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DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

July 24, 2023

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Chair & Vice Chair Elections
2. Minutes of the June 26, 2023 Commission Meeting
3. Review of May Financial Statements
4. Power Supply Discussion

ADJOURN

Next Meeting: August 28, 2023 at 4:00pm

STAFF REPORT

DATE: July 24, 2023

TO: Danville Utility Commission

FROM: Christopher (Ryan) Dodson, Assistant City Attorney

RE: Chair & Vice Chair Elections

The City Attorney will conduct the annual elections for chair and vice chair of the Utility Commission.

ATTACHMENTS

None

Danville Utility Commission

STAFF REPORT

DATE: July 24, 2023

TO: Danville Utility Commission

FROM:

RE: Minutes of the June 26, 2023 Commission Meeting

ATTACHMENTS

1. June 26 2023 DUC Minutes

Danville Utility Commission
4:00 p.m. June 26, 2023 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present:	Sheila Williamson-Branch, Ken Larking, Helm Dobbins, Gary Miller, Anna Kautzman, Ronald Scearce, Mary Williamson
Commission Members Absent:	Vanessa Cain, Steven Merricks
Staff Present:	Ryan Dodson, Jason Grey, Janet Davis, Amy Chandler,Tiffany Swanson-Jones, Michael Adkins
Others Present:	Maura McGowan and Sarah Hersey - Resource Innovations

Call to Order

Vice Chairman Dobbins 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 24, 2023 Commission Meeting

Mr. Dobbins asked for any corrections, deletions, or adjustments to the minutes from April 24, 2023.

Ms. Kautzman 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. Chandler presented the April financial statements for each utility fund.

Energy Efficiency Program Update

Maura McGowan, Program Manager from energy efficiency consultant Resource Innovations presented the proposed new and modified energy efficiency measures for fiscal years 2024 and 2025. Changes for FY24 include increasing the efficiency for HVACs due to a new, more stringent rating system.

Dr. Miller asked roughly how much more a more efficient unit will cost versus the minimum required by the Federal government. Ms. McGowan replied that the difference is around $1200, but savings can be recognized in efficiency.

Utility Rate Comparison Summary

Jason Grey provided a rate comparison summary for the City's water/wastewater, natural gas, and electric utilities compared to neighboring utilities.

Department Discussions

Dr. Miller asked if Danville Utilities had investigated floating solar panel installations. Mr. Grey replied that they are currently cost prohibitive and create water quality issues as sunlight cannot reach the water.

Dr. Miller commended staff for storm restoration from the previous storm.

Mr. Grey thanked staff and crews for restoring power by Saturday night from the storms the previous week and thanked the crews from neighboring communities for their help.

Mr. Larking thanked Mr. Grey and the crews for their restoration efforts.

Adjournment

Mr. Dobbins stated the next meeting is scheduled for July 24, 2023. Ms. Kautzman made a motion to adjourn. Ms. Williamson-Branch seconded. There being no further business, Mr. Dobbins adjourned the meeting at 4:31 p.m.

July 24, 2023
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

Chairman
Danville Utility Commission

Danville Utility Commission

STAFF REPORT

DATE: July 24, 2023

TO: Danville Utility Commission

FROM: Amy Chandler, Assistant Director of Finance

RE: Review of May Financial Statements

May financials will be reviewed.

ATTACHMENTS

1. DUC Statements May 2023

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED MAY 31, 2023 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 22-23 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	8,231,754.63	7,461,409.59	24,582,371.70	116,721,315.44	787,363.22	157,784,214.58	162,929,530.00	153,005,128.97
COST OF SALES								
PURCHASED SERVICES	-	-	16,815,506.42	89,735,755.49	67,929.66	106,619,191.57	101,014,550.00	102,676,701.97
PRODUCTION	-	-	-	1,709.63	-	1,709.63	-	-
TOTAL COST OF SALES	-	-	16,815,506.42	89,737,465.12	67,929.66	106,620,901.20	101,014,550.00	102,676,701.97
GROSS PROFIT	8,231,754.63	7,461,409.59	7,766,865.28	26,983,850.32	719,433.56	51,163,313.38	61,914,980.00	50,328,427.00
GROSS PROFIT %	100.00%	100.00%	31.60%	23.12%	91.37%	32.43%	38.00%	32.89%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	3,175,270.96	1,932,962.13	-	1,624,993.71	-	6,733,226.80	7,125,674.44	6,146,833.43
ENGINEERING	-	200,085.42	202,362.40	763,580.91	-	1,166,028.73	1,865,669.45	1,047,177.27
DISTRIBUTION	2,302,538.45	675,997.20	668,949.86	13,390,095.99	-	17,037,581.50	17,626,257.93	14,890,710.65
SERVICE	53,769.40	77,213.34	47,121.65	-	-	178,104.39	451,530.00	162,771.55
METERS & REGULATORS	-	92,312.57	125,549.95	426,501.25	1,987.67	646,351.44	621,140.00	516,045.88
GENERAL & ADMINISTRATIVE	1,713,237.95	3,540,702.57	3,416,587.63	6,338,692.72	831,778.44	15,840,999.31	16,984,849.78	13,291,578.81
TOTAL OPERATING EXPENSES	7,244,816.76	6,519,273.23	4,460,571.49	22,543,864.58	833,766.11	41,602,292.17	44,675,121.60	36,055,117.59
OPERATING INCOME (LOSS)	986,937.87	942,136.36	3,306,293.79	4,439,985.74	(114,332.55)	9,561,021.21	17,239,858.40	14,273,309.41
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	98,926.36	136,269.61	156,299.45	331,276.63	12,511.58	735,283.63	218,750.00	413,773.02
ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	(160,251.09)	-
RECOVERIES AND REBATES	-	5,196.58	18,831.29	624,906.91	-	648,934.78	(145,500.00)	18,678.93
GAIN/LOSS ON DISPOSAL	-	-	-	81,956.64	-	81,956.64	52,000.00	431,781.60
JOBBING INCOME (LOSS)	27,469.33	152,801.30	146,565.69	1,287,498.41	(1,418.89)	1,612,915.84	197,240.00	415,375.30
INTEREST ON LONG TERM INDEBTEDNESS	(50,497.17)	(85,871.67)	(28,379.60)	(1,655,548.61)	-	(1,820,297.05)	(1,557,180.00)	(1,897,110.44)
NET INCOME (LOSS)	1,062,836.39	1,150,532.18	3,599,610.62	5,110,075.72	(103,239.86)	10,819,815.05	15,844,917.31	13,655,807.82
OPERATING TRANSFERS IN(OUT)	(646,946.63)	(873,858.37)	(2,929,969.13)	(9,691,559.13)	(74,250.00)	(14,216,583.26)	(15,509,000.00)	(14,716,583.26)
NET INCOME AFTER TRANSFERS	415,889.76	276,673.81	669,641.49	(4,581,483.41)	(177,489.86)	(3,396,768.21)	335,917.31	(1,060,775.44)
NET ASSETS JULY 1, AS RESTATED	60,237,956.22	48,812,751.44	56,788,199.80	157,530,095.86	8,150,508.29	331,519,511.61		
NET INCOME AFTER TRANSFERS	415,889.76	276,673.81	669,641.49	(4,581,483.41)	(177,489.86)	(3,396,768.21)		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	63,912.16	-	-	-	-	63,912.16		
NET ASSETS JUNE 30, 2023	60,717,758.14	49,089,425.25	57,457,841.29	152,948,612.45	7,973,018.43	328,186,655.56		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	4,090,197.60	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,165,862.22		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	47,667,206.74	25,154,424.77	38,363,283.77	102,531,600.16	6,141,912.77	219,858,428.21		
RESTRICTED FOR PROJECTS IN PROGRESS	5,173,228.79	13,194,987.06	8,136,033.07	9,890,080.28	485,813.66	36,880,142.86		
RESTRICTED FOR ENCUMBRANCES	628,513.29	58,350.41	37,029.27	1,302,250.74	255.23	2,026,398.94		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	109,448.00	198,503.00	136,979.00	617,919.00	20,744.00	1,083,593.00		
DEFERRED OUTFLOWS - PENSION	429,700.00	779,334.00	537,790.00	2,425,991.00	81,443.00	4,254,258.00		
UNRESTRICTED	3,049,163.72	5,806,877.09	9,444,005.60	24,885,139.74	987,044.18	44,172,230.33		
TOTAL NET ASSETS	60,717,758.14	49,089,425.25	57,457,841.29	152,948,612.45	7,973,018.43	328,186,655.56		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
MAY 31, 2023

