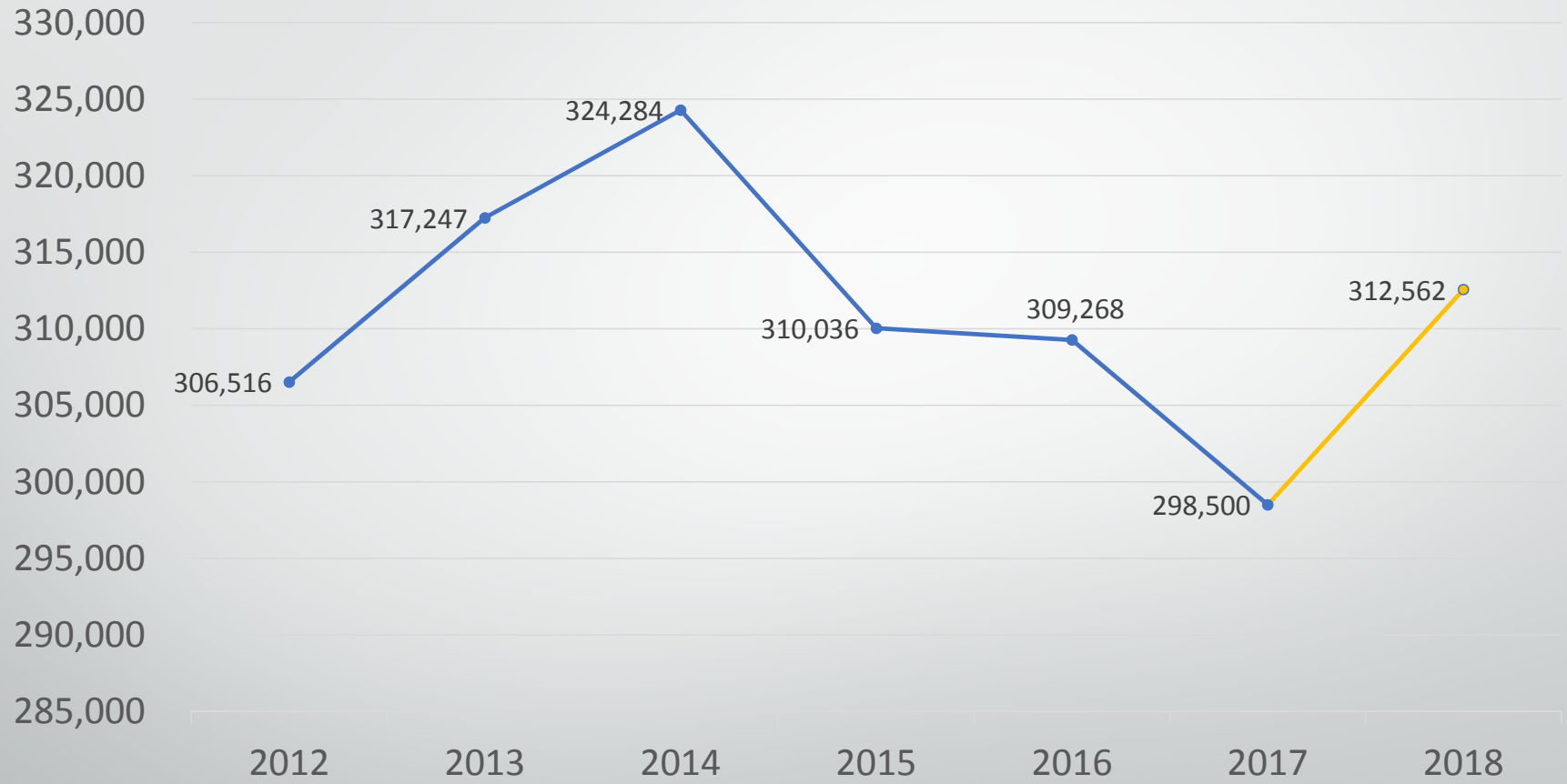




UDWI REMC
2018 Operating/Maintenance
& Capital Budgets

MWh Sales



Operating & Maintenance Budget Assumptions

Revenue:

Energy (kWh) and demand (kW) revenue were derived using weather normalization.

kWh sales for 2018 projected to be 312,562,000 kWh.

PCA tracker was set to zero.

