

# Welcome



**Local. Reliable. Efficient. Essential.**

# Our Panel

**Dave Koster, General Manager**

**Ted Siler, Utility Services Director**

**Joel Davenport, Operations Director**

Text Questions to Linda at **616-490-3798**.



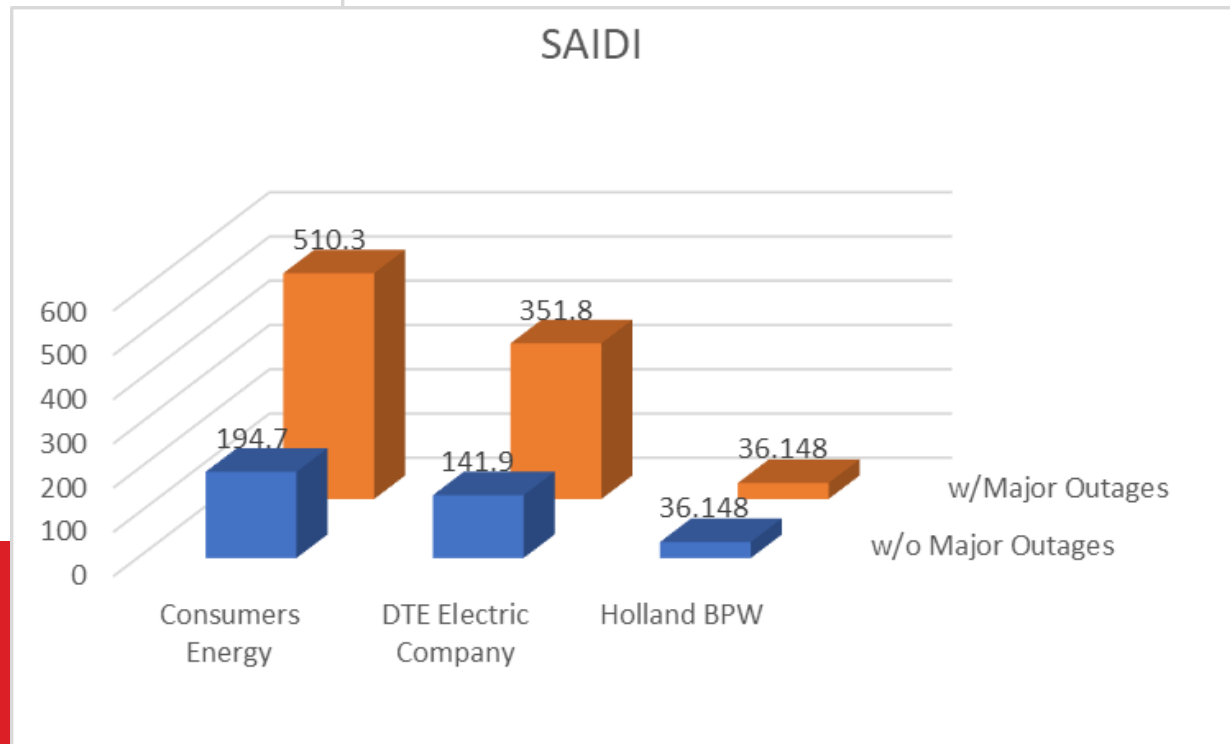
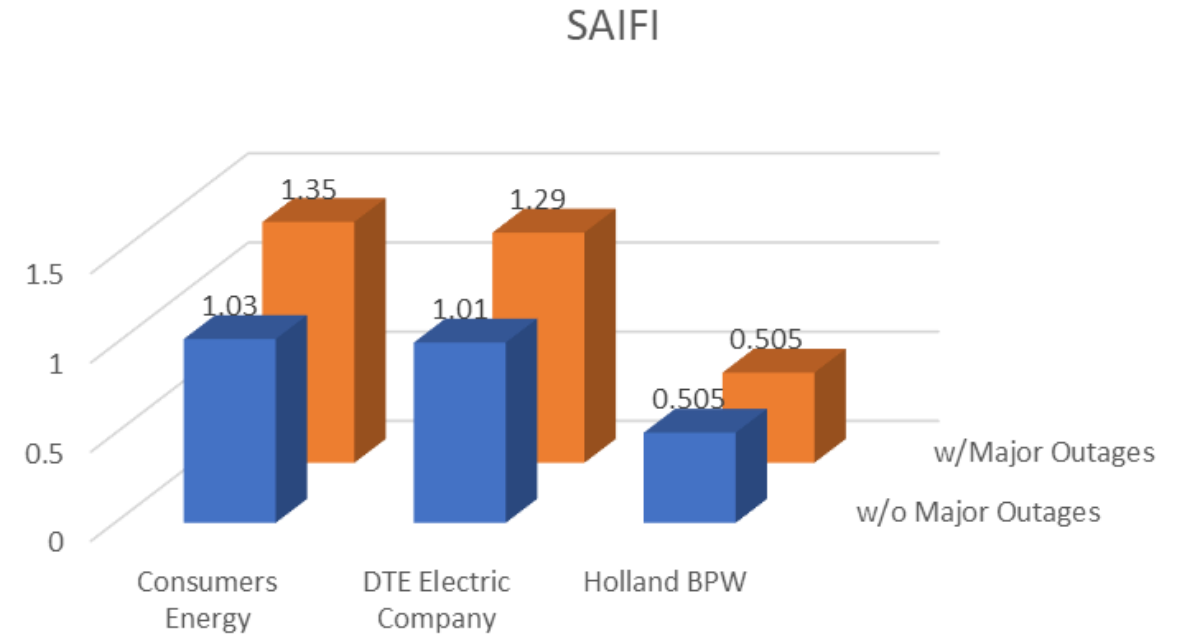
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Electric Utility



