

TOWN OF LUNENBURG
SPECIAL COUNCIL MEETING AGENDA – ELECTRIC UTILITY BUDGETS
Wednesday, May 13, 2026 | 6 pm
Lunenburg Town Hall – Council Chamber
120 Townsend Street



NOTICE: Council meetings are open to the public and held in Town Hall. **Please use the back entrance at 120 Townsend Street.** The public can also watch meetings through Zoom. To livestream this meeting starting at 6 pm, use this Zoom link:
<https://us06web.zoom.us/j/86057082810>

Please note that all Council meetings are livestreamed through Zoom and meeting recordings are archived on the Town's [YouTube](#) channel.

1. CALL TO ORDER

2. LAND ACKNOWLEDGEMENT

This meeting takes place in the traditional and ancestral territory of the Mi'kmaq people. We are all Treaty people.

3. ADDITIONS/ DELETIONS TO AGENDA

4. APPROVAL OF AGENDA

4.1 May 13, 2026 Special Council Meeting

Recommendation: That Council approve the agenda for the May 13, 2026 Special Council meeting as presented.

5. PRESENTATIONS

5.1 2026/27 Draft Electric Utility Capital Budget

5.2 2026/27 Draft Electric Utility Operating Budget

6. PUBLIC INPUT SESSION ON PROPOSED BUDGETS

This Special Council Meeting has been scheduled for Council to review the 2026/27 Draft Electric Utility Operating and Capital Budgets and to receive public input.

This portion of the meeting provides an opportunity for members of the public to offer comments and ask questions. All questions and comments will be directed through the Mayor, as Chair of the meeting. Clarifying or direct questions may be addressed during the meeting.

Following the public input session, Council may proceed to make a decision if it is satisfied that sufficient information has been received or may defer consideration to a future meeting if additional information or deliberation is required.

Members of the public who wish to speak on the budget but are unable to attend in person may participate virtually. To speak virtually, registration is required. Please contact adminsupport@townoflunenburg.ca or 902-634-4410 x225 no later than **Tuesday, May 12, at 12:00 p.m.** Virtual attendees who have not registered in advance will not be permitted to speak during the meeting.

Each speaker will be limited to three (3) minutes.

7. REQUESTS FOR DECISION

7.1 2026/27 Draft Electric Utility Capital Budget

Recommendation 1: That Council approve the 2026/27 Electric Utility Capital Budget as presented, totalling \$4,387,000.

Recommendation 2: That Council approve the five-year Capital Plan for the Lunenburg Electric Utility as included in the 2026/27 Capital Budget.

7.2 2026/27 Draft Electric Utility Operating Budget

Recommendation: That Council approve the 2026/27 Electric Utility Operating Budget as presented, totalling \$8,896,500.

7.3 Nova Scotia Power Inc. (NSPI) Flow Through Rate Application

Recommendation: That Council approve the submission of an application to the Nova Scotia Energy Board (NSEB) for their approval of a per kWh increase to offset power purchase cost increases associated with the May 1, 2026 and January 1, 2027 NSPI Municipal Rate increases.

8. ADJOURNMENT



Subject: 2026/27 Draft Electric Utility Capital Budget

Prepared by: Lisa Dagley, CPA, CGA, Finance Director

Date: May 13, 2026 – Special Budget Council Meeting

Recommendation

That Council approve the 2026/27 Electric Utility Capital Budget as presented, totalling \$4,387,000.

That Council approve the five-year Capital Plan for the Lunenburg Electric Utility as included in the 2026/27 Capital Budget.

Alternatives

- Approve budget with amendments
- Defer a decision

Discussion and Financial

Enclosed is the draft 2026-27 Five-Year Capital plan for the Town's Electric Utility. On October 28, 2025 Council approved the 2025/26 Five-Year Capital plan for the Electric Utility. The plan has now been updated for 2026/27 and formal approval for fiscal 2026/27 is now necessary. Additionally, to keep project momentum moving forward an updated approval for the full 2026/27 presentation of the Five-Year Capital plan should be considered.

The 2026/27 Five-Year Capital plan has accompanying notes prepared by the Town's Electrical Engineering Consultant, CIMA, who will be on hand at the meeting to provide Council with an overview of the capital projects.

Enclosures:

- a. Electric Utility Draft 2026/27 Capital Budget

**Town of Lunenburg - Electric Utility
Capital Budget 2026/27 DRAFT**

	Year 1	Year 2	Year 3	Year 4	Year 5	2026/27 Funding	
	2026/27	2027/28	2028/29	2029/30	2030/31	Depr Reserve	Debt
Electric Utility							
Distribution							
Meters	\$20,000	\$200,000	\$100,000	\$100,000	\$100,000	\$20,000	
Overhead Conductors	\$230,000	\$230,000	\$230,000	\$230,000	\$100,000	\$230,000	
Poles & Fixtures	\$105,000	\$105,000	\$105,000	\$105,000	\$75,000	\$105,000	
Services	\$75,000	\$75,000	\$75,000	\$75,000	\$50,000	\$75,000	
Transformers - line	\$150,000	\$150,000	\$150,000	\$150,000	\$100,000	\$150,000	
Street Lighting	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	
New Feeder Work							
Green St New Double Circuit	\$1,427,000						\$1,427,000
Disitribution Transformer Upgrade	\$600,000						\$600,000
NS Power 78w feeder upgrade to Green St.	\$400,000						\$400,000
Knock Lane Upgrade	\$200,000						\$200,000
Blue Rocks Feeder upgrade including Sawpit Road to Hospital Road	\$300,000						\$300,000
New Substation							
New Substation design/re-design 30%	\$100,000	\$100,000					\$100,000
New Substation design/re-design IFC Package		\$200,000					
New Substation - New 20MVA 69kV/138kV - 12.47 kv Power transformer @ 81W		\$750,000	\$1,000,000	\$750,000			
New HV Switches 69kv/138kv (3)		\$195,000					
New 69kv circuit Switcher		\$150,000					
New substation - land on Green St	\$100,000						\$100,000
New Substation - Yard Prep (overburden removal and fill, crushed rock)	\$200,000						\$200,000
New Substation - foundation structures		\$200,000					
New Substation -fence		\$100,000					
New Substation -Site Drainage	\$75,000						\$75,000
New Substation -15Kv Reclosers & associated equipment			\$200,000				
New Substation -4 feeder exit cables 500 MCM U/G				\$360,000			
Studies Grounding (New sub)	\$50,000						\$50,000
Studies Geoteck (New Sub)	\$50,000						\$50,000
Studies Soil Resistivity test SRT (New Sub)	\$45,000						\$45,000
Studies Protection Study (New Sub)		\$50,000					
Studies CYME voltage profile (New Sub)		\$50,000					
Studies EIA if required (New Sub)	\$100,000						\$100,000
Studies NS IESO (New Sub)	\$50,000						\$50,000
SCADA, Communications (New Sub)				\$100,000			
New Substation -Trenching and Conduit work	\$100,000	\$100,000					\$100,000
New Substation -Ground Grid		\$150,000					
New Substation - Oil Containment		\$200,000					
New Substation - Overhead Buss Work 15 kv			\$250,000				
New Substation - Overhead Buss Work 69 kv			\$250,000				
New Substation - Relaying, Protection, metering, battery bank			\$200,000				
New Substation - Control Building			\$200,000				
Existing Substation							
Existing Substation Yard Improvements (grass, grounding, crushed rock, etc.)		\$100,000	\$100,000				
Existing Substation Ground grid repairs		\$100,000					
Existing Substation Buss work (5.33kv to 12.47 kv conversion accommodation)			\$100,000				
Existing Substation Fence Repairs		\$100,000					
Exisitng substation Yard upgrades					\$500,000		
Starr St. Substation Power TX conversion to 15 kv					\$1,000,000		
Feeder Upgrades							
81W-321 feeder upgrade (5.33 Kv to 15Kv standards)		\$1,500,000					
81W-322 feeder upgrade (5.33 Kv to 15Kv standards)			\$1,500,000				
81W-231 feeder upgrade (4.16 Kv to 15Kv standards)				\$1,000,000			
81W-232 feeder upgrade (4.16 Kv to 15Kv standards)				\$1,000,000			
81W-233 feeder upgrade (4.16 Kv to 15Kv standards)					\$1,500,000		
Total	\$4,387,000	\$4,815,000	\$4,470,000	\$3,880,000	\$3,435,000	\$590,000	\$3,797,000
FIVE YEAR TOTAL					\$ 20,987,000		

Colour Coding

- In prior 5-yr budget but pushed out a year
- In prior 5-yr budget, budgeted amount same or less
- In prior 5-year budget but budget amount increased
- New item, not included in prior 5-year budget
- New Year 5 (fiscal 2030/31)

Projected future financing

Standard Distribution item with Depr funds	\$ 770,000	\$ 670,000	\$ 670,000	\$ 435,000
Balance finance debt/grants	\$ 4,045,000	\$ 3,800,000	\$ 3,210,000	\$ 3,000,000

DRAFT V1.0

Town of Lunenburg

Lunenburg Electric Utility

Capital Budget Summary 2026-2031




Town of Lunenburg

Lunenburg Electric Utility

Capital Budget Summary 2026-2031

Prepared by:



Darin Lamont, P. Eng.