Non-Operating/Investment income has been assumed to include:

- Hoosier Energy capital credits retirement of \$488,700
- CFC capital term certificate interest of \$29,000, based on interest rates stated on certificates
- Capital credit retirements from various other cooperatives of \$58,500
- Hoosier Energy prepayment credits of \$45,000
- All other interest earnings of \$10,000

Operating & Maintenance Budget Assumptions

Wages:

As of 01/01/18 the full-time employee count is 51, and is projected to be 49 on 12/31/18.

A 2% Cost of Living Adjustment raise, effective July 1 all employees, except (no COLA for CEO) the CEO.

The safety awards and Christmas bonuses will total \$7,800.

Overtime expenses will be reduced by 10% from the last 12 months.

Benefits:

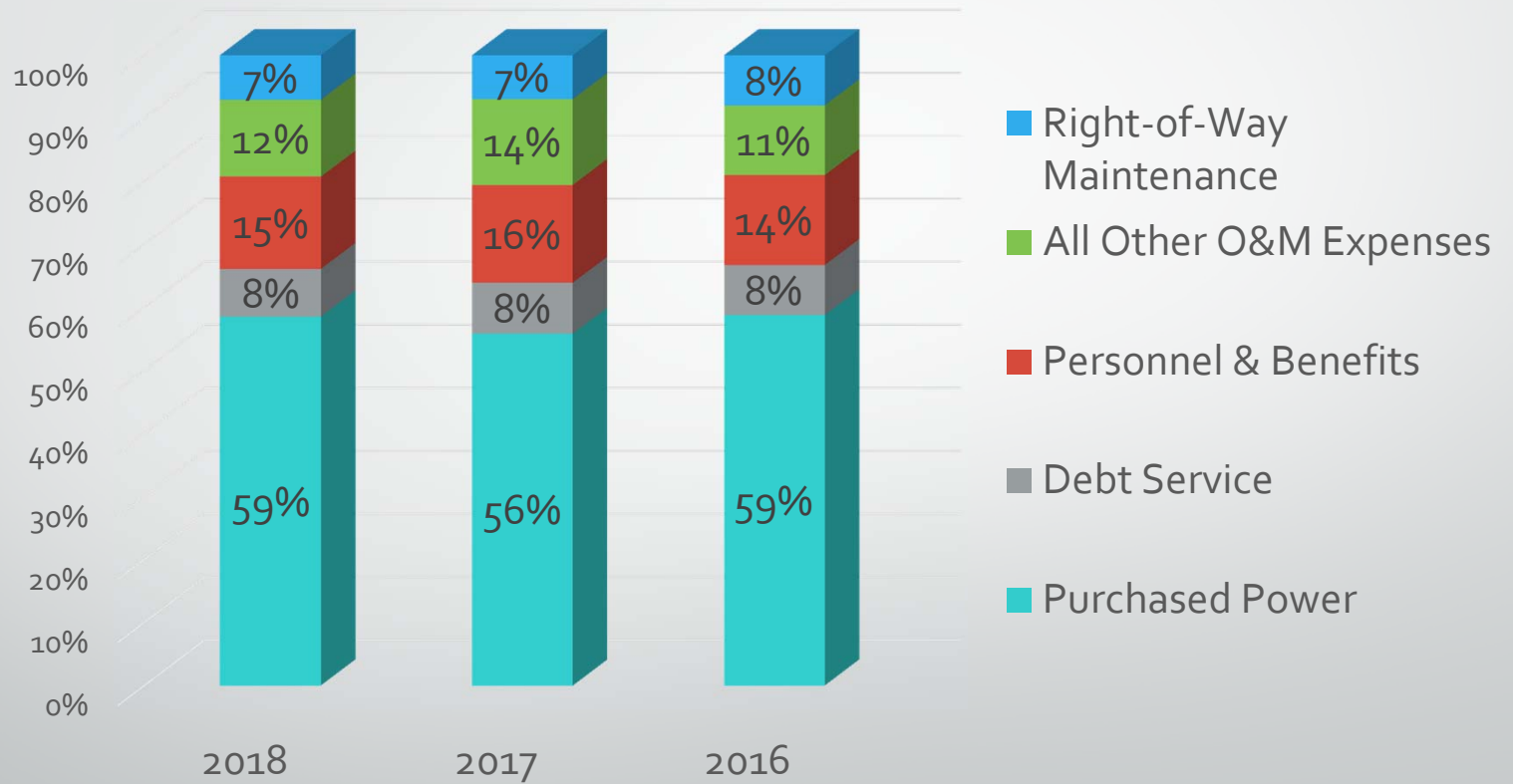
Health insurance based upon \$1,200,000 annualized cost for our current Self-Funded Plan for January 1 through April 30. **Effective May 1, 2018, we assumed a switch to an HSA Plan.**

Profit sharing of \$2,000 per employee was eliminated.

