

Regional Revenues and Costs

May 3, 2012 Operating Board Meeting

Attachment 3

	2011 1Q YTD (1/1-3/31)			2011 2Q YTD (1/1-6/30)			2011 3Q YTD (1/1-9/30)			2011 4Q YTD (1/1-12/31)		
	Rate Study Projection, Feb 2008 (did not include recent signees)	Estimate (includes recent signees)	Effect on True Up Balance	Rate Study Projection, Feb 2008 (did not include recent signees)	Estimate (includes recent signees)	Effect on True Up Balance	Rate Study Projection, Feb 2008 (did not include recent signees)	Estimate (includes recent signees)	Effect on True Up Balance	Rate Study Projection, Feb 2008 (did not include recent signees)	Estimate (includes recent signees)	Effect on True Up Balance
Prior year balance	\$0	(\$7,380,440)	(\$7,380,440)	\$0	(\$7,380,440)	(\$7,380,440)	\$0	(\$7,380,440)	(\$7,380,440)	\$0	(\$7,380,440)	(\$7,380,440)
+ Revenues	\$10,160,381	\$12,531,796	\$2,371,416	\$25,942,073	\$27,373,435	\$1,431,363	\$55,497,600	\$51,956,931	(\$3,540,669)	\$67,914,372	\$64,874,629	(\$3,039,743)
- O&M Expense												
Existing Supply	(\$4,530,024)	(\$4,027,299)	\$502,725	(\$9,486,241)	(\$8,545,573)	\$940,668	(\$14,556,691)	(\$14,062,927)	\$493,765	(\$20,604,191)	(\$20,617,188)	(\$12,998)
Existing Transmission	(\$1,662,728)	(\$1,706,299)	(\$43,571)	(\$3,400,144)	(\$3,699,237)	(\$299,094)	(\$5,327,663)	(\$5,655,023)	(\$327,360)	(\$7,323,566)	(\$7,936,261)	(\$612,695)
New Supply	(\$262,163)	(\$90,491)	\$171,672	(\$548,991)	(\$246,284)	\$302,706	(\$842,429)	(\$457,892)	\$384,538	(\$1,192,412)	(\$768,710)	\$423,702
- Asset expense												
Existing Supply	(\$6,464,032)	(\$6,248,757)	\$215,275	(\$12,928,064)	(\$12,497,514)	\$430,550	(\$19,392,096)	(\$18,746,272)	\$645,825	(\$25,856,128)	(\$26,063,444)	(\$207,316)
Existing Transmission	(\$3,302,409)	(\$3,207,897)	\$94,512	(\$6,604,818)	(\$6,415,793)	\$189,025	(\$9,907,227)	(\$9,623,690)	\$283,537	(\$13,209,636)	(\$13,058,996)	\$150,640
+/- Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Current balance	(\$6,060,975)	(\$10,129,386)	(\$4,068,411)	(\$7,026,184)	(\$11,411,406)	(\$4,385,222)	\$5,471,494	(\$3,969,312)	(\$9,440,805)	(\$271,561)	(\$10,950,409)	(\$10,678,848)

	2012 1Q YTD (1/1-3/31)		
	Rate Study Projection, March 2011	Estimate	Effect on True Up Balance
Prior year balance	(\$9,437,393)	(\$10,950,409)	(\$1,513,016)
+ Revenues	\$11,474,154	\$13,222,721	\$1,748,567
- O&M Expense			
Existing Supply	(\$3,743,930)	(\$3,495,241)	\$248,690
Existing Transmission	(\$1,442,906)	(\$1,557,361)	(\$114,455)
New Supply	(\$148,633)	(\$184,576)	(\$35,943)
- Asset expense			
Existing Supply	(\$6,578,719)	(\$7,073,085)	(\$494,366)
Existing Transmission	(\$3,328,428)	(\$3,272,386)	\$56,042
+/- Other Adjustments	\$0	\$0	\$0
= Current balance	(\$13,205,856)	(\$13,310,337)	(\$104,482)

Notes:

The 2011 information is an estimate only, as the 2011 true up has not been completed.

For 2011, the Rate Study Projection columns and Estimate columns use a different basis: the Estimate includes the six customers who recently signed the F&P contracts while the rate study did not. Because of this, the revenue and cost amounts for the Estimate should be *higher* than Rate Study Projections. However, demand had declined enough that revenues were actually \$3M lower than the projection.

For 2012, both the Rate Study Projection and Estimate are based on the current F&P customers.

The estimated 2011 regional balance is a deficit of \$10.9M, \$9.4M of which was already accounted for in the 2012-2014 rate study. (This was one of the main drivers of the rate increase.) The additional \$1.5M deficit is that starting point for the 2012 regional balance.

As of 1Q 2012, the deficit is estimated to be \$104k more than projected in the rate study. Translated into Full and Partial rates, this would be one quarter of a cent per ccf for one year.