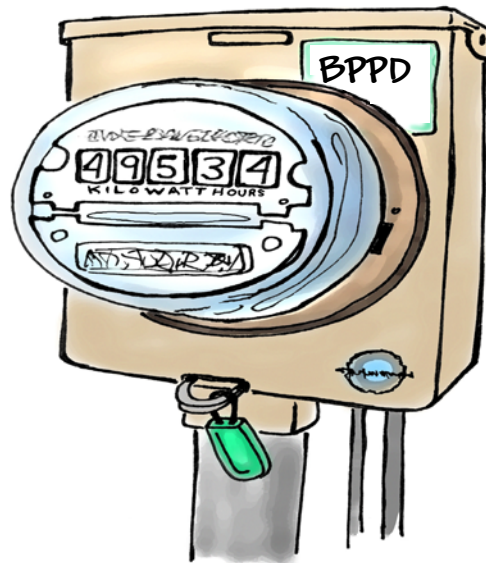


B U T L E R
P U B L I C P O W E R
D I S T R I C T

DAVID CITY, NEBRASKA 68632-1107



2 0 1 4

F I N A N C I A L B U D G E T

- **Cover Letter** page 1
- **O & M Expense Budget** page 2
- **Capital Additions Budget** pages 3 - 7
 - **Equipment List** page 8
 - **Fiscal Policy # 104** page 9
- **Revenue/Expense Pie Chart** page 10

Board of Directors Approved on December 10, 2013

December 3, 2013

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

Gentlemen;

The attached proposed 2014 Financial Budget has two main parts, “O & M Expense” Budget and “Capital Additions” (CA) Budget. The Financial Budget reflects the management team’s best estimates for future costs in such expenditures as power supply, wages and material costs, etc. It does not, however, consider the impacts of extreme weather or the effects of severe storm damage to our system.

The 2014 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 coincide with the Nebraska Joint Sub-transmission Plan adopted in February, 2008, or the second year of a 4-year Work Plan developed by RVW to upgrade our system to improve reliability and reduce losses and outages.

Requests for approval of the O&M Budget total **\$13,431k** and the CA Budget total **\$2,829k**. We expect to finance the entire capital additions budget from revenue and 2013 margins. 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 2014 Financial Budget we plan to discuss at the December regular Board Meeting.

Respectfully submitted;

