Danville Utility Commission Meeting Agenda
4:00 p.m., March 26, 2018

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

B. Announcements

II. Discussion/Business Items

A. Minutes of the February 26, 2018 Commission Meeting

B. Review of Utilities' Financial Statements

C. Federal and State Legislative Update

D. 2018 Power Supply Discussion-January Energy Prices

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, May 7, 2018

City Council Chambers
4th Floor, City Hall

Danville Utility Commission
4:00 p.m. February 26, 2018 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present: Vanessa Cain, Bill Donohue, Ken Larking, Jim Turpin, Helm Dobbins, Fred Shanks, Sheila Williamson-Branch, Michael Nicholas - *Mr. Nicholas entered the meeting at 5:30 p.m.*

Commission Members Absent:

Staff Present: Ryan Dodson, Amy Chandler, Greg Disher, Jason Grey, Janet Davis, Alan Johnson, Kelly Kinnett, Mike Spencer, Jennifer Holley, Carolyn Evans, Michael Adkins

Others Present: Josh Beeber, Nexant; Norman Yoder, Brown Edwards & Company

Call to Order and Announcements

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

Mr. Donahue announced that Mr. Nicholas planned to arrive by 5:30 for the public comment portion of the meeting.

Mr. Donahue said that the regular Commission meeting would occur first, followed by public comment. Further, he stated that the rules regarding time limits followed by as City Council to for the public comment session will be observed. Further, he stated that the rules regarding time limits followed by City Council for the public comment session will be observed.

Mr. Donahue read the meeting agenda for the benefit of the public.

Discussion/Business Items

Minutes of January 22, 2018 Commission Meeting

Chairman Donohue asked for any corrections, deletions, or adjustments to the minutes from January 22, 2018.

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

Review of Utilities' Financial Statements

Ms. Chandler presented the December financial statements for each utility fund.

Mr. Donahue asked how the Power Cost Adjustment may vary versus the plan in the packet. Mr. Grey responded we have certainty until June. AEP's increased transmission rate was effective in January and is accounted for in the projection.

Fiscal Year 2019 Utilities Budget

Ms. Holley presented changes to the 2019 fiscal year budget to the Commission.

Mr. Donahue inquired concerning the water fund balance projection. He stated that the fund balance is approaching $10 million, and contemplated the merits of utilizing fund balance rather than bonding capital projects. Mr. Grey responded that the proposed budget recommends a transfer of $1.5 million from fund balance and $3 million in bond financing a transfer of an additional $3 million from the unrestricted fund balance, which would leave approximately $5 million in the water fund's unreserved fund balance, which is above the City's policy.

Mr. Shanks requested that the formula and policy for contributing to the general fund be included in the upcoming rate study.

Mr. Donahue asked for a motion to be made regarding the budget. Mr. Dodson amended the motion wording to include items discussed regarding the water budget.

Mr. Turpin made a motion to allow the fiscal year 2019 budget to move forward to the City Manager and City Council as amended. Ms.Williamson-Branch seconded the motion and the motion carried unanimously.

Nexant-Residential Energy Conservation Best Practices

Mr. Grey introduced Josh Beeber, a project engineer from Nexant, our Energy Efficiency consultant, who gave a presentation regarding maximizing energy conservation for residential customers.

Mr. Donahue asked whether rebates are allowed for landlords who improve rental properties. Mr. Beeber replied affirmatively.

Utility Financial Auditing Discussion

Mr. Grey introduced Norman Yoder, a certified public accountant and Audit and Assurance Partner with Brown Edwards & Company. Mr. Yoder gave a summary of his firm's history with the City of Danville's annual audit and presented their findings regarding the independent financial audit of the City of Danville's Utility funds. Mr. Yoder stated that recent audits conclude that the financial statements in all material respects present fairly the financial position of the City of Danville in accordance with generally accepted accounting principles.

January 2018 High Consumption

Mr. Grey made a presentation entailing reasons for the high consumption realized during January 2018. Further, he presented recommendations regarding strategies to mitigate future recurrences. One such recommendation was to allow all customers with a 12 month history regardless of payment record to enroll in the Equal Payment plan. This option is intended to help past due customers bring their account into current status.

Another recommendation included transferring up to $8 million in unrestricted electric fund balance to pay down the PCA. A motion supporting the recommendation was made by Mr. Turpin and seconded by Ms. Cain. The motion carried unanimously.

Following discussion regarding proper implementation of the modification to the Equal Pay Plan, a motion was made by Ms. Williamson-Branch and seconded by Ms. Cain to allow Mr. Larking in the capacity of City Manager to modify the equal pay plan to allow all residential customers with 12 months of payment history to enroll in Equal Pay. The motion carried, with Mr. Larking abstaining from the vote on the advice of legal counsel.

Department Discussions

Mr. Larking thanked members of the commission for volunteering their time to serve on the commission.

There was no comment from City staff.

Public comment was opened and 23 members of the public spoke regarding their utility bills.

Mr. Larking approved the change to the equal payment policy effective immediately.

Adjournment

Chairman Donohue stated the next meeting is scheduled for March 26, 2018. There being no further business, Chairman Donohue adjourned the meeting at 7:30 p.m.

March 26, 2018
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

Chairman
Danville Utility Commission

Commission Item Number: DUC160326 - 1
Utility Commission Meeting: March 26, 2018
Item: II. B. <u>Review of Utilities' Financial Statements</u>

Financial Report

January financials will be reviewed.

