

# ENERGY RESOURCES DEPARTMENT

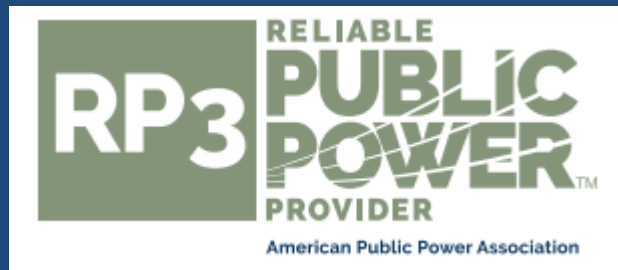
## FY 19/20 BUDGET REVIEW

**PROVIDE  
SAFE, RELIABLE & ECONOMICAL  
ELECTRIC & NATURAL GAS  
UTILITY SERVICES  
TO OUR CUSTOMERS**

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# STRATEGIC PRIORITY ALIGNMENT

	COMMUNITY SAFETY	SUSTAINABLE ECONOMY	TRANSFORM NEIGHBORHOODS	PLACE-MAKING
SAFETY	X	X	X	
RELIABILITY	X	X	X	X
ECONOMICS		X	X	X



2017-2020 Platinum Level



2017-2020 Silver

# PROPOSED FY 19/20 BUDGET

- No material changes unique to the Energy Resources Department.
- Funding system expansions to meet customer growth with a combination of contributions from customers and bonds.
- Supplementing our crews with contractors and temporary employees where effective.
- Compensation – recruiting and retention of qualified employees is critical to meeting the challenges and capitalizing on the opportunities for innovation and technology.

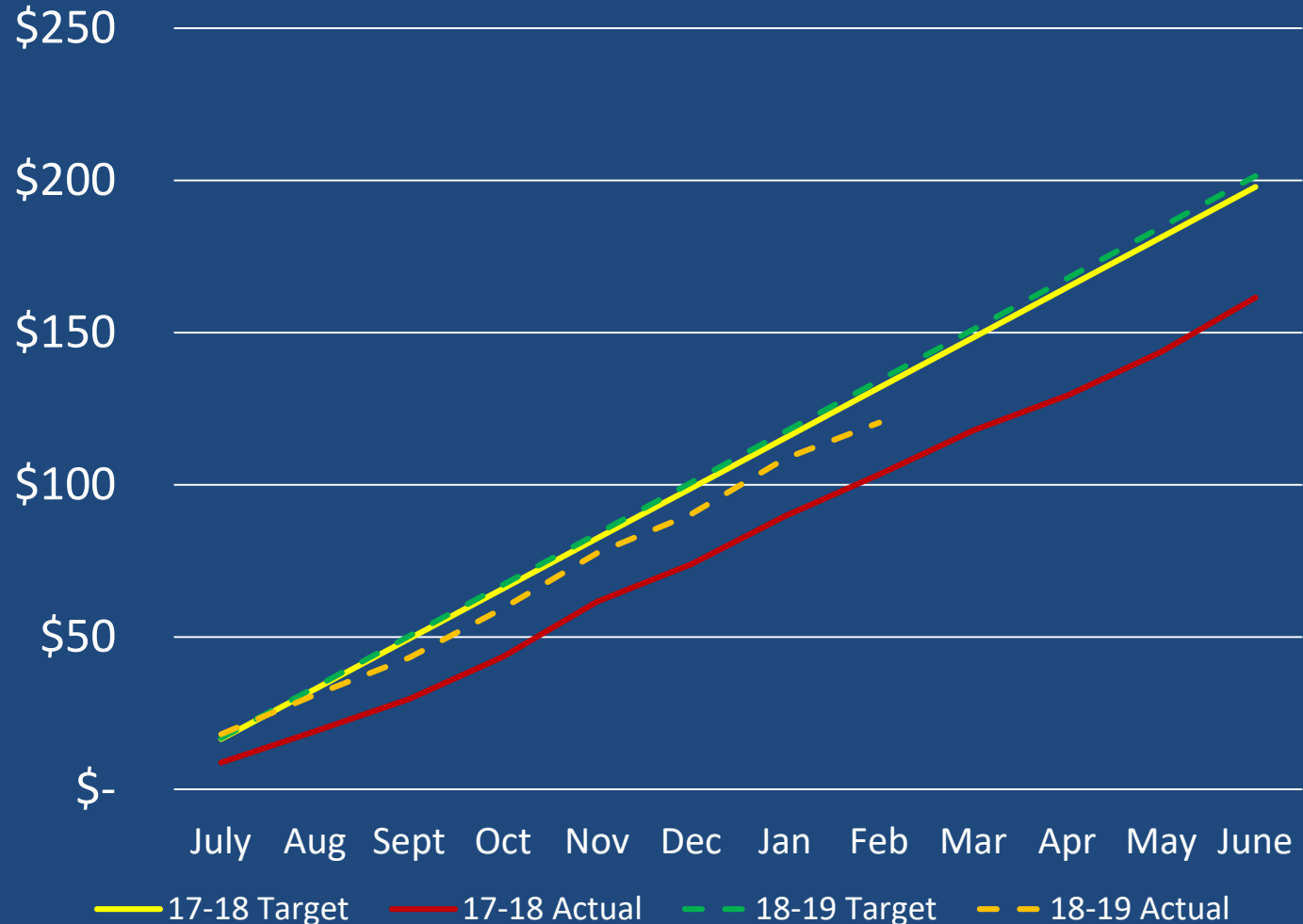


# HIGHLIGHTED PROGRAMS/PROJECTS

- SEA – Summer Energy Assistance Program (Electric Low Income)
- Small Business Assistance Program (Downtown)
- Electric Economic Development Rate
  
- Enhanced Employee Training
  - Succession Planning
  - Safety – Technology for Inspections (IR Cameras)
  - System Integrity (Corrosion Control)
  - Operations & Maintenance (CNG station)
- Vehicle & Equipment Replacements

