



DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

December 10, 2024

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the October 28, 2024 Commission Meeting
2. Financial Report
3. 2025 Biennial Rate Study

D. PUBLIC COMMENT

Members of the public who desire to speak on any item not on the agenda will be heard during this period. The Chairman/Vice Chairman of the Commission may restrict the number of speakers and limit the length of public comment to three minutes for individuals and five minutes for groups. The group must be present and have a single speaker to be eligible for the five-minute comment period. Sign up shall be in-person and closes when the meeting starts. Comments shall be limited to the provision of information to the Commission and not for the answering of questions.

ADJOURN

Next Meeting: January 27, 2025 at 4:00pm



**Danville Utility
Commission**

STAFF REPORT

DATE: December 10, 2024
TO: Danville Utility Commission
FROM: Janet Davis, Key Accounts Manager
RE: Minutes of the October 28, 2024 Commission Meeting

Minutes of the October 28, 2024 Commission Meeting

ATTACHMENTS

1. October 28 2024 DUC Minutes



Commission Members Present: Anna Kautzman, Helm Dobbins, Vanessa Cain, Gary Miller, Ken Larking, Sheila Williamson-Branch

Commission Members Absent: Steven Merricks, Murray Whittle, Mary Williamson

Staff Present: Jason Grey, Janet Davis, Amy Chandler, Michael Adkins, Renee Burton, Ryan Dodson

Others Present:

Call to Order

Chairman Kautzman 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 23, 2024 Commission Meeting

Ms. Kautzman asked for any corrections, deletions, or adjustments to the minutes from September 23, 2024.

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

Review of Utilities' Financial Statements

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

Presentation on City's Comprehensive Plan

Renee Burton, Director of Planning in Community Development, presented the recommendations in Chapter 4 of the City's Comprehensive Plan relating to electric, water, wastewater, and natural gas services. The Comprehensive Plan has had extensive community input and is scheduled to be presented to the Planning Commission in November and to the City Council in December.

Ms. Williamson-Branch made a motion that the Danville Utility Commission recommends to the City Council supporting the infrastructure recommendations in Chapter 4 of the City's 2024 Comprehensive Plan. Mr. Dobbins seconded. All Commission members voted in favor, and the motion passed.

Department Discussions

Mr. Grey announced that the rate study will be presented at the December Utility Commission meeting. He also mentioned that the City is entering the winter heating season and Danville Utilities has made a couple hedges to secure risk volatility. About 70% of the winter needs are met, leaving 30% on the market and the City is in a good position going into winter.

Ms. Kautzman announced that the next Utility Commission meeting will be held on December 10th.

Public Comment

There were no comments from the public.

Adjournment

There being no further business, Ms. Kautzman adjourned the meeting at 4:37pm.

Submitted by Janet C. Davis
Secretary to the DUC

December 10, 2024
Date Approved

Chairman
Danville Utility Commission



Danville Utility
Commission

STAFF REPORT

DATE: December 10, 2024
TO: Danville Utility Commission
FROM: Amy Chandler, Assistant Director of Finance
RE: Financial Report

October financials will be reviewed.

ATTACHMENTS

1. All Utilities Financial Statements Sept 2024 for DUC

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

	<u>WASTEWATER</u>	<u>WATER</u>	<u>GAS</u>	<u>ELECTRIC</u>	<u>TELECOM</u>	<u>SEPTEMBER 30, 2024</u>
ASSETS						
Equity in pooled Cash and Investments	\$ 7,271,371.76	13,121,306.44	11,878,228.76	17,318,132.43	1,446,238.15	51,035,277.54
Receivables (Net of allowances for Uncollectible):						
Accounts	1,318,782.77	2,408,217.69	1,288,216.71	15,928,771.35	45,353.50	20,989,342.02
Power/Gas Cost Recovery	-	-	(407,831.46)	(3,556,542.25)	-	(3,964,373.71)
Prepays	-	-	-	40,871.67	-	40,871.67
Pension Assets	241.00	437.00	339.00	1,270.00	52.00	2,339.00
Inventory of Gas, Materials and Supplies, at Cost	-	1,012,611.11	1,011,169.60	3,741,353.26	239,534.57	6,004,668.54
Fixed Assets	108,728,152.60	89,631,840.71	73,504,403.38	342,074,954.26	11,317,014.84	625,256,365.79
Accumulated Depreciation	(55,464,113.61)	(46,544,674.11)	(33,041,935.54)	(153,846,581.21)	(5,241,116.07)	(294,138,420.54)
Deferred Outflows - Pension	204,863.00	370,729.00	287,487.00	1,077,328.00	44,446.00	1,984,853.00
	<u>\$ 62,059,297.52</u>	<u>60,000,467.84</u>	<u>54,520,077.45</u>	<u>222,779,557.51</u>	<u>7,851,522.99</u>	<u>407,210,923.31</u>
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts Payable	\$ 237,269.15	399,027.77	732,569.47	11,115,679.00	35,710.37	12,520,255.76
Accrued Interest Payable	15,546.25	112,859.51	8,814.80	614,005.89	-	751,226.45
Customer Deposits	-	-	-	4,056,452.13	-	4,056,452.13
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	(78,868.45)	(76,871.53)	(39,796.29)	(883,111.04)	-	(1,078,647.31)
Original Issue Premium/Discount (Refunding Bonds)	100,565.96	1,126,832.57	47,116.76	5,651,790.77	-	6,926,306.06
General Obligation Bonds Payable	901,992.26	4,165,439.24	481,125.49	41,654,241.36	-	47,202,798.35
Revenue Bonds Payable	-	6,443,657.14	-	11,456,342.86	-	17,900,000.00
Long-Term Leases, Notes, and Contracts Payable	-	62,247.58	62,247.58	589,574.35	-	714,069.51
	<u>\$ 1,177,225.17</u>	<u>12,405,305.48</u>	<u>1,387,226.44</u>	<u>74,926,395.83</u>	<u>46,340.75</u>	<u>89,942,493.67</u>
Net Assets						
Contributed Capital	\$ 4,166,164.78	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,241,829.40
Retained Earnings:						
Restricted for Investment in Fixed Assets	\$ 48,174,184.44	26,689,578.68	38,571,263.72	116,627,486.57	5,738,650.18	235,801,163.59
Restricted for Incomplete Projects	1,435,841.63	668,775.30	274,122.61	4,132,142.34	97,479.13	6,608,361.01
Restricted for Subsequent Expenses	2,442,307.60	91,373.18	(144,918.58)	2,399,261.88	9,659.49	4,797,683.57
Net Pension Assets	241.00	437.00	339.00	1,270.00	52.00	2,339.00
Deferred Outflows - Pension	204,863.00	370,729.00	287,487.00	1,077,328.00	44,446.00	1,984,853.00
Unrestricted	4,663,332.90	15,468,715.28	13,091,533.68	10,971,378.36	1,622,092.85	45,817,053.07
Total Retained Earnings	<u>\$ 56,715,907.57</u>	<u>42,918,879.44</u>	<u>51,792,340.43</u>	<u>134,131,539.15</u>	<u>7,467,933.65</u>	<u>293,026,600.24</u>
	<u>\$ 60,882,072.35</u>	<u>47,595,162.36</u>	<u>53,132,851.01</u>	<u>147,853,161.68</u>	<u>7,805,182.24</u>	<u>317,268,429.64</u>
	<u>\$ 62,059,297.52</u>	<u>60,000,467.84</u>	<u>54,520,077.45</u>	<u>222,779,557.51</u>	<u>7,851,522.99</u>	<u>407,210,923.31</u>