302-238A Brownlow Avenue, Dartmouth, Nova Scotia
Canada B3B 2B4

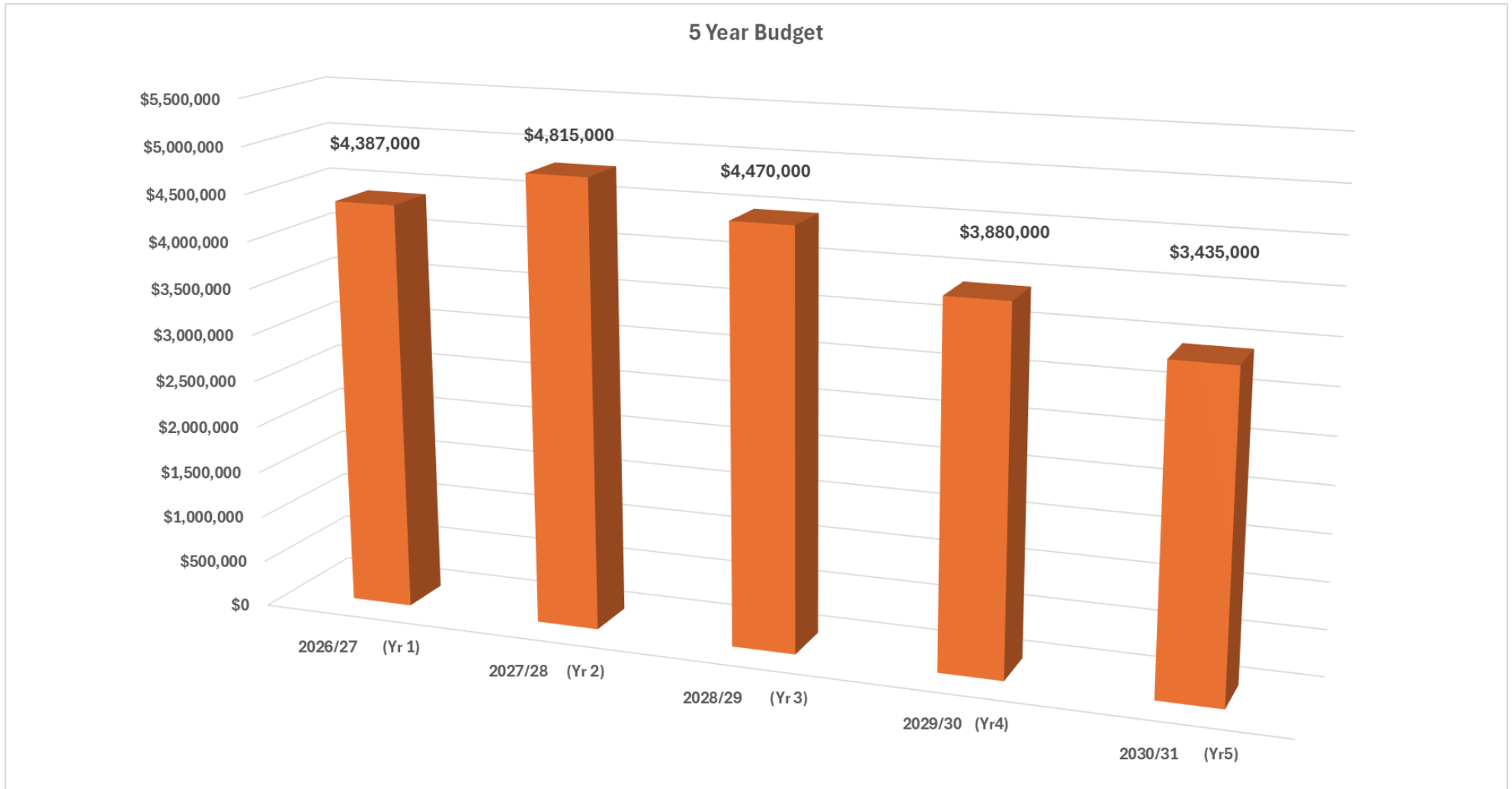
May 13th, 2026

Executive Summary

CIMA was requested by Lunenburg Electric Utility to provide an updated 5-year capital plan spanning 2026-2031. This plan looked at all aspects of the utility system. CIMA+ has reviewed documentation provided from previous Consulting Studies, NS Power's inputs, input from Town staff regarding potential new customers and the condition of the existing system. Using sound judgement and previous experience it has been determined that over the next 5 years the Town of Lunenburg is required to spend approximately \$20.1M to allow for critical upgrades on its distribution feeders, construction of a new substation on Green Street, and existing Starr Street substation upgrades/modifications to provide a back up to Green Street substation which will increase reliability and decreased outage times.

The work and upgrades allow for increased reliability, increased capacity for new customers to connect to the grid, allows existing customers to upgrade their services, supports the growth of renewables, and the addition of electric vehicles chargers within the town.

The chart below shows the yearly budget over the five-year period.



The chart below shows the 5-year expenditure by major category along with a percentage of the spend over the 5-year plan.

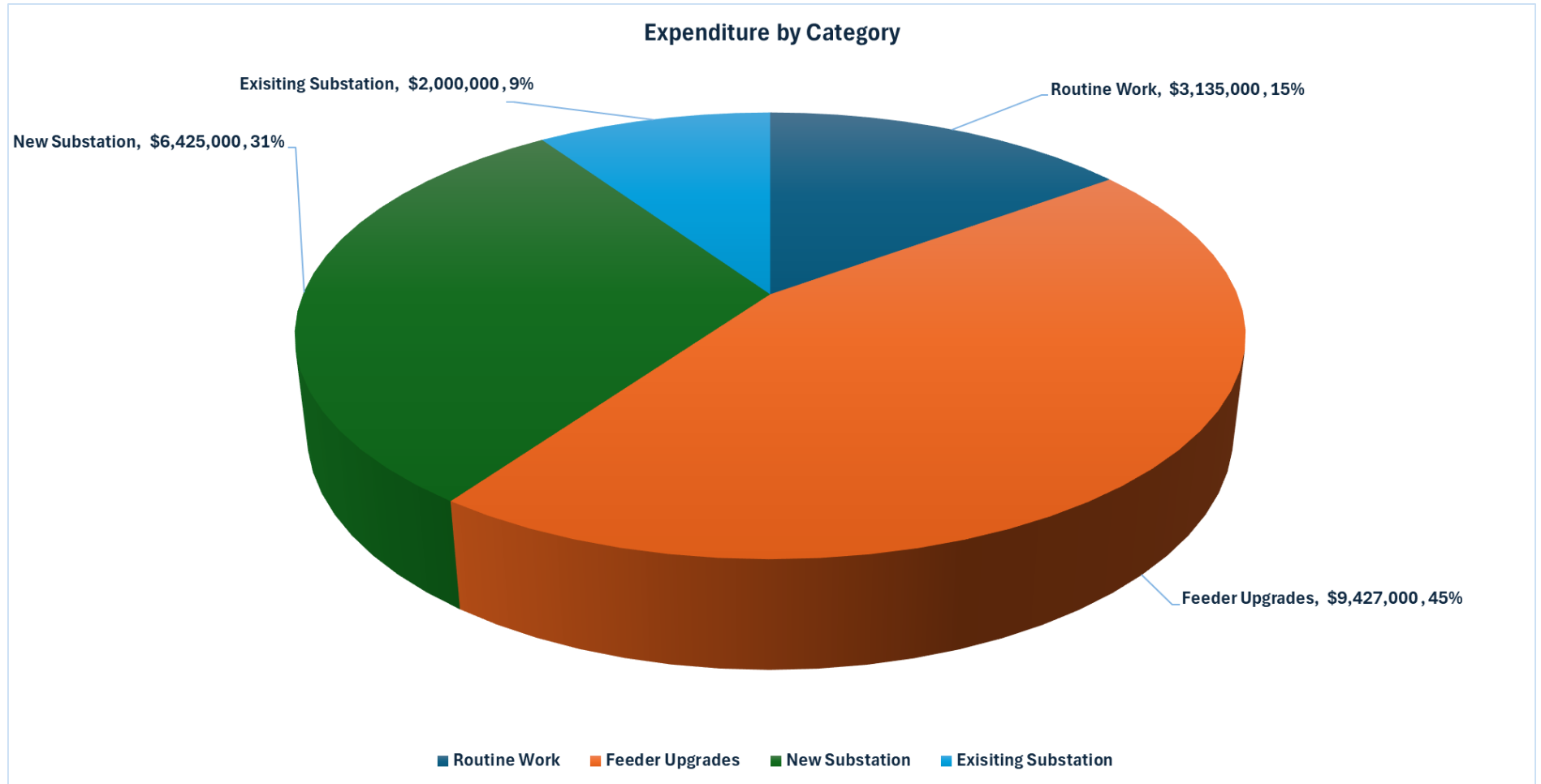


Table of Contents

1.	Year 1 2026/27	1
2.	Year 2 2027/28	3
3.	Year 3 2028/29	5
4.	Year 4 2029/30	7
5.	Year 5 2030/31	8
6.	Summary.....	9

1. Year 1: 2026/27

For the 2026/27 year the budgeted amount is \$4,387,000 and the bulk of the expenditure for 2026/27 is \$2,927,000 for feeder upgrades on Green St., Knock Lane, Blue Rocks including Sawpit Road and the 78W Feeder upgrade from the NSP Substation to the new Green St feeder. This connection would remain in place until the Green Street substation is completed.

The Green St. feeder will extend from the intersection of HWY 332 to McDonald Street with a new double circuit and all associated sidelines will be upgraded to 15 kV standards. The Knock Lane upgrade helps alleviate overloaded conditions during winter peaks and upgrades this line to new standards. The proposed Blue Rocks upgrade helps the overloaded condition during winter peak and will help limit cold load pickup, all upgrade work will include the new standards.

The table below outlines where the allocation of expenditures.

<i>Routine Distribution</i>	
Meters	\$20,000
Overhead Conductors	\$230,000
Poles & Fixtures	\$105,000
Services	\$75,000
Transformers - line	\$150,000
Street Lighting	\$10,000
Sub Total	\$590,000
<i>New Feeder Work</i>	
Green St New Double Circuit	\$1,427,000
Distribution Transformer Upgrade	\$600,000
NS Power 78w feeder upgrade to Green St.	\$400,000
Knock Lane Upgrade	\$200,000
Blue Rocks Feeder upgrade including Sawpit Road to Hospital Road	\$300,000
Sub Total	\$2,927,000

<i>New Substation</i>	
New Substation design/re-design 30%	\$100,000
New substation - land on Green St	\$200,000
New Substation - Yard Prep (overburden removal and fill, crushed rock)	\$200,000
New Substation -Site Drainage	\$75,000
Studies Grounding (New sub)	\$50,000
Studies Geotech (New Sub)	\$50,000
Studies Soil Resistivity test SRT (New Sub)	\$45,000
Studies EIA if required (New Sub)	\$100,000
Studies NS IESO (New Sub)	\$50,000
New Substation -Trenching and Conduit work	\$100,000
Sub Total	\$870,000
Total	\$4,387,000

The New Substation portion of 2026/27 budget enables the land purchase, land preparation, trench work, engineering studies and 30% engineering design to be completed. Discussion with the newly formed NS ISO regarding the approval for the connection of the new proposed substation to the Nova Scotia grid are ongoing. Once approved then land acquisition can proceed and preparing the land for the use will begin.

Upgrades are also planned for the removal of any remaining existing PCB filled transformers. The budgeted amount for this work is \$600k and is to be completed by December 2026.

2. Year 2: 2027/28

The bulk of the expenditure for 2027/28 is \$2.245M out of \$4.8M which is required for the New Substation on Green St.

The amount of \$750K will be required for a down payment on the new Power Transformer that will be required for the new substation.

An amount of \$1.095M is allocated for work at the new substation on Green Street. This funding includes the procurement and work for high voltage switches, substation foundation structures, substation fence, substation relaying, protection, metering, battery bank, and the prep work for the new substation yard preparation that includes grubbing, removal of existing soil, new fill, and crushed rock.

There are allocated funds of \$300K for Engineering support to complete the Substation Design package that will include all applicable drawings that will be issued for construction and \$100k to complete the remaining study work required.

Also identified \$1.5M to upgrade Old Town Circuit Feeder (81W-321) to 15 kV standards. The work includes conductor upgrades new poles, pole framing and associated hardware. This will enable the circuit to be easily connected to the new substation that is scheduled to come online in 2030.

There is \$200K allocated for the potential implementation of Smart Meters.

The total 2027/28 Budget of \$4.815M is allocated as shown below.

<i>Routine Distribution</i>	
Meters	\$200,000
Overhead Conductors	\$230,000
Poles & Fixtures	\$105,000
Services	\$75,000
Transformers - line	\$150,000
Street Lighting	\$10,000
Sub Total	\$770,000
<i>Existing Substation</i>	
Existing Substation Yard Improvements (grass, grounding, crushed rock, etc.)	\$100,000
Existing Substation Ground grid repairs	\$100,000
Existing Substation Fence Repairs	\$100,000
Sub Total	\$300,000

<i>New Substation</i>	
New Substation design/re-design 30%	\$100,000
New Substation design/re-design IFC Package	\$200,000
New Substation - New 20MVA 69kV/138kV - 12.47 kV Power transformer @ 81W	\$750,000
New HV Switches 69kv/138kv (3)	\$195,000
New 69kv circuit Switcher	\$150,000
New Substation - foundation structures	\$200,000
New Substation -fence	\$100,000
Studies Protection Study (New Sub)	\$50,000
Studies CYME voltage profile (New Sub)	\$50,000
New Substation -Trenching and Conduit work	\$100,000
New Substation -Ground Grid	\$150,000
New Substation - Oil Containment	\$200,000
Existing Substation Yard Improvements (grass, grounding, crushed rock, etc.)	\$100,000
Existing Substation Ground grid repairs	\$100,000
Existing Substation Fence Repairs	\$100,000
Sub Total	\$2,245,000
<i>Feeder Upgrades</i>	
81W-321 feeder upgrade (5.33 kV to 15Kv standards)	\$1,500,000
Sub Total	\$1,500,000
Total	\$4,815,000

3. Year 3: 2028/29

The major project for the year 2028/29 totalling \$2.1M out of \$4.47M is required for the new substation on Green Street. These funds include payments for the power transformer, associated protective equipment, control building, and equipment/work for high & low voltage bus-work.

