

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
PROPOSED 2018 BUDGET**

EXHIBIT "A"

|   |                   | <u>2018</u>            |
|---|-------------------|------------------------|
| <b>I. Estimated Beginning Cash Balance</b>                              |                   | <b>16,000,000</b>      |
| <b>II. Revenue - Sale of Electricity</b>                                |                   |                        |
| a. Sales - Residential  | 38,194,000        |                        |
| b. Sales - Commercial   | 26,700,000        |                        |
| c. Sales - Industrial   | 21,627,000        |                        |
| d. Sales - Street & Highway Lighting                                    | 267,000           |                        |
| e. Sales - Other Public Authorities                                     | 2,047,000         |                        |
| f. Sales - Lighting   | 165,000           |                        |
|   | <b>89,000,000</b> |                        |
| <b>III. Other Income</b>  |                   |                        |
| a. Interest Income  | 106,000           |                        |
| b. Miscellaneous Service Income 20K & Green Tags 60K                    | 80,000            |                        |
| c. Other Miscellaneous Income & Late Penalties                          | 900,000           |                        |
| d. Other Income - pole rental, etc.                                     | 100,000           |                        |
| e. Billing Fees - CAW & CenterPoint Energy                              | 53,000            |                        |
| f. Returned Check Fees  | 35,000            |                        |
| g. Hydro Debt Service Reserve for Unit #1 Overhaul                      | 2,000,000         |                        |
| h. Ben E. Keith Grant for Distributed Generation Plant                  | 1,500,000         |                        |
| i. Projects in the 2017 Budget to be completed in 2018                  | 1,807,000         |                        |
|   | <b>6,581,000</b>  |                        |
| <b>IV. Cost of Power (Includes all Hydro Costs)</b>                     |                   | <b>51,059,000</b>      |
| <b>V. Personnel Costs (Net of Hydro)</b>                                |                   | <b>9,862,737</b>       |
| <b>VI. Operating &amp; Maintenance Expenses (Net of Hydro)</b>          |                   | <b>8,450,750</b>       |
| <b>VII. Capital Expenditures - Non Replacements (Net of Hydro)</b>      |                   | <b>5,260,500</b>       |
| <b>VIII. Capital Expenditures - Replacements (Net of Hydro)</b>         |                   | <b>1,746,000</b>       |
| <b>IX. Transfers to the "Depreciation/Reserve Fund"</b>                 |                   | <b>2,216,000</b>       |
| <b>X. Operating Transfers to City of NLR</b>                            |                   | <b>12,000,000</b>      |
| <b>XI. Bond Debt Service (Net of Hydro)</b>                             |                   | <b>3,959,000</b>       |
| <b>Total Budget Request Including Transfers &amp; Bond Debt Service</b> |                   | <b>94,553,987</b>      |
| <br><b>Estimated Cash, Revenue &amp; Other Income (I, II, III)</b>      |                   | <br><b>111,581,000</b> |
| <b>Less Total Budget Requests (IV - XI)</b>                             |                   | <b>94,553,987</b>      |
| <br><b>ESTIMATED ENDING CASH BALANCE AFTER BUDGET REQUESTS</b>          |                   | <br><b>17,027,013</b>  |

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
PROPOSED 2018 BUDGET (Detailed Backup)**

|             |  |                   |   | <b>2018</b>       |
|-------------|--|-------------------|---|-------------------|
| <b>I.</b>   | <b>Estimated Beginning Cash Balance</b>                        |                   | 1 | <b>16,000,000</b> |
| <b>II.</b>  | <b>Revenue - Sale of Electricity</b>                           |                   |   |                   |
| a.          | Sales - Residential  | 38,194,000        | 1 |                   |
| b.          | Sales - Commercial   | 26,700,000        | 1 |                   |
| c.          | Sales - Industrial   | 21,627,000        | 1 |                   |
| d.          | Sales - Street & Highway Lighting                              | 267,000           | 1 |                   |
| e.          | Sales - Other Public Authorities                               | 2,047,000         | 1 |                   |
| f.          | Sales - Lighting   | 165,000           | 1 |                   |
|             | <b>Total for Revenue - Sale of Electricity</b>                 |                   | 1 | <b>89,000,000</b> |
| <b>III.</b> | <b>Other Income</b>  |                   |   |                   |
| a.          | Interest Income  | 106,000           | 1 |                   |
| b.          | Miscellaneous Service Income 20K & Green Tags 60K              | 80,000            | 1 |                   |
| c.          | Other Miscellaneous Income & Late Penalties                    | 900,000           | 1 |                   |
| d.          | Other Income - pole rental, etc.                               | 100,000           | 1 |                   |
| e.          | Billing Fees - CAW & CenterPoint Energy                        | 53,000            | 1 |                   |
| f.          | Returned Check Fees  | 35,000            | 1 |                   |
| g.          | Hydro Debt Service Reserve for Unit #1 Overhaul                | 2,000,000         | 1 |                   |
| h.          | Ben E. Keith Grant for Distributed Generation Plant            | 1,500,000         | 1 |                   |
| i.          | Projects in the 2017 Budget to be completed in 2018 (Rollover) | 1,807,000         | 1 |                   |
|             | <b>Total for Other Income</b>                                  |                   | 1 | <b>6,581,000</b>  |
| <b>IV.</b>  | <b>Cost of Power</b>   |                   |   |                   |
| a.          | Purchase Power - TEA   | 5,432,000         | 1 |                   |
| b.          | Purchase Power - Plum Point 1 (Net of Sales)                   | 11,000,000        | 1 |                   |
| c.          | Purchase Power - Waste Management                              | 917,000           | 1 |                   |
| d.          | Purchase Power - MISO  | 15,000,000        | 1 |                   |
| e.          | Purchase Power - L'OREAL                                       | 107,000           | 1 |                   |
|             | <b>Total Purchase Power</b>                                    | <b>32,456,000</b> | 1 |                   |
| f.          | Transmission - MISO  | 9,326,000         | 1 |                   |
|             | <b>Total Transmission - MISO Costs</b>                         | <b>9,326,000</b>  | 1 |                   |
| g.          | Hydro Debt Service   | 2,228,000         | 1 |                   |
| h.          | Hydro Capital & Replacement Additions                          | 2,651,000         | 1 |                   |
| i.          | Hydro Fixed Operating & Maintenance Costs                      | 1,491,000         | 1 |                   |
| j.          | Hydro Personnel Costs  | 1,067,000         | 1 |                   |
|             | <b>Total Murray Hydro Plant Costs</b>                          | <b>7,437,000</b>  | 1 |                   |
| k.          | Other Cost of Power  | 1,840,000         | 1 |                   |
|             | <b>Total Other Cost of Power</b>                               | <b>1,840,000</b>  | 1 |                   |
|             | <b>Total Cost of Power</b>                                     |                   | 1 | <b>61,059,000</b> |
| <b>V.</b>   | <b>Personnel Costs</b>   |                   |   |                   |
| a.          | Salaries (see salaries worksheet)                              | 7,628,381         | 1 |                   |
| b.          | Longevity Pay (see salaries worksheet)                         | 109,062           | 1 |                   |
| c.          | Overtime (6%)  | 464,247           | 1 |                   |
| d.          | Overtime in excess of Holiday Pay (.2%)                        | 15,475            | 1 |                   |
| e.          | FICA   | 509,464           | 1 |                   |
| f.          | Medicare   | 119,149           | 1 |                   |
| g.          | Pension (see salaries worksheet)                               | 746,420           | 1 |                   |
| h.          | Worker's Comp  | 210,000           | 1 |                   |
| i.          | Life Insurance (Included with Health Insurance)                | -                 | 1 |                   |
| j.          | Health Insurance (see salaries worksheet)                      | 1,053,482         | 1 |                   |
| k.          | Sick Leave Bonus (40% of personnel)                            | 10,400            | 1 |                   |
| l.          | Long Term Disability Insurance                                 | 33,658            | 1 |                   |
| m.          | Employee pay differential - Hydro                              | 30,000            | 1 |                   |
|             | <b>Total Personnel Costs</b>                                   | <b>10,929,737</b> | 1 |                   |
|             | Hydro Personnel Costs Moved to Cost of Power Above             | (1,067,000)       | 1 |                   |
|             | <b>Total Personnel Costs (Net of Hydro)</b>                    |                   | 1 | <b>9,862,737</b>  |