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

	<u>WASTEWATER</u>	<u>WATER</u>	<u>GAS</u>	<u>ELECTRIC</u>	<u>TELECOM</u>	<u>SEPTEMBER 30, 2024</u>
Operating revenues:						
Charges for Services	\$ 2,515,127.57	2,427,478.48	2,261,146.49	34,877,667.12	208,414.61	42,289,834.27
Operating Expenses:						
Purchased Services	\$ -	-	1,575,099.06	25,499,316.69	16,115.49	27,090,531.24
Production	-	-	-	-	-	-
Transmission & Treatment	956,927.16	512,201.89	-	550,501.39	-	2,019,630.44
Engineering	-	66,123.01	62,749.67	216,562.94	-	345,435.62
Distribution	673,642.45	279,810.72	276,298.61	1,596,494.07	-	2,826,245.85
Service	36,231.56	39,313.63	10,602.26	-	-	86,147.45
Meters & Regulators	-	32,877.78	42,963.94	142,654.71	-	218,496.43
Administrative	636,793.58	943,773.62	722,495.14	3,763,315.19	228,421.84	6,294,799.37
Total Operating Expenses	\$ 2,303,594.75	1,874,100.65	2,690,208.68	31,768,844.99	244,537.33	38,881,286.40
Operating Income (Loss)	\$ 211,532.82	553,377.83	(429,062.19)	3,108,822.13	(36,122.72)	3,408,547.87
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	10,648.94	59,378.25	121,950.76	390,816.10	2,922.87	585,716.92
Interest Income	40,278.04	73,583.99	79,750.98	148,094.92	7,740.93	349,448.86
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	1,451.00	-	-	2,175.00	-	3,626.00
Recoveries and Rebates	-	-	180.08	172.97	-	353.05
Interest Expense	(19,460.79)	(98,711.02)	(10,730.73)	(842,808.47)	-	(971,711.01)
Total Non-Operating Revenues (Expenses)	\$ 32,917.19	34,251.22	191,151.09	(301,549.48)	10,663.80	(32,566.18)
Income (Loss) Before Operating Transfers	\$ 244,450.01	587,629.05	(237,911.10)	2,807,272.65	(25,458.92)	3,375,981.69
Operating Transfers:						
Transfers In (Out)	(176,439.99)	(241,575.00)	(3,799,832.49)	(2,658,902.49)	(20,250.00)	(6,896,999.97)
Total Operating Transfers	\$ (176,439.99)	(241,575.00)	(3,799,832.49)	(2,658,902.49)	(20,250.00)	(6,896,999.97)
Net Income (Loss)	\$ 68,010.02	346,054.05	(4,037,743.59)	148,370.16	(45,708.92)	(3,521,018.28)
Net Assets - July 1, 2024, as restated	60,808,611.33	47,249,108.31	57,170,594.60	147,704,791.52	7,850,891.16	320,783,996.92
Net Income (Loss)	68,010.02	346,054.05	(4,037,743.59)	148,370.16	(45,708.92)	(3,521,018.28)
Contribution In Aid of Construction	5,451.00	-	-	-	-	5,451.00
Net Assets -June 30, 2025	\$ 60,882,072.35	47,595,162.36	53,132,851.01	147,853,161.68	7,805,182.24	317,268,429.64

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

WASTEWATER

	ORIGINAL BUDGET 24-25	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 24-25	SEPTEMBER 2024	PERCENT OF CURRENT BUDGET	SEPTEMBER 2023
OPERATING REVENUE	9,313,207.00		9,313,207.00	2,515,127.57	27.01%	2,292,467.17
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,885,859.00	138,670.59	4,024,529.59	956,927.16	23.78%	612,173.39
ENGINEERING	-	-	-	-		-
DISTRIBUTION	2,023,432.87	29,058.31	2,052,491.18	673,642.45	32.82%	364,002.41
SERVICE	178,689.57	-	178,689.57	36,231.56	20.28%	26,840.93
METERS & REGULATORS	-		-	-		-
DEPRECIATION	1,967,370.00	-	1,967,370.00	491,842.50	25.00%	497,745.91
BAD DEBT	36,000.00	-	36,000.00	23,658.84	65.72%	51,017.71
GENERAL & ADMINISTRATIVE	871,445.42	-	871,445.42	121,292.24	13.92%	160,158.70
TOTAL OPERATING EXPENSES	8,962,796.86	167,728.90	9,130,525.76	2,303,594.75	25.23%	1,711,939.05
OPERATING INCOME (LOSS)	350,410.14	(167,728.90)	182,681.24	211,532.82	115.79%	580,528.12
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	36,600.00		36,600.00	40,278.04	110.05%	9,931.03
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	1,451.00		5,250.00
JOBGING INCOME (LOSS)	34,000.00		34,000.00	10,648.94	31.32%	9,258.12
INTEREST ON LONG TERM INDEBTEDNESS	(35,250.00)		(35,250.00)	(19,460.79)	55.21%	(23,283.84)
NET INCOME (LOSS)	385,760.14	(167,728.90)	218,031.24	244,450.01	112.12%	581,683.43
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(176,439.99)	25.00%	(176,439.99)
NET INCOME AFTER TRANSFERS	(319,999.86)	(167,728.90)	(487,728.76)	68,010.02	-13.94%	405,243.44
CONTRIBUTION IN AID	40,000.00		40,000.00	5,451.00	13.63%	
REGULAR CAPITAL MAINTENANCE	(941,143.73)	(79,023.83)	(1,020,167.56)	(64,515.67)	6.32%	
CAPITAL PROJECTS	(600,000.00)	-	(600,000.00)	(80,509.53)	13.42%	
DEBT SERVICE	(160,370.00)		(160,370.00)	(147,289.50)	91.84%	
DEPRECIATION	1,967,370.00		1,967,370.00	491,842.50	25.00%	

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

WATER

	<u>ORIGINAL BUDGET 24-25</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 24-25</u>	<u>SEPTEMBER 2024</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>SEPTEMBER 2023</u>
OPERATING REVENUE	9,079,151.00		9,079,151.00	2,427,478.48	26.74%	2,299,948.16
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,272,223.40	-	2,272,223.40	512,201.89	22.54%	456,170.66
ENGINEERING	355,350.56	16,506.25	371,856.81	66,123.01	17.78%	56,678.80
DISTRIBUTION	1,294,085.31	1,846.00	1,295,931.31	279,810.72	21.59%	207,174.83
SERVICE	198,825.32	-	198,825.32	39,313.63	19.77%	20,361.31
METERS & REGULATORS	154,191.23	-	154,191.23	32,877.78	21.32%	34,320.56
DEPRECIATION	1,519,860.00	-	1,519,860.00	379,965.03	25.00%	382,882.65
BAD DEBT	30,000.00	-	30,000.00	20,916.38	69.72%	44,763.67
GENERAL & ADMINISTRATIVE	2,532,955.04	100.00	2,533,055.04	542,892.21	21.43%	482,226.69
TOTAL OPERATING EXPENSES	8,357,490.86	18,452.25	8,375,943.11	1,874,100.65	22.37%	1,684,579.17
OPERATING INCOME (LOSS)	<u>721,660.14</u>	<u>(18,452.25)</u>	<u>703,207.89</u>	<u>553,377.83</u>	<u>78.69%</u>	<u>615,368.99</u>
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	67,700.00		67,700.00	73,583.99	108.69%	22,224.92
RECOVERIES AND REBATES	10,000.00		10,000.00	-	0.00%	-
GAIN/LOSS ON DISPOSAL	8,000.00		8,000.00	-	0.00%	-
JOBGING INCOME (LOSS)	432,493.20		432,493.20	59,378.25	13.73%	89,137.21
INTEREST ON LONG TERM INDEBTEDNESS	<u>(367,920.00)</u>		<u>(367,920.00)</u>	<u>(98,711.02)</u>	<u>26.83%</u>	<u>(104,775.93)</u>
NET INCOME (LOSS)	<u>871,933.34</u>	<u>(18,452.25)</u>	<u>853,481.09</u>	<u>587,629.05</u>	<u>68.85%</u>	<u>621,955.19</u>
OPERATING TRANSFERS IN (OUT)	<u>(966,300.00)</u>		<u>(966,300.00)</u>	<u>(241,575.00)</u>	<u>25.00%</u>	<u>(241,575.00)</u>
NET INCOME AFTER TRANSFERS	<u>(94,366.66)</u>	<u>(18,452.25)</u>	<u>(112,818.91)</u>	<u>346,054.05</u>	<u>-306.73%</u>	<u>380,380.19</u>
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(816,715.15)	(115,477.95)	(932,193.10)	(151,206.19)	16.22%	
CAPITAL PROJECTS	-	-	-	(711,907.73)	#DIV/0!	
DEBT SERVICE	(557,230.00)		(557,230.00)	(238,545.50)	42.81%	
DEPRECIATION	1,519,860.00		1,519,860.00	379,965.03	25.00%	