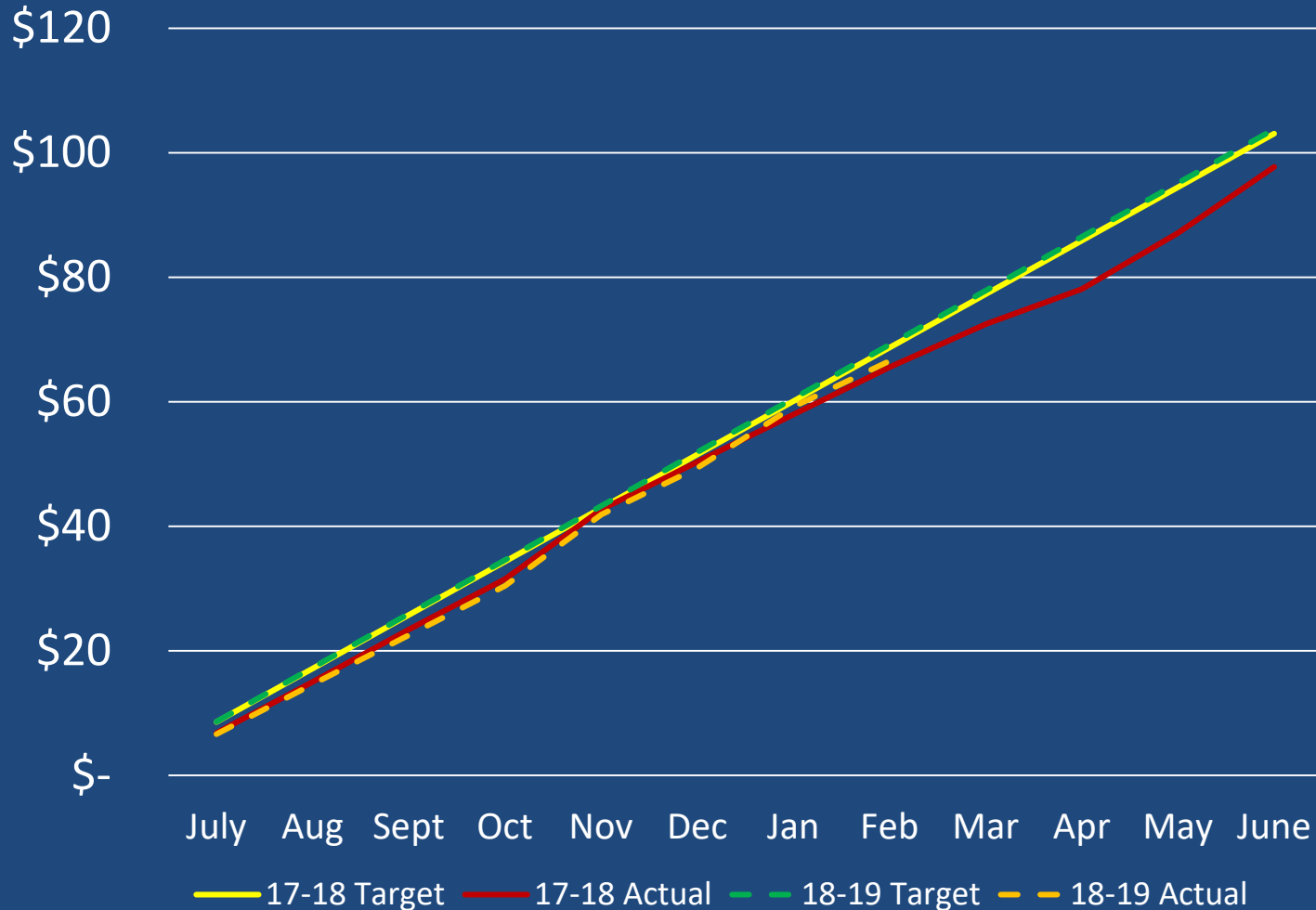


# ELECTRIC O&M PER CUSTOMER



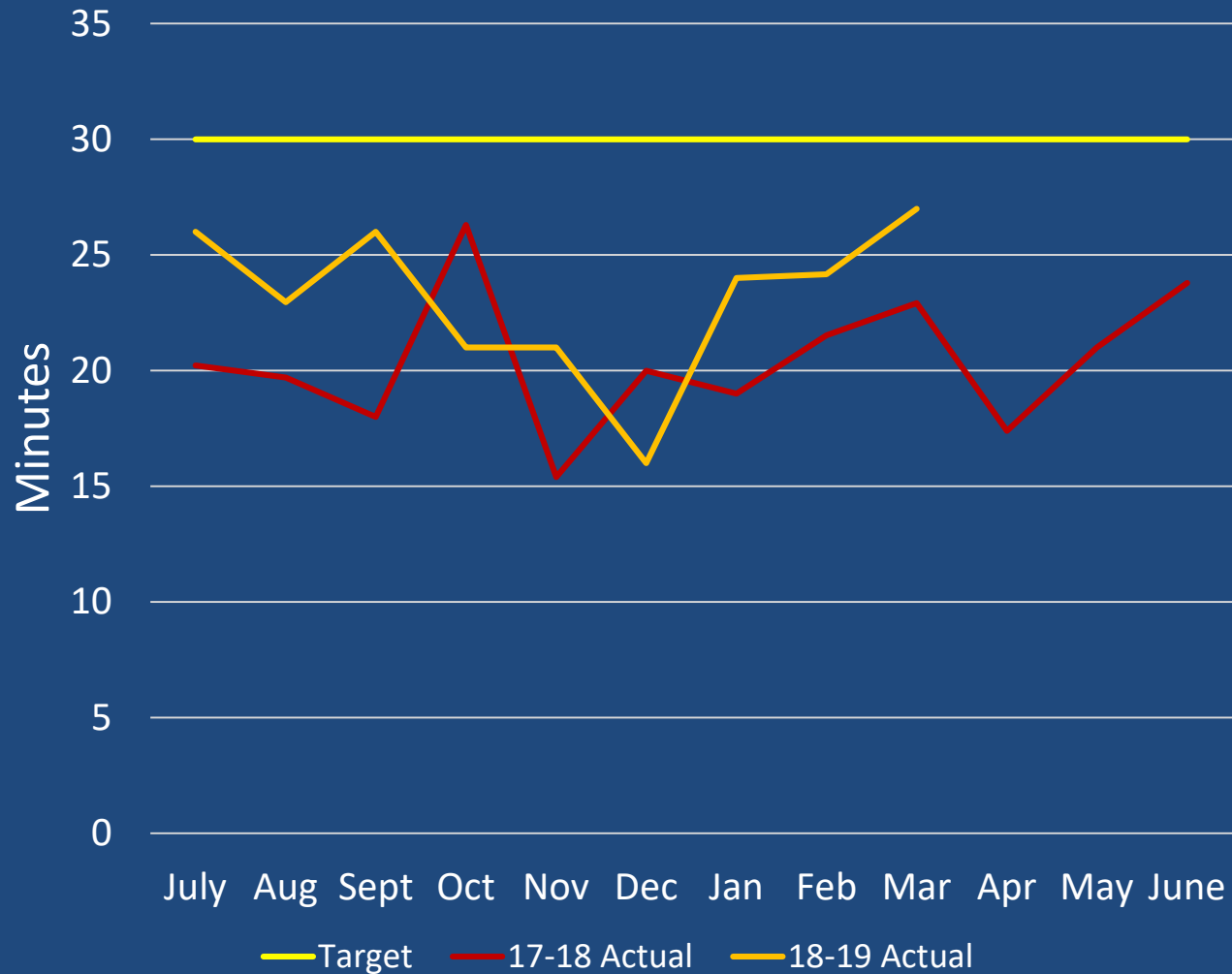
- Measure of efficiency
- Target is based on prior year budgeted expenditures and forecasted customers
- Direct labor, materials & equipment
  - T&D Ops & Maint
  - Substation Ops & Maint
  - Meter Ops & Maint

