



2025 Preliminary Budget  
October 21, 2024

# 2025 Preliminary Budget

- Highlights
  - Methodology-Zero-based budgeting
    - Historical analysis of sources (revenues) and uses (expenses)
  - Approximately \$14,220,000 Total Budget
    - This is an increase of \$4.236 Mil from the 2024 Approved Budget
  - Sources - Revenues
    - A \$5,000,000 grant has been awarded for energy improvements to increase the resiliency of the Strausburg substation and provide power to unserved residents within our service territory.
    - Anticipated sales revenues have decreased by approximately 8.0% from 2024 budget.

# 2025 Preliminary Budget

- Highlights

- Uses – Maintenance and Operations Expenditures

- Cost of Purchased Power reflects an increase of almost 10.0% with the Total Maintenance and Operating Budget reflects about an 8.5% increase in uses.

- Uses – Capital Expenditures

- Capital Budget includes usual expenditures along with purchases of equipment and materials needed for the grant project's substation upgrade and distribution construction.

# 2025 Preliminary Budget

## ➤ **Clean Energy Transformation Act**

- It is estimated that Ferry County has over 1,200 households below 200% of Federal poverty levels and energy burdens in excess of 6% of their incomes.
- The average annual excess energy burden for these households is estimated at approximately \$1,350.
- This legislation requires the District to have programs and funding in place and show progress toward reducing the energy burden for these households; prioritizing those households with the highest burdens.
- CETA also has significant reporting requirements that have been identified during a recent audit of the District's program that will require assistance from consultants.
- The budget contemplates \$50,000 being used towards assisting qualifying customers in 2025. In addition, the District will need new office staff to administer the program.

# 2025 Preliminary Budget

- Sources – Significant Changes
  - Sales Revenues
    - Electric sales revenues for 2024 did not meet anticipated levels so the 2025 budget reflects this reduction.
  - Rate Increase
    - The District will have to consider a rate increase to cover the unrealized sales revenues in order to cover total costs. This will need to be developed but could come in the form of an increase to monthly basis charges and/or increases to kWh charges and demand fees.
  - CETA Low-Income Assistance Fee
    - A monthly charge of \$1.00 per meter is being contemplated for 2025 to be used for low-income energy burden assistance required under CETA. In addition, monies from the sale of CCA no-cost allowances in prior years will be utilized.
  - Capital Expenditures
    - The budget includes monies to purchase and install the remaining AMI meters needed to upgrade the full system to advanced metering.
    - It is anticipated that about 3.6 million dollars in grant funding will be sourced to procure the equipment and materials needed for the grant project's substation upgrade and distribution construction.