\$1.5M has been included to upgrade Blue Rocks Circuit Feeder (81W-322) to 15kV. The work includes conductor upgrade new poles, pole framing and associated hardware. This allows the circuit to be upgraded to the new standard and will be ready for conversion once the new substation is fully online in 2030.

Also allocated are funds of \$200k for the cleanup of existing substation yard including grounding, bus work, fence upgrade/replacement and miscellaneous upgrades to ensure the existing substation is up to standard.

\$100K has been allocated for the potential implementation of Smart Meters.

The total 2028/29 Budget of \$4.47M is allocated as shown below.

<i>Routine Distribution</i>	
Meters	\$100,000
Overhead Conductors	\$230,000
Poles & Fixtures	\$105,000
Services	\$75,000
Transformers - line	\$150,000
Street Lighting	\$10,000
Sub Total	\$670,000
<i>New Substation</i>	
New Substation - New 20MVA 69kV/138kV - 12.47 kV Power transformer @ 81W	\$1,000,000
New Substation -15Kv Reclosers & associated equipment	\$200,000
New Substation - Overhead Buss Work 15 kV	\$250,000
New Substation - Overhead Buss Work 69 kV	\$250,000
New Substation - Relaying, Protection, metering, battery bank	\$200,000
New Substation - Control Building	\$200,000
Sub Total	\$2,100,000

<i>Existing Substation</i>	
Existing Substation Yard Improvements (grass, grounding, crushed rock, etc.)	\$100,000
Existing Substation Buss work (5.33 kV to 12.47 kV conversion accommodation)	\$100,000
Sub Total	\$200,000
<i>Feeder Upgrades</i>	
81W-322 feeder upgrade (5.33 kV to 15 kV standards)	\$1,500,000
Sub Total	\$1,500,000
Total	\$4,470,000

4. Year 4: 2029/30

The bulk of the funds identified for 2028/29 is \$2.0M to rebuild and upgrade the Bridgewater Road feeder (81W-231) & New Town feeder (81W-232) from 4.16 kV to 15kV standards. The work includes conductor upgrade new poles, pole framing and associated hardware. This allows the circuit to be upgraded to the new standard and will be ready for conversion once the new substation is fully online in 2030.

The new substation portion of the budget amounts to a final payment \$750K for the power transformer, \$360 k for the feeder exit cables and \$100K for communications and SCADA work to provide access to the new substation data points which includes the ability to view alarms and substation load values.

There is \$100K for the continued potential implementation of Smart Meters.

The total 2029/30 Budget of \$3.88M is allocated as shown below.

<i>Routine Distribution</i>	
Meters	\$100,000
Overhead Conductors	\$230,000
Poles & Fixtures	\$105,000
Services	\$75,000
Transformers - line	\$150,000
Street Lighting	\$10,000
Sub Total	\$670,000
<i>New Substation</i>	
New Substation - New 20MVA 69kV/138kV - 12.47 kV Power transformer @ 81W	\$750,000
New Substation -4 feeder exit cables 500 MCM U/G	\$360,000
SCADA, Communications (New Sub)	\$100,000
Sub Total	\$1,210,000
<i>Feeder Upgrades</i>	
81W-231 feeder upgrade (4.16 kV to 15 kV standards)	\$1,000,000
81W-232 feeder upgrade (4.16 kV to 15 kV standards)	\$1,000,000
Sub Total	\$2,000,000
Total	\$3,880,000

5. Year 5: 2030/31

A major achievement will have been completed with the Green St substation coming online and serving the customer in the Town of Lunenburg.

The budget includes \$1.0M to clean up the existing Starr St Substation and energize one transformer at 15 kV for reliability support and contingency for the Green St Substation, should an event occur that causes an outage to existing customers. The preference would be to keep one or two feeders online serving the Blue Rocks and First Peninsulas areas with ties points to identified point on the Green St substation feeders.

Also \$1.5M to upgrade First Peninsula Circuit Feeder (81W-233) to 15kV. The work includes conductor upgrade new poles, pole framing and associated hardware. This will be the final circuit to be upgraded to the new standard.

\$100K for the continued potential implementation of Smart Meters.

The total 2030/31 Budget of \$3.435M is allocated as shown below.

<i>Routine Distribution</i>	
Meters	\$100,000
Overhead Conductors	\$100,000
Poles & Fixtures	\$75,000
Services	\$50,000
Transformers - line	\$100,000
Street Lighting	\$10,000
Sub Total	\$435,000
<i>Existing Substation</i>	
Existing substation Yard upgrades	\$500,000
Starr St. Substation Power TX conversion to 15 kV	\$1,000,000
Sub Total	\$1,500,000
<i>Feeder Upgrades</i>	
81W-233 feeder upgrade (4.16 kV to 15 kV standards)	\$1,500,000
Sub Total	\$1,500,000
Total	\$3,435,000

6. Summary

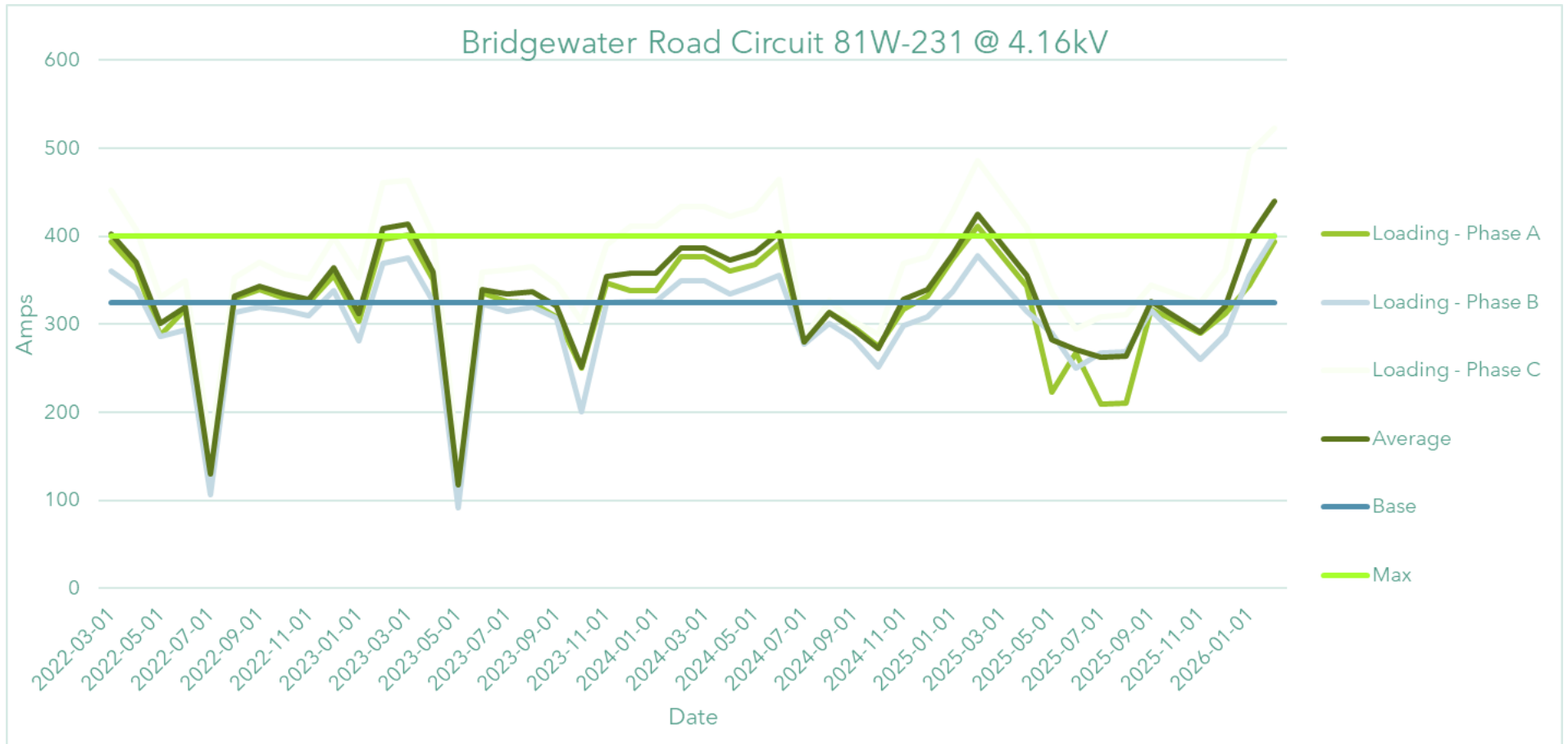
The above-mentioned sections summarized the large capital expenditures required by the Lunenburg Electric Utility to upgrade the existing distribution system to modern standards.

The majority of the budget involves the work associated with the construction of a new substation on Green Steet and the upgrade of the five feeders within the Town. This new station provides the backbone for the Town's Electric Utility, increases reliability, allows the town to grow, supports existing customers, provides a mechanism for renewable energy integration, and supports the growth of Electric Vehicles by having the ability to connect EV chargers easily to the system without impacting feeder capacity levels.

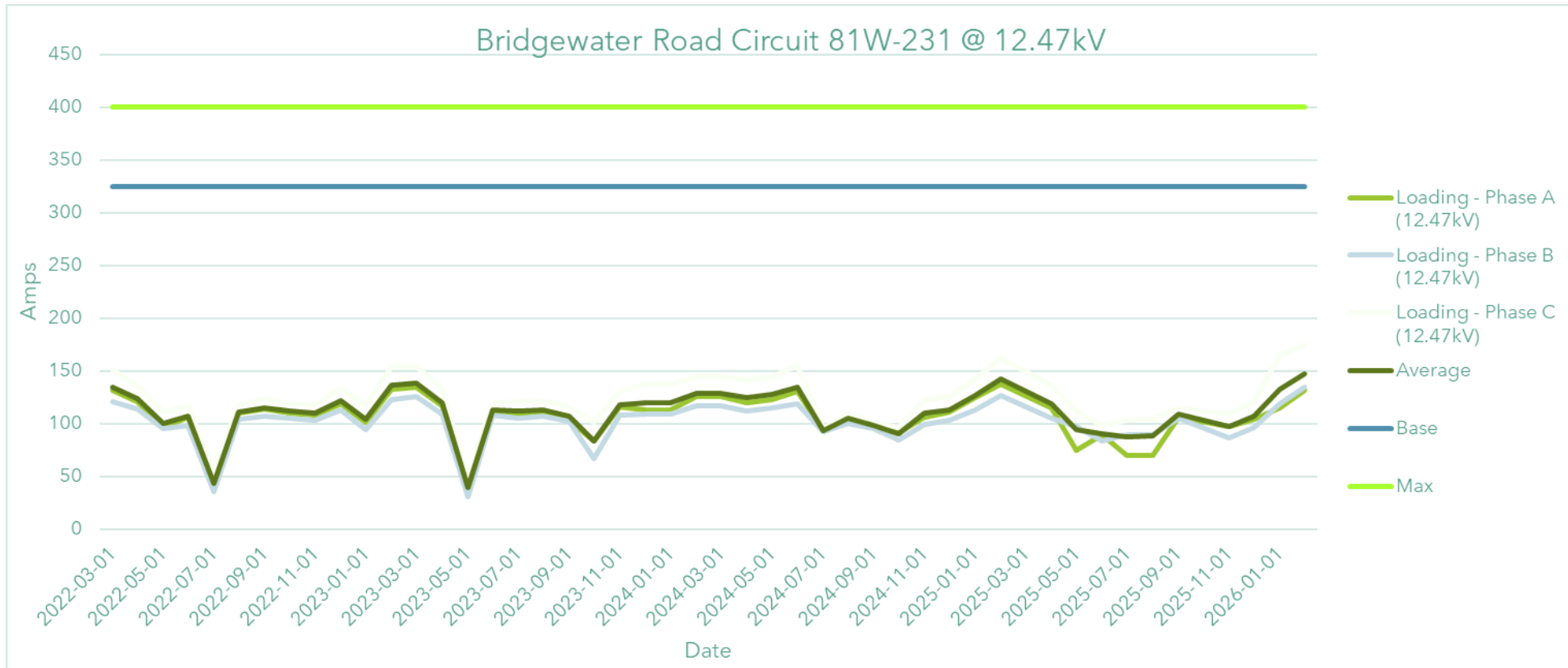
Once the feeder upgrades are completed and energized on the new Green Street substation, the available feeder capacity increases by a factor of 3 for the 4.16 kV feeders and a factor of 2 for the 5.88 kV feeders.

