



UDWI REMC COST OF SERVICE & RATE STUDY

June 2018

Catalyst Consulting LLC



Cost of Service Study

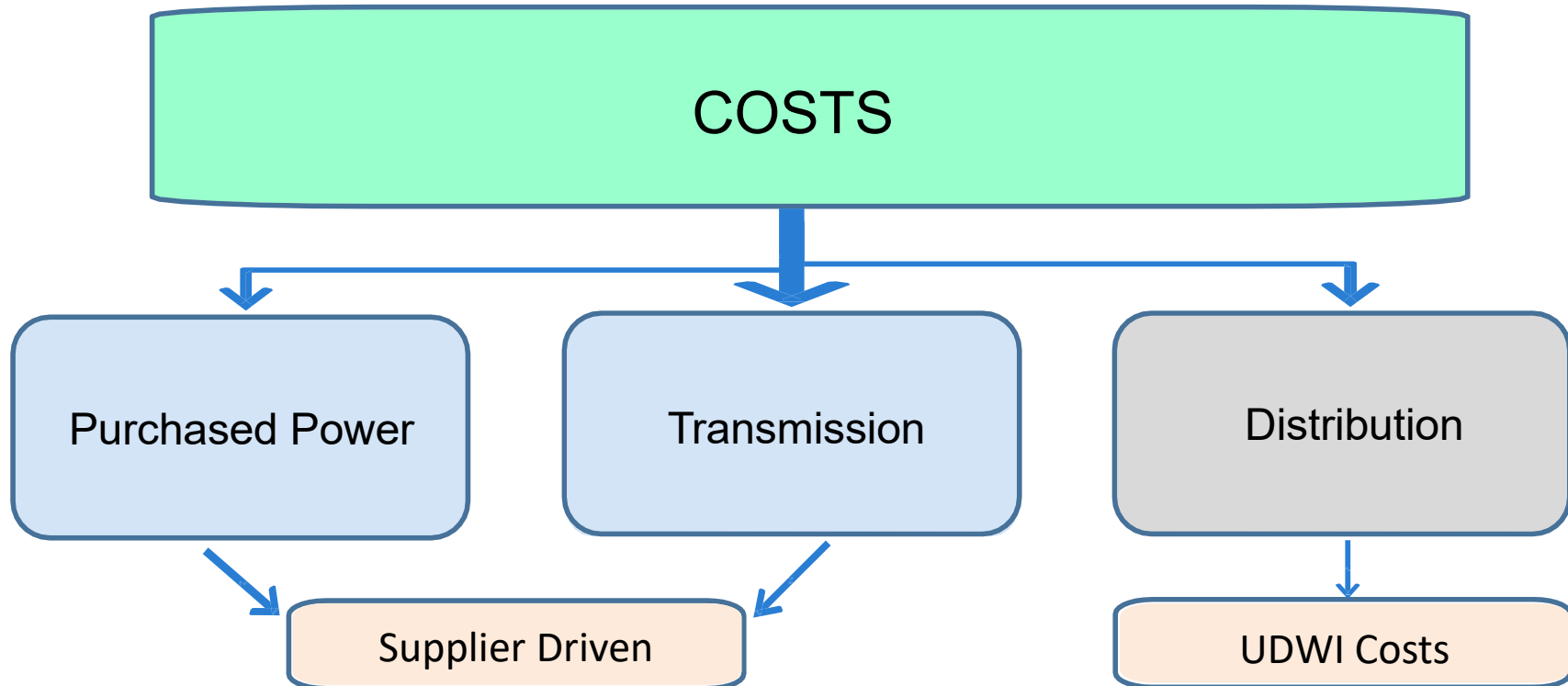
- **Industry-standard approach**
- Based on historical data for 2017 test year
- Adjustments included to reflect known and measurable changes
- Allocates UDWI's costs to our members as fairly as possible

Member Costs

- Member related portion of meters, poles, wire, and transformers
- Installation costs
- Meter reading expenses
- Billing and administrative expenses



Cost of Service Analysis



Target Revenue Requirement

Item	Amount
Test year operating revenue	\$43,659,624
Budgeted revenue decrease	(\$1,500,000)
Total operating revenue	\$42,159,624
Change	-3.44%

Residential Rate Change

Billing Unit	Present Rate	Proposed Rate	Adjustment Over Pres
Facilities Charge (\$/month)	34.00	32.00	(2.00)
Energy Charge Summer (\$/kWh)	0.12500	0.11614	(0.00886)
Energy Charge Winter (\$/kWh)	0.12500	0.11614	(0.00886)
Energy Charge Shoulder (\$/kWh)	0.11500	0.11614	0.00114

Monthly bill for 1100 kWh usage:	<u>Present</u>	<u>Proposed</u>	<u>SAVINGS</u>
Summer/winter months	\$171.50	\$159.75	\$11.75
Shoulder months	\$160.50	\$159.75	\$0.75

Seasonality of rates has been eliminated

On-Going Initiatives

- Cost management initiatives
- Long-term financial forecast
- Financial and rate making policies
- Member communication
- Lighting cost analysis

