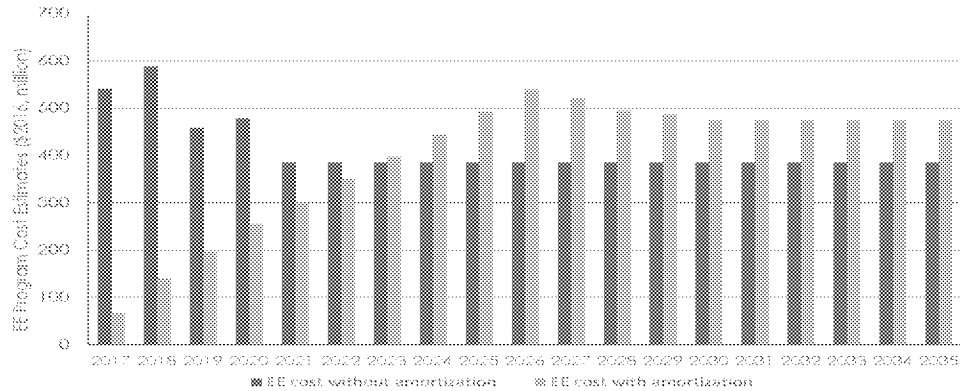


Amortization of conservation costs

- Conservation program expenditures are approximately \$500 M/year
- Treat conservation cost recovery consistent with generation and transmission
- A 10 year amortization period would decrease near-term ratepayer impacts , while increasing longer term rate impacts. The overall cost to ratepayers will be higher due to borrowing costs.



Option	2016 \$ Million			
	2017	2018	2019	2020
Savings Through Conservation Amortization	\$473	\$448	\$263	\$223
% of Total Cost of Electricity Service	2.26%	2.15%	1.30%	1.05%
Monthly Residential Bill Savings, assuming 750 kWh/month (\$ Nominal/mth)	-\$3.45	-\$3.35	-\$2.04	-\$1.77

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