



# 2026 Budget

November 11, 2025

## Executive Summary

2025 was a year of significant progress for Kennebunk Light & Power District (KLPD). Our efforts focused on strengthening infrastructure, advancing technology, enhancing cybersecurity, and investing in workforce development. These initiatives reflect our commitment to reliability, Financial Health, and long-term sustainability.

## Year in Review

### Organizational Development

- Implemented a new employee handbook.
- Added a Staff Accountant position and filled two vacant roles.
- Supported employee development through apprenticeships and advanced training programs.
- Participated in trade association events to stay current with industry trends and best practices.
- Graduated first class lineworker from KLPD's five-year apprenticeship program.

### Infrastructure & Facility Improvements

- Installed security cameras at substations and the main building.
- Added fire alarm and access control systems to the main building.
- Upgraded the loading dock to improve safety during equipment handling.
- Installed new signage and floating bollards to enhance dam safety.
- Completed warranty repair of the Water Street Substation transformer.
- Installed 100 new services during 2025.

### Technology & Cybersecurity

- Initiated ERP software implementation.
- Advanced Metering Infrastructure (AMI) Project on track for completion in 2025.
- Strengthened cybersecurity measures to protect critical systems and data.

### Grants and Strategic Projects

- Submitted grant applications to NOAA and the National Fish and Wildlife Foundation.
- Secured a FEMA grant for disaster recovery and mitigation.
- Received a DOE Fellowship grant to support development of a 10-year Climate Action Plan.

- Explored design and financing options for the Water Street Substation Replacement Project.
- Adjusted delivery rates to ensure operational cost coverage and long-term financial stability.
- Advocated for increased allowable cash reserves to enhance financial resilience.

## Looking Ahead to 2026

### Equipment & Inventory Investments

- Over \$115,000 planned for critical inventory.
- Server replacement planned to address aging hardware and ensure compatibility with current technology standards, estimated cost not to exceed \$65,000.
- Planned vehicle purchases:
  - Medium-duty bucket truck for confined space work and third line crew.
  - Additional crew vehicle for the new operations superintendent.
  - Replacement order for the 2014 International Bucket Truck (delivery and payment in 2027).

### Safety & Security Enhancements

- Access control and fire alarm system planned for West K Substation.
- Automatic gate installation at Factory Pasture's Southeast exit to prevent pedestrian-vehicle accidents.

### Workforce Development

- Three internal promotions proposed to align operational needs and staff responsibilities.
- Budget includes funds for staff training and development to support compliance, industry trends, and apprenticeship needs.

### Enterprise Software Implementation

- NISC software rollout will improve operational efficiency and data-driven decision-making. Workflow analysis and documentation will support workload and coverage assessments.
- Module go-live schedule:
  - Service Module – April 2026
  - Financial Module – July 2026
  - Outage Management & MDMS – September 2026

## Capital Projects

- **Water Street Substation Replacement Project:** Pending Confirmation that any flood risk can be mitigated at a reasonable cost, Board authorization will be requested to pursue PUC approval for a Certificate of Public Convenience and Necessity (CPCN) for this project.

The recommended solution is a metal-clad skid-mounted design constructed adjacent to the existing location, with an estimated cost of approximately \$10 million. KLPD is targeting March 2026 for the CPCN filing. To support this effort, \$175,000 has been allocated for legal and engineering services related to the CPCN filing and referendum planning in 2026.

- **West K Outdoor Storage Facility Project:** Proposed 20,000 square foot storage facility is proposed adjacent to West Kennebunk Substation. The project includes fencing, civil work, concrete slab, pole cribs, automatic gate, secure access, and monitoring. Quotes are pending; \$200,000 has been allocated for this project in the 2026 budget.

## Additional Strategic Initiatives

- **Purchased Power Contract (2027-2032):** Subcontractor engagement planned to improve portfolio management, new power supply arrangement by December 2026.
- **Building Upgrade Planning:** Space needs assessment for potential second floor addition.
- **Mousam River Dam License Surrender:** \$360,000 budgeted for maintenance and professional services.
- **Operational Enhancements:** Larger after-hours call service, Nearmap adoption, GPS devices, GPS devices for mapping/staking, tablets for field crews, preventative maintenance on relays and current transformers.

