

## Yukon Energy Rate Design Panel Opening Comments

The current proceeding marks the first opportunity in over 14 years to review base rates for firm electric service in Yukon. Taking into account OIC directives, including the requirement today to maintain current revenue:cost ratios for each retail customer class, the 2009 Phase II Rate Application addresses rate adjustments that are feasible and appropriate at this time to address two rate design matters:

- Eliminate Riders - eliminate current general purpose rate Riders J and R, together equal to 23.123%, by adjusting retail base rates to fully reflect approved 2009 revenue requirement costs; and
- Adjust run off rates – adjust base rates within each retail class to address economy and efficiency rate principles and directives consistent with current OICs and previous Board directions, including the need to adjust runoff rates in light of approved 2009 incremental costs based on current fuel prices that are over 2.5 times the levels last approved for runoff rates in the 1996/97 GRA.

Based on approved forecast loads for 2009, rate design options examined in the Application may affect bills of different customers within a retail customer class, but cannot affect the total revenues collected from each retail class or the total revenues collected by each utility.

As directed in Board Order 2009-8, the Companies worked diligently to present rate design recommendations that comply with previous Board directions and current OICs, including key directions in the OICs to allocate throughout Yukon the benefits of lower cost heritage grid generation and transmission assets (currently implemented through first block retail rates approved in the 1996/97 GRA), and to set retail runoff rates to recover incremental costs of higher cost non-renewable generation in each rate zone.

Over the more than 14 years since the Board last addressed retail rate design issues the gap between incremental costs per kWh and heritage costs per kW.h has greatly increased. This greatly widened gap is the key challenge that the Companies faced in addressing retail rate design at this time.

## **Joint Recommendations in the Application**

Throughout the development of the Phase II Application, and the subsequent pre-hearing stages, the Companies have openly and diligently considered the issues at hand in respect of rate design and the options available to deal with these issues. As reviewed below, in most cases the Companies are in agreement. In particular the following key areas of agreement are noted on major rate design issues:

- The Companies agree on normal utility principles of rate design as previously adopted in Yukon with specific criteria that represent differing and sometimes conflicting objectives to be balanced in determining just and reasonable rates.
- The Companies agree on the updated incremental costs of diesel generation in each rate zone for 2009 based on applying the same short-term incremental cost determinations used by the Board to set 1996/97 GRA runoff rates in each rate zone.
- For all classes other than residential and general service customers, the Companies have a common set of rate proposals in the Application.
- For residential and general service customers, the Companies are in agreement that the present structure of rates in Yukon, with multiple inclining blocks, should continue. Further the Companies agree that the existing rates with only two blocks do not provide a sufficient structure to address the overall rate priorities and objectives today – as a result three blocks are proposed for all residential and, for all practical effect, almost all general service customers.
  - For General Service customers, a common rate block structure was recommended by the Companies, with the new 2<sup>nd</sup> block for use from 2001 to 15,000 kW.h/month, a new equalized 3<sup>rd</sup> block for use from 15,001 to 20,000 kW.h/month wherein incremental costs are reflected, and average cost runoff rates today for all use in excess of 20,000 kW.h/month for each General Service rate class in order to provide for a future “Large General Service” class applicable to a relatively few customers (on the order of a 100).
  - For Residential customers, a common 1<sup>st</sup> rate block was recommended for use up to 1000 kW.h/month, but different options were provided for the 2<sup>nd</sup> and 3<sup>rd</sup>

rate blocks (Option A with 2<sup>nd</sup> block up to 1,500 kW.h/month, Option B with 2<sup>nd</sup> block up to 2,500 kW.h/month)

- With respect to the runoff rate, the Companies spent considerable time considering the appropriate approaches to address the OIC requirement for “economy and efficiency”.
  - Both Companies recognized that diesel costs play an important role in determining the runoff rate, but at the same time both Companies recognized that simple application of 100% of diesel costs in the runoff rate was likely excessive at this time, particularly given the relatively small degree of diesel generation required on the grid systems in the particular test year in question (2009) and the opportunity to use a lower percentage (below 100%) to help phase in the transition required at the present time after 14 years with no specific changes to the run off rates.
  - As the Board will note, the Companies differ in their ultimate recommendation as to what percentage of diesel price to reflect in the runoff rate today.
- Both Companies recognize that the residential customer charge today is well below the fixed cost of a residential customer on the system. Given the other considerations that are present in this proceeding, neither Company is suggesting an adjustment to the effective customer charge at this time.
- Both Companies recognized that a possible option to address the present need for transition was to consider seasonal rates; however, after review of the logistical issues that arise, the Companies agreed this was not the preferred approach.