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

GAS

	ORIGINAL BUDGET 24-25	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 24-25	SEPTEMBER 2024	PERCENT OF CURRENT BUDGET	SEPTEMBER 2023
OPERATING REVENUE	20,506,922.00		20,506,922.00	2,261,146.49	11.03%	2,534,419.17
COST OF SALES	-		-			
PURCHASED SERVICES PRODUCTION	12,519,009.00		12,519,009.00	1,575,099.06	12.58%	1,777,329.89
TOTAL COST OF SALES	12,519,009.00	-	12,519,009.00	1,575,099.06		1,777,329.89
GROSS PROFIT	7,987,913.00	-	7,987,913.00	686,047.43		757,089.28
GROSS PROFIT %	38.95%		38.95%	30.34%		29.87%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	376,172.26	23,000.00	399,172.26	62,749.67	15.72%	56,935.83
DISTRIBUTION	1,302,490.31	-	1,302,490.31	276,298.61	21.21%	247,761.78
SERVICE	162,576.26	-	162,576.26	10,602.26	6.52%	9,390.48
METERS & REGULATORS	185,913.74	(3,000.00)	182,913.74	42,963.94	23.49%	40,342.25
DEPRECIATION	1,578,100.00	-	1,578,100.00	394,525.02	25.00%	397,753.21
BAD DEBT	55,000.00	-	55,000.00	45,606.68	82.92%	108,307.30
GENERAL & ADMINISTRATIVE	2,409,665.05	-	2,409,665.05	282,363.44	11.72%	406,156.72
TOTAL OPERATING EXPENSES	6,069,917.62	20,000.00	6,089,917.62	1,115,109.62	18.31%	1,266,647.57
OPERATING INCOME (LOSS)	1,917,995.38	(20,000.00)	1,897,995.38	(429,062.19)	-22.61%	(509,558.29)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	71,000.00		71,000.00	79,750.98	112.33%	20,364.46
RECOVERIES AND REBATES	-		-	180.08	0.00%	378.50
GAIN/LOSS ON DISPOSAL	-		-	-	0.00%	20,054.00
JOBGING INCOME (LOSS)	184,308.49		184,308.49	121,950.76	66.17%	144,217.50
INTEREST ON LONG TERM INDEBTEDNESS	(19,090.00)		(19,090.00)	(10,730.73)	56.21%	(13,056.30)
NET INCOME (LOSS)	2,154,213.87	(20,000.00)	2,134,213.87	(237,911.10)	-11.15%	(337,600.13)
OPERATING TRANSFERS IN (OUT)	(3,199,330.00)	-	(3,199,330.00)	(3,799,832.49)	118.77%	(799,832.49)
NET INCOME AFTER TRANSFERS	(1,045,116.13)	(20,000.00)	(1,065,116.13)	(4,037,743.59)	379.09%	(1,137,432.62)
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(318,632.50)	(29,012.33)	(347,644.83)	(100,320.47)	28.86%	
CAPITAL PROJECTS	-	-	-	(26,850.37)	#DIV/0!	
DEBT SERVICE	(97,590.00)		(97,590.00)	(95,104.50)	97.45%	
DEPRECIATION	1,578,100.00		1,578,100.00	394,525.02	25.00%	

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

ELECTRIC

	ORIGINAL BUDGET 24-25	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 24-25	SEPTEMBER 2024	PERCENT OF CURRENT BUDGET	SEPTEMBER 2023
OPERATING REVENUE	135,268,081.00	-	135,268,081.00	34,877,667.12	25.78%	32,496,139.34
COST OF SALES						
PURCHASED SERVICES	97,085,465.00	-	97,085,465.00	25,499,316.69	26.26%	23,896,185.56
PRODUCTION	116,000.00	-	116,000.00	-		1,524.14
TOTAL COST OF SALES	97,201,465.00	-	97,201,465.00	25,499,316.69		23,897,709.70
GROSS PROFIT	38,066,616.00	-	38,066,616.00	9,378,350.43		8,598,429.64
GROSS PROFIT %	28.14%		28.14%	26.89%		26.46%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,897,670.40	50,304.80	1,947,975.20	550,501.39	28.26%	415,831.17
ENGINEERING	1,317,335.78	12,799.91	1,330,135.69	216,562.94	16.28%	417,160.78
DISTRIBUTION	6,111,984.95	575,069.27	6,687,054.22	1,596,494.07	23.87%	1,439,464.92
METERS & REGULATORS	562,827.90	-	562,827.90	142,654.71	25.35%	134,018.24
DEPRECIATION	8,206,890.00	-	8,206,890.00	2,051,722.50	25.00%	2,068,517.97
BAD DEBT	375,000.00	-	375,000.00	211,819.86	56.49%	393,348.89
GENERAL & ADMINISTRATIVE	6,550,924.14	436,285.87	6,987,210.01	1,499,772.83	21.46%	1,381,482.99
TOTAL OPERATING EXPENSES	25,022,633.17	1,074,459.85	26,097,093.02	6,269,528.30	24.02%	6,249,824.96
OPERATING INCOME (LOSS)	13,043,982.83	(1,074,459.85)	11,969,522.98	3,108,822.13	25.97%	2,348,604.68
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	141,300.00	-	141,300.00	148,094.92	104.81%	40,494.33
RECOVERIES AND REBATES	-	-	-	172.97	0.00%	(17,916.30)
GAIN/LOSS ON DISPOSAL	47,000.00	-	47,000.00	2,175.00	4.63%	14,105.00
JOBGING INCOME (LOSS)	2,773,949.53	(205,013.08)	2,568,936.45	390,816.10	15.21%	554,924.46
INTEREST ON LONG TERM INDEBTEDNESS	(1,750,460.00)	-	(1,750,460.00)	(842,808.47)	48.15%	(926,473.61)
NET INCOME (LOSS)	14,255,772.36	(1,279,472.93)	12,976,299.43	2,807,272.65	21.63%	2,013,738.56
OPERATING TRANSFERS IN (OUT)	(10,635,610.00)	-	(10,635,610.00)	(2,658,902.49)	25.00%	(2,658,902.49)
NET INCOME AFTER TRANSFERS	3,620,162.36	(1,279,472.93)	2,340,689.43	148,370.16	6.34%	(645,163.93)
CONTRIBUTION IN AID	-	-	-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(6,928,453.18)	(722,828.15)	(7,651,281.33)	(943,954.32)	12.34%	
CAPITAL PROJECTS	(51,994.95)	-	(51,994.95)	(6,540,994.78)	12580.06%	
DEBT SERVICE	(4,499,660.00)	-	(4,499,660.00)	(2,707,772.93)	60.18%	
DEPRECIATION	8,206,890.00	-	8,206,890.00	2,051,722.50	25.00%	

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

TELECOMMUNICATIONS

	<u>ORIGINAL BUDGET 24-25</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 24-25</u>	<u>SEPTEMBER 2024</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>SEPTEMBER 2023</u>
OPERATING REVENUE	744,180.00		744,180.00	208,414.61	28.01%	227,525.25
COST OF SALES						
PURCHASED SERVICES	70,000.00		70,000.00	16,115.49	23.02%	17,138.65
PRODUCTION			-	-		-
TOTAL COST OF SALES	<u>70,000.00</u>	<u>-</u>	<u>70,000.00</u>	<u>16,115.49</u>		<u>17,138.65</u>
GROSS PROFIT	674,180.00	-	674,180.00	192,299.12		210,386.60
GROSS PROFIT %	90.59%		90.59%	92.27%		92.47%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
DEPRECIATION	440,540.00	-	440,540.00	110,135.01	25.00%	111,351.10
BAD DEBT			-	-		-
GENERAL & ADMINISTRATIVE	<u>462,414.35</u>	<u>(6,473.01)</u>	<u>455,941.34</u>	<u>118,286.83</u>	<u>25.94%</u>	<u>99,393.43</u>
TOTAL OPERATING EXPENSES	902,954.35	(6,473.01)	896,481.34	228,421.84	25.48%	210,744.53
OPERATING INCOME (LOSS)	<u>(228,774.35)</u>	<u>6,473.01</u>	<u>(222,301.34)</u>	<u>(36,122.72)</u>	<u>16.25%</u>	<u>(357.93)</u>
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	5,620.00	-	5,620.00	7,740.93	137.74%	1,647.62
RECOVERIES AND REBATES	-	-	-	-		-
GAIN/LOSS ON DISPOSAL	-	-	-	-		-
JOBGING INCOME (LOSS)	(553.84)	-	(553.84)	2,922.87	-527.75%	12.42
INTEREST ON LONG TERM INDEBTEDNESS	-	-	-	-		-
NET INCOME (LOSS)	<u>(223,708.19)</u>	<u>6,473.01</u>	<u>(217,235.18)</u>	<u>(25,458.92)</u>	<u>11.72%</u>	<u>1,302.11</u>
OPERATING TRANSFERS IN (OUT)	<u>(81,000.00)</u>		<u>(81,000.00)</u>	<u>(20,250.00)</u>	<u>25.00%</u>	<u>(20,250.00)</u>
NET INCOME AFTER TRANSFERS	<u>(304,708.19)</u>	<u>6,473.01</u>	<u>(298,235.18)</u>	<u>(45,708.92)</u>	<u>15.33%</u>	<u>(18,947.89)</u>
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(100,000.00)	(6,473.01)	(106,473.01)	(17,073.68)	16.04%	
CAPITAL PROJECTS	-	-	-	(394.06)	0.00%	
DEPRECIATION	440,540.00	-	440,540.00	110,135.01	25.00%	

