



Communication is Key

Turn Information Into Action

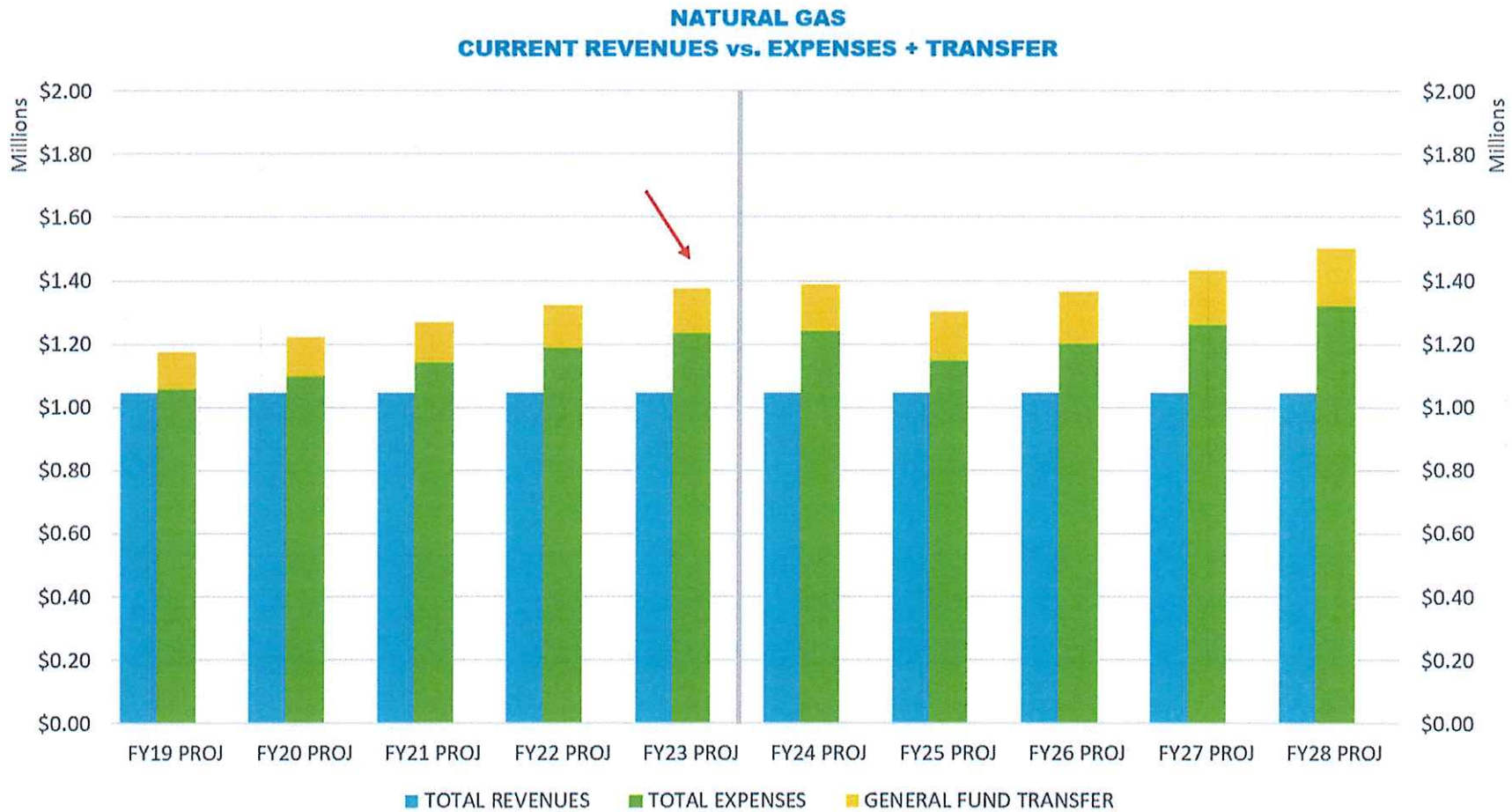
**Hogansville: Natural Gas
Rate Proposals**

05.14.18



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Natural Gas: Enterprise Fund Future Outlook



*** Expenses already surpassed revenues.

*** Fund is unsustainable. Acquiring more revenues & reducing expenses are paramount to survival.

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Natural Gas: Revenue Requirement (with and without Transfer)

5-year rate design:

With transfer:

- Deficit starts in FY19

No Transfer:

