

Projection Summary (with recommended rate track)

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income ^[1]	Projected Cash Balances	Capital Improvements (less PIF)
2017	6.50%	\$ 64,711,965	\$ 62,905,229	\$ 2,423,072	\$ 9,890,877	\$ 11,004,350
2018	5.00%	68,785,274	66,171,346	3,230,263	10,370,789	8,151,060
2019	3.00%	71,986,781	69,530,146	3,072,971	11,401,044	8,746,600
2020	3.00%	75,374,453	72,736,398	3,254,391	12,143,249	10,045,519
2021	3.00%	78,952,737	74,435,428	5,133,645	18,518,310	8,527,695
Recommended Target in 2017				\$ 4,837,367		
Recommended Target in 2021				\$ 5,398,659		
Recommended MINIMUM Target in 2017					\$ 15,408,332	
Recommended MINIMUM Target in 2021					\$ 16,790,093	

Results updated to include PRPA 2017 projected rates below:

	2015	2016	2017	Change
Summer-Energy	\$ 0.03943	\$ 0.04121	\$ 0.04301	4%
Winter-Energy	\$ 0.03783	\$ 0.03954	\$ 0.04080	3%
Summer-Demand	\$ 10.84	\$ 11.33	\$ 10.49	-7%
Winter-Demand	\$ 7.57	\$ 7.91	\$ 8.96	13%

Cost of Service Summary Results

Customer Class	Cost of Service	Projected Revenues	% Change
Residential	\$ 25,318,104	\$ 24,425,296	3.7%
Small General	10,296,969	9,127,515	12.8%
Residential-Demand	12,623	12,719	-0.8%
Large General	15,488,144	14,541,804	6.5%
Primary <4,000 kW	558,602	517,451	8.0%
Coincident Peak Demand	4,842,428	4,608,102	5.1%
Area Lighting, Flat Rates	16,303	23,543	-30.8%
Wholesale	711,199	494,155	43.9%
Total	\$ 57,244,372	\$ 53,750,584	6.50%

Results adjusted to account for:

- PRPA energy efficiency cost breakdown between Res & Com classes
- Customer Relations cost breakdown between Res & Com classes



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Total Related Costs

Total Cost of Service Rates by Summer/Winter Seasons

Customer Class	Monthly Customer Charge	Summer		Winter	
		Demand	Energy	Demand	Energy
Residential	\$ 14.41	\$ -	\$ 0.08785	\$ -	\$ 0.07399
Small General	29.98	-	0.10518	-	0.08555
Residential-Demand	22.89	9.12	0.05011	6.24	0.04216
Large General	134.87	14.95	0.04993	11.72	0.04257
Primary <4,000 kW	152.12	14.88	0.05015	11.30	0.04253

Monthly Customer Charge Comparison

Customer Class	COS Customer Charge	Current Customer Charge	Percent Difference
Residential	\$ 14.41	\$ 13.36	7%
Small General	29.98	21.38	29%
Residential-Demand	22.89	21.23	7%
Large General	134.87	96.10	29%
Primary <4,000 kW	152.12	105.07	31%



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Rate Design Summary Results

Customer Class	No. of Customer Meters		% of Revenues	Calculated Revenue	Revenue with Adjustments	Dollar Adjustment	Percent Change
ResidentialSchedule R	30,648	R	45.44%	\$ 24,425,296	\$ 25,977,313	\$ 1,552,017	6.35%
Small GeneralSchedule SG	3,906	SG	16.98%	9,127,515	9,812,425	684,910	7.50%
Large GeneralSchedule LG	327	LG	27.05%	14,541,804	15,486,777	944,973	6.50%
Primary Schedule PT	3	PT	0.96%	517,451	555,662	38,211	7.38%
Other (see detail below)	2,156		0.99%	530,417	569,524	39,106	7.37%
Coincidental Peak Schedule CP	30	CP	8.57%	4,608,102	4,843,115	235,013	5.10%
TOTAL REVENUE	37,041			\$53,750,585	\$ 57,244,816	\$3,259,218	6.50%

Other includes the following rateclasses

Residential-DemandSchedule RD	3	RD	0.02%	12,719	13,469	750	5.90%
City WholesaleSchedule CW	91	CW	0.92%	494,155	531,217	37,062	7.50%
Area LightsSchedule AL	1,963	AL	0.03%	13,648	14,398	751	5.50%
Sprinkler ControlsSchedule SC	84	SC	0.01%	5,296	5,587	291	5.50%
Signal AmplifierSchedule SA	4	SA	0.00%	1,710	1,804	94	5.50%
Bus SheltersSchedule BS	11	BS	0.01%	2,889	3,048	159	5.50%



