

# Electric Fund

Fiscal Year 2026 Operating Budget

## Fund Overview

ADOPTED BUDGET		PROPOSED BUDGET
	FY2025	FY2026
<b>Revenues</b>		
Revenue-Use Money/Property	\$2,243,850	\$2,782,430
Charges for Services	\$134,903,694	\$142,742,880
Miscellaneous Revenue	\$1,850,000	\$2,100,000
<b>REVENUES TOTAL</b>	<b>\$138,997,544</b>	<b>\$147,625,310</b>
<b>Operating Expenses</b>		
Administration Services	\$7,527,392	\$6,271,930
Debt Service	\$4,499,660	\$6,886,790
Distribution	\$6,050,078	\$6,714,560
Engineering	\$1,379,243	\$1,353,370
Meters	\$562,828	\$599,180
Regular Capital Maintenance	\$6,928,453	\$6,092,760
Substations	\$1,897,670	\$1,915,660
Support Services	\$468,575	\$393,650
Transmissions	\$116,000	\$145,000
Utility Administration Services	\$1,447,631	\$1,623,130
<b>OPERATING EXPENSES TOTAL</b>	<b>\$30,877,530</b>	<b>\$31,996,030</b>
<b>Other</b>		
Source of Supply	\$97,085,465	\$104,894,010
Depreciation	\$8,206,890	\$8,150,650
<b>OTHER TOTAL</b>	<b>\$105,292,355</b>	<b>\$113,044,660</b>
<b>Total Operating Expense</b>	<b>\$136,169,885</b>	<b>\$145,040,690</b>
<b>Contribution to General Fund</b>	<b>\$10,635,610</b>	<b>\$10,710,610</b>
<b>Total Expenditures</b>	<b>\$146,805,495</b>	<b>\$155,751,300</b>
<b>Add - Depreciation</b>	<b>\$8,206,890</b>	<b>\$8,150,650</b>
<b>Total Expenditures (less depreciation)</b>	<b>\$138,598,605</b>	<b>\$147,600,650</b>
<b>Revenue in excess of Operating Expense</b>	<b>\$398,939</b>	<b>\$24,660</b>
<b>Capital Improvements</b>	<b>\$51,995</b>	<b>\$26,910</b>
<b>Revenues Over (Under) Expenses</b>	<b>\$346,944</b>	<b>(\$2,250)</b>

# Major Revenue Sources

Revenue categories for this fund are as follows:

**REVENUE – USE OF MONEY/PROPERTY:** This revenue category includes: **Interest on Investments** - All of the City's funds are invested in secured accounts in an attempt to earn the highest possible return. Investments earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates.

**Other sources include: Rental Income** that is offset by vehicle and equipment charges to the divisions for daily and monthly usage and a warehouse administration fee charged to each utility division. **Sale-Salvage and Surplus Property** - This revenue represents the sale of surplus vehicles and equipment and funds received from the sale of scrap metal. Also included are income for the lease of real property and pole attachment fees charged to other utility companies for permitting attachment of their utility lines to poles owned and maintained by the City of Danville.

**CHARGES FOR SERVICES:** This revenue category include consumer fees and is the major revenue source for the Electric Fund. The residential customer class is the largest part of the electric fund's revenue, representing approximately 37,490 customers. The commercial customer class represents approximately 4,4831 customers and the industrial base has 24 customers. Lighting revenue represents off-street and security lighting sales as well as municipal street lighting. The municipal customer class represents electricity sold to the City for its municipal facilities. Other revenues in this category include penalties for non-payment and reconnection fees and charges. In FY25, power costs are projected to be slightly higher due to a 15% increase in AEP transmission costs compared to FY24 and additional power supply to serve new industrial customers.

**MISCELLANSOUS REVENUE:** Miscellaneous revenue includes charges to customers who request alternation or expansion of their existing services and for amounts billed to third parties for damages to equipment and infrastructure.

