



Municipal Power Advantage®

The Benefits of Having a
Municipal Electric Utility



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April 20, 2015

TOPICS



Goals of the Municipal Power Advantage® Program

Financial Benefits

Non-financial Benefits

MRES Membership Benefits

Communication Strategies

GOALS OF THE MPA REPORT



Determine the Value of the Benefits to Remsen

Develop a Communication Strategy

Educate Policymakers & Customers

Increase the Public's Awareness & Perception

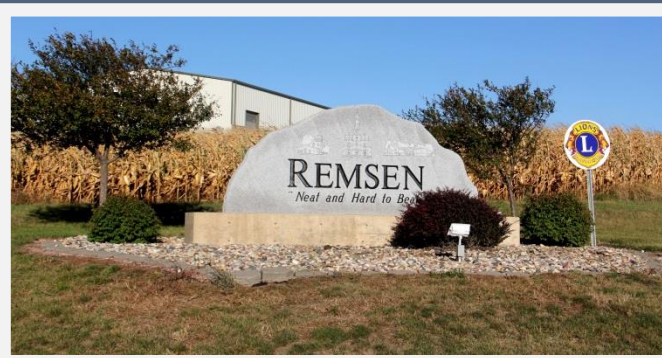
TANGIBLE FINANCIAL BENEFITS

- Donated Labor & Materials

- Discounted Street Lighting

- Wholesale Power Supply Savings

- Competitiveness of Retail Rates



Donated Labor & Materials

Donated Labor

Avg. 2010-2013: \$2,750 per year



Donated Materials

Avg. 2010-2013: \$2,775 per year



Total Donations

Average 2010-2013: \$5,525 per year

