Danville Utility Commission Meeting Agenda
4:00 p.m., October 26, 2020

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

II. Discussion/Business Items

A. Minutes of the September 28, 2020 Commission Meeting
B. Review of Utilities' Financial Statements
C. BP Natural Gas Update
D. Discussion on Fiscal Year 2021 and 2022 Capital Projects

III. Communications

A. City Manager
B. Utilities Staff
C. Commission Members
D. Public Comments
E. Director's Report

IV. Adjournment

Next Utility Commission Meeting

4:00 p.m. Monday, November 23, 2020

City Council Chambers
4th Floor, City Hall

Danville Utility Commission
4:00 p.m. September 28, 2020 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present: Sheila Williamson-Branch, Ken Larking, Helm Dobbins, Paul Liepe, Vanessa Cain, Gary Miller, Bert Eades

Commission Members Absent:

Staff Present: Ryan Dodson, Jason Grey, Janet Davis, Jennifer Holley, Michael Adkins

Others Present:

Call to Order

Chairman Cain opened the meeting and asked that the attendance be recorded. As a quorum was present, the meeting was called to order.

Discussion/Business Items

Minutes of August 24, 2020 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from August 24, 2020.

Mr. Dobbins made a motion to approve the minutes. Ms. Williamson-Branch seconded, all members voted in favor, and the motion carried unanimously.

Review of Utilities' Financial Statements

Ms. Holley presented the July utility financial statements for each utility fund and addressed questions from the commissioners.

Mr. Eades asked why the interest was higher. Ms. Holley responded that debt was refunded.

Mr. Eades asked was the increase in telecommunications income due to regaining the school customers that were lost last year. Ms. Holley responded that the additional income was gained from new schools becoming telecommunications customers.

Power Supply Update

Mr. Grey provided information on the City's 2020/2021 power supply. A summary was provided on the City's generation projects and a forecast was shared on expected transmission and capacity charges.

Mr. Eades asked if the 12.9% piece of the pie chart of the Danville 2021 energy sources is the portion that will be purchased from the market. Mr. Grey responded yes, the 12.9% is to be purchased on the market, but this would come from the hourly PJM market.

Mr. Dobbins asked how the price of natural gas through Fremont is purchased. Mr. Grey said that it is purchased on different markets. Danville Utilities was able to purchase at lower prices earlier in the year. Mr. Dobbins requested more information on Fremont's pricing. Mr. Grey responded that the pricing is subject to gas prices and he will get information to the Commission. He also noted that the plant is only operating when prices are favorable.

Mr. Eades asked if there were any other behind the meter items that were being looked at in the future in addition to solar. Mr. Grey responded that he is looking at battery storage and possibly doing a pilot project with that.

Pinnacles Metering and Billing

Mr. Grey presented a recommendation allowing American Municipal Power (AMP) to provide metering and billing service and to maintain the revenue grade meter/equipment for all of the City's generation resources on one power supply bill. Due to the pending sale of the Pinnacles Hydro facility, the City will need to install a metering point at the plant and be billed for the generation. AMP will charge $0.00058/kWh or approximately $1,500/month based on the generation provided at Pinnacles. AMP provides this same service for similar installations at the Schoolfield Hydro facility, Kentuck solar, Whitmell/Irish Rd solar, and Ringgold solar sites.

Mr. Eades asked if anyone else offered this service. Mr. Grey responded he didn't know of one and AMP is already handling this in other areas for us.

Mr. Eades made a motion that the Danville Utility Commission recommend to City Council to allow American Municipal Power to provide metering and billing services for the Pinnacle Hydro facility in Patrick County. Mr. Dobbins seconded, all members voted in favor, and the motion carried unanimously.

Department Discussions

Mr. Eades asked for information about the disconnections since the last meeting and the equal pay plan. Mr. Adkins shared some numbers regarding the disconnections and reconnections with the Commission. There are 400 customers currently disconnected with about $300,000 owed. The equal pay plan has been well marketed and many customers have opted into this plan to help get reconnected.

Mr. Dobbins asked how much CARES Act funding is remaining. Mr. Adkins responded that there is $100,000 left in CARES Act funding that is still available through Social Services.

There was no further communication from staff, commission members, or the public.

Adjournment

Ms. Cain announced that the next meeting will be on October 26, 2020. There being no further business, Ms. Cain adjourned the meeting at 4:40 p.m.

October 26, 2020
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

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Chairman
Danville Utility Commission

Commission Item Number: DUC201026 - 1
Utility Commission Meeting: October 26, 2020
Item: II. B. Review of Utilities' Financial Statements

Financial Report

August financials will be reviewed.

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
AUGUST 31, 2020

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2020
ASSETS							
Equity in pooled Cash and Investments	$	11,942,491.46	11,408,196.89	13,592,650.62	30,641,671.33	869,561.13	68,454,571.43
Receivables (Net of allowances for Uncollectible):							
Accounts		1,016,575.68	405,085.52	1,059,790.62	16,506,826.59	75,594.03	19,063,872.44
Power/Gas Cost Recovery		-	-	10,855.88	3,704,548.82	-	3,715,404.70
Pension Assets		386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Inventory of Gas, Materials and Supplies, at Cost		-	537,700.38	748,601.53	1,618,022.53	186,857.11	3,091,181.55
Fixed Assets		99,007,861.61	77,073,007.44	71,396,829.95	320,397,859.66	10,946,117.49	578,821,676.15
Accumulated Depreciation		(47,690,490.20)	(40,374,932.77)	(30,290,497.26)	(142,994,423.35)	(3,512,772.22)	(264,863,115.80)
Deferred Outflows - Pension		66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
TOTAL ASSETS	$	64,729,484.55	50,267,580.46	57,614,131.34	234,121,348.58	8,683,746.54	415,416,291.47
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	268,191.72	72,923.31	842,883.40	8,832,444.52	31,020.62	10,047,463.57
Accrued Interest Payable		34,532.40	33,632.09	17,610.92	620,360.67	-	706,136.08
Customer Deposits		-		-	3,885,479.68	-	3,885,479.68
Accrued Vacation, Sick Leave & Workers Comp.		-	118,428.44	64,925.15	552,506.27	10,606.43	746,466.29
Deferred Gain / Loss - Refunding Bonds		(129,803.08)	(123,763.30)	(69,312.09)	(1,267,774.71)	-	(1,590,653.18)
Original Issue Premium/Discount (Refunding Bonds)		160,704.43	156,720.87	80,941.41	4,297,943.41	-	4,696,310.12
General Obligation Bonds Payable		1,923,257.75	1,904,669.89	935,343.84	43,851,960.64	-	48,615,232.12
Revenue Bonds Payable		(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable		-	-	-	604,887.05	-	604,887.05
TOTAL LIABILITIES	$	2,256,883.05	2,162,611.30	1,872,392.63	61,377,807.53	41,627.05	67,711,321.56
Net Assets							
Contributed Capital	$	3,934,607.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,010,272.06
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	45,428,605.04	30,084,164.29	38,818,848.95	116,799,684.44	7,096,096.68	238,227,399.40
Restricted for Incomplete Projects		9,756,122.12	10,771,363.11	6,753,903.30	8,366,929.20	642,607.09	36,290,924.82
Restricted for Subsequent Expenses		2,424,674.10	149,872.59	53,892.79	872,321.10	6,706.30	3,507,466.88
Net Pension Assets		386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Deferred Outflows - Pension		66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
Unrestricted		542,163.80	1,383,937.25	7,839,826.09	29,360,605.78	458,479.83	39,585,012.75
Total Retained Earnings	$	58,537,994.06	43,428,686.24	54,401,228.13	159,021,918.52	8,304,870.90	323,694,697.85
TOTAL NET ASSETS	$	62,472,601.50	48,104,969.16	55,741,738.71	172,743,541.05	8,642,119.49	347,704,969.91
TOTAL LIABILITIES AND NET ASSETS	$	64,729,484.55	50,267,580.46	57,614,131.34	234,121,348.58	8,683,746.54	415,416,291.47

