



# ***RAC WORKING GROUP: REVENUE SOURCES***

*PRESENTED BY:*

**Chad Hoopingarner**

Interim Vice President, Strategic Pricing & Enterprise Risk Management

December 2, 2021

*Informational Update*



# EVALUATION PROCESS



- A full budgeting process is conducted every single year
- First, we develop a **revenue forecast** (estimated units to be sold x price)
- Second, we develop a comprehensive view of our **revenue requirements**
  - The budget is the sum of all the costs we expect to incur in the future
  - The budget represents the level of funding we need to receive as revenue

**If** **A** < **B**

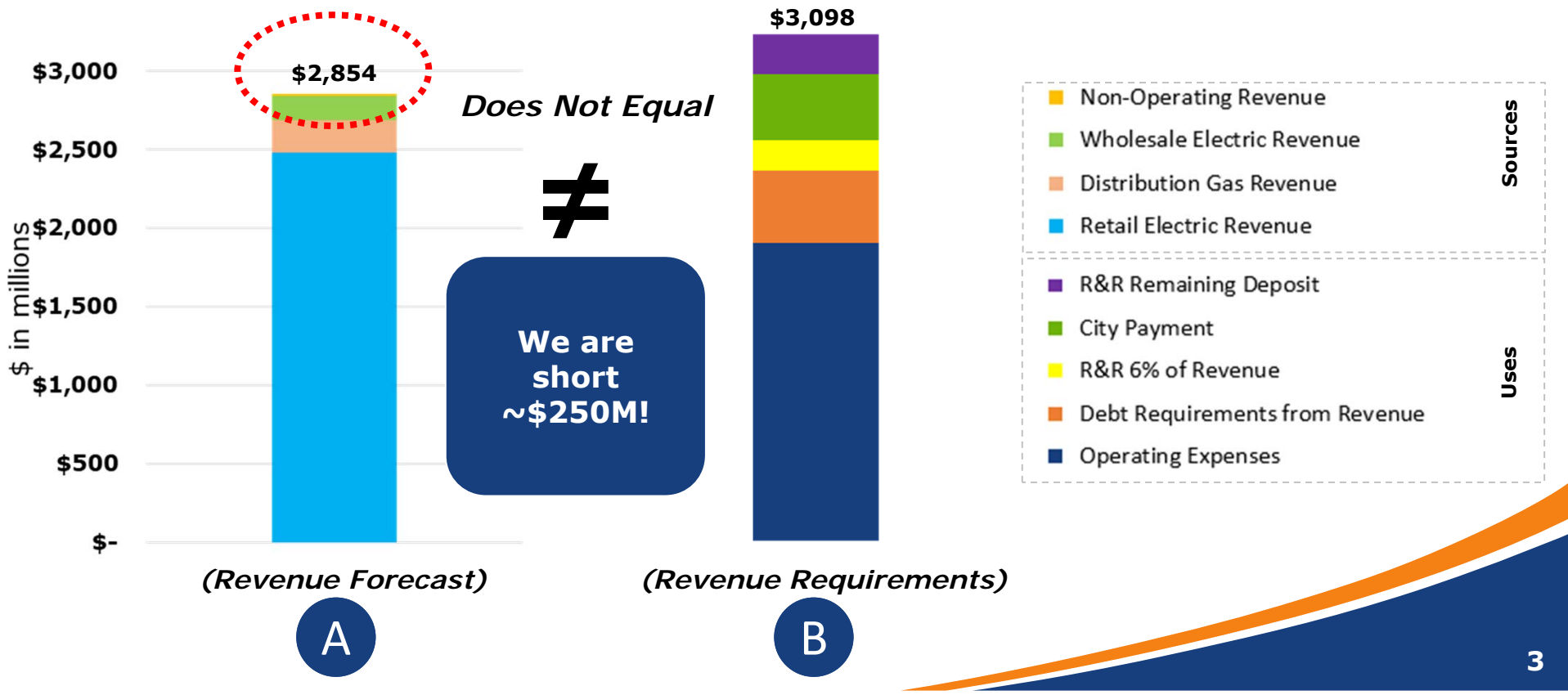
*Look for ways to cut cost  
(i.e., decrease budget)*