Discounted Street Lighting

City of Remsen

Pays \$2,700 per year for street lighting



Average Cost is \$0.15 per kWh

Average SL Usage is 263,000 kWh



Total Value of Street Lighting = \$39,425

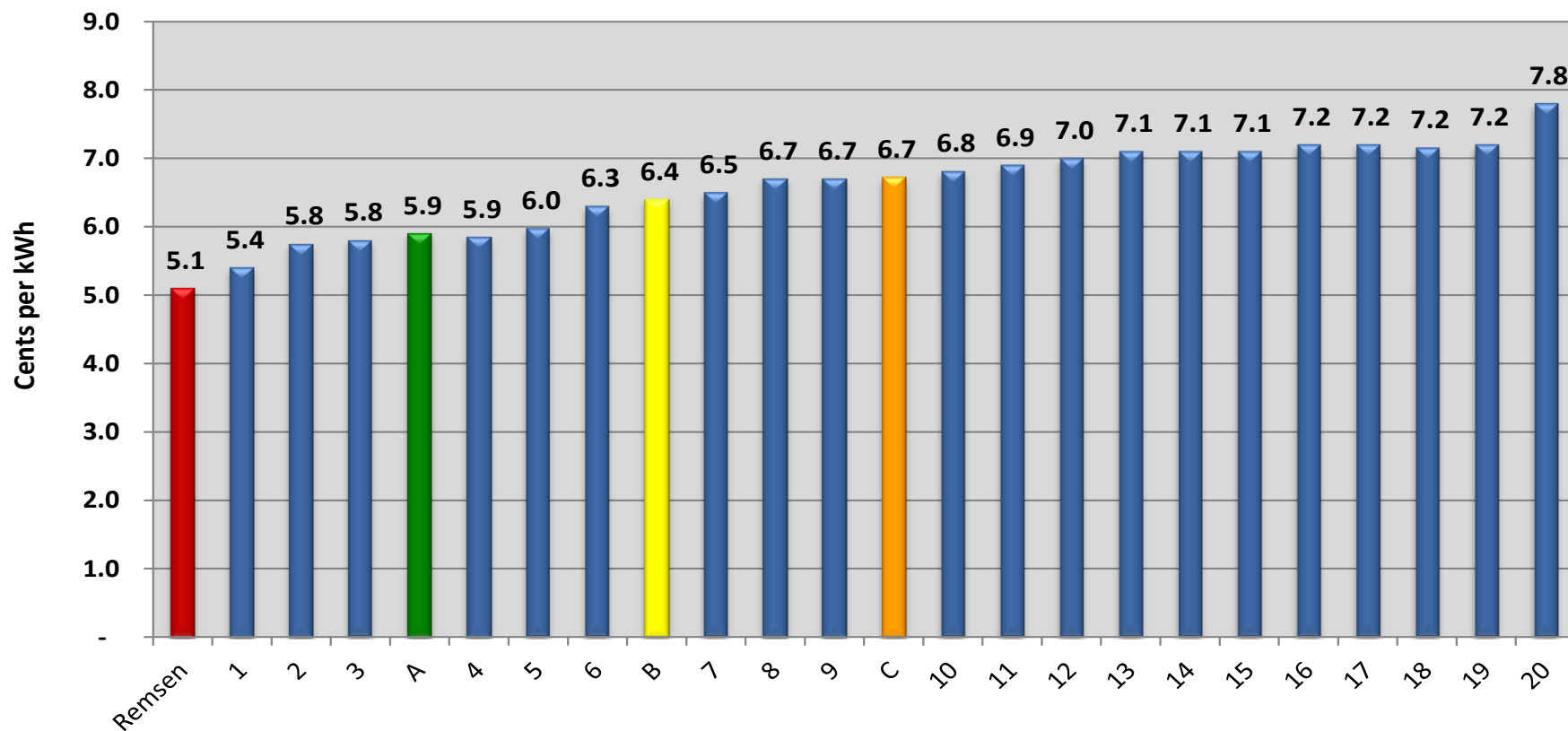
Annual Discount of \$36,725

Total Donated Labor/Materials & Street Lighting



Wholesale Power Supply & Transmission

Comparison of Estimated 2014 Area Wholesale Power Rates



- Remsen 2014 Average Cost: \$0.051 per kWh. 2015 is projected to be \$0.052
- Average Composite rate of 20 Regional Power Suppliers : \$0.067 per kWh
- Remsen's Power Supply Costs are \$0.0164 per kWh LOWER than the Regional Average

Wholesale Power Savings

2014 Wholesale Power Cost Savings	
Regional Average Cost	\$0.0670
Less: Remsen's 2014 Cost	(\$0.0506)
Cost Difference	\$0.0164
Times kWh Purchased	16,933,579
Estimated 2013 Savings	\$271,711

