



Lansing Board of Water and Light
P.O. Box 13007
1201 S. Washington Ave.
Lansing, MI 48912

Electronic Delivery

May 29, 2020

Chris Swope, City Clerk
City of Lansing
124 W. Michigan Avenue, 9th Floor
Lansing, MI 48933

RE: Budget for Fiscal Year Ending June 30, 2021
Capital Forecast for Fiscal Years 2021-2026

Dear Mr. Swope:

In accordance with provisions of the Lansing City Charter, Article 5, Chapter 2, Section 5-203.5, and Section 5-203.6, a copy of the Lansing Board of Water and Light Budget for Fiscal Year ending June 30, 2021, and a copy of the Lansing Board of Water and Light Capital Improvement Plan for Fiscal Years 2021-2026 are attached for filing with your office.

The Board of Commissioners adopted the Budget and accepted the Capital Forecast for Fiscal Years 2021-2026 at a regular board meeting held May 26, 2020.

Respectfully submitted,

M. Denise Griffin
Corporate Secretary

PDF Attachment

Electronic Copy:

Dick Peffley, General Manager
Heather Shawa, Chief Financial Officer
Andy Schor, Mayor City of Lansing, MI
LBWL Commissioners
Lansing City Council President, Peter Spadafore, and Councilmembers

FY 2021 Income Statement by Utility

FY 2021 Income Statement	Electric	Water	Steam	Chilled Water	Total
Sales (MWh, ccf, Mlb, ton-hrs)	2,823,199	8,234,219	673,500	10,645	
Operating Revenue					
Residential	\$ 90,873,202	\$ 18,530,033	\$ 17,927	\$ -	\$ 109,421,162
Commercial	\$ 145,076,172	\$ 15,907,513	\$ 8,517,577	\$ 6,286,925	\$ 175,788,186
Industrial	\$ 37,494,931	\$ 2,190,751	\$ 2,809,773	\$ -	\$ 42,495,455
Wholesale	\$ 30,734,317	\$ 3,802,089	\$ -	\$ -	\$ 34,536,406
Other	\$ 11,670,600	\$ 7,035,446	\$ 1,395,055	\$ -	\$ 20,101,101
Total Operating Revenue	\$ 315,849,222	\$ 47,465,832	\$ 12,740,332	\$ 6,286,925	\$ 382,342,311
Operating Expenses					
Fuel and Purchased Power	\$ (104,841,230)	\$ (5,378,266)	\$ (3,097,056)	\$ -	\$ (113,316,552)
Depreciation	\$ (46,374,075)	\$ (8,373,025)	\$ (3,103,004)	\$ (1,577,411)	\$ (59,427,516)
Other Operating Expenses	\$ (116,832,767)	\$ (31,240,541)	\$ (4,474,900)	\$ (4,125,773)	\$ (156,673,981)
Total Operating Expenses	\$ (268,048,072)	\$ (44,991,832)	\$ (10,674,961)	\$ (5,703,184)	\$ (329,418,049)
Total Operating Income	\$ 47,801,150	\$ 2,474,000	\$ 2,065,371	\$ 583,741	\$ 52,924,262
Non Operating Income/(Expenses)					
Return on Equity to City	\$ (20,675,402)	\$ (3,146,386)	\$ (754,748)	\$ (423,464)	\$ (25,000,000)
Interest Expense	\$ (23,508,720)	\$ (1,475,930)	\$ (1,817,392)	\$ (484,673)	\$ (27,286,716)
Other Non Operating Income/(Expenses)	\$ 12,791	\$ 852,417	\$ (52,623)	\$ 48,597	\$ 861,181
Total Non Operating Income/(Expenses)	\$ (44,171,331)	\$ (3,769,899)	\$ (2,624,764)	\$ (859,541)	\$ (51,425,535)
Total Net Income/(Loss)	\$ 3,629,819	\$ (1,295,899)	\$ (559,392)	\$ (275,800)	\$ 1,498,728
Forecasted Rate Increase	0.0%	0.0%	0.0%	0.0%	
Return on Assets	3.69%	-0.01%	1.80%	0.67%	2.66%
Target Return on Assets	4.14%	4.14%	4.14%	4.14%	4.14%