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

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

OPERATIONS AND MAINTENANCE BUDGET								
LINE NO.	DESCRIPTION	2014 BUDGET	2013 9 MOS ACTUAL & 3 MOS BUDGET	2012 ACTUAL	2011 ACTUAL	2010 ACTUAL	2009 ACTUAL	2008 ACTUAL
	REVENUES AND EXPENSES							
01.	OPERATING REVENUE	\$17,417,800	\$18,131,938	\$17,623,761	\$14,668,161	\$11,484,681	\$11,079,715	\$9,896,803
02.								
03.	COST OF PURCHASED POWER	10,530,800	10,513,477	10,555,947	8,309,063	5,846,549	5,681,393	5,187,414
04.	TRANSMISSION EXPENSE	32,000	30,752	27,007	42,886	53,377	37,768	24,921
05.	DISTRIBUTION EXPENSE - OPERATIONS	723,475	775,008	674,442	608,835	707,270	534,407	558,952
06.	DISTRIBUTION EXPENSE - MAINTENANCE	930,951	840,577	818,970	908,690	1,098,007	748,509	701,918
07.	CONSUMER RECORDS EXPENSE	362,000	355,311	325,288	325,555	329,957	263,677	265,466
08.	CONSUMER SERVICE & INFORMATION EXPENSE	110,000	110,849	108,429	96,733	70,779	2	869
09.	SALES EXPENSE	16,200	16,503	12,652	42,548	43,592	36,607	41,623
10.	ADMINISTRATIVE & GENERAL EXPENSE	725,250	704,326	646,782	658,921	643,302	647,662	659,925
11.	TOTAL OPER. & MAINT. EXPENSE (2 THRU 10)	\$13,430,676	\$13,346,803	\$13,169,518	\$10,993,231	\$8,792,834	\$7,950,025	\$7,441,088
12.	DEPRECIATION & AMORTIZATION EXPENSE	998,000	981,875	962,949	881,245	790,190	757,741	763,010
13.	TAX EXPENSE - PROPERTY	1,200	1,037	683	992	992	992	992
14.	TAX EXPENSE - OTHER	0	0	(9)	6,933	104	284	0
15.	INTEREST ON LONG - TERM DEBT	545,000	599,108	656,541	600,571	558,238	508,003	484,083
16.	INTEREST CHARGES TO CONSTRUCTION COST		0	0	0	0	0	0
17.	INTEREST EXPENSE - OTHER	100	77	138	184	0	0	0
18.	OTHER DEDUCTIONS		0	0	0	0	0	0
19.	TOTAL COST OF ELEC. SERVICE (11 THRU 18)	\$14,974,976	\$14,928,900	\$14,789,821	\$12,483,156	\$10,142,357	\$9,217,045	\$8,689,173
20.	OPERATING MARGINS (LINE 1 - 19)	\$2,442,824	\$3,203,038	\$2,833,940	\$2,185,005	\$1,342,324	\$1,862,670	\$1,207,630
21.	NONOPERATING MARGINS - INTEREST	90,000	119,991	108,409	270,740	238,546	101,280	110,709
22.	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION		0	0	0	0	0	0
23.	NON OPERATING MARGINS - OTHER	90,000	92,137	95,669	122,175	313,122	233,226	272,595
24.	GENERATION & TRANSMISSION CAPITAL CREDITS		0	0	0	0	0	0
25.	OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS	25,000	30,470	20,965	20,567	11,131	15,447	12,772
26.	EXTRAORDINARY ITEMS			0	0	0	0	0
27.	PATRONAGE CAPITAL & MARGINS (20 THRU 26)	\$2,647,824	\$3,445,637	\$3,058,983	\$2,598,487	\$1,905,123	\$2,212,623	\$1,603,706
28.	T I E R	5.86	6.75	5.66	5.33	4.41	5.36	4.31
	OPERATING STATISTICS							
30.	KWH PURCHASED	180,000,000	188,747,036	186,187,406	154,627,678	115,286,604	117,833,850	113,853,175
31.	KWH SOLD	170,745,400	179,075,000	175,967,413	144,580,932	105,843,027	111,333,440	104,884,906
32.	KWH OWN USE	268,000	247,036	246,624	291,109	251,951	267,786	283,667

**BUTLER PUBLIC POWER DISTRICT
2014
CAPITAL ADDITIONS BUDGET**

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2014 DISTRIBUTION FACILITY BUDGET

RUS CODE 100 - NEW LINE

101	2 Miles of single phase Overhead & URD lines	2	\$25,860.00	\$51,720.00
103	2 Miles of three phase Overhead and URD lines	2	\$58,839.00	\$117,678.00

RUS CODE 100 TOTAL

\$169,398.00

RUS CODE 200 - NEW TIE LINES

RUS CODE 200 TOTAL

RUS CODE 300 - CONVERSION AND LINE CHANGES

301	59-4 Circuit 2- Rebuild 2.1 miles of three phase to 4/0, Voltage issues with back feeding	1	\$140,480.00	\$140,480.00
302	59-1 Circuit 1 - Rebuild 7 miles of three phase. Work Plan Project 311. Voltage Issues	1	\$516,600.00	\$516,600.00
303	59-46 South Circuit-Build one mile three phase T2 1/0. Work Plan Project 305. Back Feed	1	\$72,000.00	\$72,000.00

RUS CODE 300 TOTAL

\$729,080.00

RUS CODE 400 - NEW SUBSTATIONS, SWITCHING STATIONS, & METERING POINTS

RUS CODE 400 TOTAL

RUS CODE 500 - SUBSTATION, SWITCHING STATION, AND METERING POINT CHANGES

501	59-7 - New Electronic OCR's (Circuits 1, 3 & 4)	3	\$17,200.00	\$51,600.00
502	59-6 Circuits 1, 2 & 4 - Replace Recloser Bypass Switches	9	\$1,500.00	\$13,500.00
503	59-15 - Replace Regulator Bypass Switches	3	\$1,000.00	\$3,000.00

