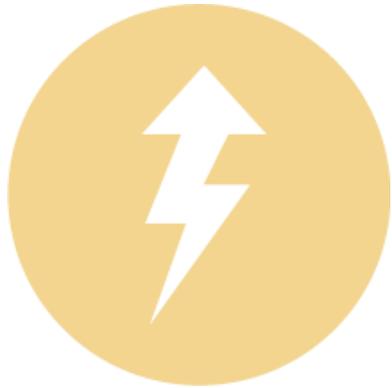


Welcome



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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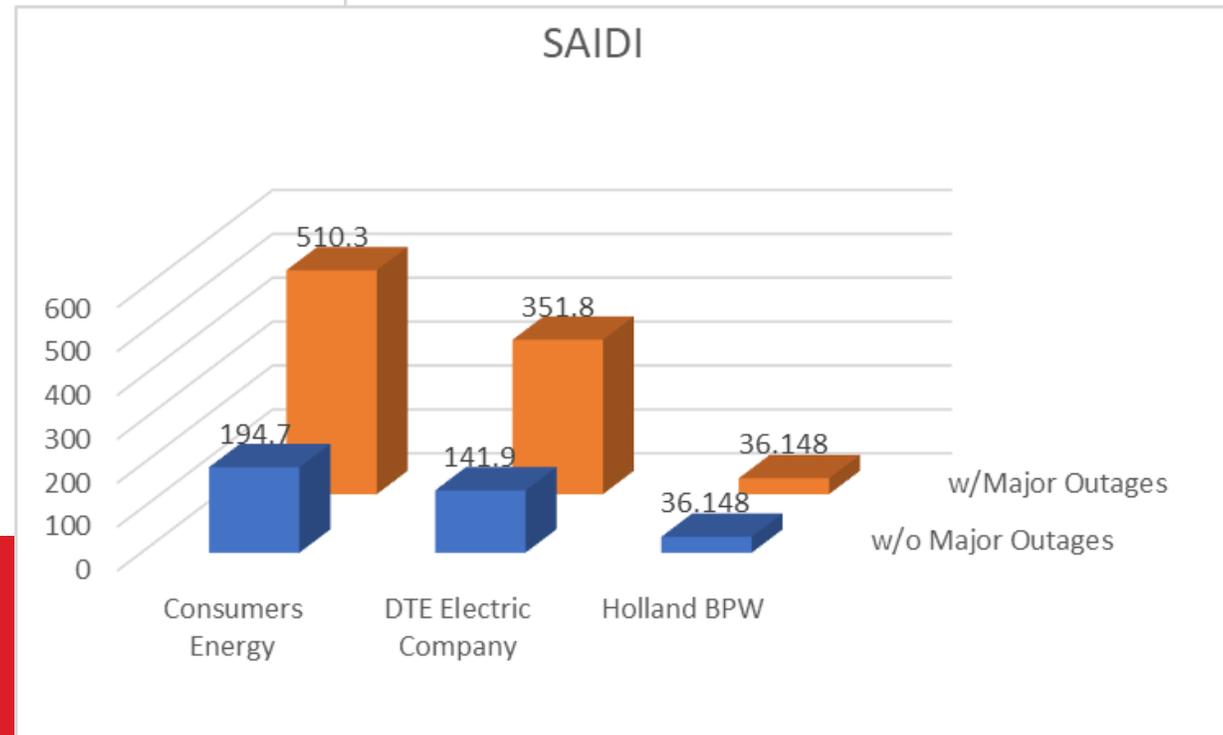
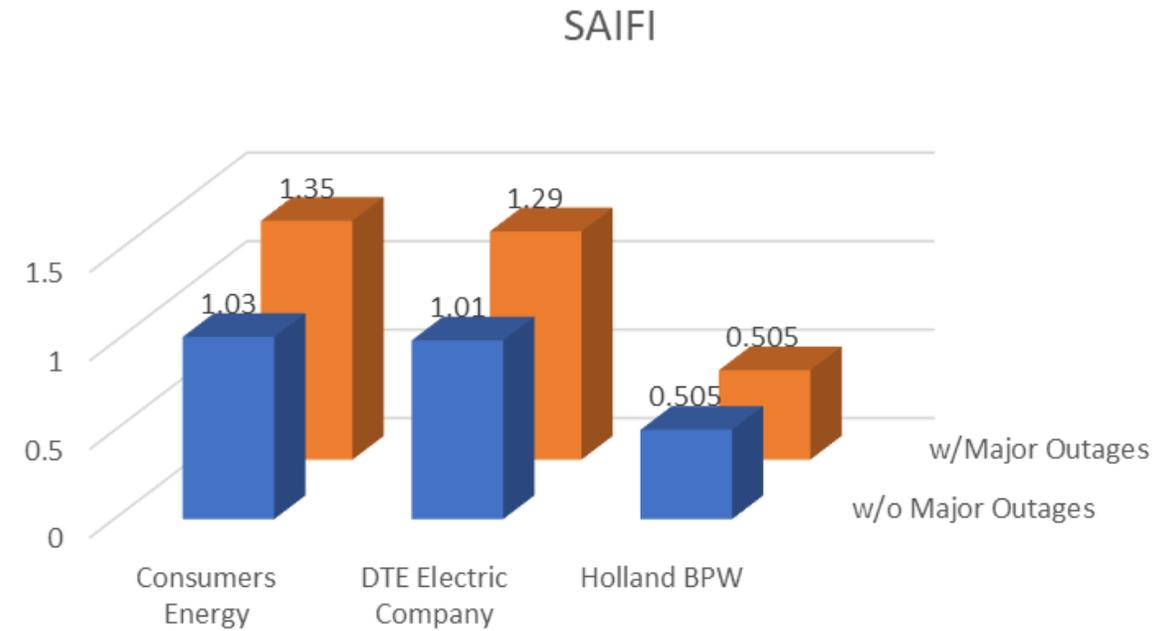


