

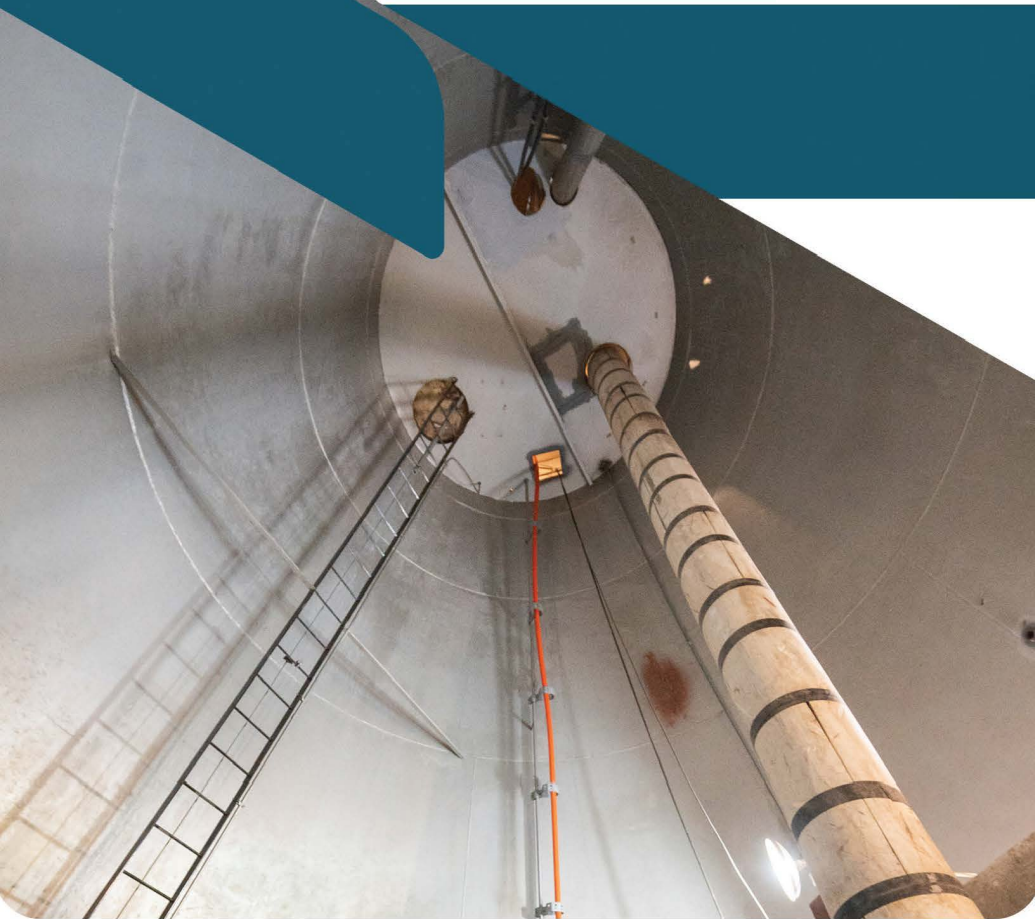
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ROCHESTER
PUBLIC UTILITIES
WE PLEDGE, WE DELIVER™

ANNUAL BUDGET RECOMMENDED

2027



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ROCHESTER PUBLIC UTILITIES
2027 ANNUAL OPERATING PLAN

CONTENTS

	SECTION
ELECTRIC UTILITY - OPERATING BUDGET	1
ELECTRIC UTILITY - CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET	2
WATER UTILITY - OPERATING BUDGET	3
WATER UTILITY - CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET	4
PERSONNEL BUDGET - TOTAL RPU	5
SUPPLEMENTAL DATA - CAPITAL/OPERATING BUDGET	6

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SECTION XII

Rochester Public Utilities Recommended Electric Utility 2027 Operating Budget

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2027 OPERATING BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Assumptions	1
Forecast by Year 2027 through 2031	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

ROCHESTER PUBLIC UTILITIES **ELECTRIC UTILITY** **2027 OPERATING BUDGET**

ASSUMPTIONS

- Interest Earnings Rate: 1.5%
- Average Salary Expense Change: 3.9%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Anticipated Bonding \$141.2 Million
- Change in Full-time Equivalents: 2 Incremental
- SMMPA Wholesale Power Cost: 10.0% Decrease
- SMMPA CROD Level: 216 MW
- Minimum Cash Reserve Requirement: \$61,281,744
- In Lieu of Tax \$11,917,760

RETAIL REVENUES / SALES

- Revenue Adjustment: 4.0% Proposed Effective General Rate Change
- Electric KWH Sales Forecast: 0.3% Decrease from 2026 Projected Sales
- Total Electric Utility Customers: 1.3% Increase over Y/E 2026 Projected Customers
- Forecast Assumes Normal Weather : 30 Yr Average Heating/Cooling Degree Days per Year

WHOLESALE FUEL COSTS

- Estimated Cost of Fuel: \$4.57/mcf

POWER SUPPLY RESOURCE PLAN

- New Resources:
 - 2027 65MW Wind Power Purchase Agreement (PPA)
 - 2027 766KW Solar
 - 2027 30MW Repair Cascade Creek - GT1
 - 2027 20MW Battery Tolling Agreement
 - 2029 180MW Wind PPA
 - 2029 <50MW – Mt Simon Station
 - 2030 130MW Battery / Capacity PPA / Energy PPA (Current RFP)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

in 000's

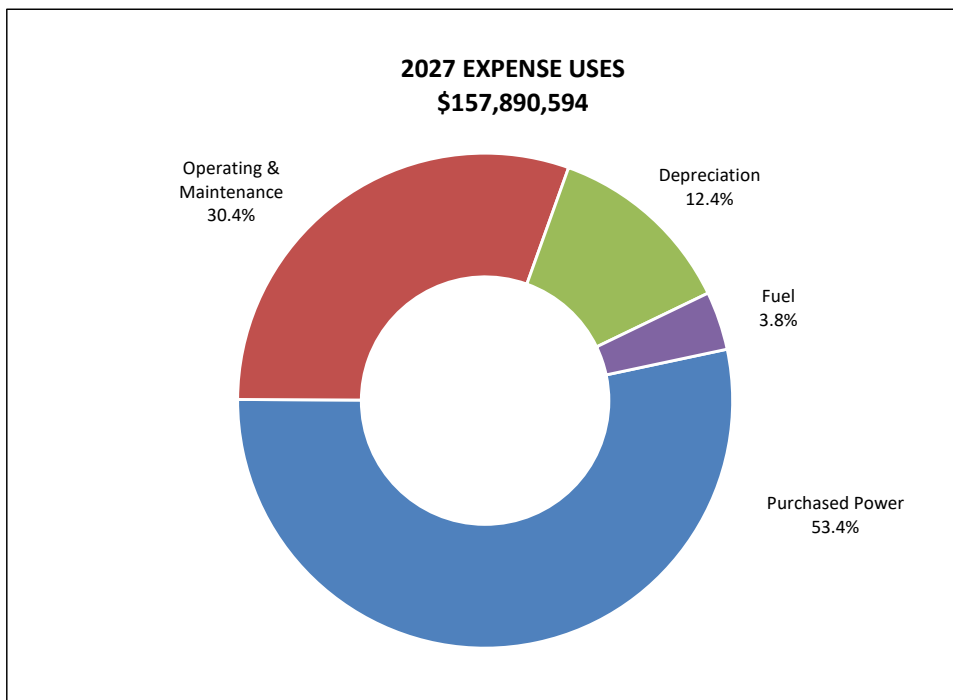
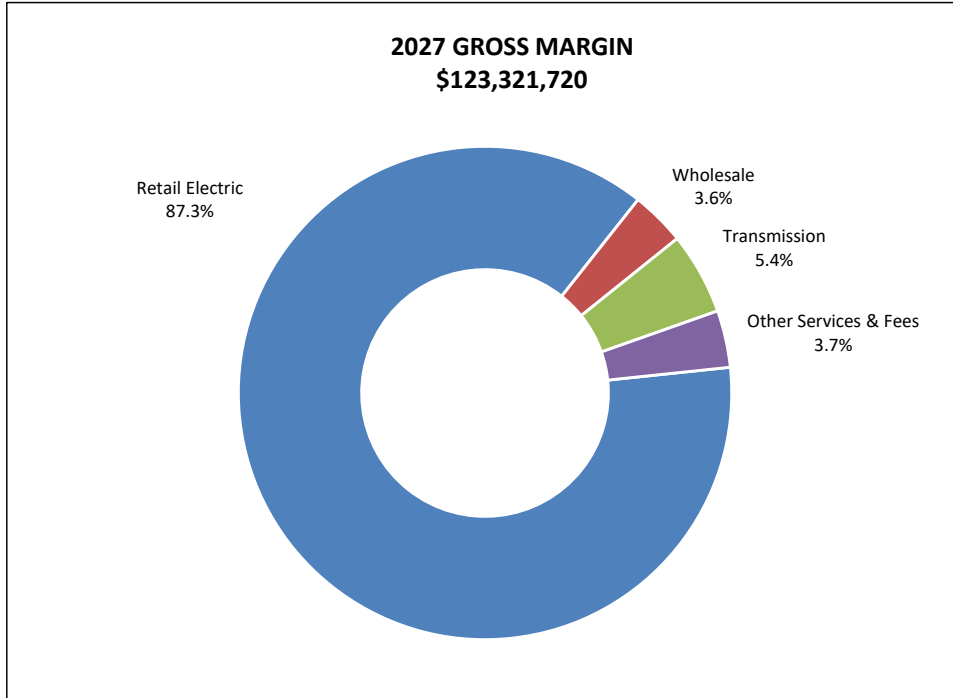
RPU Rate Increase
Plus AMI Customer Charge

