Danville Utility Commission Meeting Agenda
4:00 p.m., July 25, 2022

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

II. Discussion/Business Items

A. Election of Chair and Vice-Chair of the Danville Utility Commission

B. Minutes of the May 23, 2022 Commission Meeting

C. Review of Utilities' Financial Statements

D. Power Supply Update

E. American Municipal Power Solar project

III. Communications

A. City Manager

B. Commission Members

C. Public Comments

D. Director's Report

IV. Adjournment

Next Utility Commission Meeting

4:00 p.m. Monday, August 22, 2022

City Council Chambers

Commission Item Number: DUC220725 - 1
Utility Commission Meeting: July 25, 2022
Item: II. A. Election of Chair and Vice-Chair of the Danville Utility Commission

<u>Election of Chair and Vice-Chair of the Danville Utility Commission</u>

The City Attorney will call the meeting to order and hold the chair and vice-chair elections.

Commission Item Number: DUC220725 - 2
Utility Commission Meeting: July 25, 2022
Item: II. B. Minutes of the May 23, 2022 Commission Meeting

Minutes of the May 23, 2022 Commission Meeting

Danville Utility Commission
4:00 p.m. May 23, 2022 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present:	Ken Larking, Helm Dobbins, Vic Ingram, Paul Liepe, Vanessa Cain, Anna Kautzman, Steven Merricks, Sheila Williamson-Branch, Gary Miller
Commission Members Absent:	
Staff Present:	Ryan Dodson, Jennifer Holley, Michael Adkins, Jason Grey, Janet Davis
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 April 25, 2022 Commission Meeting
Chairman Cain asked for any corrections, deletions, or adjustments to the minutes of April 25, 2022.

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 reviewed the utilities financial statements.

Mount Cross Road Easement Request-Water Metering Vault
Utilities staff has been able to negotiate a proposed $5,000 easement with a property owner at the Danville-Pittsylvania County that will allow the City to move a water metering vault at the intersection of Old Mount Cross Road/Mount Cross Road to the City/County line. This will allow for more accurate measurement for water being sold to Pittsylvania County.

Mr. Larking made a motion that the Danville Utility Commission recommend to City Council approving the proposed $5,000 easement that will allow the Mount Cross Road water metering vault to be moved to the City-County line. Mr. Liepe seconded the motion. All members voted in favor, and the motion passed.

Update on FY22 and FY23 Capital Projects
Jason Grey provided an update on all electric, water, gas, and wastewater capital projects that are underway or completed in FY22 or are in planning for FY23.

Wastewater projects include three bar screen replacements, replacement of various pumps, engineering to convert from sulfur dioxide to sodium bisulfite, and rehab of primary and secondary clarifiers.

Water projects include replacement of water main along Broadnax, Davis, Warren, Dudley, and Hughes streets as well as completion of design on numerous other streets.

Gas projects include continuing main replacement.

Electric projects include Westover and Southside substation replacements that will be completed in Summer 2022. In 2023, Airside substation will be expanded, and Ballou substation will be constructed. A fourth delivery point will be added at Westfork substation. In Fiscal Years 2023 and 2024, New Design substation will have two 69kV transformers replaced.

Department Discussions
Mr. Larking introduced the City Manager's Office new intern to the Utility Commission.

There were no additional comments from Commissioners or the public.

Mr. Grey requested cancellation of the June meeting. The Commissoners all agreed to the cancellation.

Adjournment

Chairman Cain stated the next meeting is scheduled for July 25, 2022. There being no further business, Mr. Larking made a motion to adjourn. Ms. Cain adjourned the meeting at 4:35 p.m.

June 25, 2022
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

Chairman
Danville Utility Commission

Commission Item Number: DUC220725 - 3
Utility Commission Meeting: July 25, 2022
Item: II. C. Review of Utilities' Financial Statements

Financial Report

May financials will be reviewed.

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED MAY 31, 2022 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 21-22 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	8,163,413.45	7,616,463.84	24,191,232.07	112,349,158.86	684,860.75	153,005,128.97	160,918,330.00	140,982,189.56
COST OF SALES								
PURCHASED SERVICES	-	-	16,042,720.19	86,568,733.91	65,247.87	102,676,701.97	101,883,430.00	93,836,669.88
PRODUCTION	-	-	-	-	-	-	158,866.34	439,969.68
TOTAL COST OF SALES	-	-	16,042,720.19	86,568,733.91	65,247.87	102,676,701.97	102,042,296.34	94,276,639.56
GROSS PROFIT	8,163,413.45	7,616,463.84	8,148,511.88	25,780,424.95	619,612.88	50,328,427.00	58,876,033.66	46,705,550.00
GROSS PROFIT %	100.00%	100.00%	33.68%	22.95%	90.47%	32.89%	36.59%	33.13%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	2,863,540.29	1,713,896.56	-	1,569,396.58	-	6,146,833.43	7,034,140.34	5,500,521.89
ENGINEERING	-	204,233.16	214,323.77	628,620.34	-	1,047,177.27	1,867,567.11	1,117,962.12
DISTRIBUTION	1,936,903.43	704,301.01	537,415.05	11,712,091.16	-	14,890,710.65	17,353,690.84	15,407,648.99
SERVICE	90,876.05	40,279.83	31,615.67	-	-	162,771.55	406,010.00	190,370.27
METERS & REGULATORS	-	78,849.07	95,580.81	341,616.00	249.60	516,295.48	592,750.00	475,376.47
GENERAL & ADMINISTRATIVE	1,618,734.20	3,027,526.69	3,075,478.89	4,798,610.25	770,979.18	13,291,329.21	15,854,066.06	13,170,506.55
TOTAL OPERATING EXPENSES	6,510,053.97	5,769,086.32	3,954,414.19	19,050,334.33	771,228.78	36,055,117.59	43,108,224.35	35,862,386.29
OPERATING INCOME (LOSS)	1,653,359.48	1,847,377.52	4,194,097.69	6,730,090.62	(151,615.90)	14,273,309.41	15,767,809.31	10,843,163.71
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	55,673.24	67,005.35	79,759.84	205,741.36	5,593.23	413,773.02	271,390.00	611,477.58
ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	(110,160.09)	-
RECOVERIES AND REBATES	6,007.66	13,289.90	(1,318.63)	700.00	-	18,678.93	(157,500.00)	(84,687.77)
GAIN/LOSS ON DISPOSAL	-	3,387.50	16,918.17	411,475.93	-	431,781.60	46,500.00	5,462,779.57
JOBBING INCOME (LOSS)	33,829.33	163,059.32	(47,579.36)	267,001.00	(934.99)	415,375.30	797,730.00	(229,270.98)
INTEREST ON LONG TERM INDEBTEDNESS	(68,752.28)	(66,835.42)	(35,141.40)	(1,726,381.34)	-	(1,897,110.44)	(1,620,130.00)	(1,943,910.90)
NET INCOME (LOSS)	1,680,117.43	2,027,284.17	4,206,736.31	5,888,627.57	(146,957.66)	13,655,807.82	14,995,639.22	14,659,551.21
OPERATING TRANSFERS IN(OUT)	(771,946.63)	(998,858.37)	(3,054,969.13)	(9,816,559.13)	(74,250.00)	(14,716,583.26)	(16,009,000.00)	(14,073,583.37)
NET INCOME AFTER TRANSFERS	908,170.80	1,028,425.80	1,151,767.18	(3,927,931.56)	(221,207.66)	(1,060,775.44)	(1,013,360.78)	585,967.84
NET ASSETS JULY 1, AS RESTATED	60,362,757.48	48,402,684.39	55,965,540.26	160,619,198.42	8,400,760.74	333,750,941.29		
NET INCOME AFTER TRANSFERS	908,170.80	1,028,425.80	1,151,767.18	(3,927,931.56)	(221,207.66)	(1,060,775.44)		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	30,826.00	-	-	-	-	30,826.00		
NET ASSETS MAY 31, 2022	61,301,754.28	49,431,110.19	57,117,307.44	156,691,266.86	8,179,553.08	332,720,991.85		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	4,017,448.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,093,113.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	47,480,068.16	32,259,572.45	38,535,937.89	108,126,025.06	6,533,188.13	232,934,791.69		
RESTRICTED FOR PROJECTS IN PROGRESS	6,356,586.69	10,293,956.21	6,010,811.25	10,499,116.62	515,533.79	33,676,004.56		
RESTRICTED FOR ENCUMBRANCES	498,129.64	63,997.94	67,408.03	966,079.13	13,838.26	1,609,453.00		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00		
DEFERRED OUTFLOWS - PENSION	(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)		
UNRESTRICTED	2,124,973.35	598,682.67	10,089,812.69	18,880,954.52	618,970.31	32,313,393.54		
TOTAL NET ASSETS	61,301,754.28	49,431,110.19	57,117,307.44	156,691,266.86	8,179,553.08	332,720,991.85		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
MAY 31, 2022