# Electric Reliability

- Target is to be in the top quartile of Michigan utilities
- System architecture
  - 138 kilovolt distribution
  - 11 substations
  - Significant redundancy at the primary voltage level



# Challenges in Electric

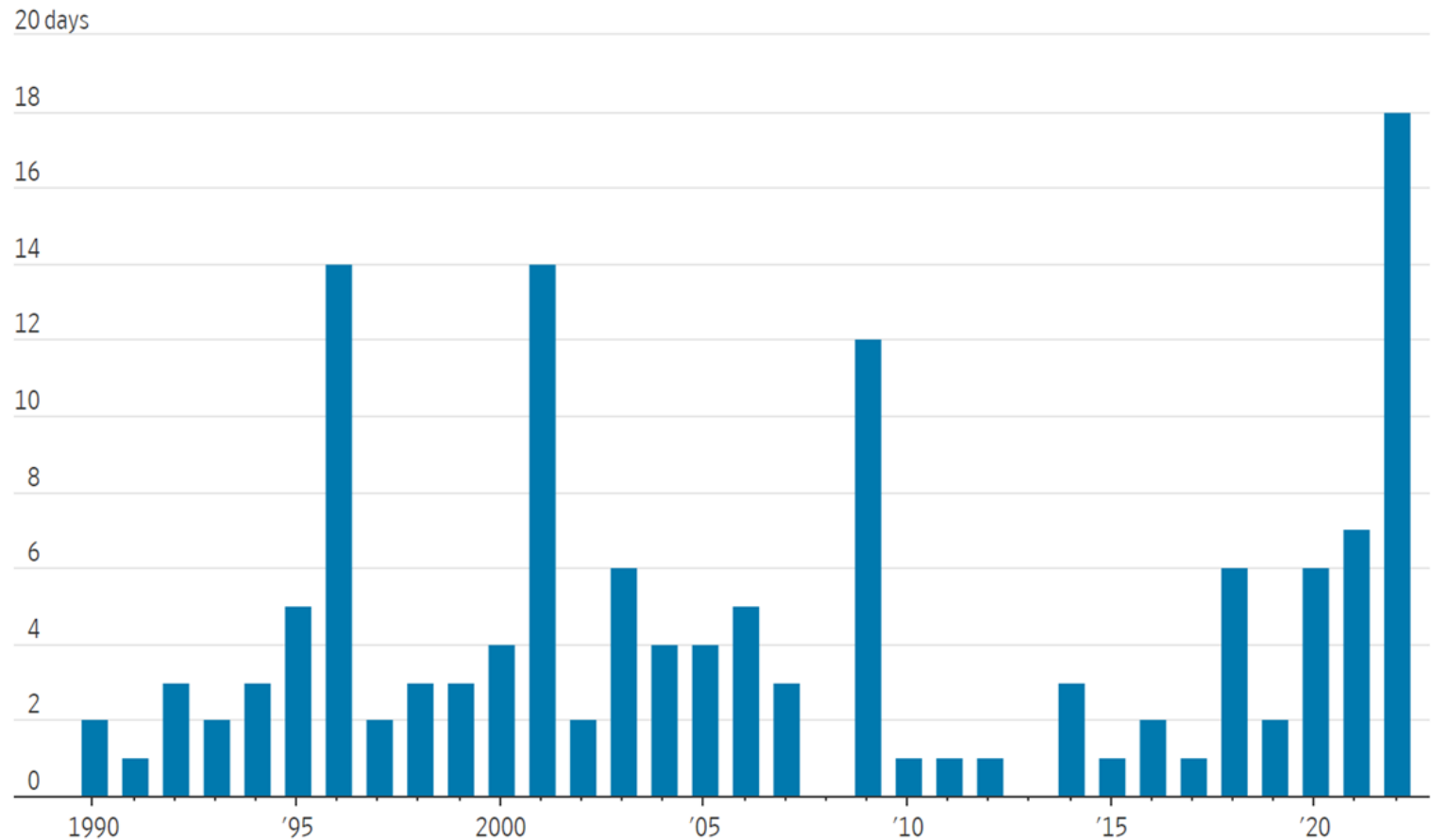
- Legislation
- Growth
- Mitigating High Concentration Risk



# Volatile Gas

- WSJ: February 11, 2023
- “The buffers that historically quelled severe swings are getting thinner.” – Eli Rubin
- From 2011 to 2021
  - Domestic gas demand: Up 25%
  - Exports: Tripled
  - Storage capacity: No change
- Global prices and geopolitical concerns will drive more LNG

