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ROCHESTER
PUBLIC UTILITIES
WE PLEDGE, WE DELIVER®

2023

**ANNUAL
BUDGET**
ADOPTED

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**ROCHESTER PUBLIC UTILITIES
2023 ANNUAL OPERATING PLAN**

CONTENTS

	SECTION
ELECTRIC UTILITY – OPERATING BUDGET	1
<hr/>	
ELECTRIC UTILITY – CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET	2
<hr/>	
WATER UTILITY – OPERATING BUDGET	3
<hr/>	
WATER UTILITY – CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET	4
<hr/>	
PERSONNEL BUDGET – TOTAL RPU	5
<hr/>	
SUPPLEMENTAL DATA – CAPITAL/OPERATING BUDGETS	6
<hr/>	

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SECTION XII

Rochester Public Utilities Electric Utility Operating Budget

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 OPERATING BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Assumptions	1
Forecast by Year 2023 through 2027	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 OPERATING BUDGET**

ASSUMPTIONS

- Other than specifically identified projects, no assumptions have been made with regards to DMC
- Interest Earnings Rate: 1.25%
- Average Salary Expense Change: 3.0%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Anticipated Bonding \$13,600,000 in 2023 (AMI)
- Change in Full-time Equivalents: 0
- SMMPA Wholesale Power Cost: 0.0% increase
- SMMPA CROD Level: 216 MW
- Minimum Cash Reserve Requirement: Current policy amount \$53,825,818

RETAIL REVENUES / SALES

- Revenue Adjustment: 2.5% proposed general rate increase
- Electric KWH Sales Forecast: 0.4% Increase from 2022 Year End Projected Sales
- Total Electric Utility Customers: 1.3% Increase over Year End 2022 Projected Customers
- Forecast Assumes Normal Weather : 30 Yr Average Heating/Cooling Degree Days per Year

WHOLESALE FUEL COSTS

- Estimated Cost of Fuel 2023 \$6.48 / mcf
- Budgeted Cost of Fuel 2022 \$3.61 / mcf
- Budgeted Cost of Fuel 2022 F2 (updated) \$8.65 / mcf

OTHER ITEMS

- In Lieu of Tax forecast increasing \$734,139 to a total of \$9,606,922

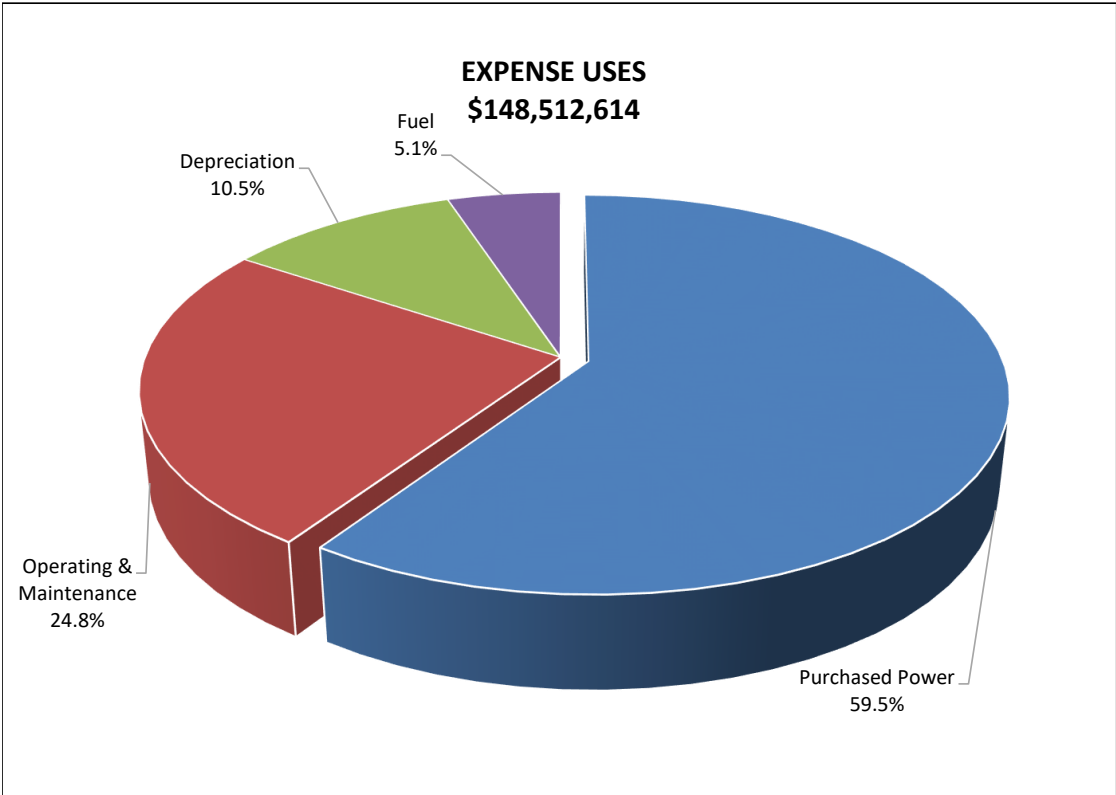
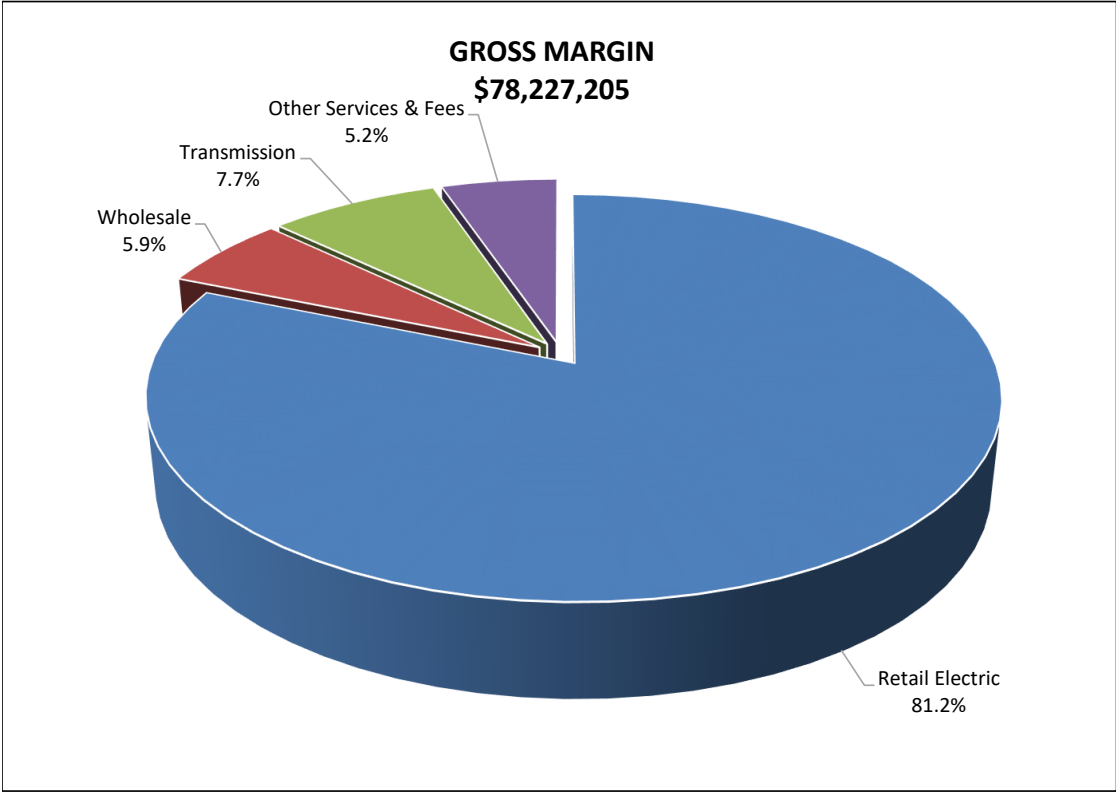
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2022 F2					
	2020	2021		2023	2024	2025	2026	2027
in 000's								
	RPU Rate Increase	0.0%	0.0%	1.5%	2.5%	2.5%	2.5%	2.5%
1 Revenue								
2 Retail Electric	\$143,975	\$146,719	\$149,684	\$151,922	\$156,959	\$161,737	\$164,981	\$169,940
3 Wholesale Electric	\$1,939	\$6,621	\$6,972	\$5,840	\$4,932	\$4,932	\$4,932	\$4,932
4 Wholesale Steam	\$4,812	\$6,841	\$7,561	\$6,342	\$5,708	\$5,642	\$5,642	\$5,642
5 Transmission	\$11,152	\$6,456	\$6,236	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
6 Other Services & Fees	\$7,315	\$8,617	\$1,490	\$4,086	\$4,137	\$4,191	\$4,245	\$4,300
7 Total Revenue	\$169,193	\$175,254	\$171,944	\$174,190	\$177,736	\$182,502	\$185,800	\$190,814
8 Cost of Revenue								
9 Power Supply	\$85,673	\$87,766	\$88,549	\$88,392	\$88,473	\$88,604	\$79,928	\$69,684
10 Generation Fuel	\$3,784	\$8,958	\$9,556	\$7,570	\$6,937	\$6,876	\$6,879	\$6,883
11 Total Cost of Revenue	\$89,456	\$96,723	\$98,105	\$95,963	\$95,411	\$95,480	\$86,808	\$76,567
12 Gross Margin								
13 Retail Electric	\$58,302	\$58,954	\$61,135	\$63,529	\$68,486	\$73,133	\$85,052	\$100,257
14 Wholesale	\$2,967	\$4,505	\$4,978	\$4,612	\$3,702	\$3,699	\$3,695	\$3,691
15 Transmission	\$11,152	\$6,456	\$6,236	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
16 Other Services & Fees	\$7,315	\$8,617	\$1,490	\$4,086	\$4,137	\$4,191	\$4,245	\$4,300
17 TOTAL GROSS MARGIN	\$79,737	\$78,531	\$73,839	\$78,227	\$82,326	\$87,022	\$98,992	\$114,247
18 Controllable Costs								
19 Salaries & Benefits	\$24,042	\$23,470	\$26,003	\$27,308	\$29,297	\$30,833	\$32,422	\$34,076
20 Other Operating Expenses	\$8,859	\$10,208	\$11,110	\$11,830	\$11,958	\$12,445	\$12,790	\$13,233
21 Major Maintenance	\$3,112	\$3,681	\$7,958	\$4,712	\$6,895	\$5,088	\$4,680	\$4,903
22 Non-Bonded Capital Projects	\$12,441	\$12,062	\$35,185	\$38,508	\$16,822	\$10,629	\$12,235	\$21,136
23 TOTAL CONTROLLABLE COSTS	\$48,453	\$49,420	\$80,255	\$82,358	\$64,972	\$58,995	\$62,127	\$73,349
24 Depreciation & Amortization	\$14,959	\$14,744	\$15,194	\$15,657	\$16,293	\$17,533	\$17,669	\$18,054
25 Less Non Bonded Projects (capitalized)	(\$12,441)	(\$12,062)	(\$35,185)	(\$38,508)	(\$16,822)	(\$10,629)	(\$12,235)	(\$21,136)
26 Less Total Internal Costs (capitalized)	(\$3,696)	(\$4,857)	(\$5,908)	(\$4,974)	(\$7,343)	(\$4,432)	(\$4,693)	(\$6,883)
27 Interutility Allocation	(\$1,737)	(\$1,876)	(\$1,872)	(\$1,983)	(\$2,023)	(\$2,063)	(\$2,104)	(\$2,146)
28 Total Operating Expenses	\$45,538	\$45,370	\$52,484	\$52,550	\$55,077	\$59,404	\$60,764	\$61,237
29 Net Operating Income (Loss)	\$34,199	\$33,161	\$21,355	\$25,677	\$27,249	\$27,619	\$38,228	\$53,010
30 Financing & Other Non-Operating Items:								
31 Bond & Interest Related Expenses	(\$6,421)	(\$5,656)	(\$5,481)	(\$5,316)	(\$5,930)	(\$5,670)	(\$5,390)	(\$23,221)
32 Interest Income	\$2,180	(\$388)	\$800	\$1,278	\$1,267	\$1,318	\$1,452	\$1,852
33 Misc Non-Operating Income (Expense)	(\$6)	(\$659)	(\$20)	(\$23)	(\$24)	(\$25)	(\$25)	(\$26)
34 Total Financing & Non-Operating Items	(\$4,248)	(\$6,703)	(\$4,700)	(\$4,062)	(\$4,687)	(\$4,377)	(\$3,964)	(\$21,396)
35 Income Before Transfers or Capital Contributions	\$29,951	\$26,458	\$16,654	\$21,615	\$22,562	\$23,241	\$34,264	\$31,615
36 Transfers (In Lieu of Taxes)	(\$8,370)	(\$8,469)	(\$8,873)	(\$9,607)	(\$10,197)	(\$10,625)	(\$10,857)	(\$11,094)
37 Capital Contributions/Intercompany	\$2,363	\$4,933	\$14,211	\$17,200	\$7,373	\$627	\$355	\$6,755
38 NET INCOME	\$23,944	\$22,922	\$21,992	\$29,208	\$19,739	\$13,243	\$23,762	\$27,276
39 NET INCOME (Excluding Capital Contributions)			\$7,782	\$12,008	\$12,366	\$12,616	\$23,407	\$20,521
40 TARGET NET INCOME			\$ 15,415	\$ 17,541	\$ 19,575	\$ 20,334	\$ 21,250	\$ 27,100
41 Excess (Deficit) from Target			\$ (7,633)	\$ (5,532)	\$ (7,209)	\$ (7,718)	\$ 2,156	\$ (6,579)
42 1/01 Cash Balance		\$ 90,413	\$ 103,773	\$ 94,334	\$ 87,345	\$ 89,589	\$ 95,436	\$ 111,152
43 Change in Net Assets		22,922	21,992	29,208	19,739	13,243	23,762	27,276
44 Depreciation & Amortization		14,744	15,194	15,657	16,293	17,533	17,669	18,054
45 Capital Additions/Service Territory Comp		(16,919)	(41,093)	(43,547)	(26,079)	(19,603)	(21,168)	(28,885)
46 Bond Principal Payments		(6,515)	(7,085)	(7,395)	(8,786)	(9,119)	(9,481)	(14,315)
47 Bond Proceeds		-	-	13,600	-	-	-	322,300
48 Net Change in Other Assets/Liabilities		(872)	1,553	(14,511)	1,078	3,794	4,934	(320,412)
49 Net Changes in Cash		13,360	(9,439)	(6,989)	2,244	5,847	15,716	4,018
50 12/31 Cash Balance		\$ 103,773	\$ 94,334	\$ 87,345	\$ 89,589	\$ 95,436	\$ 111,152	\$ 115,170
51 Mimumum Cash Reserve		\$ 52,569	\$ 52,102	\$ 53,826	\$ 55,577	\$ 57,293	\$ 57,005	\$ 56,059
52 Excess (Deficit) from Mimumum Cash Reserve		\$ 51,204	\$ 42,231	\$ 33,519	\$ 34,012	\$ 38,143	\$ 54,147	\$ 59,111
53 Debt Service Coverage Ratio		3.6	2.7	3.1	2.9	3.0	3.7	1.9