**- OR -**

*Increase revenue by  
raising rates*

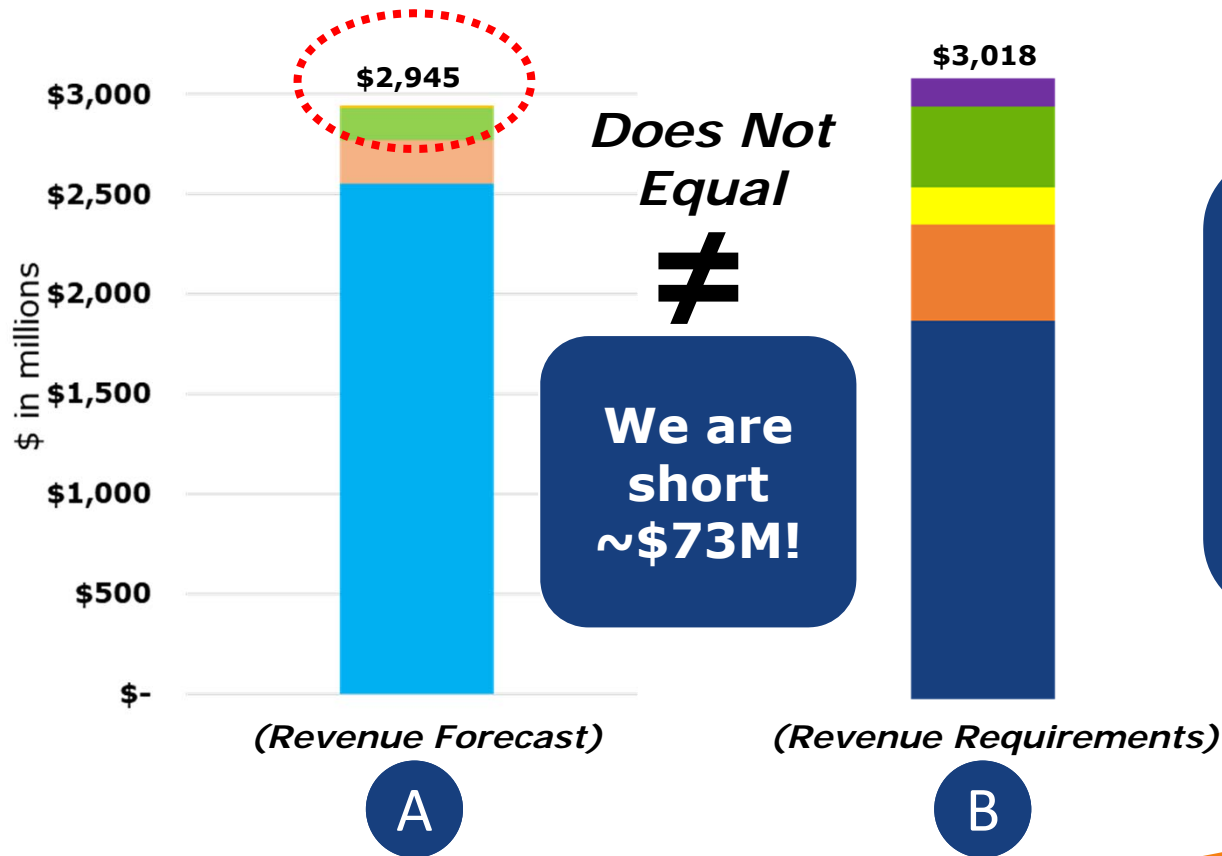
# RESULTS OF EVALUATION PROCESS

Previous Revenue Forecast



# RESULTS OF EVALUATION PROCESS

Updated Revenue Forecast



**Our revenue forecast increased by \$91M, which reduced the amount of needed rate support.**



# SO WHAT CHANGED?



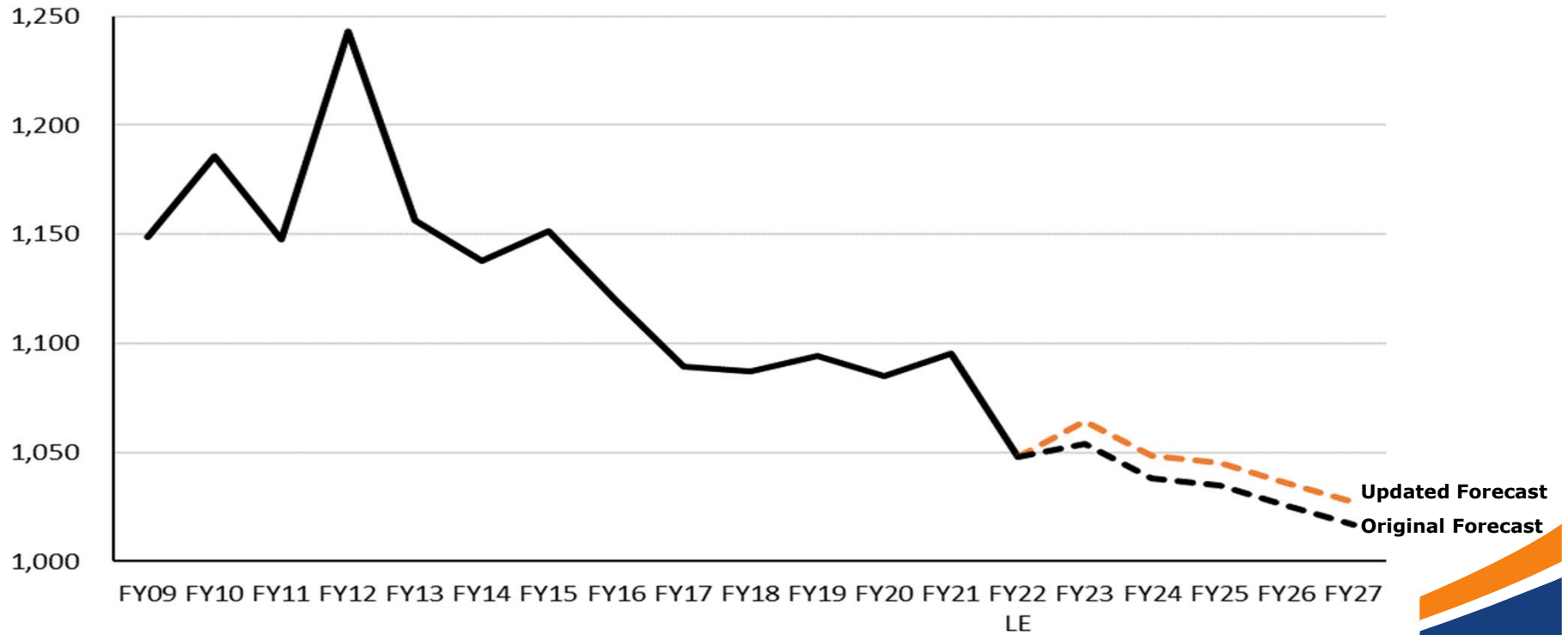
- Residential sales forecast was updated to recent usage patterns
- Bad debt forecast was updated to allow time for customers to catch up and account for the additional \$20M ARPA funds to flow to customers
- Allowing time for RAC & community to discuss future generation options



