

BURLINGTON
BOARD OF ELECTRIC COMMISSIONERS
585 Pine Street
Burlington, Vermont 05401

SCOTT MOODY, CHAIR
BETHANY WHITAKER, VICE CHAIR
LARA BONN
JIM CHAGNON
ROBERT HERENDEEN

*To be held at Burlington Electric Department (and)
Via Microsoft Teams*

[+1 802-489-6254](tel:+18024896254)

Conference ID: 295 615 914#

AGENDA

Special Meeting of the Board of Electric Commissioners
Tuesday, May 16, 2023– 12:00 noon

- | | |
|---|----------------|
| 1. Agenda | 12:00 (5 min.) |
| 2. Public Forum | 12:05 (5 min.) |
| 3. FY24 Budget Revision (Discussion and Vote): E. Stebbins-Wheelock | 12:10 (15 min) |

Attest:



Laurie Lemieux, Board Clerk

If anyone from the public wishes to speak during the public forum portion of the Commission Meeting and/or wishes to be present for the Meeting of the Board of Electric Commission via Microsoft Teams, please email llemieux@burlingtonelectric.com to receive a link to the meeting, or call (802) 489-6254, Conference ID: 295 615 914#

Note: Members of the public may speak during the Public Forum, or when recognized by the Chair during consideration of a specific agenda item.



Draft Budget

Fiscal Year 2024
July 1, 2023 to June 30, 2024

Revised May 15, 2023

Table of Contents

Section	Document	Page
Key Assumptions	Summary	3
Income Statement	Income Statement	4
Sales to Customers	Sales to Customers	5
Sales to Customers	Total Sales to Customers	6
Sales to Customers	Rate Filing History	7
Sales to Customers	Misc. Electric Revenues	8-9
Power Supply	Sources of Power	10
Power Supply	Net Power Supply - Assumptions	11-19
Power Supply	Production Fuel Expense	19
Power Supply	Purchased Power	20
Power Supply	Net Power Supply Costs	21
Operating Expense	Controllable Expenses	22
Operating Expense	Operational Expense	23
Operating Expense	Operational Expense - Notes	24
Operating Expense	Total Outside Services	25
Other Revenues/Expenses	Depreciation & Amortization	26
Other Revenues/Expenses	Taxes	27
Other Revenues/Expenses	Dividend Income	28
Other Revenues/Expenses	Interest Income	29
Other Revenues/Expenses	Other Income, net	29
Other Revenues/Expenses	Interest Expense	30
Other Revenues/Expenses	Outstanding Long Term Debt	31
LOH/Payments to the City	Labor Overhead	32-33
Capital Projects	Capital Spending net of CAFC	34
Capital Projects	Capital Projects - Listing	35-39
Financial Indicators	Debt Coverage Ratios	40
Financial Indicators	Cash Flow	41
Financial Indicators	Cash Coverage	42

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Summary

Revenues

- Rate increase of 5.5%, effective on bills rendered September 1, 2023
- Total sales to customers up \$1.6 million
- Sales of Renewable Energy Credits (RECs)
 - McNeil RECs, \$4.2 million (FY23 - \$4.3 million)
 - Wind RECs, \$3.0 million (FY23 - \$3.1 million)

Expenses

- Labor assumes 5% COLA, merit increases, and tiering adjustments
- Assumes year-end pension liability adjustment of \$636,000
- Transmission costs down \$188,000 compared to FY23
- FY24 wood fuel cost down compared to FY23, which reflected higher diesel prices for suppliers
- \$2.8 million increase in purchased power expenses due to lower energy forward prices for sales of excess energy
- Assumes accounting order to amortize the shortfall between the winter 2022-23 forward energy prices and actual energy prices of \$4.16 million over 8 years
- City indirect allocation increased by \$83,000

Capital

- Total capital budget of \$11.0 million (net of \$428,000 of anticipated customer contributions):
 - Distribution, \$7.2 million
 - McNeil Plant, \$1.3 million
 - Other generation, \$776,000
 - EV charging, \$415,000
 - IT software and hardware, \$902,000
 - Other general plant, \$441,000

Cash/Financing

- Assumes beginning cash balance of \$4.7 million
- \$3 million General Obligation bond/bond anticipation note (BAN)
- \$9.2 million from 2022 revenue bond Construction Fund

Credit Rating Indicators

- 3.68 Revenue Debt Service Coverage Ratio
Target = >1.25
- 1.11 Adjusted Debt Service Coverage Ratio
Target = 1.5
- 90 Days Cash on Hand, including \$5 million Line of Credit
Target = 90

Burlington Electric Department
Budget for the Year Ending June 30, 2024
Income Statement (000s)

	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
OPERATING REVENUES:					
Sales to Customers	\$44,700	\$44,823	\$48,495	\$51,553	\$53,110
Misc Revenues - Power Supply	7,525	8,052	7,896	8,385	8,244
Misc Revenues - Other	3,508	3,240	3,223	3,631	3,775
Total Operating Revenues	55,733	56,115	59,614	63,569	65,130
OPERATING EXPENSES:					
Fuel	7,092	7,767	7,741	9,660	9,546
Purchased Power	16,859	14,763	14,745	11,858	14,618
Transmission Expense	7,873	8,032	8,908	9,905	9,717
Operation and Maintenance	18,763	19,676	19,220	22,952	22,846
Depreciation & Amortization	5,142	5,330	6,049	6,391	6,630
Gain/Loss on Disp of Plant	290	248	257	297	296
Taxes	3,587	3,698	3,307	3,466	3,369
Total Operating Expenses	59,606	59,514	60,227	64,529	67,021
NET OPERATING INCOME	(3,873)	(3,399)	(613)	(961)	(1,891)
OTHER INCOME & DEDUCTIONS:					
Dividends	4,269	4,327	4,336	4,391	4,402
Interest Income	221	83	85	60	462
Grants/Capital Contributions	1,003	1,318	580	798	428
Other Income, Net	(11)	84	(144)	57	48
Total Other Income/Deductions	5,483	5,811	4,856	5,306	5,340
INCOME BEFORE INTEREST EXPENSE	1,610	2,412	4,243	4,346	3,449
INTEREST EXPENSE	2,581	2,455	2,306	3,114	3,166
NET INCOME (LOSS)	(\$972)	(\$43)	\$1,937	\$1,231	\$283

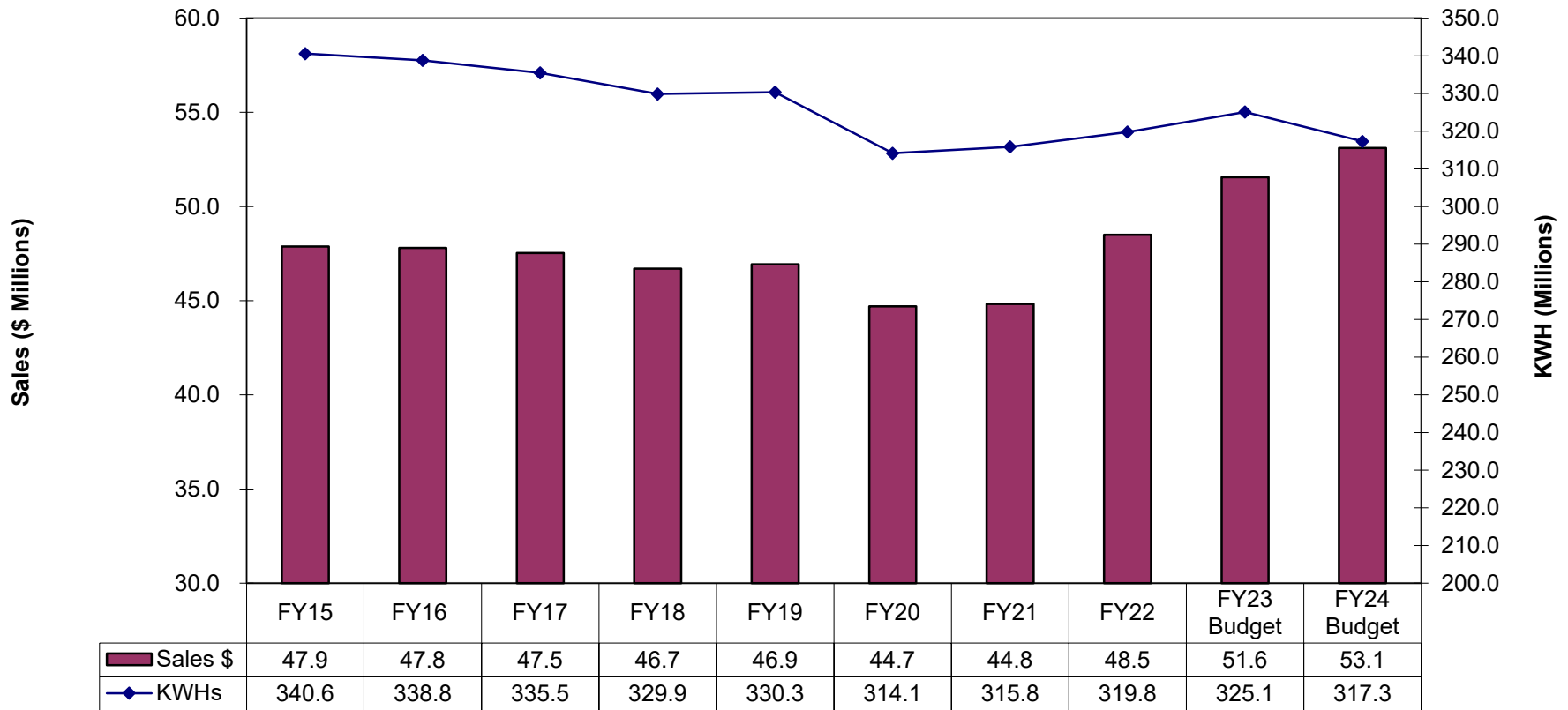
Burlington Electric Department
Budget for the Year Ending June 30, 2024
Sales to Customers

(000s)	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
Dollars:					
Residential	\$13,292	\$14,194	\$14,878	\$15,445	\$16,137
Commercial / Industrial	30,813	29,908	32,860	35,296	36,123
Streetlights	595	606	654	680	714
Private Area Lighting		114	103	131	136
Total Sales to Customers	\$44,700	\$44,823	\$48,495	\$51,553	\$53,110
KWH:					
Residential	84,176	90,304	88,626	87,928	87,594
Commercial / Industrial	227,826	223,412	228,389	234,458	226,996
Streetlights	2,137	2,128	2,097	2,056	2,059
Private Area Lighting		687	661	647	633
Total Sales to Customers - KWH	314,138	316,531	319,772	325,090	317,283
Revenue Per KWH:					
Residential	\$0.16	\$0.16	\$0.17	\$0.18	\$0.18
Commercial / Industrial	0.14	0.13	0.14	0.16	0.16
Streetlights	0.28	0.28	0.31	0.33	0.35
Private Area Lighting		0.17	0.16	0.20	0.21
Total Sales to Customers - Revenue Per KWH	0.14	0.14	0.15	0.16	0.17