**RECOVERED COST:** This revenue includes insurance reimbursements and restitution from third parties.

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	Increase/ (Decrease)
	FY2023	FY2024	FY2025	FY2026	
<b>Revenues</b>					
Revenue-Use Money/Property	\$1,896,205	\$2,568,451	\$2,243,850	\$2,782,430	\$538,580
Charges for Services	\$125,288,538	\$129,292,067	\$134,903,694	\$142,742,880	\$7,839,186
Miscellaneous Revenue	\$1,676,182	\$2,978,418	\$1,850,000	\$2,100,000	\$250,000
Recovered Cost	\$669,539	\$9,848	\$0	\$0	\$0
Transfers In	–	\$1,000,000	–	–	\$0
Other Revenue	(\$207,367)	\$149,371	–	–	\$0
<b>REVENUES TOTAL</b>	<b>\$129,323,097</b>	<b>\$135,998,155</b>	<b>\$138,997,544</b>	<b>\$147,625,310</b>	<b>\$8,627,766</b>

# Electric Administration

## Description

The mission of the Electric Fund is to provide reliable and affordable electric service to its customers. The Electric Fund includes the Division of Power and Light and functions as the cost allocation center for the Utilities Department's Administration, Customer Accounts, and Support Services Divisions that serve the Electric, Gas, Water, Wastewater, and Telecommunications Funds.

## Expenditures

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
<b>Expenses</b>					
Personnel Services	\$236,835	\$240,741	\$166,282	\$140,340	(\$25,942)
Employee Benefits	\$722,195	\$121,774	\$620,216	\$359,020	(\$261,196)
Purchased Services	\$625,170	\$1,056,381	\$546,420	\$814,185	\$267,765
Internal Service	\$74,295	\$47,021	\$65,780	\$62,800	(\$2,980)
Other Operating Expense	\$1,634,513	\$1,476,566	\$1,062,077	\$1,201,635	\$139,558
Cost Allocation	\$2,798,754	\$2,988,397	\$3,012,146	\$3,427,200	\$415,054
Capital Expenses	\$5,747	—	—	—	\$0
Depreciation	\$184,316	\$230,743	\$214,110	\$254,670	\$40,560
Debt Service	\$1,720,529	\$1,817,284	\$1,750,460	\$0	(\$1,750,460)
Labor Expense Cross	\$9,076	\$7,760	—	—	\$0
Transfer Out	\$10,572,610	\$10,635,610	\$10,635,610	\$10,710,610	\$75,000
<b>EXPENSES TOTAL</b>	<b>\$18,584,041</b>	<b>\$18,622,276</b>	<b>\$18,073,101</b>	<b>\$16,970,460</b>	<b>(\$1,102,641)</b>

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
DIVISION DIR OF POWER & LIGHT	1	1	1	1
<b>FTES</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

# Electric Engineering

## Description

Electric engineering is responsible for engineering capital and maintenance projects, distribution upgrades, commercial and residential installations, and any form of customer service request. The division also assists electric line crews with power restoration.

## Expenditures

	ACTUAL	ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$584,421	\$593,697	\$639,014	\$646,410	\$7,396
Employee Benefits	\$64,889	\$67,488	\$76,053	\$79,060	\$3,007
Purchased Services	\$171,574	\$690,830	\$485,508	\$519,830	\$34,322
Internal Service	\$1,327	\$793	\$750	\$1,300	\$550
Public Assistance	\$0	–	–	–	\$0
Other Operating Expense	\$49,905	\$27,736	\$102,010	\$67,770	(\$34,240)
Capital Expenses	\$14,482	\$13,092	\$14,000	\$3,000	(\$11,000)
EXPENSES TOTAL	\$886,598	\$1,393,636	\$1,317,336	\$1,317,370	\$34

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
ELEC ENG TECH/ COMPLIANCE COOR	1	1	0	0
ELECTRIC ENGINEER	1	1	0	0
ELECTRIC ENGINEERING AIDE	1	0	0	0
ELECTRIC ENGINEERING TECH	2	3	2	3
ELECTRIC SR ENGINEERING TECH	2	2	3	2
ENGINEERING TECH MANAGER	1	1	1	1
SENIOR ELECTRIC ENGINEER	1	1	1	1
SENIOR SECRETARY	0.5	0.5	0.5	0.5
SR ELEC GIS/CAD TECHNICIAN	1	1	1	1
<b>FTEs</b>	<b>10.5</b>	<b>10.5</b>	<b>8.5</b>	<b>8.5</b>

# Electric Distribution

## Description

The Electric Distribution Department installs and repairs streetlights and outdoor customer lights, repairs and replaces overhead and underground primary, repairs and replaces poles, conductors, switches, and fuses and responds to customer outages twenty-four hours per day. The Electric Distribution Department is also responsible for right-of-way clearing.

