

# Ipswich Municipal Light Department Fiscal 2016 Budget



# FY 2016 Budget

- Continues funding system improvements
- Encourages conservation
- Maintains competitive electric rates
- Funds the Operations Manager Position
- Provides a hedge against increasing Capacity costs
  - Continued Focus on the Power Plant

# FY 2016 Capital Improvements

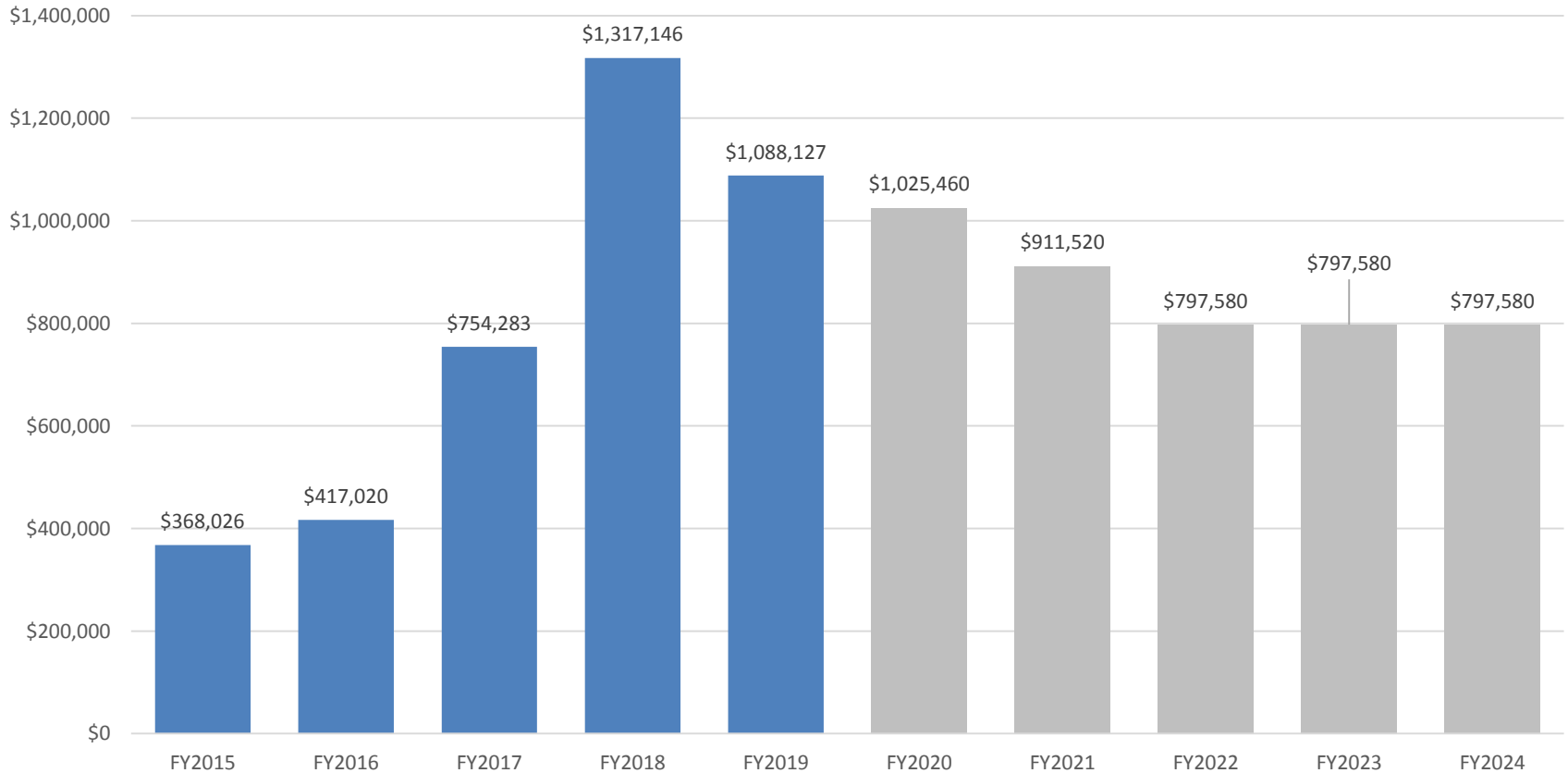
- Continue the Advanced Metering Infrastructure Deployment
- Prime Mover (Power Plant Engines) Mechanical Improvements
- Replace Bucket Truck
- Substation Breaker Replacement
- Power Factor Correction
- Distribution Transformer Purchases
- Electrical System Modeling Software
- Miscellaneous Capital

# Generation / Power Plant

- FY 2015 Performed a Cost/Benefit Analysis of Power Plant, Make Environmental Compliance Improvements and Re-secure Commercial Operating Permits
- FY 2016 Make Prime Mover (Engines) Mechanical Improvements to Extend the Remaining Useful Life of the Prime Movers