The graphs below depict these changes for the circuits within the Town. The first graph for each feeder represents the current conditions and the second chart is after the voltage conversion is completed and the feeders are energized at 12 kV. As you can see after the work is completed there is more capacity available on each feeder which in turn allows growth and additional load to be added to the system with very little impact to the grid.

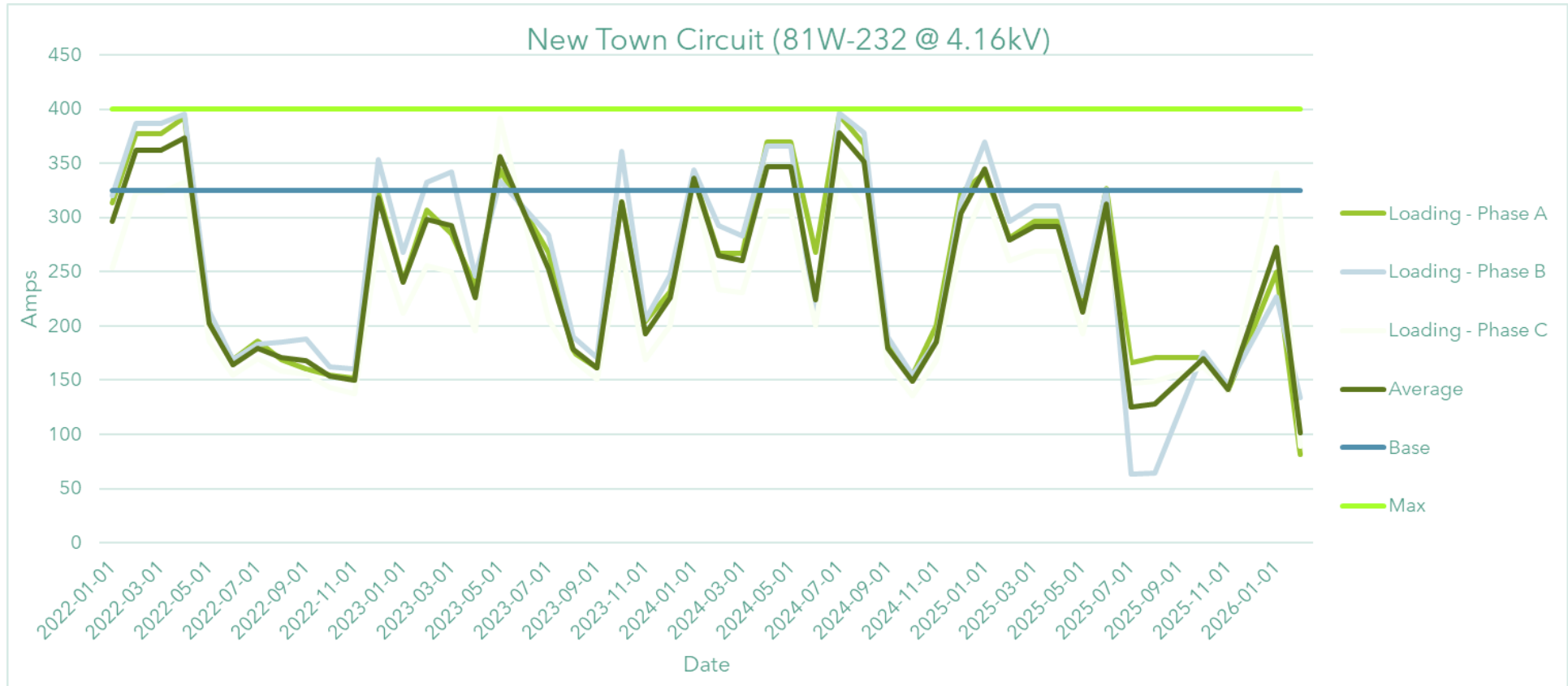
Pre- Conversion



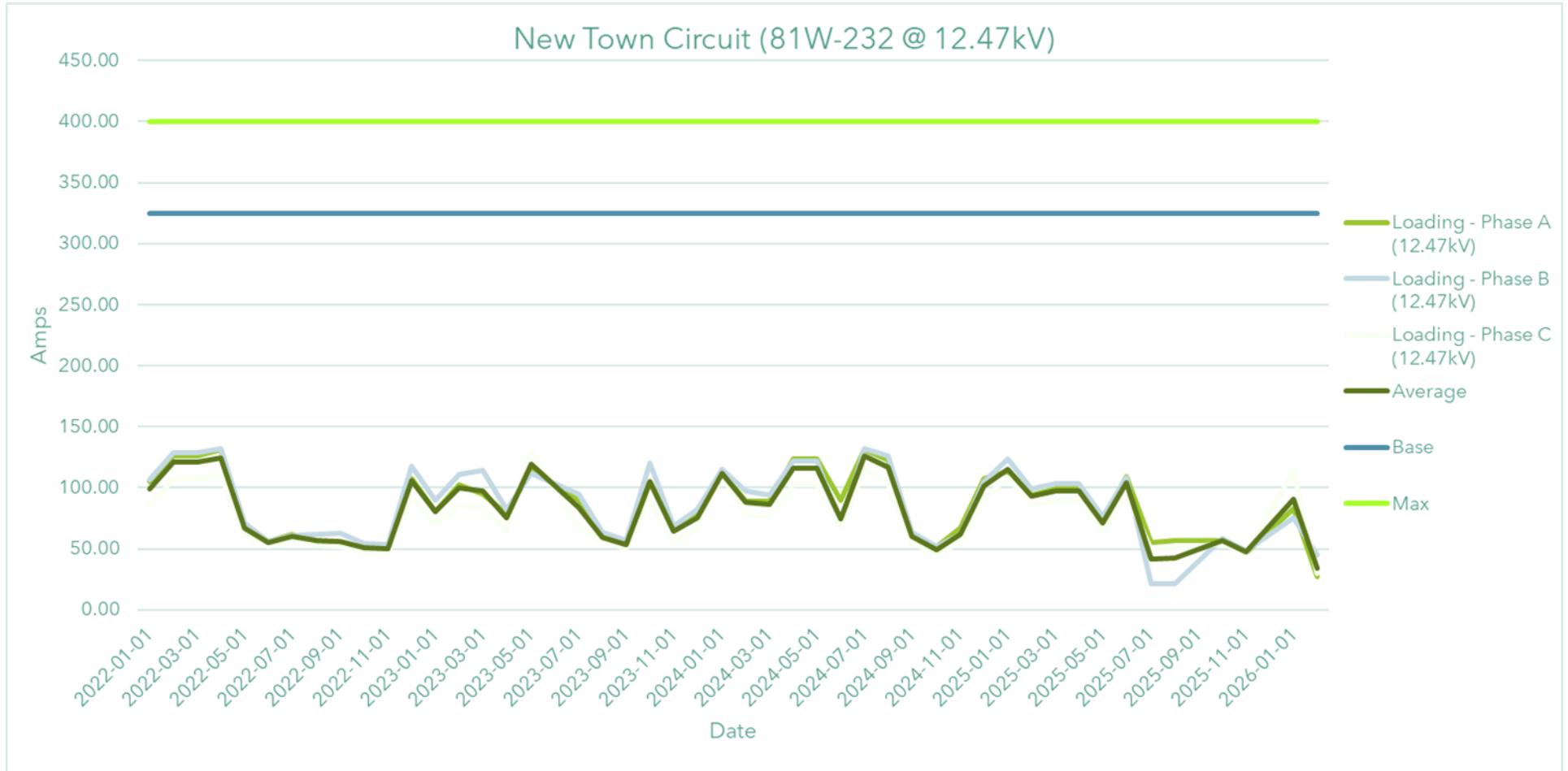
Post-Conversion



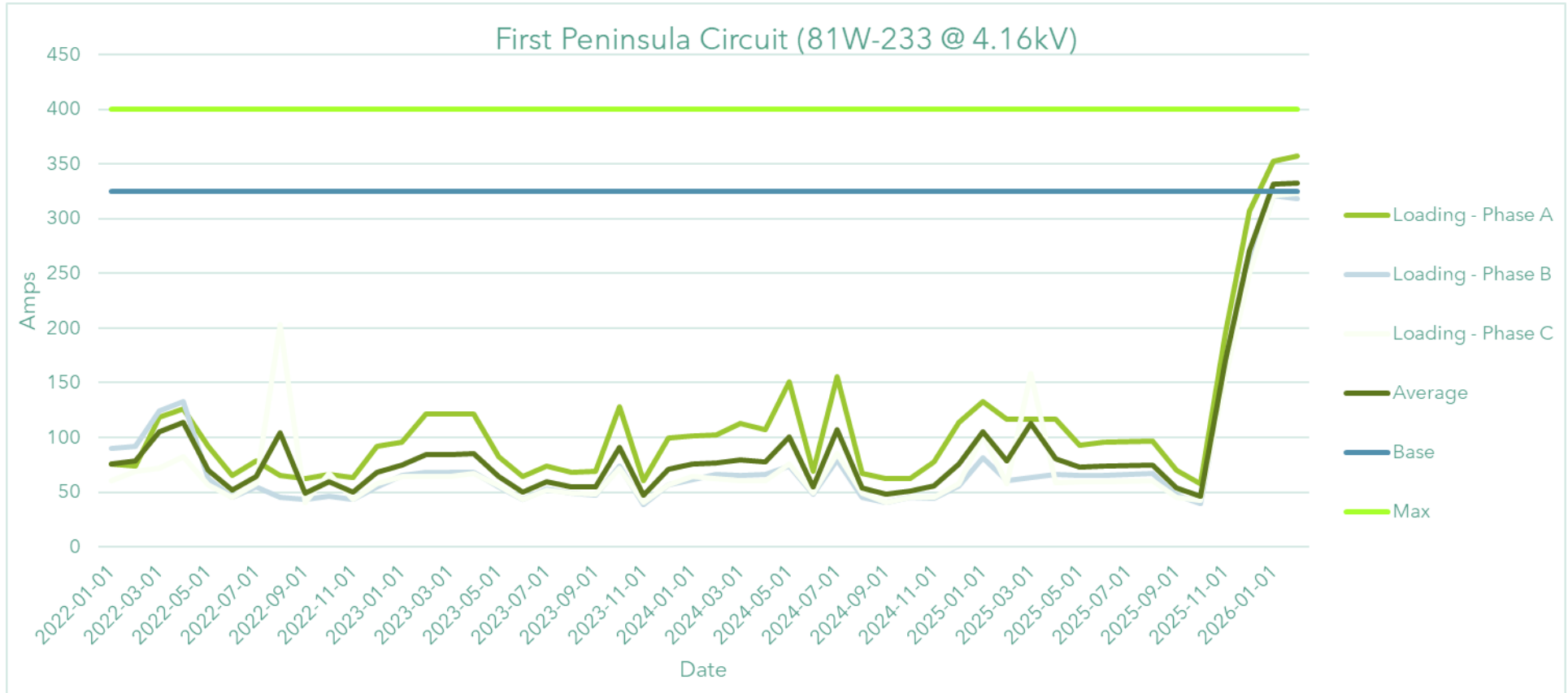
Pre- Conversion



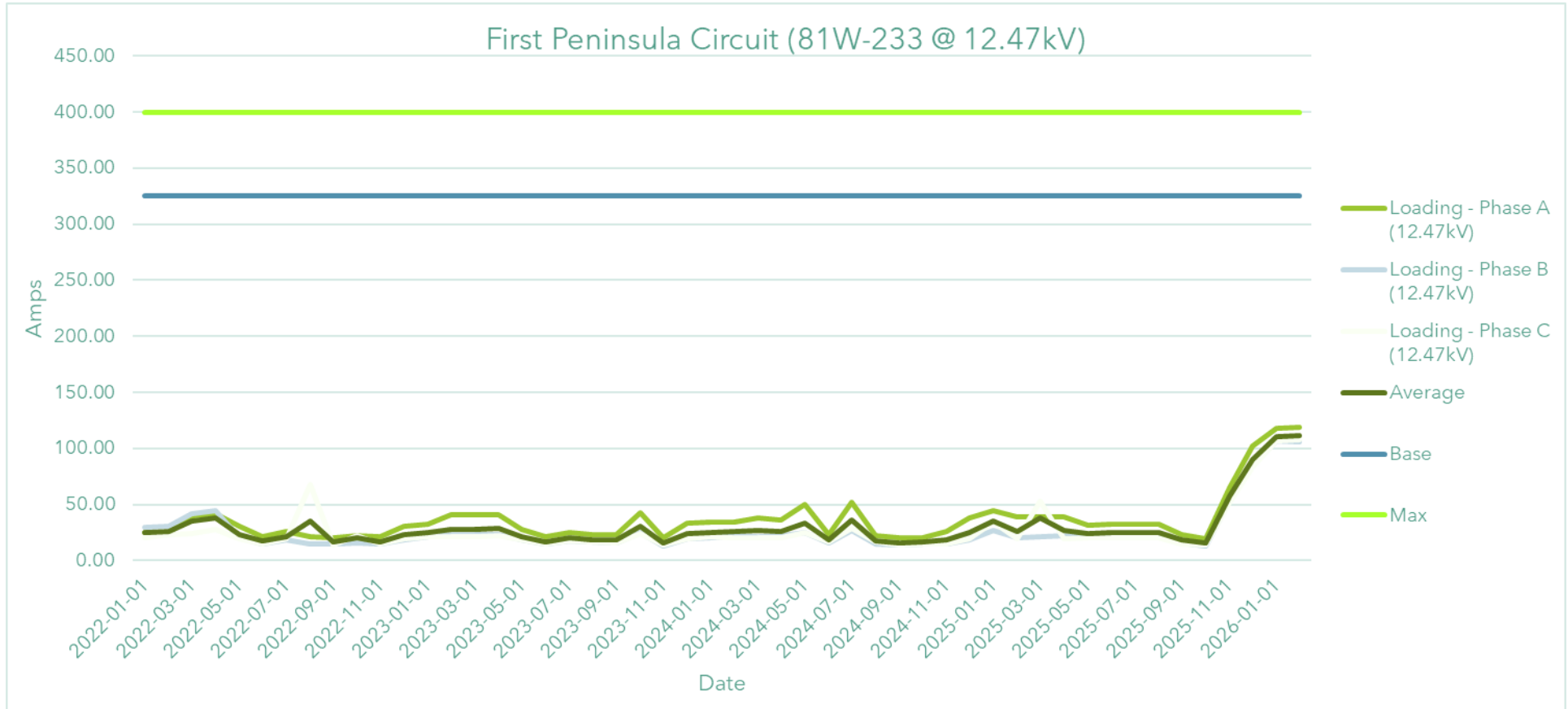
Post- Conversion



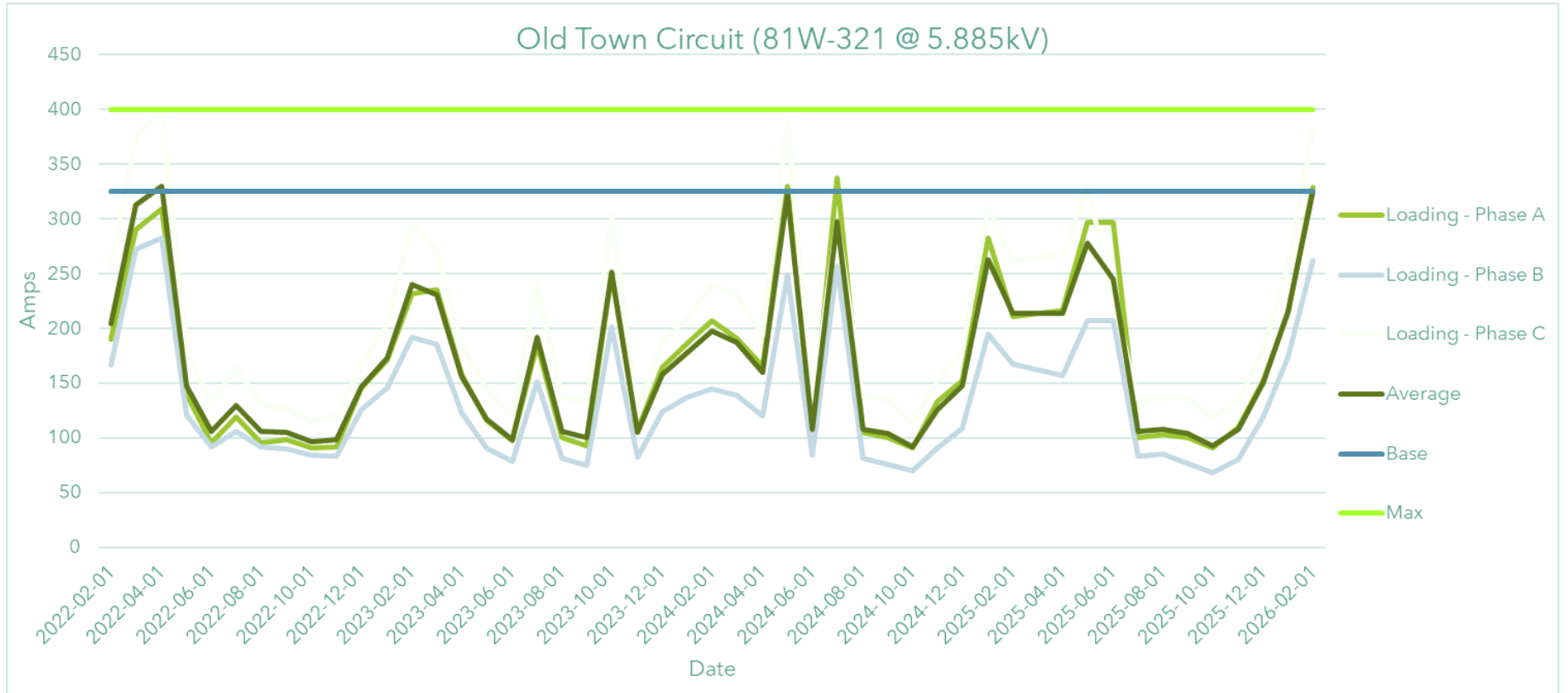
Pre- Conversion



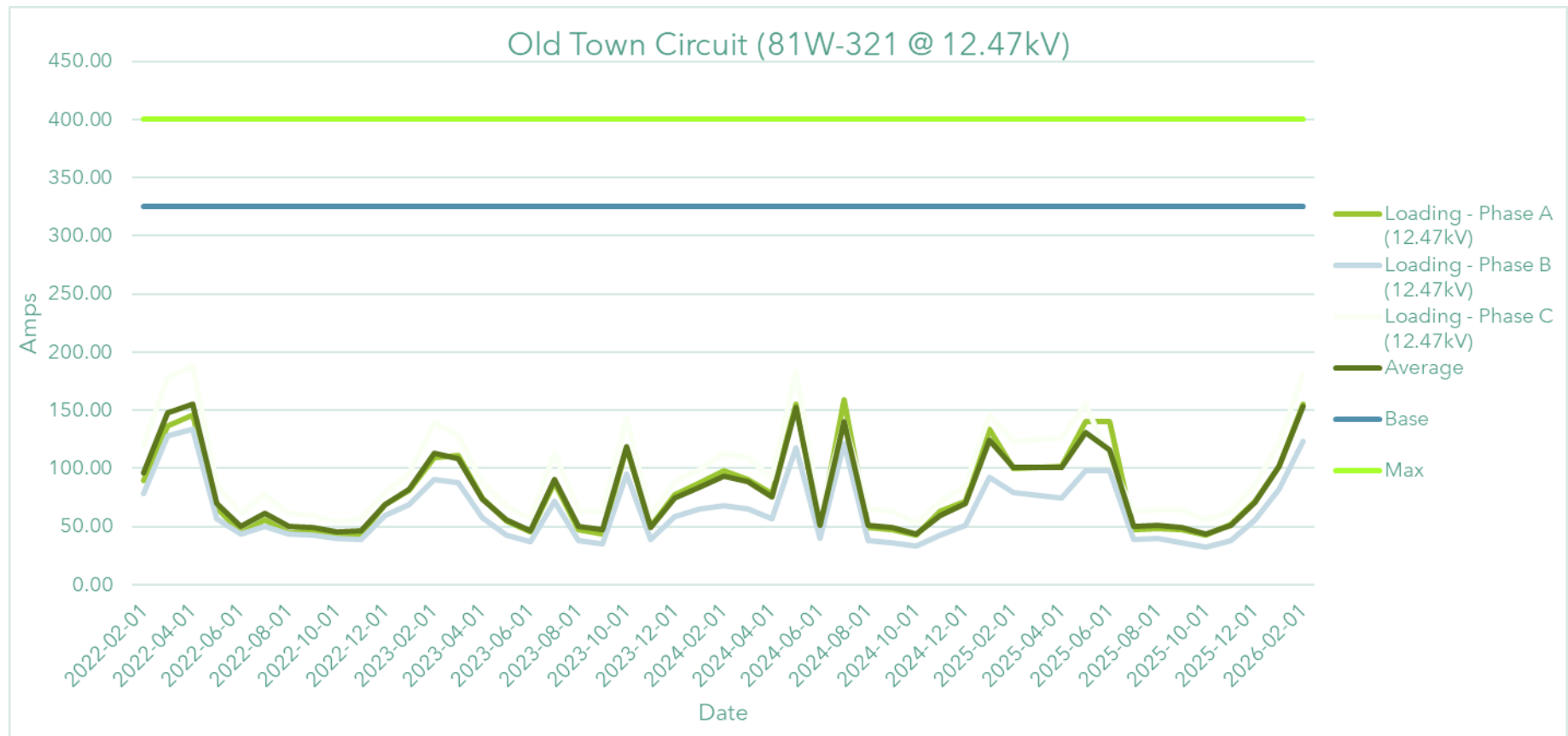
