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ROCHESTER
PUBLIC UTILITIES
WE PLEDGE, WE DELIVER™

ANNUAL BUDGET ADOPTED

2026-2027



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**ROCHESTER PUBLIC UTILITIES
2026 -2027 ANNUAL OPERATING PLAN**

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SECTION XII

Rochester Public Utilities Adopted Electric Utility 2026-2027 Operating Budget

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 OPERATING BUDGET**

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 OPERATING BUDGET**

ASSUMPTIONS

	<u>2026</u>	<u>2027</u>
• Interest Earnings Rate:	3.0%	3.0%
• Average Salary Expense Change: (excluding headcount additions)	0.0%	0.0%
	(consists of COLA, merit and promotion increases)	
• Anticipated Bonding	None	\$240.7 Million
• Change in Full-time Equivalents:	2	2
• SMMPA Wholesale Power Cost:	10.0% decrease	10.0% decrease
• SMMPA CROD Level:	216 MW	216 MW
• Minimum Cash Reserve Requirement:	\$67,875,344	\$58,185,244
• In Lieu of Tax	\$11,585,988	\$11,917,972

RETAIL REVENUES / SALES

	<u>2026</u>	<u>2027</u>
• Revenue Adjustment:	4.0% Proposed General Rate Change	6.0% Proposed General Rate Change
• Electric KWH Sales Forecast:	1.0% Decrease from 2025 F2 Projected Sales	1.7% Increase from 2026 Projected Sales
• Total Electric Utility Customers:	1.9% Increase over Y/E 2025 F2 Projected Customers	1.8% Increase over Y/E 2026 Projected Customers
• Forecast Assumes Normal Weather :	30 Yr Average Heating/Cooling Degree Days per Year	

WHOLESALE FUEL COSTS

	<u>2026</u>	<u>2027</u>
• Estimated Cost of Fuel:	\$5.18/mcf	\$4.97/mcf

POWER SUPPLY RESOURCE PLAN

New Resources	
2028 - 2030	245 MW Wind Power Purchase Agreement (Renewable Energy/Capacity)
2028 - 2030	30 MW Repair / Replace GT1 (Capacity)
2029 - 2030	50 MW Mt Simon Station (Capacity)
2029 - 2030	50 MW Battery Power Purchase Agreement (Capacity)
2029 - 2030	50 MW Capacity Power Purchase Agreement (Capacity)

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

	Historical Data		2025 F2	2026-2030					
	2023	2024		2026	2027	2028	2029	2030	
in 000's									
	RPU Rate Increase	2.5%	3.2%	4.0%	4.0%	6.0%	6.0%	6.0%	6.0%
	Plus AMI Customer Charge		\$1.94						
1 Revenue									
2 Retail Electric	\$164,508	\$172,251	\$174,575	\$177,217	\$189,166	\$197,221	\$218,036	\$233,356	
3 Wholesale Electric	\$7,562	\$5,847	\$8,843	\$7,631	\$5,836	\$5,836	\$6,031	\$8,787	
4 Wholesale Renewables	-	-	-	\$4,729	\$4,483	\$18,303	\$18,311	\$18,323	
5 Wholesale Steam	\$5,383	\$4,735	\$4,920	\$5,061	\$4,930	\$2,422	-	-	
6 Transmission	\$6,433	\$5,801	\$6,008	\$6,008	\$8,363	\$8,363	\$8,363	\$8,363	
7 Other Services & Fees	\$4,149	\$4,175	\$4,394	\$4,537	\$4,571	\$4,624	\$4,679	\$4,733	
8 Total Revenue	\$188,035	\$192,809	\$198,741	\$205,182	\$217,350	\$236,768	\$255,420	\$273,563	
9 Cost of Revenue									
	SMPMA Rate Increase (Decrease)	0.0%	0.0%	0.0%	(10.0%)	(10.0%)	(10.0%)	20.0%	0.0%
10 Power Supply	\$99,424	\$100,982	\$97,399	\$86,870	\$78,672	\$68,536	\$80,723	\$71,966	
11 Power Supply - Renewables	-	-	-	\$5,317	\$5,460	\$33,488	\$33,640	\$33,796	
12 Power Supply Batteries	-	-	-	-	-	-	-	\$18,600	
13 Generation Fuel	\$5,632	\$3,966	\$5,965	\$6,323	\$6,083	\$4,507	\$3,119	\$4,183	
14 Total Cost of Revenue	\$105,056	\$104,948	\$103,364	\$98,510	\$90,215	\$106,531	\$117,482	\$128,545	
15 Gross Margin									
16 Retail Electric	\$65,083	\$71,270	\$77,176	\$90,346	\$110,495	\$128,685	\$137,313	\$161,390	
17 Wholesale	\$7,313	\$6,615	\$7,798	\$6,369	\$4,684	\$3,751	\$2,912	(\$13,996)	
18 Wholesale Renewables	-	-	-	(\$588)	(\$978)	(\$15,185)	(\$15,329)	(\$15,472)	
19 Transmission	\$6,433	\$5,801	\$6,008	\$6,008	\$8,363	\$8,363	\$8,363	\$8,363	
20 Other Services & Fees	\$4,149	\$4,175	\$4,394	\$4,537	\$4,571	\$4,624	\$4,679	\$4,733	
21 TOTAL GROSS MARGIN	\$82,979	\$87,861	\$95,377	\$106,672	\$127,135	\$130,237	\$137,938	\$145,018	
22 Controllable Costs									
23 Salaries & Benefits	\$27,650	\$27,582	\$30,465	\$35,330	\$37,874	\$38,560	\$40,374	\$42,845	
24 Other Operating Expenses	\$9,756	\$12,897	\$12,479	\$12,716	\$13,254	\$13,633	\$14,515	\$15,806	
25 Major Maintenance	\$3,808	\$2,694	\$5,793	\$8,479	\$5,507	\$5,694	\$6,232	\$6,358	
26 Non-Bonded Capital Projects	\$21,120	\$26,156	\$42,509	\$32,204	\$34,104	\$21,072	\$19,770	\$19,646	
27 TOTAL CONTROLLABLE COSTS	\$62,334	\$69,329	\$91,245	\$88,729	\$90,739	\$78,960	\$80,891	\$84,655	
28 Depreciation & Amortization	\$15,721	\$15,751	\$16,940	\$18,251	\$18,417	\$18,780	\$20,846	\$23,201	
29 Subscription Amortization	\$441	\$534	\$699	\$1,087	\$2,171	\$3,789	\$3,833	\$3,872	
30 Less Non Bonded Projects (capitalized)	(\$21,120)	(\$26,156)	(\$42,509)	(\$32,204)	(\$34,104)	(\$21,072)	(\$19,770)	(\$19,646)	
31 Less Total Internal Costs (capitalized)	(\$4,579)	(\$4,725)	(\$7,803)	(\$7,251)	(\$8,171)	(\$6,353)	(\$6,385)	(\$5,741)	
32 Interutility Allocation	(\$1,956)	(\$2,146)	(\$1,775)	(\$2,150)	(\$2,333)	(\$2,565)	(\$2,633)	(\$2,703)	
33 Total Operating Expenses	\$50,841	\$52,587	\$56,798	\$66,462	\$66,718	\$71,538	\$76,782	\$83,638	
34 Net Operating Income (Loss)	\$32,138	\$35,274	\$38,579	\$40,211	\$60,417	\$58,700	\$61,157	\$61,380	
35 Financing & Other Non-Operating Items:									
36 Bond & Interest Related Expenses	(\$5,373)	(\$5,280)	(\$5,105)	(\$4,958)	(\$19,340)	(\$18,894)	(\$18,410)	(\$17,900)	
37 Interest Income	\$6,547	\$6,437	\$4,979	\$3,466	\$8,060	\$6,453	\$4,692	\$4,695	
38 Misc Non-Operating Income (Expense)	(\$249)	(\$242)	(\$20)	(\$424)	(\$873)	(\$916)	(\$961)	(\$1,008)	
39 Total Financing & Non-Operating Items	\$925	\$914	(\$146)	(\$1,915)	(\$12,153)	(\$13,358)	(\$14,679)	(\$14,214)	
40 Income Before Transfers or Capital Contributions	\$33,063	\$36,189	\$38,433	\$38,295	\$48,264	\$45,342	\$46,477	\$47,166	
41 Transfers (In Lieu of Taxes)	(\$9,629)	(\$10,868)	(\$11,140)	(\$11,586)	(\$11,918)	(\$11,378)	(\$11,186)	(\$11,194)	
42 Capital Contributions/Intercompany	\$7,069	\$11,562	\$13,790	\$1,426	\$1,893	\$750	\$750	\$750	
43 Special Items	-	(\$1,277)	-	-	-	-	-	-	
44 NET INCOME	\$30,502	\$35,605	\$41,082	\$28,135	\$38,239	\$34,714	\$36,042	\$36,722	
45 NET INCOME (Excluding Capital Contributions)			\$ 27,293	\$ 26,709	\$ 36,346	\$ 33,964	\$ 35,292	\$ 35,972	
46 TARGET NET INCOME			\$ 21,346	\$ 24,474	\$ 19,760	\$ 26,354	\$ 29,430	\$ 31,051	
47 Excess (Deficit) from Target			\$ 5,947	\$ 2,235	\$ 16,586	\$ 7,610	\$ 5,861	\$ 4,921	
48 1/01 Cash Balance		\$ 117,149	\$ 130,383	\$ 122,275	\$ 93,268	\$ 90,714	\$ 103,621	\$ 121,160	
49 Change in Net Assets		\$35,605	\$41,082	\$28,135	\$38,239	\$34,714	\$36,042	\$36,722	
50 Depreciation & Amortization		\$15,751	\$16,940	\$18,251	\$18,417	\$18,780	\$20,846	\$23,201	
51 Capital Additions/Service Territory Comp		(\$30,502)	(\$58,840)	(\$68,337)	(\$122,024)	(\$140,891)	(\$62,270)	(\$26,627)	
52 Bond Principal Payments		(\$7,730)	(\$8,005)	(\$8,305)	(\$8,305)	(\$11,670)	(\$12,207)	(\$13,336)	
53 Bond Proceeds		-	-	-	\$240,700	-	-	-	
54 Net Change in Other Assets/Liabilities		\$110	\$714	\$1,249	(\$166,217)	\$112,512	\$35,692	\$36	
55 Net Changes in Cash		\$13,234	(\$8,109)	(\$29,007)	(\$2,554)	\$12,907	\$17,539	\$19,996	
56 12/31 Cash Balance		\$ 130,383	\$ 122,275	\$ 93,268	\$ 90,714	\$ 103,621	\$ 121,160	\$ 141,156	
57 Minimum Cash Reserve		\$ 62,629	\$ 66,647	\$ 67,875	\$ 58,185	\$ 58,654	\$ 62,456	\$ 66,494	
58 Excess (Deficit) from Minimum Cash Reserve		\$ 67,754	\$ 55,627	\$ 25,392	\$ 32,528	\$ 44,967	\$ 58,703	\$ 74,662	
59 Debt Service Coverage Ratio		4.2	4.4	4.4	2.7	2.7	2.8	2.8	