Mo Rate Applied	WACOG		Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f) PGA (i)		(Independent of Commod)	(Does not include Demand Recovery)			Commodity Recovery Balance	
	WACOG	Plus Losses						Cum Over (Under) Demand Recovery Current FY	Monthly Commodity Cost	Monthly Commodity Recovered	Monthly Commodity Over (Under) Recovery	Over (Under) +/- \$2,000,000	
Jun-24	\$ 3.57523	\$ 3.64819	\$ 1.00000	\$ -		\$ 4.57274	\$ 3.57274	\$ (6,112.73)	\$ 357,369.86	\$ 447,669.89	\$ 90,300.03	\$235,984.30	Final
Jul-24	\$ 3.76443	\$ 3.84126	\$ -	\$ -	\$ -	\$ 3.49148	\$ 3.49148	\$ (214,058.68)	\$ 338,803.93	\$ 385,627.48	\$ 46,823.55	\$282,807.85	Final
Aug-24	\$ 3.62276	\$ 3.69669	\$ -	\$ -	\$ -	\$ 3.33419	\$ 3.33419	\$ (424,290.88)	\$ 281,995.86	\$ 341,458.68	\$ 59,462.83	\$342,270.68	Final
Sep-24	\$ 4.67503	\$ 4.77044	\$ -	\$ -	\$ -	\$ 3.87452	\$ 3.87452	\$ (626,426.88)	\$ 334,675.93	\$ 400,236.71	\$ 65,560.79	\$407,831.46	Final
Oct-24	\$ 3.59862	\$ 3.67206	\$ 0.50000	\$ -	\$ -	\$ 4.17206	\$ 3.67206	\$ (812,369.44)	\$ 577,634.30	\$ 506,524.73	\$ (71,109.57)	\$336,721.89	Est
Nov-24	\$ 3.08962	\$ 3.15267	\$ 2.32000	\$ -	\$ -	\$ 5.47267	\$ 3.15267	\$ (787,476.63)	\$ 855,571.47	\$ 682,012.79	\$ (173,558.67)	\$163,163.22	Est
Dec-24	\$ 3.03255	\$ 3.08669	\$ 2.32000	\$ -	\$ -	\$ 5.40669	\$ 3.08669	\$ (558,579.84)	\$ 1,061,500.88	\$ 1,014,735.94	\$ (46,764.94)	\$116,398.28	Est
Jan-25	\$ 2.88905	\$ 2.92324	\$ 2.32000	\$ -	\$ -	\$ 5.24324	\$ 2.92324	\$ (162,827.81)	\$ 1,191,522.07	\$ 1,090,076.85	\$ (101,445.23)	\$14,953.05	Est
Feb-25	\$ 2.75239	\$ 2.76865	\$ 2.32000	\$ -	\$ -	\$ 5.08865	\$ 2.76865	\$ 231,398.68	\$ 859,251.75	\$ 1,106,047.08	\$ 246,795.34	\$261,748.39	Est
Mar-25	\$ 2.82071	\$ 2.82071	\$ 2.32000	\$ -	\$ -	\$ 5.14071	\$ 2.82071	\$ 375,725.35	\$ 735,983.43	\$ 779,451.52	\$ 43,468.09	\$305,216.48	Est
Apr-25	\$ 2.90415	\$ 2.90415	\$ 2.32000	\$ -	\$ -	\$ 5.22415	\$ 2.90415	\$ 450,319.64	\$ 493,776.11	\$ 714,180.12	\$ 220,404.01	\$525,620.49	Est
May-25	\$ 2.83332	\$ 2.83332	\$ -	\$ -	\$ -	\$ 2.83332	\$ 2.83332	\$ 239,873.08	\$ 418,844.26	\$ 497,111.04	\$ 78,266.78	\$603,887.27	Est
Jun-25	\$ 2.91907	\$ 2.91907	\$ -	\$ -	\$ -	\$ 2.91907	\$ 2.91907	\$ 37,736.61	\$360,815.99	\$ 450,499.05	\$ 89,683.06	\$693,570.33	Est

After PGAs are calculated, manually code them before reconciling the month

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	ADJUSTMNTS	CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - \$4,000,000)	
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
Jul-24	\$ 9,165,544.38	\$ 1,346,591.16	\$ 7,818,953.22	95,930,514	14,094,000	81,836,514	\$0.010000	\$0.086200	\$0.096200	\$ 7,872,672.65	\$ 53,719.43		\$ 1,490,882.85	ACTUAL
Aug-24	\$ 8,209,040.08	\$ 1,237,438.32	\$ 6,971,601.76	98,967,150	14,918,400	84,048,750	\$0.010000	\$0.086200	\$0.096200	\$ 8,085,489.75	\$ 1,113,887.99		\$ 2,604,770.84	ACTUAL
Sep-24	\$ 8,124,732.23	\$ 1,325,617.48	\$ 6,799,114.75	87,213,462	14,229,600	72,983,862	\$0.020000	\$0.086200	\$0.106200	\$ 7,750,886.14	\$ 951,771.39		\$ 3,556,542.23	ACTUAL
Oct-24	\$ 7,348,028.44	\$ 1,322,716.67	\$ 6,025,311.77	67,529,680	12,156,000	55,373,680	\$0.025000	\$0.086200	\$0.111200	\$ 6,157,553.22	\$ 132,241.45		\$ 3,688,783.69	PROJECTED
Nov-24	\$ 7,628,671.10	\$ 1,357,996.45	\$ 6,270,674.65	64,836,009	11,541,600	53,294,409	\$0.035000	\$0.086200	\$0.121200	\$ 6,459,282.37	\$ 188,607.72		\$ 3,877,391.41	PROJECTED
Dec-24	\$ 8,996,943.35	\$ 1,345,697.19	\$ 7,651,246.16	71,561,183	10,703,600	60,857,583	\$0.020000	\$0.086200	\$0.106200	\$ 6,463,075.31	\$ (1,188,170.85)		\$ 2,689,220.56	PROJECTED
Jan-25	\$ 9,402,152.11	\$ 1,367,851.25	\$ 8,034,300.86	82,093,563	11,943,200	70,150,363	\$0.010000	\$0.086200	\$0.096200	\$ 6,748,464.92	\$ (1,285,835.94)		\$ 1,403,384.62	PROJECTED
Feb-25	\$ 8,165,631.79	\$ 1,124,237.11	\$ 7,041,394.68	86,244,006	11,874,000	74,370,006	\$0.005000	\$0.086200	\$0.091200	\$ 6,782,544.55	\$ (258,850.13)		\$ 1,144,534.49	PROJECTED
Mar-25	\$ 7,618,418.43	\$ 1,268,791.29	\$ 6,349,627.14	66,680,833	11,105,200	55,575,633	\$0.015000	\$0.086200	\$0.101200	\$ 5,624,254.06	\$ (725,373.08)		\$ 419,161.41	PROJECTED
Apr-25	\$ 7,288,283.07	\$ 1,218,928.08	\$ 6,069,354.99	70,017,088	11,710,000	58,307,088	\$0.035000	\$0.086200	\$0.121200	\$ 7,066,819.07	\$ 997,464.08		\$ 1,416,625.50	PROJECTED
May-25	\$ 6,789,670.97	\$ 1,192,425.48	\$ 5,597,245.49	60,734,484	10,666,400	50,068,084	\$0.045000	\$0.086200	\$0.131200	\$ 6,568,932.62	\$ 971,687.13		\$ 2,388,312.63	PROJECTED
Jun-25	\$ 7,780,956.91	\$ 1,211,621.66	\$ 6,569,335.25	71,648,257	11,156,800	60,491,457	\$0.020000	\$0.086200	\$0.106200	\$ 6,424,192.73	\$ (145,142.52)		\$ 2,243,170.11	PROJECTED



**Danville Utility
Commission**

STAFF REPORT

DATE: December 10, 2024
TO: Danville Utility Commission
FROM: Jason Grey, Director of Utilities
RE: 2025 Biennial Rate Study

Mark Beauchamp from Utility Financial Solutions will be presenting his company's findings at the meeting based on their review of the City's electric, gas, water and wastewater rate requirements for fiscal years 2026 and 2027.