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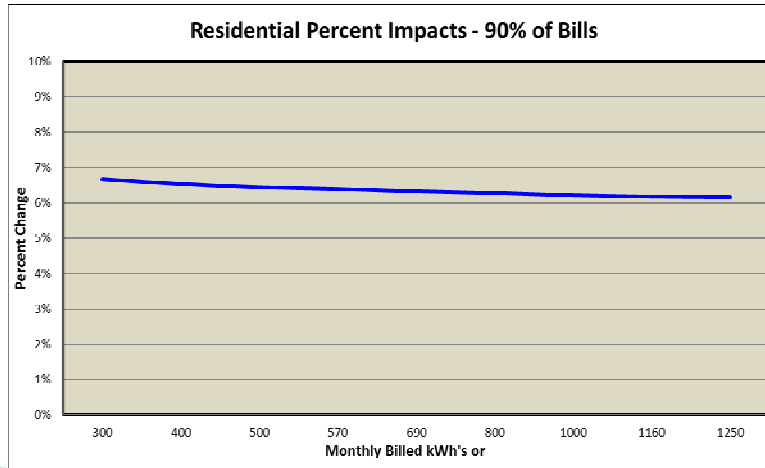
Proposed Residential 2017 Rate Design

Current Rates	2017 Proposed Rate Design	2017 Cost of Service Rates
Monthly Customer Charge:	Monthly Customer Charge:	Monthly Customer Charge:
All Customers \$ 13.36	All Customers \$ 14.41	All Customers \$ 14.41
Energy Charge:	Energy Charge:	Energy Charge:
Winter Block 1 (0 - All kWh) \$ 0.06674	Winter Block 1 (0 - All kWh) \$ 0.07075	Winter \$ 0.07399
Summer Block 1 (0 - All kWh) \$ 0.07962	Summer Block 1 (0 - All kWh) \$ 0.08400	Summer \$ 0.08785
Seasonality spread--> 19%	Seasonality spread--> 19%	Seasonality spread--> 19%
PILT Winter (- All kWh) \$ 0.00652	PILT Winter (- All kWh) \$ 0.00684	
PILT Summer (- All kWh) \$ 0.00715	PILT Summer (- All kWh) \$ 0.00806	
Revenues from Current Rates \$ 24,425,296	Revenues from Proposed Rates \$25,977,313	
	Percentage Change from Current 6.35%	



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Proposed Residential Percent Impacts



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Proposed Residential Dollar Impacts

R Monthly Winter Bill Comparison				
Usage (kWh)	Current Bill (\$)	Proposed Bill (\$)	Dollar Change (\$)	Percent Change (%)
300	\$ 33.38	\$ 35.64	\$ 2.25	6.75%
400	\$ 40.06	\$ 42.71	\$ 2.65	6.63%
500	\$ 46.73	\$ 49.79	\$ 3.06	6.54%
570	\$ 51.40	\$ 54.74	\$ 3.34	6.49%
690	\$ 59.41	\$ 63.23	\$ 3.82	6.42%
800	\$ 66.75	\$ 71.01	\$ 4.26	6.38%
1000	\$ 80.10	\$ 85.16	\$ 5.06	6.32%
1160	\$ 90.78	\$ 96.48	\$ 5.70	6.28%
1250	\$ 96.79	\$ 102.85	\$ 6.06	6.26%

R Monthly Summer Bill Comparison					Annual Bill Impact
Usage (kWh)	Current Bill (\$)	Proposed Bill (\$)	Dollar Change (\$)	Percent Change (%)	
300	\$ 37.25	\$ 39.61	\$ 2.36	6.35%	6.64%
400	\$ 45.21	\$ 48.01	\$ 2.80	6.20%	6.51%
500	\$ 53.17	\$ 56.41	\$ 3.24	6.10%	6.42%
570	\$ 58.74	\$ 62.29	\$ 3.55	6.04%	6.37%
690	\$ 68.30	\$ 72.37	\$ 4.07	5.97%	6.30%
800	\$ 77.06	\$ 81.61	\$ 4.56	5.91%	6.25%
1000	\$ 92.98	\$ 98.41	\$ 5.43	5.84%	6.18%
1160	\$ 105.72	\$ 111.85	\$ 6.13	5.80%	6.15%
1250	\$ 112.89	\$ 119.41	\$ 6.53	5.78%	6.13%