Post- Conversion



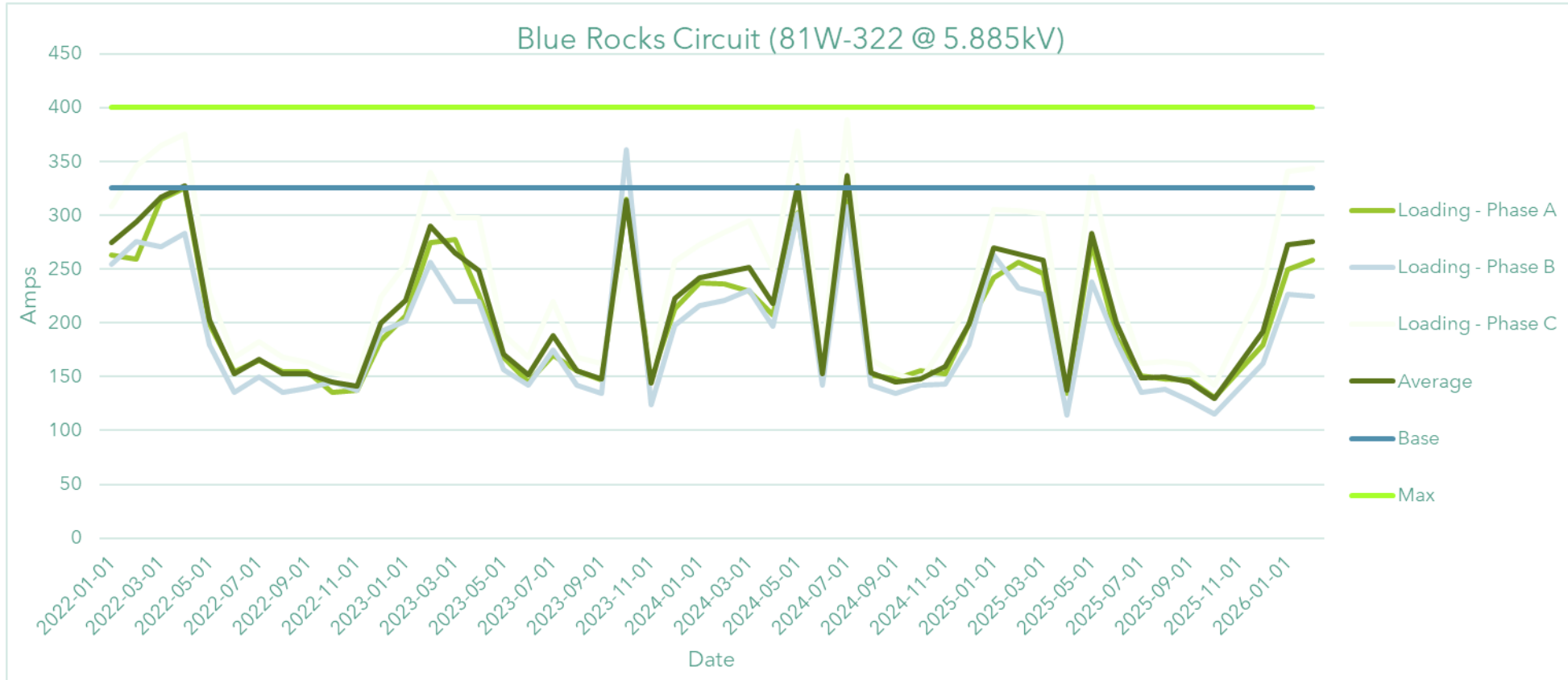
Pre- Conversion



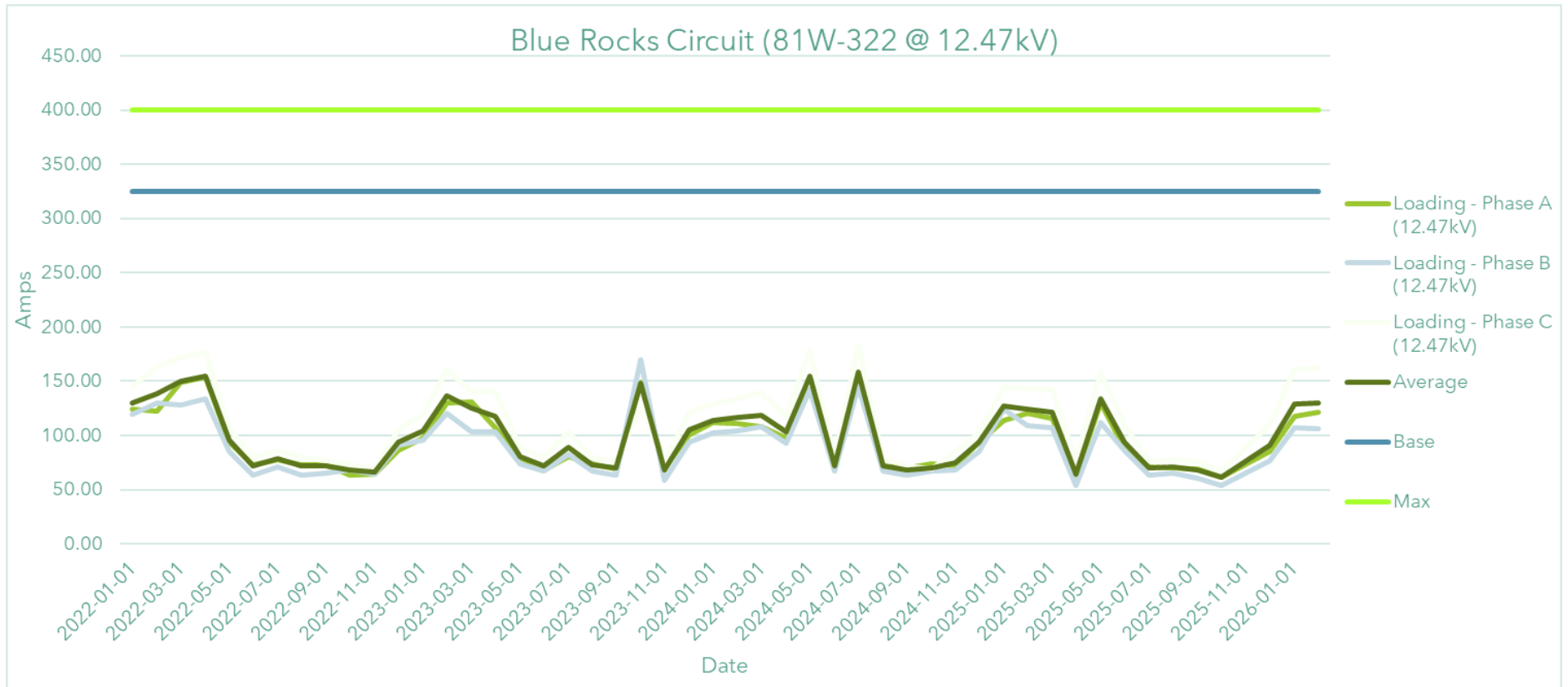
Post- Conversion



Pre- Conversion



Post- Conversion





Subject: 2026/27 Draft Electric Utility Operating Budget

Prepared by: Lisa Dagley, CPA, CGA, Finance Director

Date: May 13, 2026 – Special Budget Council Meeting

Recommendation

That Council approve the 2026/27 Electric Utility Operating Budget as presented, totalling \$8,896,500.

Alternatives

- Approve budget with amendments
- Defer a decision

Discussion and Financial

Enclosed is the draft 2026-27 Operating Town's Electric Utility. The Electric Utility Operating budget has been prepared using revenue rates approved during the 2025 GRA and the anticipated flow-through for 2026. Power purchases for resale