Electric Utility



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

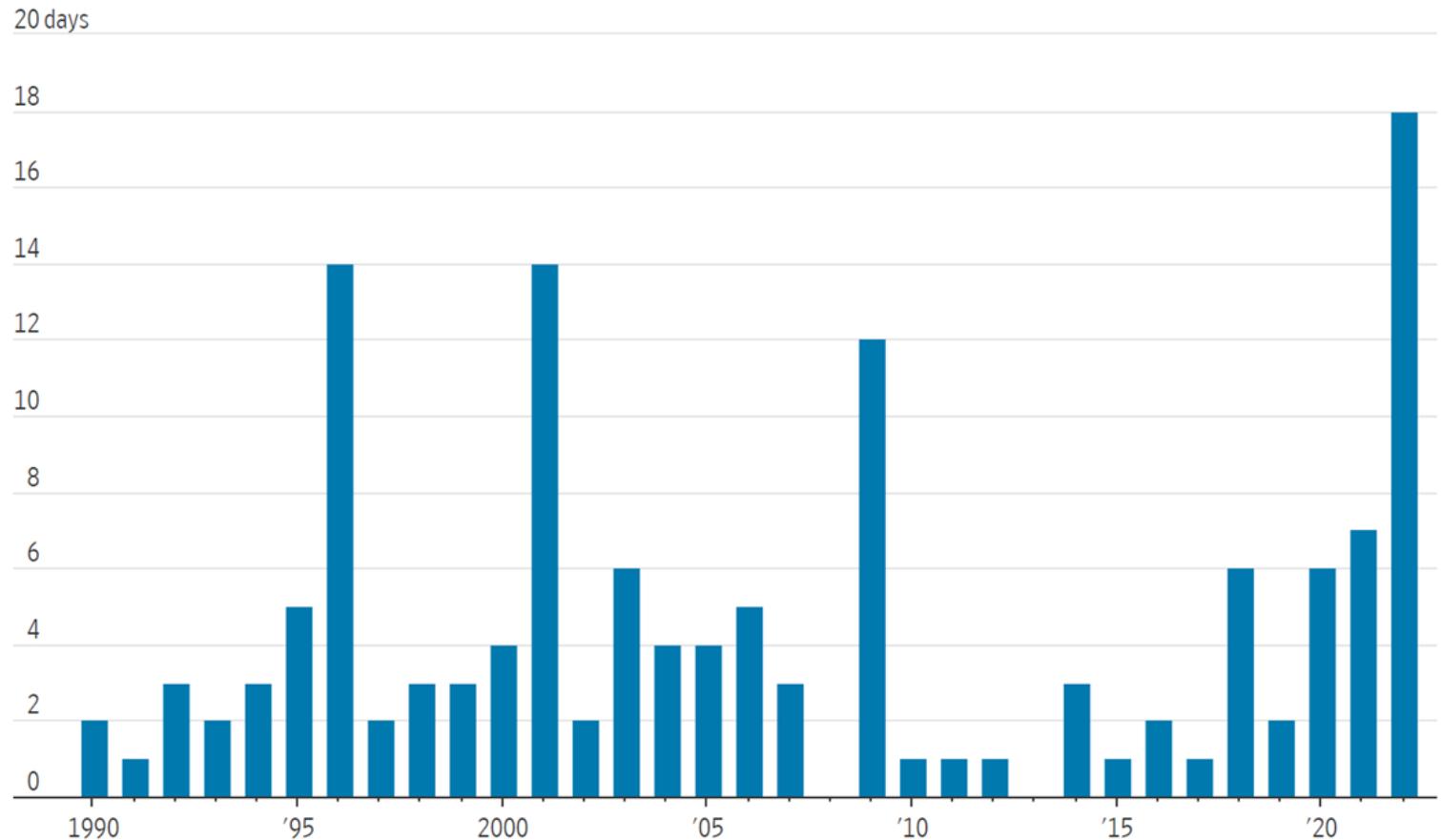
- Legislation
- Growth
- Mitigating High Concentration Risk