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2023
ASSETS						
Equity in pooled Cash and Investments	$ 8,323,021.18	16,734,122.49	15,673,684.04	31,233,228.67	1,213,171.57	73,177,227.95
Receivables (Net of allowances for Uncollectible):						
Accounts	1,160,529.76	990,536.81	1,487,898.14	14,907,834.26	23,921.91	18,570,720.88
Power/Gas Cost Recovery	-	-	(312,631.84)	(2,079,920.91)	-	(2,392,552.75)
Pension Assets	109,448.00	198,503.00	136,979.00	617,919.00	20,744.00	1,083,593.00
Inventory of Gas, Materials and Supplies, at Cost	-	922,358.50	1,034,999.72	2,975,051.43	185,942.13	5,118,351.78
Fixed Assets	106,097,072.00	83,735,786.41	71,517,438.33	315,005,703.03	11,215,724.01	587,571,723.78
Accumulated Depreciation	(53,109,724.36)	(44,745,685.75)	(31,134,916.10)	(143,720,707.31)	(4,736,562.65)	(277,447,596.17)
Deferred Outflows - Pension	429,700.00	779,334.00	537,790.00	2,425,991.00	81,443.00	4,254,258.00
TOTAL ASSETS	$ 63,010,046.58	58,614,955.46	58,941,241.29	221,365,099.17	8,004,383.97	409,935,726.47
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts Payable	$ 1,039,857.27	222,732.76	726,324.70	7,830,688.98	21,238.61	9,840,842.32
Accrued Interest Payable	22,487.87	20,918.12	12,733.34	562,121.42	-	618,260.75
Customer Deposits	-		-	4,060,634.07	-	4,060,634.07
Accrued Vacation, Sick Leave & Workers Comp.	-	122,486.36	65,614.08	555,661.68	10,126.93	753,889.05
Deferred Gain / Loss - Refunding Bonds	(104,335.76)	(100,317.40)	(54,554.19)	(1,087,442.77)	-	(1,346,650.12)
Original Issue Premium/Discount (Refunding Bonds)	132,075.19	910,272.54	64,029.13	5,352,400.80	-	6,458,777.66
General Obligation Bonds Payable	1,202,203.87	4,646,580.69	669,252.94	47,989,672.14	-	54,507,709.64
Revenue Bonds Payable	-	3,702,857.14	-	2,777,142.86	-	6,480,000.00
Long-Term Leases, Notes, and Contracts Payable	-	-	-	375,609.12	-	375,609.12
TOTAL LIABILITIES	$ 2,292,288.44	9,525,530.21	1,483,400.00	68,416,488.30	31,365.54	81,749,072.49
Net Assets						
Contributed Capital	$ 4,090,197.60	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,165,862.22
Retained Earnings:						
Restricted for Investment in Fixed Assets	$ 47,667,206.74	25,154,424.77	38,363,283.77	102,531,600.16	6,141,912.77	219,858,428.21
Restricted for Incomplete Projects	5,173,228.79	13,194,987.06	8,136,033.07	9,890,080.28	485,813.66	36,880,142.86
Restricted for Subsequent Expenses	628,513.29	58,350.41	37,029.27	1,302,250.74	255.23	2,026,398.94
Net Pension Assets	109,448.00	198,503.00	136,979.00	617,919.00	20,744.00	1,083,593.00
Deferred Outflows - Pension	429,700.00	779,334.00	537,790.00	2,425,991.00	81,443.00	4,254,258.00
Unrestricted	3,049,163.72	5,806,877.09	9,444,005.60	24,885,138.16	987,044.18	44,172,228.75
Total Retained Earnings	$ 56,627,560.54	44,413,142.33	56,117,330.71	139,226,988.34	7,635,769.84	304,020,791.76
TOTAL NET ASSETS	$ 60,717,758.14	49,089,425.25	57,457,841.29	152,948,610.87	7,973,018.43	328,186,653.98
TOTAL LIABILITIES AND NET ASSETS	$ 63,010,046.58	58,614,955.46	58,941,241.29	221,365,099.17	8,004,383.97	409,935,726.47

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED MAY 31, 2023

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2023
Operating revenues:						
Charges for Services	$ 8,231,754.63	7,461,409.59	24,582,371.70	116,721,315.44	787,363.22	157,784,214.58
Operating Expenses:						
Purchased Services	$ -	-	16,815,506.42	89,735,755.49	67,929.66	106,619,191.57
Production	-	-	-	1,709.63	-	1,709.63
Transmission & Treatment	3,175,270.96	1,932,962.13	-	1,624,993.71	-	6,733,226.80
Engineering	-	200,085.42	202,362.40	763,580.91	-	1,166,028.73
Distribution	2,302,538.45	675,997.20	668,949.86	13,390,095.99	-	17,037,581.50
Service	53,769.40	77,213.34	47,121.65	-	-	178,104.39
Meters & Regulators	-	92,312.57	125,549.95	426,501.25	1,987.67	646,351.44
Administrative	1,713,237.95	3,540,702.57	3,416,587.63	6,338,692.72	831,778.44	15,840,999.31
Total Operating Expenses	$ 7,244,816.76	6,519,273.23	21,276,077.91	112,281,329.70	901,695.77	148,223,193.37
Operating Income (Loss)	$ 986,937.87	942,136.36	3,306,293.79	4,439,985.74	(114,332.55)	9,561,021.21
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	27,469.33	152,801.30	146,565.69	1,287,498.41	(1,418.89)	1,612,915.84
Interest Income	98,926.36	136,269.61	156,299.45	331,276.63	12,511.58	735,283.63
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	-	-	-	81,956.64	-	81,956.64
Recoveries and Rebates	-	5,196.58	18,831.29	624,906.91	-	648,934.78
Interest Expense	(50,497.17)	(85,871.67)	(28,379.60)	(1,655,548.61)	-	(1,820,297.05)
Total Non-Operating Revenues (Expenses)	$ 75,898.52	208,395.82	293,316.83	670,089.98	11,092.69	1,258,793.84
Income (Loss) Before Operating Transfers	$ 1,062,836.39	1,150,532.18	3,599,610.62	5,110,075.72	(103,239.86)	10,819,815.05
Operating Transfers:						
Transfers In (Out)	(646,946.63)	(873,858.37)	(2,929,969.13)	(9,691,559.13)	(74,250.00)	(14,216,583.26)
Total Operating Transfers	$ (646,946.63)	(873,858.37)	(2,929,969.13)	(9,691,559.13)	(74,250.00)	(14,216,583.26)
Net Income (Loss)	$ 415,889.76	276,673.81	669,641.49	(4,581,483.41)	(177,489.86)	(3,396,768.21)
Net Assets - July 1, 2022, as restated	60,237,956.22	48,812,751.44	56,788,199.80	157,530,095.86	8,150,508.29	331,519,511.61
Net Income (Loss)	415,889.76	276,673.81	669,641.49	(4,581,483.41)	(177,489.86)	(3,396,768.21)
Contribution In Aid of Construction	63,912.16	-	-	-	-	63,912.16
Net Assets -June 30, 2023	$ 60,717,758.14	49,089,425.25	57,457,841.29	152,948,612.45	7,973,018.43	328,186,655.56

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2023

WASTEWATER

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	MAY 2023	PERCENT OF CURRENT BUDGET	MAY 2022
OPERATING REVENUE	9,078,570.00		9,078,570.00	8,231,754.63	90.67%	8,163,413.45
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,406,230.00	10,645.11	3,416,875.11	3,175,270.96	92.93%	2,863,540.29
ENGINEERING	-		-	-		-
DISTRIBUTION	2,562,230.00	251,152.37	2,813,382.37	2,302,538.45	81.84%	1,936,903.43
SERVICE	153,300.00		153,300.00	53,769.40	35.07%	90,876.05
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	79,327.97	220.36%	40,345.86
GENERAL & ADMINISTRATIVE	1,775,230.00		1,775,230.00	1,633,909.98	92.04%	1,578,388.34
TOTAL OPERATING EXPENSES	7,932,990.00	261,797.48	8,194,787.48	7,244,816.76	88.41%	6,510,053.97
OPERATING INCOME (LOSS)	1,145,580.00	(261,797.48)	883,782.52	986,937.87	111.67%	1,653,359.48
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	29,950.00		29,950.00	98,926.36	330.31%	55,673.24
RECOVERIES AND REBATES	-		-	-		6,007.66
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	40,000.00		40,000.00	27,469.33	68.67%	33,829.33
INTEREST ON LONG TERM INDEBTEDNESS	(45,060.00)		(45,060.00)	(50,497.17)	112.07%	(68,752.28)
NET INCOME (LOSS)	1,170,470.00	(261,797.48)	908,672.52	1,062,836.39	116.97%	1,680,117.43
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(646,946.63)	91.67%	(771,946.63)
NET INCOME AFTER TRANSFERS	464,710.00	(261,797.48)	202,912.52	415,889.76	204.96%	908,170.80
CONTRIBUTION IN AID	40,000.00		40,000.00	63,912.16	159.78%	
REGULAR CAPITAL MAINTENANCE	(837,370.00)	(35,866.90)	(873,236.90)	(261,499.17)	29.95%	
CAPITAL PROJECTS	(1,550,000.00)	(6,085,878.83)	(7,635,878.83)	(2,734,387.77)	35.81%	
DEBT SERVICE	(145,330.00)		(145,330.00)	(145,319.57)	99.99%	
DEPRECIATION	2,028,770.00		2,028,770.00	1,859,704.00	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2023