# GAS O&M PER CUSTOMER

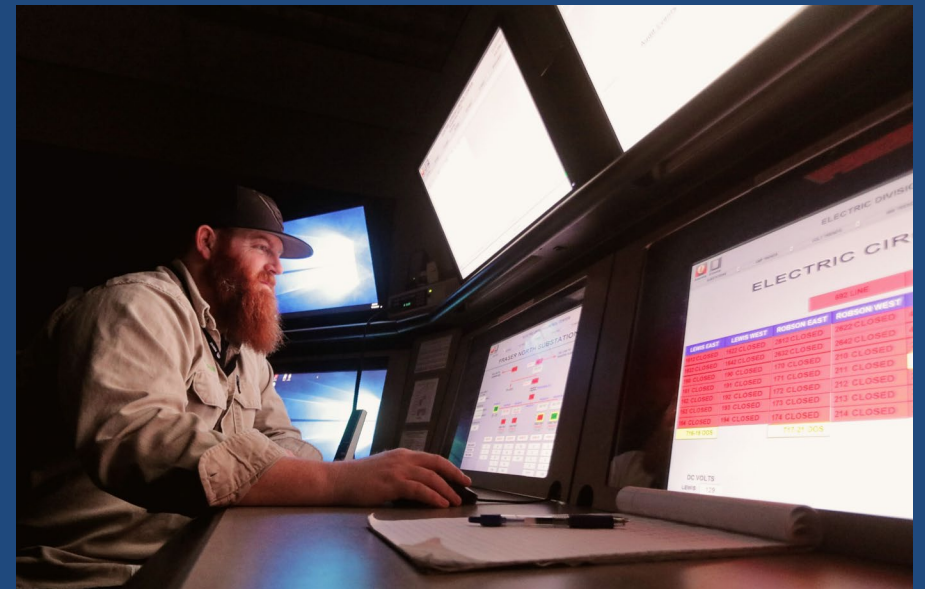


- Measure of efficiency
- Target is based on prior year budgeted expenditures and forecasted customers
- Direct labor, materials & equipment
  - System Ops & Maint
  - Emergency Response
  - Meter Ops & Maint
  - Regulatory Compliance
  - Utility Locating
  - Property Damages

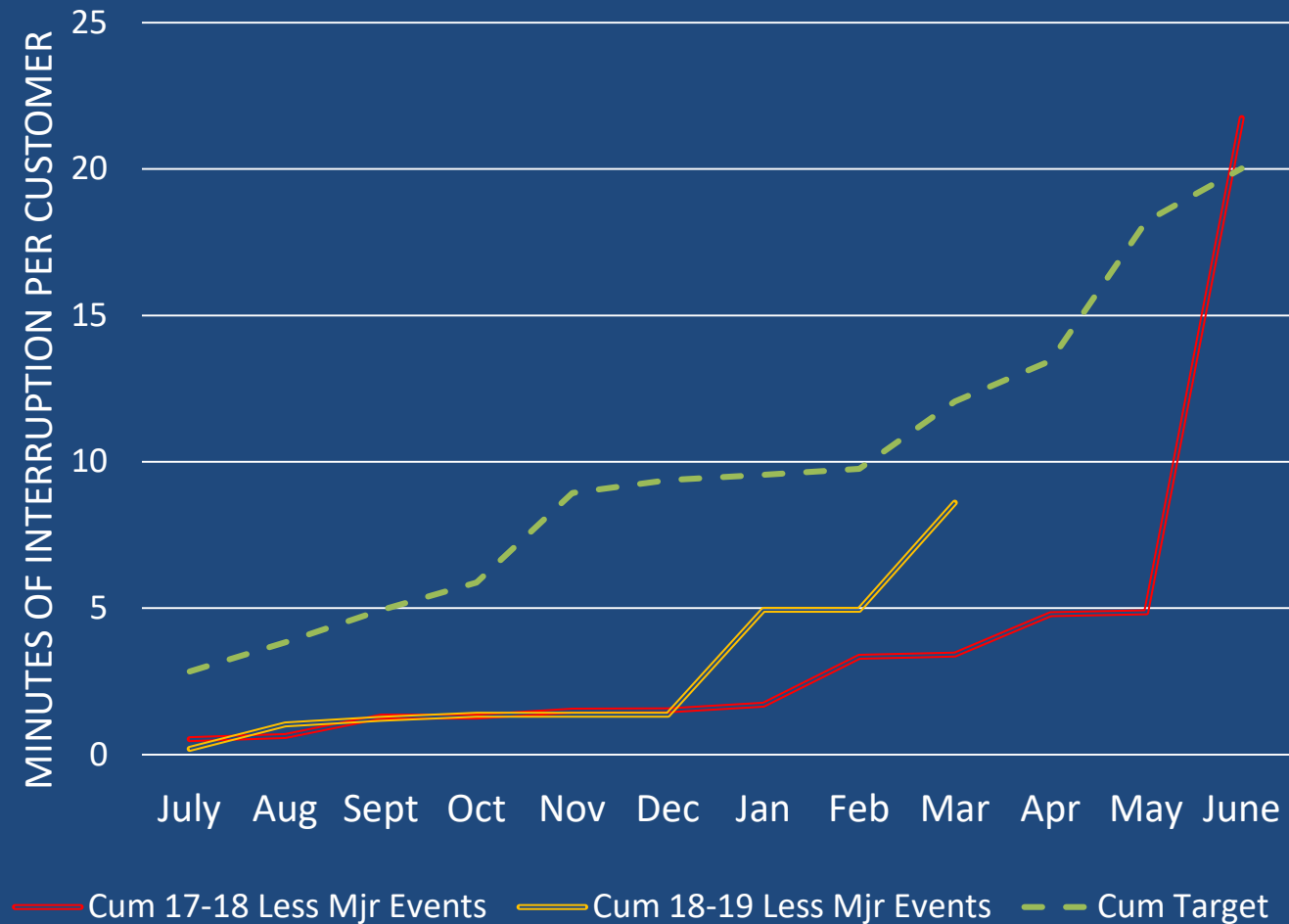
# AVERAGE RESPONSE TIME-ELECTRIC



- Measure of safety & reliability
- Time taken to respond to a customer call for emergencies or interruptions of service
- Number of calls in most recent 12 months - 456



