



## ***Rochester Public Utilities***

### ***2019 Annual Operating Plan***

# ROCHESTER PUBLIC UTILITIES 2019 ANNUAL OPERATING PLAN

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**ROCHESTER PUBLIC UTILITIES**

**2019**

**ELECTRIC UTILITY**

**OPERATING BUDGET**

**ROCHESTER PUBLIC UTILITIES  
ELECTRIC UTILITY  
2019 OPERATING BUDGET**

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**ROCHESTER PUBLIC UTILITIES  
ELECTRIC UTILITY  
2019 OPERATING BUDGET**

**BASIC ASSUMPTIONS**

- Cost center budgets and non-bonded projects set at level used in cost-of-service study
- Other than specifically identified projects, no assumptions have been made with regards to DMC
- Interest Earnings Rate: 0.75%
- Average Salary Expense Change: 3.5%  
(consists of COLA, merit and promotion increases)
- Anticipated Bonding none
- Change in Full-time Equivalents: 2
- SMMPA Wholesale Power Cost: 4.0% decrease
- SMMPA CROD Level: 216 MW
- Minimum Cash Reserve Requirement: Current policy amount \$55,603,000

**RETAIL REVENUES / SALES**

- Revenue Adjustment: 1.9% overall proposed
- Electric KWH Sales Forecast: 2.8 % Decrease from 2018 F2 Year End Projected Sales
- Total Electric Utility Customers: 1.5% Increase over Year End 2018 F2 Projected Customers
- Forecast Assumes Normal Weather : 523 Cooling Degree Days

**WHOLESALE FUEL COSTS**

- Estimated Cost of Fuel 2019 \$3.866 / mmBtu
- Budgeted Cost of Fuel 2018 F2 \$3.738 / mmBtu

**OTHER ITEMS**

- In Lieu of Tax forecast increasing \$98,900 to a total of \$8,880,804.

**ROCHESTER PUBLIC UTILITIES  
ELECTRIC UTILITY  
Management Reporting P&L**

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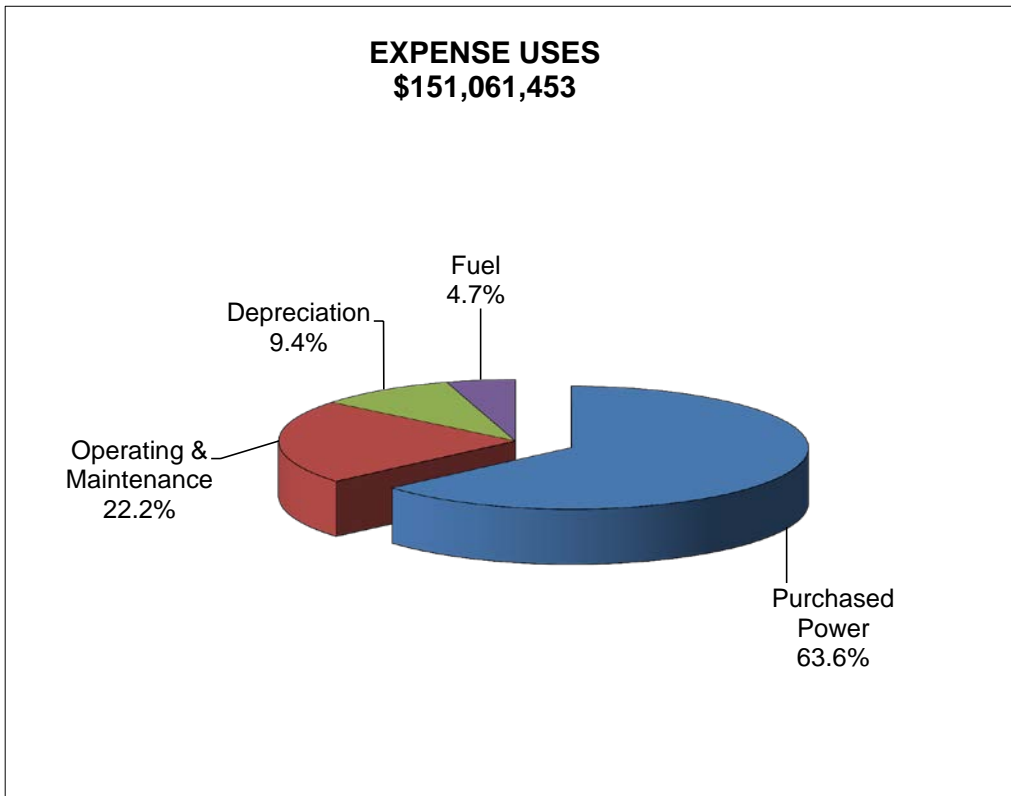
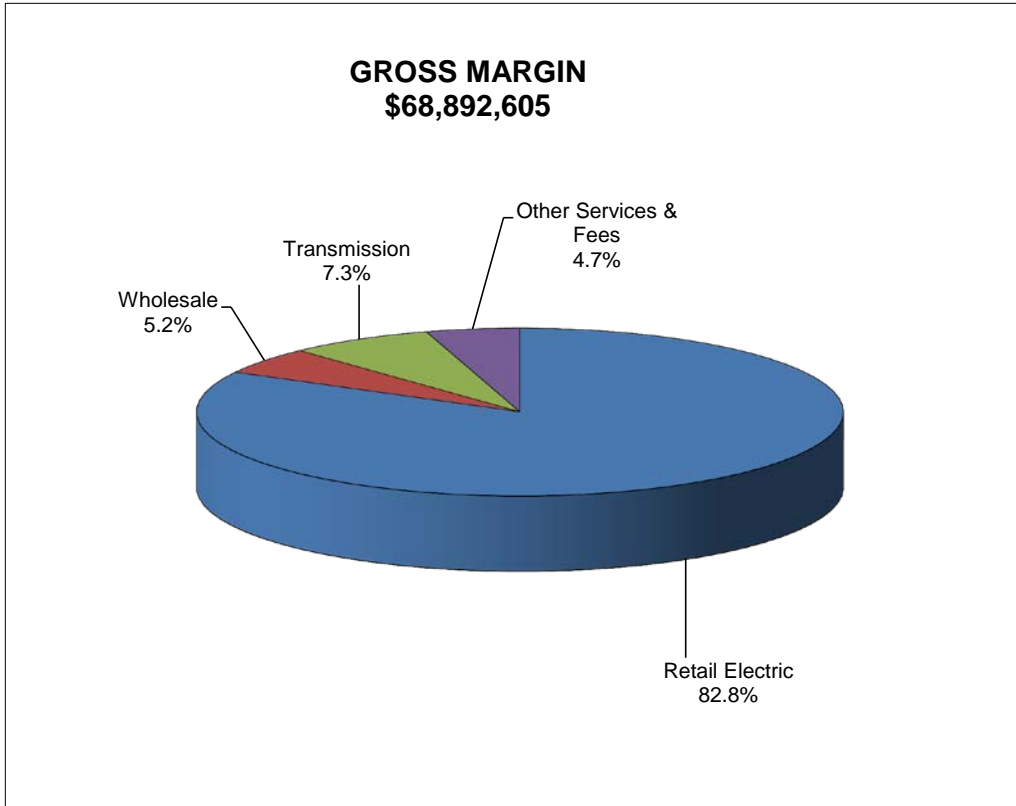
	Historical Data		2018 F2						
	2016	2017		2019	2020	2021	2022	2023	
in 000's									
	RPU Rate Increase	1.7%	3.7%	1.5%	1.9%	2.5%	2.5%	2.5%	2.5%
<b>Revenue</b>									
Retail Electric	\$142,011	\$146,779	\$151,405	\$153,201	\$156,577	\$160,580	\$164,407	\$167,977	
Wholesale Electric	\$2,311	\$1,822	\$4,188	\$6,381	\$4,593	\$4,700	\$4,809	\$4,923	
Wholesale Steam	\$4,039	\$4,419	\$4,262	\$4,304	\$5,177	\$6,456	\$7,397	\$4,456	
Transmission	\$4,917	\$4,496	\$5,371	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
Other Services & Fees	\$3,157	\$3,264	\$2,628	\$3,224	\$3,267	\$3,305	\$3,350	\$3,392	
<b>Total Revenue</b>	<b>\$156,435</b>	<b>\$160,780</b>	<b>\$167,854</b>	<b>\$172,109</b>	<b>\$174,614</b>	<b>\$180,041</b>	<b>\$184,963</b>	<b>\$185,748</b>	
<b>Cost of Revenue</b>									
Power Supply	\$92,700	\$93,062	\$96,305	\$96,130	\$97,094	\$97,055	\$97,183	\$96,868	
Generation Fuel	\$3,563	\$3,413	\$5,351	\$7,086	\$6,387	\$7,221	\$7,855	\$6,207	
<b>Total Cost of Revenue</b>	<b>\$96,262</b>	<b>\$96,475</b>	<b>\$101,657</b>	<b>\$103,217</b>	<b>\$103,481</b>	<b>\$104,276</b>	<b>\$105,037</b>	<b>\$103,076</b>	
<b>Gross Margin</b>									
Retail Electric	\$49,311	\$53,717	\$55,100	\$57,071	\$59,483	\$63,525	\$67,224	\$71,109	
Wholesale	\$2,787	\$2,828	\$3,099	\$3,599	\$3,383	\$3,935	\$4,351	\$3,172	
Transmission	\$4,917	\$4,496	\$5,371	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
Other Services & Fees	\$3,157	\$3,264	\$2,628	\$3,224	\$3,267	\$3,305	\$3,350	\$3,392	
<b>TOTAL GROSS MARGIN</b>	<b>\$60,172</b>	<b>\$64,305</b>	<b>\$66,197</b>	<b>\$68,893</b>	<b>\$71,133</b>	<b>\$75,765</b>	<b>\$79,926</b>	<b>\$82,673</b>	
<b>Controllable Costs</b>									
Salaries & Benefits	\$20,303	\$21,802	\$23,008	\$24,349	\$26,034	\$27,726	\$29,397	\$31,202	
Other Operating Expenses	\$8,655	\$8,967	\$9,587	\$10,383	\$10,483	\$10,752	\$10,964	\$11,177	
Major Maintenance	\$1,690	\$1,986	\$2,789	\$3,599	\$4,979	\$4,073	\$4,016	\$3,940	
Non-Bonded Capital Projects	\$12,950	\$12,228	\$10,582	\$15,477	\$26,951	\$18,931	\$15,779	\$13,807	