### **Residential & General Service rate options**

Notwithstanding the above joint recommendations, the Companies were not able to finalize one specific final residential or general service rate package to be recommended in the Application filed February 19, 2010. As a result, two options were provided in the Application to describe the range of retail rate design options considered by the Companies to that date. Thereafter, in the March Tab 4YEC filing and in response to information requests, Yukon Energy explored the strengths and weaknesses of the two rate design options (Options A and B) presented in the Application, noting YEC’s preference for Option A over Option B as well as YEC’s intent not to limit the Board or intervenors to pick one of these two options.

Aside from different Residential 2<sup>nd</sup> block use limits, Options A and B differed primarily as regards the extent of runoff rate increase towards incremental cost to be implemented at this time:

- Option A retail runoff rates reflected 80% of 2009 incremental supply costs (\$.2239/kW.h in all zones other than Old Crow).
- Option B retail runoff rates reflected 50% of 2009 incremental supply costs (\$.1399/kW.h in all zones other than Old Crow).
- By comparison, the effective equivalent retail runoff rate today (including riders J and R but excluding taxes and tax rebates) is 47.7% of 2009 incremental supply costs (\$.1285/kW.h in the Hydro and Large Diesel rate zones and \$.1520 in the Small Diesel rate zone).
- Compared to current bills, Option A resulted in increased bill impacts for a minority of higher use retail customers and reduced bills for the majority of retail customers using only first block energy; in contrast, Option B resulted in no material bill changes for almost all customers.

Leading Edge subsequently proposed a separate preferred option that was broadly similar to Option A, subject to a slightly lower runoff rate and higher 2nd block rate.

In recent weeks, the Companies continued work to arrive at a common position on the outstanding differences. However, despite extensive discussion that helped to clarify and reduce the major concerns, the Companies were not yet able in their September 30, 2010 filing to provide a common position on the above retail rate design differences.

On October 1<sup>st</sup>, Yukon Energy provided its preferred Option C to assist the Board and intervenors, based on YEC's review of the evidence and discussions to date, including review of Leading Edge's preferred proposal and the recent discussions of the Companies.

In summary, Option C (compared to Option A) provides reduced initial increases for larger users as well as more moderate reductions for the vast majority of retail users, reflecting:

- A minimum initial runoff rate equivalent to Leading Edge's proposal (at 20 cents/kWh for all zones other than Old Crow, or 71.5% of 2009 incremental costs), with the longer-term proposal to move the runoff rate up to 100% of short term incremental costs as soon as is reasonable
- An expanded initial Residential 2<sup>nd</sup> block identical to Option B (from 1001 to 2500 kW.h/month) to reflect a minimum initial 3<sup>rd</sup> rate block customer coverage, with a first priority for future rate adjustments for this class to move the Residential 3<sup>rd</sup> block starting point down from 2501 kW.h/month towards 2,000 kW.h/month or lower.
- Adoption of Option B non-government and government General Service 2<sup>nd</sup> block and demand charge rates in order to remove these differences between the two initial options.

Yukon Energy considers Option C to provide a meaningful alternative to begin rate design adjustments at this time. Focusing on non-government Residential customers, the key in this regard is the Option C rate blocks that facilitate adoption of a meaningful runoff rate increase today while retaining scope to increase in future the customer use range covered in the 3<sup>rd</sup> block rate.

The attached Tables summarize non-government retail class bill impacts over a wide range of monthly use in the Hydro/large Diesel rate zone for the retail rate designs discussed above that are currently in evidence.

### **Rate 42 ERA**

Yukon Energy supports adjustments to Rate Schedule 42 Energy Reconciliation Adjustment (ERA) to confirm that it applies only during months when diesel generation is on the margin at normal long-term average water flows for the WAF system. In the event that the non-government residential runoff rate in the Hydro zone is less than 80% of YEC's short term approved incremental generation cost in that zone, YEC has proposed that the ERA charge be set at YEC's full incremental cost of diesel generation as approved for that zone.