# ELECTRIC RELIABILITY DURATION OF OUTAGES (CUMULATIVE)

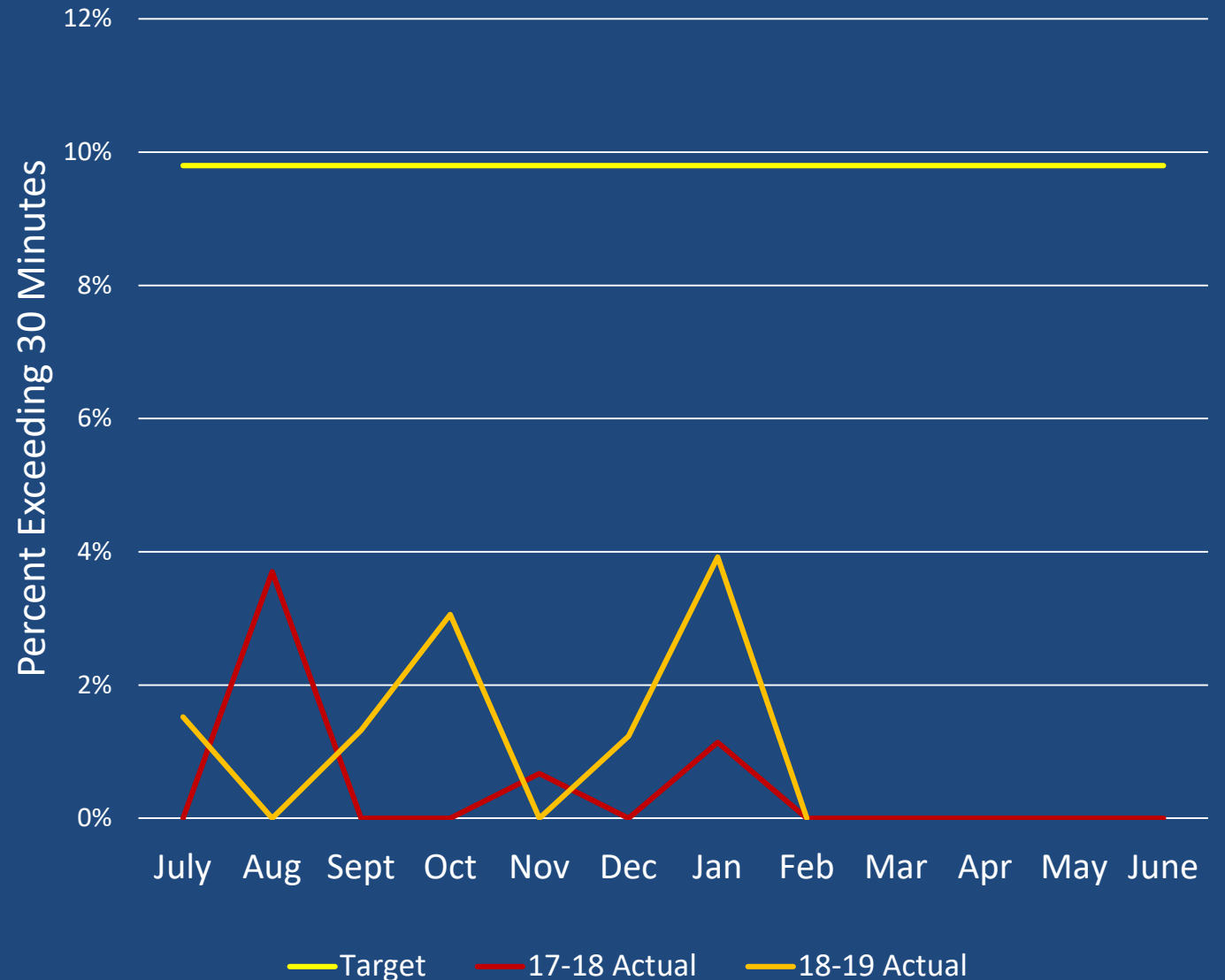


- Measure of reliability of service
- SAIDI
- Target for 19/20 adjusted to promote continuous improvement
- All months and associated events where targets are exceeded are thoroughly assessed and root causes for extended outages are identified and remedies developed and implemented



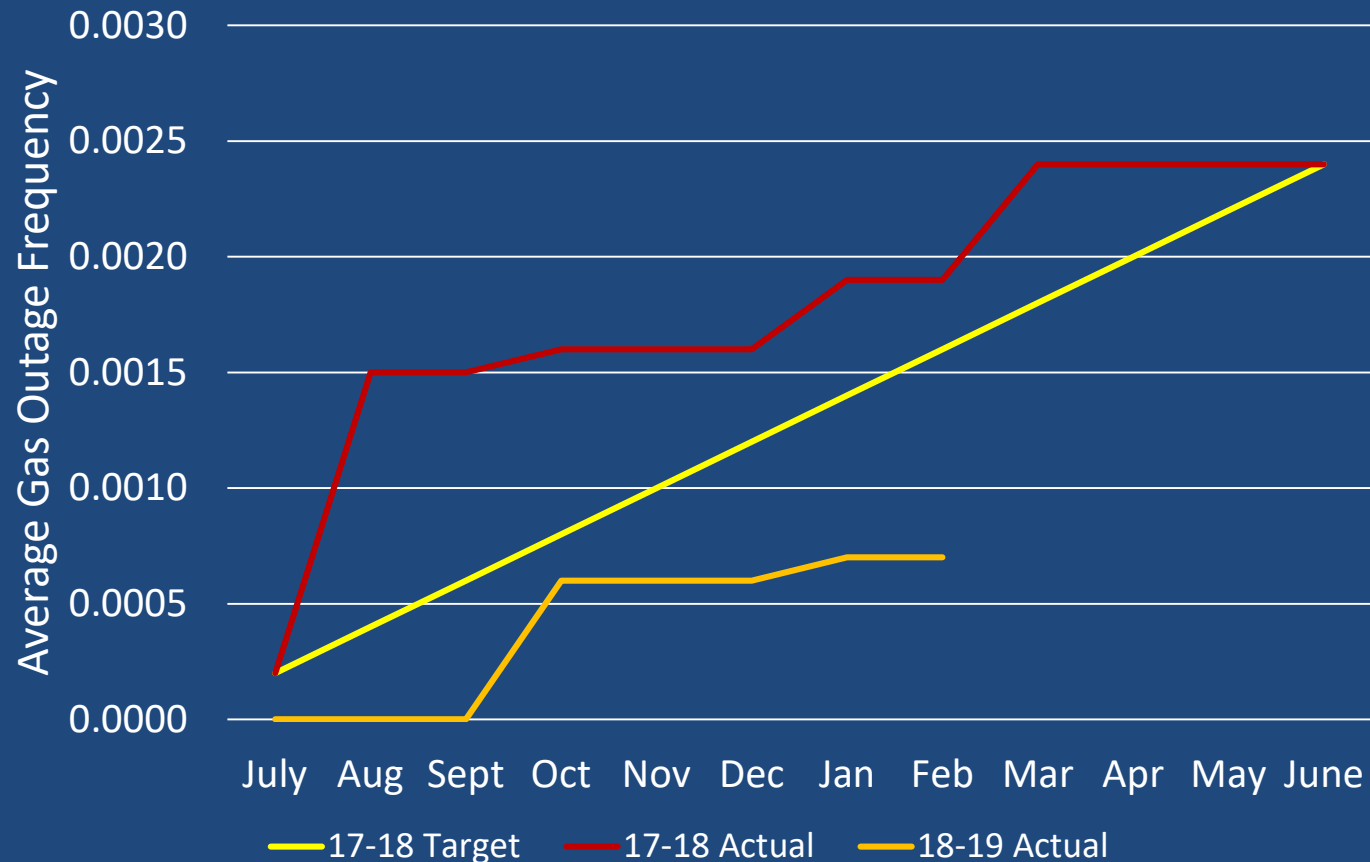
# EMERGENCY RESPONSE MESA-GAS

- Measure of safety & reliability
- Time taken to respond to a customer call for emergencies or interruptions of service
- Number of calls in most recent 12 months 1,240