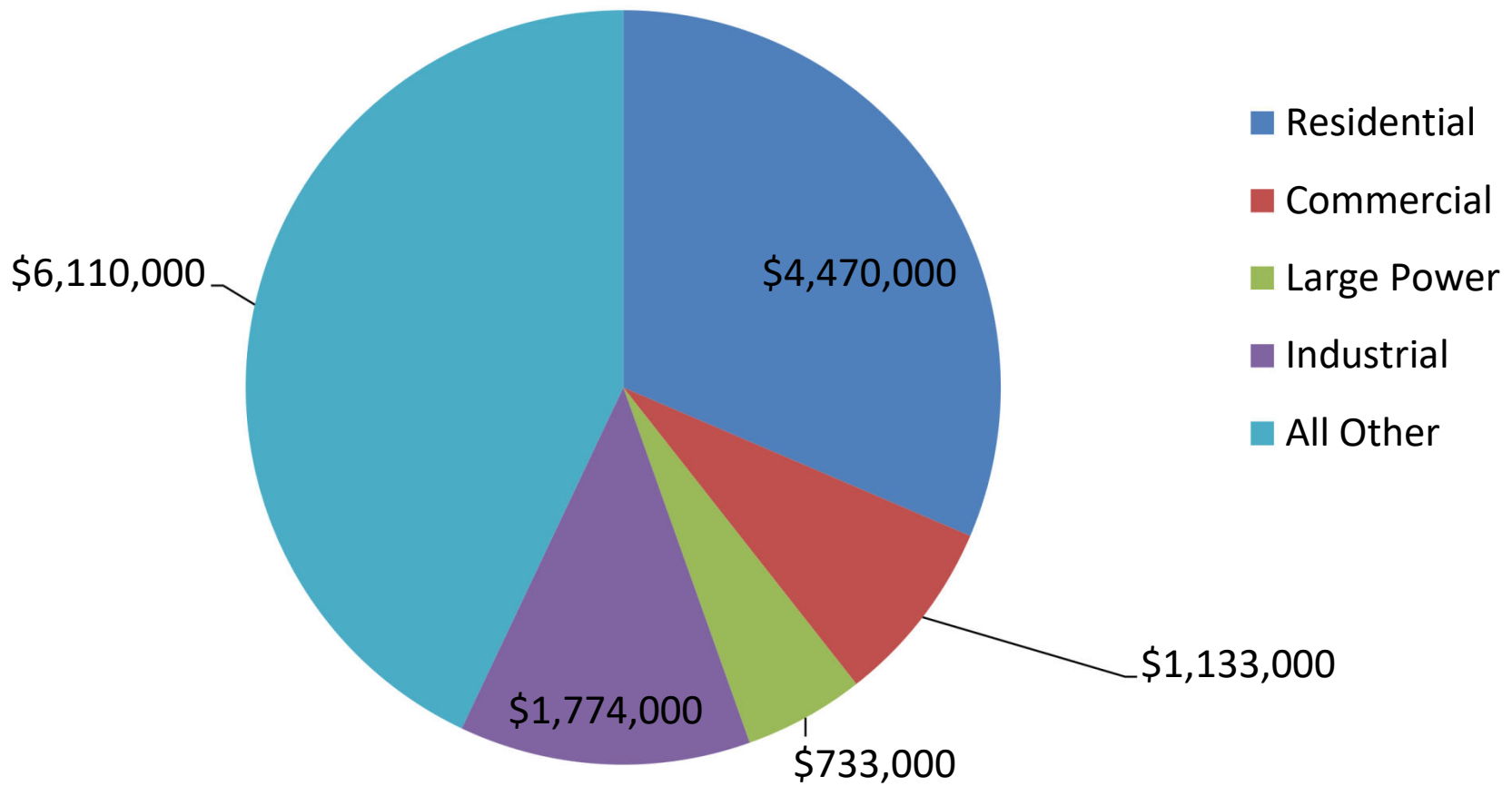
# 2025 Preliminary Budget

- Uses - Anticipated Changes
  - Cost of Purchased Power
    - Higher Energy costs with the anticipation of the elimination of Bonneville's Power Dividend Distribution Credit.
  - Labor and Benefit Costs
    - Increasing market-based wages are continuing to impact costs which in turn increase percentage-based benefits. While rising medical costs also contribute.
    - The District has a need to reinstate an engineering position that existed prior to 2024 and is contemplating the addition of an office position to assist in the implementation of the CETA low-income assistance program and grant's community benefits plan.
    - The budget includes monies for consultants needed in several areas; federal reporting requirements, CETA reporting requirements, and engineering.
  - Maintenance and Operating Costs
    - Current economic conditions are continuing to cause higher costs for supplies and services. These increased costs are reflected in the M&O section of the budget.
  - Capital Expenditures
    - The budget includes monies to purchase and install the remaining AMI meters needed to upgrade the full system to advanced metering.

