



NEW WESTMINSTER

New Westminster Electric Utility Commission

Financial Report for the period ended April 30, 2022

May 17, 2022

Electric Utility – Operating Budget

The Electric Utility provides electrical distribution services to residential and commercial customers in New Westminster. Electricity is purchased from BC Hydro and resold by the Electric Utility to its customers. Revenues generated through the sale of electricity are used to operate and maintain the electrical distribution system.

The 2022 Total Revenue Budget of \$52.56M is primarily comprised of utility revenue generated from billing residential and commercial customers. To date \$19.38M, or 37% of the utility revenue target has been generated, which is \$0.56M ahead of 2022 expectations. Y/Y variance of \$2.67M is mainly due to higher consumption (4M kWh higher Y/Y) due to lower mean temperatures and 2.8% annual rate increase.

The 2022 Expenditure Budget of \$41.13M is largely comprised of purchase of power from BC Hydro and similar to the utility revenue, purchase of power is ahead of target by \$0.26M. 2021 purchase of power is \$0.95M greater than 2021, due to a higher volume of purchases (5M kWh higher Y/Y) in line with demand.

CORPORATION OF THE CITY OF NEW WESTMINSTER STATEMENT OF OPERATIONS - ELECTRIC UTILITY YTD PERIOD ENDING APRIL 30, 2022

<i>(in millions)</i>	2022 Budget	2022 YTD Budget	2022 YTD Actuals	YTD Budget Variance	2021 YTD Actuals	Y/Y Variance
REVENUE						
Utility Revenue	\$ 52.29	\$ 18.82	\$ 19.38	\$ 0.56	\$ 16.71	\$ 2.67
Sales of Service	0.05	0.02	(0.00)	(0.02)	0.01	-
Contributions	-	-	0	0	0.01	(0.01)
Other Revenue	0.22	0.07	0.07	-	0.07	0.01
TOTAL REVENUE	\$ 52.56	\$ 18.91	\$ 19.45	\$ 0.54	\$ 16.80	\$ 2.66
EXPENSES						
Utility Purchases & Levies	\$ 31.75	\$ 11.43	\$ 11.68	\$ (0.26)	\$ 10.73	\$ (0.95)
Salaries, Benefits & Training	3.30	1.14	0.93	0.21	0.87	(0.05)
Contracted Services	1.17	0.40	0.35	0.05	0.27	(0.08)
Supplies & Materials	0.48	0.16	0.10	0.06	0.11	0.01
Interest & Bank Charges	1.03	0.34	0.34	-	0.23	(0.11)
Amortization	3.41	0.85	0.85	-	0.83	(0.01)
TOTAL EXPENSES	\$ 41.13	\$ 14.31	\$ 14.25	\$ 0.06	\$ 13.03	\$ (1.21)
NET	\$ 11.44	\$ 4.60	\$ 5.19	\$ 0.59	\$ 3.76	\$ 1.45

In summary, the annual Net Operating Budgets planned surplus to cover city-wide capital works and debt financing fees is ahead of target by \$0.59M due to the better than planned revenue as at April 30, 2022.

Electric Utility – Capital Budget

QB Substation is in its construction phase and is scheduled to complete in Q4 2022. The capital plan estimated the total project value of \$30.0M which includes 10% for project contingency and 10% project reserve; the project is expected to be funded fully from debt financing and a borrowing by-law is approved at \$30.0M. The project is on track to close below the \$30M budget.

The Advanced Meter Project team has selected a vendor and the contract is at the negotiation phase and staff are working diligently and seek to award in the coming weeks. In Q1, the project team focussed on issuing the RFP, reviewing vendor submissions, and selecting the vendor. Also in Q1, the project team finalized the Meter Data Management (MDM) software contract. The MDM is a critical software program that collects metering data and connects the new meters to the City's existing NorthStar Billing system. Implementation of this program will begin mid-Q3.

Another major project in the Approved Capital Budget is the District Energy Project. Although the 5 Year Capital Plan has an estimated \$52M for this project, the increase to the Capital Budget will be subject to the receipt of agreements around grant funding and agreements with FHA & Sapperton Green developer; without such grants/support the project is not financially viable and therefore no budget increase will be established until such funding has been secured. Owners engineering has been assigned and is reviewing the options based on current market and funding opportunities.