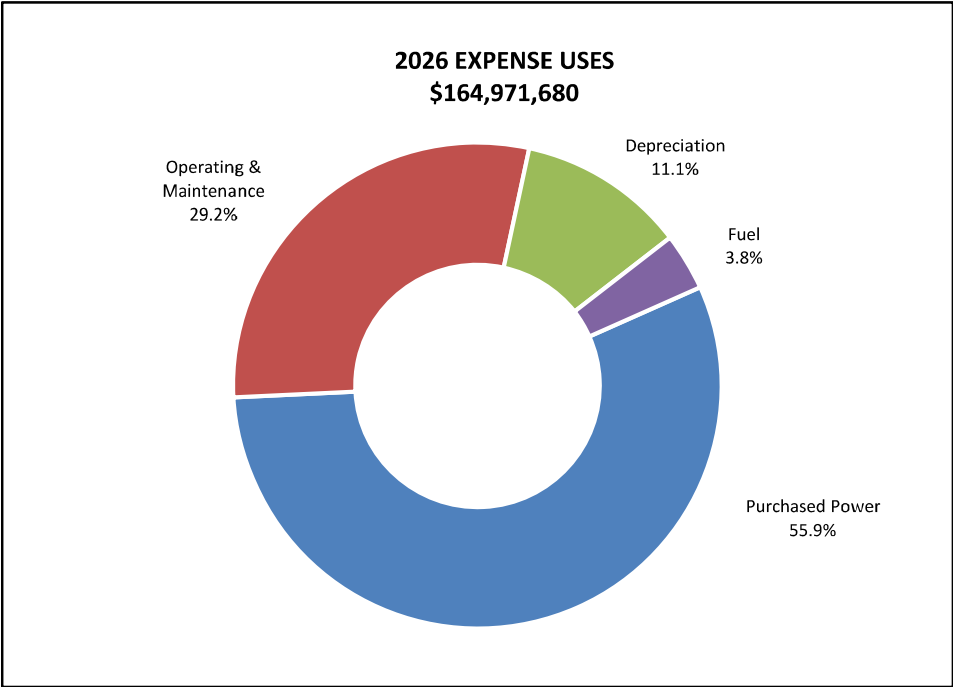
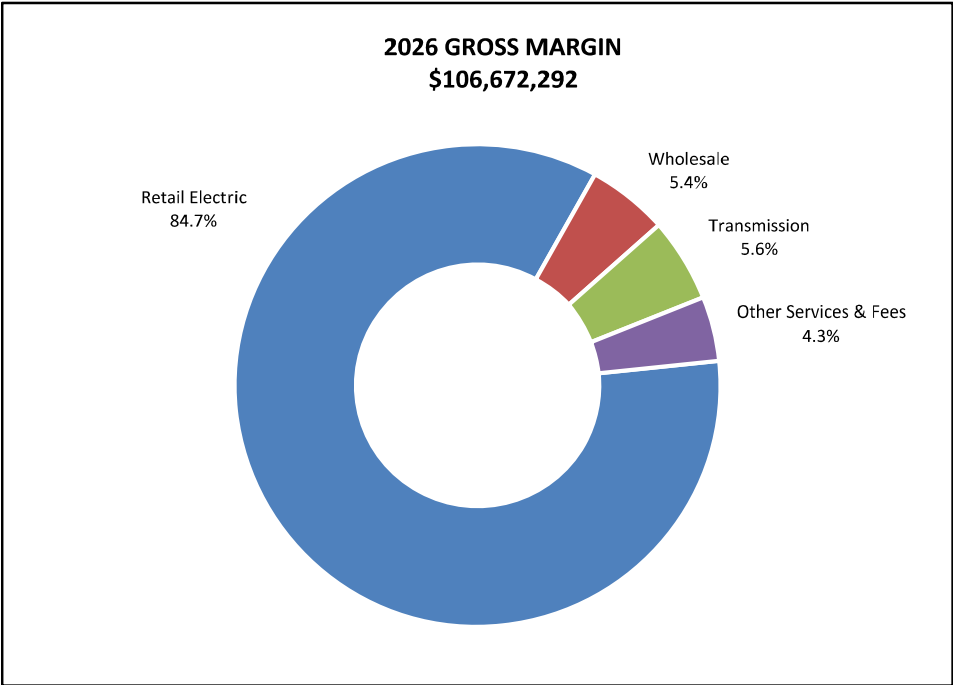
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2025		2026		2026		%
	2023	2024	Orig Bdgt	2025 F2	2026	Orig Bdgt	Variance to Orig Bdgt	Variance	
in 000's									
1 Revenue									
2 Retail Electric	\$164,508	\$172,251	\$177,983	\$174,575	\$177,217	\$180,787	(\$3,571)	-2.0%	
3 Wholesale Electric	\$7,562	\$5,847	\$6,570	\$8,843	\$7,631	\$6,505	\$1,126	17.3%	
4 Wholesale Renewables	-	-	-	-	\$4,729	-	\$4,729	0.0%	
5 Wholesale Steam	\$5,383	\$4,735	\$5,602	\$4,920	\$5,061	\$5,580	(\$520)	-9.3%	
6 Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$6,008	\$6,063	(\$55)	-0.9%	
7 Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,537	\$4,539	(\$2)	0.0%	
8 Total Revenue	\$188,035	\$192,809	\$200,711	\$198,741	\$205,182	\$203,475	\$1,707	0.8%	
9 Cost of Revenue									
10 Power Supply	\$99,424	\$100,982	\$99,429	\$97,399	\$86,870	\$88,289	(\$1,419)	-1.6%	
11 Power Supply - Renewables	-	-	-	-	\$5,317	-	\$5,317	0.0%	
12 Generation Fuel	\$5,632	\$3,966	\$6,612	\$5,965	\$6,323	\$7,564	(\$1,241)	-16.4%	
13 Total Cost of Revenue	\$105,056	\$104,948	\$106,041	\$103,364	\$98,510	\$95,853	\$2,657	2.8%	
14 Gross Margin									
15 Retail Electric	\$65,083	\$71,270	\$78,554	\$77,176	\$90,346	\$92,498	(\$2,152)	-2.3%	
16 Wholesale	\$7,313	\$6,615	\$5,560	\$7,798	\$6,369	\$4,521	\$1,848	40.9%	
17 Wholesale Renewables	-	-	-	-	(\$588)	-	(\$588)	0.0%	
18 Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$6,008	\$6,063	(\$55)	-0.9%	
19 Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,537	\$4,539	(\$2)	0.0%	
20 TOTAL GROSS MARGIN	\$82,979	\$87,861	\$94,670	\$95,377	\$106,672	\$107,622	(\$950)	-1.1%	
21 Controllable Costs									
22 Salaries & Benefits	\$27,650	\$27,582	\$32,155	\$30,465	\$35,330	\$35,443	(\$113)	-0.3%	
23 Other Operating Expenses	\$9,756	\$12,897	\$12,568	\$12,479	\$12,716	\$13,130	(\$414)	-3.2%	
24 Major Maintenance	\$3,808	\$2,694	\$6,474	\$5,793	\$8,479	\$6,073	\$2,406	39.6%	
25 Non-Bonded Capital Projects	\$21,120	\$26,156	\$19,100	\$42,509	\$32,204	\$26,835	\$5,369	20.0%	
26 TOTAL CONTROLLABLE COSTS	\$62,334	\$69,329	\$70,297	\$91,245	\$88,729	\$81,481	\$7,248	8.9%	
27 Depreciation & Amortization	\$15,721	\$15,751	\$18,403	\$16,940	\$18,251	\$17,280	\$971	5.6%	
28 Subscription Amortization	\$441	\$534	\$880	\$699	\$1,087	\$1,325	(\$238)	-18.0%	
29 Less Non Bonded Projects (capitalized)	(\$21,120)	(\$26,156)	(\$19,100)	(\$42,509)	(\$32,204)	(\$26,835)	(\$5,369)	20.0%	
30 Less Total Internal Costs (capitalized)	(\$4,579)	(\$4,725)	(\$9,087)	(\$7,803)	(\$7,251)	(\$8,986)	\$1,735	-19.3%	
31 Interutility Allocation	(\$1,956)	(\$2,146)	(\$1,766)	(\$1,775)	(\$2,150)	(\$1,819)	(\$331)	18.2%	
32 Total Operating Expenses	\$50,841	\$52,587	\$59,627	\$56,798	\$66,462	\$62,446	\$4,015	6.4%	
33 Net Operating Income (Loss)	\$32,138	\$35,274	\$35,043	\$38,579	\$40,211	\$45,175	(\$4,965)	-11.0%	
34 Financing & Other Non-Operating Items:									
35 Bond & Interest Related Expenses	(\$5,373)	(\$5,280)	(\$5,076)	(\$5,105)	(\$4,958)	(\$6,161)	\$1,203	-19.5%	
36 Interest Income	\$6,547	\$6,437	\$3,468	\$4,979	\$3,466	\$2,921	\$545	18.6%	
37 Misc Non-Operating Income (Expense)	(\$249)	(\$242)	(\$21)	(\$20)	(\$424)	(\$22)	(\$401)	1820.0%	
38 Total Financing & Non-Operating Items	\$925	\$914	(\$1,629)	(\$146)	(\$1,915)	(\$3,262)	\$1,346	-41.3%	
39 Income Before Transfers or Capital Contributions	\$33,063	\$36,189	\$33,415	\$38,433	\$38,295	\$41,914	(\$3,619)	-8.6%	
40 Transfers (In Lieu of Taxes)	(\$9,629)	(\$10,868)	(\$11,337)	(\$11,140)	(\$11,586)	(11,401)	(\$185)	1.6%	
41 Capital Contributions/Intercompany	\$7,069	\$11,562	\$3,395	\$13,790	\$1,426	\$624	\$802	128.4%	
42 Special Items	-	(\$1,277)	-	-	-	-	-	0.0%	
43 NET INCOME	\$30,502	\$35,605	\$25,473	\$41,082	\$28,135	\$31,138	(\$3,002)	-9.6%	
44 1/01 Cash Balance		\$ 117,149	\$ 110,413	\$ 130,383	\$ 122,275	\$ 105,284	\$ 16,990	16.1%	
45 Change in Net Assets		\$35,605	\$25,473	\$41,082	\$28,135	\$31,138	(\$3,002)	-9.6%	
46 Depreciation & Amortization		\$15,751	\$18,403	\$16,940	\$18,251	\$17,280	\$971	5.6%	
47 Capital Additions/Service Territory Comp		(\$30,502)	(\$40,620)	(\$58,840)	(\$68,337)	(\$91,676)	\$23,339	-25.5%	
48 Bond Principal Payments		(\$7,730)	(\$8,005)	(\$8,005)	(\$8,305)	(\$8,305)	-	0.0%	
49 Bond Proceeds		-	-	-	-	\$16,700	(\$16,700)	-100.0%	
50 Net Change in Other Assets/Liabilities		\$110	(\$381)	\$714	\$1,249	\$2,972	(\$1,724)	-58.0%	
51 Net Changes in Cash		\$13,234	(\$5,129)	(\$8,109)	(\$29,007)	(\$31,891)	\$2,884	-9.0%	
52 12/31 Cash Balance		\$ 130,383	\$ 105,284	\$ 122,275	\$ 93,268	\$ 73,393	\$ 19,874	27.1%	
53 Minimum Cash Reserve		\$ 62,629	\$ 66,647	\$ 66,647	\$ 67,875	\$ 64,781	\$ 3,094	4.8%	
54 Excess (Deficit) from Minimum Cash Reserve		\$ 67,754	\$ 38,637	\$ 55,627	\$ 25,392	\$ 8,612	\$ 16,780	194.8%	