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Proposed Residential Demand 2017 Rate Design

Current Rates	2017 Proposed Rate Design	2017 Cost of Service Rates
Monthly Customer Charge:	Monthly Customer Charge:	Monthly Customer Charge:
All Customers \$ 21.23	All Customers \$ 22.89	All Customers \$ 22.89
Energy Charge:	Energy Charge:	Energy Charge:
Winter Block 1 (0 - All kWh) \$ 0.03802	Winter Block 1 (0 - All kWh) \$ 0.04001	Winter \$ 0.04216
Summer Block 1 (0 - All kWh) \$ 0.03696	Summer Block 1 (0 - All kWh) \$ 0.04201	Summer \$ 0.05011
Seasonality spread--> -3%	5%	19%
Demand Charge:	Demand Charge:	Demand Charge:
Winter Block 1 (0 - all kW) \$ 7.29	Winter Block 1 (0 - all kW) \$ 7.40	Winter \$ 6.24
Summer Block 1 (0 - all kW) \$ 9.50	Summer Block 1 (0 - all kW) \$ 9.75	Summer \$ 9.12
Seasonality spread--> 30%	32%	46%
PILT Winter (- All kWh) \$ 0.00505	PILT Winter (- All kWh) \$ 0.00601	
PILT Summer (- All kWh) \$ 0.00562	PILT Summer (- All kWh) \$ 0.00656	
Revenues from Current Rates \$ 12,719	Revenues from Proposed Rates \$ 13,469	
	Percentage Change from Current 5.90%	



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Proposed Small General Service 2017 Rate Design

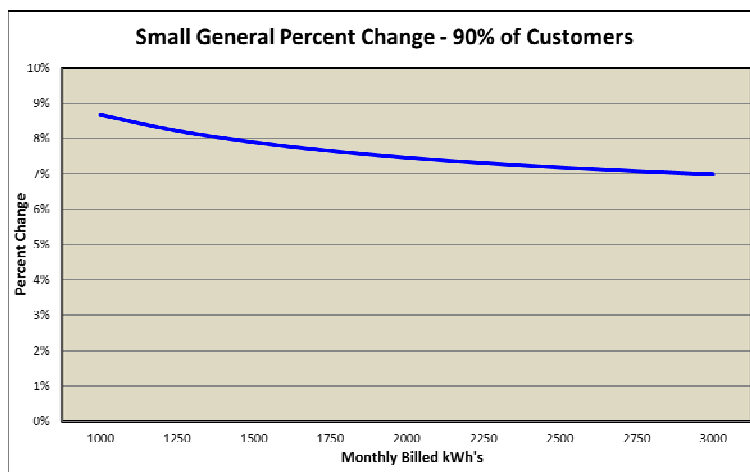
Current Rates	2017 Proposed Rate Design	2017 Cost of Service Rates
Monthly Customer Charge:	Monthly Customer Charge:	Monthly Customer Charge:
All Customers \$ 21.38	All Customers \$ 25.38	All Customers \$ 29.98
Energy Charge:	Energy Charge:	Energy Charge:
Winter Block 1 (0 - All kWh) \$ 0.07603	Winter Block 1 (0 - All kWh) \$ 0.08006	Winter \$ 0.08555
Summer Block 1 (0 - All kWh) \$ 0.08332	Summer Block 1 (0 - All kWh) \$ 0.08967	Summer \$ 0.10518
Seasonality spread--> 10%	12%	23%
PILT Winter (- kWh) \$ 0.00656	PILT Winter (- kWh) \$ 0.00690	
PILT Summer (- kWh) \$ 0.00695	PILT Summer (- kWh) \$ 0.00784	
Revenues from Current Rates \$ 9,127,515	Revenues from Proposed Rates \$ 9,812,078	
	Percentage Change from Current 7.50%	

Move customer charge up \$4.00 and increase spread between summer & winter energy rates per COS



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Proposed Small General Service Percent Impacts



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Proposed Small General Service Dollar Impacts

