

Rate of Return Provided by Class

Mains Allocated on 100% Demand Basis

	Settlement ROR b4	Proposed Rate Increase	Post-Settlement ROR	ROR (Deficient)
Residential	4.71%	3.34%	6.94%	-0.40%
Firm General	7.74%	0.00%	7.74%	0.40%
Air Force	55.86%	-1.63%	33.57%	26.23%
Small Interruptible	3.37%	6.78%	5.87%	-1.47%
Large Interruptible	10.58%	0.00%	10.58%	3.24%
Total	5.95%	1.96%	7.34%	0.00%

Value of a SFV Rate for MDU's Residential Class

- Matches NSP's Rate Structure
- Positive Experience
- Matches System Design
- Eliminates DDC from Bill
- Eliminates DDSM from Bill
- Winter Bills are Lower
- Summer Bills are Higher
- Proper Price Signal
- Simplest Decoupling Method
- Revenue Forecasting is Easier
- Fixed Pricing is Common
- Relatively Uniform Class Usage
- Diminishes Customer Confusion
- More Transparent