



BOZRAH LIGHT AND POWER
COMPANY

APPROVED
May 22, 2024

OPERATING AND CAPITAL
BUDGETS
2024/2025

BOZRAH LIGHT & POWER COMPANY

2024/20205 BUDGET

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Bozrah Light and Power Company

2024/2025 Proposed Draft Budget

April 24, 2024

The fiscal year 2024/2025 proposed budget for BL&P is presented with FY2022 and FY2023 actuals, FY2024 Approved Budget and FY2024 Projections .

Revenue Development

Revenues are developed using the historical sales data for the 12 months ended January 2024, applying rates in effect May 1st, 2024, including a combined Purchased Power Adjustment (PPA) and Transmission Cost Adjustment (TCA). The current proposed budget includes a PPA of \$.00052/kWh and no TCA. PPA/TCA adjustments reflect the difference between the base power costs included in the rates and the actual power costs charged. Periodic review of the PPA/TCA rate will be made during the year based on the wholesale market and adjusted as needed.

Revenues also include the Conservation and Load Management (CLM) charge of \$0.0025/kWh, which is unchanged.

Overall, FY2025 budget kWh usage is approximately 3% lower than last year's budget. Proposed budgeted electric revenues before interruptible pass-through of \$10.6m is 1.5% or \$157k higher than budgeted FY2024. The increase is the result of the rate increase and decreased kWh sales.

Power Costs

The purchased power cost included in the customer's retail rate is \$0.1158/kWh. This rate is based on the CMEEC March 2024 power cost forecast offset by anticipated CMEEC Margin returns. By the end of FY 2025 the BL&P balance in the CMEEC RSF is estimated to be \$4m which may be leveraged to manage changes in power costs for the residual customers.

Other Operating & Maintenance (O&M) Expenses

All Operations personnel regularly report to either the Bozrah or Groton Operations complex for dispatch to projects in Groton and/or BL&P service areas. In addition, vehicles are based at both the Bozrah and Groton Operation complex and are dispatched daily from that location to Groton and/or BL&P service areas. Vehicles owned by BL&P or GU will be available for use in either service area as needed. Ownership of all BL&P materials and supplies inventory stock items were transferred to GU during FY18 which allowed common streamlined procedures to be followed as stock as crews draw on stock to perform jobs. Groton Utilities will still maintain physical inventory at BL&P's warehouse.

Expenses are developed using historical information and adjusted for known changes. As all line operations personal are employees of Groton Utilities, and costs are allocated to Bozrah Light and Power, the Groton Utilities budget reflects the relevant charges to BL&P

for a full 4-linemen crew and a crew chief. Additional linemen, substation, and metering personnel time required to carry out operation and maintenance of the BL&P systems have been allocated to BL&P.

Operating & maintenance (O&M) expenses in the FY2025 budget of \$2.6m is \$253k or 10.9% higher than last year's budget. The main drivers are as follows:

- Labor O&M increased by \$112k or 14%
- Contract Tree Trimming increased by \$42k or 7%
- Substation Expense increased by \$25k or 22%
- Transportation Expense increased by \$12k or 20%
- Customer Care Services and Billing Expense increased by \$29k or 5%
- Finance Services, Insurance and Benefits increased by \$21k or 5%

Payment to The city of Groton

Return to the City remains at the established 1995 level of \$373,217.

Capital Projects

Anticipated Capital projects slated for completion during FY2025 is \$1.7m which will be funded by a combination of annual depreciation and \$1.2m receipts from financing. Projects include funding for normal purchases of transformers, stock and equipment, and computer enhancements needed to provide services to the existing customer base and potential new customers..

Non-Bonded Capital Projects of \$550k for

- Distribution - \$300k
- Substation - \$50k
- Others - \$200k

Bonded Capital Projects of \$1.2m for

- Distribution - \$367k
- Substation - \$722k
- Others - \$67k

Cash Flow

Net cash flow provided from Operations FY2025 including the capital project financing results is a decrease of \$1.5m that reduces the cash balance from \$5.1m to \$3.6m. Projected unrestricted FY2025 ending cash balance of \$3.6m is \$30k below the COSS recommended minimum balance.