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED JANUARY 31, 2018 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 17-18 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	5,606,156.10	4,794,776.70	12,580,830.83	81,308,477.39	729,668.54	105,019,909.56	174,062,350.00	93,828,338.63
COST OF SALES								
PURCHASED SERVICES	-	-	7,895,481.41	64,554,740.11	14,344.35	72,464,565.87	114,400,560.00	63,974,070.98
PRODUCTION	-	-	-	330,738.48	-	330,738.48	954,626.93	362,033.27
TOTAL COST OF SALES	-	-	7,895,481.41	64,885,478.59	14,344.35	72,795,304.35	115,355,186.93	64,336,104.25
GROSS PROFIT	5,606,156.10	4,794,776.70	4,685,349.42	16,422,998.80	715,324.19	32,224,605.21	58,707,163.07	29,492,234.38
GROSS PROFIT %	100.00%	100.00%	37.24%	20.20%	98.03%	30.68%	33.73%	31.43%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	1,340,249.66	1,094,982.61	-	993,580.43	-	3,428,812.70	7,012,029.25	3,028,784.71
ENGINEERING	-	157,667.06	234,448.45	439,827.57	-	831,943.08	2,217,864.43	910,410.84
DISTRIBUTION	1,124,605.99	435,991.44	295,480.19	6,694,345.25	-	8,550,422.87	15,679,935.92	6,991,240.10
SERVICE	59,605.93	29,592.42	20,841.13	-	-	110,039.48	415,710.43	72,057.56
METERS & REGULATORS	-	57,124.53	68,100.66	171,761.65	69.63	297,056.47	693,338.28	318,719.44
GENERAL & ADMINISTRATIVE	1,017,533.47	1,602,101.20	2,087,990.29	2,489,747.32	441,695.70	7,639,067.98	14,657,517.84	7,413,635.67
TOTAL OPERATING EXPENSES	3,541,995.05	3,377,459.26	2,706,860.72	10,789,262.22	441,765.33	20,857,342.58	40,676,396.15	18,734,848.32
OPERATING INCOME (LOSS)	2,064,161.05	1,417,317.44	1,978,488.70	5,633,736.58	273,558.86	11,367,262.63	18,030,766.92	10,757,386.06
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	82,335.98	107,720.60	104,567.92	375,527.56	10,833.00	680,985.06	961,400.00	629,832.83
ENERGY EFFICIENCY RECOVERY	-	-	-	(201,921.84)	-	(201,921.84)	(1,301,896.91)	(205,871.48)
RECOVERIES AND REBATES	2,514.15	5,866.37	235.28	639,647.68	-	648,263.48	45,000.00	7,494.22
GAIN/LOSS ON DISPOSAL	-	146.50	-	10,566.00	-	10,712.50	60,100.00	55,725.92
JOBBING INCOME (LOSS)	22,063.00	52,815.96	53,117.50	120,068.58	5,841.58	253,906.62	401,353.17	200,816.30
INTEREST ON LONG TERM INDEBTEDNESS	(109,036.63)	(104,683.54)	(36,659.66)	(665,415.22)	-	(915,795.05)	(1,735,860.00)	(902,896.45)
NET INCOME (LOSS)	2,062,037.55	1,479,183.33	2,099,749.74	5,912,209.34	290,233.44	11,843,413.40	16,460,863.18	10,542,487.40
OPERATING TRANSFERS IN(OUT)	(404,693.35)	(549,675.00)	(1,784,609.15)	(5,845,939.15)	(176,166.65)	(8,761,083.30)	(15,019,000.00)	(8,650,833.30)
NET INCOME AFTER TRANSFERS	1,657,344.20	929,508.33	315,140.59	66,270.19	114,066.79	3,082,330.10	1,441,863.18	1,891,654.10
NET ASSETS JULY 1, AS RESTATED	57,881,033.48	42,375,171.75	53,406,861.94	187,844,312.49	8,668,074.01	350,175,453.67		
NET INCOME AFTER TRANSFERS	1,657,344.20	929,508.33	315,140.59	66,270.19	114,066.79	3,082,330.10		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	16,200.00	-	-	-	-	16,200.00		
NET ASSETS JANUARY 2018	59,554,577.68	43,304,680.08	53,722,002.53	187,910,582.68	8,782,140.80	353,273,983.77		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	3,820,385.01	4,676,282.92	1,340,232.51	13,721,622.53	337,248.59	23,895,771.56		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	44,589,921.07	24,267,606.98	37,521,535.34	114,892,564.35	6,863,807.01	228,135,434.75		
RESTRICTED FOR PROJECTS IN PROGRESS	5,039,529.14	4,455,906.43	4,207,173.64	22,175,416.05	417,205.15	36,295,230.41		
RESTRICTED FOR ENCUMBRANCES	1,177,545.34	135,320.99	199,413.19	965,399.15	1,156.03	2,478,834.70		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	356,170.00	934,132.00	819,663.00	3,356,408.00	85,495.00	5,551,868.00		
DEFERRED OUTFLOWS - PENSION	206,230.00	540,882.00	474,602.00	1,943,430.00	49,504.00	3,214,648.00		
UNRESTRICTED	4,571,027.12	8,835,430.76	9,633,984.85	32,799,172.60	1,077,229.02	56,916,844.35		
TOTAL NET ASSETS	59,554,577.68	43,304,680.08	53,722,002.53	187,910,582.68	8,782,140.80	353,273,983.77		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
JANUARY 31, 2018

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JANUARY 31, 2018
ASSETS							
Equity in pooled Cash and Investments	$	9,544,180.29	12,215,091.58	11,627,039.79	37,371,371.41	1,233,944.89	71,991,627.96
Receivables (Net of allowances for Uncollectible):							-
Interest		-	-	-	-	-	-
Accounts		1,186,259.90	530,148.05	2,947,730.60	16,884,264.33	42,212.68	21,590,615.56
Power/Gas Cost Recovery		-	-	48,981.55	16,736,785.37	-	16,785,766.92
Loans		-	-	-	-	-	0.00
Pension Assets		356,170.00	934,132.00	819,663.00	3,356,408.00	85,495.00	5,551,868.00
Inventory of Gas, Materials and Supplies, at Cost		-	418,567.31	833,152.15	1,811,502.46	211,436.57	3,274,658.49
Fixed Assets		97,377,570.48	70,186,455.94	67,356,077.41	287,200,953.34	9,626,400.69	531,747,457.86
Accumulated Depreciation		(44,204,678.98)	(36,785,626.80)	(26,891,494.19)	(124,232,201.70)	(2,425,345.09)	(234,539,346.76)
Deferred Outflows - Pension		206,230.00	540,882.00	474,602.00	1,943,430.00	49,504.00	3,214,648.00
TOTAL ASSETS	$	64,465,731.69	48,039,650.08	57,215,752.31	241,072,513.21	8,823,648.74	419,617,296.03
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	69,439.02	127,023.84	1,811,996.14	14,195,123.08	35,921.94	16,239,504.02
Accrued Interest Payable		79,129.57	73,207.29	28,041.16	459,784.10	-	640,162.12
Customer Deposits		-		-	3,567,188.53	-	3,567,188.53
Accrued Vacation, Sick Leave & Workers Comp.		-	77,799.63	50,897.11	585,270.06	5,586.00	719,552.80
Deferred Gain / Loss - Refunding Bonds		(182,040.85)	(165,610.07)	(108,181.88)	(1,379,806.00)	-	(1,835,638.80)
Original Issue Premium/Discount (Refunding Bonds)		196,629.93	177,563.62	118,644.18	1,881,165.18	-	2,374,002.91
General Obligation Bonds Payable		4,159,056.23	4,444,985.69	1,592,353.07	33,853,205.58	-	44,049,600.57
Revenue Bonds Payable		588,940.11	-	-	-	-	588,940.11
Long-Term Leases, Notes, and Contracts					-		
Payable		-	-	-	-	-	0.00
TOTAL LIABILITIES	$	4,911,154.01	4,734,970.00	3,493,749.78	53,161,930.53	41,507.94	66,343,312.26
Net Assets							
Contributed Capital	$	3,820,385.01	4,676,282.92	1,340,232.51	13,721,622.53	337,248.59	23,895,771.56
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	44,589,921.07	24,267,606.98	37,521,535.34	114,892,564.35	6,863,807.01	228,135,434.75
Restricted for Incomplete Projects		5,039,529.14	4,455,906.43	4,207,173.64	22,175,416.05	417,205.15	36,295,230.41
Restricted for Subsequent Expenses		1,177,545.34	135,320.99	199,413.19	965,399.15	1,156.03	2,478,834.70
Net Pension Assets		356,170.00	934,132.00	819,663.00	3,356,408.00	85,495.00	5,551,868.00
Deferred Outflows - Pension		206,230.00	540,882.00	474,602.00	1,943,430.00	49,504.00	3,214,648.00
Unrestricted		4,571,027.12	8,835,430.76	9,633,984.85	32,799,172.60	1,077,229.02	56,916,844.35
Total Retained Earnings	$	55,734,192.67	38,628,397.16	52,381,770.02	174,188,960.15	8,444,892.21	329,378,212.21
TOTAL NET ASSETS	$	59,554,577.68	43,304,680.08	53,722,002.53	187,910,582.68	8,782,140.80	353,273,983.77
TOTAL LIABILITIES AND NET ASSETS	$	64,465,731.69	48,039,650.08	57,215,752.31	241,072,513.21	8,823,648.74	419,617,296.03

