

MARBLEHEAD MUNICIPAL LIGHT DEPARTMENT

To the citizens of Marblehead,

The Marblehead Municipal Light Department (MMLD) is pleased to share its 128th annual report and financial statements for the calendar year ending December 31, 2022.

Top-line Results:

	2021	2022	2021-22 % Change	2017-21 5 Yr. Average	2022 vs 5 Yr. Avg. % Change
MMLD Energy Sales (MWh)	102,394	100,689	-1.6	101,580	-0.9%
Energy Sales Revenue \$	\$17,862,801	\$19,786,738	10.8%	\$17,110,219	15.6%

	2021	2022	2021-22 % Change
MMLD Summer Peak Demand	June 29 th 3-4 PM 32.7 MW	August 7 th 5-6 PM 29.7 MW	-9.2%
MMLD Winter Peak Demand	12/17/20 5-6 PM 21.1 MW	1/11/22 6-7 PM 21.1 MW	0%
Highest Monthly Energy Use	August 10, 258 MWh	August 11,807 MWh	15.1%
ISO-NE System Peak Demand	June 29 th 3-4 PM 25,801 MW	August 8 th 3-4 PM 24,395 MW	-5.4%
MMLD Demand Co-incident with the ISO-NE Peak	32.7 MW	29.5 MW	-9.8%

2022 - Navigating Uncertainty as our Electric Power Supply Portfolio Evolves

Given the threat of climate change, MMLD continuously evaluates new cost-competitive, carbon-free electric power sources to add to our portfolio. In 2022 MMLD evaluated multiple joint action projects initiated by MMWEC, including a Power Purchase Agreement for offshore wind and a large scale, 100 MW/400MWH battery electric storage project on the MMWEC campus in Ludlow. Due to project supply chain issues and unfavorable market conditions, neither project was progressing forward by year-end. The offshore wind developer announced that due to increased costs they were not able to proceed with the contract terms previously understood to be final. The battery electric storage project was negatively impacted by interest rates increases and inflation, coupled with significant delays due to lithium-ion battery supply chain issues. Supply chain issues also delayed the commercial operation date of Project 2020A, the Cotton Memorial Solar PV array in Ludlow, Mass., with the original June 2022 commercial operation pushed back one year to June 2023. Below is a comparison of our power portfolio in 2022 and 2021:

Power Generator	2021 Actual Energy (MWh)	2022 Actual Energy (MWh)	Percent Change
Millstone Nuclear	15,898	13,952	-12%
Seabrook Nuclear	13,316	14,751	11%
NY Power Authority Hydro	8,695	8,093	-7%
Hydro-Quebec	6,570	6,570	0%
Berkshire Wind 1	2,283	2,180	-4%
Berkshire Wind 2	1,274	1,328	4%
Hancock Wind	2,267	2,341	3%
Eagle Creek Hydro	2,065	1,789	-13%
Stony Brook Intermediate	1,404	2,793	99%
Hedged Power Contracts	28,425	21,769	-23%
ISO Interchange Spot Market	26,398	30,838	17%
Marblehead Wilkins Plant	29	109	276%
Stony Brook Peaking	44	97	120%
Total Wholesale Energy Supply	108,669	106,610	-2%

In Massachusetts, “An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy”, was signed into law in March 2021. The law establishes, for the first time, energy goals for the electricity supplied to customers in municipal light plant (MLP) communities, such as Marblehead. The goals are retail 50% carbon-free energy by 2030, 75% by 2040, and net-zero emissions by 2050.