<b>KENNEBUNK LIGHT &amp; POWER DISTRICT</b>			
<b>PROPOSED BUDGET</b>			
<b>FISCAL YEAR January 1, 2026 to December 31, 2026</b>			
<b>Revenue</b>	<b>2025 Budget</b>	<b>2026 Budget</b>	<b>Variance</b>
Energy revenue	\$ 5,403,581	\$ 8,302,137	\$ 2,898,556
RNS revenue	1,853,497	2,851,391	997,894
Transmission revenue	407,903	623,269	215,366
Delivery	3,876,263	5,182,291	1,306,028
Minimum charge	1,270,644	1,297,212	26,568
Cable rental income	32,686	27,015	(5,671)
Customer penalties	14,335	20,674	6,339
Interest income	102,000	110,427	8,427
Other operating income	63,436	72,879	9,444
<b>Total revenue</b>	<b>\$ 13,024,346</b>	<b>\$ 18,487,296</b>	<b>\$ 5,462,950</b>
<b>Expenses</b>			
Wages	\$ 1,629,416	\$ 1,744,398	\$ 114,982
FICA Expense	124,650	137,807	13,157
Health Insurance	365,607	411,796	46,188
Disability Insurance	13,193	13,839	647
Life Insurance	10,166	15,554	5,388
Retirement	186,224	208,996	22,772
General plant operations, maintenance and distribution	742,222	607,524	(134,698)
Customer accounting and collections	92,934	63,867	(29,067)
Bad Debt Writeoffs	23,516	14,415	(9,101)
Administration	793,265	1,678,480	885,215
Depreciation	200,000	540,000	340,000
Interest on long term debt	20,750	28,250	7,500
Purchased energy expense	5,403,581	8,302,137	2,898,556
Purchased RNS expense	1,853,497	2,851,391	997,894
Purchased transmission expense	407,903	623,269	215,366
<b>Total Expense</b>	<b>\$ 11,866,924</b>	<b>\$ 17,241,723</b>	<b>\$ 5,374,799</b>
<b>Net gain /(loss)</b>	<b>\$ 1,157,421</b>	<b>\$ 1,245,572</b>	<b>\$ 88,151</b>

<b>Description</b>	<b>2026 Capital Expenditures</b>
Equipment & Inventory	\$ 771,000
Safety & Security Enhancements	\$ 32,000
Water Street Substation Replacement Project	\$ 150,000
Building Upgrades	\$ 50,000
West K Outdoor Storage Facility	\$ 200,000
New Construction and Repairs	\$ 391,000
Dam Repairs	\$ 50,000
Less: Capital Contributions	\$ (264,000)
	\$ 1,380,000

<b>KLPD 2026 Cash Flow Projections</b>	
2025 estimated ending cash on hand	\$ 1,300,000
add: 2026 Operating income	1,245,572
add: Depreciation	540,000
add: Construction contributions	263,713
add: Grant Projects	1,760,000
subtract: Bad debt	(14,415)
subtract: Principal bond payments	(275,000)
subtract: Capitalized labor	(160,723)
subtract: Capital Projects	(854,000)
subtract: Grant Projects	(1,760,000)
subtract: contracted storm relief	(136,680)
subtract: inventory	(340,000)
subtract: contracted pole replacements	(65,242)
subtract: contracted underground repairs	(6,500)
subtract: outstanding transformers	(55,670)
subtract: meters	(25,000)
2026 ending unrestricted cash on hand	\$ 1,416,055

KLPD Rate delivery rate projection based on 2026 Budget is detailed in the following table:

	<b>2026 Budget</b>
Delivery Rate Expense	\$ 4,896,676
Renewals & Replacements	\$ 1,380,102
Debt	\$ 275,000
Interest Expense	\$ 28,250
Bond Reserve	\$ -
Cash Reserve	\$ 992,223
<b>Total Revenue Requirement</b>	<b>\$ 7,572,251</b>
Delivery Rate Revenues	\$ 5,232,860
Other Operating Revenue	\$ 47,689
Non-Operating Revenue	\$ 183,306
<b>Total Revenue</b>	<b>\$ 5,463,855</b>
<b>Revenue Surplus (Deficiency)</b>	<b>\$ (2,108,396)</b>
<b>Delivery Rate Adjustment (%)</b>	<b>38.59%</b>
<b>Delivery Rate</b>	<b>\$ 0.046487</b>

The projected delivery rates have been incorporated into the residential monthly bill comparison with other Maine utilities in the following table:

<b>Utility</b>	<b>Current Residential Monthly Bill</b>	<b>Residential Monthly Bill after KLPD's 2026 Delivery Rate Increase</b>
Monhegan	\$ 588	\$ 588
Isle Au Haut	\$ 305	\$ 305
Matinicus	\$ 249	\$ 249
Fox Island	\$ 241	\$ 241
Versant Power - BHD	\$ 233	\$ 233
Versant Power - MPD	\$ 219	\$ 219
CMP	\$ 199	\$ 199
Madison Electric Works	\$ 154	\$ 154
Brunswick Landing	\$ 143	\$ 143
<b>Kennebunk Light &amp; Power District</b>	<b>\$ 133</b>	<b>\$ 143</b>
Eastern Maine Electric Cooperative	\$ 114	\$ 114
Houlton	\$ 83	\$ 83
Van Buren	\$ 80	\$ 80