

Conservative Adjustments¹ to City Staff’s “Rate Impact Analysis”
(stated in \$ millions)

Cost Categories	COVB	IRS Low Case	IRS High Case	IRS Average
General Fund Transfer (Return on Equity)	11.2	3.2 ²	4.9 ³	4.05
Outstanding Electric Fund Debt Series 2003A	2.5	2.5	2.5	2.5
Non Departmental Fixed Costs (Primarily A&G, Prof Svcs, Insurance)	15.0	(12.2) ⁴	(5.8) ⁵	(9.0)
Other Electric Fund Expenses (Cust Svc, T&D, Elect. Sys Design, Elect. Metering)	17.2	1.9 ⁶	1.9 ⁷	1.9
Bulk Power Supply Differential Cost w/o IRS	18.6	14.4 ⁸	15.1 ⁹	14.75
Total	64.5	9.8	18.6	14.2

¹ These adjustments are explained in detail in the Report dated February 9, 2016 from Bruce May and Terry Deason to the Members of the Town Council

² No escalation, 10 years @ 10% discount rate

³ No escalation, 30 years @ 10% discount rate

⁴ Per customer approach, no escalation, 30 years @ 4.16% discount rate

⁵ Per customer approach, no escalation, 10 years @ 4.16% discount rate

⁶ Per customer approach, no escalation, 5 years @ 4.16% discount rate

⁷ Per customer approach, no escalation, 5 years @ 4.16% discount rate

⁸ 7 years @ 6% discount rate

⁹ 7 years @ 4.16% discount rate