Historical Data								
2024	2025		2026 F2	2027	2028	2029	2030	2031
3.2%	4.0%		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
\$1.94								
\$172,251	\$180,766		\$184,024	\$185,055	\$201,296	\$228,838	\$228,029	\$232,615
\$5,847	\$11,534		\$9,604	\$8,584	\$7,528	\$7,723	\$9,479	\$9,479
-	-		\$1,857	\$4,019	\$3,682	\$18,064	\$18,076	\$18,093
\$4,735	\$4,999		\$5,255	\$4,787	\$2,613	-	-	-
\$5,801	\$6,590		\$6,631	\$6,631	\$9,986	\$10,686	\$8,986	\$8,986
\$4,175	\$5,610		\$4,469	\$4,602	\$4,690	\$4,751	\$4,815	\$4,879
\$192,809	\$209,499		\$211,840	\$213,677	\$229,796	\$270,063	\$269,387	\$274,052
0.0%	0.0%		(10.0%)	(10.0%)	17.0%	(2.7%)	18.8%	
\$100,982	\$101,614		\$93,132	\$77,365	\$87,923	\$86,837	\$68,279	\$62,128
-	-		\$2,680	\$5,460	\$5,608	\$39,923	\$40,078	\$40,238
-	-		-	\$1,500	-	-	\$11,775	\$15,700
\$3,966	\$5,846		\$6,684	\$6,030	\$5,447	\$3,938	\$5,005	\$5,009
\$104,948	\$107,460		\$102,495	\$90,356	\$98,978	\$130,697	\$125,137	\$123,075
\$71,270	\$79,151		\$90,892	\$107,689	\$113,373	\$142,001	\$159,750	\$170,487
\$6,615	\$10,688		\$8,175	\$5,841	\$4,695	\$3,786	(\$7,301)	(\$11,230)
-	-		(\$822)	(\$1,441)	(\$1,926)	(\$21,858)	(\$22,002)	(\$22,146)
\$5,801	\$6,590		\$6,631	\$6,631	\$9,986	\$10,686	\$8,986	\$8,986
\$4,175	\$5,610		\$4,469	\$4,602	\$4,690	\$4,751	\$4,815	\$4,879
\$87,861	\$102,039		\$109,345	\$123,322	\$130,819	\$139,366	\$144,250	\$150,976
\$27,582	\$28,468		\$34,069	\$37,471	\$38,229	\$40,058	\$42,371	\$44,821
\$12,897	\$11,151		\$13,027	\$13,213	\$13,683	\$14,349	\$16,748	\$17,963
\$2,694	\$4,163		\$9,729	\$5,585	\$6,192	\$8,586	\$9,335	\$6,245
\$26,156	\$25,813		\$43,206	\$40,805	\$22,639	\$19,737	\$20,704	\$21,512
\$69,329	\$69,595		\$100,031	\$97,073	\$80,744	\$82,729	\$89,157	\$90,541
\$15,751	\$16,871		\$17,928	\$19,531	\$21,434	\$23,797	\$25,036	\$25,222
\$534	\$834		\$1,091	\$3,686	\$4,788	\$4,870	\$4,974	\$4,917
(\$26,156)	(\$25,813)		(\$43,206)	(\$40,805)	(\$22,639)	(\$19,737)	(\$20,704)	(\$21,512)
(\$4,725)	(\$6,684)		(\$11,792)	(\$9,514)	(\$8,007)	(\$7,912)	(\$6,812)	(\$6,471)
(\$2,146)	(\$1,773)		(\$2,133)	(\$2,437)	(\$2,633)	(\$2,698)	(\$2,765)	(\$2,834)
\$52,587	\$53,030		\$61,919	\$67,535	\$73,687	\$81,050	\$88,885	\$89,863
\$35,274	\$49,009		\$47,426	\$55,787	\$57,132	\$58,316	\$55,364	\$61,114
(\$5,280)	(\$5,093)		(\$4,939)	(\$12,631)	(\$12,335)	(\$11,931)	(\$11,507)	(\$11,056)
\$6,437	\$8,123		\$6,157	\$4,341	\$3,065	\$2,909	\$3,229	\$3,688
(\$242)	(\$151)		(\$441)	(\$907)	(\$949)	(\$996)	(\$1,045)	(\$1,094)
\$914	\$2,879		\$777	(\$9,196)	(\$10,219)	(\$10,018)	(\$9,323)	(\$8,462)
\$36,189	\$51,888		\$48,202	\$46,591	\$46,913	\$48,299	\$46,041	\$52,652
(\$10,868)	(\$11,429)		(\$11,586)	(\$11,918)	(\$10,885)	(\$11,071)	(\$11,257)	(\$11,449)
\$11,562	\$6,129		\$10,685	\$10,584	\$2,217	\$657	\$671	\$560
(\$1,277)	-		-	-	-	-	-	-
\$35,605	\$46,588		\$47,301	\$45,257	\$38,244	\$37,885	\$35,455	\$41,763
			\$ 36,617	\$ 34,673	\$ 36,027	\$ 37,228	\$ 34,784	\$ 41,203
			\$ 24,831	\$ 24,832	\$ 27,854	\$ 29,466	\$ 31,009	\$ 26,290
			\$ 11,786	\$ 9,841	\$ 8,173	\$ 7,761	\$ 3,776	\$ 14,912
\$	130,383	\$	146,000	\$ 105,020	\$ 122,921	\$ 142,287	\$ 164,998	\$ 191,662
	\$46,588		\$47,301	\$45,257	\$38,244	\$37,885	\$35,455	\$41,763
	\$16,871		\$17,928	\$19,531	\$21,434	\$23,797	\$25,036	\$25,222
	(\$41,181)		(\$97,397)	(\$135,548)	(\$65,936)	(\$30,779)	(\$27,516)	(\$27,983)
	(\$8,005)		(\$8,305)	(\$10,574)	(\$11,037)	(\$11,520)	(\$11,999)	(\$6,475)
	-		-	\$141,200	-	-	-	-
	\$1,344		(\$506)	(\$41,965)	\$36,659	\$3,327	\$5,688	\$2,420
	\$15,616		(\$40,979)	\$17,901	\$19,366	\$22,711	\$26,664	\$34,947
\$	146,000	\$	105,020	\$ 122,921	\$ 142,287	\$ 164,998	\$ 191,662	\$ 226,609
\$	66,647	\$	69,655	\$ 61,282	\$ 65,675	\$ 74,248	\$ 74,331	\$ 86,013
			244	306	330	310	358	426
	5.4		5.2	3.4	3.5	3.6	3.6	5.1

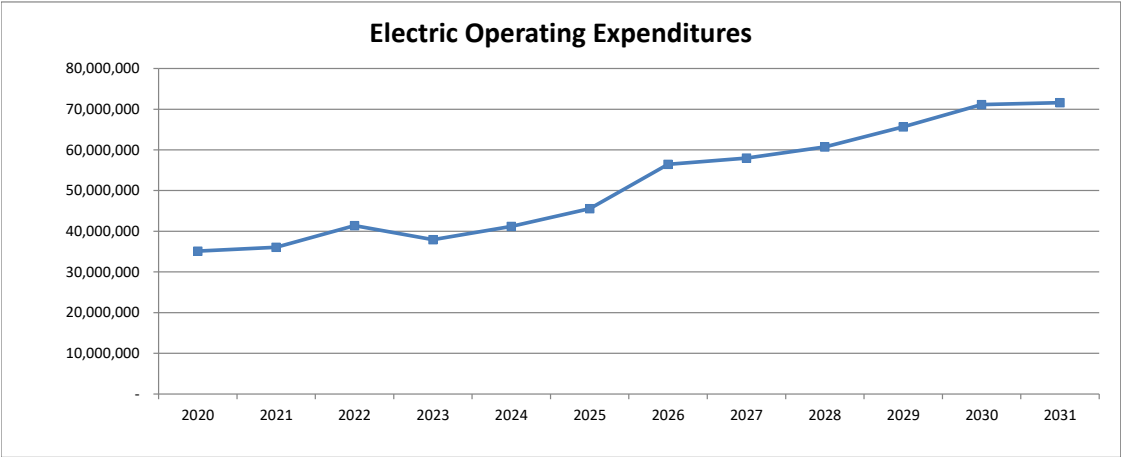
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

		Historical Data		2026		2027		2027	%
		2024	2025	Orig Bdgt	2026 F2	2027	Orig Bdgt	Variance to Orig Bdgt	
in 000's									
1	<u>Revenue</u>								
2	Retail Electric	\$172,251	\$180,766	\$177,217	\$184,024	\$185,055	\$189,166	(\$4,112)	-2.2%
3	Wholesale Electric	\$5,847	\$11,534	\$7,631	\$9,604	\$8,584	\$5,836	\$2,747	47.1%
4	Wholesale Renewables	-	-	\$4,729	\$1,857	\$4,019	\$4,483	(\$463)	-10.3%
5	Wholesale Steam	\$4,735	\$4,999	\$5,061	\$5,255	\$4,787	\$4,930	(\$144)	-2.9%
6	Transmission	\$5,801	\$6,590	\$6,008	\$6,631	\$6,631	\$8,363	(\$1,732)	-20.7%
7	Other Services & Fees	\$4,175	\$5,610	\$4,537	\$4,469	\$4,602	\$4,571	\$31	0.7%
8	Total Revenue	\$192,809	\$209,499	\$205,182	\$211,840	\$213,677	\$217,350	(\$3,673)	-1.7%
9	<u>Cost of Revenue</u>								
10	Power Supply	\$100,982	\$101,614	\$86,870	\$93,132	\$77,365	\$78,672	(\$1,306)	-1.7%
11	Power Supply - Renewables	-	-	\$5,317	\$2,680	\$5,460	\$5,460	-	0.0%
12	Power Supply Battery	-	-	-	-	\$1,500	-	\$1,500	0.0%
13	Generation Fuel	\$3,966	\$5,846	\$6,323	\$6,684	\$6,030	\$6,083	(\$53)	-0.9%
14	Total Cost of Revenue	\$104,948	\$107,460	\$98,510	\$102,495	\$90,356	\$90,215	\$141	0.2%
15	<u>Gross Margin</u>								
16	Retail Electric	\$71,270	\$79,151	\$90,346	\$90,892	\$107,689	\$110,495	(\$2,806)	-2.5%
17	Wholesale	\$6,615	\$10,688	\$6,369	\$8,175	\$5,841	\$4,684	\$1,157	24.7%
18	Wholesale Renewables	-	-	(\$588)	(\$822)	(\$1,441)	(\$978)	(\$463)	47.4%
19	Transmission	\$5,801	\$6,590	\$6,008	\$6,631	\$6,631	\$8,363	(\$1,732)	-20.7%
20	Other Services & Fees	\$4,175	\$5,610	\$4,537	\$4,469	\$4,602	\$4,571	\$31	0.7%
21	TOTAL GROSS MARGIN	\$87,861	\$102,039	\$106,672	\$109,345	\$123,322	\$127,135	(\$3,813)	-3.7%
22	<u>Controllable Costs</u>								
23	Salaries & Benefits	\$27,582	\$28,468	35,330	\$34,069	\$37,471	\$37,874	(\$403)	-1.1%
24	Other Operating Expenses	\$12,897	\$11,151	12,716	\$13,027	\$13,213	\$13,254	(\$41)	-0.3%
25	Major Maintenance	\$2,694	\$4,163	8,479	\$9,729	\$5,585	\$5,507	\$78	1.4%
26	Non-Bonded Capital Projects	\$26,156	\$25,813	32,154	\$43,206	\$40,805	\$34,104	\$6,700	19.6%
27	TOTAL CONTROLLABLE COSTS	\$69,329	\$69,595	\$88,679	\$100,031	\$97,073	\$90,739	\$6,334	7.0%
28	Depreciation & Amortization	\$15,751	\$16,871	\$18,251	\$17,928	\$19,531	\$18,417	\$1,114	6.1%
29	Subscription Amortization	\$534	\$834	\$1,087	\$1,091	\$3,686	\$2,171	\$1,515	69.8%
30	Less Non Bonded Projects (capitalized)	(\$26,156)	(\$25,813)	(32,154)	(\$43,206)	(\$40,805)	(\$34,104)	(\$6,700)	19.6%
31	Less Total Internal Costs (capitalized)	(\$4,725)	(\$6,684)	(\$7,251)	(\$11,792)	(\$9,514)	(\$8,171)	(\$1,342)	16.4%
32	Interutility Allocation	(\$2,146)	(\$1,773)	(\$2,150)	(\$2,133)	(\$2,437)	(\$2,333)	(\$104)	4.5%
33	Total Operating Expenses	\$52,587	\$53,030	\$66,462	\$61,919	\$67,535	\$66,718	\$817	1.2%
34	Net Operating Income (Loss)	\$35,274	\$49,009	\$40,211	\$47,426	\$55,787	\$60,417	(\$4,630)	-7.7%
35	<u>Financing & Other Non-Operating Items:</u>								
36	Bond & Interest Related Expenses	(\$5,280)	(\$5,093)	(\$4,958)	(\$4,939)	(\$12,631)	(\$19,340)	\$6,710	-34.7%
37	Interest Income	\$6,437	\$8,123	\$3,466	\$6,157	\$4,341	\$8,060	(\$3,719)	-46.1%
38	Misc Non-Operating Income (Expense)	(\$242)	(\$151)	(\$424)	(\$441)	(\$907)	(\$873)	(\$34)	3.9%
39	Total Financing & Non-Operating Items	\$914	\$2,879	(\$1,915)	\$777	(\$9,196)	(\$12,153)	\$2,956	-24.3%
40	Income Before Transfers or Capital Contributions	\$36,189	\$51,888	\$38,295	\$48,202	\$46,591	\$48,264	(\$1,674)	-3.5%
41	Transfers (In Lieu of Taxes)	(\$10,868)	(\$11,429)	(\$11,586)	(\$11,586)	(\$11,918)	(\$11,918)	-	0.0%
42	Capital Contributions/Intercompany	\$11,562	\$6,129	\$1,426	\$10,685	\$10,584	\$1,893	\$8,692	459.3%
43	Special Items	(\$1,277)	-	-	-	-	-	-	0.0%
44	NET INCOME	\$35,605	\$46,588	\$28,135	\$47,301	\$45,257	\$38,239	\$7,018	18.4%
45	1/01 Cash Balance	\$ 130,383		\$ 122,275	\$ 146,000	\$ 105,020	\$ 93,268	\$ 11,753	12.6%
46	Change in Net Assets		\$46,588	\$28,135	\$47,301	\$45,257	\$38,239	\$7,018	18.4%
47	Depreciation & Amortization		\$16,871	\$18,251	\$17,928	\$19,531	\$18,417	\$1,114	6.1%
48	Capital Additions/Service Territory Comp		(\$41,181)	(\$68,337)	(\$97,397)	(\$135,548)	(\$122,024)	(\$13,524)	11.1%
49	Bond Principal Payments		(\$8,005)	(\$8,305)	(\$8,305)	(\$10,574)	(\$11,670)	\$1,095	-9.4%
50	Bond Proceeds		-	-	-	\$141,200	\$240,700	(\$99,500)	-41.3%
51	Net Change in Other Assets/Liabilities		\$1,344	\$1,249	(\$506)	(\$41,965)	(\$166,217)	\$124,252	-74.8%
52	Net Changes in Cash		\$15,616	(\$29,007)	(\$40,979)	\$17,901	(\$2,554)	\$20,455	-800.8%
53	12/31 Cash Balance	\$ 146,000		\$ 93,268	\$ 105,020	\$ 122,921	\$ 90,714	\$ 32,208	35.5%
54	Minimum Cash Reserve	\$ 66,647		\$ 67,875	\$ 69,655	\$ 61,282	\$ 58,185	\$ 3,097	5.3%
55	Excess (Deficit) from Minimum Cash Reserve	\$ 79,353		\$ 25,392	\$ 35,366	\$ 61,639	\$ 32,528	\$ 29,111	89.5%

