

Exhibit to Agenda Item #12

Board of Directors Meeting

Thursday, March 21, 2019 scheduled to begin at 6:00 p.m.

Customer Service Center, Rubicon Room

Powering forward. Together.



Rate Process

March 21 Board Meeting

- Approve June 4, 2019 as the date for the Public Hearing for considering the CEO & GM Report and Recommendation on Rates and Services
- CEO & GM Report and Recommendation release

Rate Process Timeline

Set Public Hearing date and release GM Report	March 21, 2019
1 st Public Notice	March 28, 2019
2 nd Public Notice	April 3, 2019
3 rd Public Notice	April 9, 2019
Workshop #1	April 23, 2019
Workshop #2	May 9, 2019
Public Hearing and Draft Rates Resolution released	June 4, 2019
Board Vote	June 24, 2019
Rate Increase Implementation	January 1, 2020 & January 1, 2021
NEM implementation	As early as January 1, 2020 & no later than May 31, 2020
Commercial Restructure Implementation	Begins January 1, 2021

Rate Proposal: Rate Increase

Rate Increase

- 4.75% on all components in 2020
- 4.50% on all components in 2021

Known 2020-2021 Revenue Requirement

Rate Increase Drivers	2020	2021
Wildfire Mitigation	1.00%	0.25%
Load Serving Capability	1.25%	-
Revenue Forecast (load flattening or reduction/weather uncertainty)	1.00%	0.75%
Technology (investment and ongoing support)	1.75%	0.50%
PERS	-	0.50%
Staffing/Labor/Benefit Increases	1.00%	0.75%
Integrated Resource Plan	0.75%	1.00%
Cost Increases for Materials, Goods and Services*, Other	-	0.75%
Permanent Cost Reductions	-2.00%	-
Recommended Rate Increase	4.75%	4.50%

Rate Proposal: Commercial Restructure

- Adjust fixed and energy use charges
 - Increase System Infrastructure Fixed Charge (SIFC) and demand charges
 - Offset with decrease in energy charges
- Adjust time periods
 - Align with current market prices
 - Consistent across commercial classes
- Consistency across customer types
 - Make structure more consistent for all rate classes
- Transition schedule for restructure
 - Begins in 2021, up to 8 years for transition to reduce bill impacts
- Revenue Neutral – for each class, no additional revenue collected

Rate Proposal: Net Energy Metering

- New grid access charge per kW for on-site generation customers
 - Customers with applications submitted for grid access after March 31, 2019 will have a new charge
 - Grid access charge effective as early as January 1, 2020 and no later than May 31, 2020
 - Charge rate is set for 6 years (2020-2025)
- Proposal includes grandfathering provisions
 - 20 years for application approved prior to January 1, 2018
 - 10 years for application submitted between January 1, 2018 and March 31, 2019
 - Not transferrable with a move or property owner
- Full retail rate compensation for excess generation

Rate Restructuring Proposals

- Ensure rate structures evolve with business and market changes
- Better reflect the cost of service and minimize cost shifting among customers
- Ensure customers are paying their fair share for services used

Integrated Communications Campaign