The increase in source of supply is due to purchased power for new industrial customers and increases in AEP's transmission rate. The electric distribution system covers approximately 500 square miles including the City and portions of three adjacent counties. Service is provided to approximately ~42,000 customer customers through 1,400 miles of 12,470/7,200 volt distribution lines.

## Expenditures

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$1,867,368	\$1,935,530	\$1,805,990	\$2,210,590	\$404,600
Employee Benefits	\$193,299	\$212,815	\$210,223	\$261,460	\$51,237
Purchased Services	\$3,366,840	\$2,379,493	\$2,425,570	\$2,519,170	\$93,600
Internal Service	\$269	\$503	\$200	\$500	\$300
Other Operating Expense	\$974,107	\$1,452,230	\$1,603,040	\$1,722,840	\$119,800
Source of Supply	\$97,049,797	\$98,863,171	\$97,085,465	\$104,894,010	\$7,808,545
Capital Expenses	\$432	–	\$5,055	\$0	(\$5,055)
Depreciation	\$8,053,070	\$8,102,445	\$7,992,780	\$7,895,980	(\$96,800)
EXPENSES TOTAL	\$111,505,183	\$112,946,187	\$111,128,323	\$119,504,550	\$8,376,227

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
DISPATCHER	1	1	1	1
ELECT LINE OH/UG EQUIP OPER	0.84	0.84	0	0
ELECTRC DSTRBTN SUPERINTENDENT	1	0.6	0.6	0.8
ELECTRIC GROUNDWORKER	0.84	1.6	0	0
ELECTRIC LINE CREW SUPERVISOR	2.08	3	1.8	3
ELECTRIC LINE TECHNICIAN I	1.26	1.2	0.6	0.6
ELECTRIC LINE TECHNICIAN II	2.1	2.4	2.8	1.6
ELECTRIC LINE TECHNICIAN III	5.04	7.2	7.8	11.6
ELECTRIC RIGHT OF WAY TRIMMER	1.26	3	3	3
ELECTRIC VEGETATION ROW SUPER	0	0	0	0
INSPECTOR-CONTRACTOR MANAGER	2	2	1	1.6
<b>FTEs</b>	<b>17.42</b>	<b>22.84</b>	<b>18.6</b>	<b>23.2</b>

# Electric Substations

## Description

With construction of new substations at the Cyber Park and Ballou locations in FY2025, the Electric substations budgets and accounts for the maintenance, operation, and repair of eighteen substations, twenty-one regulator sites and the electronic systems and devices associated with them. Substations' responsibilities also include the systems and software that monitor the electric system and dispatch personnel for maintenance and restoration services within the electric distribution territory. Additionally, electric substations tests and inspects substations and related facilities.

## Expenditures

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
<b>Expenses</b>					
Personnel Services	\$914,592	\$997,734	\$973,536	\$998,220	\$24,684
Employee Benefits	\$93,579	\$104,084	\$114,457	\$124,280	\$9,823
Purchased Services	\$365,136	\$400,893	\$400,194	\$390,150	(\$10,044)
Internal Service	\$86,677	\$88,020	\$75,120	\$79,180	\$4,060
Other Operating Expense	\$223,511	\$308,648	\$396,270	\$359,830	(\$36,440)
Capital Expenses	\$2,333	–	–	–	\$0
<b>EXPENSES TOTAL</b>	<b>\$1,685,828</b>	<b>\$1,899,379</b>	<b>\$1,959,577</b>	<b>\$1,951,660</b>	<b>(\$7,917)</b>