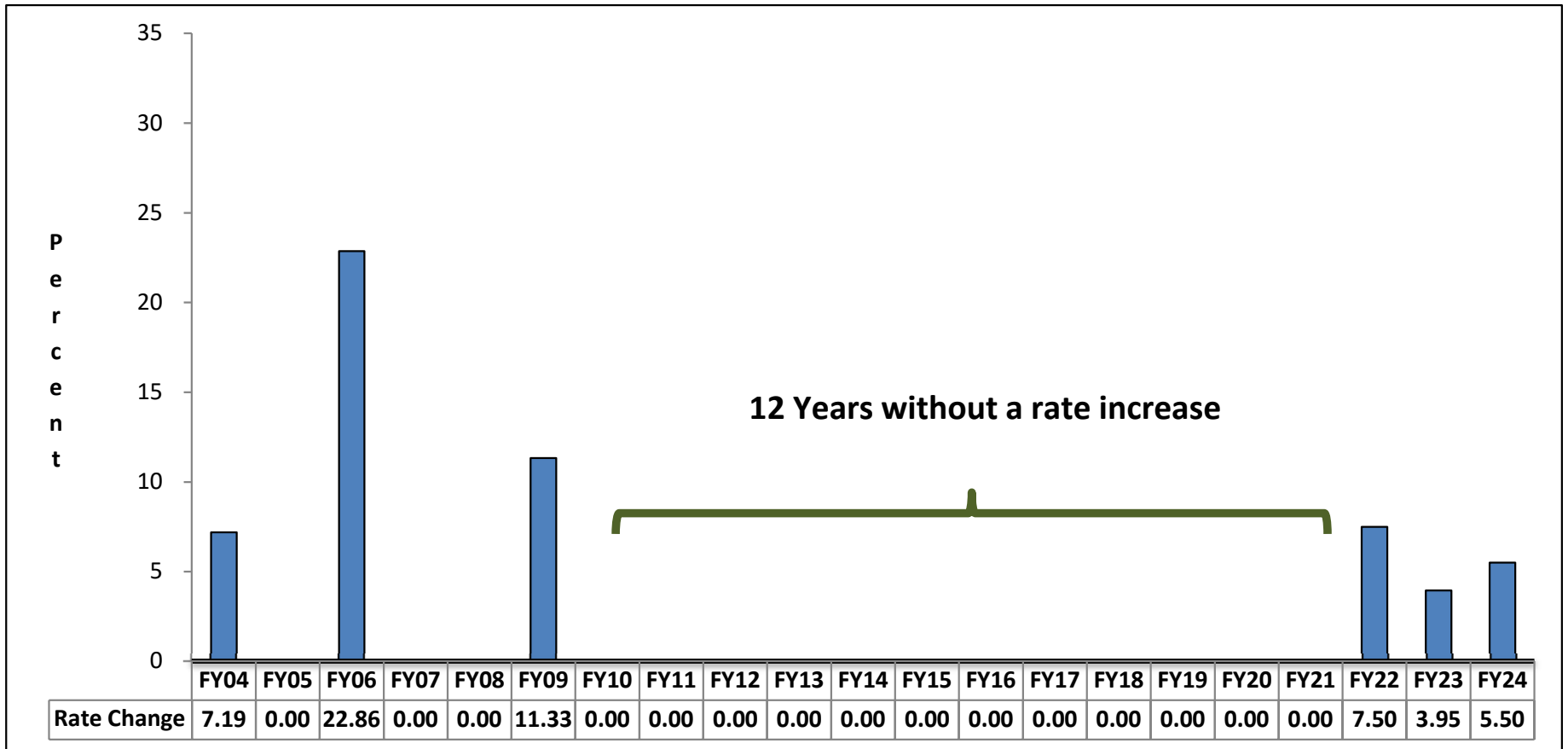
Assumptions:

- "Average" weather conditions based on last 10 years of actuals.
- Rate increase of 5.5%, effective bills rendered September 1, 2023.
- Private Area Lighting previously included under miscellaneous revenues as Leased Lights.

Burlington Electric Department Total Sales to Customers



Burlington Electric Department Rate Filing History



7.19% January 2004; 22.86% May 2006; 11.33% June 2009; 7.5% August 2021; 3.95% August 2022; 5.5% September 2023

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Miscellaneous Electric Revenues	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
Forfeited Discounts					
Late Payment Fees	\$27,258	\$0	\$6,549	\$39,700	\$41,300
Service Revenues					
Initial Fees	203,459	197,535	185,354	206,400	195,500
Other Service Fees (1)	12,905	13,560	9,807	35,300	37,100
Total Service Revenues	216,364	211,095	195,161	241,700	232,600
Rent from Electric Property					
Leased Lights (2)	115,025	0	0	0	0
Pole Attachments (3)	111,277	85,542	70,310	70,400	70,056
Conduit Rental (4)	27,195	26,739	26,283	26,300	26,282
Total Rent from Electric Property	253,497	112,281	96,593	96,700	96,338

* Note, a three-year average is used for most revenue projections. FY21 was impacted by COVID.

(1) Includes reconnects, collections, temporary service, and other fees.

(2) Beginning in FY21 Leased Lights were reclassified to Sales to Customers as "Private Area Lighting".

(3) Budget is based on current billing. Rates effective as of 10/1/2020.

(4) Budget based on current billing. Fees per agreements with VELCO and Burlington Telecom.

Burlington Electric Department
Budget for the Year Ending June 30, 2024

	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
Miscellaneous Electric Revenues					
Electric Revenues - Other					
Miscellaneous (1)	23,302	2,021	26,843	17,200	17,200
EEU Program Cost Reimbursement (2)	2,977,008	2,900,080	2,887,447	3,223,500	3,376,200
Winooski One Hydro - Fish Passage/Water Sales	10,285	14,616	10,773	12,000	12,000
Total Electric Revenues - Other	3,010,595	2,916,717	2,925,063	3,252,700	3,405,400
Electric Revenues - Power Supply					
Renewable Energy Credits - McNeil (3)	3,521,592	3,943,923	4,266,808	4,299,100	4,196,700
Renewable Energy Credits - Wind (4)	3,025,853	3,280,049	2,780,505	3,110,500	3,003,000
Renewable Energy Credits - Hydro (5)	818,359	630,000	670,140	786,700	861,100
Renewable Energy Credits - Standard Offer/Solar (6)	158,650	197,844	178,252	188,300	183,400
Total Electric Revenues - Power Supply	7,524,723	8,051,816	7,895,705	8,384,600	8,244,200
Total	\$11,032,437	\$11,291,909	\$11,119,071	\$12,015,400	\$12,019,838

(1) Includes reimbursement for scrap metal.

(2) Energy Efficiency Charge funded for State energy efficiency programs effective January 2003.

(3) FY24 assumes \$ 33/MWh; FY23 assumed \$32/MWh.

(4) FY24 assumes \$ 34/MWh; FY23 assumed \$33/MWh

(5) FY24 assumes \$28/MWh; FY23 assumed \$28/MWh.

(6) FY24 assumes \$37/MWh; FY23 assumed \$38/MWh.

**BURLINGTON ELECTRIC DEPARTMENT
FY 2024 BUDGET
SOURCES OF POWER**

PURCHASED POWER

Source	Contract Expires	Nominal MW (1)	Market MW (2)	MWH	% of Total MWh	Type of Generation	Delivery Point	Comments
Vermont Wind	2026	16.000	3.167	30,504	9.4%	wind	Northeast VT	Began operation in October 2011 Contract extended for 5 years in 2019
ISO Exchange	n/a	n/a	14.30	(44,181)	-13.6%	exchange	VT Zone	Net purchases from (sales to) ISO-NE
GMC Wind	2037	10.000	2.430	26,790	8.3%	wind	Milton/Georgia	Production began 12/31/12
NYPA - St. Law.	2032	0.059	0.054	337	0.1%	lg hydro	NY-NE Border	Low-cost contract through the Vermont Dpt of Public Svc
NYPA - Niagara	2025	2.558	2.340	14,613	4.5%	lg hydro	NY-NE Border	Low-cost contract through the Vermont Dpt of Public Svc
Great River Hydro	2024	7.500	0.000	43,920	13.5%	lg hydro	Bellows Falls	Purchase of energy & RECs from Connecticut River hydro plants
BED Solar (3)	n/a	3.413	n/a	4,965	1.5%	solar	Burlington	BTV parking garage began production February, 2015 BED garage production began October 2015 South 40 Solar began January 2018
Hancock Wind	2025	13.500	0.000	34,529	10.7%	wind	VT Zone	The 10-year contract began December 2016
Hydro-Québec	2038	9.000	0.000	52,704	16.3%	lg hydro	Highgate	Deliveries commenced November 2015 Entitlement increased to 9 MW in November 2020
HQ Interconnection Credit	n/a	2.826	2.826	0	0.0%	n/a	n/a	

GENERATION

Source	Contract Expires	Nominal MW (1)	Market MW (2)	MWH	% of Total MWh	Type of Generation	Delivery Point	Comments
McNeil Generating Station	N/A	25.000	26.000	130,391	40.2%	wood	McNeil Sub	Projected to continue operation for forecast period
BED Gas Turbine (4)	N/A	25.000	18.483	335	0.1%	oil	Burlington	Projected to continue operation for forecast period
Winooski One Hydro	N/A	7.400	2.590	29,279	9.0%	small hydro	Burlington	Projected to continue operation for forecast period

GRAND TOTAL SOURCES **72.186 368,367**
SOURCES - NET OF SALES TO ISO-NE **324,186**

(1) Nominal MW represents the nameplate of or entitlement to the resource

(2) Market MW represents the average monthly MW for the resource in the Forward Capacity Market (allowing for rating, reliability, partial periods and intermittent resource adjustments)

(3) BED Solar does not have a market capacity rating. It reduces BED's load at peak hours.

(4) GT output will be excess to BED's own needs

Burlington Electric Department FY24 Budget Net Power Cost – Key Assumptions

OVERALL COMMENTS AND NOTES

The most significant changes between the FY24 budget and the FY23 budget are:

- Decline in budgeted wholesale energy prices.
- Decreased wood fuel costs.
- Decreased capacity obligation.

