



DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

August 26, 2024

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the July 22, 2024 Commission Meeting
2. Review of June (unaudited) Financial Statements
3. Proposed Mount Cross Road Battery Storage Project

ADJOURN

Next Meeting: September 23, 2024 at 4:00pm



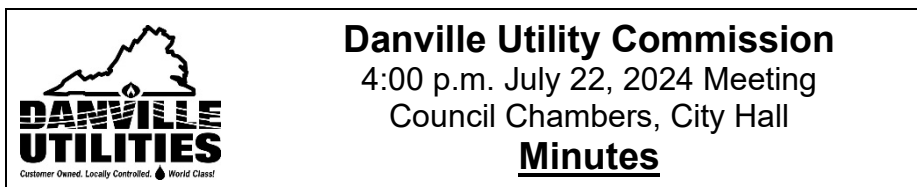
Danville Utility Commission

STAFF REPORT

DATE: August 26, 2024
TO: Danville Utility Commission
FROM:
RE: Minutes of the July 22, 2024 Commission Meeting

ATTACHMENTS

1. July 22 2024 DUC Minutes



Danville Utility Commission

4:00 p.m. July 22, 2024 Meeting

Council Chambers, City Hall

Minutes

Commission Members Present: Vanessa Cain, Mary Williamson, Sheila Williamson-Branch, Ken Larking, Anna Kautzman, Gary Miller, Murray Whittle

Commission Members Absent: Steven Merricks, Helm Dobbins

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

Others Present:

Election of Chair/Vice-Chair

Mr. Ryan Dodson from the City Attorney's office called the meeting to order and held the Chairman and Vice Chairman elections. Ms. Cain nominated Ms. Kautzman to the office of Chairman. Hearing no other nominations, Mr. Dodson closed the nominations. All members voted in favor and the nomination passed unanimously. Ms. Kautzman nominated Mr. Dobbins to the office of Vice Chairman. Hearing no other nominations, Mr. Dodson closed the nominations. All members voted in favor, and the nomination passed unanimously.

Discussion/Business Items

Minutes of June 24, 2024 Commission Meeting

Ms. Kautzman asked for any corrections, deletions, or adjustments to the minutes from June 24, 2024.

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

Review of Utilities' Financial Statements

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

Proposed Distributed Generation Net Metering Policy Changes

Jason Grey provided information on proposed revisions to the distributed generation net metering policy.

Ms. Kautzman asked if existing customers would be affected by the required limits on the sizing of systems. Mr. Grey responded that currently no customers are higher than the

proposed limits. Should an existing customer decide to increase sizing, they would fall under the new requirements.

Ms. Williamson-Branch made a motion that the Danville Utility Commission approve the revisions to the distributed generation net metering policy including system size limitations and the option to enter into a purchase power agreement for systems above net metering limits. Ms. Cain seconded the motion. All members voted in favor, and the motion passed.

Department Discussions

Mr. Grey provided an update to the Commission that the Power and Light Division had weathered the recent system peaks demand very well over the past 30 days given the recent weather increases.

Dr. Miller asked how the battery storage system is working this year. Mr. Grey responded the system was used a few times in June when staff thought there might be a new transmission peak, but the January peak was still the highest peak. He stated the utility is using the system well and to its fullest use.

Ms. Kautzman asked for comments from the public or from commission members. There was no further communication from either.

Adjournment

Ms. Kautzman stated the next meeting is scheduled for August 26, 2024. Mr. Larking made a motion to adjourn. Ms. Williamson-Branch seconded the motion. There being no further business, Ms. Kautzman adjourned the meeting at 4:34 p.m.

Submitted by Janet Davis
Secretary to the DUC

August 26, 2024

Date Approved

Chairman
Danville Utility Commission



Danville Utility Commission

STAFF REPORT

DATE: August 26, 2024
TO: Danville Utility Commission
FROM: Amy Chandler, Assistant Director of Finance
RE: Review of June (unaudited) Financial Statements

June unaudited financials will be reviewed.

ATTACHMENTS

1. DUC Financial Statements June 2024

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
JUNE 30, 2024

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JUNE 30, 2024
<u>ASSETS</u>						
Equity in pooled Cash and Investments	\$ 7,272,506.35	13,976,692.72	15,600,583.58	22,215,793.40	1,389,120.74	60,454,696.79
Receivables (Net of allowances for Uncollectible):						
Accounts	1,293,047.84	1,134,245.88	1,596,578.81	15,445,812.28	46,080.70	19,515,765.51
Power/Gas Cost Recovery	-	-	(235,984.29)	(1,437,163.44)	-	(1,673,147.73)
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	-	1,089,269.87	871,173.32	4,044,118.14	262,415.63	6,266,976.96
Fixed Assets	108,212,899.57	91,758,100.34	73,438,890.69	335,112,975.12	11,341,854.10	619,864,719.82
Accumulated Depreciation	(55,034,913.13)	(46,302,513.81)	(32,768,804.01)	(152,272,298.37)	(5,177,426.80)	(291,555,956.12)
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	<u>\$ 62,124,546.63</u>	<u>62,356,097.00</u>	<u>59,002,882.10</u>	<u>225,172,340.13</u>	<u>7,944,737.37</u>	<u>416,600,603.23</u>
<u>LIABILITIES AND NET ASSETS</u>						
Liabilities						
Accounts Payable	\$ 489,233.95	841,898.99	894,814.08	10,961,876.17	47,835.01	13,235,658.20
Accrued Interest Payable	18,679.85	111,687.88	10,742.85	668,400.51	-	809,511.09
Customer Deposits	-	-	-	4,197,290.64	-	4,197,290.64
Accrued Vacation, Sick Leave & Workers Comp.	720.00	172,113.20	95,148.63	671,420.51	10,630.38	950,032.72
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	1,191,984.51	55,572.99	6,040,438.35	-	7,403,596.42
General Obligation Bonds Payable	1,049,281.76	4,403,984.74	576,229.99	44,362,014.29	-	50,391,510.78
Revenue Bonds Payable	-	6,443,657.14	-	11,456,342.86	-	17,900,000.00
Long-Term Leases, Notes, and Contracts Payable	-	-	-	438,584.85	-	438,584.85
TOTAL LIABILITIES	<u>\$ 1,581,914.03</u>	<u>13,076,732.01</u>	<u>1,585,333.30</u>	<u>77,811,717.21</u>	<u>58,465.39</u>	<u>94,114,161.94</u>
Net Assets						
Contributed Capital	\$ 4,160,713.78	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,236,378.40
Retained Earnings:						
Restricted for Investment in Fixed Assets	\$ 47,943,992.43	28,828,271.67	38,744,948.36	108,244,909.69	5,827,178.71	229,589,300.86
Restricted for Incomplete Projects	6,468,451.04	12,826,533.23	7,570,059.83	10,761,064.67	475,814.31	38,101,923.08
Restricted for Subsequent Expenses	167,728.90	18,452.25	20,000.00	1,279,472.93	-	1,485,654.08
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	1,708,000.45	2,757,516.92	9,618,897.03	12,845,930.10	1,225,683.37	28,156,027.87
Total Retained Earnings	<u>\$ 56,381,918.82</u>	<u>44,603,082.07</u>	<u>56,077,038.22</u>	<u>133,639,000.39</u>	<u>7,549,023.39</u>	<u>298,250,062.89</u>
TOTAL NET ASSETS	<u>\$ 60,542,632.60</u>	<u>49,279,364.99</u>	<u>57,417,548.80</u>	<u>147,360,622.92</u>	<u>7,886,271.98</u>	<u>322,486,441.29</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 62,124,546.63</u>	<u>62,356,097.00</u>	<u>59,002,882.10</u>	<u>225,172,340.13</u>	<u>7,944,737.37</u>	<u>416,600,603.23</u>