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JANUARY 31, 2018

WASTEWATER - FINAL

	ORIGINAL BUDGET 2017-18	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2017-18	JANUARY 2018	PERCENT OF CURRENT BUDGET	JANUARY 2017
OPERATING REVENUE	9,785,080.00	-	9,785,080.00	5,606,156.10	57.29%	5,607,806.87
COST OF SALES						
PURCHASED SERVICES						
PRODUCTION						
TOTAL COST OF SALES						
GROSS PROFIT						
GROSS PROFIT %						
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,961,010.00	80,961.51	3,041,971.51	1,340,249.66	44.06%	1,311,727.67
ENGINEERING	-	-	-	-		-
DISTRIBUTION	2,044,820.00	78,230.55	2,123,050.55	1,124,605.99	52.97%	996,251.58
SERVICE	134,430.00	-	134,430.00	59,605.93	44.34%	31,603.04
METERS & REGULATORS	-	-	-	-		-
BAD DEBT	68,000.00	-	68,000.00	18,132.21	26.67%	15,383.93
GENERAL & ADMINISTRATIVE	1,813,350.00	-	1,813,350.00	999,401.26	55.11%	1,002,177.14
TOTAL OPERATING EXPENSES	7,021,610.00	159,192.06	7,180,802.06	3,541,995.05	49.33%	3,357,143.36
OPERATING INCOME (LOSS)	2,763,470.00	(159,192.06)	2,604,277.94	2,064,161.05	79.26%	2,250,663.51
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	61,500.00	-	61,500.00	82,335.98	133.88%	59,202.68
RECOVERIES AND REBATES	-	-	-	2,514.15		2,460.58
GAIN/LOSS ON DISPOSAL	-	-	-	-		-
JOBBING INCOME (LOSS)	54,500.00	-	54,500.00	22,063.00	40.48%	24,319.63
INTEREST ON LONG TERM INDEBTEDNESS	(199,150.00)	-	(199,150.00)	(109,036.63)	54.75%	(127,835.43)
NET INCOME (LOSS)	2,680,320.00	(159,192.06)	2,521,127.94	2,062,037.55	81.79%	2,208,810.97
OPERATING TRANSFERS IN (OUT)	(693,760.00)	-	(693,760.00)	(404,693.35)	58.33%	(400,026.65)
NET INCOME AFTER TRANSFERS	1,986,560.00	(159,192.06)	1,827,367.94	1,657,344.20	90.70%	1,808,784.32
CONTRIBUTION IN AID	35,000.00	-	35,000.00	16,200.00	46.29%	
REGULAR CAPITAL MAINTENANCE	(434,190.00)	-	(434,190.00)	(53,311.29)	12.28%	
CAPITAL PROJECTS	(1,300,000.00)	(4,010,982.78)	(5,310,982.78)	(717,700.51)	13.51%	
DEBT SERVICE	(1,165,200.00)	-	(1,165,200.00)	(135,816.00)	11.66%	
DEPRECIATION	2,079,000.00	-	2,079,000.00	1,178,838.15	56.70%	
CONTINGENCY	(100,000.00)	-	(100,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JANUARY 31, 2018

WATER - FINAL

	ORIGINAL BUDGET 2017-18	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2017-18	JANUARY 2018	PERCENT OF CURRENT BUDGET	JANUARY 2017
OPERATING REVENUE	8,457,300.00	-	8,457,300.00	4,794,776.70	56.69%	4,908,629.89
COST OF SALES						
PURCHASED SERVICES						
PRODUCTION						
TOTAL COST OF SALES						
GROSS PROFIT						
GROSS PROFIT %						
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,802,970.00	221,304.00	2,024,274.00	1,094,982.61	54.09%	917,002.70
ENGINEERING	331,697.00	40,954.46	372,651.46	157,667.06	42.31%	145,658.89
DISTRIBUTION	627,960.00	85,439.57	713,399.57	435,991.44	61.11%	335,731.82
SERVICE	151,060.00	30.43	151,090.43	29,592.42	19.59%	27,612.72
METERS & REGULATORS	161,330.00	256.60	161,586.60	57,124.53	35.35%	67,225.62
BAD DEBT	34,000.00	-	34,000.00	13,422.43	39.48%	13,133.08
GENERAL & ADMINISTRATIVE	2,969,620.00	15,750.00	2,985,370.00	1,588,678.77	53.22%	1,540,898.27
TOTAL OPERATING EXPENSES	6,078,637.00	363,735.06	6,442,372.06	3,377,459.26	52.43%	3,047,263.10
OPERATING INCOME (LOSS)	2,378,663.00	(363,735.06)	2,014,927.94	1,417,317.44	70.34%	1,861,366.79
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	82,400.00	-	82,400.00	107,720.60	130.73%	77,571.83
RECOVERIES AND REBATES	10,000.00	-	10,000.00	5,866.37		5,888.70
GAIN/LOSS ON DISPOSAL	30,000.00	-	30,000.00	146.50		2,960.41
JOBBING INCOME (LOSS)	93,820.00	-	93,820.00	52,815.96	56.29%	58,386.42
INTEREST ON LONG TERM INDEBTEDNESS	(214,160.00)	-	(214,160.00)	(104,683.54)	48.88%	(117,877.94)
NET INCOME (LOSS)	2,380,723.00	(363,735.06)	2,016,987.94	1,479,183.33	73.34%	1,888,296.21
OPERATING TRANSFERS IN (OUT)	(942,300.00)	-	(942,300.00)	(549,675.00)	58.33%	(546,758.35)
NET INCOME AFTER TRANSFERS	1,438,423.00	(363,735.06)	1,074,687.94	929,508.33	86.49%	1,341,537.86
CONTRIBUTION IN AID	-	-	-	-		
REGULAR CAPITAL MAINTENANCE	(1,082,080.00)	3,122.90	(1,078,957.10)	(371,663.71)	34.45%	
CAPITAL PROJECTS	(2,200,000.00)	(1,608,509.24)	(3,808,509.24)	(134,896.20)	3.54%	
DEBT SERVICE	(889,100.00)	-	(889,100.00)	(118,490.00)	13.33%	
DEPRECIATION	1,656,000.00	-	1,656,000.00	958,227.34	57.86%	
CONTINGENCY	(100,000.00)	25,000.00	(75,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JANUARY 31, 2018

