

2018 Proposed W&P Rates, Charges & Fees



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Presentation Overview

- 🌀 Present proposed Power rate increase for 2018
 - 🌀 Justifications for proposed increase
 - 🌀 Impacts on typical customers' monthly bills
 - 🌀 Compare typical customers' monthly bills with surrounding cities
- 🌀 Present proposed Water rate increase for 2018
 - 🌀 Justifications for proposed increase
 - 🌀 Impacts on typical customers' monthly bills
 - 🌀 Compare typical customers' monthly bills with surrounding cities
- 🌀 Present proposed Wastewater rate increase for 2018
 - 🌀 Justifications for proposed increase
 - 🌀 Impacts on typical customers' monthly bills
 - 🌀 Compare typical customers' monthly bills with surrounding cities
- 🌀 Utility Impact Fees and Other Schedule Changes
- 🌀 Questions/Discussions

Proposed Power Rate Increase

4.6% Power Rate Increase

- Consistent with cost-of-service results, recommended by LUC and supported by City Council
- Combination of PRPA pass-through and In-house needs
- Rate increases vary by class depending on cost-of-service results

Reasons for Power Rate Increase

PRPA Wholesale Power Rate Increase

- 2.0%, translates to a 1.62% retail rate increase
- Reduced surplus sales revenue
- Continued expansion of demand side management programs
- Expiration of water leases

In-house Needs (2.98% rate increase)

- Power's portion of new Customer Information System software (\$2.1 million)
- Increase in health insurance expense (up \$310K from 2017)
- Increase in Cost Allocations (up \$340K from 2017)
- Increased needs for non-growth related capital projects

% Power Rate Increase By Customer Class

Customer Class	% Increase
Residential	3.90%
Small General Service (Small Commercial)	6.60%
Large General Service (Large Commercial)	4.60%
Primary Service with Customer-owned Transformer	4.80%

Typical Electric Bill Impacts – Based on Summer Rates

Customer	Monthly Consumption	Existing Bill	Proposed Bill	Total Change
Residential	700 kWh	\$79.08	\$82.17	\$3.09
Commercial	2,000 kWh	\$218.74	\$233.18	\$14.44

Electric Rate Comparisons- Residential

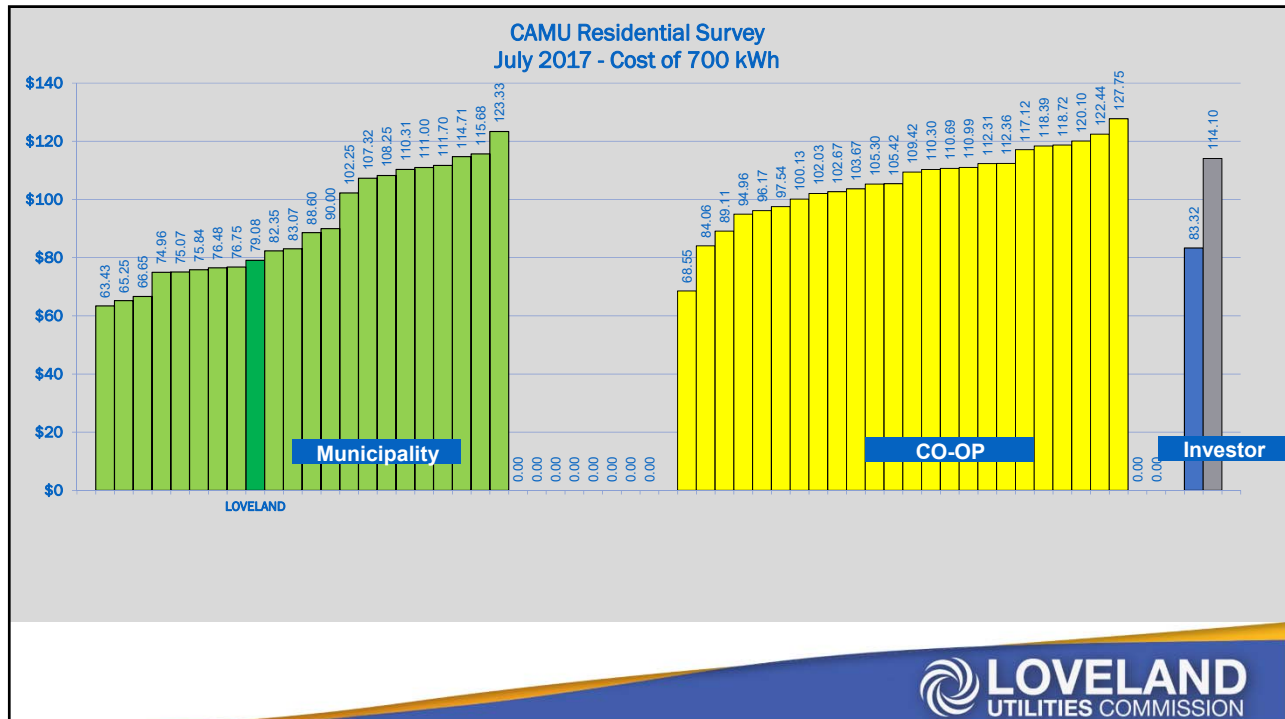
	Loveland 2018 Proposed	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 700 kWh/mo.; based on Summer rates				
Monthly Base Charge	\$14.80	\$6.14	\$5.50	\$12.40
Consumption Charge per kWh	\$0.09624	\$0.09434+	\$0.09473+	\$0.07550+
Total Monthly Bill	\$82.17	\$75.84	\$83.32	\$65.25
Rank (1=lowest)	3	2	4	1