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2022
ASSETS							
Equity in pooled Cash and Investments	$	8,834,190.29	10,444,962.38	15,101,462.60	29,762,290.74	1,051,474.08	65,194,380.09
Receivables (Net of allowances for Uncollectible):							
Accounts		1,144,176.59	968,522.53	2,452,048.97	14,043,639.40	16,256.87	18,624,644.36
Power/Gas Cost Recovery		-	-	74,997.26	54,225.20	-	129,222.46
Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00
Inventory of Gas, Materials and Supplies, at Cost		-	521,710.45	804,543.46	2,149,133.34	192,662.23	3,668,049.48
Fixed Assets		104,005,470.10	81,334,019.29	70,143,544.34	304,287,926.15	11,132,123.30	570,903,083.18
Accumulated Depreciation		(51,131,829.84)	(43,110,707.77)	(29,499,378.75)	(135,568,561.41)	(4,261,686.58)	(263,572,164.35)
Deferred Outflows - Pension		(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)
TOTAL ASSETS	$	63,338,065.14	51,065,498.38	59,709,632.88	217,379,842.42	8,225,603.90	399,718,642.72
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	631,395.96	186,044.72	1,732,099.36	8,178,395.44	33,706.21	10,761,641.69
Accrued Interest Payable		28,791.24	27,588.01	15,263.09	613,263.31	-	684,905.65
Customer Deposits		-		-	3,930,472.24	-	3,930,472.24
Accrued Vacation, Sick Leave & Workers Comp.		-	133,299.31	77,245.87	601,669.40	12,344.61	824,559.19
Deferred Gain / Loss - Refunding Bonds		(117,069.42)	(112,040.35)	(61,933.14)	(1,188,148.12)	-	(1,479,191.03)
Original Issue Premium/Discount (Refunding Bonds)		145,669.81	142,696.76	72,485.27	4,638,344.76	-	4,999,196.60
General Obligation Bonds Payable		1,347,523.44	1,256,799.74	757,164.99	43,421,520.51	-	46,783,008.68
Revenue Bonds Payable		(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable		-	-	-	493,058.02	-	493,058.02
TOTAL LIABILITIES	$	2,036,310.86	1,634,388.19	2,592,325.44	60,688,575.56	46,050.82	66,997,650.87
Net Assets							
Contributed Capital	$	4,017,448.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,093,113.06
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	47,480,068.16	32,259,572.45	38,535,937.89	108,126,025.06	6,533,188.13	232,934,791.69
Restricted for Incomplete Projects		6,356,586.69	10,293,956.21	6,010,811.25	10,499,116.62	515,533.79	33,676,004.56
Restricted for Subsequent Expenses		498,129.64	63,997.94	67,408.03	966,079.13	13,838.26	1,609,453.00
Net Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00
Deferred Outflows - Pension		(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)
Unrestricted		2,124,973.35	598,682.67	10,089,812.69	18,880,954.52	618,970.31	32,313,393.54
Total Retained Earnings	$	57,284,305.84	44,754,827.27	55,776,796.86	142,969,644.33	7,842,304.49	308,627,878.79
TOTAL NET ASSETS	$	61,301,754.28	49,431,110.19	57,117,307.44	156,691,266.86	8,179,553.08	332,720,991.85
TOTAL LIABILITIES AND NET ASSETS	$	63,338,065.14	51,065,498.38	59,709,632.88	217,379,842.42	8,225,603.90	399,718,642.72

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED MAY 31, 2022

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2022
Operating revenues:						
Charges for Services	$ 8,163,413.45	7,616,463.84	24,191,232.07	112,349,158.86	684,860.75	153,005,128.97
Operating Expenses:						
Purchased Services	$ -	-	16,042,720.19	86,568,733.91	65,247.87	102,676,701.97
Production	-	-	-	-	-	-
Transmission & Treatment	2,863,540.29	1,713,896.56	-	1,569,396.58	-	6,146,833.43
Engineering	-	204,233.16	214,323.77	628,620.34	-	1,047,177.27
Distribution	1,936,903.43	704,301.01	537,415.05	11,712,091.16	-	14,890,710.65
Service	90,876.05	40,279.83	31,615.67	-	-	162,771.55
Meters & Regulators	-	78,849.07	95,580.81	341,616.00	249.60	516,295.48
Administrative	1,618,734.20	3,027,526.69	3,075,478.89	4,798,610.25	770,979.18	13,291,329.21
Total Operating Expenses	$ 6,510,053.97	5,769,086.32	19,997,134.38	105,619,068.24	836,476.65	138,731,819.56
Operating Income (Loss)	$ 1,653,359.48	1,847,377.52	4,194,097.69	6,730,090.62	(151,615.90)	14,273,309.41
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	33,829.33	163,059.32	(47,579.36)	267,001.00	(934.99)	415,375.30
Interest Income	55,673.24	67,005.35	79,759.84	205,741.36	5,593.23	413,773.02
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	-	3,387.50	16,918.17	411,475.93	-	431,781.60
Recoveries and Rebates	6,007.66	13,289.90	(1,318.63)	700.00	-	18,678.93
Interest Expense	(68,752.28)	(66,835.42)	(35,141.40)	(1,726,381.34)	-	(1,897,110.44)
Total Non-Operating Revenues (Expenses)	$ 26,757.95	179,906.65	12,638.62	(841,463.05)	4,658.24	(617,501.59)
Income (Loss) Before Operating Transfers	$ 1,680,117.43	2,027,284.17	4,206,736.31	5,888,627.57	(146,957.66)	13,655,807.82
Operating Transfers:						
Transfers In (Out)	(771,946.63)	(998,858.37)	(3,054,969.13)	(9,816,559.13)	(74,250.00)	(14,716,583.26)
Total Operating Transfers	$ (771,946.63)	(998,858.37)	(3,054,969.13)	(9,816,559.13)	(74,250.00)	(14,716,583.26)
Net Income (Loss)	$ 908,170.80	1,028,425.80	1,151,767.18	(3,927,931.56)	(221,207.66)	(1,060,775.44)
Net Assets - July 1, 2021, as restated	60,362,757.48	48,402,684.39	55,965,540.26	160,619,198.42	8,400,760.74	333,750,941.29
Net Income (Loss)	908,170.80	1,028,425.80	1,151,767.18	(3,927,931.56)	(221,207.66)	(1,060,775.44)
Contribution In Aid of Construction	30,826.00	-	-	-	-	30,826.00
Net Assets -MAY 31, 2022	$ 61,301,754.28	49,431,110.19	57,117,307.44	156,691,266.86	8,179,553.08	332,720,991.85

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2022

WASTEWATER - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	MAY 2022	PERCENT OF CURRENT BUDGET	MAY 2021
OPERATING REVENUE	8,861,030.00		8,861,030.00	8,163,413.45	92.13%	8,106,133.17
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,087,770.00	107,845.36	3,195,615.36	2,863,540.29	89.61%	2,531,905.03
ENGINEERING	-		-	-		-
DISTRIBUTION	2,557,570.00	40,939.97	2,598,509.97	1,936,903.43	74.54%	2,266,502.24
SERVICE	145,590.00		145,590.00	90,876.05	62.42%	95,620.05
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	40,345.86	112.07%	27,242.72
GENERAL & ADMINISTRATIVE	1,726,320.00		1,726,320.00	1,578,388.34	91.43%	1,571,271.74
TOTAL OPERATING EXPENSES	7,553,250.00	148,785.33	7,702,035.33	6,510,053.97	84.52%	6,492,541.78
OPERATING INCOME (LOSS)	1,307,780.00	(148,785.33)	1,158,994.67	1,653,359.48	142.65%	1,613,591.39
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	35,300.00		35,300.00	55,673.24	157.71%	103,636.57
RECOVERIES AND REBATES	-		-	6,007.66		4,982.64
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	42,640.00		42,640.00	33,829.33	79.34%	31,865.77
INTEREST ON LONG TERM INDEBTEDNESS	(60,380.00)		(60,380.00)	(68,752.28)	113.87%	(86,107.29)
NET INCOME (LOSS)	1,325,340.00	(148,785.33)	1,176,554.67	1,680,117.43	142.80%	1,667,969.08
OPERATING TRANSFERS IN (OUT)	(830,760.00)		(830,760.00)	(771,946.63)	92.92%	(646,946.63)
NET INCOME AFTER TRANSFERS	494,580.00	(148,785.33)	345,794.67	908,170.80	262.63%	1,021,022.45
CONTRIBUTION IN AID	40,000.00		40,000.00	30,826.00	77.07%	
REGULAR CAPITAL MAINTENANCE	(811,920.00)	(114,972.59)	(926,892.59)	(330,422.49)	35.65%	
CAPITAL PROJECTS	(3,550,000.00)	(4,875,174.27)	(8,425,174.27)	(2,665,057.68)	31.63%	
DEBT SERVICE	(362,730.00)		(362,730.00)	(362,721.83)	100.00%	
DEPRECIATION	2,048,820.00		2,048,820.00	1,817,344.10	88.70%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2022

