

TOWN OF LUNENBURG ELECTRIC UTILITY
2025/26 BUDGET
(Approved May 27, 2025)

INDEX

	<u>Page #</u>
➤ Operating Budget	1-7
➤ Capital Budget	8-11

ELECTRIC UTILITY OPERATING BUDGET					
			2025/26	2024/25	2023/24
ACCOUNT #	Notes	DESCRIPTION	Budget	Budget	Actual
		Revenue			
		Operating Revenue			
07-1-51-1000	2	Domestic Service	\$ 3,548,000	\$ 3,484,000	\$ 3,411,411
07-1-51-2000	3	General Service - Small	179,700	180,900	175,137
07-1-51-2500	3	General Service - Demand	2,284,300	2,256,600	2,218,348
07-1-51-3000	4	General Service (IND)	1,308,100	1,277,600	1,270,066
07-1-51-4000	5	Street Lighting	150,100	150,100	141,061
07-1-51-5000		Misc. Electric Light	9,400	9,000	10,069
07-1-51-6000	6	Late Payment Interest	36,400	35,000	42,751
07-1-51-7000	7	Pole Attachment Fees	29,100	28,000	27,791
07-1-51-8000	8	69 KV Line Lease	60,300	58,000	56,511
		Total Operating Revenue	7,605,400	7,479,200	7,353,144
		Non-Operating Revenue			
07-1-51-9000		Expired Line Extension Deposits			-
07-1-52-1000	9	Sale of Service - Permits	20,800	20,000	16,268
07-1-52-1010	9	Sale of Service - Jobbing & Contract	7,800	7,500	7,963
07-1-52-3000		Interest Revenue	12,500	12,000	24,248
		Total Non-Operating Revenue	41,100	39,500	48,479
		Total Revenue	\$ 7,646,500	\$ 7,518,700	\$ 7,401,623
		Expenditures			
		Power Purchases			
07-2-61-1000	10	Power Cost - NSPI	\$ 6,325,900	\$ 6,143,600	\$ 6,066,397
		Substations			
		Substations (3)			
07-2-62-1100	11	Labour-Utility	27,100	26,100	25,100
07-2-62-1200	12	Repairs & Maintenance	20,800	20,000	1,864
07-2-62-1300	13	Transformer Testing	-	-	-
07-2-62-1500		Substation Insurance	13,000	12,500	11,890
			60,900	58,600	38,853
		Operation & Maintenance			
		Superintendence			
07-2-63-1100	11	Manager/Portion of Super. Salary	288,300	202,700	126,233
07-2-63-1200	14	Telephone/ Cellular/ Internet	7,300	7,000	6,036
07-2-63-1400		Radio Repairs/License	200	200	113
		Overhead			
07-2-63-2100	11	Labour - Utility	78,900	75,800	72,927
07-2-63-2310	15	Vegetation MGMT-Contractor	104,000	100,000	78,147
07-2-63-2600		Contracted Repairs/Flagmen	2,100	2,000	-
		Poles & Fixtures			
07-2-63-3100	11	Labour - Utility	12,600	12,100	12,032
07-2-63-3200		Supplies	1,600	1,500	-
		Services			
07-2-63-4100	11	Labour - Utility	29,300	28,200	27,076
07-2-63-4200		Supplies	3,100	3,000	2,077
		Streets & Highway Lighting			
07-2-63-5100	11	Labour - Utility	26,500	25,500	25,341
		Maintenance of Building			
07-2-63-6200		Fuel	5,200	5,000	4,353
07-2-63-6300		Electric	1,100	1,100	1,008
07-2-63-6310		Water	500	500	369
07-2-63-6320		Sewer	1,000	1,000	1,236
07-2-63-6400	16	Repairs & Maintenance	3,100	3,000	1,791
07-2-63-6600	17	Rental- Victoria Road Building	5,000	5,000	5,000
		Customer Premises Expenses			
07-2-63-7100		Electrical Inspections	20,800	20,000	18,022
			590,600	493,600	381,760

