



Danville Utility Commission Meeting Agenda 4:00 p.m., May 18, 2020

City Council Chambers, Danville City Hall

Pursuant to City of Danville Ordinance Number 2020-04.01, the format for the meeting has been modified to decrease the spread of the Coronavirus or COVID-19. The changes are designed to accommodate public input for the public comments while encouraging the public to continue self-quarantining and practicing social distancing, as recommended by Governor Northam. The public is asked to refrain from attending the meeting in person and is encouraged to watch the meeting live via River City TV or on Facebook Live on the City of Danville's Facebook page. Citizens who like to make comments may do so by emailing them to davisjc@danvilleva.gov or calling 434-799-5270.

- I. Call to Order**
 - A. Roll Call
 - B. Announcements

- II. Discussion/Business Items**
 - A. Minutes of the April 20, 2020 Commission Meeting
 - B. Review of Utilities' Financial Statements
 - C. Customer Billing Timeline and Fees
 - D. Discussion on Temporarily Extending the Power Cost Adjustment Balance
 - E. Discussion on Modifying PSEG Capacity Hedge Agreement

- III. Communications**
 - A. City Manager
 - B. Utilities Staff
 - C. Commission Members
 - D. Public Comments
 - E. Director's Report

- IV. Adjournment**

Next Utility Commission Meeting

4:00 p.m. Monday, June 22, 2020

City Council Chambers
4th Floor, City Hall



Danville Utility Commission
 4:00 p.m. April 20, 2020 Meeting
 Council Chambers, City Hall
Minutes

Pursuant to City of Danville Ordinance Number 2020-04.01, the format for the meeting was modified to decrease the spread of the Coronavirus or COVID-19. The changes were designed to accommodate public input for the public comments while encouraging the public to continue self-quarantining and practicing social distancing, as recommended by Governor Northam. The public was asked to refrain from attending the meeting in person and was encouraged to watch the meeting live via River City TV or on Facebook Live on the City of Danville’s Facebook page. Citizens who wanted to make comments were able to e-mail or call in those comments in advance.

Commission Members Present: Bill Donohue, Ken Larking, Helm Dobbins, Fred Shanks, Sheila Williamson-Branch, Paul Liepe, Vanessa Cain, Fred Shanks

Commission Members Absent: Bert Eades

Staff Present: Ryan Dodson, Philip Haley, Jason Grey, Janet Davis, Jennifer Holley, Michael Adkins

Others Present:

Call to Order and Announcements

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

Discussion/Business Items

Minutes of February 24, 2020 Commission Meeting

Chairman Donohue asked for any corrections, deletions, or adjustments to the minutes of February 24, 2020.

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

Review of Utilities’ Financial Statements

Ms. Holley reviewed the utilities financial statements and addressed questions from the commissioners.

Mr. Donahue asked if there would be a large deficit in the gas fund this year. Mr. Grey explained that from year to year there are fluctuations based on weather, and that last year there was a surplus, this year a deficit. Mr. Donahue requested a list of energy actually purchased last year vs. this year so the Commission can see the difference from each year.

Mr. Dobbins suggested that Utilities look at hedging gas when the current hedge ends in March. Even though the department was burned in the past by using hedging, the current market conditions may be favorable to hedging. Mr. Grey responded that right now hedging is not favorable, but that he will invite Joey Caskey from BP to speak to the Utility Commission in the late summer/early fall to talk about market dynamics.

Ms. Williamson-Branch asked if there will be a payment plan put in place for delinquent payments after the changes to policies due to the Covid-19 crisis go back to normal. Mr. Larking explained that this will be detailed when we know more. Mr. Grey added that there is a frequently asked questions page on the Danville Utilities website that answers a lot of questions regarding bills during this time.

Mr. Shanks requested a future discussion regarding disconnect and reconnection fees. Mr. Grey responded that staff will review and discuss it at the May meeting.

Westover Substation Information/Substation Renovation Project Plan

Mr. Philip Haley, Division Director of Power and Light presented information regarding power outages in the Westover community. He also presented an updated substation renovation project plan that details the construction process of multiple substation projects.

Mr. Shanks asked that the information regarding the Westover Substation be added to the website and provided to the media for the public to view.

Mr. Grey provided information regarding how the order of substation renovations was determined.

Mr. Shanks noted that the loads decreased for all substation except Westover. Mr. Grey explained it was due to customers practicing energy efficiency since it is a highly residential area.

City of Eden, NC Water and Wastewater Agreements for the Berry Hill Industrial Park

Mr. Grey presented information on the proposed agreements to provide water and wastewater services to the Berry Hill Industrial Park. Engineers have designed water infrastructure to be able serve up to seven million gallons per day (MGD) of water capacity and three million gallons per day of wastewater capacity to the Berry Hill tenants. Out of the seven MGD designed for the park, approximately six MGD of water and all three MGD of wastewater is to be served from the City of Eden, NC. Mr. Grey also presented highlights of the agreement.

Mr. Dobbins asked if the rates to the tenants of the industrial park would be marked up. Mr. Grey responded that it would be under the current City of Danville rates, but that an Economic Development Rate will be explored for large industrial water and wastewater customers in the next rate study.

A motion was made by Ms. Williamson-Branch and seconded by Ms. Cain that the Danville Utility Commission recommend to City Council authorizing the City Manager to enter into a 20-year agreement with the City of Eden, NC for water and wastewater services for Berry Hill Industrial Park. All members voted in favor, and the motion carried unanimously.

Department Discussions

Mr. Larking thanked City employees who are working as needed to provide some sense of normalcy to the community.

Mr. Shanks stated that staff put together some great reports and restated that the reports need to be put out to the public.

Mr. Dobbins echoed Mr. Larking's sentiments regarding City employees, and mentioned the largest challenges fiscally are still ahead of the City.

Adjournment

Chairman Donohue stated the next meeting is scheduled for May 18, 2020. There being no further business, Mr. Dobbins made a motion to close that was seconded by Mr. Liepe. Mr. Donohue adjourned the meeting at 5:17 p.m.

Submitted by Janet C. Davis
Secretary to the DUC

May 18, 2020
Date Approved

Chairman
Danville Utility Commission



Commission Item Number: DUC200518 - 1
Utility Commission Meeting: May 18, 2020
Item: II. B. Review of Utilities' Financial Statements

Financial Report

March financials will be reviewed.