WATER - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	MAY 2022	PERCENT OF CURRENT BUDGET	MAY 2021
OPERATING REVENUE	9,053,710.00		9,053,710.00	7,616,463.84	84.13%	7,698,361.84
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,910,090.00	93,188.64	2,003,278.64	1,713,896.56	85.55%	1,667,413.84
ENGINEERING	343,080.00	31,926.56	375,006.56	204,233.16	54.46%	198,890.47
DISTRIBUTION	673,400.00	1,582.27	674,982.27	704,301.01	104.34%	722,057.41
SERVICE	133,580.00		133,580.00	40,279.83	30.15%	49,200.49
METERS & REGULATORS	83,870.00		83,870.00	78,849.07	94.01%	73,727.92
BAD DEBT	31,000.00		31,000.00	33,552.83	108.23%	22,032.88
GENERAL & ADMINISTRATIVE	3,442,340.00		3,442,340.00	2,993,973.86	86.97%	3,043,943.81
TOTAL OPERATING EXPENSES	6,617,360.00	126,697.47	6,744,057.47	5,769,086.32	85.54%	5,777,266.82
OPERATING INCOME (LOSS)	2,436,350.00	(126,697.47)	2,309,652.53	1,847,377.52	79.99%	1,921,095.02
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	39,100.00		39,100.00	67,005.35	171.37%	98,454.54
RECOVERIES AND REBATES	16,000.00		16,000.00	13,289.90	83.06%	11,626.15
GAIN/LOSS ON DISPOSAL	1,500.00		1,500.00	3,387.50	225.83%	-
JOBBING INCOME (LOSS)	67,900.00		67,900.00	163,059.32	240.15%	119,862.58
INTEREST ON LONG TERM INDEBTEDNESS	(58,140.00)		(58,140.00)	(66,835.42)	114.96%	(85,577.11)
NET INCOME (LOSS)	2,502,710.00	(126,697.47)	2,376,012.53	2,027,284.17	85.32%	2,065,461.18
OPERATING TRANSFERS IN (OUT)	(1,078,300.00)		(1,078,300.00)	(998,858.37)	92.63%	(871,108.37)
NET INCOME AFTER TRANSFERS	1,424,410.00	(126,697.47)	1,297,712.53	1,028,425.80	79.25%	1,194,352.81
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,944,070.00)	(102,281.25)	(2,046,351.25)	(976,500.45)	47.72%	
CAPITAL PROJECTS	(2,544,260.00)	(8,210,552.16)	(10,754,812.16)	(1,470,706.75)	13.67%	
DEBT SERVICE	(392,670.00)		(392,670.00)	(393,178.82)	100.13%	
DEPRECIATION	1,673,710.00		1,673,710.00	1,455,625.60	86.97%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2022

GAS - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	MAY 2022	PERCENT OF CURRENT BUDGET	MAY 2021
OPERATING REVENUE	19,630,430.00		19,630,430.00	24,191,232.07	123.23%	18,591,938.23
	-					
COST OF SALES	-					
PURCHASED SERVICES	10,984,320.00		10,984,320.00	16,042,720.19	146.05%	11,614,893.04
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	10,984,320.00	-	10,984,320.00	16,042,720.19		11,614,893.04
GROSS PROFIT	8,646,110.00	-	8,646,110.00	8,148,511.88		6,977,045.19
GROSS PROFIT %	44.04%		44.04%	33.68%		37.53%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT				-		-
ENGINEERING	373,050.00	55,730.73	428,780.73	214,323.77	49.98%	200,582.85
DISTRIBUTION	680,510.00	1,582.27	682,092.27	537,415.05	78.79%	550,293.61
SERVICE	126,840.00		126,840.00	31,615.67	24.93%	45,549.73
METERS & REGULATORS	116,750.00		116,750.00	95,580.81	81.87%	80,487.58
BAD DEBT	90,000.00		90,000.00	44,733.31	49.70%	40,112.41
GENERAL & ADMINISTRATIVE	3,587,350.00	9,546.28	3,596,896.28	3,030,745.58	84.26%	3,098,354.31
TOTAL OPERATING EXPENSES	4,974,500.00	66,859.28	5,041,359.28	3,954,414.19	78.44%	4,015,380.49
OPERATING INCOME (LOSS)	3,671,610.00	(66,859.28)	3,604,750.72	4,194,097.69	116.35%	2,961,664.70
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	53,110.00		53,110.00	79,759.84	150.18%	112,148.64
RECOVERIES AND REBATES	(20,000.00)		(20,000.00)	(1,318.63)	6.59%	316.47
GAIN/LOSS ON DISPOSAL	-		-	16,918.17	#DIV/0!	34,667.00
JOBBING INCOME (LOSS)	119,800.00		119,800.00	(47,579.36)	-39.72%	21,099.88
INTEREST ON LONG TERM INDEBTEDNESS	(31,590.00)		(31,590.00)	(35,141.40)	111.24%	(41,557.84)
NET INCOME (LOSS)	3,792,930.00	(66,859.28)	3,726,070.72	4,206,736.31	112.90%	3,088,338.85
OPERATING TRANSFERS IN (OUT)	(3,321,330.00)		(3,321,330.00)	(3,054,969.13)	91.98%	(2,920,802.50)
NET INCOME AFTER TRANSFERS	471,600.00	(66,859.28)	404,740.72	1,151,767.18	284.57%	167,536.35
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(813,510.00)	(101,196.85)	(914,706.85)	(305,816.97)	33.43%	
CAPITAL PROJECTS	(1,213,790.00)	(4,907,652.97)	(6,121,442.97)	(719,521.60)	11.75%	
DEBT SERVICE	(132,210.00)		(132,210.00)	(132,720.68)	100.39%	
DEPRECIATION	1,573,910.00		1,573,910.00	1,456,645.85	92.55%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2022

ELECTRIC - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	MAY 2022	PERCENT OF CURRENT BUDGET	MAY 2021
OPERATING REVENUE	122,710,850.00		122,710,850.00	112,349,158.86	91.56%	105,958,606.11
COST OF SALES						
PURCHASED SERVICES	90,841,110.00		90,841,110.00	86,568,733.91	95.30%	82,162,471.34
PRODUCTION	-	158,866.34	158,866.34	-		439,969.68
TOTAL COST OF SALES	90,841,110.00	158,866.34	90,999,976.34	86,568,733.91		82,602,441.02
GROSS PROFIT	31,869,740.00	(158,866.34)	31,710,873.66	25,780,424.95		23,356,165.09
GROSS PROFIT %	25.97%		25.84%	22.95%		22.04%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,775,300.00	59,946.34	1,835,246.34	1,569,396.58	85.51%	1,301,203.02
ENGINEERING	1,018,860.00	44,919.82	1,063,779.82	628,620.34	59.09%	718,488.80
DISTRIBUTION	13,411,230.00	(13,123.67)	13,398,106.33	11,712,091.16	87.42%	11,868,795.73
SERVICE	-		-	-		-
METERS & REGULATORS	392,130.00		392,130.00	341,616.00	87.12%	321,160.97
BAD DEBT	350,000.00		350,000.00	381,500.89	109.00%	333,531.05
GENERAL & ADMINISTRATIVE	5,386,780.00	243,721.78	5,630,501.78	4,417,109.36	78.45%	4,271,246.45
TOTAL OPERATING EXPENSES	22,334,300.00	335,464.27	22,669,764.27	19,050,334.33	84.03%	18,814,426.02
OPERATING INCOME (LOSS)	9,535,440.00	(494,330.61)	9,041,109.39	6,730,090.62	74.44%	4,541,739.07
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	135,000.00		135,000.00	205,741.36	152.40%	289,448.08
ENERGY EFFICIENCY RECOVERY	-	(110,160.09)	(110,160.09)	-	0.00%	-
RECOVERIES AND REBATES	(153,500.00)		(153,500.00)	700.00	-0.46%	(101,613.03)
GAIN/LOSS ON DISPOSAL	45,000.00		45,000.00	411,475.93	914.39%	5,428,112.57
JOBBING INCOME (LOSS)	570,830.00		570,830.00	267,001.00	46.77%	(400,013.76)
INTEREST ON LONG TERM INDEBTEDNESS	(1,470,020.00)		(1,470,020.00)	(1,726,381.34)	117.44%	(1,730,668.66)
NET INCOME (LOSS)	8,662,750.00	(604,490.70)	8,058,259.30	5,888,627.57	73.08%	8,027,004.27
OPERATING TRANSFERS IN (OUT)	(10,697,610.00)		(10,697,610.00)	(9,816,559.13)	91.76%	(9,560,475.87)
NET INCOME AFTER TRANSFERS	(2,034,860.00)	(604,490.70)	(2,639,350.70)	(3,927,931.56)	148.82%	(1,533,471.60)
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(3,638,070.00)	(354,024.10)	(3,992,094.10)	(1,959,003.78)	49.07%	
CAPITAL PROJECTS	(551,240.00)	(14,189,172.22)	(14,740,412.22)	(6,384,637.41)	43.31%	
DEBT SERVICE	(3,354,780.00)	-	(3,354,780.00)	(3,364,631.62)	100.29%	
DEPRECIATION	8,980,360.00		8,980,360.00	7,500,710.80	83.52%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2022

TELECOMMUNICATIONS - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	MAY 2022	PERCENT OF CURRENT BUDGET	MAY 2021
OPERATING REVENUE	662,310.00		662,310.00	684,860.75	103.40%	627,150.21
COST OF SALES						
PURCHASED SERVICES	58,000.00		58,000.00	65,247.87	112.50%	59,305.50
PRODUCTION			-	-		-
TOTAL COST OF SALES	58,000.00	-	58,000.00	65,247.87		59,305.50
GROSS PROFIT	604,310.00	-	604,310.00	619,612.88		567,844.71
GROSS PROFIT %	91.24%		91.24%	90.47%		90.54%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT			-	249.60		445.04
GENERAL & ADMINISTRATIVE	937,420.00	13,588.00	951,008.00	770,979.18	81.07%	762,326.14
TOTAL OPERATING EXPENSES	937,420.00	13,588.00	951,008.00	771,228.78	81.10%	762,771.18
OPERATING INCOME (LOSS)	(333,110.00)	(13,588.00)	(346,698.00)	(151,615.90)	43.73%	(194,926.47)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	8,880.00		8,880.00	5,593.23	62.99%	7,789.75
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(3,440.00)		(3,440.00)	(934.99)	27.18%	(2,085.45)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(327,670.00)	(13,588.00)	(341,258.00)	(146,957.66)	43.06%	(189,222.17)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(74,250.00)	91.67%	(74,250.00)
NET INCOME AFTER TRANSFERS	(408,670.00)	(13,588.00)	(422,258.00)	(221,207.66)	52.39%	(263,472.17)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(42,549.15)	170.20%	
CAPITAL PROJECTS	(50,000.00)	(528,576.58)	(578,576.58)	(45,493.64)	7.86%	
DEPRECIATION	479,950.00		479,950.00	408,492.04	85.11%	