- The savings for a Residential customer using 800 kWh is **\$13.12 per month**

Impacts to Competitiveness of Bills



Each Utility has Unique Revenue Requirements

Wholesale Power Costs: 60% - 80% of Expenses

Business Operating Cycle

Capital Improvements & Equipment

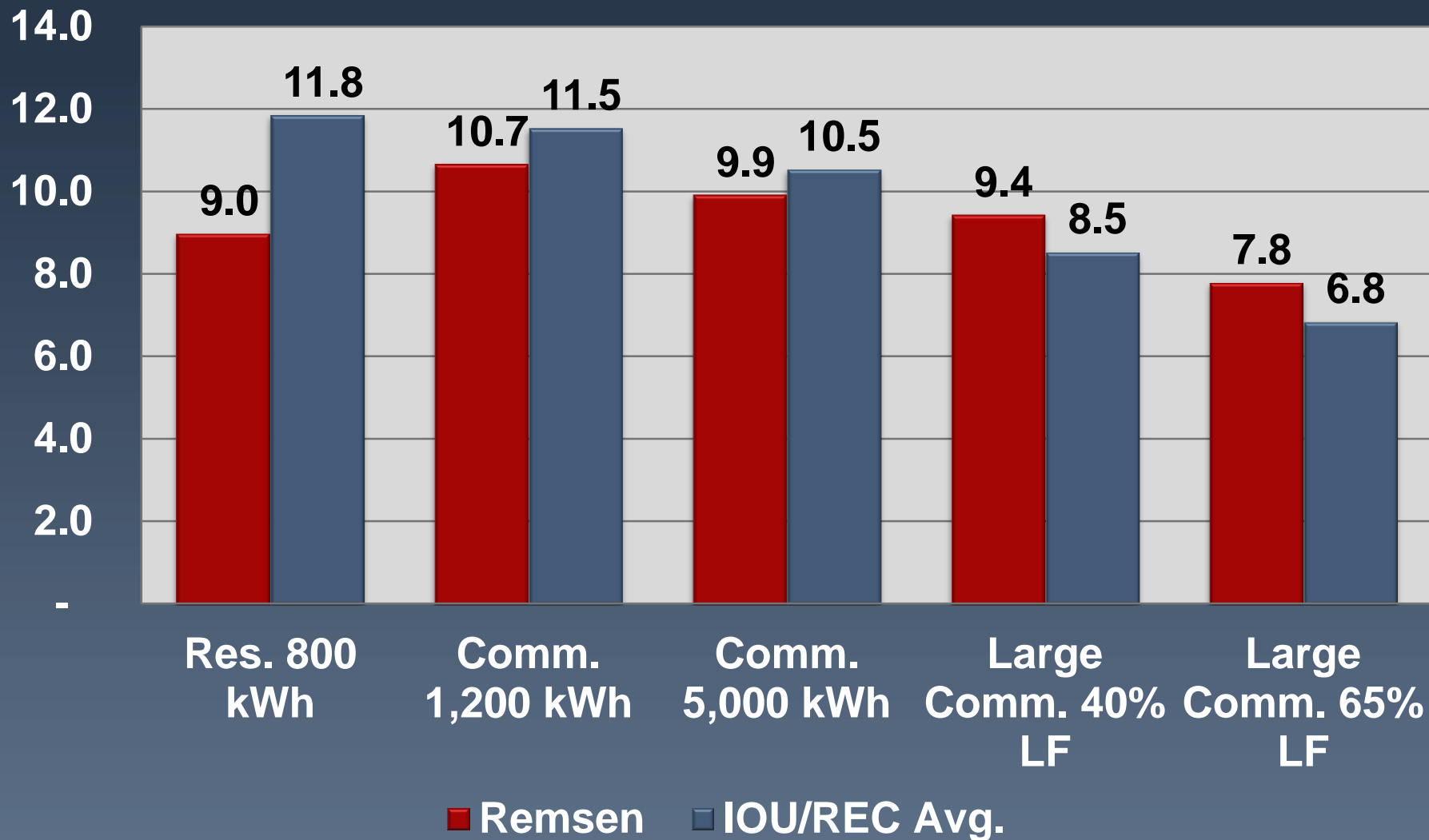
Level of Transfers & Donated Services

Cost-based Rates for all Classes

Comparison of Bills

Rate Classes	Remsen 2015 Bill	IA IOU/ REC Avg.	Remsen less IOU/REC Avg.
Residential 800 kWh	\$71.80	\$94.76	(\$22.96) (24.2%)
Commercial 1,200 kWh	\$127.85	\$138.36	(\$10.51) (7.6%)
Commercial 5,000 kWh	\$495.50	\$526.77	(\$31.27) (5.9%)
Large Comm. 14,600 kWh 50 kW, 40% LF	\$1,376	\$1,246	\$130 10.4%
Large Comm. 71,175 kWh 150 kW, 65% LF	\$5,542	\$4,873	\$669 13.7%

