

2026 Electric Rate Update

- EDU Definition - Usage Independent
 - Allocation between Commercial and Residential
 - Definitions of Commercial & Residential
- Financial Model Decisions
 - Budgeted Use of Property Taxes
 - 100% Renewables v. Minimum Compliance
- Allocation Across Residences
 - Model A - Residential Property Characteristics
 - Model B - Amperage only

Schedule

- *January Board Meeting*
 - *Background from 2021 rate study and objective for 2026 rate study*
- *February Board Meeting*
 - *Present draft expense and revenue models*
- **March Board Meeting**
 - **Present options for allocation of base rate costs**
 - **Prepare for public hearing and customer letters**
- April Board/Special Meeting
 - Public hearing on rate study - Proposed April 24
- May Board Meeting
 - Incorporate public feedback, 5-year budget data
- June Board Meeting
 - Approve rate study
- July 1 - New rates take effect



EDU Definition

- Current Definition: Average residential monthly usage
 - 2021 Rate study - 230 KWH/month
- 32 residential units owned by KMPUD & Vail reclassified from commercial to residential

Current Base Revenue by Customer Type

Type	Total Meters	Total EDU	Percentage
Commercial	94	1,494.9	57%
Residential	675	785.4	30%
KMPUD	5	337.1	13%
Summary	774	2,617.4	100%

Property Tax Allocation Options

FY2024/25 EDU	FY 2026/27 Required @ Budget	Property Tax Budgeted	Required Per EDU (annual)	Required per EDU (monthly)
2,617.4	\$4,151,160	\$180,000	\$1,517.22	\$126.43
2,617.4	\$4,151,160	\$90,000	\$1,551.60	\$129.30
2,617.4	\$4,151,160	\$0	\$1,585.99	\$132.17

Current EDU = \$121.39
 EDU subject to annual CPI adjustment

Usage rate Including 50K Property Tax	\$0.23
Usage rate w/o Property Tax	\$0.24

Renewable Percentage

- 100% Renewable - 2021 Rate Study
- Current California RPS Requirements:
 - 2027 - 52%, 2028 - 54.67%, 2029 - 57.34%, 2030 - 60%, 2031 - ?
- TAC proposes a cap on purchase of 100% RECs:
 - Limited exposure to \$0.01/KWH

Renewable Percentage

Percentage	Usage Rate (including 50K Property Tax)
100 % Renewable Sales	\$0.23
Minimum Requirements	\$0.22
100% Renewable Sales + Losses	\$0.24

Residential Base Rates

- Objectives of residential base rate allocation
 - Revenue Neutral
 - Simple formula that is independent of total usage
 - Equitable/Fair: Two customers with similar properties should pay the same base rate
 - Aligned with costs: Base rate reflects 85% of fixed costs independent of usage
 - Stable from year to year
 - Graduated change where possible

Residential Base Rate Models

- Examine Two Models
 - Model “A” - based on residential characteristics
 - HD Condo 0.6, LD Condo 0.8, Single Family 1.0
 - Building Area > 500SF - .35 EDU per 1,000 SF
 - Panel Size > 200 amps - .5 EDU per 100 AMPS
 - Model “B” - standard across all residences plus amperage
 - 1.16 EDU/residential unit
 - Panel Size > 200 amps - .5 EDU per 100 AMPS

