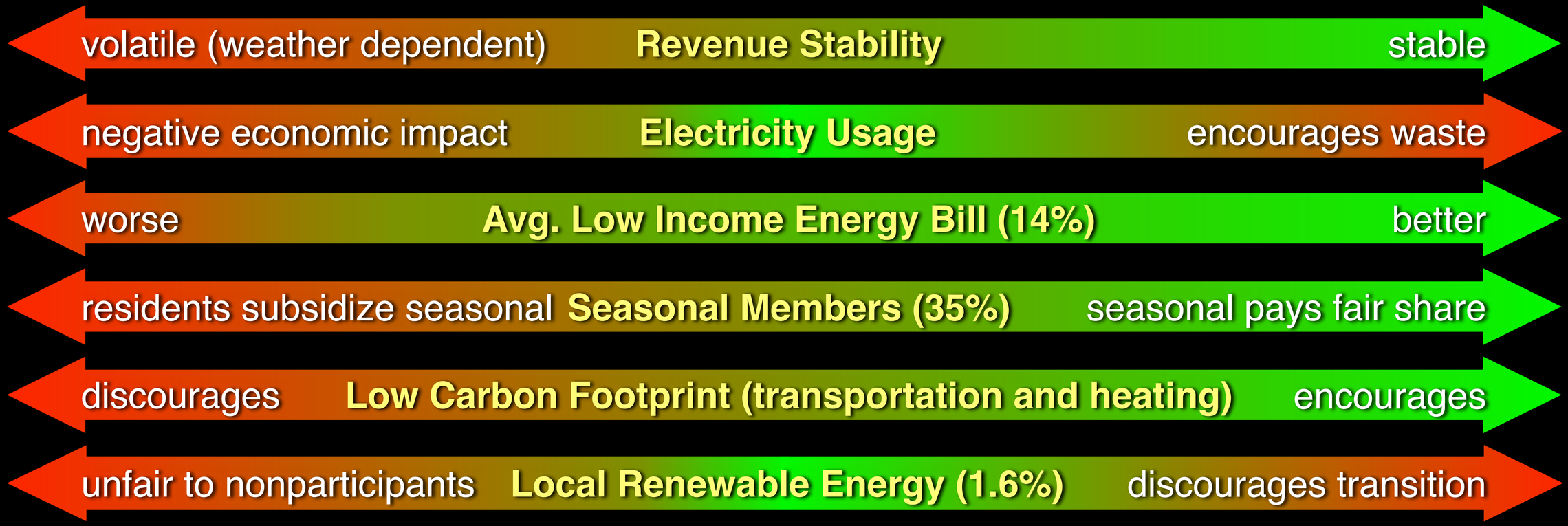
- OPALCO 2015 rates are lower than they were 23 years ago
- Rate has decreased an average of -.29% per year, 1992 through 2015

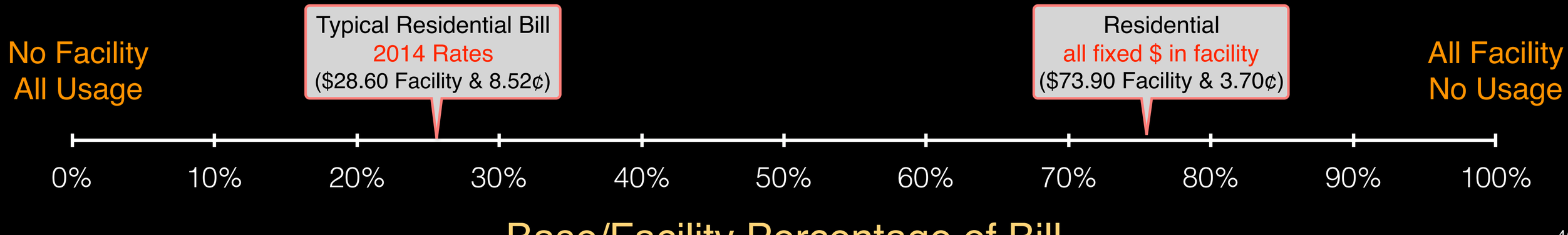
Notes

- 1992 through 2015, Residential
- Historically, average OPALCO member usage has been 1,000 kWh/month
- Monthly bill includes all Facility, Usage and Demand Charges.
- Rate increases postponed during 2008 - 2011 recession and after effects, to ease economic impact on county.