WATER

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	MAY 2023	PERCENT OF CURRENT BUDGET	MAY 2022
OPERATING REVENUE	8,905,150.00		8,905,150.00	7,461,409.59	83.79%	7,616,463.84
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,967,950.00	29,160.57	1,997,110.57	1,932,962.13	96.79%	1,713,896.56
ENGINEERING	359,270.00	7,220.00	366,490.00	200,085.42	54.60%	204,233.16
DISTRIBUTION	723,140.00	584.41	723,724.41	675,997.20	93.41%	704,301.01
SERVICE	148,410.00		148,410.00	77,213.34	52.03%	40,279.83
METERS & REGULATORS	99,270.00		99,270.00	92,312.57	92.99%	78,849.07
BAD DEBT	30,000.00		30,000.00	83,378.93	277.93%	33,552.83
GENERAL & ADMINISTRATIVE	3,637,470.00	170.00	3,637,640.00	3,457,323.64	95.04%	2,993,973.86
TOTAL OPERATING EXPENSES	6,965,510.00	37,134.98	7,002,644.98	6,519,273.23	93.10%	5,769,086.32
OPERATING INCOME (LOSS)	1,939,640.00	(37,134.98)	1,902,505.02	942,136.36	49.52%	1,847,377.52
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	33,800.00		33,800.00	136,269.61	403.16%	67,005.35
RECOVERIES AND REBATES	13,000.00		13,000.00	5,196.58	39.97%	13,289.90
GAIN/LOSS ON DISPOSAL	7,000.00		7,000.00	-	0.00%	3,387.50
JOBBING INCOME (LOSS)	72,510.00		72,510.00	152,801.30	210.73%	163,059.32
INTEREST ON LONG TERM INDEBTEDNESS	(79,470.00)		(79,470.00)	(85,871.67)	108.06%	(66,835.42)
NET INCOME (LOSS)	1,986,480.00	(37,134.98)	1,949,345.02	1,150,532.18	59.02%	2,027,284.17
OPERATING TRANSFERS IN (OUT)	(953,300.00)		(953,300.00)	(873,858.37)	91.67%	(998,858.37)
NET INCOME AFTER TRANSFERS	1,033,180.00	(37,134.98)	996,045.02	276,673.81	27.78%	1,028,425.80
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,638,650.00)	(566,454.28)	(2,205,104.28)	(1,097,388.87)	49.77%	
CAPITAL PROJECTS	(1,000,000.00)	(8,837,530.90)	(9,837,530.90)	(1,500,259.25)	15.25%	
DEBT SERVICE	(130,740.00)		(130,740.00)	(130,734.35)	100.00%	
DEPRECIATION	1,660,660.00		1,660,660.00	1,522,279.00	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2023

GAS

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	MAY 2023	PERCENT OF CURRENT BUDGET	MAY 2022
OPERATING REVENUE	22,408,490.00		22,408,490.00	24,582,371.70	109.70%	24,191,232.07
	-					
COST OF SALES	-					
PURCHASED SERVICES	13,715,730.00		13,715,730.00	16,815,506.42	122.60%	16,042,720.19
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	13,715,730.00	-	13,715,730.00	16,815,506.42		16,042,720.19
GROSS PROFIT	8,692,760.00	-	8,692,760.00	7,766,865.28		8,148,511.88
GROSS PROFIT %	38.79%		38.79%	31.60%		33.68%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT				-		-
ENGINEERING	374,400.00	9,115.79	383,515.79	202,362.40	52.77%	214,323.77
DISTRIBUTION	731,290.00	584.43	731,874.43	668,949.86	91.40%	537,415.05
SERVICE	149,820.00		149,820.00	47,121.65	31.45%	31,615.67
METERS & REGULATORS	125,380.00		125,380.00	125,549.95	100.14%	95,580.81
BAD DEBT	55,000.00		55,000.00	138,372.31	251.59%	44,733.31
GENERAL & ADMINISTRATIVE	3,786,130.00	4,097.44	3,790,227.44	3,278,215.32	86.49%	3,030,745.58
TOTAL OPERATING EXPENSES	5,222,020.00	13,797.66	5,235,817.66	4,460,571.49	85.19%	3,954,414.19
OPERATING INCOME (LOSS)	3,470,740.00	(13,797.66)	3,456,942.34	3,306,293.79	95.64%	4,194,097.69
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	41,550.00		41,550.00	156,299.45	376.17%	79,759.84
RECOVERIES AND REBATES	(5,000.00)		(5,000.00)	18,831.29	-376.63%	(1,318.63)
GAIN/LOSS ON DISPOSAL			-	-	0.00%	16,918.17
JOBBING INCOME (LOSS)	111,400.00		111,400.00	146,565.69	131.57%	(47,579.36)
INTEREST ON LONG TERM INDEBTEDNESS	(25,440.00)		(25,440.00)	(28,379.60)	111.56%	(35,141.40)
NET INCOME (LOSS)	3,593,250.00	(13,797.66)	3,579,452.34	3,599,610.62	100.56%	4,206,736.31
OPERATING TRANSFERS IN (OUT)	(3,196,330.00)		(3,196,330.00)	(2,929,969.13)	91.67%	(3,054,969.13)
NET INCOME AFTER TRANSFERS	396,920.00	(13,797.66)	383,122.34	669,641.49	174.79%	1,151,767.18
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(866,130.00)	(243,313.20)	(1,109,443.20)	(528,158.02)	47.61%	
CAPITAL PROJECTS	(3,000,000.00)	(5,167,512.35)	(8,167,512.35)	(612,774.46)	7.50%	
DEBT SERVICE	(88,430.00)		(88,430.00)	(88,427.35)	100.00%	
DEPRECIATION	1,690,430.00		1,690,430.00	1,549,559.00	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2023

ELECTRIC

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	MAY 2023	PERCENT OF CURRENT BUDGET	MAY 2022
OPERATING REVENUE	121,768,640.00		121,768,640.00	116,721,315.44	95.85%	112,349,158.86
COST OF SALES						
PURCHASED SERVICES	87,238,820.00		87,238,820.00	89,735,755.49	102.86%	86,568,733.91
PRODUCTION	-	-	-	1,709.63		-
TOTAL COST OF SALES	87,238,820.00	-	87,238,820.00	89,737,465.12		86,568,733.91
GROSS PROFIT	34,529,820.00	-	34,529,820.00	26,983,850.32		25,780,424.95
GROSS PROFIT %	28.36%		28.36%	23.12%		22.95%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,667,250.00	44,438.76	1,711,688.76	1,624,993.71	94.94%	1,569,396.58
ENGINEERING	1,092,950.00	22,713.66	1,115,663.66	763,580.91	68.44%	628,620.34
DISTRIBUTION	13,254,730.00	102,546.72	13,357,276.72	13,390,095.99	100.25%	11,712,091.16
SERVICE	-		-	-		-
METERS & REGULATORS	396,490.00		396,490.00	426,501.25	107.57%	341,616.00
BAD DEBT	375,000.00		375,000.00	805,577.64	214.82%	381,500.89
GENERAL & ADMINISTRATIVE	5,978,830.00	367,082.34	6,345,912.34	5,533,115.08	87.19%	4,417,109.36
TOTAL OPERATING EXPENSES	22,765,250.00	536,781.48	23,302,031.48	22,543,864.58	96.75%	19,050,334.33
OPERATING INCOME (LOSS)	11,764,570.00	(536,781.48)	11,227,788.52	4,439,985.74	39.54%	6,730,090.62
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	110,830.00		110,830.00	331,276.63	298.91%	205,741.36
ENERGY EFFICIENCY RECOVERY	(50,000.00)	(110,251.09)	(160,251.09)	-	0.00%	-
RECOVERIES AND REBATES	(153,500.00)		(153,500.00)	624,906.91	-407.11%	700.00
GAIN/LOSS ON DISPOSAL	45,000.00		45,000.00	81,956.64	182.13%	411,475.93
JOBBING INCOME (LOSS)	309,110.00	(333,980.00)	(24,870.00)	1,287,498.41	-5176.91%	267,001.00
INTEREST ON LONG TERM INDEBTEDNESS	(1,407,210.00)		(1,407,210.00)	(1,655,548.61)	117.65%	(1,726,381.34)
NET INCOME (LOSS)	10,618,800.00	(981,012.57)	9,637,787.43	5,110,075.72	53.02%	5,888,627.57
OPERATING TRANSFERS IN (OUT)	(10,572,610.00)		(10,572,610.00)	(9,691,559.13)	91.67%	(9,816,559.13)
NET INCOME AFTER TRANSFERS	46,190.00	(981,012.57)	(934,822.57)	(4,581,483.41)	490.09%	(3,927,931.56)
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(3,171,090.00)	(1,098,069.18)	(4,269,159.18)	(1,992,258.46)	46.67%	
CAPITAL PROJECTS	-	(5,338,431.83)	(5,338,431.83)	(6,174,306.69)	115.66%	
DEBT SERVICE	(3,191,720.00)	-	(3,191,720.00)	(3,191,709.88)	100.00%	
DEPRECIATION	8,696,410.00		8,696,410.00	7,971,711.00	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2023