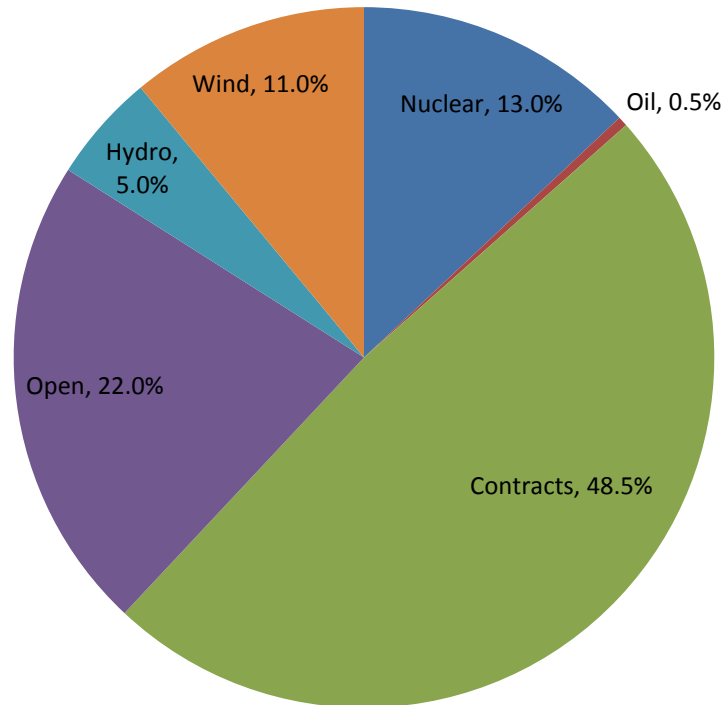
# Generation / Power Plant

## Power Plant - Avoided Capacity Costs

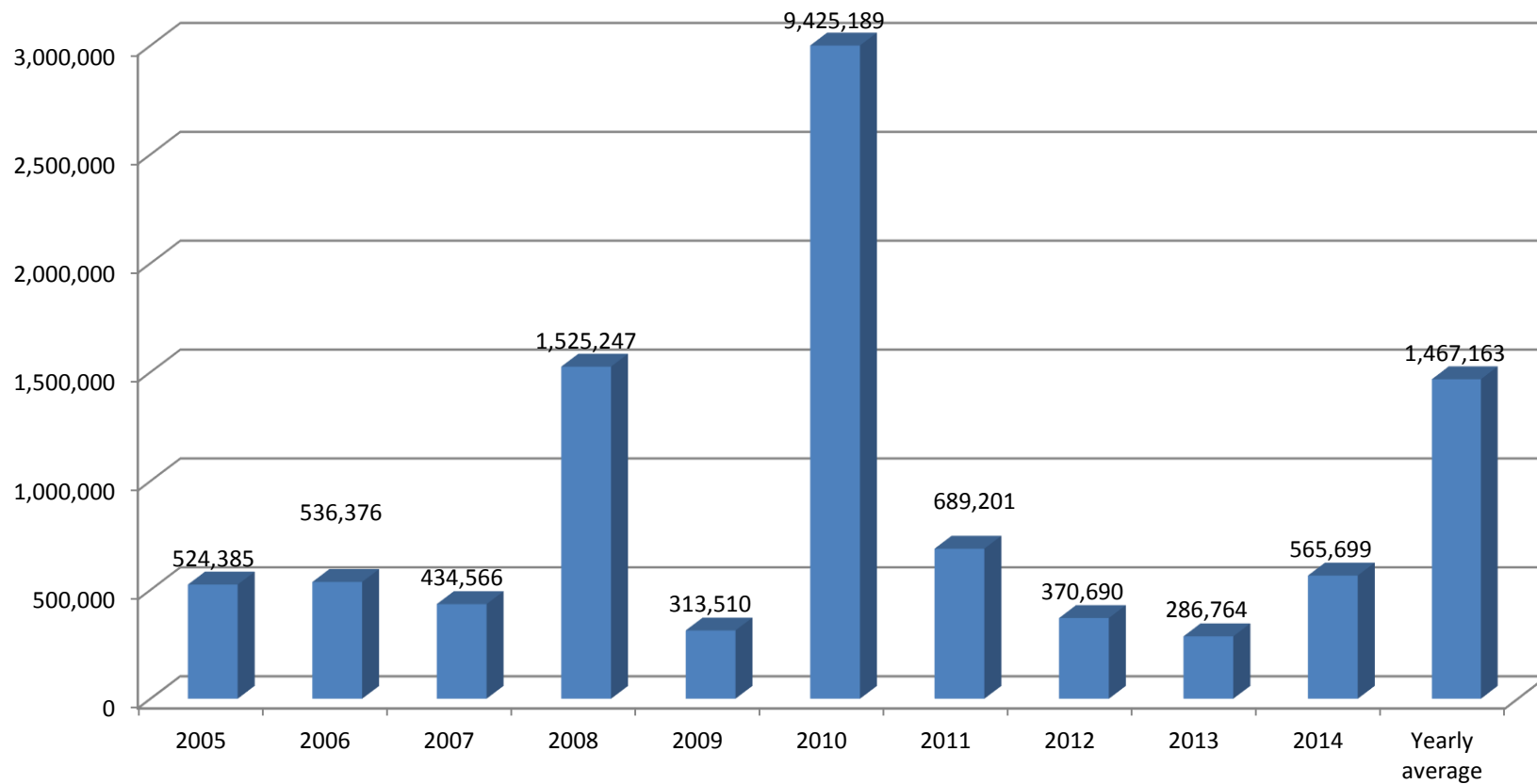


