

**Borough of Madison
Electric Utility Budget Presentation
Wednesday, February 18, 2015**



Revised February 20, 2015

Borough of Madison
Schedule of Electric Utility Surplus Balances (in 000's)
as of December 31st

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate
Balance at Beginning of Year	\$ 7,079	\$ 7,387	\$ 8,959	\$ 4,477	\$ 2,718	\$ 4,822	\$ 4,683	\$ 5,373	\$ 6,322	\$ 6,519	\$ 7,314	\$ 7,887
Less: Utilized in Municipal Budget	-4,360	-4,360	-3,450	-3,450	-2,656	-3,356	-3,516	-3,722	-5,796	-6,233	-6,933	-6,910
Add: Generated in Current Year	4,668	5,932	-1,032	1,691	4,760	3,217	4,206	4,671	5,993	7,028	7,506	7,854
Balance at Year End	\$7,387	\$8,959	\$4,477	\$2,718	\$4,822	\$4,683	\$5,373	\$6,322	\$6,519	\$7,314	\$7,887	\$ 8,831

Borough of Madison
Schedule of Electric Utility Sales and Performance (in 000's)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate
Revenues												
Cash Collections	14,450	15,342	16,623	\$ 19,536	\$ 23,184	\$ 22,351	\$ 22,694	\$ 23,210	\$ 22,440	\$ 22,300	\$ 22,300	\$ 22,300
MRNA + Fund Balance Realized	573	610	453	232	406	188	135	162	763	100	100	100
Cancellation of CY/PY Appropriations	604	857	820	1,296	993	927	710	536	918	400	400	400
Expenses												
Purchased Power	8,200	8,200	16,000	16,200	16,500	16,800	16,000	15,800	14,250	11,624	11,054	10,586
Admin & Operating	2,359	2,677	2,928	3,173	3,223	3,349	3,233	3,307	3,678	3,748	3,840	3,960
Elec Utility Capital*	400	0	0	0	100	100	100	100	200	400	400	400
Total Surplus Generated	\$4,668	\$5,932	-\$1,032	\$1,691	\$4,760	\$3,217	\$4,206	\$4,701	\$5,993	\$7,028	\$7,506	\$7,854

*The Electric Utility Capital Improvement Fund balance in 2015 will be \$1,130,000

Notes: The \$763,000 in MRNA in 2014 is due to FEMA reimbursement for storm expenses.

Borough of Madison
Schedule of Electric Utility Historical Numbers
1997 thru 2014 (in 000's)

Year	Municipal Budget	Municipal Surplus Balance	Electric Revenue Collections	Actual Appropriations	Electric Surplus Generated	Electric Surplus Balance	Electric Transfers to Operating	Electric Transfers to Capital	Total Transfers
2014	\$ 29,558	\$ 7,250	\$ 22,420	\$ 16,726	\$ 5,993	\$ 6,322	\$ 4,218	\$ 1,578	\$ 5,796
2013	\$ 25,682	\$ 5,592	\$ 23,210	\$ 19,012	\$ 4,701	\$ 5,373	\$ 3,722	\$ -	\$ 3,722
2012	\$ 25,150	\$ 4,366	\$ 22,694	\$ 18,880	\$ 4,206	\$ 4,684	\$ 3,516	\$ -	\$ 3,516
2011	\$ 24,452	\$ 4,410	\$ 22,351	\$ 19,922	\$ 3,217	\$ 4,822	\$ 3,356	\$ -	\$ 3,356
2010	\$ 24,763	\$ 6,006	\$ 23,184	\$ 19,217	\$ 4,760	\$ 2,718	\$ 2,656	\$ -	\$ 2,656
2009	\$ 25,181	\$ 7,790	\$ 19,535	\$ 18,910	\$ 1,691	\$ 4,477	\$ 3,450	\$ -	\$ 3,450
2008	\$ 25,138	\$ 8,936	\$ 16,623	\$ 18,490	\$ (1,032)	\$ 8,959	\$ 3,450	\$ -	\$ 3,450
2007	\$ 23,972	\$ 9,468	\$ 15,342	\$ 10,292	\$ 5,932	\$ 7,387	\$ 3,360	\$ 1,000	\$ 4,360
2006	\$ 23,407	\$ 8,375	\$ 14,450	\$ 10,286	\$ 4,668	\$ 7,080	\$ 3,360	\$ 1,000	\$ 4,360
2005	\$ 20,622	\$ 7,865	\$ 14,937	\$ 9,244	\$ 5,981	\$ 5,388	\$ 3,290	\$ 1,000	\$ 4,290
2004	\$ 19,730	\$ 8,092	\$ 13,139	\$ 9,945	\$ 2,984	\$ 6,524	\$ 3,023	\$ 1,097	\$ 4,120
2003	\$ 19,332	\$ 7,471	\$ 12,907	\$ 9,975	\$ 1,926	\$ 8,598	\$ 3,000	\$ 1,000	\$ 4,000
2002	\$ 19,233	\$ 7,415	\$ 12,559	\$ 8,874	\$ 3,683	\$ 8,915	\$ 3,000	\$ 1,000	\$ 4,000
2001	\$ 23,692	\$ 6,648	\$ 11,499	\$ 6,905	\$ 5,176	\$ 12,738	\$ 3,000	\$ 6,000	\$ 9,000
2000	\$ 19,777	\$ 6,173	\$ 11,133	\$ 6,572	\$ 5,387	\$ 12,351	\$ 3,000	\$ 2,000	\$ 5,000
1999	\$ 21,890	\$ 8,576	\$ 11,433	\$ 6,124	\$ 4,707	\$ 11,444	\$ 3,000	\$ 2,000	\$ 5,000
1998	\$ 18,576	\$ 7,898	\$ 10,981	\$ 6,212	\$ 4,390	\$ 10,854	\$ 3,000	\$ 2,000	\$ 5,000
1997	\$ 18,020	\$ 7,438	\$ 11,341	\$ 5,585	\$ 5,193	\$ 9,461	\$ 3,000	\$ 2,000	\$ 5,000