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	MAY 2023	PERCENT OF CURRENT BUDGET	MAY 2022
OPERATING REVENUE	768,680.00		768,680.00	787,363.22	102.43%	684,860.75
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	67,929.66	113.22%	65,247.87
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	67,929.66		65,247.87
GROSS PROFIT	708,680.00	-	708,680.00	719,433.56		619,612.88
GROSS PROFIT %	92.19%		92.19%	91.37%		90.47%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT	-		-	1,987.67		249.60
GENERAL & ADMINISTRATIVE	939,840.00	-	939,840.00	831,778.44	88.50%	770,979.18
TOTAL OPERATING EXPENSES	939,840.00	-	939,840.00	833,766.11	88.71%	771,228.78
OPERATING INCOME (LOSS)	(231,160.00)	-	(231,160.00)	(114,332.55)	49.46%	(151,615.90)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	2,620.00		2,620.00	12,511.58	477.54%	5,593.23
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(1,800.00)		(1,800.00)	(1,418.89)	78.83%	(934.99)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(230,340.00)	-	(230,340.00)	(103,239.86)	44.82%	(146,957.66)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(74,250.00)	91.67%	(74,250.00)
NET INCOME AFTER TRANSFERS	(311,340.00)	-	(311,340.00)	(177,489.86)	57.01%	(221,207.66)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(50,920.45)	203.68%	
CAPITAL PROJECTS	-	(526,044.66)	(526,044.66)	(14,310.55)	2.72%	
DEPRECIATION	485,610.00		485,610.00	445,148.00	91.67%	

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)**	
Jul-22	$ 8,921,496.29	$ 1,241,888.99	**$ 7,679,607.30**	83,714,391	11,653,200	72,061,191	$0.015000	$0.086200	$0.101200		**$ 7,292,592.56**	$ (387,014.74)		**$ (412,086.73)**	ACTUAL
Aug-22	$ 9,218,214.27	$ 1,220,995.94	**$ 7,997,218.33**	93,378,330	12,368,400	81,009,930	$0.015000	$0.086200	$0.101200		**$ 8,198,204.92**	$ 200,986.59		**$ (211,100.14)**	ACTUAL
Sep-22	$ 8,034,700.40	$ 1,181,484.39	**$ 6,853,216.01**	82,724,165	12,164,400	70,559,765	$0.025000	$0.086200	$0.111200		**$ 7,846,245.87**	$ 993,029.86		**$ 781,929.72**	ACTUAL
Oct-22	$ 7,212,051.28	$ 1,291,718.71	**$ 5,920,332.57**	66,121,889	11,842,800	54,279,089	$0.045000	$0.086200	$0.131200		**$ 7,121,416.48**	$ 1,201,083.91		**$ 1,983,013.63**	ACTUAL
Nov-22	$ 7,291,342.71	$ 1,255,831.27	**$ 6,035,511.44**	63,199,353	10,885,200	52,314,153	$0.035000	$0.086200	$0.121200		**$ 6,340,475.34**	$ 304,963.90		**$ 2,287,977.52**	ACTUAL
Dec-22	$ 12,071,580.84	$ 1,674,194.66	**$ 10,397,386.18**	72,351,844	10,034,400	62,317,444	$0.020000	$0.086200	$0.106200		**$ 6,618,112.55**	$ (3,779,273.63)		**$ (1,491,296.11)**	ACTUAL
Jan-23	$ 8,378,562.00	$ 991,046.29	**$ 7,387,515.71**	84,914,577	10,044,000	74,870,577	$0.010000	$0.086200	$0.096200		**$ 7,202,549.49**	$ (184,966.22)		**$ (1,676,262.32)**	ACTUAL
Feb-23	$ 7,611,735.13	$ 1,130,373.88	**$ 6,481,361.25**	80,692,721	11,983,200	68,709,521	$0.015000	$0.086200	$0.101200		**$ 6,953,403.53**	$ 472,042.28		**$ (1,204,220.04)**	ACTUAL
Mar-23	$ 7,537,268.91	$ 1,274,864.35	**$ 6,262,404.56**	62,262,692	10,531,200	51,731,492	$0.030000	$0.086200	$0.116200		**$ 6,011,199.37**	$ (251,205.19)		**$ (1,455,425.23)**	ACTUAL
Apr-23	$ 7,005,890.30	$ 1,143,404.80	**$ 5,862,485.50**	66,431,296	10,842,000	55,589,296	*$0.050000*	$0.086200	$0.136200		**$ 7,571,262.12**	$ 1,708,776.62		**$ 253,351.39**	ACTUAL
May-23	$ 6,172,175.97	$ 1,111,792.43	**$ 5,060,383.54**	59,490,455	10,716,000	48,774,455	*$0.055000*	$0.086200	$0.141200		**$ 6,886,953.05**	$ 1,826,569.51		**$ 2,079,920.90**	ACTUAL
Jun-23	$ 7,874,720.86	$ 1,212,962.86	**$ 6,661,757.99**	69,959,266	10,776,000	59,183,266	$0.030000	$0.086200	$0.116200		**$ 6,877,095.53**	$ 215,337.54		**$ 2,295,258.44**	PROJECTED

code them before reconciling the month

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	(Independent of Commod) **Cum Over (Under) Demand Recovery Current FY**	*(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**	
Jul-22	$ 6.20160	$ 6.20160	$ -	$ -	$ -	$ 6.25815	$ 6.25815	$ (212,903.60)	$ 846,844.40	$ 830,757.95	$ (16,086.46)		$110,949.43	Final
Aug-22	$ 7.64163	$ 7.64163	$ -	$ -	$ 1.00000	$ 7.14144	$ 7.14144	$ (422,889.66)	$ 1,211,618.44	$ 1,119,491.40	$ (92,127.04)		$18,822.39	Final
Sep-22	$ 5.25490	$ 5.25490	$ -	$ -		$ 7.62108	$ 7.62108	$ (624,787.46)	$ 1,218,147.07	$ 1,301,945.53	$ 83,798.46		$102,620.85	Final
Oct-22	$ 5.75899	$ 5.75899	$ -	$ -	$ 0.50000	$ 6.07613	$ 6.07613	$ (834,773.52)	$ 1,363,552.21	$ 1,159,888.46	$ (203,663.75)		($101,042.89)	Final
Nov-22	$ 6.13625	$ 6.13625	$ 2.30000	$ -	$ -	$ 7.99570	$ 5.69570	$ (817,970.42)	$ 1,580,870.14	$ 1,267,428.62	$ (313,441.52)		($414,484.41)	Final
Dec-22	$ 6.45465	$ 6.45465	$ 2.30000	$ -		$ 7.92370	$ 5.62370	$ (628,329.17)	$ 2,621,457.93	$ 1,911,733.51	$ (709,724.42)		($1,124,208.84)	Final
Jan-23	$ 6.35242	$ 6.35242	$ 2.30000	$ -	$ 0.51000	$ 8.80682	$ 6.50682	$ (211,940.91)	$ 2,134,980.42	$ 2,422,595.03	$ 287,614.61		($836,594.22)	Final
Feb-23	$ 6.83153	$ 6.96362	$ 2.30000	$ -	$ 0.30000	$ 8.72018	$ 6.42018	$ 166,553.37	$ 1,409,387.92	$ 2,196,937.13	$ 787,549.21		($49,045.01)	Final
Mar-23	$ 5.63031	$ 5.63031	$ 2.30000	$ -		$ 7.89371	$ 5.59371	$ 275,422.43	$ 1,240,219.65	$ 1,116,839.83	$ (123,379.82)		($172,424.83)	Final
Apr-23	$ 2.82059	$ 2.82059	$ 2.30000	$ -		$ 5.64322	$ 3.34322	$ 390,327.17	$ 443,690.39	$ 761,817.59	$ 318,127.20		$145,702.37	Final
May-23	$ 3.11297	$ 3.11297	$ 0.60000	$ -		$ 4.41751	$ 3.81751	$ 220,181.70	$ 422,580.44	$ 589,509.91	$ 166,929.47		$312,631.84	Final
Jun-23	$ 3.98695	$ 3.98695	$ (0.30000)	$ -		$ 3.68695	$ 3.98695	$ 8,284.37	$358,678.60	$ 481,800.12	$ 123,121.53		$435,753.37	Est

Danville Utility Commission

STAFF REPORT

DATE: July 24, 2023

TO: Danville Utility Commission

FROM: Jason Grey, Director of Utilities

RE: Power Supply Discussion

Jason Grey will provide a presentation summarizing our current power supply portfolio and provide a recommendation for additional peaking resources needed for future growth.

