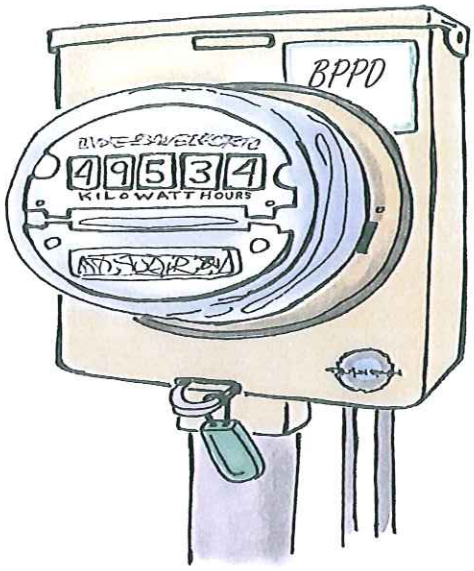
BUTLER

PUBLIC POWER

DISTRICT

DAVID CITY, NEBRASKA 68632-1107



2012

FINANCIAL BUDGET

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- Provided in January

Board of Directors Approved on January 11, 2012

BUTLER PUBLIC POWER DISTRICT

December 9, 2011

Honorable Board of Directors
Butler Public Power District
1331 4th Street
David City, NE 68632 - 1107

Gentlemen;

The attached proposed 2012 Financial Budget has two main parts, "O & M Expense" Budget and "Capital Additions" (CA) Budget. The Financial Budget reflects increases in power supply, wages, material costs, plus a 3.2% Rate increase effective January 1st. It does not, however, consider the impacts of a cool and/or wet summer or the effects of severe storm damage to our system.

The 2012 Budget is prepared to help plan our work, assure we are focusing on the right work, and stay within appropriate spending limits. The CA Budget includes significant investments to, either coincide with the Nebraska Joint Sub-transmission Plan adopted in February, 2008, or complete the final year of a 4-year Work Plan completed in 2008 to upgrade our system to improve reliability and reduce losses and outages.

Requests for approval of the O&M Budget total **$14,327k** and the CA Budget total **$2,237k**. We expect to finance the entire capital additions budget from revenue. As always, the aim of this budget is to allow the District to provide reliable, low cost, transmission and distribution facilities to serve our customers while meeting the financial requirements of our bond resolutions.

We respectfully request your consideration and approval of the proposed 2012 Financial Budget scheduled for discussion at the January regular Board Meeting.

Respectfully submitted;

Gary S. Westphal P.E.

Gary S. Westphal P. E.
General Manager/CEO

1331 N 4th Street • David City, NE 68632-1107
Phone: 402/367-3081 • 800/230-0569 • Fax: 402/367-6114

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

OPERATIONS AND MAINTENANCE BUDGET

LINE NO.	DESCRIPTION	2012 BUDGET	2011 10 MOS ACTUAL & 2 MOS BUDGET	2010 ACTUAL	2009 ACTUAL	2008 ACTUAL	2007 ACTUAL	2006 ACTUAL
	REVENUES AND EXPENSES							
01.	OPERATING REVENUE	$17,714,842	$15,247,199	$11,484,681	$11,079,715	$9,896,803	$8,380,346	$7,670,028
02.								
03.	COST OF PURCHASED POWER	11,603,129	8,999,688	5,846,549	5,681,393	5,187,414	4,661,577	4,361,996
04.	TRANSMISSION EXPENSE	27,000	21,366	53,377	37,768	24,921	42,875	22,030
05.	DISTRIBUTION EXPENSE - OPERATIONS	615,000	590,570	707,270	534,407	558,952	516,820	428,011
06.	DISTRIBUTION EXPENSE - MAINTENANCE	900,000	820,381	1,098,007	748,509	701,918	758,394	698,328
07.	CONSUMER RECORDS EXPENSE	340,000	329,742	329,957	263,677	265,466	362,768	351,805
08.	CONSUMER SERVICE & INFORMATION EXPENSE	101,000	96,776	70,779	2	869	0	2,670
09.	SALES EXPENSE	43,000	41,813	43,592	36,607	41,623	74,251	63,346
10.	ADMINISTRATIVE & GENERAL EXPENSE	698,000	680,480	643,302	647,662	659,925	586,962	539,154
11.	**TOTAL OPER. & MAINT. EXPENSE (2 THRU 10)**	**$14,327,129**	**$11,580,815**	**$8,792,834**	**$7,950,025**	**$7,441,088**	**$7,003,646**	**$6,467,340**
12.	DEPRECIATION & AMORTIZATION EXPENSE	996,334	898,539	790,190	757,741	763,010	757,169	729,602
13.	TAX EXPENSE - PROPERTY	1,000	1,042	992	992	992	949	582
14.	TAX EXPENSE - OTHER	0	6,861	104	284	0	126,807	1
15.	INTEREST ON LONG - TERM DEBT	655,866	592,926	558,238	508,003	484,083	337,711	324,946
16.	INTEREST CHARGES TO CONSTRUCTION COST	0	0	0	0	0	0	0
17.	INTEREST EXPENSE - OTHER	200	184	0	0	0	28,954	10,545
18.	OTHER DEDUCTIONS	0	0	0	0	0	0	0
19.	**TOTAL COST OF ELEC. SERVICE (11 THRU 18)**	**$15,980,529**	**$13,080,369**	**$10,142,357**	**$9,217,045**	**$8,689,173**	**$8,255,237**	**$7,533,016**
20.	OPERATING MARGINS (LINE 1 - 19)	$1,734,313	$2,166,830	$1,342,324	$1,862,670	$1,207,630	$125,110	$137,012
21.	NONOPERATING MARGINS - INTEREST	105,000	268,192	238,546	101,280	110,709	82,942	66,536
22.	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTIOI	0	0	0	0	0	0	0
23.	NON OPERATING MARGINS - OTHER	80,000	146,398	313,122	233,226	272,595	354,514	358,717
24.	GENERATION & TRANSMISSION CAPITAL CREDITS	0	0	0	0	0	0	1,446
25.	OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS	10,000	24,376	11,131	15,447	12,772	-762	7,603
26.	EXTRAORDINARY ITEMS	0	0	0	0	0	0	0
27.	**PATRONAGE CAPITAL & MARGINS (20 THRU 26)**	**$1,929,313**	**$2,605,795**	**$1,905,123**	**$2,212,623**	**$1,603,706**	**$561,803**	**$571,314**
28.	**T I E R**	**3.94**	**5.39**	**4.41**	**5.36**	**4.31**	**2.66**	**2.76**
34.	PERCENT OF SYSTEM LOSS		#DIV/0!	7.97%	5.29%	7.63%	8.66%	9.05%