**Table 1 - Comparison of Options (Residential Non-Government) with IER**

Hydro/Lg Diesel

	bills	present	Sep-08			Option A			Option B			Option C			LE Preferred Option		
		monthly bill	monthly bill	change		monthly bill	change		monthly bill	change		monthly bill	change		monthly bill	change	
100	8717 customers	\$25.10	\$26.17	\$1.07	4.3%	\$23.80	(\$1.29)	-5.2%	\$25.10	\$0.00	0.0%	\$24.72	(\$0.38)	-1.5%	\$23.92	(\$1.17)	-4.7%
200		\$34.89	\$38.66	\$3.77	10.8%	\$32.30	(\$2.59)	-7.4%	\$34.90	\$0.01	0.0%	\$34.13	(\$0.76)	-2.2%	\$32.54	(\$2.35)	-6.7%
300		\$44.69	\$51.15	\$6.47	14.5%	\$40.80	(\$3.88)	-8.7%	\$44.69	\$0.01	0.0%	\$43.54	(\$1.14)	-2.6%	\$41.16	(\$3.52)	-7.9%
400		\$54.48	\$63.64	\$9.17	16.8%	\$49.30	(\$5.18)	-9.5%	\$54.49	\$0.01	0.0%	\$52.95	(\$1.52)	-2.8%	\$49.78	(\$4.70)	-8.6%
500		\$64.27	\$76.14	\$11.86	18.5%	\$57.80	(\$6.47)	-10.1%	\$64.28	\$0.01	0.0%	\$62.37	(\$1.91)	-3.0%	\$58.40	(\$5.87)	-9.1%
600		\$74.07	\$88.63	\$14.56	19.7%	\$66.30	(\$7.77)	-10.5%	\$74.08	\$0.01	0.0%	\$71.78	(\$2.29)	-3.1%	\$67.02	(\$7.04)	-9.5%
700		\$83.86	\$101.12	\$17.26	20.6%	\$74.79	(\$9.06)	-10.8%	\$83.88	\$0.02	0.0%	\$81.19	(\$2.67)	-3.2%	\$75.64	(\$8.22)	-9.8%
800		\$93.65	\$113.61	\$19.96	21.3%	\$83.29	(\$10.36)	-11.1%	\$93.67	\$0.02	0.0%	\$90.60	(\$3.05)	-3.3%	\$84.26	(\$9.39)	-10.0%
900		\$103.45	\$126.11	\$22.66	21.9%	\$91.79	(\$11.65)	-11.3%	\$103.47	\$0.02	0.0%	\$100.02	(\$3.43)	-3.3%	\$92.88	(\$10.57)	-10.2%
1000		<b>\$113.24</b>	<b>\$138.60</b>	<b>\$25.36</b>	<b>22.4%</b>	<b>\$100.29</b>	<b>(\$12.95)</b>	<b>-11.4%</b>	<b>\$113.26</b>	<b>\$0.02</b>	<b>0.0%</b>	<b>\$109.43</b>	<b>(\$3.81)</b>	<b>-3.4%</b>	<b>\$101.50</b>	<b>(\$11.74)</b>	<b>-10.4%</b>
1100	2476 customers	\$126.58	\$153.66	\$27.07	21.4%	\$116.10	(\$10.49)	-8.3%	\$126.56	(\$0.02)	0.0%	\$123.70	(\$2.89)	-2.3%	\$118.12	(\$8.46)	-6.7%
1200		\$139.93	\$168.72	\$28.79	20.6%	\$131.90	(\$8.03)	-5.7%	\$139.86	(\$0.07)	0.0%	\$137.97	(\$1.96)	-1.4%	\$134.74	(\$5.19)	-3.7%
1300		\$153.28	\$183.77	\$30.50	19.9%	\$147.71	(\$5.57)	-3.6%	\$153.16	(\$0.12)	-0.1%	\$152.24	(\$1.04)	-0.7%	\$151.36	(\$1.91)	-1.2%
1400		\$166.62	\$198.83	\$32.21	19.3%	\$163.52	(\$3.10)	-1.9%	\$166.46	(\$0.16)	-0.1%	\$166.51	(\$0.11)	0.1%	\$167.99	\$1.36	0.8%
1500	516 customers	\$179.97	\$213.89	\$33.92	18.8%	<b>\$179.32</b>	<b>(\$0.64)</b>	<b>-0.4%</b>	\$179.76	(\$0.21)	-0.1%	\$180.78	\$0.82	0.5%	<b>\$184.61</b>	<b>\$4.64</b>	<b>2.6%</b>
1600	298 customers	\$193.31	\$228.94	\$35.63	18.4%	\$202.62	\$9.31	4.8%	\$193.06	(\$0.25)	-0.1%	\$195.05	\$1.74	0.9%	\$205.41	\$12.10	6.3%