Borough Of Madison
Estimated Purchased Power Budget for 2015 thru 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
January	912,000	874,000	857,000
February	822,000	793,000	727,000
March	829,000	810,000	677,000
April	795,000	769,000	644,000
May	863,000	845,000	727,000
June	988,000	922,000	952,000
July	1,243,000	1,400,000	1,340,000
August	1,083,000	1,004,000	967,000
September	907,000	781,000	779,000
October	827,000	632,000	673,000
November	798,000	633,000	662,000
December	859,000	873,000	863,000
Subtotal	10,926,000	10,336,000	9,868,000
NYPA	\$ 150,000	\$ 170,000	\$ 170,000
Contingency	\$ 500,000	\$ 500,000	\$ 500,000
APN Fee	\$ 48,000	\$ 48,000	\$ 48,000
Total	\$ 11,624,000	\$ 11,054,000	\$ 10,586,000

* Purchase Power Estimates generated by American PowerNet

Madison Electric Utility
Annual Revenue from Top 50 Customers

Acct	Name	2010	2011	2012	2013	2014
05753	Drew- Drew	\$1,940,066.93	\$1,818,635.87	\$1,759,930.10	\$1,771,876.24	\$1,708,529.73
13942	Pfizer- 5 Giralda	1,453,798.72	1,525,526.38	1,418,296.20	1,472,439.10	\$ 747,339.12
14270	Giralda 7 multi-tenant	636,606.88	634,755.46	654,235.05	690,489.13	627,646.05
12723	3 Giralda Frm (Quest)	652,482.20	681,341.18	662,942.16	654,947.36	710,316.15
10516	Maersk/Merck	666,688.97	650,253.47	592,693.89	571,550.21	492,867.88
14002	Verizon Switching Stn	318,577.93	344,005.00	307,328.25	560,031.58	312,803.73
13148	Stop N Shop	439,747.18	417,643.19	418,021.88	387,272.14	397,780.22
06725	Giralda 1 - Pfizer +	305,710.74	359,916.23	365,792.88	366,378.34	494,493.30
05639	WO Madison	389,120.88	371,337.81	368,405.28	348,980.62	356,551.90
05749	YMCA	247,377.49	243,908.19	234,694.59	237,238.82	234,312.68
05750	Verizon/Realogy	395,912.19	34,841.92	33,371.02	226,120.01	437,211.19
14472	Drew- New Arts	183,653.05	177,966.24	199,930.57	200,849.61	199,873.68
14506	Sunrise	182,817.83	186,669.91	183,846.38	189,412.41	189,875.43
14570	BOE- Ridgedale	164,716.57	160,664.86	169,497.60	170,242.26	161,699.18
01294	Water Dept - Well D	166,923.94	63,770.08	125,732.56	111,111.08	137,869.57
05524	Madison Library			66,859.49	106,804.48	109,820.27
05553	Pine Acres	93,816.44	90,935.32	84,395.38	95,658.94	94,664.09
14144	Well A	38,140.40	213,507.70	80,463.81	85,838.45	78,135.85
05646	BOE- Jr School	84,362.54	85,187.72	87,402.40	83,142.74	82,945.05
05526	BOE- Torey Sabatini	70,256.54	77,267.94	71,832.52	79,737.87	80,735.73
14544	Police-Fire			69,422.85	74,973.74	76,336.46
05671	Nautilus	69,741.77	71,036.03	74,601.21	73,429.24	68,266.58
05619	Plaza Lanes	67,148.74	67,654.17	66,177.98	70,042.83	68,949.43
01262	Hartley Dodge	28,607.36		62,419.07	68,815.90	72,486.64
14537	Madison Honda	76,875.17	73,616.78	71,299.18	67,762.77	66,069.71
05597	Burger King	64,698.82	64,500.07	67,407.99	66,020.26	63,031.85
05632	Quick Check	64,729.11	65,097.90	64,073.40	63,062.38	62,510.98
05654	Gary's Wine	79,164.55	63,710.67	62,672.92	61,681.81	60,071.37
05559	Bayley Ellard	51,110.05	49,898.72	50,777.32	55,665.70	53,965.07
01297	Well C	39.00	45,549.09	67,910.84	52,358.00	29,637.80
12522	54 Main Bar & Grill	50,680.24	51,056.60	51,422.63	52,018.07	51,897.43
05694	BOE- Central	51,577.97	51,662.35	50,168.82	51,972.27	49,607.32
14279	St Vincents	44,950.44	46,636.51	47,008.89	51,232.50	48,084.83
05624	Staples	47,183.89	47,421.61	49,713.58	51,107.94	44,932.33
10752	YMCA- Loveland	57,724.43	58,178.61	55,671.91	51,080.54	54,398.67
05587	EP Heller	42,842.17	47,637.78	51,082.10	49,723.61	48,988.47
09898	Housing Authority	43,193.92	44,130.28	44,319.13	47,417.98	44,295.72
14141	Pfizer- Day Care	35,117.67	35,144.97	37,570.66	45,016.00	36,201.06
05631	Dunkin Donuts	43,692.26	40,534.95	43,026.37	41,447.55	34,886.84
05594	Madison Car Wash	40,038.05	39,271.68	39,293.94	39,672.74	40,729.58
05592	BOE- Kings Rd	33,325.82	34,359.75	32,689.83	38,318.41	36,768.37
05595	Jaguar	30,462.37	30,021.36	33,631.15	35,954.79	35,919.85
05556	Pfizer- Carriage	39,800.85	40,701.34	34,650.04	34,468.27	23,336.98
13100	Clearview Cinema	34,063.35	32,894.06	30,606.79	32,558.51	36,158.24
05666	JP Morgan	37,498.51	33,040.02	30,753.91	30,072.77	29,713.53
05629	Madison Vet	32,906.00	46,949.56	29,648.47	29,926.57	29,549.38
05551	Grace Espiscopal	29,300.58	29,193.91	29,170.88	28,232.43	26,298.84
08412	Provident Bank	27,279.51	26,316.99	24,217.72	24,389.38	25,529.94
13968	Verizon Cell Tower	25,621.87	26,022.32	26,653.30	20,436.73	16,286.88
14518	AT&T Cell Tower	21,421.25	23,273.31	23,943.01	19,477.96	16,402.81