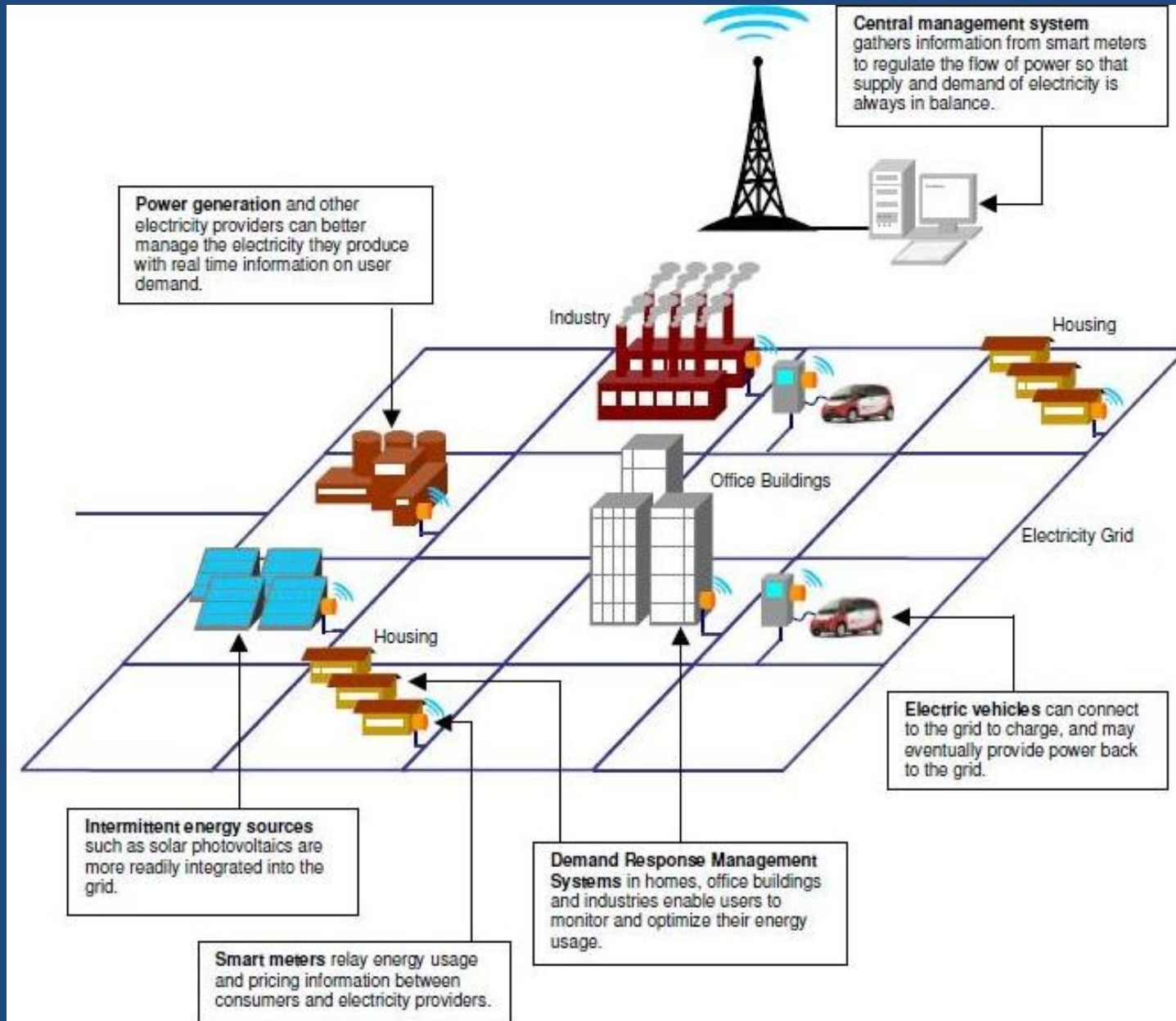


# GAS RELIABILITY

## FREQUENCY OF OUTAGES (CUMULATIVE)



- Measure of reliability of service
- SAIFI
- All months and associated events where targets are exceeded are thoroughly assessed and root causes for extended outages are identified and remedies developed and implemented

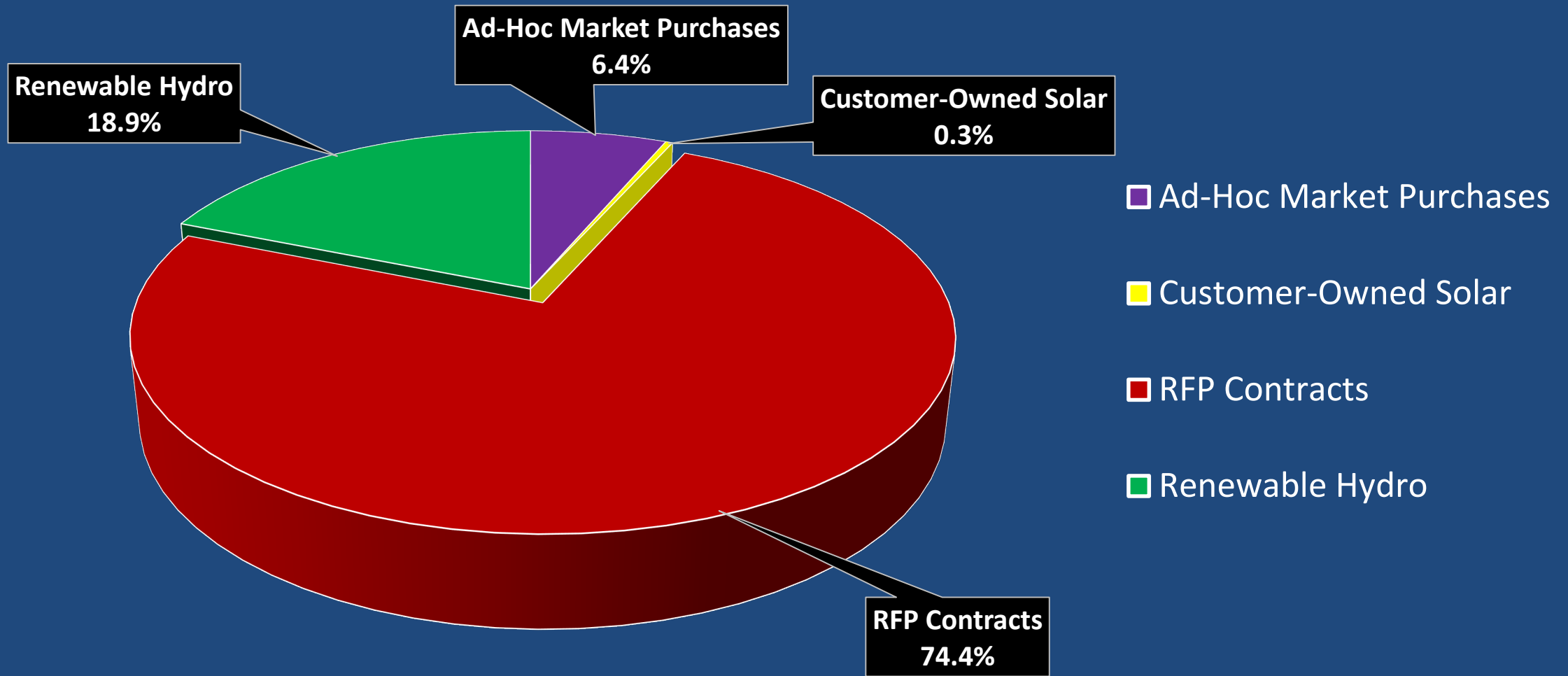


- Smart grid technologies provide tools to solve our challenges & opportunities:
- Aging infrastructure
  - Growing demand
  - Integration of renewable energy sources
  - Integration of electric vehicles as energy storage resource
  - Improve supply security
  - Lower carbon emissions