GAS OPERATING STATISTICS
YTD May 2022 and 2021

	YTD 2022	YTD 2021	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	13,245	13,202	43	0.3257%
Commercial	1,511	1,496	15	0.9960%
Small Firm Industrial	14	14	0	0.7143%
Municipal	50	52	-2	-3.0769%
Large Firm Industrial	4	4	0	0.0000%
Interruptible Industrial	6	6	0	0.0000%
Industrial Transportation	6	6	0	0.0000%
Interruptible Commercial	1	1	0	0.0000%
Commercial Transportation	-	-	0	0.0000%
TOTAL CUSTOMERS	14,837	14,781	56	0.3816%
NATURAL GAS SALES-DEKATHERMS:				
Residential	741,941	791,415	-49,474	-6.2513%
Commercial	418,764	415,963	2,801	0.6734%
Small Firm Industrial	33,789	31,360	2,429	7.7455%
Municipal	18,445	20,951	-2,506	-11.9612%
Large Firm Industrial	74,962	62,126	12,836	20.6612%
Interruptible Industrial	1,725,022	1,537,923	187,099	12.1657%
Industrial Transportation	212,111	204,179	7,932	3.8848%
Interruptible Commercial	78,746	100,771	-22,025	-21.8565%
Commercial Transportation	-	-	0	0.0000%
TOTAL DEKATHERMS	3,303,780	3,164,688	139,092	4.3951%

ELECTRIC OPERATING STATISTICS
YTD May 2022 and 2021

	YTD 2022	YTD 2021	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	37,334	37,159	175	0.4709%
Commercial	4,819	4,761	58	1.2182%
Industrial	17	16	1	6.2500%
High Load Factor	8	7	1	14.2857%
Municipal	279	284	-5	-1.7606%
Outdoor Lighting	6,092	6,044	48	0.7942%
TOTAL CUSTOMERS	48,549	48,271	278	0.5759%
KILOWATT HOURS SALES:				
Residential	417,524,716	423,308,452	-5,783,736	-1.3663%
Commercial	234,108,033	233,371,992	736,041	0.3154%
Industrial	15,283,790	10,638,290	4,645,500	43.6677%
High Load Factor	122,122,800	116,061,600	6,061,200	5.2224%
Municipal	20,642,284	20,261,697	380,587	1.8784%
Outdoor Lighting	12,702,492	13,185,805	-483,313	-3.6654%
TOTAL KILOWATT HOURS	822,384,115	816,827,836	5,556,279	0.6802%

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)**	
Jan-22	$ 9,783,251.89	$ 1,360,430.31	**$ 8,422,821.58**	75,266,941	10,466,400	64,800,541	$0.012000	$0.086200	$0.098200		**$ 6,363,413.13**	$ (2,059,408.45)		**$ (1,031,588.87)**	ACTUAL
Feb-22	$ 8,086,798.27	$ 952,788.07	**$ 7,134,010.20**	91,868,808	10,824,000	81,044,808	$0.010000	$0.086200	$0.096200		**$ 7,796,510.53**	$ 662,500.33		**$ (369,088.54)**	ACTUAL
Mar-22	$ 7,904,041.28	$ 1,201,333.83	**$ 6,702,707.45**	66,501,821	10,107,600	56,394,221	$0.020000	$0.086200	$0.106200		**$ 5,989,066.27**	$ (713,641.18)		**$ (1,082,729.71)**	ACTUAL
Apr-22	$ 8,062,455.32	$ 1,389,042.39	**$ 6,673,412.93**	64,999,168	11,198,400	53,800,768	$0.035000	$0.086200	$0.121200		**$ 6,520,653.08**	$ (152,759.85)		**$ (1,235,489.56)**	ACTUAL
May-22	$ 7,443,751.72	$ 1,324,646.72	**$ 6,119,105.00**	60,743,727	10,809,600	49,934,127	$0.060000	$0.086200	$0.146200		**$ 7,300,369.37**	$ 1,181,264.37		**$ (54,225.20)**	ACTUAL
Jun-22	$ 7,854,614.95	$ 1,191,589.79	**$ 6,663,025.16**	71,459,415	10,840,800	60,618,615	$0.030000	$0.086200	$0.116200		**$ 7,043,883.12**	$ 380,857.96		**$ 326,632.76**	PROJECTED
Jul-22	$ 7,865,044.81	$ 1,098,217.17	**$ 6,766,827.64**	81,619,870	11,396,800	70,223,070	$0.015000	$0.086200	$0.101200		**$ 7,106,574.67**	$ 339,747.03		**$ 666,379.79**	PROJECTED
Aug-22	$ 8,052,971.44	$ 1,074,999.76	**$ 6,977,971.68**	89,396,243	11,933,600	77,462,643	$0.015000	$0.086200	$0.101200		**$ 7,839,219.49**	$ 861,247.81		**$ 1,527,627.60**	PROJECTED
Sep-22	$ 7,412,208.23	$ 1,037,764.29	**$ 6,374,443.94**	86,603,969	12,125,200	74,478,769	*$0.022000*	$0.086200	$0.108200		**$ 8,058,602.86**	$ 1,684,158.92		**$ 3,211,786.53**	PROJECTED

Future months (still in blue) show projections.

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

								DEMAND Recovery (Independent of Commod)	COMMODITY - Rolling Recovery (Does not include Demand Recovery)					
Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	Cum Over (Under) Demand Recovery Current FY	Monthly Commodity Cost	Monthly Commodity Recovered	Monthly Commod Over (Under) Recovery	Adjustments	Commodity Recovery Balance Over (Under) +/- $2,000,000	
Jan-22	$ 4.33482	$ 4.33482	$ 2.10000	$ -	$ 0.50000	$ 6.98594	$ 4.88594	$ (386,118.74)	$ 2,114,570.75	$ 1,588,831.22	$ (525,739.53)		($976,399.56)	Final
Feb-22	$ 4.45966	$ 4.45966	$ 2.10000	$ -	$ 0.25000	$ 6.29488	$ 4.19488	$ 122,872.32	$ 1,893,769.92	$ 2,387,081.13	$ 493,311.21		($483,088.34)	Final
Mar-22	$ 4.25134	$ 4.25134	$ 2.46592	$ -	$ 0.27500	$ 6.64432	$ 4.17840	$ 350,206.95	$ 1,335,815.25	$ 1,404,571.20	$ 68,755.95		($414,332.39)	Final
Apr-22	$ 5.22280	$ 5.22280	$ 1.70000	$ -	$ (0.25000)	$ 5.42136	$ 3.72136	$ 361,682.27	$ 1,218,066.22	$ 1,317,317.73	$ 99,251.51		($315,080.88)	Final
May-22	$ 5.60546	$ 5.60546	$ 0.76592		$ 0.50000	$ 7.28570	$ 6.51978	$ 198,980.26	$ 1,258,051.03	$ 1,498,134.65	$ 240,083.62		($74,997.26)	Final
Jun-22	$ 5.96549	$ 5.96549	$ -	$ -	$ 1.50000	$ 7.46549	$ 7.46549	$ 2,537.28	$1,262,239.00	$ 1,495,528.56	$ 233,289.57		$158,292.31	Est
Jul-22	$ 6.25815	$ 6.25815	$ -	$ -	$ -	$ 6.25815	$ 6.25815	$ (201,770.72)	$ 852,166.04	$ 817,024.90	$ (35,141.14)		$123,151.17	Est
Aug-22	$ 6.57208	$ 6.57208	$ -	$ -	$ -	$ 6.57208	$ 6.57208	$ (406,078.73)	$ 873,793.65	$ 859,927.81	$ (13,865.84)		$109,285.33	Est
Sep-22	$ 6.55578	$ 6.55578	$ -	$ -	$ -	$ 6.55578	$ 6.55578	$ (602,542.71)	$ 926,518.35	$ 958,889.87	$ 32,371.52		$141,656.85	Est

Commission Item Number: DUC220725 - 4
Utility Commission Meeting: July 25, 2022
Item: II. D. Danville HomeSave and CustomSave Energy Efficiency Program Update

Power Supply Update

Jason Grey will provide an update on current electric market prices and present a strategy to mitigate increasing market power supply costs.