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2020

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2020
Operating revenues:							
Charges for Services	$	1,467,989.93	1,504,359.42	1,482,686.81	21,534,568.76	111,793.41	26,101,398.33
Operating Expenses:							
Purchased Services	$	-	-	1,286,320.18	16,099,424.47	10,265.97	17,396,010.62
Production		-	-	-	93,659.76	-	93,659.76
Transmission & Treatment		473,531.60	285,633.92	-	226,656.69	-	985,822.21
Engineering		-	32,638.76	32,733.76	164,264.28	-	229,636.80
Distribution		358,900.49	88,168.42	78,481.31	2,042,542.37	-	2,568,092.59
Service		20,694.75	10,391.57	4,774.68	-	-	35,861.00
Meters & Regulators		-	12,501.17	15,029.08	58,537.33	(8.80)	86,058.78
Administrative		275,455.67	547,951.83	455,232.96	830,342.30	132,435.00	2,241,417.76
Total Operating Expenses	$	1,128,582.51	977,285.67	1,872,571.97	19,515,427.20	142,692.17	23,636,559.52
Operating Income (Loss)	$	339,407.42	527,073.75	(389,885.16)	2,019,141.56	(30,898.76)	2,464,838.81
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		3,812.25	19,755.86	(13,708.80)	254,995.50	(378.73)	264,476.08
Interest Income		23,745.43	22,866.73	27,468.53	61,341.06	1,838.37	137,260.12
Energy Efficiency Recovery		-	-	-	-	-	-
Gain (Loss) on Disposal of Property		-	-	-	1,326.50	-	1,326.50
Recoveries and Rebates		1,046.22	2,441.17	83.03	(9,434.35)	-	(5,863.93)
Interest Expense		(28,469.06)	(24,846.10)	(18,382.41)	(186,833.76)	-	(258,531.33)
Total Non-Operating Revenues (Expenses)	$	134.84	20,217.66	(4,539.65)	121,394.95	1,459.64	138,667.44
Income (Loss) Before Operating Transfers	$	339,542.26	547,291.41	(394,424.81)	2,140,536.51	(29,439.12)	2,603,506.25
Operating Transfers:							
Transfers In (Out)		(117,626.66)	(158,383.34)	(531,055.00)	(1,738,268.34)	(13,500.00)	(2,558,833.34)
Total Operating Transfers	$	(117,626.66)	(158,383.34)	(531,055.00)	(1,738,268.34)	(13,500.00)	(2,558,833.34)
Net Income (Loss)	$	221,915.60	388,908.07	(925,479.81)	402,268.17	(42,939.12)	44,672.91
Net Assets - July 1, 2020, as restated		62,239,009.90	47,716,061.09	56,667,218.52	172,341,272.88	8,685,058.61	347,648,621.00
Net Income (Loss)		221,915.60	388,908.07	(925,479.81)	402,268.17	(42,939.12)	44,672.91
Contribution In Aid of Construction		11,676.00	-	-	-	-	11,676.00
Net Assets - August 31, 2020	$	62,472,601.50	48,104,969.16	55,741,738.71	172,743,541.05	8,642,119.49	347,704,969.91

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2020 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 20-21 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	1,467,989.93	1,504,359.42	1,482,686.81	21,534,568.76	111,793.41	26,101,398.33	169,322,180.00	27,110,593.76
COST OF SALES								
PURCHASED SERVICES	-	-	1,286,320.18	16,099,424.47	10,265.97	17,396,010.62	109,277,060.00	17,356,694.31
PRODUCTION	-	-	-	93,659.76	-	93,659.76	1,161,914.34	135,172.48
TOTAL COST OF SALES	-	-	1,286,320.18	16,193,084.23	10,265.97	17,489,670.38	110,438,974.34	17,491,866.79
GROSS PROFIT	1,467,989.93	1,504,359.42	196,366.63	5,341,484.53	101,527.44	8,611,727.95	58,883,205.66	9,618,726.97
GROSS PROFIT %	100.00%	100.00%	13.24%	24.80%	90.82%	32.99%	34.78%	35.48%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	473,531.60	285,633.92	-	226,656.69	-	985,822.21	6,651,090.06	995,577.74
ENGINEERING	-	32,638.76	32,733.76	164,264.28	-	229,636.80	1,826,807.95	177,307.91
DISTRIBUTION	358,900.49	88,168.42	78,481.31	2,042,542.37	-	2,568,092.59	17,621,760.40	2,861,692.89
SERVICE	20,694.75	10,391.57	4,774.68	-	-	35,861.00	382,580.00	24,432.88
METERS & REGULATORS	-	12,501.17	15,029.08	58,537.33	(8.80)	86,058.78	699,846.14	92,793.71
GENERAL & ADMINISTRATIVE	275,455.67	547,951.83	455,232.96	830,342.30	132,435.00	2,241,417.76	15,792,518.82	2,383,312.69
TOTAL OPERATING EXPENSES	1,128,582.51	977,285.67	586,251.79	3,322,342.97	132,426.20	6,146,889.14	42,974,603.37	6,535,117.82
OPERATING INCOME (LOSS)	339,407.42	527,073.75	(389,885.16)	2,019,141.56	(30,898.76)	2,464,838.81	15,908,602.29	3,083,609.15
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	23,745.43	22,866.73	27,468.53	61,341.06	1,838.37	137,260.12	951,800.00	262,316.27
ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	(110,160.09)	(36,819.76)
RECOVERIES AND REBATES	1,046.22	2,441.17	83.03	(9,434.35)	-	(5,863.93)	(122,050.00)	12,065.60
GAIN/LOSS ON DISPOSAL	-	-	-	1,326.50	-	1,326.50	48,970.00	144.00
JOBBING INCOME (LOSS)	3,812.25	19,755.86	(13,708.80)	254,995.50	(378.73)	264,476.08	495,850.00	77,840.86
INTEREST ON LONG TERM INDEBTEDNESS	(28,469.06)	(24,846.10)	(18,382.41)	(186,833.76)	-	(258,531.33)	(1,774,700.00)	(248,619.03)
NET INCOME (LOSS)	339,542.26	547,291.41	(394,424.81)	2,140,536.51	(29,439.12)	2,603,506.25	15,398,312.20	3,150,537.09
OPERATING TRANSFERS IN(OUT)	(117,626.66)	(158,383.34)	(531,055.00)	(1,738,268.34)	(13,500.00)	(2,558,833.34)	(15,353,000.00)	(2,558,833.34)
NET INCOME AFTER TRANSFERS	221,915.60	388,908.07	(925,479.81)	402,268.17	(42,939.12)	44,672.91	45,312.20	591,703.75
NET ASSETS JULY 1, AS RESTATED	62,239,009.90	47,716,061.09	56,667,218.52	172,341,272.88	8,685,058.61	347,648,621.00		
NET INCOME AFTER TRANSFERS	221,915.60	388,908.07	(925,479.81)	402,268.17	(42,939.12)	44,672.91		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	11,676.00	-	-	-	-	11,676.00		
NET ASSETS AUGUST 2020	62,472,601.50	48,104,969.16	55,741,738.71	172,743,541.05	8,642,119.49	347,704,969.91		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	3,934,607.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,010,272.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	45,428,605.04	30,084,164.29	38,818,848.95	116,799,684.44	7,096,096.68	238,227,399.40		
RESTRICTED FOR PROJECTS IN PROGRESS	9,756,122.12	10,771,363.11	6,753,903.30	8,366,929.20	642,607.09	36,290,924.82		
RESTRICTED FOR ENCUMBRANCES	2,424,674.10	149,872.59	53,892.79	872,321.10	6,706.30	3,507,466.88		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00		
DEFERRED OUTFLOWS - PENSION	66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00		
UNRESTRICTED	542,163.80	1,383,937.25	7,839,826.09	29,360,605.78	458,479.83	39,585,012.75		
TOTAL NET ASSETS	62,472,601.50	48,104,969.16	55,741,738.71	172,743,541.05	8,642,119.49	347,704,969.91		

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2020

WASTEWATER - FINAL

	ORIGINAL BUDGET 2020-21	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2020-21	AUGUST 2020	PERCENT OF CURRENT BUDGET	AUGUST 2019
OPERATING REVENUE	9,118,040.00		9,118,040.00	1,467,989.93	16.10%	1,681,407.94
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,088,200.00	27,977.16	3,116,177.16	473,531.60	15.20%	447,640.14
ENGINEERING	-		-	-		-
DISTRIBUTION	2,509,070.00	127,017.58	2,636,087.58	358,900.49	13.61%	447,136.53
SERVICE	140,230.00		140,230.00	20,694.75	14.76%	1,078.58
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	1,472.94	4.09%	8,222.71
GENERAL & ADMINISTRATIVE	1,808,530.00		1,808,530.00	273,982.73	15.15%	269,946.93
TOTAL OPERATING EXPENSES	7,582,030.00	154,994.74	7,737,024.74	1,128,582.51	14.59%	1,174,024.89
OPERATING INCOME (LOSS)	1,536,010.00	(154,994.74)	1,381,015.26	339,407.42	24.58%	507,383.05
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	118,200.00		118,200.00	23,745.43	20.09%	36,935.52
RECOVERIES AND REBATES	-		-	1,046.22		5,803.16
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	48,500.00		48,500.00	3,812.25	7.86%	8,096.00
INTEREST ON LONG TERM INDEBTEDNESS	(78,250.00)		(78,250.00)	(28,469.06)	36.38%	(31,473.62)
NET INCOME (LOSS)	1,624,460.00	(154,994.74)	1,469,465.26	339,542.26	23.11%	526,744.11
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(117,626.66)	16.67%	(117,626.66)
NET INCOME AFTER TRANSFERS	918,700.00	(154,994.74)	763,705.26	221,915.60	29.06%	409,117.45
CONTRIBUTION IN AID	38,000.00		38,000.00	11,676.00	30.73%	
REGULAR CAPITAL MAINTENANCE	(126,300.00)	(236,178.50)	(362,478.50)	(21,954.41)	6.06%	
CAPITAL PROJECTS	(4,150,000.00)		(4,150,000.00)	(178,859.82)	4.31%	
DEBT SERVICE	(333,340.00)		(333,340.00)	(120,321.00)	36.10%	
DEPRECIATION	2,145,750.00		2,145,750.00	328,630.04	15.32%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2020