SG (2) Monthly Winter Bill Comparison					
Usage (kWh)	Current Bill (\$)	Proposed Bill (\$)	Change (\$)	Percent Change (%)	
1000	\$ 97.41	\$ 105.44	\$ 8.03	8.24%	
1250	\$ 116.42	\$ 125.45	\$ 9.04	7.76%	
1500	\$ 135.43	\$ 145.47	\$ 10.04	7.42%	
1750	\$ 154.43	\$ 165.48	\$ 11.05	7.16%	
2000	\$ 173.44	\$ 185.50	\$ 12.06	6.95%	
2250	\$ 192.45	\$ 205.51	\$ 13.07	6.79%	
2500	\$ 211.46	\$ 225.53	\$ 14.07	6.66%	
2750	\$ 230.46	\$ 245.54	\$ 15.08	6.54%	
3000	\$ 249.47	\$ 265.56	\$ 16.09	6.45%	
SG (2) Monthly Summer Bill Comparison					
Usage (kWh)	Current Bill (\$)	Proposed Bill (\$)	Change (\$)	Percent Change (%)	Annual Bill Impact
1000	\$ 104.70	\$ 115.05	\$ 10.35	9.88%	8.68%
1250	\$ 125.53	\$ 137.46	\$ 11.93	9.51%	8.22%
1500	\$ 146.36	\$ 159.88	\$ 13.52	9.24%	7.90%
1750	\$ 167.19	\$ 182.30	\$ 15.11	9.04%	7.65%
2000	\$ 188.02	\$ 204.71	\$ 16.69	8.88%	7.46%
2250	\$ 208.85	\$ 227.13	\$ 18.28	8.75%	7.31%
2500	\$ 229.68	\$ 249.55	\$ 19.87	8.65%	7.19%
2750	\$ 250.51	\$ 271.96	\$ 21.45	8.56%	7.08%
3000	\$ 271.34	\$ 294.38	\$ 23.04	8.49%	6.99%



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Proposed Large General 2017 Rate Design

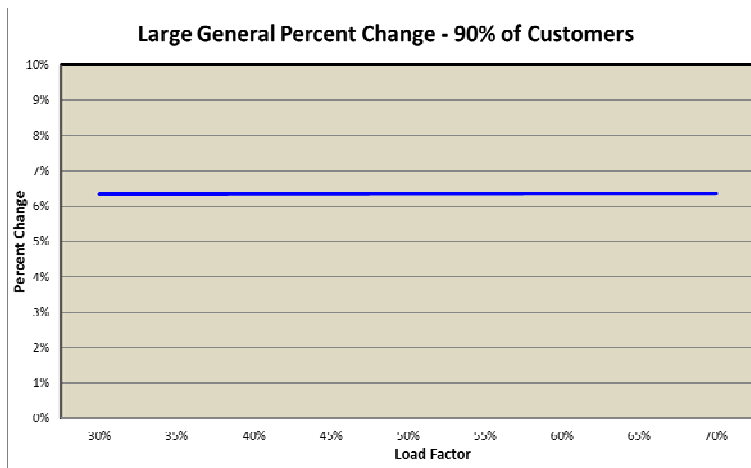
Current Rates	2017 Proposed Rate Design	2017 Cost of Service Rates
Monthly Customer Charge:	Monthly Customer Charge:	Monthly Customer Charge:
All Customers \$ 96.10	All Customers \$ 134.87	All Customers \$ 134.87
Energy Charge:	Energy Charge:	Energy Charge:
Winter Block 1 (0 - All kWh) \$ 0.04069	Winter Block 1 (0 - All kWh) \$ 0.04226	Winter \$ 0.04257
Summer Block 1 (0 - All kWh) \$ 0.03907	Summer Block 1 (0 - All kWh) \$ 0.04437	Summer \$ 0.04993
Seasonality spread--> -4%	5%	17%
Demand Charge:	Demand Charge:	Demand Charge:
Winter Block 1 (0 - all kW) \$ 9.93	Winter Block 1 (0 - all kW) \$ 10.50	Winter \$ 11.72
Summer Block 1 (0 - all kW) \$ 14.26	Summer Block 1 (0 - all kW) \$ 14.50	Summer \$ 14.95
Seasonality spread--> 44%	38%	28%
PILT Winter (- All kWh) \$ 0.00525	PILT Winter (- All kWh) \$ 0.00552	
PILT Summer (- All kWh) \$ 0.00596	PILT Summer (- All kWh) \$ 0.00662	
Plant Investment (- All kWh) \$ -	Plant Investment (- All kWh) \$ -	
Revenues from Current Rates \$ 14,541,804	Revenues from Proposed Rates \$ 15,486,777	
	Percentage Change from Current 6.50%	

Moves current customer charge to COS and adjusts energy & demand rates for seasonality



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Proposed Large General Percent Impacts