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
ELCTRC SUBSTN SUPERINTENDENT	0	0	0	0
ELCTRC SUBSTN SUPERVISOR	1	1	1	1
ELECT LINE OH/UG EQUIP OPER	0.02	0.02	0	0
ELECTRIC GROUNDWORKER	0.02	0	0	0
ELECTRIC LINE CREW SUPERVISOR	0.07	0	0	0
ELECTRIC LINE TECHNICIAN I	0.03	0	0	0
ELECTRIC LINE TECHNICIAN II	0.05	0	0	0
ELECTRIC LINE TECHNICIAN III	0.12	0	0	0
ELECTRIC RIGHT OF WAY TRIMMER	0.03	0	0	0
ELECTRIC SUBSTATION TECHNICIAN	4	4	4	4
ELECTRIC VEGETATION ROW SUPER	0	0	0	0
IT SCADA SYSTEMS ANALYST	1	1	1	1
UTILITY OPERATIONS SUPERVISOR	1	0.6	0.6	0.6
UTILITY OPERATOR	4.2	4.2	4.2	4.2
<b>FTEs</b>	<b>11.54</b>	<b>10.82</b>	<b>10.8</b>	<b>10.8</b>

# Electric Meters

## Description

The electric metering division is responsible for the maintenance and operation of the automated meter reading information and the physical meters. The team tests, calibrates and removes or installs any meter assigned within the 500 square miles of the system. Additionally, the group is responsible for meter disconnects and reconnects and investigations for meter tampering.

## Expenditures

	ACTUAL	ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$310,672	\$324,582	\$348,431	\$367,050	\$18,619
Employee Benefits	\$34,421	\$37,904	\$42,911	\$47,710	\$4,799
Purchased Services	\$10,453	\$15,259	\$12,860	\$17,910	\$5,050
Other Operating Expense	\$115,836	\$148,787	\$158,626	\$166,510	\$7,884
Capital Expenses	\$0	–	\$0	\$0	\$0
EXPENSES TOTAL	\$471,381	\$526,532	\$562,828	\$599,180	\$36,352

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
AMI SUPPORT TECHNICIAN	1	1	1	1
ELECTRIC METER SUPERVISOR	1	1	1	0.9
ELECTRIC METER TECHNICIAN I	1	1	0	0
ELECTRIC METER TECHNICIAN II	1	1	2	0
ELECTRIC METER TECHNICIAN III	1	1	1	3
<b>FTEs</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4.9</b>

Electric Fund, continued

# Electric Transmission

## Description

Electric transmission budgets and accounts for maintenance of the transmission line from the Pinnacles Hydro generation facility to the Westfork substation. Taxes on electric infrastructure and facilities located outside of the City of Danville are also included in electric transmission.

## Expenditures

	ACTUAL	ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Other Operating Expense	\$107,355	\$155,186	\$116,000	\$145,000	\$29,000
EXPENSES TOTAL	\$107,355	\$155,186	\$116,000	\$145,000	\$29,000

## Personnel

There are no employees specifically assigned to electric transmission. Hourly employees may charge a portion of their time to electric transmission through the work order system.



# Electric Capital

## Description

The purpose of the Capital Improvement Program is to ensure the orderly expansion or modification to the electric system for improved customer reliability, to allow future growth, and improve operational efficiency. This is accomplished by construction and/ or modifications to the distribution system, transmission system, and substations and implementation of computer applications.

The increase in “Other Operating Expense” is due to the higher cost of various sized transformers. Engineering is recommending that we order additional pole-mounted and pad-mounted transformers to ensure our inventory and reliability. The lead times and prices have increased significantly since 2021 with the average transformer taking approximately 60-80 weeks to arrive.

## Expenditures

ACTUAL			ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$601,357	\$328,516	\$822,600	\$512,250	(\$310,350)
Employee Benefits	\$63,818	\$35,891	\$100,164	\$65,980	(\$34,184)
Purchased Services	\$6,061,790	\$8,222,792	\$80,000	\$364,780	\$284,780
Internal Service	\$622	\$8,677	–	\$0	\$0
Other Operating Expense	\$5,120,052	\$7,842,386	\$5,558,042	\$4,616,660	(\$941,382)
Capital Expenses	\$71,972	\$43,784	\$132,000	\$160,000	\$28,000
Capital Projects	–	–	\$0	\$0	\$0
Debt Service	\$179,100	\$254,671	\$287,642	\$400,000	\$112,358
EXPENSES TOTAL	\$12,098,712	\$16,736,717	\$6,980,448	\$6,119,670	(\$860,778)

## Personnel

While there are no employees exclusively or specifically assigned to capital projects, hourly Power and Light employees are accounted for within capital projects through our work order system. Full-time Equivalents as budgeted are listed below.

