

Assumptions

7-27-16
Bevan

① Family uses 1,100 kWh/month

$$\text{Monthly GST} = (1,100)(\$0.1305) = \$143.55$$

$$\text{customer charge} = \frac{19.50}{\$163.05}$$

$$\text{sales tax } 5.5\% = \frac{8.97}{\$172.02/\text{month}}$$

$\$172.02/\text{month}$

② Electric rate increase

$$10\% = \$17.20$$

Sales Tax @ 5.5%
Equivalent groceries

$$17.20 = (X)(0.055)$$

$$X = \$312.73 \text{ purchased/month}$$

$$\text{Sales tax saved} = \$17.20$$

$$15\% = 25.80$$

$$25.80 = (X)(0.055)$$

$$X = \$469.14/\text{month}$$

$$20\% = 34.40$$

$$34.40 = (X)(0.055)$$

$$X = \$625.52/\text{month}$$

The CTF assumed family of 4 buys \$15,000/yr in groceries

$$15,000/12 = \$1,250/\text{month}$$

$$(\$1,250)(0.055) = \$68.75/\text{month in sales tax paid}$$

③ Equivalent electric rate increase

$$\$68.75 = (X)(\$172.02)$$

$$X = 0.40 = 40\% \text{ Break even rate increase}$$

④ Summary

A 20% electric rate increase costs 34.40/mo or \$412.80/year

Eliminating sales tax on groceries saves \$68.75/mo or \$825.00/year