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

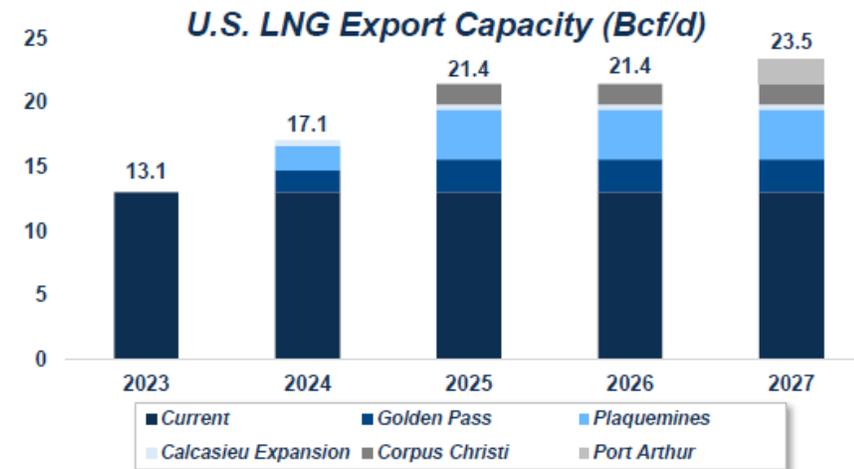


Source: EBW Analytics

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

EXPORTS



Prudent financial planning & management

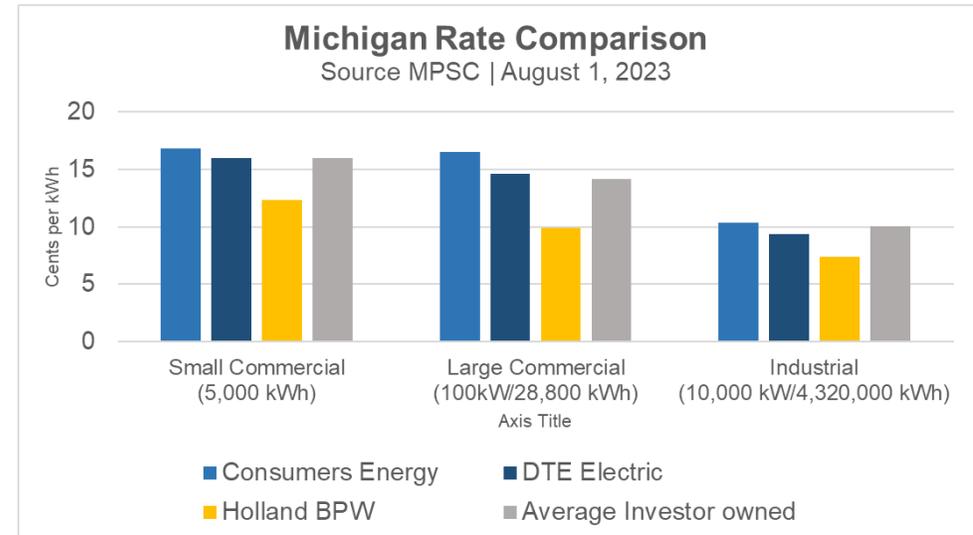
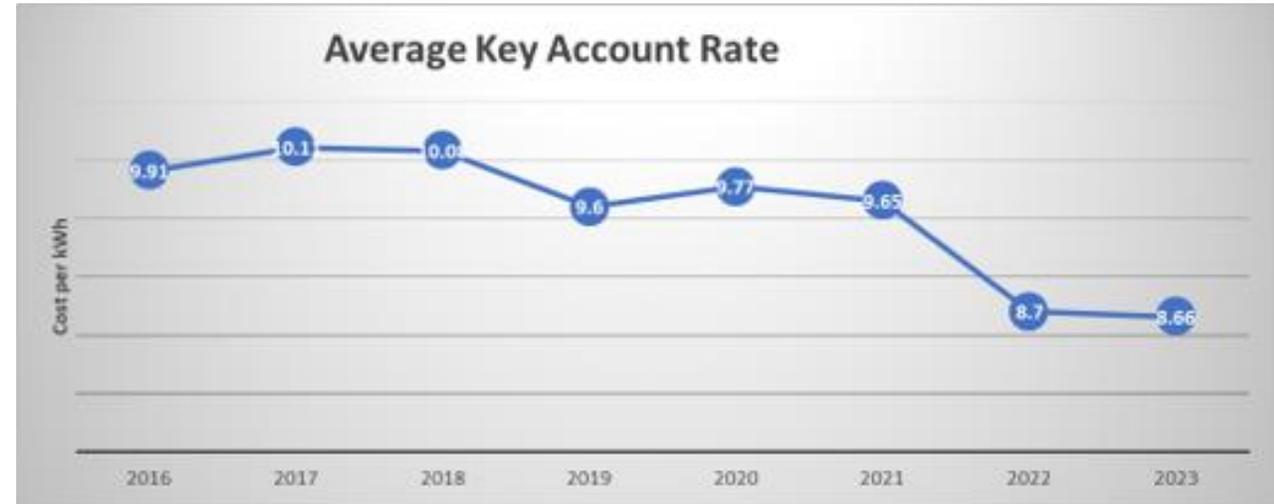
HEP – debt elimination

