

RMLD

COVID-19 VIRUS IMPACT ASSESSMENT

Assess Changes

	Weather	Covid-19	Other
Load Changes	✓	✓	✓
Power Supply Costs	✓	✓	✓
Residential Class Sales and Revenue	✓	✓	✓
Non-Residential Class Sales and Revenue	✓	✓	✓
Fixed Operating Expenses	✓	✓	✓
Capital Budget	✓	✓	✓

Other includes new loads, efficiency and electrification program impacts, distributed generation activity, economic factors, and changes to existing customer usage profiles

Covid-19 Load Impacts on RMLD

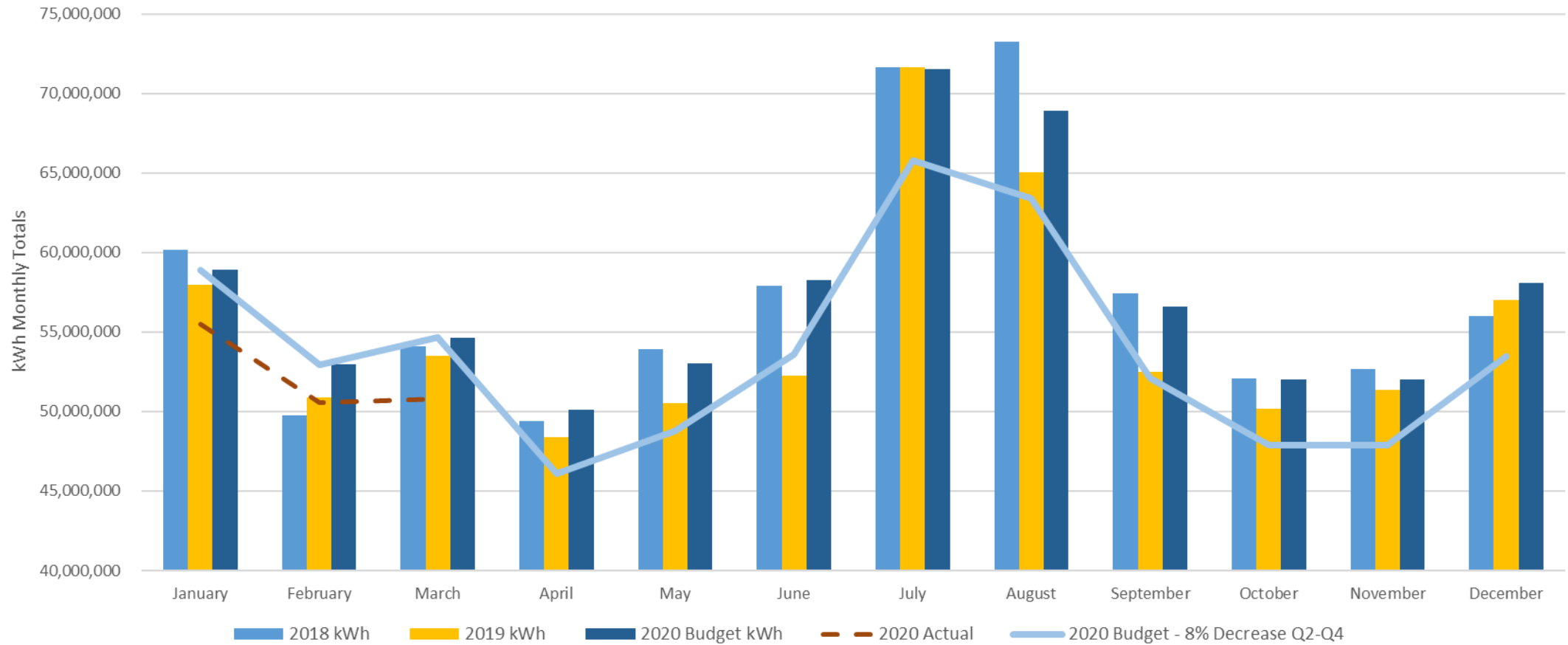
Experience to-date from other APPA and global utility study efforts:

- 6-10% drop in electric consumption Q2 2020
- 7-9% drop in electric consumption Q2-Q4 2020
- Assumed 8% load reduction for RMLD for remainder of 2020

RMLD anticipated wholesale load Q2-Q4 2020

- 520,524.4 MWHs
- 8% reduction: 41,642.0 MWHs

RMLD Monthly kWh Load Comparison



Assumptions

Baseline budget:

- Load forecast prepared using
 - Normalized weather impacts
 - Known and measurable changes pre-Covid-19
- Revenues anticipated on normal sales
- Expenses anticipated on normal operations
- Planned capital investment

Assessment of financial mitigation capabilities:

- Availability of rate stabilization and deferred fuel funds
- Ability to defer or avoid expenses and capital investment
- Assumed no rate adjustment for the remainder of 2020

Unknowns:

- Magnitude of Covid-19 event (assumed 8% load reduction)
- Duration of Covid-19 event (assumed through calendar 2020)

Assess Impacts

Load impacts on power supply budget

Covid-19 impacts on Accounts Receivable

Covid-19 impacts on Accounts Payable

- Power supply portfolio invoicing
- Shifts between capital and operating budgets

Covid-19 impacts on credit rating

Covid-19 on RMLD programs and services

Revenue and expense shifts on cash flow

Need for rate adjustment

Covid-19 2020 Power Supply Impacts

Power Supply Budget Q2-Q4 2020: \$ 46,114,136

• $\$46,114,136 / 520,524,394 * 1.035 = \0.08560

Covid-19 Adjusted Budget Q2-Q4 2020: \$ 43,991,857

• $\$43,991,857 / 478,882,443 * 1.05 = \0.08876

Current billed fuel adjustments: \$ 0.08735

Q2-Q4 expected fuel adjustments: \$ 0.08560

Covid-19 impacted Q2-Q4 fuel adj: \$ 0.08876

Covid-19 deferred fuel reserve impact: \$ 673,829

Covid-19 2020 Operating Budget Impacts

Operating revenues for Q2-Q4
2020: \$ 22,927,982

- Based on 2020 budget
- Assumes uniform expenditures per month

Covid-19 8% reduction in sales
revenue: \$ 1,834,239

Funding to come from Rate
Stabilization

Develop Covid-19 Response Options

Baseline impacts analysis

- Rate and revenue stability

Low and high cases

- Magnitude of impacts
- Duration of impacts

Response options

- Rate stabilization fund
- Deferred fuel fund
- Rate adjustment
- Reaching out to suppliers for grace periods