DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

December 4, 2023

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the October 23, 2023 Commission Meeting
2. Financial Report
3. Winter Supply Update

ADJOURN

Next Meeting: January 22, 2024 at 4:00pm

STAFF REPORT

DATE: December 4, 2023

TO: Danville Utility Commission

FROM:

RE: Minutes of the October 23, 2023 Commission Meeting

ATTACHMENTS

1. October 23 2023 DUC Minutes

Danville Utility Commission
4:00 p.m. October 23, 2023 Meeting
4th Floor Conference Room, City Hall
Minutes

Commission Members Present: Anna Kautzman, Helm Dobbins, Vanessa Cain, Gary Miller, Ken Larking, Ronald Scearce

Commission Members Absent: Steven Merricks, Sheila Williamson-Branch, Mary Williamson

Staff Present: Ryan Dodson, Jason Grey, Janet Davis, Amy Chandler

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 September 25, 2023 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from September 25, 2023.

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

Review of Utilities' Financial Statements

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

Proposed Fiscal Year 2025 CIP Projects

Jason Grey presented proposed Fiscal Year 2025 Capital Improvement Plan projects. The projects included replacement of the Southside Pumping Station, water main replacements and extensions, gas line replacements and extensions, construction of the New Design Substation renovations, Brantly 138kV transformer upgrade, and reliability projects. He also announced plans to eliminate the Home$ave and Custom$ave Rebate programs and instead focus on grant funded opportunities for energy efficiency for low-income customers.

Dr. Miller asked what the loan source for the Southside Pumping Station project is. Mr. Grey responded that it is from the Virginia Resource Authority.

Mr. Dobbins asked what the loan share is for the Ida Street water main extension. Mr. Grey responded that the IDA street project is a shared project between water and gas. Each utility fund is contributing $100,000 from revenues to cover the project.

Ms. Kautzman asked if geography factors into what areas have reliability projects performed. Mr. Grey responded that a reliability committee meets monthly to determine what areas need improvement and what the best solution is for that area.

Department Discussions

There were no comments from the public or the Commission.

Ms. Cain announced that the next Utility Commission meeting will be held on December 4th.

Adjournment

Mr. Dobbins made a motion and Ms. Kautzman seconded the motion to adjourn. There being no further business, Ms. Cain adjourned the meeting at 4:31pm.

December 4, 2023
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

Chairman
Danville Utility Commission

Danville Utility Commission

STAFF REPORT

DATE: December 4, 2023

TO: Danville Utility Commission

FROM: Amy Chandler, Assistant Director of Finance

RE: Financial Report

October financials will be reviewed.

ATTACHMENTS

1. DUC Financial Statement Packet Sept 2023

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
SEPTEMBER 30, 2023

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	SEPTEMBER 30, 2023
ASSETS						
Equity in pooled Cash and Investments	$ 7,199,658.69	15,093,582.82	14,203,776.16	25,113,773.18	1,278,693.56	62,889,484.41
Receivables (Net of allowances for Uncollectible):						
Accounts	1,234,634.88	1,096,131.71	1,371,929.98	14,488,139.11	45,198.52	18,236,034.20
Power/Gas Cost Recovery	-	-	(444,694.20)	(3,478,829.74)	-	(3,923,523.94)
Pension Assets	93,746.00	172,308.00	123,133.00	507,623.00	20,347.00	917,157.00
Inventory of Gas, Materials and Supplies, at Cost	-	1,130,179.83	1,242,231.66	2,996,293.10	189,518.31	5,558,222.90
Fixed Assets	107,019,099.21	85,107,162.28	71,839,839.00	321,790,383.67	11,253,876.63	597,010,360.79
Accumulated Depreciation	(53,529,880.30)	(45,140,088.12)	(31,561,833.36)	(146,003,117.52)	(4,841,788.85)	(281,076,708.15)
Deferred Outflows - Pension	287,260.00	527,994.00	377,311.00	1,555,480.00	62,346.00	2,810,391.00
TOTAL ASSETS	$ 62,304,518.48	57,987,270.52	57,151,693.24	216,969,744.80	8,008,191.17	402,421,418.21
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts Payable	$ 341,218.42	258,882.40	733,685.79	9,262,936.94	41,253.72	10,637,977.27
Accrued Interest Payable	18,679.85	111,687.88	10,742.85	668,400.51	-	809,511.09
Customer Deposits	-		-	4,165,081.22	-	4,165,081.22
Accrued Vacation, Sick Leave & Workers Comp.	-	155,673.98	86,380.94	614,499.48	10,973.20	867,527.60
Deferred Gain / Loss - Refunding Bonds	(91,602.10)	(88,594.45)	(47,175.24)	(984,650.97)	-	(1,212,022.76)
Original Issue Premium/Discount (Refunding Bonds)	115,600.57	870,708.76	55,572.99	5,023,065.15	-	6,064,947.47
General Obligation Bonds Payable	1,061,829.37	4,419,070.19	578,613.44	45,416,200.44	-	51,475,713.44
Revenue Bonds Payable	-	3,702,857.14	-	2,777,142.86	-	6,480,000.00
Long-Term Leases, Notes, and Contracts Payable	-	-	-	438,584.85	-	438,584.85
TOTAL LIABILITIES	$ 1,445,726.11	9,430,285.90	1,417,820.77	67,381,260.48	52,226.92	79,727,320.18
Net Assets						
Contributed Capital	$ 4,102,275.60	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,177,940.22
Retained Earnings:						
Restricted for Investment in Fixed Assets	$ 48,301,115.47	26,386,749.60	38,350,483.87	109,833,886.14	6,074,839.19	228,947,074.27
Restricted for Incomplete Projects	7,662,251.40	16,477,471.29	9,048,987.88	8,476,787.69	33,551.60	41,699,049.86
Restricted for Subsequent Expenses	2,977,716.51	67,235.49	1,163.75	13,356,583.15	533,991.78	16,936,690.68
Net Pension Assets	93,746.00	172,308.00	123,133.00	507,623.00	20,347.00	917,157.00
Deferred Outflows - Pension	287,260.00	527,994.00	377,311.00	1,555,480.00	62,346.00	2,810,391.00
Unrestricted	(2,278,312.61)	776,936.32	6,869,592.39	3,691,981.81	955,986.09	10,016,184.00
Total Retained Earnings	$ 56,756,516.77	43,880,700.70	54,393,360.89	135,866,861.79	7,618,715.66	298,516,155.81
TOTAL NET ASSETS	$ 60,858,792.37	48,556,983.62	55,733,871.47	149,588,484.32	7,955,964.25	322,694,096.03
TOTAL LIABILITIES AND NET ASSETS	$ 62,304,518.48	57,987,269.52	57,151,692.24	216,969,744.80	8,008,191.17	402,421,416.21