1700		\$206.66	\$244.00	\$37.35	18.1%	\$225.92	\$19.26	9.3%	\$206.36	(\$0.30)	-0.1%	\$209.32	\$2.67	1.3%	\$226.21	\$19.55	9.5%
1800	288 customers	\$220.00	\$259.06	\$39.06	17.8%	\$249.22	\$29.21	13.3%	\$219.66	(\$0.35)	-0.2%	\$223.59	\$3.59	1.6%	\$247.01	\$27.01	12.3%
1900		\$233.35	\$274.12	\$40.77	17.5%	\$272.51	\$39.17	16.8%	\$232.95	(\$0.39)	-0.2%	\$237.86	\$4.52	1.9%	\$267.81	\$34.46	14.8%
2000		\$246.69	\$289.17	\$42.48	17.2%	\$295.81	\$49.12	19.9%	\$246.25	(\$0.44)	-0.2%	\$252.14	\$5.44	2.2%	\$288.61	\$41.92	17.0%
2100		\$260.04	\$304.23	\$44.19	17.0%	\$319.11	\$59.07	22.7%	\$259.55	(\$0.48)	-0.2%	\$266.41	\$6.37	2.4%	\$309.41	\$49.37	19.0%
2200	108 customers	\$273.38	\$319.29	\$45.91	16.8%	\$342.41	\$69.02	25.2%	\$272.85	(\$0.53)	-0.2%	\$280.68	\$7.29	2.7%	\$330.21	\$56.83	20.8%
2300		\$286.73	\$334.35	\$47.62	16.6%	\$365.70	\$78.98	27.5%	\$286.15	(\$0.58)	-0.2%	\$294.95	\$8.22	2.9%	\$351.01	\$64.28	22.4%
2400		\$300.07	\$349.40	\$49.33	16.4%	\$389.00	\$88.93	29.6%	\$299.45	(\$0.62)	-0.2%	\$309.22	\$9.15	3.0%	\$371.81	\$71.74	23.9%
2500		\$313.42	\$364.46	\$51.04	16.3%	\$412.30	\$98.88	31.5%	<b>\$312.75</b>	<b>(\$0.67)</b>	<b>-0.2%</b>	<b>\$323.49</b>	<b>\$10.07</b>	<b>3.2%</b>	\$392.61	\$79.19	25.3%
2600	116 customers over 3000 kW.h	\$326.76	\$379.52	\$52.76	16.1%	\$435.60	\$108.83	33.3%	\$327.27	\$0.51	0.2%	\$344.29	\$17.53	5.4%	\$413.41	\$86.65	26.5%
2700		\$340.11	\$394.58	\$54.47	16.0%	\$458.89	\$118.78	34.9%	\$341.79	\$1.68	0.5%	\$365.09	\$24.98	7.3%	\$434.21	\$94.10	27.7%
2800		\$353.45	\$409.63	\$56.18	15.9%	\$482.19	\$128.74	36.4%	\$356.31	\$2.86	0.8%	\$385.89	\$32.44	9.2%	\$455.01	\$101.56	28.7%
2900		\$366.80	\$424.69	\$57.89	15.8%	\$505.49	\$138.69	37.8%	\$370.84	\$4.04	1.1%	\$406.69	\$39.89	10.9%	\$475.81	\$109.01	29.7%
3000	116 customers over 3000 kW.h	\$380.14	\$439.75	\$59.60	15.7%	\$528.79	\$148.64	39.1%	\$385.36	\$5.21	1.4%	\$427.49	\$47.35	12.5%	\$496.61	\$116.47	30.6%
5000		\$647.05	\$740.90	\$93.85	14.5%	\$994.74	\$347.69	53.7%	\$675.79	\$28.74	4.4%	\$843.50	\$196.45	30.4%	\$912.62	\$265.57	41.0%
		<b>Runoff 1500 at 80% of diesel</b>					<b>Runoff 2500 at 50% of diesel</b>					<b>Runoff 2500 at 71.5% of diesel</b>					
		<b>Block 1 rate 10.90</b>					<b>Block 1 rate 12.14</b>					<b>Block 1 rate 11.77</b>					
		<b>Block 2 rate 15.22</b>					<b>Block 2 rate 12.82</b>					<b>Block 2 rate 13.75</b>					
		<b>Block 3 rate 22.39</b>					<b>Block 3 rate 13.99</b>					<b>Block 3 rate 20.00</b>					