# Projected Energy Source Mix

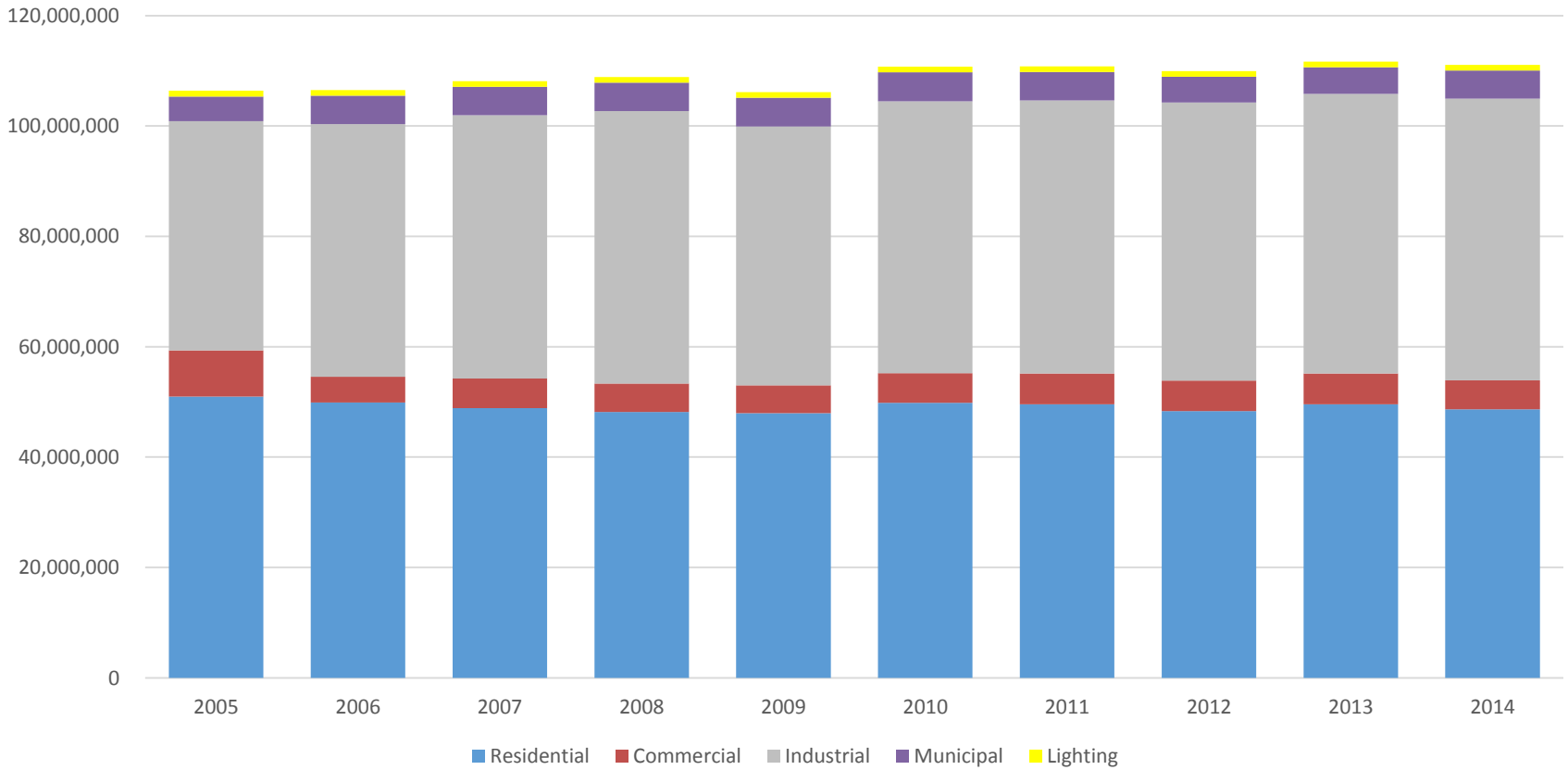
Ipswich Power Portfolio FY2016



## Customer Minutes Out Each Year