RUS CODE 500 TOTAL

\$68,100.00

**BUTLER PUBLIC POWER DISTRICT
2014
CAPITAL ADDITIONS BUDGET**

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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RUS CODE 600 - MISCELLANEOUS DISTRIBUTION EQUIPMENT

601	<u>Transformers & Meters</u>			
	Three phase 16S Meters	48	\$275.00	\$13,200.00
	AMR Kits for 16S Meters and Repairs	72	\$205.00	\$14,760.00
	Disconnect Meters	24	\$196.00	\$4,704.00
	Single phase 2S CL200 Meters	24	\$125.00	\$3,000.00
	Single phase 2S CL320 Meters	24	\$236.00	\$5,664.00
	Three phase 9S Substation Meters	4	\$2,600.00	\$10,400.00
	Replacement of Transformers	100	\$1,500.00	\$150,000.00
602	<u>Increase Service Capacity</u>			
	Service Upgrades	100	\$2,680.00	\$268,000.00
603	<u>Sectionalizing Equipment</u>			
	OCR's	1	\$20,000.00	\$20,000.00
604	<u>Regulators</u>			
	Regulator Panel Replacement (MJ4A)	3	\$1,800.00	\$5,400.00
605	<u>Capacitors</u>			
	Additional capacitors for better power factor and line loss	2	\$7,500.00	\$15,000.00
	CBC8000 Cap Bank Controller	1		
	Capacitor Blocking Unit	2	\$995.00	\$1,990.00
606	<u>Pole Replacement and Associated Hardware</u>			
	Pole Replacement	145	\$700.00	\$101,500.00
607	<u>Miscellaneous Replacements</u>			
	Crossarms	40	\$400.00	\$16,000.00
608	<u>Non-Site Specific URD or OH Conductor Replacement</u>			
	Conductor replacement	1	\$20,000.00	\$20,000.00
610	<u>Road Moves</u>			
	Road Moves	1	\$8,000.00	\$8,000.00
611	<u>Line Relocation</u>			
	Relocation of existing lines for safety considerations or improved access	1	\$20,000.00	\$20,000.00

RUS CODE 600 TOTAL

\$677,618.00

**BUTLER PUBLIC POWER DISTRICT
2014
CAPITAL ADDITIONS BUDGET**

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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RUS CODE 700 - OTHER DISTRIBUTION ITEMS

701	<u>GIS Systems</u>			
702	<u>Security Lights</u>			
	Security Lights	15	\$280.00	\$4,200.00
703	<u>General Fund Reimbursement</u>			
704	<u>Automated Meter Reading Equipment</u>			
	H-Field Coupler	2	\$525.00	\$1,050.00
	AMI Filter	1	\$700.00	\$700.00
705	<u>Load Management/SCADA</u>			
	SCADA - 59-1,59-4,59-7	3	\$12,000.00	\$36,000.00
	Receiver Boards for LCR3100	12	\$97.00	\$1,164.00
	LCR3100 Load Control Receivers	24	\$175.00	\$4,200.00

RUS CODE 700 TOTAL

\$47,314.00

RUS CODE 1300 - HEADQUARTERS & SERVICE FACILITIES

1301	Roof repair on West Warehouse	1	\$10,250.00	\$10,250.00
1302	Door replacement in shop (Southeast Walk-in Door)	1	\$1,500.00	\$1,500.00

RUS CODE 1300 TOTAL

\$11,750.00

RUS CODE 1500 - ALL OTHER

1501	Hazard Mitigation Plan	1	\$1,000.00	\$1,000.00
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RUS CODE 1500 TOTAL

\$1,000.00

TOTAL 2014 DISTRIBUTION FACILITY BUDGET

\$1,703,260.00

**BUTLER PUBLIC POWER DISTRICT
2014
CAPITAL ADDITIONS BUDGET**

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2014 SUB-T PLAN & TRANSMISSIONS FACILITY BUDGET

RUS CODE 800 - TRANSMISSION LINE (Sub-T & Bulk)

