



BOZRAH LIGHT AND POWER
COMPANY

OPERATING AND CAPITAL
BUDGETS

FY2026

Proposed 4/23/2025
BUC Approved 5/28/2025

BOZRAH LIGHT & POWER COMPANY

FY2026 BUDGET

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Bozrah Light and Power Company

FY2026 Proposed Budget

April 23, 2025

The fiscal year 2026 proposed budget for BL&P is presented with FY2024 actuals, FY2025 approved budget and FY2025 projections.

Revenue Development

Revenues are developed using the historical sales data for the 12 months ended January 2025, applying rates in effect April 1st, 2025, including a combined Purchased Power Adjustment (PPA) and Transmission Cost Adjustment (TCA). The current proposed budget includes a PPA of 0.052¢/kWh and no TCA. PPA/TCA adjustments reflect the difference between the base power costs included in the rates and the actual power costs charged. Periodic review of the PPA/TCA rate will be made during the year based on the wholesale market and adjusted as needed.

Revenues also include the Conservation and Load Management (CLM) charge of 0.25¢/kWh, which is unchanged.

Overall, FY2026 budget kWh usage is approximately 3% higher than last year's budget. Proposed budgeted electric revenues before interruptible pass-through of \$11.2m is 4.9% or \$523k higher than budgeted FY2025. The increase is the result of the rate increase and increased kWh sales.

Rate Comparison

The BL&P average residential customer utility bills for 700 kWh will be 38% or \$86.56 below the Benchmark's current rates.

Power Costs

The purchased power cost included in the customer's retail rate is 11.58¢/kWh. This rate is based on the CMEEC March 2025 power cost forecast offset by anticipated CMEEC margin returns. By the end of FY2026 the BL&P balance in the CMEEC Rate Stabilization Fund (RSF) is estimated to be \$4.9m which may be leveraged to manage changes in power costs for the residual customers.

Operating & Maintenance (O&M) Expenses

O&M Expenses are developed using historical information and adjusted for known changes. O&M expenses in the FY2026 budget of \$2.87m is \$284k or 11% higher than last year's budget. The main drivers of the budget increase are as follows:

- Tree Trimming: +\$105k
- O&M Labor: +\$86k
- Customer Care Services and Billing Expense: +\$75k
- Substation Expense: +\$48k

Return to Groton Utilities

Return to Groton Utilities remains at the established 1995 level of \$373,217.

Capital Projects

Anticipated capital projects slated for completion during FY2026 is \$1m which will be funded by a combination of annual depreciation and \$700k receipts from financing. Projects include funding for normal purchases of transformers, stock and equipment, and computer enhancements needed to provide services to the existing customer base and potential new customers..

Non-Bonded Capital Projects of \$300k for

- Distribution - \$225k
- Others - \$75k

Bonded Capital Projects of \$700k for

- Distribution - \$500k
- Substation - \$200k

Cash Flow

Net cash flow provided by FY2026 proposed budget including the capital project financing results is an increase of \$506k which will increase the projected cash balance from \$3.9m to \$4.4m. Projected unrestricted cash balance of \$3.8m at the end of FY2026 will be \$172k above the minimum cash requirement recommended by the Cost-of-Service Study.

Approval Recommendation

The proposed budget for FY2026 will position BL&P to:

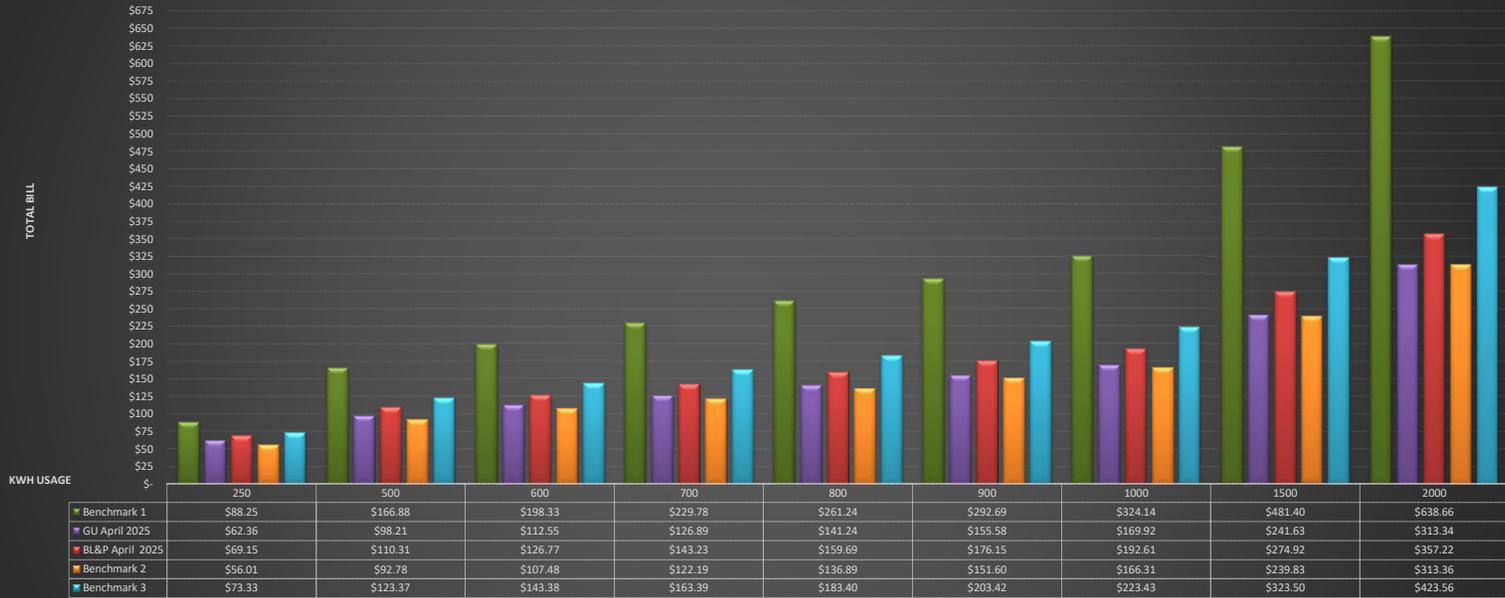
1. Continue to provide highly reliable and responsive service that the customers expect and at rates that are fair, competitive and viewed as providing value to the customer.
2. Allow for the efficient operation and maintenance of the electric distribution system
3. Continue to be compliant with NERC and other cyber security requirements.
4. Meet debt service requirements and fund growing infrastructure and technology needs.

BOZRAH LIGHT AND POWER
COMPANY

FY2026 BUDGET

BILL COMPARISONS

Bozrah Light & Power vs. Benchmark
Residential Bills
(various kWh usage levels)



**BL&P will be 38% below Benchmark on
4-1-2025 at 700kWh**

BOZRAH LIGHT AND POWER
COMPANY

FY2026 BUDGET

PROFORMA ANALYSIS

**BOZRAH LIGHT & POWER
REVENUES**

	FY 2024 Actual	FY 2025 Projected	Approved FY 2025 Budget	Proposed FY 2026 Budget	Change FY26 to FY25 Budgets	
					\$	%
REVENUE:						
RESIDENTIAL	\$ 4,622,167	\$ 4,685,910	\$ 4,604,492	\$ 4,886,172	\$ 281,680	6.1%
COMMERCIAL	1,680,543	1,641,011	1,644,846	1,687,251	42,405	2.6%
INDUSTRIAL	3,087,355	3,194,499	3,151,001	3,312,260	161,259	5.1%
SPECIAL CONTRACT DISTRIBUTION CHARGE	1,195,669	1,231,539	1,231,539	1,268,485	36,946	3.0%
STREET LIGHTING	27,665	28,668	28,659	29,379	720	2.5%
SUBTOTAL	\$ 10,613,398	\$ 10,781,628	\$ 10,660,537	\$ 11,183,547	\$ 523,010	4.9%
INTERRUPTIBLE PASS-THROUGH	12,573,477	11,703,967	11,344,254	11,293,334	(50,920)	-0.4%
TOTAL ELECTRIC REVENUE	\$ 23,186,875	\$ 22,485,594	\$ 22,004,791	\$ 22,476,881	\$ 472,090	2.1%
OTHER ELECTRIC REVENUE	33,885	42,151	39,300	42,900	3,600	9.2%
TOTAL REVENUE	\$ 23,220,760	\$ 22,527,745	\$ 22,044,091	\$ 22,519,781	\$ 475,690	2.2%