GAS - FINAL

	ORIGINAL BUDGET 2017-18	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2017-18	JANUARY 2018	PERCENT OF CURRENT BUDGET	JANUARY 2017
OPERATING REVENUE	24,774,250.00	-	24,774,250.00	12,580,830.83	50.78%	11,909,153.62
COST OF SALES						
PURCHASED SERVICES	15,190,560.00	-	15,190,560.00	7,895,481.41	51.98%	7,655,756.21
PRODUCTION	-	-	-	-		-
TOTAL COST OF SALES	15,190,560.00	-	15,190,560.00	7,895,481.41		7,655,756.21
GROSS PROFIT	9,583,690.00	-	9,583,690.00	4,685,349.42		4,253,397.41
GROSS PROFIT %	38.68%		38.68%	37.24%		35.72%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-	-		-		-
ENGINEERING	643,300.00	180,885.29	824,185.29	234,448.45	28.45%	299,414.15
DISTRIBUTION	582,010.00	(2,153.28)	579,856.72	295,480.19	50.96%	275,618.70
SERVICE	133,050.00	(2,860.00)	130,190.00	20,841.13	16.01%	12,841.80
METERS & REGULATORS	201,470.00	(2,238.32)	199,231.68	68,100.66	34.18%	76,522.31
BAD DEBT	87,000.00	-	87,000.00	20,178.62	23.19%	18,540.64
GENERAL & ADMINISTRATIVE	3,973,150.00	3,095.00	3,976,245.00	2,067,811.67	52.00%	2,008,906.89
TOTAL OPERATING EXPENSES	5,619,980.00	176,728.69	5,796,708.69	2,706,860.72	46.70%	2,691,844.49
OPERATING INCOME (LOSS)	3,963,710.00	(176,728.69)	3,786,981.31	1,978,488.70	52.24%	1,561,552.92
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	163,800.00	-	163,800.00	104,567.92	63.84%	85,892.97
RECOVERIES AND REBATES	-	-	-	235.28		212.06
GAIN/LOSS ON DISPOSAL	7,200.00	-	7,200.00	-		14,916.00
JOBBING INCOME (LOSS)	182,510.00	(9,626.83)	172,883.17	53,117.50	30.72%	83,032.11
INTEREST ON LONG TERM INDEBTEDNESS	(68,470.00)	-	(68,470.00)	(36,659.66)	53.54%	(40,101.45)
NET INCOME (LOSS)	4,248,750.00	(186,355.52)	4,062,394.48	2,099,749.74	51.69%	1,705,504.61
OPERATING TRANSFERS IN (OUT)	(3,059,330.00)	-	(3,059,330.00)	(1,784,609.15)	58.33%	(1,754,859.15)
NET INCOME AFTER TRANSFERS	1,189,420.00	(186,355.52)	1,003,064.48	315,140.59	31.42%	(49,354.54)
CONTRIBUTION IN AID	-	-	-	-		
REGULAR CAPITAL MAINTENANCE	(1,308,170.00)	(177,217.69)	(1,485,387.69)	(299,909.37)	20.19%	
CAPITAL PROJECTS	(1,100,000.00)	(3,094,849.14)	(4,194,849.14)	(705,844.83)	16.83%	
DEBT SERVICE	(225,660.00)	-	(225,660.00)	(87,682.00)	38.86%	
DEPRECIATION	1,605,000.00	-	1,605,000.00	916,113.45	57.08%	
CONTINGENCY	(100,000.00)	-	(100,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JANUARY 31, 2018

ELECTRIC - FINAL

	ORIGINAL BUDGET 2017-18	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2017-18	JANUARY 2018	PERCENT OF CURRENT BUDGET	JANUARY 2017
OPERATING REVENUE	129,526,120.00	-	129,526,120.00	81,308,477.39	62.77%	70,482,665.86
COST OF SALES						
PURCHASED SERVICES	99,150,000.00	-	99,150,000.00	64,554,740.11	65.11%	56,216,134.78
PRODUCTION	904,640.00	49,986.93	954,626.93	330,738.48		362,033.27
TOTAL COST OF SALES	100,054,640.00	49,986.93	100,104,626.93	64,885,478.59		56,578,168.05
GROSS PROFIT	29,471,480.00	(49,986.93)	29,421,493.07	16,422,998.80		13,904,497.81
GROSS PROFIT %	22.75%		22.71%	20.20%		19.73%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,731,210.00	214,573.74	1,945,783.74	993,580.43	51.06%	800,054.34
ENGINEERING	994,360.00	26,667.68	1,021,027.68	439,827.57	43.08%	465,337.80
DISTRIBUTION	12,261,840.00	1,789.08	12,263,629.08	6,694,345.25	54.59%	5,383,638.00
SERVICE	-	-	-	-		-
METERS & REGULATORS	332,520.00	-	332,520.00	171,761.65	51.65%	174,971.51
BAD DEBT	300,000.00	-	300,000.00	122,871.10	40.96%	118,998.63
GENERAL & ADMINISTRATIVE	4,437,920.00	38,072.84	4,475,992.84	2,366,876.22	52.88%	2,283,353.33
TOTAL OPERATING EXPENSES	20,057,850.00	281,103.34	20,338,953.34	10,789,262.22	53.05%	9,226,353.61
OPERATING INCOME (LOSS)	9,413,630.00	(331,090.27)	9,082,539.73	5,633,736.58	62.03%	4,678,144.20
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	640,800.00	-	640,800.00	375,527.56	58.60%	400,639.08
ENERGY EFFICIENCY RECOVERY	(1,301,896.91)	-	(1,301,896.91)	(201,921.84)		(205,871.48)
RECOVERIES AND REBATES	35,000.00	-	35,000.00	639,647.68		(1,067.12)
GAIN/LOSS ON DISPOSAL	22,900.00	-	22,900.00	10,566.00	46.14%	37,849.51
JOBBING INCOME (LOSS)	74,750.00	-	74,750.00	120,068.58	160.63%	30,178.78
INTEREST ON LONG TERM INDEBTEDNESS	(1,254,080.00)	-	(1,254,080.00)	(665,415.22)	53.06%	(617,081.63)
NET INCOME (LOSS)	7,631,103.09	(331,090.27)	7,300,012.82	5,912,209.34	80.99%	4,322,791.34
OPERATING TRANSFERS IN (OUT)	(10,021,610.00)	-	(10,021,610.00)	(5,845,939.15)	58.33%	(5,773,022.50)
NET INCOME AFTER TRANSFERS	(2,390,506.91)	(331,090.27)	(2,721,597.18)	66,270.19	-2.43%	(1,450,231.16)

	ORIGINAL BUDGET 2017-18	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2017-18	JANUARY 2018	PERCENT OF CURRENT BUDGET
CONTRIBUTION IN AID	-	-	-	-	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	
REGULAR CAPITAL MAINTENANCE	(3,735,940.00)	(88,422.43)	(3,824,362.43)	(1,301,179.40)	34.02%
CAPITAL PROJECTS	(700,000.00)	(14,729,712.23)	(15,429,712.23)	(4,720,786.44)	30.60%
DEBT SERVICE	(2,606,080.00)	-	(2,606,080.00)	(1,357,409.24)	52.09%
DEPRECIATION	8,680,000.00	-	8,680,000.00	4,579,212.54	52.76%
CONTINGENCY	(500,000.00)	-	(500,000.00)	-	0.00%

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JANUARY 31, 2018

TELECOMMUNICATIONS - FINAL

	ORIGINAL BUDGET 2017-18	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2017-18	JANUARY 2018	PERCENT OF CURRENT BUDGET	JANUARY 2017
OPERATING REVENUE	1,519,600.00	-	1,519,600.00	729,668.54	48.02%	920,082.39
COST OF SALES						
PURCHASED SERVICES	60,000.00	-	60,000.00	14,344.35	23.91%	102,179.99
PRODUCTION	-	-	-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	14,344.35		102,179.99
GROSS PROFIT	1,459,600.00	-	1,459,600.00	715,324.19		817,902.40
GROSS PROFIT %	96.05%		96.05%	98.03%		88.89%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-	-	-	-		-
ENGINEERING	-	-	-	-		-
DISTRIBUTION	-	-	-	-		-
SERVICE	-	-	-	-		-
METERS & REGULATORS	-	-	-	-		-
BAD DEBT	-	-	-	69.63		70.40
GENERAL & ADMINISTRATIVE	917,560.00	-	917,560.00	441,695.70	48.14%	412,173.36
TOTAL OPERATING EXPENSES	917,560.00	-	917,560.00	441,765.33	48.15%	412,243.76
OPERATING INCOME (LOSS)	542,040.00	-	542,040.00	273,558.86	50.47%	405,658.64
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	12,900.00	-	12,900.00	10,833.00	83.98%	6,526.27
RECOVERIES AND REBATES	-	-	-	-		-
GAIN/LOSS ON DISPOSAL	-	-	-	-		-
JOBBING INCOME (LOSS)	5,400.00	-	5,400.00	5,841.58	108.18%	4,899.36
INTEREST ON LONG TERM INDEBTEDNESS	-	-	-	-		-
NET INCOME (LOSS)	560,340.00	-	560,340.00	290,233.44	51.80%	417,084.27
OPERATING TRANSFERS IN (OUT)	(302,000.00)	-	(302,000.00)	(176,166.65)	58.33%	(176,166.65)
NET INCOME AFTER TRANSFERS	258,340.00	-	258,340.00	114,066.79	44.15%	240,917.62

