

PROPOSED ALTERNATIVE TO DISTRIBUTION UPGRADE  
COSTS OF TARGETED DEMAND SIDE MANAGEMENT PLUS EFFICIENCY SAVINGS PERFORMANCE INCENTIVE (ESPI)

Charged 12%		Net to shareholders = 5.000%			\$/KW/year (capacity) = \$300		Annual Depreciation n = \$1,150,000		Split Shareholders / Ratepayers 50%			\$11,500.00 \$/KW Capacity					
WACC 7.00%		Depreciation (years) = 40			\$/KW/Year (Energy) = \$100		Project total KW= 4,000		Cost/KW/Yr \$250								
Year	Distribution Upgrade Cost in Rate Base		IOU Rev	Bond Payment	Ratepayer "Wire Cost" total	Costs to be Avoided (capacity & Energy)		Ratepayer Total	Distrib Upgrade \$ per KW Cost to RP	IOU Gross \$/KW (50% of Dist. Up)	Ratepayer \$ (cost * 4000KW)	IOU Net/KW	Net Rev	Δ IOU	Δ IOU%	Δ Ratepayers e	% chang
Year 1	\$46,000,000	\$2,300,000	\$3,450,420	\$5,750,420	\$1,600,000	\$7,350,420	\$1,838	\$918.80	\$3,675,210	\$668.80	\$2,675,210	\$375,210	16%	\$3,675,210	50%		
Year 2	\$44,850,000	\$2,242,500	\$3,450,420	\$5,692,920	\$1,600,000	\$7,292,920	\$1,823	\$911.62	\$3,646,460	\$661.62	\$2,646,460	\$403,960	18%	\$3,646,460	50%		
Year 3	\$43,700,000	\$2,185,000	\$3,450,420	\$5,635,420	\$1,600,000	\$7,235,420	\$1,809	\$904.43	\$3,617,710	\$654.43	\$2,617,710	\$432,710	20%	\$3,617,710	50%		
Year 4	\$42,550,000	\$2,127,500	\$3,450,420	\$5,577,920	\$1,600,000	\$7,177,920	\$1,794	\$897.24	\$3,588,960	\$647.24	\$2,588,960	\$461,460	22%	\$3,588,960	50%		
Year 5	\$41,400,000	\$2,070,000	\$3,450,420	\$5,520,420	\$1,600,000	\$7,120,420	\$1,780	\$890.05	\$3,560,210	\$640.05	\$2,560,210	\$490,210	24%	\$3,560,210	50%		
Year 6	\$40,250,000	\$2,012,500	\$3,450,420	\$5,462,920	\$1,600,000	\$7,062,920	\$1,766	\$882.87	\$3,531,460	\$632.87	\$2,531,460	\$518,960	26%	\$3,531,460	50%		
Year 7	\$39,100,000	\$1,955,000	\$3,450,420	\$5,405,420	\$1,600,000	\$7,005,420	\$1,751	\$875.68	\$3,502,710	\$625.68	\$2,502,710	\$547,710	28%	\$3,502,710	50%		
Year 8	\$37,950,000	\$1,897,500	\$3,450,420	\$5,347,920	\$1,600,000	\$6,947,920	\$1,737	\$868.49	\$3,473,960	\$618.49	\$2,473,960	\$576,460	30%	\$3,473,960	50%		
Year 9	\$36,800,000	\$1,840,000	\$3,450,420	\$5,290,420	\$1,600,000	\$6,890,420	\$1,723	\$861.30	\$3,445,210	\$611.30	\$2,445,210	\$605,210	33%	\$3,445,210	50%		
Year 10	\$35,650,000	\$1,782,500	\$3,450,420	\$5,232,920	\$1,600,000	\$6,832,920	\$1,708	\$854.12	\$3,416,460	\$604.12	\$2,416,460	\$633,960	36%	\$3,416,460	50%		
