August 5th 2021 Orleans Electric Study Committee

Orleans Study Committee Members Next Meeting Topics:

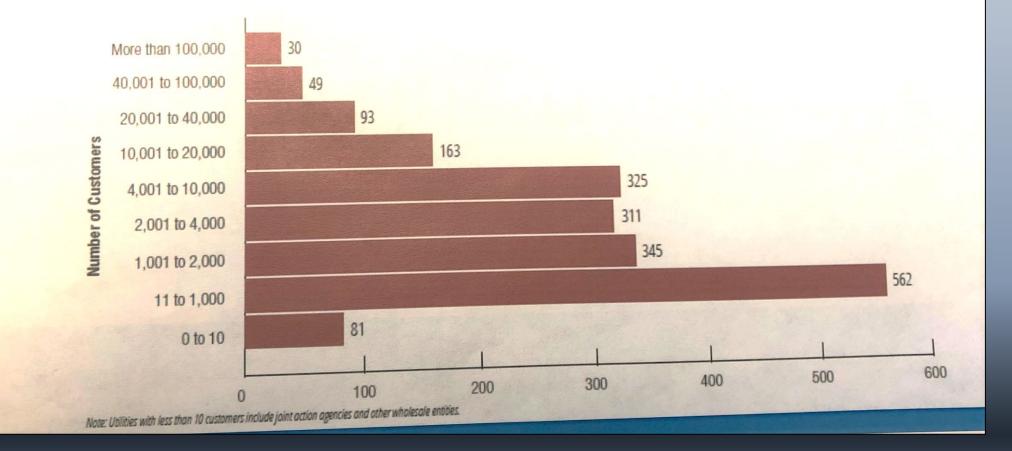
- 1) Process for selling a municipal electric utility and approximate timeline
- 2) Barton Electrics debt schedule and amortization schedule
- 3) Non-union electric utility employees
- 4) Number of customers each utility serves in each Town
- 5) Commercial rate differences
- 6) Talking with Select Boards about the potential acquisition of Barton electric
- 7) Number of employees Barton/Orleans
- 8) Electric rate impact for Orleans if Ethan Allen closes