Comparison of Bills - 2015



INTANGIBLE BENEFITS



- Local Governance

- Access to Tax-Exempt Financing

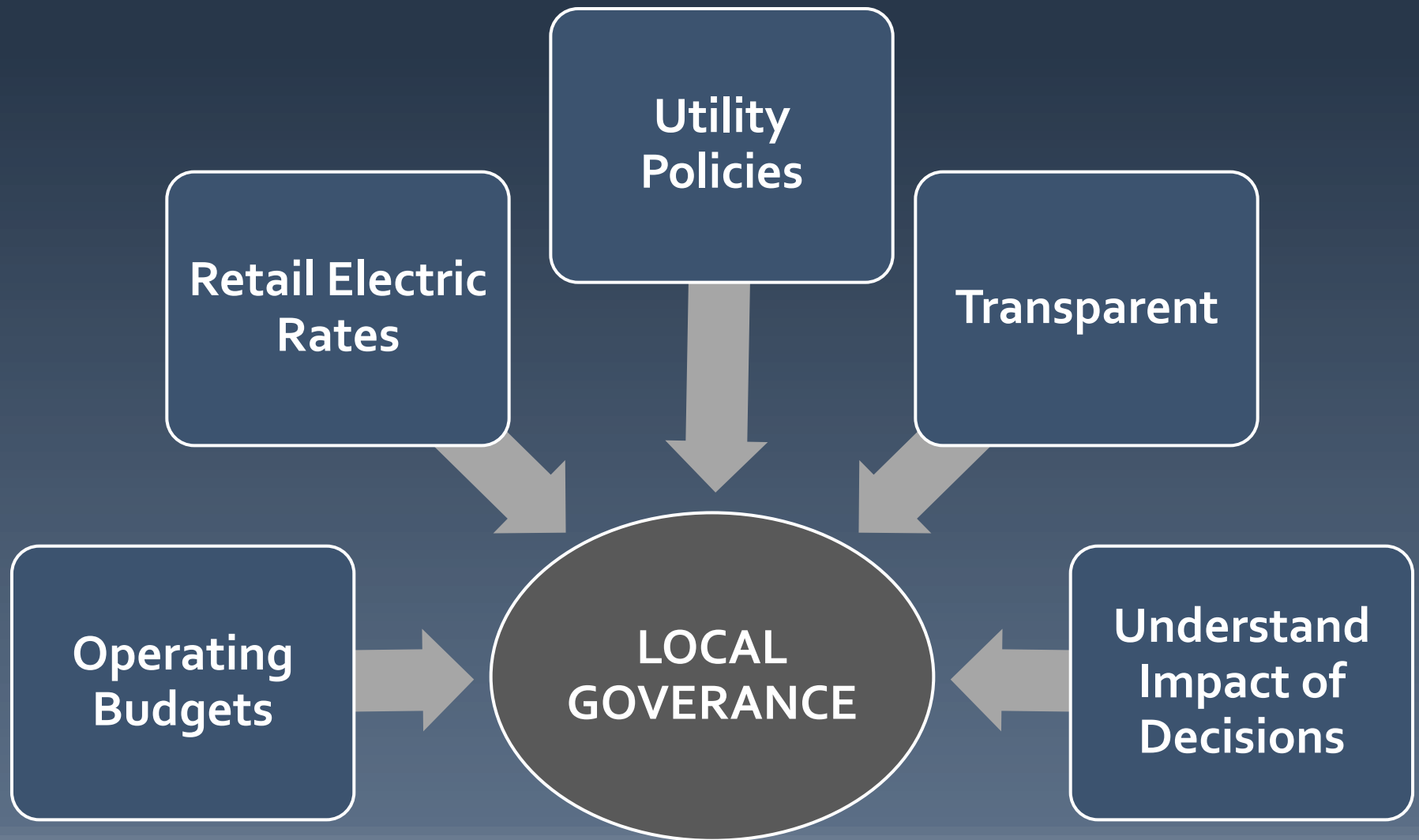
- Reliability

- Support to Econ. Development Authority

- Operational Efficiencies

- Local Customer Service & Payment Office

INTANGIBLE BENEFITS



Access to Tax-Exempt Financing

- Taxable Bonds are 200 to 300 Basis Points Higher
- Lower interest costs result in lower electric rates