Year 11	\$34,500,000	\$1,725,000	\$3,450,420	\$5,175,420	\$1,600,000	\$6,775,420	\$1,694	\$846.93	\$3,387,710	\$596.93	\$2,387,710	\$662,710	38%	\$3,387,710	50%		
Year 12	\$33,350,000	\$1,667,500	\$3,450,420	\$5,117,920	\$1,600,000	\$6,717,920	\$1,679	\$839.74	\$3,358,960	\$589.74	\$2,358,960	\$691,460	41%	\$3,358,960	50%		
Year 13	\$32,200,000	\$1,610,000	\$3,450,420	\$5,060,420	\$1,600,000	\$6,660,420	\$1,665	\$832.55	\$3,330,210	\$582.55	\$2,330,210	\$720,210	45%	\$3,330,210	50%		
Year 14	\$31,050,000	\$1,552,500	\$3,450,420	\$5,002,920	\$1,600,000	\$6,602,920	\$1,651	\$825.37	\$3,301,460	\$575.37	\$2,301,460	\$748,960	48%	\$3,301,460	50%		
Year 15	\$29,900,000	\$1,495,000	\$3,450,420	\$4,945,420	\$1,600,000	\$6,545,420	\$1,636	\$818.18	\$3,272,710	\$568.18	\$2,272,710	\$777,710	52%	\$3,272,710	50%		
Year 16	\$28,750,000	\$1,437,500	\$3,450,420	\$4,887,920	\$1,600,000	\$6,487,920	\$1,622	\$810.99	\$3,243,960	\$560.99	\$2,243,960	\$806,460	56%	\$3,243,960	50%		
Year 17	\$27,600,000	\$1,380,000	\$3,450,420	\$4,830,420	\$1,600,000	\$6,430,420	\$1,608	\$803.80	\$3,215,210	\$553.80	\$2,215,210	\$835,210	61%	\$3,215,210	50%		
Year 18	\$26,450,000	\$1,322,500	\$3,450,420	\$4,772,920	\$1,600,000	\$6,372,920	\$1,593	\$796.62	\$3,186,460	\$546.62	\$2,186,460	\$863,960	65%	\$3,186,460	50%		
Year 19	\$25,300,000	\$1,265,000	\$3,450,420	\$4,715,420	\$1,600,000	\$6,315,420	\$1,579	\$789.43	\$3,157,710	\$539.43	\$2,157,710	\$892,710	71%	\$3,157,710	50%		
Year 20	\$24,150,000	\$1,207,500	\$3,450,420	\$4,657,920	\$1,600,000	\$6,257,920	\$1,564	\$782.24	\$3,128,960	\$532.24	\$2,128,960	\$921,460	76%	\$3,128,960	50%		
Year 21	\$23,000,000	\$1,150,000	\$3,450,420	\$4,600,420	\$1,600,000	\$6,200,420	\$1,550	\$775.05	\$3,100,210	\$525.05	\$2,100,210	\$950,210	83%	\$3,100,210	50%		
Year 22	\$21,850,000	\$1,092,500	\$3,450,420	\$4,542,920	\$1,600,000	\$6,142,920	\$1,536	\$767.87	\$3,071,460	\$517.87	\$2,071,460	\$978,960	90%	\$3,071,460	50%		
Year 23	\$20,700,000	\$1,035,000	\$3,450,420	\$4,485,420	\$1,600,000	\$6,085,420	\$1,521	\$760.68	\$3,042,710	\$510.68	\$2,042,710	\$1,007,710	97%	\$3,042,710	50%		
Year 24	\$19,550,000	\$977,500	\$3,450,420	\$4,427,920	\$1,600,000	\$6,027,920	\$1,507	\$753.49	\$3,013,960	\$503.49	\$2,013,960	\$1,036,460	106%	\$3,013,960	50%		
Year 25	\$18,400,000	\$920,000	\$3,450,420	\$4,370,420	\$1,600,000	\$5,970,420	\$1,493	\$746.30	\$2,985,210	\$496.30	\$1,985,210	\$1,065,210	116%	\$2,985,210	50%		