Next meeting is Thursday August 5th, 2021 at the Mack Building at 5:30 pm

	Passumpsic Note			CNB Note				Bond #4	1	1	ELECTRIC TOTAL					
		3.45%		Ι	2.93%			various			Bond #5 various	Τ				
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Princip	al	Interest	Total
2018	\$ 7,111.46	\$ 6,900.00	\$ 14,011.46	\$ 35,475.30	\$ 25,398.66	\$ 60,873.96	\$ 110,000.00	\$ 61,286.88	\$ 171,286.88	\$ 40,000.00	\$ 62,381.57	\$ 102,381.57	\$ 192,58	36.76	\$ 155,967.11	\$ 348,553.87
2019	\$ 7,356.81	\$ 6,654.65	\$ 14,011.46	\$ 36,528.79	\$ 24,345.17	\$ 60,873.96	\$ 110,000.00	\$ 63,920.97	\$ 173,920.97	\$ 40,000.00	\$ 73,254.96	\$ 113,254.96	\$ 193,88	35.60	\$ 168,175.75	\$ 362,061.35
2020	\$ 7,593.08	\$ 6,418.38	\$ 14,011.46	\$ 37,606.48	\$ 23,267.48	\$ 60,873.96	\$ 120,000.00	\$ 58,096.68	\$ 178,096.68	\$ 45,000.00	\$ 72,017.36	\$ 117,017.36	\$ 210,19	9.56	\$ 159,799.90	\$ 369,999.46
2021	\$ 7,872.58	\$ 6,138.88	\$ 14,011.46	\$ 38,735.79	\$ 22,138.17	\$ 60,873.96	\$ 130,000.00	\$ 51,357.91	\$ 181,357.91	\$ 45,000.00	\$ 70,521.56	\$ 115,521.56	\$ 221,60	08.37	\$ 150,156.52	\$ 371,764.89
2022	\$ 8,144.19	\$ 5,867.27	\$ 14,011.46	\$ 39,880.70	\$ 20,993.26	\$ 60,873.96	\$ 130,000.00	\$ 46,728.78	\$ 176,728.78	\$ 45,000.00	\$ 68,940.28	\$ 113,940.28	\$ 223,02	24.89	\$ 142,529.59	\$ 365,554.48
2023	\$ 8,425.16	\$ 5,586.30	\$ 14,011.46	\$ 41,065.03	\$ 19,808.93	\$ 60,873.96	\$ 135,000.00	\$ 38,130.85	\$ 173,130.85	\$ 50,000.00	\$ 67,282.48	\$ 117,282.48	\$ 234,49	0.19	\$ 130,808.56	\$ 365,298.75
2024	\$ 8,701.32	\$ 5,310.14	\$ 14,011.46	\$ 42,278.49	\$ 18,595.47	\$ 60,873.96	\$ 145,000.00	\$ 29,070.69	\$ 174,070.69	\$ 50,000.00	\$ 65,360.48	\$ 115,360.48	\$ 245,97	9.81	\$ 118,336.78	\$ 364,316.59
2025	\$ 9,016.02	\$ 4,995.44	\$ 14,011.46	\$ 43,544.33	\$ 17,329.63	\$ 60,873.96	\$ 155,000.00	\$ 23,823.15	\$ 178,823.15	\$ 50,000.00	\$ 63,363.50	\$ 113,363.50	\$ 257,50	50.35	\$ 109,511.72	\$ 367,072.07
2026	\$ 9,327.08	\$ 4,684.38	\$ 14,011.46	\$567,942.27	\$ 13,451.32	\$ 581,393.59	\$ 155,000.00	\$ 16,285.37	\$ 171,285.37	\$ 55,000.00	\$ 61,296.50	\$ 116,296.50	\$ 787,20	59.35	\$ 95,717.57	\$ 882,986.92
2027	\$ 9,648.86	\$ 4,362.60	\$ 14,011.46			\$-	\$ 165,000.00	\$ 8,189.19	\$ 173,189.19	\$ 55,000.00	\$ 58,962.32	\$ 113,962.32	\$ 229,64	18.86	\$ 71,514.11	\$ 301,162.97
2028	\$ 9,970.71	\$ 4,040.75	\$ 14,011.46			\$-	\$ 165,000.00	\$ 8,376.71	\$ 173,376.71	\$ 60,000.00	\$ 56,584.12	\$ 116,584.12	\$ 234,9	70.71	\$ 69,001.58	\$ 303,972.29
2029	\$ 10,325.74	\$ 3,685.72	\$ 14,011.46			\$-			ş -	\$ 60,000.00	\$ 53,941.72	\$ 113,941.72	\$ 70,33	25.74	\$ 57,627.44	\$ 127,953.18
2030	\$ 10,681.97	\$ 3,329.49	\$ 14,011.46			\$-			\$ -	\$ 65,000.00	\$ 51,251.34	\$ 116,251.34	\$ 75,68	31.97	\$ 54,580.83	\$ 130,262.80
2031	\$ 11,050.50	\$ 2,960.96	\$ 14,011.46			\$-			\$ -	\$ 70,000.00	\$ 24,804.35	\$ 94,804.35	\$ 81,0	50.50	\$ 27,765.31	\$ 108,815.81
2032	\$ 11,424.68	\$ 2,586.78	\$ 14,011.46			\$-			\$ -	\$ 70,000.00	\$ 22,140.23	\$ 92,140.23	\$ 81,42	4.68	\$ 24,727.01	\$ 106,151.69
2033	\$ 11,825.90	\$ 2,185.56	\$ 14,011.46			ş -			Ş -	\$ 75,000.00	\$ 3,236.56	\$ 78,236.56	\$ 86,83	25.90	\$ 5,422.12	\$ 92,248.02
2034	\$ 12,233.89	\$ 1,777.57	\$ 14,011.46			\$-			\$ -	\$ 80,000.00	\$-	\$ 80,000.00	\$ 92,23	33.89	\$ 1,777.57	\$ 94,011.46
2035	\$ 12,655.96	\$ 1,355.50	\$ 14,011.46			\$-			\$ -	\$ 80,000.00	Ş -	\$ 80,000.00	\$ 92,65	55.96	\$ 1,355.50	\$ 94,011.46
2036	\$ 13,090.07	\$ 921.39	\$ 14,011.46			\$-			\$ -	\$ 85,000.00	\$ (0.01)	\$ 84,999.99	\$ 98,09	0.07	\$ 921.38	\$ 99,011.45
2037	\$ 13,544.02	\$ 467.26	\$ 14,011.28			\$ -			Ş -	\$ 90,000.00	Ş -	\$ 90,000.00	\$ 103,54	4.02	\$ 467.26	\$ 104,011.28
2038			ş -			\$-			\$ -	\$ 95,000.00	\$-	\$ 95,000.00	\$ 95,00	00.00	\$-	\$ 95,000.00
2039			\$-			\$-			\$ -	\$ 100,000.00	\$ 0.01	\$ 100,000.01	\$ 100,00	00.00	\$ 0.01	\$ 100,000.01
2040			\$-			\$-			ş -	\$ 105,000.00	\$ (0.01)	\$ 104,999.99	\$ 105,00	00.00	\$ (0.01)	\$ 104,999.99
2041			\$-			\$-			\$ -	\$ 110,000.00	\$ -	\$ 110,000.00	\$ 110,00	00.00	ş -	\$ 110,000.00
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	\$ 200,000.00	\$80,229.02	\$ 280,229.02	\$883,057.18	\$185,328.09	\$ 1,068,385.27	\$ 1,520,000.00	\$405,267.18	\$ 1,925,267.18	\$ 1,620,000.00	\$875,339.32	\$ 2,495,339.32	\$ 4,223,0	57.18	\$ 1,546,163.61	\$ 5,769,220.79