ATTACHMENTS

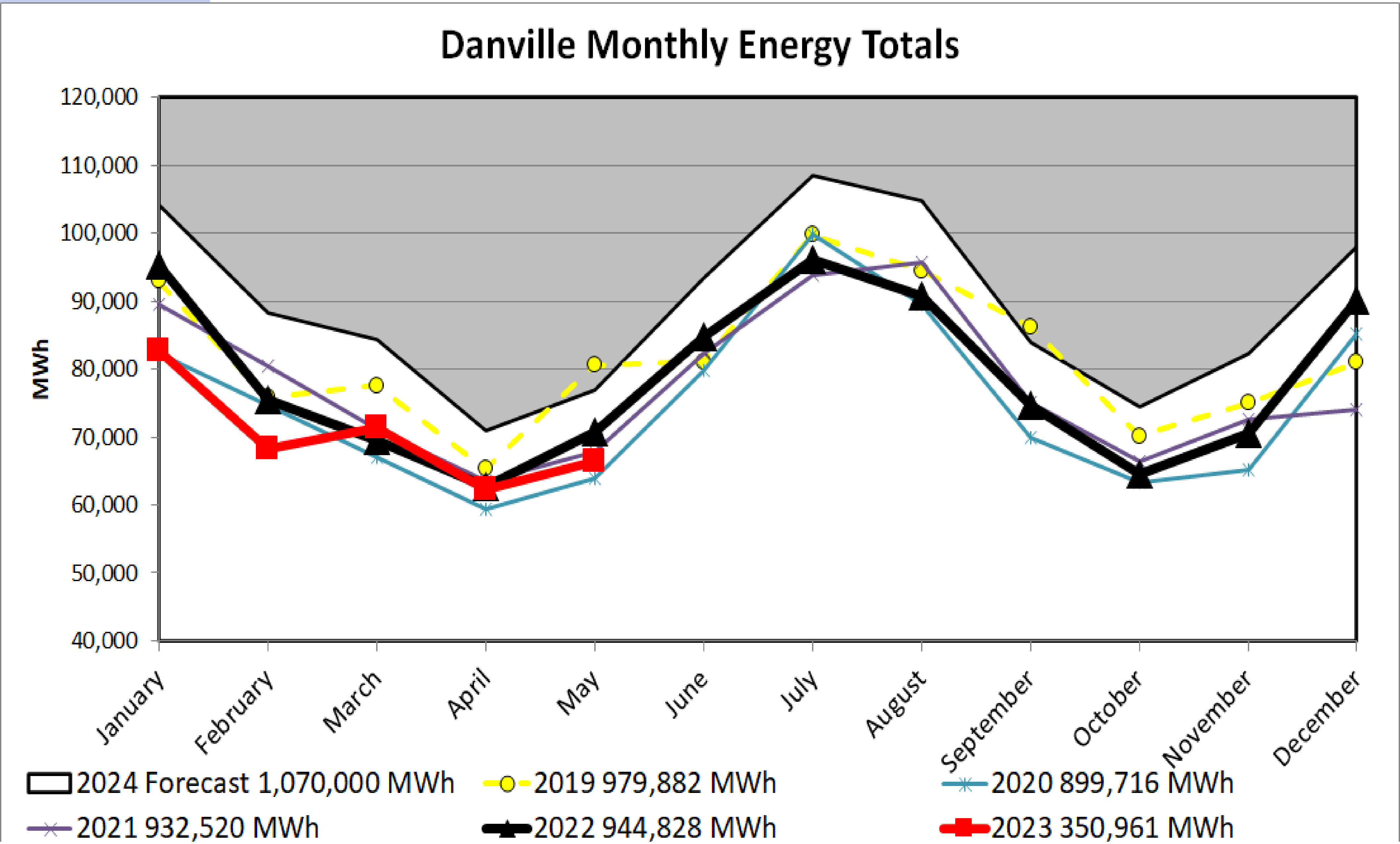
1. 2023 Power Supply Discussion

POWER SUPPLY DISCUSSION

Danville Utility Commission

July 24, 2023

2023 LOAD FORECAST

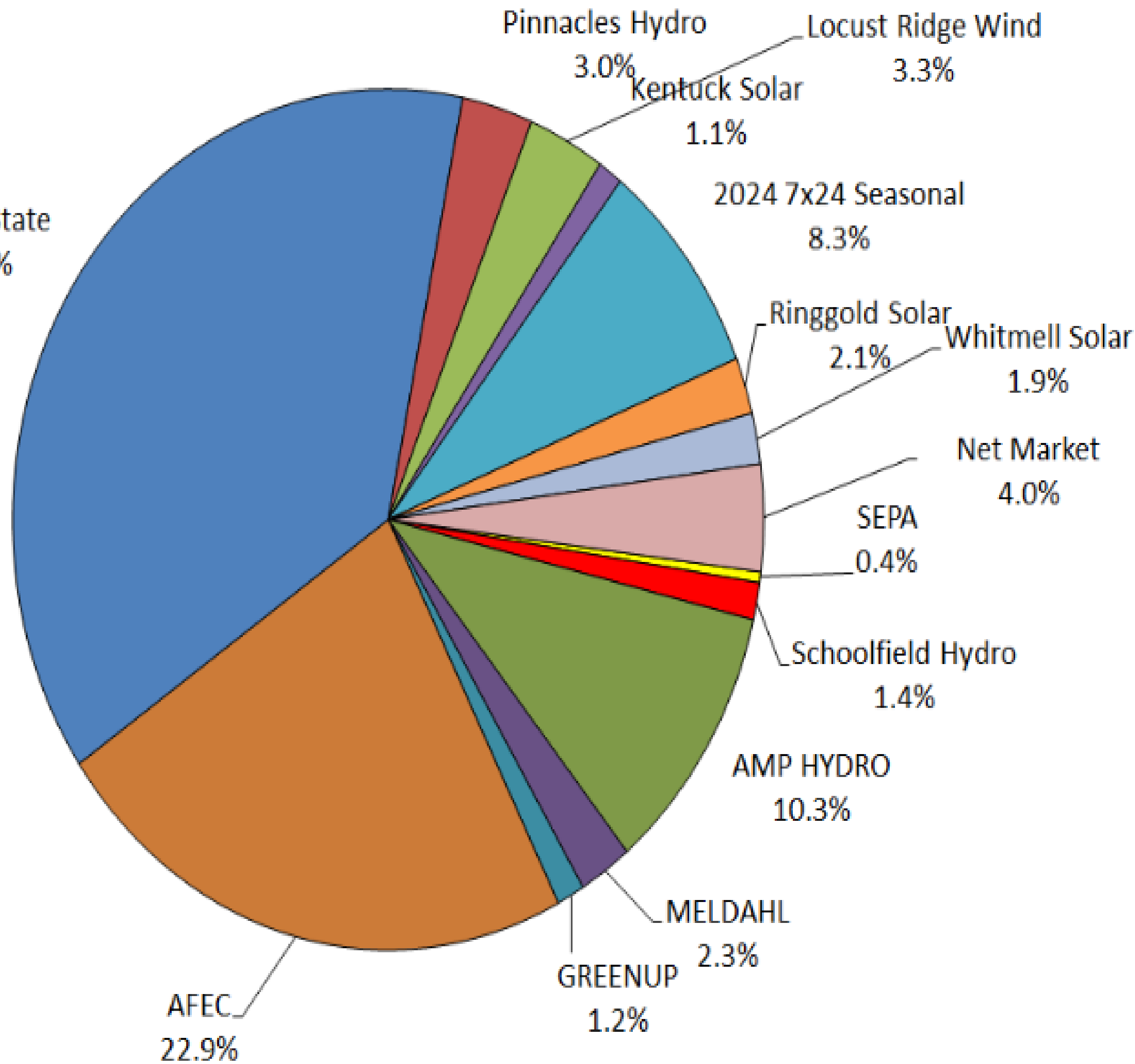


SYSTEM PEAK

Danville	2022	2021	2020	2019
Peak Demand (MW)	**203.09**	**201.22**	**205.30**	**204.61**
Month & Day	Dec 24	Aug 11	Jul 21	Jul 17
Hour Ending (EST)	07	15	16	15
Temp. During Peak	5°	91°	93°	96°