Finally, significant planning and strategic work is advancing with the Climate Action team around EV infrastructure and transition to Electrical fleet for the Electrical Utility fleet and equipment.

Description	Multi-Year Approved Budget	Annual Spend Target	Total Actual Expenses	Forecast to Date	Forecasted Variance
Substation Upgrades	\$ 25.91	\$ 22.31	\$ 1.78	\$ 22.31	\$ -
Advanced Meters Infrastructure	10.79	10.19	0.05	10.19	-
Electrical New Services	15.62	7.52	0.63	7.52	-
Sapperton District Energy Syst	52.60	2.00	-	2.00	-
Electrical Vehicles	1.73	0.49	-	0.08	0.41
QB Substation Land Acquisition	-	-	-	-	-
Distribution Planning	1.72	0.50	-	0.50	-
Electric Vehicle Infrastructur	1.25	0.25	-	0.25	-
Electrical Utility Equipment	0.02	0.01	-	0.01	-
EV Chargers	-	-	-	-	-
Electrical Capital	\$ 109.63	\$ 43.25	\$ 2.46	\$ 42.84	\$ 0.41

BridgeNet – Operating Budget

BridgeNet was launched in 2016 as part of the City's Intelligent City initiative to provide New Westminster residents and businesses greater access to reliable, affordable high-speed internet services and relies on its partner Internet Service Providers (ISPs) to sell internet and broadband services to multi-dwelling unit residents, businesses and institutions.

The first few years were focussed on building the infrastructure and as we reach substantial completion for the build out, staff are working on the next phase of the project to advance the connections to reach the intelligent City goals and revenue targets required for full cost recovery.

For 2022, or Year 6 of the Business Plan, we have collected \$0.03M, or ~16% of our utility revenue target which is \$0.04M behind 2022 YTD expectations.

The Expenditure Budget of \$0.92M is largely related staff time, debt financing and amortization of the new infrastructure. Although the planned expenditures are on track per what was budgeted, the current revenues are unable to cover the cost to maintain the new system. Staff are working on obtaining a resource that will work on achieving revenue goals, prospect for leased line revenue with large carriers, developing the ISP partner ecosystem, and revising the original business plan strategy as necessary.

<i>(in millions)</i>	2022 Budget	2022 YTD Budget	2022 YTD Actuals	YTD Budget Variance	2021 YTD Actuals	Y/Y Variance
REVENUE						
Utility Revenue	\$ 0.19	\$ 0.07	\$ 0.03	\$ (0.04)	\$ 0.02	-
Other Revenue	0.02	0.01	0.01	-	0.00	-
TOTAL REVENUE	\$ 0.21	\$ 0.07	\$ 0.04	\$ (0.04)	\$ 0.03	-
EXPENSES						
Salaries, Benefits & Training	\$ 0.19	\$ 0.06	\$ 0.05	\$ 0.02	\$ 0.06	\$ 0.01
Contracted Services	0.08	0.03	-	0.03	0	0
Supplies & Materials	0.05	0.02	0	0.01	0.00	-
Interest & Bank Charges	0.20	0.07	0.07	-	0.05	(0.03)
Amortization	0.47	0.16	0.16	-	0.16	0.01
TOTAL EXPENSES	\$ 0.98	\$ 0.34	\$ 0.28	\$ 0.05	\$ 0.27	\$ (0.02)
NET	\$ (0.78)	\$ (0.27)	\$ (0.25)	\$ 0.02	\$ (0.24)	\$ (0.02)

BridgeNet – Capital Budget

Total capital spent to date is \$7.90M, which includes the \$0.04M spent in 2022 to date. The table below represents the current 2022 Approved Capital Budget primarily includes major investment for installation on the remaining Phase 3 for the BridgeNet dark fibre network.