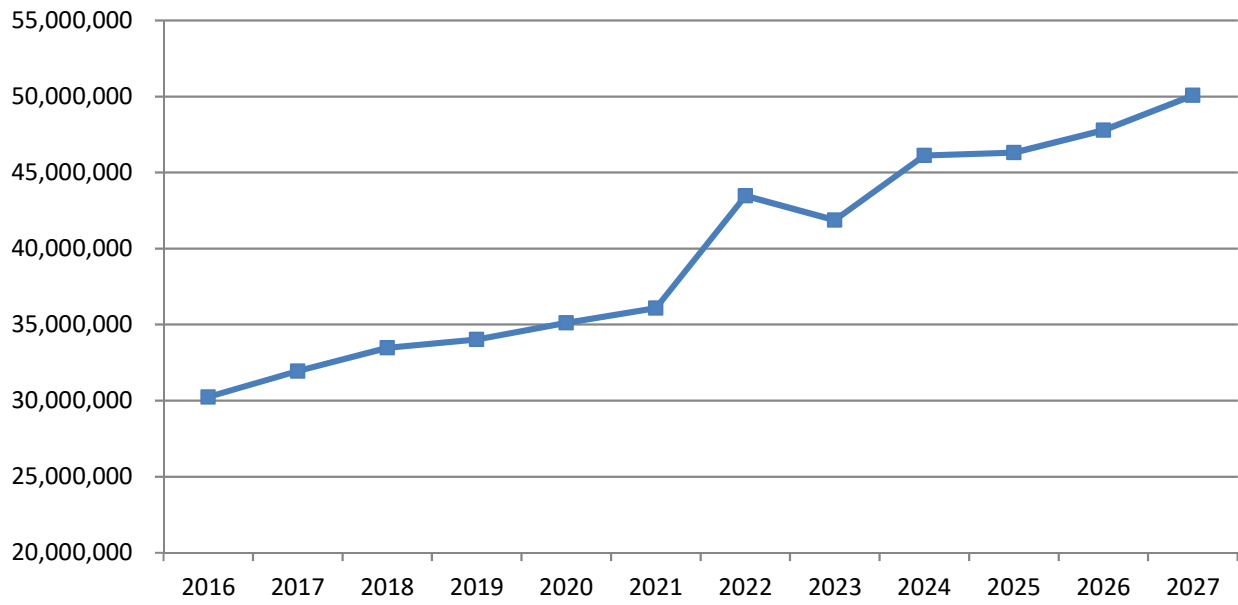
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2022		2023		Variance	%	
	2020	2021	Orig Bdgt	2022 F2	2023	Orig Bdgt	2023 to Orig Bdgt	Variance	
in 000's									
1	Revenue								
2	Retail Electric	\$143,975	\$146,719	\$152,326	\$149,684	\$151,922	\$155,871	(\$3,949)	-2.5%
3	Wholesale Electric	\$1,939	\$6,621	\$3,310	\$6,972	\$5,840	\$3,856	\$1,984	51.4%
4	Wholesale Steam	\$4,812	\$6,841	\$4,167	\$7,561	\$6,342	\$3,824	\$2,518	65.8%
5	Transmission	\$11,152	\$6,456	\$6,000	\$6,236	\$6,000	\$6,000	-	-
6	Other Services & Fees	\$7,315	\$8,617	\$8,512	\$1,490	\$4,086	\$5,257	(\$1,171)	-22.3%
7	Total Revenue	\$169,193	\$175,254	\$174,315	\$171,944	\$174,190	\$174,808	(\$618)	-0.4%
8	Cost of Revenue								
9	Power Supply	\$85,673	\$87,766	\$90,673	\$88,549	\$88,392	\$91,248	(\$2,855)	-3.1%
10	Generation Fuel	\$3,784	\$8,958	\$4,328	\$9,556	\$7,570	\$4,179	\$3,392	81.2%
11	Total Cost of Revenue	\$89,456	\$96,723	\$95,001	\$98,105	\$95,963	\$95,427	\$536	0.6%
12	Gross Margin								
13	Retail Electric	\$58,302	\$58,954	\$61,653	\$61,135	\$63,529	\$64,623	(\$1,094)	-1.7%
14	Wholesale	\$2,967	\$4,505	\$3,150	\$4,978	\$4,612	\$3,502	\$1,110	31.7%
15	Transmission	\$11,152	\$6,456	\$6,000	\$6,236	\$6,000	\$6,000	-	-
16	Other Services & Fees	\$7,315	\$8,617	\$8,512	\$1,490	\$4,086	\$5,257	(\$1,171)	-22.3%
17	TOTAL GROSS MARGIN	\$79,737	\$78,531	\$79,314	\$73,839	\$78,227	\$79,382	(\$1,155)	-1.5%
18	Controllable Costs								
19	Salaries & Benefits	\$24,042	\$23,470	\$28,023	\$26,003	\$27,308	\$29,495	(\$2,187)	-7.4%
20	Other Operating Expenses	\$8,859	\$10,208	\$10,933	\$11,110	\$11,830	\$11,024	\$806	7.3%
21	Major Maintenance	\$3,112	\$3,681	\$7,567	\$7,958	\$4,712	\$6,507	(\$1,796)	-27.6%
22	Non-Bonded Capital Projects	\$12,441	\$12,062	\$39,004	\$35,185	\$38,508	\$22,983	\$15,525	67.6%
23	TOTAL CONTROLLABLE COSTS	\$48,453	\$49,420	\$85,527	\$80,255	\$82,358	\$70,010	\$12,348	17.6%
24	Depreciation & Amortization	\$14,959	\$14,744	\$15,176	\$15,194	\$15,657	\$15,367	\$289	1.9%
25	Less Non Bonded Projects (capitalized)	(\$12,441)	(\$12,062)	(\$39,004)	(\$35,185)	(\$38,508)	(\$22,983)	\$15,525	67.6%
26	Less Total Internal Costs (capitalized)	(\$3,696)	(\$4,857)	(\$5,878)	(\$5,908)	(\$4,974)	(\$6,389)	\$1,415	-22.1%
27	Interutility Allocation	(\$1,737)	(\$1,876)	(\$1,862)	(\$1,872)	(\$1,983)	(\$1,899)	(\$84)	4.4%
28	Total Operating Expenses	\$45,538	\$45,370	\$53,960	\$52,484	\$52,550	\$54,107	(\$1,557)	-2.9%
29	Net Operating Income (Loss)	\$34,199	\$33,161	\$25,354	\$21,355	\$25,677	\$25,275	\$402	1.6%
30	Financing & Other Non-Operating Items:								
31	Bond & Interest Related Expenses	(\$6,421)	(\$5,656)	(\$5,494)	(\$5,481)	(\$5,316)	(\$5,325)	\$9	-0.2%
32	Interest Income	\$2,180	(\$388)	\$1,965	\$800	\$1,278	\$1,982	(\$705)	-35.6%
33	Misc Non-Operating Income (Expense)	(\$6)	(\$659)	(\$24)	(\$20)	(\$23)	(\$24)	\$1	-3.0%
34	Total Financing & Non-Operating Items	(\$4,248)	(\$6,703)	(\$3,552)	(\$4,700)	(\$4,062)	(\$3,367)	(\$695)	20.6%
35	Income Before Transfers or Capital Contributions	\$29,951	\$26,458	\$21,802	\$16,654	\$21,615	\$21,908	(\$293)	-1.3%
36	Transfers (In Lieu of Taxes)	(\$8,370)	(\$8,469)	(\$9,010)	(\$8,873)	(\$9,607)	(\$9,240)	(\$367)	4.0%
37	Capital Contributions/Intercompany	\$2,363	\$4,933	\$14,204	\$14,211	\$17,200	\$11,843	\$5,356	45.2%
38	NET INCOME	\$23,944	\$22,922	\$26,996	\$21,992	\$29,208	\$24,511	\$4,697	19.2%
39	1/01 Cash Balance	\$ 90,413		\$ 98,117	\$ 103,773	\$ 94,334	\$ 97,275	\$ (2,941)	-3.0%
40	Change in Net Assets		22,922	26,996	21,992	29,208	24,511	4,697	19.2%
41	Depreciation & Amortization		14,744	15,176	15,194	15,657	15,367	289	1.9%
42	Capital Additions/Service Territory Comp		(16,919)	(44,881)	(41,093)	(43,547)	(32,356)	(11,191)	34.6%
43	Bond Principal Payments		(6,515)	(7,085)	(7,085)	(7,395)	(7,395)	-	-
44	Bond Proceeds		-	-	-	13,600	18,000	(4,400)	-
45	Net Change in Other Assets/Liabilities		(872)	6,952	1,553	(14,511)	(15,392)	881	-5.7%
46	Net Changes in Cash		13,360	(2,842)	(9,439)	(6,989)	2,735	(9,723)	-355.6%
47	12/31 Cash Balance	\$ 103,773		\$ 95,275	\$ 94,334	\$ 87,345	\$ 100,009	\$ (12,664)	-12.7%
48	Minimum Cash Reserve	\$ 52,569		\$ 52,102	\$ 52,102	\$ 53,826	\$ 52,834	\$ 992	1.9%
49	Excess (Deficit) from Minimum Cash Reserve	\$ 51,204		\$ 43,172	\$ 42,231	\$ 33,519	\$ 47,175	\$ (13,656)	-28.9%