Residential Model “A” / “B” Analysis

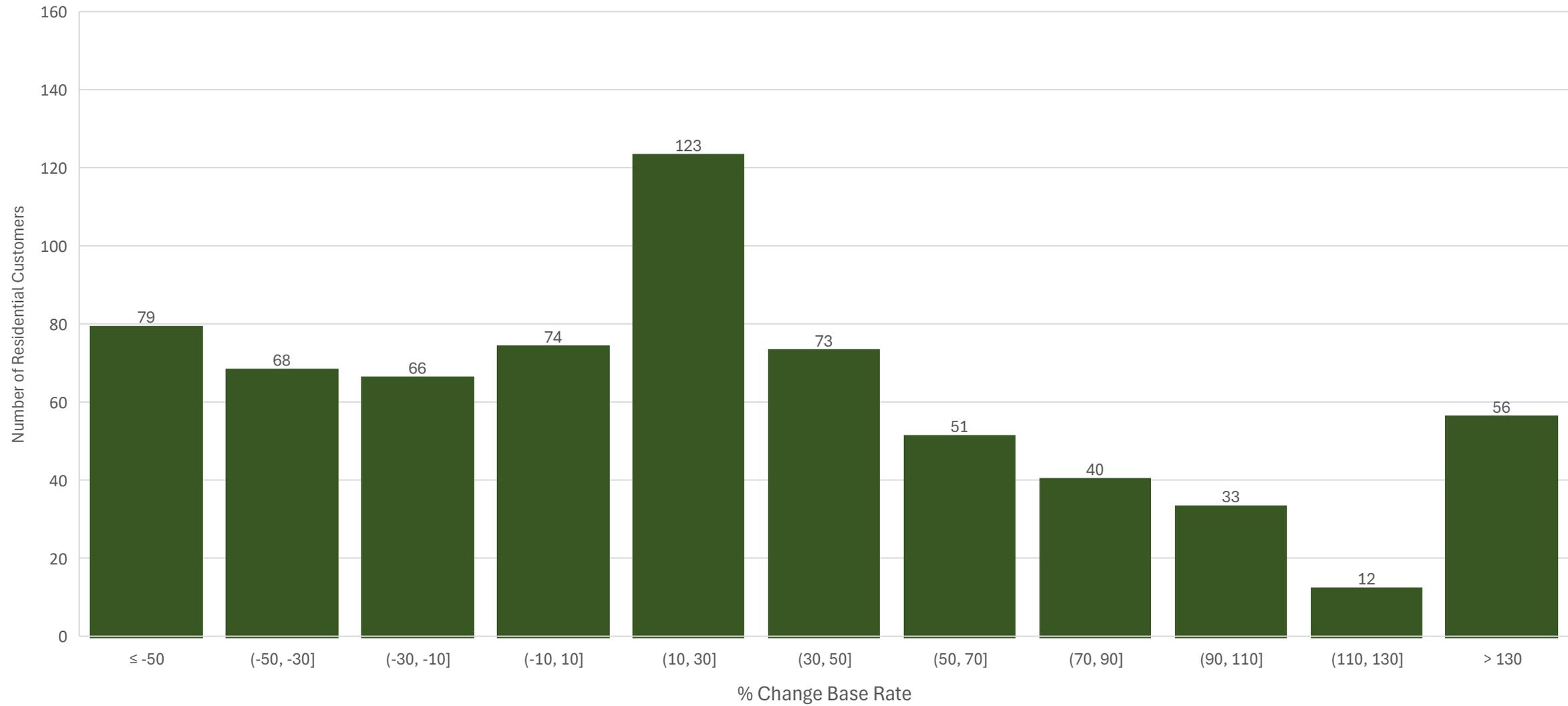
Model “A” - Residential Characteristics

EDU Change	Customers	Base Change
-2.0 to -5.5	23	-\$8,749
-1.5 to -1.9	15	-\$3,072
-1.0 to -1.4	26	-\$3,907
-0.6 to -0.9	46	-\$4,412
-0.1 to -0.5	104	-\$3,641
No Change	30	\$0
0.1 to 0.5	283	\$8,534
0.6 to 0.9	104	\$9,887
1.0 to 1.3	39	\$2,023
1.5 to 2.1	5	\$4,463
Total	675	\$1,252

