



Town of Wallingford, Connecticut

RAYMOND F. SMITH
DIRECTOR

DEPARTMENT OF PUBLIC UTILITIES
100 JOHN STREET
WALLINGFORD, CONNECTICUT 06492
TELEPHONE 265-1593

RECEIVED
MAYOR'S OFFICE

December 15, 1988

PUC Commissioners
100 John Street
Wallingford, CT 06492

SUBJECT: BUDGET AMENDMENTS
SALES/PURCHASED POWER/GROSS EARNINGS TAX

Gentlemen:

During the course of the settlement discussions, this writer advised the Public Utilities Commission, as well as the Town Council, of the need to amend the Electric Division budget for the current fiscal year, 1988 - 1989. Because of new charges, by our wholesale supplier and erroneous data from which forecasted sales data was generated, budget amendments are necessary for those areas, plus the State of Connecticut gross earnings tax.

Utilizing the most current information, it is recommended that the following adjustments to the 1988 - 1989 budget be recommended to the Mayor and Town Council.

<u>Account</u>	<u>Existing</u>	<u>Recommended</u>
440 Residential Sales	\$11,700,000	\$12,700,000
442 Commercial	10,079,000	11,200,000
442-3 Industrial	13,250,000	14,500,000
444 Pub. St. Ltg.	390,000	390,000
445 Public auth.	1,125,000	1,125,000
Total Sales	\$36,544,000	\$39,915,000
Power Adjustment	-0-	(400,000)
TOTAL SALES AND ADJUSTMENT	\$36,544,000	\$39,515,000
555 Purchased Power	\$26,627,080	\$28,826,800
Power Adjustment	-0-	(450,000)
408-1 Taxes Conn. Gross Earn.	\$ 1,710,200	\$ 1,850,000
TOTAL EXPENSES	\$35,931,289	\$37,820,809
NET INCOME	\$ 1,292,511	\$ 2,373,991

The seemingly large net income will fall out as a result of maintaining

ITEM NO. 57

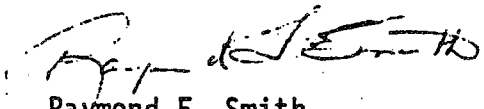
PUC AGENDA DEC. 20 1988

the present rate structure in anticipation of stabilizing those rates through the period ending December, 1992. This will be consistent with the W-3 rate settlement which will fix the wholesale charges for this same period. In addition, with the expected plan to develop a generation facility to replace the Pierce capacity, additional income will be necessary to partially fund this project and ultimately to pay for debt service on projected borrowings to finance the balance of the program.

By designing rates to generate the \$2,600,000+, the statutory requirements will be met since the rate will cover four years during which time the average gross plant should be approximately \$33 - \$35,000,000. Unless there is a significant increase in sales over the four year time frame, net income will probably drop during that time.

It is important that any action in amending the current years budget take place during December or January, since this will be the starting point for work on the 1989 - 1990 budget. If you need any additional background on the subject, please contact me.

Very truly yours,


Raymond F. Smith
Director - Public Utilities

RFS/kaw

cc: Mayor William Dickinson
T. Myers
W.D. Barry
M.C. Holmes
W.O. Lee

ITEM NO. 5-2
PUC AGENDA DEC. 20 1988

Resolution

Whereas: the Town of Wallingford Board of Education has been bequeathed the sum of \$1,000 from Dorothy Malchiodi, a former Wallingford fourth grade teacher, to be disposed of in any manner that the said Board of Education shall deem appropriate

Now therefore be it resolved: the 1988-89 general fund budget is hereby amended appropriating these funds to the Board of Education

Revenue

<u>Account Number</u>	<u>Title</u>	<u>Amount</u>
001-1075-070-7040	Miscellaneous	\$1,000

Expenditures

<u>Account Number</u>	<u>Title</u>	<u>Amount</u>
001-8500-800-7025	Education Department Transfer of D. Malchiodi Gift to the Moses Y. Beach Student Activity Fund	\$1,000

Certified as to availability of funds

Thomas A. Myers 1-4-89
Thomas A. Myers
Comptroller

Approved subject to town council approval

William W. Dickinson
William W. Dickinson
Mayor