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 OPERATING BUDGET**



Electric Operating Expenditures



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

	2022 F2	2023	2024	2025	2026	2027
1 Peak MW						
2 SMMPA	216	216	216	216	216	216
3 Self Generation	-	-	-	-	-	-
4 Market	51	54	55	56	57	58
5 Total Peak MW	267	270	271	272	273	274
6 % Change	-1.2%	1.0%	0.4%	0.5%	0.3%	0.3%
7 Retail MWH	1,136,976	1,141,331	1,142,041	1,144,109	1,146,088	1,147,978
8 % Change	-0.4%	0.4%	0.1%	0.2%	0.2%	0.2%
9 Purchased Power MWH						
10 SMMPA	1,146,180	1,158,958	1,160,479	1,162,775	1,164,883	1,166,908
11 Other	3,142	3,160	3,171	3,182	3,191	3,201
12 Total Purchased Power MWH	1,149,322	1,162,118	1,163,650	1,165,957	1,168,074	1,170,108
13 % Change	-2.0%	1.1%	0.1%	0.2%	0.2%	0.2%
14 Generation MWH						
15 Total Generation MWH	63,820	65,271	65,271	65,271	65,271	65,271
16 % Change	-35.9%	2.3%	0.0%	0.0%	0.0%	0.0%
17 Number of Customers						
18 Residential	53,550	54,254	54,989	55,724	56,459	57,194
19 Small General Service	4,744	4,819	4,882	4,945	5,010	5,076
20 Medium General Service	478	482	488	495	501	508
21 Large General Service	13	13	13	13	13	13
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	58,790	59,573	60,377	61,182	61,988	62,796
26 % Change	1.0%	1.3%	1.3%	1.3%	1.3%	1.3%
27 Blended cost per MWH for retail supply	\$ 77.04	\$ 76.06	\$ 76.03	\$ 75.99	\$ 68.43	\$ 59.55
28 Steam Generation MLBS	431,550	438,000	438,000	438,000	438,000	438,000
29 % Change	-5.6%	1.5%	0.0%	0.0%	0.0%	0.0%

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Rochester Public Utilities

Electric Utility

Capital Improvement & Major Maintenance Budget

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance Projects	1
Capital Projects	2 - 3

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**Rochester Public Utilities
Electric Utility
2023 - 2027 Major Maintenance Plan**

	Multi-Year Project Total	2023	2024	2025	2026	2027	5-Yr Total	
1 Core Services								
2 Tree Trimming		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000	
3 Asbestos Mitigation in Manholes		-	95,000	95,000	95,000	95,000	380,000	
4 Service Assured - Electric		18,000	18,000	18,000	18,000	18,000	90,000	
5 Allocation - New Services		307,500	290,000	225,000	225,000	225,000	1,272,500	
6 Transmission Lines & Equipment Maintenance		50,000	50,000	50,000	50,000	50,000	250,000	
7 Distribution Lines & Equipment Maintenance		257,500	240,000	175,000	175,000	175,000	1,022,500	
8 Capacitor Bank Controls Replacement		10,000	10,000	10,000	10,000	10,000	50,000	
9 Allocation - Substation Asset Management (Maint)		165,000	158,500	175,500	118,500	118,500	736,000	
10 AMI Timing Study		55,000	-	-	-	-	55,000	
11 AMI Headend		1,799	84,708	83,649	81,256	83,895	335,307	
12 AMI MDM		3,117	146,774	144,938	140,792	145,365	580,986	
13 AMI Ongoing Operational Expenses		12,520	127,568	236,852	237,234	237,621	851,795	
14 Distribution System Planning Study		35,000	-	-	-	-	35,000	
15 ArcFlash Study for Downtown		-	-	-	100,000	-	100,000	
16 DER Hosting Capacity Study		-	100,000	-	-	-	100,000	
17 Downtown Duct & Feeder Routing Study		-	120,000	-	-	-	120,000	
18 Engineering Records in ImageNow		-	200,000	-	-	-	200,000	
19 Transmission LIDAR & Clearance Analysis		-	250,000	-	-	-	250,000	
20 Pole Attachment & Clearance Violation Survey		60,000	-	-	-	-	60,000	
21 Stray Voltage Survey		-	42,000	-	-	-	42,000	
22 Downtown Electric Reconfiguration Study		80,000	-	-	-	-	80,000	
23 Grid North		120,000	-	-	-	-	120,000	
24 Work Management Solution		35,000	120,000	-	-	-	155,000	
25 Total Core Services		-	2,602,936	3,462,550	2,688,939	2,725,782	2,633,381	14,113,588
26 Customer Relations								
27 DSM - EV TOU Rate *		35,664	9,823	10,118	10,421	10,734	76,760	
28 DSM - DLC Smart Thermostat Program *		204,740	207,762	245,737	285,769	327,970	1,271,979	
29 Energy Sustainability for Elderly *		87,000	89,610	92,298	95,067	97,919	461,895	
30 Cayenta Application Enhancements		140,500	173,200	175,000	175,000	175,000	838,700	
31 SEW Modifications		58,200	69,200	75,000	75,000	75,000	352,400	
32 RPU Program Changes		258,850	200,900	200,000	200,000	200,000	1,059,750	
33 Total Customer Relations		-	784,954	750,495	798,153	841,258	886,624	4,061,484
34 Corporate Services								
35 HCM Replacement		-	100,000	-	-	-	100,000	
36 Elec Cost-of-Srvc/Rate Design Study		92,000	-	-	95,000	-	187,000	
37 Rates Modeling		20,000	20,000	20,000	20,000	20,000	100,000	
38 Budgeting System		50,000	50,000	50,000	50,000	50,000	250,000	
39 Utegration (HPC) Support Contract		75,000	75,000	75,000	75,000	75,000	375,000	
40 SAP Technical Upgrade		100,000	-	-	100,000	-	200,000	
41 Sharepoint Site		40,000	30,000	20,000	20,000	20,000	130,000	
42 ImageNow Upgrade		30,000	-	30,000	-	30,000	90,000	
43 SCADA Pen Test		25,000	25,000	25,000	25,000	25,000	125,000	
44 ERP Replacement Discovery		-	-	-	-	300,000	300,000	
45 Allocation - Technology		44,500	44,500	54,500	44,500	44,500	232,500	
46 Info Risk & Security/City Shared Infrastructure		4,500	4,500	14,500	4,500	4,500	32,500	
47 Business Systems/Applications		40,000	40,000	40,000	40,000	40,000	200,000	
48 Total Corporate Services		-	476,500	344,500	274,500	429,500	564,500	2,089,500
49 Compliance and Public Affairs								
50 WES Emissions Testing		73,500	-	-	-	80,000	153,500	
51 Total Compliance and Public Affairs		-	73,500	-	-	80,000	153,500	
49 Power Resources								
50 SLP Decommissioning		155,000	375,000	175,000	200,000	250,000	1,155,000	
51 Silver Lake Dam Ownership		-	1,240,000	-	-	-	1,240,000	
52 Allocation - Power Resources		415,000	520,000	985,000	355,000	400,000	2,675,000	
53 Allocation - Facilities		205,000	210,000	215,000	220,000	225,000	1,075,000	
54 Total Power Resources		-	775,000	2,345,000	1,375,000	775,000	875,000	6,145,000
55 General Management								
56 Operating Contingency Fund		300,000	300,000	300,000	300,000	300,000	1,500,000	
57 Total General Management		-	300,000	300,000	300,000	300,000	1,500,000	
58 Total Major Maintenance Plan - External Expenditures		-	5,012,890	7,202,545	5,436,592	5,071,540	5,339,505	28,063,072