WATER - FINAL

	ORIGINAL BUDGET 2020-21	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2020-21	AUGUST 2020	PERCENT OF CURRENT BUDGET	AUGUST 2019
OPERATING REVENUE	8,473,100.00		8,473,100.00	1,504,359.42	17.75%	1,396,032.25
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,897,720.00	58,994.85	1,956,714.85	285,633.92	14.60%	259,989.82
ENGINEERING	309,270.00	7,233.25	316,503.25	32,638.76	10.31%	36,858.32
DISTRIBUTION	662,080.00	154,340.63	816,420.63	88,168.42	10.80%	76,755.69
SERVICE	124,940.00		124,940.00	10,391.57	8.32%	15,513.14
METERS & REGULATORS	140,980.00		140,980.00	12,501.17	8.87%	15,711.24
BAD DEBT	31,000.00		31,000.00	1,465.61	4.73%	6,316.72
GENERAL & ADMINISTRATIVE	3,557,220.00	1,045.18	3,558,265.18	546,486.22	15.36%	481,168.18
TOTAL OPERATING EXPENSES	6,723,210.00	221,613.91	6,944,823.91	977,285.67	14.07%	892,313.11
OPERATING INCOME (LOSS)	1,749,890.00	(221,613.91)	1,528,276.09	527,073.75	34.49%	503,719.14
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	190,000.00		190,000.00	22,866.73	12.04%	39,746.31
RECOVERIES AND REBATES	17,980.00		17,980.00	2,441.17	13.58%	5,669.19
GAIN/LOSS ON DISPOSAL	1,970.00		1,970.00	-	0.00%	-
JOBBING INCOME (LOSS)	105,180.00		105,180.00	19,755.86	18.78%	4,283.42
INTEREST ON LONG TERM INDEBTEDNESS	(77,440.00)		(77,440.00)	(24,846.10)	32.08%	(27,467.46)
NET INCOME (LOSS)	1,987,580.00	(221,613.91)	1,765,966.09	547,291.41	30.99%	525,950.60
OPERATING TRANSFERS IN (OUT)	(950,300.00)		(950,300.00)	(158,383.34)	16.67%	(158,383.34)
NET INCOME AFTER TRANSFERS	1,037,280.00	(221,613.91)	815,666.09	388,908.07	47.68%	367,567.26
CONTRIBUTION IN AID	2,500,000.00		2,500,000.00	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(926,490.00)	(204,980.91)	(1,131,470.91)	(62,880.41)	5.56%	
CAPITAL PROJECTS	(4,500,000.00)	145,047.93	(4,354,952.07)	(317,846.53)	7.30%	
DEBT SERVICE	(359,710.00)		(359,710.00)	(105,009.00)	29.19%	
DEPRECIATION	1,752,540.00		1,752,540.00	267,939.58	15.29%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2020

GAS - FINAL

	ORIGINAL BUDGET 2020-21	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2020-21	AUGUST 2020	PERCENT OF CURRENT BUDGET	AUGUST 2019
OPERATING REVENUE	22,389,840.00		22,389,840.00	1,482,686.81	6.62%	1,702,128.22
COST OF SALES						
PURCHASED SERVICES	12,730,400.00		12,730,400.00	1,286,320.18	10.10%	1,480,504.47
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	12,730,400.00	-	12,730,400.00	1,286,320.18		1,480,504.47
GROSS PROFIT	9,659,440.00	-	9,659,440.00	196,366.63		221,623.75
GROSS PROFIT %	43.14%		43.14%	13.24%		13.02%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-			-		-
ENGINEERING	398,510.00	41,739.88	440,249.88	32,733.76	7.44%	40,496.49
DISTRIBUTION	668,480.00	1,818.86	670,298.86	78,481.31	11.71%	90,267.77
SERVICE	117,410.00		117,410.00	4,774.68	4.07%	7,841.16
METERS & REGULATORS	171,960.00	(673.86)	171,286.14	15,029.08	8.77%	23,668.33
BAD DEBT	57,000.00		57,000.00	4,688.72	8.23%	26,509.36
GENERAL & ADMINISTRATIVE	3,651,460.00	5,644.37	3,657,104.37	450,544.24	12.32%	523,179.92
TOTAL OPERATING EXPENSES	5,064,820.00	48,529.25	5,113,349.25	586,251.79	11.47%	711,963.03
OPERATING INCOME (LOSS)	4,594,620.00	(48,529.25)	4,546,090.75	(389,885.16)	-8.58%	(490,339.28)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	177,900.00		177,900.00	27,468.53	15.44%	50,344.68
RECOVERIES AND REBATES	(20,000.00)		(20,000.00)	83.03		225.52
GAIN/LOSS ON DISPOSAL	2,000.00		2,000.00	-		-
JOBBING INCOME (LOSS)	148,610.00		148,610.00	(13,708.80)	-9.22%	910.67
INTEREST ON LONG TERM INDEBTEDNESS	(38,180.00)		(38,180.00)	(18,382.41)	48.15%	(20,322.17)
NET INCOME (LOSS)	4,864,950.00	(48,529.25)	4,816,420.75	(394,424.81)	-8.19%	(459,180.58)
OPERATING TRANSFERS IN (OUT)	(3,186,330.00)		(3,186,330.00)	(531,055.00)	16.67%	(531,055.00)
NET INCOME AFTER TRANSFERS	1,678,620.00	(48,529.25)	1,630,090.75	(925,479.81)	-56.77%	(990,235.58)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(845,400.00)	(176,319.77)	(1,021,719.77)	(58,181.99)	5.69%	
CAPITAL PROJECTS	(3,500,000.00)		(3,500,000.00)	(136,926.90)	3.91%	
DEBT SERVICE	(123,160.00)		(123,160.00)	(77,691.00)	63.08%	
DEPRECIATION	1,542,230.00		1,542,230.00	260,642.68	16.90%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2020

ELECTRIC - FINAL

	ORIGINAL BUDGET 2020-21	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2020-21	AUGUST 2020	PERCENT OF CURRENT BUDGET	AUGUST 2019
OPERATING REVENUE	128,714,030.00		128,714,030.00	21,534,568.76	16.73%	22,230,403.38
COST OF SALES						
PURCHASED SERVICES	96,489,660.00		96,489,660.00	16,099,424.47	16.69%	15,866,546.96
PRODUCTION	978,580.00	183,334.34	1,161,914.34	93,659.76		135,172.48
TOTAL COST OF SALES	97,468,240.00	183,334.34	97,651,574.34	16,193,084.23		16,001,719.44
GROSS PROFIT	31,245,790.00	(183,334.34)	31,062,455.66	5,341,484.53		6,228,683.94
GROSS PROFIT %	24.28%		24.13%	24.80%		28.02%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,511,680.00	66,518.05	1,578,198.05	226,656.69	14.36%	287,947.78
ENGINEERING	1,044,490.00	25,564.82	1,070,054.82	164,264.28	15.35%	99,953.10
DISTRIBUTION	13,492,900.00	6,053.33	13,498,953.33	2,042,542.37	15.13%	2,247,532.90
SERVICE	-		-	-		-
METERS & REGULATORS	383,580.00	4,000.00	387,580.00	58,537.33	15.10%	53,414.14
BAD DEBT	310,000.00		310,000.00	34,900.97	11.26%	86,872.31
GENERAL & ADMINISTRATIVE	5,315,840.00	91,066.77	5,406,906.77	795,441.33	14.71%	848,487.13
TOTAL OPERATING EXPENSES	22,058,490.00	193,202.97	22,251,692.97	3,322,342.97	14.93%	3,624,207.36
OPERATING INCOME (LOSS)	9,187,300.00	(376,537.31)	8,810,762.69	2,019,141.56	22.92%	2,604,476.58
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	452,100.00		452,100.00	61,341.06	13.57%	131,127.99
ENERGY EFFICIENCY RECOVERY	-	(110,160.09)	(110,160.09)	-	0.00%	(36,819.76)
RECOVERIES AND REBATES	(120,030.00)		(120,030.00)	(9,434.35)	7.86%	367.73
GAIN/LOSS ON DISPOSAL	45,000.00		45,000.00	1,326.50	2.95%	144.00
JOBBING INCOME (LOSS)	185,640.00		185,640.00	254,995.50	137.36%	64,569.10
INTEREST ON LONG TERM INDEBTEDNESS	(1,580,830.00)		(1,580,830.00)	(186,833.76)	11.82%	(169,355.78)
NET INCOME (LOSS)	8,169,180.00	(486,697.40)	7,682,482.60	2,140,536.51	27.86%	2,594,509.86
OPERATING TRANSFERS IN (OUT)	(10,429,610.00)		(10,429,610.00)	(1,738,268.34)	16.67%	(1,738,268.34)
NET INCOME AFTER TRANSFERS	(2,260,430.00)	(486,697.40)	(2,747,127.40)	402,268.17	-14.64%	856,241.52
CONTRIBUTION IN AID			-		0.00%	
FEDERAL AID - CAPITAL PROJECTS			-		0.00%	
REGULAR CAPITAL MAINTENANCE	(3,306,680.00)	(162,422.50)	(3,469,102.50)	(566,397.08)	16.33%	
CAPITAL PROJECTS	-	-	-	(411,734.16)	100.00%	
DEBT SERVICE	(3,152,550.00)		(3,152,550.00)	(777,739.00)	24.67%	
DEPRECIATION	8,871,610.00		8,871,610.00	1,418,560.58	15.99%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2020