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED JUNE 30, 2024

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JUNE 30, 2024
Operating revenues:						
Charges for Services	\$ 9,229,833.63	8,981,152.90	19,178,974.12	128,333,088.81	884,895.19	166,607,944.65
Operating Expenses:						
Purchased Services	\$ -	-	11,042,400.05	98,863,171.28	65,869.63	109,971,440.96
Production	-	-	-	3,525.90	-	3,525.90
Transmission & Treatment	3,760,179.26	1,926,669.93	-	2,006,669.24	-	7,693,518.43
Engineering	-	253,963.11	266,781.41	1,391,214.07	-	1,911,958.59
Distribution	1,994,204.02	973,552.45	1,058,869.07	6,028,466.27	-	10,055,091.81
Service	103,792.29	156,289.81	47,020.94	-	-	307,103.04
Meters & Regulators	-	128,586.26	136,918.11	526,531.85	-	792,036.22
Administrative	2,834,122.55	3,707,837.61	3,880,235.58	14,696,857.96	874,004.18	25,993,057.88
Total Operating Expenses	\$ 8,692,298.12	7,146,899.17	16,432,225.16	123,516,436.57	939,873.81	156,727,732.83
Operating Income (Loss)	\$ 537,535.51	1,834,253.73	2,746,748.96	4,816,652.24	(54,978.62)	9,880,211.82
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	40,258.10	232,955.35	580,563.82	3,284,007.56	14,394.45	4,152,179.28
Interest Income	196,420.16	373,493.44	392,006.38	631,046.94	32,944.01	1,625,910.93
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	5,250.00	-	49,680.00	28,247.00	-	83,177.00
Recoveries and Rebates	-	-	421.12	(84,198.87)	-	(83,777.75)
Interest Expense	(43,058.32)	(371,641.96)	(23,846.61)	(1,913,170.24)	-	(2,351,717.13)
Total Non-Operating Revenues (Expenses)	\$ 198,869.94	234,806.83	998,824.71	1,945,932.39	47,338.46	3,425,772.33
Income (Loss) Before Operating Transfers	\$ 736,405.45	2,069,060.56	3,745,573.67	6,762,584.63	(7,640.16)	13,305,984.15
Operating Transfers:						
Transfers In (Out)	(705,759.96)	(966,300.00)	(3,199,329.96)	(9,635,609.96)	(81,000.00)	(14,587,999.88)
Total Operating Transfers	\$ (705,759.96)	(966,300.00)	(3,199,329.96)	(9,635,609.96)	(81,000.00)	(14,587,999.88)
Net Income (Loss)	\$ 30,645.49	1,102,760.56	546,243.71	(2,873,025.33)	(88,640.16)	(1,282,015.73)
Net Assets - July 1, 2023, as restated	60,441,470.93	48,176,604.43	56,871,305.09	150,233,648.25	7,974,912.14	323,697,940.84
Net Income (Loss)	30,645.49	1,102,760.56	546,243.71	(2,873,025.33)	(88,640.16)	(1,282,015.73)
Contribution In Aid of Construction	70,516.18	-	-	-	-	70,516.18
Net Assets -June 30, 2024	\$ 60,542,632.60	49,279,364.99	57,417,548.80	147,360,622.92	7,886,271.98	322,486,441.29

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2024

WASTEWATER						
	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	JUNE 2024	PERCENT OF CURRENT BUDGET	JUNE 2023
OPERATING REVENUE	9,955,550.00		9,955,550.00	9,229,833.63	92.71%	8,959,279.61
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,941,690.00	54,149.91	3,995,839.91	3,760,179.26	94.10%	3,439,922.54
ENGINEERING	-	-	-	-		-
DISTRIBUTION	1,908,710.00	189,651.62	2,098,361.62	1,994,204.02	95.04%	1,726,647.64
SERVICE	160,600.00	-	160,600.00	103,792.29	64.63%	81,369.93
METERS & REGULATORS	-	-	-	-		-
DEPRECIATION	1,959,530.00	-	1,959,530.00	2,002,778.74	102.21%	1,965,150.03
BAD DEBT	36,000.00	-	36,000.00	77,331.36	214.81%	78,444.63
GENERAL & ADMINISTRATIVE	749,350.00	2,832.00	752,182.00	754,012.45	100.24%	700,383.83
TOTAL OPERATING EXPENSES	8,755,880.00	246,633.53	9,002,513.53	8,692,298.12	96.55%	7,991,918.60
OPERATING INCOME (LOSS)	1,199,670.00	(246,633.53)	953,036.47	537,535.51	56.40%	967,361.01
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	58,640.00		58,640.00	196,420.16	334.96%	52,830.85
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	5,250.00		-
JOBGING INCOME (LOSS)	35,000.00		35,000.00	40,258.10	115.02%	30,119.27
INTEREST ON LONG TERM INDEBTEDNESS	(43,070.00)		(43,070.00)	(43,058.32)	99.97%	(48,196.21)
NET INCOME (LOSS)	1,250,240.00	(246,633.53)	1,003,606.47	736,405.45	73.38%	1,002,114.92
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(705,759.96)	100.00%	(705,760.00)
NET INCOME AFTER TRANSFERS	544,480.00	(246,633.53)	297,846.47	30,645.49	10.29%	296,354.92
CONTRIBUTION IN AID	40,000.00		40,000.00	70,516.18	176.29%	
REGULAR CAPITAL MAINTENANCE	(1,616,990.00)	(4,959.50)	(1,621,949.50)	(195,800.54)	12.07%	
CAPITAL PROJECTS	(3,050,000.00)	(4,515,079.08)	(7,565,079.08)	(1,522,777.00)	20.13%	
DEBT SERVICE	(152,930.00)		(152,930.00)	(152,922.11)	99.99%	
DEPRECIATION	1,959,530.00		1,959,530.00	2,002,778.74	102.21%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2024