- Deficit starts in FY19

Design objectives

- Increase Wholesale cost solves the shortfall
- Gradual increase to break-even by FY23

Assumptions

- Assumed 5% escalation in expenses
- Removed depreciation
- Removed Sr. Discount

	FY19 PROJ	FY20 PROJ	FY21 PROJ	FY22 PROJ	FY23 PROJ
REVENUES					
Sales Revenues	\$1.010M	\$1.010M	\$1.010M	\$1.010M	\$1.010M
Other Revenues	\$0.036M	\$0.036M	\$0.036M	\$0.036M	\$0.036M
TOTAL REVENUES	\$1.046M	\$1.046M	\$1.046M	\$1.046M	\$1.046M
EXPENSES					
Operating:					
Personnel Costs	\$0.144M	\$0.151M	\$0.159M	\$0.166M	\$0.175M
Purchased Property Svcs	\$0.033M	\$0.035M	\$0.036M	\$0.038M	\$0.040M
Other Purchased Svcs	\$0.036M	\$0.038M	\$0.040M	\$0.042M	\$0.044M
Professional & Tech Svcs	\$0.021M	\$0.022M	\$0.023M	\$0.025M	\$0.026M
Supplies & Materials	\$0.615M	\$0.643M	\$0.674M	\$0.706M	\$0.739M
TOTAL OPERATING	\$0.849M	\$0.889M	\$0.932M	\$0.977M	\$1.024M
Non-Operating					
Capital Outlay	\$0.017M	\$0.018M	\$0.019M	\$0.020M	\$0.021M
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPER	\$0.017M	\$0.018M	\$0.019M	\$0.020M	\$0.021M
DEPRECIATION	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT SERVICE	\$0.193M	\$0.192M	\$0.192M	\$0.191M	\$0.189M
TOTAL DEPR & DEBT SVC	\$0.193M	\$0.192M	\$0.192M	\$0.191M	\$0.189M
TOTAL EXPENSES	\$1.059M	\$1.100M	\$1.142M	\$1.187M	\$1.234M
INCOME BEFORE TRANSFER	\$(0.012M)	\$(0.053M)	\$(0.096M)	\$(0.141M)	\$(0.188M)
GENERAL FUND TRANSFER	\$0.116M	\$0.121M	\$0.127M	\$0.134M	\$0.140M
INCOME AFTER TRANSFER	\$(0.128M)	\$(0.175M)	\$(0.224M)	\$(0.275M)	\$(0.328M)



Proposal: Natural Gas Rates (with Transfer)

- No change in Residential, Commercial, Municipal or Interruptible rate
- **Increased Wholesale rates**

RESIDENTIAL, COMMERCIAL & MUNICIPAL

Effective Date	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22	
Base Charge	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	per month
Usage Charge						
All CCF	\$0.394	\$0.394	\$0.394	\$0.394	\$0.394	per CCF

WHOLESALE

Effective Date	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22	
Usage Charge						
All kGallon	\$0.336	\$0.372	\$0.409	\$0.448	\$0.489	per CCF

INTERRUPTIBLE

Effective Date	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22	
Base Charge	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	per month
Usage Charge						
All kGallon	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	per CCF

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Proposal: Natural Gas Rates (no Transfer)

- No change in Residential, Commercial, Municipal or Interruptible rate
- **Increased Wholesale rates**

RESIDENTIAL, COMMERCIAL & MUNICIPAL

Effective Date	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22	
Base Charge	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	per month
Usage Charge						
All CCF	\$0.394	\$0.394	\$0.394	\$0.394	\$0.394	per CCF

