

Electric Forecast Assumptions

Adopted Budget FY 24-25

A	B	C	D	J	K	L	M	N
			Line	Adopted FY 24-25	Forecast FY 25-26	Forecast FY 26-27	Forecast FY 27-28	Forecast FY 28-29
	Income Statement Assumptions:							
1	Electric load forecast (budget to budget change %)		1	2.48%	3.53%	3.13%	2.73%	2.14%
2	Distribution losses		2	3.00%	3.00%	3.00%	3.00%	3.00%
3	Rate increase %, effective July 1 each year			8.00%	8.00%	8.00%	7.00%	2.00%
4	Low Carbon Fuel Standard (LCFS) revenues		14	\$ 1,443	\$ 1,676	\$ 1,844	\$ 1,999	\$ 2,161
5	General inflation for unknown items		19, 28-37	3.0%	2.5%	2.0%	2.0%	2.0%
6	Utility cost rising @ 2X - 2.6X general inflation		19, 28-37	Best estimates	5.0%	4.0%	4.0%	4.0%
7	Labor overhead rates		19, 28-37	144%	148%	150%	152%	153%
8	Headcount/ staffing in Full Time Equivalent or FTE		19, 28-37	300.0	300.0	300.0	300.0	300.0
9	Interest income		44	3.00%	2.75%	2.50%	2.50%	2.50%
10	Retail power supply and fuel:		18					
	IPP outage			6 weeks				
	IPP capacity			74MW @ 28% capacity factor	28MW @ 80% capacity factor (IPP Repowered with natural gas)			
	Average spot/ unhedged gas			\$ 7.70	\$ 7.79	\$ 7.83	\$ 7.91	\$ 8.04
	Average spot power			\$ 72.76	\$ 84.43	\$ 86.54	\$ 88.70	\$ 90.92
	Renewable mandate			45%	48%	51%	53%	56%
	SCPPA gas reserves mmbtu/day			322	322	322	322	322
	Running Olive Units			No	No	No	No	No
	MPP scheduled outage:			Major maint.				Major maint.
11	Net wholesale margin (\$)		11, 21	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
12	Telecom revenues:							
	Current telecom revenues - dark fiber leasing			\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300
	Internet services			\$ 2,300	\$ 2,450	\$ 2,550	\$ 2,650	\$ 2,750
	Subtotal telecom revenues		13	\$ 4,600	\$ 4,750	\$ 4,850	\$ 4,950	\$ 5,050
13	Other income:							
	BABs interest subsidy from the federal government @5.7% sequestration rate		46	\$ 1,043	\$ 997	\$ 948	\$ 898	\$ 846
	MPP site lease		46	\$ 431	\$ 431	\$ 431	\$ 431	\$ 431
				\$ 1,474	\$ 1,428	\$ 1,379	\$ 1,329	\$ 1,277
	Cash Assumptions (in thousand \$)							
14	Capital spending - 90% of budget plus carryover			\$ 75,762	\$ 58,221	\$ 51,184	\$ 56,913	\$ 66,083
15	Funding from the Inflation Reduction Act			\$ 7,260	\$ 3,000	\$ 7,000	\$ -	\$ -
16	Voluntary pension liability payment			\$ 996				
	Exclusions:							
	Power supply expense does not include transmission buildout, greenhouse gas reduction projects, Olive unit replacement with renewable peaker unit(s) and green hydrogen implementation							
	No additional pension liability payments post FY24-25							
	Intermountain Power Project (IPP) decommissioning funds in 2027							