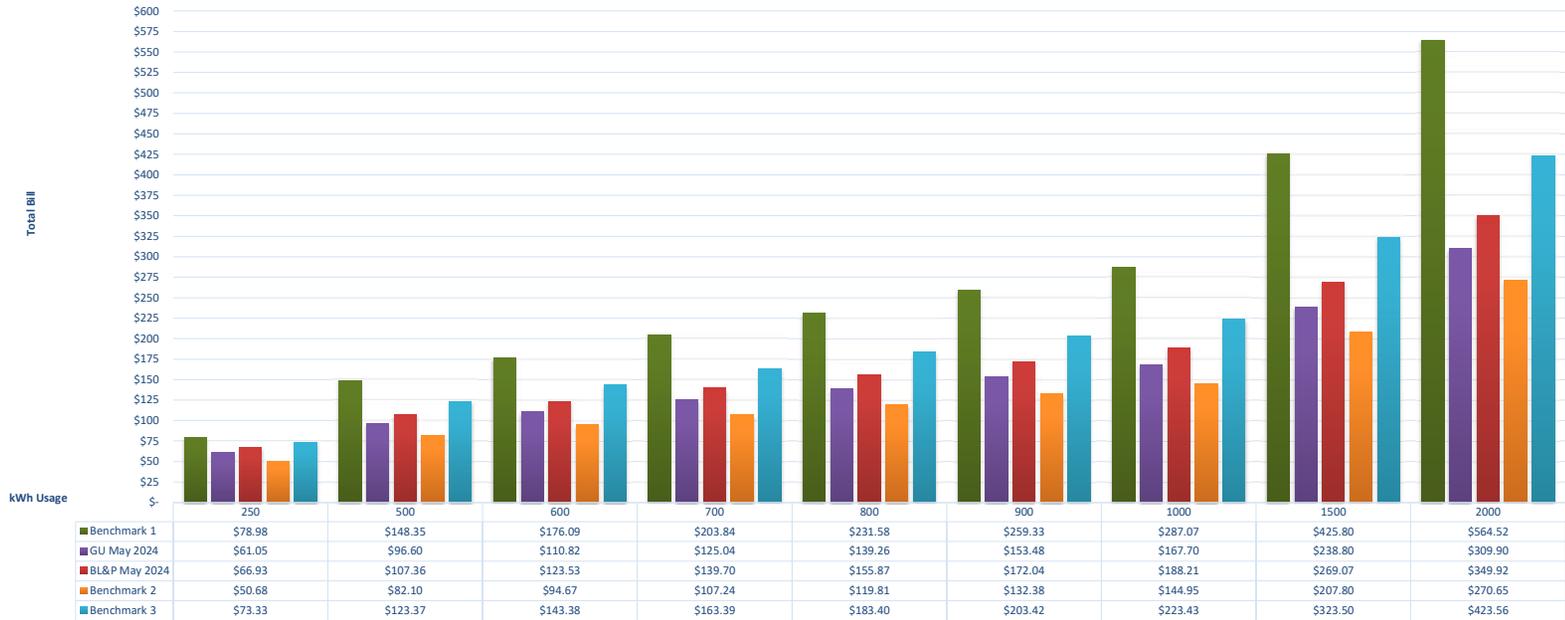
Rate Comparison

The BL&P average residential customer utility bills for 700 kWh will be 31% or \$61.14 below the Benchmark's current rates.

The proposed budget for FY 2025 will position BL&P to:

1. Continue to provide highly reliable and responsive service that the customers expect and at rates that are fair, competitive and viewed as providing value to the customer.
2. Allow for the efficient operation and maintenance of the electric distribution system
3. Continue to be compliant with NERC and other cyber security requirements.
4. Meet debt service requirements and fund growing infrastructure and technology needs.