Source: OPALCO

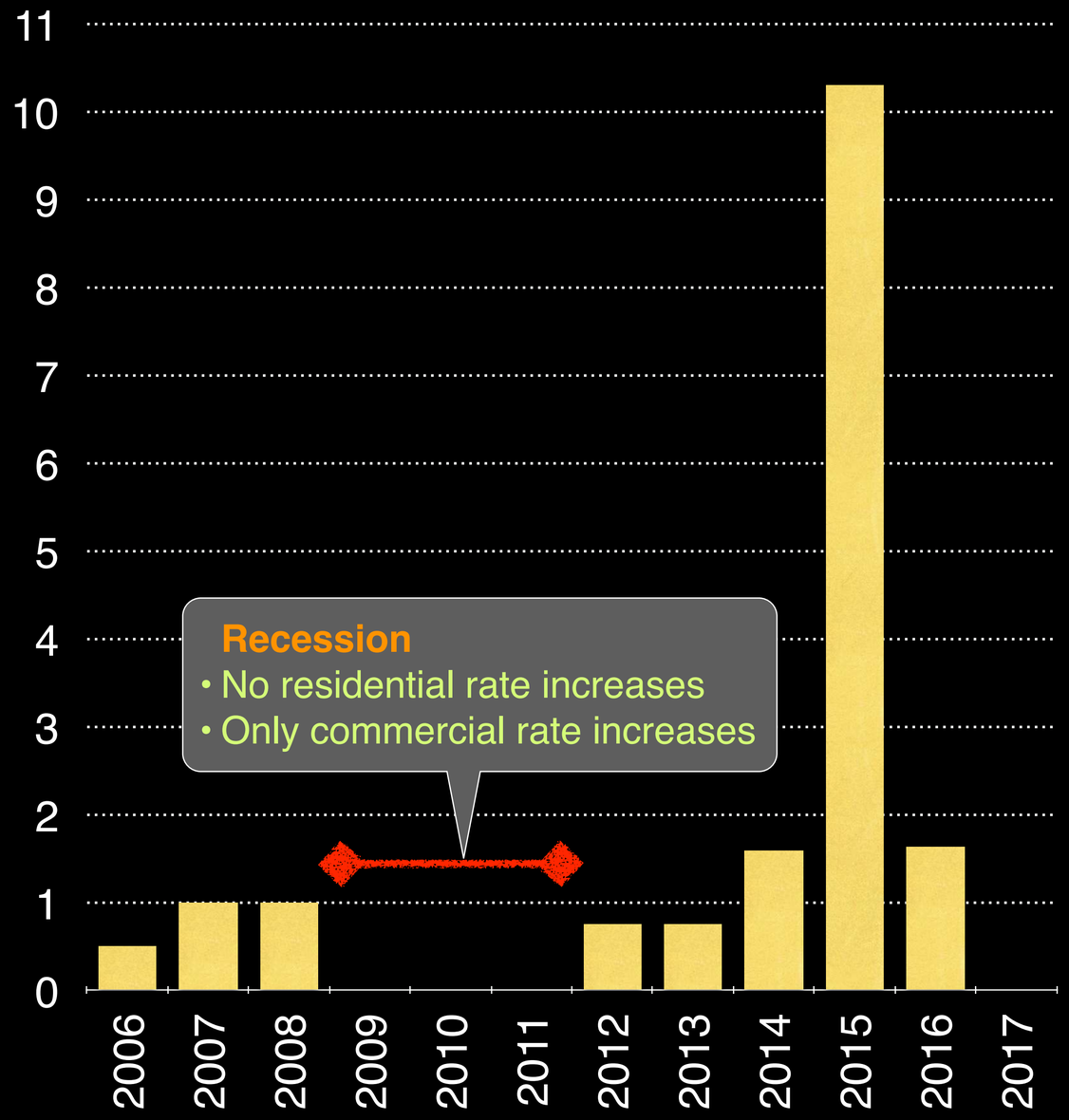
OPALCO Facility Charge Analysis