ENERGY MARKETS & RESOURCES

Spot Market Energy Prices

- BED has revised its wholesale energy price projection in all periods covered by the five-year budget to reflect current market expectations.
- Expected base load (around-the-clock) power price forecasts:

	<u>FY23 Budget</u>	<u>FY24 Budget</u>
FY24	\$73.87	\$73.60
FY25	\$62.03	\$63.04
FY26	\$56.68	\$59.35
FY27	\$59.13	\$58.59
FY28		\$58.76

Hedge (Planned) Purchases

- There are currently no hedge contracts due to market exposure being minimal through the forecast period (based on assumed resource production).
-
- Additional hedge purchases can be made if needed.
- Based on McNeil's assumed operation at a 60% capacity factor, existing resources, and already executed contracts, BED expects to have contracted resources to meet the following percentages of BED's projected loads:

	<u>FY23 Budget</u>	<u>FY24 Budget</u>
FY24	113.2%	113.6%
FY25	104.7%	110.4%
FY26	89.2%	94.2%
FY27	81.1%	85.7%
FY28		81.2%

McNeil Generating Station

- 50% Ownership – 25 MW

- McNeil is assumed to operate at a 60% capacity factor for FY24 (and at a similar level in subsequent years). Energy prices combined with REC revenues are higher than projected variable costs in many hours. Significant drops in either energy or REC markets could warrant revisiting the capacity factor assumption.
- McNeil is projected to provide energy equal to approximately 40% of BED's load in FY24.
- Wood prices are assumed to be \$31.70 per ton in FY24, with +3% escalation per year thereafter.
- McNeil qualifies for the Vermont Tier 1 and Connecticut Class 1 REC markets.
- Residual RECs priced at \$37.25 for FY24.
- Average energy prices received by McNeil are budgeted to be 17% greater than those paid for load.
- **REC sales are assumed for budget period.**

BED Gas Turbine

- Not a significant energy source. BED's Gas Turbine is expected to provide energy equal to 0.1% of Burlington Electric's load for FY24 and this energy is expected to be excess to BED's needs.
- This unit provides significant value in non-energy markets (capacity and reserves). This value increased materially with the increase in wholesale capacity prices in June 2017 but has declined with a falling capacity market since May 2019.
- Average energy prices received by the BED's Gas Turbine are budgeted to be 11% greater than those paid for load.

NYPA

- Contracts continue through 2032 (St Lawrence) and 2025 (Niagara).
- Niagara is by far the larger resource.
- 65% capacity factor (i.e., no non-firm deliveries) assumed.
- NYPA is expected to provide energy equal to 4.6% of Burlington Electric's load for FY24.
- This resource qualifies for VT Renewable Energy Standard Tier 1.

- Average energy prices received under the NYPA contract are budgeted to be 8% less than those paid for load.
- BED pays transmission fees to VELCO and NYPA to access this resource.

Vermont Wind

- Vermont Wind became commercial on October 19, 2011. The original contract would have expired October 18, 2021. The contract now expires October 18, 2026.
- BED is entitled to 16 MW (40%) of 40 MW project.
- Vermont Wind is budgeted to operate at a 22% capacity factor for FY24.
- Vermont Wind is expected to provide energy equal to 9.4% of Burlington Electric's load for FY24.
- Vermont Wind qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.
- Average energy prices received under the Vermont Wind contract are budgeted to be 14% less than those paid for load.
- **REC sales assumed for budget period.**

Great River Hydro

- Great River Hydro has a 7.5 MW unit-contingent contract from January 2018 through December 2024 from hydro facilities on the Connecticut River. Energy deliveries are projected to be 7x16 subject to the units producing at least the contract energy in each hour.
- Great River Hydro is expected to provide energy equal to 13.5% of Burlington Electric's load for FY24.
- This resource qualifies for VT Renewable Energy Standard Tier 1.
- Average Energy Prices received under the Great River contract are budgeted to be 7% more than those paid for Load.
- The RECs from this resource will be retained by Burlington Electric for renewability purposes.

Solar Generation

- Currently, BED contracts to purchase 2,913 kW of output from seven solar generators around the city of Burlington.

- BED increased the amount of solar generation by 499 kW by adding the BED-owned array on the Burlington International Airport parking garage which began commercial operations in February 2015.
- BED further increased the amount of solar generation by 107 kW with a project on the roof of BED. This project began commercial operations in October 2015.
- BED most recently increased the amount of solar generation by another 2,500 kW to reflect the South Forty Solar project. This project was in production by December 2017.
- Solar generation is projected to provide energy equal to 1.5% of Burlington Electric's load for FY24.
- Solar qualifies for all major REC markets. In addition, Pine Street Solar and South Forty Solar qualify as a Tier 2 resource in Vermont.
- Average energy prices received by BED's Solar Generation are budgeted to be 10% less than those paid for load.
- **REC sales assumed for budget period.**

Georgia Mountain Community Wind (GMCW)

- GMCW began commercial output on December 31, 2012.
- GMCW is budgeted to operate at a 30.5% capacity factor.
- GMCW is projected to provide energy equal to 8.3% of Burlington Electric's load for FY24.
- GMCW qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.
- Average energy prices received by GMCW are budgeted to be 7% less than those paid for load.
- **REC sales assumed for budget period.**

Winooski One Hydro

- The Winooski One VEPPI contract ended on March 31, 2013.
- BED attained full ownership of the facility beginning September 1, 2014.
- Winooski One is projected to provide energy equal to 9.0% of Burlington Electric's load for FY24.
- Winooski One qualifies to sell Massachusetts Class II (non-waste) RECs and as a VT Tier 1 resource.

- Average energy prices received by Winooski One are budgeted to be 3% less than those paid for load.
- **REC sales assumed for budget period.**

Hydro-Québec

- The 5 MW BED portion of the Hydro-Québec contract began in November 2015. An additional 4MW has been delivered starting in November 2020.
- Hydro-Québec is expected to provide energy equal to 16.3% of Burlington Electric's load for FY24.
- 99%+ of this resource is expected to qualify for VT Renewable Energy Standard Tier 1.
- Average energy prices received under the Hydro-Québec contract are budgeted to be 5% less than those paid for load.

Hancock Wind

- Commercial operations began in December 2016.
- BED is entitled to 13.5 MW of the project.
- Capacity factor has been estimated at 29.1%.
- Hancock Wind is expected to provide energy equal to 10.7% of Burlington Electric's load for FY24.
- Hancock qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.
- Average energy prices received under the Hancock contract are budgeted to be 4% more than those paid for load.
- **REC sales assumed for budget period.**

CAPACITY MARKET

Capacity Market Prices

- New market rules changed BED's capacity position beginning June 1, 2010.
- BED's capacity obligation may be charged a different price than its resources receive.
- The projected capacity rate for each kW-month for the period are:

Fiscal Year	\$/kW-month	Notes
FY24	2.04	Known
FY25	2.48	Known
FY26	2.54	Known
		11 months known & 1
FY27	2.55	month forecast
FY28	2.18	FY24 forecast

- BED is a net purchaser of capacity (i.e., total charges for load exceed resource payments) – see capacity position below.

Projected Capacity Position

BED expects to be buying 20-30% of its capacity needs from the ISO-NE market over the next five fiscal years:

	FY24	FY25	FY26	FY27	FY28
McNeil	26.0	26.0	26.0	26.0	26.0
BED Gas Turbine	18.5	18.2	18.2	18.2	18.2
NYPA	2.4	2.4	2.4	2.4	2.4
Vermont Wind	3.2	3.1	0.3	0.0	0.0
GMCW	2.4	2.2	2.2	2.2	2.2
Winooski One	2.6	2.8	2.8	2.8	2.8
HQICC	2.8	2.8	2.8	2.8	2.8
Market Purchase	14.3	18.4	22.2	22.7	23.4
MW REQUIREMENT	72.2	75.9	77.0	77.2	77.8
Hedged	80.2%	75.8%	71.1%	70.5%	69.9%

RENEWABLE ENERGY CREDITS (RECs)

FY24 benefits from a relatively strong REC market. REC revenues are forecasted to remain a significant offset to BED's power costs over the forecast period. Historical and projected values are as follows:

	Avg. \$/REC	Actual REC Revenues	FY23 Budget	FY24 Budget	Notes
FY08		0			
FY09	23	1,648,484			Partial Year - McNeil Qualified Q4-2008
FY10	23	1,624,454			** See Note Below
FY11	22	3,211,612			McNeil only - VT Wind delayed
FY12	24	3,555,352			REC price falls, VT Wind partial year
FY13	42	7,123,448			Recovery in REC prices - full year VT Wind
FY14	51	11,237,165			Increased REC prices
FY15	46	10,968,226			Winooski One partial year
FY16	49	11,912,108			Winooski One full year
FY17	36	8,766,988			REC Price Drop, Hancock partial year
FY18	35	7,903,446			Hancock full year, No Standard Offer RECs
FY19	29	7,359,815			Full year South Forty; REC price falls
FY20	30	7,524,454			REC price increased
FY21		8,051,813			Continued high REC prices
FY22	33	7,895,705			Continued high REC prices
FY23	32	8,384,619			
FY24	32	8,366,658		8,244,164	
FY25	31	8,358,021		8,467,373	
FY26	28	7,336,847		8,903,298	
FY27	26	6,056,268		7,328,347	
FY28	28			5,280,081	

** A change from recording REC revenues from when the power is generated to when the REC is delivered caused a one-time loss of REC income (but did not change cash flow). The change is estimated to have resulted in \$1,200,000 of REC revenue that would have been recorded in FY10 on a REC delivery basis being recorded in FY09.

TRANSMISSION

Transmission charges, particularly ISO-NE transmission charges for use of the New England transmission system, continue to be a significant expense (though this is by no means unique to BED). The Budget also includes a VELCO specific facilities transmission costs for a reactor upgrade starting in January 2019.