## **NORTH LITTLE ROCK ELECTRIC DEPARTMENT ACCOUNTING LOCATIONS**

- 100** - General Manager and Administrative (James Bray)
- 200** - Billing & Collection (Jill Ponder)
- 500** - Systems Engineering (Eric Heinrichs)
- 510** - Distribution Engineer (Andy Johnson)
- 520** - Design Engineering (Greg Woodward)
- 530** - Substation Maintenance (Andy Johnson)
- 540** - Information Systems, Telecommunications & Radio Dispatch
- 550** - Energy Services and Communication (Jill Ponder)
- 560** - Hydro Operations (Jessica Stephens)
- 570** - Assist. General Manager/Engineering Services(Mac Bryson)
- 575** - Assist. General Manager (Scott Springer)
- 580** - Operations / Construction (Ron Osburn)
  - 583** - Transportation (Kyle McNeil)
  - 584** - Total Safety & Security (Roy McPhail)
  - 586** - Material Management (Ron Osburn & Karen Allen)
  - 587** - Meter Department (Terrence Williams)
- 600** - Cost of Power-Other (Jessica Stephens)

### **CATEGORY LEGENDS**

- C - Capital Assets - Non Replacements**
- O - O & M Expenses**
- R - Capital Assets - Replacements**

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
REQUESTS BY LOCATION & CATEGORY  
BUDGET LINE ITEMS WORKSHEET  
FOR THE 2018 BUDGET**

**EXHIBIT "B"**

| Location  | Category | Item | Description  | 2018<br>Amount   | 2017<br>Amount   | DIFFERENCE         |
|---|----------|------|--|------------------|------------------|--------------------|
| 100   | C        | 99   | Unbudgeted   | -                | -                | -                  |
| 100   | O        | 2    | Memberships-other  | -                | 1,000            | (1,000)            |
| 100   | O        | 6    | Travel   | 15,000           | 15,000           | -                  |
| 100   | O        | 8    | Publications   | 200              | 500              | (300)              |
| 100   | O        | 10   | Professional training                                    | 5,000            | 10,000           | (5,000)            |
| 100   | O        | 11   | Annual Audit \$21,250 and 2011 Bond Arbitrage \$3,500    | 24,750           | 21,000           | 3,750              |
| 100   | O        | 14   | Electricity, Gas, Water                                  | 86,000           | 87,000           | (1,000)            |
| 100   | O        | 15   | Property, Legal, Vehicle, Liability Insurance            | 130,000          | 110,000          | 20,000             |
| 100   | O        | 17   | NLR Economic Development Corp- Promo Costs               | 200,000          | 470,000          | (270,000)          |
| 100   | O        | 18   | Bond Trustee Fees  | 10,000           | 10,000           | -                  |
| 100   | O        | 21   | Sherwood Franchise Taxes                                 | 600,000          | 600,000          | -                  |
| 100   | O        | 22   | Payments to Utilities Accounting (I.T.Expenses for 2018) | 1,000,000        | 2,300,000        | (1,300,000)        |
| 100   | O        | 23   | Office Supplies & Misc. Items                            | 30,000           | 30,000           | -                  |
| 100   | O        | 24   | Sherwood Franchise Tariff                                | 470,000          | 470,000          | -                  |
| 100   | O        | 25   | AMPA Activities & Consultants                            | 140,000          | 40,000           | 100,000            |
| 100   | O        | 63   | Property Rental at Airport for Electric Building         | 70,000           | 70,000           | -                  |
| 100   | O        | 65   | Committee, Meeting and Employee Support                  | 10,000           | 10,000           | -                  |
| 100   | O        | 66   | Claims/Adjustments                                       | 25,000           | 15,000           | 10,000             |
| 100   | O        | 67   | S&P Rating Surveillance- 2012 Bonds                      | 7,500            | 7,500            | -                  |
| 100   | O        | 99   | Unbudgeted   | -                | -                | -                  |
| 100   | R        | 99   | Unbudgeted   | -                | -                | -                  |
| <b>Total General Manager and Admin (James Bray)</b> |          |      |  | <b>2,823,450</b> | <b>4,267,000</b> | <b>(1,443,550)</b> |
| 200   | C        | 1    | Equipment-UAD  | 11,000           | 1,700            | 9,300              |
| 200   | C        | 99   | Unbudgeted   | -                | -                | -                  |
| 200   | O        | 1    | Supplies-Miscellaneous                                   | 5,000            | 29,300           | (24,300)           |
| 200   | O        | 2    | Supplies-Office  | 30,000           | 21,600           | 8,400              |
| 200   | O        | 3    | Copy Machine Expense                                     | 5,300            | 4,300            | 1,000              |
| 200   | O        | 4    | Communication  | 40,000           | 28,400           | 11,800             |
| 200   | O        | 5    | Utilities  | 114,000          | 114,400          | (400)              |
| 200   | O        | 6    | Maintenance of Equipment                                 | 65,000           | 13,700           | 51,300             |
| 200   | O        | 7    | Maintenance of Building & Grounds                        | 85,000           | 71,800           | 13,200             |
| 200   | O        | 8    | Janitorial Supplies                                      | 10,000           | 38,000           | (28,000)           |
| 200   | O        | 9    | Software Purchases                                       | 50,000           | 17,600           | 32,400             |
| 200   | O        | 10   | Software Maintenance                                     | 325,000          | 124,300          | 200,700            |
| 200   | O        | 11   | Armored Transportation                                   | 8,700            | 7,300            | 1,400              |
| 200   | O        | 12   | Postage  | 180,000          | 163,800          | 16,200             |
| 200   | O        | 13   | Education & Training                                     | 10,000           | 4,700            | 5,300              |
| 200   | O        | 14   | Travel Expenses  | 8,000            | 6,500            | 1,500              |
| 200   | O        | 15   | Professional Services                                    | 8,000            | 6,000            | 2,000              |
| 200   | O        | 20   | Miscellaneous Expense                                    | 10,000           | 6,900            | 3,100              |
| 200   | O        | 99   | Unbudgeted   | -                | -                | -                  |
| 200   | R        | 1    | Equipment Replacement                                    | 31,000           | -                | 31,000             |
| 200   | R        | 99   | Unbudgeted   | -                | -                | -                  |
| <b>Total Billing &amp; Collection (Jill Ponder)</b> |          |      |  | <b>996,000</b>   | <b>660,300</b>   | <b>335,700</b>     |