801	Build 69 KV line from 59-10 to HWY 66. Work Plan Project 802, NPPD Sub-T # 14	1	\$656,000.00	\$656,000.00

RUS CODE 800 TOTAL

\$656,000.00

RUS CODE 900 NEW TRANSMISSION SUBSTATIONS & SWITCHING STATIONS

RUS CODE 900 TOTAL

RUS CODE 1000 - TRANSMISSION LINE AND STATION CHANGES (Sub-T & Bulk)

1001	Repole if needed and add static wire from 59-1 to SW 59-3102	1	\$80,000.00	\$80,000.00

RUS CODE 1000 TOTAL

\$80,000.00

RUS CODE 1100 - OTHER TRANSMISSION ITEMS

1101	Ordinary replacement of Transmission Poles	1	\$10,000.00	\$10,000.00
1102	Ordinary replacement of Arrestors, Crossarms, Insulators & etc.	1	\$10,000.00	\$10,000.00

RUS CODE 1100 TOTAL

\$20,000.00

TOTAL 2014 SUB-T PLAN & TRANSMISSIONS FACILITY BUDGET

\$756,000.00

**BUTLER PUBLIC POWER DISTRICT
2014
CAPITAL ADDITIONS BUDGET**

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2014 TRANSPORTATION, OTHER TOOLS, EQUIPMENT & OFFICE

TRANSPORTATION EQUIPMENT

1	Replacement of Digger Truck T-6	1	\$300,000.00	\$300,000.00
2	Replacement of Tahoe T-12	1	\$38,000.00	\$38,000.00

TRANSPORTATION EQUIPMENT TOTAL

\$338,000.00

OTHER TOOLS, EQUIPMENT AND OFFICE

1	Replacement of Computers for Office (With Monitors)	3	\$1,200.00	\$3,600.00
2	Replacement Server	1	\$3,500.00	\$3,500.00
3	StakeOut Software Upgrade	1		
4	Wireless Optical Probe for programming meters	1	\$1,000.00	\$1,000.00
5	AVL Software and 2 Laptops for trucks	1	\$10,725.00	\$10,725.00
6	Data Logger	3	\$550.00	\$1,650.00
7	Extension Ladders (T-4,T-13,T-21,Shop)	4	\$925.00	\$3,700.00
8	AED for Construction crew	1	\$1,250.00	\$1,250.00
9	Spreader Beam to lift substation transformer	1	\$5,000.00	\$5,000.00
10	Primary Amp Meter	1	\$1,700.00	\$1,700.00

OTHER TOOLS, EQUIPMENT AND OFFICE TOTAL

\$32,125.00

TOTAL 2014 TRANSPORTATION, OTHER TOOLS, EQUIPMENT & OFFICE

\$370,125.00

TOTAL 2014 CAPITAL ADDITIONS BUDGET

\$2,829,385.00

The Board may amend this budget to include Remodel or Construction of a Headquarters Building at a later time