# 2025 Preliminary Budget Revenues

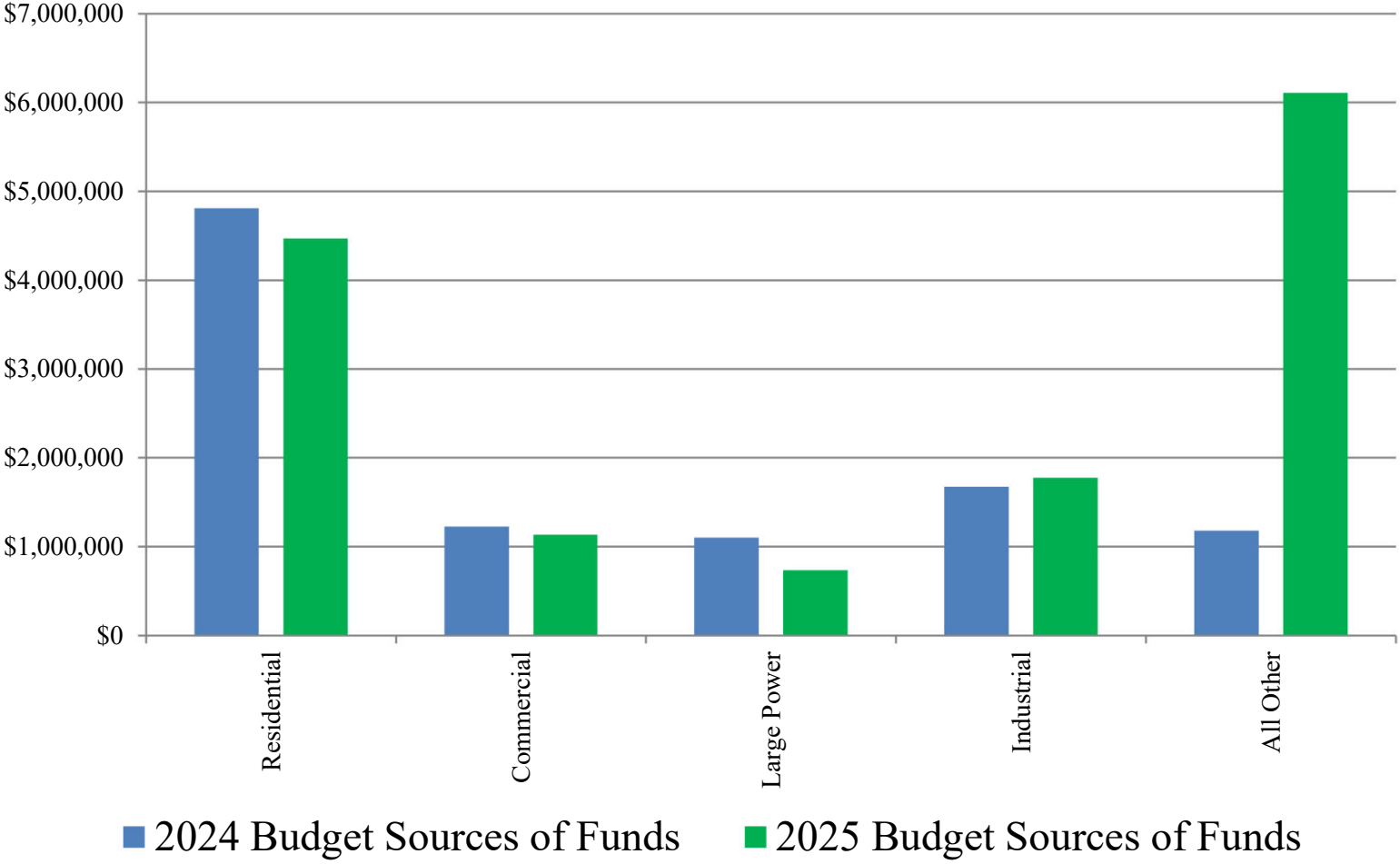
Residential	4,470,000
Commercial	1,133,000
Large Power	733,000
Industrial	1,774,000
Other Sales	172,600
Other Sources	<u>5,937,400</u>
Total	14,220,000