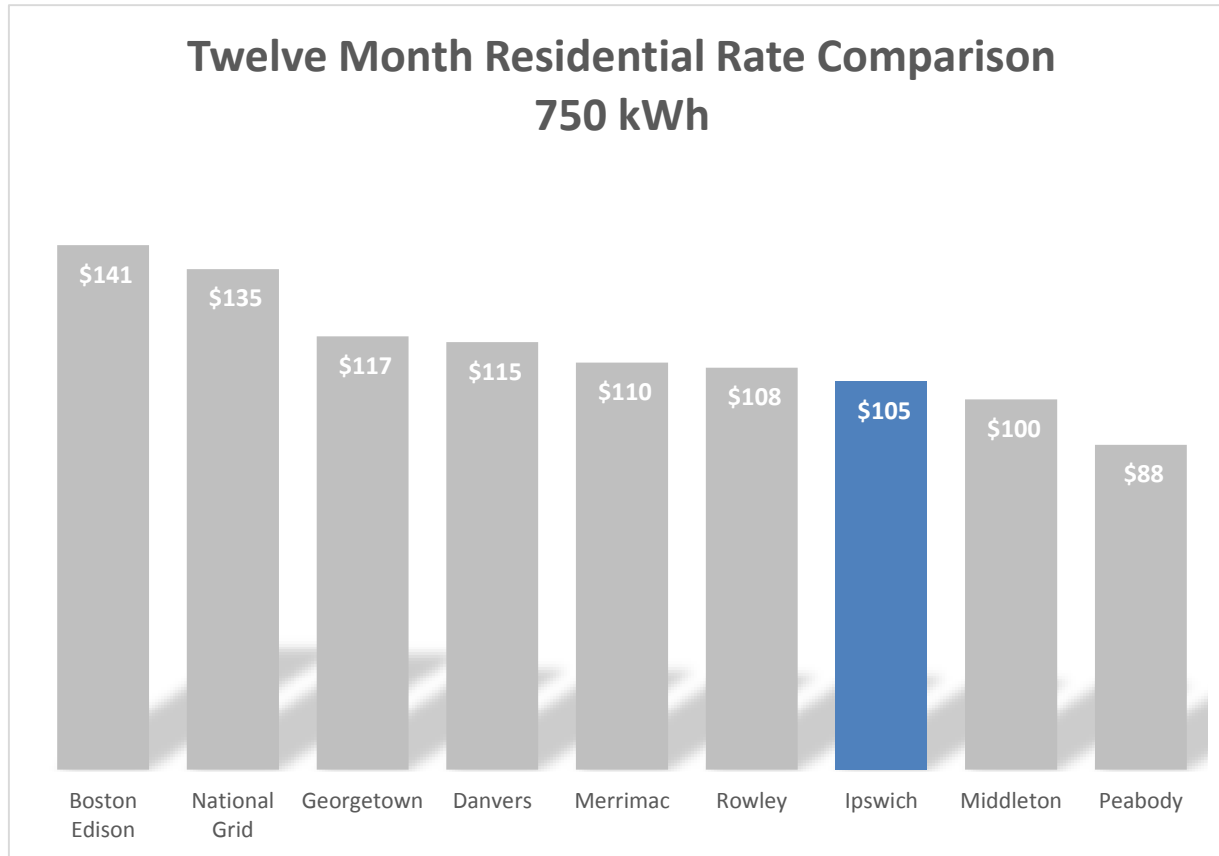


## kWh Sales by Rate Class

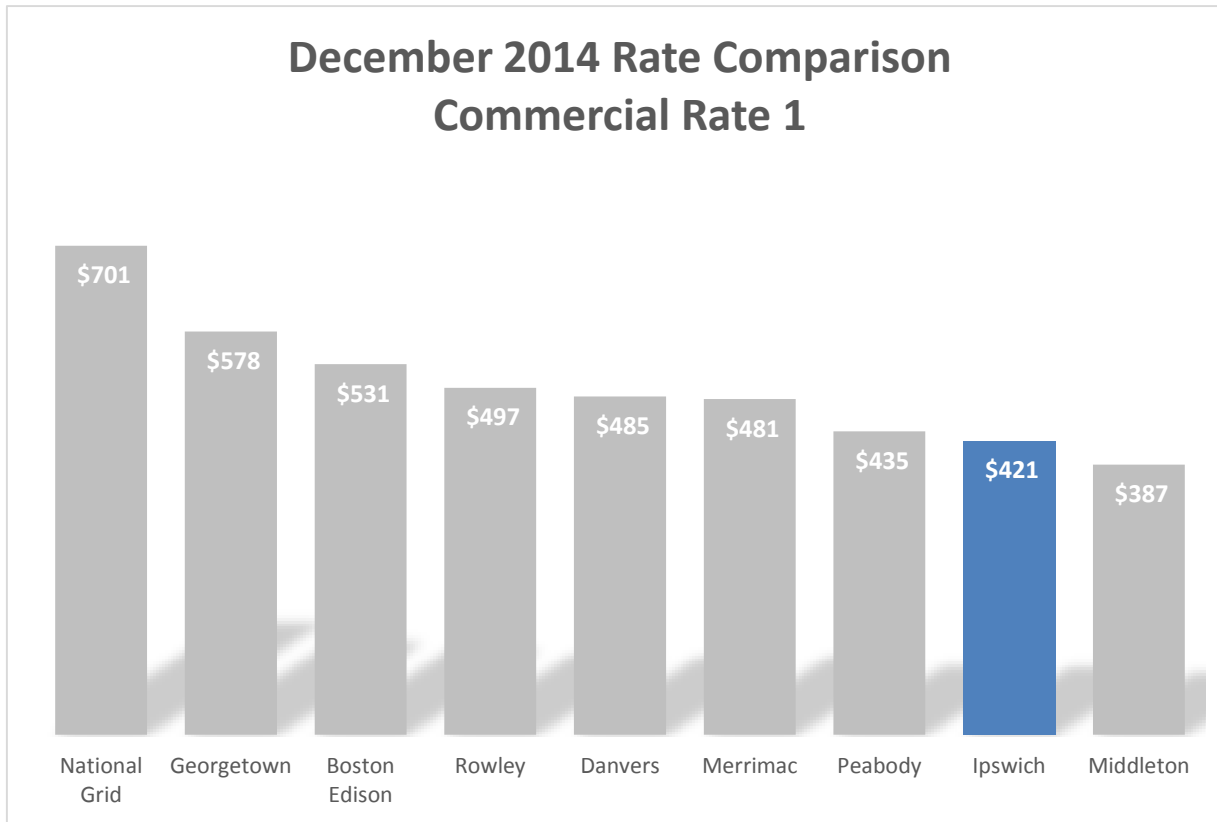




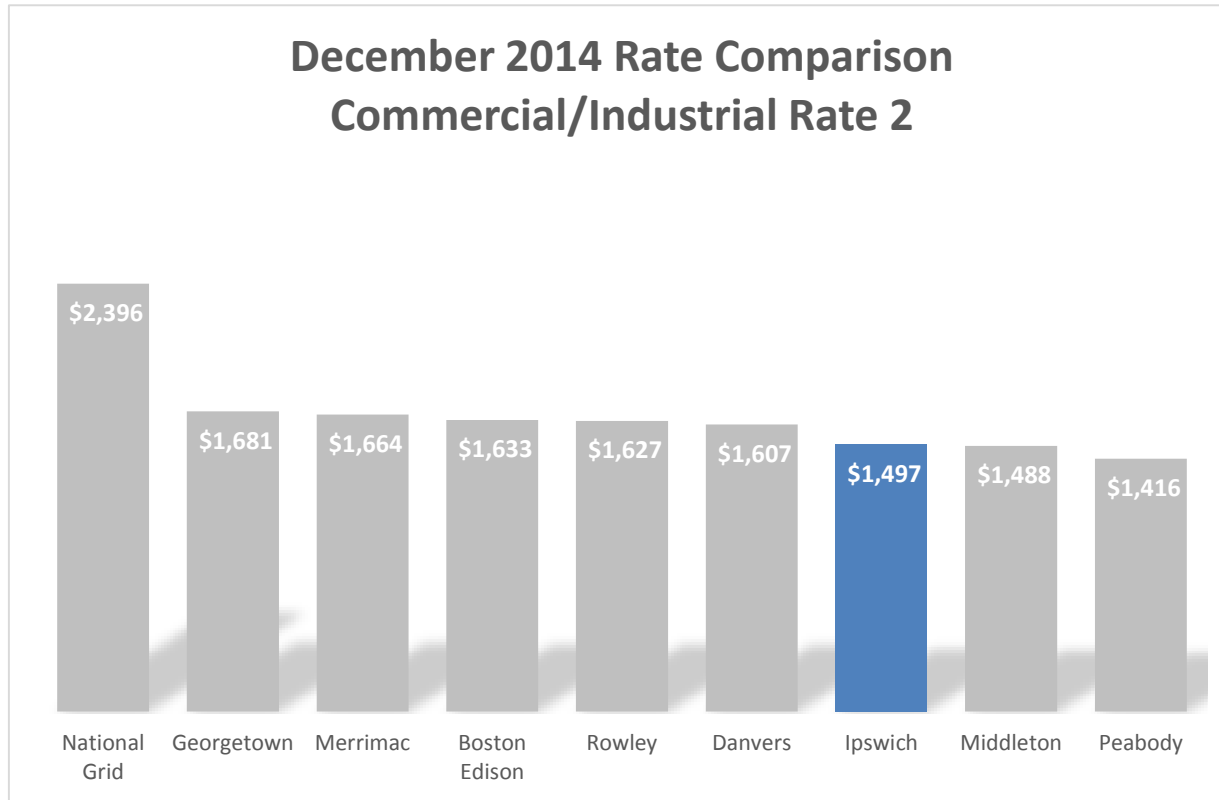