**Bozrah Light & Power vs. Benchmark
Residential Bills
(various kWh usage levels)**



**BL&P will be 31% below Eversource on
05-1-2024 at 700kWh**

BOZRAH LIGHT & POWER REVENUES

	FY 2022 Actual	FY 2023 Actual	Approved FY 2024 Budget	FY 2024 Projected	Proposed FY 2025 Budget	Change FY25 to FY24 Budgets	
						\$	%
REVENUE:							
RESIDENTIAL	\$ 4,500,845	\$ 4,617,965	\$ 4,493,471	\$ 4,522,629	\$ 4,604,492	\$ 111,021	2.5%
COMMERCIAL	1,648,313	1,669,861	1,654,534	1,663,905	1,644,846	(9,688)	-0.6%
INDUSTRIAL	3,142,471	3,225,945	3,133,044	3,115,102	3,151,001	17,956	0.6%
SPECIAL CONTRACT DISTRIBUTION CHARGE	1,029,320	1,160,844	1,195,669	1,195,669	1,231,539	35,870	3.0%
STREET LIGHTING	26,067	27,132	27,090	27,345	28,659	1,569	5.8%
SUBTOTAL	\$ 10,347,015	\$ 10,701,746	\$ 10,503,808	\$ 10,524,651	\$ 10,660,537	\$ 156,728	1.5%
INTERRUPTIBLE PASS-THROUGH	14,399,068	16,460,806	14,301,524	10,989,074	11,344,254	(2,957,270)	-20.7%
TOTAL ELECTRIC REVENUE	\$ 24,746,083	\$ 27,162,552	\$ 24,805,333	\$ 21,513,724	\$ 22,004,791	\$ (2,800,542)	-11.3%
OTHER ELECTRIC REVENUE	40,484	47,404	40,545	39,558	39,300	(1,245)	-3.1%
TOTAL REVENUE	\$ 24,786,568	\$ 27,209,956	\$ 24,845,878	\$ 21,553,282	\$ 22,044,091	\$ (2,801,787)	-11.3%

REVENUE ASSUMPTIONS

- Electric Revenues for Proposed Budget FY 2024-2025 are based on 12 months actual consumption ended 1/31/2024
- FY2024-2025 budget PPA assigned is \$.00052/kWh

**BOZRAH LIGHT & POWER
FINANCIAL SUMMARY
BUDGET COMPARISON**

	FY 2022 Actual	FY 2023 Actual	Approved FY 2024 Budget	FY 2024 Projected	Proposed FY 2025 Budget	Change FY25 to FY24 Budgets	
						\$	%
TOTAL REVENUE	\$ 24,786,568	\$ 27,209,956	\$ 24,845,878	\$ 21,553,282	\$ 22,044,091	\$ (2,801,787)	-11.3%
EXPENSES:							
PURCHASED POWER FIRM	6,308,697	7,388,593	6,690,144	6,627,776	6,460,317	(229,827)	-3.4%
PURCHASED POWER INTERRUPTIBLE	14,399,068	16,460,806	14,301,524	10,989,074	11,344,254	(2,957,270)	-20.7%
OTHER OPERATING & MAINTENANCE EXPENSE	1,582,661	1,825,253	2,332,126	2,264,351	2,585,257	253,132	10.9%
CONSERVATION & LOAD MANAGEMENT	144,549	121,824	132,151	128,111	130,800	(1,351)	-1.0%
DEPRECIATION	630,829	646,647	677,531	662,127	689,744	12,213	1.8%
TAXES	253,034	251,231	266,500	263,114	265,000	(1,500)	-0.6%
PAYMENT IN LIEU OF TAXES (PILOT)	40,056	79,943	80,030	79,980	80,030	0	0.0%
TOTAL OPERATING EXPENSES	\$ 23,358,895	\$ 26,774,297	\$ 24,480,007	\$ 21,014,534	\$ 21,555,403	\$ (2,924,604)	-11.9%
OPERATING INCOME	\$ 1,427,673	\$ 435,660	\$ 365,871	\$ 538,748	\$ 488,688	\$ 122,817	33.6%
INTEREST & OTHER CHARGES							
OTHER INCOME & EXPENSE	(339)	(170,626)	(4,976)	(327,787)	(15,360)	(10,383)	208.6%
SUBSTATION LONG TERM DEBT INTEREST	19,042	17,038	25,933	25,933	32,574	6,641	25.6%
CAPITAL FINANCING LONG TERM DEBT INTEREST	38,951	180,903	170,201	170,201	156,776	(13,425)	-7.9%
TOTAL OTHER	\$ 57,653	\$ 27,315	\$ 191,158	\$ (131,653)	\$ 173,990	\$ (17,167)	-9.0%
NET INCOME BEFORE RETURN TO GROTON	\$ 1,370,019	\$ 408,345	\$ 174,714	\$ 670,401	\$ 314,698	\$ 139,984	80.1%
Return to Groton	\$ 373,217	\$ 373,217	\$ 373,217	\$ 373,217	\$ 373,217	\$ 0	0.0%
YTD Profit/Loss	\$ 996,803	\$ 35,128	\$ (198,503)	\$ 297,184	\$ (58,519)	\$ 139,984	-70.5%