Past and projected transmission charges in this forecast are:

	<u>ISO-NE</u>	<u>VELCO</u>	<u>GMP</u>	<u>Other</u>	<u>Total</u>	<u>Notes</u>
FY05	\$1,354,865	\$329,616	\$333,696	\$55,606	\$2,073,783	Actual
FY06	\$1,317,881	\$438,484	\$333,696	\$67,746	\$2,157,806	Actual
FY07	\$1,492,208	\$165,659	\$333,696	\$69,383	\$2,060,946	Actual
FY08	\$1,727,499	\$1,138,279	\$259,589	\$68,569	\$3,193,937	Actual
FY09	\$2,513,582	\$584,002	\$329,270	\$49,406	\$3,476,260	Actual
FY10	\$3,220,858	\$838,421	\$277,204	\$58,268	\$4,394,751	Actual
FY11	\$3,584,512	\$108,169	\$1,351	\$54,108	\$3,748,140	Actual
FY12	\$3,341,192	\$1,340,648	\$16,630	\$4,940	\$3,748,140	Actual
FY13	\$3,990,748	\$758,461	\$125,710	\$5,233	\$4,880,153	Actual
FY14	\$4,621,302	\$1,626,381	\$316,841	\$431	\$6,564,955	Actual
FY15	\$4,810,330	\$1,172,223	\$291,645	\$26,052	\$6,300,250	Actual
FY16	\$5,077,900	\$1,042,605	\$301,783	\$246,245	\$6,668,533	Actual
FY17	\$5,328,860	\$1,249,872	\$321,998	\$289,639	\$7,190,369	Actual
FY18	\$5,673,053	\$757,542	\$335,364	\$296,026	\$7,061,985	Actual
FY19	\$5,668,802	\$1,899,717	\$336,125	\$358,390	\$8,263,034	Actual
FY20	\$5,339,679	\$1,840,447	\$338,314	\$370,774	\$7,889,213	Actual
FY21	\$6,299,655	\$983,078	\$361,375	\$378,025	\$8,022,133	Actual
FY22	\$7,003,913	\$1,065,175	\$349,732	\$497,537	\$8,916,356	Actual
FY23	\$7,359,370	\$1,794,844	\$366,650	\$383,869	\$9,904,733	FY23 Budget
FY24	\$6,951,720	\$1,941,657	\$339,809	\$483,482	\$9,716,667	FY24 Forecast
FY25	\$7,339,483	\$1,881,069	\$348,304	\$486,011	\$10,054,867	FY24 Forecast
FY26	\$7,820,607	\$1,613,807	\$357,012	\$472,858	\$10,264,284	FY24 Forecast
FY27	\$8,304,146	\$1,446,293	\$365,937	\$467,131	\$10,583,507	FY24 Forecast
FY28	\$8,747,193	\$1,463,361	\$375,085	\$477,547	\$11,063,186	FY24 Forecast

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Production Fuel Expense	Budget FY 20	Budget FY 21	Budget FY 22	Budget FY 23	Budget FY 24
COST OF FUEL (McNeil @ 50%)					
McNeil - Fuel Purchases					
Wood (1)	\$5,631,900	\$5,543,540	\$5,862,216	\$6,658,440	\$6,303,012
Gas for Start-up (2)	57,910	58,070	58,074	81,846	57,756
Gas for NOx Reduction (2)	5,810	2,900	5,808	9,450	2,190
Oil for Start-up (3)	65,220	38,890	40,820	86,544	148,633
Sub-Total	5,760,840	5,643,400	5,966,918	6,836,280	6,511,591
McNeil - Other Costs					
Labor - Yardworkers	239,790	292,240	367,680	290,133	279,758
Labor - Foresters	274,200	275,700	281,842	285,389	313,395
Swanton Yard/NECRR (train deliveries)	1,508,290	1,606,720	1,603,805	1,686,786	1,806,541
Wood Ash Removal	39,450	39,450	46,200	32,250	65,165
Other (4)	202,420	213,460	231,016	375,235	407,120
Total Other Costs	2,264,150	2,427,570	2,530,542	2,669,794	2,871,979
Total McNeil Fuel	8,024,990	8,070,970	8,497,460	9,506,074	9,383,569
Gas Turbine (Oil) (3)	116,460	117,410	101,924	153,748	162,247
Total Production Fuel Expense	\$8,141,450	\$8,188,380	\$8,599,385	\$9,659,822	\$9,545,816
(1) Wood					
# Tons:	204,796	199,050	210,115	198,846	198,847
Average Price/Ton \$:	\$27.50	\$27.85	\$27.90	\$33.49	\$31.70
(2) Gas (includes Gas for Generation)					
# MCF:	7,500	7,500	7,500	7,501	5,000
Price \$:	\$5.83	\$5.83	\$5.83	\$9.00	\$8.75
(3) Oil (per gallon)	\$2.90	\$1.75	\$1.97	\$3.50	\$3.17

(4) Includes fuel assessment, oil tank integrity testing, aerial survey, general maintenance, unloading trestle lease, railcar storage, RR switching/repair, and emission fees.

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Purchased Power	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
Energy Charges					
Hancock Wind	\$3,239,336	\$2,875,209	\$2,253,659	\$3,274,009	\$3,285,400
Georgia Mountain Wind	2,886,128	3,135,607	3,151,366	3,201,214	3,275,846
Hydro Quebec	1,608,240	2,302,368	2,883,974	3,294,448	3,677,455
VT Wind	2,125,083	2,065,131	2,679,228	2,537,382	2,516,551
Great River Hydro	1,954,435	1,964,094	2,007,847	2,052,512	2,101,234
In City Solar Generators	872,039	875,237	841,790	838,758	840,308
NYPA	98,784	103,037	94,159	73,357	73,555
Brookfield	376,960			0	0
VELCO Exchange (NYPA)	(4,489)	(5,353)	(14,818)	0	0
VEPPI	162,406	36,247		0	0
ISO Exchange	(402,596)	(704,167)	(1,901,061)	(5,904,769)	(4,424,020)
ISO Exchange - Accounting Order (1)					520,279
Subtotal Energy Charges	12,916,326	12,647,410	11,996,144	9,366,913	11,866,608
Capacity Charges					
ISO Settlement	3,069,356	1,638,280	1,519,893	922,019	353,240
NYPA	127,795	127,795	127,795	127,788	127,788
VEPPI	32,161	7,971		0	0
BED Battery				0	0
Winooski 1				0	0
GMC Wind				0	0
EnerNOC				0	0
Standard Offer				0	0
VT Wind	(218,571)	(174,920)	(155,335)	0	0
Hancock Wind				0	0
Mystic					758,703
Subtotal Capacity Charges	3,010,741	1,599,126	1,492,353	1,049,807	1,239,731
Net Ancillary Services	(64,491)	(99,101)	(49,738)	28,083	(251,603)
Miscellaneous (2)	997,733	615,518	1,306,300	1,413,270	1,762,948
	\$16,859,365	\$14,762,501	\$14,745,059	\$11,858,073	\$14,617,683

(1) Proposed accounting order with the PUC to amortize over 8 years the shortfall between the winter 2022-23 forward energy prices and the actual winter 2022-23 energy prices.

(2) Includes Renewable Energy Credit expense, ISO-NE dispatch, administration, and misc/other charges.

Burlington Electric Department
Budget for the Year Ending June 30, 2024

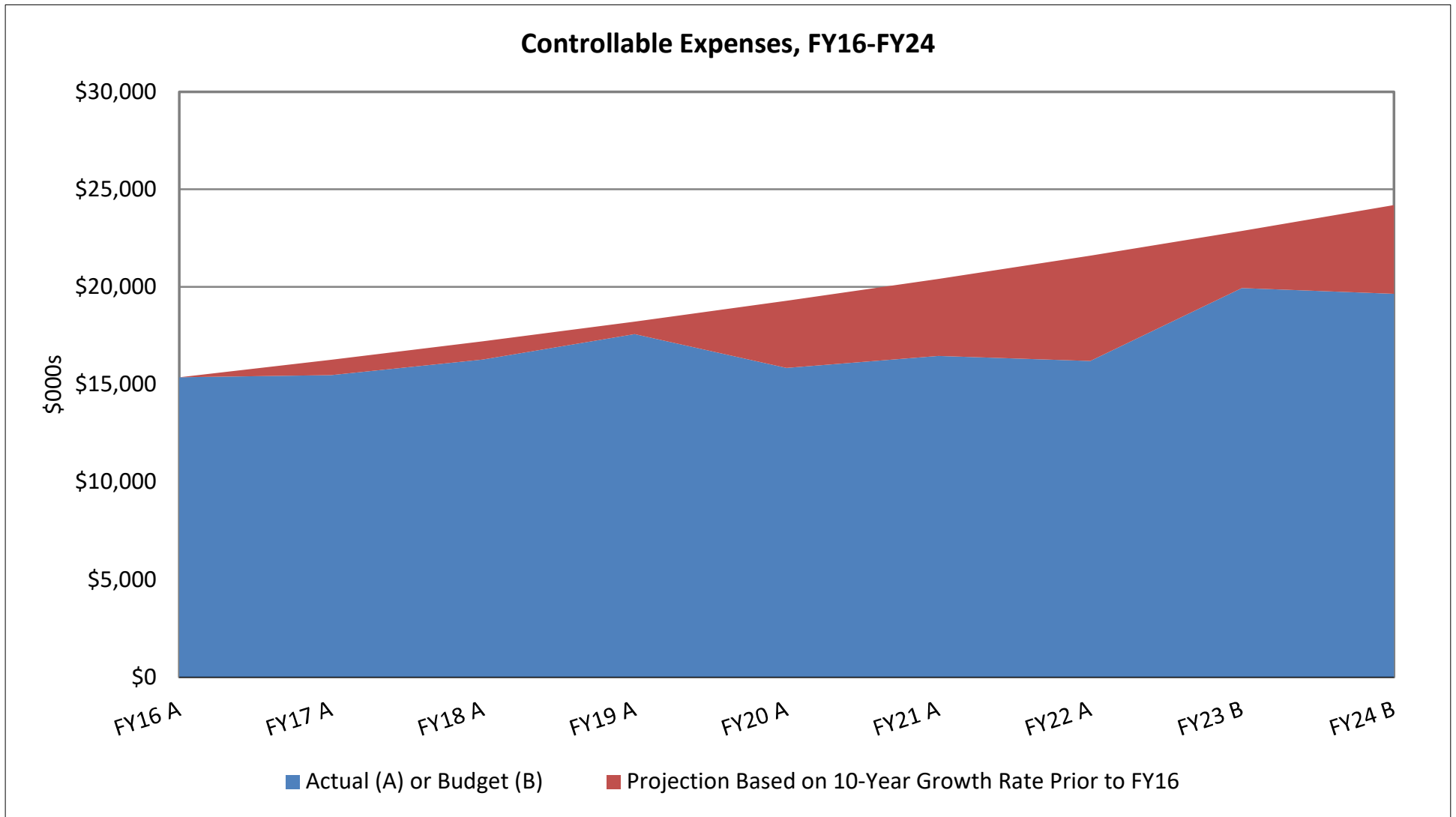
Net Power Supply Costs (000s)	FY 20	FY 21	FY 22	Budget FY 23	Budget FY 24
<u>Expenses:</u>					
Fuel (p. 18)	\$7,092	\$7,767	\$7,741	\$9,660	\$9,546
Purchased Power (p. 19)	16,859	14,763	14,745	11,858	14,618
Transmission Fees	7,873	8,032	8,908	9,905	9,717
Total Power Supply - Expenses	31,825	30,562	31,395	31,423	33,880
<u>Revenues:</u>					
Renewable Energy Credits - McNeil (1)	3,522	3,944	4,267	4,299	4,197
Renewable Energy Credits - Wind (2)	3,026	3,280	2,781	3,111	3,003
Renewable Energy Credits - Hydro (3)	818	630	670	787	861
Renewable Energy Credits - Standard Offer/Solar (4)	159	198	178	188	183
Total Power Supply - Revenues	7,525	8,052	7,896	8,385	8,244
Net Power Supply Costs	\$24,300	\$22,510	\$23,499	\$23,038	\$25,636

(1) FY24 assumes \$33/MWh; FY23 assumed \$32/MWh.

(2) FY24 assumes \$34/MWh; FY23 assumed \$33/MWh.

(3) FY24 assumes \$28/MWh; FY23 assumed \$28/MWh.