* A portion of these project costs are included in the Other Operating Expenses on the Management Reporting P&L.

**Rochester Public Utilities
Electric Utility
2023 - 2027 Capital Improvement Plan**

	Multi-Year Project Total	2023	2024	2025	2026	2027	5-Yr Total
1 Core Services							
2 OSI SCADA Version Upgrade		-	100,000	-	300,000	-	400,000
3 Allocation - New Services		1,210,700	1,273,985	1,305,434	1,375,203	1,448,464	6,613,786
4 New Service Installations		765,000	807,000	826,100	872,404	921,024	4,191,528
5 Distribution Lines & Equipment - Capital		275,700	291,485	298,059	315,461	333,735	1,514,440
6 Property Damage - Repair/Replace		110,000	115,500	121,275	127,338	133,705	607,818
7 T&D Equipment Upgrade/Replace		60,000	60,000	60,000	60,000	60,000	300,000
8 Load Management Installations		7,500	7,500	7,500	7,500	7,500	37,500
9 Substation/Shop Test Equipment Upgrade/Repl		50,000	30,000	30,000	30,000	30,000	170,000
10 Substation Spares and Replacements		20,000	20,000	20,000	20,000	20,000	100,000
11 Web Based Service Application		35,000	-	-	-	-	35,000
12 MagneBlast Breaker Replacement		175,000	-	-	-	-	175,000
13 Northern Hills Sub Control Bldg Improvements		60,000	-	-	-	-	60,000
14 Allocation - Substation Asset Management Capital		115,000	130,000	140,000	195,000	195,000	775,000
15 Metering/Shop Test Equipment Upgrade/Repl		25,000	20,000	50,000	20,000	20,000	135,000
16 AMI		60,556	1,682,742	4,313,517	4,018,150	575,857	10,650,822
17 Allocation - Metering		130,000	25,000	5,000	-	-	160,000
18 Feeder 306 Install		-	-	-	-	300,000	300,000
19 Feeder 615 Install		-	-	400,000	200,000	-	600,000
20 Feeder 715 Install		175,000	-	-	-	-	175,000
21 Feeder 913 Install		-	-	-	500,000	-	500,000
22 Feeder 914 Install		-	-	-	-	500,000	500,000
23 Feeder 1315 Install		-	-	400,000	100,000	-	500,000
24 Feeder 1602 Install		-	-	-	500,000	-	500,000
25 Feeder 1911 Install		255,000	-	-	-	-	255,000
26 Feeder 1912 Install	640,000	213,333	426,667	-	-	-	640,000
27 Feeder 1913 Install		-	-	400,000	250,000	-	650,000
28 Feeder 1914 Install		-	-	-	-	750,000	750,000
29 Downtown New Feeder Extensions		-	800,000	-	-	-	800,000
30 65th St - 34th to 50th Ave	950,000	316,667	633,333	-	-	-	950,000
31 Q2 Rebuild from Bear Creek - RCTC		-	-	-	-	500,000	500,000
32 Q4 Rebuild from BV Sub to Salem Rd		-	-	-	400,000	400,000	800,000
33 Q7 Rebuild to Grade B		-	-	-	200,000	600,000	800,000
34 Q11 W.C. to new St. Bridget Sub - ROW		125,000	-	-	-	-	125,000
35 IBM Substation Upgrade		-	-	-	-	750,000	750,000
36 Fiber OWEF Splice to Chester		-	-	-	430,000	-	430,000
37 Marion Rd Substation & Feeder Buildout	51,643,552	27,285,000	-	-	-	-	27,285,000
38 New Padmount Hydro Sub		-	-	-	-	400,000	400,000
39 New Mayo Feeders		-	3,600,000	-	-	-	3,600,000
40 Mayo - Feeders to St. Mary's		-	-	-	-	5,000,000	5,000,000
41 Volt/VAR Optimization		-	-	-	-	700,000	700,000
42 Substation Capacitor Bank Bamber Valley		-	-	-	200,000	-	200,000
43 PLS-CAD Distribution Modeling Software		81,000	-	-	-	-	81,000
44 48th St NE Feeder Extension		250,000	-	-	-	-	250,000
45 Grid North Partners-N Rochester 345kV Line		-	150,000	250,000	500,000	2,000,000	2,900,000
46 Mayowood Villas- OH to UG Conversion		300,000	-	-	-	-	300,000
47 DMC-BRT West Transit Village		-	300,000	300,000	-	-	600,000
48 DMC-BRT Route Corridor		-	200,000	100,000	-	-	300,000
49 Fiber-Crosstown to Silver Lake		-	75,000	-	-	-	75,000
50 Fiber-Marion to Cty PW/St Bridget Twr to WC		-	745,000	475,000	-	-	1,220,000
51 Fiber-Marion to Chester		466,000	-	-	-	-	466,000
52 Viola Rd Roundabout		200,000	-	-	-	-	200,000
53 Fiber Relocation Silver Lake		225,000	85,000	85,000	85,000	85,000	565,000
54 Allocation - Distribution Expansion		3,105,000	3,595,000	3,737,000	3,610,000	4,115,000	18,162,000
55 Feeder Extensions		200,000	250,000	340,000	250,000	600,000	1,640,000
56 Feeder Rebuilds		125,000	135,000	140,000	145,000	150,000	695,000
57 Transmission Projects		40,000	45,000	50,000	50,000	55,000	240,000
58 Substation Projects		105,000	120,000	145,000	125,000	150,000	645,000
59 Road Projects		350,000	550,000	400,000	400,000	450,000	2,150,000
60 Road Projects - DMC		450,000	500,000	500,000	400,000	300,000	2,150,000
61 Manhole Switch Replacements		90,000	100,000	105,000	105,000	110,000	510,000
62 Cable Replacement		260,000	275,000	300,000	300,000	300,000	1,435,000
63 Manhole Repair/Replace		260,000	270,000	280,000	290,000	300,000	1,400,000
64 Capacitor Bank Installations		18,000	20,000	60,000	20,000	20,000	138,000
65 Fiber Optic Projects		160,000	200,000	195,000	200,000	200,000	955,000
66 Distribution Transformers		650,000	675,000	700,000	725,000	750,000	3,500,000
67 Overhead to Underground Conversion		325,000	350,000	375,000	400,000	425,000	1,875,000
68 Pole Replacements		42,000	45,000	47,000	50,000	55,000	239,000
69 Upgrades Due to Electrification		30,000	60,000	100,000	150,000	250,000	590,000
70 Survey GPS Replacement		-	40,000	-	-	-	40,000
71 Dual Sensor Drone		20,000	-	-	-	-	20,000
72 GIS Utility Network Implementation	80,000	40,000	40,000	-	-	-	80,000
73 Service Territory Payments		335,615	291,985	309,504	290,934	349,121	1,577,159
74 Service Territory Payments - SMMPA Reimbursement		(164,852)	(145,993)	(154,752)	(145,467)	(174,561)	(785,625)
75 Designer XI Implementation		90,000	-	-	-	-	90,000
76 Responder Grid Ops Implementation		-	90,000	-	-	-	90,000
77 Total Core Services	53,313,552	35,206,519	14,215,219	12,173,203	13,086,320	18,571,381	93,252,642