WATER						
	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	JUNE 2024	PERCENT OF CURRENT BUDGET	JUNE 2023
OPERATING REVENUE	8,929,030.00		8,929,030.00	8,981,152.90	100.58%	8,150,365.34
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,177,120.00	7,212.99	2,184,332.99	1,926,669.93	88.20%	2,103,537.06
ENGINEERING	404,550.00	(17,664.00)	386,886.00	253,963.11	65.64%	215,420.94
DISTRIBUTION	891,480.00	19,795.66	911,275.66	973,552.45	106.83%	767,899.11
SERVICE	260,310.00	7,800.00	268,110.00	156,289.81	58.29%	80,232.20
METERS & REGULATORS	123,310.00		123,310.00	128,586.26	104.28%	101,359.26
DEPRECIATION	1,494,790.00		1,494,790.00	1,545,308.34	103.38%	1,554,848.49
BAD DEBT	30,000.00		30,000.00	66,707.17	222.36%	82,670.75
GENERAL & ADMINISTRATIVE	2,023,620.00	13,969.34	2,037,589.34	2,095,822.10	102.86%	2,227,089.03
TOTAL OPERATING EXPENSES	7,405,180.00	31,113.99	7,436,293.99	7,146,899.17	96.11%	7,133,056.84
OPERATING INCOME (LOSS)	1,523,850.00	(31,113.99)	1,492,736.01	1,834,253.73	122.88%	1,017,308.50
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	69,670.00		69,670.00	373,493.44	536.09%	50,957.59
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%	-
JOBGING INCOME (LOSS)	132,000.00		132,000.00	232,955.35	176.48%	160,682.88
INTEREST ON LONG TERM INDEBTEDNESS	(499,580.00)		(499,580.00)	(371,641.96)	74.39%	(148,800.60)
NET INCOME (LOSS)	1,240,440.00	(31,113.99)	1,209,326.01	2,069,060.56	171.09%	1,085,344.95
OPERATING TRANSFERS IN (OUT)	(966,300.00)		(966,300.00)	(966,300.00)	100.00%	(953,300.00)
NET INCOME AFTER TRANSFERS	274,140.00	(31,113.99)	243,026.01	1,102,760.56	453.76%	132,044.95
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,128,280.00)	(375,386.98)	(1,503,666.98)	(1,380,881.09)	91.83%	
CAPITAL PROJECTS	(680,000.00)	(11,632,968.98)	(12,312,968.98)	(6,609,221.64)	53.68%	
DEBT SERVICE	(242,600.00)		(242,600.00)	(242,595.95)	100.00%	
DEPRECIATION	1,494,790.00		1,494,790.00	1,545,308.34	103.38%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2024

GAS						
	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	JUNE 2024	PERCENT OF CURRENT BUDGET	JUNE 2023
OPERATING REVENUE	27,234,710.00		27,234,710.00	19,178,974.12	70.42%	25,397,796.20
	-					
COST OF SALES	-					
PURCHASED SERVICES	18,221,520.00		18,221,520.00	11,042,400.05	60.60%	17,379,341.12
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	18,221,520.00	-	18,221,520.00	11,042,400.05		17,379,341.12
GROSS PROFIT	9,013,190.00	-	9,013,190.00	8,136,574.07		8,018,455.08
GROSS PROFIT %	33.09%		33.09%	42.42%		31.57%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	378,230.00	(21,217.00)	357,013.00	266,781.41	74.73%	217,756.15
DISTRIBUTION	863,640.00	249,045.05	1,112,685.05	1,058,869.07	95.16%	745,878.25
SERVICE	258,810.00	12,270.68	271,080.68	47,020.94	17.35%	50,258.33
METERS & REGULATORS	159,230.00	(10,513.97)	148,716.03	136,918.11	92.07%	134,440.84
DEPRECIATION	1,554,450.00		1,554,450.00	1,604,723.86	103.23%	1,575,309.81
BAD DEBT	50,000.00		50,000.00	147,645.55	295.29%	136,773.47
GENERAL & ADMINISTRATIVE	2,200,950.00	28,100.15	2,229,050.15	2,127,866.17	95.46%	2,018,449.06
TOTAL OPERATING EXPENSES	5,465,310.00	257,684.91	5,722,994.91	5,389,825.11	94.18%	4,878,865.91
OPERATING INCOME (LOSS)	3,547,880.00	(257,684.91)	3,290,195.09	2,746,748.96	83.48%	3,139,589.17
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	100,110.00		100,110.00	392,006.38	391.58%	66,860.96
RECOVERIES AND REBATES	(5,000.00)		(5,000.00)	421.12	0.00%	18,731.29
GAIN/LOSS ON DISPOSAL	-		-	49,680.00	0.00%	-
JOBGING INCOME (LOSS)	115,940.00		115,940.00	580,563.82	500.75%	176,337.24
INTEREST ON LONG TERM INDEBTEDNESS	(23,850.00)		(23,850.00)	(23,846.61)	99.99%	(25,311.92)
NET INCOME (LOSS)	3,735,080.00	(257,684.91)	3,477,395.09	3,745,573.67	107.71%	3,376,206.74
OPERATING TRANSFERS IN (OUT)	(3,199,330.00)		(3,199,330.00)	(3,199,329.96)	100.00%	(3,196,330.00)
NET INCOME AFTER TRANSFERS	535,750.00	(257,684.91)	278,065.09	546,243.71	196.44%	179,876.74
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(558,860.00)	(111,294.17)	(670,154.17)	(751,486.74)	112.14%	
CAPITAL PROJECTS	(1,100,000.00)	(7,412,671.89)	(8,512,671.89)	(981,413.13)	11.53%	
DEBT SERVICE	(93,030.00)		(93,030.00)	(93,022.95)	99.99%	
DEPRECIATION	1,554,450.00		1,554,450.00	1,545,862.20	99.45%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2024