- 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



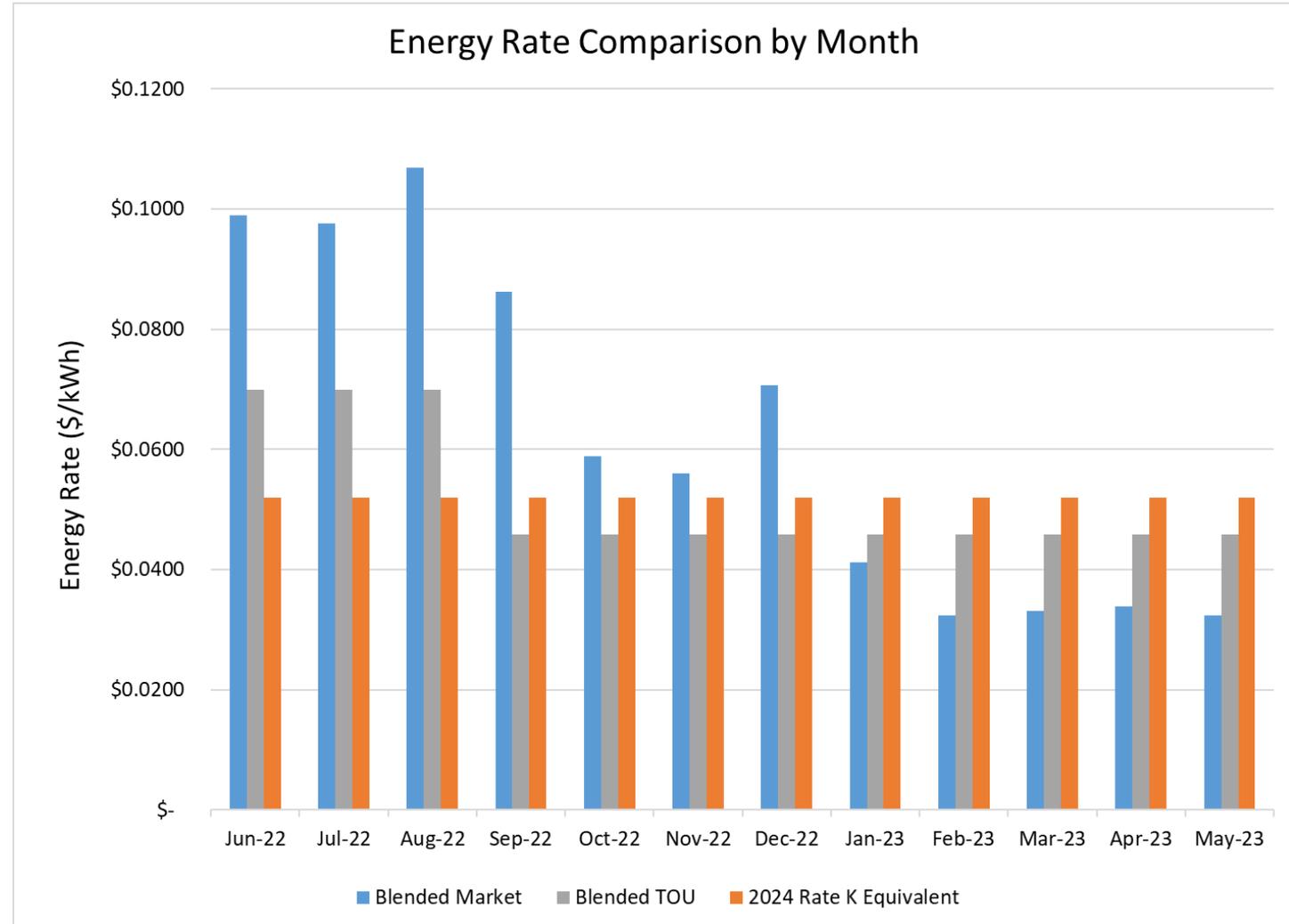
Electric Rate Comparison