WHOLESALE

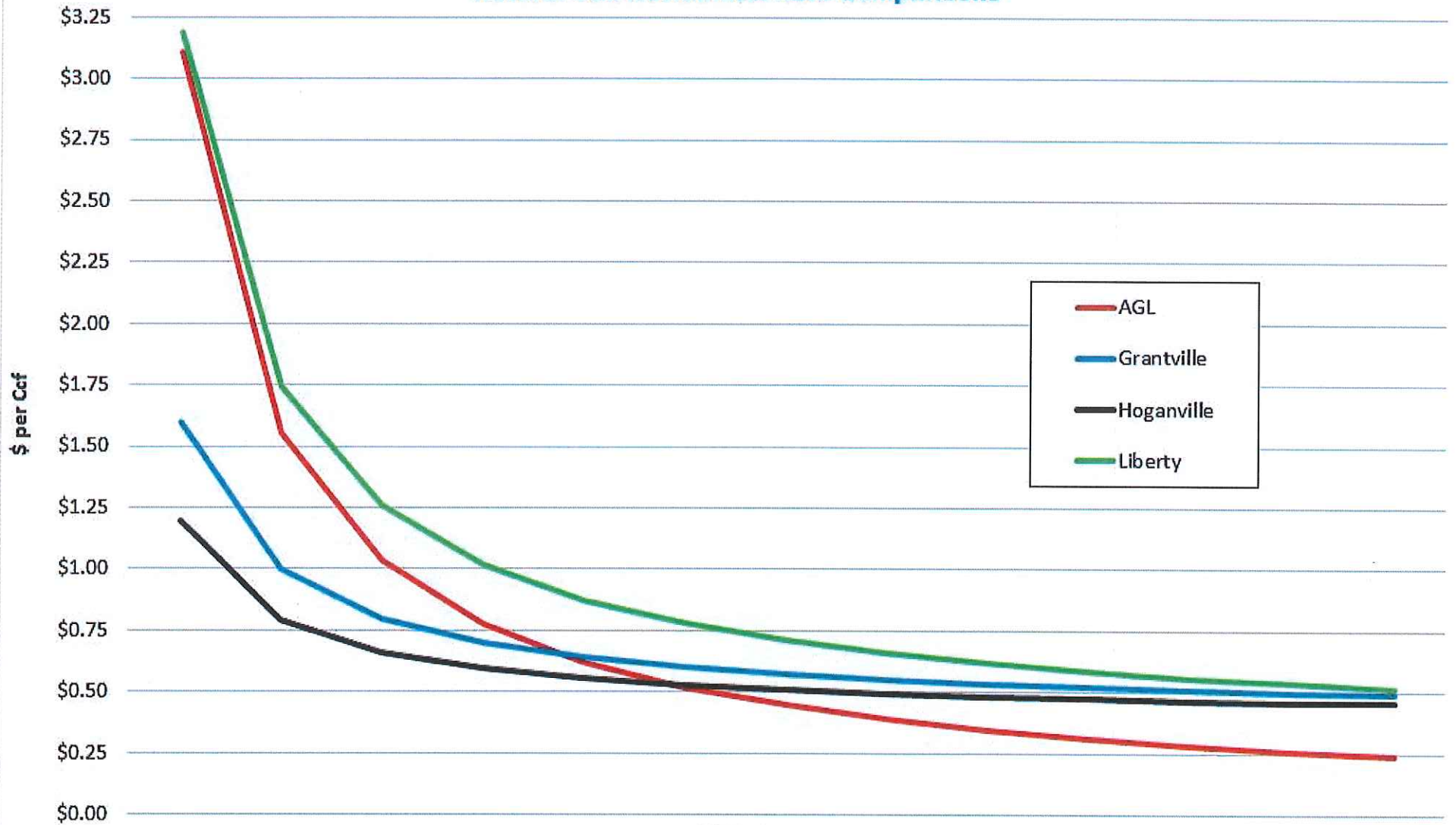
Effective Date	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22	
Usage Charge						
All kGallon	\$0.229	\$0.261	\$0.294	\$0.328	\$0.364	per CCF

INTERRUPTIBLE

Effective Date	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22	
Base Charge	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	per month
Usage Charge						
All kGallon	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	per CCF

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Natural Gas Residential Rate Comparisons



	Ccf Usage												
	10	20	30	40	50	60	70	80	90	100	110	120	130
AGL	\$3.11	\$1.55	\$1.04	\$0.78	\$0.62	\$0.52	\$0.44	\$0.39	\$0.35	\$0.31	\$0.28	\$0.26	\$0.24
Grantville	\$1.60	\$1.00	\$0.80	\$0.70	\$0.64	\$0.60	\$0.57	\$0.55	\$0.53	\$0.52	\$0.51	\$0.50	\$0.49
Hoganville	\$1.19	\$0.79	\$0.66	\$0.59	\$0.55	\$0.53	\$0.51	\$0.49	\$0.48	\$0.47	\$0.47	\$0.46	\$0.46
Liberty	\$3.19	\$1.74	\$1.26	\$1.02	\$0.87	\$0.78	\$0.71	\$0.66	\$0.62	\$0.59	\$0.56	\$0.54	\$0.52