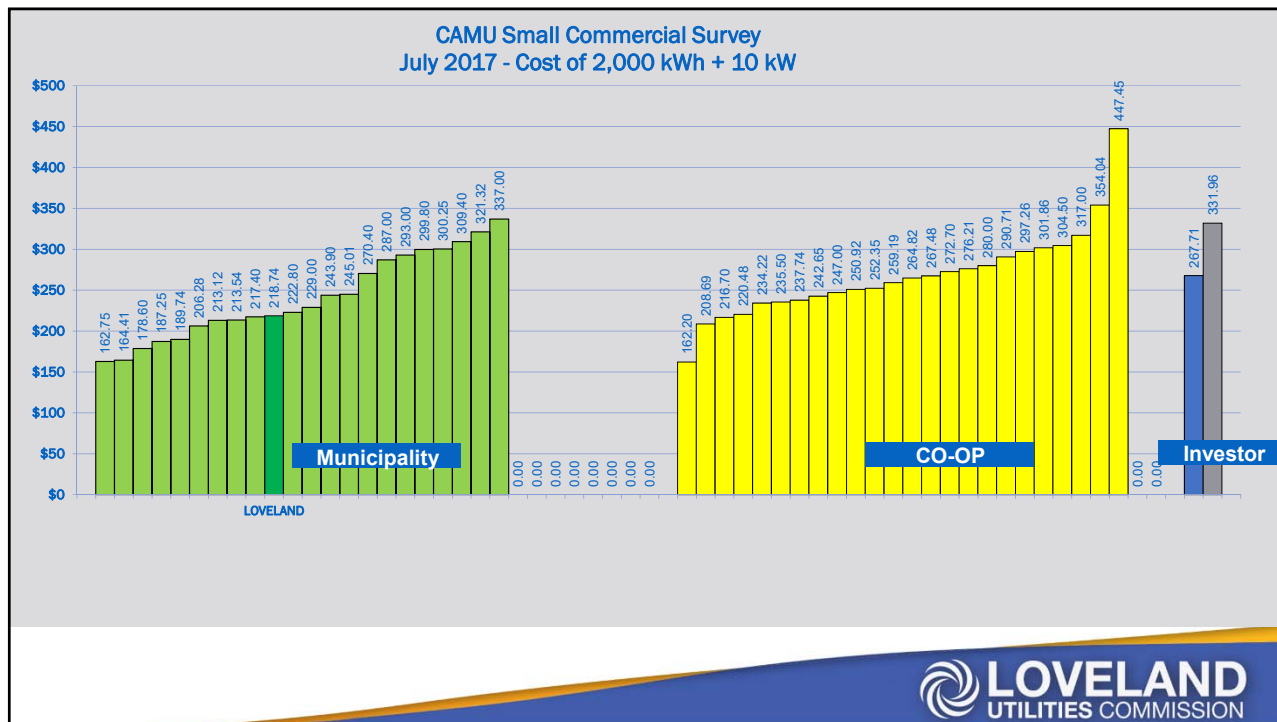
Electric Rate Comparisons- Commercial

	Loveland 2018 Proposed	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 2,000 kWh/mo.; based on Summer rates				
Monthly Base Charge	\$27.00	\$3.82	\$10.65	\$20.20
Consumption Charge per kWh	\$0.10309	\$0.10123	\$0.12853	\$0.07920
Total Monthly Bill	\$233.18	\$206.28	\$267.71	\$178.60
Rank (1=lowest)	3	2	4	1

Update on Rate Design for Residential Self-Generating Customers

- ☉ New rate design implemented in 2017 to address subsidy to class
 - ☉ All energy consumed and energy generated back onto grid is billed and credited at retail rate
 - ☉ \$1.45 per kW of capacity of solar unit is added to Monthly Base Charge in 2017 to step toward addressing subsidy
 - ☉ Another \$1.02 per kW of capacity will be added to Monthly Base Charge in 2018 to address remaining portion of subsidy
 - ☉ Easier administratively for Utility Billing
- ☉ This rate design supported by City Council at 8/30/16 Study Session