Approved carbon-free power sources generate renewable energy certificates (RECs), or emission free energy certificates (EFECs) that corresponds to the carbon-free electricity generated. These certificates must now be retired (held), not sold, for the generator’s output to be considered carbon-free. Prior to the new law MMLD and other municipals routinely sold RECs from its clean power sources, such as Berkshire wind, to help lower the cost of paying for these projects. In future years these RECs will be retired. **In applying the statute’s definition of carbon-free power, MMLD’s carbon-free percentage in 2022 is 44%, an increase of 2% from 2021.**

	2022			
	Energy (MWh)		sold	Energy purchases without RECs
Millstone 3 Nuclear	13,952	13,952		
Seabrook Nuclear	14,751	14,751		
NY Power Authority Hydro	8,093	8,093		
Hydro-Quebec	6,570	6,570		
Berkshire Wind 1	2,180		2,180	
Berkshire Wind 2	1,328		1,328	
Hancock Wind	2,341			2,341
Eagle Creek Hydro	1,789			1,789
Carbon-Free Supply Total	51,004	43,551	3,323	4,130
MMLD Solar rebate RECs held		<u>288</u>		
Total RECs & EFECs held/retired		43,839		
MMLD Total Retail Sales (MWh)		100,689		
MMLD Carbon-Free % Mass Climate Law				

2022 Department Actions and Initiatives

January

- *United Financial Services (UFS)*, the utility financial services company MMLD hired to analyze our costs of providing electric service and create new electric rate restructuring options, presented the results of their “Cost of Service” study to the MMLD Board. Their main conclusions include:
 - MMLD’s current revenues as of January 2022 were adequate to cover ongoing operating expenses and debt payments.
 - The revenues generated in the three largest rate classes, Residential, Small Commercial and Large Commercial, adequately covered the costs of providing reliable electric service in each class, without one class cross subsidizing another class.
 - The monthly customer base rates (the monthly fixed charge) did not adequately cover the fixed expenses of the department. UFS indicated they find this imbalance frequently, in municipal electric utilities nationwide. As such, UFS recommended a multi-year plan to raise the base rates, while simultaneously adjusting the variable energy (kWh) rates downward, to hold the total revenue generated in each rate class constant...a revenue-neutral rate restructuring.
- The *Massachusetts Municipal Wholesale Electric Company (MMWEC)*, the state’s joint action public agency created to support municipal power, briefed the MMLD Board on *Project 2022A*. Project 2022A consists of a large 100 MW/400 MWH battery electric storage system planned for the MMWEC campus in Ludlow, Mass. that would be bid into the ISO-NE capacity market. No decision to commit to the project was required.

February

- The MMLD Board unanimously voted to approve a *Go Green Now* rate for MMLD residential customers. This rate is an optional, opt-in rate, with participants agreeing to pay an additional 2.2 cents for each kWh of energy they consume to increase the carbon-free portion of the customer’s energy use from 43% to 100%. The customer payments underwrite the retirement of Berkshire Wind Mass. Class 1 Renewable Energy Credits in MMLD’s name. Berkshire Wind RECs have been historically sold to lower Berkshire Wind’s levelized cost of energy.
- MMLD issued a competitive Request for Quotes (RFQ) for Electric Utility Tree Trimming Services in Marblehead, with a bid opening date set for March 10, 2022.
- The Federal Electric Regulatory Commission (FERC) ruled that in the ISO-NE service area, Battery Electric Storage Systems (BESS) installed “behind the meter” of a retail electric utility, such as MMLD, would not be required to

reconstitute their electric load. The ruling meant there would be no need to add back the energy discharged by a behind-the-meter battery when the intent of the discharge was to lower ISO-NE grid-supplied energy, and thus lower ISO-NE grid capacity and transmission expenses. The consequence of this ruling is positive and significant to MMLD and all retail electric utilities in New England: Retail utilities can now install new BESS assets to proactively monitor capacity and transmission peaks with the intention of discharging a battery storage system to reduce capacity and transmission costs, without concern that those savings could be clawed back by an ISO-NE market rule.

- The MMWEC *Behind-the-Meter Battery Electric Storage System Joint Action Project* is accelerated, with MMLD and 14 other MLDs expressing interest in participating.