ELECTRIC UTILITY OPERATING BUDGET					
			2025/26	2024/25	2023/24
ACCOUNT #	Notes	DESCRIPTION	Budget	Budget	Actual
		Transformers			
		Setting and Removing			
07-2-64-1100	11	Labour - Utility	3,000	2,900	2,767
		Maintenance of Transformers			
07-2-64-2100	18	Labour - Utility	3,600	3,500	3,360
07-2-64-2150	18	Contracted Repairs	78,000	75,000	23,550
			84,600	81,400	29,677
		Meters			
		Setting and Removing Meter			
07-2-65-1100	11	Labour - Utility	7,700	7,400	7,115
		Testing Meters (Expenses)			
07-2-65-2100	11	Labour - Utility	12,200	11,700	11,265
		Maintenance of Meters			
07-2-65-4200		Supplies	1,000	1,000	2,829
			20,900	20,100	21,209
		General Overhead			
		Supervision			
07-2-66-1100	20	Portion FD Salary	7,400	7,100	6,736
		Contracts			
07-2-66-2100	20	Portion of Town Office Salaries	22,400	21,500	20,000
			29,800	28,600	26,736
		Accounting			
		Accounting Supervision			
07-2-67-1100	20	Portion FD Salary	11,100	10,700	10,103
		Revenue Accounting			
07-2-67-2100	20	Portion of Town Office Salaries	78,900	75,900	69,500
		Plant Accounting			
07-2-67-3100	20	Portion of Town Office Salaries	52,100	50,100	46,700
		Billing			
07-2-67-4100	20	Portion of Town Office Salaries	52,100	50,100	46,700
07-2-67-4200		Supplies	13,000	12,500	12,157
		Auditing			
07-2-67-5100		Audit Fees	7,300	7,000	6,500
		Collecting			
07-2-67-6050	21	Electronic Banking Services	5,200	5,000	4,827
07-2-67-6100	20	Portion of Town Office Salaries	22,400	21,500	20,000
07-2-67-6200		Postage	16,000	15,400	14,800
07-2-67-6300		Collection Costs (Small Claim Fees)	1,000	1,000	-
		Meter Reading			
07-2-67-7100	11	Labour - Utility	46,800	45,000	41,051
			305,900	294,200	272,339
		General			
		Supervision			
07-2-68-1100	20	Portion CAO & Clerk Salaries + supports	69,900	67,200	61,600
07-2-68-1200	22	Council Honorariums	38,600	37,100	31,347
07-2-68-1300		Meeting Pay			-
07-2-68-1400	23	Council Conventions/Training	3,700	3,600	2,902
		Professional Services			
07-2-68-2100	24	Engineering	52,000	50,000	(1,320)
07-2-68-2200		Legal Fees	41,600	40,000	6,224
07-2-68-2210	25	Communications	10,400	10,000	7,369
07-2-68-2300		Payroll Administration	1,500	1,500	1,500
		Advertising			
07-2-68-3100	26	Power Interruptions & Promotions	2,600	2,500	366
		Uncollectible Bills			
07-2-68-4100	27	Provision - Uncollectible Accts.	15,000	15,000	42,546

ELECTRIC UTILITY OPERATING BUDGET					
			2025/26	2024/25	2023/24
ACCOUNT #	Notes	DESCRIPTION	Budget	Budget	Actual
		<i>Rentals, Lights, etc.</i>			
07-2-68-5100		Office Rental - Town	10,200	10,200	10,200
07-2-68-5200		Supplies/Printing/Paper	17,700	17,000	17,720
07-2-68-5300		Postage	16,000	15,400	14,800
07-2-68-5600	28	Maint & Contract - Computer	43,700	42,000	50,991
07-2-68-5700		Lease - Postage Meter	2,100	2,000	1,978
07-2-68-5800		Service Charges - Photocopier	4,500	4,300	4,260
		<i>General Insurance</i>			
07-2-68-6600	29	Insurance	20,800	20,000	19,012
		<i>Employee Welfare</i>			
07-2-68-9200	30	Employment Benefits	70,100	67,400	62,837
07-2-68-9300		Clothing/Safety	500	500	-
07-2-68-9400		Other Employee Benefits	2,000	2,000	573
07-2-68-9450		Meeting - Travel/Expense	1,500	1,500	1,308
07-2-68-9500	31	Training and Memberships	10,400	10,000	1,730
07-2-68-9600		Meeting Supplies	3,100	3,000	2,456
			437,900	422,200	340,399
		<i>Office Supplies/Expenses</i>			
07-2-69-1100		Telephone - Town Hall	2,100	2,000	2,688
07-2-69-1200		Fax Machine	500	500	431
07-2-69-1350	33	Small Capital - Office Equipment	15,000	15,000	11,447
		<i>Regulatory Comm. Expense</i>			
07-2-69-3100	34	BD. of Public Utilities	8,300	8,000	7,156
07-2-69-3200	35	Consultant Fees	35,000	35,000	16,250
			60,900	60,500	37,972
		Department Total	\$ 7,917,400	\$ 7,602,800	\$ 7,215,342
		<i>Depreciation</i>			
07-2-70-2100	36	Depreciation Expense	427,200	323,000	238,413
		<i>Interest on Consumer Deposits</i>			
07-2-70-3100		Accrued Interest Expense	500	500	3,141
		<i>Interest on Long-Term Debt</i>			
07-2-70-4100	37	Borrowing Interest	27,800	3,800	4,279
		<i>Debt Repayment</i>			
07-2-70-5100	37	Long-Term Debt Principal	133,000	100,000	100,000
		Department Total	\$ 588,500	\$ 427,300	\$ 345,833
		<i>Transfers to Other Funds</i>			
07-2-80-1000		<i>Capital Reserves</i>			
07-2-80-1200		Trf. To (from) Capital Reserve			-
		Department Total	\$ -	\$ -	\$ -
07-2-90-0100		Surplus (Deficit)	\$ (859,400)	\$ (511,400)	\$ (159,552)
		Section Total			
		Total Expenditures	\$ 7,646,500	\$ 7,518,700	\$ 7,401,623

