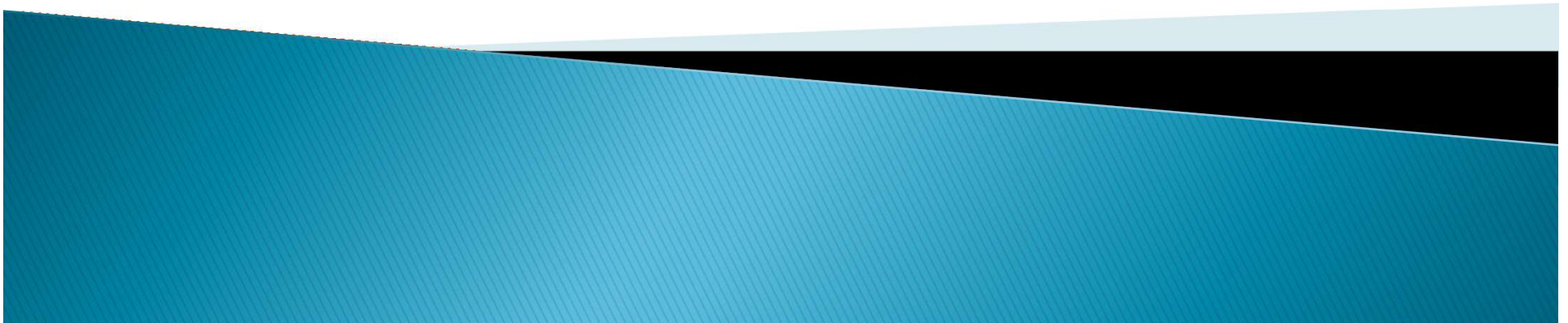




Overview of FY20 Proposed Budget April 4, 2019



FY2020 Budget Overview

Rates:

- ▶ NPU's FY2020 Budget proposes no rate increases in any of our utility services: natural gas, electric, water, or sewer.

Revenue:

- ▶ \$2.2 million increase revenue, driven largely by continued economic development

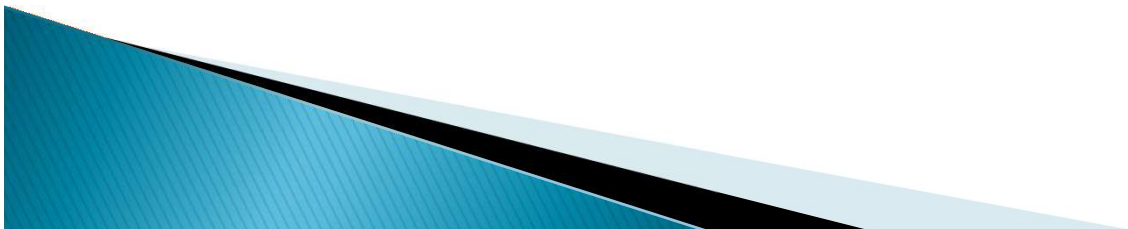
Payment to the City's General Fund:

- ▶ NPU's proposed FY2020 Budget includes a payment to the City's General Fund of \$8,860,667, an increase of \$385,095 over 2019



Budget Considerations

- ▶ Proactive investment in aging infrastructure
- ▶ Meeting or exceeding local, state and federal regulatory requirements
- ▶ Exceeding customer expectations for customer service and reliability
- ▶ Continuing to promote economic development in Norwich
- ▶ Deploying technology for the continued benefit of NPU and the City of Norwich