UTILITY FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE PERIOD ENDED MARCH 31, 2020 (YTD)
 UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 19-20 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	6,649,429.83	6,522,368.80	16,310,297.07	90,297,789.44	462,179.47	120,242,064.61	167,810,680.00	126,744,021.61
COST OF SALES								
PURCHASED SERVICES	-	-	9,858,320.44	68,463,006.76	31,334.75	78,352,661.95	108,918,670.00	82,162,701.91
PRODUCTION	-	-	-	528,844.38	-	528,844.38	1,130,043.91	485,211.12
TOTAL COST OF SALES	-	-	9,858,320.44	68,991,851.14	31,334.75	78,881,506.33	110,048,713.91	82,647,913.03
GROSS PROFIT	6,649,429.83	6,522,368.80	6,451,976.63	21,305,938.30	430,844.72	41,360,558.28	57,761,966.09	44,096,108.58
GROSS PROFIT %	100.00%	100.00%	39.56%	23.60%	93.22%	34.40%	34.42%	34.79%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	1,717,502.37	1,249,327.60	-	1,101,579.19	-	4,068,409.16	6,551,134.03	4,015,941.38
ENGINEERING	-	159,574.14	219,093.31	552,797.47	-	931,464.92	1,922,817.96	881,740.72
DISTRIBUTION	1,534,065.07	413,895.88	483,216.52	9,866,355.61	-	12,297,533.08	16,712,347.00	11,457,552.34
SERVICE	7,418.56	54,925.56	27,210.31	-	-	89,554.43	404,720.00	112,786.14
METERS & REGULATORS	-	63,568.28	92,433.92	241,588.48	(270.45)	397,320.23	746,240.00	409,329.13
GENERAL & ADMINISTRATIVE	1,354,333.07	2,365,312.17	2,885,438.89	3,899,155.39	694,542.07	11,198,781.59	15,148,429.65	11,005,325.76
TOTAL OPERATING EXPENSES	4,613,319.07	4,306,603.63	3,707,392.95	15,661,476.14	694,271.62	28,983,063.41	41,485,688.64	27,882,675.47
OPERATING INCOME (LOSS)	2,036,110.76	2,215,765.17	2,744,583.68	5,644,462.16	(263,426.90)	12,377,494.87	16,276,277.45	16,213,433.11
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	160,534.96	167,631.09	190,429.70	540,908.74	15,472.44	1,074,976.93	1,015,800.00	1,214,485.99
ENERGY EFFICIENCY RECOVERY	-	-	-	(252,519.77)	-	(252,519.77)	(479,811.79)	(280,730.00)
RECOVERIES AND REBATES	7,895.60	10,551.53	225.52	1,482.29	-	20,154.94	19,320.00	257,037.57
GAIN/LOSS ON DISPOSAL	-	8,525.00	-	21,612.14	-	30,137.14	48,140.00	26,450.43
JOBGING INCOME (LOSS)	21,904.12	17,184.88	30,074.38	551,838.09	1,631.55	622,633.02	455,610.00	350,818.22
INTEREST ON LONG TERM INDEBTEDNESS	(118,551.41)	(122,332.83)	(51,415.58)	(1,648,268.67)	-	(1,940,568.49)	(1,859,960.00)	(1,993,666.47)
NET INCOME (LOSS)	2,107,894.03	2,297,324.84	2,913,897.70	4,859,514.98	(246,322.91)	11,932,308.64	15,475,375.66	15,787,828.85
OPERATING TRANSFERS IN(OUT)	(529,319.97)	(712,725.03)	(2,389,747.50)	(7,872,207.53)	(60,750.00)	(11,564,750.03)	(15,353,000.00)	(14,148,500.03)
NET INCOME AFTER TRANSFERS	1,578,574.06	1,584,599.81	524,150.20	(3,012,692.55)	(307,072.91)	367,558.61	122,375.66	1,639,328.82
NET ASSETS JULY 1, AS RESTATED	60,553,912.35	45,516,684.17	56,018,959.51	176,913,450.37	9,115,652.75	348,118,659.15		
NET INCOME AFTER TRANSFERS	1,578,574.06	1,584,599.81	524,150.20	(3,012,692.55)	(307,072.91)	367,558.61		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	35,457.00	-	-	-	-	35,457.00		
NET ASSETS MARCH 2020	62,167,943.41	47,101,283.98	56,543,109.71	173,900,757.82	8,808,579.84	348,521,674.76		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	3,906,823.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	23,982,488.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	45,409,388.04	29,343,892.95	38,604,094.61	113,535,458.70	7,161,369.77	234,054,204.07		
RESTRICTED FOR PROJECTS IN PROGRESS	6,253,284.26	6,885,994.28	3,605,754.64	11,461,657.02	481,116.18	28,687,806.38		
RESTRICTED FOR ENCUMBRANCES	1,005,110.12	64,682.05	87,503.25	662,901.85	9,433.99	1,829,631.26		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00		
DEFERRED OUTFLOWS - PENSION	66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00		
UNRESTRICTED	5,206,908.55	5,091,082.78	11,970,489.63	30,896,739.72	718,430.31	53,883,650.99		
TOTAL NET ASSETS	62,167,943.41	47,101,283.98	56,543,109.71	173,900,757.82	8,808,579.84	348,521,674.76		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
MARCH 31, 2020

	<u>WASTEWATER</u>	<u>WATER</u>	<u>GAS</u>	<u>ELECTRIC</u>	<u>TELECOM</u>	<u>MARCH 31, 2020</u>
ASSETS						
Equity in pooled Cash and Investments	\$ 11,783,050.21	11,299,380.21	13,812,083.72	35,746,288.29	963,622.54	73,604,424.97
Receivables (Net of allowances for Uncollectible):						
Accounts	980,549.39	397,900.32	1,974,767.81	14,175,044.04	74,057.36	17,602,318.92
Power/Gas Cost Recovery	-	-	12,379.20	3,973,385.25	-	3,985,764.45
Pension Assets	386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Inventory of Gas, Materials and Supplies, at Cost	-	600,619.61	755,729.25	1,848,038.99	185,421.88	3,389,809.73
Fixed Assets	99,083,891.81	75,774,137.27	70,746,071.68	314,938,501.18	10,832,987.60	571,375,589.54
Accumulated Depreciation	(47,691,296.97)	(39,712,554.64)	(29,775,800.59)	(139,851,738.41)	(3,334,369.24)	(260,365,759.85)
Deferred Outflows - Pension	66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
TOTAL ASSETS	\$ 64,609,240.44	49,578,005.77	58,621,131.07	235,076,362.34	8,840,109.14	416,724,848.76
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts Payable	\$ 317,928.62	298,488.22	974,802.76	8,424,994.53	26,704.98	10,042,919.11
Accrued Interest Payable	46,985.05	47,680.32	21,463.32	566,185.89	-	682,314.58
Customer Deposits	-	-	-	3,739,708.95	-	3,739,708.95
Accrued Vacation, Sick Leave & Workers Comp.	-	89,146.49	56,089.38	592,168.46	4,824.32	742,228.65
Deferred Gain / Loss - Refunding Bonds	(142,336.10)	(135,244.97)	(76,652.87)	(1,360,633.24)	-	(1,714,867.18)
Original Issue Premium/Discount (Refunding Bonds)	158,121.97	146,515.37	86,054.52	11,512,583.04	-	11,903,274.90
General Obligation Bonds Payable	2,060,597.66	2,030,136.36	1,016,264.25	37,677,731.74	-	42,784,730.01
Revenue Bonds Payable	(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable	-	-	-	22,865.15	-	22,865.15
TOTAL LIABILITIES	\$ 2,441,297.03	2,476,721.79	2,078,021.36	61,175,604.52	31,529.30	68,203,174.00
Net Assets						
Contributed Capital	\$ 3,906,823.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	23,982,488.06
Retained Earnings:						
Restricted for Investment in Fixed Assets	\$ 45,409,388.04	29,343,892.95	38,604,094.61	113,535,458.70	7,161,369.77	234,054,204.07
Restricted for Incomplete Projects	6,253,284.26	6,885,994.28	3,605,754.64	11,461,657.02	481,116.18	28,687,806.38
Restricted for Subsequent Expenses	1,005,110.12	64,682.05	87,503.25	662,901.85	9,433.99	1,829,631.26
Net Pension Assets	386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Deferred Outflows - Pension	66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
Unrestricted	5,206,908.55	5,091,082.78	11,970,489.63	30,896,739.72	718,430.31	53,883,650.99
Total Retained Earnings	\$ 58,261,119.97	42,425,001.06	55,202,599.13	160,179,135.29	8,471,331.25	324,539,186.70
TOTAL NET ASSETS	\$ 62,167,943.41	47,101,283.98	56,543,109.71	173,900,757.82	8,808,579.84	348,521,674.76
TOTAL LIABILITIES AND NET ASSETS	\$ 64,609,240.44	49,578,005.77	58,621,131.07	235,076,362.34	8,840,109.14	416,724,848.76