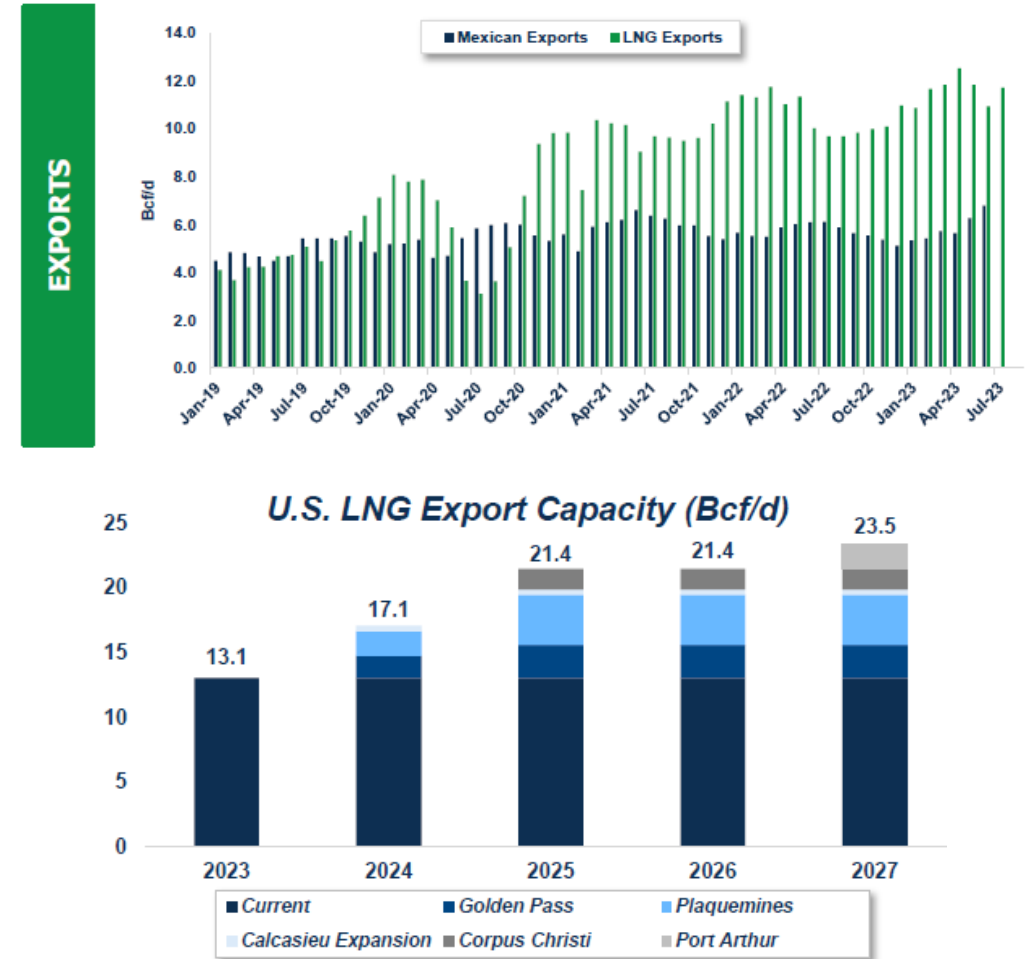
Number of days when Henry Hub futures prices fluctuated by 10% or more



Source: EBW Analytics

# Natural gas pricing – Global influences

- European energy policy and disruptions of Russian natural gas sources
- Growing domestic export capability for liquefied natural gas
- “Over-reliance” on natural gas leading to higher volatility





# Prudent financial planning & management

## HEP – debt elimination

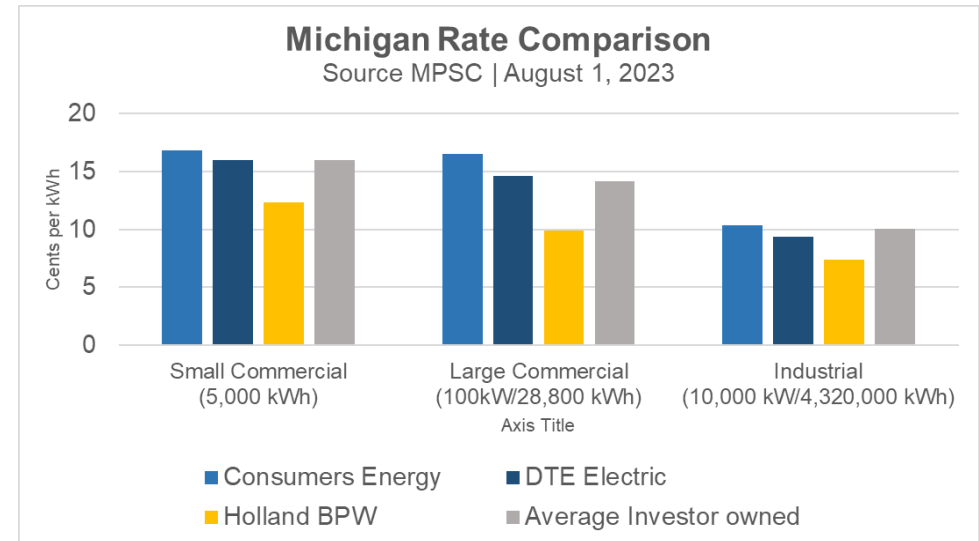
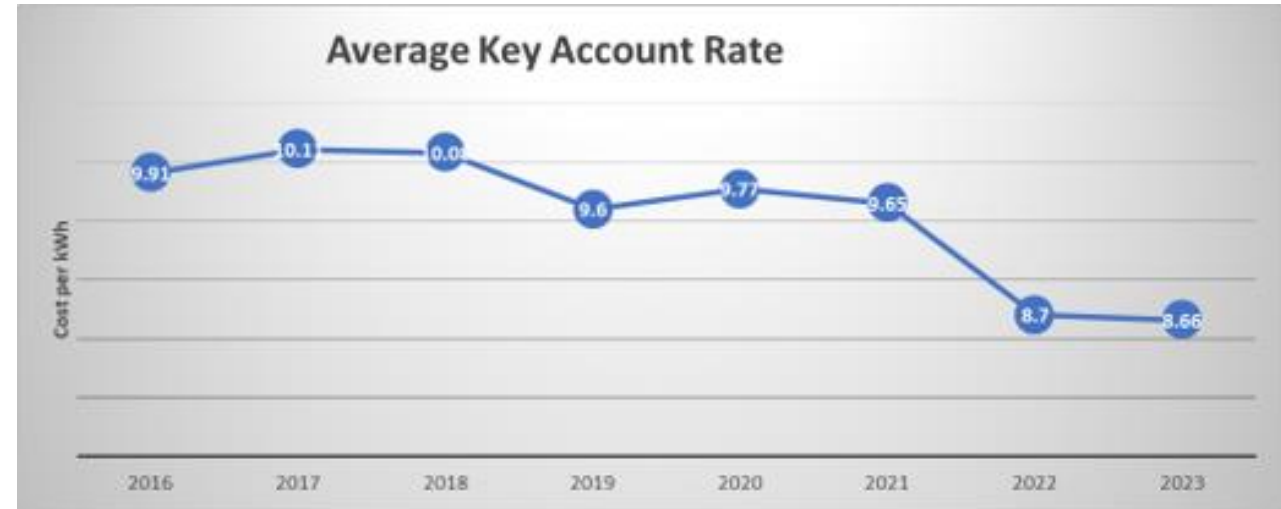
- Debt redemption of nearly \$91 Million in 2021
- Refunded the remaining \$35 Million through direct placement
- Debt free in electric as of July 1, 2023
- Saves \$40+ Million in avoided future interest payments