REVENUE ASSUMPTIONS

- Electric Revenues for Proposed Budget FY2026 are based on 12 months actual consumption ended 1/31/2025
- FY2026 budget PPA assigned is \$.00052/kWh

**BOZRAH LIGHT & POWER
FINANCIAL SUMMARY
BUDGET COMPARISON**

	FY 2024 Actual	FY 2025 Projected	Approved FY 2025 Budget	Proposed FY 2026 Budget	Change FY26 to FY25 Budgets	
					\$	%
TOTAL REVENUE	\$ 23,220,760	\$ 22,527,745	\$ 22,044,091	\$ 22,519,781	\$ 475,690	2.2%
EXPENSES:						
PURCHASED POWER FIRM	6,652,308	6,567,279	6,460,317	6,666,731	206,414	3.2%
PURCHASED POWER INTERRUPTIBLE	12,573,477	11,703,967	11,344,254	11,293,334	(50,920)	-0.4%
OTHER OPERATING & MAINTENANCE EXPENSE	2,442,812	2,346,014	2,585,257	2,869,410	284,153	11.0%
CONSERVATION & LOAD MANAGEMENT	125,465	135,103	130,800	135,000	4,200	3.2%
DEPRECIATION	654,194	680,185	689,744	691,312	1,568	0.2%
TAXES	263,247	296,812	265,000	284,000	19,000	7.2%
PAYMENT IN LIEU OF TAXES (PILOT)	79,946	79,954	80,030	80,030	0	0.0%
TOTAL OPERATING EXPENSES	\$ 22,791,449	\$ 21,809,313	\$ 21,555,403	\$ 22,019,817	\$ 464,414	2.2%
OPERATING INCOME	\$ 429,311	\$ 718,433	\$ 488,688	\$ 499,964	\$ 11,276	2.3%
INTEREST & OTHER CHARGES						
OTHER INCOME & EXPENSE	(71,087)	(29,030)	(15,360)	(14,560)	800	-5.2%
SUBSTATION LONG TERM DEBT INTEREST	15,034	32,574	32,574	11,026	(21,548)	-66.2%
CAPITAL FINANCING LONG TERM DEBT INTEREST	165,626	156,776	156,776	146,051	(10,725)	-6.8%
TOTAL OTHER	\$ 109,573	\$ 160,320	\$ 173,990	\$ 142,517	\$ (31,473)	-18.1%
NET INCOME BEFORE RETURN TO GROTON	\$ 319,738	\$ 558,112	\$ 314,698	\$ 357,447	\$ 42,749	13.6%
Return to Groton	\$ 373,217	\$ 373,217	\$ 373,217	\$ 373,217	\$ -	0.0%
YTD Profit/Loss	\$ (53,478)	\$ 184,896	\$ (58,519)	\$ (15,770)	\$ 42,749	73.1%