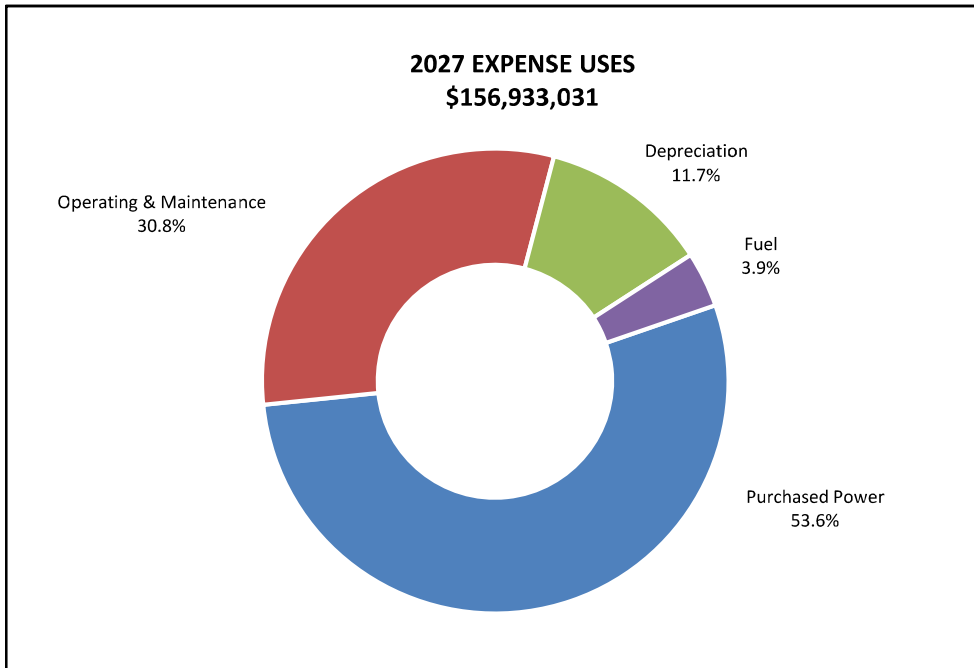
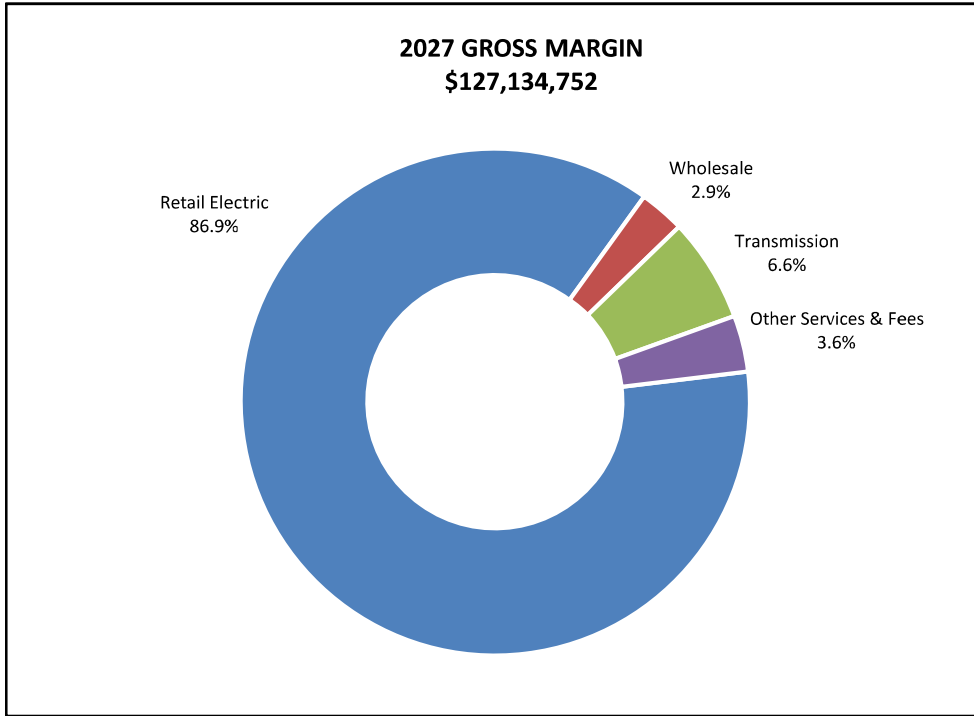
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2025		2027		2027		%
	2023	2024	Orig Bdgt	2025 F2	2027	Orig Bdgt	Variance to Orig Bdgt	Variance	
in 000's									
1	Revenue								
2	Retail Electric	\$164,508	\$172,251	\$177,983	\$174,575	\$189,166	\$187,461	\$1,706	0.9%
3	Wholesale Electric	\$7,562	\$5,847	\$6,570	\$8,843	\$5,836	\$6,505	(\$669)	-10.3%
4	Wholesale Renewables	-	-	-	-	\$4,483	-	\$4,483	0.0%
5	Wholesale Steam	\$5,383	\$4,735	\$5,602	\$4,920	\$4,930	\$5,580	(\$650)	-11.7%
6	Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$8,363	\$8,418	(\$55)	-0.7%
7	Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,571	\$4,585	(\$14)	-0.3%
8	Total Revenue	\$188,035	\$192,809	\$200,711	\$198,741	\$217,350	\$212,549	\$4,800	2.3%
9	Cost of Revenue								
10	Power Supply	\$99,424	\$100,982	\$99,429	\$97,399	\$78,672	\$84,995	(\$6,323)	-7.4%
11	Power Supply - Renewables	-	-	-	-	\$5,460	-	\$5,460	0.0%
12	Generation Fuel	\$5,632	\$3,966	\$6,612	\$5,965	\$6,083	\$7,569	(\$1,486)	-19.6%
13	Total Cost of Revenue	\$105,056	\$104,948	\$106,041	\$103,364	\$90,215	\$92,564	(\$2,349)	-2.5%
14	Gross Margin								
15	Retail Electric	\$65,083	\$71,270	\$78,554	\$77,176	\$110,495	102,466	\$8,029	7.8%
16	Wholesale	\$7,313	\$6,615	\$5,560	\$7,798	\$4,684	\$4,517	\$167	3.7%
17	Wholesale Renewables	-	-	-	-	(\$978)	-	(\$978)	0.0%
18	Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$8,363	\$8,418	(\$55)	-0.7%
19	Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,571	\$4,585	(\$14)	-0.3%
20	TOTAL GROSS MARGIN	\$82,979	\$87,861	\$94,670	\$95,377	\$127,135	\$119,985	\$7,149	8.1%
21	Controllable Costs								
22	Salaries & Benefits	\$27,650	\$27,582	\$32,155	\$30,465	\$37,874	\$37,090	\$784	2.1%
23	Other Operating Expenses	\$9,756	\$12,897	\$12,568	\$12,479	\$13,254	\$13,690	(\$436)	-3.2%
24	Major Maintenance	\$3,808	\$2,694	\$6,474	\$5,793	\$5,507	\$5,157	\$350	6.8%
25	Non-Bonded Capital Projects	\$21,120	\$26,156	\$19,100	\$42,509	\$34,104	\$23,625	\$10,480	44.4%
26	TOTAL CONTROLLABLE COSTS	\$62,334	\$69,329	\$70,297	\$91,245	\$90,739	\$79,562	\$11,177	14.0%
27	Depreciation & Amortization	\$15,721	\$15,751	\$18,403	\$16,940	\$18,417	\$17,755	\$662	3.7%
28	Subscription Amortization	\$441	\$534	\$880	\$699	\$2,171	\$1,700	\$471	27.7%
29	Less Non Bonded Projects (capitalized)	(\$21,120)	(\$26,156)	(\$19,100)	(\$42,509)	(\$34,104)	(23,625)	(\$10,480)	44.4%
30	Less Total Internal Costs (capitalized)	(\$4,579)	(\$4,725)	(\$9,087)	(\$7,803)	(\$8,171)	(\$10,842)	\$2,671	-24.6%
31	Interutility Allocation	(\$1,956)	(\$2,146)	(\$1,766)	(\$1,775)	(\$2,333)	(\$1,874)	(\$459)	24.5%
32	Total Operating Expenses	\$50,841	\$52,587	\$59,627	\$56,798	\$66,718	\$62,677	\$4,041	6.4%
33	Net Operating Income (Loss)	\$32,138	\$35,274	\$35,043	\$38,579	\$60,417	\$57,309	\$3,108	5.4%
34	Financing & Other Non-Operating Items:								
35	Bond & Interest Related Expenses	(\$5,373)	(\$5,280)	(\$5,076)	(\$5,105)	(\$19,340)	(\$21,241)	\$1,901	-8.9%
36	Interest Income	\$6,547	\$6,437	\$3,468	\$4,979	\$8,060	\$8,196	(\$136)	-1.7%
37	Misc Non-Operating Income (Expense)	(\$249)	(\$242)	(\$21)	(\$20)	(\$873)	(\$23)	(\$850)	3741.2%
38	Total Financing & Non-Operating Items	\$925	\$914	(\$1,629)	(\$146)	(\$12,153)	(\$13,067)	\$915	-7.0%
39	Income Before Transfers or Capital Contributions	\$33,063	\$36,189	\$33,415	\$38,433	\$48,264	\$44,241	\$4,023	9.1%
40	Transfers (In Lieu of Taxes)	(\$9,629)	(\$10,868)	(\$11,337)	(\$11,140)	(\$11,918)	(11,540)	(\$378)	3.3%
41	Capital Contributions/Intercompany	\$7,069	\$11,562	\$3,395	\$13,790	\$1,893	\$615	\$1,277	207.7%
42	Special Items	-	(\$1,277)	-	-	-	-	-	0.0%
43	NET INCOME	\$30,502	\$35,605	\$25,473	\$41,082	\$38,239	\$33,316	\$4,923	14.8%
44	1/01 Cash Balance		\$ 117,149	\$ 110,413	\$ 130,383	\$ 93,268	\$ 73,393	\$ 19,874	27.1%
45	Change in Net Assets		\$35,605	\$25,473	\$41,082	\$38,239	\$33,316	\$4,923	14.8%
46	Depreciation & Amortization		\$15,751	\$18,403	\$16,940	\$18,417	\$17,755	\$662	3.7%
47	Capital Additions/Service Territory Comp		(\$30,502)	(\$40,620)	(\$58,840)	(\$122,024)	(\$175,467)	\$53,443	-30.5%
48	Bond Principal Payments		(\$7,730)	(\$8,005)	(\$8,005)	(\$11,670)	(\$9,170)	(\$2,500)	27.3%
49	Bond Proceeds		-	-	-	\$240,700	\$301,200	(\$60,500)	-20.1%
50	Net Change in Other Assets/Liabilities		\$110	(\$381)	\$714	(\$166,217)	(\$159,643)	(\$6,574)	4.1%
51	Net Changes in Cash		\$13,234	(\$5,129)	(\$8,109)	(\$2,554)	\$7,992	(\$10,547)	-132.0%
52	12/31 Cash Balance		\$ 130,383	\$ 105,284	\$ 122,275	\$ 90,714	\$ 81,386	\$ 9,328	11.5%
53	Minimum Cash Reserve		\$ 62,629	\$ 66,647	\$ 66,647	\$ 58,185	\$ 56,763	\$ 1,422	2.5%
54	Excess (Deficit) from Minimum Cash Reserve		\$ 67,754	\$ 38,637	\$ 55,627	\$ 32,528	\$ 24,623	\$ 7,905	32.1%

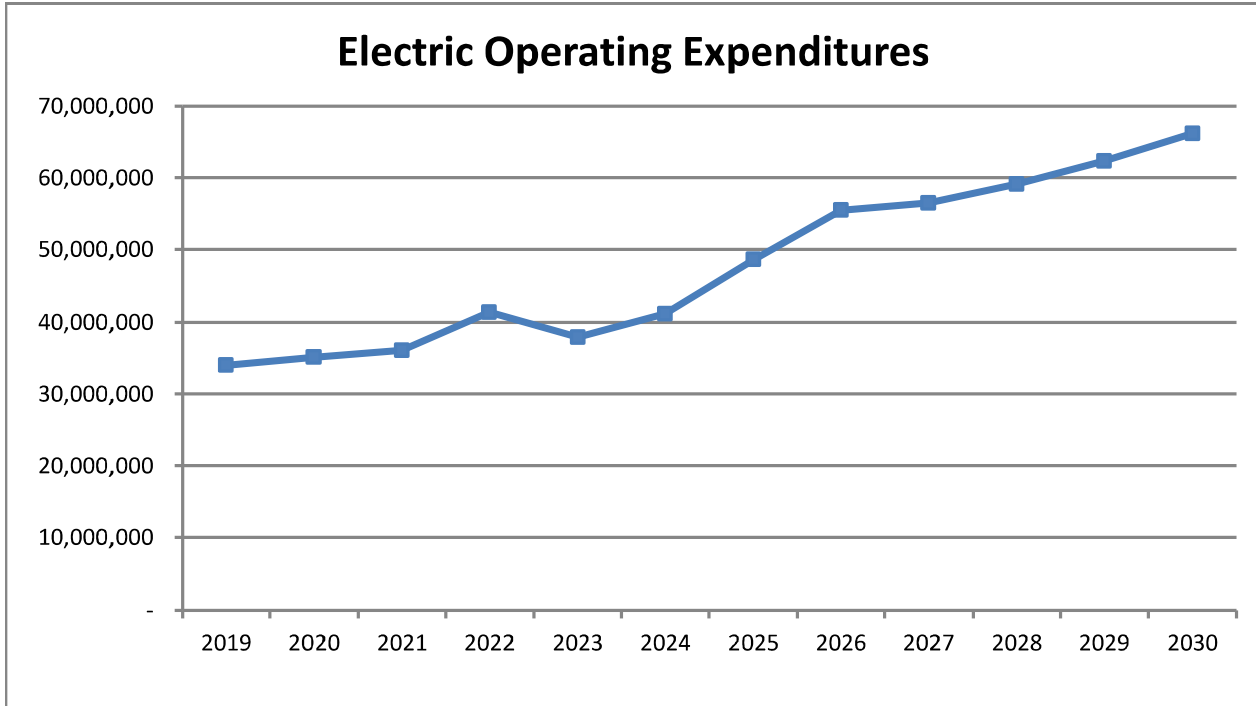
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
ELECTRIC UTILITY
2026 - 2027 Operating Budget**

	2025 F2	2026	2027	2028	2029	2030
1 Peak MW						
2 SMMPA	216	216	216	216	216	216
3 Market	61	62	64	50	51	52
4 Total Peak MW	277	278	280	266	267	268
5 % Change	-4.8%	0.5%	0.6%	-4.8%	0.2%	0.4%
6 Retail MWH	1,150,640	1,150,246	1,154,771	1,102,475	1,083,659	1,084,530
7 % Change	1.0%	0.0%	0.4%	-4.5%	-1.7%	0.1%
8 Purchased Power MWH						
9 SMMPA	1,161,959	1,157,816	1,162,412	1,109,261	1,090,100	260,668
10 Renewables	-	165,769	165,769	839,197	839,197	839,197
11 Other	4,147	4,106	4,126	3,935	3,904	834,224
12 Total Purchased Power MWH	1,166,106	1,327,692	1,332,307	1,952,393	1,933,201	1,934,089
13 % Change	0.3%	13.9%	0.3%	46.5%	-1.0%	0.0%
14 Generation MWH						
15 Total Generation MWH	82,650	81,130	81,130	81,130	83,537	105,195
16 % Change	7.9%	-1.8%	0.0%	0.0%	3.0%	25.9%
17 Number of Service Points						
18 Residential	57,196	58,358	59,456	60,372	61,222	62,237
19 Small General Service	4,225	4,257	4,290	4,322	4,353	4,385
20 Medium General Service	997	1,011	1,026	1,042	1,057	1,074
21 Large General Service	13	13	13	13	13	12
22 Large Industrial Service	1	1	1	1	1	1
23 Street & Hwy Lightings	3	3	3	3	3	3
24 Interdepartmental	1	1	1	1	1	1
25 Total Customers	62,436	63,644	64,790	65,754	66,650	67,713
26 % Change	2.8%	1.9%	1.8%	1.5%	1.4%	1.6%
27 Blended cost per MWH for retail supply	\$ 83.52	\$ 69.43	\$ 63.15	\$ 52.26	\$ 59.16	\$ 54.68
28 Steam Generation MLBS	376,948	400,300	400,300	200,150	-	-
29 % Change	-5.6%	6.2%	0.0%	-50.0%	-100.0%	0.0%

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Rochester Public Utilities
Adopted
Electric Utility 2026-2027
Capital Improvement & Major
Maintenance Budget

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

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**Rochester Public Utilities
Electric Utility
2026 - 2030 Major Maintenance Plan**

		Multi-Year					5-Yr Total
		Project Total	2026	2027	2028	2029	
Power Delivery							
1	Vegetation Mgmt Program Improvements	75,000	-	-	-	-	75,000
2	Asbestos Mitigation in Manholes	100,000	100,000	-	100,000	100,000	500,000
3	T&D Inspection Services	100,000	100,000	-	100,000	100,000	500,000
4	Service Assured-Electric	178,720	184,082	189,604	195,292	201,151	948,849
5	Tree Trimming	1,920,000	1,957,691	2,095,193	2,298,157	2,399,104	10,670,145
6	Allocation - New Services	392,500	490,225	343,182	351,377	359,819	1,937,102
7	Transmission Lines & Equipment Maintenance	135,000	225,000	70,000	70,000	70,000	570,000
8	Distribution Lines & Equipment Maintenance	257,500	265,225	273,182	281,377	289,819	1,367,102
9	Load Management Tool Removal	156,000	156,000	-	-	-	312,000
10	Allocation - Substation Asset Management (Maint)	204,000	273,500	162,000	167,000	172,000	978,500
11	Downtown Reconfiguration Study	-	50,000	150,000	-	-	200,000
12	Downtown Automation Study	-	-	-	100,000	-	100,000
13	DER Hosting Capacity Study	-	-	-	-	200,000	200,000
14	Trans Syst Reactive Pwr Study	100,000	-	-	-	-	100,000
15	Trans Facility Age Assess/Replac Study	-	-	-	-	250,000	250,000
16	Total Power Delivery	3,226,220	3,311,498	3,139,979	3,311,826	3,782,073	16,771,596
Customer Relations							
18	Cayenta Upgrade	292,680	-	-	-	292,680	585,360
19	Cayenta Application Enhancements	70,000	100,000	100,000	100,000	100,000	470,000
20	Phone Tech Upgrade	85,000	-	-	-	-	85,000
21	Total Customer Relations	447,680	100,000	100,000	100,000	392,680	1,140,360
Corporate Services							
23	Rates Modeling	20,000	22,000	22,000	24,000	24,000	112,000
24	Elec Cost-of-Srv/Rate Design Study	100,000	-	-	110,000	-	210,000
25	Vena Support - RVNA	80,000	110,000	63,000	63,000	66,000	382,000
26	Total Corporate Services	200,000	132,000	85,000	197,000	90,000	704,000
Information Services							
28	Data Governance & Security	55,000	55,000	55,000	55,000	55,000	275,000
29	ERP Support Contract	75,000	80,000	150,000	150,000	150,000	605,000
30	SAP Technical Upgrade	100,000	-	-	-	-	100,000
31	Data Analytics	100,000	120,000	123,600	127,308	131,127	602,035
32	PRI to SIP Conversion	40,000	-	-	-	-	40,000
33	Cayenta Managed Services	85,000	85,000	85,000	85,000	85,000	425,000
34	Allocation - Technology	300,000	158,600	163,500	211,500	166,500	1,000,100
35	Info Risk & Security/City Shared Infrastructure	142,000	83,600	88,500	91,500	91,500	497,100
36	Business Systems/Applications	158,000	75,000	75,000	120,000	75,000	503,000
37	Total Information Services	755,000	498,600	577,100	628,808	587,627	3,047,135
Power Resources							
39	SLP Decommissioning Work	400,000	180,000	350,000	225,000	250,000	1,405,000
40	Silver Lake Dam Modification	2,000,000	-	-	-	-	2,000,000
41	Hydro DNR Analysis	175,000	-	-	-	-	175,000
42	GT2 Generator Inspection	-	-	500,000	-	-	500,000
43	Hydro Debris & Silt Removal	-	-	25,000	250,000	250,000	525,000
44	Allocation - Power Resources	697,000	695,000	315,000	905,000	380,000	2,992,000
45	Allocation - Facilities	208,000	210,000	212,000	214,000	216,000	1,060,000
46	Total Power Resources	3,480,000	1,085,000	1,402,000	1,594,000	1,096,000	8,657,000
General Management							
48	Operating Contingency Fund	370,000	380,000	390,000	400,000	410,000	1,950,000
49	Total General Management	370,000	380,000	390,000	400,000	410,000	1,950,000
50	Total Major Maintenance Plan - External Expenditures	8,478,900	5,507,098	5,694,079	6,231,634	6,358,380	32,270,091