**Table 2 - Comparison of Options (Residential Non-Government) without IER**

Hydro/Lg Diesel

	bills	present	Sep-08			Option A			Option B			Option C			LE Preferred Option		
		monthly bill	monthly bill	change		monthly bill	change		monthly bill	change		monthly bill	change		monthly bill	change	
100	8717 customers	\$25.10	\$26.17	\$1.07	4.3%	\$26.60	\$1.50	6.0%	\$27.89	\$2.80	11.1%	\$27.51	\$2.41	9.6%	\$26.72	\$1.62	6.5%
200		\$34.89	\$38.66	\$3.77	10.8%	\$37.89	\$3.00	8.6%	\$40.48	\$5.59	16.0%	\$39.72	\$4.82	13.8%	\$38.13	\$3.24	9.3%
300		\$44.69	\$51.15	\$6.47	14.5%	\$49.18	\$4.49	10.1%	\$53.07	\$8.39	18.8%	\$51.92	\$7.24	16.2%	\$49.54	\$4.86	10.9%
400		\$54.48	\$63.64	\$9.17	16.8%	\$60.47	\$5.99	11.0%	\$65.66	\$11.18	20.5%	\$64.13	\$9.65	17.7%	\$60.96	\$6.48	11.9%
500		\$64.27	\$76.14	\$11.86	18.5%	\$71.76	\$7.49	11.7%	\$78.25	\$13.98	21.7%	\$76.33	\$12.06	18.8%	\$72.37	\$8.10	12.6%
600		\$74.07	\$88.63	\$14.56	19.7%	\$83.05	\$8.99	12.1%	\$90.84	\$16.77	22.6%	\$88.54	\$14.47	19.5%	\$83.78	\$9.71	13.1%
700		\$83.86	\$101.12	\$17.26	20.6%	\$94.35	\$10.49	12.5%	\$103.43	\$19.57	23.3%	\$100.74	\$16.88	20.1%	\$95.19	\$11.33	13.5%
800		\$93.65	\$113.61	\$19.96	21.3%	\$105.64	\$11.98	12.8%	\$116.01	\$22.36	23.9%	\$112.95	\$19.29	20.6%	\$106.60	\$12.95	13.8%
900		\$103.45	\$126.11	\$22.66	21.9%	\$116.93	\$13.48	13.0%	\$128.60	\$25.16	24.3%	\$125.15	\$21.71	21.0%	\$118.02	\$14.57	14.1%
1000			<b>\$113.24</b>	<b>\$138.60</b>	<b>\$25.36</b>	<b>22.4%</b>	<b>\$128.22</b>	<b>\$14.98</b>	<b>13.2%</b>	<b>\$141.19</b>	<b>\$27.95</b>	<b>24.7%</b>	<b>\$137.36</b>	<b>\$24.12</b>	<b>21.3%</b>	<b>\$129.43</b>	<b>\$16.19</b>
1100	2476 customers	\$126.58	\$153.66	\$27.07	21.4%	\$144.03	\$17.44	13.8%	\$154.49	\$27.91	22.0%	\$151.63	\$25.04	19.8%	\$146.05	\$19.47	15.4%
1200		\$139.93	\$168.72	\$28.79	20.6%	\$159.83	\$19.90	14.2%	\$167.79	\$27.86	19.9%	\$165.90	\$25.97	18.6%	\$162.67	\$22.74	16.3%
1300		\$153.28	\$183.77	\$30.50	19.9%	\$175.64	\$22.36	14.6%	\$181.09	\$27.81	18.1%	\$180.17	\$26.89	17.5%	\$179.29	\$26.02	17.0%
1400		\$166.62	\$198.83	\$32.21	19.3%	\$191.45	\$24.83	14.9%	\$194.39	\$27.77	16.7%	\$194.44	\$27.82	16.7%	\$195.92	\$29.29	17.6%
1500	516 customers	\$179.97	\$213.89	\$33.92	18.8%	<b>\$207.25</b>	<b>\$27.29</b>	<b>15.2%</b>	\$207.69	\$27.72	15.4%	\$208.71	\$28.75	16.0%	<b>\$212.54</b>	<b>\$32.57</b>	<b>18.1%</b>
1600		\$193.31	\$228.94	\$35.63	18.4%	\$230.55	\$37.24	19.3%	\$220.99	\$27.68	14.3%	\$222.98	\$29.67	15.3%	\$233.34	\$40.03	20.7%
1700	298 customers	\$206.66	\$244.00	\$37.35	18.1%	\$253.85	\$47.19	22.8%	\$234.29	\$27.63	13.4%	\$237.25	\$30.60	14.8%	\$254.14	\$47.48	23.0%