(4) FY24 assumes \$37/MWh; FY23 assumed \$38/MWh.



Continued fiscal discipline since FY16 has moderated annual increases in controllable expenses to 3.9% on average, compared to 5.84% between FY07-FY16.

Burlington Electric Department
Budget for the Year Ending June 30, 2024
Operational Expense

	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24	
Labor Expense						
Labor-Regular	\$7,692,570	\$7,835,403	\$7,873,497	\$8,758,900	\$9,347,497	(1)
Labor-Overtime	382,561	382,567	585,615	598,200	498,729	
Labor-Temporary	5,894	4,348	13,011	8,500	63,000	(2)
Sub-Total Labor	8,081,025	8,222,318	8,472,123	9,365,600	9,909,226	
Labor-Overhead	4,094,222	4,235,699	2,710,379	4,755,700	4,198,365	(3)
Total Labor w/ Overhead	12,175,247	12,458,017	11,182,502	14,121,300	14,107,590	
Non-Labor Expense						
Office Supplies	8,515	3,372	4,984	10,200	9,378	
Materials & Supplies	656,156	709,009	681,350	956,300	912,453	
Publications	9,205	1,112	6,485	10,600	6,133	
Training	29,436	23,878	36,511	154,200	96,518	(4)
Education	28,433	18,435	15,591	55,100	72,764	(5)
Business Meetings	11,987	451	6,988	21,000	9,049	
Phones	33,536	34,212	37,045	55,900	39,631	(6)
Maintenance Contracts	494,399	528,749	757,846	858,100	893,615	
Dues and Fees	117,894	132,061	108,253	137,600	135,561	
Advertising	35,069	16,234	41,123	44,000	40,150	
Building Clearing	251,168	239,419	277,878	322,700	296,163	
Transportation Clearing	285,146	274,492	242,201	355,000	472,655	(7)
Admin & General Capitalized	(374,772)	(356,352)	(419,399)	(863,900)	(1,037,226)	(8)
Allocations to McNeil	(16,056)	(13,752)	(20,358)	(21,500)	(22,207)	(9)
Outside Services (p. 24)	2,588,173	2,355,427	3,172,874	2,781,000	2,938,370	
Transmission	7,873,281	8,031,992	8,908,109	9,904,700	9,716,667	
Rentals & Leases	84,790	91,252	84,439	99,900	92,988	
Group Insurance	477,872	632,923	691,275	746,700	791,115	(10)
Printing and Forms	13,206	7,934	8,499	18,400	12,610	
Computer Supplies	12,571	10,031	17,010	24,100	28,444	
Computer Software	5,329	2,151	1,063	8,100	1,800	
Postage	79,564	59,780	82,927	61,400	90,148	
Utilities	150,349	121,014	151,511	227,800	208,042	
DSM Rebates	1,340,439	1,497,512	1,279,170	1,604,100	1,657,305	(11)
Uncollectible Accounts	146,164	87,060	143,098	108,000	108,000	
Claims Settlements	344	0	0	1,300	844	
OPEB	(11,260)	49,999	20,566	0	0	
Other - RPS Tier 3 Compliance	326,480	681,181	559,836	658,300	867,184	
Other	(196,149)	10,408	48,462	396,800	16,622	(12)
Total Non-Labor Expense	14,461,269	15,249,984	16,945,337	18,735,900	18,454,776	
Total Operational Expense	\$26,636,516	\$27,708,001	\$28,127,839	\$32,857,200	\$32,562,366	
Less EEC Expenses (reimbursed)	(2,977,008)	(2,900,080)	(2,887,447)	(3,223,500)	(3,376,200)	
Less Power Supply - Transmission	(7,873,281)	(8,031,992)	(8,908,109)	(9,904,700)	(9,716,667)	
Less RPS Tier 3 Compliance	(326,480)	(681,181)	(559,836)	(658,300)	(867,184)	
Less Admin & General Capitalized	374,772	356,352	419,399	863,900	1,037,226	
Controllable Cost	\$15,834,519	\$16,451,100	\$16,191,846	\$19,934,600	\$19,639,541	

See analysis page 24

Budget for the Year Ending June 30, 2024
Operational Expense Notes

- (1) **Labor-Regular** – FY24 includes 5% cost-of-living adjustment and merit pay assumptions. Also, labor impacted by the amount of capital (vs. expense) work. FY23 assumed 9.1% of labor allocated to Capital and FY24 assumes 8.5%.
- (2) **Labor-Temporary** – FY24 includes temp position for System Operations.
- (3) **Labor-Overhead** – FY24 assumes year-end adjustment for pension liability of \$636,000.
- (4) **Training** - includes personnel development for all areas of the department as well as specific safety and skills training.
- (5) **Education** – The Department's Qualified Degree Program and Apprentice Lineworker Program costs.
- (6) **Phones** – Includes all phone-related charges (local, long distance & conference calls). Also includes all cell phones (usage, new cell phones & accessories).
- (7) **Transportation Clearing** – Vehicle maintenance and gasoline provided by the Department of Public Works. Impacted by the amount of capital (vs. expense) work and by the amount of work we use contractors for.
- (8) **Admin & General Capitalized** – Contingent on capital projects.
- (9) **Allocations to McNeil** – Certain incidental BED administrative costs are allocated to McNeil joint owners. (Most costs directly charged.)
- (10) **Group Insurance** – Property Boiler & Machinery insurance increased significantly in FY21.
- (11) **DSM Rebates** – FY24 includes \$3,376,200 in "Other Revenues" to cover these and other costs.
- (12) **Other** – FY20 included year-end accounting adjustment for regulatory asset (\$231,768). FY23 included Department contingencies.

Burlington Electric Department
Budget for the Year Ending June 30, 2024
Operational Expense

Outside Services	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
Equipment Maintenance	\$236,869	\$320,560	\$356,708	\$493,300	\$540,376
Legal Services	61,646	85,497	32,306	51,000	45,500
Temporary Help	1,001	0	0	0	3,840 (1)
Technical	702,391	334,674	660,631	684,200	658,602
City of Burlington	327,229	331,476	311,300	445,300	528,566 (2)
Buildings & Grounds	37,890	35,878	47,045	51,400	52,658
Financial Audit	112,625	115,529	124,210	122,500	138,650
Financial/Banking	401,360	362,352	763,793	362,000	415,910 (3)
Energy Efficiency Utility	471,972	644,189	683,544	301,100	324,196 (4)
Other	235,190	125,272	193,337	270,200	230,073
Total Outside Services	\$2,588,173	\$2,355,427	\$3,172,874	\$2,781,000	\$2,938,370

(1) FY20 was coverage for Customer Care. FY24 budget is for McNeil Plant.

(2) Indirect cost allocation for general government, city attorney, human resources, and racial equity, inclusion and belonging.

(3) Includes monthly fees for eCheck & credit card payments.

(4) Offsetting revenues are included in "Other Revenues" to cover these and other related costs.

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Depreciation & Amortization	Actual FY20	Actual FY21	Actual FY22	Budget FY23	Budget FY24
Depreciation:					
Distribution	\$2,530,455	\$2,583,262	\$2,636,955	\$2,635,896	\$2,688,800
General	449,162	446,427	393,276	451,205	453,491
Transmission	72,026	72,652	72,754	72,755	74,100
Gas Turbine, Wind & Solar	251,946	294,809	286,511	289,887	295,700
McNeil	793,979	808,451	815,722	814,356	830,800
Winooski One Hydro	341,567	363,967	371,033	370,983	378,300
Subtotal	4,439,135	4,569,568	4,576,251	4,635,082	4,721,191
Deferred Depreciation Adjustment (1)	145,921	208,298	907,849	1,181,957	1,291,726
Total Depreciation	4,585,056	4,777,866	5,484,100	5,817,040	6,012,917

(1) Sinking fund amortization varies based on principal payments.

Amortization:

Intangible Assets (Software)	80,272	67,785	54,610	57,428	58,600
Winooski One Hydro (1)	476,910	484,410	491,910	496,910	509,409
Regulatory Asset (2)			18,053	19,694	49,038
Total Amortization	557,182	552,195	564,573	574,033	617,047
Total Depreciation & Amortization	\$5,142,238	\$5,330,061	\$6,048,673	\$6,391,072	\$6,629,964
(Gain)/Loss on Disposition of Plant	\$289,526	\$248,260	\$256,663	\$297,000	\$295,940

(1) Plant acquisition adjustment (\$12M) for the life of the bond. This represents market value (paid) over book value.

(2) Uncapitalized labor due to COVID19; per PUC accounting order

Burlington Electric Department
Budget for the Year Ending June 30, 2024
Taxes

Taxes (000s)	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
Property Taxes					
Payment in Lieu of Taxes - BED	\$1,899	\$1,956	\$1,453	\$1,492	\$1,430
Payment in Lieu of Taxes - McNeil	704	740	821	864	828
Property Taxes - Winooski One (1)	455	479	495	519	505
Subtotal - Property Taxes	3,057	3,176	2,769	2,875	2,762
PILOT Tax Rates (2)	\$2.93	\$3.08	\$2.11	\$2.31	\$2.22
Revenue Taxes					
Gross Revenue Tax (.525%) (3)	292	295	313	334	342
Gross Receipts Tax (.5%) (4)	219	221	240	258	266
Subtotal - Revenue Taxes	511	516	553	592	607
Over/Under Allocation of Social Security Taxes	18	6	(14)	0	0
Total Taxes	\$3,587	\$3,698	\$3,307	\$3,466	\$3,369

(1) Based on \$15.5M value.

(2) FY24 assumes updated values for City grand list and an estimated increase of 1.05% .

(3) Tax to finance operations of Public Service Department and Public Utility Commission. Effective for all utilities (electric, phone, gas, water, and cable). Tax applies to total revenues less resales. Increased to .525% effective FY20.

(4) Effective July 1, 1990 for deposit to State of VT "Home Weatherization Assistance Fund." Charged to sellers of heating oil, electricity, gas, and coal (phone, cable, and water excluded). Tax applies to "Sales to Customers" revenue only.

Burlington Electric Department
Budget for the Year Ending June 30, 2024
Dividend Income

	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
VT TRANSCO LLC (1)	\$ 4,095,008	\$ 4,087,046	\$ 4,154,238	\$ 4,223,392	\$ 4,233,600
VELCO (2)	170,695	165,945	165,801	166,224	166,812
VELCO VETCO (3)	1,194	1,194	760	1,200	1,200
Other (4)	2,047	72,422	14,923	0	0
Total Dividend Income	<u>\$ 4,268,944</u>	<u>\$ 4,326,607</u>	<u>\$ 4,335,722</u>	<u>\$ 4,390,816</u>	<u>\$ 4,401,612</u>

(1) Assumes \$577,000 FY24 investment financed by VPPSA. Assumes \$1,200,000 FY24 investment deferred.

(2) Assumes quarterly dividend of \$2.89/share on 14,038 share of Class B and 392 share of Class C Common Stock.