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	SEPTEMBER 30, 2023
Operating revenues:							
Charges for Services	$	2,292,467.17	2,299,948.16	2,534,419.17	32,496,139.34	227,525.25	39,850,499.09
Operating Expenses:							
Purchased Services	$	-	-	1,777,329.89	23,896,185.56	17,138.65	25,690,654.10
Production		-	-	-	1,524.14	-	1,524.14
Transmission & Treatment		612,173.39	456,170.66	-	415,831.17	-	1,484,175.22
Engineering		-	56,678.80	56,935.83	417,160.78	-	530,775.41
Distribution		588,543.30	207,174.83	247,761.78	3,460,551.72	-	4,504,031.63
Service		26,840.93	20,361.31	9,390.48	-	-	56,592.72
Meters & Regulators		-	34,320.56	40,342.25	134,018.24	-	208,681.05
Administrative		484,381.43	909,873.01	912,217.23	1,774,831.88	210,403.03	4,291,706.58
Total Operating Expenses	$	1,711,939.05	1,684,579.17	3,043,977.46	30,100,103.49	227,541.68	36,768,140.85
Operating Income (Loss)	$	580,528.12	615,368.99	(509,558.29)	2,396,035.85	(16.43)	3,082,358.24
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		9,258.12	89,137.21	144,217.50	507,493.29	(329.08)	749,777.04
Interest Income		9,931.03	22,224.92	20,364.46	40,494.33	1,647.62	94,662.36
Energy Efficiency Recovery		-	-	-	-	-	-
Gain (Loss) on Disposal of Property		5,250.00	-	20,054.00	14,105.00	-	39,409.00
Recoveries and Rebates		-	-	378.50	(17,916.30)	-	(17,537.80)
Interest Expense		(23,283.84)	(104,775.93)	(13,056.30)	(926,473.61)	-	(1,067,589.68)
Total Non-Operating Revenues (Expenses)	$	1,155.31	6,586.20	171,958.16	(382,297.29)	1,318.54	(201,279.08)
Income (Loss) Before Operating Transfers	$	581,683.43	621,955.19	(337,600.13)	2,013,738.56	1,302.11	2,881,079.16
Operating Transfers:							
Transfers In (Out)		(176,439.99)	(241,575.00)	(799,832.49)	(2,658,902.49)	(20,250.00)	(3,896,999.97)
Total Operating Transfers	$	(176,439.99)	(241,575.00)	(799,832.49)	(2,658,902.49)	(20,250.00)	(3,896,999.97)
Net Income (Loss)	$	405,243.44	380,380.19	(1,137,432.62)	(645,163.93)	(18,947.89)	(1,015,920.81)
Net Assets - July 1, 2023, as restated		60,441,470.93	48,176,603.43	56,871,304.09	150,233,648.25	7,974,912.14	323,697,938.84
Net Income (Loss)		405,243.44	380,380.19	(1,137,432.62)	(645,163.93)	(18,947.89)	(1,015,920.81)
Contribution In Aid of Construction		12,078.00	-	-	-	-	12,078.00
Net Assets -June 30, 2024	$	60,858,792.37	48,556,983.62	55,733,871.47	149,588,484.32	7,955,964.25	322,694,096.03

