



Five-Year Plan 2027-2031

November 11, 2025

About KLPD

The Kennebunk Light and Power District (KLPD) is responsible for the construction, operation, and maintenance of the electric distribution system within its service territory, which includes two distribution substations. The District also owns, operates, and maintains three small hydroelectric generating stations located on the Mousam River.

Governance of the District is provided by an elected Board of Trustees, which appoints a General Manager to oversee day-to-day operations.

Who We Serve

Located in York County, Maine, KLPD provides electric service to over 7,600 customers across the communities of Kennebunk, Lyman, Wells, and Arundel.

KLPD's customer base has grown by approximately 15% since 2015, reflecting regional population growth and development trends.

Southern Maine experiences a significant seasonal population surge due to its popularity as a coastal vacation destination placing additional demand on infrastructure and services. According to the Town of Kennebunk's Population and Demographics Report, Kennebunk's seasonal population increases by approximately fifty percent, while Wells' seasonal population quadruples.

KLPD also serves more than 900 business and commercial accounts, including:

- Local government and school facilities
- Utilities and industrial customers
- Large commercial customers, including grocery stores and the Maine Turnpike Authority (MTA). In 2024, approximately 2.6 million vehicles passed through the MTA's Kennebunk interchange and service plazas, underscoring the strategic importance of KLPD's service territory in supporting regional transportation and commerce.

Strategic Planning Outlook

This plan was developed during the 2026 budget process and outlines KLPD's strategic priorities and initiatives for 2027-2031 to ensure continued operational excellence, financial sustainability, and community service.

Grid Reliability & Resilience

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 in 2026. 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 will also seek board authorization to obtain voter referendum approval to raise the current debt limit of \$6 million and to issue the debt in 2027.

Throughout this multi-year project, the Board will review annual budgets that include project costs, delivery rate adjustment filings, and vendor contracts exceeding the approval threshold. If all required approvals from Trustees, the PUC, voters, and permitting agencies are granted, the substation is projected for completion by 2029.

Mitigation Grant Upgrades

In 2025, KLPD was awarded over \$500,000 in grants to upgrade Circuit 2, with an expected completion date of 2028. An application for additional funding to upgrade Circuit 4 is currently under review. These projects will greatly enhance reliability on the circuits.

Equipment & Inventory Investments

Future budgets will include additional substation spare parts inventory following the completion of the Substation Preventative Maintenance Plan. Data-driven inventory planning will be improved in the 2028 budget cycle after implementation of the new ERP software.

In 2026 KLPD plans to order a replacement for the 2014 International Bucket Truck, with delivery and payment scheduled for 2027. For vehicle and equipment replacements planned for 2027 and beyond please refer to the replacement schedule below:

Make	Year	Model	Assignment	Estimated Replacement Date	Replacement Timeline
Heavy Duty Bucket Truck	2014	International	Line Crew	2027	10 years
Toyota	2019	Tundra	General Foreman	2027	7 years
Digger	1999	GMC	Line Crew	2028	20 years
Toyota	2021	Tundra	Line Crew On-Call	2028	7 years
Ford	2024	Lightning	Warehouse	2031	7 years
Chevrolet	2026	Silverado	Systems Technician	2032	7 years
Light Duty Truck	2026	TBD	Operations Superintendent	2033	7 years
Heavy Bucket Truck	2023	International	Line Crew	2033	10 years
Medium Duty Bucket Truck	2026	TBD	Line Crew	2036	10 years
Dumptruck	2022	GMC	Line Crew	2037	15 years
Toyota	2010	Highlander	Admin Pool Vehicle	N/A ¹	N/A

¹ The 2010 Toyota Highlander was replaced as a daily crew vehicle by the 2026 Silverado. It continues to be utilized for travel to and from training in Massachusetts. Once it is removed from service it will not be replaced. If a fleet vehicle is not available for travel to training, employees will be reimbursed for use of their personal vehicle.