March

- The Electric Utility Tree Trimming bids were opened. There was only one qualified bidder, *Mayer Tree Service Inc.* of Essex, Mass., who submitted a bid for one year, with an optional extension for two years at the same price. *Tree trimming* pricing was provided on both an hourly labor and equipment basis and per pole span basis. *Tree removal* pricing is based on a per tree basis, and dependent on tree diameter size. The MMLD Board approved an expenditure not to exceed \$300,000 for electric utility tree trimming services in 2022
- MMWEC presented a preliminary 2050 Roadmap for carbon-free energy to the MMLD Board, based on requirements established by the 2021 Massachusetts Next Generation Climate Policy statute. The presentation made clear the need to add a MMLD clean power source to meet the 2030 objective of 50% carbon-free energy. MMWEC outlined a new joint action exploration, *Project 2021A*, a 20+ year Power Purchase Agreement (PPA) for offshore wind, with the proposed energy supply to start in 2028. Based on initial discussions with the developer, MMWEC estimated MMLD's participation could be in the 11,600-16,000 MWH/year range annually. (Equal to 11 to 16% of our 2022 load). Such a participation level would put MMLD well over the 50% statutory minimum requirement in 2030. The negotiated price was competitive, consistent with the pricing the offshore wind developer established earlier with the Commonwealth of Massachusetts. The price included the Mass Class 1 RECs.
- In response to increased wholesale energy costs, MMLD increased the wholesale power cost adjustment (appearing on monthly electric bills as the PPA charge) from 3.1 cents to 4.1 cents per kwh. The war in the Ukraine is widely seen as the major factor in the increased global market prices for natural gas and oil.
- The American Public Power Association (APPA) recognized MMLD with a 2021 Certificate of Excellence in Reliability, based on national reliability data collected by the US Energy Information Agency (EIA). APPA determined

MMLD was ranked in the top quartile (25%) of municipal utilities for their System Average Interruption Duration Index (SAIDI).

April

- The MMLD Board voted to participate in MMWC joint action *Project 2022A*, the 100/MW/400MWH Battery Electric Storage System on the MMWEC campus in Ludlow, Mass.

May

- The MMLD Board voted to approve participation in MMWEC joint action Project 2021A, an offshore wind project located in the Atlantic Ocean 25 miles south of Nantucket Island.

June

- MMLD issued a request for quotes for switchgear assembly equipment, as part of the planned upgrade of the Village 13 substation. The new switchgear assembly specification will improve MMLD's capacity to supply increased electricity in the future, as climate-change increases the adoption of electric vehicles, and air source heat pumps for home heating and cooling.
- Representing MMLD, General Manager Joe Kowalik and Senior Substation Technical Specialist Jack Ravagno participated with other Town officials on a project team that received a Massachusetts Office of Coastal Zone Management coastal resilience grant to develop coastal resilience adaptation strategies for Town-owned harbor front properties in the Shipyard area of Marblehead Harbor, including 80 Commercial St (including Hammond Park), Parkers Boat Yard, the Commercial Street Dock, Marblehead Yacht Club, and the Cliff Street Boat Yard. Sea level rise analysis, based on models developed by the *Woods Hole Group*, Bourne, Mass., projected an intermediate-high sea level of rise of 1.3 feet from the 2008 baseline year to 2030, and intermediate-high sea level rises of 2.5 feet in 2050 and 4.3 feet in 2070 from the 2008 baseline year.
- As part of the CZM Resiliency Grant program, MMLD designed and installed a removable flood barrier system to protect the basement east door of 80 Commercial St. The four-foot-high barrier system is designed to provide sufficient storm surge protection in the event of a 100-year flood occurrence in the year 2050. Competitive bids were solicited for the design and construction of the flood barrier system. The winning bidder was *SAK Enterprises Inc.*, Bradenton, Florida. The winning bidder for the installation was *ESI Waterproofing and Masonry Restoration, Inc.*, Dorchester, Mass. Gorman Richardson Lewis Architects, Hopkinton, Mass., provided project management expertise and support. The total project cost was \$38,353.
- MMLD and *Mayer Tree Service Inc.* signed a three-year agreement to provide electric utility tree trimming services in Marblehead, with an annual expense not

to exceed \$300,000/year. In June, tree trimming began along MMLD main distribution feeder lines, including the Salem and Swampscott railroad rights-of-way.