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED MARCH 31, 2020

	<u>WASTEWATER</u>	<u>WATER</u>	<u>GAS</u>	<u>ELECTRIC</u>	<u>TELECOM</u>	<u>MARCH 31, 2020</u>
Operating revenues:						
Charges for Services	\$ 6,649,429.83	6,522,368.80	16,310,297.07	90,297,789.44	462,179.47	120,242,064.61
Operating Expenses:						
Purchased Services	\$ -	-	9,858,320.44	68,463,006.76	31,334.75	78,352,661.95
Production	-	-	-	528,844.38	-	528,844.38
Transmission & Treatment	1,717,502.37	1,249,327.60	-	1,101,579.19	-	4,068,409.16
Engineering	-	159,574.14	219,093.31	552,797.47	-	931,464.92
Distribution	1,534,065.07	413,895.88	483,216.52	9,866,355.61	-	12,297,533.08
Service	7,418.56	54,925.56	27,210.31	-	-	89,554.43
Meters & Regulators	-	63,568.28	92,433.92	241,588.48	(270.45)	397,320.23
Administrative	1,354,333.07	2,365,312.17	2,885,438.89	3,899,155.39	694,542.07	11,198,781.59
Total Operating Expenses	\$ 4,613,319.07	4,306,603.63	13,565,713.39	84,653,327.28	725,606.37	107,864,569.74
Operating Income (Loss)	\$ 2,036,110.76	2,215,765.17	2,744,583.68	5,644,462.16	(263,426.90)	12,377,494.87
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	21,904.12	17,184.88	30,074.38	551,838.09	1,631.55	622,633.02
Interest Income	160,534.96	167,631.09	190,429.70	540,908.74	15,472.44	1,074,976.93
Energy Efficiency Recovery	-	-	-	(252,519.77)	-	(252,519.77)
Gain (Loss) on Disposal of Property	-	8,525.00	-	21,612.14	-	30,137.14
Recoveries and Rebates	7,895.60	10,551.53	225.52	1,482.29	-	20,154.94
Interest Expense	(118,551.41)	(122,332.83)	(51,415.58)	(1,648,268.67)	-	(1,940,568.49)
Total Non-Operating Revenues (Expenses)	\$ 71,783.27	81,559.67	169,314.02	(784,947.18)	17,103.99	(445,186.23)
Income (Loss) Before Operating Transfers	\$ 2,107,894.03	2,297,324.84	2,913,897.70	4,859,514.98	(246,322.91)	11,932,308.64
Operating Transfers:						
Transfers In (Out)	(529,319.97)	(712,725.03)	(2,389,747.50)	(7,872,207.53)	(60,750.00)	(11,564,750.03)
Total Operating Transfers	\$ (529,319.97)	(712,725.03)	(2,389,747.50)	(7,872,207.53)	(60,750.00)	(11,564,750.03)
Net Income (Loss)	\$ 1,578,574.06	1,584,599.81	524,150.20	(3,012,692.55)	(307,072.91)	367,558.61
Net Assets - July 1, 2019, as restated	60,553,912.35	45,516,684.17	56,018,959.51	176,913,450.37	9,115,652.75	348,118,659.15
Net Income (Loss)	1,578,574.06	1,584,599.81	524,150.20	(3,012,692.55)	(307,072.91)	367,558.61
Contribution In Aid of Construction	35,457.00	-	-	-	-	35,457.00
Net Assets - March 31, 2020	\$ 62,167,943.41	47,101,283.98	56,543,109.71	173,900,757.82	8,808,579.84	348,521,674.76

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MARCH 31, 2020

WASTEWATER - FINAL

	<u>ORIGINAL BUDGET 2019-20</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 2019-20</u>	<u>MARCH 2020</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>MARCH 2019</u>
OPERATING REVENUE	9,158,550.00		9,158,550.00	6,649,429.83	72.60%	7,498,980.10
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,050,270.00	7,031.83	3,057,301.83	1,717,502.37	56.18%	1,691,708.17
ENGINEERING	-		-	-		-
DISTRIBUTION	2,230,480.00	72,914.98	2,303,394.98	1,534,065.07	66.60%	1,811,881.55
SERVICE	143,400.00		143,400.00	7,418.56	5.17%	32,731.66
METERS & REGULATORS	-		-	-		-
BAD DEBT	35,800.00		35,800.00	26,107.94	72.93%	30,890.58
GENERAL & ADMINISTRATIVE	1,832,710.00		1,832,710.00	1,328,225.13	72.47%	1,250,910.60
TOTAL OPERATING EXPENSES	7,292,660.00	79,946.81	7,372,606.81	4,613,319.07	62.57%	4,818,122.56
OPERATING INCOME (LOSS)	1,865,890.00	(79,946.81)	1,785,943.19	2,036,110.76	114.01%	2,680,857.54
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	118,540.00		118,540.00	160,534.96	135.43%	159,516.46
RECOVERIES AND REBATES	-		-	7,895.60		7,649.15
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBGING INCOME (LOSS)	46,020.00		46,020.00	21,904.12	47.60%	42,111.68
INTEREST ON LONG TERM INDEBTEDNESS	(127,120.00)		(127,120.00)	(118,551.41)	93.26%	(167,262.91)
NET INCOME (LOSS)	1,903,330.00	(79,946.81)	1,823,383.19	2,107,894.03	115.60%	2,722,871.92
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(529,319.97)	75.00%	(3,520,319.97)
NET INCOME AFTER TRANSFERS	1,197,570.00	(79,946.81)	1,117,623.19	1,578,574.06	141.24%	(797,448.05)
CONTRIBUTION IN AID	35,000.00		35,000.00	35,457.00	101.31%	
REGULAR CAPITAL MAINTENANCE	(598,420.00)		(598,420.00)	(225,019.03)	37.60%	
CAPITAL PROJECTS	(1,350,000.00)	(5,232,529.00)	(6,582,529.00)	(802,645.71)	12.19%	
DEBT SERVICE	(727,290.00)		(727,290.00)	(639,604.47)	87.94%	
DEPRECIATION	2,115,000.00		2,115,000.00	1,487,798.64	70.35%	
CONTINGENCY	(100,000.00)		(100,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MARCH 31, 2020