TELECOMMUNICATIONS - FINAL

	ORIGINAL BUDGET 2020-21	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2020-21	AUGUST 2020	PERCENT OF CURRENT BUDGET	AUGUST 2019
OPERATING REVENUE	627,170.00		627,170.00	111,793.41	17.83%	100,621.97
COST OF SALES						
PURCHASED SERVICES	57,000.00		57,000.00	10,265.97	18.01%	9,642.88
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	57,000.00	-	57,000.00	10,265.97		9,642.88
GROSS PROFIT	570,170.00	-	570,170.00	101,527.44		90,979.09
GROSS PROFIT %	90.91%		90.91%	90.82%		90.42%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT			-	(8.80)		(266.64)
GENERAL & ADMINISTRATIVE	926,650.00	1,062.50	927,712.50	132,435.00	14.28%	132,876.07
TOTAL OPERATING EXPENSES	926,650.00	1,062.50	927,712.50	132,426.20	14.27%	132,609.43
OPERATING INCOME (LOSS)	(356,480.00)	(1,062.50)	(357,542.50)	(30,898.76)	8.64%	(41,630.34)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	13,600.00		13,600.00	1,838.37	13.52%	4,161.77
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	7,920.00		7,920.00	(378.73)	-4.78%	(18.33)
INTEREST ON LONG TERM INDEBTEDNESS	-		-	-		-
NET INCOME (LOSS)	(334,960.00)	(1,062.50)	(336,022.50)	(29,439.12)	8.76%	(37,486.90)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(13,500.00)	16.67%	(13,500.00)
NET INCOME AFTER TRANSFERS	(415,960.00)	(1,062.50)	(417,022.50)	(42,939.12)	10.30%	(50,986.90)
CONTRIBUTION IN AID	-		-		0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(1,891.96)	7.57%	
CAPITAL PROJECTS	(250,000.00)		(250,000.00)	(71,320.68)	28.53%	
DEPRECIATION	482,230.00		482,230.00	73,307.64	15.20%	
CONTINGENCY	-		-	-	0.00%	

GAS OPERATING STATISTICS
YTD August 2020 and 2019

	YTD 2020	YTD 2019	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	13,131	13,086	45	0.3439%
Commercial	1,495	1,495	0	0.0000%
Small Firm Industrial	14	14	0	0.0000%
Municipal	52	55	-3	-5.4545%
Large Firm Industrial	5	6	-1	-16.6667%
Interruptible Industrial	6	6	0	0.0000%
Industrial Transportation	7	8	-1	-12.5000%
Interruptible Commercial	1	1	0	0.0000%
Commercial Transportation	-	8	-8	-100.0000%
TOTAL CUSTOMERS	14,711	14,679	32	0.2180%
NATURAL GAS SALES-DEKATHERMS:				
Residential	23,325	21,654	1,671	7.7168%
Commercial	27,606	31,042	-3,436	-11.0689%
Small Firm Industrial	293	278	15	5.3957%
Municipal	763	807	-44	-5.4523%
Large Firm Industrial	1,526	1,731	-205	-11.8429%
Interruptible Industrial	225,263	242,385	-17,122	-7.0640%
Industrial Transportation	27,712	30,743	-3,031	-9.8592%
Interruptible Commercial	11,273	11,887	-614	-5.1653%
Commercial Transportation	-	774	-774	-100.0000%
TOTAL DEKATHERMS	317,761	341,301	-23,540	-6.8971%

ELECTRIC OPERATING STATISTICS
YTD August 2020 and 2019

	YTD 2020	YTD 2019	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	37,039	36,922	117	0.3169%
Commercial	4,747	4,724	23	0.4869%
Industrial	16	16	0	0.0000%
High Load Factor	8	8	0	0.0000%
Municipal	285	282	3	1.0638%
Outdoor Lighting	6,006	5,966	40	0.6705%
TOTAL CUSTOMERS	48,101	47,918	183	0.3819%
KILOWATT HOURS SALES:				
Residential	94,423,458	89,002,905	5,420,553	6.0903%
Commercial	49,206,894	53,186,976	-3,980,082	-7.4832%
Industrial	1,927,920	4,754,590	-2,826,670	-59.4514%
High Load Factor	23,053,200	24,993,600	-1,940,400	-7.7636%
Municipal	3,892,852	4,008,091	-115,239	-2.8752%
Outdoor Lighting	2,435,676	2,461,711	-26,035	-1.0576%
TOTAL KILOWATT HOURS	174,940,000	178,407,873	-3,467,873	-1.9438%

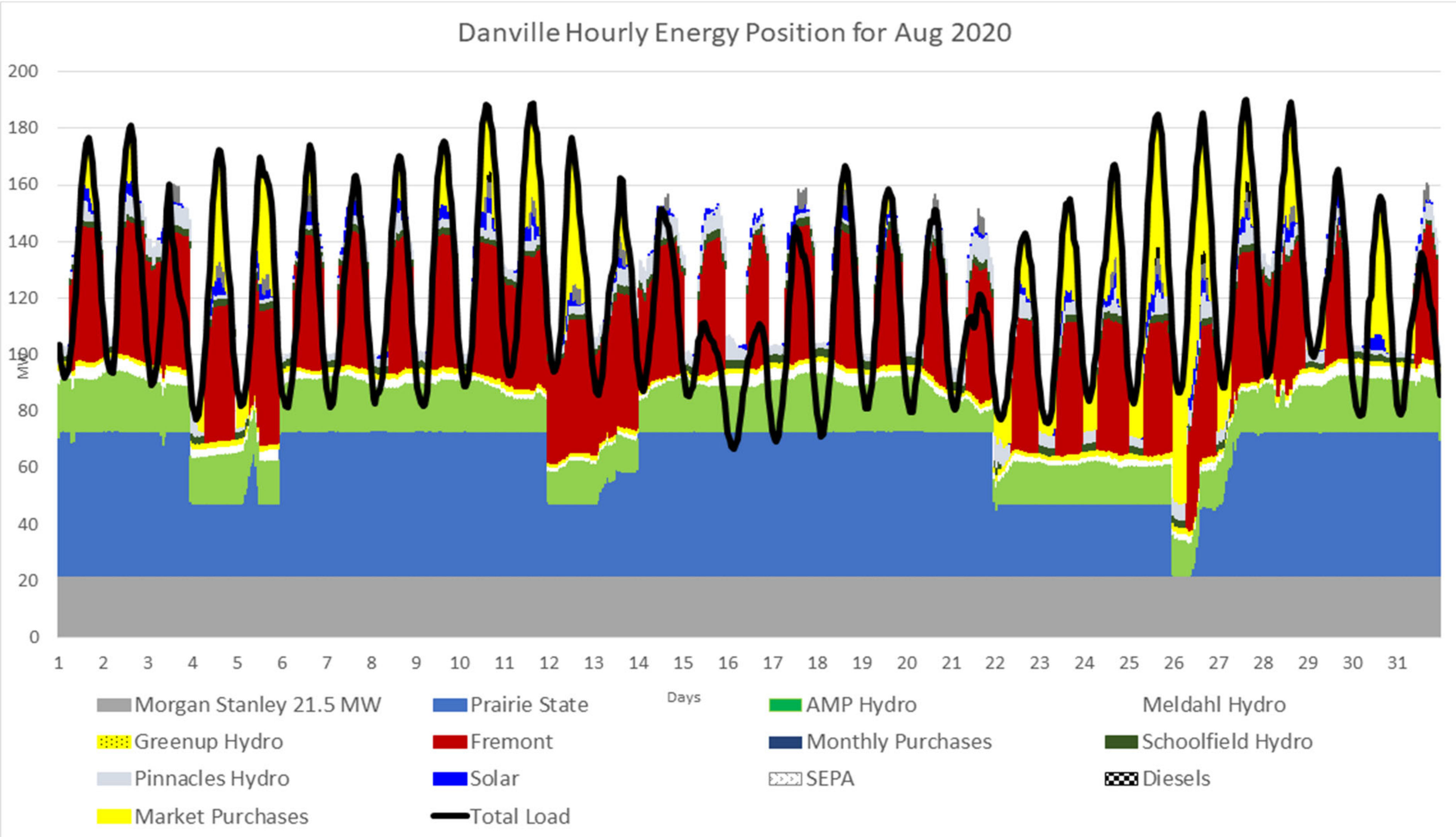
KEY IN YELLOW CELLS ONLY. TWEAK THE PCA IN COLUMN "L" TO ACHIEVE THE DESIRED RECOVERY.