**Utilities District of Western Indiana REMC
Operating Budget
2018**

	2018 Budget	2017 Actual	2016 Actual	2018-2017 Variance		2017-2016 Variance	
Total Revenue	45,350,300	44,242,100	47,698,200	1,108,200	2.50%	(3,456,100)	-7.25%
Purchased Power	23,897,500	22,369,600	25,410,600	1,527,900	6.83%	(3,041,000)	-11.97%
Debt Service	3,090,100	3,239,700	3,434,800	(149,600)	-4.62%	(195,100)	-5.68%
Insurance & Taxes	1,174,200	1,176,200	1,204,900	(2,000)	-0.17%	(28,700)	-2.38%
Total Fixed Contract Expenses	28,161,800	26,785,500	30,050,300	1,376,300	5.14%	(3,264,800)	-10.86%
Wages & Salaries	4,004,800	4,138,400	4,231,000	(133,600)	-3.23%	(92,600)	-2.19%
Benefits	1,620,600	1,702,300	1,572,200	(81,700)	-4.80%	130,100	8.28%
Required Employer Expenses	353,200	381,600	370,800	(28,400)	-7.44%	10,800	2.91%
Total Personnel & Benefits	5,978,600	6,222,300	6,174,000	(243,700)	-3.92%	48,300	0.78%
Vegetation Control	2,890,000	2,787,200	3,437,200	102,800	3.69%	(650,000)	-18.91%
Outside Services	1,615,800	1,571,500	1,119,000	44,300	2.82%	452,500	40.44%
Materials & Supplies	543,100	457,800	553,400	85,300	18.63%	(95,600)	-17.28%
Equipment Maintenance	425,500	497,200	423,500	(71,700)	-14.42%	73,700	17.40%
Member Services	380,200	392,800	502,700	(12,600)	-3.21%	(109,900)	-21.86%
Capital Credits	326,000	766,100	255,400	(440,100)	-57.45%	510,700	199.96%
Other Personnel Expenses	223,800	269,600	364,100	(45,800)	-16.99%	(94,500)	-25.95%
Director Costs	182,500	206,800	250,000	(24,300)	-11.75%	(43,200)	-17.28%
Utilities	120,500	121,900	125,100	(1,400)	-1.15%	(3,200)	-2.56%
Total Other O&M Expenses	6,707,400	7,070,900	7,030,400	(363,500)	-5.14%	40,500	0.58%
Total Expenses	40,847,800	40,078,700	43,254,700	769,100	1.92%	(3,176,000)	-7.34%
Non-O&M Income/(Expense)	(14,300)	(172,600)	(48,100)	158,300	-91.71%	(124,500)	258.84%
Net Cash Flow	4,488,200	3,990,800	4,395,400	497,400	12.46%	(404,600)	-9.21%

Total Expenses



UTILITIES DISTRICT OF WESTERN INDIANA REMC

CAPITAL BUDGET

2018

Description	2018 Budget	2017 Projected	2016 Actual
Maintenance/New Construction	2,603,080	2,094,724	2,560,053
Clay City 301,2-1 3P Reconductor to Denmark (4 miles)	\$ 382,000	\$ -	\$ -
328-17 Armstrong Station 1P - 3P Conversion (1.7 miles)	168,000	-	-
Clay City 303-1 102 1P-3P along Byerly Rd (0.2 miles)	25,000	-	-
Various work plan projects	-	307,495	580,989
Aging conductor projects (engineering portion only) (10 miles)	50,000	38,771	
Arney 3P CWC replacement 217178 (4 miles)	450,000	-	-
Major Projects	1,075,000	346,266	580,989
Substation Improvements	-	87,333	-
Special Equipment	437,500	759,842	483,803
Meter Replacements	384,900	1,270,642	271,769
Vehicles	147,000	734,395	472,377
Communications/Tools/General IT	131,100	81,806	27,809
Computer Software & Hardware	679,000	93,668	333,055
Property Improvements	354,000	15,664	608,422
TOTAL CAPITAL BUDGET	<u>5,811,580</u>	<u>5,484,340</u>	<u>5,338,277</u>