**Rochester Public Utilities
Electric Utility
2026 - 2030 Capital Improvement Plan**

		Multi-Year					
	Project Total	2026	2027	2028	2029	2030	5-Yr Total
1 Power Delivery							
2 Video Wall Controller & Monitor Replacement		-	-	250,000	-	-	250,000
3 Backyard Aerial Lift		261,500	-	-	-	-	261,500
4 GPS Enabled Locators		32,500	-	-	-	-	32,500
5 Line Garage T&D Storage	141,400	11,000	130,400	-	-	-	141,400
6 Pole Replacement		-	-	230,000	305,000	505,000	1,040,000
7 Allocation - New Services		1,405,863	1,435,342	1,483,940	1,534,367	1,579,076	7,438,589
8 New Service Installations		880,572	883,950	910,466	937,780	958,297	4,571,064
9 Distribution Lines & Equipment - Capital		349,583	367,062	385,415	404,686	424,920	1,931,665
10 Property Damage - Repair/Replace		120,709	124,330	128,060	131,902	135,859	640,860
11 T&D Equipment Upgrade/Replace		55,000	60,000	60,000	60,000	60,000	295,000
12 Web-Based Service Application		25,000	25,000	25,000	25,000	25,000	125,000
13 Substation/Shop Test Equipment Upgrade/Replace		40,000	40,000	40,000	50,000	40,000	210,000
14 Substation Spares and Replacements		20,000	20,000	-	20,000	20,000	80,000
15 MAC-TS4 Vacuum Interrupter Tester		50,500	-	-	-	-	50,500
16 Allocation - Substation Asset Management		220,000	215,000	222,500	232,500	242,500	1,132,500
17 Metering/Shop Test Equipment Upgrade/Replace		80,000	65,000	50,000	50,000	50,000	295,000
18 Upgrade to Legacy Comm Equipment	290,000	10,000	70,000	70,000	70,000	70,000	290,000
19 Production Meter Socket Rewires	360,000	10,000	150,000	200,000	-	-	360,000
20 Advanced Metering Modules		-	-	210,000	144,000	168,000	522,000
21 Advanced Metering Project	18,482,740	7,539,956	1,880,808	-	-	-	9,420,764
22 AMI Meter Installation Service	10,852,330	5,834,336	977,744	-	-	-	6,812,080
23 AMI General Implementation Services	4,927,073	557,650	903,064	-	-	-	1,460,714
24 AMI Headend Subscription	1,754,595	575,260	-	-	-	-	575,260
25 AMI MDM Subscription	948,802	572,710	-	-	-	-	572,710
26 Meter Shop - Allocation		370,000	370,000	370,000	370,000	370,000	1,850,000
25 FDR 1731 Extension 65 ST NW 3868		-	-	375,000	-	-	375,000
28 6th St SE Bridge	1,900,000	350,000	600,000	400,000	400,000	-	1,750,000
29 CSAH 44 and Hwy 14 Interchange	1,258,020	525,000	325,000	-	-	-	850,000
30 N Broadway between Elton Hills & the Bridge		25,000	-	-	-	-	25,000
31 Mayo Downtown Feeder Rework	4,545,001	300,000	300,000	500,000	1,300,000	1,500,000	3,900,000
32 Q6 Galloping Dampers		20,000	-	-	-	-	20,000
33 FDR 803 & 812 Recon at 18th Ave		-	-	-	100,000	300,000	400,000
34 Fiber Replacement Silver Lake	571,843	100,000	100,000	-	-	-	200,000
35 DMC - BRT Route Corridor	1,200,000	300,000	350,000	-	-	-	650,000
36 DMC - BRT West Transit Village	650,000	300,000	200,000	-	-	-	500,000
37 Grid North Partners-N Roch 345kV Line (BONDED)	31,230,000	2,490,000	1,720,000	10,180,000	15,600,000	1,240,000	31,230,000
38 Feeder 1913 Install	600,259	100,000	500,000	-	-	-	600,000
39 Feeder 1405 Installation	700,000	100,000	500,000	100,000	-	-	700,000
40 65th St - 50th to 60th Ave		300,000	-	-	-	-	300,000
41 IBM Subst Property Purch	150,000	50,000	100,000	-	-	-	150,000
42 IBM Subst & Trans Lines	75,000	-	50,000	25,000	-	-	75,000
43 20th St SW - 1st Ave to Maywood Rd		-	-	-	-	50,000	50,000
44 Eastwood Rd - Marion to Harbor Dr	900,000	-	100,000	400,000	400,000	-	900,000
45 13th & 14th St NW - 11th Ave to Broadway		-	-	-	-	50,000	50,000
46 25th St SW		-	-	-	-	50,000	50,000
47 11th Ave E - 4th St SE to Silver Creek Bridge		-	-	-	-	25,000	25,000
48 Feeder 306 Install		-	-	-	50,000	200,000	250,000
49 Feeder 615 Install	700,000	-	200,000	300,000	200,000	-	700,000
50 Feeder 913 Install		-	-	200,000	200,000	300,000	700,000
51 Feeder 914 Install		-	-	600,000	200,000	-	800,000
52 Feeder 1315 Install		-	-	-	50,000	350,000	400,000
53 Feeder 1602 Install		-	-	300,000	250,000	250,000	800,000
54 Feeder 1914 Install		-	-	300,000	400,000	1,200,000	1,900,000
55 Downtown New Duct Systems	3,100,000	100,000	500,000	1,000,000	1,000,000	500,000	3,100,000
56 Q2 Rebuild from Bear Creek - RCTC		-	-	-	-	200,000	200,000
57 Q4 Rebuild from BV Sub to Salem Rd	900,000	-	100,000	300,000	300,000	200,000	900,000
58 Q7 Rebuild to Grade B		-	-	200,000	300,000	200,000	700,000
59 Volt/VAR Optimization		-	-	-	-	50,000	50,000
60 Fiber - Marion to Cty PW/St Bridget Twr to WC	550,000	50,000	500,000	-	-	-	550,000
61 EV Bus Charging Expansion		-	-	100,000	150,000	250,000	500,000
62 50th Ave NW - 19th St to Valleyhigh	950,000	-	150,000	800,000	-	-	950,000
63 TH 14E and S Broadway Intersection	1,350,000	50,000	800,000	300,000	200,000	-	1,350,000
64 Replace 20kA, 161kV Circuit Breakers	1,065,000	200,000	205,000	210,000	220,000	230,000	1,065,000
65 Bamber Valley Sub Capacitor Bank	150,000	50,000	100,000	-	-	-	150,000
66 NE Substation		2,800,000	-	-	-	500,000	3,300,000
67 18th Ave SW - Maywood to 40th	2,295,000	550,000	1,100,000	570,000	-	-	2,220,000
68 Replace 161kV Disconnect Switches	690,000	110,000	115,000	120,000	125,000	130,000	600,000
69 55th St NW Feeder W of 60th Ave		-	-	100,000	350,000	300,000	750,000
70 Zumbro River Sub - T1 Repl	1,900,000	800,000	700,000	300,000	100,000	-	1,900,000
71 Willow Creek Sub Expansion		-	200,000	100,000	100,000	250,000	650,000
72 Feeder 401 Temp Reroute to 4th Ave SW		75,000	-	-	-	-	75,000
73 Feeder 401 Reinstall to 3rd Ave SW	250,000	50,000	200,000	-	-	-	250,000
74 SLP Decommissioning Prep		-	100,000	-	-	-	100,000
75 Feeder 714 - Rejuvenate Cable	370,000	-	20,000	350,000	-	-	370,000

**Rochester Public Utilities
Electric Utility
2026 - 2030 Capital Improvement Plan**

		Multi-Year						
		Project Total	2026	2027	2028	2029	2030	5-Yr Total
76	CC Sub - Line Trap (SMMPA Project)	140,000	80,000	50,000	-	-	-	130,000
77	Hydro Line Sub - Padmount Repl		-	-	-	-	10,000	10,000
78	Center St Ramp Trans Repl		-	-	50,000	250,000	-	300,000
79	Silver Lake Sub - Reactor		-	-	50,000	300,000	350,000	700,000
80	SCADA OSI Version Upgrades w/I.T.		-	-	300,000	300,000	-	600,000
81	RTU and RTAC Replacements	175,000	50,000	125,000	-	-	-	175,000
82	Westside Sub New T2		-	-	-	-	100,000	100,000
83	Bamber Valley 161kV Disconnect Switch	220,000	-	110,000	110,000	-	-	220,000
84	Marion Rd T Wall Continuations	100,000	-	50,000	50,000	-	-	100,000
85	Fiber to Downtown Dist Relays		-	-	-	50,000	85,000	135,000
86	Leased Line Retirement & Repl	90,000	10,000	80,000	-	-	-	90,000
87	MH 99 Relocation Mayo		100,000	-	-	-	-	100,000
88	Mayo West Logistics		-	-	100,000	131,743	50,000	281,743
89	60th Ave NW from 19th St to 55th St	2,220,000	20,000	100,000	600,000	600,000	900,000	2,220,000
90	E Center St	500,000	100,000	200,000	100,000	-	-	400,000
91	3rd Ave SE Duct/Manhole Rebuild to 9th St SE		-	-	-	-	50,000	50,000
92	Century Link Pole Remediation	2,500,000	50,000	300,000	550,000	750,000	850,000	2,500,000
93	FDR 813 Rebuild, Assisi-Elton Hills	400,000	50,000	350,000	-	-	-	400,000
94	Elton Hills Dr NW FDR 805		-	-	-	-	10,000	10,000
95	13th St & 2nd Ave NW Rebuild	150,000	50,000	100,000	-	-	-	150,000
96	4010 19th St NW, PCS Takeover		-	100,000	-	-	-	100,000
97	Westside Feeder Duct	600,000	50,000	400,000	150,000	-	-	600,000
98	Mayo Superior Dr Asset Sale		-	220,000	-	-	-	220,000
99	New Feeder at Airport	2,554,779	54,779	850,000	750,000	900,000	-	2,554,779
100	Allocation - Distribution Expansion	6,729,133	3,667,500	3,682,770	3,064,521	3,160,000	3,150,000	16,724,791
101	Feeder Extensions		130,000	140,000	150,000	175,000	190,000	785,000
102	Feeder Rebuilds		120,000	130,000	140,000	150,000	165,000	705,000
103	Transmission Projects		47,500	50,000	55,000	60,000	65,000	277,500
104	Substation Projects		190,000	200,000	205,000	210,000	220,000	1,025,000
105	Road Projects		90,000	120,000	180,000	200,000	-	590,000
106	Road Projects - DMC		55,000	80,000	120,000	130,000	-	385,000
107	Manhole Switch Replacements		500,000	500,000	200,000	100,000	100,000	1,400,000
108	Cable Replacement		250,000	260,000	270,000	275,000	285,000	1,340,000
109	Manhole Repair/Replace		265,000	275,000	280,000	290,000	300,000	1,400,000
110	Fiber Optic Projects		-	100,000	100,000	100,000	100,000	400,000
111	Distribution Transformers	6,729,133	1,550,000	1,322,770	719,521	700,000	800,000	5,092,291
112	Overhead to Underground Conversion		350,000	360,000	380,000	400,000	400,000	1,890,000
113	Pole Replacements		60,000	65,000	65,000	70,000	75,000	335,000
114	Upgrades Due to Electrification		70,000	80,000	200,000	300,000	450,000	1,100,000
115	Designer XI Implementation	950,000	350,000	600,000	-	-	-	950,000
116	Dual Sensor Drone		-	-	40,000	-	-	40,000
117	Survey GPS Replacement		-	-	-	40,000	-	40,000
118	Fiber Manager Replacement	80,000	-	-	-	-	-	80,000
119	AMI OMS Integration		-	100,000	-	-	-	100,000
120	OMS Replacement		-	1,050,000	-	-	-	1,050,000
121	Small Drone Replacement		25,000	-	-	-	30,000	55,000
122	PCPA Compensation Payment		362,513	398,452	455,516	535,868	643,022	2,395,371
123	PCPA - SMMPA Reimbursement		(180,874)	(197,404)	(225,068)	(264,265)	(316,696)	(1,184,307)
124	Total Power Delivery	94,653,175	24,790,237	22,905,367	27,426,410	31,549,213	17,305,902	123,977,129
125	Customer Relations							
126	DSM Rebate Software		-	30,000	-	-	-	30,000
127	DSM Rebate Software Subscription		-	825,000	-	-	-	825,000
128	Payment Kiosk	59,406	6,995	7,345	-	-	-	14,340
129	Add'l Kiosk Locations		-	41,400	106,900	13,895	14,340	176,535
130	Customer Portal Subscription		515,000	-	-	-	-	515,000
131	Total Customer Relations	59,406	521,995	903,745	106,900	13,895	14,340	1,560,875
132	Information Services							
133	Business Intelligence/Reporting		45,000	45,000	45,000	45,000	45,000	225,000
134	Call Quality Assurance		45,000	-	-	-	-	45,000
135	SCADA Upgrade		-	-	100,000	500,000	-	600,000
136	Repl of Connectivity at Wtr Sites & Hydro damn		135,000	-	-	-	-	135,000
137	EACMS Simplivity Replacement		200,000	-	-	-	-	200,000
138	Vmware Host Server DS Cluster	216,000	99,000	117,000	-	-	-	216,000
139	HP Nimble SAM SC Cluster		-	189,000	-	-	-	189,000
140	Repl of Connectivity at Wtr Sites		-	450,000	-	-	-	450,000
141	Microsoft Fabric		33,000	55,000	55,000	55,000	55,000	253,000
142	Data Analytics Subscription		50,000	-	-	-	-	50,000
143	Allocation - Technology		627,000	782,000	572,000	615,000	750,000	3,346,000
144	Network Management		164,000	141,000	131,000	209,000	144,000	789,000
145	Output Management		18,000	18,000	18,000	18,000	18,000	90,000
146	Server Management		138,000	228,000	183,000	138,000	138,000	825,000
147	Workstation Management		135,000	140,000	140,000	150,000	150,000	715,000
148	Backup/DR		-	150,000	-	-	-	150,000
149	Operation Technology		172,000	105,000	100,000	100,000	300,000	777,000
150	Total Information Services	216,000	1,234,000	1,638,000	772,000	1,215,000	850,000	5,709,000