BILLING MONTH	TOTAL POWER COST	HLF POWER COST	**NON-HLF POWER COST**	TOTAL kWh SALES	HLF kWh SALES	NON-HLF kWh SALES	PCA / kWh	POWER COST / kWh RECOVERED IN BASE RATE	TOTAL POWER COST / kWh RECOVERED	HLF STRANDED COSTS RECOVERED	**NON-HLF POWER COST RECOVERED**	NON-HLF POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	**CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - $4,000,000)**	
Mar-20	$ 7,380,989.15	$ 1,114,397.05	**$ 6,266,592.10**	71,197,856	10,749,600	60,448,256	$0.015000	$0.086200	$0.101200		**$ 6,117,363.55**	$ (149,228.55)		**$ (3,973,385.26)**	ACTUAL
Apr-20	$ 7,124,853.88	$ 1,273,510.69	**$ 5,851,343.19**	59,636,792	10,659,600	48,977,192	$0.025000	$0.086200	$0.111200		**$ 5,446,263.76**	$ (405,079.43)		**$ (4,378,464.68)**	ACTUAL
May-20	$ 6,880,478.95	$ 1,350,624.72	**$ 5,529,854.23**	57,738,724	11,334,000	46,404,724	$0.025000	$0.086200	$0.111200		**$ 5,160,205.35**	$ (369,648.88)		**$ (4,748,113.56)**	ACTUAL
Jun-20	$ 7,486,106.40	$ 1,061,018.33	**$ 6,425,088.07**	66,539,823	9,430,800	57,109,023	$0.020000	$0.086200	$0.106200		**$ 6,064,978.27**	$ (360,109.80)		**$ (5,108,223.36)**	ACTUAL
Jul-20	$ 8,068,815.04	$ 1,130,204.86	**$ 6,938,610.18**	80,145,220	11,226,000	68,919,220	$0.015000	$0.086200	$0.101200		**$ 6,974,625.09**	$ 36,014.91		**$ (5,072,208.45)**	ACTUAL
Aug-20	$ 8,030,609.43	$ 1,001,949.95	**$ 7,028,659.48**	94,794,779	11,827,200	82,967,579	$0.015000	$0.086200	$0.101200		**$ 8,396,319.01**	$ 1,367,659.53		**$ (3,704,548.92)**	ACTUAL
Sep-20	$ 7,987,542.39	$ 1,154,339.13	**$ 6,833,203.26**	93,082,195	13,452,000	79,630,195	**$0.025000**	$0.086200	$0.111200		**$ 8,854,877.69**	$ 2,021,674.43		**$ (1,682,874.49)**	PROJECTED
Oct-20	$ 8,163,829.21	$ 1,343,199.21	**$ 6,820,630.00**	77,529,680	12,756,000	64,773,680	$0.035000	$0.086200	$0.121200		**$ 7,850,570.06**	$ 1,029,940.06		**$ (652,934.43)**	PROJECTED
Nov-20	$ 8,322,593.81	$ 1,467,975.94	**$ 6,854,617.88**	68,836,009	12,141,600	56,694,409	$0.035000	$0.086200	$0.121200		**$ 6,871,362.40**	$ 16,744.52		**$ (636,189.91)**	PROJECTED
Dec-20	$ 8,458,029.62	$ 1,197,251.36	**$ 7,260,778.26**	80,561,183	11,403,600	69,157,583	$0.020000	$0.086200	$0.106200		**$ 7,344,535.34**	$ 83,757.08		**$ (552,432.82)**	PROJECTED
Jan-21	$ 7,818,549.35	$ 1,045,435.56	**$ 6,773,113.80**	81,093,563	10,843,200	70,250,363	$0.010000	$0.086200	$0.096200		**$ 6,758,084.93**	$ (15,028.87)		**$ (567,461.69)**	PROJECTED
Feb-21	$ 7,545,412.09	$ 1,015,300.95	**$ 6,530,111.14**	88,244,006	11,874,000	76,370,006	$0.010000	$0.086200	$0.096200		**$ 7,346,794.58**	$ 816,683.44		**$ 249,221.75**	PROJECTED

Future months (still in blue) show projections.

After PGA's are calculated, hard code them before reconciling the month

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	**DEMAND Recovery** (Independent of Commod) **Cum Over (Under) Demand Recovery Current FY**	**COMMODITY - Rolling Recovery** (Does not include Demand Recovery) **Monthly Commodity Cost**	**Monthly Commodity Recovered**	**Monthly Commod Over (Under) Recovery**	Adjustments	**Commodity Recovery Balance Over (Under)** +/- $2,000,000	
Mar-20	$ 3.80363	$ 3.80363	$ 3.24525	$ 0.2500	$ -	$ 6.30742	$ 3.31217	$ 333,765.29	$ 696,768.59	$ 859,097.77	$ 162,329.18		$ (12,378.59)	Final
Apr-20	$ 3.23814	$ 3.23814	$ 3.24525	$ 0.2500	$ (0.33000)	$ 6.70299	$ 3.70774	$ 317,077.28	$ 420,515.36	$ 399,008.99	$ (21,506.37)		$ (33,884.96)	Final
May-20	$ 2.89222	$ 2.89222	$ 1.55000	$ 0.2500	$ (0.58000)	$ 3.82247	$ 2.52247	$ 101,422.88	$ 410,659.70	$ 347,032.34	$ (63,627.36)		$ (97,512.32)	Final
Jun-20	$ 3.92701	$ 3.92701	$ -	$ 0.2500		$ 3.95494	$ 4.20494	$ (146,913.88)	$ 356,797.74	$ 433,064.51	$ 76,266.77		$ (21,245.56)	Final
Jul-20	$ 3.92642	$ 3.92642	$ -	$ -		$ 3.62684	$ 3.62684	$ (408,820.15)	$ 295,052.52	$ 320,787.75	$ 25,735.23		$ 4,489.68	Final
Aug-20	$ 3.95831	$ 3.95831	$ -	$ -	$ (0.09800)	$ 2.91569	$ 2.91569	$ (670,726.42)	$ 350,492.32	$ 335,146.76	$ (15,345.56)		$ (10,855.88)	Final
Sep-20	$ 3.94451	$ 3.94451	$ -	$ -	$ (0.09800)	$ 4.12912	$ 4.12912	$ (923,944.07)	$ 504,414.34	$ 496,164.33	$ (8,250.00)		$ (19,105.89)	Est
Oct-20	$ 3.86782	$ 3.86782	$ -	$ -		$ 3.86782	$ 3.86782	$ (1,185,850.34)	$ 578,038.79	$ 588,216.67	$ 10,177.89		$ (8,928.00)	Est
Nov-20	$ 3.80088	$ 3.80088	$ 2.00458	$ -	$ (0.25919)	$ 5.54627	$ 3.54169	$ (1,162,605.52)	$ 1,047,046.15	$ 793,026.76	$ (254,019.39)		$ (262,947.39)	Est
Dec-20	$ 3.68893	$ 3.68893	$ 2.00458	$ -	$ (0.25919)	$ 5.43432	$ 3.42974	$ (833,497.69)	$ 1,347,335.78	$ 1,195,713.32	$ (151,622.47)		$ (414,569.85)	Est
Jan-21	$ 3.67416	$ 3.67416	$ 2.00458	$ -	$ (0.25919)	$ 5.41955	$ 3.41497	$ (379,949.84)	$ 1,505,475.64	$ 1,296,973.16	$ (208,502.47)		$ (623,072.33)	Est
Feb-21	$ 3.97701	$ 3.97701	$ 2.00458	$ -	$ (0.25919)	$ 5.72240	$ 3.71782	$ 107,692.91	$ 1,180,956.42	$ 1,497,540.02	$ 316,583.60		$ (306,488.73)	Est



Danville Hourly Energy Position for Aug 2020
200
180
160
140
120
100
80
60
40
20
0
MW
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
Days
Morgan Stanley 21.5 MW
Prairie State
AMP Hydro
Meldahl Hydro
Greenup Hydro
Fremont
Monthly Purchases
Schoolfield Hydro
Pinnacles Hydro
Solar
SEPA
Diesels
Market Purchases
Total Load

BP Gas Supply Update

A representative from BP will attending the October Utility Commission meeting remotely to discuss the current gas market. Natural gas purchases are affected by new infrastructure, weather, and the economy among other factors. The commodity prices are passed through to our customers and can be hedged up to ten years out. The City has commitments until March 2021 and is starting to look at favorable options in future years.

Commission Item Number: DUC201026 - 3
Utility Commission Meeting: October 26, 2020
Item: II. C. <u>Discussion on Fiscal Year 2021 and 2022 Capital Projects</u>

<u>Discussion on Fiscal Year 2021 and 2022 Capital Projects</u>

Jason Grey will present the progress made on current fiscal year 2021 capital projects and what proposed projects will likely be included in the upcoming fiscal year 2022 budget presentation in January.