| Location | Category | Item | Description   | 2018<br>Amount   | 2017<br>Amount   | DIFFERENCE         |
|----------|----------|------|---|------------------|------------------|--------------------|
| 500      | C        | 1    | McCain Substation Engineering Design Studies & Upgrades | 800,000          | 1,500,000        | (700,000)          |
| 500      | C        | 2    | Distribution System Improvements                        | 400,000          | 590,000          | (190,000)          |
| 500      | C        | 3    | System Inventory-Milsoft System                         | 150,000          | 435,000          | (285,000)          |
| 500      | C        | 5    | Contractors for Rotten Pole Replacement-Non Emergency   | 25,000           | 25,000           | -                  |
| 500      | C        | 99   | Unbudgeted  | -                | -                | -                  |
| 500      | O        | 1    | Training  | 20,000           | 15,000           | 5,000              |
| 500      | O        | 2    | Travel  | 20,000           | 15,000           | 5,000              |
| 500      | O        | 4    | Engineering Consulting                                  | 200,000          | 200,000          | -                  |
| 500      | O        | 99   | Unbudgeted  | -                | -                | -                  |
| 500      | R        | 99   | Unbudgeted  | -                | -                | -                  |
|          |          |      | <b>Total Systems Engineering (Eric Heinrichs)</b>       | <b>1,615,000</b> | <b>2,780,000</b> | <b>(1,165,000)</b> |
| 510      | C        | 99   | Unbudgeted  | -                | -                | -                  |
| 510      | O        | 1    | Shared Maint. Ownership Station Equip                   | 19,000           | 19,000           | -                  |
| 510      | O        | 5    | Inspection & Maintenance Services for Rotten Poles, etc | 155,000          | 155,000          | -                  |
| 510      | O        | 12   | Tree Trimming contractor-Apple(moved from #580)         | 1,200,000        | 1,200,000        | -                  |
| 510      | O        | 13   | Distribution Equipment Replacement                      | 25,000           | 25,000           | -                  |
| 510      | O        | 99   | Unbudgeted  | -                | -                | -                  |
| 510      | R        | 1    | Distribution Switch Replacement                         | 40,000           | -                | 40,000             |
| 510      | R        | 5    | Equipment Replacement                                   | 50,000           | 127,500          | (77,500)           |
| 510      | R        | 13   | Contractors for Rotten Pole/Tree Trimm. Emergency       | 75,000           | 75,000           | -                  |
| 510      | R        | 99   | Unbudgeted  | -                | -                | -                  |
|          |          |      | <b>Total Distribution Engineer (Andy Johnson)</b>       | <b>1,564,000</b> | <b>1,601,500</b> | <b>(37,500)</b>    |
| 520      | C        | 3    | Boring - Underground                                    | 25,000           | 25,000           | -                  |
| 520      | C        | 6    | Guard Rails   | 5,000            | 5,000            | -                  |
| 520      | C        | 9    | Furniture and Office Equipment                          | 1,500            | 1,500            | -                  |
| 520      | C        | 99   | Unbudgeted  | -                | -                | -                  |
| 520      | O        | 1    | Equipment, Uniforms and Misc. Materials                 | 30,000           | 30,000           | -                  |
| 520      | O        | 6    | Membership costs for PAGIS, NJUNS, ESRI                 | 83,000           | 79,000           | 4,000              |
| 520      | O        | 9    | AutoCad/Milsoft/Partner Consultant & Training           | 15,000           | 15,000           | -                  |
| 520      | R        | 12   | Capacitor Units (due to lightning)                      | 10,000           | 10,000           | -                  |
| 520      | R        | 99   | Unbudgeted  | -                | -                | -                  |
|          |          |      | <b>Total Design Engineering (Greg Woodward)</b>         | <b>169,500</b>   | <b>165,500</b>   | <b>4,000</b>       |
| 530      | C        | 99   | Unbudgeted  | -                | -                | -                  |
| 530      | O        | 1    | Storage/Work Area                                       | 20,000           | 104,000          | (84,000)           |
| 530      | O        | 3    | Substation Testing and Maintenance                      | 35,000           | 35,000           | -                  |
| 530      | O        | 4    | Tools/Materials   | 20,000           | 20,000           | -                  |
| 530      | O        | 8    | ARKUPS  | 55,000           | 55,000           | -                  |
| 530      | O        | 10   | Ground Maint/Erosion Prot./Weed Control                 | 15,000           | 17,000           | (2,000)            |
| 530      | O        | 99   | Unbudgeted  | -                | -                | -                  |
| 530      | R        | 1    | RTU/Relay Replacement                                   | 50,000           | 100,000          | (50,000)           |
| 530      | R        | 99   | Unbudgeted  | -                | -                | -                  |