ATTACHMENTS

1. Danville All V2.1

Danville Utilities

Electric, Gas, Wastewater, Water Cost of Service Study

Mark Beauchamp

President, Utility Financial Solutions, LLC

Discussion

Financial Projection

Cost of Service

Rate Design

Electric Department Financial Projection and Cost of Service Summary

Summary Financial Results – No Increase

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash
2026	0.0%	1.87	\$ (2,118,931)	\$ 9,145,177	\$ 29,200,456	\$ 29,867,282
2027	0.0%	1.84	\$ (2,537,730)	9,163,289	\$ 30,233,583	29,763,894
2028	0.0%	1.72	\$ (3,083,372)	9,195,603	\$ 30,744,791	31,827,742
2029	0.0%	1.56	\$ (3,646,477)	9,333,111	\$ 25,403,754	36,973,870
2030	0.0%	1.54	\$ (4,580,964)	9,464,509	\$ 19,856,601	37,438,739

Summary Financial Results – With Increase

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash
2026	3.0%	2.76	\$ 1,887,056	\$ 9,145,177	\$ 33,206,443	\$ 29,867,282
2027	0.0%	2.86	\$ 1,528,347	9,163,289	\$ 38,325,676	29,763,894
2028	0.0%	2.74	\$ 1,043,696	9,195,603	\$ 43,004,412	31,827,742
2029	0.0%	2.55	\$ 542,496	9,333,111	\$ 41,913,647	36,973,870
2030	0.0%	2.64	\$ (371,045)	9,464,509	\$ 40,658,961	37,438,739

COS Summary Results

Customer Description	Cost of Service	Projected Revenues
Residential	\$ 70,480,832	\$ 64,767,221
Small General Service	10,096,802	7,913,788
Worship Sanctuary Service	1,556,247	1,305,579
Medium General Service	28,257,177	24,807,850
Large General Service	17,780,823	19,480,629
High Load Factor	13,874,780	12,856,703
Total	\$ 142,046,661	\$ 131,131,770

Excludes Lighting

Monthly Customer Charges

Customer Class	COS Customer Charge	Current Average Customer Charge
Residential (RS-10)	\$ 26.50	\$ 12.50
Small General Service (SGS-40)	37.73	19.00
Worship Sanctuary Services (WSS-15)	57.40	52.00
Medium General Service - Secondary Meter (MGS-1 50)	200.03	125.00
Medium General Service - Primary Meter/Customer Equipment (MGS-2 55)	73.35	75.00
Medium General Service - Primary Meter/Utility Transformer (MGS-3 56)	134.43	150.00
Large General Service - Secondary Meter (LGS-1 60)	1,229.48	500.00
Large General Service - Primary Meter/Customer Equipment (LGS-2 65)	891.15	500.00
Large General Service - Primary Meter/Utility Transformer (LGS-3 66)	945.13	500.00
HLF Large General Primary Utility Transformer	945.13	800.00

Residential Proposed 2026 Rate

Rates	Current	2026
Monthly Facilities Charge:		
Monthly Charge	\$ 12.50	\$ 14.00
Energy Charge:		
All Energy	\$ 0.119	\$ 0.122
Power Cost Adjustment:		
All Energy	\$ 0.0123	\$ 0.0123
Revenue from Rate	\$ 64,766,273	\$ 66,581,597

Monthly Change by Usage		
Usage	2026	
250	\$	2.13
400	\$	2.51
550	\$	2.89
700	\$	3.27
850	\$	3.65
Average Usage	\$	4.03
1,150	\$	4.41
1,300	\$	4.79
1,450	\$	5.17
1,600	\$	5.54

Gas Department Financial Projection and Cost of Service Summary

Summary Financial Results – No Increase

Fiscal Year	Proposed Revenue Adjustments	Total Capital Program	Debt Coverage Ratio	Projected Operating Income ^[1]	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Bond Issues (20Yr @ 5%)
2026	0.0%	\$11,500,000	9.96	\$ (739,326)	\$ 2,466,895	\$ 14,399,949	\$ 8,421,782	\$7,000,000
2027	0.0%	11,500,000	1.07	(1,261,714)	3,257,989	7,699,095	8,532,631	-
2028	0.0%	500,000	0.55	(1,638,863)	3,266,020	6,906,694	8,556,477	-
2029	0.0%	500,000	0.23	(1,854,713)	3,275,076	5,909,692	8,580,469	-
2030	0.0%	500,000	(0.09)	(2,076,116)	3,284,808	4,702,026	8,524,534	-

Note [1] - Adjusted operating income includes general fund transfer as an expense

Summary Financial Results – With Increase

Fiscal Year	Proposed Revenue Adjustments	Total Capital Program	Debt Coverage Ratio	Projected Operating Income ^[1]	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Bond Issues (20Yr @ 5%)
2026	6.0%	\$11,500,000	20.29	\$ 470,731	\$ 2,466,895	\$ 15,610,006	\$ 8,421,782	\$7,000,000
2027	0.0%	11,500,000	2.88	(51,657)	3,257,989	10,137,360	8,532,631	-
2028	6.0%	500,000	4.45	873,654	3,266,020	11,869,667	8,556,477	-
2029	0.0%	500,000	4.15	657,805	3,275,076	13,409,997	8,580,469	-
2030	0.0%	500,000	3.85	436,401	3,284,808	14,752,351	8,524,534	-

Note [1] - Adjusted operating income includes general fund transfer as an expense

COS Summary Results

Revenue Class	Cost of Service	Projected Revenues
Residential (10)	\$ 9,258,142	\$ 8,019,971
Firm Commercial (20)	4,534,534	4,179,758
Interruptible Commercial (25)	529,710	418,688
Firm Industrial (30)	756,073	720,718
Interruptible Industrial (40)	917,578	745,133
Firm Industrial Transportation (50) (45)	7,458,406	6,083,349
Total	\$ 23,454,441	\$ 20,167,616

Monthly Customer Charges

Customer Class	Current Customer Charge	COS Customer Charge
Residential (10)	\$ 12.15	\$ 14.96
Firm Commercial (20) & Muni	24.30	38.21
Interruptible Commercial (25)	375.00	484.38
Firm Industrial (30) Sm & Lg	125.00	200.05
Interruptible Industrial (40)	550.00	806.84
Interruptible Industrial w/ Hedging (45)	475.00	777.27
Firm Industrial Transportation (50)	375.00	783.93

Residential Proposed 2026 Rate

Rates	Current	2026
Monthly Facilities Charge:		
All Customers	\$ 12.15	\$ 14.15
Commodity Charge:		
All Commodity (ccf)	\$ 0.2681	\$ 0.2895
PGA Charge:		
All Commodity (ccf)	\$ 0.5672	\$ 0.5672
<hr/>		
Revenue from Rate	\$ 8,019,971	\$ 8,491,877
<hr/>		
Average Usage	46	
Monthly Customers	13,148	
Current Average Bill	\$ 50.83	
2026 Average Bill	\$ 53.82	
Monthly Change	\$ 2.99	

Monthly \$ Change by Gas Usage	
All Commodity (ccf)	2026
25	\$ 2.54
30	\$ 2.64
35	\$ 2.75
40	\$ 2.86
45 (Average)	\$ 2.96
50	\$ 3.07
55	\$ 3.18
60	\$ 3.28
65	\$ 3.39
70	\$ 3.50

Wastewater Department Financial Projection and Cost of Service Summary

Summary Financial Results – No Increase

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Grant	Debt Coverage Ratio
2026	0.00%	\$9,242,017	\$9,359,917	\$ 977	\$ 10,474,362	\$ 15,000,000	\$10,500,000	\$4,500,000	6.25
2027	0.00%	9,242,017	9,554,772	(193,878)	10,799,354	15,600,000	15,000,000		2.24
2028	0.00%	9,242,017	10,482,214	(1,031,320)	8,249,062	2,200,000	-		0.76
2029	0.00%	9,242,017	10,838,012	(1,387,118)	5,482,380	2,200,000	-		0.62
2030	0.00%	9,242,017	11,205,125	(1,754,231)	2,493,833	2,200,000	-		0.47
MINIMUM Targeted in 2026				\$ 2,825,791	\$ 6,507,993				1.45
MINIMUM Targeted in 2030				\$ 2,827,954	\$ 7,708,363				1.45