Butler Public Power District

Equipment (Miles & Hours) as of November 14,2013

Unit	VIN	Model	Year	Type of Unit Type of Fuel (Diesel or Gas)	Size	Drive -Train	Last Year Mileage	This Year Mileage	Last Year Hours	This Year Hours	Mileage/ Hour of use for 2013	Year of Replacement
T-1	1FTSX21579EA00085	Ford	2009	Pickup (G)	3/4 Ton	4 x4	35187	44820		669	9633	2017
T-2	1FT7X2B6OBEB46850	Ford	2011	Pickup (G)	3/4 Ton	4 x4	31545	40434		907	8889	2018
T-3	1FDAF57F52ED27912	Ford	2012	Basket (D)	1.5 Ton	4 x4	4177	20357	344	1445	1101	2016
T-4	1HTWEAAN06J257628	International	2005	Basket (D)	2.5 Ton	4 x4	167070	180736	1185	2158	973.2	2015
T-5	1BM7H1JXSJ114771	International	2008	Basket (D)	2.5 Ton	2 Wheel	57,589	67572	1134	2191	1057	2020
T-6	1HTSEAR6WH504997	International	1997	Digger (D)	2.5 Ton	4 x4	120857	126046	9234	9772	538	2014
T-7	1HTSHADT7YH264540	International	2012	Digger (D)	2.5 Ton	Twin Screw	10762	19770	830	1634	804	2024
T-8	1GDJ6H1D4XJ853232	Chevy	1999	Flat Bed (G)	2.5 Ton	2 Wheel	126665	127658		259	993	2020
T-9	1FDWF37FXEA65970	Chevy	2013	Flat Bed (D)	1 Ton	4 x4		4766		439	4766	2019
T-10	1FT7X2B62BEB46851	Ford	2011	Pickup (G)	3/4 Ton	4 x4	25488	37512		1199	12024	2018
T-13	1FDAF57R89EA99909	Ford	2009	Basket (D)	1 Ton	4 x4	47685	59343	951	1718	767	2018
T-14	1FDPF80C1VVA36954	International	2008	Basket (D)	2.5 Ton	2 Wheel	55328	65975	1017	1993	976	2019
T-16	1HTSCABM6WH507729	International	1997	Dump Truck	2.5 Ton	2 Wheel	251023	252133		322	1110	2017
#T-20	1FDAF57R88EE22516	Ford	2009	Basket (D)	1.5 Ton	4 x4	96246	111700	4994	5869	875	2017
T-21	3D7KS26A98G120343	Dodge	2008	Pickup (G)	3/4 Ton	4 x4	84840	92858		1074	8018	2015
Tahoe(T-12)	1B4GT44L2XB6181174	Chevy	2004	SUV	1/2 Ton	4 x4	98343	108473			10130	2014
Chipper		Vermer	2000	Chipper (D)	-	-	-	-	1277	1320	43	2015
Trailer		Kief	1998	Pole Trailer	-	-	-	-	-	-	-	2016
Trailer		Ditch Witch	1998	Trencher Trailer	-	-	-	-	-	-	-	2016
Trailer		TX Bragg	1999	4 Wheeler Trailer	-	-	-	-	-	-	-	2015
Trailer		DK2	1995	Flat Bed	-	-	-	-	-	-	-	2017
Trailer	1T9GF30XDL847140	EZ-HAUL	2013	Goose Neck								2020
Trailer		Duo-lift	2000	Wire/Roller	-	-	-	-	-	-	-	2018
Trencher		Ditch Witch	2012	Trencher	-	-	-	-	16	18	2	2024
Trencher		Ditch Witch	2000	Trencher (D)	-	4 x4	-	-	354	501	147	2016
4 Wheeler	RA1009-080301	BobCat	2009	4 Wheeler (G)	-	4 x4			118	142	24	2022
Tractor		New Holland	2006	Tractor (D)	-	4x4			1481	1675	194	2026
Mower		John Deere	2008	Mower (D)	-	2 Wheel	-	-	290	338	48	2017
Gen./Building		John Deere	1977	Gen. (D)	30KW	-	-	-	2230	2256	26	2014 ?
4-Wheeler	5Y4AJ26Y1BA014262	Yamaha	2011	Small 4-wheeler		4 x4	63	108		24	45	2025

Policy Number 104

FISCAL POLICY

I. PURPOSE

To provide a summary which outlines the fiscal policy of Butler Public Power District and the responsibilities of the Board of Directors as it relates to this policy.

II. PROVISIONS

Fiscal Policy is the economic term which describes the behavior of Butler Public Power District's Board of Directors in raising revenue to fund current spending for the purposes of operating, maintaining and constructing transmission and distribution systems to deliver power and energy to its customers in Butler and Saunders Counties, Nebraska. Revenues are raised from services provided to said customers and the sale of other products and services, or by borrowing from Rural Utility Services (RUS), Cooperative Finance Corporation (CFC), any of the local banks, or the issuance of Bonds.