(3) VELCO Class C Preferred Stock, dividend \$0.04 on 7,464 shares.

(4) Cash distributed to VT Transco, LLC members related to Utopus sale.

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Other Income, Deductions & Capital Contributions	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
Interest Income - Operating					
Checking Accounts	\$92,619	\$63,464	\$61,688	\$56,900	\$110,000
Debt Service Reserve Fund	47,090	4,059	6,548	1,200	77,300
Debt Service Funds	6,145	0		0	0
Renewal & Replacement Fund	30,716	658	683	600	37,000
Investments	27,159	3,739	14,759	1,000	221,200
Customer Loans/Other	17,633	10,844	1,000	600	16,700
Total Interest Income - Operating (1)	221,362	82,764	84,678	60,300	462,200

(1) FY24 assumes higher interest rates and higher construction fund balance.

Other Income

Miscellaneous Non-Operating Income

CSWD (Waste Wood Yard) (1)	26,394	30,000	30,000	30,000	30,000
City Franchise Fee Admin Billing (2)		25,460	14,146	12,500	12,500
VELCO Director	14,250	14,250	19,000	19,000	19,000
VPPSA Staff Sharing	23,998	18,450		12,000	2,500
Winooski River Water Rights - Sugarbush	1,452				
Sub-total Misc. Non-Operating Income	66,094	88,160	63,146	73,500	64,000

Other Deductions (-)

BED Donation - Warmth Program (3)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
BED Donation - Defeat the Peak	(3,000)	(3,000)	(5,000)	(6,000)	(6,000)
BED Donation - VT Sust. Jobs Fund	(10,000)	(10,000)		0	0
Sub-total Other Deductions	(23,000)	(23,000)	(15,000)	(16,000)	(16,000)

Total Other Income, Net	43,094	65,160	48,146	57,500	48,000
--------------------------------	---------------	---------------	---------------	---------------	---------------

(1) Agreement with Chittenden Solid Waste District, effective 1/1/21 through 12/31/23. (Annual payments to BED in consideration of BED's operation and maintenance of the site).

(2) City contribution to BED for the cost of processing the franchise fee.

(3) This is BED's donation (in addition to us forwarding customer donations on billing payments).

Capital Contributions/Grants

Customer Contribution (1)	968,295	647,678	439,770	792,800	428,400
Street Light - LED Rebate				5,700	
Total Capital Contributions/Grants	968,295	647,678	439,770	798,500	428,400

(1) FY23 & FY24 include Champlain Parkway and overhead and underground blanket billable construction projects.

Burlington Electric Department
Budget for the Year Ending June 30, 2024
Interest Expense

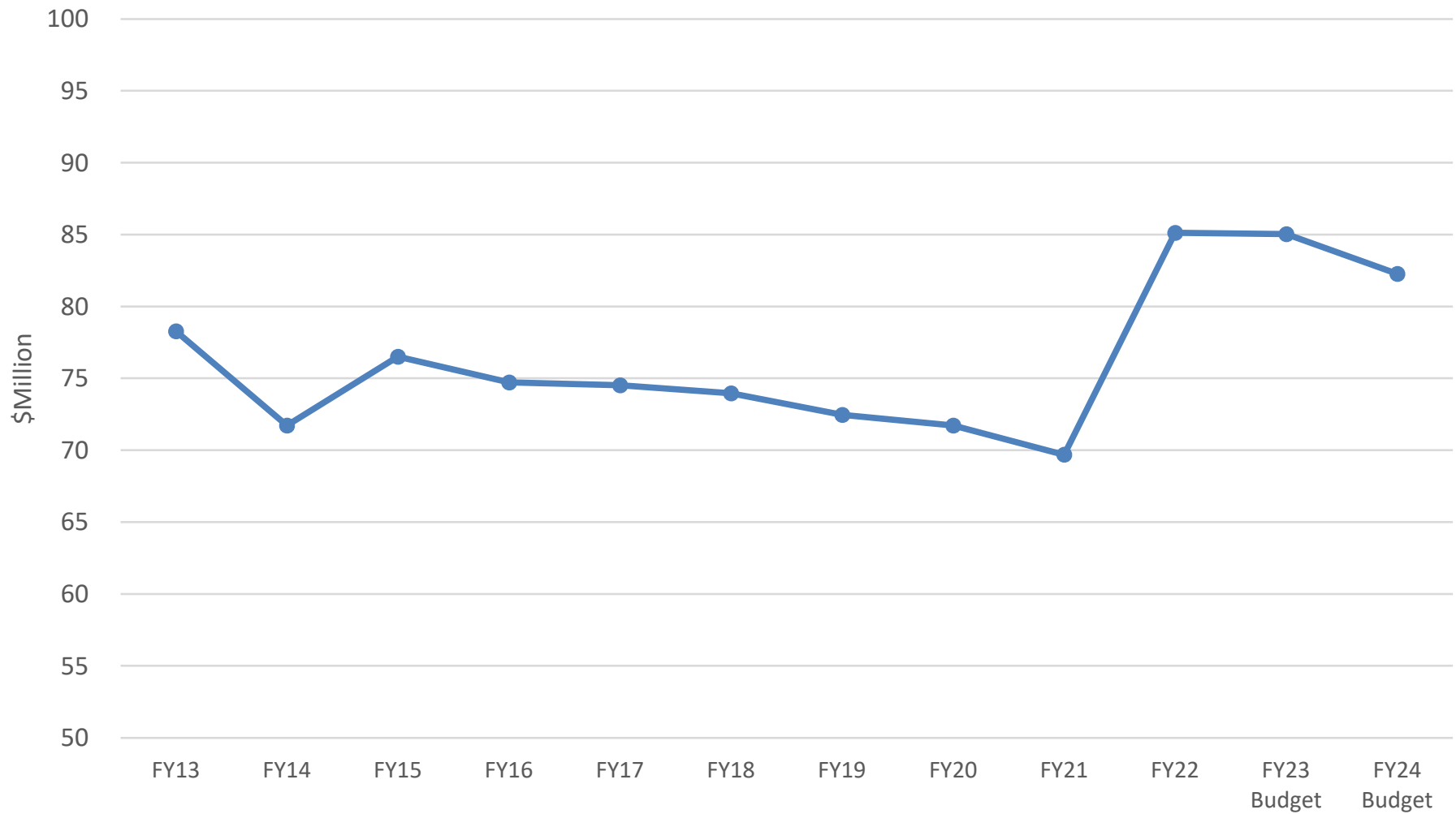
	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY 23	Budget FY 24
General Obligation Bonds (1)	\$1,898,879	\$1,848,186	\$1,762,232	\$1,715,946	\$1,821,748
Revenue Bonds	876,876	815,189	753,139	1,618,940	1,518,279
Total Long Term Debt Interest	2,775,755	2,663,375	2,515,371	3,334,886	3,340,027
Amortization of Debt Discount	60,907	70,141	74,466	74,063	133,942
Amortization of Deferred Debt Costs	38,433	39,382	41,043	43,415	46,499
Amortization of Debt Premium	(293,752)	(317,417)	(330,927)	(342,580)	(364,501)
Other Interest (2)			5,816	4,668	10,103
Total Interest Expense	\$2,581,343	\$2,455,481	\$2,305,769	\$3,114,452	\$3,166,071
<u>Debt Outstanding Long Term - Y/E</u>					
General Obligation Bonds (1)	\$48,995,000	\$48,705,000	\$47,910,000	\$47,710,000	\$46,885,000
Revenue Bonds (3)	\$22,730,000	\$20,985,000	\$37,220,000	\$37,325,000	\$35,390,000

(1) Assumes \$3M annual GOB/BAN.

(2) Capital Lease from Key Bank for MDMS. FY24 includes Moran Frame MOU payment to the City.

(3) Added \$20M Net Zero Revenue Bond in FY22.

Burlington Electric Department Outstanding Long-Term Debt



- (1) FY13 forward includes \$3M annual GOB. (Voters approved March 2012).
- (2) At the end of FY14 all Revenue Bonds and GOBs issued prior to 2004 are paid off.
- (3) FY15 includes \$12M Revenue Bond for Winooski One Hydro.
- (4) FY22 includes \$20M Net Zero Energy Revenue Bond.

**Burlington Electric Department
Budget - FY2024**

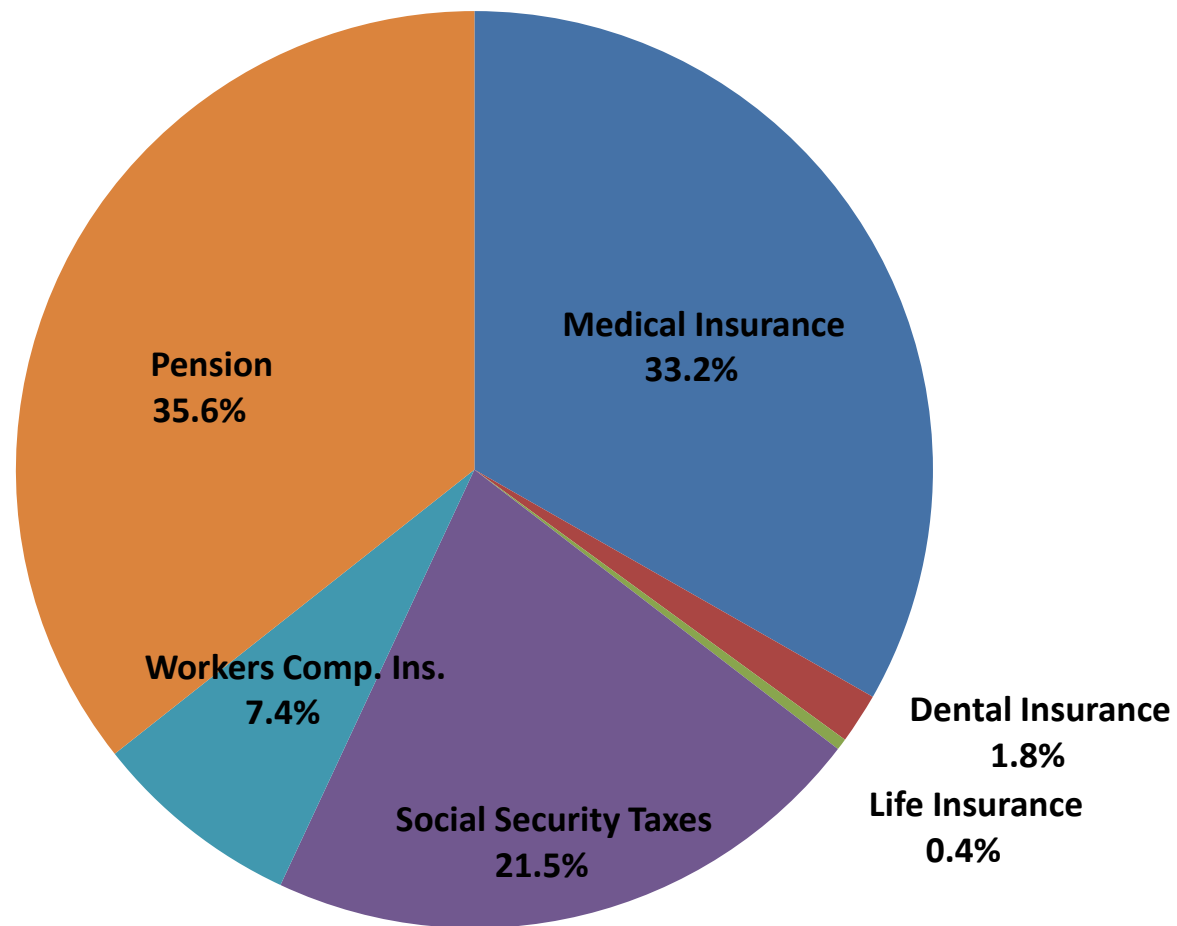
Labor Overhead	Actual FY 20	Actual FY 21	Actual FY 22	Budget FY23	Budget FY24
TOTAL LABOR (1)	\$10,886,526	\$11,539,673	\$12,198,264	\$12,979,400	\$13,645,000
LABOR OVERHEAD					
Medical Insurance (2)	1,731,658	1,498,449	1,477,087	1,418,600	1,599,000
Dental Insurance (2)	74,245	85,446	85,323	81,500	86,300
Life Insurance (2)	11,695	12,352	19,545	18,900	19,500
Social Security Taxes	804,352	831,915	707,178	992,900	1,043,800
Workers Compensation Ins. (2)	377,607	351,615	329,114	377,000	359,200
Pension (2)	1,168,543	1,244,678	1,452,592	1,530,800	1,728,700
Amortization of IBEW Pension back payment					87,041
Sub-total Labor Overhead	4,168,100	4,024,455	4,070,839	4,419,700	4,923,541
Health Care Buyout (3)	10,442	10,846	10,288	10,000	13,500
Total Labor Overhead	\$4,178,542	\$4,035,301	\$4,081,127	\$4,429,700	\$4,937,041
Labor Overhead Rate	38.38%	34.97%	33.46%	34.13%	36.18%
Pension Rate	10.73%	10.79%	11.91%	12.49%	13.33%