**Rochester Public Utilities
Electric Utility
2026 - 2030 Capital Improvement Plan**

		Multi-Year						
		Project Total	2026	2027	2028	2029	2030	5-Yr Total
151	Corporate Services							
152	SAP ERP/HCM	7,014,139	4,795,008	2,219,131	-	-	-	7,014,139
153	SAP ERP Subscription	6,059,781	582,500	5,477,281	-	-	-	6,059,781
154	Racking Replacement in Stockyard		25,000	26,000	28,000	29,000	30,000	138,000
155	Total Corporate Services	13,073,920	5,402,508	7,722,412	28,000	29,000	30,000	13,211,920
156	Power Resources							
157	Hydro Trans Protection, Switchgear Repl, PT/CT Repl		-	500,000	-	-	-	500,000
158	Westside Personnel Space (BONDED)	1,750,000	-	1,750,000	-	-	-	1,750,000
159	Hydro Line Pole Replacement		140,000	145,000	155,000	160,000	170,000	770,000
160	2030 RESOURCE PLAN	235,049,881	26,392,000	76,278,000	103,286,000	20,515,000	-	226,471,000
161	Westside Substation Expansion (BONDED)	5,000,000	-	-	5,000,000	-	-	5,000,000
162	Peaker (BONDED)	170,049,881	19,507,000	56,379,000	72,646,000	15,164,000	-	163,696,000
163	Firm Dispatchable Generation (BONDED)	60,000,000	6,885,000	19,899,000	25,640,000	5,351,000	-	57,775,000
164	Allocation - Power Resources		270,000	275,000	410,000	400,000	400,000	1,755,000
165	Allocation - Fleet	4,488,131	851,179	622,960	1,077,002	904,490	1,032,500	4,488,131
166	BUCC CRAC Unit Replacement		-	80,000	-	-	-	80,000
167	SCADA CRAC Unit Replacement		-	-	80,000	-	-	80,000
168	Substation HVAC Syst Phase 1		-	-	168,000	-	-	168,000
169	Garage Acoustics		88,000	-	-	-	-	88,000
170	Exhaust Water Shop		35,000	-	-	-	-	35,000
171	Concrete Stockyard		95,000	-	-	-	-	95,000
172	EV Charges		45,000	-	-	-	-	45,000
173	Directors Offices		-	65,000	-	-	-	65,000
174	UPS #4		-	85,000	-	-	-	85,000
175	Service Center Windows		-	-	115,000	-	-	115,000
176	Office Furniture		-	-	-	150,000	-	150,000
177	Substation HVAC Sys Phase 2		-	-	-	-	120,000	120,000
178	Cargo Trailer (Tech Svcs)		15,000	-	-	-	-	15,000
179	Allocation - Facilities Management		31,000	32,000	34,000	36,000	38,000	171,000
180	Total Power Resources	241,288,012	27,962,179	79,832,960	105,325,002	22,165,490	1,760,500	237,046,131
181	General Management							
182	Project Contingency Fund		825,000	850,000	875,000	900,000	925,000	4,375,000
183	Mayo Bold Forward Unbound Contingency		350,000	-	-	-	-	350,000
184	AED's (Safety)		-	-	5,000	12,500	-	17,500
185	Total General Management	-	1,175,000	850,000	880,000	912,500	925,000	4,742,500
186	Total External Expenditures	349,290,513	61,085,919	113,852,484	134,538,312	55,885,098	20,885,742	386,247,555
187	Less: Bonding		(28,882,000)	(79,748,000)	(113,466,000)	(36,115,000)	(1,240,000)	(259,451,000)
188	Less: Non-cash Subscription Assets		(2,245,470)	(6,302,281)	-	-	-	-
189	Less: Contributions in Aid of Construction		(1,426,250)	(1,892,500)	(750,000)	(750,000)	(750,000)	(5,568,750)
190	Net Capital External Expenditures (Rate Funded)		28,532,199	25,909,703	20,322,312	19,020,098	18,895,742	112,680,054
191	Total Internal Expenditures (Capital Labor)		7,250,998	8,171,497	6,353,071	6,384,541	5,740,979	33,901,086
192	Net Capital Expenditures		35,783,197	34,081,200	26,675,383	25,404,640	24,636,721	146,581,140

SECTION XIII

Rochester Public Utilities Adopted Water Utility 2026-2027 Operating Budget

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**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 OPERATING BUDGET**

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**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 OPERATING BUDGET**

ASSUMPTIONS

	2026	2027
• Interest Earnings Rate:	3.0%	3.0%
• Average Salary Expense Change: (excluding headcount additions)	4.5%	3.4%
	(consists of COLA, merit and promotion increases)	
• Anticipated Bonding	\$12.0 Million	None
• Change in Full-time Equivalents:	1	0
• Minimum Cash Reserve Requirement:	\$9,208,000	\$8,501,800
• In Lieu of Tax	\$517,000	\$538,020

RETAIL REVENUES / SALES

	2026	2027
• Revenue Adjustment:	9.0% Proposed General Rate Change	9.0% Proposed General Rate Change
• Water CCF Sales Forecast:	0.9% Increase from 2025 F2 Projected Sales	0.8% Increase from 2026 Projected Sales
• Total Water Utility Customers:	0.9% Increase over Y/E 2025 F2 Projected Customers	0.9% Increase over Y/E 2026 Projected Customers
• Forecast Assumes Normal Weather :	538 Cooling Degree Days, 27.85 Inches Summer Rainfall	

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

	Historical Data		2025 F2						
	2023	2024		2026	2027	2028	2029	2030	
in 000's									
RPU Rate Increase	5.0%	5.5%	5.5%	9.0%	9.0%	7.0%	7.0%	5.0%	
		\$1.32	\$1.32						
1 Revenue									
2 Retail Water	\$12,460	\$12,874	\$14,182	\$15,654	\$17,213	\$18,611	\$20,160	\$21,404	
3 Other Services & Fees	\$2,148	\$2,122	\$2,102	\$2,140	\$2,190	\$2,239	\$2,289	\$2,341	
4 Total Revenue	\$14,609	\$14,996	\$16,284	\$17,794	\$19,403	\$20,850	\$22,450	\$23,744	
5 Cost of Revenue									
6 Water Supply	\$2,380	\$2,431	\$2,399	\$2,347	\$2,388	\$2,439	\$2,501	\$2,568	
7 Total Cost of Revenue	\$2,380	\$2,431	\$2,399	\$2,347	\$2,388	\$2,439	\$2,501	\$2,568	
8 Gross Margin									
9 Retail Water	\$10,080	\$10,443	\$11,783	\$13,307	\$14,825	\$16,172	\$17,659	\$18,836	
10 Other Services & Fees	\$2,148	\$2,122	\$2,102	\$2,140	\$2,190	\$2,239	\$2,289	\$2,341	
11 TOTAL GROSS MARGIN	\$12,228	\$12,565	\$13,885	\$15,447	\$17,015	\$18,411	\$19,948	\$21,176	
12 Controllable Costs									
13 Salaries & Benefits	\$3,495	\$3,031	\$3,838	\$4,306	\$4,695	\$5,048	\$5,074	\$5,454	
14 Other Operating Expenses	\$1,291	\$1,350	\$1,540	\$1,579	\$1,633	\$1,690	\$1,749	\$1,811	
15 Major Maintenance	\$396	\$505	\$2,230	\$13,042	\$7,355	\$3,401	\$471	\$443	
16 Non-Bonded Capital Projects	\$3,397	\$4,769	\$8,249	\$10,842	\$8,044	\$5,982	\$5,734	\$5,414	
17 TOTAL CONTROLLABLE COSTS	\$8,581	\$9,655	\$15,857	\$29,769	\$21,727	\$16,120	\$13,028	\$13,121	
18 Depreciation & Amortization	\$2,916	\$2,976	\$3,231	\$4,151	\$4,053	\$4,317	\$4,527	\$4,760	
19 Subscription Amortization	-	-	\$189	\$195	\$195	\$195	\$195	\$195	
20 Less Non Bonded Projects (capitalized)	(\$3,397)	(\$4,769)	(\$8,249)	(\$10,842)	(\$8,044)	(\$5,982)	(\$5,734)	(\$5,414)	
21 Less Total Internal Costs (capitalized)	(\$324)	(\$638)	(\$624)	(\$874)	(\$387)	(\$221)	(\$255)	(\$207)	
22 Interutility Allocation	\$1,956	\$2,146	\$1,775	\$2,150	\$2,333	\$2,565	\$2,633	\$2,703	
23 Total Operating Expenses	\$9,731	\$9,370	\$12,179	\$24,549	\$19,878	\$16,994	\$14,393	\$15,158	
24 Net Operating Income (Loss)	\$2,497	\$3,196	\$1,706	(\$9,102)	(\$2,863)	\$1,417	\$5,555	\$6,019	
25 Financing & Other Non-Operating Items:									
26 Bond & Interest Related Expenses	(\$2)	(\$4)	(\$29)	(\$341)	(\$424)	(\$243)	(\$96)	(\$38)	
27 Interest Income	\$775	\$864	\$1,420	\$325	\$240	\$253	\$333	\$454	
28 Misc Non-Operating Income (Expense)	(\$65)	(\$7)	\$649	\$7,960	\$8,564	\$4,666	\$1,152	(\$86)	
29 Total Financing & Non-Operating Items	\$709	\$852	\$2,040	\$7,943	\$8,380	\$4,676	\$1,389	\$330	
30 Income Before Transfers or Capital Contributions	\$3,206	\$4,048	\$3,746	(\$1,159)	\$5,516	\$6,093	\$6,945	\$6,348	
31 Transfers (In Lieu of Taxes)	(\$491)	(\$469)	(\$501)	(\$517)	(\$538)	(\$547)	(\$560)	(\$618)	
32 Capital Contributions	\$3,251	\$2,487	\$1,100	\$1,103	\$1,100	\$1,100	\$1,100	\$1,100	
33 Cash Transfers from City/Intercompany	-	-	-	-	-	-	-	-	
34 NET INCOME	\$5,966	\$6,066	\$4,345	(\$573)	\$6,078	\$6,646	\$7,485	\$6,830	
35 NET INCOME (Excluding Contrib & Cash Tfrs from City)			\$ 3,245	\$ (1,676)	\$ 4,978	\$ 5,546	\$ 6,385	\$ 5,730	
36 TARGET NET INCOME			\$ 5,983	\$ 6,358	\$ 6,620	\$ 6,812	\$ 6,998	\$ 7,172	
37 Excess (Deficit) from Target			\$ (2,738)	\$ (8,034)	\$ (1,641)	\$ (1,265)	\$ (613)	\$ (1,441)	
38 1/01 Cash Balance	\$ 14,774	\$ 15,519	\$ 15,519	\$ 13,360	\$ 8,980	\$ 8,024	\$ 9,838	\$ 13,410	
39 Change in Net Assets		\$6,066	\$4,345	(\$573)	\$6,078	\$6,646	\$7,485	\$6,830	
40 Depreciation & Amortization		\$2,976	\$3,420	\$4,346	\$4,248	\$4,512	\$4,722	\$4,955	
41 Capital Additions		(\$5,341)	(\$8,873)	(\$11,716)	(\$8,430)	(\$6,203)	(\$5,989)	(\$5,621)	
42 Non-Cash Contributions		(\$2,337)	(\$1,100)	(\$1,103)	(\$1,100)	(\$1,100)	(\$1,100)	(\$1,100)	
43 Debt Principal Payments		-	-	-	(\$1,428)	(\$1,743)	(\$1,274)	(\$144)	
44 Debt Proceeds		-	\$383	\$4,206	-	-	-	-	
45 Net Change in Other Assets/Liabilities		(\$618)	(\$334)	\$460	(\$324)	(\$298)	(\$271)	(\$243)	
46 Net Changes in Cash		\$745	(\$2,159)	(\$4,380)	(\$956)	\$1,814	\$3,572	\$4,677	
47 12/31 Cash Balance		\$ 15,519	\$ 13,360	\$ 8,980	\$ 8,024	\$ 9,838	\$ 13,410	\$ 18,087	
48 Minimum Cash Reserve		\$ 8,971	\$ 8,630	\$ 9,208	\$ 8,502	\$ 8,262	\$ 7,996	\$ 7,882	
49 Excess (Deficit) from Minimum Cash Reserve		\$ 6,548	\$ 4,730	\$ (228)	\$ (477)	\$ 1,576	\$ 5,414	\$ 10,205	