WATER - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	MARCH 2020	PERCENT OF CURRENT BUDGET	MARCH 2019
OPERATING REVENUE	8,758,450.00		8,758,450.00	6,522,368.80	74.47%	5,881,899.20
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,892,690.00	(28,059.20)	1,864,630.80	1,249,327.60	67.00%	1,216,293.51
ENGINEERING	371,830.00	20,454.89	392,284.89	159,574.14	40.68%	159,470.74
DISTRIBUTION	702,810.00	3,490.02	706,300.02	413,895.88	58.60%	434,365.63
SERVICE	136,380.00		136,380.00	54,925.56	40.27%	41,726.72
METERS & REGULATORS	178,160.00		178,160.00	63,568.28	35.68%	91,492.13
BAD DEBT	27,500.00		27,500.00	21,509.02	78.21%	21,638.72
GENERAL & ADMINISTRATIVE	3,155,010.00	109,818.09	3,264,828.09	2,343,803.15	71.79%	1,947,698.71
TOTAL OPERATING EXPENSES	6,464,380.00	105,703.80	6,570,083.80	4,306,603.63	65.55%	3,912,686.16
OPERATING INCOME (LOSS)	2,294,070.00	(105,703.80)	2,188,366.20	2,215,765.17	101.25%	1,969,213.04
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	143,850.00		143,850.00	167,631.09	116.53%	186,071.67
RECOVERIES AND REBATES	13,320.00		13,320.00	10,551.53	79.22%	15,445.90
GAIN/LOSS ON DISPOSAL	12,490.00		12,490.00	8,525.00	68.25%	6,045.68
JOBGING INCOME (LOSS)	91,050.00		91,050.00	17,184.88	18.87%	41,574.02
INTEREST ON LONG TERM INDEBTEDNESS	(111,200.00)		(111,200.00)	(122,332.83)	110.01%	(168,186.15)
NET INCOME (LOSS)	2,443,580.00	(105,703.80)	2,337,876.20	2,297,324.84	98.27%	2,050,164.16
OPERATING TRANSFERS IN (OUT)	(950,300.00)		(950,300.00)	(712,725.03)	75.00%	(706,725.00)
NET INCOME AFTER TRANSFERS	1,493,280.00	(105,703.80)	1,387,576.20	1,584,599.81	114.20%	1,343,439.16
CONTRIBUTION IN AID	-		-	-		
REGULAR CAPITAL MAINTENANCE	(1,238,100.00)	(32,313.93)	(1,270,413.93)	(239,413.40)	18.85%	
CAPITAL PROJECTS	(1,000,000.00)	(6,540,155.68)	(7,540,155.68)	(1,745,161.93)	23.14%	
DEBT SERVICE	(821,300.00)		(821,300.00)	(715,894.10)	87.17%	
DEPRECIATION	1,685,000.00		1,685,000.00	1,185,057.90	70.33%	
CONTINGENCY	(100,000.00)		(100,000.00)		0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MARCH 31, 2020

GAS - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	MARCH 2020	PERCENT OF CURRENT BUDGET	MARCH 2019
OPERATING REVENUE	21,453,960.00		21,453,960.00	16,310,297.07	76.02%	20,183,790.51
COST OF SALES	-		-			
PURCHASED SERVICES PRODUCTION	12,794,670.00		12,794,670.00	9,858,320.44	77.05%	11,175,465.69
TOTAL COST OF SALES	12,794,670.00	-	12,794,670.00	9,858,320.44		11,175,465.69
GROSS PROFIT	8,659,290.00	-	8,659,290.00	6,451,976.63		9,008,324.82
GROSS PROFIT %	40.36%		40.36%	39.56%		44.63%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	438,250.00	72,999.75	511,249.75	219,093.31	42.85%	204,411.43
DISTRIBUTION	645,870.00	9,625.32	655,495.32	483,216.52	73.72%	423,607.98
SERVICE	124,940.00		124,940.00	27,210.31	21.78%	38,327.76
METERS & REGULATORS	188,380.00		188,380.00	92,433.92	49.07%	115,296.12
BAD DEBT	51,440.00		51,440.00	31,548.42	61.33%	45,175.89
GENERAL & ADMINISTRATIVE	3,805,550.00	8,431.98	3,813,981.98	2,853,890.47	74.83%	3,144,426.16
TOTAL OPERATING EXPENSES	5,254,430.00	91,057.05	5,345,487.05	3,707,392.95	69.36%	3,971,245.34
OPERATING INCOME (LOSS)	3,404,860.00	(91,057.05)	3,313,802.95	2,744,583.68	82.82%	5,037,079.48
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	161,550.00		161,550.00	190,429.70	117.88%	198,935.65
RECOVERIES AND REBATES	-		-	225.52		234,460.02
GAIN/LOSS ON DISPOSAL	5,150.00		5,150.00	-		68.25
JOBGING INCOME (LOSS)	154,820.00		154,820.00	30,074.38	19.43%	77,115.83
INTEREST ON LONG TERM INDEBTEDNESS	(47,340.00)		(47,340.00)	(51,415.58)	108.61%	(62,376.70)
NET INCOME (LOSS)	3,679,040.00	(91,057.05)	3,587,982.95	2,913,897.70	81.21%	5,485,282.53
OPERATING TRANSFERS IN (OUT)	(3,186,330.00)		(3,186,330.00)	(2,389,747.50)	75.00%	(2,294,497.53)
NET INCOME AFTER TRANSFERS	492,710.00	(91,057.05)	401,652.95	524,150.20	130.50%	3,190,785.00
CONTRIBUTION IN AID			-			
REGULAR CAPITAL MAINTENANCE	(822,200.00)	(90,960.77)	(913,160.77)	(277,695.31)	30.41%	
CAPITAL PROJECTS	(1,500,000.00)	(1,989,551.81)	(3,489,551.81)	(619,435.31)	17.75%	
DEBT SERVICE	(221,390.00)		(221,390.00)	(204,736.15)	92.48%	
DEPRECIATION	1,556,000.00		1,556,000.00	1,172,971.08	75.38%	
CONTINGENCY	(100,000.00)		(100,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MARCH 31, 2020

ELECTRIC - FINAL

	<u>ORIGINAL BUDGET 2019-20</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 2019-20</u>	<u>MARCH 2020</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>MARCH 2019</u>
OPERATING REVENUE	127,879,720.00		127,879,720.00	90,297,789.44	70.61%	92,443,594.60
COST OF SALES						
PURCHASED SERVICES	96,067,000.00		96,067,000.00	68,463,006.76	71.27%	70,944,667.40
PRODUCTION	889,770.00	240,273.91	1,130,043.91	528,844.38		485,211.12
TOTAL COST OF SALES	96,956,770.00	240,273.91	97,197,043.91	68,991,851.14		71,429,878.52
GROSS PROFIT	30,922,950.00	(240,273.91)	30,682,676.09	21,305,938.30		21,013,716.08
GROSS PROFIT %	24.18%		23.99%	23.60%		22.73%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,611,140.00	18,061.40	1,629,201.40	1,101,579.19	67.61%	1,107,939.70
ENGINEERING	959,840.00	59,443.32	1,019,283.32	552,797.47	54.23%	517,858.55
DISTRIBUTION	12,987,030.00	60,126.68	13,047,156.68	9,866,355.61	75.62%	8,787,697.18
SERVICE	-		-	-		-
METERS & REGULATORS	379,700.00		379,700.00	241,588.48	63.63%	202,540.88
BAD DEBT	305,800.00		305,800.00	357,929.54	117.05%	352,608.68
GENERAL & ADMINISTRATIVE	4,805,060.00	98,507.08	4,903,567.08	3,541,225.85	72.22%	3,641,544.36
TOTAL OPERATING EXPENSES	21,048,570.00	236,138.48	21,284,708.48	15,661,476.14	73.58%	14,610,189.35
OPERATING INCOME (LOSS)	9,874,380.00	(476,412.39)	9,397,967.61	5,644,462.16	60.06%	6,403,526.73
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	574,980.00		574,980.00	540,908.74	94.07%	652,397.77
ENERGY EFFICIENCY RECOVERY	-	(479,811.79)	(479,811.79)	(252,519.77)	52.63%	(280,730.00)
RECOVERIES AND REBATES	6,000.00		6,000.00	1,482.29	24.70%	(517.50)
GAIN/LOSS ON DISPOSAL	30,500.00		30,500.00	21,612.14	70.86%	20,336.50
JOBGING INCOME (LOSS)	141,590.00		141,590.00	551,838.09	389.74%	164,767.40
INTEREST ON LONG TERM INDEBTEDNESS	(1,574,300.00)		(1,574,300.00)	(1,648,268.67)	104.70%	(1,595,840.71)
NET INCOME (LOSS)	9,053,150.00	(956,224.18)	8,096,925.82	4,859,514.98	60.02%	5,363,940.19
OPERATING TRANSFERS IN (OUT)	(10,429,610.00)		(10,429,610.00)	(7,872,207.53)	75.48%	(7,566,207.53)
NET INCOME AFTER TRANSFERS	(1,376,460.00)	(956,224.18)	(2,332,684.18)	(3,012,692.55)	129.15%	(2,202,267.34)
CONTRIBUTION IN AID			-			
FEDERAL AID - CAPITAL PROJECTS			-			
REGULAR CAPITAL MAINTENANCE	(3,505,530.00)	(309,896.39)	(3,815,426.39)	(2,246,092.24)	58.87%	
CAPITAL PROJECTS	(500,000.00)	(8,631,948.27)	(9,131,948.27)	(7,900,124.06)	86.51%	
DEBT SERVICE	(2,916,660.00)		(2,916,660.00)	(3,011,279.49)	103.24%	
DEPRECIATION	8,573,000.00		8,573,000.00	6,131,494.89	71.52%	
CONTINGENCY	(500,000.00)		(500,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MARCH 31, 2020