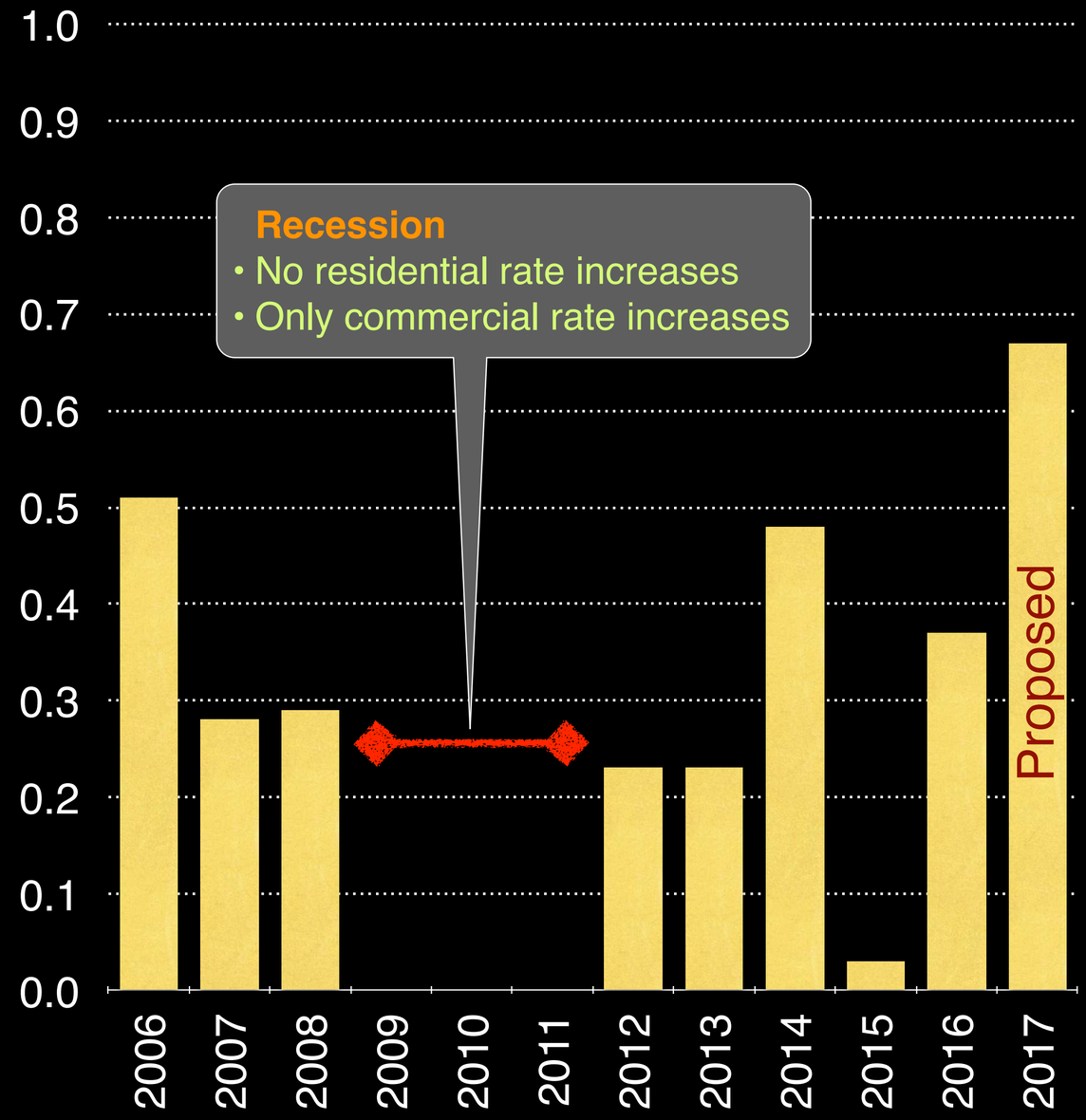


Residential Rate History: Monthly Facility