Danville Weather Data

Danville 2024 Energy Sources



NEW ELECTRIC LOAD

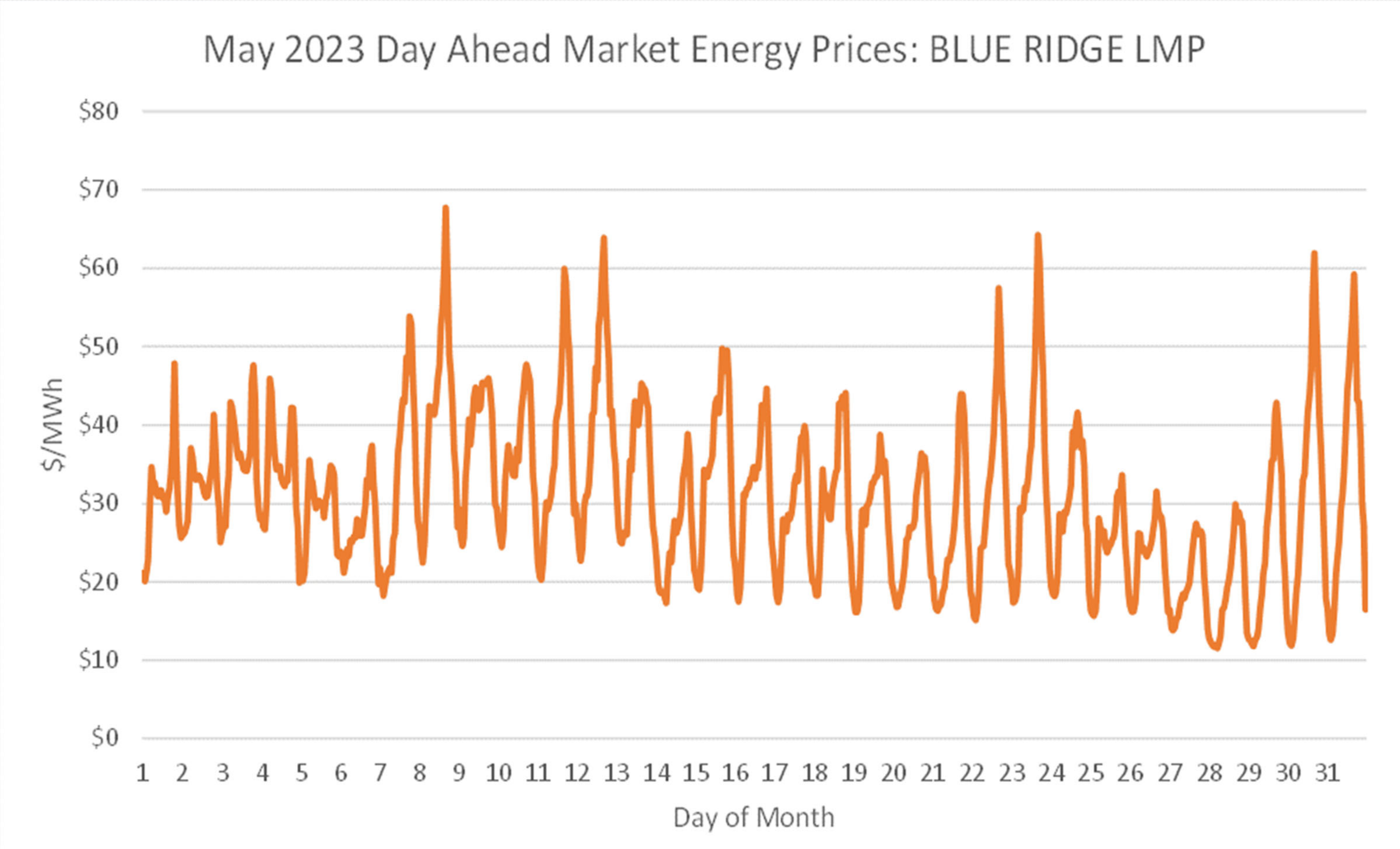
- Tyson Foods-10.4 MW (originally)
  - Announced in May 2023 going to be 20 MW
- Aerofarms- 5 MW
- Caesars-~7 MWs
- Accelerated Training in Defense Manufacturing
  - ~5 MWs