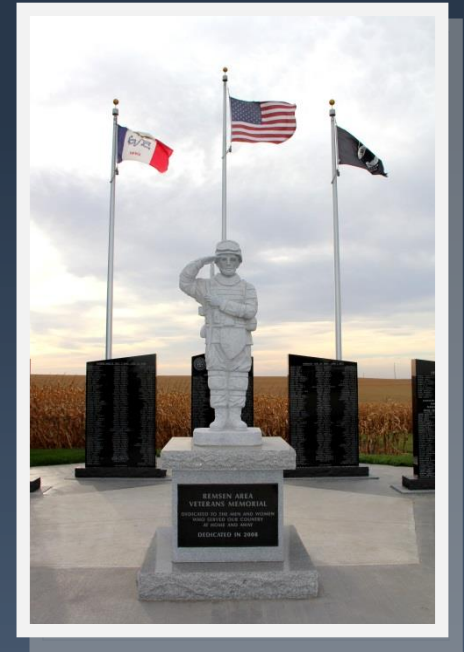
Reliability

- **Most Customer's 1st Priority is Reliability, then Rates**
- **Strength of Remsen's Utility System**
- **Reliability is Impacted by:**
 - Voltage, % of Underground, and Redundancy
 - Conductor Type and Age
 - Preventive Maintenance Schedule
- **Most Outages Caused by Weather and Equipment Failure. Also caused by Contractors, Customers, or Accidents**

Reliability

- **Remsen's Preventive Maintenance**

- Tree trimming program
- Vegetation management
- Lightning arresters installed
- Thermographic circuit inspections



- **Responsiveness**

- Local staff readily available to restore power

Reliability Standard Measurements

- Lower the Number or Minutes = Greater the Reliability

Standards	Remsen Avg. 2011-2012	Alliant Energy Avg. 2008-2012	MidAm Energy Avg. 2006-2010
SAIFI	0.1	1.1	1.3
SAIDI – Min. per Year	12.5	93.7	210.3
CAIDI – Min. per Event	125.5	87.2	150.1

- SAIFI – Average number of interruptions per customer for reporting period
- SAIDI – Amount of time a customer is without power
- CAIDI – Amount of time a customer can expect to be without power when they do lose power

Other Intangible Benefits

- **Support Economic Development**
 - Works with existing customers on expansions and new customers to understand their infrastructure requirements
- **Operational Efficiencies**
 - Integrated Utility Operations
 - Staff and benefits
 - Utility billing and accounting software
 - Office and shop space
 - Equipment and vehicles
- **Local Customer Service & Payment Office**

BENEFITS OF BEING A MEMBER OF MRES

- Power Supply & Transmission Planning
- Bright Energy Solutions Energy Efficiency Program
- IA Conservation Improvement Program Filings
- Legislative & Preference Power Representation
- Educational Meetings & Workshops
- Member Services for Remsen's Customers

Power Supply & Transmission Planning

- **Power Supply Planning**

- Provides a diversified, cost-effective power supply portfolio
 - Renewable and non-renewables
- Short & long-term power supply and cost forecasts
- Operations center ensures adequate power supply

- **Transmission Planning**

- Represents members' transmission interest at meetings
- Remsen is part of the MBMECA

Bright Energy Solutions Program

- Unique Portfolio of Energy Efficiency Cash Incentive Programs
- Paid Remsen's Residential and Business customers **\$37,300 in Incentives** for energy efficiency projects
- Saved 82.75 kW and 336,600 kWh annually
- Saved **\$13,165** on MRES power supply bill in 2014



Other MRES Benefits

- Federal and State Legislative Representation
- Preference Power (WAPA) Representation
- Educational Meetings & Workshops
 - MRES 50th Annual Meeting on May 6-7, 2015
- Member Services
- Bright Energy Solutions Power Team Education Program



COMMUNICATION STRATEGIES



Community Presentations

Public Power Week each October

Key Account Activities – visit customers

Traditional and Social Media

Other Community Involvement

Remsen Municipal Utilities

Outstanding Asset to the Entire Community

Local Financial Benefits \$ 44,750

Power Cost Savings \$277,700

Total Savings in 2014 \$300,200

**\$345 of savings for each
Residential & Commercial customer**

...and many, many more Intangible Benefits