<b>TOTAL CONTROLLABLE COSTS</b>	<b>\$43,598</b>	<b>\$44,984</b>	<b>\$45,966</b>	<b>\$53,807</b>	<b>\$68,448</b>	<b>\$61,483</b>	<b>\$60,156</b>	<b>\$60,125</b>	
Depreciation & Amortization	\$9,804	\$10,975	\$13,016	\$14,265	\$14,860	\$15,223	\$15,622	\$16,074	
Less Non Bonded Projects (capitalized)	(\$12,950)	(\$12,228)	(\$10,582)	(\$15,477)	(\$26,951)	(\$18,931)	(\$15,779)	(\$13,807)	
Less Total Internal Costs (capitalized)	(\$3,292)	(\$4,547)	(\$4,659)	(\$3,265)	(\$4,885)	(\$4,008)	(\$5,089)	(\$4,805)	
Interutility Allocation	(\$1,230)	(\$1,228)	(\$1,349)	(\$1,486)	(\$1,516)	(\$1,546)	(\$1,577)	(\$1,609)	
<b>Total Operating Expenses</b>	<b>\$35,931</b>	<b>\$37,956</b>	<b>\$42,392</b>	<b>\$47,845</b>	<b>\$49,956</b>	<b>\$52,221</b>	<b>\$53,333</b>	<b>\$55,979</b>	
<b>Net Operating Income (Loss)</b>	<b>\$24,242</b>	<b>\$26,349</b>	<b>\$23,805</b>	<b>\$21,048</b>	<b>\$21,177</b>	<b>\$23,544</b>	<b>\$26,592</b>	<b>\$26,694</b>	
<b>Financing &amp; Other Non-Operating Items:</b>									
Bond & Interest Related Expenses	(\$3,507)	(\$5,039)	(\$5,905)	(\$6,303)	(\$6,138)	(\$5,803)	(\$5,616)	(\$5,894)	
Interest Income	\$256	\$851	\$1,179	\$735	\$687	\$650	\$658	\$681	
Misc Non-Operating Income (Expense)	(\$367)	(\$570)	(\$35)	(\$50)	(\$51)	(\$52)	(\$53)	(\$55)	
<b>Total Financing &amp; Non-Operating Items</b>	<b>(\$3,617)</b>	<b>(\$4,758)</b>	<b>(\$4,762)</b>	<b>(\$5,618)</b>	<b>(\$5,502)</b>	<b>(\$5,205)</b>	<b>(\$5,011)</b>	<b>(\$5,267)</b>	
<b>Income Before Transfers or Capital Contributions</b>	<b>\$20,625</b>	<b>\$21,591</b>	<b>\$19,043</b>	<b>\$15,430</b>	<b>\$15,675</b>	<b>\$18,339</b>	<b>\$21,581</b>	<b>\$21,427</b>	
Transfers (In Lieu of Taxes)	(\$8,470)	(\$8,422)	(\$8,782)	(\$8,881)	(\$9,068)	(\$9,256)	(\$9,441)	(\$9,634)	
Capital Contributions	\$0	(\$303)	\$0	\$0	\$0	\$0	\$0	\$0	
Other Revenues	\$0	\$0	\$1,051	\$2,129	\$5,373	\$4,174	\$574	\$575	
Special Items	\$3,062	\$3,066	\$0	\$0	(\$0)	(\$0)	(\$0)	\$0	
<b>NET INCOME</b>	<b>\$15,217</b>	<b>\$15,933</b>	<b>\$11,313</b>	<b>\$8,678</b>	<b>\$11,980</b>	<b>\$13,257</b>	<b>\$12,714</b>	<b>\$12,367</b>	
<b>TARGET NET INCOME</b>	<b>\$ 13,060</b>	<b>\$ 14,300</b>	<b>\$ 15,187</b>	<b>\$ 15,968</b>	<b>\$ 16,693</b>				
<b>Excess (Deficit) from Target</b>	<b>\$ (4,382)</b>	<b>\$ (2,320)</b>	<b>\$ (1,930)</b>	<b>\$ (3,254)</b>	<b>\$ (4,325)</b>				
<b>1/01 Cash Balance</b>	<b>\$ 40,753</b>	<b>\$ 56,843</b>	<b>\$ 67,805</b>	<b>\$ 65,000</b>	<b>\$ 54,843</b>	<b>\$ 55,070</b>	<b>\$ 57,052</b>	<b>\$ 57,052</b>	
Change in Net Assets		15,933	11,313	8,678	11,980	13,257	12,714	12,367	
Depreciation & Amortization		10,975	13,016	14,265	14,860	15,223	15,622	16,074	
Capital Additions/Service Territory Comp		(61,751)	(31,346)	(20,066)	(31,836)	(22,939)	(20,868)	(18,612)	
Bond Principal Payments		(3,685)	(5,460)	(5,725)	(6,015)	(6,315)	(6,625)	(6,955)	
Bond Proceeds		125,227	-	-	-	-	-	-	
Net Change in Other Assets/Liabilities		(70,610)	23,439	43	854	1,001	1,139	1,285	
<b>Net Changes in Cash</b>		<b>16,090</b>	<b>10,962</b>	<b>(2,804)</b>	<b>(10,157)</b>	<b>227</b>	<b>1,982</b>	<b>4,160</b>	
<b>12/31 Cash Balance</b>	<b>\$ 56,843</b>	<b>\$ 67,805</b>	<b>\$ 65,000</b>	<b>\$ 54,843</b>	<b>\$ 55,070</b>	<b>\$ 57,052</b>	<b>\$ 61,212</b>	<b>\$ 61,212</b>	
<b>Reserve Target</b>	<b>\$ 51,466</b>	<b>\$ 54,061</b>	<b>\$ 55,603</b>	<b>\$ 56,137</b>	<b>\$ 56,667</b>	<b>\$ 57,014</b>	<b>\$ 57,922</b>	<b>\$ 57,922</b>	
<b>Excess (Deficit) from Target</b>	<b>\$ 5,377</b>	<b>\$ 13,744</b>	<b>\$ 9,398</b>	<b>\$ (1,294)</b>	<b>\$ (1,598)</b>	<b>\$ 38</b>	<b>\$ 3,290</b>	<b>\$ 3,290</b>	
<b>Cash Balance as % of Reserve Target</b>			<b>125.4%</b>	<b>116.9%</b>	<b>97.7%</b>	<b>97.2%</b>	<b>100.1%</b>	<b>105.7%</b>	
<b>Debt Service Coverage Ratio</b>				<b>2.6</b>	<b>2.6</b>	<b>2.8</b>	<b>3.0</b>	<b>3.1</b>	