# SMART CITY & SMART GRID

- AMI Smart Meters are a critical component of Smart Grid & Smart City
- Utility Analytics & System Operations / Outage Management
- Optimization of renewable resources & other innovative technologies
- Achieving full potential of Smart Grid will require investment beyond the AMI Project
  - Professional Development
  - Energy Control Room - to identify & maximize the value of the data that AMI & Smart Grid generates

# ENERGY RESOURCES ELECTRIC SUPPLY PORTFOLIO



# SMART CITY & RENEWABLE ENERGY

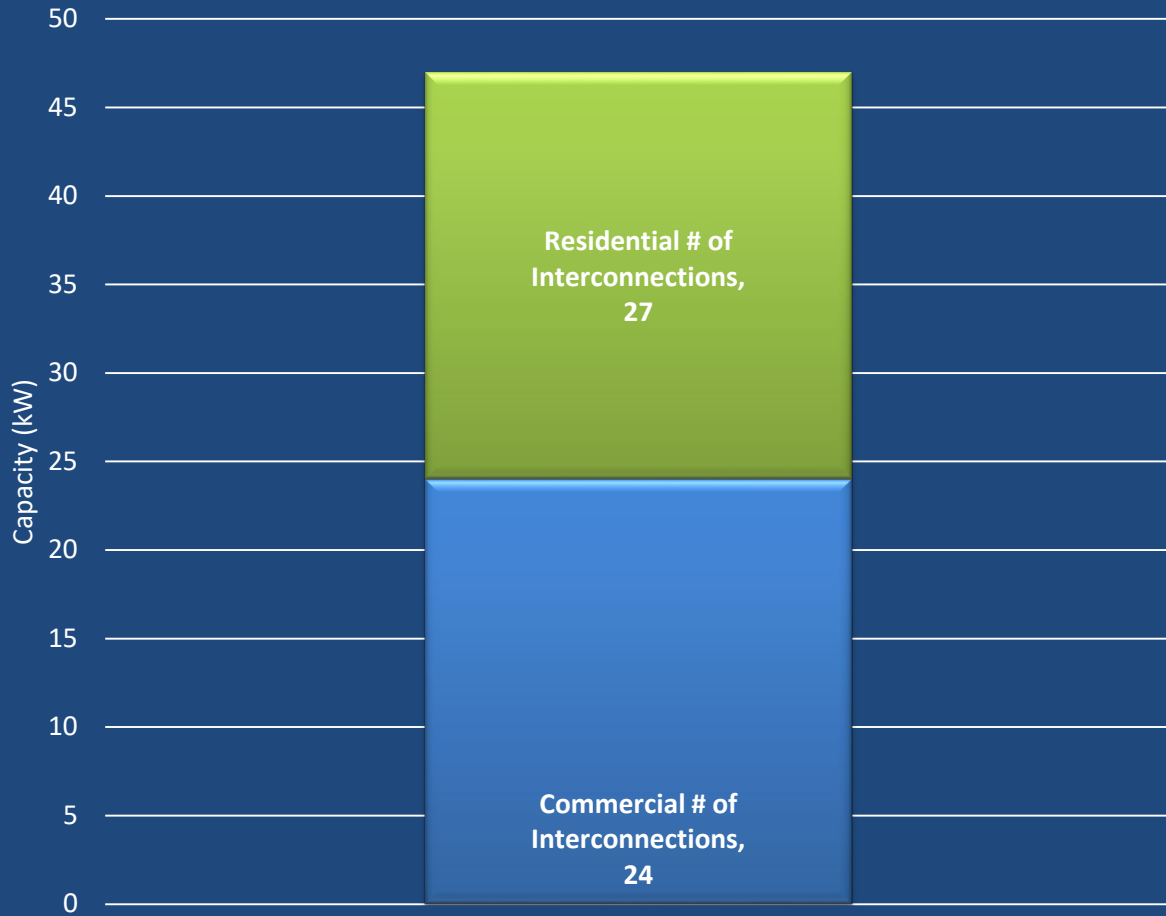
- Proposed 2019 Integrated Resource (IRP)
  - Customers & Community engagement
  - Enhanced focus on Solar & energy conservation
  - Continue existing customer owned solar program
  - Competitive RFP process
- April 2019 RFP
  - RFP for replacement of two contract components of portfolio

# SMART CITY & RENEWABLE ENERGY

- June – July 2019: Purchase 10 MW utility scale solar
- Late 2019: With Sustainability, renew offers for utility solar generation within the ESA
- 2020: 10 MW of Renewable with storage for 2021-2022 delivery
- 2021: Replace two contracts