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2027 Operating Budget**



ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
ELECTRIC UTILITY
2027 Operating Budget

	2025 Actuals	2026 F2	2027	2028	2029	2030	2031
1 Peak MW							
2 SMMPA	216	216	216	216	216	30	30
3 Market	44	62	47	40	44	235	239
4 Total Peak MW	260	278	263	256	260	265	269
5 % Change		6.9%	-5.3%	-2.9%	1.7%	1.7%	1.7%
6 Retail MWH	1,157,985	1,136,919	1,133,675	1,107,933	1,126,223	1,145,163	1,164,663
7 % Change		-1.8%	-0.3%	-2.3%	1.7%	1.7%	1.7%
8 Purchased Power MWH							
9 SMMPA	1,182,729	1,145,007	1,138,280	1,112,631	1,131,369	472,048	258,319
10 Renewables	-		165,769	165,769	810,349	810,349	810,349
11 Other	5,726	10,419	13,825	13,514	13,741	692,696	926,632
12 Total Purchased Power MWH	1,188,454	1,155,426	1,317,874	1,291,914	1,955,460	1,975,093	1,995,300
13 % Change		-2.8%	14.1%	-2.0%	51.4%	1.0%	1.0%
14 Generation MWH							
15 Total Generation MWH	100,891	92,813	90,033	90,033	90,033	138,255	138,255
16 % Change		-8.0%	-3.0%	0.0%	0.0%	53.6%	0.0%
17 Number of Service Points							
18 Residential	55,974	56,492	57,261	58,030	58,799	59,568	60,337
19 Small General Service	4,275	4,306	4,326	4,342	4,353	4,362	4,369
20 Medium General Service	975	994	1,020	1,050	1,082	1,117	1,152
21 Large General Service	13	13	13	13	13	13	12
22 Large Industrial Service	1	1	1	1	1	1	1
23 Street & Hwy Lightings	3	3	3	3	3	3	3
24 Interdepartmental	1	1	1	1	1	1	1
25 Total Customers	61,242	61,810	62,625	63,440	64,252	65,065	65,875
26 % Change		0.9%	1.3%	1.3%	1.3%	1.3%	1.2%
27 Blended cost per MWH for retail supply		\$ 82.92	\$ 62.85	\$ 72.40	\$ 64.82	\$ 54.86	\$ 51.30
28 Steam Generation MLBS	351,419	393,971	400,300	200,150	-	-	-
29 % Change		12.1%	1.6%	-50.0%	-100.0%	0.0%	0.0%

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Rochester Public Utilities

Recommended

Electric Utility 2027

Capital Improvement & Major Maintenance Budget

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2027 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Major Maintenance Projects	1
Capital Projects	2 - 5

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**Rochester Public Utilities
Electric Utility
Major Maintenance Plan**

		Budget					5-Yr Total
	Multi-Year Project Total	2027	2028	2029	2030	2031	
1 Power Delivery							
T&D Inspection Services	-	100,000	110,000	115,000	120,000	125,000	570,000
Service Assured expenses - Electric	-	184,082	189,514	195,110	200,873	206,809	976,389
Tree Trimming	-	1,957,691	2,000,000	2,060,000	2,121,800	2,185,454	10,324,945
Allocation - New Services	-	582,925	438,663	449,723	461,114	472,848	
ALLOC - Distrib Lines & Equip-Mnt	-	265,225	273,182	281,377	289,819	298,513	1,408,116
ALLOC - Transmission Asset Mgmt	-	225,000	70,000	70,000	70,000	70,000	505,000
Transmission Asset Management	-	92,700	95,481	98,345	101,296	104,335	492,157
LMT Removal	-	156,000	-	-	-	-	156,000
Allocation - Substation Asset Management -Maint	-	273,500	162,000	167,000	172,000	177,000	951,500
Downtown Reconfiguration Study	-	-	70,000	-	-	-	70,000
Annual Pole Inspections	-	85,000	90,000	95,000	100,000	105,000	475,000
13 Power Delivery	-	3,339,198	3,060,177	3,081,833	3,175,788	3,272,111	15,929,106
14 Customer Relations							
Cayenta Upgrade	-	-	303,000	-	-	-	303,000
Cayenta Application Enhancements	-	100,000	70,000	100,000	100,000	100,000	470,000
17 Customer Relations	-	100,000	373,000	100,000	100,000	100,000	773,000
18 Information Services							
Cayenta Managed Services	-	85,000	85,000	85,000	85,000	85,000	425,000
Data Governance & Security	-	55,000	55,000	55,000	55,000	55,000	275,000
ERP Support Contract	-	80,000	150,000	150,000	150,000	150,000	680,000
Data Analytics	-	120,000	123,600	127,308	131,127	135,060	637,095
Allocation - Technology	-	158,600	163,500	211,500	214,248	217,068	
ALLOC - INFO RISK & CITY SHRD INF	-	83,600	88,500	91,500	94,248	97,068	454,916
ALLOC - BUSINESS SYSTEMS/APPLIC	-	75,000	75,000	120,000	120,000	120,000	510,000
26 Information Services	-	498,600	577,100	628,808	635,375	642,128	2,982,011
27 Corporate Services							
Rates Modeling	-	22,000	24,000	26,000	28,000	30,000	130,000
Elec Cost-of-Srv/Rate Design Study	-	100,000	-	-	-	110,000	210,000
Vena Support - RVNA	-	110,000	75,000	75,000	75,000	75,000	410,000
31 Corporate Services	-	232,000	99,000	101,000	103,000	215,000	750,000
32 Power Resources							
SLP Decommissioning Work	-	180,000	350,000	165,000	250,000	-	945,000
GT2 Generator Overhaul	-	-	500,000	-	-	-	500,000
Hydro Debris & Silt Removal	-	-	25,000	250,000	250,000	-	525,000
GT2 Eng A & B Overhaul	-	-	-	3,000,000	3,000,000	-	6,000,000
Westside 16K-hr Overhauls	-	-	-	-	650,000	650,000	1,300,000
Allocation - Power Resources	-	695,000	665,000	705,000	605,000	790,000	3,460,000
Allocation - Facilities	-	160,000	153,000	154,500	155,500	156,000	779,000
40 Power Resources	-	1,035,000	1,693,000	4,274,500	4,910,500	1,596,000	13,509,000
41 General Management							
Utility-wide Operating Contingency Fund	-	380,000	390,000	400,000	410,000	420,000	2,000,000
43 General Management	-	380,000	390,000	400,000	410,000	420,000	2,000,000
44 Total Major Maintenance Plan - External Expenditures	-	5,584,798	6,192,277	8,586,141	9,334,663	6,245,239	35,943,117