**ROCHESTER PUBLIC UTILITIES  
ELECTRIC UTILITY  
Management Reporting P&L**

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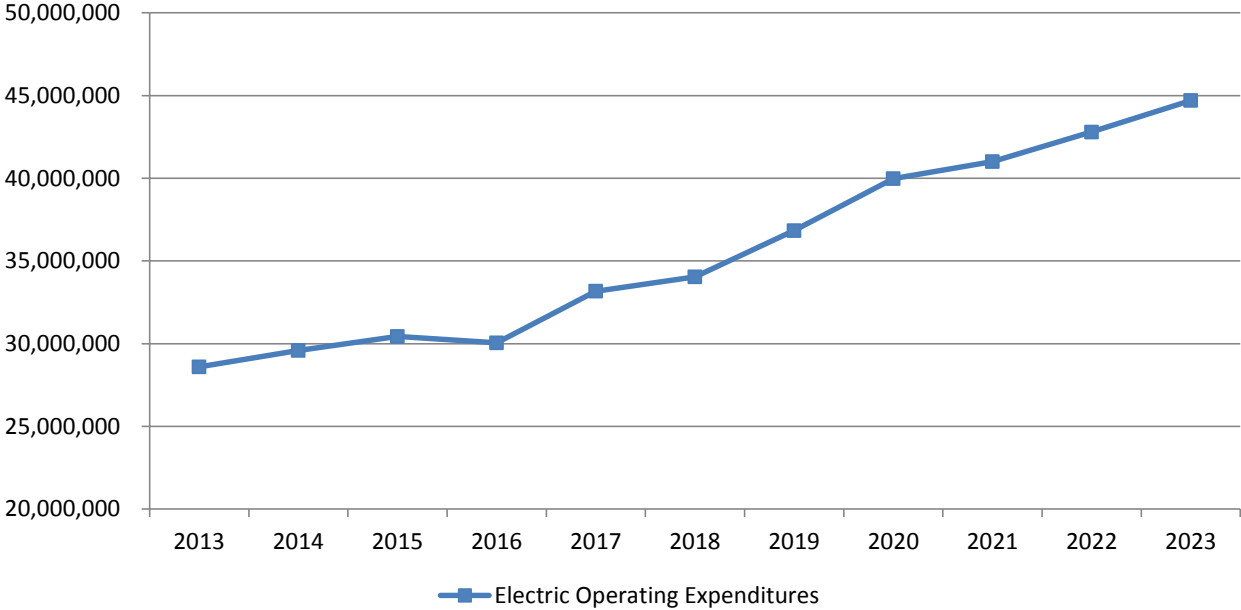
	Historical Data		2018		2019		Variance	%
	2016	2017	Orig Bdgt	2018 F2	2019	Orig Bdgt	2019 to Orig Bdgt	Variance
in 000's								
<b>Revenue</b>								
Retail Electric	\$142,011	\$146,779	\$153,878	\$151,405	\$153,201	\$166,225	(\$13,024)	-7.8%
Wholesale Electric	\$2,311	\$1,822	\$2,759	\$4,188	\$6,381	\$2,107	\$4,274	202.8%
Wholesale Steam	\$4,039	\$4,419	\$4,349	\$4,262	\$4,304	\$4,456	(\$152)	-3.4%
Transmission	\$4,917	\$4,496	\$5,000	\$5,371	\$5,000	\$5,000	\$0	0.0%
Other Services & Fees	\$3,157	\$3,264	\$3,624	\$2,628	\$3,224	\$3,339	(\$116)	-3.5%
<b>Total Revenue</b>	<b>\$156,435</b>	<b>\$160,780</b>	<b>\$169,610</b>	<b>\$167,854</b>	<b>\$172,109</b>	<b>\$181,128</b>	<b>(\$9,018)</b>	<b>-5.0%</b>
<b>Cost of Revenue</b>								
Power Supply	\$92,700	\$93,062	\$94,661	\$96,305	\$96,130	\$99,034	(\$2,904)	-2.9%
Generation Fuel	\$3,563	\$3,413	\$4,099	\$5,351	\$7,086	\$3,741	\$3,346	89.4%
<b>Total Cost of Revenue</b>	<b>\$96,262</b>	<b>\$96,475</b>	<b>\$98,760</b>	<b>\$101,657</b>	<b>\$103,217</b>	<b>\$102,775</b>	<b>\$442</b>	<b>0.4%</b>
<b>Gross Margin</b>								
Retail Electric	\$49,311	\$53,717	\$59,217	\$55,100	\$57,071	\$67,191	(\$10,120)	-15.1%
Wholesale	\$2,787	\$2,828	\$3,009	\$3,099	\$3,599	\$2,823	\$776	27.5%
Transmission	\$4,917	\$4,496	\$5,000	\$5,371	\$5,000	\$5,000	\$0	0.0%
Other Services & Fees	\$3,157	\$3,264	\$3,624	\$2,628	\$3,224	\$3,339	(\$116)	-3.5%
<b>TOTAL GROSS MARGIN</b>	<b>\$60,172</b>	<b>\$64,305</b>	<b>\$70,850</b>	<b>\$66,197</b>	<b>\$68,893</b>	<b>\$78,353</b>	<b>(\$9,460)</b>	<b>-14.7%</b>
<b>Controllable Costs</b>								
Salaries & Benefits	\$20,303	\$21,802	\$24,017	\$23,008	\$24,349	\$24,127	\$222	0.9%
Other Operating Expenses	\$8,655	\$8,967	\$9,602	\$9,587	\$10,383	\$9,891	\$492	5.0%
Major Maintenance	\$1,690	\$1,986	\$3,038	\$2,789	\$3,599	\$2,306	\$1,293	56.1%
Non-Bonded Capital Projects	\$12,950	\$12,228	\$11,209	\$10,582	\$15,477	\$14,359	\$1,117	7.8%
<b>TOTAL CONTROLLABLE COSTS</b>	<b>\$43,598</b>	<b>\$44,984</b>	<b>\$47,866</b>	<b>\$45,966</b>	<b>\$53,807</b>	<b>\$50,683</b>	<b>\$3,124</b>	<b>6.2%</b>
Depreciation & Amortization	\$9,804	\$10,975	\$12,948	\$13,016	\$14,265	\$11,838	\$2,427	20.5%
Less Non Bonded Projects (capitalized)	(\$12,950)	(\$12,228)	(\$11,209)	(\$10,582)	(\$15,477)	(\$14,359)	(\$1,117)	7.8%
Less Total Internal Costs (capitalized)	(\$3,292)	(\$4,547)	(\$4,071)	(\$4,659)	(\$3,265)	(\$4,708)	\$1,443	-30.6%
Interutility Allocation	(\$1,230)	(\$1,228)	(\$1,449)	(\$1,349)	(\$1,486)	(\$1,445)	(\$41)	2.8%
<b>Total Operating Expenses</b>	<b>\$35,931</b>	<b>\$37,956</b>	<b>\$44,085</b>	<b>\$42,392</b>	<b>\$47,845</b>	<b>\$42,009</b>	<b>\$5,836</b>	<b>13.9%</b>
<b>Net Operating Income (Loss)</b>	<b>\$24,242</b>	<b>\$26,349</b>	<b>\$26,765</b>	<b>\$23,805</b>	<b>\$21,048</b>	<b>\$36,344</b>	<b>(\$15,296)</b>	<b>-42.1%</b>
<b>Financing &amp; Other Non-Operating Items:</b>								
Bond & Interest Related Expenses	(\$3,507)	(\$5,039)	(\$4,854)	(\$5,905)	(\$6,303)	(\$8,336)	\$2,033	-24.4%
Interest Income	\$256	\$851	\$536	\$1,179	\$735	\$189	\$546	288.6%
Misc Non-Operating Income (Expense)	(\$367)	(\$570)	(\$53)	(\$35)	(\$50)	(\$111)	\$61	-54.7%
<b>Total Financing &amp; Non-Operating Items</b>	<b>(\$3,617)</b>	<b>(\$4,758)</b>	<b>(\$4,371)</b>	<b>(\$4,762)</b>	<b>(\$5,618)</b>	<b>(\$8,258)</b>	<b>\$2,640</b>	<b>-32.0%</b>
<b>Income Before Transfers or Capital Contributions</b>	<b>\$20,625</b>	<b>\$21,591</b>	<b>\$22,394</b>	<b>\$19,043</b>	<b>\$15,430</b>	<b>\$28,086</b>	<b>(\$12,656)</b>	<b>-45.1%</b>
Transfers (In Lieu of Taxes)	(\$8,470)	(\$8,422)	(\$8,655)	(\$8,782)	(\$8,881)	(\$9,365)	\$484	-5.2%
Capital Contributions	\$0	(\$303)	\$0	\$0	\$0	\$0	\$0	0.0%
Other Revenues	\$0	\$0	\$401	\$1,051	\$2,129	\$0	\$2,129	100.0%
Special Items	\$3,062	\$3,066	\$0	\$0	\$0	\$222	(\$222)	0.0%
<b>NET INCOME</b>	<b>\$15,217</b>	<b>\$15,933</b>	<b>\$14,139</b>	<b>\$11,313</b>	<b>\$8,678</b>	<b>\$18,943</b>	<b>(\$10,265)</b>	<b>-54.2%</b>
<b>1/01 Cash Balance</b>		<b>\$ 40,753</b>	<b>\$ 47,578</b>	<b>\$ 56,843</b>	<b>\$ 67,805</b>	<b>\$ 40,798</b>	<b>\$ 27,006</b>	<b>66.2%</b>
Change in Net Assets		15,933	14,139	11,313	8,678	\$ 18,943	(10,265)	-54.2%
Depreciation & Amortization		10,975	12,948	13,016	14,265	\$ 11,838	2,427	20.5%
Capital Additions/Service Territory Comp		(61,751)	(38,047)	(31,346)	(20,066)	\$ (29,867)	9,801	-32.8%
Bond Principal Payments		(3,685)	(5,460)	(5,460)	(5,725)	\$ (7,136)	1,411	-19.8%
Bond Proceeds		125,227	-	-	-	\$ 23,000	(23,000)	0.0%
Net Change in Other Assets/Liabilities		(70,610)	22,921	23,439	43	\$ (11,875)	11,919	-100.4%
Net Changes in Cash		16,090	6,501	10,962	(2,804)	4,903	(7,707)	-157.2%
<b>12/31 Cash Balance</b>		<b>\$ 56,843</b>	<b>\$ 54,079</b>	<b>\$ 67,805</b>	<b>\$ 65,000</b>	<b>\$ 45,701</b>	<b>\$ 19,299</b>	<b>42.2%</b>
<b>Reserve Target</b>		<b>\$ 51,466</b>	<b>\$ 53,954</b>	<b>\$ 54,061</b>	<b>\$ 55,603</b>	<b>\$ 48,834</b>	<b>\$ 6,769</b>	<b>13.9%</b>
<b>Excess (Deficit) from Target</b>		<b>\$ 5,377</b>	<b>\$ 125</b>	<b>\$ 13,744</b>	<b>\$ 9,398</b>	<b>\$ (3,133)</b>	<b>\$ 12,531</b>	<b>-400.0%</b>
<b>Cash Balance as % of Reserve Target</b>				<b>125.4%</b>	<b>116.9%</b>	<b>93.6%</b>		

**ROCHESTER PUBLIC UTILITIES  
ELECTRIC UTILITY  
2019 OPERATING BUDGET**





# Electric Operating Expenditures



**ROCHESTER PUBLIC UTILITIES  
PRODUCTION & SALES STATISTICS FORECAST  
ELECTRIC UTILITY**

	2018 F2	2019	2020	2021	2022	2023
5 Peak MW						
6 SMMPA	216	216	216	216	216	216
7 Self Generation	-	-	-	-	-	-
8 Market	61	54	63	64	64	63
9 Total Peak MW	277	270	279	280	280	279
10 % Change	4.1%	-2.4%	3.2%	0.2%	-0.1%	-0.1%
11 Retail MWH	1,237,113	1,202,579	1,203,843	1,204,692	1,204,691	1,205,229
12 % Change	4.1%	-2.8%	0.1%	0.1%	0.0%	0.0%
13 Purchased Power MWH						
14 SMMPA	1,252,715	1,216,186	1,216,390	1,217,439	1,216,742	1,217,389
15 Other	3,661	4,298	5,389	5,211	5,906	5,811
16 Total Purchased Power MWH	1,256,376	1,220,483	1,221,779	1,222,650	1,222,648	1,223,200
17 % Change	3.3%	-2.9%	0.1%	0.1%	0.0%	0.0%
18 Generation MWH						
19 Others	90,229	103,734	103,734	103,734	103,734	103,734
20 RPU	11,832	12,160	12,160	12,160	12,160	12,160
21 Total Generation MWH	102,061	115,894	115,894	115,894	115,894	115,894
22 % Change	161.9%	13.6%	0.0%	0.0%	0.0%	0.0%
23 Number of Customers						
24 Residential	50,094	50,870	51,656	52,455	53,265	54,088
25 Small General Service	4,506	4,542	4,577	4,613	4,648	4,684
26 Medium General Service	441	450	459	468	477	485
27 Large General Service	14	14	14	14	14	14
28 Large Industrial Service	2	2	2	2	2	2
29 Street & Hwy Lightings	3	3	3	3	3	3
30 Interdepartmental	1	1	1	1	1	1
31 Total Customers	55,061	55,882	56,712	57,556	58,410	59,277
32 % Change	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
33 Blended cost per MWH for retail supply	\$ 76.65	\$ 78.76	\$ 79.47	\$ 79.38	\$ 79.49	\$ 79.19
34 Steam Generation MLBS	429,272	434,568	522,699	651,812	746,820	449,884
35 % Change	-2.4%	1.2%	20.3%	24.7%	14.6%	-39.8%

**ROCHESTER PUBLIC UTILITIES**

**2019**

**ELECTRIC UTILITY**

**CAPITAL IMPROVEMENT AND  
MAJOR MAINTENANCE BUDGET**

**ROCHESTER PUBLIC UTILITIES  
ELECTRIC UTILITY  
2019 CAPITAL IMPROVEMENT AND  
MAJOR MAINTENANCE BUDGET**

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**ROCHESTER PUBLIC UTILITIES**  
**CAPITAL AND MAJOR MAINTENANCE PLAN**  
**MATERIALS, SUPPLIES & SERVICES**  
**5 YEAR PROJECT LIST**