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Proposed Large General Dollar Impacts

LG Monthly Winter Bill Comparison				
Load Factor	Current Bill (\$)	Proposed Bill (\$)	Dollar Change (\$)	Percent Change (%)
30%	\$ 2,941.15	\$ 3,117.74	\$ 176.59	6.00%
35%	\$ 3,165.35	\$ 3,350.57	\$ 185.22	5.85%
40%	\$ 3,389.55	\$ 3,583.39	\$ 193.84	5.72%
45%	\$ 3,613.75	\$ 3,816.22	\$ 202.46	5.60%
50%	\$ 3,838.36	\$ 4,049.47	\$ 211.10	5.50%
55%	\$ 4,062.56	\$ 4,282.29	\$ 219.73	5.41%
60%	\$ 4,286.77	\$ 4,515.12	\$ 228.35	5.33%
65%	\$ 4,510.97	\$ 4,747.94	\$ 236.97	5.25%
70%	\$ 4,735.17	\$ 4,980.77	\$ 245.60	5.19%

LG Monthly Summer Bill Comparison					Annual Bill Impact
Load Factor	Current Bill (\$)	Proposed Bill (\$)	Dollar Change (\$)	Percent Change (%)	
30%	\$ 3,541.40	\$ 3,791.61	\$ 250.21	7.07%	6.33%
35%	\$ 3,756.68	\$ 4,036.08	\$ 279.40	7.44%	6.34%
40%	\$ 3,971.96	\$ 4,280.54	\$ 308.59	7.77%	6.35%
45%	\$ 4,187.23	\$ 4,525.01	\$ 337.78	8.07%	6.35%
50%	\$ 4,402.90	\$ 4,769.92	\$ 367.02	8.34%	6.35%
55%	\$ 4,618.17	\$ 5,014.39	\$ 396.21	8.58%	6.36%
60%	\$ 4,833.45	\$ 5,258.85	\$ 425.40	8.80%	6.36%
65%	\$ 5,048.73	\$ 5,503.32	\$ 454.59	9.00%	6.36%
70%	\$ 5,264.00	\$ 5,747.79	\$ 483.78	9.19%	6.37%



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Proposed Primary Service 2017 Rate Design

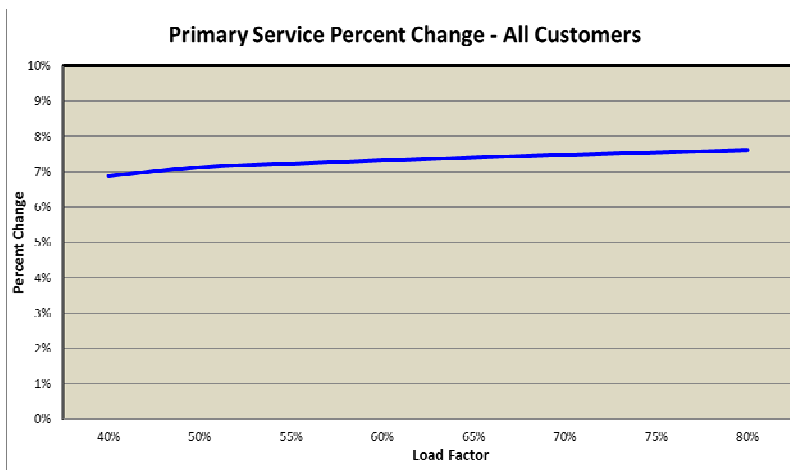
Current Rates	2017 Proposed Rate Design	2017 Cost of Service Rates
Monthly Customer Charge:	Monthly Customer Charge:	Monthly Customer Charge:
All Customers \$ 105.07	All Customers \$ 152.12	All Customers \$ 152.12
Energy Charge:	Energy Charge:	Energy Charge:
Winter Block 1 (0 - All kWh) \$ 0.03965	Winter Block 1 (0 - All kWh) \$ 0.04239	Winter \$ 0.04253
Summer Block 1 (0 - All kWh) \$ 0.03854	Summer Block 1 (0 - All kWh) \$ 0.04451	Summer \$ 0.05015
Seasonality spread--> -3%	5%	18%
Demand Charge:	Demand Charge:	Demand Charge:
Winter Block 1 (0 - all kW) \$ 9.50	Winter Block 1 (0 - all kW) \$ 10.00	Winter \$ 11.30
Summer Block 1 (0 - all kW) \$ 13.73	Summer Block 1 (0 - all kW) \$ 13.80	Summer \$ 14.88
Seasonality spread--> 45%	38%	32%
PILT Winter (- kWh) \$ 0.00452	PILT Winter (- kWh) \$ 0.00474	
PILT Summer (- kWh) \$ 0.00501	PILT Summer (- kWh) \$ 0.00543	
Plant Investment (- kWh) \$ -	Plant Investment (- kWh) \$ -	
Revenues from Current Rates \$ 517,451	Revenues from Proposed Rates \$ 555,662	
	Percentage Change from Current 7.38%	