**Rochester Public Utilities
Electric Utility
Capital Improvement Plan**

		Budget					
	Multi-Year Project Total	2027	2028	2029	2030	2031	5-Yr Total
Power Delivery							
Video Wall Replacement	-	-	200,000	340,000	-	-	540,000
Allocation - New Services	9,059,221	3,731,965	3,748,507	1,524,753	1,560,819	1,420,598	
New Service Installations	9,059,221	3,180,572	3,180,572	939,780	958,297	800,000	9,059,221
Distribution Lines & Equipment	-	367,063	378,075	389,417	401,100	413,133	1,948,787
Property Damage - Repair or Replace	-	124,330	128,060	131,902	135,859	139,935	660,085
T&D Equipment Upgrade/Replace	-	60,000	61,800	63,654	65,564	67,531	318,548
Allocation - Transmission Asset Management	-	46,350	273,175	399,084	426,288	604,852	1,749,749
Web-Based Service Application	-	25,000	25,000	25,000	25,000	25,000	125,000
Substation/Shop Test Equipment Upgrade/R	-	40,000	40,000	40,000	50,000	50,000	220,000
Substation Spares and Replacements	-	20,000	30,000	30,000	30,000	30,000	140,000
Allocation - Substation Asset Management	-	215,000	215,000	215,000	215,000	215,000	1,075,000
Metering/Shop Test Equipment Upgrade/Rep	-	65,000	50,000	50,000	50,000	50,000	265,000
Upgrade to Legacy Comm Equipment	360,000	70,000	70,000	70,000	70,000	70,000	350,000
Production Meter Socket Rewires	360,000	150,000	200,000	-	-	-	350,000
Transformer Partial Discharge Monitor	-	-	80,000	-	-	-	80,000
AMI	-	-	-	468,000	261,000	-	729,000
Advanced Metering Project	18,475,006	1,941,496	-	-	-	-	
AMI Meter Installation Service	3,352,780	977,744	-	-	-	-	977,744
AMI General Implementation Services	5,189,336	963,752	-	-	-	-	963,752
Wilder Rd NW	-	-	73,849	26,151	-	-	100,000
55th St NW & 50th Av Intersection	-	100,000	-	-	-	-	100,000
37th St NE & Broadway Intersection	-	-	-	-	250,000	-	250,000
IBM Substation - T1 Transformer Replacement	-	-	-	-	800,000	1,000,000	1,800,000
CapX - Davit arm replacement	2,700,000	1,000,000	1,700,000	-	-	-	2,700,000
SCADA OSI Version Upgrades w/I.T.	-	150,000	-	-	-	-	150,000
SEL Relay Upgrades	960,000	100,000	120,000	140,000	200,000	300,000	860,000
TH 14E and S Broadway Intersection	1,200,000	400,000	-	-	-	-	400,000
Meter Shop - Allocation	-	370,000	436,000	458,400	480,800	503,200	2,248,400
FDR 1731 Extension 65 ST NW 3868	-	-	175,000	200,000	200,000	-	575,000
6th St SE Bridge	1,900,000	1,350,000	100,000	-	-	-	1,450,000
CSAH 44 and Hwy 14 Interchange	1,793,643	325,000	-	-	-	-	325,000
Mayo Downtown Feeder Rework	3,601,139	300,000	200,000	800,000	1,000,000	1,000,000	3,300,000
FDR 803 & 812 Recon at 18th Ave	-	-	-	-	50,000	300,000	350,000
DMC - BRT Route Corridor	2,158,177	350,000	-	-	-	-	350,000
DMC - BRT West Transit Village	872,502	200,000	-	-	-	-	200,000
Grid North Partners-N Roch 345kV Line	32,405,441	19,600,000	1,000,000	-	-	-	20,600,000
Feeder 1913 Install	600,259	500,000	-	-	-	-	500,000
IBM Subst Property Purch	150,000	50,000	-	-	-	-	50,000
IBM Subst & Trans Lines	75,000	25,000	-	-	-	-	25,000
20th St SW - 1st Ave to Mayowood Rd	-	-	150,000	150,000	-	-	300,000
13th & 14th St NW - 11th Ave to Broadway	-	-	-	-	-	50,000	50,000
25th St SW	-	-	-	150,000	100,000	150,000	400,000
Feeder 306 Install	-	-	-	50,000	100,000	200,000	350,000
Feeder 615 Install	700,000	100,000	300,000	300,000	-	-	700,000
Feeder 913 Install	-	-	200,000	250,000	300,000	-	750,000
Feeder 914 Install	-	-	300,000	200,000	300,000	-	800,000
Feeder 1315 Install	-	-	-	50,000	150,000	250,000	450,000
Feeder 1602 Install	-	-	200,000	150,000	150,000	100,000	600,000
Feeder 1914 Install	-	-	-	800,000	200,000	700,000	1,700,000
Downtown New Duct Systems	3,220,000	580,000	300,000	500,000	600,000	1,200,000	3,180,000
Q2 Rebuild from Bear Creek - RCTC	-	-	-	-	-	400,000	400,000
Q4 Rebuild from BV Sub to Salem Rd	700,932	50,000	50,000	100,932	200,000	300,000	700,932
Q7 Rebuild to Grade B	-	-	-	-	200,000	400,000	600,000
Volt/VAR Optimization	-	-	-	-	60,000	60,000	120,000
Fiber - Marion to Cty PW/St Bridget Twr to WC	550,000	450,000	-	-	-	-	450,000
EV Bus Charging Expansion	-	-	-	100,000	200,000	500,000	800,000
50th Ave NW - 19th St to Valleyhigh	950,000	150,000	400,000	200,000	200,000	-	950,000
Replace 20kA, 161kV Circuit Breakers	1,090,000	205,000	210,000	220,000	225,000	230,000	1,090,000
NE Substation	-	-	-	-	200,000	500,000	700,000
18th Ave SW - Mayowood to 40th	2,267,554	1,270,000	-	-	-	-	1,270,000
Replace 161kV Disconnect Switches	625,000	115,000	120,000	125,000	130,000	135,000	625,000
55th St NW Feeder W of 60th Ave	-	-	100,000	100,000	100,000	200,000	500,000

**Rochester Public Utilities
Electric Utility
Capital Improvement Plan**

Budget							
	Multi-Year Project Total	2027	2028	2029	2030	2031	5-Yr Total
Zumbro River Sub - T1 Repl	2,200,000	700,000	300,000	400,000	-	-	1,400,000
Willow Creek Sub Expansion	-	-	150,000	200,000	400,000	150,000	900,000
Feeder 401 Reinstall to 3rd Ave SW	250,000	200,000	50,000	-	-	-	250,000
SLP Decommissioning Prep	-	50,000	-	-	-	-	50,000
Feeder 714 - Rejuvenate Cable	-	-	400,000	-	-	-	400,000
CC Sub - Line Trap (SMMPA Project)	160,000	80,000	-	-	-	-	80,000
Center St Ramp Trans Repl	-	-	50,000	250,000	-	-	300,000
Silver Lake Sub - Reactor	-	-	50,000	300,000	350,000	-	700,000
RTU and RTAC Replacements	175,000	125,000	-	-	-	-	125,000
Westside Sub New T2	-	-	-	-	284,192	818,211	1,102,403
Bamber Valley 161kV Disconnect Switch	-	-	120,000	110,000	-	-	230,000
Marion Rd T Wall Continuations	-	-	60,000	70,000	-	-	130,000
Fiber to Downtown Dist Relays	-	-	-	60,000	80,000	80,000	220,000
Leased Line Retirement & Repl	90,000	80,000	-	-	-	-	80,000
Mayo West Logistics	-	-	125,000	100,000	-	-	225,000
60th Ave NW from 19th St to 55th St	2,020,000	200,000	300,000	400,000	600,000	500,000	2,000,000
E Center St	460,880	300,000	-	-	-	-	300,000
3rd Ave SE Duct/Manhole Rebuild to 9th St SE	-	-	-	-	50,000	500,000	550,000
Century Link Pole Remediation	2,450,000	150,000	450,000	650,000	750,000	400,000	2,400,000
FDR 813 Rebuild, Assisi-Elton Hills	475,000	375,000	-	-	-	-	375,000
Elton Hills Dr NW FDR 805	-	-	-	-	100,000	100,000	200,000
13th St & 2nd Ave NW Rebuild	-	-	50,000	100,000	-	-	150,000
4010 19th St NW, PCS Takeover	-	100,000	-	-	-	-	100,000
Westside Feeder Duct	600,000	430,000	150,000	-	-	-	580,000
New Feeder at Airport	-	-	750,000	500,000	450,000	900,000	2,600,000
Q11 - W.C. to new St. Bridget Sub ROW	1,845,100	500,000	-	300,000	450,000	-	1,250,000
Hydro Line Reconfig for New Hydro Sub	-	-	-	-	-	300,000	300,000
Eastwood Rd SE	-	-	100,000	100,000	100,000	-	300,000
11th Ave E - 4th St SE to Silver Creek Bridge	-	-	-	-	-	150,000	150,000
SCADA Upgrade	1,400,000	125,000	400,000	575,000	300,000	-	1,400,000
Electric Distribution Planning Software Replacement	-	-	100,000	-	-	-	100,000
Allocation - Distribution Expansion	4,740,197	3,425,197	3,690,000	3,190,000	3,380,000	3,220,000	
Feeder Extensions	-	140,000	150,000	150,000	190,000	250,000	880,000
Feeder Rebuilds	-	130,000	150,000	160,000	170,000	200,000	810,000
Transmission Capital Projects	-	50,000	60,000	65,000	70,000	80,000	325,000
Substation Capital Projects	-	200,000	215,000	220,000	230,000	250,000	1,115,000
Road Projects	-	120,000	180,000	200,000	220,000	250,000	970,000
Road Projects - DMC	-	80,000	80,000	75,000	30,000	-	265,000
Manhole Switch Replacement	-	250,000	500,000	360,000	320,000	-	1,430,000
Cable Replacements	-	260,000	270,000	275,000	285,000	290,000	1,380,000
Manholes - Repair or Replace	-	270,000	280,000	290,000	300,000	310,000	1,450,000
Fiber Optic Projects	-	100,000	110,000	115,000	120,000	125,000	570,000
Distribution Transformers	4,740,197	1,315,197	1,140,000	750,000	860,000	675,000	4,740,197
Overhead to Underground Conversion	-	360,000	380,000	200,000	200,000	300,000	1,440,000
Poles -Reinforcement or Replacement	-	70,000	75,000	80,000	85,000	90,000	400,000
Upgrades Due to Electrification	-	80,000	100,000	250,000	300,000	400,000	1,130,000
Designer XI Implementation	950,000	600,000	-	-	-	-	600,000
Dual Sensor Drone	-	-	40,000	-	-	-	40,000
Survey GPS Replacement	-	-	-	40,000	-	-	40,000
Fiber Manager Replacement	-	80,000	-	-	-	-	80,000
AMI OMS Integration	-	100,000	-	-	-	-	100,000
OMS Replacement	-	1,050,000	-	-	-	-	1,050,000
Small Drone Replacement	-	-	-	-	-	30,000	30,000
PCPA Compensation Payment	-	398,452	462,246	547,067	659,192	803,900	2,870,857
PCPA - SMMPA Reimbursement	-	(197,404)	(228,329)	(269,864)	(85,760)	-	(781,358)
Power Delivery	104,590,049	42,916,055	18,635,448	15,854,522	16,951,531	18,895,761	113,253,317

