



PUBLIC UTILITIES BOARD

**DIESEL ZONE SCHEDULES
PROPOSED RATES EFFECTIVE
SEPTEMBER 1, 2012**

JULY 6, 2012

**DIESEL ZONE: PROPOSED RATES
EFFECTIVE SEPTEMBER 1, 2012**

Residential: TARIFF NO. 2012-03 (1)

Basic Charge \$6.85
 PLUS
 All Energy @ 6.95¢ per kWh

The Residential rate applies to all residential services in the Diesel Communities, provided the service capacity does not exceed 60A, 120/240 V, single phase.

General Service: TARIFF NO. 2012-40 (1)

Basic Charge \$19.05
 PLUS
 First 2,000 kWh @ 7.27¢ per kWh
 Balance of kWh @ 37.30¢ per kWh

The General Service rate applies to all commercial accounts and excludes those classed as Government and/or First Nation Education.

Government and First Nation Education: TARIFF NO. 2012-41 (1)

Basic Charge \$19.05
 PLUS
 All kWh @ \$2.27 per kWh

A surcharge of \$1.68 per kWh is included in the Government and First Nation Education proposed rate which applies to all Federal and Provincial Departments, Agencies, Crown Corporation accounts and First Nation Education accounts.

The First Nation Education rate is applicable to all Diesel First Nation facilities providing instructional services for members of the Diesel First Nations, including schools, teacherages and student residences.

**DIESEL ZONE RATES AND ANNUALIZED REVENUES
CURRENT VERSUS PROPOSED RATES FOR FISCAL YEAR 2012/13
EFFECTIVE SEPTEMBER 1, 2012**

	Current	Proposed	% Change
<u>Residential</u>			
Basic Monthly Charge	\$ 6.85	\$ 6.85	-
All kWh per month	\$ 0.0677	\$ 0.0695	2.7%
Revenue at Forecast Usage	\$ 584,491	\$ 598,810	2.4%
<u>General Service</u>			
Basic Monthly Charge	\$ 18.55	\$ 19.05	2.7%
First 2,000 kWh per month	\$ 0.0710	\$ 0.0727	2.4%
Remaining kWh	\$ 0.3500	\$ 0.3730	6.6%
Revenue at Forecast Usage	\$ 845,522	\$ 896,362	6.0%
<u>Government & First Nation Education</u>			
Basic Monthly Charge	\$ 18.55	\$ 19.05	2.7%
Rate per kW.h	\$ 2.130	\$ 2.270	6.6%
Revenue at Forecast Usage	\$ 4,604,842	\$ 4,906,938	6.6%
Total Revenue - All Classes	\$ 6,034,855	\$ 6,402,110	6.1%

**BILL COMPARISONS
FOR PROPOSED DIESEL RATES
EFFECTIVE SEPTEMBER 1, 2012**

Residential (559 customers)

kWh	No. of Customers	Current April 1, 2012 \$ / Month	Proposed September 1, 2012 \$ / Month	Difference in \$ / Month	Percent Change
250	28	\$23.78	\$24.23	\$0.45	1.89%
750	119	\$57.63	\$58.98	\$1.35	2.34%
1 000	92	\$74.55	\$76.35	\$1.80	2.41%
2 000	277	\$142.25	\$145.85	\$3.60	2.53%
5 000	53	\$345.35	\$354.35	\$9.00	2.61%

General Service (112 Customers)

kWh	No. of Customers	Current April 1, 2012 \$ / Month	Proposed September 1, 2012 \$ / Month	Difference in \$ / Month	Percent Change
750	48	\$71.80	\$73.58	\$1.78	2.48%
2 000	21	\$160.55	\$164.45	\$3.90	2.43%
5 000	12	\$1,210.55	\$1,283.45	\$72.90	6.02%
10 000	9	\$2,960.55	\$3,148.45	\$187.90	6.35%

Government and First Nation Education (66 Customers)

kWh	No. of Customers	Current April 1, 2012 \$ / Month	Proposed September 1, 2012 \$ / Month	Difference in \$ / Month	Percent Change
750	20	\$1,616.05	\$1,721.55	\$105.50	6.53%
2 000	11	\$4,278.55	\$4,559.05	\$280.50	6.56%
5 000	8	\$10,668.55	\$11,369.05	\$700.50	6.57%
10 000	4	\$21,318.55	\$22,719.05	\$1,400.50	6.57%

Number of customers based on 2011 System Load Forecast for fiscal year 2012/13 and Bill Frequency Distributions for 2011/12.