| Location  | Category | Item | Description  | 2018<br>Amount   | 2017<br>Amount   | DIFFERENCE       |
|---|----------|------|--|------------------|------------------|------------------|
| <b>Total Substation Maintenance (Andy Johnson)</b>              |          |      |  | <b>195,000</b>   | <b>331,000</b>   | <b>(136,000)</b> |
| 540   | C        | 3    | New Technology   | 20,000           | 20,000           | -                |
| 540   | C        | 4    | Security Upgrades  | -                | 52,000           | (52,000)         |
| 540   | C        | 8    | Sharepoint/Lync Collaboration Software                       | -                | 66,000           | (66,000)         |
| 540   | C        | 9    | Fiber City to Lynch Drive Substation                         | 300,000          | 300,000          | -                |
| 540   | C        | 10   | Fiber Broadway to Lynch Fire Station                         | 30,000           | 30,000           | -                |
| 540   | C        | 11   | Fiber to Animal Shelter(City Requested)                      | 42,000           | 34,000           | 8,000            |
| 540   | C        | 12   | Fiber to Parkhill Fire/Neighborhood Services(City Requested) | -                | 14,600           | (14,600)         |
| 540   | C        | 14   | Fiber For McCain Police Substation to McCain Sub. #5341      | 40,000           | -                | 40,000           |
| 540   | C        | 15   | Fiber for City Hall to West Gate #4919                       | 40,000           | -                | 40,000           |
| 540   | C        | 16   | Fiber to Galloway Substation                                 | 275,000          | -                | 275,000          |
| 540   | C        | 99   | Unbudgeted   | -                | -                | -                |
| 540   | O        | 12   | Outside support & programming for computers, acctg sup, etc. | 85,000           | 55,000           | 30,000           |
| 540   | O        | 14   | Training, books, videos, cd instructor led training          | 30,000           | 15,000           | 15,000           |
| 540   | O        | 32   | Travel   | 20,000           | 10,000           | 10,000           |
| 540   | O        | 33   | Telephone  | 165,000          | 140,000          | 25,000           |
| 540   | O        | 34   | Internet & Misc. Communications                              | 60,000           | 133,600          | (73,600)         |
| 540   | O        | 35   | Maintenance Hardware   | 175,000          | 200,000          | (25,000)         |
| 540   | O        | 37   | Software upgrades/Maintenance/Technical Support              | 250,000          | 265,000          | (15,000)         |
| 540   | O        | 99   | Unbudgeted   | -                | -                | -                |
| 540   | R        | 8    | Security   | -                | 10,000           | (10,000)         |
| 540   | R        | 14   | Office Furniture   | -                | 5,000            | (5,000)          |
| 540   | R        | 18   | Radios   | 10,000           | 20,000           | (10,000)         |
| 540   | R        | 27   | Information Technology Equipment                             | 300,000          | 300,000          | -                |
| 540   | R        | 99   | Unbudgeted   | -                | -                | -                |
| <b>Total Information Systems, Telecom. &amp; Radio Dispatch</b> |          |      |  | <b>1,842,000</b> | <b>1,670,200</b> | <b>171,800</b>   |
| 550   | C        | 1    | Energy Measurement & Communication Equipment                 | 4,000            | 4,000            | -                |
| 550   | C        | 99   | Unbudgeted   | -                | -                | -                |
| 550   | O        | 1    | Customer Communications                                      | 100,000          | 100,000          | -                |
| 550   | O        | 2    | Training   | 9,000            | 9,000            | -                |
| 550   | O        | 3    | Travel   | 12,000           | 12,000           | -                |
| 550   | O        | 4    | Supplies   | 5,500            | 5,500            | -                |
| 550   | O        | 5    | Outreach & Education   | 25,000           | 25,000           | -                |
| 550   | O        | 7    | Low Income Customer Assistance                               | 150,000          | 150,000          | -                |
| 550   | O        | 8    | Conservation & Demand-Side Management Programs               | 25,000           | 25,000           | -                |
| 550   | O        | 9    | Customer Service Enhancements                                | 100,000          | 100,000          | -                |
| 550   | O        | 99   | Unbudgeted   | -                | -                | -                |
| 550   | R        | 99   | Unbudgeted   | -                | -                | -                |
| <b>Total Energy Services &amp; Communication (Jill Ponder)</b>  |          |      |  | <b>430,500</b>   | <b>430,500</b>   | <b>-</b>         |
| 560   | C        | 1    | Storage Building   | 500,000          | 500,000          | -                |
| 560   | C        | 2    | Unit 1 25 Year Turbine Overhaul(Funded Reserve in 2016)      | 2,000,000        | 4,000,000        | (2,000,000)      |
| 560   | C        | 4    | Intake Crane Repairs   | -                | 60,000           | (60,000)         |
| 560   | C        | 99   | Unbudgeted   | -                | -                | -                |
| 560   | O        | 8    | Waste Oil Disposal   | 10,000           | 10,000           | -                |