* COST OF SERVICE STUDY

BUTLER PUBLIC POWER DISTRICT

CAPITAL ADDITIONS BUDGET 2012

2012 WORK PLAN AND BUDGET - CAPITAL BUDGET - DISTRIBUTION & TRANS. FACILITIES

ITEM NO.	DESCRIPTION OF ITEM NUMBER	QNTY	Estimated Cost per Unit	Estimated Total
RUS CODE - 100 - NEW LINE				
101	3 Miles of single phase Overhead & URD lines	3	$ 25,750.00	**$ 77,250.00**
103	3 Miles of Three phase Overhead and URD lines	3	$ 62,500.00	**$ 187,500.00**
104	.6 Miles of Three phase 1/0 New Cusomter (7-Inn) Customer switch with Polk RPPD	1	$ 40,000.00	**$ 40,000.00**
	RUS CODE - 100 TOTAL			**$ 304,750.00**
RUS CODE - 200 - NEW TIE LINES				
200		0	$ -	**$ -**
	RUS CODE - 200 TOTAL			**$ -**
RUS CODE - 300 - LINE CONVERSION				
305	Construct 7 miles of 3 Phase T2 1/0 distribution line, retire existing 3 phase (6A) 59-12 - North Circuit	7	$ 80,000.00	**$ 560,000.00**
311	Construct 5 miles of 3 phase T2 1/0 distribution line, retire existing 3 phase (6A) 59-2 East Circuit	5	$ 80,000.00	**$ 400,000.00**
314	Construct 3 miles of 3 phase 4/0 distribution line, retire existing 2 phase (6SCG) 59-2 East Circuit	2	$ 80,000.00	**$ 160,000.00**
315	Construct .5 miles of 1 phase #4 ACSR distribution line, retire 1 mile existing 1 phase (8A) 59-6 South Circuit	1	$ 15,000.00	**$ 15,000.00**
	RUS CODE - 300 TOTAL	5		**$ 1,135,000.00**
RUS CODE - 400 - NEW SUBSTATION & IMPROVEMENTS				
	RUS CODE - 400 TOTAL			**$ -**
RUR CODE - 500 - SUBSTATION CHANGES AND ADDITIONALS				
504	New Elect. OCR for West Circuit 59-4	1	$ 25,000.00	**$ 25,000.00**
	RUS CODE - 500 TOTAL			**$ 25,000.00**

