

Example of Class Revenue Adjustments North South

<u>Line</u>		<u>TOTAL</u>	<u>Res</u>	<u>Sm Comm</u>	<u>Sm Vol Firm</u>	<u>Lg Vol Firm</u>	<u>Lg Vol Int</u>	<u>Tran Sm Vol</u>	<u>Tran Lg Vol</u>
1	Current Revenue	\$ 16,933,073	\$ 10,560,238	\$ 2,363,033	\$ 1,247,759	\$ 210,296	\$ 319,610	\$ 667,559	\$ 1,564,577
2	Current Class Revenue Percentages		62.36%	13.96%	7.37%	1.24%	1.89%	3.94%	9.24%
3									
4	COS Indicated Class Revenue Percentages		66.34%	9.46%	3.83%	2.38%	1.41%	2.59%	14.00%
5	Revenue Neutral Shifts to Equalize Class Rates of Return (ROR)	\$ -	\$ 673,807	\$ (761,951)	\$ (600,062)	\$ 192,894	\$ (81,594)	\$ (228,783)	\$ 805,689
6	Percentage Revenue Change to Equalize Class ROR		6.38%	-32.24%	-48.09%	91.72%	-25.53%	-34.27%	51.50%
7									
8	OPC's Recommended Revenue Neutral Shifts = 1/2 the Shift Required to Equalize Returns		\$ 336,903	\$ (380,976)	\$ (300,031)	\$ 96,447	\$ (40,797)	\$ (114,392)	\$ 402,845
9									
10	Rate Design Example- \$2.4M Revenue Requirement Increase								
11	Spread of Revenue Requirement Increases Based on OPC Recommended Revenue Percentages	\$ 2,400,000	\$ 1,544,500	\$ 280,926	\$ 134,326	\$ 43,476	\$ 39,517	\$ 78,403	\$ 278,851
12									
13	Combined Impact of Revenue Increase and OPC's Revenue Neutral Shift		\$ 1,881,404	\$ (100,050)	\$ (165,705)	\$ 139,923	\$ (1,279)	\$ (35,989)	\$ 681,696
14									
15	<u>Adjustments to the Combined Impact</u>								
16	Combined Impact of Revenue Increase and OPC's Revenue Neutral Shift		\$ 1,881,404	\$ (100,050)	\$ (165,705)	\$ 139,923	\$ (1,279)	\$ (35,989)	\$ 681,696
17	Adjusted to Ensure No Class Receives A Reduction If Another Class Receives an Increase		\$ (210,915)	\$ 100,050	\$ 165,705	\$ (15,686)	\$ 1,279	\$ 35,989	\$ (76,422)
18	Adjusted Combined Increase		\$ 1,670,489	\$ -	\$ -	\$ 124,237	\$ -	\$ -	\$ 605,274
19									
20	Resulting Revenue	\$ 19,333,073	\$ 12,230,727	\$ 2,363,033	\$ 1,247,759	\$ 334,533	\$ 319,610	\$ 667,559	\$ 2,169,851
21	Resulting Revenue Percentage		63.26%	12.22%	6.45%	1.73%	1.65%	3.45%	11.22%
22									
23									
24	Resulting Residential and Small Commercial Revenue less Misc. and Other Revenue		12,080,243	2,343,324					
25	Customer Charge Revenue at 55%		\$ 6,644,134	\$ 1,288,828					
26	Bills		409907	48976					
27	Customer Charge at \$2,400,000 Increase		\$ 16.21	\$ 26.32					
28	Volumetric Rate at \$2,400,000 Increase		0.2287	0.1937					