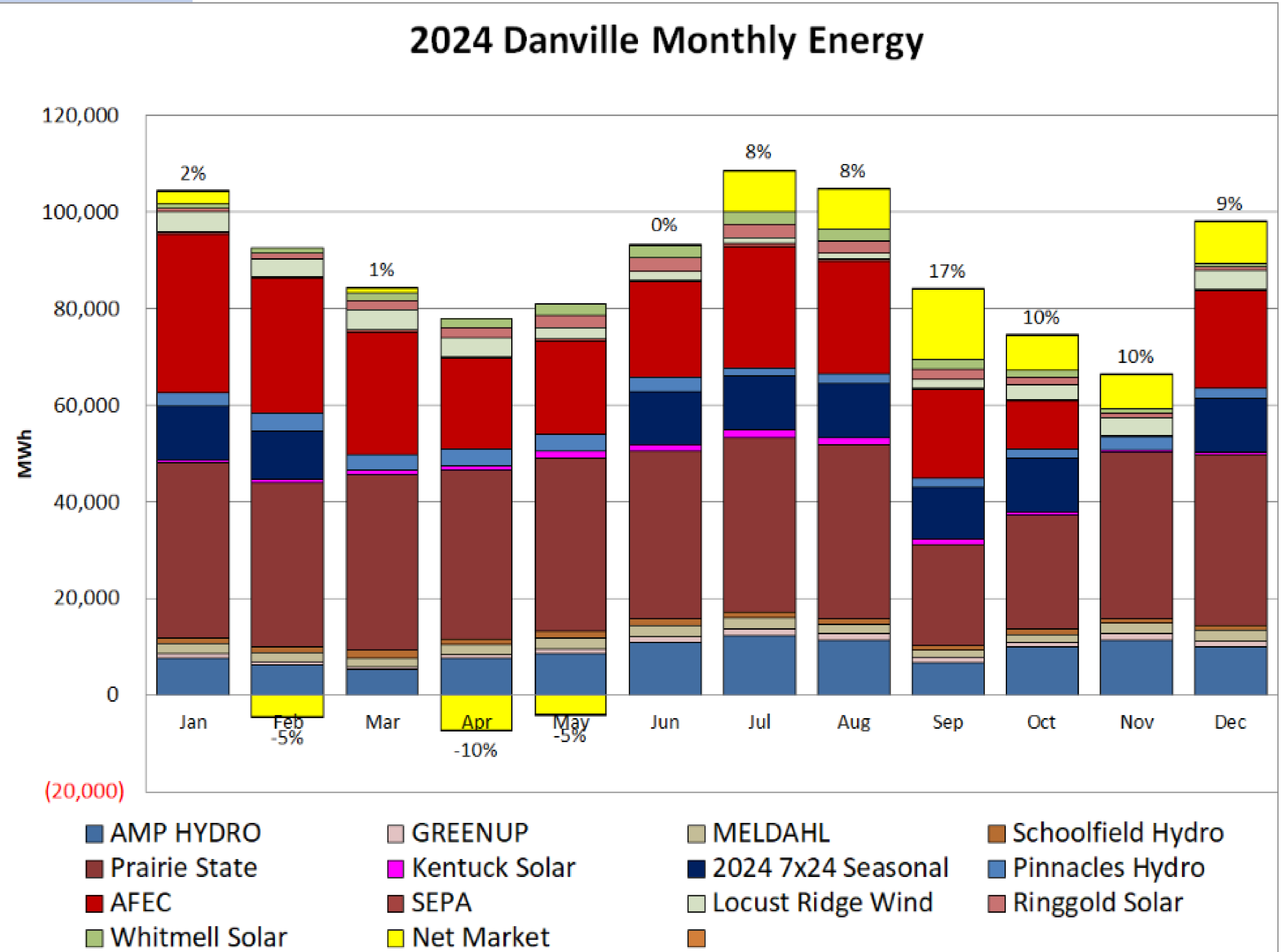
- 37 megawatts of new electric load

SHORT-TERM ENERGY BLOCK PURCHASES

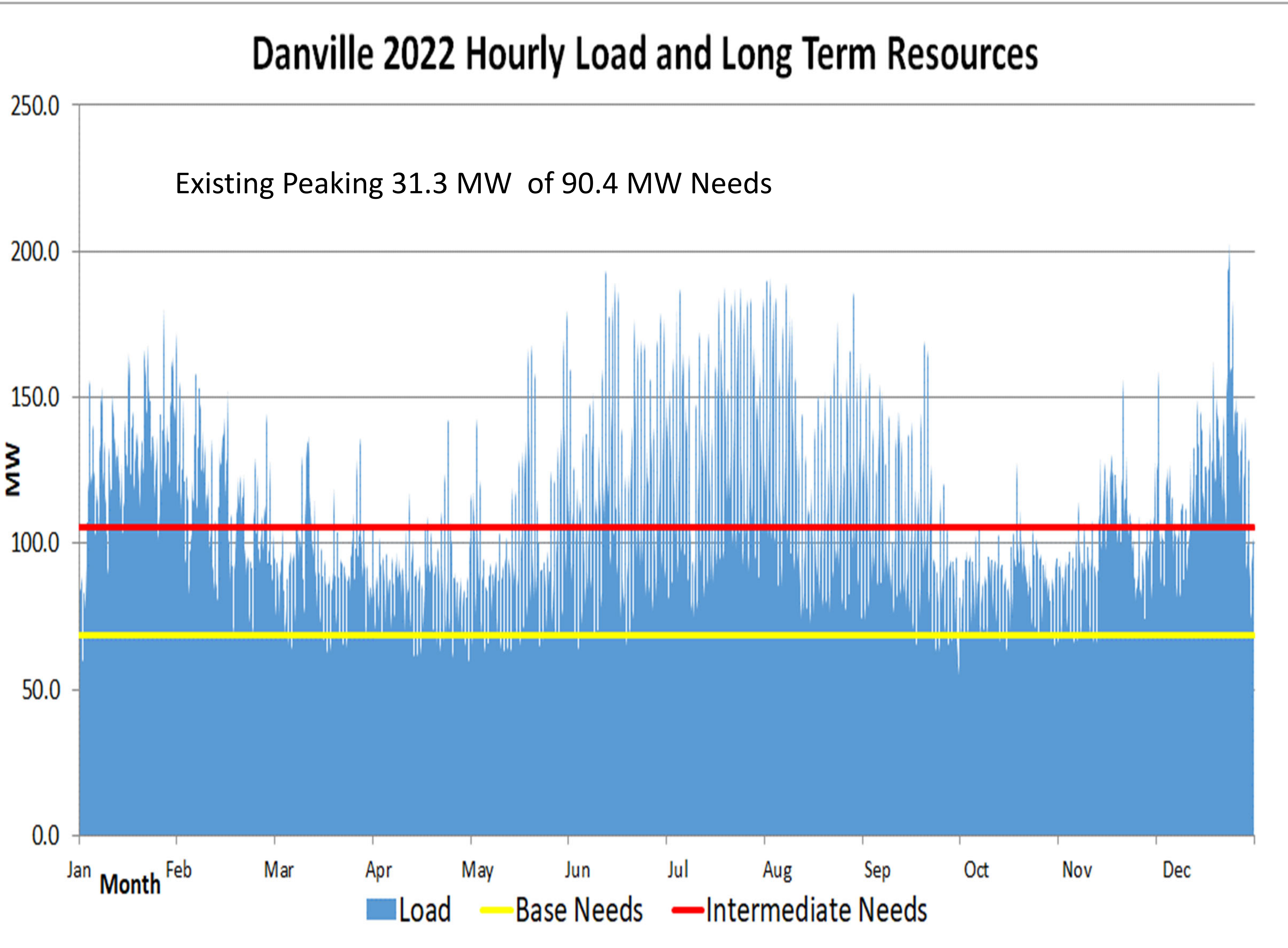
- 5 MW @ A/D Hub (Jun-Oct 2023): $46.80/MWh
- 5 MW @ A/D Hub (Dec 2023): $53.40/MWh
- 15 MW TEA @ A/D Hub (Jan-Feb 2024): $68.45/MWh
- 15 MW TEA @ A/D Hub (June-Oct 2024): $42.50/MWh
- 15 MW TEA @ A/D Hub (Dec 2024): $51.35/MWh
- 15 MW NextEra @ A/D Hub (2025)
  - $66.35/MWh Jan-Feb
  - $42.80/MWh Jun-Oct
  - $51.50/MWh Dec

MAY 2023 MARKET PRICES

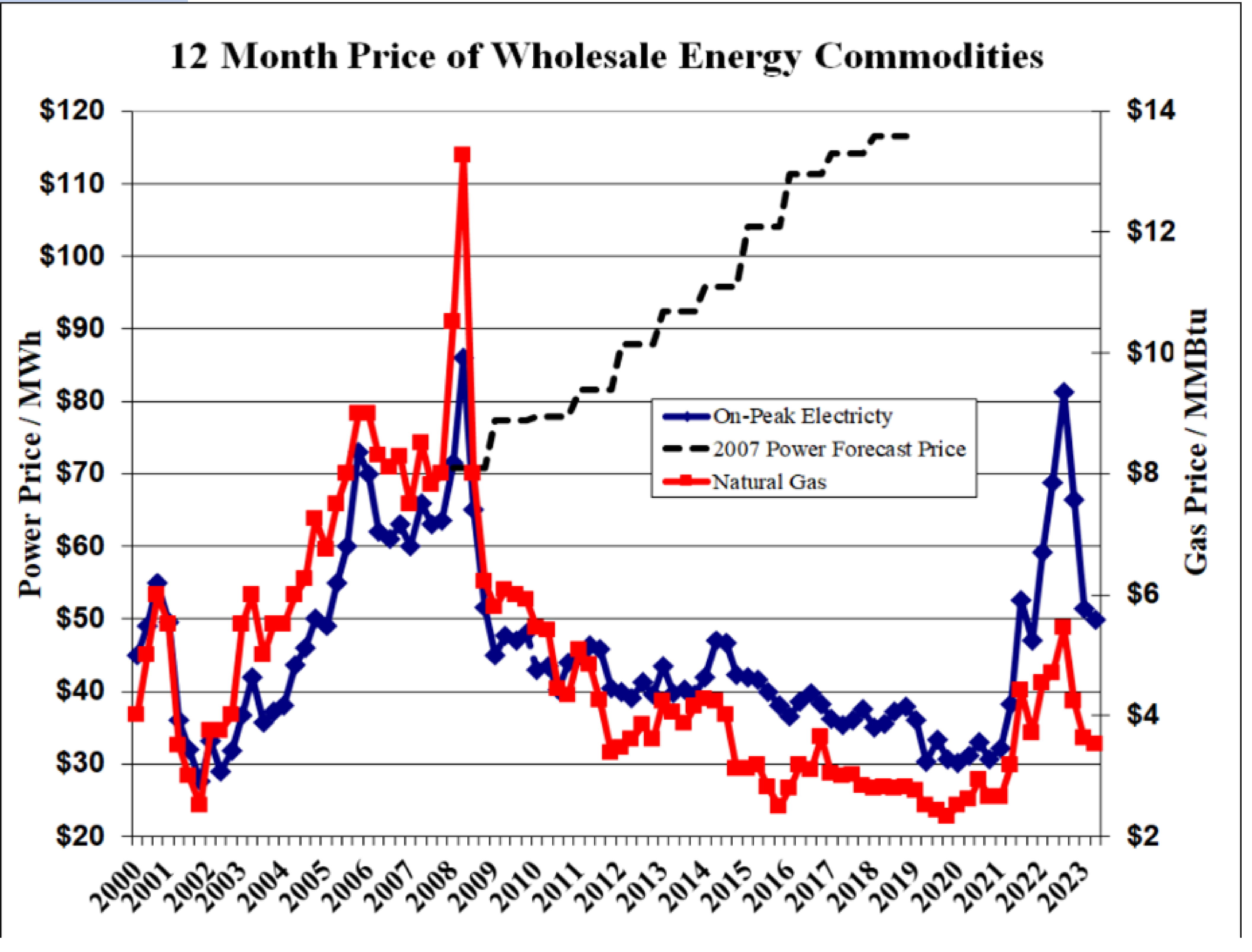




2024 Danville Monthly Energy
120,000
100,000
80,000
60,000
40,000
20,000
0
(20,000)
MWh
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2%
-5%
1%
-10%
-5%
0%
8%
8%
17%
10%
10%
9%
AMP HYDRO
GREENUP
MELDAHL
Schoolfield Hydro
Prairie State
Kentuck Solar
2024 7x24 Seasonal
Pinnacles Hydro
AFEC
SEPA
Locust Ridge Wind
Ringgold Solar
Whitmell Solar
Net Market



Danville 2022 Hourly Load and Long Term Resources
Existing Peaking 31.3 MW of 90.4 MW Needs
250.0
200.0
150.0
100.0
50.0
0.0
MW
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Month
Load
Base Needs
Intermediate Needs