**ELECTRIC UTILITY**  
**MAJOR MAINTENANCE**  
**(\$000's)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>5-Yr Total</u>
<b>8 Core Services</b>						
9 Tree Trimming	1,125	2,000	2,250	2,500	2,500	10,375
10 AMI Timing Study	109	-	-	-	-	109
11 ZR T1 & T2 Regasket	85	-	-	-	-	85
12 Distribution System Planning Study	-	75	-	-	75	150
13 Substation Switchgear Analysis Report	36	-	-	-	-	36
14 ArcFlash Study for Downtown	70	-	-	-	-	70
15 Asbestos Mitigation in Manholes	50	-	-	-	-	50
<b>16 Total Core Services</b>	<b>1,474</b>	<b>2,075</b>	<b>2,250</b>	<b>2,500</b>	<b>2,575</b>	<b>10,874</b>
<b>17 Customer Relations</b>						
Customer Experience Mapping	-	200	-	-	-	200
<b>18 Total Customer Relations</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>
<b>19 Corporate Services</b>						
20 Elec Cost-of-Srv/Rate Design Study	-	65	-	-	70	135
21 CIAC/AFUDC Asset Accounting Conversion	80	-	-	-	-	80
22 Rates Modeling	50	-	-	-	-	50
23 KPIT Support Contract	300	300	300	-	-	900
24 ERP Option Assessment	-	200	-	-	-	200
<b>25 Total Corporate Services</b>	<b>430</b>	<b>565</b>	<b>300</b>	<b>-</b>	<b>70</b>	<b>1,365</b>
<b>26 Compliance and Public Affairs</b>						
27 Zumbro River Dredging	700	100	-	-	-	800
<b>28 Total Compliance and Public Affairs</b>	<b>700</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800</b>
<b>29 Power Resources</b>						
30 SLP Decommissioning	25	350	225	450	250	1,300
31 U3 ESP Bypass	-	-	-	-	-	-
32 Pond, Clarifier, Yard	80	-	-	-	-	80
33 RPU Comprehensive Master Plan	-	120	-	-	-	120
34 Allocation - Power Resources	410	1,085	810	575	550	3,430
35 Allocation - Facilities	180	184	188	191	195	938
<b>36 Total Power Resources</b>	<b>695</b>	<b>1,739</b>	<b>1,223</b>	<b>1,216</b>	<b>995</b>	<b>5,868</b>
<b>37 General Management</b>						
38 Operating Contingency Fund	300	300	300	300	300	1,500
<b>39 Total General Management</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>1,500</b>
<b>40 Total Outside Expenditures</b>	<b>3,599</b>	<b>4,979</b>	<b>4,073</b>	<b>4,016</b>	<b>3,940</b>	<b>20,607</b>
<b>41 Total Internal Expenditures</b>	<b>238</b>	<b>359</b>	<b>107</b>	<b>107</b>	<b>120</b>	<b>931</b>
<b>42 Total Major Maintenance Plan</b>	<b>3,837</b>	<b>5,338</b>	<b>4,180</b>	<b>4,123</b>	<b>4,060</b>	<b>21,538</b>

**ROCHESTER PUBLIC UTILITIES  
CAPITAL AND MAJOR MAINTENANCE PLAN  
MATERIALS, SUPPLIES & SERVICES  
5 YEAR PROJECT LIST**

**ELECTRIC UTILITY  
CAPITAL  
(\$000's)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>5-Yr Total</u>
<b>9 Core Services</b>						
10 SCADA Upgrade	-	500	1,500	-	-	2,000
11 Allocation - New Services	<b>1,364</b>	1,392	1,419	1,448	1,477	7,100
12 New Service Installations	620	-	-	-	-	-
13 Overhead Replacements	30	-	-	-	-	-
14 Annual Underground Cable Replacements (URD)	503	-	-	-	-	-
15 Other Projects	140	-	-	-	-	-
16 Property Damage - Repair/Replace	20	-	-	-	-	-
17 Other Equipment Failures	51	-	-	-	-	-
18 Load Management Installations	12	12	-	-	-	24
19 Mobile Meter Reader	-	-	30	-	15	45
20 Metering/Shop Test Equipment Upgrade/Repl	10	15	15	15	15	70
21 Substation/Shop Test Equipment Upgrade/Repl	60	35	35	35	35	200
22 Substation Spares and Replacements	20	-	40	-	40	100
23 FCS Radio Read Devices & Wi-Fi	15	-	-	-	-	15
24 Transformer Oil Pump & Filtration Unit	235	-	-	-	-	235
25 Web-Based Service Application	13	-	-	-	-	13
26 Allocation - Metering/AMR	970	1,000	1,000	1,000	1,000	4,970
27 Hydro Line Rebuild	-	-	-	-	250	250
28 Northern Hills 65th St Feeder	555	-	-	-	-	555
29 Feeder 306 Install	-	-	-	-	300	300
30 Feeder 615 Install	-	-	-	350	-	350
31 Feeder 715 Install	-	325	-	-	-	325
32 Feeder 913 Install	-	-	-	300	-	300
33 Feeder 914 Install	-	-	-	300	-	300
34 Feeder 1315 Install	-	-	-	250	-	250
35 Feeder 1602 Install	-	-	-	-	300	300
36 Feeder 1732 Install	70	-	-	-	-	70
37 Feeder 1733 Install	-	-	200	-	-	200
38 Downtown New Duct Systems	-	110	550	550	800	2,010
39 65th St - 50th to 60th Ave	-	-	-	-	500	500
40 48th St NE	-	-	-	200	200	400
41 Feeder 301 Load Relief	-	-	-	-	200	200
42 Q2 Rebuild from Bear Creek - RCTC	-	-	-	-	350	350
43 Q4 Rebuild from BV Sub to Salem Rd	-	375	385	-	-	760
44 Q7 Rebuild to Grade B	-	-	-	-	400	400
45 Q11 W.C. to new St. Bridget Sub - ROW	400	-	-	-	-	400
46 IBM Substation Upgrade	-	-	-	1,025	-	1,025
47 Fiber Cascade Creek to Westside	-	195	-	-	-	195
48 Fiber Cascade Creek to Crosstown	70	-	-	-	-	70
49 Fiber OWEF Splice to Chester	-	-	-	275	-	275
50 Small Cell Antennas	200	100	100	100	100	600
51 Feeder 1401 & 1411 Bifurcation	550	-	-	-	-	550
52 Marion Rd Substation & Feeder Buildout	2,665	11,225	604	270	-	14,763
53 Hydro Line Reconfig for New Hydro Sub	-	-	-	250	-	250
54 New Padmount Hydro Sub	-	-	50	400	-	450
55 New Mayo Feeders	-	2,500	3,000	-	-	5,500
56 Substation Communication	-	100	1,350	-	-	1,450
57 IKE4 - Pole Analysis	15	-	-	-	-	15
68 Allocation - Distribution Expansion	<b>2,750</b>	3,978	2,871	3,786	4,592	17,977
69 Feeder Extensions	45	-	-	-	-	-
70 Feeder Rebuilds	104	-	-	-	-	-
71 Transmission Projects	27	-	-	-	-	-
72 Substation Projects	345	-	-	-	-	-
73 Road Projects	655	-	-	-	-	-
74 Capacitor Bank Installations	149	-	-	-	-	-
75 Fiber Optic Projects	90	-	-	-	-	-
76 Distribution Transformers	541	-	-	-	-	-
77 Overhead to Underground Conversion	67	-	-	-	-	-
78 Manhole Switch Replacements	67	-	-	-	-	-
79 Manhole Repair/Replace	180	-	-	-	-	-
80 Mainline Cable Replacement	480	-	-	-	-	-
81 Survey GPS Replacement	-	-	-	-	40	40
82 Responder/SCADA Integration	-	60	-	-	-	60
83 Service Territory Payments	345	346	348	348	349	1,736
84 <b>Total Core Services</b>	<b>10,319</b>	<b>22,267</b>	<b>13,497</b>	<b>10,902</b>	<b>10,963</b>	<b>67,947</b>

**ROCHESTER PUBLIC UTILITIES**  
**CAPITAL AND MAJOR MAINTENANCE PLAN**  
**MATERIALS, SUPPLIES & SERVICES**  
**5 YEAR PROJECT LIST**

**ELECTRIC UTILITY**  
**CAPITAL**  
**(\$000's)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>5-Yr Total</u>
<b>85 Customer Relations</b>						
86 CRM	912	-	-	-	-	912
87 Phone Recording & Call Scripts	-	100	-	-	-	100
<b>88 Total Customer Relations</b>	<b>912</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,012</b>
<b>89 Corporate Services</b>						
90 ERP/Work Mgmt Implementation	-	-	1,741	1,483	124	3,348
91 Operation Technology	150	160	165	175	180	830
92 Enterprise Systems and Applications	-	-	250	250	250	750
93 Microsoft 365 Implementation - Phase 1	50	-	-	-	-	50
94 Change Management Tool	-	50	-	-	-	50
95 Internal Firewall	49	-	-	-	-	49
96 Monitoring Tools	-	70	-	-	-	70
97 NSX Implementation	-	50	-	-	-	50
98 Allocation - Technology	<b>500</b>	<b>525</b>	<b>550</b>	<b>575</b>	<b>600</b>	<b>2,750</b>
99 Network Management	116	-	-	-	-	-
100 Output Management	18	-	-	-	-	-
101 Server Management	74	-	-	-	-	-
102 Workstation Management	129	-	-	-	-	-
103 Backup/DR	59	-	-	-	-	-
104 Information Risk and Security	4	-	-	-	-	-
105 Storage Management	100	-	-	-	-	-
106 Business Systems/Applications	-	-	-	-	-	-
107 City Shared Infrastructure	-	-	-	-	-	-
<b>108 Total Corporate Services</b>	<b>749</b>	<b>855</b>	<b>2,706</b>	<b>2,483</b>	<b>1,154</b>	<b>7,947</b>
<b>109 Compliance and Public Affairs</b>						
109 Electric Safety Exhibit	-	45	-	-	-	45
<b>110 Total Compliance and Public Affairs</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>
<b>111 Power Resources</b>						
112 U3 BFPs	500	-	-	-	-	500
U3 Feedwater Flow Bypass	100	-	-	-	-	100
113 Allocation - Power Resources	761	555	900	545	350	3,111
114 Building Expansion	1,117	-	-	-	-	1,117
115 Design Study to Replace AHU 1-4	776	1,527	-	-	-	2,303
116 Allocation - Facilities	30	31	32	33	34	160
117 Allocation - Fleet	599	605	649	652	606	3,111
<b>118 Total Power Resources</b>	<b>3,884</b>	<b>2,718</b>	<b>1,581</b>	<b>1,230</b>	<b>990</b>	<b>10,403</b>
<b>119 General Management</b>						
120 Project Contingency Fund	700	700	700	700	700	3,500
<b>121 Total General Management</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>3,500</b>
<b>122 Total Outside Expenditures</b>	<b>16,564</b>	<b>26,685</b>	<b>18,484</b>	<b>15,315</b>	<b>13,807</b>	<b>90,854</b>
<b>123 Capitalized Interest</b>	<b>237</b>	<b>266</b>	<b>448</b>	<b>464</b>	<b>-</b>	<b>1,415</b>
<b>124 Total Internal Expenditures</b>	<b>3,265</b>	<b>4,885</b>	<b>4,008</b>	<b>5,089</b>	<b>4,805</b>	<b>22,053</b>
<b>125 Less Bonding</b>	<b>(1,324)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,324)</b>
<b>126 Net Capital Plan</b>	<b>18,741</b>	<b>31,836</b>	<b>22,939</b>	<b>20,868</b>	<b>18,612</b>	<b>112,997</b>
<b>127 Net Capital and Major Maintenance Plan</b>	<b>22,578</b>	<b>37,175</b>	<b>27,119</b>	<b>24,991</b>	<b>22,672</b>	<b>134,535</b>