Moves current customer charge to COS and adjusts energy & demand rates for seasonality



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Proposed Primary Service Percent Impacts



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Proposed Primary Service Dollar Impacts

PT Monthly Winter Bill Comparison					
Load Factor	Current Bill (\$)	Proposed Bill (\$)	Dollar Change (\$)	Percent Change (%)	
40%	\$ 9,294.96	\$ 9,908.98	\$ 614.02	6.61%	
50%	\$ 10,557.02	\$ 11,258.28	\$ 701.26	6.64%	
55%	\$ 11,188.25	\$ 11,933.15	\$ 744.90	6.66%	
60%	\$ 11,819.08	\$ 12,607.59	\$ 788.51	6.67%	
65%	\$ 12,449.91	\$ 13,282.03	\$ 832.12	6.68%	
70%	\$ 13,081.14	\$ 13,956.90	\$ 875.76	6.69%	
75%	\$ 13,711.97	\$ 14,631.34	\$ 919.37	6.70%	
80%	\$ 14,343.20	\$ 15,306.21	\$ 963.01	6.71%	
PT Monthly Summer Bill Comparison					
Load Factor	Current Bill (\$)	Proposed Bill (\$)	Dollar Change (\$)	Percent Change (%)	Annual Bill Impact
40%	\$ 10,997.95	\$ 11,835.64	\$ 837.69	7.62%	6.89%
50%	\$ 12,224.68	\$ 13,252.41	\$ 1,027.73	8.41%	7.13%
55%	\$ 12,838.23	\$ 13,961.02	\$ 1,122.78	8.75%	7.24%
60%	\$ 13,451.41	\$ 14,669.18	\$ 1,217.78	9.05%	7.33%
65%	\$ 14,064.58	\$ 15,377.35	\$ 1,312.77	9.33%	7.41%
70%	\$ 14,678.13	\$ 16,085.95	\$ 1,407.82	9.59%	7.48%
75%	\$ 15,291.30	\$ 16,794.12	\$ 1,502.81	9.83%	7.55%
80%	\$ 15,904.86	\$ 17,502.73	\$ 1,597.87	10.05%	7.61%



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Coincident Demand Rate

- ▶ Coincident Demand billed customer rates for 2017 to be calculated in Quarter 4 of 2016.

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Self Generation / Net Metering Proposed Rebate for Residential, Commercial & Large GS

Loveland Colorado – Electric Department

2017 Proposed Rate Design

Residential Self Generation RGEN

Commercial Self Generation RGEN

Large General Service Net Metering Rate

Avoided Costs

Current Rebate
Proposed Rebate

	Rebate for Customer Provided kWh's - Summer	Rebate for Customer Provided kWh's - Winter	Rebate for Customer Provided kWh's - Annual
\$	0.04666	\$ 0.03980	
\$	0.04860	\$ 0.04157	\$ 0.04345

Note:

Rates charged to customer is the kWh difference between usage and kWh's provided by customer

Any credits are carried over to the next month

At the end of the year any remaining kWh credits will be rebated to customer based on the avoided cost listed above:

Summer months include kWh's used in June, July and August (billed in July, August & September)

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Self Generation / Net Metering Proposed Rebate for Large Co-Gen

Loveland Colorado – Electric Department

2017 Proposed Rate Design

Steam Laundry Co-Gen Rates

Rate Eligibility between 51 and 400 kW

Cost of Service Rates

Current Rebate

Proposed Rebate

	Rebate for Customer Provided kWh's - Summer	Rebate for Customer Provided kWh's - Winter	Rebate for Customer Provided kWh's - Annual
Current Rebate	\$ 0.06658	\$ 0.05062	
Proposed Rebate	\$ 0.06669	\$ 0.05318	\$ 0.05540

Recommended Rates:

Customers will be charged on appropriate rate for all kWh taken from Loveland Electric Department System

Summer months include kWh's used in June, July and August (billed in July, August & September)