POWER SUPPLY UPDATE

Danville Utility Commission

July 25, 2022

Recent Market Price Increases

On Peak (16 hour) prices into AEP/Dayton

Week ending June 24

MON	TUE	WED	THU	FRI
$93.70	$133.51	$136.69	$98.41	$102.72

Week ending June 17

MON	TUE	WED	THU	FRI
$126.05	$170.35	$221.90	$184.52	$126.40

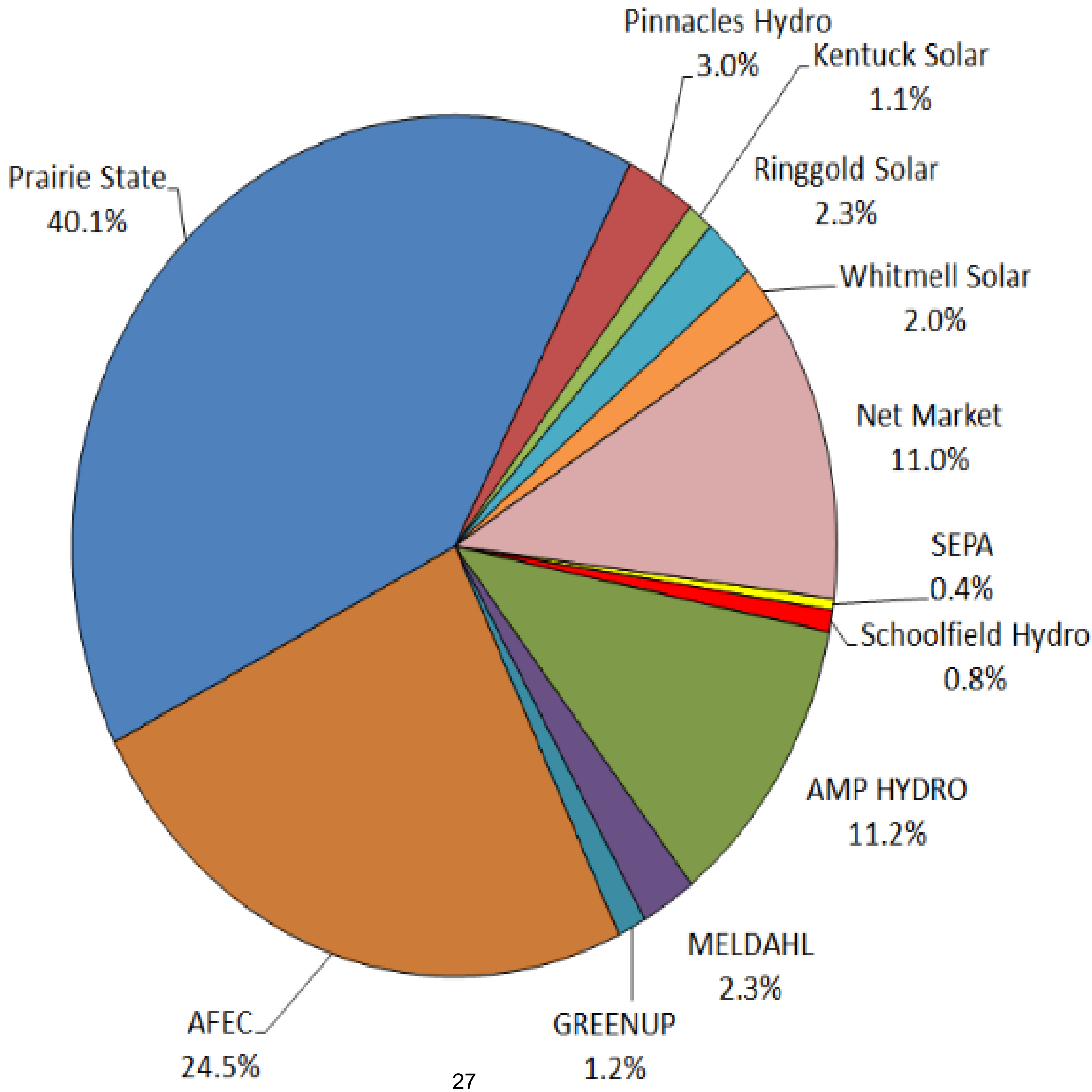
Week ending June 25, 2021

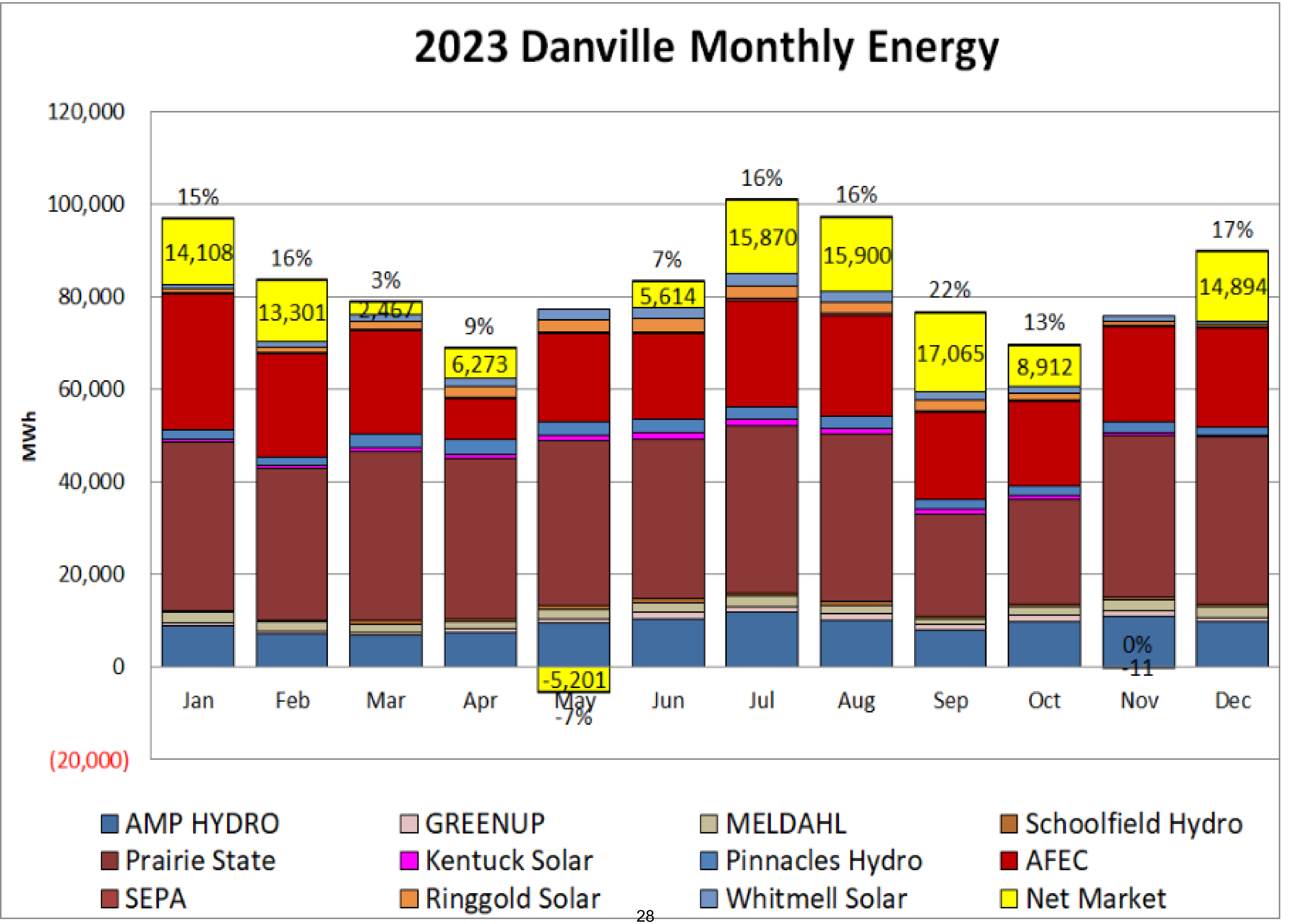
MON	TUE	WED	THU	FRI
$37.01	$26.69	$25.53	$38.65	$34.63

AEP/Dayton 2023 5x16 price as of June 23 — $83.45
AEP/Dayton 2023 5x16 price as of June 16 — $94.90