**ROCHESTER PUBLIC UTILITIES**

**2019**

**WATER UTILITY**

**OPERATING BUDGET**



**ROCHESTER PUBLIC UTILITIES  
WATER UTILITY  
2019 OPERATING BUDGET**

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**ROCHESTER PUBLIC UTILITIES  
WATER UTILITY  
2019 OPERATING BUDGET**

**BASIC ASSUMPTIONS**

- Interest Earnings Rate: 0.75%
- Average Salary Expense Change: 3.6%  
(consists of COLA, merit and promotion increases)
- Change in Full-time Equivalents: 1
- Minimum Cash Reserve Requirement: Policy Amount \$7,641,200

**RETAIL REVENUES / SALES**

- Revenue Adjustment: 6.0% proposed
- Water CCF Sales Forecast: 3.12% Increase from 2018 Projected Sales
- Total Water Utility Customers: 1.2% Increase over Y/E 2018 Projected Customers
- Forecast Assumes Normal Weather : 523 Cooling Degree Days,  
23.9 Inches Summer Rainfall

**OTHER ITEMS**

- In Lieu of Tax forecast increasing \$19,000 to a total of \$398,146.

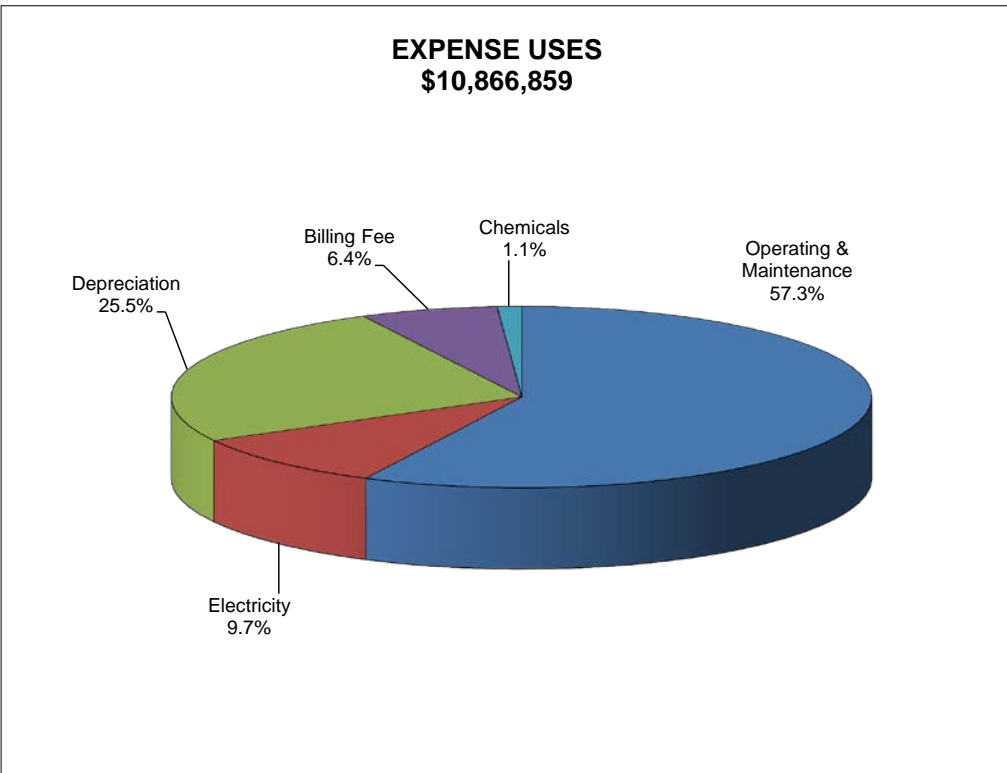
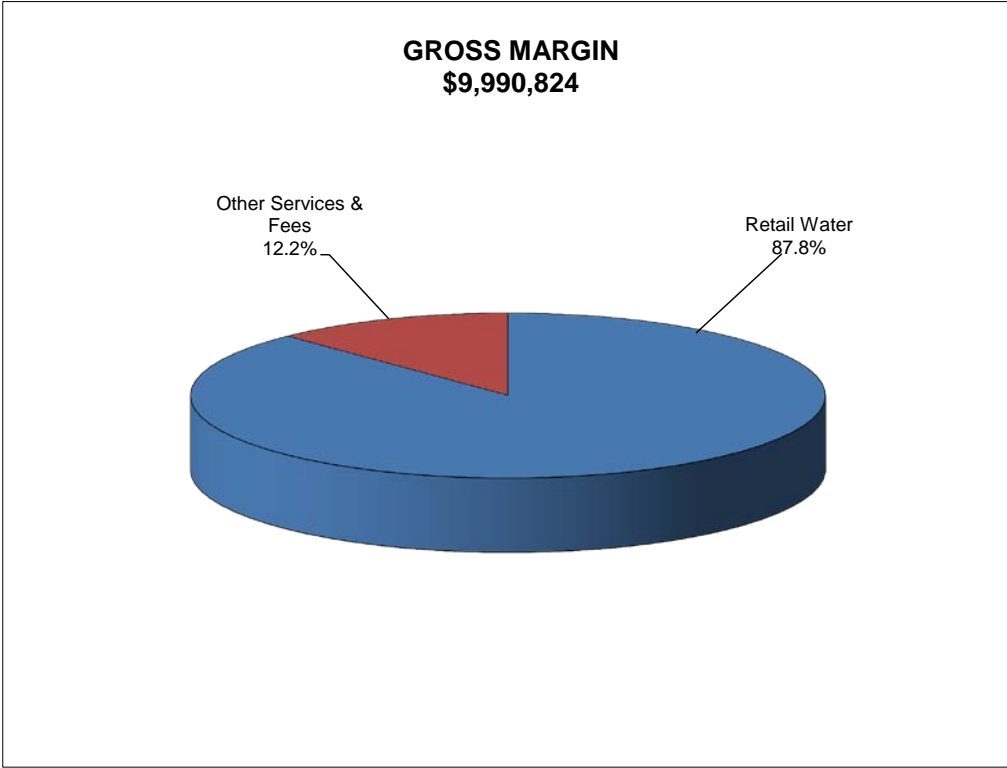
**ROCHESTER PUBLIC UTILITIES  
WATER UTILITY  
Management Reporting P&L**