- The MMLD Board voted to approve a payment in lieu of taxes (PILOT payment) of \$330,000 to the Town of Marblehead, for the MMLD fiscal year 2021 that ended December 31, 2021.
- In local Town elections incumbent Board member/Board Chair Mike Hull won re-election, his fourth term on the Board. In a close election, incumbent Walter Homan lost his re-election to challenger Jean-Jacques Yarmoff.
- General Manager Joe Kowalik and Local 81214 of IUE-CWA (the International Union of Electrical Workers-Communications Workers of America), that represents more than 50% of the MMLD's employees, agreed to a one-year contract extension that went into effect July 1, 2022.

July

- Sealed bids for a new switchgear assembly, a major component of the MMLD Village 13 upgrade project were opened. Myers Controlled Power LLC., of North Canton, Ohio, was the only qualified bidder, with a bid of \$4,347,292. In acknowledged the significantly longer lead times for electric distribution system components as switchgear and transformers, the project completion date is not expected until the second half of 2024.
- The MMLD Board voted to approve an expense of \$4,347,292, for the purchase of a new switchgear assembly from Myers Controlled Power.
- Multiple days of hot summer weather resulted in ISO-NE dispatching the MMLD Wilkins Plant, the two 2.5 MW diesel generators located at the Marblehead Transfer Station, for four days in a five-day stretch, July 20-24. The July run-time schedule represented the most days dispatched by ISO-NE since 2014 and the first ISO-NE dispatch on a Sunday in more than 16 years.
- MMLD used the Town Code Red communication system multiple times, asking all MMLD customers to reduce their electric usage. Code Red message summary report indicated more that 8,600 messages were successfully delivered.

August

- For a second time in 2022, increases in the wholesale price of electricity required MMLD to increase the power price adjustment (the PPA line on monthly bills) from 4.1 to 5.6 cents per kwh, applicable to all metered rates.
- The MMLD Board voted to approve a rate restructuring plan, to increase the base rate charges for all metered rate classes, in January 2023. The new residential base rate would increase from \$4.25/month to \$11.25/month, with a corresponding reduction in the energy rate, to hold constant the overall revenue generated annually by the rate. The new rate schedules can be found on the MMLD website, and at the MMLD office at 80 Commercial Street.

September

- The Massachusetts Office of Coastal Zone Management announced the Town of Marblehead and MMLD was awarded a two-year, \$523,000 grant to develop design plans for increased harbor-front resiliency (new, higher seawall designs) and improved public access to the waterfront, for the connected Town-owned parcels, known as Parker's Boatyard, MMLD and Hammond Park at 80 Commercial St, the Commercial St dock, the Marblehead Yacht Club, and the Marblehead Trading Company/Cliff St dock.
- Marblehead Fire Chief Jason Gilliland was invited to speak at an MMLD Board meeting on fire safety concerns associated with lithium-ion batteries for residential and utility uses.
- Board member Karl A. Johnson retired from the Light Commission after serving as a board member for four years. At a joint Select Board – Light Commission meeting, Adam Smith was elected by a majority of the combined Boards to serve on the Light Commission. Adam was one of nine residents volunteering to serve.
- MMLD participated in the Mutual Aid response to Hurricane Ian in Florida. Working Foreman Paul Camarda and Second-Class Lineman Adam Bernard manned an MMLD bucket truck, in the 50-person strong New England-based Municipal Electric Mutual Aid response to the Florida mutual aid request.

October

- For the third time in 2022, increased wholesale energy prices forced MMLD to increase the power cost adjustment (the PPA on the monthly bill) from 5.6 to 9.0 cents, resulting in a 34% residential rate increase from January to October.
- MMLD completed negotiations and signed a final purchase agreement for a new switchgear assembly at the Village 13 substation.
- General Manager Joe Kowalik and Board Member Jean-Jacques Yarmoff attended the dedication of the Master Sargent Alexander Cotton Memorial Solar PV array installed at the MMWEC Campus in Ludlow, Mass. The 6.9 MW AC capacity array is the largest single solar array in Mass and the largest municipally owned solar PV project in Mass. MMLD is a 10.87% owner/participant, that will provide MMLD a 0.75 MW AC summer rating capability. MMLD's ownership is expected to generate 1,500 MWH/year for Marblehead, or 1.5% of MMLD's 2022 annual retail sales of electricity, plus environmental attributes (Mass Class 1 Renewable energy Certificates and Clean Peak credits).