Danville
Energy Costs=$0.06/kWh
Transmission and Capacity=$0.04/kWh

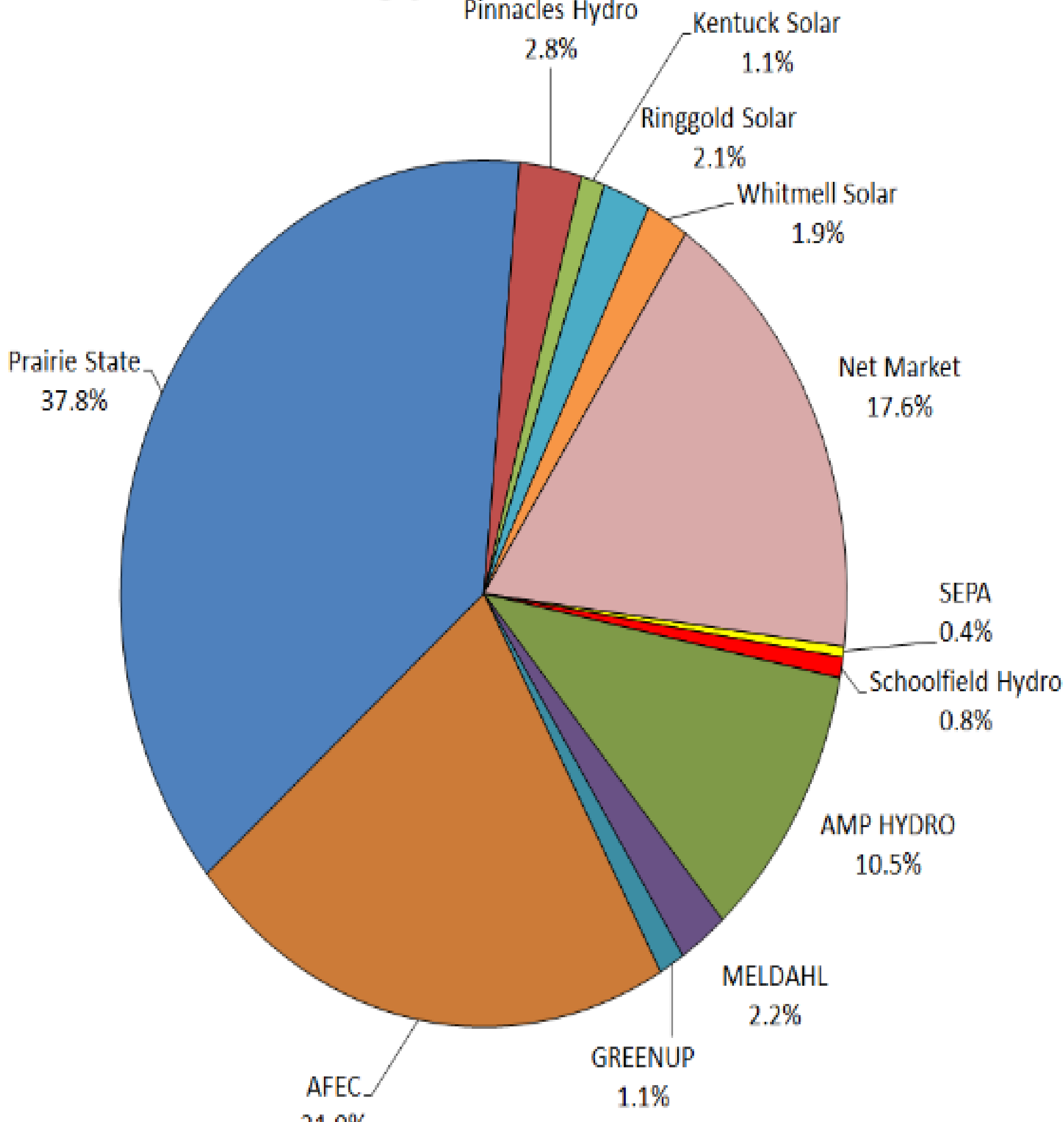
Danville 2023 Energy Sources



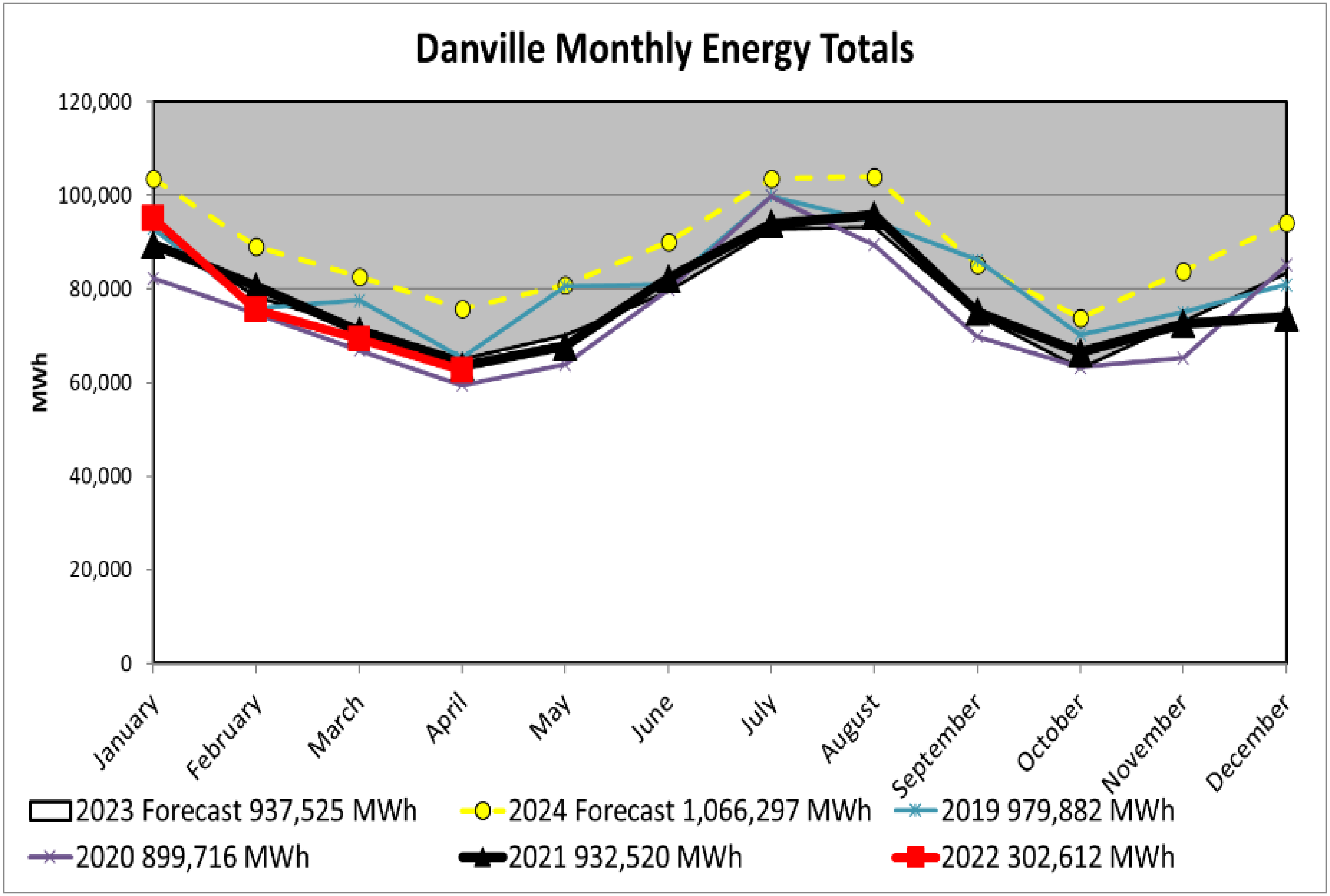


2023 Danville Monthly Energy
MWh
120,000
100,000
80,000
60,000
40,000
20,000
0
(20,000)
15%
14,108
16%
13,301
3%
2,467
9%
6,273
-5,201
-7%
7%
5,614
16%
15,870
16%
15,900
22%
17,065
13%
8,912
0%
-11
17%
14,894
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
AMP HYDRO
GREENUP
MELDAHL
Schoolfield Hydro
Prairie State
Kentuck Solar
Pinnacles Hydro
AFEC
SEPA
Ringgold Solar
Whitmell Solar
Net Market