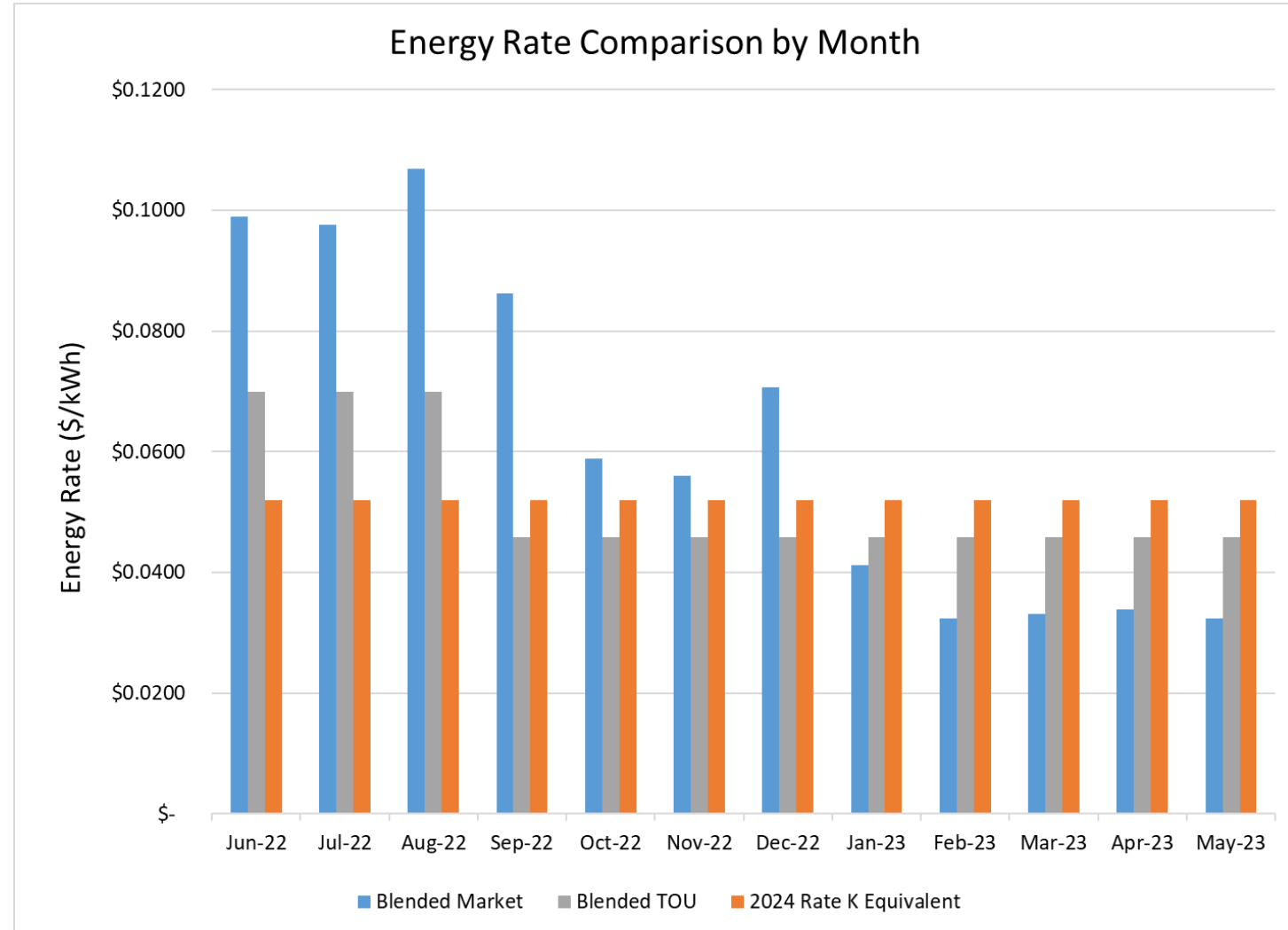
# Electric Rate Comparison

- Decreases in 2019 & 2021 mean overall lower rates:
  - 6% decrease in 2019
  - 10% decrease in 2021
- HBPW target is 10% lower than neighboring investor-owned utilities
- We are achieving this goal by a substantial margin