**Rochester Public Utilities
Electric Utility
Capital Improvement Plan**

		Budget					
	Multi-Year Project Total	2027	2028	2029	2030	2031	5-Yr Total
<u>Customer Relations</u>							
DSM Rebate Software	-	420,000	-	-	-	-	420,000
DSM Rebate Software Subscription	-	700,000	-	-	-	-	700,000
Payment Kiosk	-	7,345	-	-	-	-	7,345
Add't Kiosk Locations	-	41,400	-	-	-	-	41,400
Pilot Billing Project	-	-	-	20,000	30,000	-	50,000
Customer Relations	-	1,168,745	-	20,000	30,000	-	1,218,745
<u>Information Services</u>							
Business Intelligence/Reporting	-	45,000	45,000	45,000	-	-	135,000
SCADA Upgrade	-	-	100,000	-	-	-	100,000
Vmware Host Server DS Cluster	213,250	117,000	-	-	-	-	117,000
HP Nimble SAM SC Cluster	-	189,000	-	-	-	-	189,000
Repl of Connectivity at Wtr Sites	-	450,000	-	-	-	-	450,000
Service Center Host Server Cluster Replacement	-	-	194,004	-	-	-	194,004
Service Center HP Nimble SAN Replacement	-	-	156,996	-	-	-	156,996
Firepower Management Center Replacement	-	-	69,996	-	-	-	69,996
Internal Firewall Replacement	-	-	109,992	-	-	-	109,992
SCADA Workstation Replacement	-	123,000	-	-	-	-	123,000
Replacement of Network Connectivity at Water Sites	-	-	499,992	-	-	-	499,992
Disaster Site Host Server Cluster Replacement	-	-	114,000	-	-	-	114,000
Disaster Site HP Nimble SAN Replacement	-	-	156,996	-	-	-	156,996
Replacement of Network Connectivity at Water Sites	-	-	-	499,992	-	-	499,992
Meeting Room AV Upgrade	-	-	92,174	-	-	-	92,174
Microsoft Fabric	143,000	55,000	55,000	-	-	-	110,000
Allocation - Technology	-	782,000	652,000	652,000	652,000	652,000	
Network Management	-	141,000	131,000	131,000	131,000	131,000	665,000
Output Management	-	18,000	18,000	18,000	18,000	18,000	90,000
Server Management	-	228,000	183,000	183,000	183,000	183,000	960,000
Workstation Management	-	140,000	220,000	220,000	220,000	220,000	1,020,000
Backup/DR	-	150,000	-	-	-	-	150,000
Operating Technology	-	105,000	100,000	100,000	100,000	100,000	505,000
Information Services	356,250	1,761,000	2,246,150	1,196,992	652,000	652,000	6,508,142
<u>Corporate Services</u>							
SAP ERP Subscription	6,642,281	5,954,781	-	-	-	-	5,954,781
SAP ERP / HCM	10,567,064	5,764,257	-	-	-	-	5,764,257
Racking Replacement in Stockyard	-	25,000	30,000	30,000	35,000	35,000	155,000
Corporate Services	17,209,345	11,744,038	30,000	30,000	35,000	35,000	11,874,038
<u>Power Resources</u>							
Hydro Trans Protection, Switchgear Repl, PT/CT Repl	-	500,000	-	-	-	-	500,000
Westside Personnel Space	-	1,750,000	-	-	-	-	1,750,000
2030 RESOURCE PLAN	129,072,093	55,279,380	34,290,000	3,130,000	-	-	
Firm Dispatchable Generation	126,473,489	55,229,380	34,240,000	3,130,000	-	-	92,599,380
Environmental	565,514	50,000	50,000	-	-	-	100,000
Allocation - Power Resources	-	400,000	295,000	750,000	750,000	450,000	2,645,000
Allocation - Fleet	3,353,801	622,960	939,232	581,030	887,119	323,460	3,353,801
UPS #4	-	80,000	-	-	-	-	80,000
Service Center Windows	-	-	115,000	-	-	-	115,000
Substation HVAC Sys Phase 2	-	-	-	-	-	120,000	120,000
Cascade Creek GT1 Recovery Plan	16,659,640	8,600,000	-	-	-	-	8,600,000
BUCC Crac Units	-	-	-	80,000	-	-	80,000
SCADA Crac Units	-	-	-	80,000	-	-	80,000
Substation HVAC Sys Phase 1	-	-	-	-	168,000	-	168,000

**Rochester Public Utilities
Electric Utility
Capital Improvement Plan**

Budget							
	Multi-Year Project Total	2027	2028	2029	2030	2031	5-Yr Total
Service Center Office Furniture	-	-	180,000	-	-	-	180,000
Halon System Upgrade	150,000	65,000	85,000	-	-	-	150,000
Fire Alarm System	-	70,000	-	-	-	-	70,000
Main UPS#1 Battery Replacement	-	-	-	-	50,000	-	50,000
Allocation - Facilities Management	-	82,000	83,000	84,100	85,000	86,000	420,100
Power Resources	150,005,534	67,594,340	36,142,232	4,865,130	2,110,119	979,460	111,691,281
General Management							
Utility-wide Project Contingency	-	850,000	875,000	900,000	925,000	950,000	4,500,000
General Management	-	850,000	875,000	900,000	925,000	950,000	4,500,000
Total External Expenditures	272,161,178	126,034,178	57,928,830	22,866,644	20,703,650	21,512,221	249,045,523
Less: Bonding		(85,229,380)	(35,290,000)	(3,130,000)	-	-	(123,649,380)
Less: Non-cash Subscription Assets		(6,654,781)	-	(468,000)	(261,000)	-	(7,383,781)
Less: Contributions in Aid of Construction		(10,584,017)	(2,217,222)	(657,000)	(670,800)	(560,000)	(14,689,039)
Net Capital External Expenditures (Rate Funded)		23,566,000	20,421,607	18,611,644	19,771,850	20,952,221	103,323,323
Total Internal Expenditures (Capital Labor)		9,513,929	8,006,952	7,912,030	6,812,095	6,471,100	38,716,107
Net Capital Expenditures		33,079,929	28,428,560	26,523,674	26,583,945	27,423,321	142,039,429

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SECTION XIII

Rochester Public Utilities Recommended Water Utility 2027 Operating Budget

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**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2027 OPERATING BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Assumptions	1
Forecast by Year 2027 through 2031	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2027 OPERATING BUDGET**

ASSUMPTIONS

- Interest Earnings Rate: 1.5%
- Average Salary Expense Change: 3.6%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- *Anticipated Borrowing \$2,000,000
- Change in Full-time Equivalents: None
- Minimum Cash Reserve Requirement: \$9,285,300
- In Lieu of Tax \$538,121

RETAIL REVENUES / SALES

- Revenue Adjustment: 9.0% Proposed General Rate Change
- Water CCF Sales Forecast: 0.5% Decrease from 2026 Projected Sales
- Total Water Utility Customers: 0.9% Increase over Y/E 2026 Projected Customers
- Forecast Assumes Normal Weather : 559 Cooling Degree Days,
27.85 Inches Summer Rainfall

OTHER ITEMS

- *Anticipated Borrowing Short-term borrowing of \$2 million annually 2026-2028
Anticipated bond issuance not to exceed \$10 million.

ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L

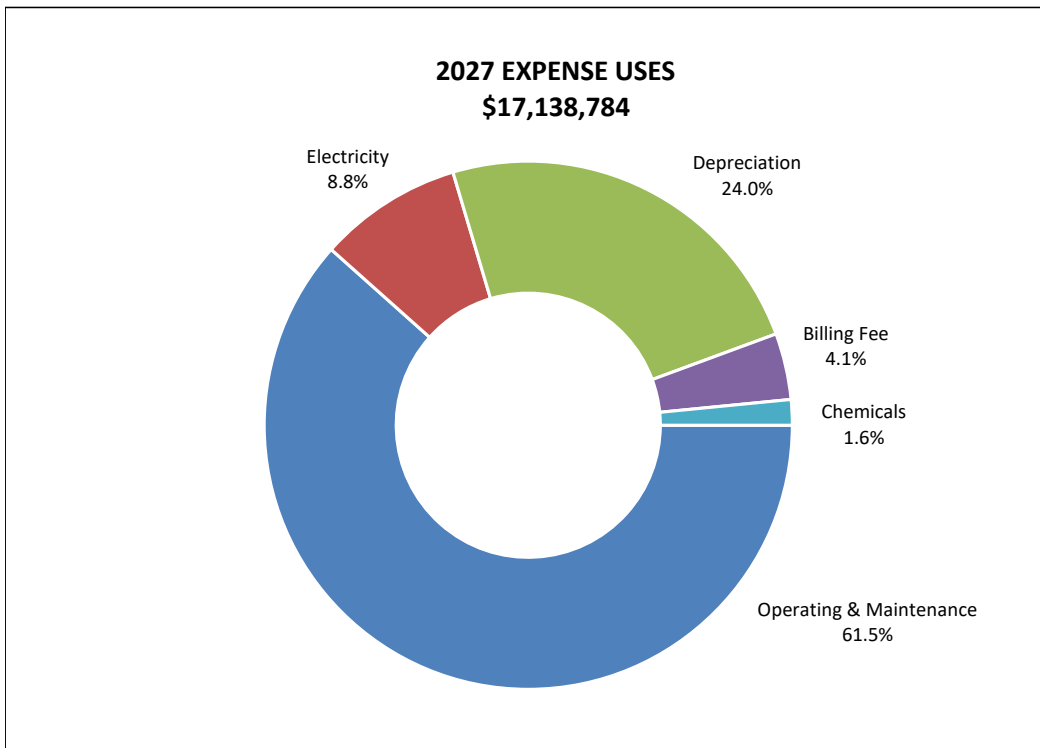
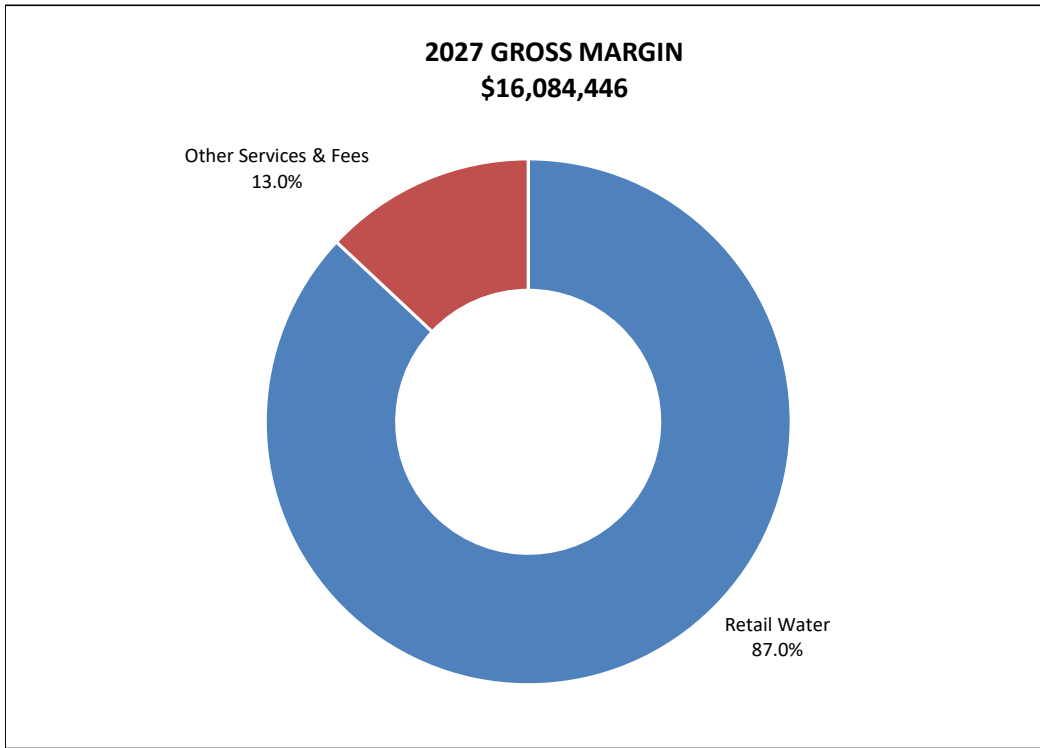
		Historical Data							
in 000's		2024	2025	2026 F2	2027	2028	2029	2030	2031
RPU Rate Increase		5.5%	5.5%	9.0%	9.0%	7.0%	7.0%	5.0%	5.0%
		\$1.32	\$1.32						
1	Revenue								
2	Retail Water	\$12,874	\$13,931	\$15,035	\$16,462	\$17,739	\$19,056	\$20,101	\$21,203
3	Other Services & Fees	\$2,122	\$2,087	\$2,124	\$2,092	\$2,141	\$2,188	\$2,236	\$2,285
4	Total Revenue	\$14,996	\$16,018	\$17,159	\$18,554	\$19,880	\$21,244	\$22,337	\$23,489
5	Cost of Revenue								
6	Water Supply	\$2,431	\$2,461	\$2,309	\$2,470	\$2,463	\$2,447	\$2,438	\$2,478
7	Total Cost of Revenue	\$2,431	\$2,461	\$2,309	\$2,470	\$2,463	\$2,447	\$2,438	\$2,478
8	Gross Margin								
9	Retail Water	\$10,443	\$11,470	\$12,725	\$13,992	\$15,276	\$16,609	\$17,663	\$18,726
10	Other Services & Fees	\$2,122	\$2,087	\$2,124	\$2,092	\$2,141	\$2,188	\$2,236	\$2,285
11	TOTAL GROSS MARGIN	\$12,565	\$13,557	\$14,850	\$16,084	\$17,417	\$18,797	\$19,899	\$21,011
12	Controllable Costs								
13	Salaries & Benefits	\$3,031	\$3,880	\$4,183	\$4,688	\$5,135	\$5,381	\$5,573	\$5,842
14	Other Operating Expenses	\$1,350	\$583	\$1,524	\$1,836	\$1,899	\$1,965	\$2,033	\$2,107
15	Major Maintenance	\$505	\$1,636	\$4,498	\$2,205	\$2,094	\$2,172	\$2,130	\$2,147
16	Non-Bonded Capital Projects	\$4,769	\$9,812	\$9,744	\$6,526	\$6,445	\$6,061	\$5,650	\$5,111
17	TOTAL CONTROLLABLE COSTS	\$9,655	\$15,911	\$19,949	\$15,255	\$15,574	\$15,579	\$15,385	\$15,207
18	Depreciation & Amortization	\$2,976	\$3,203	\$3,552	\$4,106	\$4,410	\$4,566	\$4,653	\$4,681
19	Subscription Amortization	-	-	\$105	\$152	\$152	\$152	\$152	\$152
20	Less Non Bonded Projects (capitalized)	(\$4,769)	(\$9,812)	(\$9,744)	(\$6,526)	(\$6,445)	(\$6,061)	(\$5,650)	(\$5,111)
21	Less Total Internal Costs (capitalized)	(\$638)	(\$1,194)	(\$676)	(\$756)	(\$617)	(\$369)	(\$466)	(\$483)
22	Interutility Allocation	\$2,146	\$1,773	\$2,097	\$2,437	\$2,633	\$2,698	\$2,765	\$2,834
23	Total Operating Expenses	\$9,370	\$9,881	\$15,284	\$14,669	\$15,707	\$16,565	\$16,839	\$17,280
24	Net Operating Income (Loss)	\$3,196	\$3,676	(\$434)	\$1,415	\$1,710	\$2,232	\$3,060	\$3,731
25	Financing & Other Non-Operating Items:								
26	Bond & Interest Related Expenses	(\$4)	(\$4)	(\$69)	(\$196)	(\$302)	(\$382)	(\$378)	(\$352)
27	Interest Income	\$864	\$991	\$942	\$528	\$499	\$491	\$478	\$480
28	Misc Non-Operating Income (Expense)	(\$7)	\$1,640	\$2,978	\$1,249	\$1,239	\$1,228	\$1,217	\$1,205
29	Total Financing & Non-Operating Items	\$852	\$2,628	\$3,852	\$1,581	\$1,435	\$1,337	\$1,317	\$1,333
30	Income Before Transfers or Capital Contributions	\$4,048	\$6,304	\$3,418	\$2,996	\$3,145	\$3,569	\$4,377	\$5,064
31	Transfers (In Lieu of Taxes)	(\$469)	(\$480)	(\$517)	(\$538)	(\$723)	(\$908)	(\$1,093)	(\$1,093)
32	Capital Contributions	\$2,487	\$8,696	\$1,400	\$1,100	\$1,225	\$1,250	\$1,250	\$1,328
33	Cash Transfers from City/Intercompany	-	-	-	-	-	-	-	-
34	NET INCOME	\$6,066	\$14,520	\$4,301	\$3,558	\$3,647	\$3,911	\$4,534	\$5,299
35	NET INCOME (Excluding Contrib & Cash Tfrs from City)			\$ 2,901	\$ 2,458	\$ 2,422	\$ 2,661	\$ 3,284	\$ 3,971
36	TARGET NET INCOME			\$ 6,677	\$ 7,008	\$ 7,227	\$ 7,426	\$ 7,616	\$ 7,789
37	Excess (Deficit) from Target			\$ (3,776)	\$ (4,550)	\$ (4,805)	\$ (4,765)	\$ (4,332)	\$ (3,818)
38	1/01 Cash Balance	\$ 15,519		\$ 16,330	\$ 12,402	\$ 10,112	\$ 11,843	\$ 12,653	\$ 13,929
39	Change in Net Assets		\$14,520	\$4,301	\$3,558	\$3,647	\$3,911	\$4,534	\$5,299
40	Depreciation & Amortization		\$3,203	\$3,657	\$4,259	\$4,562	\$4,718	\$4,805	\$4,833
41	Capital Additions		(\$10,960)	(\$13,195)	(\$10,665)	(\$7,062)	(\$6,429)	(\$6,116)	(\$5,594)
42	Non-Cash Contributions		(\$7,187)	(\$1,100)	(\$1,100)	(\$1,100)	(\$1,100)	(\$1,100)	(\$1,100)
43	Debt Principal Payments		-	-	-	-	-	(\$466)	(\$492)
44	Debt Proceeds		-	\$2,000	\$2,000	\$2,000	-	\$6,000	-
45	Net Change in Other Assets/Liabilities		\$1,237	\$409	(\$342)	(\$316)	(\$289)	(\$6,381)	(\$243)
46	Net Changes in Cash		\$812	(\$3,928)	(\$2,290)	\$1,731	\$810	\$1,276	\$2,703
47	12/31 Cash Balance	\$ 16,330		\$ 12,402	\$ 10,112	\$ 11,843	\$ 12,653	\$ 13,929	\$ 16,632
48	Minimum Cash Reserve	\$ 8,630		\$ 9,425	\$ 9,285	\$ 9,242	\$ 9,300	\$ 9,406	\$ 9,674
49	Excess (Deficit) from Minimum Cash Reserve	\$ 7,700		\$ 2,978	\$ 827	\$ 2,601	\$ 3,353	\$ 4,523	\$ 6,958