TELECOMMUNICATIONS - FINAL

	<u>ORIGINAL BUDGET 2019-20</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 2019-20</u>	<u>MARCH 2020</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>MARCH 2019</u>
OPERATING REVENUE	560,000.00		560,000.00	462,179.47	82.53%	735,757.20
COST OF SALES						
PURCHASED SERVICES	57,000.00		57,000.00	31,334.75	54.97%	42,568.82
PRODUCTION			-	-		-
TOTAL COST OF SALES	<u>57,000.00</u>	<u>-</u>	<u>57,000.00</u>	<u>31,334.75</u>		<u>42,568.82</u>
GROSS PROFIT	503,000.00	-	503,000.00	430,844.72		693,188.38
GROSS PROFIT %	89.82%		89.82%	93.22%		94.21%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT			-	(270.45)		104.72
GENERAL & ADMINISTRATIVE	<u>907,790.00</u>	<u>5,012.50</u>	<u>912,802.50</u>	<u>694,542.07</u>	<u>76.09%</u>	<u>570,327.34</u>
TOTAL OPERATING EXPENSES	<u>907,790.00</u>	<u>5,012.50</u>	<u>912,802.50</u>	<u>694,271.62</u>	<u>76.06%</u>	<u>570,432.06</u>
OPERATING INCOME (LOSS)	<u>(404,790.00)</u>	<u>(5,012.50)</u>	<u>(409,802.50)</u>	<u>(263,426.90)</u>	<u>64.28%</u>	<u>122,756.32</u>
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	16,880.00		16,880.00	15,472.44	91.66%	17,564.44
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBGING INCOME (LOSS)	22,130.00		22,130.00	1,631.55	7.37%	25,249.29
INTEREST ON LONG TERM INDEBTEDNESS	-		-	-		-
NET INCOME (LOSS)	<u>(365,780.00)</u>	<u>(5,012.50)</u>	<u>(370,792.50)</u>	<u>(246,322.91)</u>	<u>66.43%</u>	<u>165,570.05</u>
OPERATING TRANSFERS IN (OUT)	<u>(81,000.00)</u>		<u>(81,000.00)</u>	<u>(60,750.00)</u>	<u>75.00%</u>	<u>(60,750.00)</u>
NET INCOME AFTER TRANSFERS	<u>(446,780.00)</u>	<u>(5,012.50)</u>	<u>(451,792.50)</u>	<u>(307,072.91)</u>	<u>67.97%</u>	<u>104,820.05</u>
CONTRIBUTION IN AID			-		0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(47,902.30)	191.61%	
CAPITAL PROJECTS	(250,000.00)	(464,478.49)	(714,478.49)	(210,460.01)	29.46%	
DEPRECIATION	476,620.00		476,620.00	322,698.87	67.71%	
CONTINGENCY			-			

**GAS OPERATING STATISTICS
YTD March 2020 and 2019**

	YTD		YTD	YTD
	2020	2019	Change	% Change
NUMBER OF CUSTOMERS:				
Residential	13,100	13,177	-77	-0.5844%
Commercial	1,499	1,512	-13	-0.8598%
Small Firm Industrial	14	14	0	0.0000%
Municipal	54	54	0	0.0000%
Large Firm Industrial	5	5	0	0.0000%
Interruptible Industrial	6	6	0	0.0000%
Industrial Transportation	8	8	0	0.0000%
Interruptible Commercial	1	1	0	0.0000%
Commercial Transportation	8	8	0	0.0000%
TOTAL CUSTOMERS	14,695	14,785	-90	-0.6087%
NATURAL GAS SALES-DEKATHERMS:				
Residential	623,872	696,258	-72,386	-10.3964%
Commercial	347,242	381,775	-34,533	-9.0454%
Small Firm Industrial	33,808	37,641	-3,833	-10.1830%
Municipal	16,546	20,657	-4,111	-19.9012%
Large Firm Industrial	26,394	91,584	-65,190	-71.1806%
Interruptible Industrial	1,204,849	1,283,099	-78,250	-6.0985%
Industrial Transportation	183,493	209,950	-26,457	-12.6016%
Interruptible Commercial	81,539	83,771	-2,232	-2.6644%
Commercial Transportation	4,647	4,795	-148	-3.0865%
TOTAL DEKATHERMS	2,522,390	2,809,530	-287,140	-10.2202%

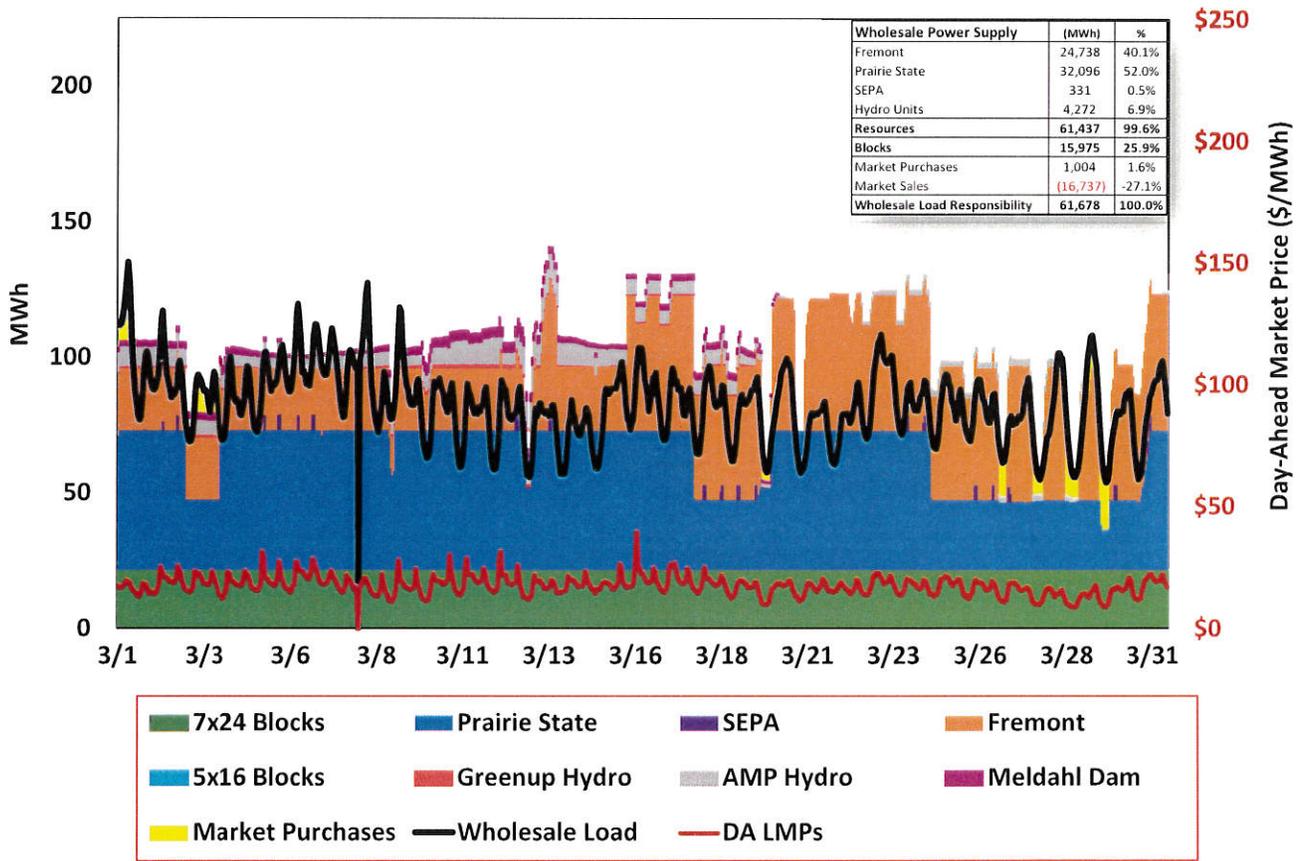
**ELECTRIC OPERATING STATISTICS
YTD March 2020 and 2019**