- 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

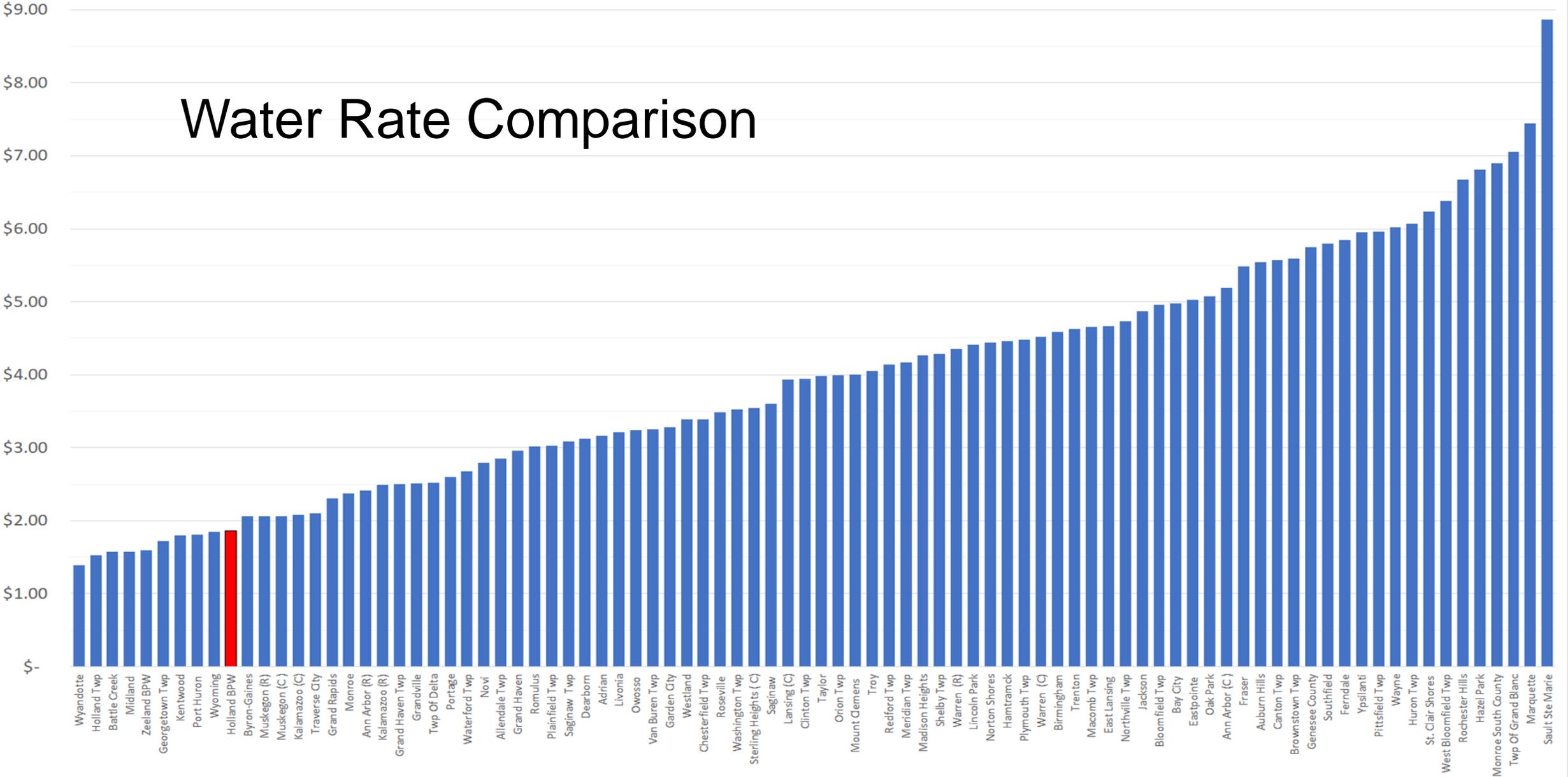


Water Utility