**Proforma Income Statement - Five Year Forecast
496 Electric Fund**

(Amounts in Thousands)	Actual FY 19-20	Actual FY 20-21	Actual FY 21-22	Actual FY 22-23	Adopted FY 23-24	Forecast FY 23-24 3/7/2024	Proposed FY 24-25 5/9/2023	Adopted FY 24-25 4/24/2024	Forecast FY 25-26	Forecast FY 26-27	Forecast FY 27-28	Forecast FY 28-29
Line												
RATE INCREASE	1.00%	0.00%	1.24% Oct. Apr	6.00%	8.50%	8.50%	8.00%	8.00%	8.00%	8.00%	7.00%	2.00%
1 MWh Nel	1,051,101	1,015,537	1,025,707	1,022,820	1,074,285	1,074,285	1,100,915	1,100,915	1,139,753	1,175,411	1,207,532	1,233,329
2 MWh Sales	1,019,371	962,319	978,966	992,871	1,042,056	1,042,056	1,067,888	1,067,888	1,105,561	1,140,148	1,171,307	1,196,329
3 ECAC and Energy Rate	\$ 0.0865	\$ 0.0869	\$ 0.0879	\$ 0.0929	\$ 0.1002	\$ 0.0981	\$ 0.1079	\$ 0.1079	\$ 0.1160	\$ 0.1248	\$ 0.1331	\$ 0.1354
4 All other (Reliability, Demand, Customer)	\$ 0.0686	\$ 0.0689	\$ 0.0697	\$ 0.0737	\$ 0.0795	\$ 0.0778	\$ 0.0855	\$ 0.0855	\$ 0.0920	\$ 0.0989	\$ 0.1055	\$ 0.1073
5 Average Rate	0.1550	0.1557	0.1576	0.1666	0.1797	0.1759	0.1935	0.1935	0.2080	0.2238	0.2386	0.2427
6 Operating Revenues												
7 ECAC and Energy	88,144	83,582	86,069	92,268	104,457	102,225	115,235	115,235	128,265	142,298	155,889	161,976
8 All other (Reliability, Demand, Customer)	69,880	66,263	68,235	73,149	82,812	81,043	91,357	91,357	101,687	112,812	123,587	128,413
7 Retail	158,024	149,846	154,304	165,417	187,269	183,269	206,593	206,593	229,952	255,110	279,476	290,389
8 Wholesale	15,442	42,088	21,486	40,324	50,000	36,608	50,000	50,000	50,000	50,000	50,000	50,000
9 Transmission Sales	894	846	701	701	701	701	701	701	701	701	701	701
10 Telecom and internet	3,800	3,944	4,061	4,215	4,400	4,100	4,600	4,600	4,750	4,850	4,950	5,050
11 Other Income	2,580	4,251	1,838	2,230	1,753	1,753	2,183	2,183	2,421	2,594	2,754	2,922
12 Operating Revenues	180,740	200,974	182,390	212,887	244,123	226,431	264,077	264,077	287,823	313,255	337,881	349,062
13												
14 Power Supply Expenses												
15 Power and Fuel	84,666	80,970	95,127	107,496	113,169	109,519	119,371	118,818	114,433	124,225	126,143	128,060
16 Operations	10,904	12,258	16,829	12,090	18,969	16,969	18,324	18,216	20,510	21,135	21,782	21,451
17 Retail Power Supply	95,569	93,228	111,956	119,586	132,138	126,488	137,695	137,034	134,942	145,360	147,925	149,511
18 Wholesale Power Supply	14,126	34,197	18,845	37,386	49,000	34,767	49,000	49,000	49,000	49,000	49,000	49,000
19 Transmission	13,544	11,425	10,362	10,162	11,162	10,539	11,162	11,612	11,441	11,726	12,019	12,319
20 Total Power Expenses	123,240	138,851	141,162	167,134	192,300	171,794	197,857	197,646	195,383	206,087	208,944	210,830
21												
22 Gross Margin	57,500	62,124	41,228	45,753	51,823	54,637	66,220	66,431	92,440	107,168	128,936	138,232
23												
24 Operating Expenses												
25 Distribution	12,535	11,032	7,755	11,745	8,356	12,040	11,769	11,552	12,203	12,496	12,797	13,106
26 Administration & Safety	1,551	1,743	1,708	1,469	1,659	1,549	1,636	1,764	1,803	1,841	1,880	1,920
27 Finance	1,961	2,253	2,285	3,098	5,546	5,942	5,151	4,702	4,875	5,028	5,186	5,349
28 Transfer to General Fund for Cost Allocation	6,087	6,271	6,191	6,445	7,011	6,959	7,221	7,413	7,598	7,750	7,905	8,063
29 Customer Service	4,897	5,357	4,511	4,920	5,651	5,538	6,269	6,743	6,944	7,130	7,321	7,517
30 Public Benefits	3,751	3,436	2,491	2,524	6,420	4,548	6,481	6,407	6,363	7,060	7,735	8,038
31 Marketing and Sustainability	131	140	637	1,005	909	1,271	1,143	1,305	1,347	1,384	1,423	1,463
32 Electric Vehicle and Chargers	29	644	506	743	1,489	967	1,802	1,803	710	709	1,029	1,216
32 Security and OT	2,785	2,447	2,217	2,655	1,726	2,474	2,025	1,949	2,049	2,132	2,219	2,309
33 C&M	2,069	1,891	2,128	2,738	3,160	2,720	3,271	3,291	3,411	3,517	3,627	3,740
34 Telecom	1,450	1,210	1,367	1,441	1,842	1,664	1,846	1,889	1,958	2,032	2,109	2,165
35 Depreciation	20,162	19,163	21,719	20,960	21,366	20,140	23,724	23,808	29,202	30,984	32,946	35,243
36 Total Operating Expenses	57,408	55,587	53,515	59,743	65,135	65,812	72,338	72,626	78,461	82,063	86,177	90,131
37												
38 Operating Income (Loss)	92	6,537	(12,288)	(13,990)	(13,312)	(11,176)	(6,118)	(6,195)	13,979	25,105	42,760	48,101
39												
40 Other Income & (Expenses)												
41 Interest Income	3,330	733	(2,015)	3,391	4,647	4,602	3,406	3,406	2,475	1,895	2,123	2,609
42 Unfunded Pension Liability payments	(3,511)	(2,750)	(2,750)	(2,750)	(996)	(996)	(996)	(1,993)				
43 Other Income (expenses)	1,733	5,430	14,057	4,211	2,519	2,519	1,474	1,474	1,428	1,379	1,329	1,277
44 Bond Interest Expense	(4,071)	(3,403)	(3,348)	(4,878)	(9,295)	(9,295)	(9,160)	(9,160)	(9,019)	(8,770)	(8,510)	(8,238)
45	(2,519)	11	5,944	(26)	(3,125)	(3,171)	(5,276)	(6,273)	(5,117)	(5,496)	(5,058)	(4,352)
46												
47 Income before Contributions	(2,427)	6,548	(6,344)	(14,016)	(16,437)	(14,346)	(11,394)	(12,468)	8,862	19,609	37,702	43,749
48												
49 Capital Contributions (AIC)	6,004	2,967	2,766	6,758	16,981	28,656	9,681	9,681	7,153	7,253	10,439	7,667
50												
51 Change in Net Assets (Net Income)	3,577	9,515	(3,578)	(7,257)	543	14,309	(1,713)	(2,787)	16,016	26,862	48,140	51,416
52												
53 Performance Measures - Average Power (\$/MMh)	92.46	88.68	111.66	117.49	125.85	119.62	128.00	127.39	121.15	126.62	125.44	124.14