ELECTRIC

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	JUNE 2024	PERCENT OF CURRENT BUDGET	JUNE 2023
OPERATING REVENUE	132,932,400.00		132,932,400.00	128,333,088.81	96.54%	126,034,106.13
COST OF SALES						
PURCHASED SERVICES	97,843,510.00		97,843,510.00	98,863,171.28	101.04%	97,011,515.48
PRODUCTION	-	-	-	3,525.90		1,709.63
TOTAL COST OF SALES	97,843,510.00	-	97,843,510.00	98,866,697.18		97,013,225.11
GROSS PROFIT	35,088,890.00	-	35,088,890.00	29,466,391.63		29,020,881.02
GROSS PROFIT %	26.40%		26.40%	22.96%		23.03%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,686,950.00	109,779.76	1,796,729.76	2,006,669.24	111.68%	1,746,185.26
ENGINEERING	1,373,980.00	104,816.41	1,478,796.41	1,391,214.07	94.08%	886,598.43
DISTRIBUTION	5,165,740.00	948,417.25	6,114,157.25	6,028,466.27	98.60%	6,864,691.73
SERVICE	-	-	-	-		-
METERS & REGULATORS	384,260.00	102,824.33	487,084.33	526,531.85	108.10%	471,381.40
DEPRECIATION	8,104,400.00		8,104,400.00	8,337,698.82	102.88%	8,237,386.37
BAD DEBT	375,000.00		375,000.00	593,556.75	158.28%	892,720.30
GENERAL & ADMINISTRATIVE	5,984,870.00	483,308.63	6,468,178.63	5,765,602.39	89.14%	6,161,739.11
TOTAL OPERATING EXPENSES	23,075,200.00	1,749,146.38	24,824,346.38	24,649,739.39	99.30%	25,260,702.60
OPERATING INCOME (LOSS)	12,013,690.00	(1,749,146.38)	10,264,543.62	4,816,652.24	46.93%	3,760,178.42
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	202,680.00		202,680.00	631,046.94	311.35%	153,242.20
RECOVERIES AND REBATES	(100,000.00)		(100,000.00)	(84,198.87)	84.20%	564,089.21
GAIN/LOSS ON DISPOSAL	30,000.00		30,000.00	28,247.00	94.16%	81,956.64
JOBGING INCOME (LOSS)	881,450.00	(421,488.00)	459,962.00	3,284,007.56	713.97%	1,651,061.66
INTEREST ON LONG TERM INDEBTEDNESS	(2,374,200.00)		(2,374,200.00)	(1,913,170.24)	80.58%	(1,533,197.40)
NET INCOME (LOSS)	10,653,620.00	(2,170,634.38)	8,482,985.62	6,762,584.63	79.72%	4,677,330.73
OPERATING TRANSFERS IN (OUT)	(10,635,610.00)		(10,635,610.00)	(9,635,609.96)	90.60%	(10,572,610.00)
NET INCOME AFTER TRANSFERS	18,010.00	(2,170,634.38)	(2,152,624.38)	(2,873,025.33)	133.47%	(5,895,279.27)
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)	(5,460,272.57)	73.85%	
CAPITAL PROJECTS	-	(6,359,647.79)	(6,359,647.79)	(11,259,258.93)	177.04%	
DEBT SERVICE	(3,627,660.00)	-	(3,627,660.00)	(3,627,657.84)	100.00%	
DEPRECIATION	8,104,400.00		8,104,400.00	8,337,698.82	102.88%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2024

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	JUNE 2024	PERCENT OF CURRENT BUDGET	JUNE 2023
OPERATING REVENUE	679,200.00		679,200.00	884,895.19	130.28%	859,843.02
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	65,869.63	109.78%	74,028.44
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	65,869.63		74,028.44
GROSS PROFIT	619,200.00	-	619,200.00	819,025.56		785,814.58
GROSS PROFIT %	91.17%		91.17%	92.56%		91.39%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
DEPRECIATION	437,520.00		437,520.00	445,669.05	101.86%	439,023.10
BAD DEBT	-		-	-		1,987.67
GENERAL & ADMINISTRATIVE	424,900.00	1,000.00	425,900.00	428,335.13	100.57%	470,595.05
TOTAL OPERATING EXPENSES	862,420.00	1,000.00	863,420.00	874,004.18	101.23%	911,605.82
OPERATING INCOME (LOSS)	(243,220.00)	(1,000.00)	(244,220.00)	(54,978.62)	22.51%	(125,791.24)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	7,150.00		7,150.00	32,944.01	460.76%	5,441.47
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBGING INCOME (LOSS)	(4,000.00)		(4,000.00)	14,394.45	-359.86%	(1,345.28)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(240,070.00)	(1,000.00)	(241,070.00)	(7,640.16)	3.17%	(121,695.05)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(81,000.00)	100.00%	(81,000.00)
NET INCOME AFTER TRANSFERS	(321,070.00)	(1,000.00)	(322,070.00)	(88,640.16)	27.52%	(202,695.05)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(50,000.00)		(50,000.00)	(95,133.10)	190.27%	
CAPITAL PROJECTS	-	(511,734.11)	(511,734.11)	(20,586.70)	0.00%	
DEPRECIATION	437,520.00		437,520.00	445,669.05	101.86%	