# 2025 Budget Sources of Funds





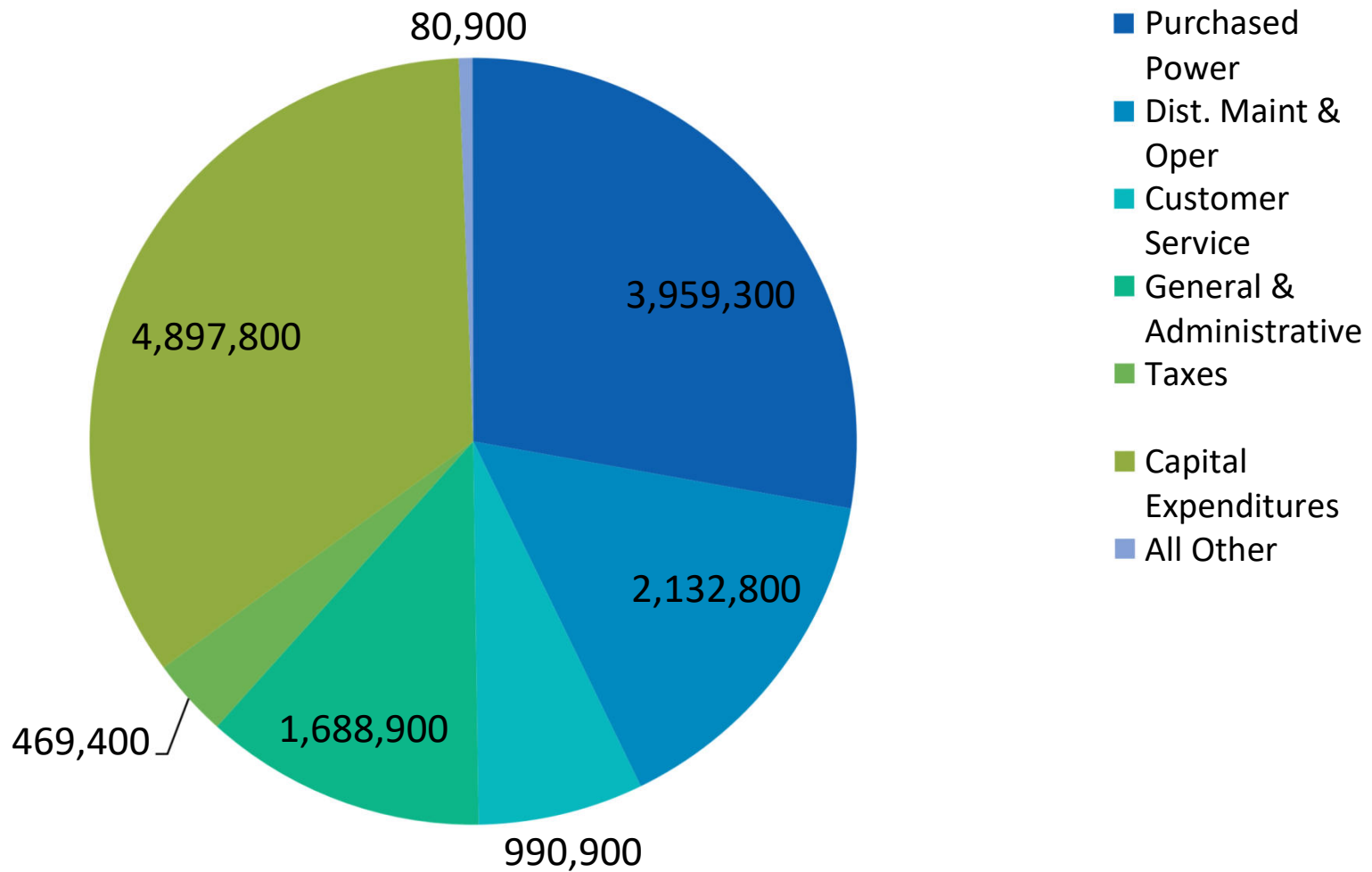
# Comparative Sources of Funds



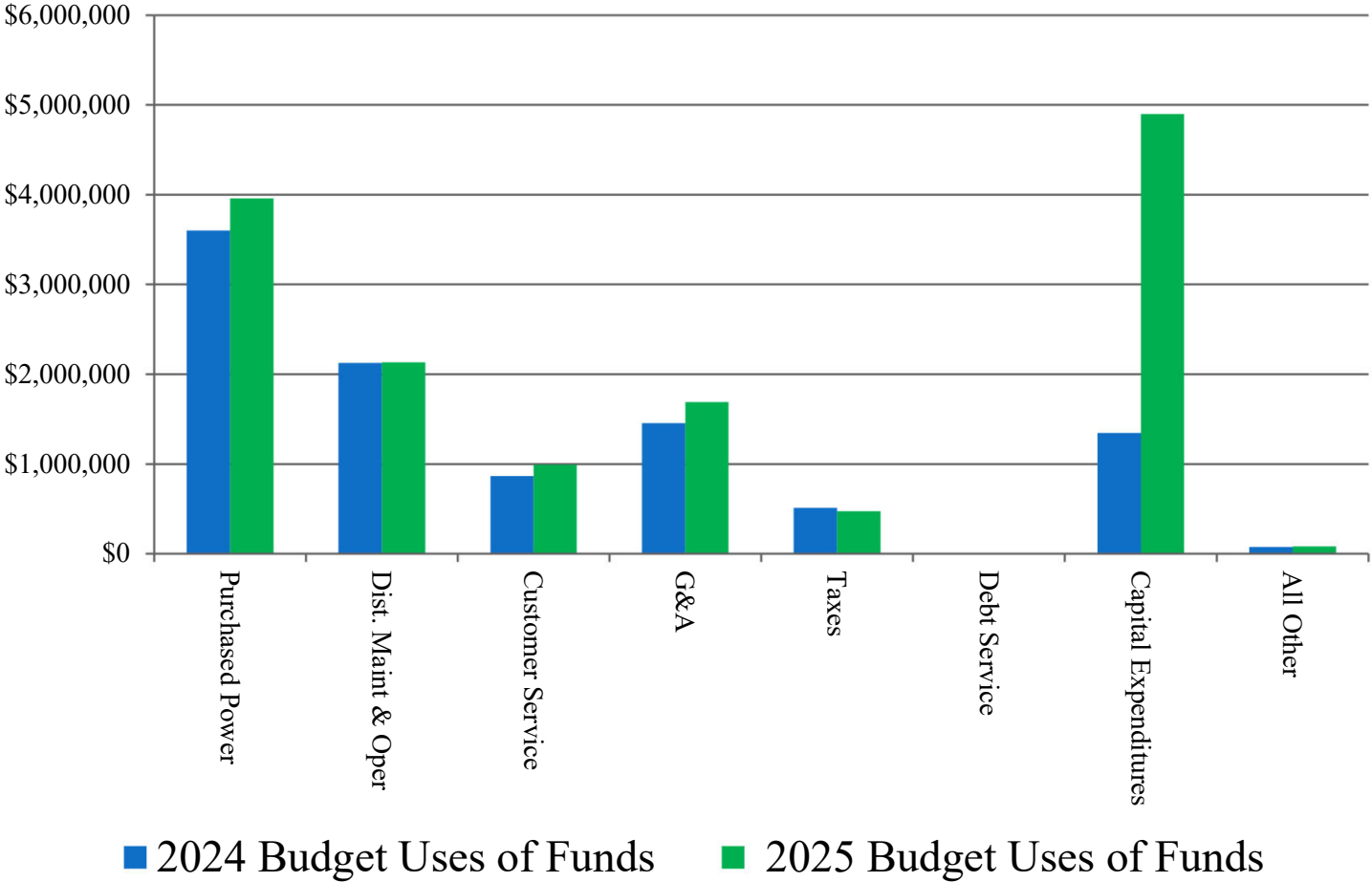
# 2025 Preliminary Budget Expenditures

Purchased Power	3,959,300
Total Distribution Maint & Oper	2,132,800
Total Customer Service	990,900
Total General & Administrative	1,688,900
Taxes	469,400
Capital-Poles & Line Materials	680,000
Equipment	115,000
Building Maintenance	40,000
Substation Upgrade/Distr. Construction	3,660,000
All Other Expenditures	<u>483,700</u>
Total	14,220,000

# 2025 Budget Uses of Funds



# Comparative Uses of Funds





# TimeLine

Schedule Budget Hearing Date	September 16 <sup>th</sup>
Publish Notice of Hearing	October 1 <sup>st</sup>
Budget Hearing/Board Discussion	October 21 <sup>st</sup>
Board Discussion	November 18 <sup>th</sup>
Board Discussion/Approval	December 16 <sup>th</sup>