Summary Financial Results – With Increase

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Grant	Debt Coverage Ratio
2026	7.00%	\$9,859,809	\$9,359,917	\$ 618,768	\$ 11,092,153	\$ 15,000,000	\$10,500,000	\$4,500,000	8.34
2027	0.00%	9,859,809	9,554,772	423,913	12,038,025	15,600,000	15,000,000		3.08
2028	7.00%	10,520,845	10,482,214	247,508	10,772,755	2,200,000	-		1.63
2029	0.00%	10,520,845	10,838,012	(108,290)	9,297,518	2,200,000	-		1.49
2030	7.00%	11,228,154	11,205,125	231,906	8,314,184	2,200,000	-		1.82
MINIMUM Targeted in 2026				\$ 2,825,791	\$ 6,507,993				1.45
MINIMUM Targeted in 2030				\$ 2,827,954	\$ 7,708,363				1.45

Current VS COS Results

Meter Size	Current Monthly Charges	Cost of Service Monthly Charges
5/8"	\$ 14.00	\$ 18.42
1"	34.75	46.06
1 1/2"	70.50	92.11
2"	113.00	147.38
3"	229.00	276.34
4"	362.00	460.57
6"	720.00	921.14
8"	1,160.00	1,473.83

Meter size	Current Average Cost per CCU	Cost of Service Average Cost per CCU
All Commodity	\$ 2.38	\$ 3.29

Proposed 2026 Rates

Current VS Proposed

Forecasted 2026 Rate Change

	Current Rates	Proposed 2026
Customer		
5/8"	\$ 14.00	\$ 15.50
1"	34.75	38.75
1 1/2"	70.50	78.25
2"	113.00	125.50
3"	229.00	254.25
4"	362.00	402.00
6"	720.00	800.00
8"	1,160.00	1,288.00
Commodity		
All Usage	\$ 2.38	\$ 2.50

Residential Rate

<u>5/8</u>	Current Rates	Proposed Rates	
Customer Service Charge	\$ 14.00	\$ 15.50	
Commodity Rate	2.38	2.50	
Consumption CCU/Month	Current Rates	Proposed Rates	Dollar Impact
3	\$ 21.14	\$ 23.00	\$ 1.86
5	25.90	28.00	2.10
7	30.66	33.00	2.34
9	35.42	38.00	2.58
11	40.18	43.00	2.82

Water Department Financial Projection and Cost of Service Summary

Summary Financial Results – No Increase

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Projected Grants	Debt Coverage Ratio
2026	0.0%	9,189,823	9,037,544	453,985	4,909,251	7,000,000	2,000,000	2,000,000	1.88
2027	0.0%	9,189,823	9,447,517	124,012	5,488,318	4,100,000	2,000,000	2,000,000	1.52
2028	0.0%	9,189,823	9,817,949	(166,420)	5,792,631	4,100,000	2,000,000	2,000,000	1.29
2029	0.0%	9,189,823	10,084,116	(432,587)	3,721,442	2,200,000	-	-	1.08
2030	0.0%	9,189,823	10,354,932	(703,403)	1,460,842	2,200,000	-	-	0.96
Targeted in 2026				\$ 2,588,501					
Targeted in 2030				\$ 2,855,963					
MINIMUM/CRITICAL 2026					\$ 6,046,560				1.25
MINIMUM/CRITICAL 2030					\$ 6,643,378				1.25

Summary Financial Results – With Increase

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Projected Grants	Debt Coverage Ratio
2026	5.0%	9,620,983	9,037,544	885,145	5,340,411	7,000,000	2,000,000	2,000,000	2.26
2027	0.0%	9,620,983	9,447,517	555,172	6,352,793	4,100,000	2,000,000	2,000,000	1.86
2028	5.0%	10,073,701	9,817,949	717,458	7,545,307	4,100,000	2,000,000	2,000,000	1.92
2029	0.0%	10,073,701	10,084,116	451,291	6,366,759	2,200,000	-	-	1.67
2030	5.0%	10,549,055	10,354,932	655,828	5,478,618	2,200,000	-	-	1.86
Targeted in 2026				\$ 2,588,501					
Targeted in 2030				\$ 2,855,963					
MINIMUM/CRITICAL 2026					\$ 6,046,560				1.25
MINIMUM/CRITICAL 2030					\$ 6,643,378				1.25

Current VS COS Results

Meter Size	Current Monthly Meter Charges	Cost of Service Monthly Meter Charges
5/8"	\$ 10.50	\$ 16.19
1"	26.00	34.14
1 1/2"	54.00	69.88
2"	85.00	105.27
3"	160.00	195.84
4"	256.00	317.35
6"	507.00	621.09
8"	810.00	974.99

Commodity	Current Average Cost per CCU	Cost of Service Average Cost per CCU
All Units	\$ 2.55	\$ 2.72

Proposed 2026 Rates

Current VS Proposed

Forecasted 2026 Proposed Rate Increase

	Current Rates	Proposed Rate
Commodity Rate	\$ 2.55	\$ 2.65
5/8"	\$ 10.50	\$ 11.50
1"	26.00	28.50
1 1/2"	54.00	59.50
2"	85.00	93.50
3"	160.00	176.00
4"	256.00	281.50
6"	507.00	558.00
8"	810.00	891.00

Residential Rate

<u>5/8"</u>	Current Rates	Proposed Rates	
Customer Service Charge	\$ 10.50	\$ 11.50	
Commodity Rate	2.55	2.65	
Consumption	Current Rates	Proposed Rates	Dollar Impact
3	\$ 18.15	\$ 19.45	\$ 1.30
4	20.70	22.10	1.40
5	23.25	24.75	1.50
9	33.45	35.35	1.90
11	38.55	40.65	2.10

Questions?



Virginia Residential Electric Rates (For Informational Purposes Only)

July 2024 for 1000 kWh

<u>Municipals</u>	<u>Investor-owned utilities</u>	<u>Electric cooperatives</u>
	\$100	Estimated rates
Elkton* - \$109.66		
	\$110	
HEC* - \$112.17		
Bristol VA Utilities Authority* - \$112.23		
		NOVEC - \$113.74
Front Royal - \$114.82		
Manassas - \$115.65		
	\$120	
		A & N* - \$126.40
Franklin - \$126.73		
Blackstone - \$128.76		
	Dominion* \$129.31¹	
	\$130	
Bedford - \$131.15		
Richlands - \$135.01		
Wakefield - \$135.90		
		Prince George - \$138.46
	Kentucky Utilities - \$139.03²	
	\$140	
		SVEC* - \$140.00
		Mecklenburg - \$141.11
Danville - \$141.50		
		Community - \$143.10
Culpeper - \$144.72		
		Rappahannock* - \$146.75
Martinsville - \$149.50		
	\$150	
		Southside* - \$152.26
Salem - \$155.40		
	\$160	
		Northern Neck* - \$164.52
		CVEC - \$164.85
Virginia Tech - \$165.26		
		BARC* - \$165.45
Radford - \$167.43		
	\$170	
	USA Average for IOUs - \$170.51 (per EEI)	
	APCO - \$172.09	
	\$180	
	\$190	
	\$200	
		Craig-Botetourt - \$207.27

*Weighted average of seasonal rates.

8-7-2024

¹ Dominion rate incorporates the reduced fuel cost of \$7.85 effective on an interim basis on June 1, 2024. The rate also reflects the eliminated cost of RGGI participation of \$4.43 effective beginning July 12, 2024. On September 1, 2024, the Dominion rate will increase by \$3.89 as a result of the SCC approving recovery of some of Dominion's offshore wind project costs. Dominion has also requested, but the SCC has not yet approved, an additional increase of \$3.37 on 9-1-24 to recover the cost of compliance with the Virginia Clean Economy Act's mandatory renewable portfolio standard (RPS). If the SCC approves the RPS rider increase as proposed, Dominion's September rate would increase to \$136.57.

² Kentucky Utilities has filed a rate case that would raise their residential electric rate by \$19.46 to \$158.49 if approved by the SCC.