CONTRIBUTION IN AID	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(366,000.00)	(10,000.00)	(376,000.00)	(79,266.65)	21.08%	
CAPITAL PROJECTS	(450,000.00)	(45,463.27)	(495,463.27)	(374,991.47)	75.69%	
DEBT SERVICE	-	-	-	-		
DEPRECIATION	375,100.00	-	375,100.00	211,756.65	56.45%	
CONTINGENCY	-	-	-	-		

PGA

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Interruptible	Demand Rate Firm	PGA (f)	PGA (i)	Total Cost of Gas for Current Month	Total Amount Recovered for Current Month	Over (Under) Recovery for Current Month	Recovery Balance Cumulative Over (Under) +/- $2,000,000
Aug-16	$ 4.31935	$ 4.37402		$ 1.76163	$ 5.80000	$ 4.03837	$ 675,718.87	$ 524,869.81	$ (150,849.06)	$ 59,330.39
Sep-16	$ 3.96650	$ 4.01671		$ 0.94722	$ 5.80000	$ 4.85278	$ 716,703.67	$ 608,595.46	$ (108,108.21)	$ (48,777.82)
Oct-16	$ 3.95172	$ 4.00174		$ 1.93612	$ 5.80000	$ 3.86388	$ 916,317.86	$ 677,778.59	$ (238,539.27)	$ (287,317.09)
Nov-16	$ 4.15469	$ 4.20728		$ 1.96849	$ 5.80000	$ 3.83151	$ 1,212,254.68	$ 891,428.66	$ (320,826.02)	$ (608,143.11)
Dec-16	$ 3.77139	$ 3.81913		$ 1.87915	$ 5.80000	$ 3.92085	$ 1,619,071.77	$ 1,513,746.60	$ (105,325.17)	$ (713,468.29)
Jan-17	$ 3.98632	$ 4.03678		$ 1.85561	$ 5.80000	$ 3.94439	$ 1,760,642.32	$ 2,003,866.26	$ 243,223.94	$ (470,244.35)
Feb-17	$ 3.58179	$ 3.63392		$ 2.26850	$ 5.80000	$ 3.53150	$ 1,278,946.34	$ 1,886,652.77	$ 607,706.43	$ 137,462.08
Mar-17	$ 3.31705	$ 3.35904		$ 2.77107	$ 6.00000	$ 3.22893	$ 1,224,646.17	$ 1,317,437.34	$ 92,791.17	$ 230,253.25
Apr-17	$ 4.06530	$ 4.11676		$ 2.00775	$ 6.00000	$ 3.99225	$ 934,054.80	$ 1,169,716.99	$ 235,662.19	$ 465,915.43
May-17	$ 3.91726	$ 3.96685		$ 1.96002	$ 6.00000	$ 4.03998	$ 851,618.64	$ 780,657.05	$ (70,961.59)	$ 394,953.84
Jun-17	$ 4.12043	$ 4.17259		$ 0.69105	$ 6.00000	$ 5.30895	$ 819,180.84	$ 745,048.04	$ (74,132.80)	$ 140,898.64
Jul-17	$ 3.92603	$ 3.96569		$ 2.53431	$ 6.50000	$ 4.45806	$ 716,528.73	$ 613,964.93	$ (102,563.80)	$ 38,334.84
Aug-17	$ 3.84785	$ 3.88672		$ 2.61328	$ 6.50000	$ 5.30438	$ 735,465.73	$ 589,926.87	$ (145,538.86)	$ (107,204.02)
Sep-17	$ 3.94235	$ 3.98217		$ 2.76783	$ 6.75000	$ 4.69278	$ 707,976.74	$ 670,921.23	$ (37,055.51)	$ (144,259.54)
Oct-17	$ 3.92903	$ 3.96872		$ 2.78128	$ 6.75000	$ 3.88404	$ 910,419.32	$ 712,763.57	$ (197,655.75)	$ (341,915.28)
Nov-17	$ 3.92912	$ 3.96881		$ 2.28119	$ 6.25000	$ 3.95760	$ 1,286,138.39	$ 1,103,492.75	$ (182,645.64)	$ (524,560.92)
Dec-17	$ 3.63988	$ 3.67665		$ 2.57335	$ 6.25000	$ 3.86643	$ 1,682,213.39	$ 1,793,538.74	$ 111,325.35	$ (413,235.57)
Jan-18	$ 2.74228	$ 2.76998	$ 0.2450	$ 2.48500	$ 5.50000	$ 3.81302	$ 1,856,739.11	$ 2,220,993.13	$ 364,254.02	**$ (48,981.55)**