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	NON-HLF POWER COST RECOVERED	NON-HLF POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - \$4,000,000)	
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	ACTUAL
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	ACTUAL
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	ACTUAL
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	ACTUAL
Oct-23	\$ 7,576,923.46	\$ 1,348,678.26	\$ 6,228,245.20	68,495,099	12,192,000	56,303,099	\$0.035000	\$0.086200	\$0.121200	\$ 6,823,935.60	\$ 595,690.40		\$ 4,074,520.12	ACTUAL
Nov-23	\$ 7,671,684.17	\$ 1,378,516.74	\$ 6,293,167.43	67,289,620	12,091,200	55,198,420	\$0.035000	\$0.086200	\$0.121200	\$ 6,690,048.50	\$ 396,881.07		\$ 4,471,401.19	ACTUAL
Dec-23	\$ 7,964,523.87	\$ 1,236,793.81	\$ 6,727,730.06	75,969,883	11,797,200	64,172,683	\$0.020000	\$0.086200	\$0.106200	\$ 6,815,138.93	\$ 87,408.87		\$ 4,558,810.06	ACTUAL
Jan-24	\$ 10,044,642.44	\$ 1,386,274.86	\$ 8,658,367.58	86,958,053	12,001,200	74,956,853	\$0.010000	\$0.086200	\$0.096200	\$ 7,210,849.26	\$ (1,447,518.32)		\$ 3,111,291.74	ACTUAL
Feb-24	\$ 8,798,361.97	\$ 1,276,950.80	\$ 7,521,411.17	87,989,766	12,770,400	75,219,366	\$0.005000	\$0.086200	\$0.091200	\$ 6,860,006.18	\$ (661,404.99)		\$ 2,449,886.75	ACTUAL
Mar-24	\$ 8,165,377.78	\$ 1,359,137.63	\$ 6,806,240.15	72,345,491	12,042,000	60,303,491	\$0.010000	\$0.086200	\$0.096200	\$ 5,801,195.83	\$ (1,005,044.32)		\$ 1,444,842.43	ACTUAL
Apr-24	\$ 7,988,247.31	\$ 1,415,151.81	\$ 6,573,095.50	68,638,496	12,159,600	56,478,896	\$0.035000	\$0.086200	\$0.121200	\$ 6,845,242.20	\$ 272,146.70		\$ 1,716,989.13	ACTUAL
May-24	\$ 7,997,325.13	\$ 1,462,056.75	\$ 6,535,268.38	65,363,288	11,949,600	53,413,688	\$0.045000	\$0.086200	\$0.131200	\$ 7,007,875.87	\$ 472,607.49		\$ 2,189,596.62	ACTUAL
Jun-24	\$ 8,759,899.57	\$ 1,478,826.77	\$ 7,281,072.80	77,615,049	13,102,800	64,512,249	\$0.015000	\$0.086200	\$0.101200	\$ 6,528,639.60	\$ (752,433.20)		\$ 1,437,163.42	ACTUAL



Danville Utility Commission

STAFF REPORT

DATE: August 26, 2024
TO: Danville Utility Commission
FROM: Jason Grey, Director of Utilities
RE: Proposed Mount Cross Road Battery Storage Project

Jason Grey will present information on a potential new battery storage project that will help lower transmission and capacity costs for electric ratepayers.

Recommendation: A suggested motion follows:

I move that the Danville Utility Commission recommend to City Council approving the Mount Cross Road 12-megawatt battery storage project to assist with increasing transmission and PJM capacity costs.

ATTACHMENTS

1. Mount Cross BESS Project



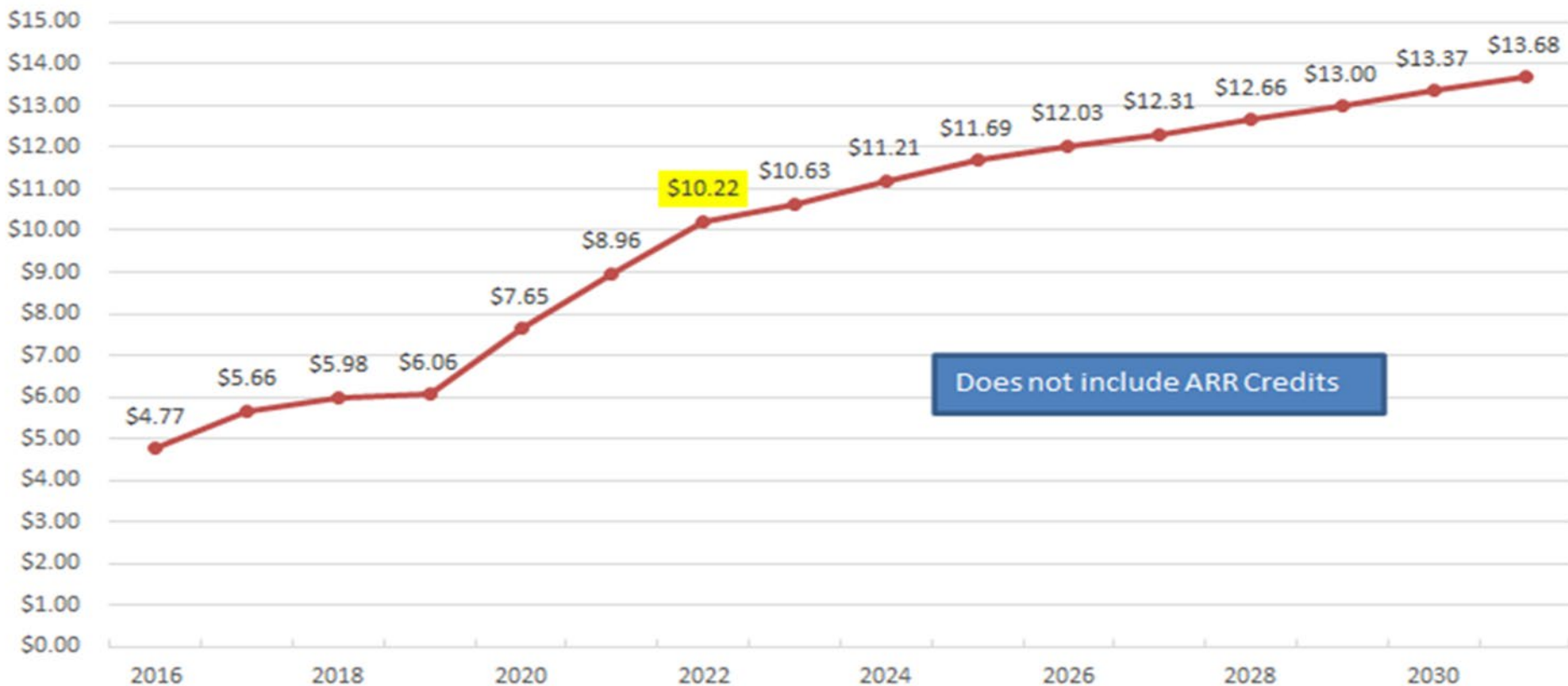
Mount Cross Road Battery Energy Storage System Project