BOZRAH LIGHT AND POWER

PROJECTED CASH FLOW BASED ON PROPOSED BUDGET 2024/2025

	FY 2022 Actual	FY 2023 Actual	Approved FY 2024 Budget	FY 2024 Projected	Proposed FY 2025 Budget
NET BEFORE RETURN TO GROTON	\$ 1,370,019	\$ 408,345	\$ 174,714	\$ 670,401	\$ 314,698
PLUS:					
Proceeds from Financing	3,000,000	-	-	-	-
Depreciation	630,829	646,647	677,531	662,127	689,744
TOTAL FUNDS GENERATED	\$ 5,000,849	\$ 1,054,991	\$ 852,244	\$ 1,332,528	\$ 1,004,442
Return to Groton	373,217	373,217	373,217	373,217	373,217
Capital Projects	478,333	1,410,977	1,395,000	700,000	1,706,641
LTD Principal on SS Upgrade	200,400	200,400	200,400	200,400	200,400
Series 2017 Financing Principal	64,500	64,500	64,500	64,500	64,500
Series 2022 Financing Principal	-	150,000	150,000	150,000	150,000
Vehicle Replacement Reserve	5,000	-	-	-	-
Economic Development Reserve	5,000	5,000	5,000	5,000	5,000
Working Capital	(965,021)	733,878	-	-	-
TOTAL FUNDS REQUIRED	\$ 161,429	\$ 2,937,971	\$ 2,188,117	\$ 1,493,117	\$ 2,499,758
NET INCREASE(DECREASE) IN CASH FROM OPERATIONS	\$ 4,839,420	\$ (1,882,980)	\$ (1,335,873)	\$ (160,589)	\$ (1,495,316)
Beginning Cash Balance	\$ 2,310,339	\$ 7,149,759	\$ 6,082,326	\$ 5,266,779	\$ 5,106,191
Ending Cash Balance	\$ 7,149,759	\$ 5,266,779	\$ 4,746,453	\$ 5,106,191	\$ 3,610,875
Less Restricted Funds	\$ 3,294,764	\$ 2,634,669	\$ 597,631	\$ 1,156,641	\$ 5,000
NET UNRESTRICTED CASH	\$ 3,854,995	\$ 2,632,111	\$ 4,148,822	\$ 3,949,550	\$ 3,605,875