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

WASTEWATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	SEPTEMBER 2023	PERCENT OF CURRENT BUDGET	SEPTEMBER 2022
OPERATING REVENUE	9,955,550.00		9,955,550.00	2,292,467.17	23.03%	2,310,728.76
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,941,690.00	56,981.91	3,998,671.91	612,173.39	15.31%	445,918.42
ENGINEERING	-	-	-	-		-
DISTRIBUTION	2,795,730.00	189,651.62	2,985,381.62	588,543.30	19.71%	702,648.97
SERVICE	160,600.00	-	160,600.00	26,840.93	16.71%	11,529.24
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00	-	36,000.00	51,017.71	141.72%	13,902.39
GENERAL & ADMINISTRATIVE	1,821,860.00	-	1,821,860.00	433,363.72	23.79%	454,823.30
TOTAL OPERATING EXPENSES	8,755,880.00	246,633.53	9,002,513.53	1,711,939.05	19.02%	1,628,822.32
OPERATING INCOME (LOSS)	1,199,670.00	(246,633.53)	953,036.47	580,528.12	60.91%	681,906.44
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	58,640.00		58,640.00	9,931.03	16.94%	39,653.68
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	5,250.00		-
JOBBING INCOME (LOSS)	35,000.00		35,000.00	9,258.12	26.45%	9,234.11
INTEREST ON LONG TERM INDEBTEDNESS	(43,070.00)		(43,070.00)	(23,283.84)	54.06%	(26,916.83)
NET INCOME (LOSS)	1,250,240.00	(246,633.53)	1,003,606.47	581,683.43	57.96%	703,877.40
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(176,439.99)	25.00%	(176,439.67)
NET INCOME AFTER TRANSFERS	544,480.00	(246,633.53)	297,846.47	405,243.44	136.06%	527,437.73
CONTRIBUTION IN AID	40,000.00		40,000.00	12,078.00	30.20%	
REGULAR CAPITAL MAINTENANCE	(1,616,990.00)	(4,959.50)	(1,621,949.50)	(20,543.11)	1.27%	
CAPITAL PROJECTS	(3,050,000.00)	(4,515,079.08)	(7,565,079.08)	(504,234.07)	6.67%	
DEBT SERVICE	(152,930.00)		(152,930.00)	(140,374.50)	91.79%	
DEPRECIATION	1,959,530.00		1,959,530.00	497,745.91	25.40%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

WATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	SEPTEMBER 2023	PERCENT OF CURRENT BUDGET	SEPTEMBER 2022
OPERATING REVENUE	8,929,030.00		8,929,030.00	2,299,948.16	25.76%	2,150,570.39
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,177,120.00	7,212.99	2,184,332.99	456,170.66	20.88%	571,160.29
ENGINEERING	404,550.00	1,220.00	405,770.00	56,678.80	13.97%	73,070.89
DISTRIBUTION	891,480.00	12,521.00	904,001.00	207,174.83	22.92%	227,829.53
SERVICE	260,310.00		260,310.00	20,361.31	7.82%	23,487.37
METERS & REGULATORS	123,310.00		123,310.00	34,320.56	27.83%	27,133.82
BAD DEBT	30,000.00		30,000.00	44,763.67	149.21%	15,591.97
GENERAL & ADMINISTRATIVE	3,518,410.00	10,160.00	3,528,570.00	865,109.34	24.52%	875,044.95
TOTAL OPERATING EXPENSES	7,405,180.00	31,113.99	7,436,293.99	1,684,579.17	22.65%	1,813,318.82
OPERATING INCOME (LOSS)	1,523,850.00	(31,113.99)	1,492,736.01	615,368.99	41.22%	337,251.57
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	69,670.00		69,670.00	22,224.92	31.90%	50,323.77
RECOVERIES AND REBATES	7,000.00		7,000.00	-	0.00%	5,196.58
GAIN/LOSS ON DISPOSAL	7,500.00		7,500.00	-	0.00%	-
JOBBING INCOME (LOSS)	132,000.00		132,000.00	89,137.21	67.53%	18,547.50
INTEREST ON LONG TERM INDEBTEDNESS	(499,580.00)		(499,580.00)	(104,775.93)	20.97%	(25,019.28)
NET INCOME (LOSS)	1,240,440.00	(31,113.99)	1,209,326.01	621,955.19	51.43%	386,300.14
OPERATING TRANSFERS IN (OUT)	(966,300.00)		(966,300.00)	(241,575.00)	25.00%	(238,325.33)
NET INCOME AFTER TRANSFERS	274,140.00	(31,113.99)	243,026.01	380,380.19	156.52%	147,974.81

CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,128,280.00)	(375,386.98)	(1,503,666.98)	(295,699.52)	19.67%	
CAPITAL PROJECTS	(680,000.00)	(11,632,968.98)	(12,312,968.98)	(1,043,465.15)	8.47%	
DEBT SERVICE	(242,600.00)		(242,600.00)	(227,510.50)	93.78%	
DEPRECIATION	1,494,790.00		1,494,790.00	594,831.52	39.79%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