1800		\$220.00	\$259.06	\$39.06	17.8%	\$277.15	\$57.14	26.0%	\$247.59	\$27.58	12.5%	\$251.52	\$31.52	14.3%	\$274.94	\$54.94	25.0%
1900		\$233.35	\$274.12	\$40.77	17.5%	\$300.44	\$67.10	28.8%	\$260.88	\$27.54	11.8%	\$265.79	\$32.45	13.9%	\$295.74	\$62.39	26.7%
2000	288 customers	\$246.69	\$289.17	\$42.48	17.2%	\$323.74	\$77.05	31.2%	\$274.18	\$27.49	11.1%	\$280.07	\$33.37	13.5%	\$316.54	\$69.85	28.3%
2100		\$260.04	\$304.23	\$44.19	17.0%	\$347.04	\$87.00	33.5%	\$287.48	\$27.45	10.6%	\$294.34	\$34.30	13.2%	\$337.34	\$77.30	29.7%
2200		\$273.38	\$319.29	\$45.91	16.8%	\$370.34	\$96.95	35.5%	\$300.78	\$27.40	10.0%	\$308.61	\$35.22	12.9%	\$358.14	\$84.76	31.0%
2300		\$286.73	\$334.35	\$47.62	16.6%	\$393.63	\$106.91	37.3%	\$314.08	\$27.35	9.5%	\$322.88	\$36.15	12.6%	\$378.94	\$92.21	32.2%
2400		\$300.07	\$349.40	\$49.33	16.4%	\$416.93	\$116.86	38.9%	\$327.38	\$27.31	9.1%	\$337.15	\$37.08	12.4%	\$399.74	\$99.67	33.2%
2500		\$313.42	\$364.46	\$51.04	16.3%	\$440.23	\$126.81	40.5%	<b>\$340.68</b>	<b>\$27.26</b>	<b>8.7%</b>	<b>\$351.42</b>	<b>\$38.00</b>	<b>12.1%</b>	\$420.54	\$107.12	34.2%
2600	108 customers	\$326.76	\$379.52	\$52.76	16.1%	\$463.53	\$136.76	41.9%	\$355.20	\$28.44	8.7%	\$372.22	\$45.46	13.9%	\$441.34	\$114.58	35.1%
2700		\$340.11	\$394.58	\$54.47	16.0%	\$486.82	\$146.71	43.1%	\$369.72	\$29.61	8.7%	\$393.02	\$52.91	15.6%	\$462.14	\$122.03	35.9%
2800		\$353.45	\$409.63	\$56.18	15.9%	\$510.12	\$156.67	44.3%	\$384.24	\$30.79	8.7%	\$413.82	\$60.37	17.1%	\$482.94	\$129.49	36.6%
2900		\$366.80	\$424.69	\$57.89	15.8%	\$533.42	\$166.62	45.4%	\$398.77	\$31.97	8.7%	\$434.62	\$67.82	18.5%	\$503.74	\$136.94	37.3%
3000	116 customers over 3000 kW.h	\$380.14	\$439.75	\$59.60	15.7%	\$556.72	\$176.57	46.4%	\$413.29	\$33.14	8.7%	\$455.42	\$75.28	19.8%	\$524.54	\$144.40	38.0%
5000		\$647.05	\$740.90	\$93.85	14.5%	\$1,022.67	\$375.62	58.1%	\$703.72	\$56.67	8.8%	\$871.43	\$224.38	34.7%	\$940.55	\$293.50	45.4%
						<b>Runoff 1500 at 80% of diesel</b>			<b>Runoff 2500 at 50% of diesel</b>			<b>Runoff 2500 at 71.5% of diesel</b>			<b>Runoff 2500 at 71.5% of diesel</b>		
						<b>Block 1 rate</b>	<b>10.90</b>		<b>Block 1 rate</b>	<b>12.14</b>		<b>Block 1 rate</b>	<b>11.77</b>		<b>Block 1 rate</b>	<b>11.01</b>	
						<b>Block 2 rate</b>	<b>15.22</b>		<b>Block 2 rate</b>	<b>12.82</b>		<b>Block 2 rate</b>	<b>13.75</b>		<b>Block 2 rate</b>	<b>16.00</b>	
						<b>Block 3 rate</b>	<b>22.39</b>		<b>Block 3 rate</b>	<b>13.99</b>		<b>Block 3 rate</b>	<b>20.00</b>		<b>Block 3 rate</b>	<b>20.00</b>	