FY 2021 Consolidated Cash Flow

	FY 2021
Beginning Cash (O&M & Receiving Fund)	\$ 85,366,328
Net Income	\$ 1,498,728
Depreciation and Loss on Disposal of Assets	\$ 60,797,751
DB and VEBA	\$ (4,385,191)
Borrowing	\$ 121,685,000
Withdrawal from / (Deposit to) Reserve for Future Construction	\$ (2,300,000)
Commodity Cost Adjustment	\$ (5,057,779)
Withdrawal from Bond Construction	\$ 60,392,666
Environmental	\$ 321,495
Gas Pipeline Payments (Refundable) / Refunded	\$ -
Total Sources of Cash	\$ 232,952,670
Principal Payments on Bonds	\$ (7,440,000)
Principal Payments on Other Debt (CSO)	\$ (644,825)
Capital Expenditures (Excluding Delta Energy Park)	\$ (71,299,118)
Capital Expenditures for Delta Energy Park (Excluding Gas Pipeline)	\$ (121,834,403)
Gas Pipeline Payments (Non-Refundable)	\$ (5,720,000)
REP/EWR	\$ 882,373
Bond Construction & Designated Fund Income & Deposit	\$ (32,172,792)
Total Uses of Cash	\$ (238,228,765)
Net Cash Increase (Decrease)	\$ (5,276,095)
Ending Cash (O&M & Receiving Fund)	\$ 80,090,233
Days Cash on Hand	189
Minimum Cash Reserve Requirement	169

FY 2021 Capital Budget Summary

Capital by Utility and Location	FY 2021
Utility	
Electric	\$ 34,716,580
Water	\$ 9,453,732
Steam	\$ 7,472,266
Chilled Water	\$ 350,927
Common	\$ 19,305,611
Capital Portfolio Excluding Delta Energy Par	\$ 71,299,116
Delta Energy Park	\$ 127,554,403
Total Capital Portfolio	\$ 198,853,519
Location	
Eckert	\$ 50,000
Erickson	\$ 4,322,396
REO Plant	\$ 4,420,500
Delta Energy Park	\$ 127,554,403
T&D	\$ 35,466,606
Water Production	\$ 2,920,284
Chiller Plant	\$ 630,000
Other	\$ 23,489,330
Total Capital Portfolio	\$ 198,853,519

FY 2021-2026 Capital Improvement Plan

6-Year Capital by Utility and Location	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Forecast Total
Utility							
Electric	\$ 34,716,580	\$ 38,135,867	\$ 41,113,392	\$ 58,237,000	\$ 43,782,021	\$ 42,129,000	\$ 258,113,860
Water	\$ 9,453,732	\$ 9,569,599	\$ 10,293,900	\$ 10,991,800	\$ 13,627,998	\$ 13,728,000	\$ 67,665,029
Steam	\$ 7,472,266	\$ 2,941,103	\$ 2,970,861	\$ 3,071,917	\$ 3,451,267	\$ 3,451,267	\$ 23,358,681
Chilled Water	\$ 350,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 410,683
Common	\$ 19,305,611	\$ 8,404,411	\$ 7,105,050	\$ 5,337,273	\$ 4,735,868	\$ 5,335,917	\$ 50,224,130
Capital Portfolio Excluding Delta Energy Par	\$ 71,299,116	\$ 59,062,235	\$ 61,494,796	\$ 77,649,931	\$ 65,609,453	\$ 64,656,852	\$ 399,772,383
Delta Energy Park	\$ 127,554,403	\$ 29,523,263	\$ -	\$ -	\$ -	\$ -	\$ 157,077,666
Total Capital Portfolio	\$ 198,853,519	\$ 88,585,498	\$ 61,494,796	\$ 77,649,931	\$ 65,609,453	\$ 64,656,852	\$ 556,850,049
Location							
Eckert	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Erickson	\$ 4,322,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,322,396
REO Plant	\$ 4,420,500	\$ 2,104,500	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -	\$ 18,525,000
Delta Energy Park	\$ 127,554,403	\$ 29,523,263	\$ -	\$ -	\$ -	\$ -	\$ 157,077,666
T&D	\$ 35,466,606	\$ 42,733,457	\$ 44,538,746	\$ 62,840,658	\$ 58,422,185	\$ 56,114,935	\$ 300,116,587
Water Production	\$ 2,920,284	\$ 3,026,000	\$ 3,351,000	\$ 3,472,000	\$ 2,451,400	\$ 3,206,000	\$ 18,426,684
Chiller Plant	\$ 630,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000
Other	\$ 23,489,330	\$ 11,198,278	\$ 7,605,050	\$ 5,337,273	\$ 4,735,868	\$ 5,335,917	\$ 57,701,716
Total Capital Portfolio	\$ 198,853,519	\$ 88,585,498	\$ 61,494,796	\$ 77,649,931	\$ 65,609,453	\$ 64,656,852	\$ 556,850,049