November

- A Village 13 Request for Proposal to purchase two new 30 MVA transformers was advertised and distributed to known manufacturers for competitive bidding.
- The new transformers represent an increased capacity of 50% versus the current Village 13 transformers.

- In a collaborative effort with other Marblehead town departments, MMLD presented a plan of action to the Light Board in the event winter fuel shortages required ISO-NE to order electric utilities as MMLD to shed load, i.e., rapidly drop electric service to customers. It was communicated that such an event had a load probability of occurring, but it was nonetheless understood that a clear plan of action should be developed and shared with the public. If ISO-NE issues an order to shed load, the MMLD's plan is to: (1) Begin a series of rolling blackouts among MMLD's 22 distribution circuits. Each blackout interval would last from 2-3 hours, with the number of circuits included in the blackout interval determined by the specific ISO-NE dispatch instructions, e.g., a 10%, 15% or 20% load reduction. (2) Begin printing customer circuit numbers on all monthly electric bills so customers will know in advance their circuit number, and (3) During an actual load shed event deploy the town's Code Red system to update customers on the circuit numbers included in each blackout interval, and the start and stop times of the interval, until the load shed event was over. Note that ISO-NE has informed us that if a load shed event were to occur, they will be unable to tell us in advance the duration of the load shed event. Customers who wish to confirm their circuit number can now find it on their monthly electric bill or call MMLD customer service at 781-631-5600.

December

- The MMLD Board held a public information meeting at the Marblehead High School Auditorium to discuss the new MMLD rate restructuring plan and the MMLD ISO-NE Load Shed/rolling blackout plan.
- MMLD General Manager Joe Kowalik unsealed three competitive bids for the manufacture of two 30 MVA transformers for the Village 13 substation. The Village 13 upgrade technical team selected *Virginia-Georgia Transformer*, Roanoke, VA as the winning bidder, with a bid of \$2,632,446 and a 65-week delivery time after receipt of the final design approval.
- The MMLD Board voted to approve the expenditure of \$2,632,446 for the purchase of two transformers from Virginia Transformer.
- Given the 110,000-pound weight of each transformer, the Village 13 upgrade technical team recognized the need to improve the Salem railroad right of way from West Shore Drive to the Village 13 substation, a distance of ~ 0.6 mile. Seven engineering firms were asked to submit requests for proposals to analyze and design the needed roadway improvements for the safe transport of heavy loads from West Shore Drive to the Village 13 substation site.

Year-long Key Activity Summaries

- Preventive maintenance of our distribution system by MMLD line crews is a year-round responsibility. In 2022 33 new electric utility or light poles were replaced or added town-wide: 29 were pole replacements, including preventive maintenance, damaged poles from accidents, storm damage and old pole replacements. Four poles were installed in new locations, in support of new electric service upgrades.
- In 2022 11 residential customers added solar PV arrays to their homes, bringing the total number of residential and commercial customers with solar PV arrays to 74. The total solar PV array nameplate capacity of the 74 installations is 638 kW, an increase of 19% from 538 kW in 2021. The 2022 renewable energy MMLD purchased from these customers was 286 MWh, a 22% increase from 235 MWh in 2021.
- In 2022 MMLD continued to operate and maintain 10 public Level 2 EV charging ports in three locations: two charging ports at the MMLD main office at 80 Commercial St, four ports at the Mary Alley Building front parking lot on Widger Road, and four ports at the Anderson Street-end of the Round House Road public parking lot. 2022 was the first full year of 10-port operations. These 10 public EV charging ports serviced 240 unique drivers with 1,415 charging sessions in 2022, with EV drivers using a total of 18.8 MWh of energy to charge their cars. By refueling with electricity not gasoline, our EV charger vendor ChargePoint estimates these EV drivers prevented 14.7 tons of greenhouse gases from being released into the atmosphere in 2022. MMLD total revenue received was \$5,520 from the 10 ports in 2022.
- MMLD's Residential EV Charging Program, to promote smart, peak-avoiding EV charging at home, also grew in 2022. MMLD has distributed a total of 63 free Level 2 EV chargers to Marblehead residents for installation at their homes. These EV chargers have used an estimated 153 MWh of electricity to charge customer EVs in 2022, which translates into a greenhouse gas reduction of 117.8 tons from being released into the atmosphere.
MMLD is keenly aware that perhaps only 1 in 4 EV owners in Marblehead are participating in this program. If you own or are considering an EV purchase, we urge you to call our office at 781-631-5600 to learn more and join this important townwide initiative. You can also visit our website at www.marbleheadelectric.com
- MMLD participates in the MMWEC-sponsored NextZero Program, an expansion of the earlier Home Energy Loss Prevention Services (HELPS) Program. In 2022, 60 homeowners received free home energy efficiency audits, an increase from 48 in 2021.