TOTAL	\$9,701,573.14	\$9,423,645.86	\$9,307,677.90	\$9,838,459.04	\$9,006,783.76
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Total Electric Revenue	\$ 23,184,000	\$ 22,351,000	\$ 22,694,000	\$ 23,210,000	\$ 22,420,000
Top 50% of total Rev	41.8%	42.2%	41.0%	42.4%	40.2%

PFIZER **5 Giralda** **Monthly electric bill**

	2010	2011	2012	2013	2014
Jan	\$ 95,887.10	\$ 158,508.12	\$ 107,809.25	\$ 100,139.95	\$ 145,643.16
Feb	98,407.78	131,135.52	108,728.26	122,494.15	113,569.39
Mar	97,131.36	115,319.35	100,899.77	128,378.00	73,172.64
Apr	110,354.02	115,178.23	110,707.39	109,328.88	47,089.35
May	193,320.84	109,400.02	107,367.82	102,313.27	43,378.32
Jun	113,764.73	119,419.90	122,918.67	111,785.59	48,645.12
Jul	131,047.47	116,928.19	129,262.51	135,164.93	50,836.51
Aug	144,000.48	175,473.63	153,914.23	152,535.72	52,462.27
Sep	130,075.39	147,198.94	144,459.99	142,215.53	53,928.84
Oct	132,973.54	120,480.03	125,198.11	120,727.27	48,397.87
Nov	103,497.60	111,979.78	103,850.98	101,712.65	35,496.77
Dec	103,338.41	104,504.67	103,179.22	145,643.16	34,718.88
Total	\$ 1,453,798.72	\$ 1,525,526.38	\$ 1,418,296.20	\$ 1,472,439.10	\$ 747,339.12

Reliability Pricing Model (RPM) Factors

These figures drive demand charges, which cost the Borough \$2-3 million a year.

We are in the JCPL Zone.

for more info on RPM, visit <http://www.rosenet.org/gov/electric/pages/the-cost-of-peak-energy>

Zone	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
JCPL	\$177.00	\$145.24	\$193.79	\$182.85	\$116.15	\$143.06	\$248.30	\$138.36	\$166.40	\$118.89	\$120.00
PS	\$177.00	\$145.24	\$193.83	\$182.85	\$116.15	\$157.73	\$248.30	\$171.46	\$166.18	\$177.61	\$215.00
									**	**	**

** Results not final until all incremental auctions complete

Assumptions and Important Factors Impacting Projections

- **PJM Polar Vortex**
- **JCPL Pending Settlement**
- **Consumption is down 4,700,000 (6%) from 2013 to 2014**
- **PSEG just announced a 2.1% increase effective 6/1/15**
- **Local generation**

**Madison's Portfolio of Contracts vs the Investor Owned Utilities (IOU)
as of February 11, 2015**