## Twelve Month Residential Rate Comparison 750 kWh



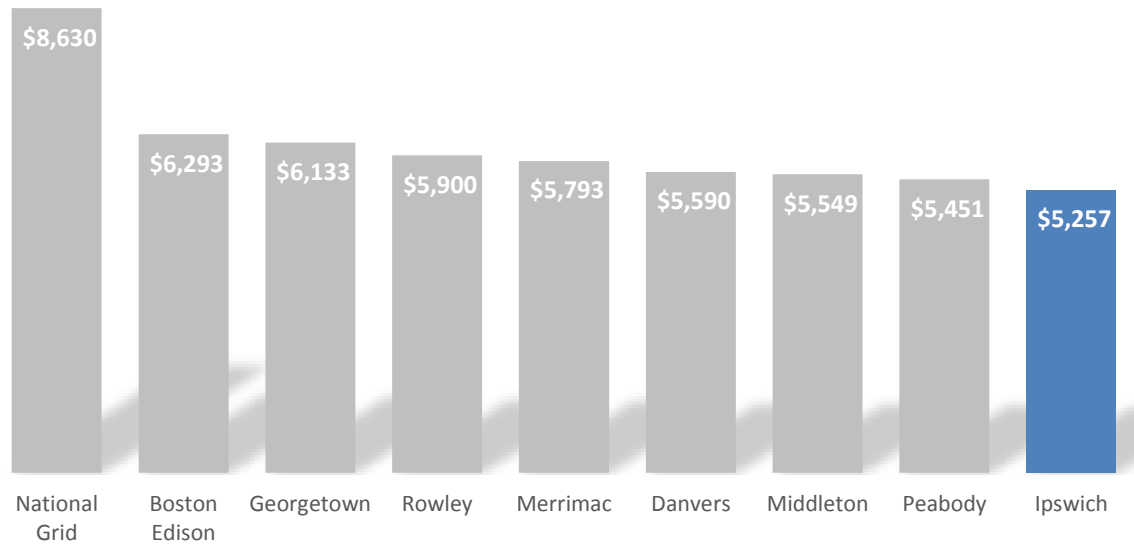
## December 2014 Rate Comparison Commercial Rate 1