**BOZRAH LIGHT & POWER COMPANY
PROFORMA ANALYSIS**

	FY 2024 Actual	FY 2025 Projected	Approved FY 2025 Budget	Proposed FY 2026 Budget	FY26 to FY25 Budgets	
REVENUE:						
RESIDENTIAL	\$ 4,622,167	\$ 4,685,910	\$ 4,604,492	\$ 4,886,172	\$ 281,680	6.1%
COMMERCIAL	1,680,543	1,641,011	1,644,846	1,687,251	42,405	2.6%
INDUSTRIAL	3,087,355	3,194,499	3,151,001	3,312,260	161,259	5.1%
SPECIAL CONTRACT DISTRIBUTION CHARGE	1,195,669	1,231,539	1,231,539	1,268,485	36,946	3.0%
STREET LIGHTING	27,665	28,668	28,659	29,379	720	2.5%
SUBTOTAL	10,613,398	10,781,628	10,660,537	11,183,547	523,010	4.9%
INTERRUPTIBLE PASS-THROUGH	12,573,477	11,703,967	11,344,254	11,293,334	(50,920)	-0.4%
TOTAL ELECTRIC REVENUE	23,186,875	22,485,594	22,004,791	22,476,881	472,090	2.1%
OTHER ELECTRIC REVENUE	33,885	42,151	39,300	42,900	3,600	9.2%
TOTAL REVENUE	\$ 23,220,760	\$ 22,527,745	\$ 22,044,091	\$ 22,519,781	\$ 475,690	2.2%
EXPENSES:						
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TOTAL OPERATING EXPENSES	\$ 22,791,449	\$ 21,809,313	\$ 21,555,403	\$ 22,019,817	\$ 464,414	2.2%
OPERATING INCOME	\$ 429,311	\$ 718,433	\$ 488,688	\$ 499,964	\$ 11,276	2.3%
INTEREST & OTHER CHARGES						
OTHER INCOME & EXPENSE	(71,087)	(29,030)	(15,360)	(14,560)	800	-5.2%
SUBSTATION LONG TERM DEBT INTEREST	15,034	32,574	32,574	11,026	(21,548)	-66.2%
FINANCING LONG TERM DEBT INTEREST	165,626	156,776	156,776	146,051	(10,725)	-6.8%
TOTAL OTHER	\$ 109,573	\$ 160,320	\$ 173,990	\$ 142,517	\$ (31,473)	-18.1%
NET INCOME BEFORE RETURN TO GROTON	\$ 319,738	\$ 558,112	\$ 314,698	\$ 357,447	\$ 42,749	13.6%
PLUS:						
Capital Project Financing Bands	-	-	-	1,250,000		
DEPRECIATION	654,194	680,185	689,744	691,312		
TOTAL FUNDS GENERATED	\$ 973,932	\$ 1,238,297	\$ 1,004,442	\$ 2,298,759		
LESS:						
RETRUN TO GROTON	373,217	373,217	373,217	373,217		
CAPITAL PROJECTS	589,303	1,500,000	1,706,641	1,000,000		
BOND PRINCIPAL REQUIREMENT	414,900	414,900	414,900	414,900		
RESERVE - BUSINESS DEVELOPMENT	5,000	5,000	5,000	5,000		
WORKING CAPITAL	(83,550)	-	-	-		
TOTAL FUNDS REQUIRED	\$ 1,298,869	\$ 2,293,117	\$ 2,499,758	\$ 1,793,117		
Net CASH FLOW FROM OPERATIONS	\$ (324,937)	\$ (1,054,820)	\$ (1,495,316)	\$ 505,642		
OPERATING FUND - BEGINNING BALANCE	\$ 5,266,779	\$ 4,941,842	\$ 5,106,191	\$ 3,887,023		
OPERATING FUND - ENDING BALANCE	\$ 4,941,842	\$ 3,887,023	\$ 3,610,875	\$ 4,392,665		
Less Restricted Funds	1,009,230	407,656	5,000	562,656		
Total Unrestricted Cash Balance	\$ 3,932,612	\$ 3,479,367	\$ 3,605,875	\$ 3,830,009		

BOZRAH LIGHT AND POWER
COMPANY

FY2026 BUDGET

CAPITAL PROJECTS

Bozrah Light & Power Capital Projects Non-Bonding

Project #	DESCRIPTION	LOCATION	FY 2026 Budget	Description
1	Distribution	Various	\$ 225,000	Customer driven & Proposed but not limited to Distribution Infrastructure Upgrades: Switchgears, Reconductors, Pole Replacements, Reclosers, Capacitors, Switches, & Polymers
2	Other	Various	\$ 75,000	Proposed but not limited to: Infrastructure upgrades, SCADA, Tools
		TOTAL	\$ 300,000	

Bozrah Light & Power Capital Projects Bonding

Project #	DESCRIPTION	LOCATION	FY 2026 Budget	Description
1	Distribution	Various	\$ 500,000	Support Pre-Engineering / Engineering including but not limited to Stockhouse Road and Fitchville Road medium voltage improvements. Equipment updates to support system hardening including transformers, capacitors, voltage regulators, reclosures etc.
2	Substation	Various	\$ 200,000	Equipment updates to support station reliability including relays, transformer refurbishments, batteries and other equipment. SCADA and cyber security (NERC) support.
		TOTAL	\$ 700,000	

GRAND TOTALS	\$ 1,000,000
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