- In 2022 MMLD added an Air Source Heat Pump consultation service, which provides customers with relevant, practical information about heat pumps and their applicability in Marblehead homes. Participating customers receive heat pump sizing and contractor design review services. In 2022, 23 MMLD customers took advantage of this program.
- The NextZero program also provided Marblehead residents with cash rebates of up to \$500 on the purchase of a variety of energy efficient appliances, heat pumps, smart thermostats, home efficiency upgrades, and rechargeable battery-operated lawn equipment. In 2022, 239 cash rebates, totaling more than \$39,200 were paid to MMLD customers. For details of available rebates, visit our website at www.marbleheadelectric.com or www.nextzero.org/marblehead/.

MMLD Employee Recognition

MMLD's most important asset is our highly skilled workforce. The focus and dedication of our employees is essential to our mission: to deliver reliable, cost competitive and environmentally responsible electric power to Marblehead customers, while ensuring a safe and healthy work environment for employees and customers alike.

We're pleased to recognize the following MMLD employees in 2022:

- Maintenance Operations Specialist Paul Surette celebrated his 20th year anniversary.
- Lead Customer Service Representative Megan Milan celebrated her 15th year anniversary.
- Electric Utility General Technician Nate Kobialka celebrated his 5th year anniversary.

We also wish to thank Walter Homan and Karl Johnson for their many years of service on the Light Commission.

Respectfully submitted,

Joseph T. Kowalik, General Manager
Michael A. Hull, Commission Chairman
Lisa Wolf, Commission Vice-Chair
Simon Frechette, Commissioner
Jean-Jacques Yarmoff, Commissioner
Adam Smith, Commissioner

BALANCE SHEET

For the year ending December 31, 2022

Assets	
Plant Investments	\$ 15,757,844.84
Current Assets:	
Cash - Operating	5,866,574.90
Petty Cash	500.00
Construction	18,908.88
Accounts Receivable	3,665,128.18
Materials & Supplies	221,454.61
Total Current Assets	<u>\$ 9,772,566.57</u>
Depreciation Fund	10,220,543.40
Insurance Escrow Account	997,992.40
Hydro Savings Reserve	42,108.77
MMWEC - NEPEX Reserve Trust	511,416.37
Rate Stabilization Reserve	900,000.00
Consumer Deposits	215,980.50
Prepayments	1,324,864.33
Pooled Financing Reserve-MMWEC	474,401.19
MMWEC 2015A Peabody Project	379,435.47
Deferred Outflows-Pensions	1,571,193.00
Deferred Outflows-OPEB	961,378.00
Total Assets	<u><u>\$ 43,129,724.84</u></u>
Liabilities And Surplus	
Accounts Payable:	
Depreciation	\$ 20,016.90
Operating	3,082,273.69
Consumer Deposits	1,000.00
Total Accounts Payable	<u>\$ 3,103,290.59</u>
Consumer Deposits	214,980.50
Bonds Payable	4,004,114.29
Accumulated Provision For Rate Stabilization	900,000.00
Reserve-MMWEC Reserve Trust	511,416.37
Net Pension Liability	6,368,556.00
Deferred Inflows-Pensions	977,501.00
Deferred Inflows-Opeb	2,681,858.00
Reserve for Uncollectible Accounts	383,087.07
Reserve for Future Compensated Absences	100,170.49
Opeb Liability	6,364,651.00
Contribution In Aid For Construction	201,825.71
Unappropriated Earned Surplus	17,318,273.82
Total Liabilities And Surplus	<u><u>\$ 43,129,724.84</u></u>