	YTD		YTD	YTD
	2020	2019	Change	% Change
NUMBER OF CUSTOMERS:				
Residential	36,876	36,955	-79	-0.2138%
Commercial	4,733	4,724	9	0.1905%
Industrial	17	20	-3	-15.0000%
High Load Factor	8	8	0	0.0000%
Municipal	282	277	5	1.8051%
Outdoor Lighting	5,928	5,991	-63	-1.0516%
TOTAL CUSTOMERS	47,844	47,975	-131	-0.2731%
KILOWATT HOURS SALES:				
Residential	355,348,671	369,637,891	-14,289,220	-3.8657%
Commercial	208,060,672	207,497,007	563,665	0.2716%
Industrial	16,880,780	31,266,310	-14,385,530	-46.0097%
High Load Factor	103,815,600	108,256,400	-4,440,800	-4.1021%
Municipal	16,920,136	17,132,578	-212,442	-1.2400%
Outdoor Lighting	11,060,190	11,106,033	-45,843	-0.4128%
TOTAL KILOWATT HOURS	712,086,049	744,896,219	-32,810,170	-4.4047%

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)	
Oct-19	\$ 7,270,911.76	\$ 1,112,340.92	\$ 6,158,570.84	78,776,316	12,051,600	66,724,716	\$0.025000	\$0.086200	\$0.111200		\$ 7,419,788.47	\$ 1,261,217.63		\$ (3,224,838.61)	ACTUAL
Nov-19	\$ 7,286,341.23	\$ 1,258,888.70	\$ 6,027,452.53	66,808,750	11,542,800	55,265,950	\$0.025000	\$0.086200	\$0.111200		\$ 6,145,573.59	\$ 118,121.06		\$ (3,106,717.55)	ACTUAL
Dec-19	\$ 7,510,597.56	\$ 1,046,358.72	\$ 6,464,238.84	74,790,242	10,419,600	64,370,642	\$0.015000	\$0.086200	\$0.101200		\$ 6,514,309.00	\$ 50,070.16		\$ (3,056,647.39)	ACTUAL
Jan-20	\$ 7,831,078.21	\$ 1,036,600.01	\$ 6,794,478.20	75,433,997	9,985,200	65,448,797	\$0.007500	\$0.086200	\$0.093700		\$ 6,132,552.28	\$ (661,925.92)		\$ (3,718,573.31)	ACTUAL
Feb-20	\$ 7,441,443.97	\$ 1,081,524.76	\$ 6,359,919.21	78,099,315	11,350,800	66,748,515	\$0.007500	\$0.086200	\$0.093700		\$ 6,254,335.82	\$ (105,583.39)		\$ (3,824,156.70)	ACTUAL
Mar-20	\$ 7,380,989.15	\$ 1,114,397.05	\$ 6,266,592.10	71,197,856	10,749,600	60,448,256	\$0.015000	\$0.086200	\$0.101200		\$ 6,117,363.55	\$ (149,228.55)		\$ (3,973,385.26)	ACTUAL
Apr-20	\$ 6,868,398.91	\$ 1,096,622.61	\$ 5,771,776.30	73,892,327	11,797,800	62,094,527	\$0.025000	\$0.086200	\$0.111200		\$ 6,904,911.44	\$ 1,133,135.14		\$ (2,840,250.12)	PROJECTED
May-20	\$ 7,342,713.97	\$ 1,310,689.45	\$ 6,032,024.51	64,036,241	11,430,600	52,605,641	\$0.025000	\$0.086200	\$0.111200		\$ 5,849,747.33	\$ (182,277.18)		\$ (3,022,527.30)	PROJECTED
Jun-20	\$ 7,927,356.32	\$ 1,254,989.03	\$ 6,672,367.29	77,005,307	12,190,800	64,814,507	\$0.020000	\$0.086200	\$0.106200		\$ 6,883,300.65	\$ 210,933.36		\$ (2,811,593.94)	PROJECTED
Jul-20	\$ 9,000,519.34	\$ 1,203,196.81	\$ 7,797,322.53	91,319,009	12,207,600	79,111,409	\$0.018000	\$0.086200	\$0.104200		\$ 8,243,408.78	\$ 446,086.25		\$ (2,365,507.69)	PROJECTED
Aug-20	\$ 8,341,253.48	\$ 1,184,527.73	\$ 7,156,725.75	91,143,929	12,943,200	78,200,729	\$0.018000	\$0.086200	\$0.104200		\$ 8,148,515.99	\$ 991,790.24		\$ (1,373,717.45)	PROJECTED
Sep-20	\$ 7,914,192.39	\$ 1,143,738.78	\$ 6,770,453.61	93,082,195	13,452,000	79,630,195	\$0.022000	\$0.086200	\$0.108200		\$ 8,615,987.10	\$ 1,845,533.49		\$ 471,816.04	PROJECTED

