

# Explanation for Electric Rate Increase Effective July 1, 2016

What's driving the need for a rate increase?

- Purchased power cost projection for FY-'17 indicate a 7% increase over the current year cost projection resulting in an increase of \$1,081,000.
  - AMP Hydro resource costs are the primary driver for the increase.
  - There was also a decrease in the Fremont RPM credit rate
- Additionally, wholesale power costs are projected to increase again in FY-'18.
- The proposed 0.00568 Power Cost Adjustment will generate a projected \$956,840 of additional revenue to offset the projected \$1,081,000 increased power cost.

Impact to Customers:

- An average residential customer using 1000 kWh monthly will see an increase in their bill from \$114.26 to \$119.94 representing a 4.97% increase or \$5.68 cost increase.