**Rochester Public Utilities
Electric Utility
2023 - 2027 Capital Improvement Plan**

		Multi-Year Project Total	2023	2024	2025	2026	2027	5-Yr Total
78	Corporate Services							
79	Racking Replacement in Stockyard		20,000	20,000	20,000	20,000	20,000	100,000
80	Change Management Tool		25,000	-	-	-	-	25,000
81	NSX Implementation	142,000	42,000	100,000	-	-	-	142,000
82	Business Intelligence/Reporting		45,000	45,000	45,000	45,000	45,000	225,000
83	PRI to SIP		50,000	-	-	-	-	50,000
84	Core Switch Replacement		-	1,400,000	-	-	-	1,400,000
85	Allocation - Technology		657,000	604,000	497,000	707,000	737,000	3,202,000
86	Network Management		132,000	202,000	110,000	110,000	110,000	664,000
87	Output Management		16,000	16,000	16,000	16,000	16,000	80,000
88	Server Management		261,000	61,000	61,000	196,000	61,000	640,000
89	Workstation Management		138,000	145,000	145,000	145,000	145,000	718,000
90	Backup/DR		50,000	-	35,000	-	150,000	235,000
91	Storage Management		-	-	-	-	175,000	175,000
92	Operation Technology		60,000	180,000	130,000	240,000	80,000	690,000
93	Total Corporate Services	142,000	839,000	2,169,000	562,000	772,000	802,000	5,144,000
94	Power Resources							
95	Hydro Controls and Electrical Upgrade	900,000	300,000	200,000	200,000	200,000	-	900,000
96	Allocation - Power Resources		100,000	375,000	495,000	925,000	1,025,000	2,920,000
97	A-Wing Renovation	789,476	432,340	176,800	180,336	-	-	789,476
98	UPS Replacement Program-Unit 1		113,709	-	-	-	-	113,709
99	Allocation - Facilities		30,000	30,000	30,000	30,000	30,000	150,000
100	Underground Equipment Trailer		50,760	-	-	-	-	50,760
101	Allocation - Fleet		800,880	870,252	830,208	761,400	873,072	4,135,812
102	Total Power Resources	1,689,476	1,827,689	1,652,052	1,735,544	1,916,400	1,928,072	9,059,757
103	General Management							
104	Project Contingency Fund		700,000	700,000	700,000	700,000	700,000	3,500,000
105	Total General Management	-	700,000	700,000	700,000	700,000	700,000	3,500,000
106	Total External Expenditures	55,145,028	38,573,208	18,736,271	15,170,747	16,474,720	22,001,453	110,956,399
107	Less: Bonding		(65,472)	(1,914,224)	(4,542,104)	(4,240,198)	(865,343)	(11,627,341)
108	Less: Contributions in Aid of Construction	(31,752,884)	(17,199,722)	(7,373,000)	(627,000)	(355,000)	(6,755,000)	(32,309,722)
109	Net Capital External Expenditures (Rate Funded)	23,392,144	21,308,014	9,449,047	10,001,643	11,879,522	14,381,110	67,019,336
110	Total Internal Expenditures (Capital Labor)		4,973,884	7,343,198	4,432,358	4,692,983	6,883,321	28,325,744
111	Net Capital Expenditures	23,392,144	26,281,898	16,792,245	14,434,001	16,572,505	21,264,431	95,345,080

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SECTION XIII

Rochester Public Utilities

Water Utility

Operating Budget

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**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 OPERATING BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Assumptions	1
Forecast by Year 2022 through 2027	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 OPERATING BUDGET**

ASSUMPTIONS

- Interest Earnings Rate: 1.25%
- Average Salary Expense Change: 2.4%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Change in Full-time Equivalents: 0
- Minimum Cash Reserve Requirement: Current policy amount \$7,367,400

RETAIL REVENUES / SALES

- Revenue Adjustment: 5.0% proposed general rate increase
- Water CCF Sales Forecast 3.0% Increase from 2022 Year End Projected Sales
- Total Water Utility Customers 1.0% Increase over Year End 2022 Projected Customers
- Forecast Assumes Normal Weather : 538 Cooling Degree Days
27.85 Inches Summer Rainfall

OTHER ITEMS

- In Lieu of Tax forecast increasing \$28,320 to a total of \$438,287

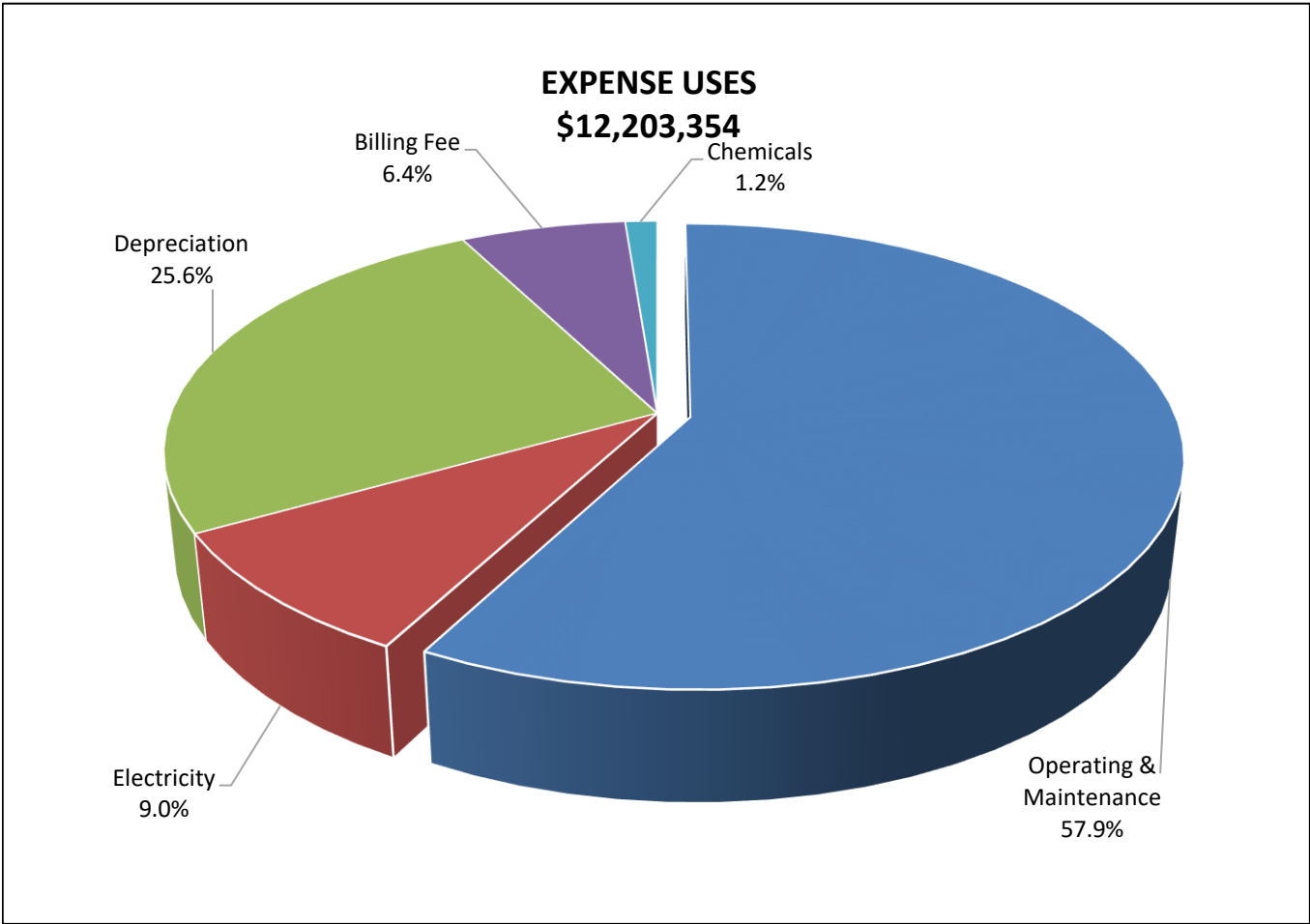
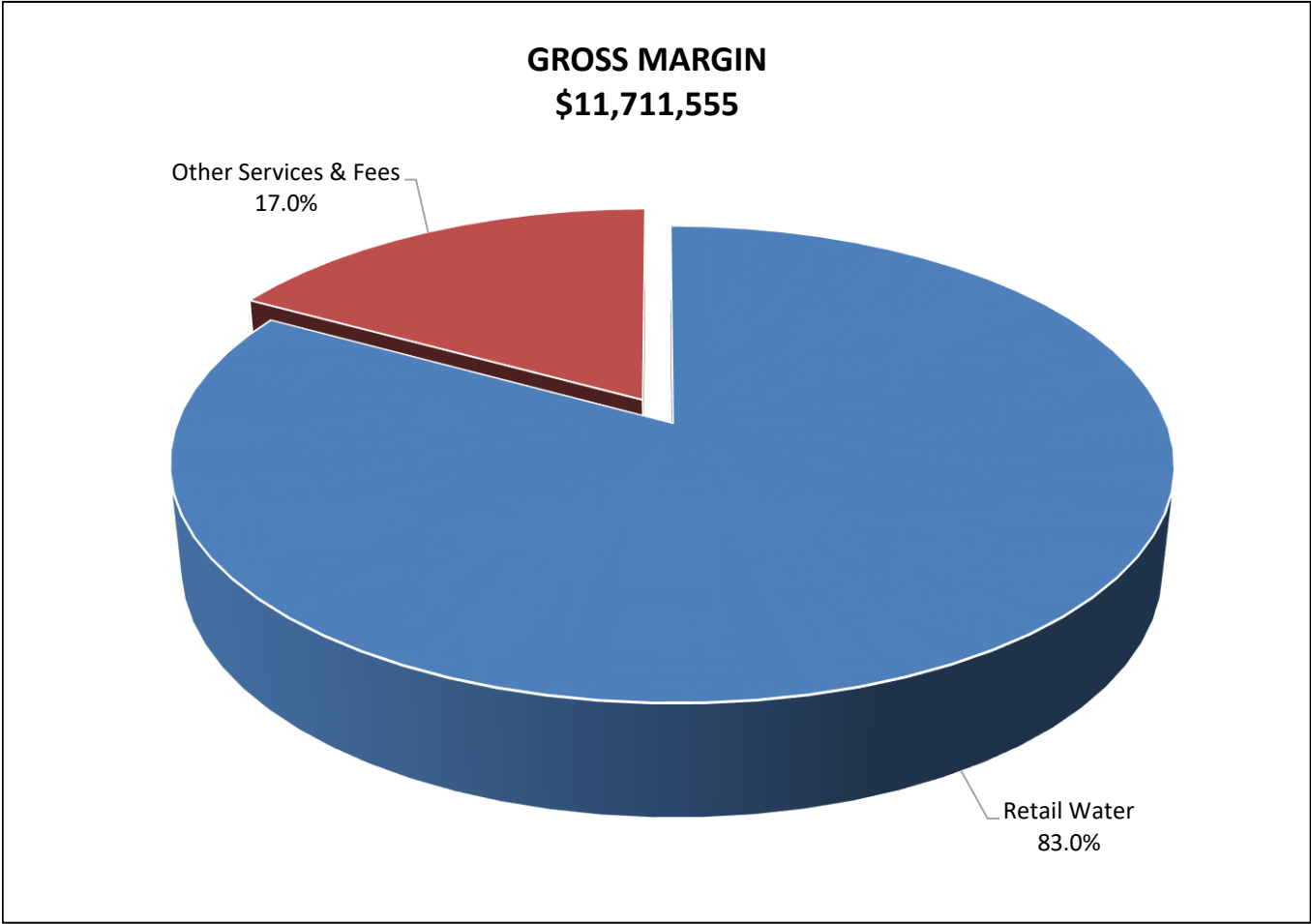
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