NOTES TO ELECTRIC UTILITY BUDGET

1. Currently the Utility’s kWh consumption rate for power purchases is \$0.11286 including riders. The Utility’s current peak ratchet monthly demand cost for kVa is \$136,625. The Utility’s current demand rate is \$13.108. The Utility receives a \$0.32 per kVa discount in demand costs for owning its own substation (see table below).

	2025/26 Budget	2024/25 Budget	2023/24 Budget	2022/23 Actual
Purchases (kWh)	42,847,092	42,098,000	40,451,116	40,541,899
Sales (kWh)	41,291,357	40,414,000	39,024,038	39,024,038
Purchases as % Sales	104%	104%	104%	104%
Billed Demand (kVa) monthly	10,423	9,716	10,171	9,947

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

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 22 customers billed under the Domestic Service Time-of-Day rate. There are currently 32 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 225 Small General customers and approximately 190 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 \$14.15 per pole for Eastlink Cable (1,169 poles = \$16,541) and Bell Aliant (773 poles = \$10,938).

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 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

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 and will provide a wide range of technical expertise to ensure a reliable and sustainable electricity supply. All on site work is now carried out by Nova Scotia Power personnel. 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. #07-2-64-2100 to 2200 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 2025.

19. #07-2-65-3100 Testing Meters - Third Party Charges

Included in the fees for the service contract.

20. #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.

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 Communications Manager's salary and related supplies.

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

The Utility is undertaking a General Rate Application (GRA) and the cost of which is to be amortized over two 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 a 20-year debenture for the substation upgrade with Municipal Finance Corporation with an original average interest rate 4.319%. This debenture was refinanced in fiscal 21-22 for the remaining five years and now has an average interest rate of 0.7%.

Payment	Original Loan	Principal	Interest	End Balance
19 of 20	\$2,000,000	\$100,000	\$2,800	\$100,000

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.

For fiscal 2024/25 it is estimated the Utility will need to borrow \$500,000 to finance the capital for the fiscal year. It is estimated that this debt will be financed over 15 years with payments of \$33,000 annually and interest in year 1 of \$25,000.

Town of Lunenburg - Electric Utility
Capital Budget 2025/26

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	2025/26 Funding	
	2025/26	2026/27	2027/28	2028/29	2029/30	Depr Reserve	Debt
Electric Utility							
<i>Distribution</i>							
Meters	\$10,000	\$200,000	\$100,000	\$100,000	\$50,000	\$10,000	
Overhead Conductors	\$230,000	\$240,000	\$250,000	\$250,000	\$250,000	\$230,000	
Poles & Fixtures	\$105,000	\$115,000	\$125,000	\$75,000	\$75,000	\$105,000	
Services	\$65,000	\$65,000	\$85,000	\$50,000	\$50,000	\$65,000	
Transformers - line	\$250,000	\$160,000	\$170,000	\$170,000	\$170,000		\$250,000
Street Lighting	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	
Green St New Double Circuit - <i>PRE-APPROVED 25/26</i>	\$652,000	\$1,427,000					\$652,000
Feeder Upgrade/Extension of 81W-233 to Dufferin St (Alternative B) <i>PRE-APPROVED</i>	\$1,721,000						\$1,721,000
Substation design/re-design	\$100,000	\$100,000					\$100,000
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				
Existing Substation Upgrades					\$1,000,000		
New 20MVA 69kV/138kV - 12.47 kv Power transformer @ 81W			\$1,500,000				
New HV Switches 69kv/138kv (3)		\$200,000					
New substation - land on Green St	\$100,000						\$100,000
New Substation - Yard Prep (overburden removal and fill, crushed rock)		\$200,000					
New Substation - foundation structures		\$200,000					
New Substation -fence		\$100,000					
New Substation -15Kv Reclosers & associated equipment			\$200,000				
New Substation -Ground Grid		\$150,000					
New Substation - Oil Containment			\$300,000				
New Substation - Overhead Buss Work			\$250,000				
New Substation - Relaying, Protection, metering, battery bank		\$100,000	\$200,000				
New Substation - Control Building			\$200,000				
81W-321 feeder upgrade (5.33Kv to 15Kv standards)			\$1,000,000				
81W-322 feeder upgrade (5.33Kv to 15Kv standards)				\$1,700,000			
Total	\$3,243,000	\$3,567,000	\$4,590,000	\$2,355,000	\$1,605,000	\$420,000	\$2,823,000