Charge and Usage

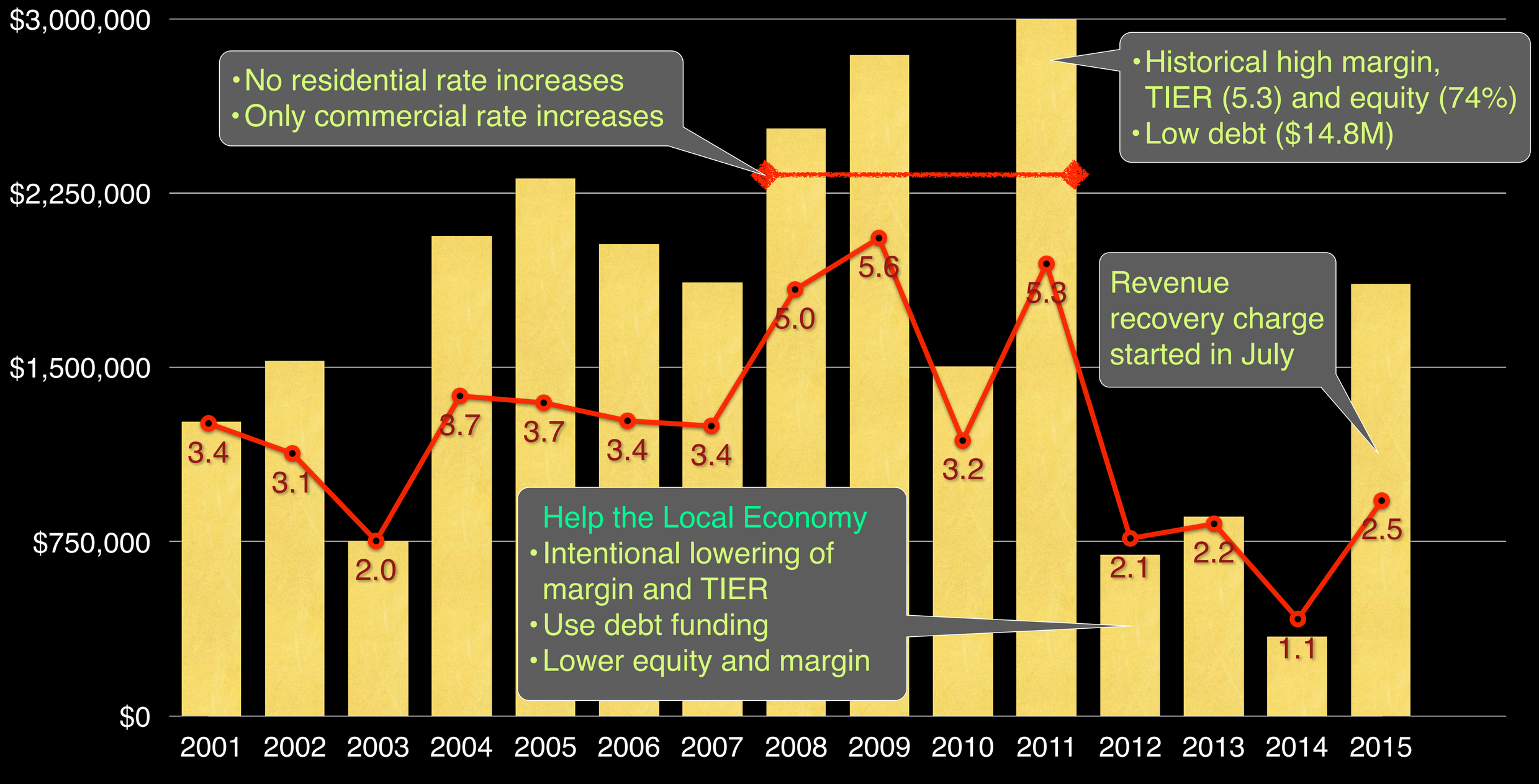
Facility Charge Change ($)