Electric Fund Cash Balance and Financial Ratios

	A	M	N	O	P	Q	R	S	T	U	V	AA	AB	AC
1														
2		Actual	Actual	Actual	Actual	Forecast	Adopted	Forecast	Forecast	Forecast	Forecast			
26		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29			
27	Cash Balance	79,881	86,462	82,302	183,555	138,056	88,422	74,106	83,247	102,698	118,334			
28	Bond Proceeds dedicated for capital projects	-	-	-	(102,107)	(48,828)	-	-	-	-	-			
29	Excess bond reserves	-	(229)	(1)	106	324	(3,547)	(3,419)	(3,285)	(3,145)	(2,999)			
30	IPP demolition reserve	-	-	-	-	-	-	-	-	-	-			
31	Public Benefit commitments	(7,150)	(8,216)	(9,315)	(10,881)	(11,385)	(10,866)	(10,866)	(10,866)	(10,866)	(10,866)			
32	Restricted funds for electric vehicles program	(3,085)	(2,999)	(3,871)	(3,602)	(1,951)	(813)	(215)	(215)	(214)	(214)			
33	Customer deposits	-	(4,245)	(9,939)	(10,976)	-	-	-	-	-	-			
34	Pacific DC intertie	-	-	-	-	-	-	-	-	-	-			
35														
36	Cash Balance after commitments	\$ 69,646	\$ 70,773	\$ 59,177	\$ 56,095	\$ 76,216	\$ 73,197	\$ 59,606	\$ 68,881	\$ 88,472	\$ 104,255			
39	Budgetary savings	-	-	-	-	-	-	-	-	-	-			
40														
41	Total Cash Balance after commitments	\$ 69,646	\$ 70,773	\$ 59,177	\$ 56,095	\$ 76,216	\$ 73,197	\$ 59,606	\$ 68,881	\$ 88,472	\$ 104,255			
42														
43														
44														
45	Financial Ratios	Actual	Actual	Actual	Actual	Forecast	Adopted	Forecast	Forecast	Forecast	Forecast	Notes	Minimum	Recommended
46		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29			
47														
48	Days Cash on Hand (DCOH)	174	183	140	120	154	137	112	122	153	164	1	105	160-240
49	Debt Service Coverage (DSC)	2.61x	7.63x	2.85x	1.95x	1.34x	1.87x	3.70x	4.69x	6.28x	6.93x	2	1.2	2.07x
50	S&P Fixed Charge - 50%	1.27x	1.57x	1.17x	1.12x	1.10x	1.25x	1.89x	2.20x	2.75x	2.93x	3		1.61x
51	Moody's Fixed Obligation	1.31x	1.85x	1.38x	1.13x	1.16x	1.46x	2.50x	3.14x	4.08x	4.72x	4		1.95x
52	Debt to Capitalization	35%	35%	28%	52%	45%	41%	37%	34%	30%	27%	5		28%
53	Notes:													
54	1). Minimum and recommended Days Cash On Hand are from the 2023 Financial reserves policy													
55	2). Minimum Debt Service Coverage (DSC) as required by the electric bond indenture. The recommended Debt Service Coverage is a median for an Aa rated electric utility by Moody's rating published in 2020.													
56	3). There is no minimum requirement. The recommended level is necessary to maintain the electric fund AA- rating by S&P published in 2020.													
57	4). There is no minimum requirement. The recommended is a median for Aa rated electric utility by Moody's rating published in 2020.													
58	5). There is no minimum requirement. The recommended level is necessary to maintain the electric fund AA- rating by S&P published in 2020.													