Responsibilities of the Board of Directors include:

- A) The Board is responsible for review and approval of the financial budget annually.
- B) The Board balances the need for a highly reliable electric delivery system to meet the needs of its customers with the desire to keep costs as low as possible and to meet the financial requirements of our bond resolutions.
- C) The Board reviews and understands the key principles of the district's accounting, financial reporting, and auditing processes. The Board meets monthly with the Chief Executive Officer and his staff to review the financial status of the District.
- D) The Board is directly responsible for appointing and overseeing the District's independent auditor, including resolving disagreements between management and the auditor regarding financial reporting for the purpose of preparing or issuing an audit report or related work.
- E) The Board sets rates to assure that costs are allocated properly and that sufficient revenues are produced to cover all District costs and debts.

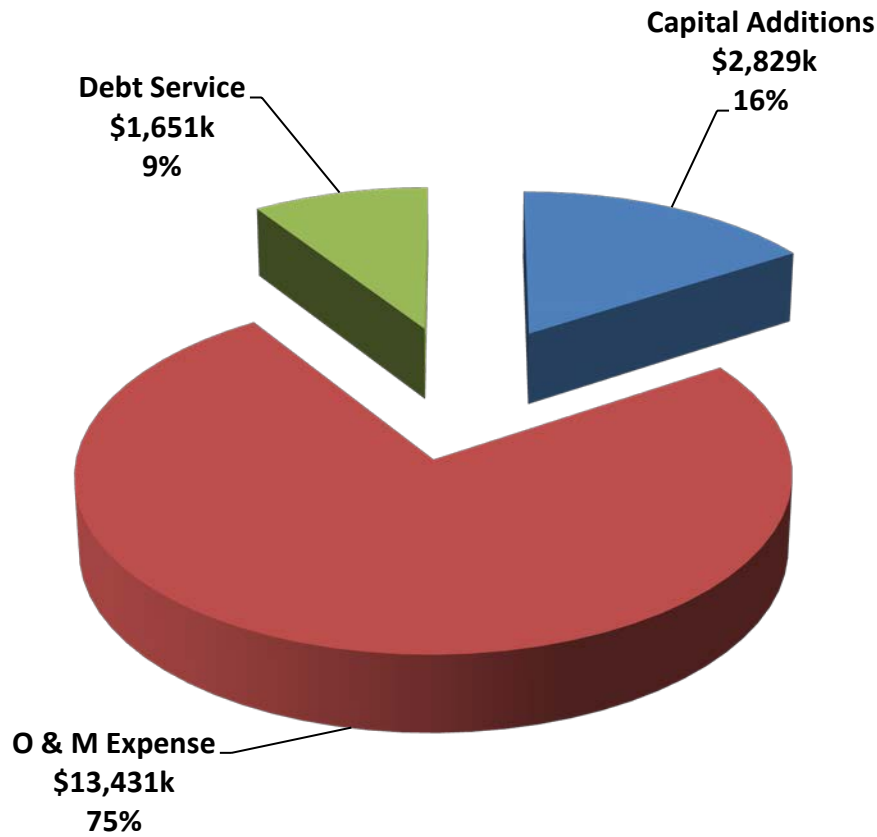
III. RESPONSIBILITY

The Board of Directors is responsible for the administration of this policy.

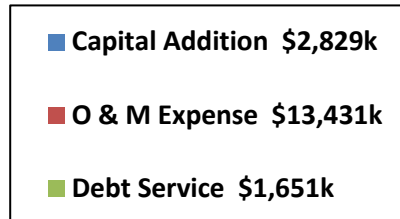
Dated: December 10, 2013

Attested: _____
(Secretary)

2014 REVENUE, EXPENSES AND CAPITAL EXPENDITURES



Year	CA Budget	% of Total
2014	\$2.829M	16%
2013	\$2.675M	16%
2012	\$2.237M	12%
2011	\$3.897M	19%
2010	\$4.303M	23%
2009	\$3.721M	36%
2008	\$1.500M	14%
2007	\$2.694M	24%



$$\begin{array}{rclclcl}
 \text{REVENUE} & + & \text{MARGINS} & = & \text{O \& M} & + & \text{CAPITAL ADDITIONS} & + & \text{DEBT SERVICE} \\
 \$17.418 & & \$0.493 & & \$13.431 & & \$2.829 & & \$1.651
 \end{array}$$