Future-Ready Energy Planning

Ten Year Plan

In August 2025 KLPD was awarded a DOE Fellowship to assist with the development of 10-year Energy Security Plan to meet the State of Maine's Climate Action Plan requirements. Plan development will continue until September 2026. Fellowship support may extend through September 2027. The Climate Action Plan is due to be filed with the PUC by December 2027.

Purchased Power Contract 01/01/2027-01/01/2032

Engage a sub-contractor in 2026 to assist with managing KLPD's purchased power and transmission services portfolio and provide strategic market and planning guidance.

Building Upgrade Planning

KLPD has outgrown its office space and is investigating an expansion of its current building. KLPD will also assess its indoor storage capacity for inventory and equipment for safety and adequacy.

Grid Planning

After construction of the Water Street Substation Replacement Project, KLPD will evaluate circuit ties to improve reliability through redundancy. In 2030 KLPD will also begin planning for upgrades to West K while anticipating regulatory driven changes associated with the interconnection to CMP's 115kV line, part of the bulk power system.

Transmission Rights

As transmission infrastructure continues to be constrained in the region and it is important for KLPD to advocate for its access rights locally and regionally to help ensure its customers have affordable and adequate access to transmission capacity.

Customer Experience & Engagement

Customer Relationships & Responsive Service

Significant improvements are planned with the implementation of the new ERP system in 2026. Customers will have convenient payment options, see greater detail about their usage, and be able to request services from a web portal and/or mobile app.

The software will also strengthen KLPD's ability to communicate important utility and account information. As part of the 2026 roll out, KLPD will launch a customer education campaign to explain upcoming changes and provide resources to help customers navigate the transition effectively.

Charter Update

Under the current District Charter, only Kennebunk residents are eligible to vote in Trustee elections, or KLPD referendums. KLPD should pursue efforts to expand its voting rights to customers residing in Arundel, Lyman, and Wells.

Workforce Sustainability & Development

Talent Development

By 2027, KLPD aims to implement an employee evaluation and development program that ensures regular performance reviews, and provides support to keep pace with technology and policy changes.

Operational Efficiency & Technology

A detailed Staffing Plan has been developed to assess resource adequacy. The plan includes phasing in additional staff over the planning period to achieve sustainable operating levels of 18-20 full time employees by 2029. KLPD will continue subcontracting for legal, engineering, and IT services. For context, according to an American Public Power Association survey, utilities of KLPD's size (by revenue and customer count) average 40 employees.

Financial Stewardship & Affordability

The following table projects KLPD's delivery rate over the planning period:

	2026 Budget	2027	2028	2029	2030	2031
Delivery Rate Expense	\$ 4,896,676	\$ 5,386,344	\$ 5,924,978	\$ 6,221,227	\$ 6,532,288	\$ 6,858,903
Renewals & Replacements	\$ 1,380,102	\$ 1,518,112	\$ 1,669,923	\$ 1,836,916	\$ 2,020,607	\$ 2,222,668
Debt	\$ 275,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Interest Expense	\$ 28,250	\$ 444,000	\$ 425,000	\$ 407,000	\$ 388,000	\$ 368,000
Bond Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Reserve	\$ 992,223	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total Revenue Requirement	\$ 7,572,251	\$ 8,848,456	\$ 9,519,901	\$ 9,965,143	\$10,440,896	\$10,949,571
Delivery Rate Revenues	\$ 5,232,860	\$ 7,419,749	\$ 8,706,081	\$ 9,396,822	\$ 9,852,424	\$10,335,011
Other Operating Revenue	\$ 47,689	\$ 70,365	\$ 70,365	\$ 70,365	\$ 70,365	\$ 70,365
Non-Operating Revenue	\$ 183,306	\$ 183,306	\$ 183,306	\$ 183,306	\$ 183,306	\$ 183,306
Total Revenue	\$ 5,463,855	\$ 7,673,420	\$ 8,959,752	\$ 9,650,493	\$10,106,095	\$10,588,682
Revenue Surplus (Deficiency)	\$ (2,108,396)	\$ (1,175,036)	\$ (560,149)	\$ (314,650)	\$ (334,801)	\$ (360,889)
Delivery Rate Adjustment (%)	38.59%	15.31%	6.25%	3.26%	3.31%	3.41%
Delivery Rate	\$ 0.046487	\$ 0.053605	\$ 0.056956	\$ 0.058813	\$ 0.060762	\$ 0.062833

