

The AMR Business Planning Model

The essential decision-making tool for cooperatives
Brought to you by NRECA's National Consulting Group



What is it?

An interactive MS Excel®-based software program that compares and contrasts AMR vendors and resource requirements for YOUR OWN UNIQUE CO-OP situation whether you are considering a new AMR system or evaluating the impact of an existing operational system.

How does it work?

A National Consulting Group consultant works with you to identify and enter your co-op's specific information on:

- Metering
- Customer Service
- Operations
- Financial Data
- Form 7 data

What does it do with my data?

It projects a cost-benefit model that allows you to evaluate actual costs balanced against expected savings inherent with AMR implementation.

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• PROJECT MANAGEMENT• EMPLOYEE RETENTION• CAPITAL EXPENDITURES• OPERATIONAL & MAINTENANCE COSTS | – <i>balanced against</i> – | <ul style="list-style-type: none">• REDUCED METERING• FINANCE• OPERATIONS COSTS |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------|

The details are presented as graphs and charts in each category. All findings are brought together on the single-screen “dashboard”—a comprehensive look at the results. *See other side for a real-world view of the dashboard.*

What is special about this AMR Business Planning Model?

- It's vendor-neutral and unbiased
- It works with YOUR OWN data
- It's adaptable—plug in different data as your co-op's situation changes
- It's user-friendly—an MS Excel-based document makes it easy to use
- It has a benchmarking database built-in—see how your co-ops stats compare regionally and nationally

The “dashboard” is the conclusion page that lets you see your decision path—all on one page!

How will this tool benefit my co-op and me?

This tool is the one way to test a variety of scenarios of AMR implementation—in your co-op's unique setting. It's like trying it on before you buy it. You can make an informed decision about which AMR vendor's system will suit your needs the best. And, with the ability to run different scenarios, your Board and Management Team can be confident that you've done your due diligence in evaluating all the existing options.


How do I get this AMR Business Planning Model?

Contact the National Consulting Group to set up an onsite or over the phone consultation based on your needs. If you need a more customized application, a consultant can arrange that as well.

National Consulting Group
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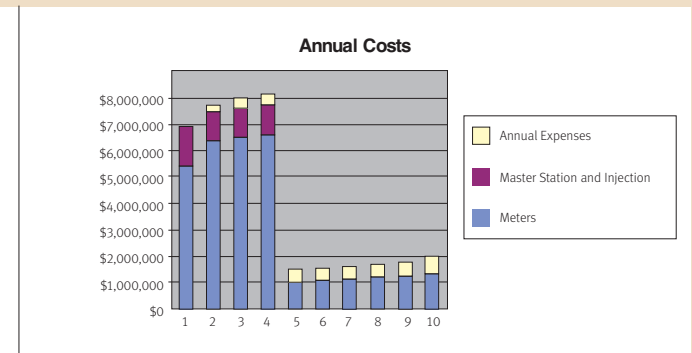
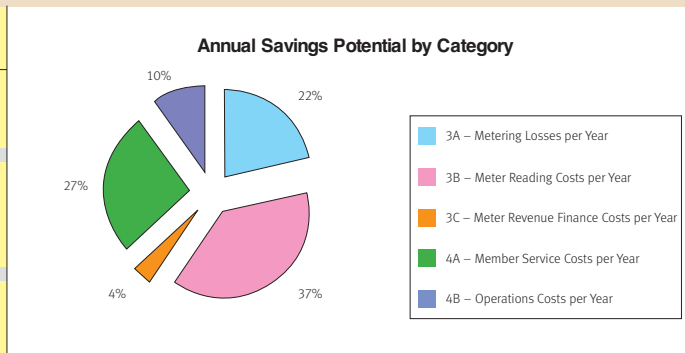
**National Rural Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

Decision Dashboard for the AMR Business Planning Model



| I want to change the item below | from: | to: |
|---------------------------------------------------------------------------|----------|-----|
| 1 Energy diversion reduction (see sheet 5 for original) | 0.25% | |
| 2 Number of years for AMR meter implementation (see sheet 7 for original) | 2 | |
| 3 Residential Meter Growth (see sheet 3 for original) | 4.00% | |
| 4 Escalation (inflation) Rate (see sheet 7 for original) | 3.00% | |
| 5 Vendor (see sheet 6 for original) | Vendor 2 | |
| 6 Number of disconnect collars (see sheet 6 for original) | 1,000 | |
| 7 % of Single Phase Meters replaced due to AMR (see sheet 3 for original) | 33% | |



Financial Measures

| | |
|--------------------|-------------|
| Net Present Value | \$4,708,303 |
| Cost of Capital | 7.00% |
| Breakeven Point | 5.794 Years |
| Benefit/Cost Ratio | 1.55 |

10-Year Projection of Total System Costs

| | |
|----------------------------------------------|--------------|
| Sum of Capital Costs | \$17,307,815 |
| Sum of Annual Expenses | \$1,738,200 |
| Sum of All Costs for 10-year Planning Period | \$19,046,015 |