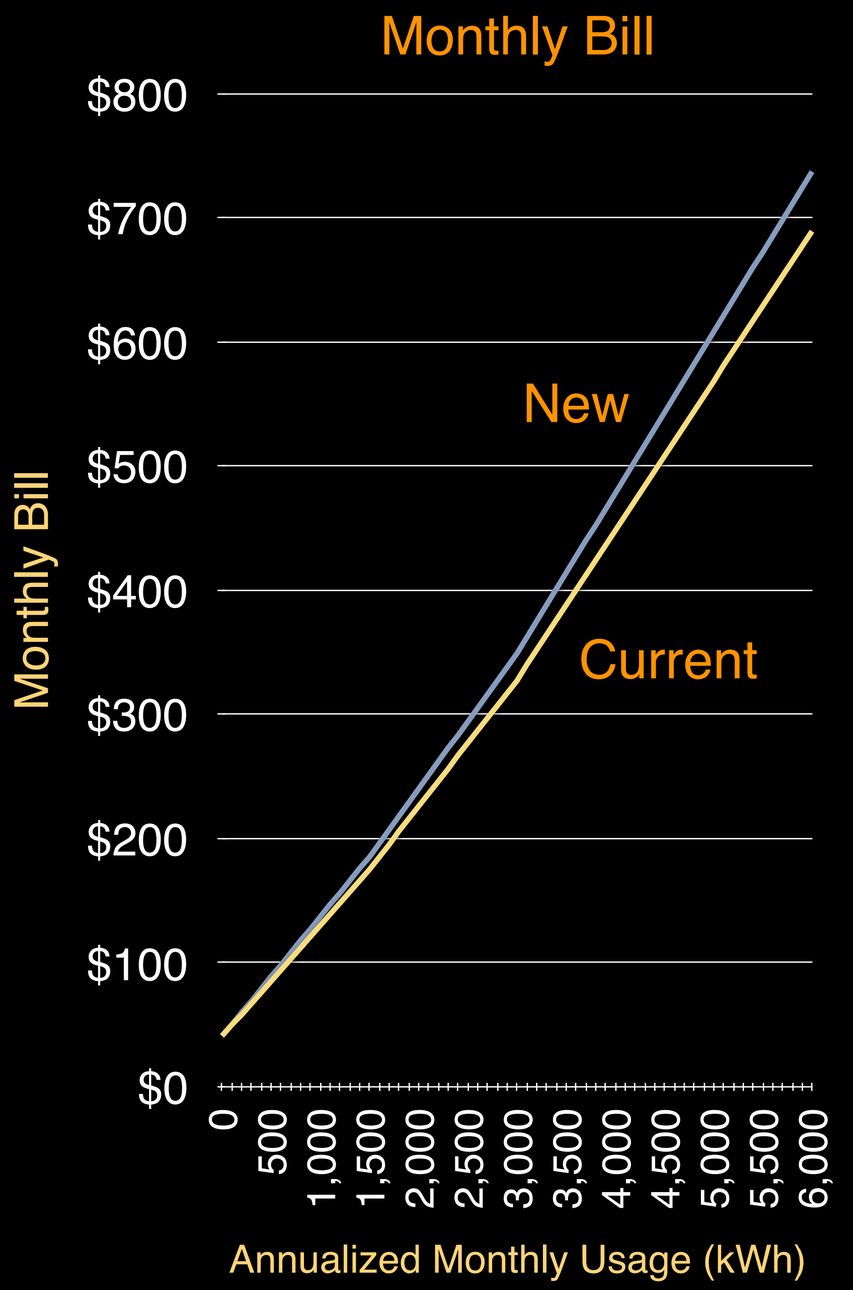
kWH Charge Change (¢)