CAPITAL PROJECTS

Danville Utility Commission

October 26, 2020

WATER AND GAS PROJECTS

FY22 WATER C.I.P. REQUEST $1,500,000

Projects identified by new Master Plan	
Waterline Reconstruction, Project 60053	**$1,125,000**
Streetscape Projects	
Wilson: Bridge St-Lynn St, 800’	**$125,000**
Other Public Works Projects	
WB Riverside Dr: Hampton Inn	**$250,000**

Asset Management

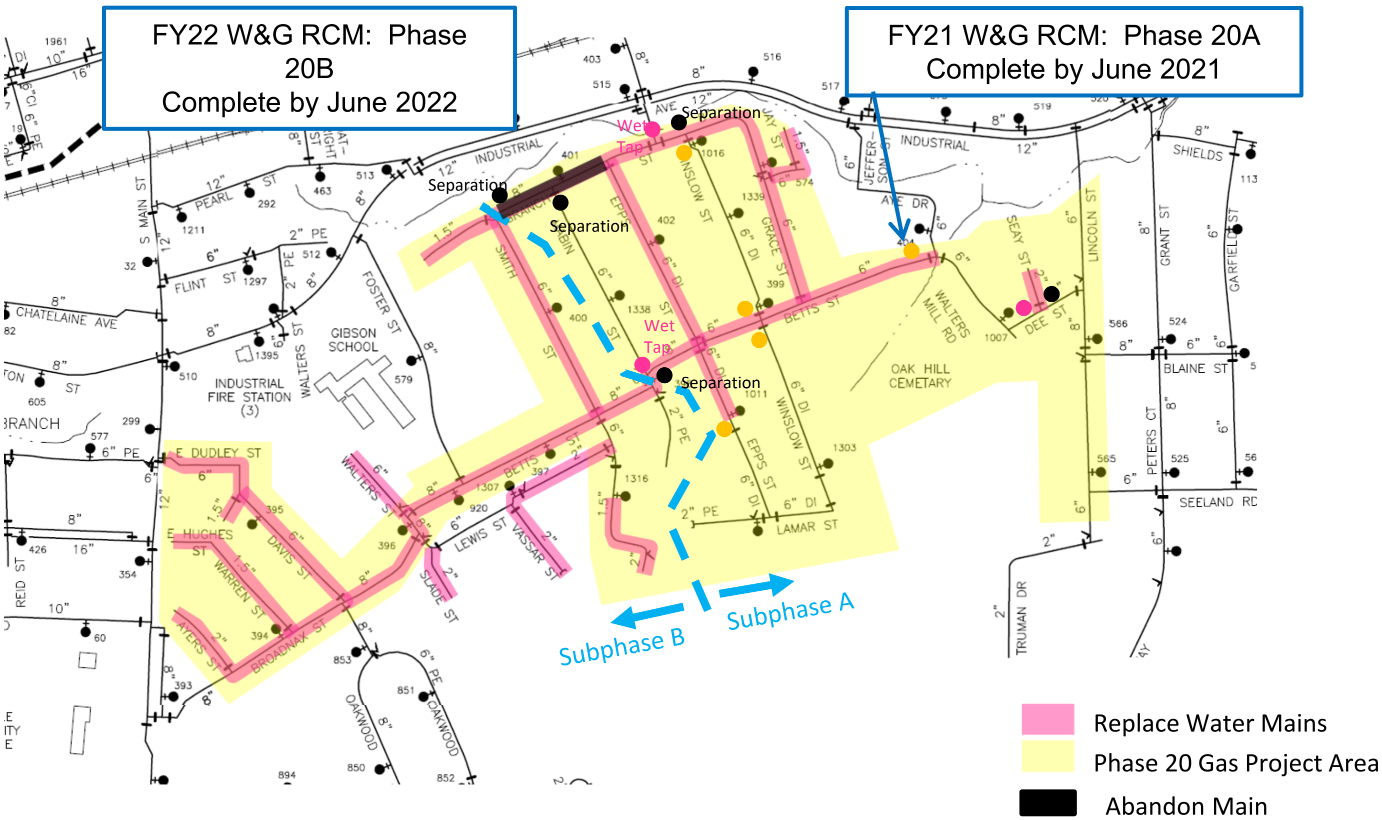
Software optimizes replacement investments:
- **Condition assessments, operating history, modeling, fire-flow tests, failure probability and consequence of failure**

System Inventory improvements:
- **Material, size, vintage, valves, connectivity**

RFP for update to Master Plan
- **Update hydraulic model**
- **Clean-up and load data into software**
- **Develop replacement priorities Year 1**
- **Train in-house engineering**

Master Plan includes:
- **Zone boundary improvements**
- **Fire-flow improvement recommendations**
- **Capacity to serve growth projections**