# ELECTRIC CUSTOMER OWNED SOLAR PROGRAM

INSTALLED # AS OF 3.31.19 Total= 51

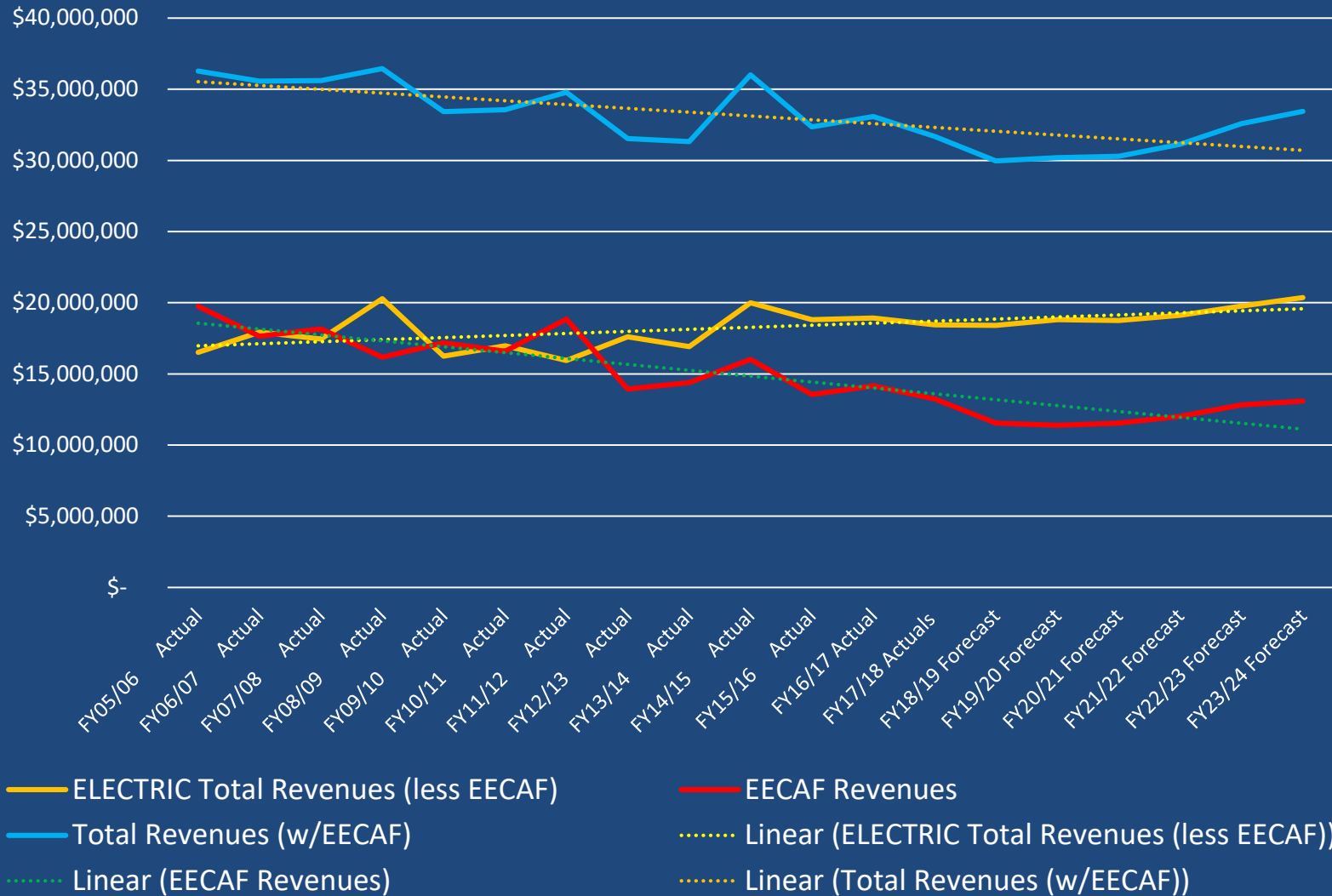


INSTALLED NAMEPLATE DC CAPACITY (kW) AS OF 3.31.19  
Total= 819.685 kW



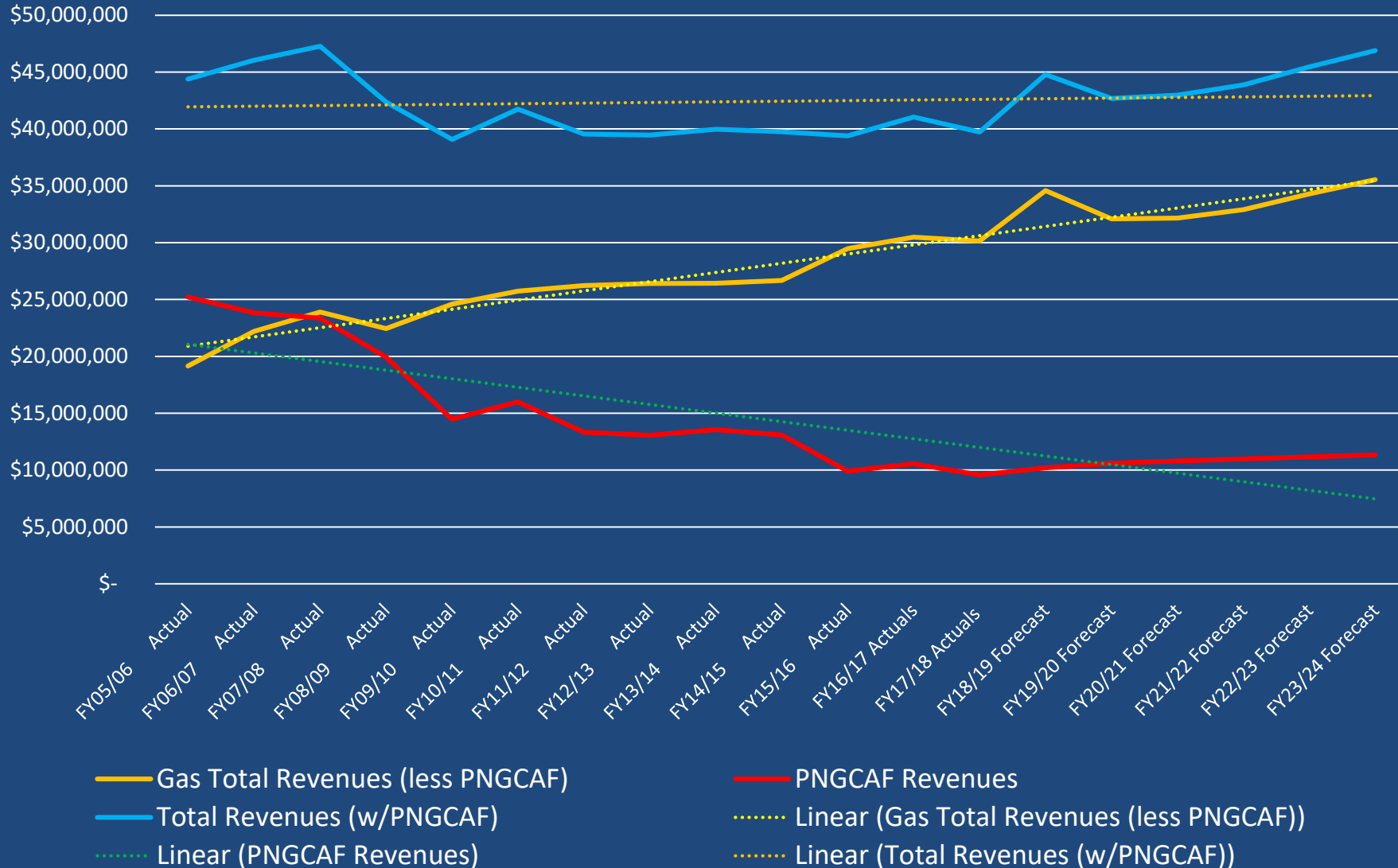


# ELECTRIC REVENUE HISTORY AND FORECAST



- The rate component (EECAF) is adjusted monthly to timely pass through changes in energy supply costs
- Decreases in electric energy supply costs have offset increases in general rates such that customers bills over time have decreased

# GAS REVENUE HISTORY AND FORECAST



- The rate component (PNGCAF) is adjusted monthly to timely pass through changes in energy supply costs
- Decreases in natural gas supply costs have offset increases in general rates such that customers bills over time have decreased