| Location  | Category | Item | Description   | 2018<br>Amount   | 2017<br>Amount   | DIFFERENCE         |
|---|----------|------|---|------------------|------------------|--------------------|
| 560   | O        | 11   | Crane Services  | 15,000           | 15,000           | -                  |
| 560   | O        | 14   | COE power bill  | 40,000           | 40,000           | -                  |
| 560   | O        | 15   | Plant Painting  | 15,000           | 15,000           | -                  |
| 560   | O        | 17   | Normal generation operation expenses                      | 105,000          | 105,000          | -                  |
| 560   | O        | 18   | NPDES monitoring  | 15,000           | 15,000           | -                  |
| 560   | O        | 19   | Normal generation plant maint. & supplies                 | 365,000          | 365,000          | -                  |
| 560   | O        | 23   | Engineering Services                                      | 120,000          | 100,000          | 20,000             |
| 560   | O        | 25   | Hydro Insurance   | 290,000          | 290,000          | -                  |
| 560   | O        | 26   | Hydro Regulatory Fees (FERC)                              | 225,000          | 220,000          | 5,000              |
| 560   | O        | 27   | FERC Hydro Headwater Benefit Fee                          | 20,000           | 20,000           | -                  |
| 560   | O        | 31   | Reliability & Compliance (combined with Mac's 570-05/07)  | 116,000          | 116,000          | -                  |
| 560   | O        | 32   | Professional Development                                  | 10,000           | 10,000           | -                  |
| 560   | O        | 33   | Travel  | 10,000           | 10,000           | -                  |
| 560   | O        | 34   | Overtop Maintenance and Cleanup                           | 100,000          | 100,000          | -                  |
| 560   | O        | 35   | Chipper Support (rental of equipment)                     | 15,000           | 15,000           | -                  |
| 560   | O        | 36   | Right of Way Maintenance                                  | 20,000           | 20,000           | -                  |
| 560   | O        | 99   | Unbudgeted  | -                | -                | -                  |
| 560   | R        | 1    | Furniture Fixtures and Equipment                          | 30,000           | 30,000           | -                  |
| 560   | R        | 2    | Packing Gland   | -                | 85,000           | (85,000)           |
| 560   | R        | 3    | Paging System   | -                | 15,000           | (15,000)           |
| 560   | R        | 4    | Temperature Monitor                                       | 65,000           | -                | 65,000             |
| 560   | R        | 6    | Stop Log Seals & Anodes                                   | 6,000            | 6,000            | -                  |
| 560   | R        | 9    | Tool Replacement  | 20,000           | 20,000           | -                  |
| 560   | R        | 10   | Piping replacement  | 30,000           | 30,000           | -                  |
| 560   | R        | 16   | Gate Arm Replacement                                      | -                | 5,000            | (5,000)            |
| 560   | R        | 99   | Unbudgeted  | -                | -                | -                  |
| <b>Total Hydro Operations (Jessica Stephens)</b>                  |          |      |   | <b>4,142,000</b> | <b>6,217,000</b> | <b>(2,075,000)</b> |
| <b>NOTE: LOCATION 560 MOVED TO COST OF POWER - EXHIBIT "A"</b>    |          |      |   |                  |                  |                    |
| 570   | C        | 99   | Unbudgeted  | -                | -                | -                  |
| 570   | O        | 1    | Conferences and Training                                  | 5,000            | 3,000            | 2,000              |
| 570   | O        | 2    | Travel  | 7,000            | 5,000            | 2,000              |
| 570   | O        | 3    | Literature-Books, Home Energy Magazine Subscription       | 300              | 300              | -                  |
| 570   | O        | 4    | Cost of Service Studies/Retail Rate Design                | 21,000           | 45,000           | (24,000)           |
| 570   | O        | 5    | Five Year Financial Plan                                  | 20,000           | -                | 20,000             |
| 570   | O        | 8    | Northstar Updates   | 20,000           | 20,000           | -                  |
| 570   | O        | 99   | Unbudgeted  | -                | -                | -                  |
| 570   | R        | 99   | Unbudgeted  | -                | -                | -                  |
| <b>Total- Assist. Gen. Mgr./Engineering Services (Mac Bryson)</b> |          |      |   | <b>73,300</b>    | <b>73,300</b>    | <b>-</b>           |
| 575   | C        | 99   | Unbudgeted  | -                | -                | -                  |
| 575   | O        | 1    | Policies and Training(Review/update training within dept) | 5,000            | 5,000            | -                  |
| 575   | O        | 2    | Community Outreach Program(Promote Dept in NLR/Sherwood)  | 5,000            | 5,000            | -                  |
| 575   | O        | 3    | Conference & Training                                     | 5,000            | 5,000            | -                  |
| 575   | O        | 4    | Travel  | 5,000            | 5,000            | -                  |
| 575   | O        | 5    | Misc. Equipment and Uniforms                              | 7,000            | 7,000            | -                  |
| 575   | O        | 99   | Unbudgeted  | -                | -                | -                  |
| 575   | R        | 99   | Unbudgeted  | -                | -                | -                  |

| Location | Category | Item | Description  | 2018<br>Amount   | 2017<br>Amount   | DIFFERENCE       |
|----------|----------|------|--|------------------|------------------|------------------|
|          |          |      | <b>Total Assistant GM (Scott Springer)</b>             | <b>27,000</b>    | <b>27,000</b>    | <b>-</b>         |
| 580      | C        | 8    | New Materials Storage Building                         | -                | 442,000          | (442,000)        |
| 580      | C        | 13   | Shelving for new Store Room                            | -                | 5,000            | (5,000)          |
| 580      | C        | 14   | Awning Cover   | -                | 75,000           | (75,000)         |
| 580      | C        | 15   | Main Parking Drain                                     | 20,000           | 20,000           | -                |
| 580      | C        | 16   | Outdoor Covered Lunch Area                             | 85,000           | 85,000           | -                |
| 580      | C        | 99   | Unbudgeted   | -                | -                | -                |
| 580      | O        | 1    | Pest Control   | 2,000            | 2,000            | -                |
| 580      | O        | 2    | General Maintenance - bldg trash pickup                | 40,000           | 40,000           | -                |
| 580      | O        | 4    | General Maintenance - grounds repairs                  | 40,000           | 60,000           | (20,000)         |
| 580      | O        | 5    | General Maintenance - equipment repairs building       | 30,000           | 30,000           | -                |
| 580      | O        | 6    | Flame retardant shirts and work boots PPE              | 30,000           | 30,000           | -                |
| 580      | O        | 7    | General Maintenance - bldg janitorial                  | 40,000           | 40,000           | -                |
| 580      | O        | 8    | General Maintenance - bldg repairs                     | 20,000           | 20,000           | -                |
| 580      | O        | 10   | Dump fees-American Composting                          | 15,000           | 20,000           | (5,000)          |
| 580      | O        | 11   | Outside contractors                                    | 50,000           | 50,000           | -                |
| 580      | O        | 13   | Right of Way Improvements                              | 30,000           | 30,000           | -                |
| 580      | O        | 14   | Bldg Janitorial Supplies                               | 6,000            | 6,000            | -                |
| 580      | O        | 15   | Training   | 5,000            | 5,000            | -                |
| 580      | O        | 16   | Travel   | 5,000            | 5,000            | -                |
| 580      | O        | 18   | Construction Equipment Rental                          | 5,000            | 5,000            | -                |
| 580      | O        | 19   | Standby Generator Maintenance                          | 10,000           | 5,000            | 5,000            |
| 580      | O        | 99   | Unbudgeted   | -                | -                | -                |
| 580      | R        | 50   | Rework Existing Storeroom/Meter Reading Area           | 200,000          | 150,000          | 50,000           |
| 580      | R        | 51   | Rework Administration Front Office                     | -                | 20,000           | (20,000)         |
| 580      | R        | 52   | Storms   | 75,000           | 75,000           | -                |
| 580      | R        | 53   | 10,000 # Fork Lift Pole Yard                           | -                | 75,000           | (75,000)         |
| 580      | R        | 55   | Substation Truck#71 2005 93,581 miles 4x4 utility bed  | -                | 60,000           | (60,000)         |
| 580      | R        | 56   | Substation Truck#72 2005 51,000 miles 4x4 40'MH Bucket | -                | 130,000          | (130,000)        |
| 580      | R        | 57   | HVAC Controls  | -                | 25,000           | (25,000)         |
| 580      | R        | 59   | #41 Roy M. Vehicle-2008 102,000 miles                  | -                | 25,000           | (25,000)         |
| 580      | R        | 60   | Digger Derick Truck #11 2007 41,251 miles              | -                | 250,000          | (250,000)        |
| 580      | R        | 61   | #9 2000 Chev 1 Ton Dump Bed 60,345 Miles               | -                | 60,000           | (60,000)         |
| 580      | R        | 62   | 55' Double Bucket                                      | 200,000          | -                | 200,000          |
| 580      | R        | 63   | Substation Truck #70                                   | 60,000           | -                | 60,000           |
| 580      | R        | 64   | Replace #30 2005 Dodge Durango 104,603 miles           | 60,000           | -                | 60,000           |
| 580      | R        | 65   | Replace #32 2006 GMC Pickup                            | 60,000           | -                | 60,000           |
| 580      | R        | 66   | Replace #36 2000 Ford Pickup 129,231 miles             | 60,000           | -                | 60,000           |
| 580      | R        | 67   | Replacement Vehicle                                    | 30,000           | -                | 30,000           |
| 580      | R        | 99   | Unbudgeted   | -                | -                | -                |
|          |          |      | <b>Total Operations/Construction (Ron Osburn)</b>      | <b>1,178,000</b> | <b>1,845,000</b> | <b>(667,000)</b> |
| 583      | C        | 99   | Unbudgeted   | -                | -                | -                |
| 583      | O        | 2    | 2 Trk Emission Inspection/Dielectric Testing           | 12,000           | 10,000           | 2,000            |
| 583      | O        | 7    | Fuel & Oil   | 100,000          | 150,000          | (50,000)         |
| 583      | O        | 8    | Parts & Repairs  | 140,000          | 140,000          | -                |
| 583      | O        | 99   | Unbudgeted   | -                | -                | -                |
| 583      | R        | 1    | Tools and shop equipment                               | 5,000            | 8,000            | (3,000)          |
| 583      | R        | 99   | Unbudgeted   | -                | -                | -                |