(1) Includes Overtime and McNeil @ 100%.

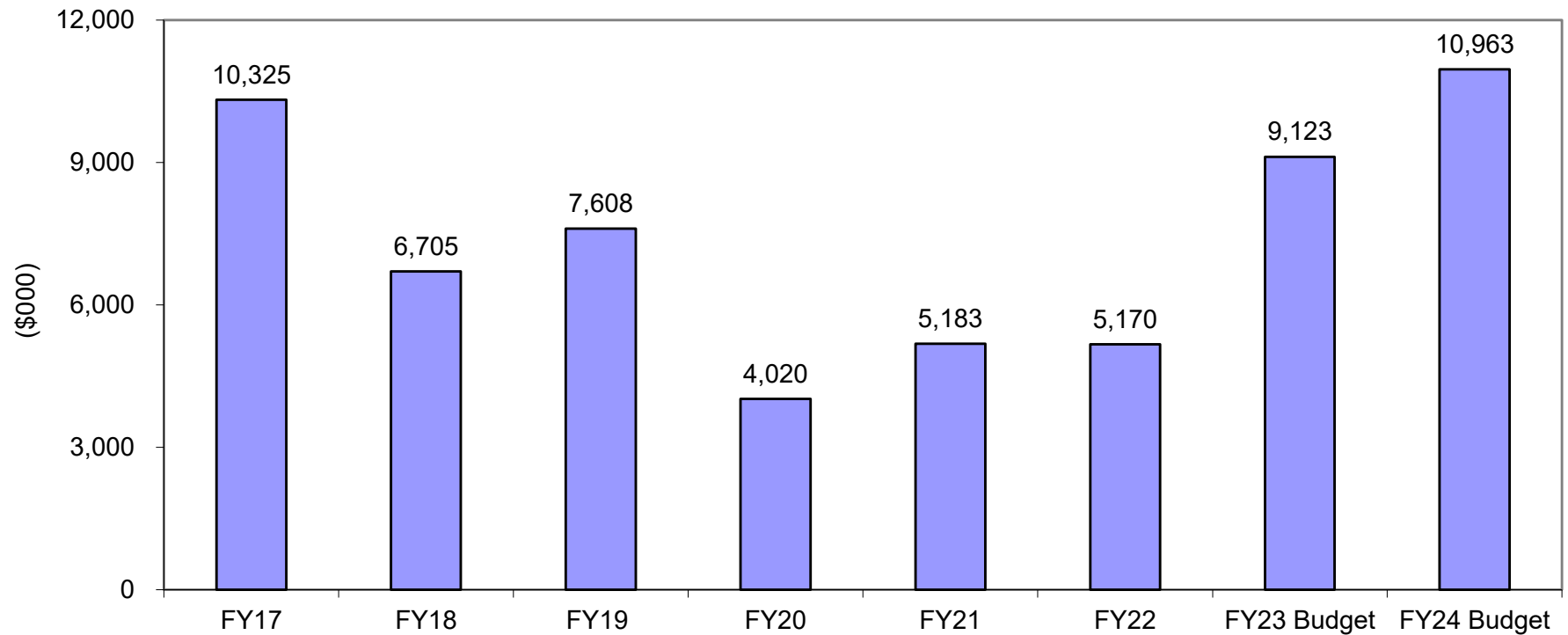
(2) FY24 per City assumptions.

(3) \$1,000 for non-union employees; \$1,250 for IBEW employees per 2022-2026 contract.

**Burlington Electric Department
Budget for the Year Ending June 30, 2024
\$4,937,041 Labor Overhead**



**Burlington Electric Department
Capital Spending -
Net of Capital Contributions**



Plant Type	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Budget FY23	Budget FY 24
Production	1,363	778	928	1,156	1,816	936	1,637	2,038
Other				51	53	6	267	415
Distribution	3,390	1,873	2,791	1,670	1,413	3,191	4,460	7,166
Transmission	3,012	3,020	2,696	671	1,074	0	632	0
General	2,560	1,034	1,193	471	827	1,037	2,127	1,343
Total	\$10,325	\$6,705	\$7,608	\$4,020	\$5,183	\$5,170	\$9,123	\$10,963

Burlington Electric Department
Capital Projects - FY 2024

Project Description	Project Total	Customer	Net Cost
		Contribution/ Grants	
McNeil Plant (BED 50% Share)			
Air Dryer (312)	12,485		12,485
Analyzer Upgrades for Chemical Treatment (312)	8,728		8,728
Ash Conveyor Rebuild (312)	12,496		12,496
Augers Replaced (312)	29,986		29,986
B-Belt Replacement	72,497		72,497
Belt Fire Suppression/Insurance (312)	19,966		19,966
Bottom Ash Conveyor	17,495		17,495
Chemical Pump Replacement (312)	4,986		4,986
Cooling Tower Timber Replacement (314)	24,994		24,994
End of Life Handheld Radio Replacement (316)	7,491		7,491
Energy Efficiency Improvements (311)	2,489		2,489
Equipment Cameras (398)	995		995
ESP Transformer Rectifier Controls Upgrade (312)	124,861		124,861
Freight Elevator Geared Equipment and Controls (311)	39,997		39,997
Fuel Oil Tank Replacement Containment Area (312)	124,999		124,999
Furniture-McNeil (391)	1,249		1,249
Gas Burner Upgrade (312)	4,988		4,988
Polisher Beads (312)	29,998		29,998
Replacement Rail Cars (392)	37,500		37,500
Rigging Equipment (316)	4,998		4,998
Routine Station Improvements ¹	185,555		185,555
Safety Valve Replacements (312)	24,968		24,968
Station Tools & Tool Boxes (312)	7,497		7,497
Turbine Control System Upgrade/Insurance (314)	249,782		249,782
Wood Handling Front End Loader (316)	182,999		182,999
McNeil Replacement Pickup Truck (all electric)	28,000		28,000
Total McNeil Plant	1,261,998	0	1,261,998

Burlington Electric Department
Capital Projects - FY 2024

Project Description	Project Total	Customer	Net Cost
		Contribution/ Grants	
Hydro Production Plant			
W1H Control Room Fire Suppression	69,695		69,695
W1H Dissolved Oxygen Meter	5,616		5,616
W1H Fire Suppression for Unit Hydraulics (335)	57,527		57,527
W1H Fish Basket Hoist (355)	28,394		28,394
W1H Rake Hydraulic Pump Replacement	39,841		39,841
W1H Rigging Equipment (335)	4,899		4,899
W1H Routine Station Improvements* (311-335)	57,213		57,213
W1H Spillway Upgrade for Small Dam (355)	19,298		19,298
W1H Station Tools and Tool Boxes (335)	1,987		1,987
W1H Unit 3 3.5 Ton Hoist	33,468		33,468
Total Hydro Production Plant	317,938	0	317,938
Gas Turbine Plant			
GT Biodiesel Conversion Phase 2 of 2	172,879		172,879
GT Environmental CEMS/DAHS	18,474		18,474
GT Expansion Joint	71,314		71,314
GT Oil Filled Transformer	124,833		124,833
GT Outlet Bucket Replacement Phase 1 of 4	48,737		48,737
GT Rigging Equipment (343)	6,969		6,969
GT Routine Station Improvements	15,167		15,167
Total Gas Turbine Plant	458,374	0	458,374
Other			
Direct Current Fast Chargers (new locations)	280,648		280,648
EV Charger Installations (Level 2)	108,185		108,185
P&P R&D	26,042		26,042
Total Other	414,875	0	414,875

Burlington Electric Department
Capital Projects - FY 2024

Project Description	Customer		Net Cost
	Project Total	Contribution/ Grants	
Distribution Plant			
<u>Aerial</u>			
Pole Inspection & Replacement	160,750		160,750
Pole P2296 Replacement Flynn Avenue	57,409		57,409
Rebuild Austin Dr	67,725		67,725
Sunset Cliff Rebuild	53,042		53,042
Replace 2L5 Circuit from P2349-913S	935,070		935,070
Rock Point Bridge Guy Wire Relocation (Rock Pt)	40,282		40,282
Total Aerial	1,314,279	0	1,314,279
<u>Underground</u>			
Install Cables on St Paul St (Bank to Cherry)	85,807		85,807
Rebuild Ethan Allen Pkwy to 3 Phase	682,665		682,665
Rebuild Summit Ridge	332,038		332,038
Replace 2L5 Circuit from 913S to UH #248	811,621		811,621
Replace 322/323/324S (Main St and Univ Hts)	239,146		239,146
Switch 305S/325S/326S (Main St Reservoir)	251,962		251,962
Switch 709S/710S (Battery St - College & Main)	57,169		57,169
Switch 817S/912S/913S (Main St Reservoir)	146,997		146,997
Total Underground	2,607,406	0	2,607,406
<u>Other</u>			
Communication Equipment Emergency Repair	29,078		29,078
Distribution Transformers-Install	5,692		5,692
Distribution Transformers-Purchase	625,000		625,000
SCADA Field Device Upgrades	107,296		107,296
ADMS Phase 1-SCADA upgrade (Replace SCADA Sys)	724,170		724,170
SCADA Servers PC's and Monitors	228,588		228,588
SCADA Video Display	720,938		720,938
Total Other	2,440,762	0	2,440,762
<u>Customer Driven/City Projects</u>			
Champlain Parkway (CAFC)	268,973		268,973
Champlain Parkway (CAFC)	0	(228,896)	(228,896)
Total Customer Driven/City Projects	268,973	(228,896)	40,077
Total Distribution Plant - General	6,631,419	(228,896)	6,402,523