SCHEDULE 4.1

CALCULATION OF RESIDENTIAL CLASS REVENUE @ PROPOSED RATES EFFECTIVE SEPTEMBER 1, 2012

Forecast Revenue Requirement and Revenue

Total Forecast kWh for 2012/13	7,954,819
Calculated Full Cost Rate	<u>\$0.5916</u>
Gross Revenue Requirement	\$4,706,071
Less: Residential Revenue (Below)	<u>(\$598,810)</u>
Unrecovered Revenue Requirement	<u><u>\$4,107,261</u></u>

Block Rates as Follows:

Basic Monthly Charge	6.85 \$/month	x	6,708	=	45,950
All kWh/month	6.950 ¢/kWh	x	<u>7,954,819</u>	=	<u>552,860</u>
Revenue			<u>7,954,819</u>		<u><u>598,810</u></u>

SCHEDULE 4.2

CALCULATION OF GENERAL SERVICE CLASS REVENUE @ PROPOSED RATES EFFECTIVE SEPTEMBER 1, 2012

Forecast Revenue Requirement and Revenue

Total Forecast kWh for 2012/13	3,353,080
Calculated Full Cost Rate	<u>\$0.5916</u>
Gross Revenue Requirement	\$1,983,682
Less: General Service Revenue (Below)	<u>(\$896,362)</u>
Unrecovered Revenue Requirement	<u><u>\$1,087,320</u></u>

Block Rates as Follows:

Basic Monthly Charge	19.05 \$/month	x	1,348	=	25,679
First 2,000 kWh/month	7.270 ¢/kWh	x	1,265,455	=	91,999
Balance of kWh/month	37.300 ¢/kWh	x	<u>2,087,625</u>	=	<u>778,684</u>
Revenue			<u>3,353,080</u>		<u><u>896,362</u></u>

SCHEDULE 4.3

CALCULATION OF GOVERNMENT SURCHARGE @ PROPOSED RATES EFFECTIVE SEPTEMBER 1, 2012

Government Revenue Requirement

Total Forecast kWh for 2012/13	2,155,000
Calculated Full Cost Rate	\$ 0.5916
Government Revenue Requirement	\$ 1,274,898
Less: Revenue from Basic Charge	(14,692)
Revenue for Energy Rate	1,260,206
Energy Rate before Government Unit Subsidy	\$ 0.5848

Calculation of Government Unit Subsidy

Unrecovered Residential Revenue Requirement (Schedule 1)	\$ 3,260,168
Unrecovered General Service Revenue Requirement (Schedule 2)	\$ 869,115
Total	\$ 4,129,283

Government Rate based on full cost

Full Cost Rate less Basic Monthly Charge	0.5850
Unit Subsidy	1.9160
Indicative Government Rate based on full cost	\$ 2.501

Government Surcharge Rate

Calculated Energy Rate plus Government Unit Subsidy at Full Cost	\$ 2.500
Proposed Government Rate (current + 6.5%)	\$ 2.270
Difference between indicative and proposed government rate	\$ 0.230
Total Government consumption (kWh)	2,155,000
Additional Deficit due to capped government rate	\$ 495,650

SCHEDULE 4.4

**DIESEL SERVED COMMUNITIES
PROJECTED STATEMENT OF INCOME (LOSS)
FOR YEAR ENDING MARCH 31, 2013
(in thousands of dollars)**

Revenue (at proposed rates)

	General			
	Residential	Service	Government	Total
Brochet	\$ 134	\$ 153	\$ 896	\$ 1,182
Lac Brochet	148	213	1,603	1,963
Shamattawa	226	311	1,894	2,431
Tadoule Lake	91	220	514	825
Total	\$ 599	\$ 896	\$ 4,907	\$ 6,402

Expense

Fuel Cost (incl delivery & fees)	\$ 4,424
Operating Expense (Labour & Mtce)	2,680
Finance Expense	267
Depreciation	480
Total	\$ 7,851
Net Income (Loss)	\$ (1,449)

SCHEDULE 4.5

CALCULATION OF CUSTOMER CLASS REVENUE @ PROPOSED RATES

<i>Fiscal Yr 2013</i>	Block 1 kWh	Block 2 kWh	Run Off kWh	Total kWh	Bills	Revenue	Avg Use	Block 1 Rate	Block 2 Rate	Run Off Rate	Basic Chg	
Residential												
2013	7,954,819			7,954,819	6,708	\$598,810	1,186	900	0.0695	2,000	0.0695	\$ 6.85
General Service												
2013	1,265,455	2,087,625		3,353,080	1,348	\$896,362	2,487	2,000	0.0727		0.3730	\$ 19.05
Federal Government												
2013			1,773,500	1,773,500	546	\$4,036,246	3,248				2.27	\$ 19.05
Provincial Government												
2013			381,500	381,500	246	\$870,691	1,551				2.27	\$ 19.05

13,462,899	8,848	6,402,110
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Class Revenue Requirement ^ 7,964,651
 Surplus/(Deficit) (\$1,562,541)

^ - estimated costs for 2012/13 based on total kWh at \$0.5916