

Case Without Energy Efficiency			
	Utility Sales	90,000	GWh
Rates Before EE	\$/kWh	RR (\$M)	
Fixed costs	\$ 0.0300	\$ 2,700	
Marginal costs	\$ 0.0600	\$ 5,400	
Total	\$ 0.0900	\$ 8,100	

Efficiency Program			
	Utility Budget (\$M)	\$15	
	EE Quantity	130	GWh
	Levelized Cost (\$/kWh)	Amortized Cost (\$M)	
Utility Cost	\$ 0.020	\$ 3	
Participant Cost	\$ 0.020	\$ 3	
Total EE Cost (TRC)	\$ 0.040	\$ 5	

Case with Energy Efficiency - Before Rate Adjustments			
	Utility Sales	89,870	GWh
Rates After EE		Revenue (\$M)	
Fixed costs	\$ 0.0300	\$ 2,696	
Marginal costs	\$ 0.0600	\$ 5,392	
Total	\$ 0.0900	\$ 8,088	

Case with Energy Efficiency - After Rate Adjustments			
	Utility Sales	89,870	GWh
Rates After EE		RR (\$M)	
Fixed costs	\$ 0.0300	\$ 2,700	
Marginal costs	\$ 0.0600	\$ 5,392	
Utility EE Costs	\$ 0.0000	\$ 3	
Total	\$ 0.0901	\$ 8,095	

Impact of Revenue Undercollection Before Rate Adjustment			
	Target Earnings	\$ 167	\$M
	Revenue Undercollection	\$ 7	\$M
	Earnings	\$ 161	\$M
	ROE Before Rate Adjustment	11.27%	
	ROE After Rate Adjustment	11.72%	

Cost-effectiveness Results using SPM				<i>Description of Costs and Benefits</i>
		\$M	B/C Ratio	
RIM	Costs	\$ 14		<i>Utility EE Program + Bill Savings</i> <i>Avoided Energy Costs</i>
	Benefits	\$ 8		
	Net Benefits	\$ (6.52)	0.5	
TRC	Costs	\$ 5		<i>Total EE Costs</i> <i>Avoided Energy Costs</i>
	Benefits	\$ 8		
	Net Benefits	\$ 3	1.5	
PCT	Costs	\$ 3		<i>Participant out of pocket costs</i> <i>Bill Savings</i>
	Benefits	\$ 12		
	Net Benefits	\$ 9	4.6	
PAC	Costs	\$ 3		<i>Utility program costs</i> <i>Avoided Energy Costs</i>
	Benefits	\$ 8		
	Net Benefits	\$ 5	3.0	

Key Results for Policy Makers			
<u>Impacts Before Rate Adjustment</u>			
Rate increase		0	\$/kWh
Utility revenue collection short-fall from RR	\$ 7	\$M	
Overall decrease in customer bills	\$ 12	\$M	
Utility ROE before rate adjustment (Target =%11.72)	11.27%		
<u>Impacts After Rate Adjustment</u>			
Rate increase	\$ 0.0001	\$/kWh	
Utility revenue collection short-fall from RR	0	\$M	
Overall decrease in customer bills	\$ 5	\$M	
Utility ROE after rate adjustment (Target =%11.72)	11.72%		

Input Assumptions are in grey highlight			
<u>Abbreviations</u>			
EE	Energy Efficiency	RIM	Ratepayer Impact Measure
RB	Rate Base	TRC	Total Resource Cost Test
RR	Revenue Requirement	PCT	Participant Cost Test
SPM	Standard Practice Manual	PAC	Program Administrator Cost Test
T+1	Next time period		

Case Without Energy Efficiency			
	Utility Sales		90,000 GWh
Rates Before EE	\$/kWh	RR (\$M)	
Fixed costs	\$ 0.0300	\$	2,700
Marginal costs	\$ 0.0600	\$	5,400
Total	\$ 0.0900	\$	8,100

Efficiency Program			
	Utility Budget (\$M)		\$81
	EE Quantity		700 GWh
	Levelized Cost (\$/kWh)	Amortized Cost (\$M)	
Utility Cost	\$ 0.020	\$	14
Participant Cost	\$ 0.020	\$	14
Total EE Cost (TRC)	\$ 0.040	\$	28

Case with Energy Efficiency - Before Rate Adjustments			
	Utility Sales		89,300 GWh
Rates After EE		Revenue (\$M)	
Fixed costs	\$ 0.0300	\$	2,679
Marginal costs	\$ 0.0600	\$	5,358
Total	\$ 0.0900	\$	8,037

Case with Energy Efficiency - After Rate Adjustments			
	Utility Sales		89,300 GWh
Rates After EE		RR (\$M)	
Fixed costs	\$ 0.0302	\$	2,700
Marginal costs	\$ 0.0600	\$	5,358
Utility EE Costs	\$ 0.0002	\$	14
Total	\$ 0.0904	\$	8,072

Impact of Revenue Undercollection Before Rate Adjustment			
	Target Earnings	\$	167 \$M
	Revenue Undercollection	\$	35 \$M
	Earnings	\$	132 \$M
	ROE Before Rate Adjustment		9.26%
	ROE After Rate Adjustment		11.72%

Cost-effectiveness Results using SPM				<i>Description of Costs and Benefits</i>
RIM	Costs	\$	77	<i>Utility EE Program + Bill Savings</i>
	Benefits	\$	42	
	Net Benefits	\$	(35)	
		\$M	B/C Ratio	
TRC	Costs	\$	28	<i>Total EE Costs</i>
	Benefits	\$	42	
	Net Benefits	\$	14	
		\$M	B/C Ratio	
PCT	Costs	\$	14	<i>Participant out of pocket costs</i>
	Benefits	\$	63	
	Net Benefits	\$	49	
		\$M	B/C Ratio	
PAC	Costs	\$	14	<i>Utility program costs</i>
	Benefits	\$	42	
	Net Benefits	\$	28	
		\$M	B/C Ratio	

Key Results for Policy Makers			
<u>Impacts Before Rate Adjustment</u>			
Rate increase			0 \$/kWh
Utility revenue collection short-fall from RR	\$	35	\$M
Overall decrease in customer bills	\$	63	\$M
Utility ROE before rate adjustment (Target =%11.72)			9.26%
<u>Impacts After Rate Adjustment</u>			
Rate increase	\$	0.0004	\$/kWh
Utility revenue collection short-fall from RR		0	\$M
Overall decrease in customer bills	\$	28	\$M
Utility ROE after rate adjustment (Target =%11.72)			11.72%

Input Assumptions are in grey highlight

Abbreviations			
EE	Energy Efficiency	RIM	Ratepayer Impact Measure
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