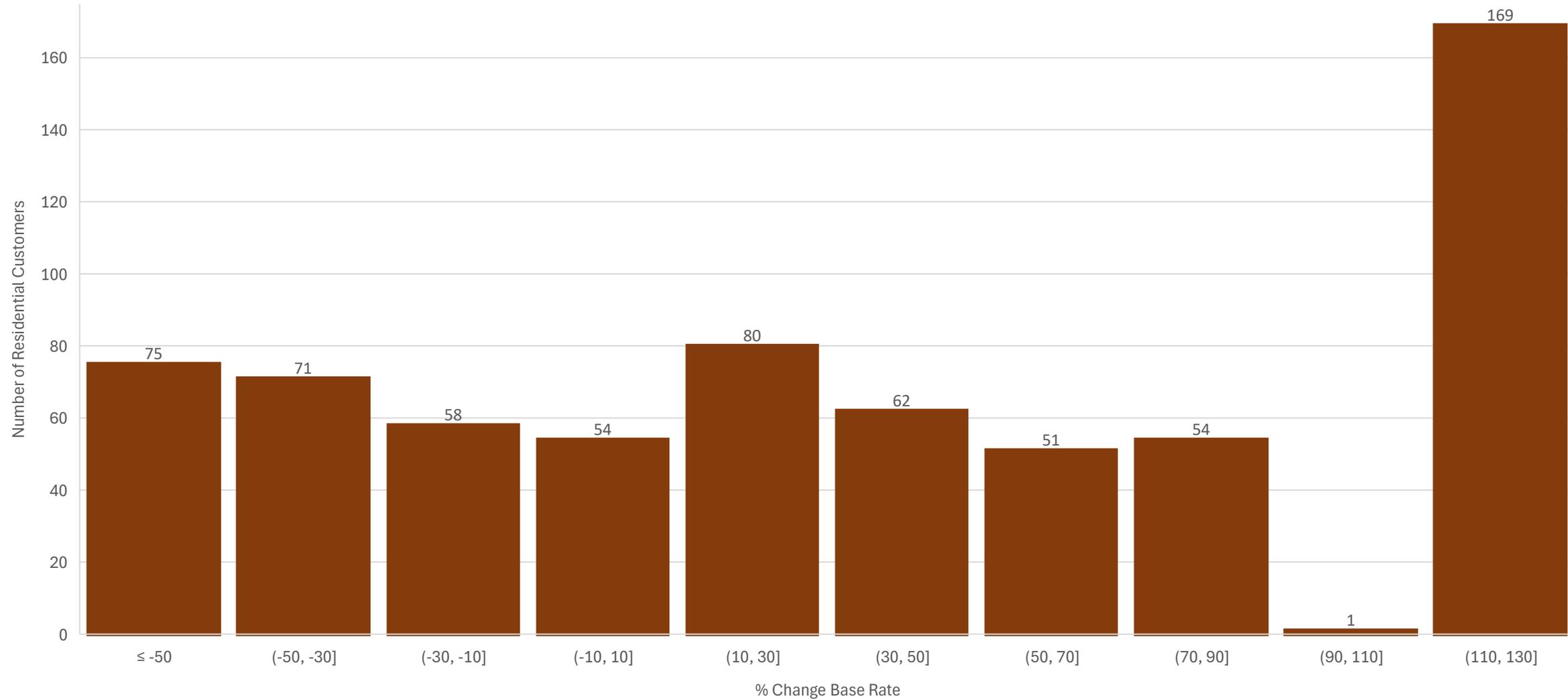
Model “B” - Amperage only

EDU Change	Customers	Base Change
-2.0 to -5.64	32	-\$11,907
-1.54 to 1.84	12	-\$2,513
-1.04 to -1.44	31	-\$4,708
-0.54 to -0.94	52	-\$4,397
-0.14 to -0.44	77	-\$2,690
-0.04 to 0.06	54	-\$126
0.16 to 0.46	193	\$7,937
0.56 to 0.66	223	\$17,925
0.86	1	\$109
Total	675	-\$372

Model A Base Rate % Change



Model B Base Rate % Change



Residential 5-Year Phase-In

Model "A"

Decreases	214	-\$23,782
No Change	30	0
Increases	431	\$24,907

Model "B"

Decreases	204	-\$26,217
Minimum Change	54	-\$126
Increases	417	\$25,971

- Both models produce the same economic results for utility
- The questions are equity and customer impact
 - Model "B" limits 416 increases to ≤ 0.66 EDU
 - Model "A" has 148 increases from 0.6 to 2.1 EDU
- Either model can be phased in over 5 years
 - Both increases and decreases limited to 20% of EDU change/year
 - 0.6 EDU increase over 5 years is \$15/month

Commercial & KMPUD EDUs

- All Commercial Meters have multi-year, stable EDU and corresponding usage history.
 - Permanently keep current EDU for commercial customers with fixed AMU.
 - New commercial meters based on first 3 years usage
- New Rate Class – Interruptible Service
 - Commercial EV Chargers
 - CalTrans Peddler Hill
 - EID – Silver Lake Dam

Commercial Customers	AMU Type	AMU End Date
91	Full Three Years	2020-03-31
1	Full Three Years	2022-03-31
1	Full Three Years	2023-03-31
1	Full Three Years	2024-03-31
4	Full Three Years	2025-03-31
1	Owner 1 Year Data	2025-03-31

Question and Answer