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
ELECT LINE OH/UG EQUIP OPER	1.14	1.14	0	0
ELECTRC DSTRBTN SUPERINTENDENT	0	0	0.4	0.2
ELECTRIC DSTRBTN SUPERINTENDENT	0	0.4	0	0
ELECTRIC GROUNDWORKER	1.14	0.4	0	0
ELECTRIC LINE CREW SUPERVISOR	2.85	2	1.2	0
ELECTRIC LINE TECHNICIAN I	1.71	0.8	0.4	0.4
ELECTRIC LINE TECHNICIAN II	2.85	1.6	1.2	0.4
ELECTRIC LINE TECHNICIAN III	6.84	4.8	5.2	3.4
ELECTRIC METER SUPERVISOR	0	0	0	0.1
ELECTRIC RIGHT OF WAY TRIMMER	1.71	0	0	0
ELECTRIC VEGETATION ROW SUPER	0	0	0	0
INSPECTOR-CONTRACTOR MANAGER	0	0	0	0.4
<b>FTEs</b>	<b>18.24</b>	<b>11.14</b>	<b>8.4</b>	<b>4.9</b>

# Electric Debt Service

## Description

Electric debt service budgets and accounts for the retirement of principal for general obligation bonds for the treatment division of the Electric fund.

## Expenditures

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Debt Service	\$3,191,710	\$3,627,658	\$4,499,660	\$6,886,790	\$2,387,130
EXPENSES TOTAL	\$3,191,710	\$3,627,658	\$4,499,660	\$6,886,790	\$2,387,130

# Electric Non-Capital

## Description

Electric Non-Capital accounts for Home\$ave, Danville Utilities' residential energy efficiency rebate program and Custom\$ave, Danville Utilities' commercial and industrial energy efficiency rebate program. In addition, to rebates, advertising, promotion and contractor expenses are accounted for within Electric Non-Capital. In Fiscal 2024, funding for the program was sourced from unexpended balances of closed capital projects.

Starting in fiscal year 2021, funding for the energy efficiency programs is budgeted in the Key Accounts section of the Electric budget.

## Expenditures

ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET		
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Capital Projects	–	–	\$0	\$0	\$0
Debt Service	\$17,197	–	–	–	\$0
EXPENSES TOTAL	\$17,197	–	\$0	\$0	\$0

## Personnel

There are no employees accounted for within "Electric Non-Capital" however the Key Accounts Manager administers Home\$ave and Custom\$ave, our energy efficiency programs.

# Utilities Administration

## Description

Utilities administration is responsible managing and providing leadership to all five utilities. Additional responsibilities include leveraging opportunities to make improvements to the City's water, wastewater treatment, natural gas, electric and telecommunication systems to benefit all ratepayers.

## Expenditures

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
<b>Expenses</b>					
Personnel Services	\$1,001,523	\$1,123,004	\$1,370,709	\$1,352,510	(\$18,199)
Employee Benefits	\$114,500	\$128,618	\$168,337	\$175,640	\$7,303
Purchased Services	\$682,209	\$638,102	\$696,383	\$829,910	\$133,527
Internal Service	\$23,394	\$27,795	\$33,390	\$35,970	\$2,580
Other Operating Expense	\$71,386	\$56,920	\$140,061	\$114,125	(\$25,936)
Cost Allocation	(\$326,000)	(\$286,000)	(\$279,164)	(\$284,625)	(\$5,461)
Capital Expenses	\$10,405	–	\$5,500	\$0	(\$5,500)
Debt Service	\$90,347	\$94,047	\$10,000	\$10,000	\$0
Reimbursement	\$50,000	\$50,000	\$50,000	\$50,000	\$0
<b>EXPENSES TOTAL</b>	<b>\$1,717,764</b>	<b>\$1,832,486</b>	<b>\$2,195,216</b>	<b>\$2,283,530</b>	<b>\$88,314</b>