NOTE: Financials are calendar year based and subject to independent audit

STATEMENT OF INCOME

For the year ending December 31, 2022

Operating Revenue		\$ 20,184,229.90
Less Expenses:		
Operating	16,432,711.81	
Maintenance	1,691,896.62	
Depreciation	1,242,914.65	
Total Expenses	<u>19,367,523.08</u>	
Operating Income		816,706.82
Investment & Interest Income		(17,589.96)
Less Interest on Long Term Debt		134,778.29
Net Income Transferred to Surplus		<u><u>\$ 664,338.57</u></u>

STATEMENT OF SURPLUS

For the year ending December 31, 2022

Balance December 31, 2021		\$ 16,960,115.12
Add: Credit balance transferred from income		<u>664,338.57</u>
Subtotal		17,624,453.69
Deduct: Amount transferred to Town Treasurer		
Strategic electrification fund		-
Payment in Lieu of Taxes (PILOT)		(330,000.00)
Yearend 2021 Auditor Adjustment		<u>(777.37)</u>
Balance December 31, 2022		<u><u>\$ 17,293,676.32</u></u>

NOTE: Financials are calendar year based and subject to independent audit

OPERATING EXPENSES

For the year ending December 31, 2022

Power Generation Expenses:		
Fuel	\$ 21,485.61	
Misc. Other Power Generating Expense	1,918.01	
Maint. of Other Power Generation	<u>122,314.11</u>	
Total Power Generation Expense		\$ 145,717.73
Power Supply Expenses:		
Electric Energy Purchased	9,960,367.16	
Misc. Purchased Power Expense	<u>2,762,390.26</u>	
Total Power Supply Expenses		12,722,757.42
Distribution Expenses:		
Station Expense - Labor & Other	15,797.81	
Station Expense - Heat & Electricity	67,504.98	
Street Lighting	13,052.09	
Meter Expense - Inspection, Testing, Resetting	89,265.98	
Customer Installation Expense	42,814.34	
Misc. Distribution Expense	177,044.73	
Maintenance of Station Equipment	84,453.29	
Maint. of Overhead & Underground Lines	1,346,596.41	
Maintenance of Line Transformers	-	
Maintenance of Meters	<u>15,929.97</u>	
Total Distribution Expenses		1,852,459.60
Customer Account Expenses:		
Supervision of Customer Accounting	129,046.40	
Meter Reading - Labor & Expenses	42,392.33	
Customer Records & Collections	179,280.70	
Uncollectible Accounts	57,051.09	
Interest Paid on Consumer Deposits	<u>238.90</u>	
Total Customer Account Expenses		408,009.42
Advertising, Conservation, Energy Audits		199,837.19
Administrative & General Expenses:		
Administrative Salaries	213,059.22	
Office Supplies & Expenses	269,510.84	
Outside Services Employed	372,422.25	
Property Insurance	44,294.26	
Injuries & Damages	1,775.00	
Rents	-	
Employee's Pensions & Benefits	1,727,015.75	
Maintenance of General Plant	28,191.92	
Transportation	94,410.92	
Miscellaneous General Expense	<u>45,146.91</u>	
Total Administrative & Gen. Expenses		<u>2,795,827.07</u>
Total Operating & Maintenance Expenses		<u>\$ 18,124,608.43</u>

NOTE: Financials are calendar year based and subject to independent audit