Peaking Capacity

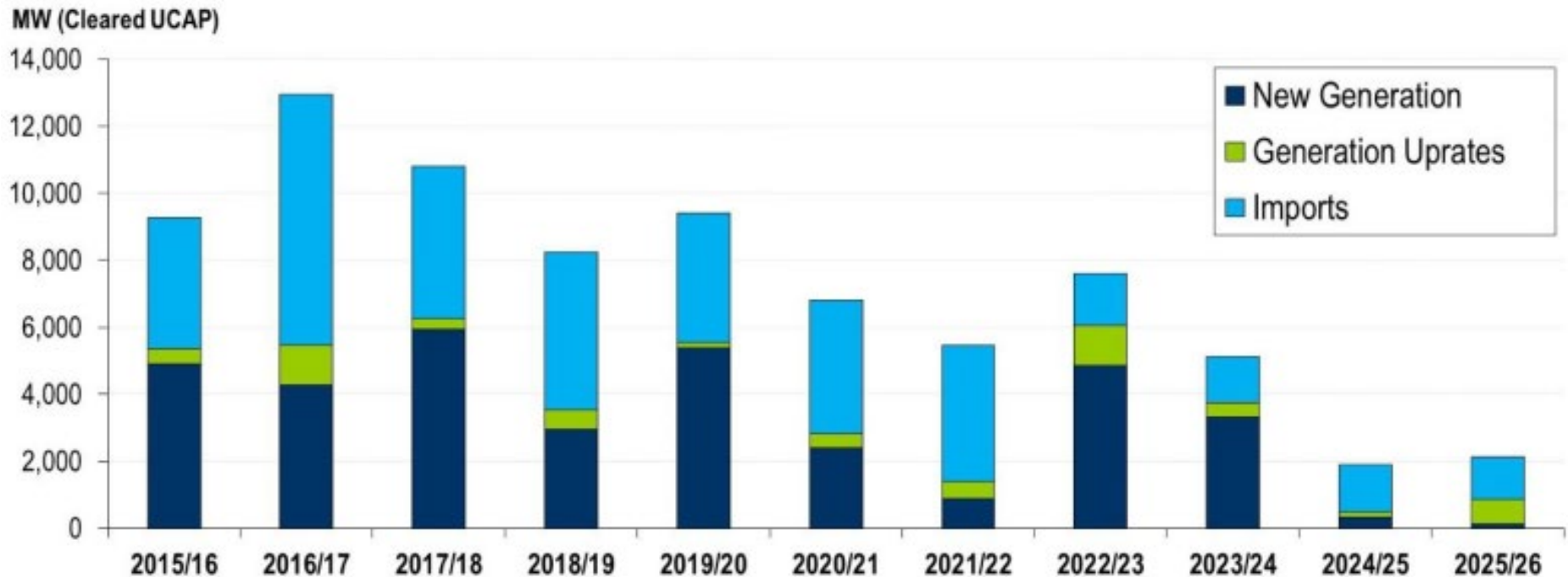
- Seeking summer/winter resource
- Rising transmission and capacity costs
 - 2024 AEP Transmission rate-\$12/kW-month
 - 2025/26 PJM Capacity rate- \$0.96/kW-month to \$8.29/kW-month (900% increase)
- Dispatch based on AEP transmission single peak hour
- Dispatch based on PJM capacity five peak hours (June-September)

Forecasted AEP Transmission Rates

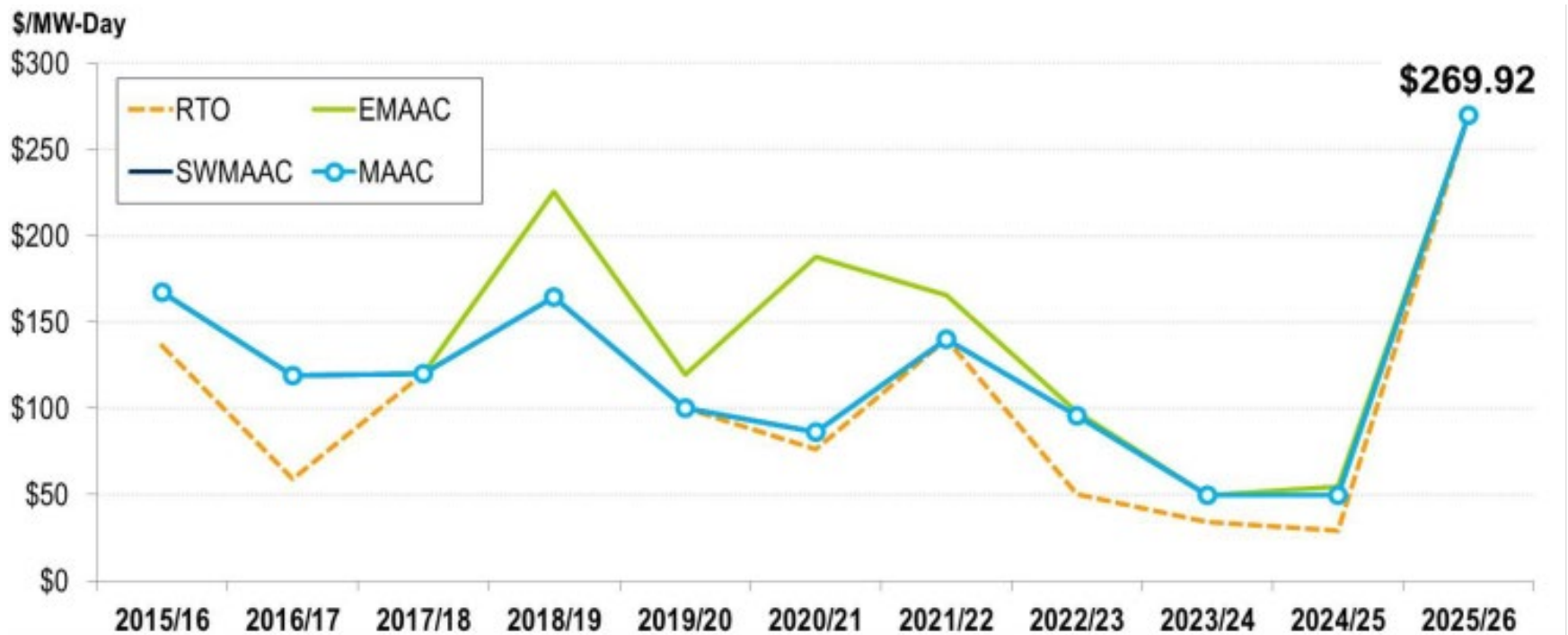
AEP Total Transmission Rates (\$ / kW-mo)



