



BUSINESS OPERATIONS – DECEMBER 2018

ARPA Board Adopts 2019 Budget. At its December meeting, the ARPA Board approved a budget for 2019 that includes a 2% reduction in its wholesale energy rate. The rate decrease comes after several years of stable rates; the Authority has not raised rates since 2011. The 2019 Budget also supports the Board’s plan to accumulate sufficient cash to retire 2010 bonds when they become callable in 2020. The budget includes:

- Revenues of approximately \$33.1 million
- Power supply cost of approximately \$14.3 million
- Transmission expense of approximately \$3.2 million
- Debt Service payments of \$9.5 million
- Admin and General expenses of approximately \$1.7 million

Wholesale Rate Review. The Board of Directors adopted Resolution No. 07-18, a new Wholesale Rate Schedule that decreases ARPA’s Wholesale Energy Rate by 2%. The rate reduction, which will become effective in January, is projected to save ARPA members and their rate payers approximately \$350,000 to \$400,000 annually beginning in 2019.

The Board also adopted its Avoided Cost formula for 2019 which will be the average of the base energy rate used by Public Service Company of Colorado to calculate ARPA’s energy imbalance charges. The Avoided Cost Rate will be the reimbursement rate used in the Board’s Distributed Generation Policy.

ARPA Board Adopts Renewable Distributed Generation (DG) Policy. The Board also adopted its much-discussed Distributed Generation Policy. The DG Policy provides guidelines to account for renewable generation facilities that are installed in ARPA’s members distribution areas. This includes solar garden installations and facilities that are installed behind retail electric meters. Provisions of the Policy include the rate of reimbursement (avoided cost rate) for the generated power and addresses issues such as the size limits for net metering programs, how electrical output for installations over 25 kW will be accounted for, operational issues such as metering and reporting requirements, and billing procedures.

Summary of October 2018 Financial and Operating Statements. During the month of October, total revenues were better than budget by \$204,482. Total cost of goods sold were over budget \$64,045. There were net revenues of \$343,977 for the month.

Sales at Ten-Year High, YTD. Member sales for the first nine-months of the year are 4.2% better than in 2017 and 3.6% better than the ten-year average for sales through September. Revenues from sales are also well above average, 4% better than 2017 and almost 8% better than budget.

Next ARPA Meeting. The next regularly scheduled ARPA board meeting is Thursday, January 31, 2019 and will be held by WebCast. The meeting will begin at 9:00 AM. ARPA board meetings are open to the public. If any member of the public wishes to attend please call Arvenia at 336-3496 for information on where to attend the meeting.