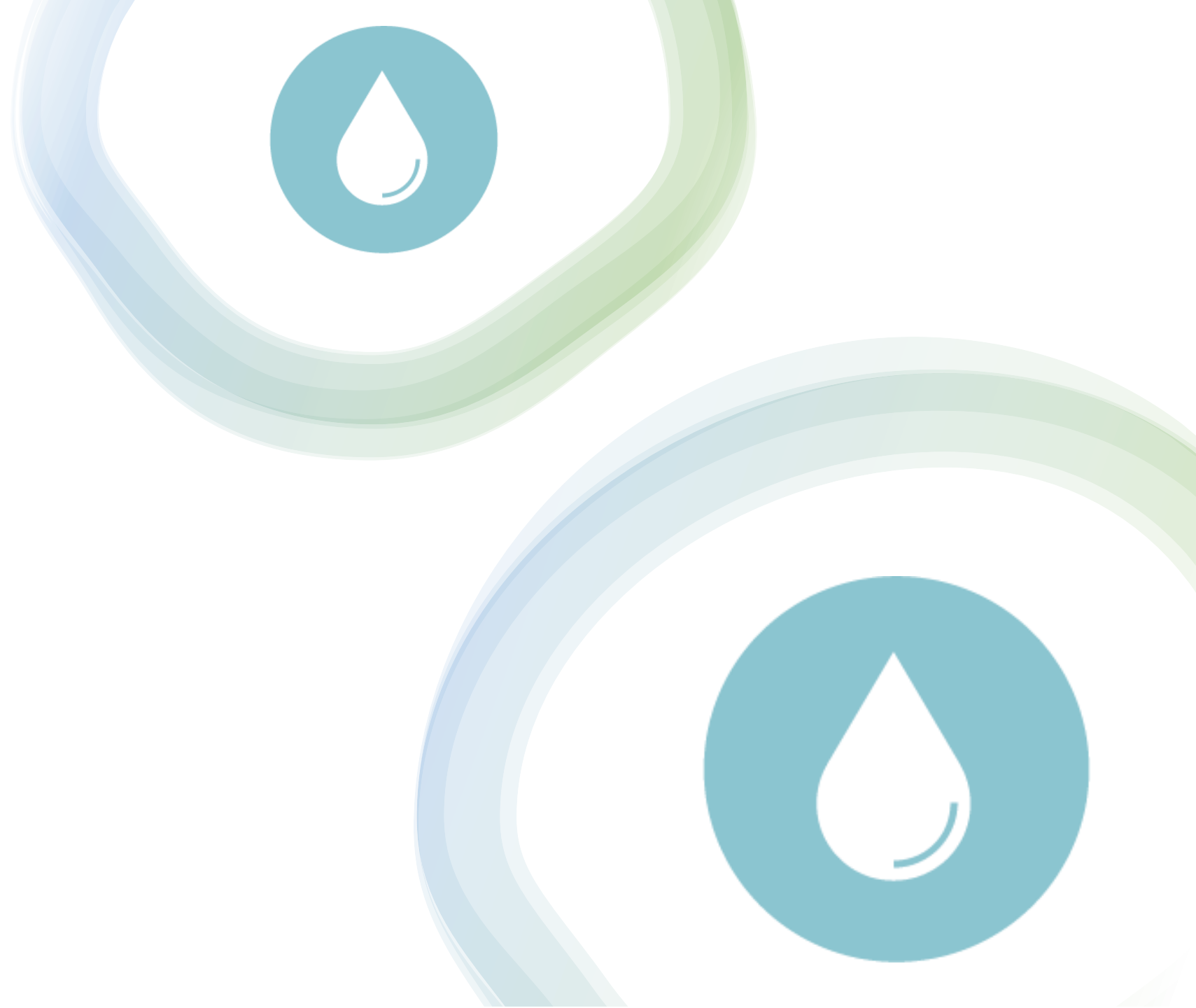


# July 2024 – Time of Use for Rate K

- Similar on annualized basis
- More opportunities for customer savings
- Better aligns customer cost with actual cost of electricity
- Improves capacity utilization, leading to lower electric costs