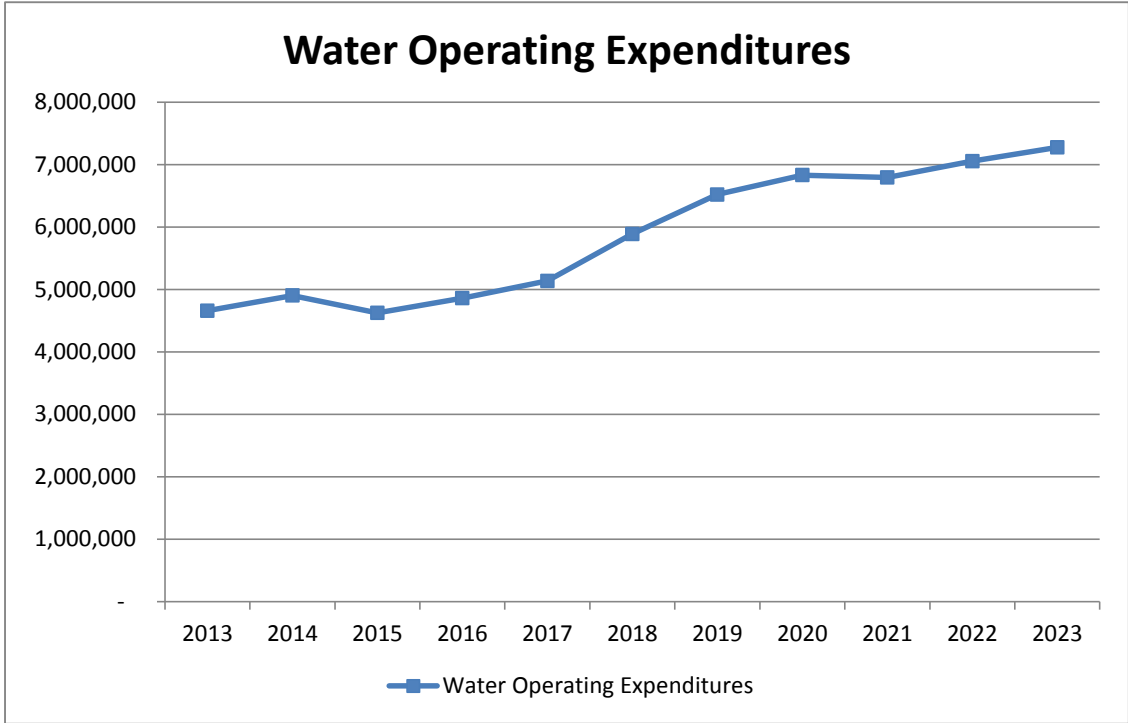
	Historical Data		2018 F2	2019	2020	2021	2022	2023
	2016	2017						
in 000's								
RPU Rate Increase	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Revenue</b>								
Retail Water	\$8,519	\$9,121	\$9,635	\$10,636	\$11,388	\$12,180	\$13,056	\$13,982
Other Services & Fees	\$942	\$1,091	\$1,162	\$1,222	\$1,244	\$1,267	\$1,290	\$1,314
<b>Total Revenue</b>	<b>\$9,461</b>	<b>\$10,213</b>	<b>\$10,798</b>	<b>\$11,858</b>	<b>\$12,633</b>	<b>\$13,447</b>	<b>\$14,347</b>	<b>\$15,296</b>
<b>Cost of Revenue</b>								
Water Supply	\$1,970	\$1,974	\$1,896	\$1,867	\$1,866	\$1,851	\$1,837	\$1,823
<b>Total Cost of Revenue</b>	<b>\$1,970</b>	<b>\$1,974</b>	<b>\$1,896</b>	<b>\$1,867</b>	<b>\$1,866</b>	<b>\$1,851</b>	<b>\$1,837</b>	<b>\$1,823</b>
<b>Gross Margin</b>								
Retail Water	\$6,549	\$7,147	\$7,739	\$8,769	\$9,522	\$10,328	\$11,219	\$12,159
Other Services & Fees	\$942	\$1,091	\$1,162	\$1,222	\$1,244	\$1,267	\$1,290	\$1,314
<b>TOTAL GROSS MARGIN</b>	<b>\$7,491</b>	<b>\$8,239</b>	<b>\$8,902</b>	<b>\$9,991</b>	<b>\$10,767</b>	<b>\$11,595</b>	<b>\$12,510</b>	<b>\$13,473</b>
<b>Controllable Costs</b>								
Salaries & Benefits	\$2,368	\$2,559	\$2,708	\$3,095	\$3,361	\$3,519	\$3,686	\$3,867
Other Operating Expenses	\$1,016	\$1,001	\$1,370	\$1,437	\$1,428	\$1,336	\$1,364	\$1,392
Major Maintenance	\$226	\$369	\$462	\$502	\$526	\$392	\$428	\$409
Non-Bonded Capital Projects	\$1,957	\$1,729	\$3,835	\$3,775	\$6,341	\$6,663	\$4,730	\$2,982
<b>TOTAL CONTROLLABLE COSTS</b>	<b>\$5,567</b>	<b>\$5,657</b>	<b>\$8,375</b>	<b>\$8,809</b>	<b>\$11,656</b>	<b>\$11,910</b>	<b>\$10,208</b>	<b>\$8,649</b>
Depreciation & Amortization	\$2,525	\$2,640	\$2,688	\$2,770	\$2,811	\$2,866	\$2,936	\$2,969
Less Non Bonded Projects (capitalized)	(\$1,957)	(\$1,729)	(\$3,835)	(\$3,775)	(\$6,341)	(\$6,663)	(\$4,730)	(\$2,982)
Less Total Internal Costs (capitalized)	(\$282)	(\$266)	(\$288)	(\$291)	(\$305)	(\$256)	(\$324)	(\$248)
Interutility Allocation	\$1,230	\$1,228	\$1,349	\$1,486	\$1,516	\$1,546	\$1,577	\$1,609
<b>Total Operating Expenses</b>	<b>\$7,083</b>	<b>\$7,530</b>	<b>\$8,289</b>	<b>\$8,999</b>	<b>\$9,337</b>	<b>\$9,403</b>	<b>\$9,667</b>	<b>\$9,998</b>
<b>Net Operating Income (Loss)</b>	<b>\$408</b>	<b>\$708</b>	<b>\$613</b>	<b>\$991</b>	<b>\$1,430</b>	<b>\$2,192</b>	<b>\$2,843</b>	<b>\$3,476</b>
<b>Financing &amp; Other Non-Operating Items:</b>								
Bond & Interest Related Expenses	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0
Interest Income	\$63	\$89	\$128	\$44	\$32	\$13	\$7	\$19
Misc Non-Operating Income (Expense)	(\$17)	(\$132)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Financing &amp; Non-Operating Items</b>	<b>\$45</b>	<b>(\$43)</b>	<b>\$128</b>	<b>\$44</b>	<b>\$32</b>	<b>\$13</b>	<b>\$7</b>	<b>\$19</b>
<b>Income Before Transfers or Capital Contributions</b>	<b>\$453</b>	<b>\$666</b>	<b>\$741</b>	<b>\$1,035</b>	<b>\$1,462</b>	<b>\$2,206</b>	<b>\$2,849</b>	<b>\$3,494</b>
Transfers (In Lieu of Taxes)	(\$363)	(\$370)	(\$379)	(\$398)	(\$412)	(\$426)	(\$441)	(\$457)
Capital Contributions	\$2,242	\$2,493	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100
Cash Transfers from City	\$513	\$303	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET INCOME</b>	<b>\$2,845</b>	<b>\$3,090</b>	<b>\$1,462</b>	<b>\$1,737</b>	<b>\$2,150</b>	<b>\$2,880</b>	<b>\$3,508</b>	<b>\$4,138</b>
<b>TARGET NET INCOME</b>	<b>\$ 3,148</b>	<b>\$ 3,097</b>	<b>\$ 3,061</b>	<b>\$ 3,148</b>	<b>\$ 3,097</b>	<b>\$ 3,061</b>	<b>\$ 3,017</b>	<b>\$ 3,017</b>
<b>Excess (Deficit) from Target</b>	<b>\$(1,411)</b>	<b>\$ (947)</b>	<b>\$ (181)</b>	<b>\$ (411)</b>	<b>\$ (297)</b>	<b>\$ (181)</b>	<b>\$ 491</b>	<b>\$ (121)</b>
<b>1/01 Cash Balance</b>	<b>\$ 5,705</b>	<b>\$ 7,123</b>	<b>\$ 6,194</b>	<b>\$ 5,607</b>	<b>\$ 2,894</b>	<b>\$ 692</b>	<b>\$ 1,054</b>	<b>\$ 3,903</b>
Change in Net Assets	3,090	1,462	1,737	2,150	2,880	3,508	4,138	
Depreciation & Amortization	2,640	2,688	2,770	2,811	2,866	2,936	2,969	
Capital Additions	(1,995)	(4,122)	(4,066)	(6,646)	(6,919)	(5,054)	(3,229)	
Non-Cash Contributions	(2,493)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	
Debt Principal Payments	-	-	-	-	-	-	-	
Debt Proceeds	-	-	-	-	-	-	-	
Net Change in Other Assets/Liabilities	175	144	72	72	72	72	72	
<b>Net Changes in Cash</b>	<b>1,417</b>	<b>(929)</b>	<b>(586)</b>	<b>(2,714)</b>	<b>(2,201)</b>	<b>362</b>	<b>2,849</b>	
<b>12/31 Cash Balance</b>	<b>\$ 7,123</b>	<b>\$ 6,194</b>	<b>\$ 5,607</b>	<b>\$ 2,894</b>	<b>\$ 692</b>	<b>\$ 1,054</b>	<b>\$ 3,903</b>	
<b>Reserve Policy</b>	<b>\$ 5,429</b>	<b>\$ 7,671</b>	<b>\$ 7,641</b>	<b>\$ 7,102</b>	<b>\$ 6,495</b>	<b>\$ 6,286</b>	<b>\$ 6,458</b>	
<b>Excess (Deficit) from Policy</b>	<b>\$ 1,694</b>	<b>\$ (1,477)</b>	<b>\$(2,034)</b>	<b>\$(4,209)</b>	<b>\$(5,802)</b>	<b>\$(5,232)</b>	<b>\$(2,555)</b>	
<b>Cash Balance as % of Reserve Policy</b>		<b>80.7%</b>	<b>73.4%</b>	<b>40.7%</b>	<b>10.7%</b>	<b>16.8%</b>	<b>60.4%</b>	