2025 Proposed Electric Rate Changes

Residential				Worship Sanctuary			
Electric		<u>Current</u>	<u>Proposed</u>	Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge		12.50	14.00	Customer Charge		50.00	52.00
Energy Charge		0.11900	0.12200	Energy Charge		0.10900	0.11400
PCA		0.01250	0.01250	PCA		0.01250	0.01250
				Demand	\$	3.00	\$ 3.50
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>				
Electric (kWh)				Electric (kWh)	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Customer Charge		12.50	\$ 14.00	Customer Charge		\$ 50.00	\$ 52.00
Energy Charge	1000	\$ 119.00	\$ 122.00	Energy Charge	4000	\$ 436.00	\$ 456.00
PCA	1000	\$ 12.50	\$ 12.50	PCA	4000	\$ 50.00	\$ 50.00
		\$144.00	\$148.50	Demand (kW-over 25kW)	5	\$ 15.00	\$ 15.00
						\$ 551.00	\$ 573.00
Small General Service				Medium General Service (rate 50)			
Electric		<u>Current</u>	<u>Proposed</u>	Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge		\$ 19.00	\$ 22.50	Customer Charge		\$ 125.00	\$ 150.00
Energy Charge		0.11900	0.123	Energy Charge		0.06650	0.071
PCA		0.12500	0.12500	PCA		0.01250	0.01250
				Demand (kW)	\$	14.50	\$ 14.50
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>				
Electric (kWh)				Electric (kWh)	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Customer Charge		\$ 19.00	\$ 22.50	Customer Charge		\$ 125.00	\$ 150.00
Energy Charge	3000	\$ 357.00	\$ 369.00	Energy Charge	20,880	\$ 1,388.52	\$ 1,482.48
PCA	3000	\$ 375.00	\$ 375.00	PCA	20,880	\$ 261.00	\$ 261.00
		\$751.00	\$766.50	Demand (kW)	100.0	\$ 1,450.00	\$ 1,450.00
						\$3,224.52	\$3,343.48
Medium General Service (rate 50)				Medium General Service (rate 55)			
Electric		<u>Current</u>	<u>Proposed</u>	Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge		\$ 125.00	\$ 150.00	Customer Charge		\$ 75.00	\$ 75.00

Energy Charge		0.06650	0.071
PCA		0.01250	0.01250
Demand (kW)		\$ 14.50	\$ 14.50
<hr/>			
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Electric (kWh)			
Customer Charge		\$ 125.00	\$ 150.00
Energy Charge	20,880	\$ 1,388.52	\$ 1,482.48
PCA	20,880	\$ 261.00	\$ 261.00
Demand (kW)	100.0	\$ 1,450.00	\$ 1,450.00
		\$3,224.52	\$3,343.48

Energy Charge		0.0589	0.064
PCA		0.01250	0.01250
Demand (kW)		\$ 13.14	\$ 13.14
<hr/>			
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Electric (kWh)			
Customer Charge		\$ 125.00	\$ 150.00
Energy Charge	20,880	\$ 1,229.83	\$ 1,336.32
PCA	20,880	\$ 261.00	\$ 261.00
Demand (kW)	100.0	\$ 1,314.00	\$ 1,314.00
		\$2,929.83	\$3,061.32

Medium General Service (rate 56)

Large General Service (rate 60)

Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge		\$ 150.00	\$ 150.00
Energy Charge		0.06870	0.072
PCA		0.01250	0.01250
Demand (kW)		\$ 14.50	\$ 14.50
<hr/>			
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Electric (kWh)			
Customer Charge		\$ 150.00	\$ 150.00
Energy Charge	20,880	\$ 1,434.46	\$ 1,503.36
PCA	20,880	\$ 261.00	\$ 261.00
Demand (kW)	100.0	\$ 1,450.00	\$ 1,450.00
		\$3,295.46	\$3,364.36

Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge		\$ 500.00	\$ 700.00
Energy Charge		0.060	0.063
PCA		0.01250	0.01250
Demand (kW)		\$ 17.50	\$ 17.50
<hr/>			
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Electric (kWh)			
Customer Charge		\$ 500.00	\$ 700.00
Energy Charge	350,000	\$ 21,000.00	\$ 22,050.00
PCA	350,000	\$ 4,375.00	\$ 4,375.00
Demand (kW)	900.0	\$ 15,750.00	\$ 15,750.00
		\$41,625.00	\$42,875.00

Large General Service (rate 65)

Large General Service (rate 66)

Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge		\$ 500.00	\$ 650.00
Energy Charge		0.0583	0.061
PCA		0.0125	0.0125
Demand (kW)		\$ 17.25	\$ 17.25
<hr/>			
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Electric (kWh)			
Customer Charge		\$ 500.00	\$ 650.00
Energy Charge	356400	\$ 20,778.12	\$ 21,740.40
PCA	356400	\$ 4,455.00	\$ 4,455.00
Demand (kW)	900.0	\$ 15,525.00	\$ 15,525.00
		\$41,258.12	\$42,370.40

Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge		\$ 450.00	\$ 600.00
Energy Charge		0.0600	0.063
PCA		0.0125	0.0125
Demand (kW)		\$ 17.50	\$ 17.50
<hr/>			
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Electric (kWh)			
Customer Charge		\$ 450.00	\$ 600.00
Energy Charge	356400	\$ 21,384.00	\$ 22,453.20
PCA	356400	\$ 4,455.00	\$ 4,455.00
Demand (kW)	900.0	\$ 15,750.00	\$ 15,750.00
		\$42,039.00	\$43,258.20

High Load Factor General Primary Services

Electric		<u>Current</u>	<u>Proposed</u>
Customer Charge	\$	800.00	\$ 800.00
PCA		0.0125	0.0125
Demand (kW)	\$	6.50	\$ 6.50

Residential Time-of-Use Rate (Multi-phase approach)

<u>Base \$/kWh</u>	<u>Current</u>	<u>Proposed</u>	Electric (kWh)	<u>Current</u> <u>Time of Use</u>	<u>Proposed</u> <u>Time of Use</u>
			Customer Charge	\$ 15.80	\$ 15.80
DRMC	\$ 0.068	\$ 0.073	Energy Charge		
Danchem	\$ 0.081	\$ 0.081		On-peak \$ 0.1552	0.232
Intertape	\$ 0.064	\$ 0.071		Off-peak \$ 0.1031	0.082
Nestle/Buitoni	\$ 0.068	\$ 0.073	PCA	\$ 0.01250	\$ 0.01250
EsselPropack	\$ 0.066	\$ 0.070			
Aerofarms	\$ 0.066	\$ 0.069			

Small General Time-of-Use Rate (Multi-phase approach)

Electric (kWh)		<u>Current</u>	<u>Proposed</u>
Customer Charge	\$	23.50	\$ 27.00
Energy Charge	Summer (June-September)		
	On-peak (12 pm-9 pm)	\$ 0.1730	\$ 0.1790
	Off-peak	\$ 0.1020	\$ 0.1060
	<u>All other months</u>		
	On-peak (6am-11 am)	\$ 0.153	\$ 0.1580
	Off-peak	0.104	0.1080
PCA		\$ 0.01250	\$ 0.01250

Medium General Time-of-Use Rate (Multi-phase approach)

Electric (kWh)		<u>Current</u>	<u>Proposed</u>
Customer Charge	\$	136.00	\$ 161.00
Energy Charge	Summer (June-September)		
	On-peak (12 pm-9 pm)	\$ 0.136	\$ 0.146
	Off-peak	\$ 0.065	\$ 0.070
	<u>All other months</u>		
	On-peak (6am-11 am)	\$ 0.116	\$ 0.124
	Off-peak	\$ 0.067	\$ 0.072
Winter Demand (kW)		\$ 11.27	\$ 11.27
Summer Demand (kW)		\$ 11.27	\$ 11.27
PCA		\$ 0.0125	\$ 0.0125

	Residential Natural Gas Customer		
2024 Rates	Meter Charge	Consumption Charge (per therm)	Average Monthly Bill
Danville (current)	\$ 12.15	\$ 0.846301	\$ 50.23
Danville (proposed)	\$ 14.15	\$ 0.867701	\$ 53.20
Orangeburg, SC	\$ 11.50	\$ 0.912190	\$ 52.55
Shelby, NC	\$ 8.50	\$ 1.007700	\$ 53.85
Greenville, NC	\$ 15.00	\$ 1.477500	\$ 81.49
Piedmont, NC	\$ 10.00	\$ 1.760460	\$ 89.22