Mo Rate Applied	them before reconciling the month					(Independent of Commod)		(Does not include Demand Recovery)			Adjustments	Commodity Recovery Balance Over (Under) +/- \$2,000,000	
	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	Cum Over (Under) Demand Recovery Current FY	Monthly Commodity Cost	Monthly Commodity Recovered			
Oct-19	\$ 4.15220	\$ 4.15220	\$ 1.76305	\$ 0.2500	\$ (0.29000)	\$ 5.34967	\$ 3.83662	\$ (1,097,446.13)	\$ 608,600.43	\$ 501,271.63	\$ (107,328.80)	\$ 637,580.23	Final
Nov-19	\$ 3.65958	\$ 3.65958	\$ 3.26380	\$ 0.2500	\$ (0.51456)	\$ 6.52744	\$ 3.51364	\$ (1,094,994.67)	\$ 1,062,044.67	\$ 740,111.17	\$ (321,933.50)	\$ 315,646.73	Final
Dec-19	\$ 3.61191	\$ 3.61191	\$ 3.28489	\$ 0.2500	\$ (0.54742)	\$ 6.28632	\$ 3.25142	\$ (734,777.68)	\$ 1,166,720.05	\$ 999,183.18	\$ (167,536.88)	\$ 148,109.85	Final
Jan-20	\$ 3.79668	\$ 3.79668	\$ 3.27340	\$ 0.2500	\$ (0.54742)	\$ 6.15030	\$ 3.12690	\$ (383,713.51)	\$ 1,244,832.04	\$ 914,105.76	\$ (330,726.28)	\$ (182,616.43)	Final
Feb-20	\$ 3.73271	\$ 3.73271	\$ 3.24525	\$ 0.2500	\$ (0.58050)	\$ 6.52069	\$ 3.52544	\$ 47,996.24	\$ 1,060,153.52	\$ 1,068,062.17	\$ 7,908.65	\$ (174,707.78)	Final
Mar-20	\$ 3.80363	\$ 3.80363	\$ 3.24525	\$ 0.2500	\$ -	\$ 6.30742	\$ 3.31217	\$ 333,765.29	\$ 696,768.59	\$ 859,097.17	\$ 162,328.58	\$ (12,379.19)	Final
Apr-20	\$ 3.44001	\$ 3.44001	\$ 3.24525	\$ 0.2500	\$ (0.33000)	\$ 6.70299	\$ 3.70774	\$ 490,160.68	\$ 554,157.99	\$ 788,458.00	\$ 234,300.00	\$ 221,920.81	Est
May-20	\$ 2.85247	\$ 2.85247	\$ 1.55000	\$ 0.2500	\$ (0.58000)	\$ 3.82247	\$ 2.52247	\$ 258,424.94	\$ 459,500.27	\$ 363,017.98	\$ (96,482.28)	\$ 125,438.53	Est
Jun-20	\$ 3.80159	\$ 3.80159	\$ -	\$ 0.2500	\$ (0.58000)	\$ 3.22159	\$ 3.47159	\$ 796.73	\$ 440,833.30	\$ 418,655.62	\$ (22,177.68)	\$ 103,260.84	Est
Jul-20	\$ 3.91639	\$ 3.91639	\$ -	\$ 0.2500		\$ 3.91639	\$ 4.16639	\$ (267,998.65)	\$ 424,241.70	\$ 410,093.75	\$ (14,147.96)	\$ 89,112.89	Est
Aug-20	\$ 3.47821	\$ 3.47821	\$ -	\$ 0.2500		\$ 3.47821	\$ 3.72821	\$ (536,767.76)	\$ 420,520.62	\$ 385,363.72	\$ (35,156.90)	\$ 53,955.99	Est
Sep-20	\$ 4.34658	\$ 4.34658	\$ -	\$ 0.2500		\$ 4.34658	\$ 4.59658	\$ (795,152.74)	\$ 458,780.56	\$ 486,722.49	\$ 27,941.93	\$ 81,897.92	Est

Hourly Danville Wholesale Power Supply March 2020





Commission Item Number: DUC200518 - 2
Utility Commission Meeting: May 18, 2020
Item: II. C. Customer Billing Timeline and Fees

Customer Billing Timeline and Fees

Michael Adkins will discuss the delinquent account collection timeline included in your agenda packet. He will also discuss how late payment fees and delinquent processing charges are applied to customer accounts.

DELINQUENT ACCOUNT COLLECTION TIMELINE

DATE	DAY SEQUENCE	ACTION
May 31	Day 0	Utility bill received by customer, due June 15.
June 16	Day 16	Late payment fee of 1.5% applied to account.
June 20	Day 20	First late payment notice is mailed to customer.
June 30	Day 30	Next monthly utility bill is received by customer – shows past due balance.
July 15	Day 45	Second late payment notice is mailed to customer with instructions to pay immediately in order to avoid \$50 delinquent account fee and disconnection.
July 21	Day 51	Delinquent account fee of \$50 is applied to account (first bill is now 35 days past due).
July 22	Day 52	Electric service is disconnected.
July 30	Day 60	Other services (water/gas) are disconnected. Next monthly bill is received by customer.
August 29	Day 90	Customer is moved out of account, deposit is applied to balance and final bill is mailed to customer.
November 12	Day 165	Account is turned over to outside collection agency. (Customers are given 75 days to pay the final bill before this action is taken.)

This illustrates the timeline and actions taken for an unpaid utility bill. Actual timeline for actions can be delayed briefly because of weather conditions, weekends, holidays, etc.



Commission Item Number: DUC200518 - 3

Utility Commission Meeting: May 18, 2020

Item: II. D. Discussion on Temporarily Extending the Power Cost Adjustment Balance

Discussion on Temporarily Extending the Power Cost Adjustment Balance

Due to the mild temperatures experienced so far this year and with the lower consumption due to the COVID-19 pandemic, the power cost adjustment balance (PCA) will likely surpass the (\$4,000,000). Staff would like to recommend to the Utility Commission that the PCA balance be allowed to surpass (\$4,000,000) with the expectations that the balance be back in compliance by December 2021.

Recommendation: A suggested motion follows:

I move that the Danville Utility Commission recommend to City Council allowing the power cost adjustment balance to surpass (\$4,000,000) due to the mild temperatures experienced in 2020 and the COVID-19 pandemic with expectations that the balance come back within compliance by December 2021.



Commission Item Number: DUC200518 - 4
Utility Commission Meeting: May 18, 2020
Item: II. E. Discussion on Modifying PSEG Capacity Hedge Agreement

Discussion on Modifying PSEG Capacity Hedge Agreement

In 2016, City Council approved a 15 megawatt capacity hedge with PSEG starting in June 2019 and ending in May 2029. PSEG has since sold their share of capacity within the RTO zone of PJM and is requesting that the City modify the original agreement to include language that makes either party whole when there are indifferences in PJM zone prices. PSEG owns generation assets in the MAAC zone which is valued at a higher rate than other areas within PJM.

Recommendation: A suggested motion follows:

I move that the Danville Utility Commission recommend to City Council allowing the City Manager to amend the 2016 PSEG agreement with the proposed revisions.