Peaking Capacity

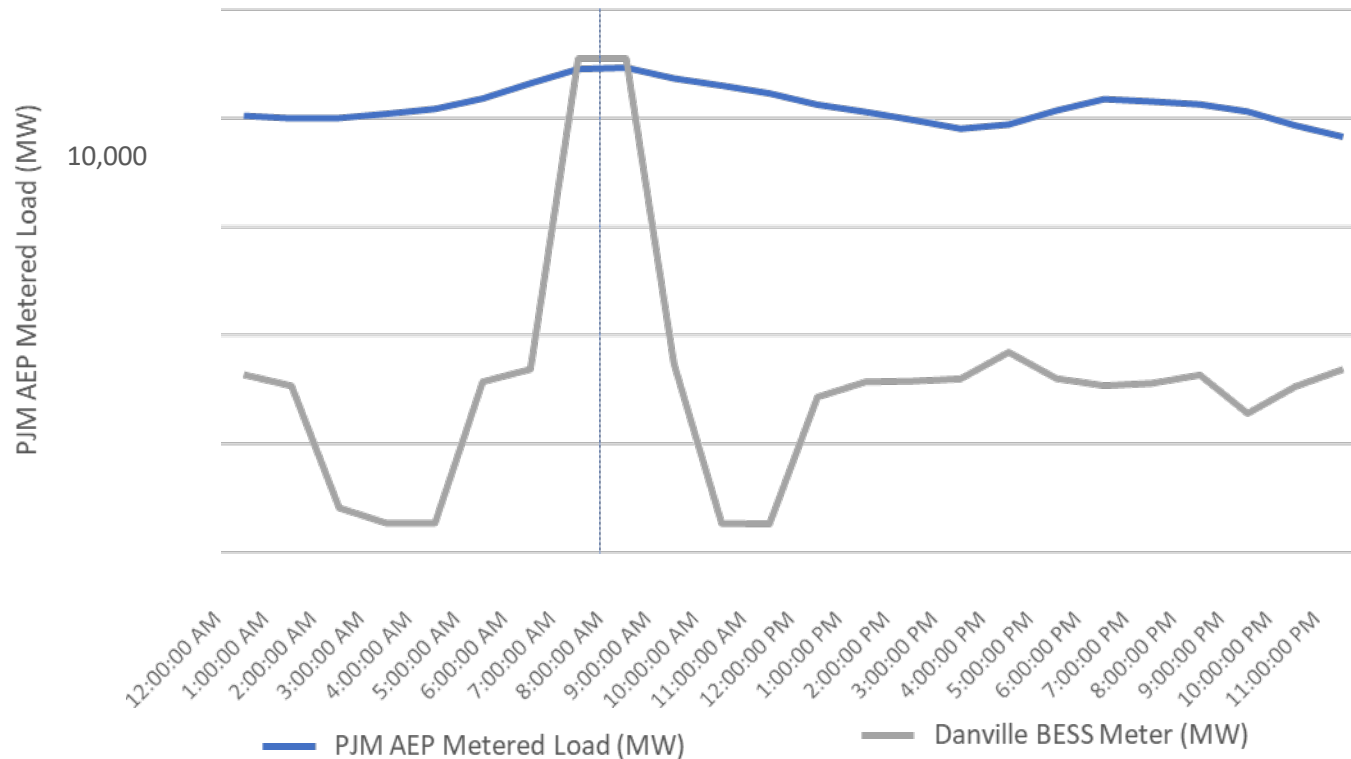


Peaking Capacity (continued)



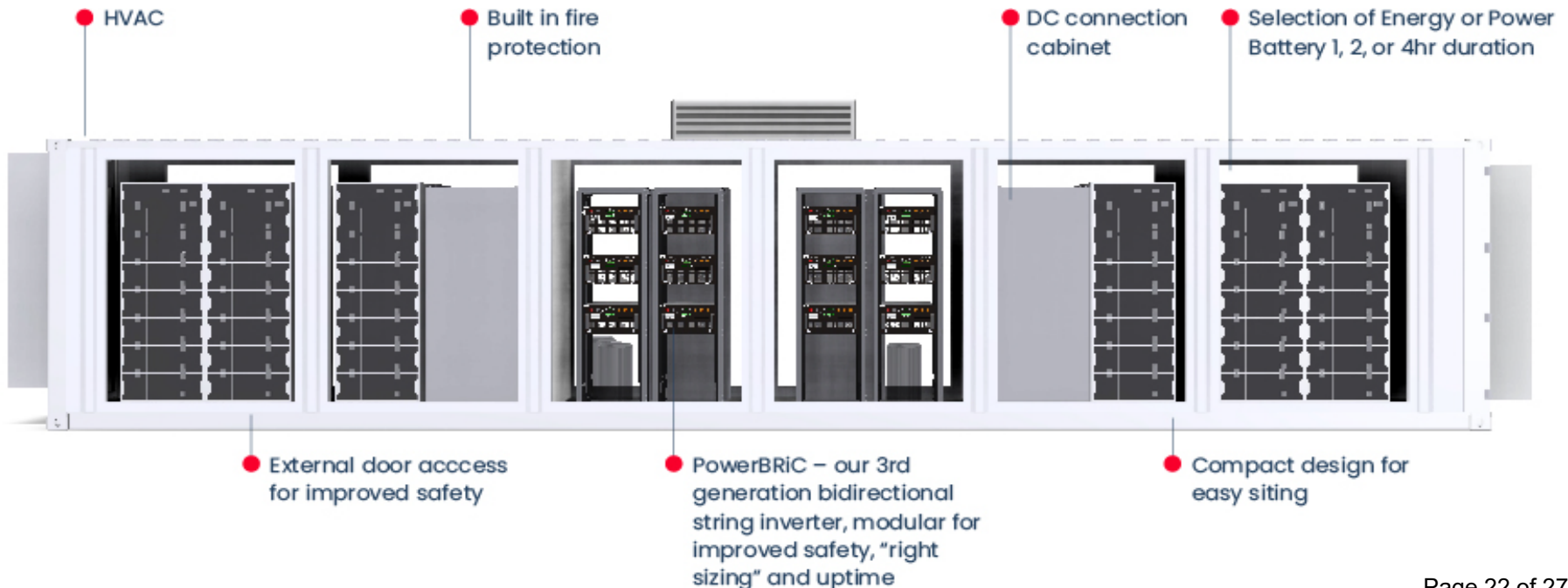
Current Project Performance

Rank	Area	Load (MW)	Date	Net Discharge (MWh)	%
1	AEP	22,318*	01/17/2024	10.404	100%