Proposed Water Rate Increase

9.0% Rate Increase

- ☉ Consistent with Council-approved Water Enterprise rate track
- ☉ To address aging infrastructure, reliability and redundancy
- ☉ CIP scaled back to accommodate new CIS expense (\$1.1 million), increase in health insurance expense (up \$289K from 2017) and Cost Allocations (up \$202K from 2017) to stay within rate track
- ☉ Rate increase across-the-board for all rate classes

Typical Water Bill Impacts

Customer	Monthly Water Use	Existing Bill	Proposed Bill	Total Change
Residential Inside City- ¾" tap size	7,700 gal	\$34.77	\$37.92	\$3.15
Commercial Inside City- ¾" tap size	13,500 gal	\$49.16	\$53.62	\$4.46

Water Rate Comparisons-Residential

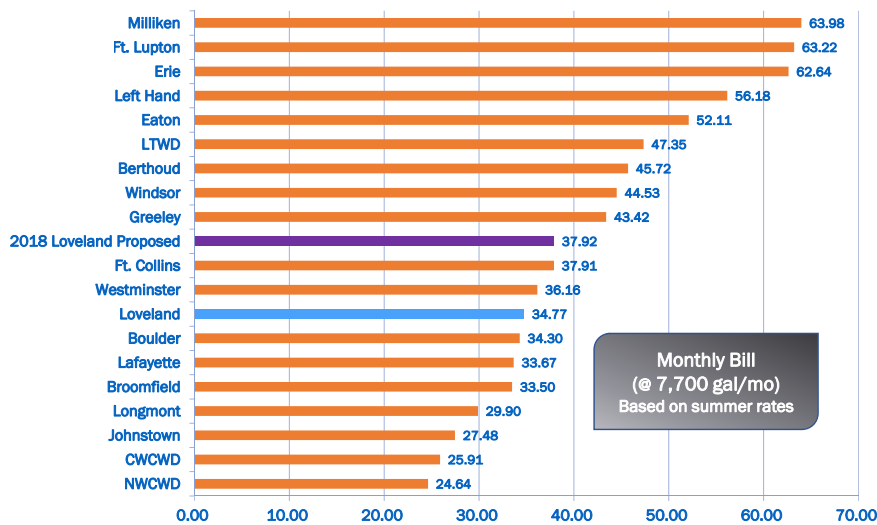
	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 7,700 gallons/mo.; ¾" tap size; based on Summer rates				
Monthly Base Charge	\$14.74	\$17.15	\$12.85	\$7.04
Usage Charge per 1,000 Gallons	\$3.01	\$2.66+	\$3.97+	\$2.58+
Total Bill	\$37.92	\$37.91	\$43.42	\$29.90
Rank (1=lowest)	3	2	4	1

Water Rate Comparisons-Commercial

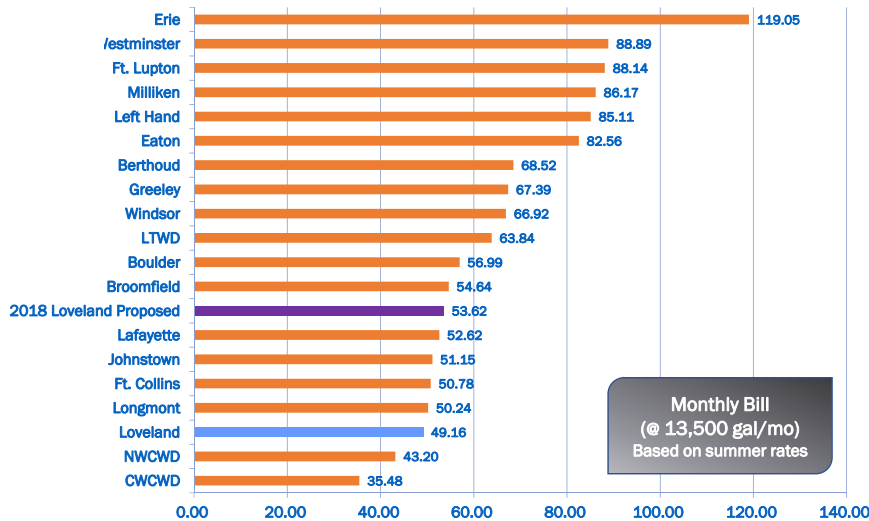
	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 13,500 gallons/mo.; ¾" tap size; Summer rates				
Monthly Base Charge	\$14.74	\$15.17	\$12.85	\$7.04
Usage Charge per 1,000 Gallons	\$2.88	\$2.64	\$4.04	\$3.20
Total Bill	\$53.62	\$50.78	\$67.39	\$50.24
Rank (1=lowest)	3	2	4	1