KLPD has planned for a 1.5% increase in revenues annually due to system growth, a 10% increase in expenses annually in 2027 and 2028 and a 5% increase in 2029 through 2031, a 10% annual increase in capital investment throughout the five-year planning horizon. The existing bonds for the West K Substation will be retired in 2027. New Debt issuance in 2027 for the Water Street Substation Replacement Project will increase debt costs by approximately \$641,000 in the first year and steadily decline over the twenty year term.

KLPD’s rates are divided into two categories. Delivery rates fund KLPD’s system operations. Pass through rates are variable rates that recover actual costs tied to purchase power, transmission service, and regulatory programs.

The following table shows how KLPD’s average residential customers monthly bill projections compare to the current rates of other Maine utilities:

Utility	Current Residential Monthly Bill	Residential Monthly Bill after KLPD's 2026 Delivery Rate Increase ¹	Residential Monthly Bill after KLPD's 2027 Delivery Rate Increase	Residential Monthly Bill after KLPD's 2028 Delivery Rate Increase	Residential Monthly Bill after KLPD's 2029 Delivery Rate Increase	Residential Monthly Bill after KLPD's 2030 Delivery Rate Increase	Residential Monthly Bill after KLPD's 2031 Delivery Rate Increase
Monhegan	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588
Isle Au Haut	\$ 305	\$ 305	\$ 305	\$ 305	\$ 305	\$ 305	\$ 305
Matinicus	\$ 249	\$ 249	\$ 249	\$ 249	\$ 249	\$ 249	\$ 249
Fox Island	\$ 241	\$ 241	\$ 241	\$ 241	\$ 241	\$ 241	\$ 241
Versant Power - BHD	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233
Versant Power - MPD	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219
CMP	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199
Madison Electric Works	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154
Brunswick Landing	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143
Kennebunk Light & Power District	\$ 133	\$ 143	\$ 148	\$ 150	\$ 152	\$ 153	\$ 155
Eastern Maine Electric Cooperative	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114
Houlton	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
Van Buren	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80

¹Based on average 735 kWh. Rates as of 05/01/2025, except KLPD's based on 11/1/2025 rates and forecast for 2026 Delivery Rate Increase, respectively

Financial Stewardship

In 2026, KLPD will begin to implement a fixed asset system and internal processes to provide detailed asset records. Implementation of the Enterprise Resource Software will support data-driven asset management and advanced forecasting tools. The 2028 budget will be the first to fully benefit from ERP-driven improvements in cost management.

KLPD is required by law to allow telecommunications utilities to attach to its poles for a fee. Better administration of pole attachments will protect assets and ensure recovery of revenues.

Mousam River Dams

KLPD faces financial uncertainty related to the dam license surrender process. Current rate projections do not include estimated costs for fish passage requirements or deferred maintenance.

In 2021, KLPD filed with FERC to surrender its License for the dams. In 2025, FERC ordered KLPD to obtain a Water Quality Certificate from the State of Maine Department of

Environmental Protection (DEP) as part of the license surrender process. DEP is asserting its authority under Maine Law to require provisions for fish passage as a condition of the water quality certification. Therefore, KLPD is unable to continue with the FERC license surrender process until it addresses fish passage at the dams.

KLPD's strategy is to fulfill its regulatory obligations and limit the cost of license surrender to its rate payers. In 2025, KLPD applied for grants to study fish passage options and awaiting responses from NOAA and NFWF.

Conclusion

Over the next five years, this plan provides a clear roadmap for achieving sustainable growth, operational excellence, and long-term resilience. By aligning strategic initiatives with our core mission and values, we will enhance customer satisfaction and operational effectiveness across all areas of the organization. Success will depend on disciplined execution, continuous evaluation, and adaptability to emerging challenges and opportunities. Together, we are committed to delivering measurable results that create lasting value for the communities we serve.