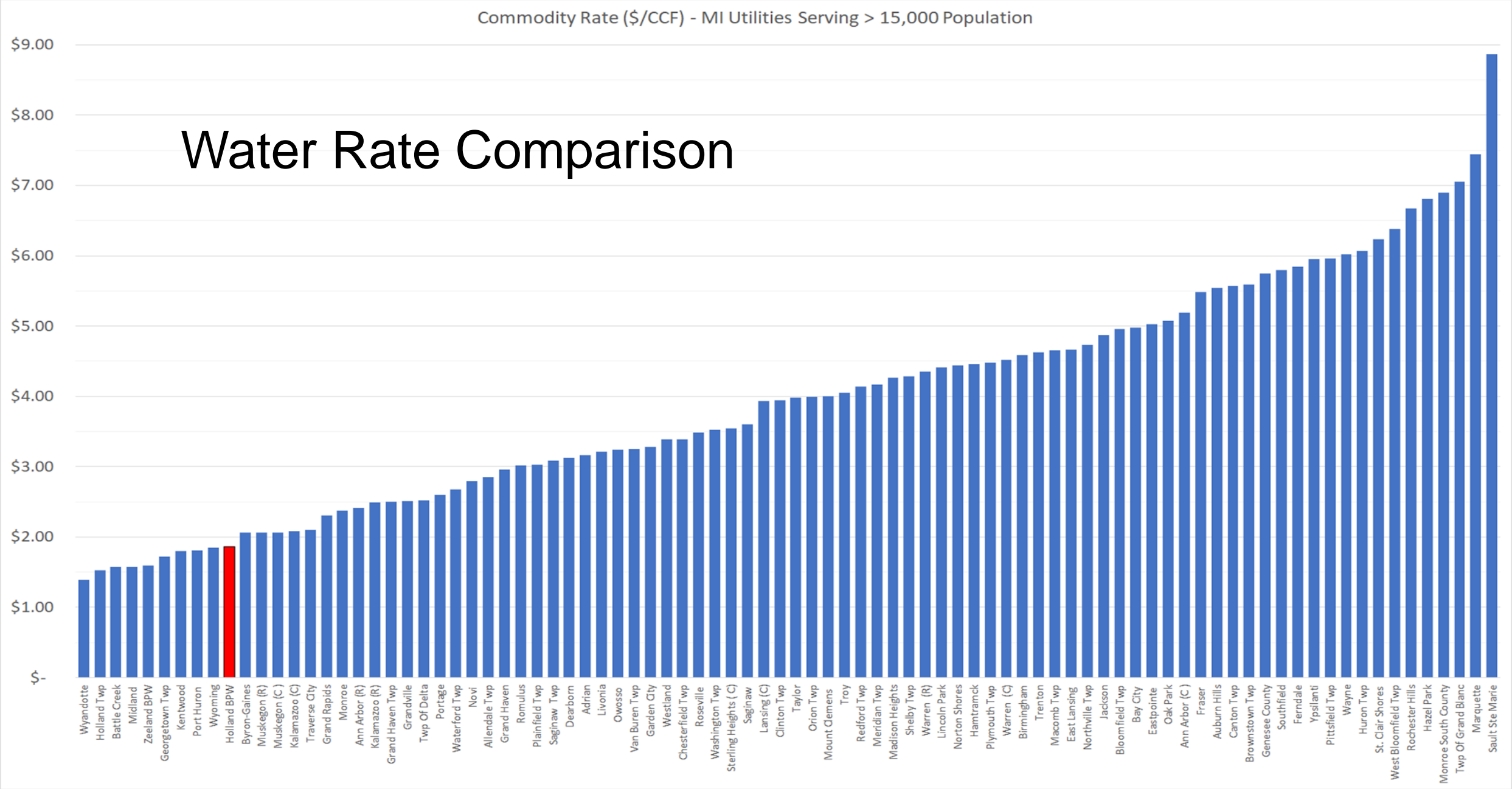


Water Utility



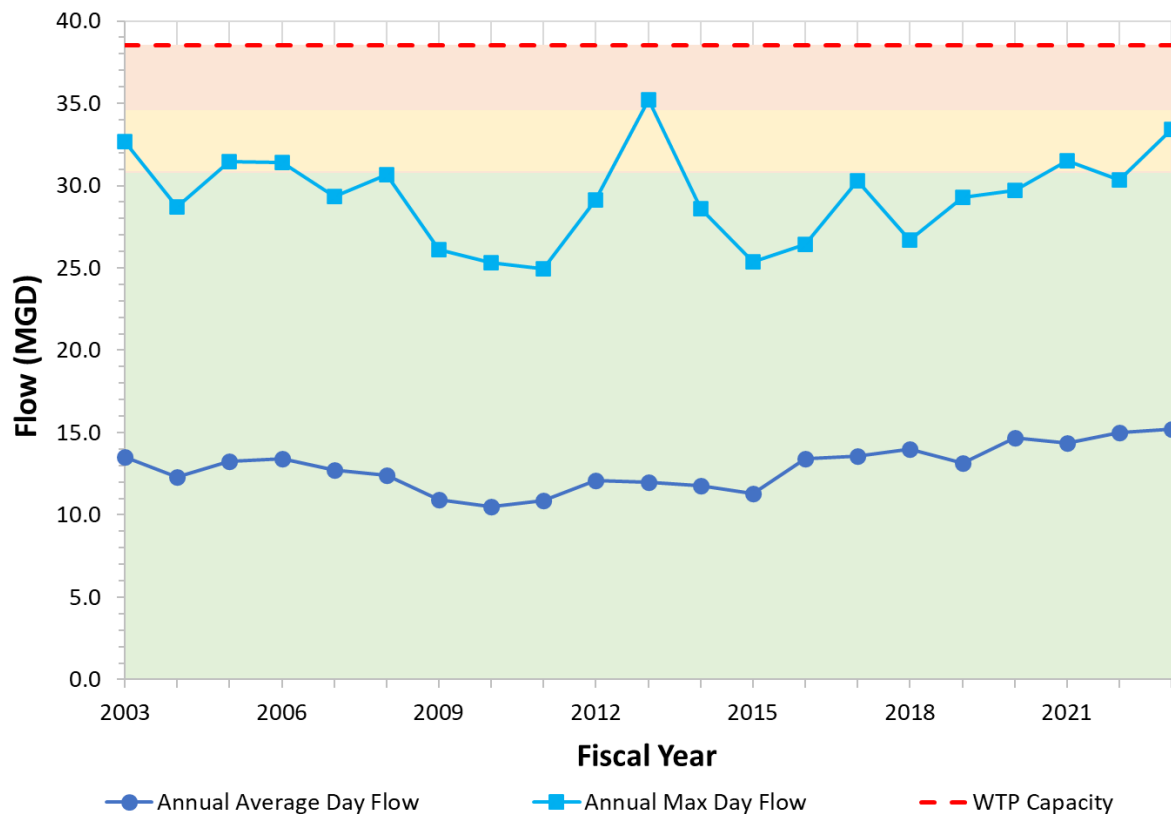
Commodity Rate (\$/CCF) - MI Utilities Serving > 15,000 Population