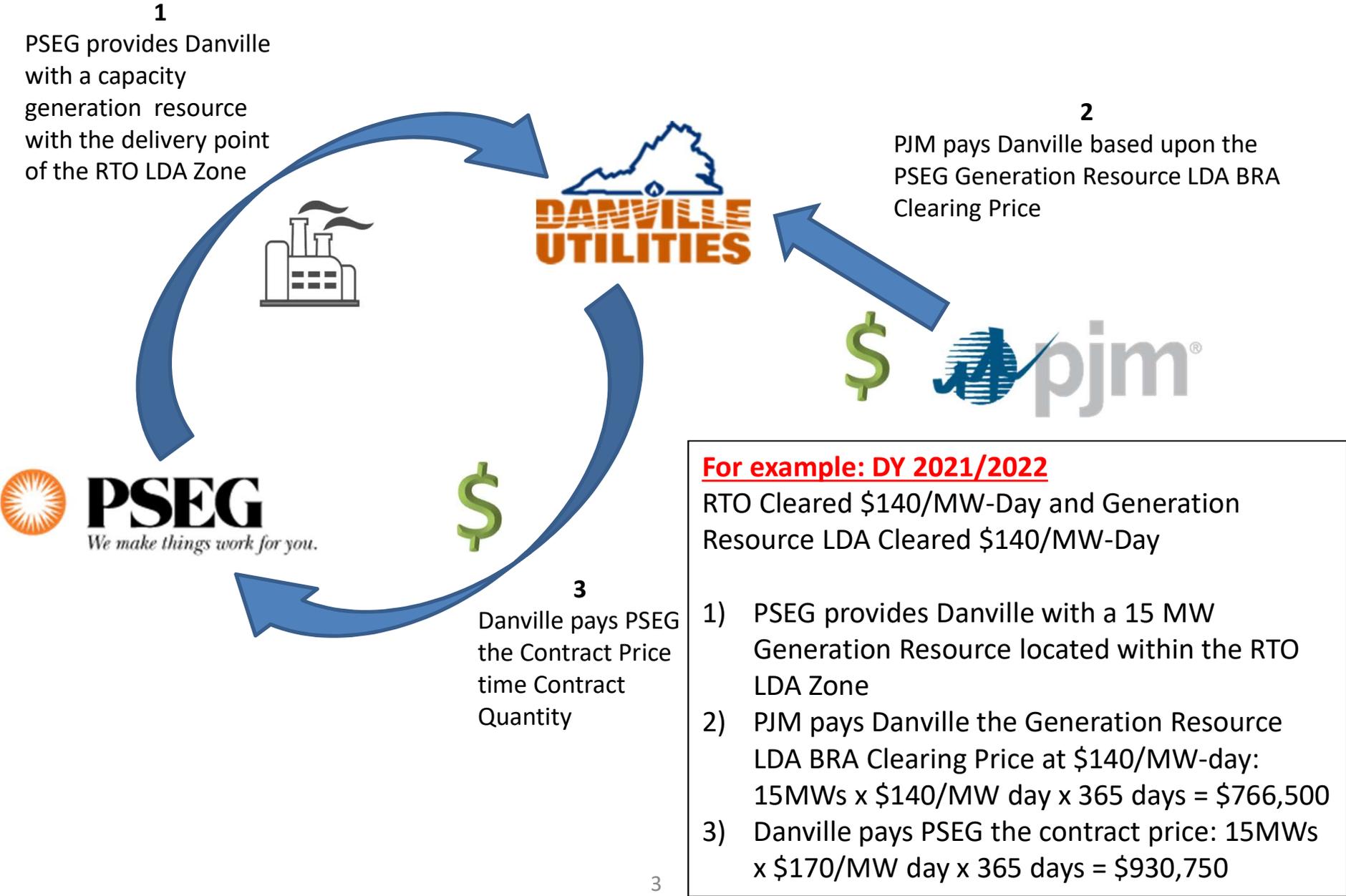
**City of Danville
Capacity Contract Amendment
Proposal**

April 21, 2020

Overview of Capacity Transaction

- Product: Auction Specific MW
- Delivery Point: RTO LDA
- Contract Quantity: 15 MW
- Fixed Price each Delivery Year (DY)
- City of Danville receives from PJM a payment equal to the Scheduled Quantity times the Generation Resource LDA BRA Clearing Price
- City of Danville pays PSEG ER&T Contract Quantity times Fixed Price each Delivery Year
- Scheduling of the Generation Resource to occur on or before May 31 before the DY
 - In 2020, it is on or before May 29 for DY 2020/21

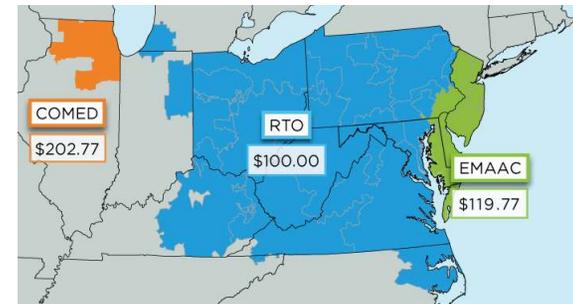
How the deal flows



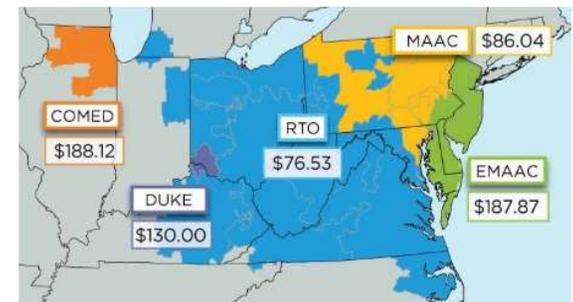
The Problem

- Changes in the composition of the RTO LDA Zone in the confirm is silent regarding the price impact to the Buyer or Seller in the event that the Generation Resource LDA BRA Clearing Price is different than the RTO LDA Zone BRA Clearing Price for any DY
- This silence creates a potential for financial harm to either Party and in DY 2020/21 it happens to create a financial harm to PSEG
- For capacity market BRA pricing purposes, the composition of the LDAs that make up RTO LDA Zone can change from year to year
- PSEG's Generation Resources are in LDAs that may or may not fall within the RTO LDA Zone pricing area for a particular DY
 - DY 2019/20 and DY 2021/22 PSEG has Generation Resources in the RTO LDA
 - DY 2020/21 does not have Generation Resources in the RTO LDA
- The pricing separation between the location of the PSEG Generation Resource LDA and the RTO LDA Zone could be higher or lower for each DY
- We don't know what the future will look like beyond DY 2021/22

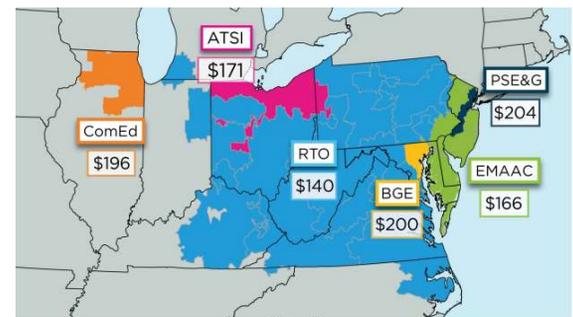
DY 2019/20



DY 2020/21



DY 2021/22



The Solution

- In the event that PSEG doesn't have a generation resource located in a particular DY RTO LDA Zone pricing area and priced at the Rest of RTO LDA Zone clearing price for a particular BRA DY, PSEG proposes to prorate the Scheduled MWs it delivers to Danville, up or down, so that payment from PJM equals that of 15 MWs times the Rest of RTO LDA Zone Clearing Price

DY 2020/2021 Prorated Flow

RTO Cleared \$76.53/MW-Day

MAAC Cleared \$86.04/MW-Day

1) PSEG provides Danville with a **13.4 MWs*** resources that cleared at **\$86.04/MW-day**

2) PJM pays Danville the MAAC LDA BRA Clearing Price (PSEG Generation Resource location):

13.4 MWs x \$86.04/MW-day x 365 days = \$420,822

NOTE: This calculation is slightly higher than the Contract Quantity times the RTO LDA Zone

Clearing Price: 15 MW x \$76.53/MW-Day x 365 days = \$419,000

* Note: PSEG will round up to the nearest 10th of a MW to ensure Danville gets full credit and the result is equal to or slightly higher than the RTO LDA BRA Clearing Price times the Contract Quantity.

Summary

- The Contract Quantity, Contract Price and Delivery Point do not change under the confirm
- The proposed structure ensures payments flow the same from PJM to the City of Danville whether or not PSEG has a resource located in the RTO LDA Zone pricing area for a particular BRA DY
- Modifying the agreement will allow this proration mechanism to be used for the Scheduled Quantity seamlessly in the event of future composition changes to the RTO LDA Zone where a PSEG Generation Resource is in an LDA that is not comprised within the RTO LDA Zone and without having to negotiate one-off true-up mechanisms
- Outside of this modification to the agreement, we do anticipate any additional administrative burden on the City of Danville to implement this proposed change.
- The value proposition between Buyer and Seller related to the scheduling of MWs in the PJM eRPM system remains in tact with the intent of the original agreement which PSEG believes was\is the Contract Quantity times the RTO LDA Zone BRA Clearing Price payment from PJM to the City of Danville