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
ACCOUNTANT II	1	1	1	0
APPLICATIONS SPECIALIST I	0.5	0.5	0.5	0.5
APPLICATIONS SPECIALIST IV	1	1	1	1
ASSISTANT CITY ATTORNEY I	0.5	0.5	0.5	0.5
ASSISTANT DIRECTOR OF UTILITIES	0	0	1	1
CUSTODIAN	1	1	1	1
DATA SCIENTIST	0	0	0	1
DIRECTOR OF UTILITIES	1	1	1	1
DIVISN DIR OF SUPPORT SERVICES	1	1	1	1
IT SCADA SYSTEMS ANALYST	0	0	0	0
KEY ACCOUNTS MANAGER	1	1	1	1
PUBLIC INFORMATION OFFICER	1	1	1	1
SENIOR ACCOUNT CLERK	2	2	2	2
SENIOR SECRETARY	1	1	1	1
SENIOR WAREHOUSE STOCK CLERK	0	0	1	1
TRAINING & SAFETY MANAGER	1	1	1	1
UTILITIES ENERGY ADVISOR	1	1	1	0
UTILITIES WAREHOUSE MANAGER	1	1	1	1
WAREHOUSE STOCK CLERK	3	3	2	2
<b>FTEs</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>17</b>

# Electric

FY 2026 Five-Year Capital & Special Projects Plan

## Capital and Special Projects - FY 2026-2030

CAPITAL & SPECIAL PROJECT PLAN						5 YR TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Department / Project						
61029 - Substation Upgrades & Rebuilds	\$3,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$13,500,000
61789 - Electric System Reliability and Improvement	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000
62023 - Mount Cross Battery Storage	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000
UTILITIES TOTAL	\$8,000,000	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$30,000,000
DEPARTMENT / PROJECT TOTAL	\$8,000,000	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$30,000,000

## Funding Sources - FY 2026

	CURRENT REVENUES	FUND BALANCE	DEBT FINANCING	GRANTS/CIA	OTHER	TOTAL
Department / Project						
61029 - Substation Upgrades & Rebuilds	-	-	\$3,500,000	\$0	-	\$3,500,000
61789 - Electric System Reliability and Improvement	-	-	\$3,000,000	\$0	-	\$3,000,000
62023 - Mount Cross Battery Storage	-	-	\$750,000	\$750,000	-	\$1,500,000
UTILITIES TOTAL	-	-	\$7,250,000	\$750,000	-	\$8,000,000
DEPARTMENT / PROJECT TOTAL	-	-	\$7,250,000	\$750,000	-	\$8,000,000

# Substation Upgrades and Rebuilds

FY 2026 Five-Year Capital & Special Projects Plan

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**Project Name:** Substation Upgrades & Rebuilds  
**Project Number:** 61029

**Department:** Utilities  
**Division:** Power & Light

**Classification:** Existing Capital Project  
**Capital Priority:** Critical

**Estimated Start Date:** 01/01/2026  
**Estimated Completion Date:** 06/30/2027

**Comprehensive Plan Alignment Score:** 71

**Total Project Cost:** \$13,500,000

## Description:

This project will allow Utilities staff to engineer and order long lead time materials for the Piney Forest substation project to be constructed in FY26 and FY27. The lead times on breakers, transformers, and steel are 10-18 months. The construction portion of the project will not begin until FY27.

## Project Progress/Status:

Preliminary engineering will begin in FY26 with long lead time materials to be ordered. One of the existing transformers at the Piney Forest substation was installed in 1979. The second transformer was installed in 2007.

## Operating Budget Impact:

The operating budget is not affected.

## Return on Investment:

There is no return on investment.

## Public Benefit/Community Impact:

The community will have a more reliable substation in the Piney Forest and Piedmont Drive areas with newer equipment and technology.

## Comments:

FY26 - Piney Forest engineering and ordering of materials

FY27 - Construction of substation

Fiscal Impact Comment: Replacing aging substation infrastructure to improve reliability and reduce maintenance cost.