are 74% of the Electric Utility's expenditures or \$6,601,000. The balance of the expenditures for operations are \$2,271,000. The Utility is budgeting for a modest surplus of \$24,500 for fiscal 2026/27.

Enclosures:

- a. Electric Utility Draft 2026/27 Operating Budget Presentation
- b. Electric Utility Draft 2026/27 Operating Budget

2026/27 ELECTRIC UTILITY DRAFT OPERATING BUDGET

MAY 13, 2026



ELECTRIC UTILITY OPERATING 2026/27 DRAFT OPERATING BUDGET



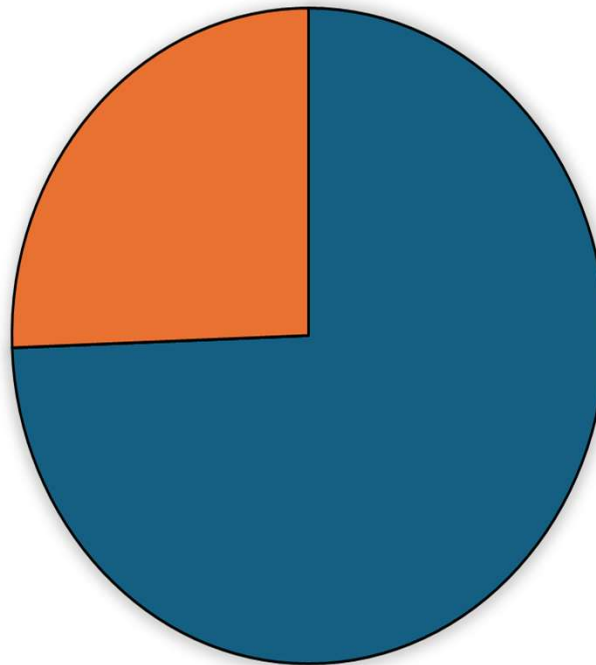
Total Revenue	\$8,896,500
Total Expenditures	<u>\$8,872,000</u>
Net Budgeted Surplus/Deficit	<u>\$ 24,500</u>
	Change % = 16.3%
	Budget increase = \$1,250,000

The Electric Utility's revenue is based on the current approved rates from the 2025 GRA and the anticipated flow-through for 2026.