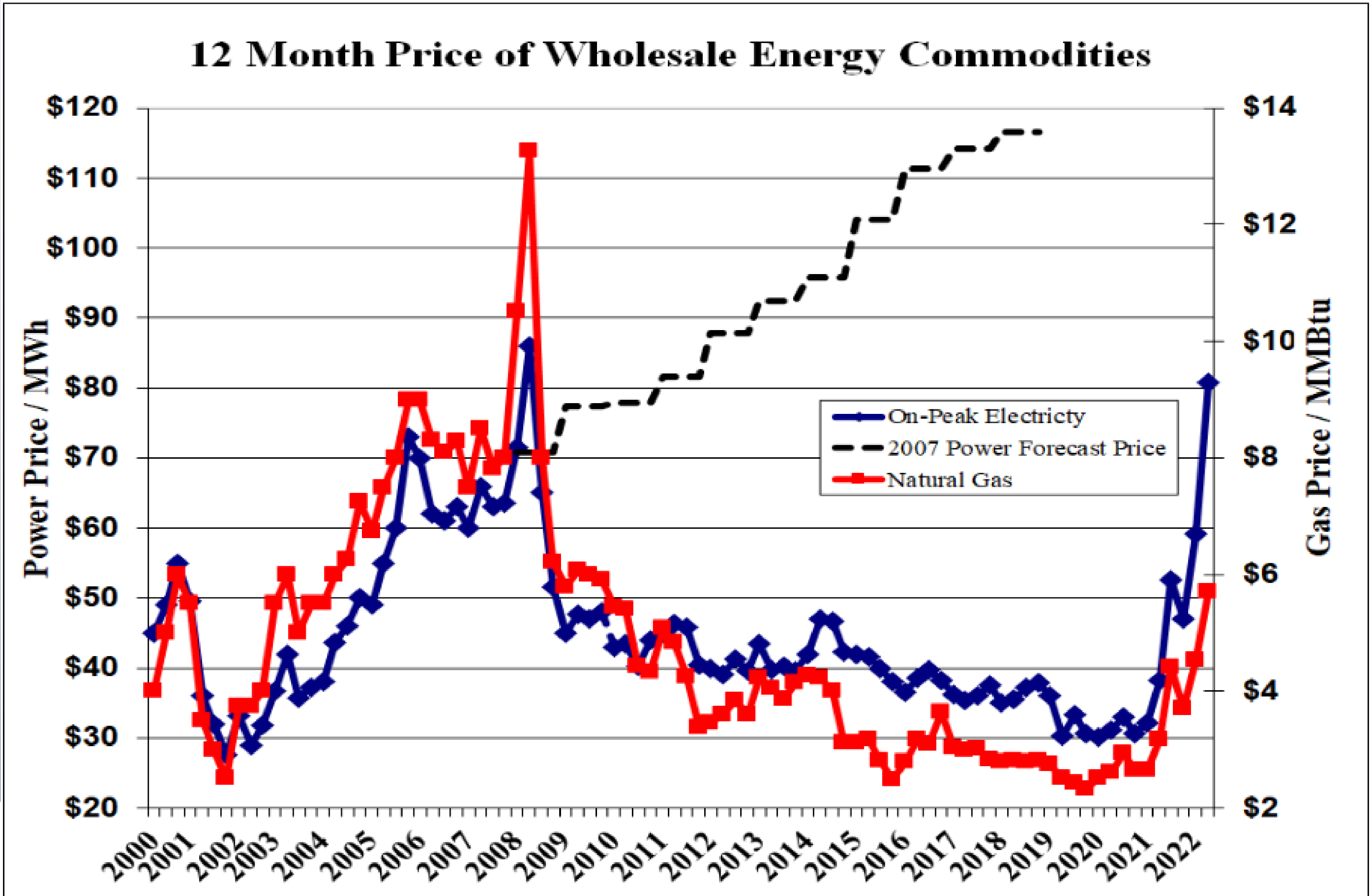
Danville 2024 Energy Sources



2024 Energy Forecast

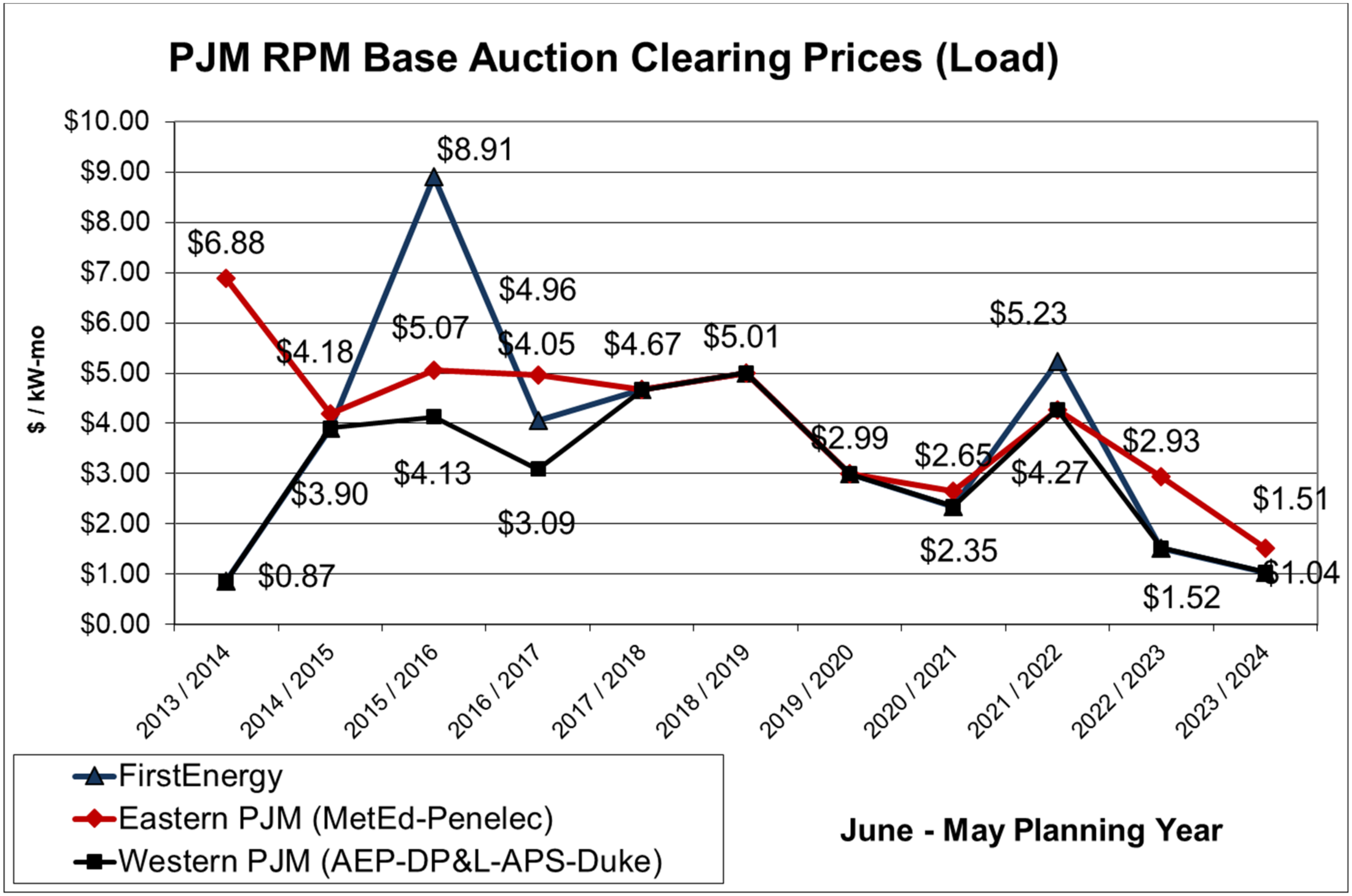


Historical Power/Gas Prices

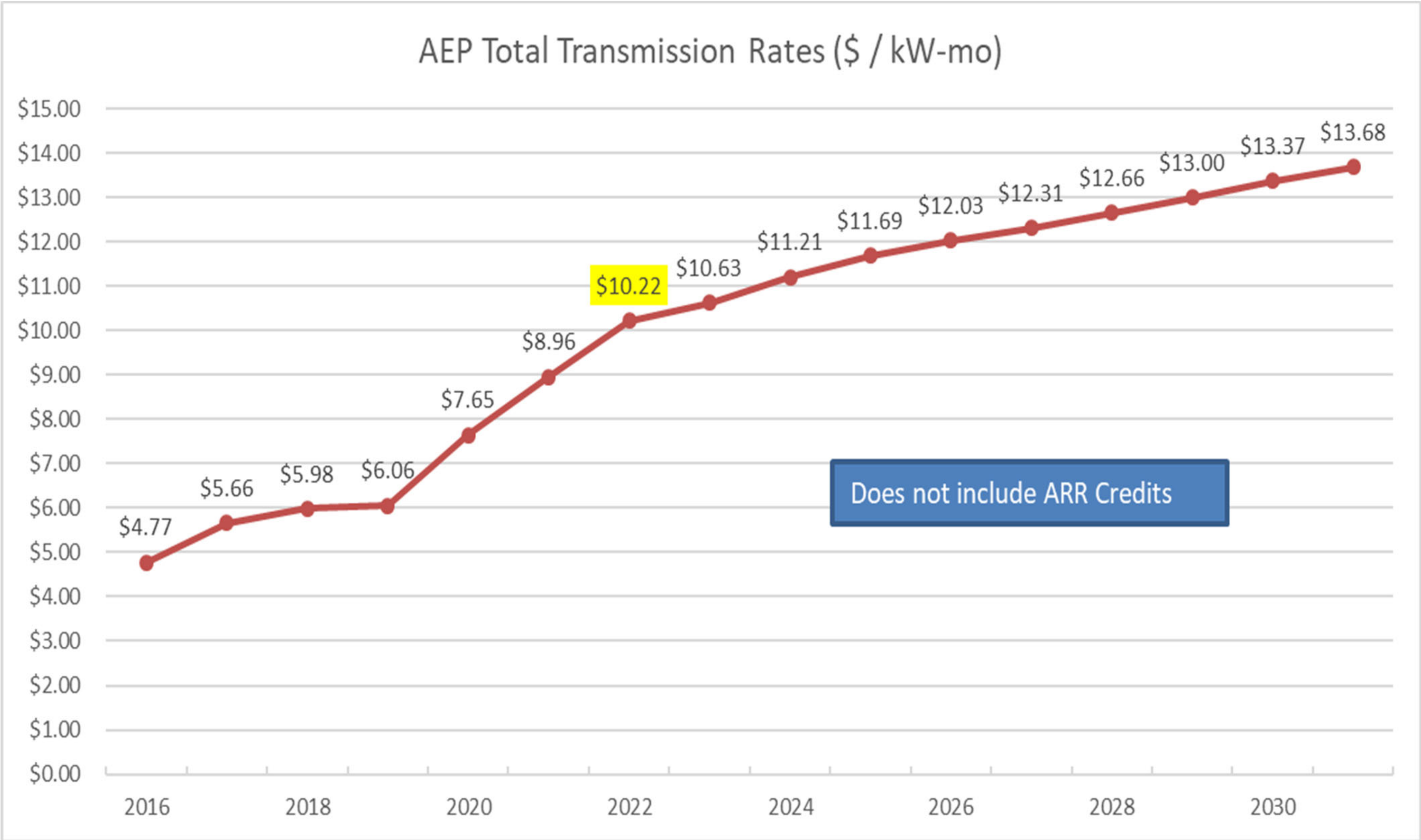


Transmission and PJM Capacity

PJM Capacity Prices



AEP Transmission Peak



- 2014-$2.50/kW-month or $5.7M/year

2021 Transmission Peak Shaving Savings

	Pinnacles Hydro	Schoolfield Hydro	Westover Diesel	Kentuck Diesel	New Design Diesel	Kentuck Solar	Ringgold Solar	Whitmell Solar
7-9 HE 17	8.972	1.931	0.783	0.000	0.000	3.888	*63%*	*63%*
							credit	*credit*
							of	*of*
							name	*name*
							plate	*plate*
	8.972	1.931	0.783	0.000	0.000	3.888	7.600	6.300
losses	1.034	1.034	1.034	1.034	1.034	1.034	1.034	1.034
Rate	$8.78	$8.78	$8.78	$8.78	$8.78	$8.78	$8.78	$8.78
Approx. Savings	$977k	$210k	$85k	$0k	$0k	$423k	$828k	$686k