# RESIDENTIAL USE PER BILL



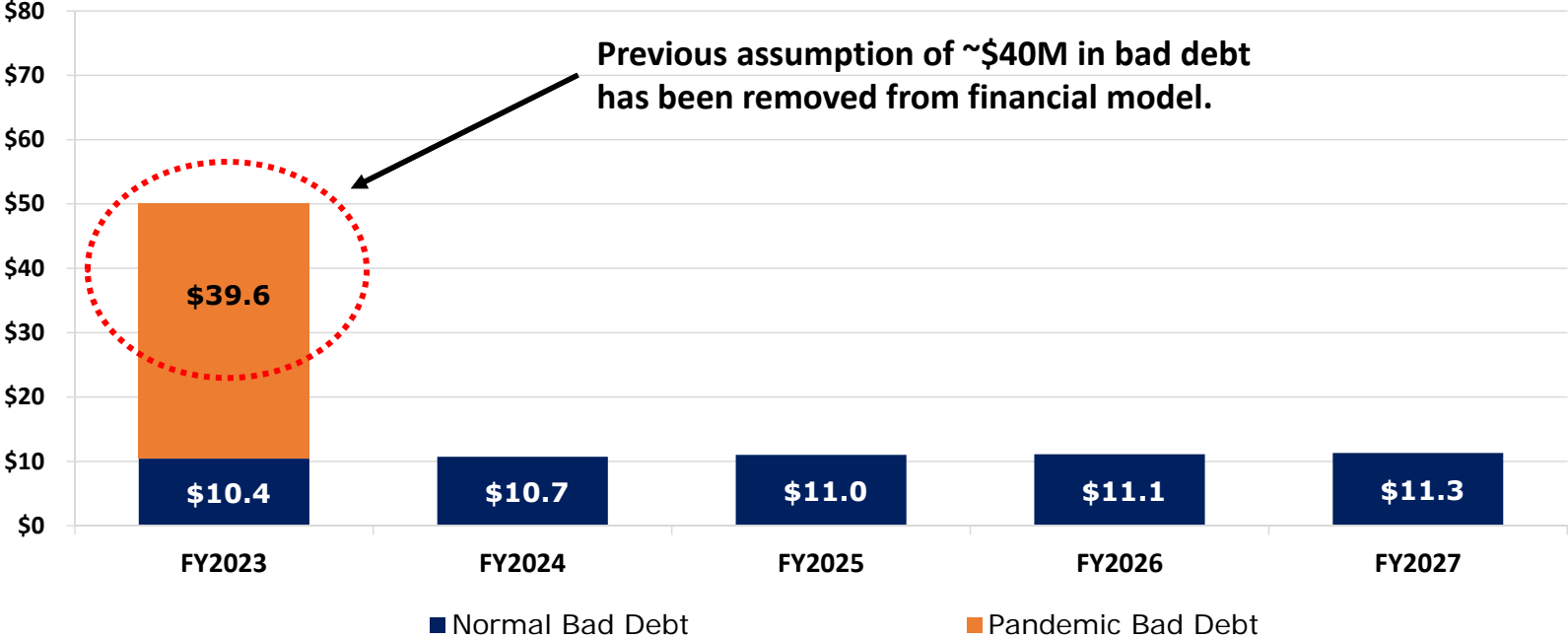
**Average Residential kWh per Bill**



# PANDEMIC BAD DEBT



\$ in Million





*Thank You*







## *Appendix*



# LOAD FORECAST

Previous Revenue  
Forecast



SALES						
Fiscal Year	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Retail Electric (MWh)</b>						
Residential	9,913,513	10,038,081	10,394,484	10,336,282	10,528,072	10,608,480
Commercial and industrial	9,584,259	9,714,043	9,228,300	10,009,488	10,473,579	10,809,404
Public authorities	2,792,584	2,781,803	2,571,431	2,502,372	2,618,395	2,702,351
Sales for resale	441,601	370,396	341,753	0	0	0
Street lighting and ANSL	90,460	87,470	84,615	87,623	86,890	86,753
Unbilled	(37,910)	(75,000)	87,911	0	0	0
<b>Total Retail Electric</b>	<b>22,784,507</b>	<b>22,916,793</b>	<b>22,708,494</b>	<b>22,935,764</b>	<b>23,706,936</b>	<b>24,206,989</b>
<b>Gas (thousands of MCF)</b>						
Residential	10,488	10,533	10,038	10,542	10,727	10,773
Commercial and industrial	12,218	13,033	12,385	12,748	13,160	13,375
Public authorities	2,885	3,306	2,943	3,187	3,290	3,344
Unbilled	145	(421)	280	0	0	0
<b>Total Gas</b>	<b>25,736</b>	<b>26,451</b>	<b>25,646</b>	<b>26,477</b>	<b>27,177</b>	<b>27,492</b>
<b>Wholesale Electric (MWh)</b>	<b>8,556,100.0</b>	<b>5,688,461.0</b>	<b>4,817,862.0</b>	<b>4,051,000.0</b>	<b>4,714,000.0</b>	<b>5,697,000.0</b>

Our sales volume is mostly flat despite significant customer growth.

NUMBER OF CUSTOMERS (at year-end, not avg)						
Fiscal Year	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Electric	840,750	860,934	884,811	898,087	928,979	949,749
Gas	352,585	358,495	366,709	371,857	383,691	391,430

# LOAD FORECAST

Updated Revenue Forecast



SALES						
<i>Fiscal Year</i>	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Retail Electric (MWh)</b>						
Residential	9,913,513	10,038,081	10,394,484	10,235,386	10,633,353	10,714,565
Commercial and industrial	9,584,259	9,714,043	9,228,300	9,895,532	10,473,579	10,809,404
Public authorities	2,792,584	2,781,803	2,571,431	2,473,883	2,618,395	2,702,351
Sales for resale	441,601	370,396	341,753	0	0	0
Street lighting and ANSL	90,460	87,470	84,615	85,973	86,890	86,753
Unbilled	(37,910)	(75,000)	87,911	0	0	0
<b>Total Retail Electric</b>	<b>22,784,507</b>	<b>22,916,793</b>	<b>22,708,494</b>	<b>22,690,774</b>	<b>23,812,217</b>	<b>24,313,073</b>
<b>Gas (thousands of MCF)</b>						
Residential	10,488	10,533	10,038	10,940	10,727	10,773
Commercial and industrial	12,218	13,033	12,385	12,735	13,160	13,375
Public authorities	2,885	3,306	2,943	3,184	3,290	3,344
Unbilled	145	(421)	280	0	0	0
<b>Total Gas</b>	<b>25,736</b>	<b>26,451</b>	<b>25,646</b>	<b>26,860</b>	<b>27,177</b>	<b>27,492</b>
<b>Wholesale Electric (MWh)</b>	<b>8,556,100.0</b>	<b>5,688,461.0</b>	<b>4,817,862.0</b>	<b>5,985,563.8</b>	<b>4,714,000.0</b>	<b>5,697,000.0</b>

We increased the residential forecast by 1% .



# RESIDENTIAL USAGE



**Average Monthly Residential kWh per Bill**