ELECTRIC UTILITY OPERATING 2026/27 DRAFT OPERATING BUDGET

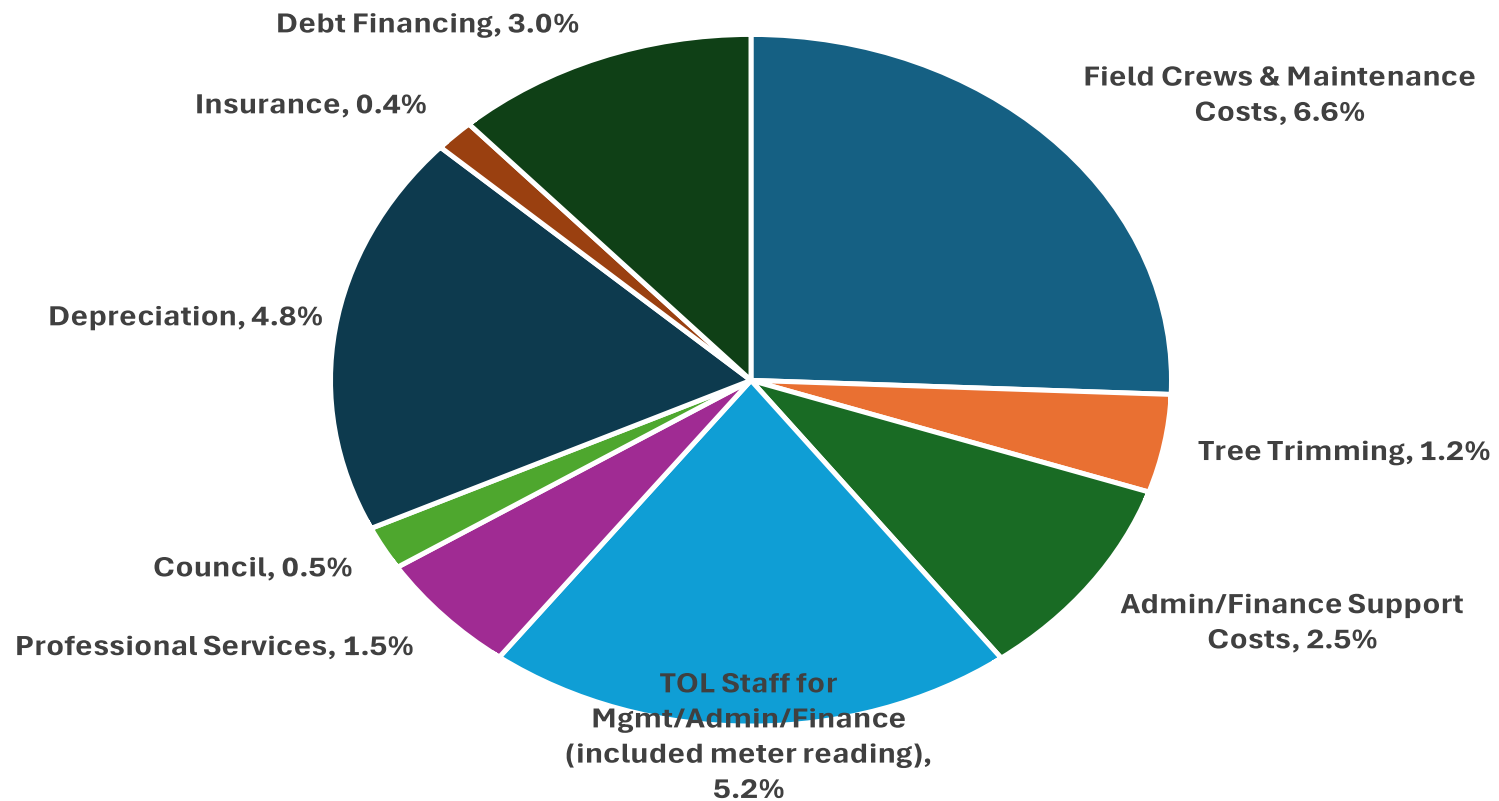


\$2,271,000
All Other Expenses
26%



\$6,601,000
Power Purchased for Resale
74%

ELECTRIC UTILITY OPERATING 2026/27 DRAFT OPERATING BUDGET



ELECTRIC UTILITY OPERATING 2026/27 DRAFT OPERATING BUDGET



Changes , budget decreases are in (brackets)	
Power Purchases for Resale	\$275,100
Field Crews & Maintenance Costs	\$(48,800)
Management & Administration	\$35,200
Debt repayments & Interest	\$104,600
Deficit Elimination	<u>\$883,900</u>
Total Budget Change	<u>\$1,250,000</u>



ELECTRIC UTILITY OPERATING BUDGET				2026/27	2025/26	2025/26	2024/25
Budget Change	ACCOUNT #	Notes	DESCRIPTION	Budget	Budget	Projections	Actuals
			Revenue				
			Operating Revenue				
592,900	07-1-51-1000	2	Domestic Service	\$ 4,140,900	\$ 3,548,000	\$ 3,785,200	\$ 3,542,617
8,200	07-1-51-2000	3	General Service - Small	187,900	179,700	178,700	155,667
305,200	07-1-51-2500	3	General Service - Demand	2,589,500	2,284,300	2,464,400	2,222,094
276,100	07-1-51-3000	4	General Service (IND)	1,584,200	1,308,100	1,330,700	1,184,670
38,900	07-1-51-4000	5	Street Lighting	189,000	150,100	166,900	146,064
600	07-1-51-5000		Misc. Electric Light	10,000	9,400	10,300	6,434
13,600	07-1-51-6000	6	Late Payment Interest	50,000	36,400	55,000	54,579
13,900	07-1-51-7000	7	Pole Attachment Fees	43,000	29,100	29,100	29,431
2,700	07-1-51-8000	8	69 KV Line Lease	63,000	60,300	61,800	56,511
			Total Operating Revenue	8,857,500	7,605,400	8,082,100	7,398,067
			Non-Operating Revenue				
4,200	07-1-52-1000	9	Sale of Service - Permits	25,000	20,800	23,500	21,569
(3,800)	07-1-52-1010	9	Sale of Service - Jobbing & Contract	4,000	7,800	1,000	3,500
(2,500)	07-1-52-3000		Interest Revenue	10,000	12,500	11,200	20,113
			Total Non-Operating Revenue	39,000	41,100	35,700	45,182
1,250,000			Total Revenue	\$ 8,896,500	\$ 7,646,500	\$ 8,117,800	\$ 7,443,249
			Expenditures				
			Power Purchases				
275,100	07-2-61-1000	10	Power Cost - NSPI	\$ 6,601,000	\$ 6,325,900	\$ 6,521,900	\$ 6,128,880
			Substations				
			Substations (3)				
7,800	07-2-62-1100	11	Labour-Utility (field crews)	34,900	27,100	27,300	26,527
(800)	07-2-62-1200	12	Repairs & Maintenance	20,000	20,800	15,000	7,949
-	07-2-62-1300	13	Transformer Testing	-	-	-	-
800	07-2-62-1500		Substation Insurance	13,800	13,000	13,200	12,380
				68,700	60,900	55,500	46,856
			Operation & Maintenance				
			Superintendence				
(119,600)	07-2-63-1100	11	Labour-Utility (field crews) + TOL standby	168,700	288,300	140,000	131,110
250	07-2-63-1200	14	Telephone/ Cellular/ Internet	7,550	7,300	7,300	7,219
50	07-2-63-1400		Radio Repairs/License	250	200	250	152
-			Overhead				
22,800	07-2-63-2100	11	Labour-Utility (field crews)	101,700	78,900	79,500	78,372
-	07-2-63-2310	15	Vegetation MGMT-Contractor	104,000	104,000	104,000	32,597
-	07-2-63-2600		Contracted Repairs/Flagmen	2,100	2,100	2,100	-
-			Poles & Fixtures				
3,600	07-2-63-3100	11	Labour-Utility (field crews)	16,200	12,600	12,700	12,298
(100)	07-2-63-3200		Supplies	1,500	1,600	500	-
-			Services				
8,500	07-2-63-4100	11	Labour-Utility (field crews)	37,800	29,300	29,500	29,097
(100)	07-2-63-4200		Supplies	3,000	3,100	2,200	1,951
-			Streets & Highway Lighting				
7,700	07-2-63-5100	11	Labour-Utility (field crews)	34,200	26,500	26,700	28,508
-			Maintenance of Building				
4,800	07-2-63-6200		Fuel	10,000	5,200	10,700	6,700
400	07-2-63-6300		Electric	1,500	1,100	1,300	591
100	07-2-63-6310		Water	600	500	400	397
300	07-2-63-6320		Sewer	1,300	1,000	1,200	1,402
2,900	07-2-63-6400	16	Repairs & Maintenance	6,000	3,100	5,600	4,684
-	07-2-63-6600	17	Rental- Victoria Road Building	5,000	5,000	5,000	5,000
-			Customer Premises Expenses				
4,200	07-2-63-7100		Electrical Inspections	25,000	20,800	23,500	20,961
				526,400	590,600	452,450	361,039
-			Transformers				
-			Setting and Removing				
900	07-2-64-1100	11	Labour-Utility (field crews)	3,900	3,000	3,000	2,947
-			Maintenance of Transformers				
1,000	07-2-64-2100	11	Labour-Utility (field crews)	4,600	3,600	3,600	3,557
-	07-2-64-2150	18	Contracted Repairs	78,000	78,000	35,000	16,300
				86,500	84,600	41,600	22,804

ELECTRIC UTILITY OPERATING BUDGET				2026/27	2025/26	2025/26	2024/25
Budget Change	ACCOUNT #	Notes	DESCRIPTION	Budget	Budget	Projections	Actuals
-			Meters				
-			Setting and Removing Meter				
2,200	07-2-65-1100	11	Labour-Utility (field crews)	9,900	7,700	7,700	7,521
-			Testing Meters (Expenses)				
3,500	07-2-65-2100	11	Labour-Utility (field crews)	15,700	12,200	12,400	11,891
-			Maintenance of Meters				
-	07-2-65-4200		Supplies	1,000	1,000	1,000	922
				26,600	20,900	21,100	20,334
-			General Overhead				
-			Supervision				
100	07-2-66-1100	19	Portion FD Salary	7,500	7,400	7,400	5,790
-			Contracts				
1,400	07-2-66-2100	19	Portion of Town Office Salaries	23,800	22,400	22,400	20,852
				31,300	29,800	29,800	26,642
-			Accounting				
-			Accounting Supervision				
100	07-2-67-1100	19	Portion FD Salary	11,200	11,100	11,100	8,727
-			Revenue Accounting				
100	07-2-67-2100	19	Portion of Town Office Salaries	79,000	78,900	78,900	75,258
-			Plant Accounting				
3,500	07-2-67-3100	19	Portion of Town Office Salaries	55,600	52,100	52,100	49,717
-			Billing				
3,500	07-2-67-4100	19	Portion of Town Office Salaries	55,600	52,100	52,100	49,749
4,000	07-2-67-4200		Supplies	17,000	13,000	17,000	14,852
-			Auditing				
-	07-2-67-5100		Audit Fees	7,300	7,300	7,000	7,000
-			Collecting				
-	07-2-67-6050	21	Electronic Banking Services	5,200	5,200	5,200	5,298
1,400	07-2-67-6100	19	Portion of Town Office Salaries	23,800	22,400	22,400	20,900
-	07-2-67-6200		Postage	16,000	16,000	16,000	12,000
-	07-2-67-6300		Collection Costs (Small Claim Fees)	1,000	1,000	1,000	124
-			Meter Reading				
2,300	07-2-67-7100	20	Labour	49,100	46,800	60,000	54,967
				320,800	305,900	322,800	298,592
-			General				
-			Supervision				
(8,500)	07-2-68-1100	19	Portion CAO & Clerk Salaries + admins	61,400	69,900	69,900	48,801
2,400	07-2-68-1200	22	Council Honorariums	41,000	38,600	38,600	36,079
1,800	07-2-68-1400	23	Council Conventions/Training	5,500	3,700	3,700	3,750
-			Professional Services				
-	07-2-68-2100	24	Engineering	52,000	52,000	52,000	15,945
(6,600)	07-2-68-2200		Legal Fees	35,000	41,600	30,000	18,679
7,100	07-2-68-2210	25	Communications	17,500	10,400	10,400	11,472
-	07-2-68-2300		Payroll Administration	1,500	1,500	1,500	1,500
-			Advertising				
400	07-2-68-3100	26	Power Interruptions & Promotions	3,000	2,600	1,500	353
-			Uncollectible Bills				
5,000	07-2-68-4100	27	Provision - Uncollectible Accts.	20,000	15,000	20,000	38,014
-			Rentals, Lights, etc.				
-	07-2-68-5100		Office Rental - Town	10,200	10,200	10,200	10,200
2,300	07-2-68-5200		Supplies/Printing/Paper	20,000	17,700	19,100	16,598
-	07-2-68-5300		Postage	16,000	16,000	16,000	12,000
6,300	07-2-68-5600	28	Maint & Contract - Computer	50,000	43,700	45,600	36,544
2,900	07-2-68-5700		Lease - Postage Meter	5,000	2,100	5,000	3,035
1,500	07-2-68-5800		Service Charges - Photocopier	6,000	4,500	5,600	4,619
-			General Insurance				
-	07-2-68-6600	29	Insurance	20,800	20,800	19,100	19,893
-			Employee Welfare				
3,300	07-2-68-9200	30	Employment Benefits	73,400	70,100	70,100	61,242
-	07-2-68-9300		Clothing/Safety	500	500	400	-
(1,000)	07-2-68-9400		Other Employee Benefits	1,000	2,000	1,000	1,000
-	07-2-68-9450		Meeting - Travel/Expense	1,500	1,500	1,100	299
(2,900)	07-2-68-9500	31	Training and Memberships	7,500	10,400	3,000	2,168
900	07-2-68-9600		Meeting Supplies	4,000	3,100	4,100	3,409
				452,800	437,900	427,900	345,600