GAS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	SEPTEMBER 2023	PERCENT OF CURRENT BUDGET	SEPTEMBER 2022
OPERATING REVENUE	27,234,710.00		27,234,710.00	2,534,419.17	9.31%	4,940,448.73
	-					
COST OF SALES	-					
PURCHASED SERVICES	18,221,520.00		18,221,520.00	1,777,329.89	9.75%	3,928,975.97
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	18,221,520.00	-	18,221,520.00	1,777,329.89		3,928,975.97
GROSS PROFIT	9,013,190.00	-	9,013,190.00	757,089.28		1,011,472.76
GROSS PROFIT %	33.09%		33.09%	29.87%		20.47%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	378,230.00		378,230.00	56,935.83	15.05%	64,247.07
DISTRIBUTION	863,640.00	34,521.00	898,161.00	247,761.78	27.59%	182,164.52
SERVICE	258,810.00		258,810.00	9,390.48	3.63%	11,500.29
METERS & REGULATORS	159,230.00		159,230.00	40,342.25	25.34%	48,467.28
BAD DEBT	50,000.00		50,000.00	108,307.30	216.61%	47,628.34
GENERAL & ADMINISTRATIVE	3,760,400.00	19,003.40	3,779,403.40	803,909.93	21.27%	895,083.78
TOTAL OPERATING EXPENSES	5,470,310.00	53,524.40	5,523,834.40	1,266,647.57	22.93%	1,249,091.28
OPERATING INCOME (LOSS)	3,542,880.00	(53,524.40)	3,489,355.60	(509,558.29)	-14.60%	(237,618.52)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	100,110.00		100,110.00	20,364.46	20.34%	58,431.68
RECOVERIES AND REBATES	-		-	378.50	0.00%	131.09
GAIN/LOSS ON DISPOSAL	-		-	20,054.00	0.00%	-
JOBBING INCOME (LOSS)	115,940.00		115,940.00	144,217.50	124.39%	65,816.68
INTEREST ON LONG TERM INDEBTEDNESS	(23,850.00)		(23,850.00)	(13,056.30)	54.74%	(15,266.98)
NET INCOME (LOSS)	3,735,080.00	(53,524.40)	3,681,555.60	(337,600.13)	-9.17%	(128,506.05)
OPERATING TRANSFERS IN (OUT)	(3,199,330.00)		(3,199,330.00)	(799,832.49)	25.00%	(799,082.17)
NET INCOME AFTER TRANSFERS	535,750.00	(53,524.40)	482,225.60	(1,137,432.62)	-235.87%	(927,588.22)

CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(558,860.00)	(111,294.17)	(670,154.17)	(108,393.70)	16.17%	
CAPITAL PROJECTS	(1,100,000.00)	(7,412,671.89)	(8,512,671.89)	(25,454.48)	0.30%	
DEBT SERVICE	(93,030.00)		(93,030.00)	(90,639.50)	97.43%	
DEPRECIATION	1,554,450.00		1,554,450.00	781,551.91	50.28%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

ELECTRIC

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	SEPTEMBER 2023	PERCENT OF CURRENT BUDGET	SEPTEMBER 2022
OPERATING REVENUE	132,932,400.00		132,932,400.00	32,496,139.34	24.45%	34,993,018.09
COST OF SALES						
PURCHASED SERVICES	97,843,510.00		97,843,510.00	23,896,185.56	24.42%	26,174,410.96
PRODUCTION	-	-	-	1,524.14		72.00
TOTAL COST OF SALES	97,843,510.00	-	97,843,510.00	23,897,709.70		26,174,482.96
GROSS PROFIT	35,088,890.00	-	35,088,890.00	8,598,429.64		8,818,535.13
GROSS PROFIT %	26.40%		26.40%	26.46%		25.20%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,686,950.00	32,875.71	1,719,825.71	415,831.17	24.18%	561,448.88
ENGINEERING	1,373,980.00	104,816.41	1,478,796.41	417,160.78	28.21%	197,804.01
DISTRIBUTION	13,113,520.00	365,506.45	13,479,026.45	3,460,551.72	25.67%	3,640,294.99
SERVICE	-		-	-		-
METERS & REGULATORS	384,260.00		384,260.00	134,018.24	34.88%	112,186.06
BAD DEBT	375,000.00		375,000.00	393,348.89	104.89%	174,622.04
GENERAL & ADMINISTRATIVE	5,984,870.00	430,962.21	6,415,832.21	1,381,482.99	21.53%	1,360,018.14
TOTAL OPERATING EXPENSES	22,918,580.00	934,160.78	23,852,740.78	6,202,393.79	26.00%	6,046,374.12
OPERATING INCOME (LOSS)	12,170,310.00	(934,160.78)	11,236,149.22	2,396,035.85	21.32%	2,772,161.01
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	202,680.00		202,680.00	40,494.33	19.98%	156,186.36
RECOVERIES AND REBATES	(100,000.00)		(100,000.00)	(17,916.30)	17.92%	(14,635.77)
GAIN/LOSS ON DISPOSAL	30,000.00		30,000.00	14,105.00	47.02%	72,234.64
JOBBING INCOME (LOSS)	724,830.00	(421,488.00)	303,342.00	507,493.29	167.30%	217,304.75
INTEREST ON LONG TERM INDEBTEDNESS	(2,374,200.00)		(2,374,200.00)	(926,473.61)	39.02%	(810,741.91)
NET INCOME (LOSS)	10,653,620.00	(1,355,648.78)	9,297,971.22	2,013,738.56	21.66%	2,392,509.08
OPERATING TRANSFERS IN (OUT)	(10,635,610.00)		(10,635,610.00)	(2,658,902.49)	25.00%	(2,643,152.17)
NET INCOME AFTER TRANSFERS	18,010.00	(1,355,648.78)	(1,337,638.78)	(645,163.93)	48.23%	(250,643.09)
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(5,002,930.00)	(2,390,905.41)	(7,393,835.41)	(1,912,576.50)	25.87%	
CAPITAL PROJECTS	-	(6,359,647.79)	(6,359,647.79)	(1,484,363.55)	23.34%	
DEBT SERVICE	(3,627,660.00)	-	(3,627,660.00)	(2,573,471.69)	70.94%	
DEPRECIATION	8,104,400.00		8,104,400.00	2,068,517.97	25.52%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	SEPTEMBER 2023	PERCENT OF CURRENT BUDGET	SEPTEMBER 2022
OPERATING REVENUE	679,200.00		679,200.00	227,525.25	33.50%	189,947.88
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	17,138.65	28.56%	19,169.27
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	17,138.65		19,169.27
GROSS PROFIT	619,200.00	-	619,200.00	210,386.60		170,778.61
GROSS PROFIT %	91.17%		91.17%	92.47%		89.91%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT	-		-	-		650.40
GENERAL & ADMINISTRATIVE	862,420.00	1,000.00	863,420.00	210,403.03	24.37%	222,853.08
TOTAL OPERATING EXPENSES	862,420.00	1,000.00	863,420.00	210,403.03	24.37%	223,503.48
OPERATING INCOME (LOSS)	(243,220.00)	(1,000.00)	(244,220.00)	(16.43)	0.01%	(52,724.87)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	7,150.00		7,150.00	1,647.62	23.04%	3,937.47
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(4,000.00)		(4,000.00)	(329.08)	8.23%	24.01
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(240,070.00)	(1,000.00)	(241,070.00)	1,302.11	-0.54%	(48,763.39)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(20,250.00)	25.00%	(20,250.00)
NET INCOME AFTER TRANSFERS	(321,070.00)	(1,000.00)	(322,070.00)	(18,947.89)	5.88%	(69,013.39)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(50,000.00)		(50,000.00)	(16,888.99)	33.78%	
CAPITAL PROJECTS	-	(511,734.11)	(511,734.11)	(10,853.34)	0.00%	
DEPRECIATION	437,520.00		437,520.00	111,351.10	25.45%	