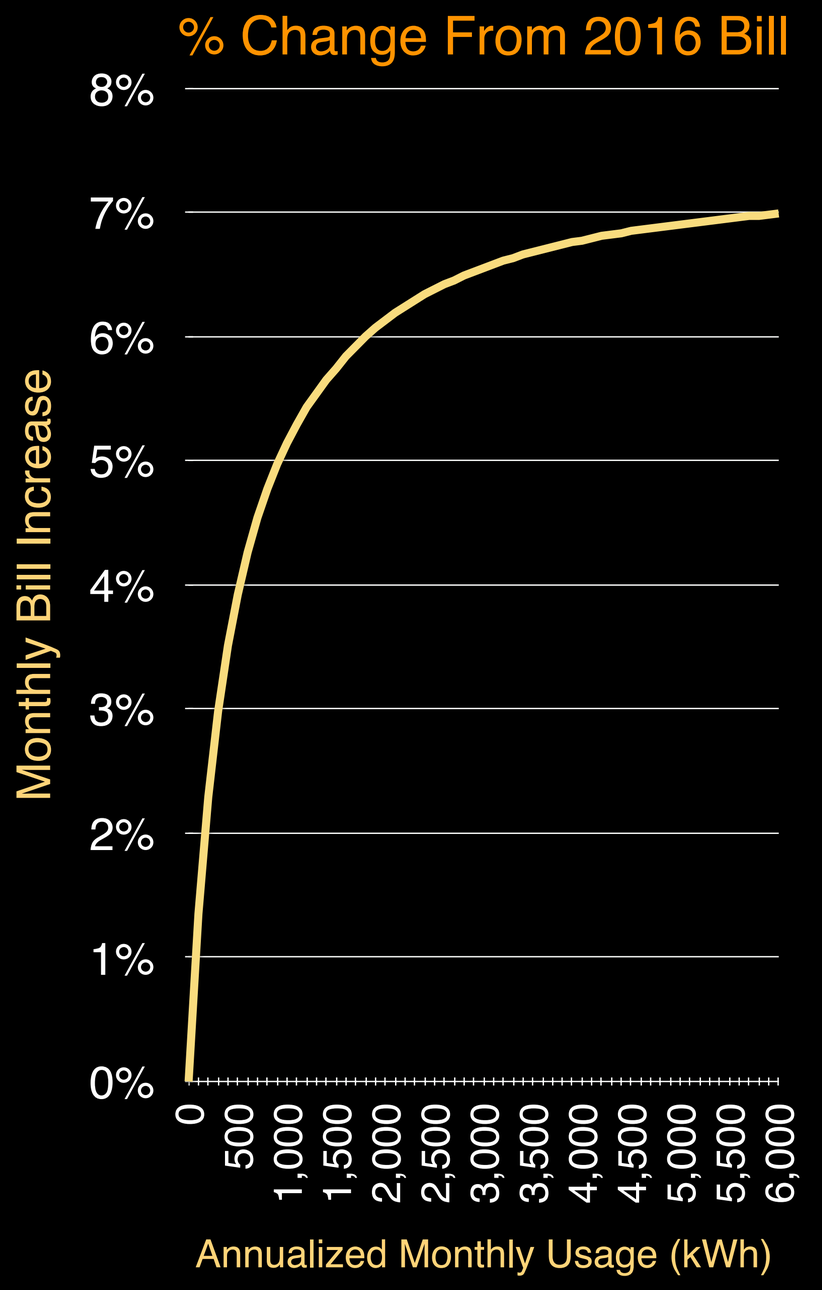


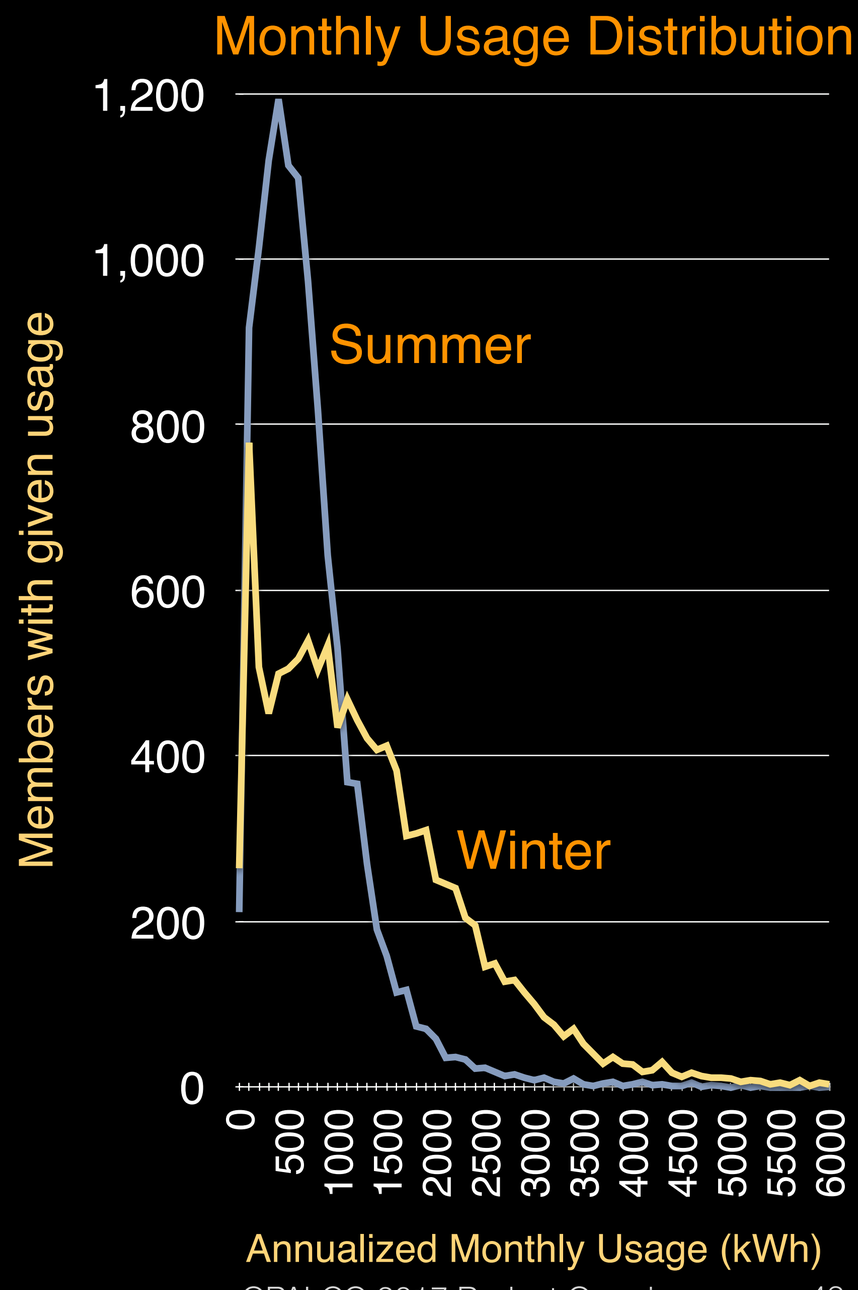
Operating Margin and TIER



Residential Rate Analysis: Current and Recommended (5% kWh)