Burlington Electric Department
Capital Projects - FY 2024

Project Description	Project Total	Customer Contribution/ Grants	Net Cost
Distribution Plant - Blanket			
<u>Meters</u>			
Single Phase Meter Purchase	69,000		69,000
Three Phase Meter Installation	13,153		13,153
Three Phase Meter Purchase	11,500		11,500
Single Phase Meter Installation	7,327		7,327
Meter Range Extenders (4) RFLAN	4,192		4,192
Total Meters	105,173	0	105,173
<u>Underground</u>			
UG Replacement	93,817		93,817
Replace Utility Holes and Handholes	117,560		117,560
UG Construction - New	24,817		24,817
UG Construction - Billable	134,600		134,600
UG Construction (CAFC)	0	(134,600)	(134,600)
Total Underground	370,794	(134,600)	236,195
<u>Aerial</u>			
Overhead Replacement	82,639		82,639
Overhead Construction - New	23,391		23,391
Overhead Construction - Billable	64,939		64,939
Overhead Construction (CAFC)	0	(64,939)	(64,939)
Total Aerial	170,968	(64,939)	106,029
<u>Lighting</u>			
Street Lighting	213,646		213,646
Leased Lighting	14,279		14,279
Total Lighting	227,924	0	227,924
<u>Other</u>			
Gas Detectors	4,800		4,800
Replaces Failed SCADA Field Equipment	22,564		22,564
Substation Maintenance	17,465		17,465
Tools & Equipment - Distribution/Technicians	36,750		36,750
Pulling Rope Amsteel Blue	6,852		6,852
Total Other	88,432	0	88,432
Total Distribution Plant - Blanket	963,291	(199,538)	763,753
Total Distribution Plant	7,594,710	(428,434)	7,166,276

Burlington Electric Department
Capital Projects - FY 2024

Project Description	Project Total	Customer Contribution/ Grants	Net Cost
General Plant			
<u>Vehicle Replacements</u>			
Bucket Truck All Electric	145,500		145,500
Bucket Truck (Veh-#C-3) Replacement (Hybrid)	1,000		1,000
Chevy Silverado (Veh#C-28) Replacement (all electric Ford)	56,000		56,000
Ford F150 (Veh #C-26) Replacement (all electric Ford)	56,000		56,000
Total Vehicle Replacements	258,500	0	258,500
<u>Computer Equipment/Software</u>			
Desktop/Laptop Purchases	59,578		59,578
IT Forward - CIS Implementation (WF0034608)	370,707		370,707
IT Forward - SmartWorks MDMS Phase 2 (WF same as 1?)	122,007		122,007
Network Infrastructure	123,267		123,267
Pole Mount Routers	32,131		32,131
UPS Replacement annual	14,378		14,378
Replacement ipads for line crew with surface tablets	27,938		27,938
Network Infrastructure - McNeil Switches	10,267		10,267
Virtualized Hardware Refresh - Pine Street	109,394		109,394
AMI Network Infrastructure Replacement	32,295		32,295
Total Computer Equipment/Software	901,960	0	901,960
<u>Buildings & Grounds</u>			
Repair Concrete Floor in Truck Bay	40,000		40,000
New Gate Motor Controller	12,000		12,000
Key Fob System Replacement	28,080		28,080
AC Replacement GT Computer Rooms	20,532		20,532
Dispatch Center	75,083		75,083
Total Buildings & Grounds	175,695	0	175,695
<u>Other Equipment</u>			
AED Purchase (585 Pine St)	7,096		7,096
Total Other Equipment	7,096	0	7,096
 Total General Plant	 1,343,251	 0	 1,343,251
 Total Plant	 \$11,391,146	 (\$428,434)	 \$10,962,712

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Debt Coverage (\$000)	FY20	FY21	FY22	Budget FY23	Budget FY24
Total Operating Revenues	55,733	56,115	59,614	63,569	65,130
Total Operating Expenses	58,408	57,692	60,478	63,221	66,277
Less: Depreciation & Amortization (1)	(5,142)	(5,330)	(6,049)	(6,391)	(6,630)
Less: Gain/Loss	(290)	(248)	(257)	(297)	(296)
Less: Payment in Lieu of Taxes	(2,602)	(2,696)	(2,274)	(2,355)	(2,257)
Total Operating Expenses - Adjusted	50,374	49,418	51,898	54,178	57,094
Net Operating Income - Adjusted	5,359	6,697	7,716	9,391	8,036
Total Other Income	5,483	5,811	4,856	5,306	5,340
(Less) Grant/Customer Income	(968)	(1,318)	(580)	(798)	(428)
Net Income Available for Revenue Debt Service	9,873	11,191	11,992	13,899	12,947
Debt Service on Revenue Bonds	2,622	2,625	2,603	3,554	3,518
Revenue Debt Service Coverage Ratio (2)	3.77	4.26	4.61	3.91	3.68
Net Income Available for Other Debt Service	9,873	11,191	11,992	13,899	12,947
Deduct: Payment in Lieu of Taxes	(2,602)	(2,696)	(2,274)	(2,355)	(2,257)
Adjusted Net Income Available for Other Debt Service	7,271	8,494	9,718	11,543	10,690
Debt Service					
Revenue Bonds	2,622	2,625	2,603	3,554	3,518
General Obligation Bonds	5,189	5,268	5,337	5,438	5,820
Other				201	325
Total Debt Service	7,811	7,893	7,940	9,193	9,664
Adjusted Debt Service Coverage Ratio	0.93	1.08	1.22	1.26	1.11

(1) Deduct as non-cash expense.

(2) Revenue bond covenants require a minimum debt ratio of 1.25.^{P.40}

Burlington Electric Department
Budget for the Year Ending June 30, 2024
Cash Flow (000s)

	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Budget FY 24
BEGINNING BALANCE	\$4,680	\$4,931	\$6,097	\$8,557	\$8,248	\$8,022	\$7,544	\$8,709	\$9,782	\$8,561	\$7,819	\$9,068	\$4,680
SOURCES OF FUNDS:													
Total Operating Revenues	5,527	7,668	4,787	4,293	5,864	4,960	5,022	6,430	4,785	4,061	6,675	5,059	65,130
Other Income													
Dividends	1,058	0	42	1,058	0	42	1,058	0	42	1,058	0	42	4,402
Interest and Other Income	61	38	45	42	39	45	43	36	41	44	36	41	510
Customer Contribution/Grant Income	10	10	31	76	77	33	0	0	10	76	76	30	428
Total Other Income	1,129	48	118	1,176	116	119	1,102	36	93	1,178	112	113	5,340
Other Sources of Funds													
GOB Annual/BAN			3,000										3,000
Revenue Bond 2022	221	486	1,030	789	773	464	309	119	368	1,820	2,344	458	9,182
Total Other Sources of Funds	221	486	4,030	789	773	464	309	119	368	1,820	2,344	458	12,182
TOTAL SOURCES OF FUNDS	11,557	13,133	15,032	14,815	15,001	13,566	13,976	15,294	15,027	15,621	16,950	14,698	87,332
USES OF FUNDS:													
Total Operating Expenses	4,868	4,838	4,345	4,686	4,398	4,564	3,950	4,125	4,501	4,509	4,310	4,375	53,471
Tier 1 Purchase (not expense)	0	0	0	0	0	0	0	0	0	0	0	350	350
Tier 3 Total-RPS Compliance Exp & Cast	105	102	87	81	80	87	102	96	97	90	94	104	1,127
IBEW Pension back payment	147												147
Taxes - Gross	26	715	22	20	710	23	24	148	587	361	146	588	3,369
Net Operations Expenses	5,146	5,655	4,455	4,788	5,188	4,674	4,076	4,370	5,185	4,960	4,550	5,417	58,464
Capital Spending													
BED	230	594	1,163	923	792	542	361	176	471	1,756	2,456	664	10,129
McNeil	348	3	73	71	197	5	29	165	9	285	75	3	1,262
Total Capital Spending	579	597	1,236	994	989	547	390	341	480	2,041	2,531	667	11,391
Debt Service													
G.O. Bonds	474	474	474	474	491	491	491	491	491	491	491	491	5,820
Revenue Bonds	293	293	293	293	293	293	293	293	293	293	293	293	3,518
Other (Lease & Moran Frame)	134	17	17	17	17	17	17	17	17	17	17	17	325
Total Debt Service	902	785	785	785	801	801	801	801	801	801	801	801	9,664
TOTAL USES OF FUNDS	6,627	7,036	6,475	6,567	6,979	6,022	5,267	5,512	6,466	7,802	7,882	6,885	79,519
ENDING BALANCE - OPERATING	\$4,931	\$6,097	\$8,557	\$8,248	\$8,022	\$7,544	\$8,709	\$9,782	\$8,561	\$7,819	\$9,068	\$7,813	\$7,813

Burlington Electric Department
Budget for the Year Ending June 30, 2024

Cash Coverage	FY20	FY21	FY22	Budget FY23	Budget FY24
Cash Accounts - Operating	11,500,987	9,658,797	11,758,735	9,998,715	8,836,748
Cash Accounts - McNeil (1)	115,479	201,191	263,557	380,839	193,409
(Plus) Line-of-Credit Available	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Unrestricted Cash and Investments	16,616,466	14,859,988	17,022,292	15,379,554	14,030,157
Total Operating Expenses	58,408,205	57,692,278	60,477,669	63,221,232	66,276,926
(less) Depreciation/Amortization Exp	(5,142,238)	(5,330,060)	(6,048,674)	(6,391,072)	(6,629,964)
(less) Gain/Loss	(289,526)	(248,260)	(256,663)	(297,000)	(295,940)
(less) PILOT	(2,602,203)	(2,696,172)	(2,274,239)	(2,355,200)	(2,257,100)
Adjusted Operating Expenses	50,374,238	49,417,786	51,898,093	54,177,960	57,093,921
Days Cash on Hand (with LOC)	120	110	120	104	90

(1) Budget based on 3-year average actual balances.