BUTLER PUBLIC POWER DISTRICT

CAPITAL ADDITIONS BUDGET 2012

2012 WORK PLAN AND BUDGET - CAPITAL BUDGET - DISTRIBUTION & TRANS. FACILITIES

ITEM NO.	DESCRIPTION OF ITEM NUMBER	QNTY	Estimated Cost per Unit	Estimated Total
RUS CODE - 600 - MISCELLANEOUS DISTRIBUTION EQUIPMENT				
601	Replacement of Meters	84	$ 215.00	**$ 18,060.00**
601	Replacement of Transformers	100	$ 1,500.00	**$ 150,000.00**
601	Transformer PCB Testing	300	$ 50.00	**$ 15,000.00**
602	Increase Service Capacity	75	$ 2,680.00	**$ 201,000.00**
603	Sectionalizing Equipment	1	$ 12,000.00	**$ 12,000.00**
604	Regulators	3	$ 15,000.00	**$ 45,000.00**
605	Capacitors - Additional capacitors for better power factor and line loss	2	$ 15,000.00	**$ 30,000.00**
606	Pole Replacement and Associated Hardware	100	$ 600.00	**$ 60,000.00**
607	Misc. Replacement of Guys, Crossarms and ect.	1	$ 18,500.00	**$ 18,500.00**
608	URD or OH Conductor Replacment	1	$ 15,000.00	**$ 15,000.00**
609	Surge Protector Replacement	0	$ -	**$ -**
610	Road Moves	1	$ 8,000.00	**$ 8,000.00**
611	Line Relocation - Relocation of existing lines because of safety considerations or improved access	1	$ 10,000.00	**$ 10,000.00**
612	Step Up/Step Down Transformers (not special equipment)	0	$ -	**$ -**
613	Min/Max Meters (not special equipment)	0	$ -	**$ -**
614	Storm Damage (new 6/2008) Restoration of facilities damaged by major storms. FEMA reporting purposes	0	$ -	**$ -**
615	Communications - equipment necessary to operate distribution system	0	$ -	**$ -**
	RUS CODE 600 TOTAL			**$ 582,560.00**

BUTLER PUBLIC POWER DISTRICT

CAPITAL ADDITIONS BUDGET 2012

2012 WORK PLAN AND BUDGET - CAPITAL BUDGET - DISTRIBUTION & TRANS. FACILITIES

ITEM NO.	DESCRIPTION OF ITEM NUMBER	QNTY	Estimated Cost per Unit	Estimated Total
RUS CODE - 700 - Other Distribution Items				
701	Engineering New Construction Work Plan 2013 -2016	1	$ 22,000.00	**$ 22,000.00**
702	Security Lights	10	$ 290.00	**$ 2,900.00**
703	General Fund Reimbursement	0	$ -	**$ -**
704	Automated Meter Reading Equipment	1	$ 11,000.00	**$ 11,000.00**
705	SCADA - Pilot Program - 1 Substation	1	$ 15,000.00	**$ 15,000.00**
705	Load Management/SCADA - LCR 3100 Well Control Units	24	$ 165.00	**$ 3,960.00**
	RUS CODE 700 TOTAL			**$ 54,860.00**
RUS CODE 1500				
	RUS CODE 1500 TOTAL			**$ -**
RUS CODE 1600				
1600	Minor projects	1	$ 10,000.00	**$ 10,000.00**
	RUS CODE 1600 TOTAL			**$ 10,000.00**

TOTAL 2012 BUDGET PURPOSE NUMBER ONE (1) DISTRIBUTION FACILITIES **$ 2,112,170.00**

BUTLER PUBLIC POWER DISTRICT

CAPITAL ADDITIONS BUDGET 2012

2012 WORK PLAN AND BUDGET - CAPITAL BUDGET - DISTRIBUTION & TRANS. FACILITIES

ITEM NO.	DESCRIPTION OF ITEM NUMBER	QNTY	Estimated Cost per Unit	Estimated Total

2012 BUDGET & NPPD JOINT SUB T PLAN - PURPOSE NUMBER TWO (2) TRANSMISSION FACILITIES

RUS CODE - 800-899				
	TOTAL RUS CODE 800-899			**$ -**
RUS CODE - 900-999 New Transmission Substations				
	TOTAL RUS CODE 900-999			**$ -**
RUS CODE - 1000-1099 TRANSMISSION LINE AND STATION CHANGES				
	TOTAL RUS CODE 1000-1099			**$ -**
RUS CODE - 1100-1199 - OTHER TRANSMISSION ITEMS				
1101	Ordinary replacement of Transmission Poles	1	10000	**$ 10,000.00**
1102	Ordinary replacement of Arrestors, Crossarms, Insulators & ect.	1	5000	**$ 5,000.00**
	TOTAL RUS CODE 1100-1199			**$ 15,000.00**