2021-2022 PJM Capacity Peak Shaving

	Pinnacles Hydro	Schoolfield Hydro	Westover Diesel	Kentuck Diesel	New Design Diesel	Kentuck Solar	Ringgold Solar	Whitmell Solar
7-20 HE 17	8.903	1.771	0.000	1.813	1.811	5.728	*63%*	*63%*
7-27 HE 17	8.919	2.484	0.000	1.813	1.811	5.833	*credit*	*credit*
7-9 HE 18	8.966	1.930	0.000	0.000	0.000	2.469	*of*	*of*
7-6 HE 15	4.330	2.071	0.426	0.401	0.407	5.889	*name*	*name*
7-29 HE 18	9.038	2.463	0.000	1.814	1.812	5.434	*plate*	*plate*
AVG	8.031	2.144	0.085	1.168	1.168	5.071	7.600	6.300
losses	1.034	1.034	1.034	1.034	1.034	1.034	1.034	1.034
reserves	1.165	1.165	1.165	1.165	1.165	1.165	1.165	1.165
Rate	$4.27	$4.27	$4.27	$4.27	$4.27	$4.27	$4.27	$4.27
Approx. Savings	$495k	$132k	$5k	$72k	$72k	$313k	$469k	$389k

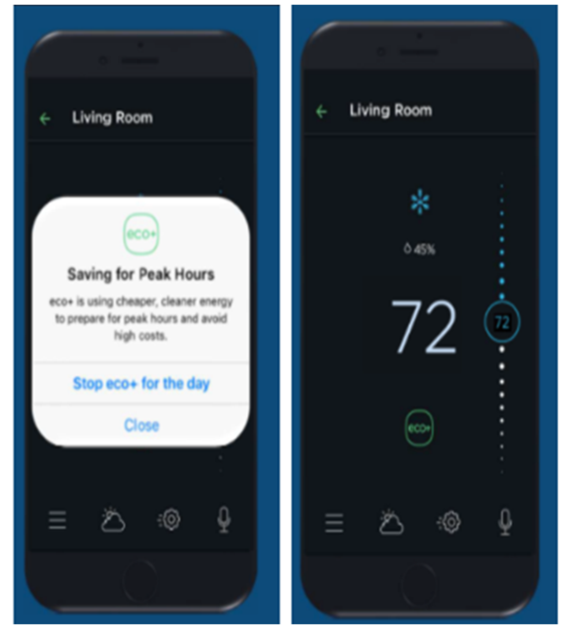
Strategy

- Identify potential shortfall(s)
  - Additional market exposure 2023-24
    - Purchase energy blocks
    - AMP Solar Project 20 MW (2025)
- Adjust for volatility:
  - Develop a layered approach to purchasing (do not purchase all needs at once)
  - Purchase multi-year energy blocks to spread out short term higher prices
- 2024 and out prices currently at more normal levels
  - Start developing a strategy 3-5 years out

DANVILLE UTILITIES

Strategy (cont.)

- Lower transmission and capacity costs
  - Battery Storage Project (September 2022)
    - 10.5 MW/ 2-hour battery
    - Potential future battery storage project
- Smart Thermostat Program
  - Bring-your-own smart thermostat
  - One time incentive for eligible thermostats registered



- Time-of-Use Electric Rates (7/1/22)
  - Residential
    - $0.1552/kWh on-peak
      - June 1-Sept 30 12 pm-9 pm (9% of total hours)
      - Oct 1-May 31 6 am-11 am (10% of total hours)
    - $0.1031/kWh off-peak (81% of total hours)
    - Holidays and weekends off-peak
    - Standard residential rate-$0.12/kWh

DANVILLE UTILITIES

Questions?

Commission Item Number: DUC220725 - 5
Utility Commission Meeting: July 25, 2022
Item: II. D. American Municipal Power Solar project

American Municipal Power Solar project

American Municipal Power (AMP) is looking to subscribe a 150-megawatt solar project in Ohio to help their members with rising electric market costs. AMP went out for request for proposal earlier this year to identify existing projects in development that their membership could leverage. This resource would provide a low-cost, stable, renewable source of energy, capacity, and renewable energy credits.

I move that the Danville Utility Commission recommend to City Council approving a 15-year purchase power agreement with American Municipal Power for 20 megawatts of solar energy, capacity, and renewable energy credits at a rate to not exceed $50/megawatt-hour.

AMERICAN MUNICIPAL POWER SOLAR PROJECT

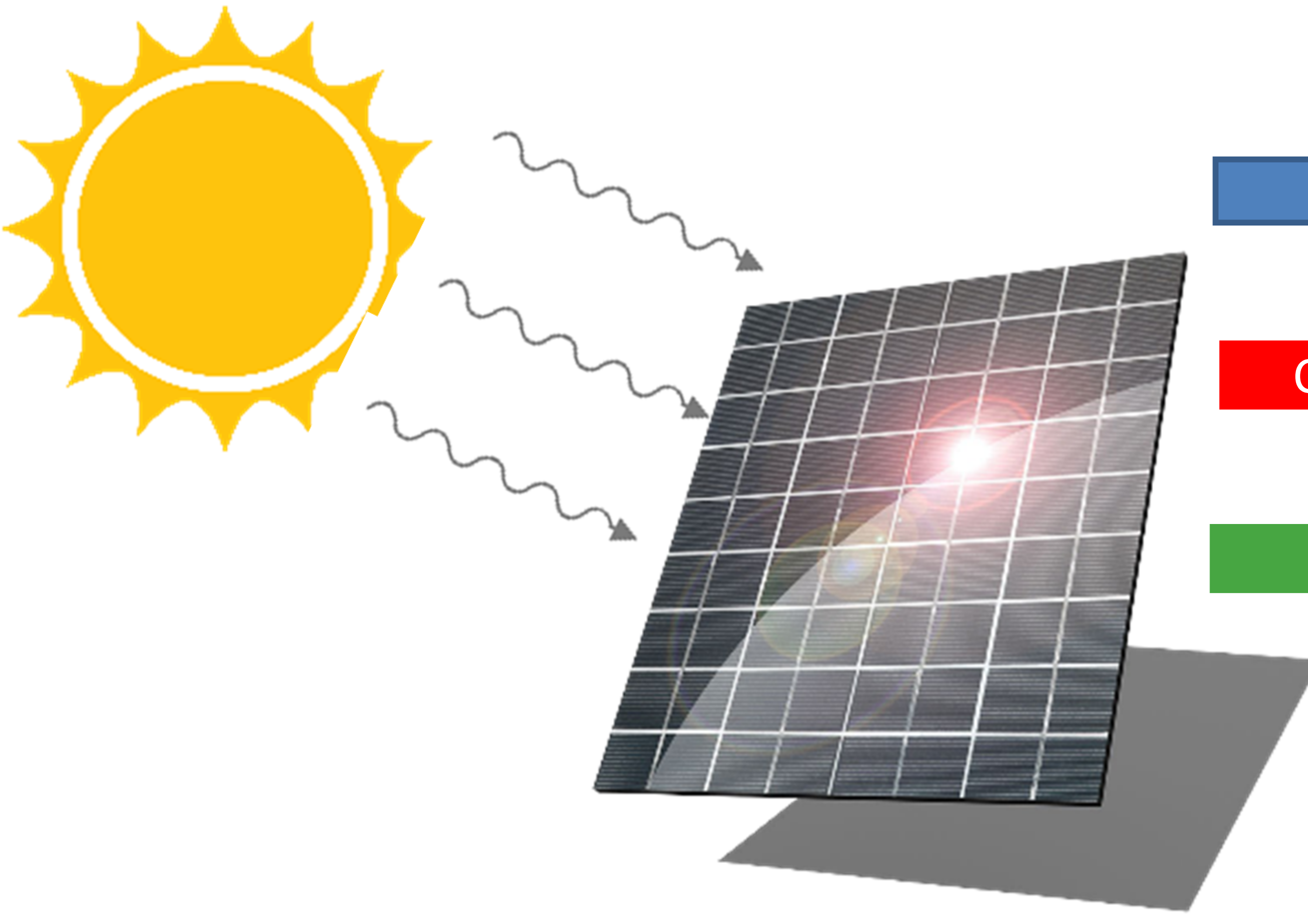
Danville Utility Commission

July 25, 2022

Strategy

- American Municipal Power (AMP) 150 megawatts solar project (20 MWs-Danville)
- AMP is in the process of seeing if the membership can subscribe the entire 150 megawatts as required.
- 15-year purchase power agreement
- Fixed, non-escalating price proposal
- Not to exceed $50/mWh for energy, capacity, renewable energy credits
- Danville to realize renewable energy credits (RECs) and capacity avoidance benefits
- Project would be owned and maintained by Avangrid
- Estimated completion date is Fall 2025
- Located in western Ohio
- Net rate minus RECs and capacity credit ~$30/mWh

- Net cost example based on current projected value of capacity and RECS (Long term 5x16 market currently above $90 / MWh)



PPA $50 / MWh

CAPACITY ($10) / MWh

RECS ($10) / MWh

Net Solar Cost **<u>$30 / MWh</u>**

Questions?