Funding Sources:

CAPITAL & SPECIAL PROJECTS						TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Revenues						
Bonds	\$3,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$13,500,000
REVENUES TOTAL	\$3,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$13,500,000

Planned Activities by Fiscal Year:

In FY26, staff anticipates completing the engineering and ordering of any materials that require over a year.

# Electric System Reliability

FY 2026 Five-Year Capital & Special Projects Plan

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**Project Name:** Electric System Reliability and Improvement

**Project Number:** 61789

**Department:** Utilities

**Division:** Power & Light

**Classification:** Existing Capital Project

**Capital Priority:** Beneficial

**Estimated Start Date:** 07/01/2025

**Estimated Completion Date:** 06/30/2026

**Comprehensive Plan Alignment Score:** 54

**Total Project Cost:** \$15,000,000

## Description:

The City is completing various electric reliability projects in different areas of the City's electric system based on known recurring outages. This project will identify neighborhoods and streets that have been outage prone and identify solutions to reduce outages. This could mean replacing overhead conductors, installing new equipment to sectionize circuits, installing reclosers to allow for temporary faults, and other measures to prevent outages.

## Project Progress/Status:

The City has an electric reliability committee that meets quarterly to discuss reoccurring outages throughout the electric system. This project has been in place for three years and has reduced outages by identifying areas that were outage prone.

## Operating Budget Impact:

All expenses are charged to the capital projects as they are system improvements. There are no impacts to the operating budget.

## Return on Investment:

The return on investment is associated with the reduction in overtime from employees responding to after-hours calls and the loss of service to customers. Improving outage prone areas increases reliability and customer confidence.

## Public Benefit/Community Impact:

The community benefits by receiving a more reliable service that is not outage prone to various storms and hazards.

## Comments:



Funding Sources:

CAPITAL & SPECIAL PROJECTS						TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Revenues						
Bonds	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000
REVENUES TOTAL	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000

Planned Activities by Fiscal Year:

Staff has identified several projects throughout the service territory that improve electric service. Some of the projects involve reconductoring aged electric wire while other projects involve replacing and relocating distribution poles in heavily wooded areas.

# Mount Cross Battery Storage

FY 2026 Five-Year Capital & Special Projects Plan

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**Project Name:** Mount Cross Battery Storage  
**Project Number:** 62023

**Department:** Utilities  
**Division:** Power & Light

**Classification:** New Capital Project  
**Capital Priority:** Beneficial

**Estimated Start Date:** 07/01/2025  
**Estimated Completion Date:** 04/01/2026

**Comprehensive Plan Alignment Score:** 58

**Total Project Cost:** \$1,500,000

## Description:

The Mount Cross Road Battery Storage project is a 11 MW battery system that will be used during peak events during the winter/summer to lower transmission and capacity costs to customers. This project will be identical to the first project but slightly larger in the fact that it is 1 MW larger and has a longer duration battery life (4 hours). Construction looks to begin in the summer of 2025 and be completed by April 2026.

## Project Progress/Status:

The project was approved by City Council in November 2024. The project has several state permits to obtain in January and looks to start construction by the summer of 2025 with a completion date of April 2026.

## Operating Budget Impact:

This project will not affect the operating budget.

## Return on Investment:

The project will provide a return on investment for our electric customers. We forecast that over the 20-year contract, our customers will save over \$30M because of this system's peak shaving capabilities.

## Public Benefit/Community Impact:

The Mount Cross Road battery system is a non-fossil fueled power source during peak events in the summer and winter that will provide a return to Danville electric ratepayers. This will help offset future and existing cost increases in other areas.

## Comments:

Funding Sources:

CAPITAL & SPECIAL PROJECTS						TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Revenues						
Loan	\$750,000	\$0	\$0	\$0	\$0	\$750,000
State Grants	\$750,000	\$0	\$0	\$0	\$0	\$750,000
REVENUES TOTAL	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000

Planned Activities by Fiscal Year:

Completed agreements and remaining permit requirements in FY25  
Start construction in Summer 2025 and complete construction in April 2026 (FY26)