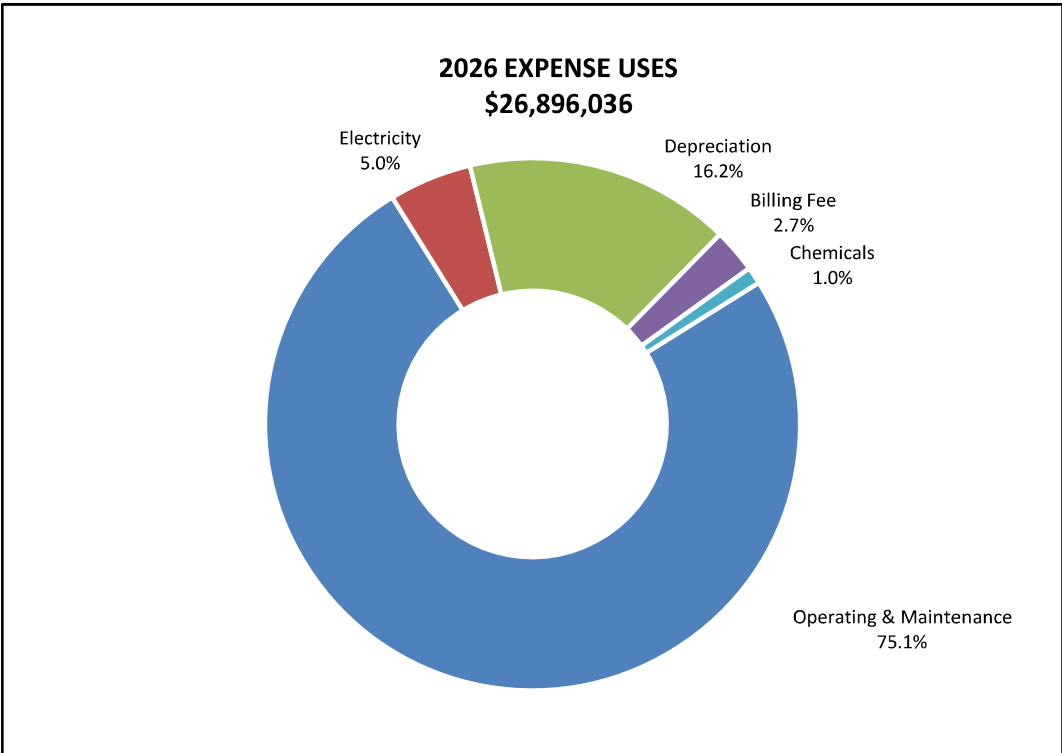
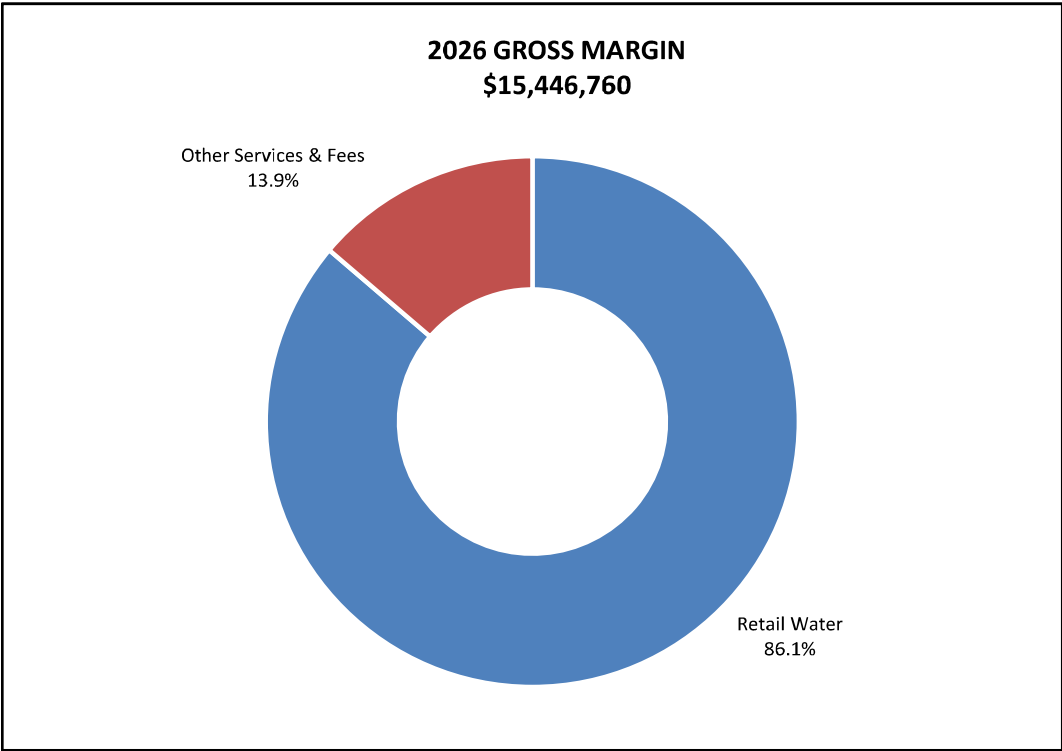
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data		2025		2026		2026		%
	2023	2024	Orig Bdgt	2025 F2	2026	Orig Bdgt	Variance to Orig Bdgt	Variance	
in 000's									
1	Revenue								
2	Retail Water	\$12,460	\$12,874	\$13,237	\$14,182	\$15,654	\$14,342	\$1,312	9.1%
3	Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,140	\$2,224	(\$84)	-3.8%
4	Total Revenue	\$14,609	\$14,996	\$15,375	\$16,284	\$17,794	\$16,566	\$1,228	7.4%
5	Cost of Revenue								
6	Water Supply	\$2,380	\$2,431	\$2,465	\$2,399	\$2,347	\$2,533	(\$186)	-7.3%
7	Total Cost of Revenue	\$2,380	\$2,431	\$2,465	\$2,399	\$2,347	\$2,533	(\$186)	-7.3%
8	Gross Margin								
9	Retail Water	\$10,080	\$10,443	\$10,772	\$11,783	\$13,307	\$11,873	\$1,433	12.1%
10	Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,140	\$2,160	(\$20)	-0.9%
11	TOTAL GROSS MARGIN	\$12,228	\$12,565	\$12,910	\$13,885	\$15,447	\$14,033	\$1,414	10.1%
12	Controllable Costs								
13	Salaries & Benefits	\$3,495	\$3,031	\$3,850	\$3,838	\$4,306	\$4,170	\$136	3.3%
14	Other Operating Expenses	\$1,291	\$1,350	\$1,597	\$1,540	\$1,579	\$1,655	(\$76)	-4.6%
15	Major Maintenance	\$396	\$505	\$2,115	\$2,230	\$13,042	\$6,853	\$6,189	90.3%
16	Non-Bonded Capital Projects	\$3,397	\$4,769	\$8,539	\$8,249	\$10,842	\$7,211	\$3,631	50.4%
17	TOTAL CONTROLLABLE COSTS	\$8,581	\$9,655	\$16,101	\$15,857	\$29,769	\$19,889	\$9,880	49.7%
18	Depreciation & Amortization	\$2,916	\$2,976	\$3,349	\$3,231	\$4,151	\$3,316	\$835	25.2%
19	Subscription Amortization	-	-	\$222	\$189	\$195	\$346	(\$152)	-43.8%
20	Less Non Bonded Projects (capitalized)	(\$3,397)	(\$4,769)	(\$8,539)	(\$8,249)	(\$10,842)	(\$7,211)	(\$3,631)	50.4%
21	Less Total Internal Costs (capitalized)	(\$324)	(\$638)	(\$341)	(\$624)	(\$874)	(\$633)	(\$241)	38.1%
22	Interutility Allocation	\$1,956	\$2,146	\$1,766	\$1,775	\$2,150	\$1,819	\$331	18.2%
23	Total Operating Expenses	\$9,731	\$9,370	\$12,558	\$12,179	\$24,549	\$17,527	\$7,022	40.1%
24	Net Operating Income (Loss)	\$2,497	\$3,196	\$353	\$1,706	(\$9,102)	(\$3,494)	(\$5,608)	160.5%
25	Financing & Other Non-Operating Items:								
26	Bond & Interest Related Expenses	(\$2)	(\$4)	(\$27)	(\$29)	(\$341)	(\$111)	(\$231)	208.7%
27	Interest Income	\$775	\$864	\$718	\$1,420	\$325	\$653	(\$328)	-50.3%
28	Misc Non-Operating Income (Expense)	(\$65)	(\$7)	\$653	\$649	\$7,960	\$3,769	\$4,191	111.2%
29	Total Financing & Non-Operating Items	\$709	\$852	\$1,343	\$2,040	\$7,943	\$4,311	\$3,632	84.3%
30	Income Before Transfers or Capital Contributions	\$3,206	\$4,048	\$1,696	\$3,746	(\$1,159)	\$817	(\$1,976)	-241.9%
31	Transfers (In Lieu of Taxes)	(\$491)	(\$469)	(\$514)	(\$501)	(\$517)	(\$515)	(\$2)	0.4%
32	Capital Contributions	\$3,251	\$2,487	\$1,100	\$1,100	\$1,103	\$1,100	\$3	0.3%
33	Cash Transfers from City	-	-	\$3,000	-	-	-	-	0.0%
34	NET INCOME	\$5,966	\$6,066	\$5,282	\$4,345	(\$573)	\$1,402	(\$1,975)	-140.9%
35	1/01 Cash Balance	\$ 14,774		\$ 11,115	\$ 15,519	\$ 13,360	\$ 10,423	\$ 2,937	28.2%
36	Change in Net Assets		\$6,066	\$5,282	\$4,345	(\$573)	\$1,348	(\$1,921)	-142.5%
37	Depreciation & Amortization		\$2,976	\$3,349	\$3,420	\$4,346	\$3,662	\$684	18.7%
38	Capital Additions/Service Territory Comp		(\$5,341)	(\$8,880)	(\$8,873)	(\$11,716)	(\$7,790)	(\$3,926)	50.4%
39	Non-Cash Contributions		(\$2,337)	(\$1,100)	(\$1,100)	(\$1,103)	(\$1,100)	(\$3)	0.3%
40	Debt Principal Payments		-	-	-	-	-	-	0.0%
41	Debt Proceeds		-	\$845	\$383	\$4,206	\$3,395	\$811	23.9%
42	Net Change in Other Assets/Liabilities		(\$618)	(\$410)	(\$334)	\$460	(\$387)	\$847	-218.7%
43	Net Changes in Cash		\$745	(\$914)	(\$2,159)	(\$4,380)	(\$872)	(\$3,508)	402.4%
44	12/31 Cash Balance	\$ 15,519		\$ 10,202	\$ 13,360	\$ 8,980	\$ 9,552	\$ (571)	-6.0%
45	Minimum Cash Reserve	\$ 8,971		\$ 8,630	\$ 8,630	\$ 9,208	\$ 8,004	\$ 1,204	15.0%
46	Excess (Deficit) from Minimum Cash Reserve	\$ 6,548		\$ 1,572	\$ 4,730	\$ (228)	\$ 1,548	\$ (1,775)	-114.7%