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	$ 3.19175	$ 3.19175	$ (0.30000)	$ -		$ 3.68695	$ 3.98695	$ 8,395.30	$361,740.12	$ 485,101.57	$ 123,361.45		$435,993.29	FY FINAL
Jul-23	$ 3.36060	$ 3.36060	$ -	$ -		$ 3.27427	$ 3.27427	$ (199,324.67)	$ 371,556.21	$ 381,198.45	$ 9,642.24		$445,635.53	Final
Aug-23	$ 3.39081	$ 3.39081	$ -	$ -		$ 2.82158	$ 2.82158	$ (407,423.14)	$ 393,815.04	$ 373,957.47	$ (19,857.58)		$425,777.95	Final
Sep-23	$ 2.99052	$ 2.99052	$ -	$ -		$ 2.90941	$ 2.90941	$ (607,494.24)	$ 396,379.89	$ 415,296.14	$ 18,916.25		$444,694.20	Final
Oct-23	$ 3.12898	$ 3.12898	$ -	$ -		$ 3.12898	$ 3.12898	$ (817,400.24)	$ 583,851.97	$ 559,440.98	$ (24,410.99)		$420,283.21	Est
Nov-23	$ 3.32231	$ 3.32231	$ 2.30000	$ -		$ 5.62231	$ 3.32231	$ (821,286.78)	$ 991,382.23	$ 777,106.28	$ (214,275.94)		$206,007.27	Est
Dec-23	$ 3.74536	$ 3.74536	$ 2.30000	$ -		$ 6.04536	$ 3.74536	$ (615,129.32)	$ 1,313,064.81	$ 1,226,186.14	$ (86,878.68)		$119,128.59	Est

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)**
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)**
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**
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**
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**
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)**
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)**
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)**
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)**
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**
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**
Jun-23	$ 7,594,779.01	$ 1,379,311.23	**$ 6,215,467.78**	62,691,519	11,385,600	51,305,919	$0.030000	$0.086200	$0.116200		**$ 5,961,747.79**	$ (253,719.99)		**$ 1,826,200.91**
Jul-23	$ 8,170,169.04	$ 1,215,225.56	**$ 6,954,943.48**	77,249,233	11,490,000	65,759,233	*$0.010000*	$0.086200	$0.096200		**$ 6,326,038.21**	$ (628,905.27)		**$ 1,197,295.64**
Aug-23	$ 7,989,142.57	$ 1,070,532.20	**$ 6,918,610.37**	92,141,409	12,346,800	79,794,609	*$0.010000*	$0.086200	$0.096200		**$ 7,676,241.39**	$ 757,631.02		**$ 1,954,926.66**
Sep-23	$ 7,736,873.95	$ 1,123,666.43	**$ 6,613,207.52**	89,639,427	13,018,800	76,620,627	*$0.020000*	$0.086200	$0.106200		**$ 8,137,110.59**	$ 1,523,903.07		**$ 3,478,829.72**
Oct-23	$ 7,277,619.59	$ 1,246,261.01	**$ 6,031,358.57**	65,559,605	11,226,800	54,332,805	*$0.035000*	$0.086200	$0.121200		**$ 6,585,135.94**	$ 553,777.37		**$ 4,032,607.09**
Nov-23	$ 7,670,443.90	$ 1,324,558.40	**$ 6,345,885.50**	62,841,011	10,851,600	51,989,411	*$0.035000*	$0.086200	$0.121200		**$ 6,301,116.59**	$ (44,768.91)		**$ 3,987,838.19**
Dec-23	$ 9,557,652.38	$ 1,380,767.24	**$ 8,176,885.14**	70,565,500	10,194,400	60,371,100	*$0.020000*	$0.086200	$0.106200		**$ 6,411,410.85**	$ (1,765,474.29)		**$ 2,222,363.90**