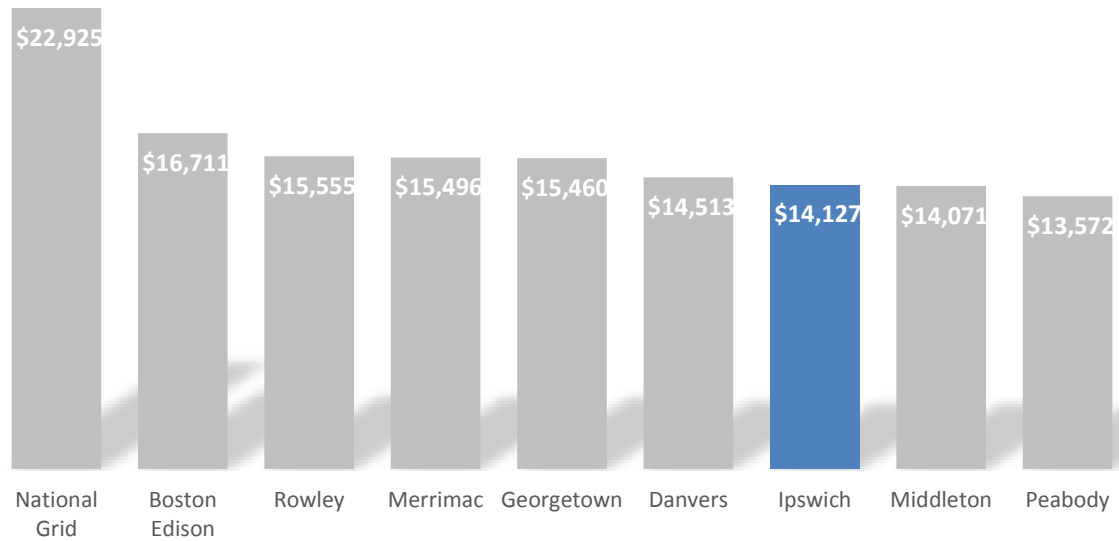
## December 2014 Rate Comparison Commercial/Industrial Rate 2



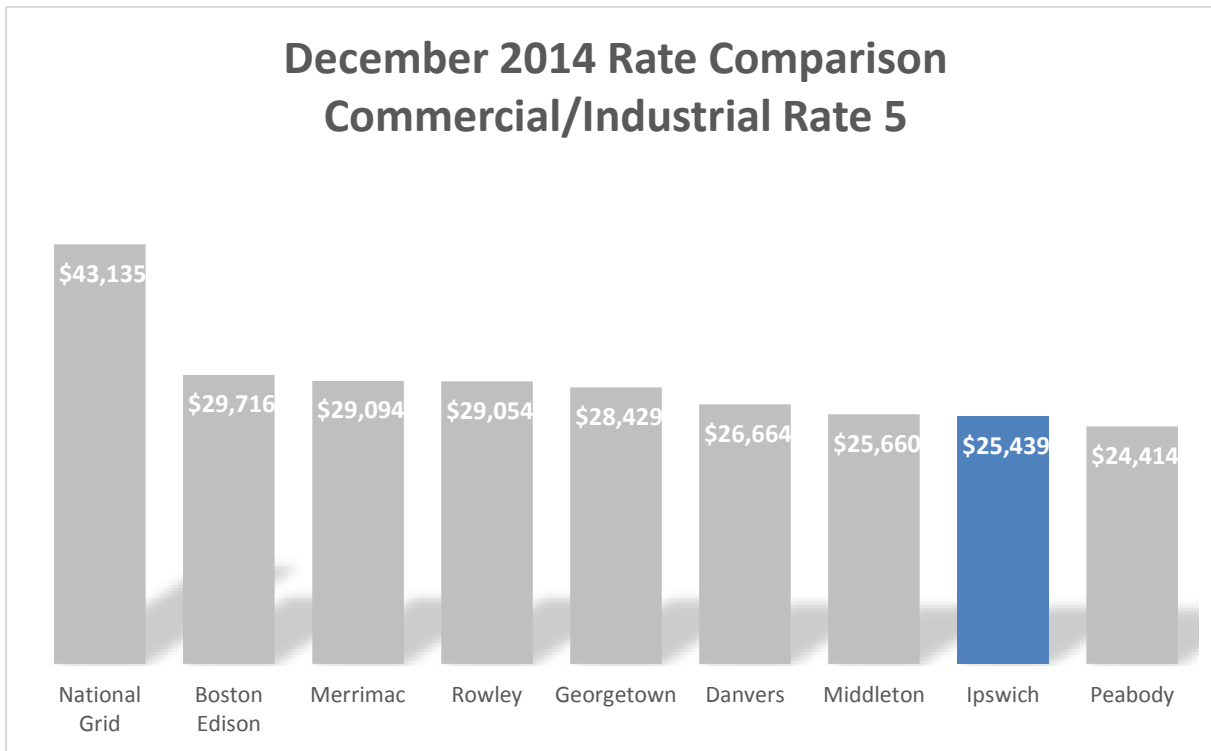
## December 2014 Rate Comparison Commercial/Industrial Rate 3