TOTAL 2011 BUDGET PURPOSE NUMBER TWO (2) TRANSMISSION FACILITIES **$ 15,000.00**

BUTLER PUBLIC POWER DISTRICT

CAPITAL ADDITIONS BUDGET 2012

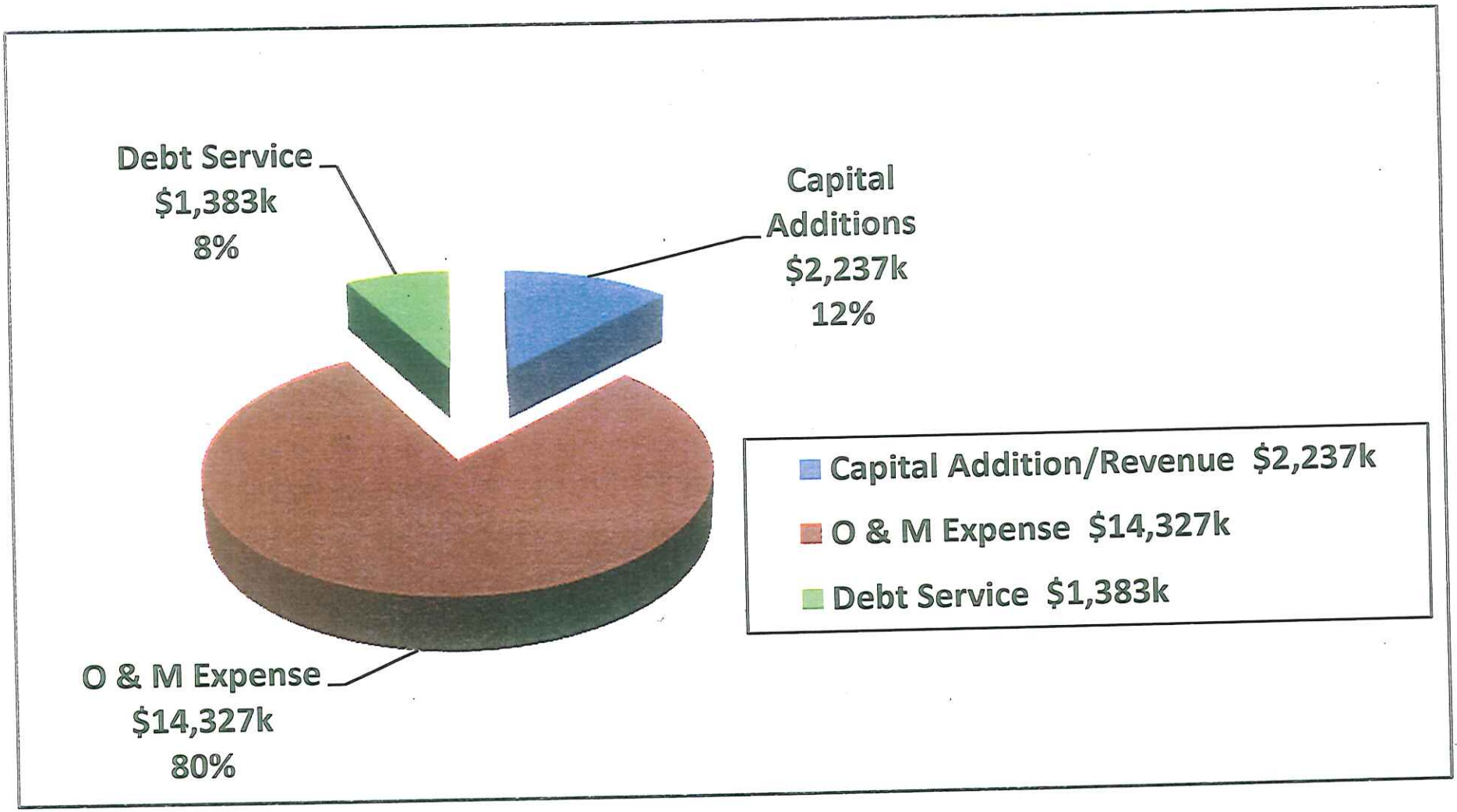
2012 WORK PLAN AND BUDGET - CAPITAL BUDGET - DISTRIBUTION & TRANS. FACILITIES

ITEM NO.	DESCRIPTION OF ITEM NUMBER	QNTY	Estimated Cost per Unit	Estimated Total
	2012 BUDGET TRANSPORTATION EQUIPMENT			
1	Replacement of T-3 Chassis and remount basket unit	1	$ 80,000.00	**$ 80,000.00**
1	Replacement of Small Trencher - Walk Behind	1	$ 20,000.00	**$ 20,000.00**
	2012 BUDGET Other Tools, Equipment and Office			
1	Computer and Software Updates for Office	1	$ 9,500.00	**$ 9,500.00**
	Total for Other Tools & Equipment			**$ 9,500.00**

TOTAL 2012 Transportation, Other Tools and Office **$ 109,500.00**

Total Capital Additions Budget for 2012 $ 2,236,670.00

2012 REVENUE, EXPENSES AND CAPITAL ADDITIONS



REVENUE	+	MARGINS	=	O & M	+	CAPITAL ADD.	+	DEBT SERVICE
$17,715k		$232k		$14,327k		$2,237k		$1,383k