2025 Proposed Natural Rate Changes

Residential (rate 10)				Firm Commercial (rate 20)			
Natural Gas-Therms				Natural Gas			
Customer Charge		<u>Current</u>	<u>Proposed</u>	Customer Charge		<u>Current</u>	<u>Proposed</u>
		\$ 12.15	\$ 14.15			\$ 24.30	\$ 34.30
Distribution Charge		\$ 0.2681	\$ 0.2895	Distribution Charge:			
PGA per therm		\$ 0.5672	\$ 0.5672	0-5,000 Therms		\$ 0.2585	\$ 0.2655
				5,001+ Therms		\$ 0.2310	\$ 0.2373
				PGA per therm		\$ 0.5672	\$ 0.5672
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>				
Customer Charge		\$ 12.15	\$ 14.15		<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
Distribution Charge	45	\$ 12.06	\$ 13.03	Customer Charge		24.30	34.30
PGA	45	\$ 25.52	\$ 25.52	Distribution Charge:			
				0-5,000 Therms	5000	1,292.50	1,327.50
				5,001+ Therms	1500	346.50	355.95
				PGA per therm		5,850.80	5,850.80
					Total	\$ 7,514.10	\$ 7,568.55
	Total	\$49.74	\$52.70				
Firm Industrial (rate 30)				Interruptible Industrial (rate 40)			
Natural Gas				Natural Gas-Therms			
Customer Charge		<u>Current</u>	<u>Proposed</u>	Customer Charge		<u>Current</u>	<u>Proposed</u>
		\$ 125.00	\$ 175.00			\$ 550.00	\$ 650.00
Distribution Charge:				Distribution Charge	150000	\$ 0.1032	\$ 0.1323
0-5,000 Therms	5000	\$ 0.2295	\$ 0.2580	PGA per therm		\$ 0.5672	\$ 0.5672
5,001-100,000 Therms	95000	\$ 0.2014	\$ 0.2264				
100,000+ Therms	50000	\$ 0.1124	\$ 0.1264		<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
PGA per therm		\$ 0.5672	\$ 0.5672	Customer Charge		\$ 475.00	\$ 550.00
				Distribution Charge		\$ 15,480.00	\$ 19,845.00
				PGA	150000	\$ 85,080.00	\$ 85,080.00
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>				
Customer Charge		\$ 125.00	\$ 175.00		Total	\$101,035.00	\$105,475.00
Distribution Charge:							
0-5,000 Therms	5000	1,147.50	1,290.00				
5,001+ Therms	95000	19,133.00	21,508.00				
100,000 Therms	50000	5,620.00	6,320.00				
PGA per therm		58,884.00	58,884.00				
	Total	\$ 84,909.50	\$ 88,177.00				

Industrial Hedging Rate (rate 45)				Firm Industrial Transportation (rate 50)			
Natural Gas-Therms		<u>Current</u>	<u>Proposed</u>	Natural Gas-Therms		<u>Current</u>	<u>Proposed</u>
Customer Charge	\$	475.00	\$ 575.00	Customer Charge	\$	375.00	\$ 475.00
Distribution Charge:				Distribution Charge	150000	\$ 0.1450	\$ 0.1518
0-5,000 Therms	5000	\$ 0.150	\$ 0.195	PGA per therm		\$ -	\$ -
5,001+ Therms	1,000,000	\$ 0.075	\$ 0.097				
PGA per therm		\$ 0.3500	\$ 0.3500		<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>
	<u>Consumption</u>	<u>Current</u>	<u>Proposed</u>	Customer Charge		\$ 475.00	\$ 575.00
Customer Charge		\$ 475.00	\$ 575.00	Distribution Charge:	150000	21,750.00	22,770.00
Distribution Charge:				Total	\$	22,225.00	\$ 23,345.00
0-5,000 Therms	5000	750.00	146.25				
5,001+ Therms	500,000	75,000.00	97,500.00				
PGA per therm		180,000.00	180,000.00				
Total		\$ 256,225.00	\$ 278,221.25				

5/8" - RESIDENTIAL WATER						
2024 Rates	Meter Charge	Consumption Charge 1	Consumption Charge 2	UOM	Chg Per CCF	1 Mo and 5 CCF Cost
Danville (current)	\$ 10.50	\$ 2.55	\$ -	CCF	\$ 2.55	\$ 23.25
Danville (proposed)	\$ 11.50	\$ 2.65		CCF	\$ 2.65	\$ 24.75
Eden	\$ 13.80	\$ 6.54	\$ -	1,000 Gal	\$ 4.91	\$ 38.33
Martinsville	\$ 29.81	\$ -	\$ 3.50	1,000 Gal	\$ 2.63	\$ 29.81
Lynchburg	\$ 7.69	\$ 3.29	\$ -	CCF	\$ 3.29	\$ 24.14
Greensboro	\$ 5.31	\$ 2.88	\$ 4.15	CCF	See Note	\$ 22.25
Durham	\$ 9.44	\$ 2.45	\$ 3.69	CCF	See Note	\$ 25.41
Roanoke	\$ 16.40	\$ 3.35	\$ 4.50	1,000 Gal	\$ 2.51	\$ 28.96

5/8" - RESIDENTIAL WASTEWATER						Notes
Meter Charge	Consumption Charge	UOM	Chg Per CCF	1 Mo and 5 CCF Cost	Combined Water & Sewer Cost	
\$ 14.00	\$ 2.38	CCF	\$ 2.38	\$ 25.90	\$ 49.15	
\$ 15.50	\$ 2.50	CCF	\$ 2.50	\$ 28.00	\$ 52.75	
\$ 13.17	\$ 7.95	1,000 Gal	\$ 5.96	\$ 37.76	\$ 76.09	
\$ 29.14	\$ 3.50	1,000 Gal	\$ 2.63	\$ 29.14	\$ 58.95	Includes first 4,000 Gals. 5 CCF = 3,750 gal, Charge 2 not used in example
\$ -	\$ 8.30	CCF	\$ 8.30	\$ 41.50	\$ 65.64	* Sewer has a seasonal limit on summer months that could make this charge lower
\$ 5.02	\$ 4.87	CCF	\$ 4.87	\$ 29.37	\$ 51.62	Charge 1 - Up to 3 CCF, Charge 2 - 4 to 10 CCF
\$ 10.40	\$ 5.26	CCF	\$ 5.26	\$ 36.70	\$ 62.11	Charge 1 - Up to 2 CCF, Charge 2 - 3 to 5 CCF
\$ 23.25	\$ 4.20	1,000 Gal	\$ 3.15	\$ 39.00	\$ 67.96	Charge 1 - Up to 5,000 Gal (6.66 CCF). Charge 2 not used in example

Water

Consumption Rate	(per 100 cubic feet)	\$	<u>Current</u>	\$	<u>Proposed</u>
			2.55		2.65
 Customer Charge					
	5/8"	\$	10.50	\$	11.50
	1"	\$	26.00	\$	28.50
	1.5"	\$	54.00	\$	59.50
	2"	\$	85.00	\$	93.50
	3"	\$	160.00	\$	176.00
	4"	\$	256.00	\$	281.50
	6"	\$	507.00	\$	558.00
	8"	\$	810.00	\$	891.00
 Residential Water Exa.					
	<u>Consumption</u>		<u>Current</u>		<u>Proposed</u>
Customer Charge			10.50		11.50
Consumption Charge	5	\$	12.75	\$	13.25
			<hr/>		
			\$23.25		\$24.75

Wastewater

			<u>Current</u>		<u>Proposed</u>
Consumption Rate	(per 100 cubic feet)	\$	2.38	\$	2.50
 Customer Charge					
	5/8"	\$	14.00	\$	15.50
	1"	\$	34.75	\$	38.75
	1.5"	\$	70.50	\$	78.25
	2"	\$	113.00	\$	125.50
	3"	\$	229.00	\$	254.25
	4"	\$	362.00	\$	402.00
	6"	\$	720.00	\$	800.00
	8"	\$	1,160.00	\$	1,288.00
 Residential Water Exa.					
	<u>Consumption</u>		<u>Current</u>		<u>Proposed</u>
Customer Charge			14.00		15.50
Consumption Charge	5	\$	11.90	\$	12.50
			<hr/>		
			\$25.90		\$28.00