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

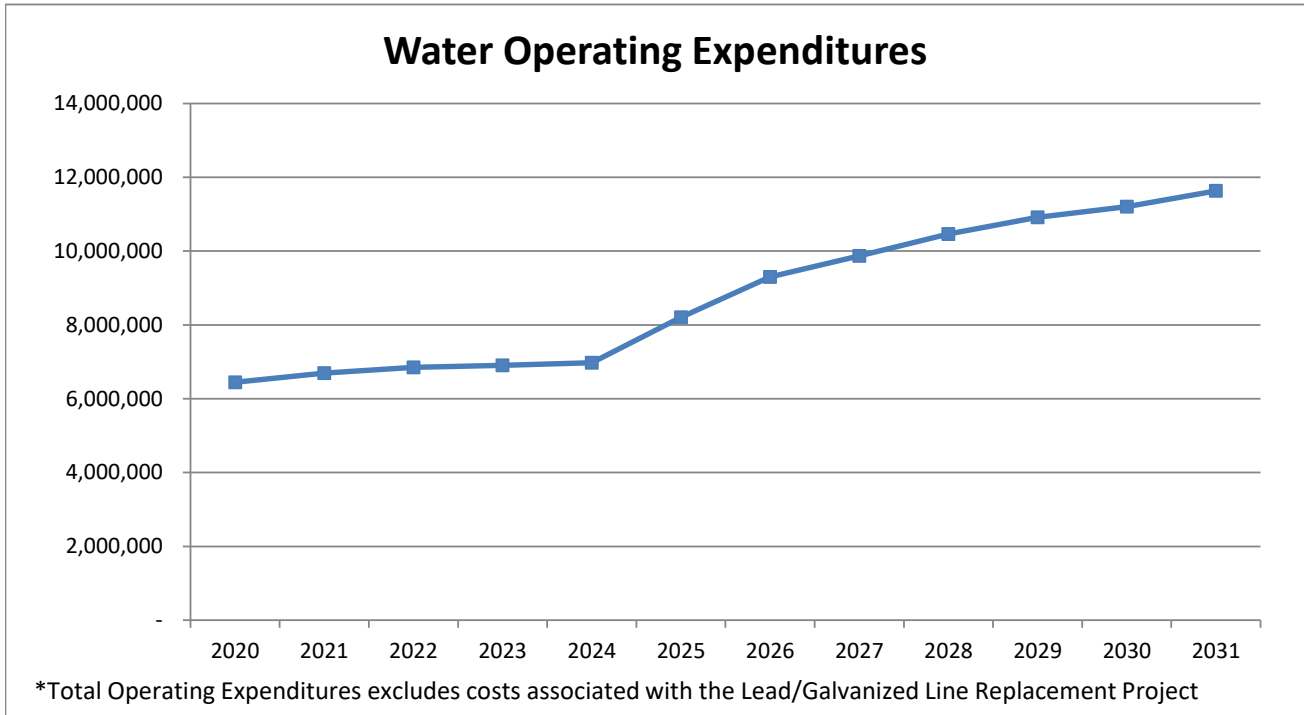
in 000's

		Historical Data		2026		2027		2027		%
		2024	2025	Orig Bdgt	2026 F2	2027	Orig Bdgt	Variance to Orig Bdgt	Variance	
in 000's										
1	Revenue									
2	Retail Water	\$12,874	\$13,931	\$15,654	\$15,035	\$16,462	\$17,213	(\$750)	-4.4%	
3	Other Services & Fees	\$2,122	\$2,087	\$2,140	\$2,124	\$2,092	\$2,190	(\$98)	-4.5%	
4	Total Revenue	\$14,996	\$16,018	\$17,794	\$17,159	\$18,554	\$19,403	(\$849)	-4.4%	
5	Cost of Revenue									
6	Water Supply	\$2,431	\$2,461	\$2,347	\$2,309	\$2,470	\$2,388	\$82	3.4%	
7	Total Cost of Revenue	\$2,431	\$2,461	\$2,347	\$2,309	\$2,470	\$2,388	\$82	3.4%	
8	Gross Margin									
9	Retail Water	\$10,443	\$11,470	\$13,307	\$12,725	\$13,992	\$14,825	(\$832)	-5.6%	
10	Other Services & Fees	\$2,122	\$2,087	\$2,140	\$2,124	\$2,092	\$2,190	(\$98)	-4.5%	
11	TOTAL GROSS MARGIN	\$12,565	\$13,557	\$15,447	\$14,850	\$16,084	\$17,015	(\$930)	-5.5%	
12	Controllable Costs									
13	Salaries & Benefits	\$3,031	\$3,880	\$4,306	\$4,183	\$4,688	\$4,695	(\$7)	-0.2%	
14	Other Operating Expenses	\$1,350	\$583	\$1,579	\$1,524	\$1,836	\$1,633	\$202	12.4%	
15	Major Maintenance	\$505	\$1,636	\$13,042	\$4,498	\$2,205	\$7,355	(\$5,150)	-70.0%	
16	Non-Bonded Capital Projects	\$4,769	\$9,812	\$10,842	\$9,744	\$6,526	\$8,044	(\$1,518)	-18.9%	
17	TOTAL CONTROLLABLE COSTS	\$9,655	\$15,911	\$29,769	\$19,949	\$15,255	\$21,727	(\$6,473)	-29.8%	
18	Depreciation & Amortization	\$2,976	\$3,203	\$4,151	\$3,552	\$4,106	\$4,053	\$53	1.3%	
19	Subscription Amortization	-	-	\$195	\$105	\$152	\$195	(\$43)	-21.8%	
20	Less Non Bonded Projects (capitalized)	(\$4,769)	(\$9,812)	(\$10,842)	(\$9,744)	(\$6,526)	(\$8,044)	\$1,518	-18.9%	
21	Less Total Internal Costs (capitalized)	(\$638)	(\$1,194)	(\$874)	(\$676)	(\$756)	(\$387)	(\$369)	95.5%	
22	Interutility Allocation	\$2,146	\$1,773	\$2,150	\$2,097	\$2,437	\$2,333	\$104	4.5%	
23	Total Operating Expenses	\$9,370	\$9,881	\$24,549	\$15,284	\$14,669	\$19,878	(\$5,209)	-26.2%	
24	Net Operating Income (Loss)	\$3,196	\$3,676	(\$9,102)	(\$434)	\$1,415	(\$2,863)	\$4,279	-149.4%	
25	Financing & Other Non-Operating Items:									
26	Bond & Interest Related Expenses	(\$4)	(\$4)	(\$341)	(\$69)	(\$196)	(\$424)	\$228	-53.8%	
27	Interest Income	\$864	\$991	\$325	\$942	\$528	\$240	\$288	119.8%	
28	Misc Non-Operating Income (Expense)	(\$7)	\$1,640	\$7,960	\$2,978	\$1,249	\$8,564	(\$7,315)	-85.4%	
29	Total Financing & Non-Operating Items	\$852	\$2,628	\$7,943	\$3,852	\$1,581	\$8,380	(\$6,799)	-81.1%	
30	Income Before Transfers or Capital Contributions	\$4,048	\$6,304	(\$1,159)	\$3,418	\$2,996	\$5,516	(\$2,520)	-45.7%	
31	Transfers (In Lieu of Taxes)	(\$469)	(\$480)	(\$517)	(\$517)	(\$538)	(\$538)	-	0.0%	
32	Capital Contributions	\$2,487	\$8,696	\$1,103	\$1,400	\$1,100	\$1,100	-	0.0%	
33	Cash Transfers from City	-	-	-	-	-	-	-	0.0%	
34	NET INCOME	\$6,066	\$14,520	(\$573)	\$4,301	\$3,558	\$6,078	(\$2,520)	-41.5%	
35	1/01 Cash Balance	\$ 15,519		\$ 13,360	\$ 16,330	\$ 12,402	\$ 8,980	\$ 3,422	38.1%	
36	Change in Net Assets	\$14,520		(\$573)	\$4,301	\$3,558	\$6,078	(\$2,520)	-41.5%	
37	Depreciation & Amortization	\$3,203		\$4,346	\$3,657	\$4,259	\$4,248	\$11	0.3%	
38	Capital Additions/Service Territory Comp	(\$10,960)		(\$11,716)	(\$13,195)	(\$10,665)	(\$8,430)	(\$2,235)	26.5%	
39	Non-Cash Contributions	(\$7,187)		(\$1,103)	(\$1,100)	(\$1,100)	(\$1,100)	-	0.0%	
40	Debt Principal Payments	-		-	-	-	(\$1,428)	\$1,428	-100.0%	
41	Debt Proceeds	-		\$4,206	\$2,000	\$2,000	-	\$2,000	0.0%	
42	Net Change in Other Assets/Liabilities	\$1,237		\$460	\$409	(\$342)	(\$324)	(\$18)	5.5%	
43	Net Changes in Cash	\$812		(\$4,380)	(\$3,928)	(\$2,290)	(\$956)	(\$1,334)	139.5%	
44	12/31 Cash Balance	\$ 16,330		\$ 8,980	\$ 12,402	\$ 10,112	\$ 8,024	\$ 2,088	26.0%	
45	Minimum Cash Reserve	\$ 8,630		\$ 9,208	\$ 9,425	\$ 9,285	\$ 8,502	\$ 784	9.2%	
46	Excess (Deficit) from Minimum Cash Reserve	\$ 7,700		\$ (228)	\$ 2,978	\$ 827	\$ (477)	\$ 1,304	-273.2%	

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
WATER UTILITY
2027 Operating Budget**

		2026 F2	2027	2028	2029	2030	2031
1	CCF Pumped	5,903,899	5,913,168	5,939,839	5,933,927	5,930,649	5,928,786
2	% Change	-2.9%	0.2%	0.5%	-0.1%	-0.1%	0.0%
3	Retail CCF	5,624,988	5,599,591	5,624,848	5,619,249	5,616,145	5,614,381
4	% Change	-1.9%	-0.5%	0.5%	-0.1%	-0.1%	0.0%
5	Number of Service Points						
6	Residential	39,097	39,440	39,782	40,125	40,468	40,810
7	Commercial	3,907	3,940	3,973	4,006	4,039	4,072
8	Industrial	22	22	22	22	22	22
9	Interdepartmental	1	1	1	1	1	1
10	Total Customers	43,027	43,403	43,778	44,154	44,530	44,905
11	% Change	1.8%	0.9%	0.9%	0.9%	0.9%	0.8%

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Rochester Public Utilities

Recommended

Water Utility 2027

Capital Improvement & Major Maintenance Budget

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**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2027 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance	1
Capital	2

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**Rochester Public Utilities
Water Utility
Major Maintenance Plan**

		Budget					
	Multi-Year						
	Project Total	2027	2028	2029	2030	2031	5-Yr Total
1 Engineering & Distribution							
2 Water Utility Contingency Fund-Operating	-	96,000	99,000	102,000	105,000	108,000	510,000
3 Water Cost-of-Service/Rate Design Study	-	40,000	-	60,000	-	-	100,000
4 Wtr Master Plan Update	-	90,000	-	-	-	-	90,000
5 Water Utility Operating Contingency Fund	-	190,000	195,000	200,000	205,000	210,000	1,000,000
6 Lead & Galvanized Wtr Main Replacement	-	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	7,250,000
7 Service Assured expenses - Water	-	281,400	289,704	298,440	307,500	316,725	1,493,769
8 Storage Facility Paint & Cleaning	-	28,000	30,500	31,500	32,000	32,500	154,500
9 Total Engineering & Distribution	-	2,175,400	2,064,204	2,141,940	2,099,500	2,117,225	10,598,269
10 Power Resources							
11 Allocation - RPU Water Facilities	-	30,000	30,000	30,000	30,000	30,000	150,000
12 Total Power Resources	-	30,000	30,000	30,000	30,000	30,000	150,000
13 Total Major Maintenance Plan - External Expenditures	-	2,205,400	2,094,204	2,171,940	2,129,500	2,147,225	10,748,269

**Rochester Public Utilities
Water Utility
Capital Improvement Plan**

		Budget						
	Multi-Year Project Total	2027	2028	2029	2030	2031		5-Yr Total
Engineering & Distribution								
Site #8 Kalmar Booster	2,210,602	1,000,000	-	-	-	-		1,000,000
Reconstruct of 2 St and 16 Ave SE-J7838	580,000	100,000	-	-	-	-		100,000
Water Utility Contingency Fund-Capital	-	190,000	190,000	195,000	200,000	210,000		985,000
Center St to 11th Ave NE	900,000	450,000	-	-	-	-		450,000
Wilder Rd NW Reconstruction	-	-	435,000	435,000	-	-		870,000
S Broadway 4th St-9th St	450,000	50,000	200,000	200,000	-	-		450,000
Flood Mitigation 11th Ave NE & 2nd St NE	-	-	-	750,000	-	-		750,000
2nd Ave NW Relief Line	-	500,000	-	-	-	-		500,000
Goose Egg Park Relief Line	-	-	500,000	-	-	-		500,000
Meadow Lakes Sewer Extension	1,200,000	300,000	-	-	-	-		300,000
ALLOC - NEW WELLS	1,650,000	35,000	235,000	450,000	880,000	50,000		1,650,000
Mayowood to 40th St SW	1,100,000	500,000	-	-	-	-		500,000
Towers Painting & Rehab	3,355,000	715,000	530,000	730,000	630,000	750,000		3,355,000
Allocation - Water Distribution System Expansion	-	1,055,000	1,480,000	1,930,000	3,055,500	3,550,000		
T&D City Projects	-	150,000	930,000	1,150,000	50,000	1,000,000		3,280,000
T&D Developer Projects	-	450,000	450,000	450,000	450,000	450,000		2,250,000
T&D RPU Projects	-	455,000	100,000	330,000	2,555,500	2,100,000		5,540,500
Install New AC Units at Wells & Boosters	-	62,450	63,200	64,300	65,600	67,500		323,050
Water PLC	-	30,000	26,000	27,000	28,000	30,000		141,000
TH 14 & Brdway S -MNDOT	770,000	385,000	385,000	-	-	-		770,000
Advanced Metering Project Capital - Water	17,934,554	3,902,512	1,661,649	497,083	-	-		
Wtr AMI Meter Installation Services (Bonded)	6,158,524	3,383,706	-	-	-	-		3,383,706
Wtr AMI Meter Installation Services (Non-bonded)	1,703,624	-	1,372,549	207,983	-	-		1,580,532
AMI General Implementation Services - Water	4,244,172	518,806	289,100	289,100	-	-		1,097,006
Allocation - Water Metering/AMR	-	127,469	131,993	135,842	140,035	144,331		
ALLOC - WATER AMR: NEW SRVCS	-	74,440	76,262	78,275	80,490	83,000		392,467
ALLOC - COMMERCIAL METERS	-	53,029	55,731	57,567	59,545	61,331		287,203
Total Engineering & Distribution	30,150,156	9,402,431	5,837,842	5,414,225	4,999,135	4,801,831		30,455,464
Operations & Environmental Affairs								
SCADA Upgrade	625,000	55,000	285,000	285,000	-	-		625,000
ALLOC - WELL & BOOSTER STATION METERING	-	11,700	12,285	13,500	14,000	14,000		65,485
Allocation - Water Distribution System Replacement	-	200,600	208,500	210,400	217,700	223,100		
Replacement of Pumping Units	-	130,000	135,000	135,000	140,000	140,000		680,000
Well Motor Replacements	-	22,700	23,800	24,900	25,000	27,100		123,500
Installation of Variable Frequency Drive Units	-	22,400	23,500	23,500	25,000	27,000		121,400
Replacement of Booster Pumps	-	25,500	26,200	27,000	27,700	29,000		135,400
Total Operations & Environmental Affairs	625,000	267,300	505,785	508,900	231,700	237,100		1,750,785
Power Resources								
Allocation - Fleet	970,380	239,600	101,830	137,770	419,300	71,880		970,380
Total Power Resources	970,380	239,600	101,830	137,770	419,300	71,880		970,380
Total External Expenditures								
	31,745,536	9,909,331	6,445,457	6,060,895	5,650,135	5,110,811		33,176,629
Less: Bonding		(3,383,706)	-	-	-	-		(3,383,706)
Less: Non-cash Subscription Assets		-	-	-	-	-		-
Less: Contributions in Aid of Construction		-	(125,000)	(150,000)	(150,000)	(228,000)		(653,000)
Less: WAC Funds								-
Net Capital External Expenditures (Rate Funded)		6,525,625	6,320,457	5,910,895	5,500,135	4,882,811		29,139,923
Total Internal Expenditures		755,635	616,652	368,586	466,354	483,236		2,690,463
Total Contributed Assets		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000		5,500,000
Net Capital Expenditures		5,769,990	5,703,805	5,542,309	5,033,781	4,399,575		26,449,460