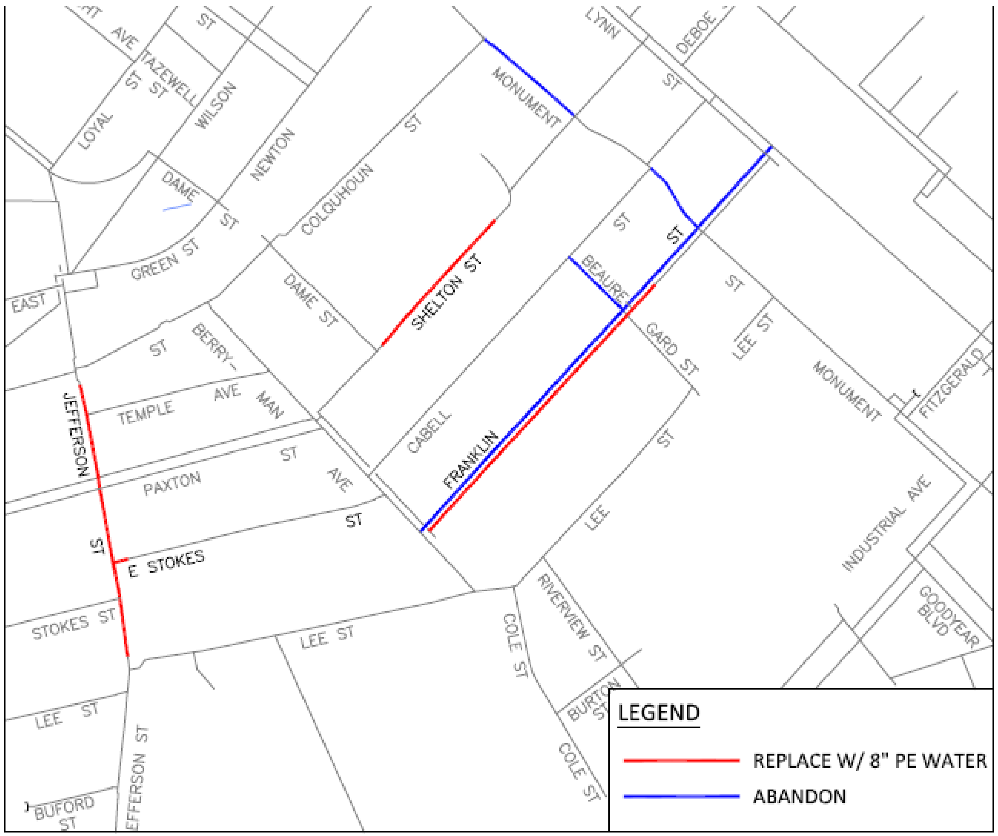
Water & Gas Upcoming RCM Projects

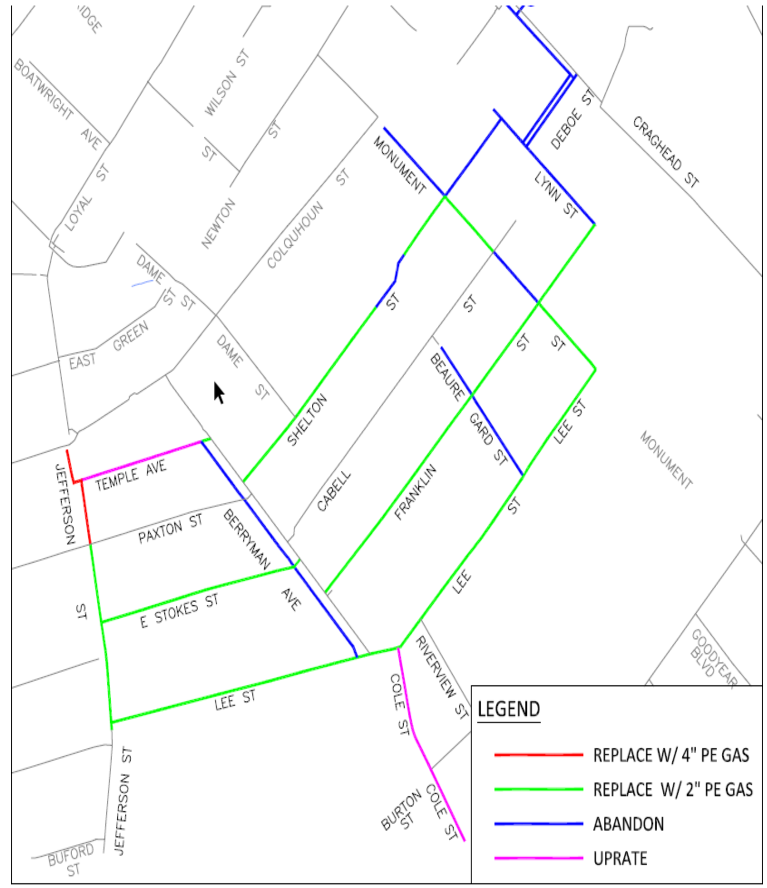


Phase 20 Water: Replace 2.0 miles cast iron, 0.5 miles galvanized steel

Phase 20 Gas: Replace 3.1 miles cast iron

PHASE 23 NATURAL GAS & WATER FACILITIES REPLACEMENT
WATER PRELIMINARY REPLACMENT OVERVIEW



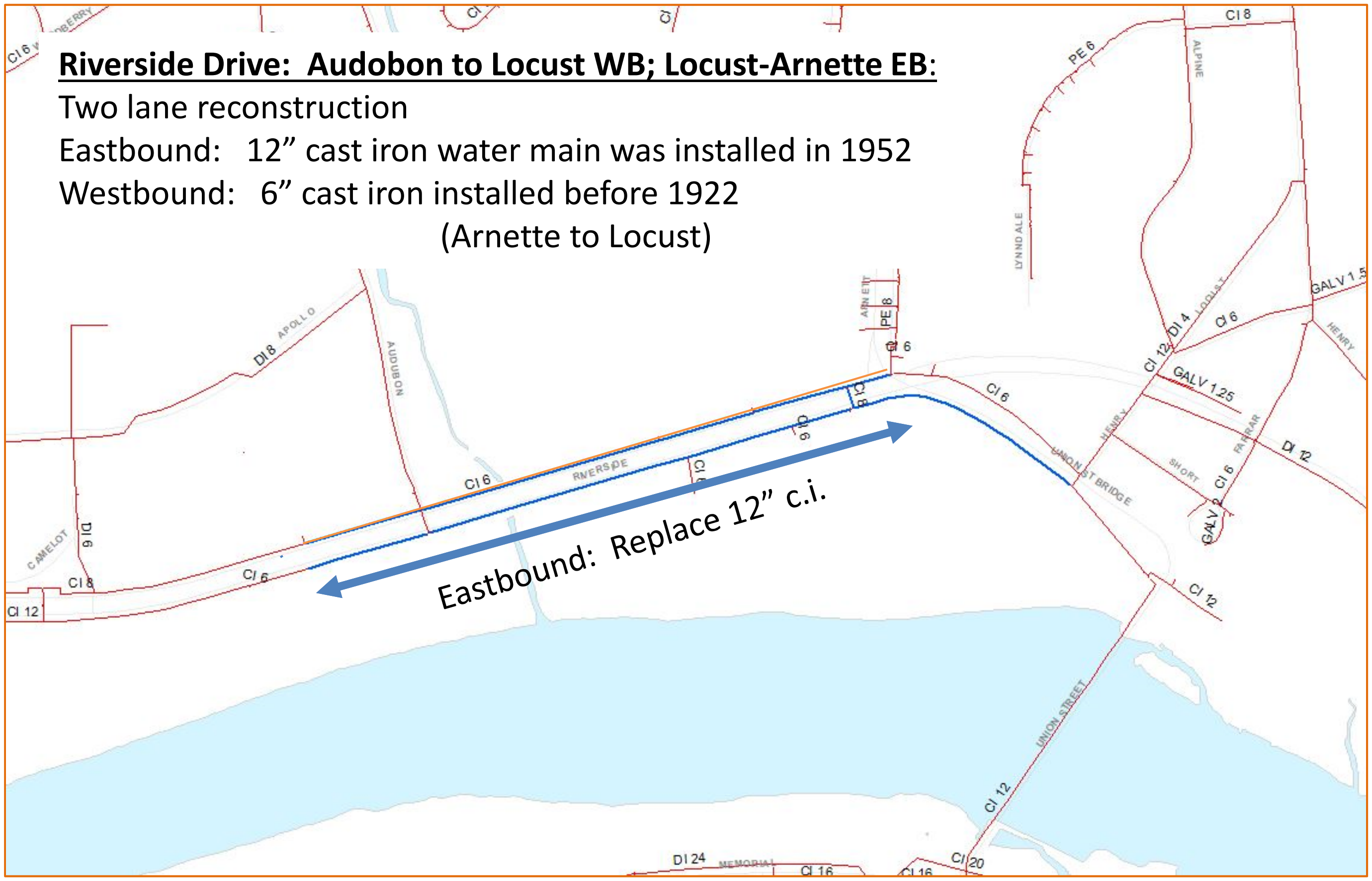


<u>Riverside Drive: Audobon to Locust WB; Locust-Arnette EB</u>:

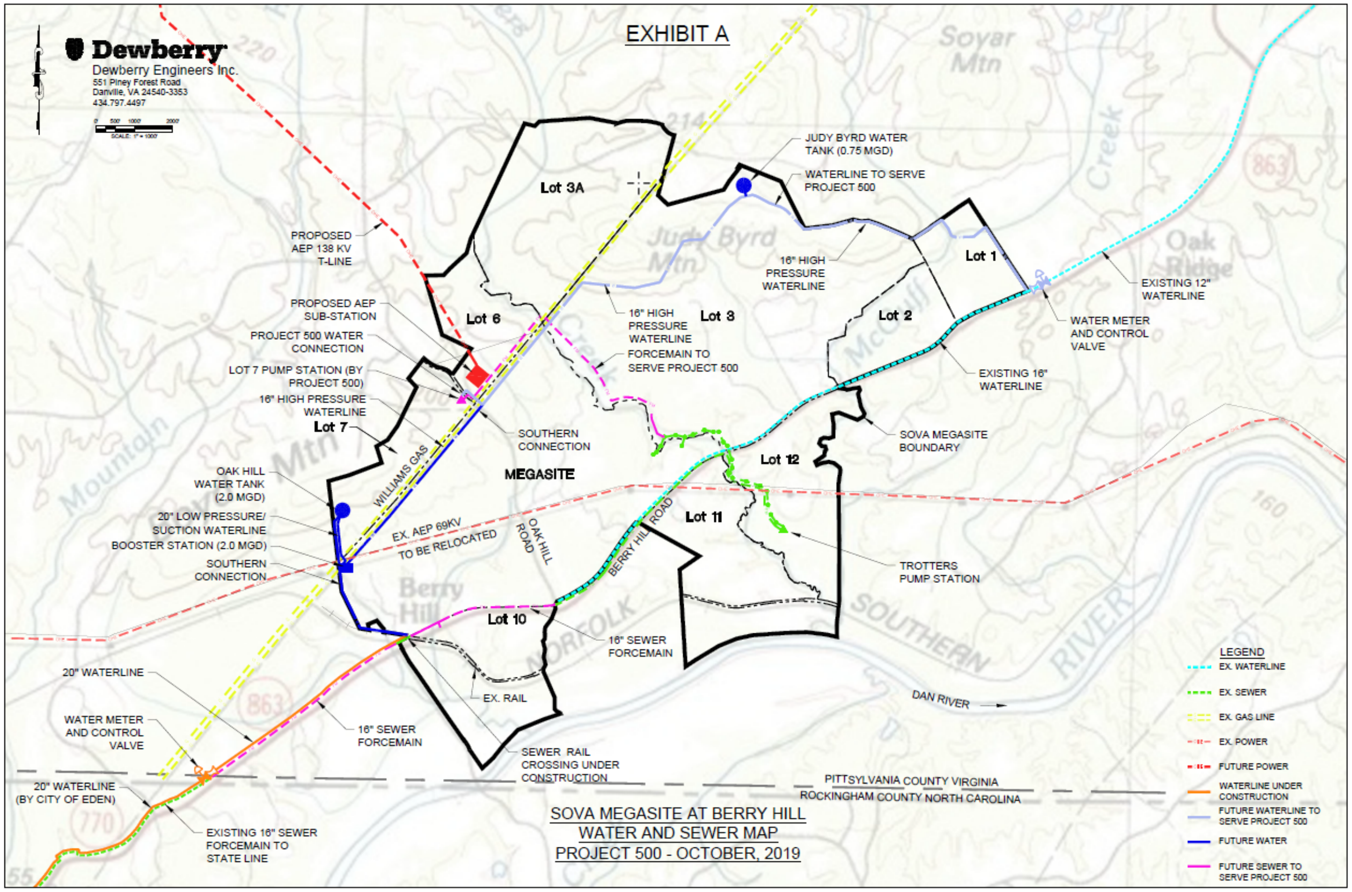
Two lane reconstruction

Eastbound: 12” cast iron water main was installed in 1952

Westbound: 6” cast iron installed before 1922 (Arnette to Locust)