# Financial Overview

<b>ELECTRIC</b>	FY 17/18 Actuals	FY 18/19 Revised Budget	FY 18/19 Projected	FY 19/20 Proposed Budget
<b>Sources of Funding</b>				
Revenues	\$18,453,285	\$18,286,468	\$18,411,785	\$18,751,282
EECAF Revenues	\$13,233,811	\$12,616,573	\$11,548,700	\$11,395,504
<b>Total Sources</b>	<b>\$31,687,097</b>	<b>\$30,903,041</b>	<b>\$29,960,485</b>	<b>\$30,146,786</b>
<b>Uses of Funding</b>				
Operating Expenditures	\$7,012,138	\$7,813,262	\$7,422,475	\$7,419,254
EECAF Expenditures	\$13,131,317	\$12,631,573	\$11,093,915	\$11,395,504
<b>Expenditure Subtotal</b>	<b>\$20,143,454</b>	<b>\$20,444,835</b>	<b>\$18,516,390</b>	<b>\$18,814,758</b>
Project Costs	\$43,303	\$181,997	\$181,267	\$24,000
General Fund Transfer	\$6,656,624	\$6,776,087	\$6,776,087	\$6,913,974
Debt Service Transfer	\$1,316,892	\$1,488,572	\$988,334	\$1,982,893
Lifecycle/ Infrastructure Transfers	\$633,213	\$637,773	\$599,210	\$602,936
Capital Transfer	\$0	\$149,468	\$149,468	\$124,539
Economic Investment Fund Transfer	\$233,430	\$466,860	\$466,860	\$0
Other Transfers	\$9,000	\$0	\$0	\$0
<b>Total Uses</b>	<b>\$29,035,917</b>	<b>\$30,145,592</b>	<b>\$27,677,615</b>	<b>\$28,463,100</b>
<b>Net Sources and Uses</b>	<b>\$2,651,180</b>	<b>\$757,449</b>	<b>\$2,282,870</b>	<b>\$1,683,686</b>

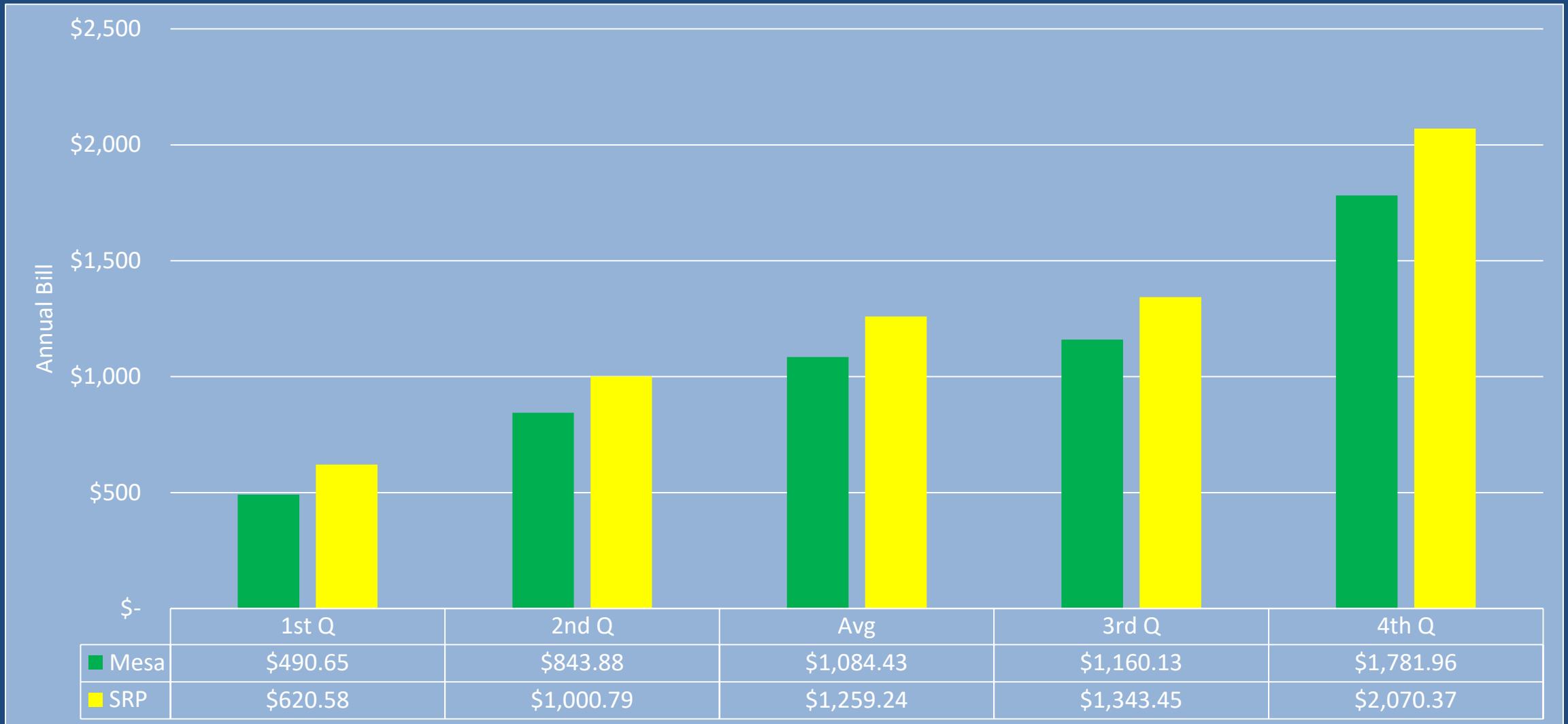
# Financial Overview

<b>NATURAL GAS</b>	FY 17/18 Actuals	FY 18/19 Revised Budget	FY 18/19 Projected	FY 19/20 Proposed Budget
<b>Sources of Funding</b>				
Revenues	\$30,152,251	\$31,199,482	\$34,586,914	\$32,283,311
PNGCAF Revenues	\$9,572,586	\$12,517,481	\$10,194,487	\$10,512,645
<b>Total Sources</b>	<b>\$39,724,838</b>	<b>\$43,716,963</b>	<b>\$44,781,401</b>	<b>\$42,795,956</b>
<b>Uses of Funding</b>				
Operating Expenditures	\$12,489,955	\$14,068,723	\$14,147,736	\$14,202,481
PNGCAF Expenditures	\$9,760,743	\$12,517,481	\$10,301,087	\$10,702,645
<b>Expenditure Subtotal</b>	<b>\$22,250,698</b>	<b>\$26,586,204</b>	<b>\$24,448,823</b>	<b>\$24,905,126</b>
Project Costs	\$179,682	\$350,984	\$282,297	\$29,000
General Fund Transfer	\$7,955,552	\$8,098,326	\$8,098,326	\$8,263,120
Debt Service Transfer	\$5,460,468	\$5,647,463	\$4,601,402	\$5,800,347
Lifecycle/ Infrastructure Transfers	\$794,686	\$888,887	\$895,628	\$855,919
Capital Transfer	\$0	\$0	\$2,116,520	\$0
Economic Investment Fund Transfer	\$278,980	\$557,961	\$557,961	\$0
<b>Total Uses</b>	<b>\$36,920,066</b>	<b>\$42,129,825</b>	<b>\$41,000,957</b>	<b>\$39,853,513</b>
<b>Net Sources and Uses</b>	<b>\$2,804,772</b>	<b>\$1,587,138</b>	<b>\$3,780,444</b>	<b>\$2,942,443</b>



Questions?

# Mesa Residential Electric Bill Comparison January 2018 to December 2018



# Mesa Residential Gas Bill Comparison January 2018 to December 2018