PCA

CALENDAR MONTH / BILLING MONTH	POWER COST TO BE RECOVERED	kWh SALES FROM CIS FOR CALENDAR MONTH	TOTAL PCA APPLIED TO CUSTOMER BILLINGS IN CALENDAR MONTH	AMOUNT OF PCA APPLIED TO ENERGY EFFICIENCY FUND	AMOUNT OF PCA APPLIED TO POWER COST RECOVERY	POWER COST RECOVERED IN BASE RATE	TOTAL PURCHASED POWER COST RECOVERY PER KWH	HIGH LOAD FACTOR CUSTOMER COSTS RECOVERED	POWER COST RECOVERED	POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	CUMULATIVE POWER COST RECOVERY
Aug-16	$ 8,540,773.47	102,226,935	$0.004000	$0.00050	$0.003500	$0.086200	$0.089700	$ 103,139.41	$ 9,272,895.43	$ 732,121.96		$ (11,811,278.63)
Sep-16	$ 7,969,247.72	94,751,997	$0.004000	$0.00050	$0.003500	$0.086200	$0.089700	$ 103,139.41	$ 8,602,393.54	$ 633,145.82		$ (11,178,132.81)
Oct-16	$ 7,607,033.00	74,780,670	$0.005000	$0.00050	$0.004500	$0.086200	$0.090700	$ 123,674.41	$ 6,906,281.13	$ (700,751.87)	($4,000,000)	$ (7,878,884.68)
Nov-16	$ 7,411,126.97	68,383,440	$0.005000	$0.00050	$0.004500	$0.086200	$0.090700	$ 123,674.41	$ 6,326,052.42	$ (1,085,074.55)		$ (8,963,959.23)
Dec-16	$ 8,677,538.19	75,061,456	$0.005000	$0.00050	$0.004500	$0.086200	$0.090700	$ 123,674.41	$ 6,931,748.45	$ (1,745,789.74)		$ (10,709,748.97)
Jan-17	$ 7,069,119.69	84,911,416	$0.006000	$0.00050	$0.005500	$0.086200	$0.091700	$ 123,674.41	$ 7,910,051.29	$ 840,931.60		$ (9,868,817.37)
Feb-17	$ 6,725,335.69	80,445,427	$0.006000	$0.00050	$0.005500	$0.086200	$0.091700	$ 162,521.08	$ 7,539,366.74	$ 814,031.05		$ (9,054,786.32)
Mar-17	$ 7,062,441.72	70,438,957	$0.006000	$0.00050	$0.005500	$0.086200	$0.091700	$ 162,521.08	$ 6,621,773.41	$ (440,668.31)		$ (9,495,454.63)
Apr-17	$ 6,703,901.03	65,870,869	$0.007000	$0.00050	$0.006500	$0.086200	$0.092700	$ 162,521.08	$ 6,268,750.61	$ (435,150.42)		$ (9,930,605.05)
May-17	$ 6,969,859.81	66,207,867	$0.007000	$0.00050	$0.006500	$0.086200	$0.092700	$ 162,521.08	$ 6,299,990.35	$ (669,869.46)	($687,784.13)	$ (9,912,690.38)
Jun-17	$ 8,083,919.08	75,005,261	$0.007000	$0.00050	$0.006500	$0.086200	$0.092700	$ 162,521.12	$ 7,115,508.77	$ (968,410.31)		$ (10,881,100.69)
Jul-17	$ 9,168,263.70	85,917,013	$0.013000		$0.013000	$0.086200	$0.099200	$ 66,749.00	$ 8,589,716.64	$ (578,547.06)		$ (11,459,647.75)
Aug-17	$ 8,671,257.64	95,068,568	$0.013000		$0.013000	$0.086200	$0.099200	$ 59,381.71	$ 9,490,183.62	$ 818,925.98		$ (10,640,721.77)
Sep-17	$ 7,912,766.54	84,576,198	$0.013000		$0.013000	$0.086200	$0.099200	$ 59,381.67	$ 8,449,340.50	$ 536,573.96		$ (10,104,147.81)
Oct-17	$ 8,126,319.30	72,875,167	$0.014000		$0.014000	$0.086200	$0.100200	$ 38,846.67	$ 7,340,938.36	$ (785,380.94)		$ (10,889,528.75)
Nov-17	$ 8,150,015.51	70,957,079	$0.014000		$0.014000	$0.086200	$0.100200	$ 38,846.67	$ 7,148,745.95	$ (1,001,269.56)		$ (11,890,798.31)
Dec-17	$ 8,859,099.93	77,108,988	$0.014000		$0.014000	$0.086200	$0.100200	$ 38,846.67	$ 7,765,167.31	$ (1,093,932.62)		$ (12,984,730.93)
Jan-18	$ 13,667,017.49	96,635,190	$0.016000		$0.016000	$0.086200	$0.102200	$ 38,846.63	$ 9,914,963.05	$ (3,752,054.44)		**$ (16,736,785.37)**

PCA Recovery

CALENDAR MONTH / BILLING	TOTAL POWER COST TO BE RECOVERED	POWER COST RECOVERED	POWER COST OVER / UNDER RECOVERY	ADJUSTMENTS	CUMULATIVE POWER COST RECOVERY		Projected Balance	Difference Reduction/ Additions
Jul-15	$ 7,538,857.06	$ 8,312,410.13	$ 773,553.07		($16,322,444.39)	ACTUAL	$ (16,876,951.16)	$554,506.77
Aug-15	$ 7,290,379.88	$ 8,761,354.30	$ 1,470,974.42	$ (2,000,000.00)	($12,851,469.97)	ACTUAL	$ (15,272,386.42)	$2,420,916.45
Sep-15	$ 6,663,563.16	$ 8,084,583.88	$ 1,421,020.72		($11,430,449.25)	ACTUAL	$ (11,606,099.33)	$175,650.08
Oct-15	$ 5,749,401.06	$ 6,348,395.33	$ 598,994.27		($10,831,454.98)	ACTUAL	$ (11,221,799.19)	$390,344.21
Nov-15	$ 6,017,296.52	$ 6,130,124.05	$ 112,827.53		($10,718,627.45)	ACTUAL	$ (11,277,066.80)	$558,439.35
Dec-15	$ 6,552,501.28	$ 6,544,456.58	$ (8,044.70)		($10,726,672.15)	ACTUAL	$ (9,978,957.28)	($747,714.87)
Jan-16	$ 7,408,398.67	$ 7,135,527.57	$ (272,871.10)		($10,999,543.25)	ACTUAL	$ (10,307,095.55)	($692,447.70)
Feb-16	$ 6,751,535.93	$ 8,441,877.31	$ 1,690,341.38		($9,309,201.87)	ACTUAL	$ (9,448,230.81)	$139,028.94
Mar-16	$ 6,737,412.74	$ 7,062,080.56	$ 324,667.82		($8,984,534.05)	ACTUAL	$ (8,643,349.61)	($341,184.44)
Apr-16	$ 6,411,021.33	$ 6,009,671.81	$ (401,349.52)		($9,385,883.57)	ACTUAL	$ (8,523,739.85)	$ (862,143.72)
May-16	$ 6,871,584.36	$ 5,986,368.84	$ (885,215.52)		($10,271,099.09)	ACTUAL	$ (10,440,032.00)	$ 168,932.91
Jun-16	$ 7,855,325.32	$ 6,745,216.39	$ (1,100,108.93)		($11,381,208.02)	ACTUAL	$ (10,568,921.29)	$ (812,286.73)
Jul-16	$ 8,931,215.39	$ 7,769,022.82	$ (1,162,192.57)		($12,543,400.59)	ACTUAL	$ (12,360,865.00)	$ (182,535.59)
Aug-16	$ 8,540,773.47	$ 9,272,895.43	$ 732,121.96		($11,811,278.63)	ACTUAL	$ (12,901,329.00)	$ 1,090,050.37
Sep-16	$ 7,969,247.72	$ 8,602,393.29	$ 633,145.57		($11,178,133.06)	ACTUAL	$ (11,445,769.89)	$ 267,636.83
Oct-16	$ 7,607,033.00	$ 6,906,281.38	$ (700,751.62)	$ (4,000,000.00)	($7,878,884.68)	ACTUAL	$ (6,711,471.00)	$ (1,167,413.68)
Nov-16	$ 7,411,126.65	$ 6,326,052.42	$ (1,085,074.23)		($8,963,959.23)	ACTUAL	$ (8,238,265.00)	$ (725,694.23)
Dec-16	$ 8,677,538.19	$ 6,931,748.45	$ (1,745,789.74)		($10,709,748.97)	ACTUAL	$ (9,019,711.40)	$ (1,690,037.57)
Jan-17	$ 7,069,119.69	$ 7,910,051.29	$ 840,931.60		($9,868,817.37)	ACTUAL	$ (10,449,791.32)	$ 580,973.95
Feb-17	$ 6,725,335.69	$ 7,539,366.74	$ 814,031.05		($9,054,786.32)	ACTUAL	$ (8,203,351.71)	$ (851,434.61)
Mar-17	$ 7,062,441.72	$ 6,621,773.41	$ (440,668.31)		$ (9,495,454.63)	ACTUAL	$ (7,960,352.86)	$ (1,535,101.77)
Apr-17	$ 6,703,901.03	$ 6,268,750.61	$ (435,150.42)		$ (9,930,605.05)	ACTUAL	$ (9,320,932.93)	$ (609,672.12)
May-17	$ 6,969,859.81	$ 6,299,990.35	$ (669,869.46)	$ (687,784.13)	$ (9,912,690.38)	ACTUAL	$ (11,194,432.98)	$ 1,281,742.60
Jun-17	$ 8,083,919.08	$ 7,115,508.77	$ (968,410.31)		$ (10,881,100.69)	ACTUAL	$ (10,718,816.91)	$ (162,283.78)
Jul-17	$ 9,168,263.70	$ 8,589,716.64	$ (578,547.06)		$ (11,459,647.75)	ACTUAL	$ (10,916,461.49)	$ (543,186.26)
Aug-17	$ 8,671,257.64	$ 9,490,183.62	$ 818,925.98		$ (10,640,721.77)	ACTUAL	$ (10,074,919.97)	$ (565,801.80)
Sep-17	$ 7,912,766.54	$ 8,449,340.50	$ 536,573.96		$ (10,104,147.81)	ACTUAL	$ (9,556,136.90)	$ (548,010.91)
Oct-17	$ 8,126,319.30	$ 7,340,938.36	$ (785,380.94)		$ (10,889,528.75)	ACTUAL	$ (10,415,394.45)	$ (474,134.30)
Nov-17	$ 8,150,015.51	$ 7,148,745.95	$ (1,001,269.56)		$ (11,890,798.31)	ACTUAL	$ (11,533,220.31)	$ (357,578.00)
Dec-17	$ 8,859,099.93	$ 7,765,167.31	$ (1,093,932.62)		$ (12,984,730.93)	ACTUAL	$ (11,484,886.59)	$ (1,499,844.34)
Jan-18	$ 13,667,017.49	$ 9,914,963.05	$ (3,752,054.44)		$ (16,736,785.37)	ACTUAL	$ (12,132,153.12)	$ (4,604,632.25)
Feb-18	$ 7,698,268.80	$ 9,915,646.12	$ 2,217,377.32		$ (14,519,408.05)	PROJECTED		
Mar-18	$ 7,716,028.87	$ 8,746,143.10	$ 1,030,114.23		$ (13,489,293.82)	PROJECTED		
Apr-18	$ 6,851,886.02	$ 7,953,749.11	$ 1,101,863.09		$ (12,387,430.74)	PROJECTED		
May-18	$ 7,200,599.76	$ 7,242,553.33	$ 41,953.57		$ (12,345,477.16)	PROJECTED		
Jun-18	$ 7,560,919.90	$ 7,943,549.07	$ 382,629.17		$ (11,962,847.99)	PROJECTED		
Jul-18	$ 9,409,248.13	$ 8,576,086.06	$ (833,162.07)		$ (12,796,010.06)	PROJECTED		
Aug-18	$ 8,981,256.15	$ 10,224,345.27	$ 1,243,089.12		$ (11,552,920.94)	PROJECTED		
Sep-18	$ 8,117,037.11	$ 8,464,529.07	$ 347,491.96		$ (11,205,428.98)	PROJECTED		
Oct-18	$ 8,317,841.92	$ 7,092,092.97	$ (1,225,748.95)		$ (12,431,177.93)	PROJECTED		
Nov-18	$ 8,439,522.28	$ 7,097,145.19	$ (1,342,377.09)		$ (13,773,555.02)	PROJECTED		
Dec 2018	$ 8,600,785.35	$ 7,716,864.11	$ (883,921.24)		$ (14,657,476.27)	PROJECTED		