| Location  | Category | Item | Description   | 2018<br>Amount   | 2017<br>Amount   | DIFFERENCE      |
|---|----------|------|---|------------------|------------------|-----------------|
| <b>Total Transportation (Kyle McNeil)</b>                       |          |      |   | <b>257,000</b>   | <b>308,000</b>   | <b>(51,000)</b> |
| 584   | C        | 1    | Substation Security   | 100,000          | 100,000          | -               |
| 584   | C        | 2    | Perimeter Security 1400 W. Maryland                           | -                | 50,000           | (50,000)        |
| 584   | C        | 3    | 2017 Storeroom Surveillance Cameras                           | -                | 40,000           | (40,000)        |
| 584   | C        | 99   | Unbudgeted  | -                | -                | -               |
| 584   | O        | 1    | Safety Committee  | 7,000            | 7,000            | -               |
| 584   | O        | 2    | Travel  | 10,000           | 10,000           | -               |
| 584   | O        | 3    | Training  | 10,000           | 10,000           | -               |
| 584   | O        | 4    | First Aid Kits (moved from #580)                              | 10,000           | 10,000           | -               |
| 584   | O        | 5    | Apprentice Training-Linemen (From #580)                       | 20,000           | 15,000           | 5,000           |
| 584   | O        | 6    | In House Training (safety classes)(from #580)                 | 5,000            | 5,000            | -               |
| 584   | O        | 99   | Unbudgeted  | -                | -                | -               |
| 584   | R        | 99   | Unbudgeted  | -                | -                | -               |
| <b>Total Safety &amp; Security (Roy McPhail)</b>                |          |      |   | <b>162,000</b>   | <b>247,000</b>   | <b>(85,000)</b> |
| 586   | C        | 1    | UG cable  | 325,000          | 275,000          | 50,000          |
| 586   | C        | 2    | Wire  | 200,000          | 200,000          | -               |
| 586   | C        | 3    | Poles   | 150,000          | 150,000          | -               |
| 586   | C        | 4    | Transformers  | 500,000          | 500,000          | -               |
| 586   | C        | 5    | Construction Materials  | 450,000          | 450,000          | -               |
| 586   | C        | 7    | Streetlight Materials   | 1,000,000        | 1,000,000        | -               |
| 586   | C        | 8    | Poles, aluminum & accessories                                 | 125,000          | 125,000          | -               |
| 586   | C        | 9    | Structures & Improvements                                     | 12,000           | 12,000           | -               |
| 586   | C        | 10   | Safety Equipment & Supplies                                   | 25,000           | 25,000           | -               |
| 586   | C        | 99   | Unbudgeted  | -                | -                | -               |
| 586   | O        | 1    | Tools & materials   | 60,000           | 60,000           | -               |
| 586   | O        | 2    | Disposal for PCB's-contractor (586)                           | 25,000           | 25,000           | -               |
| 586   | O        | 3    | Testing Rubber Goods  | 5,000            | 5,000            | -               |
| 586   | O        | 4    | Rubber Goods  | 10,000           | 10,000           | -               |
| 586   | O        | 5    | Locks for code officer(moved from 581)                        | 10,000           | 10,000           | -               |
| 586   | O        | 99   | Unbudgeted  | -                | -                | -               |
| 586   | R        | 1    | Tools & Materials(includes 584 tool requests)                 | 65,000           | 65,000           | -               |
| 586   | R        | 2    | Street Lights Replacements-New Lighting Technology (from 585) | 15,000           | 15,000           | -               |
| 586   | R        | 99   | Unbudgeted  | -                | -                | -               |
| <b>Total Material Management (Ron Osburn &amp; Karen Allen)</b> |          |      |   | <b>2,977,000</b> | <b>2,927,000</b> | <b>50,000</b>   |
| 587   | C        | 1    | RNI Network Upgrades  | 75,000           | 20,000           | 55,000          |
| 587   | C        | 2    | Current Transformers & Potential Transformers                 | 25,000           | 14,000           | 11,000          |
| 587   | C        | 3    | Demand Meters   | -                | 15,000           | (15,000)        |
| 587   | C        | 6    | Residential and Single-Phase Demand Meters                    | -                | 25,000           | (25,000)        |
| 587   | C        | 99   | Unbudgeted  | -                | -                | -               |
| 587   | O        | 1    | Smart Meter Licensing and Tech Support                        | 250,000          | 200,000          | 50,000          |
| 587   | O        | 2    | Materials for Meter Maintenance                               | -                | 22,500           | (22,500)        |
| 587   | O        | 3    | Consulting (consulting, travel,expenses)                      | 7,500            | 30,000           | (22,500)        |
| 587   | O        | 4    | Util-Assist Consulting  | 250,000          | 80,000           | 170,000         |
| 587   | O        | 5    | 13-terminal meter cans, A&K-base adapters, CT & PT brackets   | 30,000           | 60,000           | (30,000)        |
| 587   | O        | 7    | Maintenance and calibration of testing equipment              | -                | 3,500            | (3,500)         |