2021 APPA Statistical Report – Number of Customers

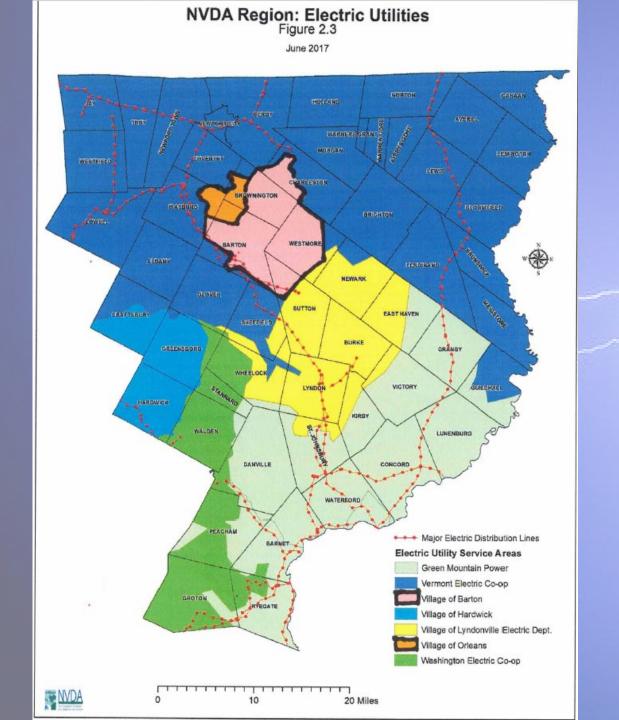
Distribution of Public Power Utilities by Customer Count



APPA 2021 Statistical Report - Revenues

Distribution of Public Power Utilities by Revenue Class





Benefits of Ownership - Economic

- Control Commercial (Economic Development) Rates
 - Can set special rates to attract businesses
 - Can use rates to incentivize electrification