	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018
Sales							
Forecast	90,669,767	101,825,461	90,302,166	75,179,514	72,516,332	87,635,406	94,911,606
Actual	85,917,013	95,068,568	84,576,198	72,875,167	70,957,079	77,108,988	96,635,190
Short	(4,752,754)	(6,756,893)	(5,725,968)	(2,304,347)	(1,559,253)	(10,526,418)	1,723,584
Recovery Rate	$.0992/kWH	$.0992/kWH	$.0992/kWH	$.1002/kWH	$.1002/kWH	$.1002/kWH	$.1022/kWH
PCA Recovery	$ (471,473)	$ (670,284)	$ (568,016)	$ (230,896)	$ (156,237)	$ (1,054,747)	$ 176,150
Purchased Power							
Forecast	$ 9,096,551	$ 8,775,740	$ 7,932,772	$ 7,883,081	$ 7,948,675	$ 8,414,003	$ 8,886,235
Actual	$ 9,168,264	$ 8,671,258	$ 7,912,767	$ 8,126,319	$ 8,150,016	$ 8,859,100	$ 13,667,017
PCA Recovery	$ (71,713)	$ 104,482	$ 20,005	$ (243,238)	$ (201,341)	$ (445,097)	$ (4,780,783)
PCA Write off	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Diff in Forecast to Actual effect on PCA Recovery Balance	$ (543,186)	$ (565,802)	$ (548,011)	$ (474,134)	$ (357,578)	$ (1,499,844)	$ (4,604,632)

Commission Item Number: DUC160326 - 2
Utility Commission Meeting: March 26, 2018
Item: II. C. Federal and State Legislative Update

Federal and State Legislative Update

Alice Wolfe, General Manager from the Blue Ridge Power Agency will provide a summary on the federal and state legislation that has been proposed and/or passed this year. She has been working in both Richmond and Washington, DC on behalf of Virginia municipal electric utilities on a number of issues that could benefit electric customers if changed and issues that could adversely affect rates if passed.

Legislative Issues Update

Alice Wolfe
March 26, 2018

BLUE RIDGE POWER AGENCY
"PROVIDING ELECTRIC ENERGY TO THE BLUE RIDGE"

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Federal issues

- BABs sequestration
- Advance refunding of bonds
- Transmission cost increases
- Southeast Power Administration rates

BABs Sequestration

- Build America Bonds (BABs)
  - Taxable bonds, made available through the ARRA
  - AMP financed the hydro facilities and Prairie State in part using BABs
  - AMP receives payment from the federal government for the bondholder interest
- When sequestration was implemented in March 2013, BABs credit payments were reduced
  - Have received ~29% of interest instead of the 35% promised
  - Triggered due to the Budget Control Act of 2011
  - Originally set through FY2021; now through FY2027
- Impact: $7.4 million in increased costs to Danville utility customers