Year 26	\$17,250,000	\$862,500	\$3,450,420	\$4,312,920	\$1,600,000	\$5,912,920	\$1,478	\$739.12	\$2,956,460	\$489.12	\$1,956,460	\$1,093,960	127%	\$2,956,460	50%		
Year 27	\$16,100,000	\$805,000	\$3,450,420	\$4,255,420	\$1,600,000	\$5,855,420	\$1,464	\$731.93	\$2,927,710	\$481.93	\$1,927,710	\$1,122,710	139%	\$2,927,710	50%		
Year 28	\$14,950,000	\$747,500	\$3,450,420	\$4,197,920	\$1,600,000	\$5,797,920	\$1,449	\$724.74	\$2,898,960	\$474.74	\$1,898,960	\$1,151,460	154%	\$2,898,960	50%		
Year 29	\$13,800,000	\$690,000	\$3,450,420	\$4,140,420	\$1,600,000	\$5,740,420	\$1,435	\$717.55	\$2,870,210	\$467.55	\$1,870,210	\$1,180,210	171%	\$2,870,210	50%		
Year 30	\$12,650,000	\$632,500	\$3,450,420	\$4,082,920	\$1,600,000	\$5,682,920	\$1,421	\$710.37	\$2,841,460	\$460.37	\$1,841,460	\$1,208,960	191%	\$2,841,460	50%		
Year 31	\$11,500,000	\$575,000	\$3,450,420	\$4,025,420	\$1,600,000	\$5,625,420	\$1,406	\$703.18	\$2,812,710	\$453.18	\$1,812,710	\$1,237,710	215%	\$2,812,710	50%		
Year 32	\$10,350,000	\$517,500	\$3,450,420	\$3,967,920	\$1,600,000	\$5,567,920	\$1,392	\$695.99	\$2,783,960	\$445.99	\$1,783,960	\$1,266,460	245%	\$2,783,960	50%		
Year 33	\$9,200,000	\$460,000	\$3,450,420	\$3,910,420	\$1,600,000	\$5,510,420	\$1,378	\$688.80	\$2,755,210	\$438.80	\$1,755,210	\$1,295,210	282%	\$2,755,210	50%		
Year 34	\$8,050,000	\$402,500	\$3,450,420	\$3,852,920	\$1,600,000	\$5,452,920	\$1,363	\$681.62	\$2,726,460	\$431.62	\$1,726,460	\$1,323,960	329%	\$2,726,460	50%		
Year 35	\$6,900,000	\$345,000	\$3,450,420	\$3,795,420	\$1,600,000	\$5,395,420	\$1,349	\$674.43	\$2,697,710	\$424.43	\$1,697,710	\$1,352,710	392%	\$2,697,710	50%		
Year 36	\$5,750,000	\$287,500	\$3,450,420	\$3,737,920	\$1,600,000	\$5,337,920	\$1,334	\$667.24	\$2,668,960	\$417.24	\$1,668,960	\$1,381,460	481%	\$2,668,960	50%		
Year 37	\$4,600,000	\$230,000	\$3,450,420	\$3,680,420	\$1,600,000	\$5,280,420	\$1,320	\$660.05	\$2,640,210	\$410.05	\$1,640,210	\$1,410,210	613%	\$2,640,210	50%		
Year 38	\$3,450,000	\$172,500	\$3,450,420	\$3,622,920	\$1,600,000	\$5,222,920	\$1,306	\$652.87	\$2,611,460	\$402.87	\$1,611,460	\$1,438,960	834%	\$2,611,460	50%		
Year 39	\$2,300,000	\$115,000	\$3,450,420	\$3,565,420	\$1,600,000	\$5,165,420	\$1,291	\$645.68	\$2,582,710	\$395.68	\$1,582,710	\$1,467,710	1276%	\$2,582,710	50%		
Year 40	\$1,150,000	\$57,500	\$3,450,420	\$3,507,920	\$1,600,000	\$5,107,920	\$1,277	\$638.49	\$2,553,960	\$388.49	\$1,553,960	\$1,496,460	2603%	\$2,553,960	50%		
						\$249,166,816											
						\$120,533,713											