Tailor residential rates and impacts for usage levels

Annual Bill Comparison	KWH Used Per Month													
Utility		0		200		400		600))	800		1,000		1,500
Orleans	\$	118.68	\$	380.96	\$	695.87	\$	1,010.77	\$	1,325.68	\$	1,640.58	\$	2,427.84
Barton	\$	124.08	\$	495.90	\$	989.84	\$	1,483.79	\$	1,977.73	\$	2,471.68	\$	3,706.54
Lyndonville	\$	111.00	\$	430.40	\$	817.78	\$	1,205.17	\$	1,592.55	\$	1,979.93	\$	2,948.39
Vermont Electric Cooperative	\$	213.48	\$	568.57	\$	1,033.86	\$	1,499.15	\$	1,964.44	\$	2,429.72	\$	3,592.94
Orleans vs. Barton		-4.4%		-23.2%	1	-29.7%		-31.9%		-33.0%		-33.6%		-34.5%
Orleans vs. Lyndonville		6.9%		-11.5%		-14.9%		-16.1%		-16.8%		-17.1%		-17.7%
Orleans vs. VEC		-44.4%		-33.0%		-32.7%		-32.6%		-32.5%		-32.5%		-32.4%

(Rate comparison data for 2020)

19254紫

Orleans Electric customers per town

• Orleans Village – 451

Number of Orleans Electric employees - 3.5

- Barton Town 43
- Brownington 117
 - Irasburg 62
 - Coventry 7











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Residential and Commercial Rates

Orleans

- Commercial = .13117
 - No commercial demand charge
- Residential
 - No residential demand charge
 - -100 kwh = .07548
 - +100 kwh = .11933

Barton

- Large Commercial = .15001
 - Demand Charge \$12.28
- Small Commercial = .19284
- Residential Demand Service
 - -100 kwh = .09216
 - +100 kwh = .15074
 - Demand Charge \$7.91
- Residential
 - -100 kwh = .09216
 - + 100 kwh = .19393



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Memorandum

hn Morley, Orleans	n Nolan, General Manager	8/02/2021	ilored Benefits of Small Municipal Utilities
Johr	im: Ken	te: 08/0	oject: Tailo
To	F	Da	Sul

In response to my presentation to the Orleans Trustees in May, you requested further detail on the ability of small utilities to provide more "tailored" offerings. This ability stems from the basic utility regulatory structure that requires utilities to offer the same rates and/or programs to all customers on a non-discriminatory basis. The downside of this requirement is that as the utility's geographic footprint increases it becomes less and less possible to tailor service offerings to the needs of local communities.

Some examples:

- designed to retain and/or recruit specific businesses. While the parameters of the rate must be offered to all "eligible" customers in the utility service territory, small service territories are VPPSA has worked with various members to design specific economic development rates more able to design rates that apply to a limited set of desired customers. •
- program offerings for its members. That MOU envisions each municipality having the ability to from the statewide programs EVT normally operates, or modifications that might be made to This differs Similarly, VPPSA has negotiated an MOU with Efficiency Vermont (EVT) to "tailor" efficiency work with EVT to design a package of efficiency measures that meet local needs. apply to the entire GMP or VEC territories. ٠
- rebate offerings that are consistent across all members (but unique to VPPSA utilities), and then The same is true for Renewable Energy Standard Tier 3 programs. VPPSA operates a series of is able to work with each municipality to provide specific custom programs available to the utility's own customers. ٠

municipal electric departments. That control gets more difficult as the service area increases in size and municipal land use, economic development, conservation, or other goals could be helped or harmed by management decisions around the water and wastewater departments. Providing municipal service to certain locations could spur development or withholding service could depress development. Certain rate designs could be used to promote municipal desires and resident behaviors. The same is true for Reflecting on my former Selectboard experience for a moment, it was quite common to discuss how is lost completely if the municipality does not own the utility.

ETHAN ALLEN CLOSURE

- Average Orleans electric rate .14385
- If EA closes average Orleans electric rate .20859
- Average rate differential .065
- Percent increase in average rates 45%