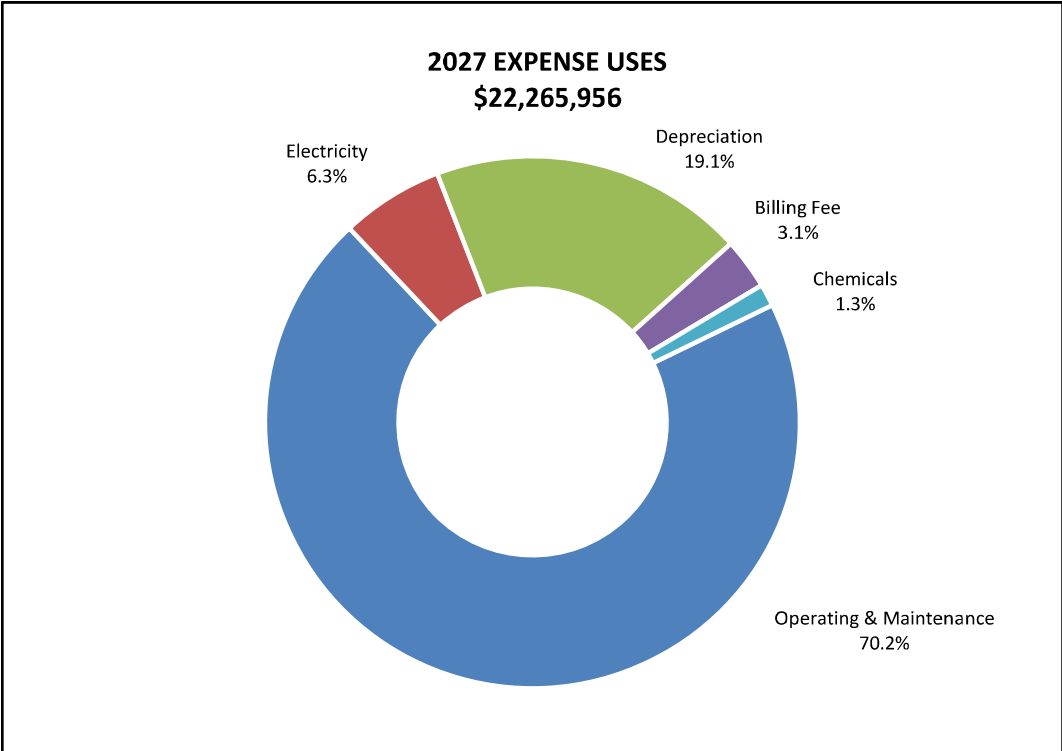
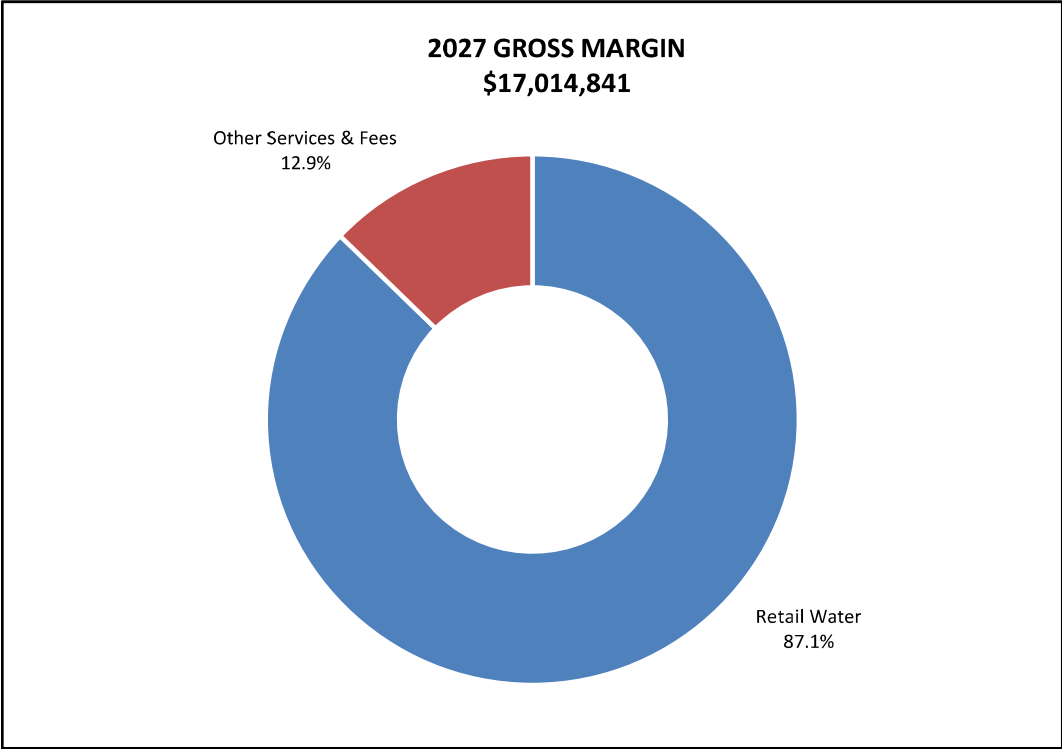
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data		2025		2027		2027		%
	2023	2024	Orig Bdgt	2025 F2	2027	Orig Bdgt	Variance to Orig Bdgt	Variance	
(in 000's)									
1	Revenue								
2	Retail Water	\$12,460	\$12,874	\$13,237	\$14,182	\$17,213	\$15,401	\$1,811	11.8%
3	Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,190	\$2,405	(\$214)	-8.9%
4	Total Revenue	\$14,609	\$14,996	\$15,375	\$16,284	\$19,403	\$17,806	\$1,597	9.0%
5	Cost of Revenue								
6	Water Supply	\$2,380	\$2,431	\$2,465	\$2,399	\$2,388	\$2,625	(\$237)	-9.0%
7	Total Cost of Revenue	\$2,380	\$2,431	\$2,465	\$2,399	\$2,388	\$2,625	(\$237)	-9.0%
8	Gross Margin								
9	Retail Water	\$10,080	\$10,443	\$10,772	\$11,783	\$14,825	\$13,001	\$1,824	14.0%
10	Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,190	\$2,180	\$10	0.5%
11	TOTAL GROSS MARGIN	\$12,228	\$12,565	\$12,910	\$13,885	\$17,015	\$15,181	\$1,834	12.1%
12	Controllable Costs								
13	Salaries & Benefits	\$3,495	\$3,031	\$3,850	\$3,838	\$4,695	\$4,337	\$358	8.3%
14	Other Operating Expenses	\$1,291	\$1,350	\$1,597	\$1,540	\$1,633	\$1,716	(\$83)	-4.8%
15	Major Maintenance	\$396	\$505	\$2,115	\$2,230	\$7,355	\$10,061	(\$2,706)	-26.9%
16	Non-Bonded Capital Projects	\$3,397	\$4,769	\$8,539	\$8,249	\$8,044	\$7,564	\$480	6.3%
17	TOTAL CONTROLLABLE COSTS	\$8,581	\$9,655	\$16,101	\$15,857	\$21,727	\$23,678	(\$1,951)	-8.2%
18	Depreciation & Amortization	\$2,916	\$2,976	\$3,349	\$3,231	\$4,053	3,806	\$247	6.5%
19	Subscription Amortization	-	-	\$222	\$189	\$195	\$346	(\$152)	-43.8%
20	Less Non Bonded Projects (capitalized)	(\$3,397)	(\$4,769)	(\$8,539)	(\$8,249)	(\$8,044)	(\$7,564)	(\$480)	6.3%
21	Less Total Internal Costs (capitalized)	(\$324)	(\$638)	(\$341)	(\$624)	(\$387)	(\$632)	\$246	-38.9%
22	Interutility Allocation	\$1,956	\$2,146	\$1,766	\$1,775	\$2,333	\$1,874	\$459	24.5%
23	Total Operating Expenses	\$9,731	\$9,370	\$12,558	\$12,179	\$19,878	\$21,509	(\$1,631)	-7.6%
24	Net Operating Income (Loss)	\$2,497	\$3,196	\$353	\$1,706	(\$2,863)	(\$6,327)	\$3,464	-54.8%
25	Financing & Other Non-Operating Items:								
26	Bond & Interest Related Expenses	(\$2)	(\$4)	(\$27)	(\$29)	(\$424)	(\$182)	(\$242)	133.2%
27	Interest Income	\$775	\$864	\$718	\$1,420	\$240	\$577	(\$337)	-58.4%
28	Misc Non-Operating Income (Expense)	(\$65)	(\$7)	\$653	\$649	\$8,564	\$7,704	\$860	11.2%
29	Total Financing & Non-Operating Items	\$709	\$852	\$1,343	\$2,040	\$8,380	\$8,099	\$280	3.5%
30	Income Before Transfers or Capital Contributions	\$3,206	\$4,048	\$1,696	\$3,746	\$5,516	\$1,772	\$3,745	211.3%
31	Transfers (In Lieu of Taxes)	(\$491)	(\$469)	(\$514)	(\$501)	(\$538)	(\$522)	(\$16)	3.0%
32	Capital Contributions	\$3,251	\$2,487	\$1,100	\$1,100	\$1,100	\$1,100	-	0.0%
33	Cash Transfers from City	-	-	\$3,000	-	-	-	-	0.0%
34	NET INCOME	\$5,966	\$6,067	\$5,282	\$4,345	\$6,078	\$2,350	\$3,729	158.7%
35	1/01 Cash Balance	\$ 14,774		\$ 11,115	\$ 15,519	\$ 8,980	\$ 9,552	\$ (571)	-6.0%
36	Change in Net Assets		\$6,066	\$5,282	\$4,345	\$6,078	\$2,296	\$3,783	164.8%
37	Depreciation & Amortization		\$2,976	\$3,349	\$3,420	\$4,248	\$4,153	\$95	2.3%
38	Capital Additions/Service Territory Comp		(\$5,341)	(\$8,880)	(\$8,873)	(\$8,430)	(\$8,142)	(\$288)	3.5%
39	Non-Cash Contributions		(\$2,337)	(\$1,100)	(\$1,100)	(\$1,100)	(\$1,100)	-	0.0%
40	Debt Principal Payments		-	-	-	(\$1,428)	-	(\$1,428)	0.0%
41	Debt Proceeds		-	\$845	\$383	-	\$760	(\$760)	-100.0%
42	Net Change in Other Assets/Liabilities		(\$618)	(\$410)	(\$334)	(\$324)	(\$363)	\$39	-10.8%
43	Net Changes in Cash		\$745	(\$914)	(\$2,159)	(\$956)	(\$2,397)	\$1,441	-60.1%
44	12/31 Cash Balance	\$ 15,519		\$ 10,202	\$ 13,360	\$ 8,024	\$ 7,154	\$ 870	12.2%
45	Minimum Cash Reserve	\$ 8,971		\$ 8,630	\$ 8,630	\$ 8,502	\$ 7,342	\$ 1,160	15.8%
46	Excess (Deficit) from Minimum Cash Reserve	\$ 6,548		\$ 1,572	\$ 4,730	\$ (477)	\$ (188)	\$ (290)	154.2%

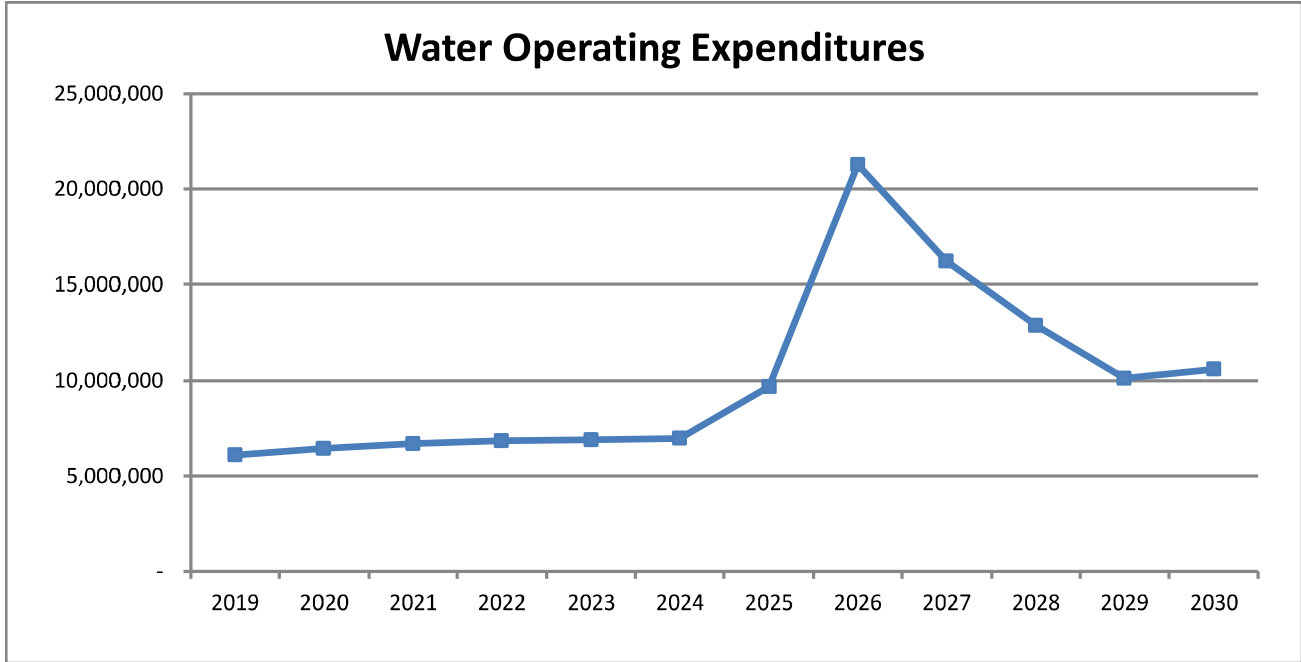
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
WATER UTILITY
2026 - 2027 Operating Budget**

	2025 F2	2026	2027	2028	2029	2030
1 CCF Pumped	6,346,717	6,382,180	6,434,120	6,514,767	6,621,868	6,712,852
2 % Change	4.6%	0.6%	0.8%	1.3%	1.6%	1.4%
3 Retail CCF	6,044,275	6,095,683	6,145,291	6,222,318	6,324,611	6,411,511
4 % Change	4.8%	0.9%	0.8%	1.3%	1.6%	1.4%
5 Number of Service Points						
6 Residential	38,663	39,016	39,366	39,713	40,058	40,400
7 Commercial	3,949	3,991	4,033	4,075	4,119	4,164
8 Industrial	22	22	22	22	22	22
9 Interdepartmental	1	1	1	1	1	1
10 Total Customers	42,635	43,030	43,422	43,811	44,200	44,587
11 % Change	1.5%	0.9%	0.9%	0.9%	0.9%	0.9%

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Rochester Public Utilities
Adopted
Water Utility 2026-2027
Capital Improvement & Major
Maintenance Budget

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**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance	1
Capital	2

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**Rochester Public Utilities
Water Utility
2026 - 2030 Major Maintenance Plan**

		Multiple-Year						
		<u>Project Total</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>5-Yr Total</u>
1	Engineering & Distribution							
2	Operating Contingency Fund		93,000	96,000	99,000	102,000	105,000	495,000
3	Water Cost-of-Service/Rate Design Study		-	-	55,000	-	-	55,000
4	Wtr Master Plan Update		694,800	-	-	-	-	694,800
5	Lead & Galvanized Wtr Main Replacement	22,878,300	11,955,700	6,947,875	2,927,025	40,425	-	21,871,025
6	Service Assure - Water		268,000	281,400	289,700	298,500	307,500	1,445,100
7	Total Engineering & Distribution	22,878,300	13,011,500	7,325,275	3,370,725	440,925	412,500	24,560,925
8	Power Resources							
9	Allocation - RPU Water Facilities		30,000	30,000	30,000	30,000	30,000	150,000
10	Total Power Resources		30,000	30,000	30,000	30,000	30,000	150,000
11	Total Major Maintenance Plan - External Expenditures		13,041,500	7,355,275	3,400,725	470,925	442,500	24,710,925