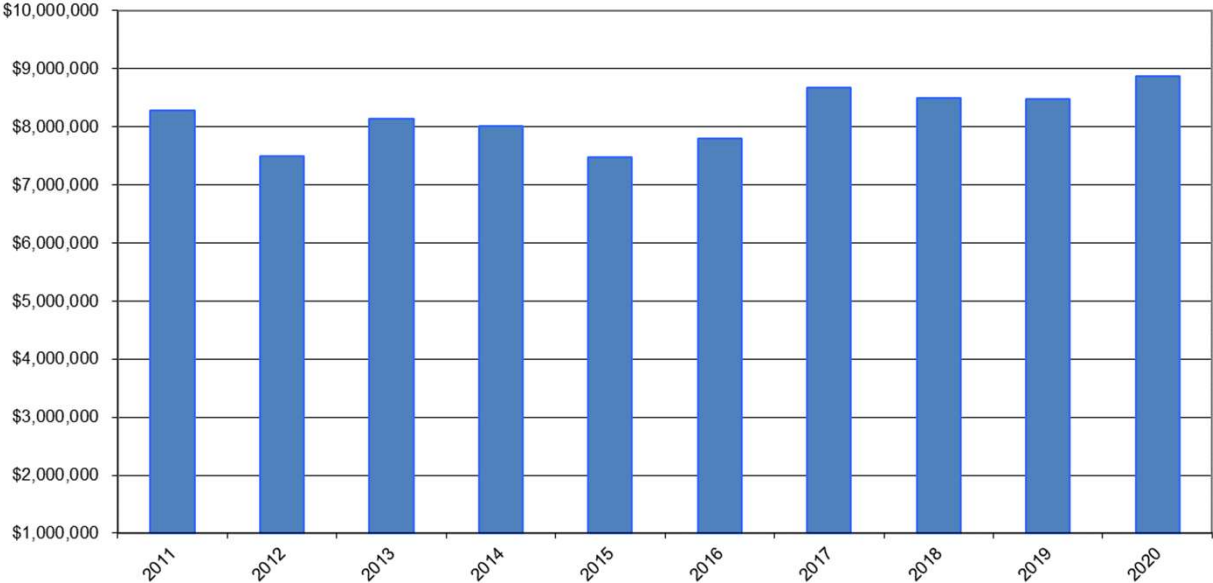
Revenue Generated for the City General Fund

FY18 Budget
\$8,475,572

FY19 Budget
\$8,860,667

- ▶ Revenue generated for the city reduces taxpayers' burden by 4.56 mills
 - \$444 annual tax savings for average single family home

Revenues Generated for the City General Fund
Ten Year History



Gas Revenue

<u>Revenues</u>	<u>FY19 Budget</u>	<u>FY20 Budget</u>
Sales & Other Revenues	\$19,808,099	\$21,291,803
Capital Tracker	<u>\$ 1,200,000</u>	<u>\$ 1,139,519</u>
Total	\$21,008,099	\$22,431,322

- ▶ Weather normalized sales
- ▶ Projected sales volume increase of 2.86%

- ▶ Other Operational Revenues

◦ Energy Efficiency	\$248K
◦ Penalties	\$192K
◦ CNG Sales	\$144K
◦ Gas Service	\$ 79K
◦ City Services	\$ 41K
◦ Miscellaneous	\$ 20K

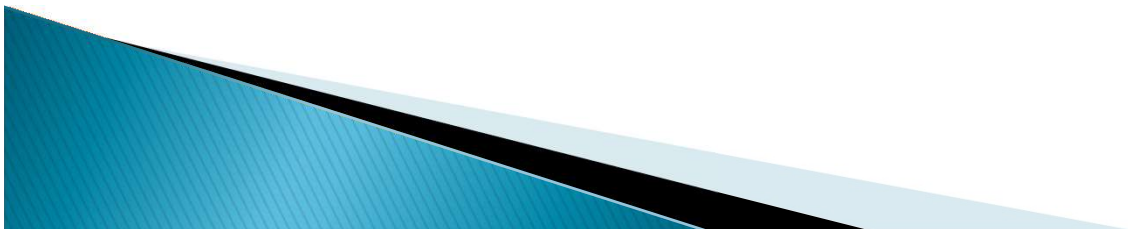


Electric Revenue

<u>Revenues</u>	<u>FY19 Budget</u>	<u>FY20 Budget</u>
Sales & Other Revenues	\$57,250,306	\$57,597,330
Capital Tracker	\$ 396,000	\$ 399,848
Total	\$57,646,306	\$57,997,178