Description	Multi-Year Approved Budget	Annual Spend Target	Total Actual Expenses	Forecast to Date	Forecasted Variance
Total BridgeNet Fund	\$ 3.45	\$ 0.95	\$ 0.04	\$ 0.95	\$ (0.00)

APPENDIX 1
Electrical Purchases & Sales Report (EDMS Doc# 836632)

SUMMARY OF ELECTRICAL ENERGY PURCHASES AND SALES
2022

MONTH	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	GRAND
BILLING PERIOD	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
NUMBER OF CONNECTIONS	37,260	37,258	37,263	37,272									37,263
BILLING REVENUE													
GL CODING													
9300.3704	1,556,589	4,962,009	1,889,354	3,740,423									12,148,376
RES: Residential (RES)	(97,823)	(4,604)	(15,023)	(14,032)									(131,481)
RES: ADS	1,396,111	3,036,850	1,792,623	2,563,862									8,789,445
Commercial (COMM)	(4,567)	(35,889)	(2,947)	(24,863)									(68,265)
COMM: ADS	2,850,310	7,958,366	3,664,007	6,265,390									20,738,074
Monthly Accruals													
RES: Rev Prior Month Accrual	(2,166,177)	(3,441,147)	(1,714,473)	(2,489,629)									(2,166,177)
COMM: Rev Prior Month Accrual	(2,166,177)	(3,441,147)	(1,714,473)	(2,489,629)									(2,166,177)
RES: Rec Current Month Accrual	3,441,147	1,714,473	2,489,629	1,399,557									1,399,557
COMM: Rec Current Month Accrual	3,441,147	1,714,473	2,489,629	1,399,557									1,399,557
Net Accrual Adjustment	2,549,941	(3,453,348)	1,550,311	(2,180,143)									(1,533,238)
TOTAL BILLING REVENUE EARNED	5,400,251	4,505,019	5,214,319	4,085,247									19,204,836
BC HYDRO - PURCHASE OF POWER													
Billed Demand (KVA)	919,310	771,869	689,476	670,626									3,051,281
Billed Energy (kWh)	2,605,292	2,348,524	1,961,283	1,950,382									8,865,481
Reverse Prior Month Accrual	(587,434)	(587,434)	(208,026)	(490,881)									(587,434)
Record Current Month Accrual	587,434	208,026	490,881	355,458									490,881
TOTAL PURCHASE OF POWER	3,524,602	2,740,986	2,933,614	2,485,584									11,820,209
GROSS MARGIN	1,875,649	1,764,033	2,280,705	1,599,663									7,384,627
GROSS MARGIN %	35%	39%	44%	39%									38%
PURCHASE OF POWER DETAILS													
Demand (KVA)													
Metered Peak Demand LH	93,059	80,880	75,341	70,084									
Metered Peak Demand HH	106,377	89,316	78,750	70,901									
50% Contract Demand	53,500	53,500	53,500	53,500									
75% of Previous High Demand	65,409	65,409	79,782	79,782									
Billing Demand	106,377	89,316	79,782	79,782									
Energy (kWh)													
Total Metered Energy	51,437,157	46,367,704	38,722,262	38,750,647									175,277,770
Billing Period Energy	51,437,157	46,367,704	38,722,262	38,750,647									
Billed Period Energy - % Change	10%	-10%	-16%	0%									
Billed Demand Rate per KVA	8,6420	8,6420	8,6420	8,4057									
Billed Energy Rate per kWh	0.05065	0.05065	0.05065	0.05033									
INTERNAL ENERGY SALES													
St Lights and Traf Signals	24,250	24,250	24,250	24,250									97,000
Internal City Utility Charges	115,018	101,456	99,589	125,613									441,675
Climate Action Levy	97,331	271,749	125,312	213,940									708,332
Mean Temperature (Celsius)	4.10	4.40	7.30	8.00									
Heating + Cooling Degree Days	432.0	382.0	333.4	291.0									
GL RECONCILIATION													
RES												9,850,718	
RES: Rec Current Month Accrual												1,399,557	
RES Subtotal													11,250,276
COMM												6,555,003	
COMM: Rec Current Month Accrual												1,399,557	
COMM Subtotal													7,954,560
TOTAL													19,204,836
CHECK													