Danville Utility Commission

STAFF REPORT

DATE: December 4, 2023

TO: Danville Utility Commission

FROM: Jason Grey, Director of Utilities

RE: Winter Supply Update

Jason Grey will present information on the City's contracted electric and natural gas supply for this winter.

ATTACHMENTS

1. 2023 Winter Supply Presentation

Winter Supply Update

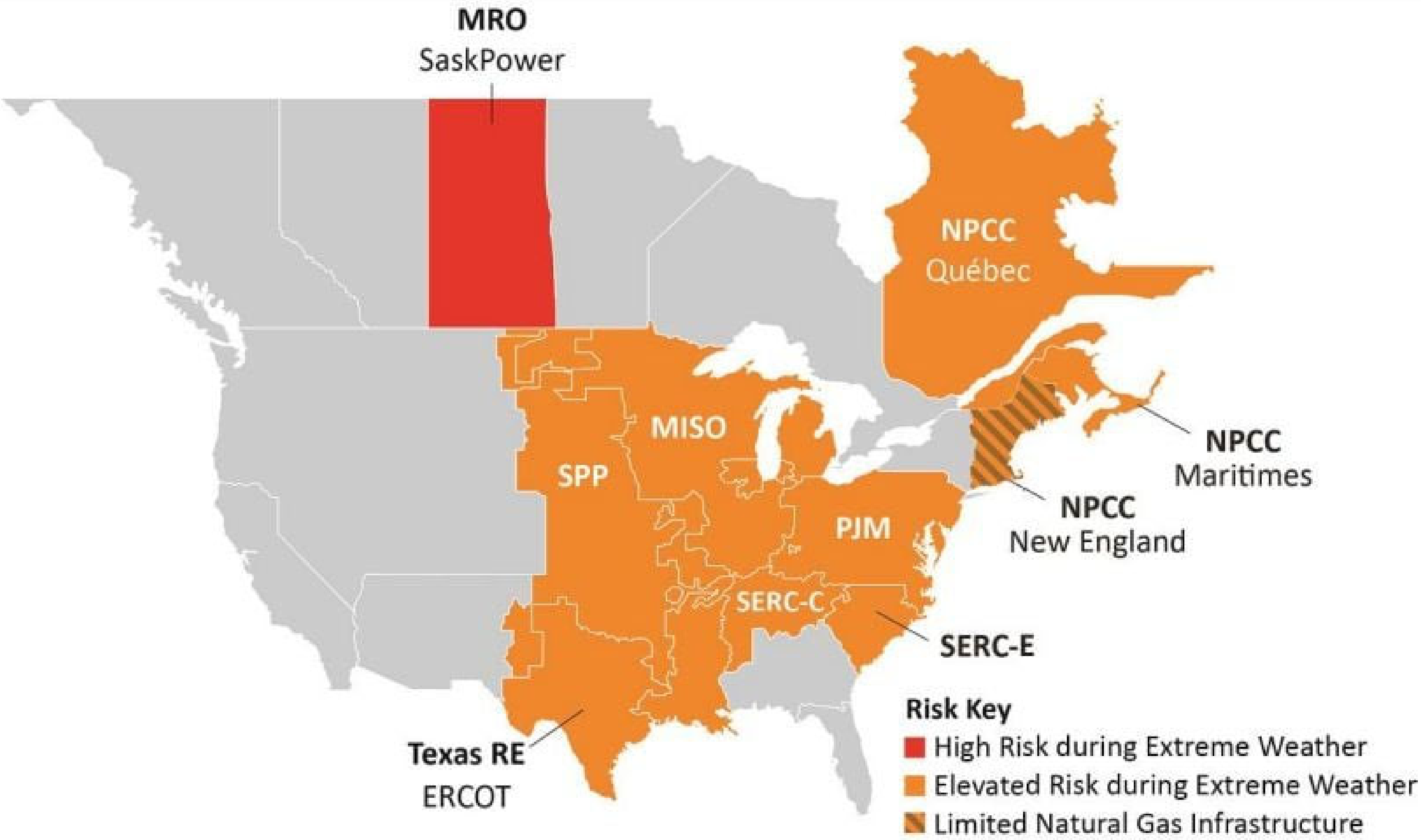
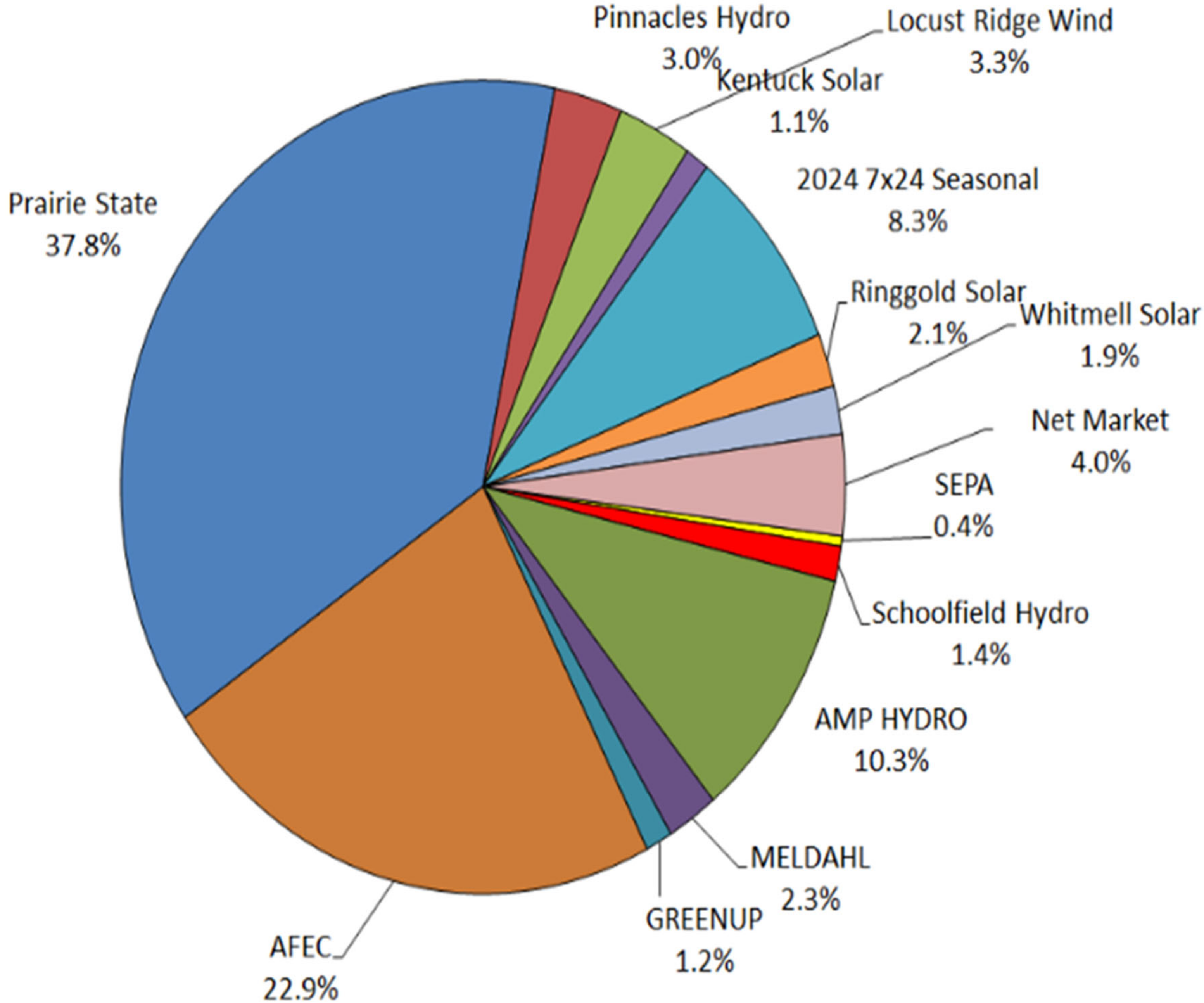