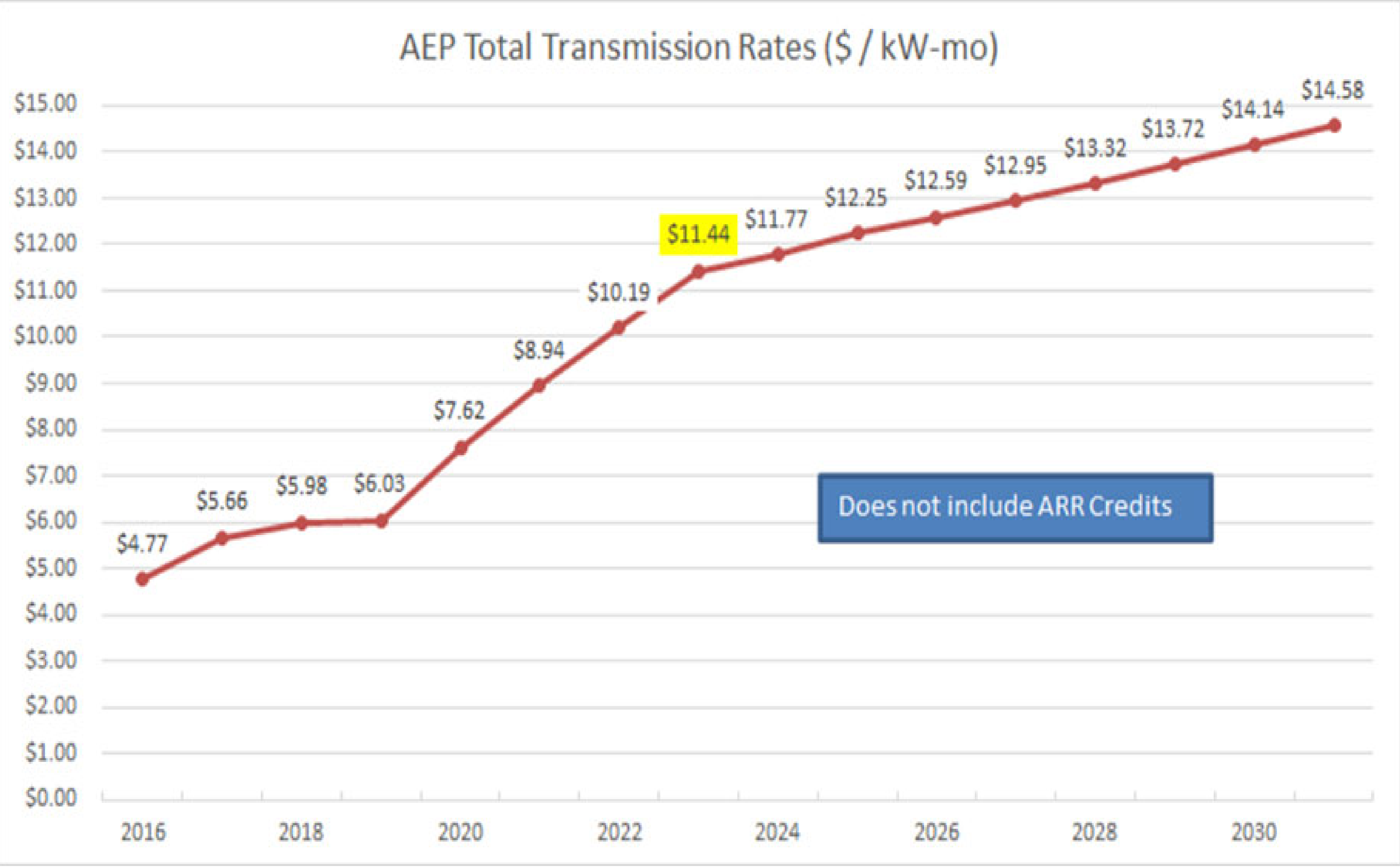
12 Month Price of Wholesale Energy Commodities
Power Price / MWh
Gas Price / MMBtu
$120
$110
$100
$90
$80
$70
$60
$50
$40
$30
$20
$14
$12
$10
$8
$6
$4
$2
On-Peak Electricty
2007 Power Forecast Price
Natural Gas
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023

TRANSMISSION PEAK

- 1 CP = Danville's load at time of AEP Zone's peak hour for year
- 1CP based on previous calendar year's peak
- Used for Transmission Billing on calendar year (Jan-Dec) basis
- Load at Dec 23 HE 18 = 183.1 MW

Danville	AEP	6/22/2022 16	180.310

AEP TRANSMISSION RATE



ELECTRIC PROJECT RATES

- Prairie State (coal)-$71.55/mWh
- Fremont (gas)-$61.34/mWh
- AMP Hydros-$141.72/mWh
- Meldahl-$99.54/mWh
- Greenup-$93.79/mWh
- SEPA-$89.90/mWh-
- Schoolfield Hydro-$59.20/mWh
- Ringgold Solar- 14.93/mWh
- Whitmell Solar-$1.20/mWh
- Kentuck Solar-$23.23/mWh
- Pinnacles Hydro-$47.31/mWh
- Market Purchases-$71.58/mWh

- POWER SUPPLY AVG=$73.51/mWh

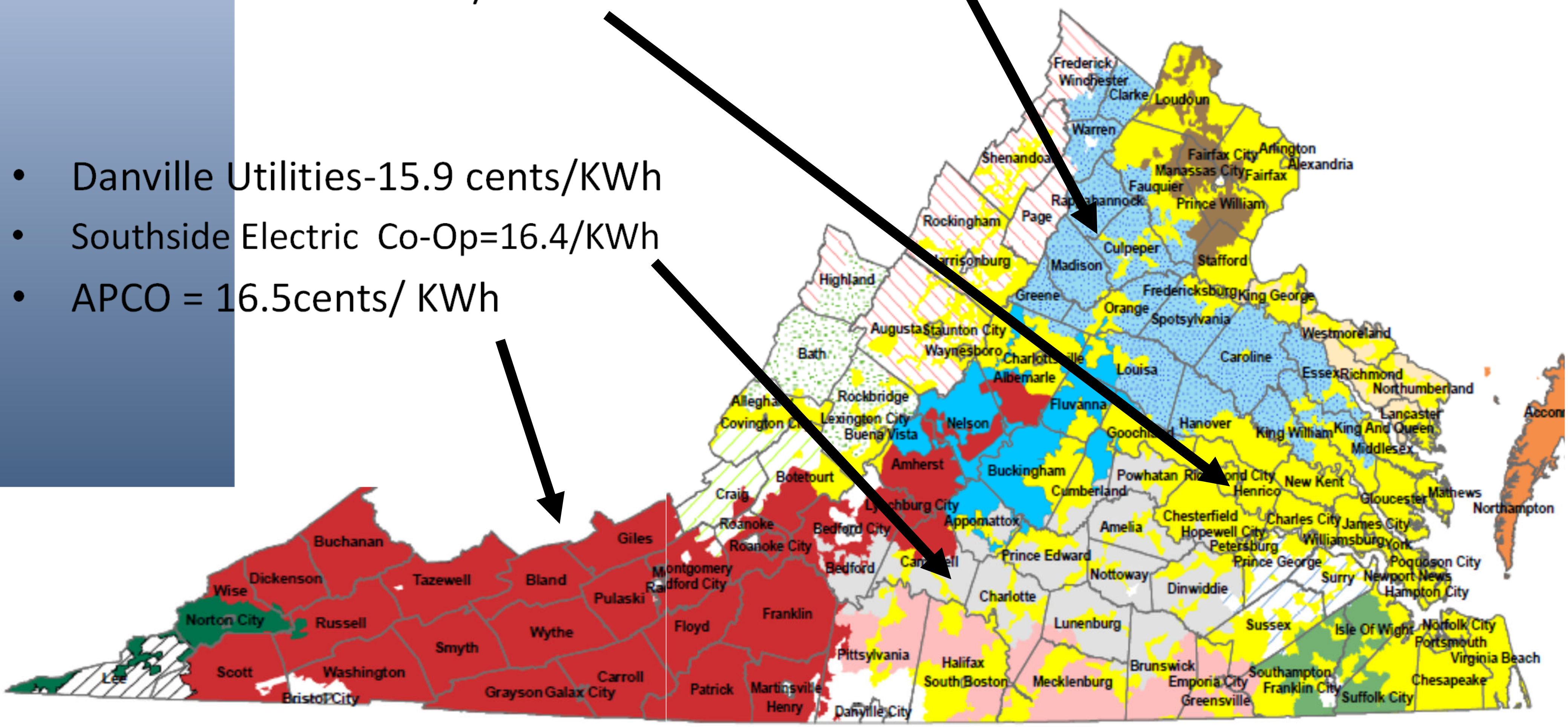
- Transmission-$23.19/mWh
- PJM Capacity-$3.65/mWh

- **TOTAL POWER SUPPLY AVG=$100.35/mWh**

VIRGINIA RESIDENTIAL RATES

- Rappahannock Electric Co-Op = 15.6 cents/ KWh
- Dominion = 14.4 cents/ KWh

- Danville Utilities-15.9 cents/KWh
- Southside Electric Co-Op=16.4/KWh
- APCO = 16.5cents/ KWh



ELECTRIC SUPPLY RECOMMENDATIONS

- Reduce market purchases to approximately 5%.
- Investigate additional peaking resources that will lower our transmission costs.
    - Natural Gas Generators
    - Additional Battery Storage

Questions?