# Water Rate Comparison

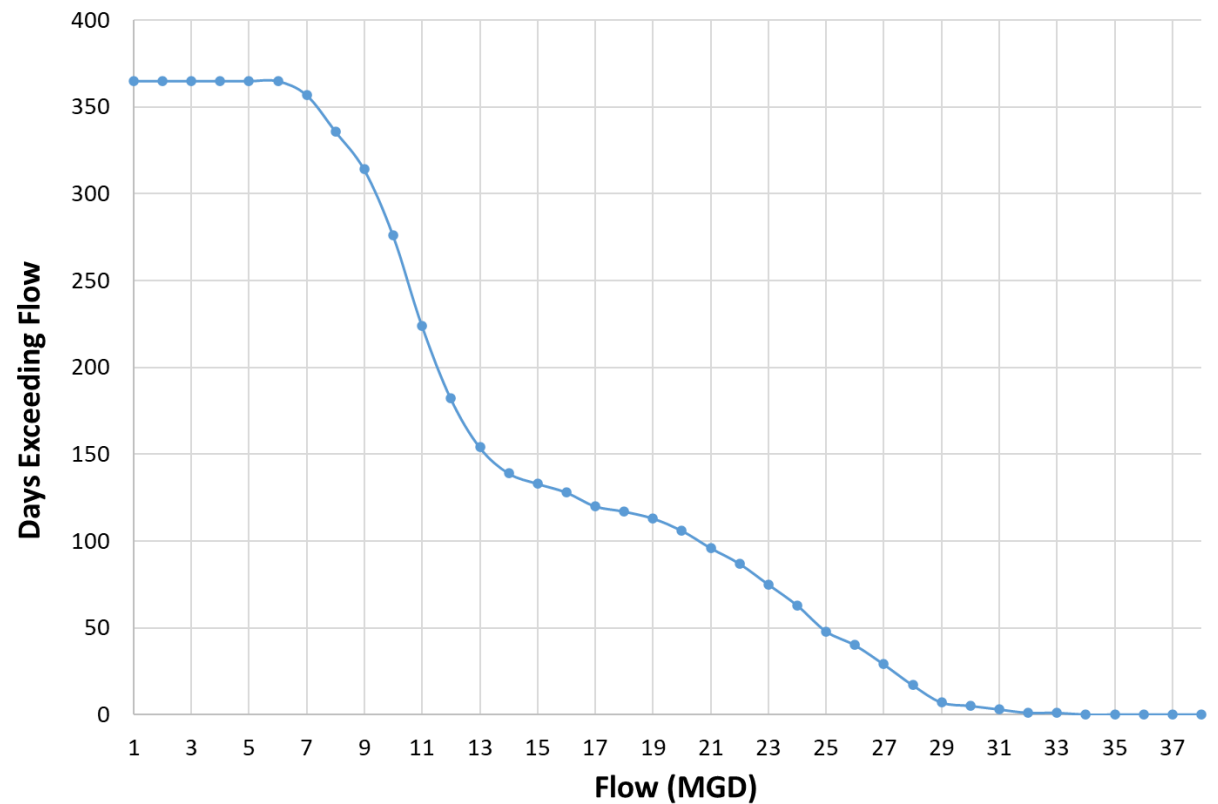


# Water System Peak Demand

Historical Water Demand



Frequency of Water Demand

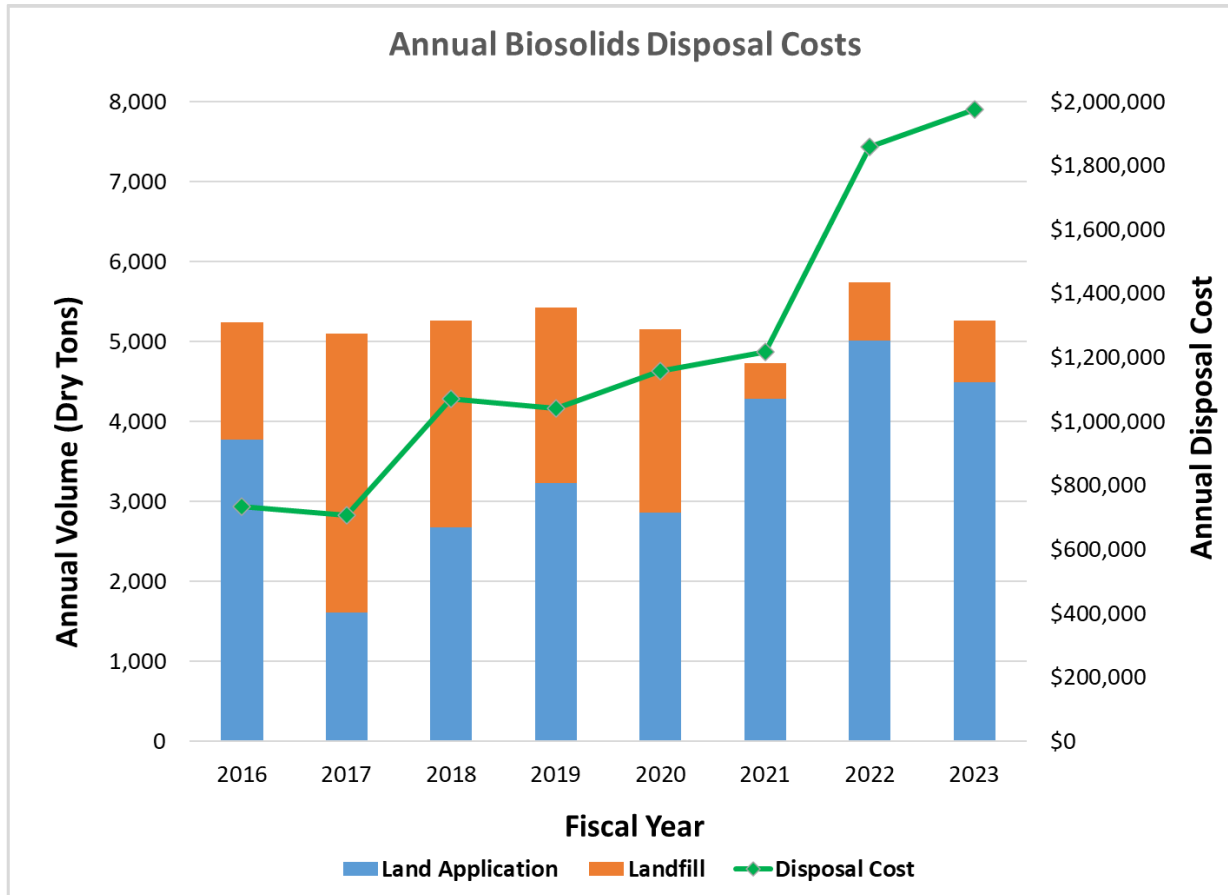


Waste Water Utility



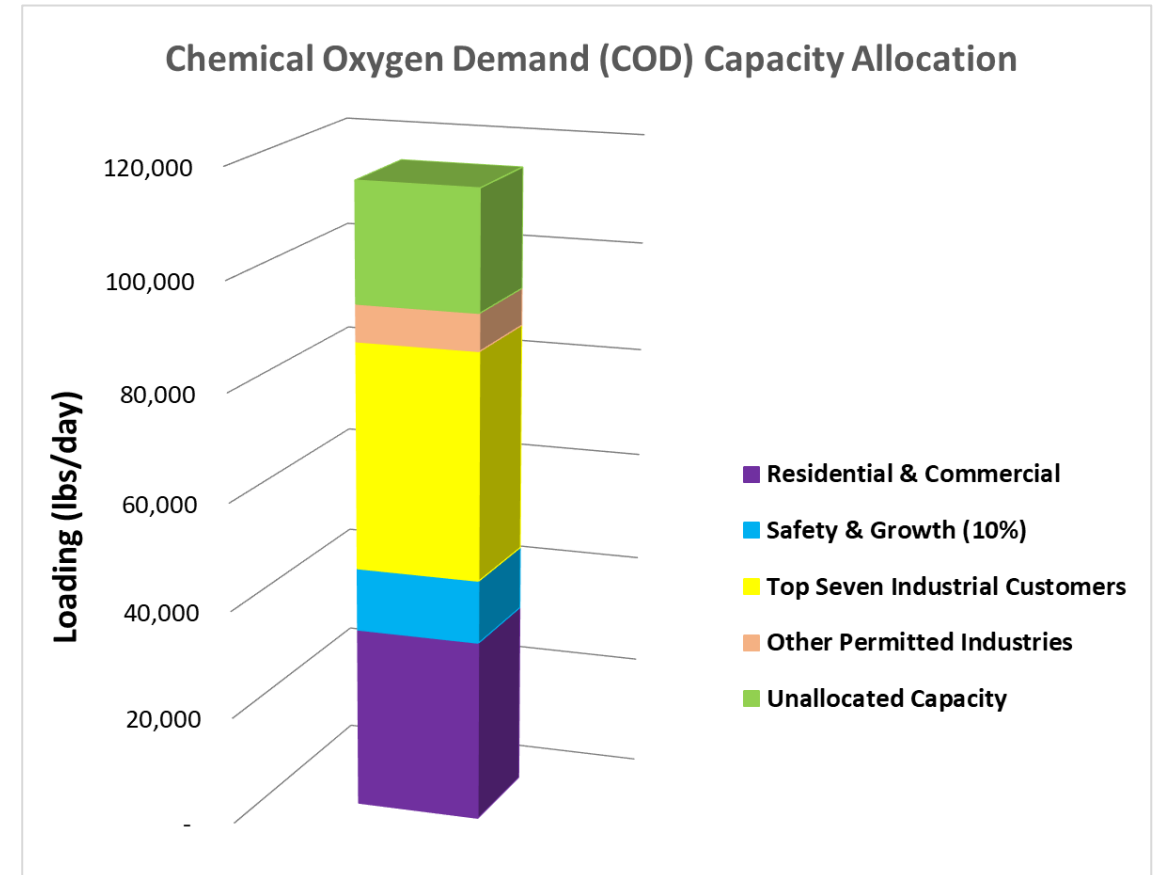


# Biosolids Disposal Cost Mitigation - Digester



# Industrial Pretreatment Program – Allocation System

- Provides opportunity for customer growth before pretreatment is needed
- Protects Lake Macatawa by preventing overloading of Water Reclamation Facility
- Helps keep rates lower by delaying need for costly expansions
- Reduces customer concentration risk



# Broadband Utility



# Holland CITY FIBER

- Project to build a high-speed fiber optic network throughout the City of Holland.
- Design is underway and partially complete.
- Construction starting the week of November 6th.
- Anticipate the first Fiberhoods available for service this coming spring.
- Project anticipated to wrap up in the summer of 2026.



# More information...

Steve Bruinsma, Electric Distribution Supt.

Pieter Beyer, Water/Wastewater Supt.

Andrew Reynolds, Community Energy Services Mgr.

Bill Badran, Broadband Services Supervisor

Barry Rutherford, Energy Efficiency Engineer

Amy Yost, Customer Solutions Senior Mgr.



**Local. Reliable. Efficient. Essential.**

# Thank you!



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