

# Facilities Charge Update

## Three Year vs. Five Year Interval



**Presentation to Operating Board**

**May 2, 2013**

# Three Year Interval (2014-2016)

Updated Facilities Charge is the weighted average of remaining existing ERUs and new ERUs:

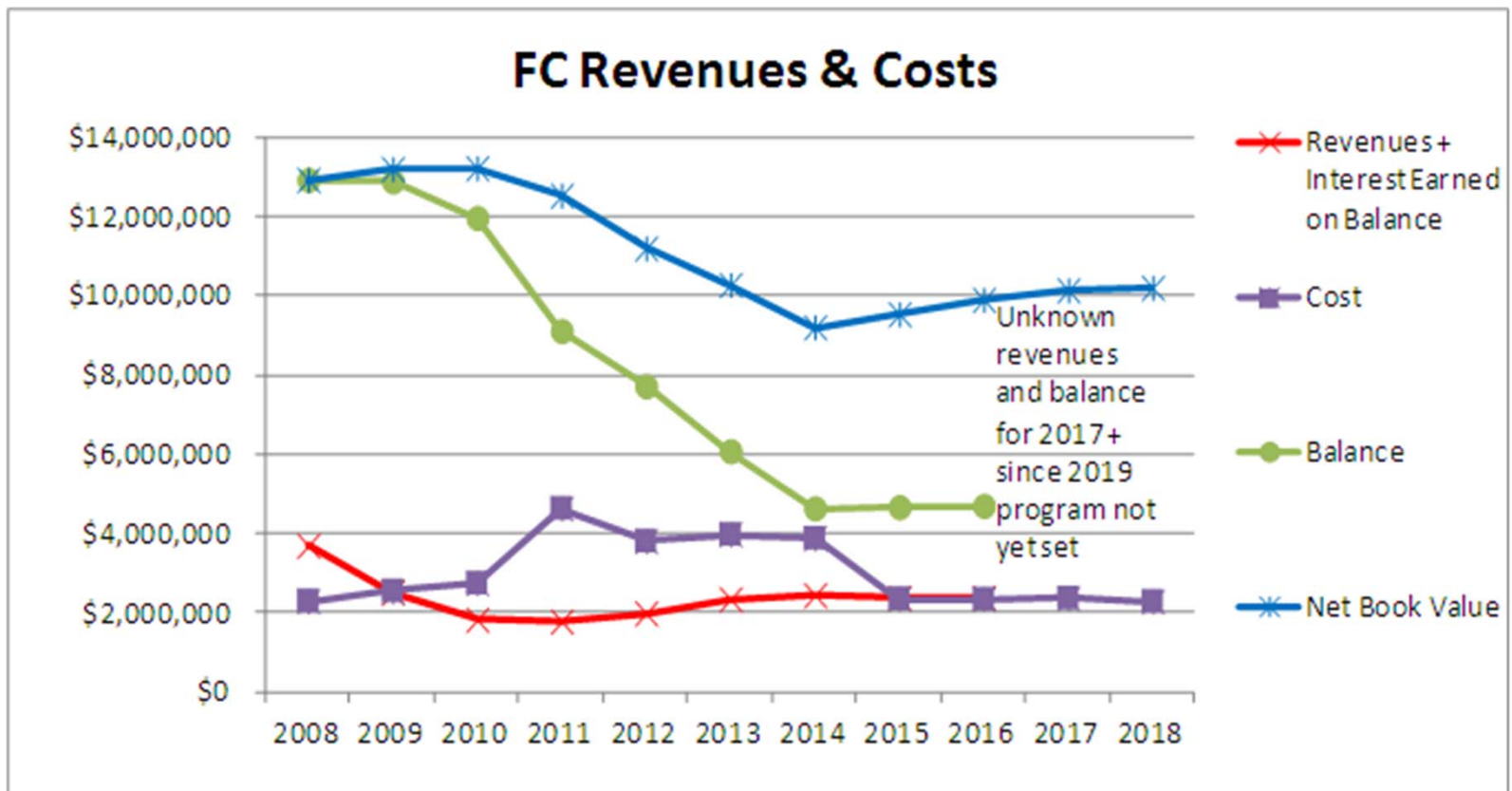
	ERUs	Price/ERU
Current Facilities Charge (combined 1% and '11-'13 conservation)	Projected 30,960 remaining as of 12/31/2013	\$783
2014-2016 conservation	5,374	\$968
<b>New Facilities Charge</b>	<b>36,334</b>	<b>\$810</b>

Results in a \$30 increase for 1" and smaller connections:

Connection Size	ERUs	Current @ \$783/ERU	3 year update @ \$810/ERU
1 inch and smaller	1.12	\$877	\$907
1-1/2 inch	5	3,915	4,050

# Three Year Interval (2014-2016)

Cost pool balance projected to decline until 2014, then stabilize:



# Five Year Interval (2014-2018)

Updated Facilities Charge is the weighted average of remaining existing ERUs and new ERUs:

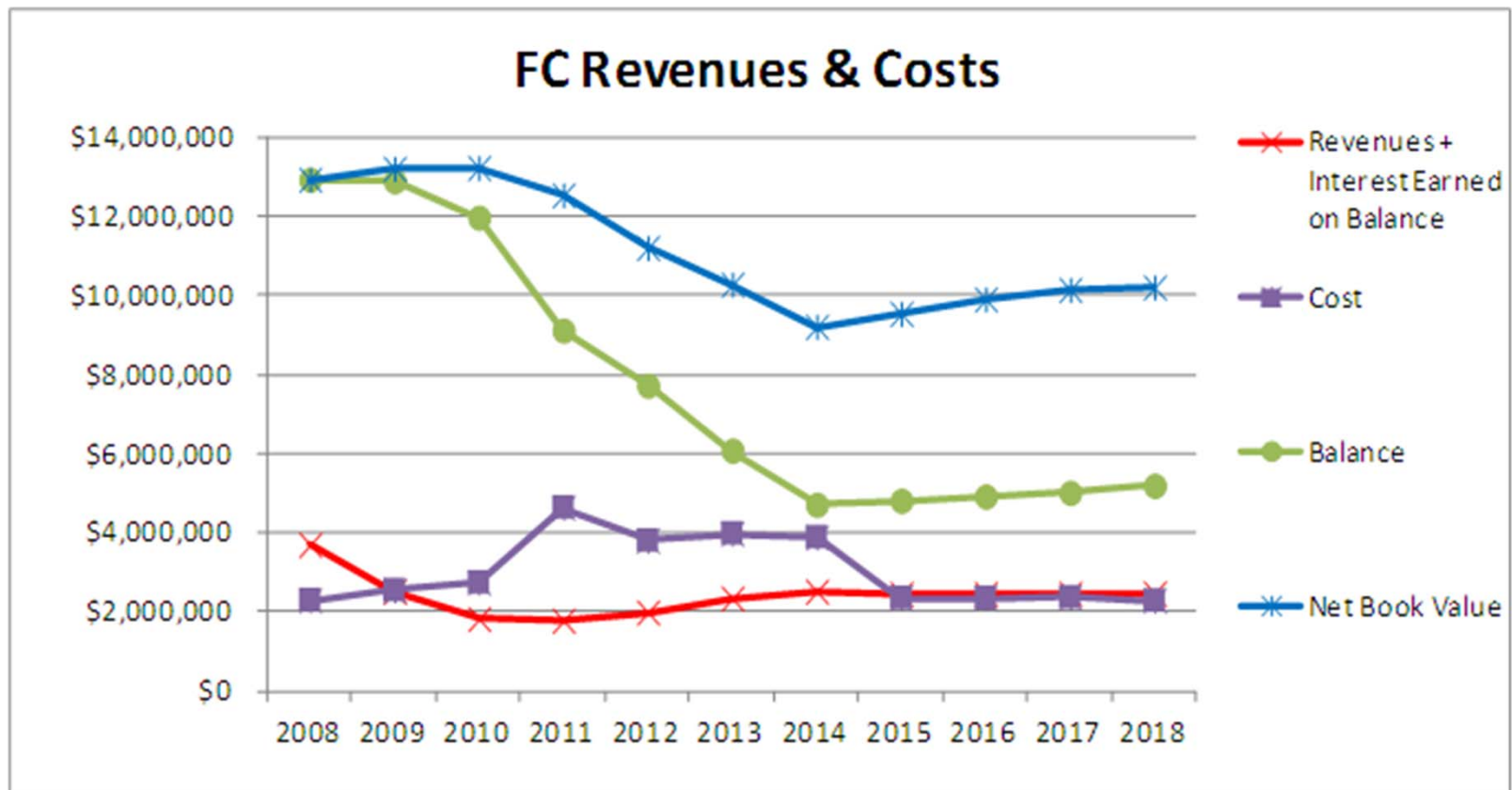
	ERUs	Price/ERU
Current Facilities Charge (combined 1% and '11-'13 conservation)	Projected 30,960 remaining as of 12/31/2013	\$783
2014-2018 conservation	8,956	\$1,020
<b>New Facilities Charge</b>	<b>39,916</b>	<b>\$836</b>

Results in a \$59 increase for 1" and smaller connections:

Connection Size	ERUs	Current @ \$783/ERU	3 year update @ \$810/ERU
1 inch and smaller	1.12	\$877	\$936
1-1/2 inch	5	3,915	4,180

# Five Year Interval (2014-2018)

Again, cost pool balance projected to decline until 2014, then stabilize:



# Reference

The ERU Fee is:

- the flat debt service payment required to finance the facility providing the ERU over the lesser of (i) the facility life or (ii) the period over which new demand will fully utilize the facility's supply
  - divided by -
- the number of new ERU's of demand expected in each year.