- ▶ Weather normalized sales
- ▶ Projected sales volume increase of 0.76%

- ▶ Other Operational Revenue
 - Jet Turbine benefit \$1.401M
 - Penalties \$ 996K
 - Energy efficiency \$ 945K
 - Miscellaneous \$ 461K



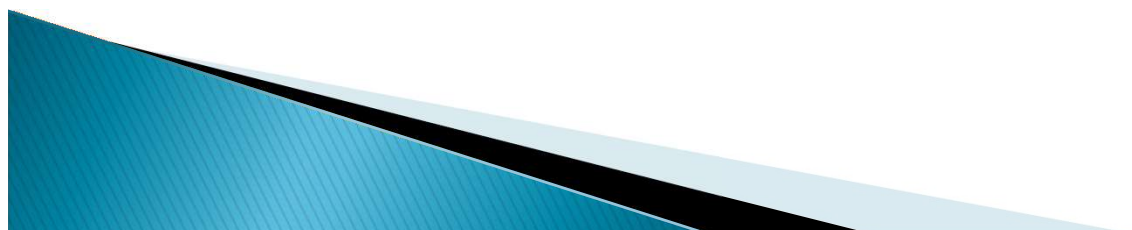
Water Revenue

<u>Revenues</u>	<u>FY19 Budget</u>	<u>FY20 Budget</u>
Sales & Other Revenues	\$ 9,929,849	\$10,123,914
Capital Tracker	\$ 1,355,000	\$ 1,361,341
Total	\$11,284,848	\$11,485,255

- ▶ Sales projections are based on historical averages and trends
- ▶ Includes modest growth

- ▶ Other Operational Revenues

◦ Sewer Meter Data	\$130K
◦ Cell Tower Leases	\$ 83K
◦ Pool Water Sales	\$ 54K
◦ Penalties	\$ 50K
◦ Miscellaneous	\$ 20K



Sewer Revenue

<u>Revenues</u>	<u>FY19 Budget</u>	<u>FY20 Budget</u>
Sales & Other Revenues	\$8,140,990	\$8,362,828
Capital Tracker	\$ 627,000	\$ 645,067
Total	\$8,767,990	\$9,007,896

- ▶ Sales projections are based on historical averages and trends
- ▶ Includes modest growth

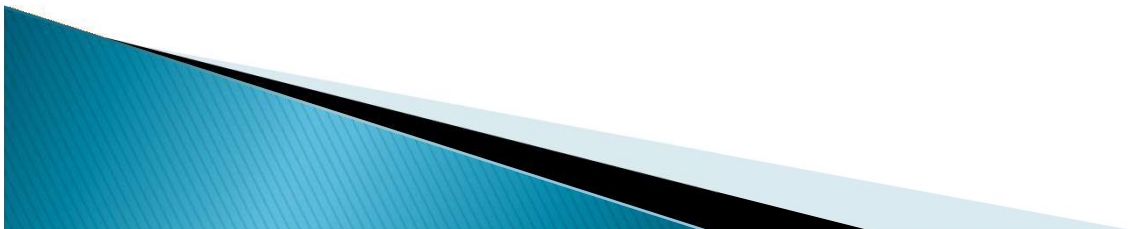
- ▶ Other Operational Revenues

- Penalties \$50K
- Septage receiving \$40K
- Miscellaneous \$10K



Additional NPU Economic Impact

▶ Energy assistance programs	\$1.1M
▶ Efficiency rebates/incentives (residential and commercial)	\$800K
▶ Additional annual revenues from natural gas expansion efforts	\$686K
Property taxes on two new gate stations	\$386,000
\$3 million in new natural gas revenue (10% to City)	\$300,000



Economic Development

- ▶ Renewable Energy
 - Hydro Benefit of 6,315 MWh \$514,000
 - Reduces customers power expenses
 - Enough generation for 888 homes per year

- ▶ LED streetlights \$350,000
 - annual savings for City going forward

- ▶ Norwich Community Development Corporation \$150,000

- ▶ Neighborhood Assistance Act \$150,000
 - tax credit contributions



Next Steps

- ▶ Ongoing discussion with NPU Commissioners
- ▶ Possible vote at NPU board meeting April 16th