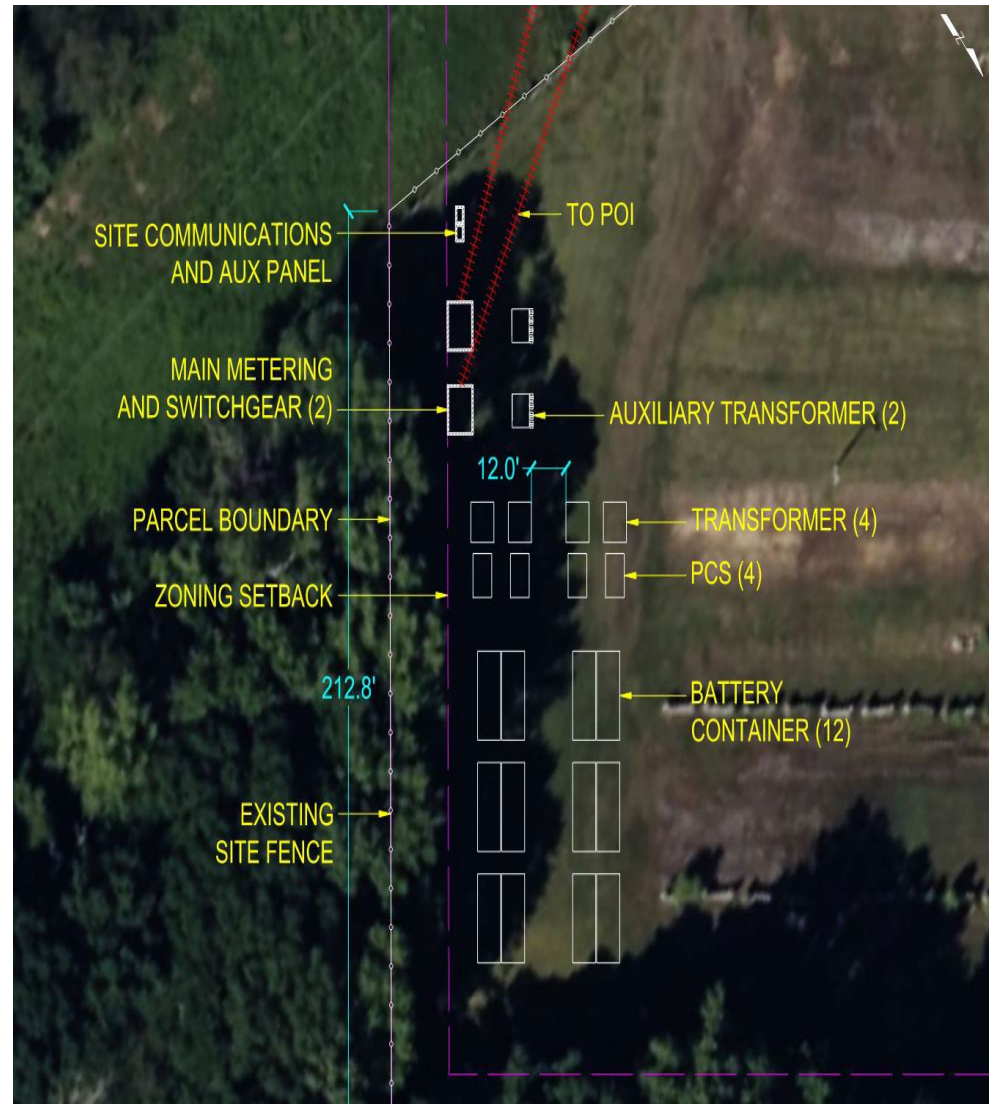
Battery Energy Storage Technology

- Used solely for peak shaving
 - Charge during off-peak hours and discharge during on-peak periods
 - Reduce exposure to rising transmission and capacity rates
 - Batteries and production degrade approximately 1.5% annually



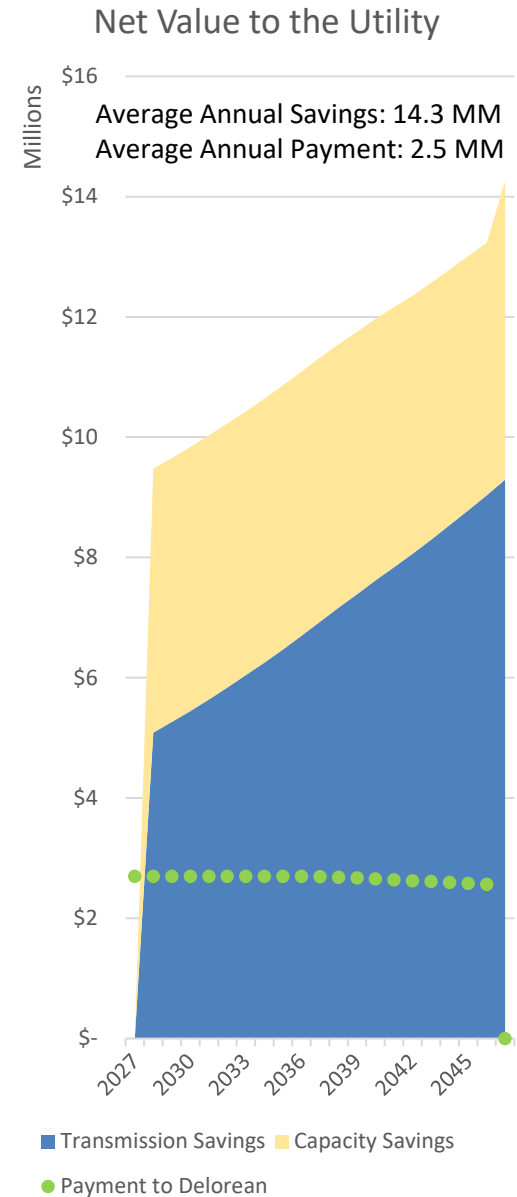
Project Site

- 900 Mount Cross Road
- Former propane plant
- Unused since 1950s
- Partner with Lightshift Energy
- Partner with same developer on Utilities Warehouse project
- Look to enter a purchase power agreement
- Submitting application for TRRC grant



Project Economics

- 4-hour up to 12 MW-Month
- Not to exceed \$6.50/kW-month
- Project completion April 2026
 - Material coming from China
 - New tariffs go into effect January 1, 2026







Questions?