

Stowe Electric Department - Impact of Alternative Compliance Rates

The table below shows the impact of the \$0.07 per kWh alternative compliance payment for distributed renewable generation and energy transformation on Stowe Electric Department (SED) and the potential impact on customer rates.

The analysis below assumes compliance shortfalls in 1% increments, assuming 2014 kWh sales and revenue rate requirement

Assumptions:	
2014 kWh (approximate)	74,415,131 kWh
2014 Revenue Rate Requirement	10,973,053
Tier 2 alternative compliance rate per kWh	\$ 0.07

Impact on Stowe Electric Department in 1% increments	Compliance payment	Average customer rate impact
Target shortfall - 1%	52,091	0.47%
Target shortfall - 2%	104,181	0.95%
Target shortfall - 3%	156,272	1.42%
Target shortfall - 4%	208,362	1.90%
Target shortfall - 5%	260,453	2.37%
Target shortfall - 6%	312,544	2.85%
Target shortfall - 7%	364,634	3.32%
Target shortfall - 8%	416,725	3.80%
Target shortfall - 9%	468,815	4.27%
Target shortfall - 10%	520,906	4.75%

While our goal will be to achieve the targets set forth, there is a potential that we may attain a shortfall. The above table is being provided to show the potential impact this might have on the SED rate payers.