CAPITAL BUDGET NOTES

Electric Utility

Distribution

Meters

In 2017 the Utility began the first of a multi-year Smart Meter conversion program. Approximately 300 meters were swapped. Additional Smart Meter conversions are currently on hold while other capital priorities are completed. The current year budget for meters allows for the purchase of any replacement meters that are required during the fiscal year.

Overhead Conductors

This item is for yearly replacement, as well as new and emergency repairs.

Poles & Fixtures

This item is for yearly replacement, as well as new and emergency repairs.

Services

For replacement and new installation of overhead service wires and fixtures (both residential and commercial).

Transformers – Line/Installation

This item is for yearly replacement, as well as new and emergency repairs. As part of our service agreement NSP purchases and maintains the transformer inventory for the utility. Any transformers containing PCBs must be removed from the line by the end of 2025.

Street Lighting

In fiscal 2022/23 all street lights were converted to LED. The current year budget for street lights allows for the installation of any potential new requests.

Green Street – New Double Circuit and Feeder Upgrade/Extension of 81W-233 to Dufferin Street

These projects were pre-approved by Council on March 11, 2025.

The following pages include the CIMA summary of these projects which was included in the report to Council on March 11, 2025. They are included to serve as the notes to these capital projects.

27th February 2025

Lisa Daigley, CPA, CGA
Director of Finance
Town of Lunenburg

Subject: Capital Project Approval

CIMA has been working with the Town of Lunenburg to develop an overall capital plan for its electrical infrastructure. The proposed plan for the 2025/26 fiscal year involves a required expenditure of \$2.373 million in feeder upgrades.

It is recommended that the Town of Lunenburg spend \$1.721 million on the Kissing Bridge Road project (which has now been scoped and estimated cost provided by NS Power) that will transfer load from feeder 81W-232 (New Town/ Mason’s Beach Feeder) to 81W-233 (First Peninsula Feeder). This project involves the installation of 1680 meters of new 3 phase primary and neutral conductor, 49 poles, and associated distribution transformers. The new addition also provides a path forward that will allow the Town to convert the electrical system to 12 kV (currently 4.16kV & 5.33kV) as the new equipment will be rated at 12kV. With the equipment rated at this new voltage the future conversion costs are lower as the equipment will be rated at 12 kV.

Item	Cost
Labor	\$217,000
Material	\$193,000
Contracts	\$1,053,000
Contingency	\$258,000
Total	\$1,721,000

A second project of \$652,000 on Green Street and Victoria Street. This project involves the installation of 927 meters of 3phase and neutral conductor, 20 new poles, and distribution Transformers.

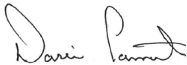
Item	Cost
Labor	\$101,000
Material	\$103,000
Contracts	\$351,000
Contingency	\$97,000
Total	\$652,000

With these upgrades, the Town will see an increase in reliability, a redistribution of load onto other feeders allowing the Town to expand and have the capability to add more customers (such as Harbour View Haven) to the grid. The existing infrastructure is at the end of life and requires upgrades.

This work also enables the Town to move forward with the plan to upgrade the 5.33 kV and 4kV systems to 12kV. The Town currently has a service contract in place with NS Power that includes providing scoping, design and other services related to the distribution system.

The information contained above supports the estimated work and effort required to complete the feeder upgrades. The anticipated completion date for this work is the fall of 2025.

It should be noted that regarding the above-mentioned work, contributions may be required from any new client requesting new service connections to the system. These contributions are outlined in the Town’s Electricity Regulations.



Darin Lamont, P. Eng
 Lead Engineer
 CIMA Canada Inc.