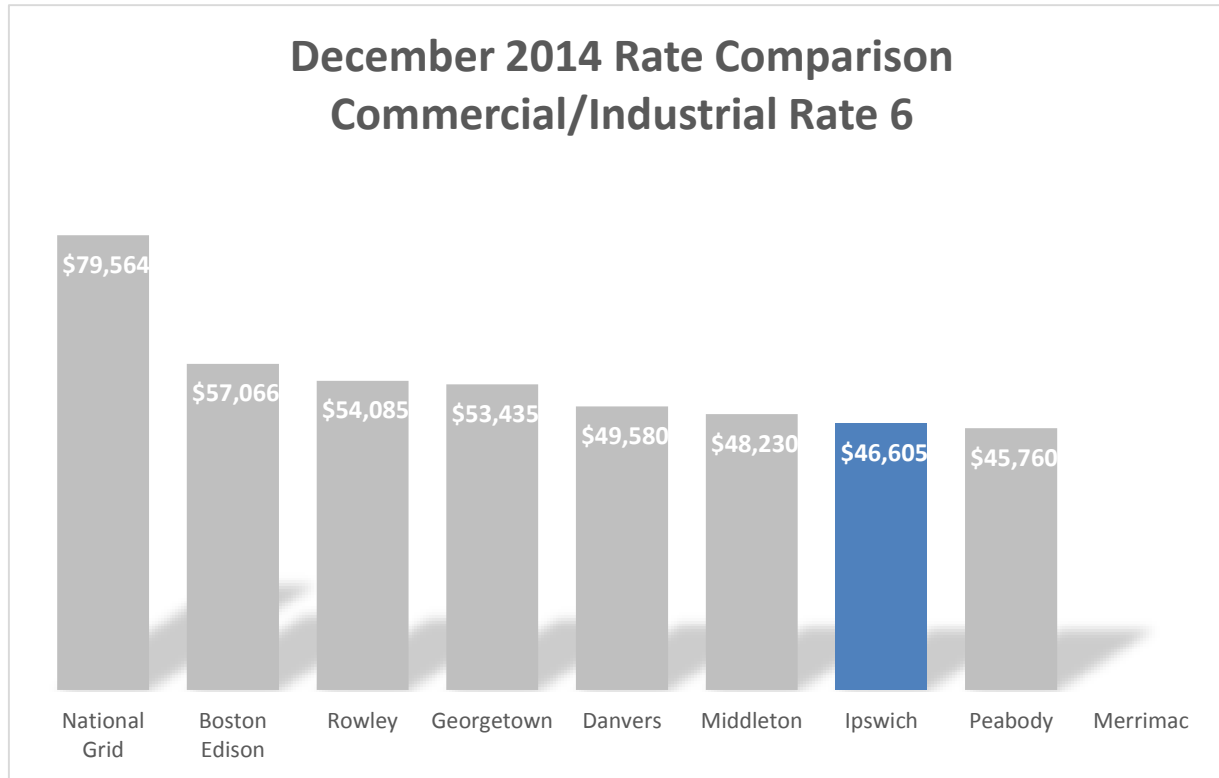
## December 2014 Rate Comparison Commercial/Industrial Rate 4