Berry Hill Industrial Park



FY 22 GAS C.I.P. Request $1,000,000

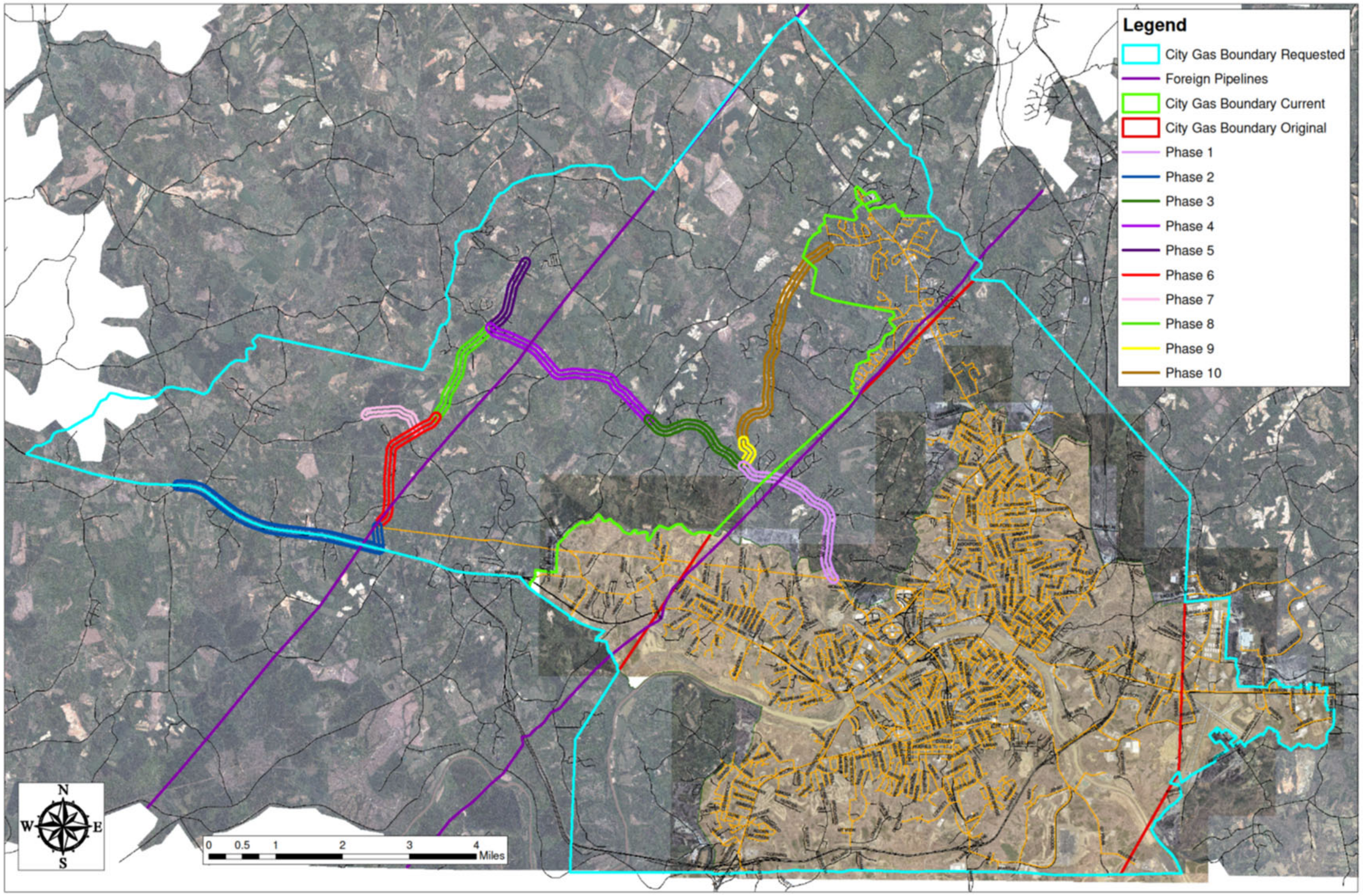
Gas Expansion $1,000,000

- Initial phases of trunk-line are funded in FY21 C.I.P.
- Two regulator stations are funded in FY22 RCM
- FY22 C.I.P. funding supplements FY21, provides funding beyond trunk-lines

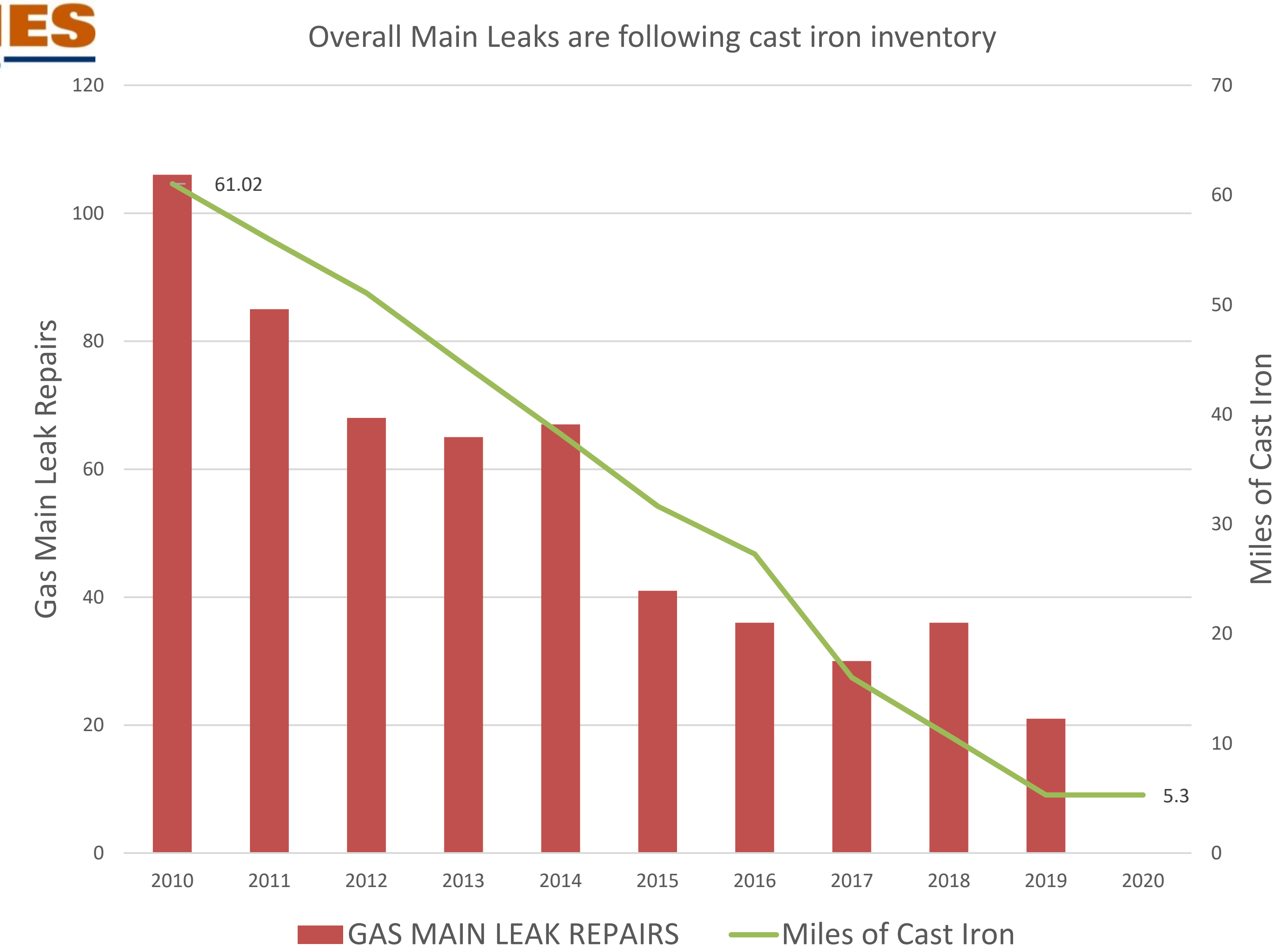
Cast Iron Replacement, (Project 60056) $ 0

- Last large cast iron replacement is Phase 20B (FY22 RCM)
- Replacements continue with focus on ductile iron in corrosive soils and cathodically protected, bare steel mains with a history of leaks at reduced replacement pace.
- Steel mains may be replaced with water main replacements

GAS EXPANSION



Results of our Cast Iron Replacement Efforts



ELECTRIC PROJECTS

FY21

Schoolfield

Completion in December 2020

Replacing Two 69kV transformers -1962 and 1971

New outside design with all breakers, relays,

switches and arrestors replaced

FY21

Spring FY2021

Whitmell

$3,000,000

Existing 69 kV transformer – 1972

Kentuck

$3,000,000

Existing 69 kV transformer – 1969

FY22

Fall 2021 (FY22)

Westover

$2,500,000

Existing 69 kV transformer – 1975

Southside

$3,000,00

Existing 69 kV transformer – 1973

Add Second 69 kV transformer

Continued FY22

Spring FY22

New Design

$3,000,000

Existing two 69 kV Transformers - **1970 & 1972**

Fall 2022

New Casino Substation

$1,000,000-FY22

$1,000,000-FY23

- Pending Nov. 2020 referendum vote
- Repurposing old AEP Dan River site
- Connecting to AEP 69 kV transmission line
- Metered at new site

FY23

4th AEP Delivery Point at Westfork Substation

$2,000,000

- System studies have indicated a need for a fourth delivery point on the west side of the City's electric service territory.
- AEP determined the likely route to serve an interconnection point at West Fork substation.
- Interconnection would be a 138 kV transmission line that AEP would be responsible for building at their expense.
- City would be required to acquire additional land and relocate a 138kV/69kV transformer.
- Would increase reliability and allow for more flexibility when conducting maintenance on the system.
- During Hurricane Michael, the City lost two out of three interconnection points on AEP system because of faults on their system.
- Allows for a fourth interconnection point out of a separate AEP substation in Axton

Substation Summary

Red – targeted fiscal year
Blue – Year Project completed

17 Substations with Transformer Manufacturer Dates

		Cost
Kentuck (FY2021)	1969	$3.0 Million
Whitmell (FY2021)	1972	$3.0 Million
Southside (FY2022)	1973	$3.0 million
Westover (FY2022)	1975	$2.5 Million
New Design (FY2022)		$3.0 Million
Casino (FY2022) Pending referendum		$2.0 Million
Westfork 4th Delivery Point (FY2023)		$2.0 Million
	Total	$18.5 Million

Schoolfield (2020)	2020
Riverside (2020)	2020(138-69), 2020, 2020
Airside (Inspected 2020)	1990
White Oak (Inspect 2020/2021)	1997
Westfork (Inspect 2021)	1997
Piney Forest(Inspect 2022)	1979, 2008
Brantly	1978(138-69), 2014
Bridge Street	2004
Tunstall	2006
Cain Creek	2009
Rocksprings	2011(138-69), 1993, 2003