in 000's		Historical Data		2022 F2	2023	2024	2025	2026	2027
		2020	2021	2022 F2	2023	2024	2025	2026	2027
	RPU Rate Increase	3.5%	0.0%	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
1	Revenue								
2	Retail Water	\$10,665	\$11,064	\$11,048	\$11,746	\$12,478	\$13,205	\$14,022	\$14,753
3	Other Services & Fees	\$1,423	\$1,543	\$1,932	\$1,989	\$2,022	\$2,055	\$2,089	\$2,123
4	Total Revenue	\$12,088	\$12,607	\$12,980	\$13,734	\$14,501	\$15,260	\$16,111	\$16,875
5	Cost of Revenue								
6	Water Supply	\$1,758	\$2,002	\$2,059	\$2,023	\$2,053	\$2,066	\$2,087	\$2,091
7	Total Cost of Revenue	\$1,758	\$2,002	\$2,059	\$2,023	\$2,053	\$2,066	\$2,087	\$2,091
8	Gross Margin								
9	Retail Water	\$8,908	\$9,062	\$8,988	\$9,723	\$10,425	\$11,139	\$11,935	\$12,662
10	Other Services & Fees	\$1,423	\$1,543	\$1,932	\$1,989	\$2,022	\$2,055	\$2,089	\$2,123
11	TOTAL GROSS MARGIN	\$10,331	\$10,605	\$10,920	\$11,712	\$12,448	\$13,195	\$14,024	\$14,784
12	Controllable Costs								
13	Salaries & Benefits	\$3,065	\$3,197	\$3,213	\$3,493	\$3,598	\$3,855	\$4,005	\$4,285
14	Other Operating Expenses	\$1,145	\$1,329	\$1,231	\$1,360	\$1,368	\$1,406	\$1,445	\$1,485
15	Major Maintenance	\$521	\$225	\$972	\$705	\$567	\$670	\$939	\$824
16	Non-Bonded Capital Projects	\$2,441	\$4,088	\$4,592	\$4,966	\$6,960	\$5,931	\$5,021	\$5,910
17	TOTAL CONTROLLABLE COSTS	\$7,172	\$8,840	\$10,009	\$10,524	\$12,493	\$11,863	\$11,410	\$12,503
18	Depreciation & Amortization	\$2,745	\$2,785	\$2,965	\$3,121	\$3,213	\$3,286	\$3,409	\$3,533
19	Less Non Bonded Projects (capitalized)	(\$2,441)	(\$4,088)	(\$4,592)	(\$4,966)	(\$6,960)	(\$5,931)	(\$5,021)	(\$5,910)
20	Less Total Internal Costs (capitalized)	(\$426)	(\$398)	(\$383)	(\$482)	(\$357)	(\$350)	(\$388)	(\$338)
21	Interutility Allocation	\$1,737	\$1,876	\$1,872	\$1,983	\$2,023	\$2,063	\$2,104	\$2,146
22	Total Operating Expenses	\$8,788	\$9,014	\$9,870	\$10,181	\$10,411	\$10,930	\$11,513	\$11,934
23	Net Operating Income (Loss)	\$1,543	\$1,591	\$1,050	\$1,531	\$2,036	\$2,265	\$2,511	\$2,851
24	Financing & Other Non-Operating Items:								
25	Bond & Interest Related Expenses	(\$1)	-	-	-	-	-	-	-
26	Interest Income	\$223	\$196	\$170	\$143	\$141	\$141	\$141	\$150
27	Misc Non-Operating Income (Expense)	(\$5)	(\$126)	-	-	-	-	-	-
28	Total Financing & Non-Operating Items	\$218	\$70	\$170	\$143	\$141	\$141	\$141	\$150
29	Income Before Transfers or Capital Contributions	\$1,761	\$1,660	\$1,220	\$1,674	\$2,177	\$2,405	\$2,652	\$3,001
30	Transfers (In Lieu of Taxes)	(\$385)	(\$407)	(\$410)	(\$438)	(\$471)	(\$492)	(\$509)	(\$516)
31	Capital Contributions	\$1,283	\$3,160	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100
32	Cash Transfers from City/Intercompany	-	\$540	\$156	\$530	\$2,500	\$1,000	-	\$1,575
33	NET INCOME	\$2,660	\$4,953	\$2,067	\$2,866	\$5,306	\$4,013	\$3,243	\$5,160
34	NET INCOME (Excluding Contrib & Cash Tfrs from City)			\$811	\$1,236	\$1,706	\$1,913	\$2,143	\$2,485
35	TARGET NET INCOME			\$ 5,159	\$ 5,370	\$ 6,992	\$ 7,253	\$ 7,490	\$ 7,760
36	Excess (Deficit) from Target			\$ (4,349)	\$ (4,134)	\$ (5,286)	\$ (5,340)	\$ (5,347)	\$ (5,274)
37	1/01 Cash Balance	\$ 11,975	\$ 12,903	\$ 12,903	\$ 11,825	\$ 11,264	\$ 11,366	\$ 11,283	\$ 11,426
38	Change in Net Assets		4,953	2,067	2,866	5,306	4,013	3,243	5,160
39	Depreciation & Amortization		2,785	2,965	3,121	3,213	3,286	3,409	3,533
40	Capital Additions		(4,486)	(4,975)	(5,448)	(7,318)	(6,282)	(5,410)	(6,248)
41	Non-Cash Contributions		(3,160)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)
42	Debt Principal Payments		-	-	-	-	-	-	-
43	Debt Proceeds		-	-	-	-	-	-	-
44	Net Change in Other Assets/Liabilities		836	(34)	-	-	-	-	-
45	Net Changes in Cash		928	(1,078)	(561)	102	(83)	143	1,345
46	12/31 Cash Balance	\$ 12,903	\$ 11,825	\$ 11,825	\$ 11,264	\$ 11,366	\$ 11,283	\$ 11,426	\$ 12,771
47	Mimumum Cash Reserve	\$ 8,529	\$ 6,474	\$ 6,474	\$ 7,367	\$ 7,280	\$ 7,136	\$ 6,983	\$ 6,966
48	Excess (Deficit) from Mimumum Cash Reserve	\$ 4,374	\$ 5,351	\$ 5,351	\$ 3,897	\$ 4,086	\$ 4,147	\$ 4,443	\$ 5,805