Draft v1.0

ELECTRIC UTILITY OPERATING BUDGET				2026/27	2025/26	2025/26	2024/25
Budget Change	ACCOUNT #	Notes	DESCRIPTION	Budget	Budget	Projections	Actuals
-			<i>Office Supplies/Expenses</i>				
900	07-2-69-1100		Telephone - Town Hall	3,000	2,100	2,700	2,963
-	07-2-69-1200		Fax Machine	500	500	500	436
-	07-2-69-1350	33	Small Capital - Office Equipment	15,000	15,000	14,100	11,585
-			<i>Regulatory Comm. Expense</i>				
3,000	07-2-69-3100	34	BD. of Public Utilities	11,300	8,300	11,300	8,595
-	07-2-69-3200	35	Consultant Fees	35,000	35,000	35,000	-
				64,800	60,900	63,600	23,579
			Department Total	\$ 8,178,900	\$ 7,917,400	\$ 7,936,650	\$ 7,274,326
-			<i>Depreciation</i>				
-	07-2-70-2100	36	Depreciation Expense	427,200	427,200	314,000	209,834
-			<i>Interest on Consumer Deposits</i>				
-	07-2-70-3100		Accrued Interest Expense	500	500	500	3,819
-			<i>Interest on Long-Term Debt</i>				
89,400	07-2-70-4100	37	Borrowing Interest	117,200	27,800	3,000	3,378
-			<i>Debt Repayment</i>				
15,200	07-2-70-5100	37	Long-Term Debt Principal	148,200	133,000	100,000	100,000
			Department Total	\$ 693,100	\$ 588,500	\$ 417,500	\$ 317,031
-			<i>Transfers to Other Funds</i>				
-			<i>Capital Reserves</i>				
-	07-2-80-1200		Trf. To (from) Capital Reserve	-			
			Department Total	\$ -	\$ -	\$ -	\$ -
-							
883,900	07-2-90-0100		Surplus (Deficit)	\$ 24,500	\$ (859,400)	\$ (236,350)	\$ (148,108)
			Section Total				
			Total Expenditures	\$ 8,896,500	\$ 7,646,500	\$ 8,117,800	\$ 7,443,249
			Budget Change	\$ 1,250,000			
				16.3%			

NOTES TO ELECTRIC UTILITY BUDGET

1. Currently the Utility’s kWh consumption rate for power purchases is \$0.11598 plus riders. The Utility’s current peak ratchet monthly demand cost for kVa is \$138,185. The Utility’s current demand rate is \$10.928. The Utility receives a \$0.32 per kVa discount in demand costs for owning its own substation (see table below).

	2026/27 Budget	2025/26 Budget	2024/25 Actual
Purchases (kWh)	43,053,348	42,847,092	41,901,169
Sales (kWh)	40,416,779	41,291,357	40,329,765
Purchases as % Sales	106%	104%	104%
Billed Demand (kVa) monthly	10,542	10,423	9,716

kWh: Kilowatt hour - the basic measurement of power per hour.

kVa: Kilovolt amperes – the basic unit for measurement of apparent power. It is the greatest amount of power, averaged over a 15 minute period, supplied to the Town during the billing period of December, January or February. It is adjusted annually and billed at highest kVa for following year.

Date	Time	Peak (kVa)
January 16, 2012	8:30 am	8,673
January 24, 2013	8:30 am	9,429
January 2, 2014	5:30 pm	9,982
February 11, 2015	9:00 am	9,520
January 13, 2016	10:00 am	9,800
December 16, 2016	5:45 pm	9,947
January 2, 2018	6:45 pm	9,338
February 27, 2019	8:00 am	9,842
February 21, 2020	8:15 am	9,632
February 12, 2021	9:30 am	9,163
January 12, 2022	9:00 am	9,947
February 4, 2023*	6:00 pm	10,171
February 21, 2024	8:00am	9,716
February 6, 2025	8:30am	10,423
January 30, 2026	8:30am	10,542

The Town’s Electric Utility has approximately 2,300 customers in various rate classifications as noted below.

*Historical low temperatures.

2. #07-1-51-1000 Domestic Service

Budget based on projected sales and existing rates. There are approximately 1,900 customers billed under the Domestic Service rate. There are currently 19 customers billed under the Domestic Service Time-of-Day rate. There are currently 45 customers billed under the Self Generation Offset (SGO) rate.

3. #07-1-51-2000 & 07-1-51-2500 General Service

Budget based on projected sales and existing rates. There are approximately 200 Small General customers and approximately 200 General Service customers billed under General Service.

4. #07-1-51-3000 Industrial

Budget based on projected sales and existing rates. The Town has 3 customers billed under this rate.

5. #07-1-51-4000 Street Lighting

Budget based on projected sales and existing rates. The Town has approximately 60 customers billed under this rate.

6. #07-1-51-6000 Late Payment Interest

Interest revenue is based on 1.5% per month on outstanding balances.

7. #07-1-51-7000 Pole Attachment Fees

An agreement with Maritime Tel & Tel was reached in 1987. Ratio of pole ownership to be shared at 60% Utility, 40% Bell Aliant (formerly MT&T). At that time there were 592 poles (60% Utility = 355 and 40% Aliant = 237). Aliant has not maintained their 40% ownership and pole attachment fees are charged for the difference. Currently there are approximately 1,128 poles. Aliant is charged for the number of poles over the Utility's original 355 (773 poles).

This revenue budget includes attachment fees of \$22.00 per pole for Eastlink Cable (1,169 poles = \$25,718) and Bell Aliant (773 poles = \$17006).

8. #07-1-51-8000 69 KV Line Lease

Lease agreement with High Liner Foods Inc. to lease our 69 KV line for power supplied by Nova Scotia Power Inc. The lease last renewed in October 2020.

9. #07-1-52-1000 & #07-1-52-1010 Sale of Services

Includes wiring permit fees, electrical inspections and any other work performed by the Electric Utility staff for external customers.

10. #07-2-61-1000 Power Purchased

This is budgeted based on the Utility's power purchase requirements.

11. Labour Utility (field crews)

The Town of Lunenburg has a service agreement with Nova Scotia Power for the operations and maintenance of the Town's Electric Utility infrastructure. The arrangement was effective June 1, 2018 for a renewable five-year term. The agreement has been extended with three one-year terms to May 31, 2026. This agreement is being extended for an additional two-years to May 31, 2028. The cost of this service arrangement is allocated within the various cost centers of the Utility.

12. #07-2-62-1200 Repairs & Maintenance Substations

Budget has been included for routine repairs and maintenance.

13. #07-2-62-1300 Transformer Testing

While the substation transformers require periodic testing these costs are now included in the substation repairs and maintenance budget. There are three transformers at the substation, a dual voltage main and a backup for each voltage.

14. #07-2-63-1200 Telephone/Cellular/Internet

Includes the basic rates, cellular phones for the Corporate Services staff who manage the Utility and internet lines in the Town Office/Electric Department.

15. 07-2-63-2310 Line Vegetation Management Contractor

It is important that the vegetation be managed to maintain power during weather events. The budget includes costs for annual contracted tree trimming and removal.

16. #07-2-63-6400 Maintenance of Building

Includes estimate for annual repairs.

17. #07-2-63-6600 Rental Victoria Road Building

Space is required at the Victoria Road exhibition building for storage of large spools of wire, etc.

18. #07-2-64-2150 Maintenance of Transformers

Budget estimate for maintenance including any required testing for PCB's of older transformers. All line transformers must be tested for PCBs by 2026.

19. #07-2-66-1100/2100, 67-1100/2100/3100/4100/6100 and 68-1100 Portion of Salaries

Salaries for all Corporate Services Administration and Finance Staff are shared with other departments based on actual time spent working for them. These allocations are reviewed annually to ensure their continued relevance and accuracy. Allocations include General Government Services, Transportation Services, Community Development, Water and Electric Utilities.

20. #07-2-67-7100 Meter Reading

For fiscal 2026/27 the NSP Contract will provide these services until in-house staff can be fully trained and take over this task. Budget estimates include the combination of those anticipated costs.

21. #07-2-67-6050 Electronic Banking Services

This cost is for the lease of two debit machines located in the Finance Office and one third of all banking fees. This is deemed reasonable based on monthly electric billings vs quarterly billings for other Town Utilities.

22. #07-2-68-1200 Honorariums

Honorariums for members of Council for their oversight of Electric Utility. Allocated at 25%.

23. #07-2-68-1400 Conventions/Training – Council

Conferences, training and professional development for the Mayor and Councillors. Approximately 50% of costs is allocated to the Electric and Water Utility budgets.

24. #07-2-68-2100 Engineering

The budget for Engineering Consulting fees for operational support. If support is needed to capital projects those costs are allocated to the capital project.

25. #07-2-68-2210 Communications

Budget for a portion of the Town Communication staff and related supplies or software.

26. #07-2-68-3100 Advertising

Budget for outage notices and supplies.

27. #07-2-68-4100 Uncollectible Accounts

A valuation of aged receivables is performed annually and an allowance for uncollectible accounts is established as per national accounting guidelines.

28. #07-2-68-5600 Maintenance/License - Computers/Printers

Budget includes maintenance and licensing of computers including the accounting software license fee. The accounting software license fee is an all-inclusive annual fee for program updates and improvements and IT support for the software. Other departments pay the Electric Utility for a portion of this license fee.

29. #07-2-68-6600 General & Liability Insurance

Insurance costs are budgeted at estimated rates for the upcoming year.

30. #07-2-68-9200 Employment Benefits

The Utility reimburses the Town for a portion of the Employment Benefit costs for the Town office staff. This account also includes an accrual for retirement benefits based on the Town’s personnel policy.

31. #07-2-68-9500 Training and Memberships

Budget for various staff training, seminars/conferences and memberships.

33. #07-2-69-1350 Small Capital – Office Equipment

This has been transferred from the Capital Budget to Operations based on the Town’s Tangible Capital Asset threshold of \$2,500. Includes replacement computers as required (generally replaced every 3 years).

34. #07-2-69-3100 Board of Public Utilities

Budgeted based on previous year actuals.

35. #07-2-69-3200 Consultant Fees

During fiscal 2026/27 the Utility will need to undertake a General Rate Application (GRA) and the cost of which is anticipated to be amortized the current and next two fiscal years.

36. #07-2-70-2100 Depreciation Expense

All capital items are depreciated at an average rate of 3.5%. as per NSURB.

37. #07-2-70-4100 Interest Expense & Long Term Debt Principal #07-2-70-5100

The Electric Utility has the following debentures:

A 20-year debenture for the substation upgrade from 2006.

Payment	Original Loan	Principal	Interest	End Balance
20 of 20	\$2,000,000	\$100,000	\$1,500	NIL

A 10-year debenture for voltage regulator and transformers from 2024/25.

Payment	Original Loan	Principal	Interest	End Balance
1 of 10	\$481,772	\$48,179	\$15,200	\$433,593

A 15-year debenture for the feeder upgrades from 2025/26. Debenture being secured in Spring 2026, interest rate is based on an estimate.

Payment	Original Loan	Principal	Interest	End Balance
0 of 15	\$2,009,642	NIL	\$100,500	\$2,009,642

It is estimated that the Electric Utility will need to finance significant debt for capital upgrades in the next five years and this will have an impact on rates.

Subject: NSPI Flow Through Rate Application

From: Lisa Dagley, CPA, CGA, Director of Finance

Date: May 13, 2026



Recommendation

Approve the submission of an application to the Nova Scotia Energy Board (NSEB) for their approval of a per kWh increase to offset power purchase cost increases associated with the May 1, 2026 and January 1, 2027 NSPI Municipal Rate increases.

Alternatives

Not submit a flow through application, however this is not a financially viable option for the Town's Electric Utility.

Background and Discussion

The NSEB has approved an increase for May 1, 2026 and January 1, 2027 for NSPI's Municipal Rate. The NSEB has approved formulas that must be completed to determine the flow through rates for our municipal utility. Staff require Council's approval for a submission of a flow through application before the NSPI rate increases can be passed on to Lunenburg Electric Utility customers.

Financial

The approved calculation for NSPI increases is based on the cost of power purchase which is approximately 80% of the Electric Utility's rate revenue. If there is no flow through application there will be additional costs to the utility in both 2026 and 2027.