2017 Residential Rate Proposals

Residential	Present Rates	Recommended Increase applied to energy only (kWh)	5% Increase to All Components
Facility Rate ($/Service/Month)	$40.54	**$40.54**	$42.57
Energy Assistance Program ($/kWh)	$0.0005	**$0.0000**	$0.0005
Energy Rates ($/kWh)			
Summer Block 1 (< 1,500 kWh)	$0.0892	**$0.0959**	$0.0937
Summer Block 2 (1,500 kWh to 3000 kWh)	$0.1011	**$0.1087**	$0.1062
Summer Block 3 (> 3,000 kWh)	$0.1200	**$0.1289**	$0.1260
Winter Block 1 (< 3,000 kWh)	$0.0892	**$0.0959**	$0.0937
Winter Block 2 (3,000 kWh to 5,000 kWh)	$0.1011	**$0.1087**	$0.1062
Winter Block 3 (> 5,000 kWh)	$0.1200	**$0.1289**	$0.1260

Residential TOU	Present Rates	Recommended Increase applied to energy only (kWh)	5% Increase to All Components
Facility Rate ($/Service/Month)	$45.99	**$45.99**	$48.29
Demand Rate ($/Service/Month)			
Energy Assistance Program ($/kWh)	$0.0005	**$0.0005**	$0.0005
Energy Rates ($/kWh)			
TOU Period 1 (6 AM - Noon)	$0.1513	**$0.1637**	$0.1589
TOU Period 2 (Noon - 6 PM)	$0.0935	**$0.0982**	$0.0982
TOU Period 3 (6 PM - 8 PM)	$0.1513	**$0.1637**	$0.1589
TOU Period 3 (8 PM - 6 AM)	$0.0410	**$0.0431**	$0.0431

2017 Commercial Rate Proposals

Small Commercial (<20 kW)	Present Rates	**Recommended Increase applied to energy only (kWh)**	5% Increase to All Components
Facility Rate ($/Service/Month)	$57.65	**$57.65**	$60.53
Energy Assistance Program ($/kWh)	$0.0005	**$0.0005**	$0.0005
Energy Rates ($/kWh)			
Block 1 (< 5,000 kWh)	$0.0904	**$0.0976**	$0.0949
Block 2 (> 5,000 kWh)	$0.1009	**$0.1090**	$0.1059
Demand Rates ($/kW)			
First 20 kW (Flat Rate)	$5.25	**$5.66**	$5.51

Large Commercial (> 20kW)	Present Rates	**Recommended Increase applied to energy only (kWh)**	5% Increase to All Components
Facility Rate ($/Service/Month)	$57.65	**$57.65**	$60.53
Energy Assistance Program ($/kWh)	$0.0005	**$0.0005**	$0.0005
Energy Rates ($/kWh)			
Block 1 (< 5,000 kWh)	$0.0820	**$0.0864**	$0.0861
Block 2 (5,000-150,000 kWh)	$0.0907	**$0.0957**	$0.0952
Block 3 (>150,000 kWh)	$0.1211	**$0.1277**	$0.1272
Demand Rates ($/kW)			
Block 1 (< 300 kW)	$3.31	**$3.49**	$3.48
Block 2 (> 300 kW)	$4.97	**$5.24**	$5.22

2017 Pump Rate Proposals

Pumps	Present Rates	**Recommended 5% Increase to All Components**	Increase applied to energy only (kWh)
Facility Rate ($/Service/Month)	$36.12	**$37.93**	$36.12
Energy Assistance Program ($/kWh)	$0.0005	**$0.0005**	$0.0005
Energy Rates ($/kWh)			
0 - 370 kWh	$0.0960	**$0.1008**	$0.1109
370-5,000 kwh	$0.0833	**$0.0875**	$0.0963
Over 5,000 kWh	$0.0935	**$0.0982**	$0.1081
Demand Rates ($/kW)			
First 20 kW (Flat Rate)	$1.00	**$1.05**	$1.05
Over 20 kW	$3.31	**$3.48**	$3.83

Discussion