## December 2014 Rate Comparison Commercial/Industrial Rate 5



## December 2014 Rate Comparison Commercial/Industrial Rate 6



**PROFIT AND LOSS STATEMENT**

		FY2014	FY 2014	FY 2014	FY 2015	FY 2015	FY 2015	FY 2015	FY2016	FY 2016
<b>OPERATING REVENUE</b>		<b>BUDGET</b>	<b>YTD ACTUAL</b>	<b>Cost / kWh</b>	<b>BUDGET</b>	<b>YTD ACTUAL</b>	<b>Cost / kWh</b>	<b>Cost / kWh-AC</b>	<b>BUDGET</b>	<b>Cost / kWh</b>
<b>SALES OF ELECTRICITY</b>			6/30/14							
	Kw-hrs sold Residential	48,000,000	49,943,151		49,201,000	24,391,648			50,602,010	
	Kw-hrs sold Municipal	4,800,000	5,062,585		4,700,000	2,503,024			5,056,108	
	Kw-hrs street lights	843,480	857,391		843,480	421,740			851,915	
	Kw-hrs all other = C&I, etc.	55,500,000	57,013,919		55,898,000	28,385,620			56,079,192	
		109,143,480	112,877,046		110,642,480	55,702,032			112,589,225	
<b>Residential</b>										
4400	Domestic	\$ 5,700,000	\$ 7,250,299		\$ 6,000,000	\$ 3,482,627			\$ 7,620,000	
	Total	\$ 6,551,122	\$ 7,250,299	\$ 0.1452	\$ 6,801,122	\$ 3,482,627	\$ 0.1382	\$ 0.1428	\$ 7,620,000	\$ 0.1506
<b>Commercial and Industrial</b>										
4421	Commercial	\$ 780,000	\$ 842,447		\$ 830,000	\$ 358,602			\$ 910,000	
4422	Industrial	6,400,000	7,272,270		6,700,000	3,436,365			7,373,000	
4423	Commercial Heating	500	233		500	131			500	
	Total	\$ 7,180,500	\$ 8,114,950	\$ 0.1423	\$ 7,530,500	\$ 3,795,097	\$ 0.1347	\$ 0.1337	\$ 8,283,500	\$ 0.1477
<b>Municipal</b>										
4441	Street Lighting	\$ 65,640	\$ 65,640		\$ 65,640	\$ 32,820			\$ 65,640	
4442	Municipal Building (M-1)	280,000	439,877		300,000	206,199			447,000	
4443	Municipal Building (M-2)	270,000	221,773		270,000	97,057			224,000	
	Total	\$ 615,640	\$ 727,290	\$ 0.1229	\$ 635,640	\$ 336,077	\$ 0.1147	\$ 0.1149	\$ 736,640	\$ 0.1247
<b>Outdoor Lighting</b>										
4424	Outdoor Lighting	\$ 33,000	\$ 35,799		\$ 33,000	\$ 17,601			\$ 33,000	
<b>TOTAL SALE OF ELECTRICITY</b>		\$ 14,380,262	\$ 16,128,338	\$ 0.1429	\$ 15,000,262	\$ 7,631,402	\$ 0.1356	\$ 0.1370	\$ 16,673,140	\$ 0.1481
<b>OTHER OPERATING REVENUES</b>										
4150	Conservation	\$ 265,860	\$ -		\$ 265,860	\$ -	\$ 0.0024		\$ 265,860	\$ 0.0024
4260	Discounts	(425,000)	(421,187)		(425,000)	(197,498)			(425,000)	
4510	Misc. Services Revenue(REC)	50,000	100,144		50,000	181,598			50,000	
4530	Unallocated Fuel Charges	-	-		-	-			-	
4560	Other Revenues	135,000	275,369		250,000	3,525			250,000	
	<b>TOTAL OTHER OPERATING REVENUES</b>	\$ 25,860	\$ (45,674)		\$ 140,860	\$ (12,374)			\$ 140,860	
<b>NET OPERATING REVENUE</b>		\$ 14,406,122	\$ 16,082,664	\$ 0.1425	\$ 15,141,122	\$ 7,619,028	\$ 0.1368	\$ 0.1368	\$ 16,814,000	\$ 0.1493
<b>OPERATING EXPENSES</b>										
<b>Expenses</b>										
5460-5540	Generation	\$ 578,507	\$ 505,126	\$ 0.0045	\$ 588,325	\$ 166,565	\$ 0.0053		\$ 558,261	\$ 0.0050
5550,5570	Purchased Power	8,073,790	8,869,015	0.0786	8,694,565	4,131,032	0.0786		9,294,999	\$ 0.0826
5650	Transmission	2,305,947	2,901,088	0.0257	2,305,947	1,527,957	0.0208		3,339,700	\$ 0.0297
5551	[Flush of Funds]	-	-		-	-			\$ -	
	Rate Stabilization Fund	-	-		-	-			\$ -	
5800-5880	Distribution Operations	146,359	159,153	0.0014	149,598	151,615	0.0014		129,475	\$ 0.0011
5900-5980	Distribution Maintenance	736,351	837,953	0.0074	786,771	378,027	0.0071		803,949	\$ 0.0071
9010-9040	Customer Accounts	193,505	183,607	0.0016	201,300	85,244	0.0018		202,385	\$ 0.0018
9200-9360	Administrative & General	935,101	1,019,559	0.0090	961,566	414,731	0.0087		1,010,875	\$ 0.0090
4030	Depreciation	922,716	912,489	0.0086	950,000	455,683	0.0086		927,095	\$ 0.0082
	<b>Total Expenses</b>	\$ 13,892,276	\$ 15,387,989	\$ 0.0082	\$ 14,638,072	\$ 7,310,855	\$ 0.1323	\$ 0.0000	\$ 16,266,739	\$ 0.1445
<b>SUBTOTAL - EARNINGS FROM OPERATIONS</b>		\$ 513,846	\$ 694,674	\$ 0.0062	\$ 503,050	\$ 308,173	\$ 0.0045	\$ 0.0055	\$ 547,261	\$ 0.0049
<b>Other Income (Expense) - Interest</b>										
4190	Interest- MMWEC Deposits	\$ 24,000	\$ 8,322		\$ 24,000	\$ 2,434			\$ 6,000	
4191	Interest - Other	15,000	(19)		15,000	(1)			-	
4270-4310	Interest Expense	(201,350)	(280,677)	(\$0.0025)	(190,050)	(133,287)	(\$0.0017)	(\$0.0024)	(178,750)	(\$0.0016)
	<b>Total Interest Income</b>	\$ (162,350)	\$ (272,374)		\$ (151,050)	\$ (130,854)			\$ (172,750)	
<b>EARNINGS BEFORE PILOT</b>		\$ 351,496	\$ 422,300	\$ 0.0037	\$ 352,000	\$ 177,319	\$ 0.0032	\$ 0.0032	\$ 374,511	\$ 0.0033
<b>PROVISION FOR PILOT</b>		\$ (322,301)	\$ (330,794)	(\$0.0025)	\$ (326,727)	\$ (150,000)	(\$0.0030)	(\$0.0027)	\$ (332,476)	(\$0.0030)
<b>NET INCOME (LOSS)</b>		\$ 29,195	\$ 91,506	\$ 0.0008	\$ 25,273	\$ 27,319	\$ 0.0002	\$ 0.0005	\$ 42,035	\$ 0.0004



- Subcommittee voted in support of the FY 2016 Budget as presented
- Staff requests approval of the Ipswich Municipal Light Department FY 2016 Budget as presented
- Summarized
  - Capital Budget \$993,209
  - Operating Budget \$16,445,489
  - Pilot Payment \$332,476
  - Projected Net Income \$42,035