2017 Water Average Residential Bill Comparison



2017 Water Average 3/4" Commercial Bill Comparison



Proposed Wastewater Rate Increase

11.0% Rate Increase

- Consistent with Council-approved Wastewater Enterprise rate track
- To address aging infrastructure, reliability and redundancy and regulatory compliance
- CIP scaled back to accommodate new CIS expense (\$1.1 million), increase in health insurance expense (up \$187K from 2017) and Cost Allocations (up \$93K from 2017) to stay within rate track
- Rate increase across-the-board for all rate classes

Typical Wastewater Bill Impacts

Customer	Monthly Water Use	Existing Bill	Proposed Bill	Total Change
Residential Inside City- ¾" tap size	4,000 gal	\$26.85	\$29.80	\$2.95
Commercial Inside City- ¾" tap size	12,300 gal	\$60.77	\$67.45	\$6.68

Wastewater Rate Comparisons-Residential

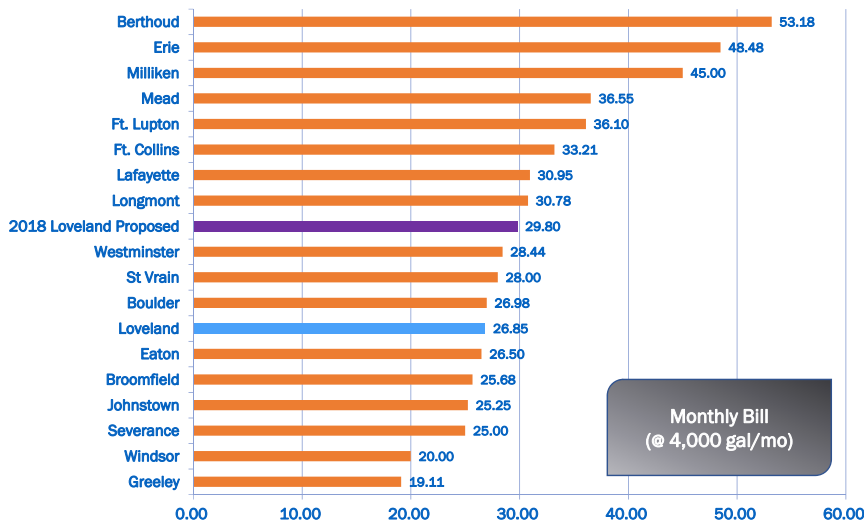
	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 4,000 gallons/mo.				
Monthly Base Charge	\$12.84	\$18.69	\$11.55	\$10.70
Usage Charge per 1,000 Gallons	\$4.24	\$3.63	\$1.89	\$5.02
Total Bill	\$29.80	\$33.21	\$19.11	\$30.78
Rank (1=lowest)	2	4	1	3

Wastewater Rate Comparisons-Commercial

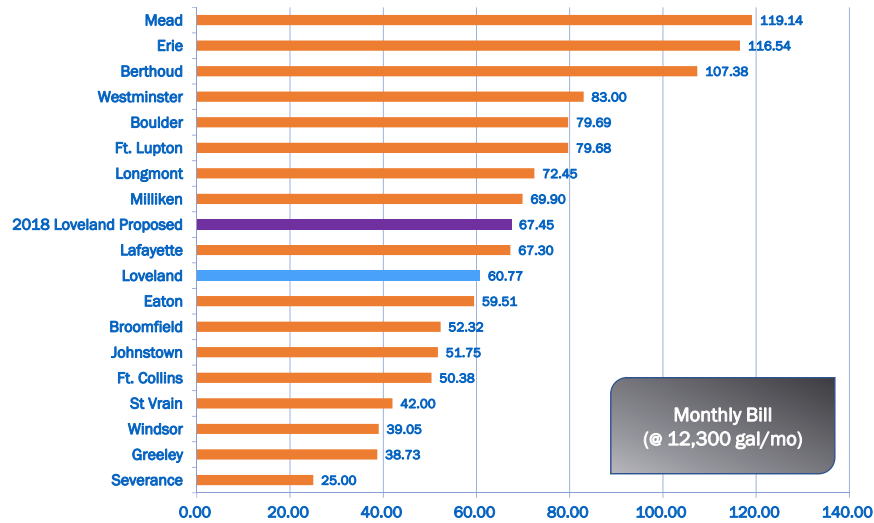
	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 12,300 gallons/mo.				
Monthly Base Charge	\$12.84	\$9.57	\$11.55	\$10.70
Usage Charge per 1,000 Gallons	\$4.44	\$3.32	\$3.87	\$5.02
Total Bill	\$67.45	\$50.38	\$59.15	\$72.45
Rank (1=lowest)	3	1	2	4



2017 Wastewater Average Residential Bill Comparison



2017 Wastewater Average ¾" Commercial Bill Comparison



QUESTIONS?