



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Mital, Helgeson, Manning and Simpson
FROM: Cathy Bloom, Finance Manager; Sue Fahey, Fiscal Services Supervisor; Sandra Goodell, Senior Accounting Analyst
DATE: November 24, 2014
SUBJECT: Electric Operations & Maintenance (O&M) Budget Amendment - Purchased Power Costs
OBJECTIVE: Board Action – Approval of Electric O&M Budget Amendment

Issue

Per Board Policy EL-1, the approved budgets are the maximum level of expenditure authorized by the Board. Power prices have increased in 2014 resulting in higher than budgeted expenses and revenue.

Background

Electric purchased power costs are projected to exceed the 2014 budget by approximately \$19 million due to higher than budgeted power prices. The increase in purchased power cost budget is offset by higher wholesale power sales revenue. Since the increased budget authority will be covered by recognizing higher revenue there will be no budgeted change to reserves.

Recommendation and Requested Board Action

Management recommends and requests that the Board approve the attached budget amendment to increase the 2014 Electric O&M expense and revenue by \$19 million.

Attachment – Budget Amendment

Budget Amendment Form

Date: December 2, 2014

Amendment # 8

Contact Information:

Name/Title/E-mail: Sue Fahey, Fiscal Services Supervisor sue.fahey@eweb.org

General Information:

Description
Electric Purchased Power Cost & recognize unbudgeted revenue

Amendment Type: *(Check all that Apply)*

Utility: Electric Water

Category: Type I Capital Type II Capital O & M Labor & Benefits

Description and Justification for Budget Amendment:

Budget Amendment – Increased expenditures resulted in increased revenue. Contribution Margin still projected to be positive. This budget amendment is being submitted in compliance with EL-1.

<i>(Project No.-Job No.) & Description</i>	<i>Actual Expenditures Through 9/30/2014</i>	<i>Projected Year-End Expenditures</i>	<i>Amount Currently Budgeted</i>	<i>Funds Transferred In / (Transferred Out)</i>	<i>Funding Source (job transfer, reserves, bond funds, new revenue)</i>
<i>Dept 220 Purchased Power related expenses</i>	<i>\$99,000,000</i>	<i>\$132,000,000</i>	<i>\$114,000,000</i>	<i>\$19,000,000</i>	<i>Increased revenue offsets the increased expenditures</i>
Total	\$99,000,000	\$132,000,000	\$114,000,000	\$19,000,000	

Department Manager Approval: _____

Fiscal Services Supervisor Approval: _____

Finance Manager Approval: _____

Board Approval Date: _____