**ROCHESTER PUBLIC UTILITIES  
WATER UTILITY  
Management Reporting P&L**

	Historical Data		2018		2019		Variance	%
	2016	2017	Orig Bdgt	2018 F2	2019	Orig Bdgt (from 2015 COSS)	2019 to Orig Bdgt	Variance
5 in 000's								
6 <b>Revenue</b>								
7 Retail Water	\$8,519	\$9,121	\$9,818	\$9,635	\$10,636	\$8,922	\$1,714	19.2%
8 Other Services & Fees	\$942	\$1,091	\$1,071	\$1,162	\$1,222	\$812	\$410	50.4%
9 <b>Total Revenue</b>	<b>\$9,461</b>	<b>\$10,213</b>	<b>\$10,889</b>	<b>\$10,798</b>	<b>\$11,858</b>	<b>\$9,735</b>	<b>\$2,123</b>	<b>21.8%</b>
10 <b>Cost of Revenue</b>								
14 Water Supply	\$1,970	\$1,974	\$1,774	\$1,896	\$1,867	\$2,170	(\$303)	-13.9%
12 <b>Total Cost of Revenue</b>	<b>\$1,970</b>	<b>\$1,974</b>	<b>\$1,774</b>	<b>\$1,896</b>	<b>\$1,867</b>	<b>\$2,170</b>	<b>(\$303)</b>	<b>-13.9%</b>
13 <b>Gross Margin</b>								
14 Retail Water	\$6,549	\$7,147	\$8,044	\$7,739	\$8,769	\$6,752	\$2,017	29.9%
15 Other Services & Fees	\$942	\$1,091	\$1,071	\$1,162	\$1,222	\$812	\$410	50.4%
16 <b>TOTAL GROSS MARGIN</b>	<b>\$7,491</b>	<b>\$8,239</b>	<b>\$9,115</b>	<b>\$8,902</b>	<b>\$9,991</b>	<b>\$7,565</b>	<b>\$2,426</b>	<b>32.1%</b>
17 <b>Controllable Costs</b>								
18 Salaries & Benefits	\$2,368	\$2,559	\$2,989	\$2,708	\$3,095	\$2,581	\$514	19.9%
19 Other Operating Expenses	\$1,016	\$1,001	\$1,403	\$1,370	\$1,437	\$1,062	\$376	35.4%
20 Major Maintenance	\$226	\$369	\$507	\$462	\$502	\$340	\$162	47.6%
21 Non-Bonded Capital Projects	\$1,957	\$1,729	\$3,172	\$3,835	\$3,775	\$1,817	\$1,959	107.8%
22 <b>TOTAL CONTROLLABLE COSTS</b>	<b>\$5,567</b>	<b>\$5,657</b>	<b>\$8,071</b>	<b>\$8,375</b>	<b>\$8,809</b>	<b>\$5,799</b>	<b>\$3,010</b>	<b>51.9%</b>
23 Depreciation & Amortization	\$2,525	\$2,640	\$2,682	\$2,688	\$2,770	\$2,586	\$184	7.1%
24 Less Non Bonded Projects (capitalized)	(\$1,957)	(\$1,729)	(\$3,172)	(\$3,835)	(\$3,775)	(\$1,817)	(\$1,959)	107.8%
25 Less Total Internal Costs (capitalized)	(\$282)	(\$266)	(\$308)	(\$288)	(\$291)	(\$295)	\$5	-1.6%
26 Interutility Allocation	\$1,230	\$1,228	\$1,449	\$1,349	\$1,486	\$1,529	(\$43)	-2.8%
27 <b>Total Operating Expenses</b>	<b>\$7,083</b>	<b>\$7,530</b>	<b>\$8,722</b>	<b>\$8,289</b>	<b>\$8,999</b>	<b>\$7,802</b>	<b>\$1,197</b>	<b>15.3%</b>
28 <b>Net Operating Income (Loss)</b>	<b>\$408</b>	<b>\$708</b>	<b>\$392</b>	<b>\$613</b>	<b>\$991</b>	<b>(\$238)</b>	<b>\$1,229</b>	<b>-516.9%</b>
29 <b>Financing &amp; Other Non-Operating Items:</b>								
30 Bond & Interest Related Expenses	\$0	\$0	\$0	(\$0)	\$0	(\$30)	\$30	-100.0%
31 Interest Income	\$63	\$89	\$13	\$128	\$44	\$0	\$44	0.0%
32 Misc Non-Operating Income (Expense)	(\$17)	(\$132)	\$0	\$0	\$0	(\$1)	\$1	-100.0%
33 <b>Total Financing &amp; Non-Operating Items</b>	<b>\$45</b>	<b>(\$43)</b>	<b>\$13</b>	<b>\$128</b>	<b>\$44</b>	<b>(\$31)</b>	<b>\$75</b>	<b>-243.2%</b>
34 <b>Income Before Transfers or Capital Contributions</b>	<b>\$453</b>	<b>\$666</b>	<b>\$405</b>	<b>\$741</b>	<b>\$1,035</b>	<b>(\$269)</b>	<b>\$1,304</b>	<b>-485.5%</b>
35 Transfers (In Lieu of Taxes)	(\$363)	(\$370)	(\$390)	(\$379)	(\$398)	(\$402)	\$4	-0.9%
36 Capital Contributions	\$2,242	\$2,493	\$1,100	\$1,100	\$1,100	\$1,100	\$0	0.0%
37 Cash Transfers from City	\$513	\$303	\$0	\$0	\$0	\$0	\$0	0.0%
38 <b>NET INCOME</b>	<b>\$2,845</b>	<b>\$3,090</b>	<b>\$1,115</b>	<b>\$1,462</b>	<b>\$1,737</b>	<b>\$430</b>	<b>\$1,308</b>	<b>304.3%</b>
39 <b>1/01 Cash Balance</b>	<b>\$ 5,705</b>	<b>\$ 5,534</b>	<b>\$ 7,123</b>	<b>\$ 6,194</b>	<b>\$ 1,871</b>	<b>\$ 4,323</b>	<b>231.1%</b>	
40 Change in Net Assets		3,090	1,115	1,462	1,737	430	1,308	304.3%
41 Depreciation & Amortization		2,640	2,682	2,688	2,770	2,586	184	7.1%
42 Capital Additions/Service Territory Comp		(1,995)	(3,479)	(4,122)	(4,066)	(3,312)	(754)	22.8%
43 Non-Cash Contributions		(2,282)	(1,100)	(1,100)	(1,100)	(1,100)	-	0.0%
44 Debt Principal Payments		-	0	-	-	-	-	0.0%
45 Debt Proceeds		-	0	-	-	1,200	(1,200)	-100.0%
46 Net Change in Other Assets/Liabilities		(36)	169	144	72	-	72	0.0%
47 <b>Net Changes in Cash</b>		<b>1,417</b>	<b>(613)</b>	<b>(929)</b>	<b>(586)</b>	<b>(196)</b>	<b>(390)</b>	<b>199.0%</b>
48 <b>12/31 Cash Balance</b>	<b>\$ 7,123</b>	<b>\$ 4,921</b>	<b>\$ 6,194</b>	<b>\$ 5,607</b>	<b>\$ 1,675</b>	<b>\$ 3,933</b>	<b>234.8%</b>	
49 <b>Reserve Policy</b>	<b>\$ 5,429</b>	<b>\$ 6,063</b>	<b>\$ 7,671</b>	<b>\$ 7,641</b>	<b>\$ 2,865</b>	<b>\$ 4,777</b>	<b>166.7%</b>	
50 <b>Excess (Deficit) from Policy</b>	<b>\$ 1,694</b>	<b>\$ (1,142)</b>	<b>\$ (1,477)</b>	<b>\$ (2,034)</b>	<b>\$ (1,190)</b>	<b>\$ (844)</b>	<b>70.9%</b>	
51 <b>Cash Balance as % of Reserve Policy</b>			<b>81.2%</b>	<b>80.7%</b>	<b>73.4%</b>	<b>58.5%</b>		

**ROCHESTER PUBLIC UTILITIES  
WATER UTILITY  
2019 OPERATING BUDGET**





**ROCHESTER PUBLIC UTILITIES  
 PRODUCTION & SALES STATISTICS FORECAST  
 WATER UTILITY**

1  
 2  
 3

4

	<b>2018 F2</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
5 CCF Pumped	6,001,468	6,234,201	6,326,943	6,412,282	6,512,439	6,607,733
6 % Change	-1.3%	3.9%	1.5%	1.3%	1.6%	1.5%
7 Retail CCF	5,779,150	5,959,376	6,048,030	6,129,607	6,225,348	6,316,441
8 % Change	0.1%	3.1%	1.5%	1.3%	1.6%	1.5%
9 Number of Customers						
10 Residential	36,580	37,009	37,438	37,868	38,297	38,726
11 Commercial	3,621	3,661	3,704	3,746	3,790	3,831
12 Industrial	32	32	32	32	32	32
13 Interdepartmental	1	1	1	1	1	1
14 Total Customers	40,234	40,703	41,175	41,647	42,120	42,590
15 % Change	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%

**ROCHESTER PUBLIC UTILITIES**

**2019**

**WATER UTILITY**

**CAPITAL IMPROVEMENT AND  
MAJOR MAINTENANCE BUDGET**



**ROCHESTER PUBLIC UTILITIES  
WATER UTILITY  
2019 CAPITAL IMPROVEMENT AND  
MAJOR MAINTENANCE BUDGET**

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5 Year Project List:	
Major Maintenance	1
Capital	2

**ROCHESTER PUBLIC UTILITIES**  
**CAPITAL AND MAJOR MAINTENANCE PLAN**  
**MATERIALS, SUPPLIES & SERVICES**  
**5 YEAR PROJECT LIST**

**WATER UTILITY**  
**MAJOR MAINTENANCE**  
**(\$000's)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>5-Yr Total</u>
<b>Core Services</b>						
Municipal Well Abandonment	45	-	-	-	-	45
Allocation - Water Distribution System Maintenance	240	400	265	255	275	1,435
Water Cost-of-Service/Rate Design Study	37	-	-	40	-	77
Operating Contingency Fund	70	75	75	80	80	380
<b>Total Core Services</b>	<b>392</b>	<b>475</b>	<b>340</b>	<b>375</b>	<b>355</b>	<b>1,937</b>
<b>Compliance and Public Affairs</b>						
Old Municipal Wells Sealing Project	60	-	-	-	-	60
<b>Total Compliance and Public Affairs</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>
<b>Power Resources</b>						
Allocation - RPU Water Facilities	50	51	52	53	54	260
<b>Total Power Resources</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>260</b>
<b>Total Outside Expenditures</b>	<b>502</b>	<b>526</b>	<b>392</b>	<b>428</b>	<b>409</b>	<b>2,257</b>
<b>Total Internal Expenditures</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>245</b>
<b>Total Major Maintenance Plan</b>	<b>549</b>	<b>574</b>	<b>441</b>	<b>478</b>	<b>460</b>	<b>2,502</b>

**ROCHESTER PUBLIC UTILITIES  
CAPITAL AND MAJOR MAINTENANCE PLAN  
MATERIALS, SUPPLIES & SERVICES  
5 YEAR PROJECT LIST**

**WATER UTILITY  
CAPITAL  
(\$000's)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>5-Yr Total</u>
<b>Core Services</b>						
Well & Booster Station Metering	19	22	23	24	25	111
Bulk Water Dispensing Station	-	39	-	40	-	79
Well House Manual Switchgear	16	17	17	18	18	86
Water Leak Correlator	-	25	-	-	-	25
<b>Allocation - Water Distribution System Replacement</b>	<b>115</b>	<b>112</b>	<b>105</b>	<b>96</b>	<b>74</b>	<b>500</b>
Replacement of Pumping Units	73	-	-	-	-	-
Well Motor Replacements	18	-	-	-	-	-
Installation of Variable Frequency Drive Units	24	-	-	-	-	-
Replacement of Booster Pumps	-	-	-	-	-	-
Allocation - Water Metering/AMR	300	306	312	318	325	1,561
New Wells	375	400	482	560	125	1,942
Water Utility Contingency Fund	150	175	175	200	200	900
New Marion L 1.0MG Reservoir	-	-	25	1,450	-	1,475
Water Modeling Software	-	20	-	-	-	20
DMC - 12th Ave SW from Center St W to 2nd St SW	-	550	-	-	-	550
Building Replacement - Well #26	75	-	-	-	-	75
DMC - 1st Ave SE - Railroad Crossing	112	-	-	-	-	112
DMC - 6th & 7th Ave and 3rd St NW Phase 1	540	-	-	-	-	540
1.0MG Baihly High Level Tower	-	600	3,550	-	-	4,150
DMC - Broadway From Civic Center Dr to 13th St N	-	1,456	-	-	-	1,456
DMC - 1st St NW from Broadway to 1st Ave	-	90	-	-	-	90
DMC - 2nd St SE from Broadway to 1st Ave	-	75	-	-	-	75
DMC - 3rd Ave SE North of 4th St	-	40	-	-	-	40
<b>Allocation - Water Distribution System Expansion</b>	<b>1,599</b>	<b>2,224</b>	<b>1,778</b>	<b>1,867</b>	<b>1,960</b>	<b>9,428</b>
T&D City Projects	1,074	-	-	-	-	-
T&D Developer Projects	314	-	-	-	-	-
T&D RPU Projects	211	-	-	-	-	-
<b>Total Core Services</b>	<b>3,301</b>	<b>6,149</b>	<b>6,467</b>	<b>4,572</b>	<b>2,727</b>	<b>23,215</b>
<b>Compliance &amp; Public Affairs</b>						
Well Conversion	425	-	-	-	-	425
<b>Total Compliance &amp; Public Affairs</b>	<b>425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>425</b>
<b>Power Resources</b>						
Allocation - RPU Water Facilities	20	20	21	22	23	106
Allocation - Fleet	29	172	175	136	232	744
<b>Total Power Resources</b>	<b>49</b>	<b>192</b>	<b>196</b>	<b>158</b>	<b>255</b>	<b>850</b>
<b>Total Outside Expenditures</b>	<b>3,775</b>	<b>6,341</b>	<b>6,663</b>	<b>4,730</b>	<b>2,982</b>	<b>24,491</b>
<b>Total Internal Expenditures</b>	<b>291</b>	<b>305</b>	<b>256</b>	<b>324</b>	<b>248</b>	<b>1,424</b>
<b>Total Contributed Assets</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>5,500</b>
<b>Total Capital Plan</b>	<b>5,166</b>	<b>7,746</b>	<b>8,019</b>	<b>6,154</b>	<b>4,329</b>	<b>31,415</b>
<b>Total Capital &amp; Major Maintenance Plan</b>	<b>5,715</b>	<b>8,320</b>	<b>8,460</b>	<b>6,633</b>	<b>4,789</b>	<b>33,917</b>