| Location  | Category | Item | Description   | 2018<br>Amount     | 2017<br>Amount       | DIFFERENCE         |
|---|----------|------|---|--------------------|----------------------|--------------------|
| 587   | O        | 8    | Meter Can Repairs   | 10,000             | 70,000               | (60,000)           |
| 587   | O        | 9    | Training  | 30,000             | 10,000               | 20,000             |
| 587   | O        | 10   | Travel  | 20,000             | 10,000               | 10,000             |
| 587   | O        | 11   | Prepaid Metering Services                                       | 100,000            | -                    | 100,000            |
| 587   | O        | 99   | Unbudgeted  | -                  | -                    | -                  |
| 587   | R        | 2    | Meter Inventory   | 300,000            | 100,000              | 200,000            |
| 587   | R        | 3    | Smart Meters Software Development                               | -                  | 100,000              | (100,000)          |
| 587   | R        | 4    | 3 Phase Meter Analyzer  | -                  | 35,000               | (35,000)           |
| 587   | R        | 5    | Meter Shop Diagnostic Equipment                                 | 50,000             | -                    | 50,000             |
| 587   | R        | 11   | Contract Meter Installers                                       | -                  | 200,000              | (200,000)          |
| 587   | R        | 99   | Unbudgeted  | -                  | -                    | -                  |
| <b>Total Meter Department (Terrence Williams)</b>                                 |          |      |   | <b>1,147,500</b>   | <b>995,000</b>       | <b>152,500</b>     |
| 600   | C        | 1    | Ben E. Keith Distributed Generation(1.5m from BenE.Keith includ | -                  | 4,000,000            | (4,000,000)        |
| 600   | C        | 3    | Solar   | 250,000            | 325,000              | (75,000)           |
| 600   | C        | 99   | Unbudgeted  | -                  | -                    | -                  |
| 600   | O        | 1    | MISO-related services   | 750,000            | 750,000              | -                  |
| 600   | O        | 2    | MJMUEC Dues   | 10,000             | 10,000               | -                  |
| 600   | O        | 3    | Distributed Generation Operation Expenses                       | 40,000             | -                    | 40,000             |
| 600   | O        | 6    | Investigation and Analysis of New Power Sources                 | 100,000            | 100,000              | -                  |
| 600   | O        | 7    | Distributed and Emergency Generation Planning                   | 100,000            | 100,000              | -                  |
| 600   | O        | 11   | Power Supply Consultant   | 250,000            | 250,000              | -                  |
| 600   | O        | 12   | Power Supply and Risk Consultant (TEA)                          | 340,000            | 340,000              | -                  |
| 600   | O        | 99   | Unbudgeted  | -                  | -                    | -                  |
| 600   | R        | 99   | Unbudgeted  | -                  | -                    | -                  |
| <b>Total Cost of Power-Other (Jessica Stephens)</b>                               |          |      |   | <b>1,840,000</b>   | <b>5,875,000</b>     | <b>(4,035,000)</b> |
| <b>TOTALS THIS SPREADSHEET</b>  |          |      |   | <b>21,439,250</b>  | <b>30,420,300</b>    | <b>(8,981,050)</b> |
| <b>TOTALS OF ALL INDIVIDUAL LOCATION SPREADSHEETS TA</b>                          |          |      |   | <b>21,439,250</b>  | <b>30,420,300</b>    | <b>(8,981,050)</b> |
| <b>Total Operation</b>  |          |      |   | <b>11,531,750</b>  | <b>12,572,000</b>    | <b>(1,040,250)</b> |
| <b>Total Capital</b>  |          |      |   | <b>8,010,500</b>   | <b>15,616,800</b>    | <b>(7,606,300)</b> |
| <b>Total Replacement</b>  |          |      |   | <b>1,897,000</b>   | <b>2,231,500</b>     | <b>(334,500)</b>   |
|   |          |      |   |                    | <b>PROOF&gt;&gt;</b> | <b>(8,981,050)</b> |
| <b>EFFECT OF MOVING LOCATIONS 580 &amp; 600 TO COST OF POWER IN EXHIBIT "A":</b>  |          |      |   |                    |                      |                    |
| <b>TOTALS ALL LOCATIONS ABOVE</b>   |          |      |   | <b>21,439,250</b>  | <b>30,420,300</b>    | <b>(8,981,050)</b> |
| <b>LESS LOCATION 580</b>  |          |      |   | <b>(4,142,000)</b> | <b>(6,217,000)</b>   | <b>2,075,000</b>   |
| <b>LESS LOCATION 600</b>  |          |      |   | <b>(1,840,000)</b> | <b>(5,875,000)</b>   | <b>4,035,000</b>   |
| <b>TOTAL AFTER MOVING LOCATIONS 580 &amp; 600 TO COST OF POWER IN EXHIBIT "A"</b> |          |      |   | <b>15,457,250</b>  | <b>18,328,300</b>    | <b>(2,871,050)</b> |