**Table 3 - Comparison of Options (General Service Non-Government)**

**Hydro/Lg Diesel**

KWh	KV	present	Sep-08			Option A			Option B			Option C		
		monthly bill	monthly bill	change	%	monthly bill	change	%	monthly bill	change	%	monthly bill	change	%
200	5	\$59.77	\$60.69	\$0.92	1.5%	\$48.52	(\$11.25)	-18.8%	\$59.78	\$0.01	0.0%	\$58.06	(\$1.71)	-2.9%
400	5	\$80.96	\$83.76	\$2.81	3.5%	\$65.69	(\$15.27)	-18.9%	\$80.95	(\$0.00)	0.0%	\$77.52	(\$3.44)	-4.2%
600	5	\$102.14	\$106.84	\$4.70	4.6%	\$82.86	(\$19.28)	-18.9%	\$102.12	(\$0.02)	0.0%	\$96.97	(\$5.17)	-5.1%
800	5	\$123.33	\$129.91	\$6.58	5.3%	\$100.03	(\$23.29)	-18.9%	\$123.30	(\$0.03)	0.0%	\$116.43	(\$6.90)	-5.6%
1000	5	\$144.51	\$152.98	\$8.47	5.9%	\$117.21	(\$27.31)	-18.9%	\$144.47	(\$0.04)	0.0%	\$135.89	(\$8.63)	-6.0%
1200	5	\$165.70	\$176.05	\$10.35	6.2%	\$134.38	(\$31.32)	-18.9%	\$165.64	(\$0.05)	0.0%	\$155.35	(\$10.35)	-6.2%
1400	5	\$186.89	\$199.12	\$12.24	6.5%	\$151.55	(\$35.33)	-18.9%	\$186.82	(\$0.07)	0.0%	\$174.80	(\$12.08)	-6.5%
1600	5	\$208.07	\$222.20	\$14.12	6.8%	\$168.73	(\$39.35)	-18.9%	\$207.99	(\$0.08)	0.0%	\$194.26	(\$13.81)	-6.6%
1800	5	\$229.26	\$245.27	\$16.01	7.0%	\$185.90	(\$43.36)	-18.9%	\$229.17	(\$0.09)	0.0%	\$213.72	(\$15.54)	-6.8%
2000	5	\$250.44	\$268.34	\$17.90	7.1%	\$203.07	(\$47.37)	-18.9%	\$250.34	(\$0.10)	0.0%	\$233.17	(\$17.27)	-6.9%
2500	7	\$332.60	\$358.68	\$26.07	7.8%	\$292.97	(\$39.63)	-11.9%	\$332.59	(\$0.01)	0.0%	\$315.42	(\$17.18)	-5.2%
3000	8	\$407.05	\$441.49	\$34.44	8.5%	\$376.60	(\$30.45)	-7.5%	\$407.12	\$0.07	0.0%	\$389.95	(\$17.09)	-4.2%
3500	10	\$489.21	\$531.82	\$42.62	8.7%	\$466.50	(\$22.71)	-4.6%	\$489.37	\$0.16	0.0%	\$472.20	(\$17.00)	-3.5%
4000	11	\$563.65	\$614.63	\$50.98	9.0%	\$550.13	(\$13.52)	-2.4%	\$563.90	\$0.25	0.0%	\$546.73	(\$16.91)	-3.0%
4500	12	\$638.09	\$697.44	\$59.35	9.3%	\$633.76	(\$4.33)	-0.7%	\$638.43	\$0.34	0.1%	\$621.26	(\$16.83)	-2.6%
5000	14	\$720.25	\$787.78	\$67.53	9.4%	\$723.66	\$3.41	0.5%	\$720.68	\$0.43	0.1%	\$703.52	(\$16.74)	-2.3%
6000	16	\$869.14	\$953.40	\$84.27	9.7%	\$890.92	\$21.78	2.5%	\$869.74	\$0.60	0.1%	\$852.58	(\$16.56)	-1.9%
