

Rates and Finance Subcommittee Meeting

March 7, 2023

Devin ViBarnes presented the proposed rate for 2024, as well as considerations that went in to the 10-year rate forecast. Key items included:

- The proposed 2024 rate is 5.75%, which is unchanged from what was forecasted last year.
- Versus the information shared at the general meeting last month, the plan includes three changes to the capital spending:
 - Certain low-risk I&I projects were deferred out of the 10-year window.
 - Accomplishment rate was re-evaluated based on capital delivery capacity, which defers an additional 5% of the capital needs out of the 10-year window.
 - Funding strategy for the capital plan has been revised from the 40% target to one based on original cost, which increased the use of debt for the 10-year period to 66%.
- The proposal also shifts to a three-step rate smoothing approach, which helps keep the near-term rate lower.