| Location   | Category | Item Description   | 2018<br>Amount    | 2017<br>Amount    | DIFFERENCE         |
|--|----------|--|-------------------|-------------------|--------------------|
| <b>EFFECT ON OPERATING, CAPITAL &amp; REPLACEMENT COSTS:</b> |          |  |                   |                   |                    |
|  |          | <b>TOTAL OPERATING COSTS ABOVE</b>                               | 11,531,750        | 12,572,000        | (1,040,250)        |
|  |          | LESS LOCATION 560  | (1,491,000)       | (1,466,000)       | (25,000)           |
|  |          | LESS LOCATION 600  | (1,590,000)       | (1,550,000)       | (40,000)           |
|  |          | <b>TOTAL OPERATING COST LESS LOCATIONS 560 &amp; 600</b>         | <b>8,450,750</b>  | <b>9,556,000</b>  | <b>(1,105,250)</b> |
|  |          | <b>TOTAL CAPITAL COSTS ABOVE</b>                                 | 8,010,500         | 15,616,800        | (7,606,300)        |
|  |          | LESS LOCATION 560  | (2,500,000)       | (4,560,000)       | 2,060,000          |
|  |          | LESS LOCATION 600  | (250,000)         | (4,325,000)       | 4,075,000          |
|  |          | <b>TOTAL CAPITAL COST LESS LOCATIONS 560 &amp; 600</b>           | <b>5,260,500</b>  | <b>6,731,800</b>  | <b>(1,471,300)</b> |
|  |          | <b>TOTAL REPLACEMENT COSTS ABOVE</b>                             | 1,897,000         | 2,231,500         | (334,500)          |
|  |          | LESS LOCATION 560  | (151,000)         | (191,000)         | 40,000             |
|  |          | LESS LOCATION 600  | -                 | -                 | -                  |
|  |          | <b>TOTAL REPLACEMENT COST LESS LOCATIONS 560 &amp; 600</b>       | <b>1,746,000</b>  | <b>2,040,500</b>  | <b>(294,500)</b>   |
|  |          | <b>SUMMARY (LESS LOCATIONS 560 &amp; 600):</b>                   |                   |                   |                    |
|  |          | OPERATING  | 8,450,750         | 9,556,000         | (1,105,250)        |
|  |          | CAPITAL  | 5,260,500         | 6,731,800         | (1,471,300)        |
|  |          | REPLACEMENT  | 1,746,000         | 2,040,500         | (294,500)          |
|  |          | <b>TOTAL AFTER MOVING LOCATIONS 560 &amp; 600 TO EXHIBIT "A"</b> | <b>15,457,250</b> | <b>18,328,300</b> | <b>(2,871,050)</b> |

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
PROPOSED 2018 BUDGET  
DEBT SERVICE COVERAGE**

|   |                          |
|---|--------------------------|
| Revenue - Sale of Electricity                 | 89,000,000               |
| Other Income                                  | 6,581,000                |
| Total for Cost of Power                       | -51,059,000              |
| Personnel Costs                               | -9,862,737               |
| Operating & Maintenance Expenses              | <u>-8,450,750</u>        |
| <b>NET REVENUES FOR DEBT SERVICE COVERAGE</b> | <b>26,208,513</b>        |
| <b>DEBT SERVICE</b>                           | <u><b>6,187,000</b></u>  |
| <b>DEBT SERVICE COVERAGE RATIO</b>            | <u><u><b>4.2</b></u></u> |

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
PROPOSED 2018 BUDGET  
SIGNIFICANT POINTS**

1. Revenue is based on the annual average of five years (2013-2017) of billed and projected KWh's multiplied by the average sales price per KWh of \$0.0963 which excludes any ECR adjustments. An ECR positive adjustment was calculated at \$2,000,000 and was added to the Revenue figure.
2. Other Income includes funds amounting to \$1,807,000 for projects in the 2017 Budget that will be completed in 2018. Since these projects have been moved to the 2018 Budget, the funds will "Rollover" from 2017 to 2018.
3. Total Cost of Power for 2018, including Purchase Power, Transmission, Hydro and Other Cost of Power, is projected to increase \$6,700,000 as compared to the 2017 Budget due to the following:
  - a. Purchase Power is expected to increase \$8,700,000 for 2018 mainly due to MISO power purchases not being accounted for correctly in the 2017 Budget.
  - b. Transmission cost are expected to increase \$3,300,000 due to transmission upgrades by MISO.
  - c. Hydro Capital and Operating cost are expected to decrease \$2,000,000 mainly due to Unit 1 overhaul of \$4,000,000 that was budgeted for 2017 but only 1/2 or \$2,000,000 complete in 2017; the other 1/2 or \$2,000,000 will be completed in 2018.
  - d. Other power cost are expected to decrease \$3,300,000 mainly due to Ben E. Keith Dist. Generation.
4. Personnel Costs increased \$1,990,000 mainly due to the merger of UAD employees into Electric and an increase of \$72,000 due to increasing the City's Pension Contribution from 9% to 10%.
5. Operating and Maintenance Expenses (See Exhibit "B") are projected at \$1,040,000 less than 2017.
6. Capital Expenditures - Non Replacements (See Exhibit "B") are projected at \$7,606,000 less than 2017.
7. Capital Expenditures - Replacements (See Exhibit "B") are projected at \$335,000 less than 2017.
8. Continuing funding of "Depreciation/Reserve Fund" of \$2,216,000 from savings on debt service.
9. Operating Transfers to City of NLR remain the same at \$12,000,000.
10. Bond Debt Service for 2018 is \$6,187,000 as compared to the 2017 amount of \$5,673,000.
11. Major Capital Projects or Equipment are as follows:
 

|  |             |
|--|-------------|
| McCain Substation Engineering Design Studies & Upgrades                    | \$800,000   |
| Distribution System Improvements   | \$400,000   |
| System Inventory-Milsoft System  | \$150,000   |
| Fiber City to Lynch Drive Substation                                       | \$300,000   |
| Fiber City to Galloway Substation  | \$275,000   |
| Information Technology Equipment (Electric - Billing & Collecting)         | \$300,000   |
| Storage Building - Hydro   | \$500,000   |
| Unit 1 25 Year Turbine Overhaul (Funded - See Other Income in EXHIBIT "A") | \$2,000,000 |
| Rework Existing Storeroom/Meter Reading Area                               | \$200,000   |
| Transportation Equipment (Replacements)                                    | \$470,000   |
| Substation Security  | \$100,000   |
| Construction Materials   | \$1,900,000 |
| Streetlight Materials  | \$1,000,000 |
| Replacement Meters, Installation, etc.                                     | \$350,000   |
| Solar Project  | \$250,000   |
| Total Major Capital Projects   | \$8,995,000 |
12. The Electric Proposed 2018 Budget has a Budget Surplus of \$1,027,013.