**Rochester Public Utilities
Water Utility
2026 - 2030 Capital Improvement Plan**

	Multi-Year Project Total	2026	2027	2028	2029	2030	5-Yr Total
1 Engineering & Distribution							
2 Water Utility Contingency Fund-Capital		185,000	190,000	195,000	200,000	205,000	975,000
3 Ponderosa Pine SW Water Pressure Improvement		375,000	-	-	-	-	375,000
4 DMC - Rochester Rapid Transit 2nd St SW		150,000	-	-	-	-	150,000
5 DMC - Broadway N, Zumbro River Bridge N		190,000	-	-	-	-	190,000
6 Center St to 11th Ave NE	900,000	450,000	450,000	-	-	-	900,000
7 Wilder Rd NW Reconstruction		-	-	435,000	435,000	-	870,000
8 S Broadway 4th St-9th St	450,000	-	50,000	200,000	200,000	-	450,000
9 Flood Mitigation 11th Ave NE & 2nd St NE		-	-	-	750,000	-	750,000
10 2nd Ave NW Relief Line		-	500,000	-	-	-	500,000
11 Goose Egg Park Relief Line		-	-	500,000	-	-	500,000
12 New Wells		-	35,000	235,000	450,000	880,000	1,600,000
13 Allocation - Water Distribution System Expansion		750,000	705,000	1,130,000	1,580,000	2,705,500	6,870,500
14 T&D City Projects		-	150,000	930,000	1,150,000	50,000	2,280,000
15 T&D Developer Projects		650,000	100,000	100,000	100,000	100,000	1,050,000
16 T&D RPU Projects		100,000	455,000	100,000	330,000	2,555,500	3,540,500
17 Install New AC Units at Wells & Boosters		36,075	37,450	38,200	39,300	40,600	191,625
18 Water PLC - 2025		30,000	30,000	26,000	27,000	28,000	141,000
19 Dual Sensor Drone Replacement		-	-	10,000	-	-	10,000
20 Survey GPS Replacement		-	-	-	20,000	-	20,000
21 TH 14 & Brdway S (MNDOT)	770,000	-	385,000	385,000	-	-	770,000
22 18th Ave SW (Mayowood to 40th St SW)	1,100,000	600,000	500,000	-	-	-	1,100,000
23 CSAH 44/TH 14 Interchange		240,000	-	-	-	-	240,000
24 TH 14 Crossing		500,000	-	-	-	-	500,000
25 Advanced Metering Project Capital - Water	17,934,554	6,037,026	3,866,841	1,580,820	577,921	-	12,062,608
26 AMI Meter Installation Services - Wtr	11,945,957	4,642,946	3,383,697	1,291,720	288,821	-	9,607,184
27 AMI General Implementation Services - Wtr	4,086,548	586,394	483,144	289,100	289,100	-	1,647,738
28 AMI Headend Subscription-Wtr	1,234,495	404,740	-	-	-	-	404,740
29 AMI MDM Subscription - Wtr	667,555	402,946	-	-	-	-	402,946
30 Allocation - Water Metering/AMR		124,256	127,469	131,993	135,842	140,035	659,595
31 Alloc - Residential Water Metering/AMR		72,800	74,440	76,262	78,275	80,490	382,267
32 Alloc - Commercial Water Metering/AMR		51,456	53,029	55,731	57,567	59,545	277,328
33 Total Engineering & Distribution	21,154,554	9,667,357	6,876,760	4,867,013	4,415,063	3,999,135	29,825,328
34 Operations & Environmental Affairs							
35 SCADA Upgrade		-	-	275,000	150,000	200,000	625,000
36 Tank Coating & Rehab	3,320,000	715,000	715,000	530,000	730,000	630,000	3,320,000
37 Well & Booster Station Metering		11,300	11,700	12,000	12,400	12,700	60,100
38 Allocation - Water Distribution System Replacement		198,200	200,600	208,000	211,000	218,300	1,036,100
39 Replacement of Pumping Units		130,000	130,000	135,000	135,000	140,000	670,000
40 Well Motor Replacements		21,600	22,700	23,800	24,900	25,000	118,000
41 Installation of Variable Frequency Drive Units		21,700	22,400	23,000	24,100	25,600	116,800
42 Replacement of Booster Pumps		24,900	25,500	26,200	27,000	27,700	131,300
43 Total Operations & Environmental Affairs	3,320,000	924,500	927,300	1,025,000	1,103,400	1,061,000	5,041,200
44 Power Resources							
45 Allocation - Fleet	1,376,126	250,000	239,600	89,850	215,640	353,410	1,148,500
46 Total Power Resources	1,376,126	250,000	239,600	89,850	215,640	353,410	1,148,500
47 Total External Expenditures	25,850,680	10,841,857	8,043,660	5,981,863	5,734,103	5,413,545	36,015,028
48 Less: Bonding		-	-	-	-	-	-
49 Less: Non-cash Subscription Assets		(807,686)	-	-	-	-	(807,686)
50 Less: Contribution in Aid of Construction		-	-	-	-	-	-
51 Less: WAC Funds		-	-	-	-	-	-
52 Net Capital External Expenditures (Rate Funded)		10,034,171	8,043,660	5,981,863	5,734,103	5,413,545	35,207,342
53 Total Internal Expenditures (Capital Labor)		873,988	386,528	221,262	255,320	207,146	1,944,243
54 Total Contributed Assets		1,103,000	1,100,000	1,100,000	1,100,000	1,100,000	5,503,000
55 Net Capital Expenditures		12,011,159	9,530,187	7,303,125	7,089,423	6,720,691	42,654,585

SECTION XIV

Rochester Public Utilities

Adopted

2026-2027 Personnel Budget

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**ROCHESTER PUBLIC UTILITIES
2026 - 2027 PERSONNEL BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Full-Time Staff Per Customer Served/Retail Sales	1
Full-Time and Temporary Staffing Comparison	2

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 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>
2027	108,212 ⁽¹⁾	208,054,279 ⁽¹⁾	228 ⁽²⁾	475	838,958
2026	106,674 ⁽¹⁾	195,006,271 ⁽¹⁾	226 ⁽²⁾	472	846,441
2025	105,071 ⁽¹⁾	188,756,441 ⁽¹⁾	223	471	830,159
2024	102,749	185,125,557	219	469	845,322
2023	101,261	176,967,937	211	480	838,711
2022	99,950	160,465,198	211	474	760,499
2021	99,386	157,782,929	208	478	758,572

NOTES: Numbers include combined water and electric utilities.

For Electric Utilities, APPA 2023 Retail Customers per Non-Power-Generation Employee for customer size class of 50K-100K customers, is 294. RPU comparison using this criteria and 2024 data is 349.

(1) Forecasted

(2) Staff changes:

2026

- Sixteen potential reclassifications
- Adding three new positions:
 - Data Performance Manager
 - Accounting Supervisor
 - Project Coordinator - Water

2027

- Two potential reclassifications
- Adding two new positions:
 - Graphic Design & Digital Communications Coordinator
 - Commercial Energy Advisor

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 PERSONNEL BUDGET
Regular and Temporary Staffing
Total Costs**

<u>Year</u>	<u>2025 Original Budget</u>	<u>2025 Projected</u>	<u>2026 Estimated</u>	<u>2027 Estimated</u>	<u>Difference 2025 Original Budget to 2026 Estimated</u>	<u>% Change</u>	<u>Difference 2026 Estimated to 2027 Estimated</u>	<u>% Change</u>
Regular Employees	\$ 34,993,385	\$ 34,355,031	\$ 37,279,309	\$ 39,941,679	\$2,285,924	6.5%	\$2,662,370	7.1%
Limited-Term Employees	\$526,912	\$556,863	\$1,845,998	\$2,101,259	\$1,319,086	250.3%	\$255,261	13.8%
Temporary/Contract Labor	<u>\$485,646</u>	<u>\$421,022</u>	<u>\$510,850</u>	<u>\$526,175</u>	<u>\$25,204</u>	<u>5.2%</u>	<u>\$15,325</u>	<u>3.0%</u>
Total	\$36,005,943	\$35,332,916	\$39,636,157	\$42,569,113	\$3,630,214	10.1%	\$2,932,956	7.4%

NOTE: Estimated cost include base salaries, salary increases, overtime, RPU's share of employee pensions, payroll taxes, and benefits. Excludes accrual adjustment for unfunded PERA liability.

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SECTION XV

Rochester Public Utilities

Adopted

Supplemental Data

Capital/Operating Budgets

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**ROCHESTER PUBLIC UTILITIES
2026 - 2027 SUPPLEMENTAL DATA
CAPITAL / OPERATING BUDGETS**

INDEX

<u>Title</u>	<u>Pages</u>
Electric & Water Rate Changes vs. Inflation	1
Year End Cash Balances	2
RPU Tax and Tax Equivalents	3

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 CAPITAL / OPERATING BUDGETS
ELECTRIC AND WATER REVENUE CHANGE
VERSUS INFLATION**

<u>Year</u>	<u>Inflation %</u> ⁽¹⁾	<u>Electric Rates %</u>	<u>Water Rates %</u>	<u>SMMPA Rates %</u>
2025*	2.1%	4.0%	5.5% ***	0.0%
2024	2.9%	3.2% **	5.5% ***	0.0%
2023	4.1%	2.5%	5.0%	10.0%
2022	8.0%	1.5%	2.5%	0.0%
2021	4.7%	0.0%	0.0%	0.0%
2020	1.2%	0.0%	3.5%	(4.0%)
2019	1.8%	1.9%	6.0%	0.0%
2018	2.4%	1.5%	6.0%	2.0%
2017	2.1%	3.7%	6.0%	6.0%
2016	1.3%	1.7%	6.0%	0.0%
10-Year Annualized Average	3.1%	2.0%	4.6%	1.4%
2026*	3.0%	4.0%	9.0%	(10.0%)
2027*	3.0%	6.0%	9.0%	(10.0%)

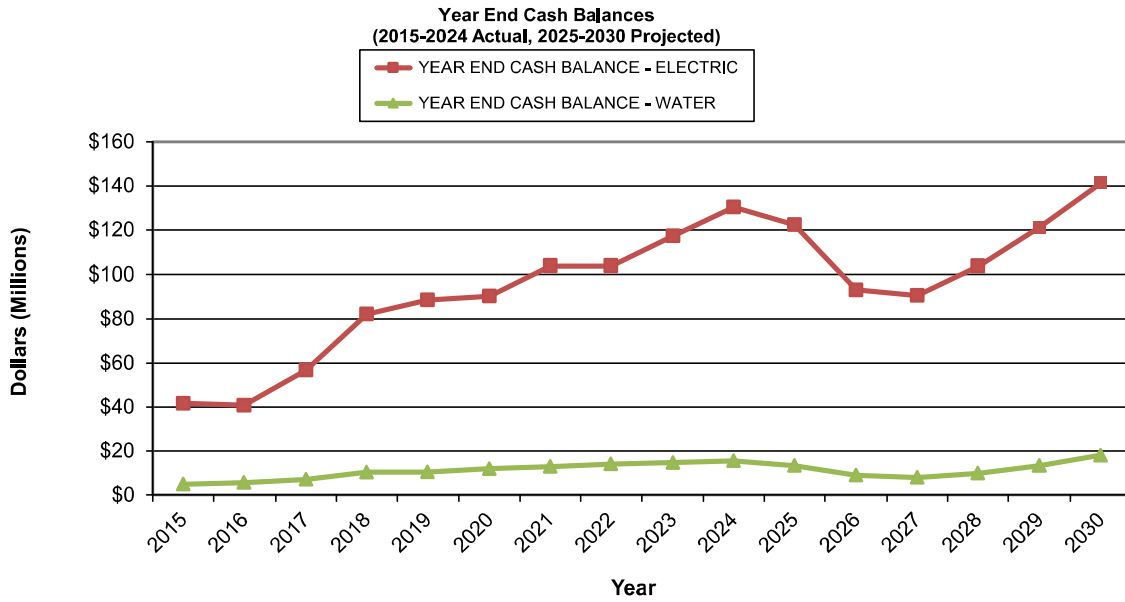
*Estimated Yearly Values

**Plus Advanced Metering project Customer Charge of \$1.94 for 2024

***Plus Advanced Metering project Customer Charge of \$1.32 for 2024 and 2025

⁽¹⁾ U.S. Bureau of Labor Statistics (<https://www.bls.gov>)

**ROCHESTER PUBLIC UTILITIES
2025 - 2027 CAPITAL / OPERATING BUDGETS
YEAR END CASH BALANCES**



(Millions of Dollars)

Year	YEAR END CASH BALANCE - ELECTRIC	YEAR END REMAINING DEBT PROCEEDS ELECTRIC	YEAR END CASH BALANCE - WATER	YEAR END REMAINING DEBT PROCEEDS WATER
2015 *	41.7	3.1	4.9	
2016 *	40.8		5.7	
2017 *	56.8	23.1	7.1	
2018	82.3		10.4	
2019	88.7		10.5	
2020	90.4		12.0	
2021 *	103.8		12.9	
2022	103.9		14.1	
2023	117.2		14.8	
2024	130.4		15.5	
2025	122.3		13.4	
2026 *	93.3		9.0	
2027 *	90.7	150.8	8.0	
2028 *	103.6	37.4	9.8	
2029 *	121.2	1.3	13.4	
2030 *	141.2		18.1	

* 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, \$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, and \$37.17 in February 2021 to advance refund the 2013B bond issue. The Water Utility has had debt financings of \$1.5 million in August 2006. There is a proposed future debt financing for the Electric Utility of \$240.7 million in long-term borrowing in 2027 for the Grid North Partners transmission investment and 2030 Resource Plan. There is a proposed short-term borrowing for the Water Utility of approximately \$12.0 million in 2026 for the Advanced Metering project.

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 CAPITAL / OPERATING BUDGETS
RPU ESTIMATED TAX AND TAX EQUIVALENTS**

	<u>2026</u>	<u>2027</u>
Utility Licenses, Permits & Penalties	199,688	352,832
Water Appropriation Fees	82,100	84,563
Payment to General Fund		
Electric	11,585,988	11,917,972
Water	<u>517,000</u>	<u>538,020</u>
Total	<u>12,102,988</u>	<u>12,455,992</u>
Sales Tax - Electric & Water	2,171,112	1,801,553
SMMPA Property Taxes ¹	<u>3,590,509</u>	<u>3,626,414</u>
Total Tax & Tax Equivalents	<u>18,146,397</u>	<u>18,321,354</u>
Electric/Water Retail Sales	<u>195,751,846</u>	<u>209,121,108</u>
% of Electric/Water Retail Sales	9.3%	8.8%

¹Value represents RPU's 42% membership share in SMMPA.