BOZRAH LIGHT AND POWER
COMPANY

2024/2025 BUDGET

PROFORMA ANALYSIS

**BOZRAH LIGHT & POWER COMPANY
PROFORMA ANALYSIS**

	FY 2022 Actual	FY 2023 Actual	Approved FY 2024 Budget	FY 2024 Projected	Proposed FY 2025 Budget
RESIDENTIAL	\$ 4,500,845	\$ 4,617,965	\$ 4,493,471	\$ 4,522,629	\$ 4,604,492
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INDUSTRIAL	3,142,471	3,225,945	3,133,044	3,115,102	3,151,001
SPECIAL CONTRACT DISTRIBUTION CHARGE	1,029,320	1,160,844	1,195,669	1,195,669	1,231,539
STREET LIGHTING	26,067	27,132	27,090	27,345	28,659
SUBTOTAL	10,347,015	10,701,746	10,503,808	10,524,651	10,660,537
INTERRUPTIBLE PASS-THROUGH	14,399,068	16,460,806	14,301,524	10,989,074	11,344,254
TOTAL ELECTRIC REVENUE	24,746,083	27,162,552	24,805,333	21,513,724	22,004,791
OTHER ELECTRIC REVENUE	40,484	47,404	40,545	39,558	39,300
TOTAL REVENUE	\$ 24,786,568	\$ 27,209,956	\$ 24,845,878	\$ 21,553,282	\$ 22,044,091
EXPENSES:					
PURCHASED POWER FIRM	6,308,697	7,388,593	6,690,144	6,627,776	6,460,317
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CONSERVATION & LOAD MANAGEMENT	144,549	121,824	132,151	128,111	130,800
DEPRECIATION (including additions)	630,829	646,647	677,531	662,127	689,744
TAXES	253,034	251,231	266,500	263,114	265,000
PAYMENT IN LIEU OF TAXES (PILOT)	40,056	79,943	80,030	79,980	80,030
TOTAL OPERATING EXPENSES	\$ 23,358,895	\$ 26,774,297	\$ 24,480,007	\$ 21,014,534	\$ 21,555,403
OPERATING INCOME	\$ 1,427,673	\$ 435,660	\$ 365,871	\$ 538,748	\$ 488,688
INTEREST & OTHER CHARGES					
OTHER INCOME & EXPENSE	(339)	(170,626)	(4,976)	(327,787)	(15,360)
SUBSTATION LONG TERM DEBT INTEREST	19,042	17,038	25,933	25,933	32,574
CAPITAL FINANCING LONG TERM DEBT INTEREST	38,951	180,903	170,201	170,201	156,776
TOTAL OTHER	\$ 57,653	\$ 27,315	\$ 191,158	\$ (131,653)	\$ 173,990
NET INCOME BEFORE RETURN TO GROTON	\$ 1,370,019	\$ 408,345	\$ 174,714	\$ 670,401	\$ 314,698
PLUS:					
Capital Project Financing Bands	3,000,000	-	-	-	-
DEPRECIATION	630,829	646,647	677,531	662,127	689,744
TOTAL FUNDS GENERATED	\$ 5,000,849	\$ 1,054,991	\$ 852,244	\$ 1,332,528	\$ 1,004,442
LESS:					
RETRUN TO GROTON	373,217	373,217	373,217	373,217	373,217
CAPITAL PROJECTS	478,333	1,410,977	1,395,000	700,000	1,706,641
BOND PRINCIPAL REQUIREMENT	264,900	414,900	414,900	242,025	414,900
RESERVE - VEHICLE REPLACEMENT	5,000	-	-	-	-
RESERVE - BUSINESS DEVELOPMENT	5,000	5,000	5,000	5,000	5,000
WORKING CAPITAL	(965,021)	733,878	-	-	-
TOTAL FUNDS REQUIRED	\$ 161,429	\$ 2,937,971	\$ 2,188,117	\$ 1,320,242	\$ 2,499,758
Net CASH FLOW FROM OPERATIONS	\$ 4,839,420	\$ (1,882,980)	\$ (1,335,873)	\$ 12,286	\$ (1,495,316)
OPERATING FUND - BEGINNING BALANCE	\$ 2,310,339	\$ 7,149,759	\$ 6,082,326	\$ 5,266,779	\$ 5,106,191
OPERATING FUND - ENDING BALANCE	\$ 7,149,759	\$ 5,266,779	\$ 4,746,453	\$ 5,279,066	\$ 3,610,875
Less Restricted Funds (Bond Fund Reserve & BD Res	3,294,764	2,634,669	597,631	1,156,641	5,000
Total Unrestricted Cash Balance	\$ 3,854,995	\$ 2,632,111	\$ 4,148,822	\$ 4,122,425	\$ 3,605,875

BOZRAH LIGHT AND POWER
COMPANY

2024/2025 BUDGET

CAPITAL PROJECTS

Bozrah Light & Power Capital Projects Non-Bonding

Project #	DESCRIPTION	LOCATION	FY 2025 Budget	Description
1	Distribution	Various	\$ 300,000	Customer driven & Proposed but not limited to Distribution Infrastructure Upgrades: Switchgears, Reconductors, Pole Replacements, Reclosers, Capacitors, Switches, & Polymers
2	Substation	Various	\$ 50,000	Proposed but not limited to: Substation upgrades, equipment upgrades, SS infrastructure upgrades. IED Replacement, fences and cameras.
3	Other	Various	\$ 200,000	Proposed but not limited to: Infrastructure upgrades, SCADA, Mass Assets, Tools, Facility Maintenance, Expansion of Facilities and LED Conversion
		TOTAL	\$ 550,000	

Bozrah Light & Power Capital Projects Bonding

Project #	DESCRIPTION	LOCATION	FY 2025 Budget	Description
1	Distribution	Various	\$ 722,397	3 Phase 15KV Upgrade, Recloser 15KV Capacitor Banks, Transformers, Pole Replacements
2	Substation	Various	\$ 367,372	SS Transfer Trip & Substation Equipment
3	Other	Various	\$ 66,872	Service Building Yard Upgrades and Other Misc.
		TOTAL	\$ 1,156,641	

GRAND TOTALS	\$ 1,706,641
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