Figure 1: Winter Reliability Risk Area Summary

Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions
Low	Sufficient operating reserves expected

Danville 2024 Energy Sources



WINTER LOAD FORECAST

- December 2015-February 2019- Avg 250,000,000 kWh
- December 2019-February 2023- Avg 235,000,000 kWh

- December 2023-February 2024- Budget 238,000,000 kWh

- December 2024-February 2025- Budget 240,000,000 kWh

ELECTRIC PROJECT RATES

- Prairie State (coal)-$64.98/mWh
- Fremont (gas)-$58.74/mWh
- AMP Hydros-$143.78/mWh
- Meldahl-$85.79/mWh
- Greenup-$83.49/mWh
- SEPA-$49.26/mWh- no RECs
- Schoolfield Hydro-$51.15/mWh- no RECs
- Ringgold Solar- ($1.78/mWh)- no RECs
- Whitmell Solar-($8.43/mWh)
- Kentuck Solar-$17.08/mWh
- Pinnacles Hydro-$19.34/mWh- no RECs
- Jan-Feb Power Blocks-$71.52
- Market Purchases-~$100.00/mWh
- (Market Purchases Dec 22-~$151.00/mWh)

- POWER SUPPLY AVG=$72.42/mWh

- Transmission-$26.00/mWh
- PJM Capacity-$3.66/mWh

- TOTAL POWER SUPPLY AVG=$102.08/mWh

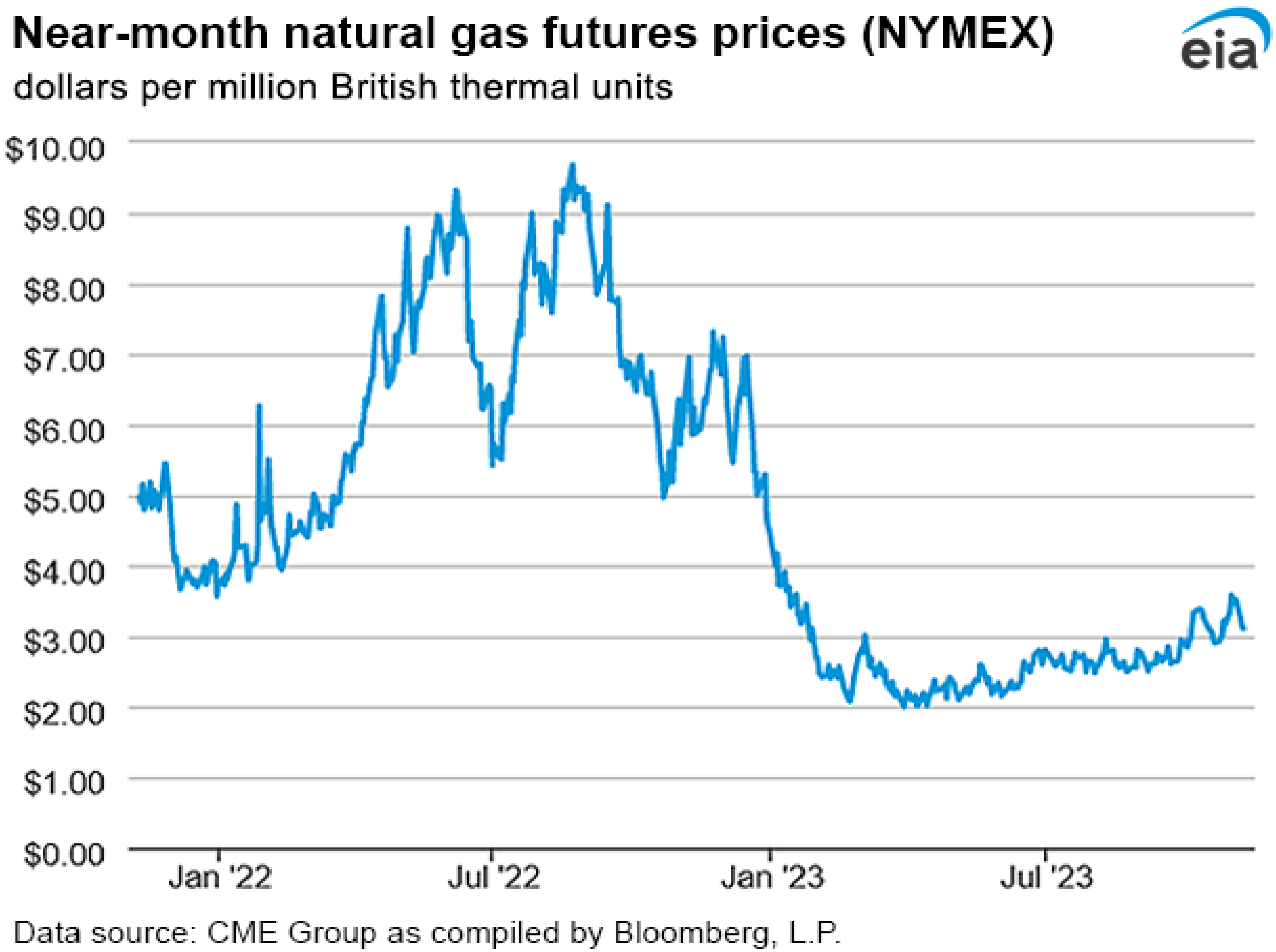
ENERGY BLOCK PURCHASES

- 2023
  - December 5 MW-$53.40/mWh
- 2024
  - January-February 15 MW-$68.45/mWh
  - June-October 15 MW-$42.50/mWh
  - December 15 MW-$51.20/mWh
- 2025
  - January-February 15 MW-$66.35/mWh
  - June-October 15 MW-$42.80/mWh
  - December 15 MW-$51.50/mWh

AEP TRANSMISSION RATE

- AEP Transmission rate increases since 2014= 15-20%/year or ~$23M/year
- On November 1, 2023, AEP announced a 1.1% transmission rate increase ($0.11/kW-month) to $10.44/kW-month or $242k/year.
- Danville's Transmission Peak.
  - December 23, 2022 5-6 pm-183,100 kW (2024)
  - June 22, 2022 3-4 pm-180,310 (2023)

HISTORICAL GAS PRICES



NATURAL GAS HEDGES

Winter 23/24	CityGate Est. Burn	Danville Est Burn	Hedges	Percentage of Hedges	Storage W/D	Hedges & Storage W/D	Cummulative Cost of Gas
11/1/2023	326,173	152,180	70,800	47%	0		$ 4.1907
12/1/2023	405,653	258,970	228,300	88%	30,670	100%	$ 3.8690
1/1/2024	463,525	319,809	265,100	83%	38,000	95%	$ 3.9544
2/1/2024	385,968	235,194	213,400	91%	22,000	100%	$ 3.9859
3/1/2024	318,044	161,192	136,800	85%	25,000	100%	$ 4.0284

RECOMMENDATIONS

- **Electric**-No recommendations for 2024 or 2025.
- **Natural Gas**-Looking for opportunities for winter 2025.

Questions?