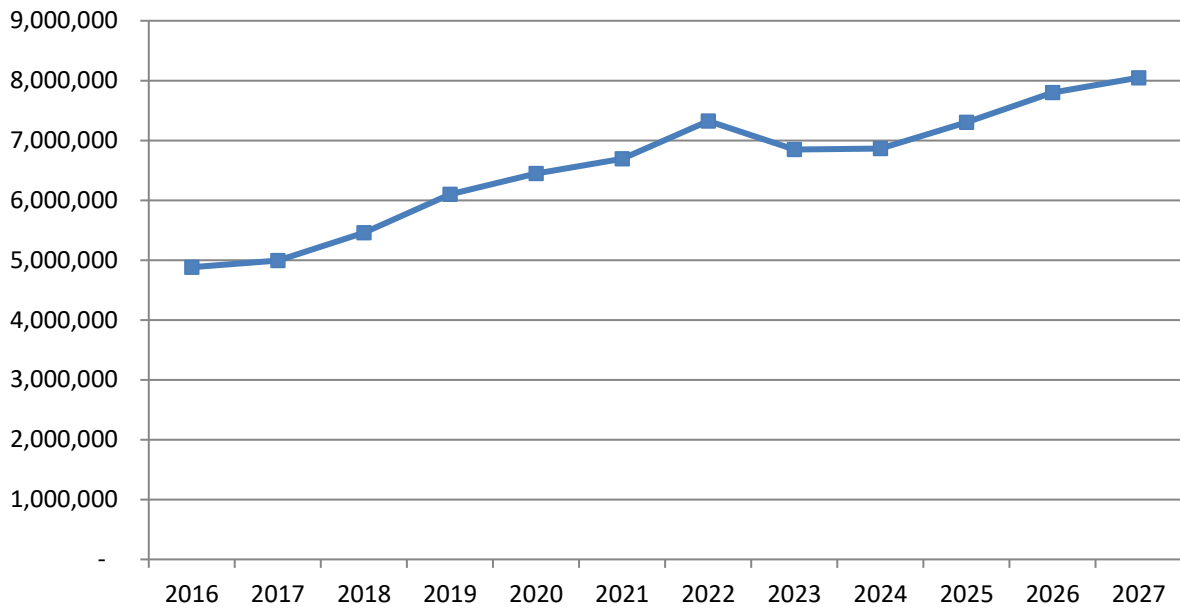
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data		2022		2023		Variance	%	
	2020	2021	Orig Bdgt	2022 F2	2023	Orig Bdgt	2022 to Orig Bdgt	Variance	
in 000's									
1	Revenue								
2	Retail Water	\$10,665	\$11,064	\$10,854	\$11,048	\$11,746	\$11,653	\$93	0.8%
3	Other Services & Fees	\$1,423	\$1,543	\$1,959	\$1,932	\$1,989	\$1,991	(\$2)	-0.1%
4	Total Revenue	\$12,088	\$12,607	\$12,812	\$12,980	\$13,734	\$13,643	\$91	0.7%
5	Cost of Revenue								
6	Water Supply	\$1,758	\$2,002	\$1,847	\$2,059	\$2,023	\$1,889	\$134	7.1%
7	Total Cost of Revenue	\$1,758	\$2,002	\$1,847	\$2,059	\$2,023	\$1,889	\$134	7.1%
8	Gross Margin								
9	Retail Water	\$8,908	\$9,062	\$9,007	\$8,988	\$9,723	\$9,764	(\$41)	-0.4%
10	Other Services & Fees	\$1,423	\$1,543	\$1,959	\$1,932	\$1,989	\$1,991	(\$2)	-0.1%
11	TOTAL GROSS MARGIN	\$10,331	\$10,605	\$10,965	\$10,920	\$11,712	\$11,754	(\$43)	-0.4%
12	Controllable Costs								
13	Salaries & Benefits	\$3,065	\$3,197	\$3,364	\$3,213	\$3,493	\$3,631	(\$138)	-3.8%
14	Other Operating Expenses	\$1,145	\$1,329	\$1,317	\$1,231	\$1,360	\$1,321	\$39	2.9%
15	Major Maintenance	\$521	\$225	\$1,015	\$972	\$705	\$686	\$19	2.8%
16	Non-Bonded Capital Projects	\$2,441	\$4,088	\$4,878	\$4,592	\$4,966	\$7,435	(\$2,469)	-33.2%
17	TOTAL CONTROLLABLE COSTS	\$7,172	\$8,840	\$10,575	\$10,009	\$10,524	\$13,073	(\$2,549)	-19.5%
18	Depreciation & Amortization	\$2,745	\$2,785	\$2,968	\$2,965	\$3,121	\$3,077	\$44	1.4%
19	Less Non Bonded Projects (capitalized)	(\$2,441)	(\$4,088)	(\$4,878)	(\$4,592)	(\$4,966)	(\$7,435)	\$2,469	-33.2%
20	Less Total Internal Costs (capitalized)	(\$426)	(\$398)	(\$391)	(\$383)	(\$482)	(\$301)	(\$180)	59.7%
21	Interutility Allocation	\$1,737	\$1,876	\$1,862	\$1,872	\$1,983	\$1,899	\$84	4.4%
22	Total Operating Expenses	\$8,788	\$9,014	\$10,136	\$9,870	\$10,181	\$10,313	(\$132)	-1.3%
23	Net Operating Income (Loss)	\$1,543	\$1,591	\$830	\$1,050	\$1,531	\$1,442	\$89	6.2%
24	Financing & Other Non-Operating Items:								
25	Bond & Interest Related Expenses	(\$1)	-	-	-	-	-	-	0.0%
26	Interest Income	\$223	\$196	\$200	\$170	\$143	\$206	(\$62)	-30.3%
27	Misc Non-Operating Income (Expense)	(\$5)	(\$126)	-	-	-	-	-	0.0%
28	Total Financing & Non-Operating Items	\$218	\$70	\$200	\$170	\$143	\$206	(\$62)	-30.3%
29	Income Before Transfers or Capital Contributions	\$1,761	\$1,660	\$1,030	\$1,220	\$1,674	\$1,647	\$27	1.6%
30	Transfers (In Lieu of Taxes)	(\$385)	(\$407)	(\$369)	(\$410)	(\$438)	(\$379)	(\$59)	15.6%
31	Capital Contributions	\$1,283	\$3,160	\$1,105	\$1,100	\$1,100	\$1,100	-	0.0%
32	Cash Transfers from City	-	\$540	\$85	\$156	\$530	\$4,010	(\$3,480)	-86.8%
33	NET INCOME	\$2,660	\$4,953	\$1,851	\$2,067	\$2,866	\$6,378	(\$32)	-0.5%
34	1/01 Cash Balance	\$ 11,975	\$ 11,283	\$ 12,903	\$ 11,825	\$ 11,194	\$ 631	\$ 631	5.6%
35	Change in Net Assets		4,953	1,851	2,067	2,866	6,378	(3,512)	-55.1%
36	Depreciation & Amortization		2,785	2,968	2,965	3,121	3,077	44	1.4%
37	Capital Additions/Service Territory Comp		(4,486)	(5,269)	(4,975)	(5,448)	(7,881)	2,433	-30.9%
38	Non-Cash Contributions		(3,160)	(1,105)	(1,100)	(1,100)	(1,100)	-	0.0%
39	Debt Principal Payments		-	-	-	-	-	-	0.0%
40	Debt Proceeds		-	-	-	-	12,150	(12,150)	-100.0%
41	Net Change in Other Assets/Liabilities		836	1,467	(34)	-	(11,953)	11,953	-100.0%
42	Net Changes in Cash		928	(88)	(1,078)	(561)	672	(1,232)	-183.5%
43	12/31 Cash Balance	\$ 12,903	\$ 11,994	\$ 11,825	\$ 11,264	\$ 11,866	\$ (601)	\$ (601)	-5.1%
44	Mimumum Cash Reserve	\$ 8,529	\$ 6,474	\$ 6,474	\$ 7,367	\$ 6,449	\$ 919	\$ 919	14.2%
45	Excess (Deficit) from Mimumum Cash Reserve	\$ 4,374	\$ 5,520	\$ 5,351	\$ 3,897	\$ 5,417	\$ (1,520)	\$ (1,520)	-28.1%

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 OPERATING BUDGET**



Water Operating Expenditures



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

	2022 F2	2023	2024	2025	2026	2027
1 CCF Pumped	5,779,565	5,972,755	6,036,057	6,060,581	6,128,464	6,092,549
2 % Change	-6.9%	3.3%	1.1%	0.4%	1.1%	-0.6%
3 Retail CCF	5,730,606	5,903,718	5,981,828	6,015,623	6,092,645	6,056,357
4 % Change	-3.2%	3.0%	1.3%	0.6%	1.3%	-0.6%
5 Number of Customers						
6 Residential	37,975	38,331	38,687	39,043	39,399	39,755
7 Commercial	3,820	3,883	3,935	3,988	4,042	4,098
8 Industrial	23	23	23	23	23	23
9 Interdepartmental	1	1	1	1	1	1
10 Total Customers	41,819	42,238	42,646	43,055	43,465	43,877
11 % Change	1.5%	1.0%	1.0%	1.0%	1.0%	0.9%

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Rochester Public Utilities

Water Utility

Capital Improvement & Major Maintenance Budget

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**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 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
2023 - 2027 Major Maintenance Plan**

		Multiple-Year					
		Project Total					
		2023	2024	2025	2026	2027	5-Yr Total
1	Core Services						
2	Municipal Well Abandonment	50,000	-	-	-	-	50,000
3	Service Assured-Water	212,885	294,200	302,600	311,300	320,300	1,441,285
4	Allocation - Water Distribution System Maintenance	295,000	150,000	200,000	500,000	375,000	1,520,000
5	Water Storage Facility Painting	<i>295,000</i>	<i>150,000</i>	<i>200,000</i>	<i>500,000</i>	<i>375,000</i>	<i>1,520,000</i>
6	Water Cost-of-Service/Rate Design Study	-	-	45,000	-	-	45,000
7	Operating Contingency Fund	85,000	90,000	90,000	95,000	95,000	455,000
8	Total Core Services	-	642,885	534,200	637,600	906,300	790,300
9	Compliance and Public Affairs						
10	Old Municipal Wells Sealing	30,000	-	-	-	-	30,000
11	Water Quality Data Management	12,000	12,360	12,730	13,112	13,500	63,702
12	Total Compliance and Public Affairs	-	42,000	12,360	12,730	13,112	13,500
13	Power Resources						
14	Allocation - RPU Water Facilities	20,000	20,000	20,000	20,000	20,000	100,000
15	Total Power Resources	-	20,000	20,000	20,000	20,000	100,000
16	Total Major Maintenance Plan - External Expenditures	-	704,885	566,560	670,330	939,412	823,800

