Crete, Nebraska

2022 Cost of Service / Rate Design Study

Preliminary 7/18/22

	For FYE September		2020	2021	2022	2023	2024	2025	2026	2027
a	Sales Growth Base Load					0.0%	0.0%	0.0%	0.0%	0.0%
b	Operation Expense Inflation (less Power Costs)		24.8%	-10.7%	14.6%	4.0%	4.0%	4.0%	4.0%	4.0%
c	General Inflation					4.0%	4.0%	4.0%	4.0%	4.0%
d	Interest Rate on Cash Balances		0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
e	Purchase Power Adjustments		4.1%	2.6%	3.2%	3.1%	3.1%	2.9%	2.9%	2.9%
f	**Rate Adjustments**					**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**
g	**Effective date**					**Oct 1, 2022**	**Oct 1, 2023**	**Oct 1, 2024**	**Oct 1, 2025**	**Oct 1, 2026**
	For FYE September		**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
	Revenues		-1.2%	-2.2%	-2.3%	3.9%	3.9%	3.9%	3.9%	3.9%
1	Retail Sales		11,261,618	11,015,898	10,761,400	11,181,095	11,617,157	12,070,226	12,540,965	13,030,063
2	Other Operating Rev		324,996	206,011	140,300	145,912	151,748	157,818	164,131	170,696
3	**Total Revenues**		**11,586,614**	**11,221,910**	**10,901,700**	**11,327,007**	**11,768,906**	**12,228,045**	**12,705,096**	**13,200,759**
4	**Expenses**									
5	Power Purchased		8,613,788	8,494,414	8,565,750	8,825,725	9,092,782	9,355,212	9,625,515	9,903,927
6	Capacity Compensation and MEAN credits		(338,109)	(228,229)	(147,624)	(147,624)	(147,624)	(147,624)	(147,624)	(147,624)
7	Production		206,510	195,780	221,700	230,568	239,791	249,382	259,358	269,732
8	Distribution		481,789	364,097	450,000	468,000	486,720	506,189	526,436	547,494
9	General		847,399	810,754	899,700	935,688	973,116	1,012,040	1,052,522	1,094,623
10	**Total O&M**		**9,811,378**	**9,636,816**	**9,989,526**	**10,312,357**	**10,644,784**	**10,975,199**	**11,316,207**	**11,668,151**
11	Depreciation		401,586	439,611	464,813	511,748	565,348	611,861	659,068	677,831
12	Franchise Fee		120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
13	Surplus Cash Transfer (to General Fund)	3%	350,004	350,004	355,300	355,300	355,300	355,300	355,300	355,300
14	Interest Income on invest.		(19,277)	(11,545)	(1,000)	(915)	(1,118)	(850)	(825)	(816)
15	**Total Electric Expense**		**10,663,691**	**10,534,886**	**10,928,639**	**11,298,490**	**11,684,314**	**12,061,510**	**12,449,750**	**12,820,466**
16	**Net Operating Income**		**922,923**	**687,024**	**(26,939)**	**28,517**	**84,592**	**166,535**	**255,346**	**380,293**
17	**Net Income Target % of UPIS**	**4%**	**214,801**	**217,291**	**236,539**	**306,069**	**374,255**	**371,412**	**367,547**	**363,831**
18	**Net Income Actual % of UPIS**		**17.2%**	**12.6%**	**-0.5%**	**0.4%**	**0.9%**	**1.8%**	**2.8%**	**4.2%**
19	**Debt Coverage Ratio**		**9.7**	**8.1**	**3.2**	**2.2**	**1.5**	**1.8**	**2.2**	**2.5**
20	COS Revenue Requirement				**11,024,878**					
21	**Other Revenues & (Expenses)**									
22	Interest on existing LT Debt	neg	(22,236)	(19,530)	(17,808)	(15,141)	(12,204)	(9,015)	(5,603)	(1,924)
23	Interest on new LT Debt	neg				(105,000)	(99,355)	(93,540)	(87,550)	(81,381)
24	**Total Profit / Loss**		**900,687**	**667,494**	**(44,747)**	**(91,625)**	**(26,967)**	**63,980**	**162,193**	**296,988**
25	Net Utility Plant in Service (UPIS)		5,370,030	5,432,281	5,913,468	7,651,720	9,356,372	9,285,311	9,188,674	9,095,773
26	Historic Utility Plant in Service (OCUP)		15,289,644	15,791,506	16,737,506	18,987,506	21,257,506	21,798,306	22,360,738	22,945,667
27	Net UPIS/ OCUP		35%	34%	35%	40%	44%	43%	41%	40%
28	**Cash Inflows**									
29	Net Income		900,687	667,494	(44,747)	(91,625)	(26,967)	63,980	162,193	296,988
30	New Borrowed Funds					3,500,000				
31	Depreciation Expense		401,586	439,611	464,813	511,748	565,348	611,861	659,068	677,831
32	Cash Inflows		1,302,273	1,107,105	420,066	3,920,123	538,381	675,841	821,262	974,819
33	Capital Improvements & CWIP		501,863	566,096	946,000	2,250,000	2,270,000	540,800	562,432	584,929
34	Principal on Existing Debt		115,000	120,000	120,000	125,000	125,000	130,000	130,000	135,000
35	Principal on New Debt						188,183	193,829	199,643	205,633
36	Cash Outflows		616,863	686,096	1,066,000	2,375,000	2,583,183	864,629	892,075	925,562
37	Change in Cash		**685,410**	**421,009**	**(645,934)**	**1,545,123**	**(2,044,802)**	**(188,787)**	**(70,814)**	**49,257**
38	Adjustment for Receivables, etc.		**23,180**	**770,628**	**-**	**-**	**-**	**-**	**-**	**-**
39	**Cash Balance**		**6,445,177**	**7,636,814**	**6,990,880**	**8,536,004**	**6,491,202**	**6,302,415**	**6,231,601**	**6,280,858**
40	**Minimum Recommended Cash Balance**		**3,325,877**	**3,313,778**	**3,411,576**	**3,588,350**	**4,062,023**	**3,990,473**	**4,092,111**	**4,202,010**

	Minimum Cash Reserve Policy	Basis		2022
1	O&M Expenses	9,989,526	25%	2,497,382
2	Historic Utility Plant in Service (OCUP)	16,737,506	1%	167,375
3	Deposits	243,596	100%	243,596
4	Debt Service	137,808	100%	137,808
5	Current Year Capital Improvements less Borrowings	946,000	10%	94,600
6	Five Year Capital Improvements less Borrowings	2,708,161	10%	270,816
	Minimum Reserve Target			**3,411,576**