7000	19	\$1,025.74	\$1,126.55	\$100.81	9.8%	\$1,064.44	\$38.70	3.8%	\$1,026.52	\$0.78	0.1%	\$1,009.36	(\$16.38)	-1.6%
8000	22	\$1,182.34	\$1,299.70	\$117.35	9.9%	\$1,237.97	\$55.63	4.7%	\$1,183.30	\$0.96	0.1%	\$1,166.14	(\$16.20)	-1.4%
9000	25	\$1,338.95	\$1,472.84	\$133.90	10.0%	\$1,411.50	\$72.56	5.4%	\$1,340.08	\$1.14	0.1%	\$1,322.92	(\$16.03)	-1.2%
10000	27	\$1,487.83	\$1,638.47	\$150.64	10.1%	\$1,578.76	\$90.93	6.1%	\$1,489.14	\$1.31	0.1%	\$1,471.98	(\$15.85)	-1.1%
15000	41	\$2,263.13	\$2,496.68	\$233.55	10.3%	\$2,440.13	\$177.01	7.8%	\$2,265.33	\$2.20	0.1%	\$2,248.16	(\$14.97)	-0.7%
20000	55	\$3,038.42	\$3,354.89	\$316.46	10.4%	\$3,692.77	\$654.34	21.5%	\$3,099.50	\$61.07	2.0%	\$3,396.28	\$357.85	11.8%
25000	68	\$3,806.00	\$4,205.57	\$399.57	10.5%	\$4,441.30	\$635.30	16.7%	\$3,866.91	\$60.91	1.6%	\$4,163.70	\$357.69	9.4%
30000	82	\$4,581.30	\$5,063.78	\$482.48	10.5%	\$5,196.11	\$614.81	13.4%	\$4,642.05	\$60.75	1.3%	\$4,938.83	\$357.53	7.8%
40000	110	\$6,131.89	\$6,780.20	\$648.31	10.6%	\$6,705.73	\$573.84	9.4%	\$6,192.33	\$60.44	1.0%	\$6,489.11	\$357.22	5.8%
50000	137	\$7,674.77	\$8,489.10	\$814.33	10.6%	\$8,209.08	\$534.31	7.0%	\$7,734.89	\$60.12	0.8%	\$8,031.67	\$356.90	4.7%
75000	205	\$11,535.82	\$12,765.10	\$1,229.28	10.7%	\$11,970.58	\$434.76	3.8%	\$11,595.14	\$59.32	0.5%	\$11,891.92	\$356.11	3.1%
100000	274	\$15,404.58	\$17,048.63	\$1,644.04	10.7%	\$15,738.35	\$333.77	2.2%	\$15,463.12	\$58.53	0.4%	\$15,759.90	\$355.31	2.3%
125000	342	\$19,265.63	\$21,324.63	\$2,059.00	10.7%	\$19,499.86	\$234.23	1.2%	\$19,323.37	\$57.74	0.3%	\$19,620.15	\$354.52	1.8%
						<b>Block 1 rate</b>	<b>8.31</b>		<b>Block 1 rate</b>	<b>10.22</b>		<b>Block 1 rate</b>	<b>9.40</b>	
						<b>Block 2 rate</b>	<b>14.90</b>		<b>Block 2 rate</b>	<b>12.88</b>		<b>Block 2 rate</b>	<b>12.88</b>	
						<b>Block 3 rate</b>	<b>22.39</b>		<b>Block 3 rate</b>	<b>13.99</b>		<b>Block 3 rate</b>	<b>20.00</b>	
						<b>Demand Charge</b>	<b>6.00</b>		<b>Demand Charge</b>	<b>7.39</b>		<b>Demand Charge</b>	<b>7.39</b>	