SECTION XIV

Rochester Public Utilities Recommended 2027 Personnel Budget

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**ROCHESTER PUBLIC UTILITIES
2027 PERSONNEL BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Full-Time Staff Per Customer Served/Retail Sales	1
Full-Time and Temporary Staffing Comparison	2

**ROCHESTER PUBLIC UTILITIES
2027 PERSONNEL BUDGET
Regular Staff Per Customer Served
And Dollars of Retail Sales**

<u>Year</u>	<u>Total Service Points</u>	<u>Retail Sales \$'s</u>	<u>Authorized Number of Utility Employees</u>	<u># Customers Served Per Employee</u>	<u>\$'s of Retail Sales Per Employee</u>
2027	106,028(1)	201,516,783(1)	228(2)	465	883,846
2026	104,837(1)	199,058,508(1)	226(2)	464	880,790
2025	103,513	194,697,209(1)	223	464	873,082
2024	102,749	185,125,557	219	469	845,322
2023	101,261	176,967,937	211	480	838,711
2022	99,950	160,465,198	211	474	760,499

NOTES: Numbers include combined water and electric utilities.

For Electric Utilities, the mean APPA 2024 Retail Customers per Non-Power-Generation Employee for customer class size of 50K-100K customers, is 265. RPU comparison using this criteria and 2025 data is 353.

(1) Forecasted

(2) Staff changes:

2027

- Twenty three potential reclassifications
- Adding two new positions:
 - Graphic Design & Digital Communications Coordinator
 - Commercial Energy Advisor

**ROCHESTER PUBLIC UTILITIES
2027 PERSONNEL BUDGET
Regular and Temporary Staffing
Total Costs**

<u>Year</u>	<u>2026 Original Budget</u>	<u>2026 Projected</u>	<u>2027 Estimated</u>	<u>Difference 2026 Original Budget to 2027 Estimated</u>	<u>% Change</u>
Regular Employees	\$ 37,279,309	\$ 36,288,897	\$ 39,278,518	\$1,999,208	5.4%
Limited-Term Employees	\$1,845,998	\$1,436,509	\$2,394,987	\$548,989	29.7%
Temporary/Contract Labor	<u>\$510,850</u>	<u>\$526,542</u>	<u>\$485,158</u>	<u>(\$25,692)</u>	<u>-5.0%</u>
Total	\$39,636,157	\$38,251,948	\$42,158,663	\$2,522,505.43	6.4%

NOTE: Estimated cost include base salaries, salary increases, overtime, RPU's share of employee pensions, payroll taxes, and benefits. Excludes accrual adjustment for unfunded PERA liability.

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SECTION XV

Rochester Public Utilities

Recommended

Supplemental Data

Capital/Operating Budgets

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**ROCHESTER PUBLIC UTILITIES
2027 SUPPLEMENTAL DATA
CAPITAL / OPERATING BUDGETS**

INDEX

<u>Title</u>	<u>Pages</u>
Electric & Water Rate Changes vs. Inflation	1
Year End Cash Balances	2
RPU Tax and Tax Equivalents	3

**ROCHESTER PUBLIC UTILITIES
2027 CAPITAL / OPERATING BUDGETS
ELECTRIC AND WATER REVENUE CHANGE
VERSUS INFLATION**

<u>Year</u>	<u>Inflation %</u>	⁽¹⁾ <u>Electric Rates %</u>	<u>Water Rates %</u>	<u>SMMPA Rates %</u>
2026	2.7% *	4.0%	9.0%	(10.0%)
2025	2.6%	4.0%	5.5% ***	0.0%
2024	2.9%	3.2% **	5.5% ***	0.0%
2023	4.1%	2.5%	5.0%	10.0%
2022	8.0%	1.5%	2.5%	0.0%
2021	4.7%	0.0%	0.0%	0.0%
2020	1.2%	0.0%	3.5%	(4.0%)
2019	1.8%	1.9%	6.0%	0.0%
2018	2.4%	1.5%	6.0%	2.0%
2017	2.1%	3.7%	6.0%	6.0%
10-Year Annualized Average	3.1%	2.0%	4.6%	0.4%
2027*	3.0%	4.0%	9.0%	(10.0%)

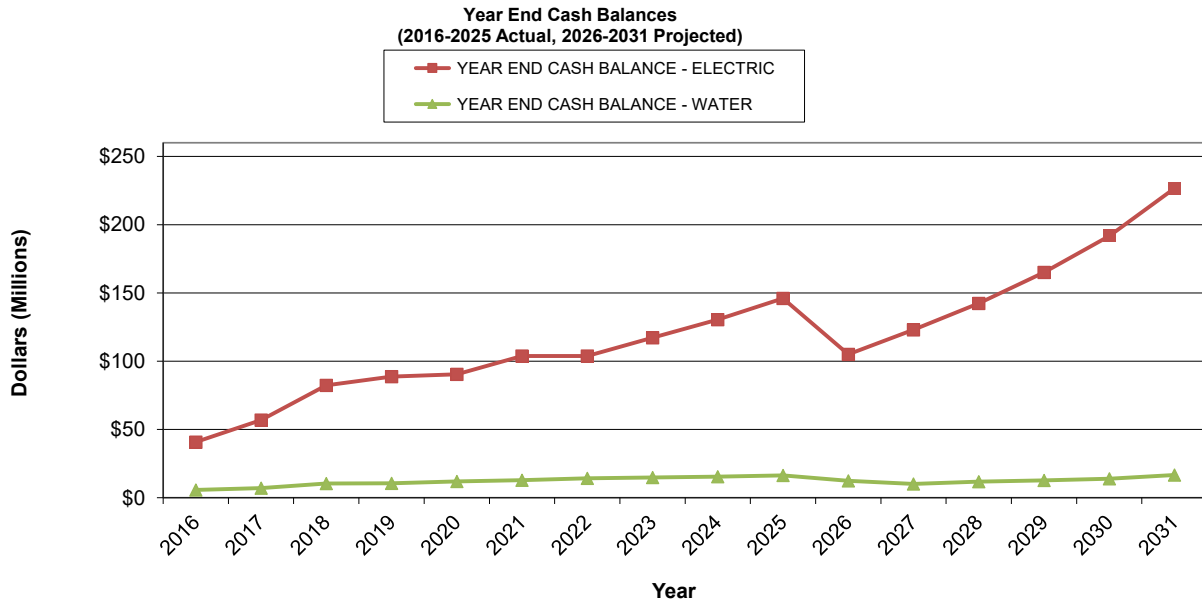
*Estimated Yearly Values

**Plus Advanced Metering project Customer Charge of \$1.94 for 2024

***Plus Advanced Metering project Customer Charge of \$1.32 for 2024 and 2025

⁽¹⁾ U.S. Bureau of Labor Statistics (<https://www.bls.gov>)

**ROCHESTER PUBLIC UTILITIES
2027 CAPITAL / OPERATING BUDGETS
YEAR END CASH BALANCES**



(Millions of Dollars)

Year		YEAR END CASH BALANCE - ELECTRIC	YEAR END REMAINING DEBT PROCEEDS ELECTRIC	YEAR END CASH BALANCE - WATER	YEAR END REMAINING DEBT PROCEEDS WATER
2016	*	40.8		5.7	
2017	*	56.8	23.1	7.1	
2018		82.3		10.4	
2019		88.7		10.5	
2020		90.4		12.0	
2021	*	103.8		12.9	
2022		103.9		14.1	
2023		117.2		14.8	
2024		130.4		15.5	
2025		146.0		16.3	
2026	*	105.0		12.4	
2027	*	122.9	38.5	10.1	
2028	*	142.3	3.2	11.8	
2029		165.0		12.7	
2030	*	191.7		13.9	
2031		226.6		16.6	

* The Electric Utility has had debt financings of \$34 million in December 2000, \$9.9 million in August 2002, \$5.7 million in March 2005, \$76.7 million in March 2007 which included an advance refunding of the 2000 bond issue in the amount of \$30.2 million, \$6.7 million in September 2009, \$4.0 million in February 2013 to refinance the remaining 2002 issue, \$38.4 million in May 2013, \$39.97 in November 2015 to advance refund the new money portion of the 2007C bond issue, a \$25.0 million temporary borrowing in April 2016, \$108.3 in February 2017, which included \$23.6 million to refund the remaining portion of the 2007C bond issue and \$20.9 million to pay off the 2016 temporary borrowing, and \$37.17 in February 2021 to advance refund the 2013B bond issue. The Water Utility has had debt financings of \$1.5 million in August 2006. There is a proposed future debt financing for the Electric Utility of \$141.2 million in long-term borrowing in 2027 for the Grid North Partners transmission investment and 2030 Resource Plan. There is a proposed short-term borrowing for the Water Utility of approximately \$2.0 million per year 2026-2028, not to exceed \$10 million in total, for the Advanced Metering project, in addition to several distribution expansion projects. There is a proposed future debt financing for the Water Utility of \$6.0 million in 2030 to pay off the short term debt acquired in 2026-2028.

**ROCHESTER PUBLIC UTILITIES
2027 CAPITAL / OPERATING BUDGETS
RPU ESTIMATED TAX AND TAX EQUIVALENTS**

	<u>2027</u>
Utility Licenses, Permits & Penalties	210,534
Water Appropriation Fees	84,563
Payment to General Fund	
Electric	11,917,760
Water	538,121
Total	<u>12,455,881</u>
Sales Tax - Electric & Water	1,836,957
SMMPA Property Taxes ¹	<u>3,435,000</u>
Total Tax & Tax Equivalents	<u><u>18,022,935</u></u>
Electric/Water Retail Sales	<u><u>201,516,783</u></u>
% of Electric/Water Retail Sales	8.9%

¹Value represents RPU's 42% membership share in SMMPA.