

# Electric Forecast Assumptions

Proposed Budget FY 22-23

A	B	C	D	H	I	J	K	L
				Proposed Budget	Forecast	Forecast	Forecast	Forecast
			Line	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
1		<b>Income Statement Assumptions:</b>						
2		NEL growth (budget to budget change %)	1	-2.70%	1.71%	2.00%	1.79%	0.49%
3								
4		Distribution losses	2	3.00%	3.00%	3.00%	3.00%	3.00%
5								
6		Rate increase %, effective July 1 each year		6.00%	6.00%	6.00%	6.00%	6.00%
7								
8		Low Carbon Fuel Standard (LCFS) sale proceeds	14	\$ 1,133	\$ 1,291	\$ 1,447	\$ 1,673	\$ 1,800
9								
10		General inflation	19, 28-37	7.1%	2.2%	2.1%	2.1%	2.1%
11								
12		Labor overhead rates	19, 28-37	140%	146%	151%	155%	156%
13								
14		Staffing Full Time Equivalent or FTE	19, 28-37	291.5	291.5	291.5	291.5	291.5
15								
16		Interest income	44	1.30%	1.75%	2.00%	2.00%	2.00%
15								
16		Retail power supply and fuel:	18					
17		Prefunding for hydrogen combustion equipment at Intermountain Power		\$ 3,000,000	\$ 2,000,000	\$ 2,000,000		
18		IPP capacity factor		45%	45%	45%	68%	68%
19								
20		Average spot/ unhedged gas		\$ 5.46	\$ 5.05	\$ 4.75	\$ 4.87	\$ 4.99
21		Average on-peak power		\$ 55.06	\$ 50.96	\$ 47.94	\$ 49.14	\$ 50.37
22		Average off-peak power		\$ 36.73	\$ 34.00	\$ 31.98	\$ 32.78	\$ 33.60
23								
24		Renewable mandate		40%	44%	46%	50%	52%
25								
26		SCPPA gas reserves mmbtu/day		322	322	322	322	322
27		Running Olive Units		No	No	No	No	No
28		MPP scheduled outage:				Major maint.		
29								
30		Net wholesale margin ( \$ )	11, 21	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
31								
32		<b>Telecom revenues:</b>						
33		Current telecom revenues - dark fiber leasing		\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
34		Internet services		\$ 1,600	\$ 1,650	\$ 1,700	\$ 1,750	\$ 1,750
35		Subtotal telecom revenues	13	\$ 4,000	\$ 4,050	\$ 4,100	\$ 4,150	\$ 4,150
36								
37		Unfunded Pension Liability payments	45	\$ 2,660				
38		<b>Other income:</b>						
39		BABs interest subsidy from the federal government	46	\$ 1,088	\$ 1,088	\$ 1,065	\$ 1,020	\$ 972
40		MPP site lease	46	\$ 431	\$ 431	\$ 431	\$ 431	\$ 431
41		Water fund reimbursement for meter readers	46	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135
42				\$ 1,654	\$ 1,654	\$ 1,631	\$ 1,586	\$ 1,538
43		<b>Cash Assumptions:</b>						
44		Capital spending - 90% of budget plus carryover		\$ 63,472	\$ 47,086	\$ 49,364	\$ 42,464	\$ 36,964
38		IPP generation and converter station demolition						14,000
39		MPP decommissioning						
40		Electric bond financing October 1, 2022: \$60 mil, 30-year bonds, 3.5%		\$ 60,000				
		<u>Future costs not included in the budget forecast:</u>						
		Financial reserves policy update is due by June 2023						
		Retail power supply projection does not include transmission buildout, greenhouse gas reduction projects, Olive unit replacement with renewable peaker unit(s)						
		Capital improvement programs (CIP) includes preliminary estimates for local solar and storage projects. These projects will be refined and are very likely to increase from current estimates.						
		Cash balances post FY22-23 assume no additional pension liability payments						