**Rochester Public Utilities
Water Utility
2023 - 2027 Capital Improvement Plan**

		Multi-Year Project Total	2023	2024	2025	2026	2027	5-Yr Total
1	Core Services							
2	Well & Booster Station Metering		10,000	11,000	11,000	-	-	32,000
3	Chlorine Sensor Replacement		24,633	-	-	-	-	24,633
4	Install New AC Units at Wells & Boosters		37,300	38,600	39,700	40,800	41,900	198,300
5	Water PLC		24,000	24,000	24,000	24,000	24,000	120,000
6	Meter ERT Replacement		510,000	510,000	510,000	510,000	510,000	2,550,000
7	Water Meter Replacements		690,000	690,000	690,000	690,000	690,000	3,450,000
8	Allocation - Water Distribution System Replacement		157,150	116,925	182,700	124,475	186,250	767,500
9	Replacement of Pumping Units		120,000	60,000	120,000	60,000	120,000	480,000
10	Well Motor Replacements		17,500	18,000	18,500	19,000	19,500	92,500
11	Installation of Variable Frequency Drive Units		19,650	15,225	19,800	20,375	20,950	96,000
12	Replacement of Booster Pumps		-	23,700	24,400	25,100	25,800	99,000
13	Allocation - Water Metering/AMR		290,160	200,500	180,800	160,500	139,600	971,560
14	Alloc - Residential Water Metering/AMR		158,400	137,400	115,800	93,500	70,600	575,700
15	Alloc - Commercial Water Metering/AMR		131,760	63,100	65,000	67,000	69,000	395,860
16	New Wells		280,000	135,000	395,000	850,000	150,000	1,810,000
17	Water Utility Contingency Fund		180,000	180,000	180,000	185,000	185,000	910,000
18	New Marion L 1.0MG Reservoir		-	-	-	-	1,575,000	1,575,000
19	1.0MG Baihly High Level Tower	4,030,000	530,000	2,500,000	1,000,000	-	-	4,030,000
20	DMC - Discovery Walk		200,000	-	-	-	-	200,000
21	DMC - Broadway N, Zumbro River Bridge N to Elton Hills Dr		-	400,000	200,000	-	-	600,000
22	DMC - 6th St SE Bridge Construction		-	-	-	210,000	-	210,000
23	DMC - 3rd Ave SW - 2nd St SW to 4th St SW		-	200,000	-	-	-	200,000
24	DMC - Rochester Rapid Transit 2nd St SW Recon		-	880,000	200,000	-	-	1,080,000
25	Willow Heights High Level Booster Station		100,000	-	-	-	-	100,000
26	Center St to 11th Ave NE		-	-	690,000	-	-	690,000
27	Center St to 16th Ave NW		-	-	-	600,000	-	600,000
28	Marion Rd Duct Project		665,000	-	-	-	-	665,000
29	Scenic Oaks Pressure Transient		100,000	-	-	-	-	100,000
30	Allocation - Water Distribution System Expansion		915,000	950,000	1,335,000	1,350,000	2,238,525	6,788,525
31	T&D City Projects		365,000	200,000	385,000	200,000	888,525	2,038,525
32	T&D Developer Projects		150,000	150,000	150,000	150,000	150,000	750,000
33	T&D RPU Projects		400,000	600,000	800,000	1,000,000	1,200,000	4,000,000
34	Total Core Services	4,030,000	4,713,243	6,836,025	5,638,200	4,744,775	5,740,275	27,672,518
36	Well #16 Conversion		50,000	-	-	-	-	50,000
37	Total Compliance & Public Affairs	-	50,000	-	-	-	-	50,000
38	Power Resources							
39	Water Pickup Truck		67,680	-	-	-	-	67,680
40	Allocation - Fleet		135,360	124,080	293,280	276,360	169,499	998,579
41	Total Power Resources	-	203,040	124,080	293,280	276,360	169,499	1,066,259
42	Total External Expenditures	4,030,000	4,966,283	6,960,105	5,931,480	5,021,135	5,909,774	28,788,777
43	Total Internal Expenditures		481,521	357,452	350,417	388,475	338,372	1,916,237
44	Total Contributed Assets		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000
45	Less: Water Accessibility Funds	(4,030,000)	(530,000)	(2,500,000)	(1,000,000)	-	(1,575,000)	(5,605,000)
46	Less: Bond Funded		-	-	-	-	-	-
47	Net Capital Expenditures	-	6,017,804	5,917,557	6,381,897	6,509,610	5,773,146	30,600,014



SECTION XIIV

Rochester Public Utilities Personnel Budget

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**ROCHESTER PUBLIC UTILITIES
2023 PERSONNEL BUDGET**

INDEX

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

**ROCHESTER PUBLIC UTILITIES
2023 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>
2023	101,811(1)	163,667,168(1)	211(2)	483	775,674
2022	100,609(1)	160,731,438(1)	211(2)	477	761,760
2021	99,386	157,782,929	208	478	758,572
2020	98,503	154,640,308	207	476	747,055
2019	96,849	157,899,357	203	477	777,829

NOTES: Numbers include combined water and electric utilities.

For Electric Utilities, APPA 2019 Retail Customers per Non-Power-Generation Employee for customer size class of 50K-100K customers, is 324. RPU comparison using this criteria and 2021 data is 359.

(1) Forecasted

(2) Staff changes:

No potential reclassifications in 2023
Adding no new positions in 2023

**ROCHESTER PUBLIC UTILITIES
2023 PERSONNEL BUDGET
Regular and Temporary Staffing
Total Costs**

<u>Year</u>	<u>2022 Original budget</u>	<u>2022 Projected</u>	<u>2023 Estimated</u>	<u>Difference 2022 original to 2023</u>	<u>% Change</u>
Regular Employees	\$30,333,271	\$28,730,215	\$30,133,171	-\$200,100	-0.7%
Limited-Term Employees	\$162,918	\$173,310	\$174,561	\$11,643	7.1%
Temporary/Contract Labor	<u>\$730,025</u>	<u>\$618,239</u>	<u>\$493,390</u>	<u>-\$236,635</u>	<u>-32.4%</u>
Total	\$31,226,214	\$29,521,764	\$30,801,122	-\$425,092	-1.4%

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 Supplemental Data Capital/Operating Budgets

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**ROCHESTER PUBLIC UTILITIES
2023 SUPPLEMENTAL DATA
CAPITAL / OPERATING BUDGETS**

INDEX

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

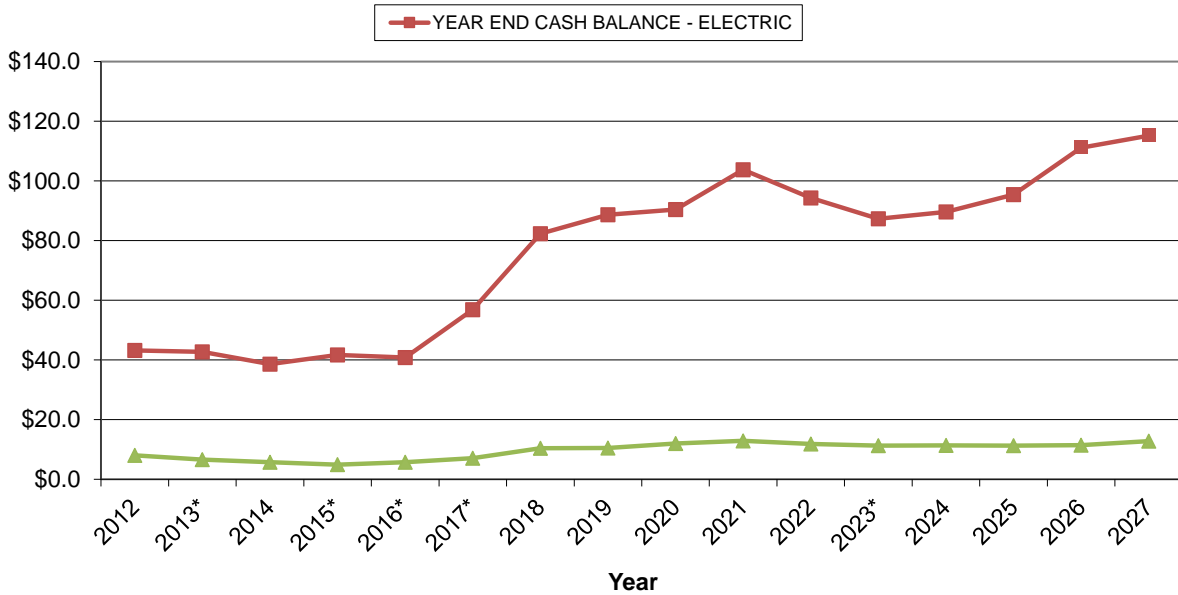
**ROCHESTER PUBLIC UTILITIES
2023 CAPITAL / OPERATING BUDGETS
ELECTRIC AND WATER REVENUE CHANGE
VERSUS INFLATION**

<u>Year</u>	<u>Inflation %</u>	<u>Electric Rates %</u>	<u>Water Rates %</u>	<u>SMMPA Rates %</u>
2022*	6.4%	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%
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%
10-Year Annualized Average	2.3%	1.7%	3.5%	0.4%
2023*		2.5%	5.0%	0.0%

*Estimated Yearly Values

**ROCHESTER PUBLIC UTILITIES
2023 CAPITAL/OPERATING BUDGETS
YEAR END CASH BALANCES**

**Year End Cash Balances
(2012-2021 Actual, 2022-2027 Projected)**



(Millions of Dollars)

<u>Year</u>	<u>YEAR END CASH BALANCE - ELECTRIC</u>	<u>YEAR END REMAINING DEBT PROCEEDS ELECTRIC</u>	<u>YEAR END CASH BALANCE - WATER</u>	<u>YEAR END REMAINING DEBT PROCEEDS WATER</u>
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	82.3		10.4	
2019	88.7		10.5	
2020	90.4		12.0	
2021	103.8		12.9	
2022	94.3		11.8	
2023*	87.3	11.6	11.3	
2024	89.6	9.6	11.4	
2025	95.4	5.1	11.3	
2026	111.2	0.9	11.4	
2027	115.2	-	12.8	

* 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 proposed future debt financings in 2023 of \$13.6 million for the Electric Utility for AMI.

**ROCHESTER PUBLIC UTILITIES
2023 CAPITAL / OPERATING BUDGETS
RPU ESTIMATED TAX AND TAX EQUIVALENTS**

Utility Licenses, Permits & Penalties	305,345
Water Appropriation Fees	63,178
Payment to General Fund	
Electric	9,606,922
Water	<u>438,287</u>
Total	<u>10,045,209</u>
Sales Tax - Electric & Water	1,029,771
SMMPA Property Taxes (\$9,607,995 x 42%)	<u>4,035,358</u>
Total Tax & Tax Equivalents	<u><u>15,478,860</u></u>
Electric/Water Retail Sales	<u><u>163,667,168</u></u>
% of Electric/Water Retail Sales	9.5%