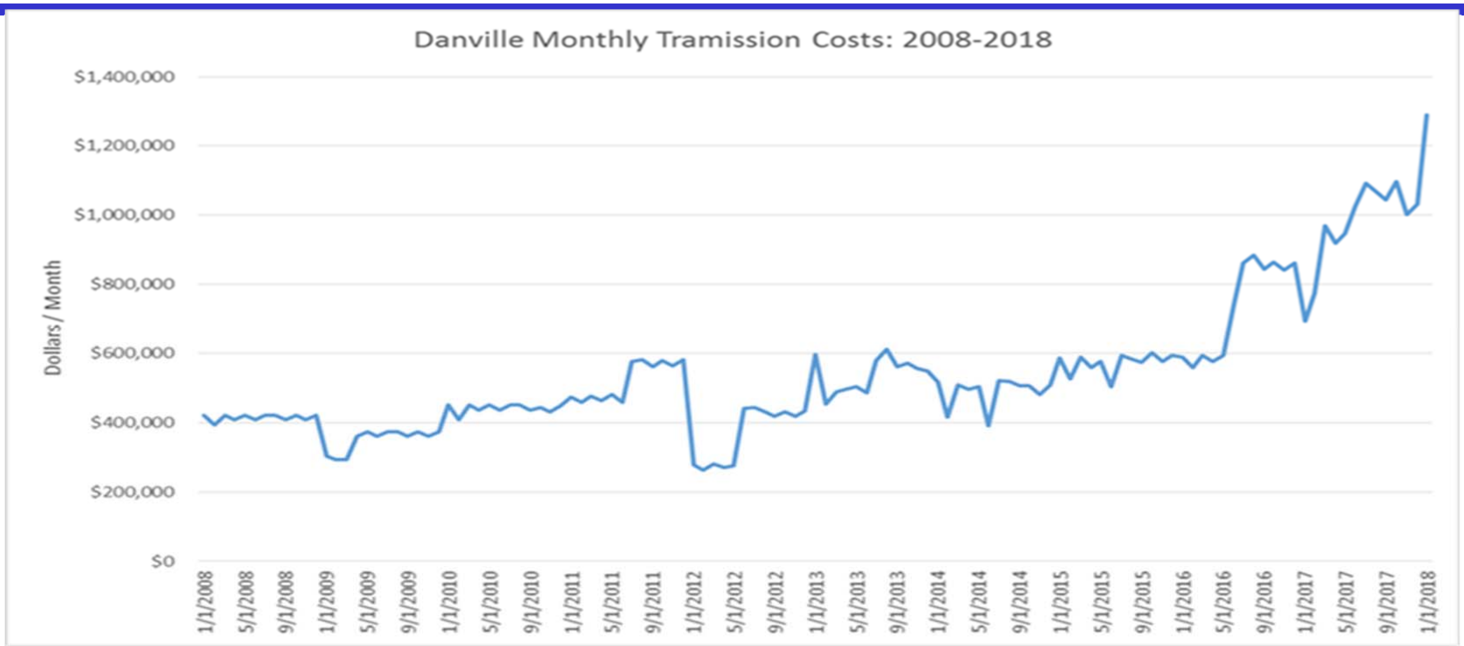
BABs and the PAYGO Act

- Tax Cuts and Jobs Act of 2017 expected to increase federal deficits by $1.5 trillion over 10 years
- The Pay-As-You-Go Act of 2010 would have forced significant cuts in mandatory spending
  - Would have wiped out BABs credit payments entirely
  - Potential impact of $175 million to Danville customers
- Danville Utility Commission resolution adopted November 21, 2017
  - Sent to congressional offices that week
  - Very helpful to demonstrate your concern
- Congress waived PAYGO December 21, 2017

Advance refunding of bonds

- Tax Cuts and Jobs Act retained tax-exempt financing
  - Big win for public power
- However, it also eliminated the ability to do advance refunding of bonds
- AMP completed 2 advance refundings in the fall, for Prairie State and Fremont
  - Each shaved about a quarter off of the project rate
- We continue to lobby Congress to reinstate the ability to do advance refundings

Transmission Cost Increases



Congressional requests:

- Ensure Federal Power Act hearings focus on consumer impacts
- Strengthen language on joint transmission ownership
- Encourage FERC to ensure that return on equity (ROE) rates reflect actual levels of risk and current economic conditions.

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Supplemental Projects

Baseline

- Required for reliability
- PJM oversees transparent planning process
- Some competition

Supplemental

- Not required for reliability
- No PJM oversight
- Over half of projects built since 2012

- February 15, 2018, FERC found PJM's supplemental project planning process is not just and reasonable

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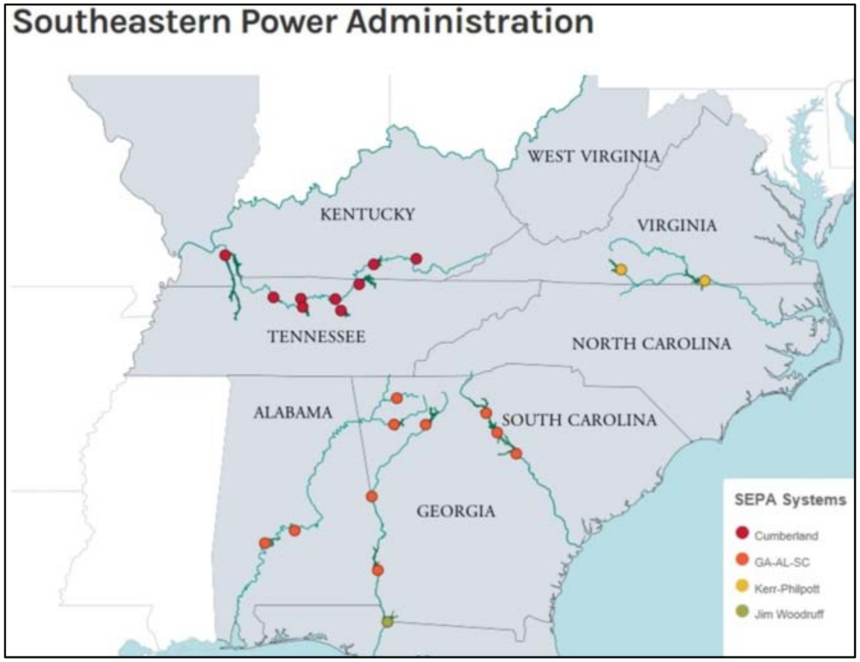
Southeast Power Administration rates

- Danville gets energy and capacity from the Southeast Power Administration (SEPA)'s Kerr & Philpott dams
  - SEPA is one of four Power Marketing Administrations (PMAs) in the US
- PMA customers pay for all power costs and a share of joint project costs
- President Trump proposed changing PMA rates from cost-based to market-based
- Asking Congress to retain cost-based rates



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State issues

- Regional Greenhouse Gas Initiative (RGGI) rule
- BVU Authority bill – HB1450

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The Regional Greenhouse Gas Initiative

an initiative of the Northeast and Mid-Atlantic States of the US

- Goal: cap and reduce power sector carbon dioxide (CO_2) emissions.

- Regional Greenhouse Gas Initiative (RGGI) formed by 9 states in 2009
- Each affected power plant must hold allowances for all CO_2 that the plant has emitted over a 3 year period.
  - One allowance represents one short ton of carbon dioxide.
- RGGI conducts quarterly auctions for allowances
- In these states - state offers the auction revenue as grants for alternative energy, energy efficiency, and bill support for low-income customers

RGGI In the Commonwealth

- RGGI in Virginia will operate very differently from other states
- Virginia will give ‘conditional allowances’ to affected power plants
  - Plants must consign these to the auction
  - Plants will get a credit for the consigned allowances
  - 5% will go to the DMME for energy efficiency
- Forecasted increases:
  - Power prices: ~8% by 2031
  - Homeowner bills: ~1% by 2031
- Danville and other Blue Ridge members may see larger bill impacts due to lack of consigned allowance funds

HB1450: Bristol Valley Utilities

- As introduced, bill required BVU to buy SCADA services from a specific contractor for 7 years
- BVU had already conducted a competitive bidding process and selected a different contractor
- Significant increase in expense with the state bill
- Bad precedent for the state to override municipal negotiations
- Requirement to buy from specific contractor was stripped from the bill

Watch items

- Pole attachments
- Wireless bills

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Future Opportunities

- VML Annual Conference:
  - September 30 – October 2
  - Hampton, VA
  - Watch for Blue Ridge session or meal
- VML Day at the Capitol:
  - last Wednesday in January each year
- American Public Power Association (APPA) Legislative Rally:
  - February 25 – 27, 2019

Commission Item Number: DUC160326 - 3
Utility Commission Meeting: March 26, 2018
Item: II. D. <u>2018 Power Supply Discussion-January Energy Prices</u>

2018 Power Supply Discussion-January Energy Prices

Garrett Cole from GDS Associates will provide a summary of the January events that led to high energy and congestion prices. He will also provide an outlook on the rest of 2018 and discuss how competitive Danville Utilities can be when responding to economic development requests for new industry looking to relocate to the Danville/Pittsylvania County area.