**ROCHESTER PUBLIC UTILITIES**

**2019**

**PERSONNEL BUDGET**

**ROCHESTER PUBLIC UTILITIES  
2019 PERSONNEL BUDGET**

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Permanent Staff Per Customer Served/Retail Sales	1
Permanent and Temporary Staffing Comparison	2

**ROCHESTER PUBLIC UTILITIES  
2019 PERSONNEL BUDGET  
Regular Staff Per Customer Served  
And Dollars of Retail Sales**

<u>Year</u>	<u>Total Service Points</u>	<u>Retail Sales \$'s</u>	<u>Authorized Number of Utility Employees</u>	<u># Customers Served Per Employee</u>	<u>\$'s of Retail Sales Per Employee</u>
2019	96,585 <sup>(1)</sup>	163,178,237 <sup>(1)</sup>	201 <sup>(2)</sup>	481	811,832
2018	95,295 <sup>(1)</sup>	160,434,389 <sup>(1)</sup>	198 <sup>(2)</sup>	481	810,275
2017	93,981	155,900,173	195	482	799,488
2016	92,608	150,530,034	186	498	809,301
2015	90,607	141,348,745	184	492	768,200

NOTES: Numbers include combined water and electric utilities.

For Electric Utilities, APPA 2015 Retail Customers per Non-Power-Generation Employee for customer size class of 20K-50K customers, is 314. RPU comparison using this criteria and 2016 data is 317.

(1) Forecasted

(2) Staff changes:

Three potential reclassifications in 2019

Adding three new positions in 2019:

Design Project Coordinator (City Growth)

Customer Service Rep (Wait Time and Abandonment Rate)

Water Project Engineer (City Growth)

**ROCHESTER PUBLIC UTILITIES  
2019 PERSONNEL BUDGET  
Regular and Temporary Staffing  
Total Costs**

<u>Year</u>	<u>2018 Original budget</u>	<u>2018 Projected</u>	<u>2019 Estimated</u>	<u>Difference 2018 original to 2019</u>	<u>% Change</u>
Regular Employees	\$26,166,203	\$24,741,875	\$26,587,734	\$421,530	1.6%
Limited-Term Employees	\$161,914	\$366,093	\$177,520	\$15,605	9.6%
Temporary/Contract Labor	<u>\$677,891</u>	<u>\$608,313</u>	<u>\$678,060</u>	<u>\$169</u>	<u>0.0%</u>
<b>Total</b>	\$27,006,008	\$25,716,281	\$27,443,313	\$437,305	1.6%

NOTE: Estimated cost include base salaries, salary increases, overtime, RPU's share of employee pensions, payroll taxes, and benefits.

**ROCHESTER PUBLIC UTILITIES**

**2019**

**SUPPLEMENTAL DATA**

**CAPITAL / OPERATING BUDGETS**



**ROCHESTER PUBLIC UTILITIES  
2019 SUPPLEMENTAL DATA  
CAPITAL / OPERATING BUDGETS**

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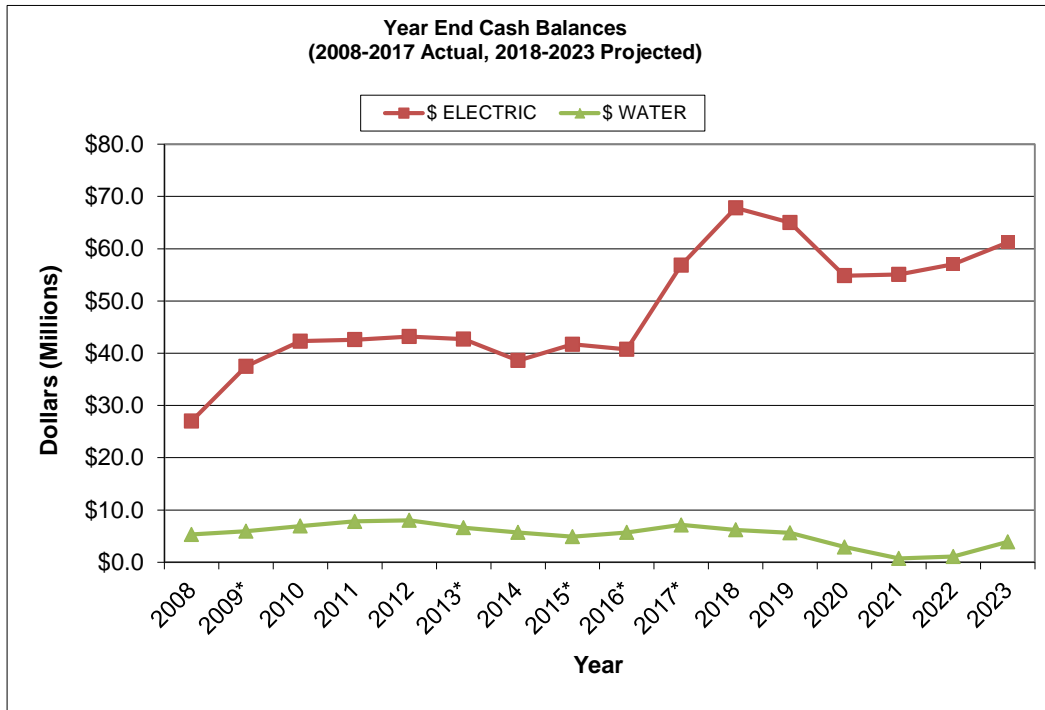
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Electric & Water Rate Increases vs. Inflation	1
Year End Cash Balances	2
RPU Tax and Tax Equivalents	3

**ROCHESTER PUBLIC UTILITIES  
2019 CAPITAL / OPERATING BUDGETS  
ELECTRIC AND WATER REVENUE CHANGE  
VERSUS INFLATION**

<u>Year</u>	<u>Inflation %</u>	<u>Electric Rates %</u>	<u>Water Rates %</u>	<u>SMMPA Rates %</u>
2019*	2.0%	1.9%	6.0%	-4.0%
2018*	2.9%	1.5%	6.0%	0.0%
2017	2.1%	3.7%	6.0%	2.0%
2016	1.3%	1.7%	6.0%	6.0%
2015	0.1%	3.5%	3.5%	0.0%
2014	1.6%	3.0%	1.5%	0.0%
2013	1.5%	0.0%	0.0%	0.0%
2012	2.1%	0.0%	0.0%	0.0%
2011	3.2%	0.0%	0.0%	0.0%
2010	1.7%	0.0%	0.0%	4.0%
<b>Annualized Average</b>	1.8%	1.5%	2.9%	0.8%

\*Estimated Yearly Values

**ROCHESTER PUBLIC UTILITIES  
2019 CAPITAL/OPERATING BUDGETS  
YEAR END CASH BALANCES**



Millions of Dollars

Year	YEAR-END REMAINING		\$ WATER
	\$ ELECTRIC	DEBT PROCEEDS ELECTRIC	
2008	27.0	8.9	5.3
2009*	37.5	3.6	5.9
2010	42.3		6.9
2011	42.6		7.8
2012	43.2		8.0
2013*	42.7	25.9	6.6
2014	38.6	15.7	5.7
2015*	41.7	3.1	4.9
2016*	40.8		5.7
2017*	56.8	23.1	7.1
2018	67.8		6.2
2019	65.0		5.6
2020	54.8		2.9
2021	55.1		0.7
2022	57.1		1.1
2023	61.2		3.9

\* The Electric Utility has had debt financings of \$34 million in December 2000, \$9.9 million in August 2002, \$5.7 million in March 2005, \$76.7 million in March 2007 which included an advance refunding of the 2000 bond issue in the amount of \$30.2 million, \$6.7 million in September 2009, \$4.0 million in February 2013 to refinance the remaining 2002 issue, \$38.4 million in May 2013, \$39.97 in November 2015 to advance refund the new money portion of the 2007C bond issue, a \$25.0 million temporary borrowing in April 2016, and \$108.3 in February 2017, which included \$23.6 million to refund the remaining portion of the 2007C bond issue and \$20.9 million to pay off the 2016 temporary borrowing. The Water Utility has had debt financings of \$1.5 million in August 2006. There are no proposed future debt financings.

**ROCHESTER PUBLIC UTILITIES  
2019 CAPITAL / OPERATING BUDGETS  
RPU ESTIMATED TAX AND TAX EQUIVALENTS**

Utility Licenses, Permits & Penalties	495,919
Water Appropriation Fees	58,672
Payment to General Fund	
Electric	8,880,804
Water	<u>398,146</u>
Total	<u>9,278,950</u>
Sales Tax - Electric & Water	973,355
SMMPA Property Taxes (\$10,030,000 x 42%)	<u>4,212,600</u>
Total Tax & Tax Equivalents	<u><u>15,019,496</u></u>
Electric/Water Retail Sales	<u><u>163,837,345</u></u>
% of Electric/Water Retail Sales	9.2%