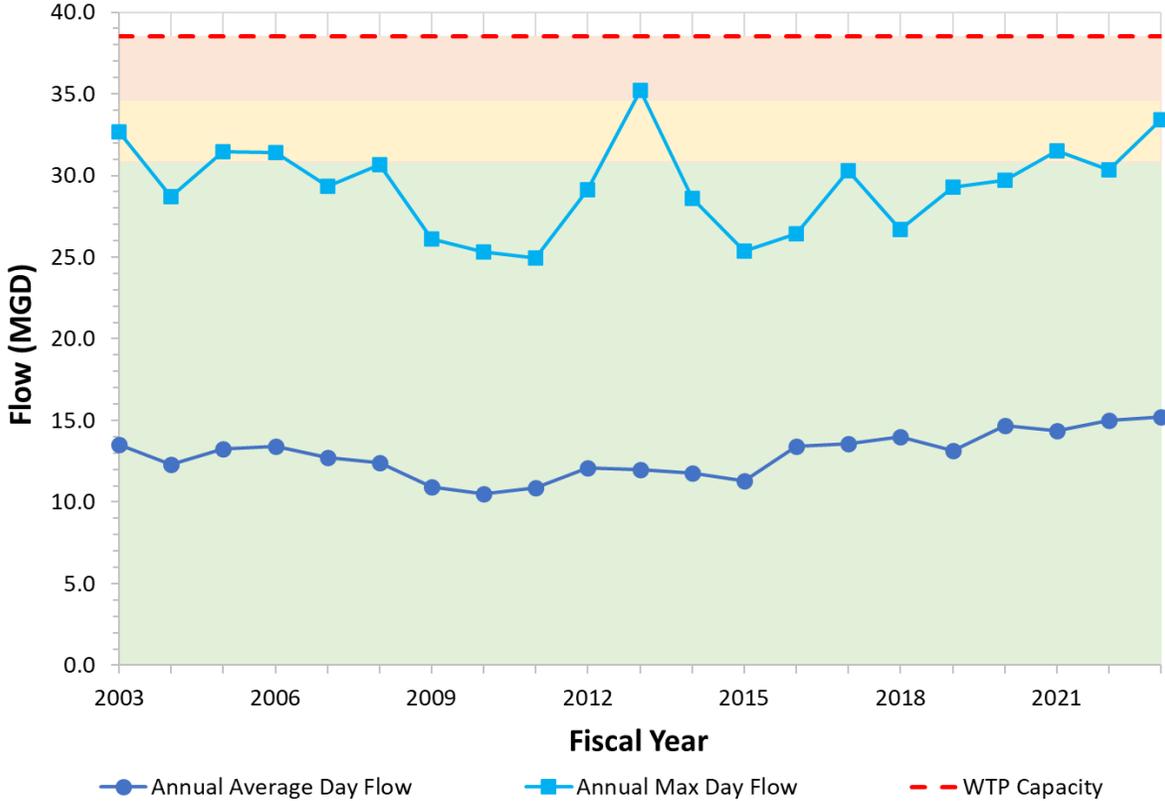
Commodity Rate (\$/CCF) - MI Utilities Serving > 15,000 Population

Water Rate Comparison

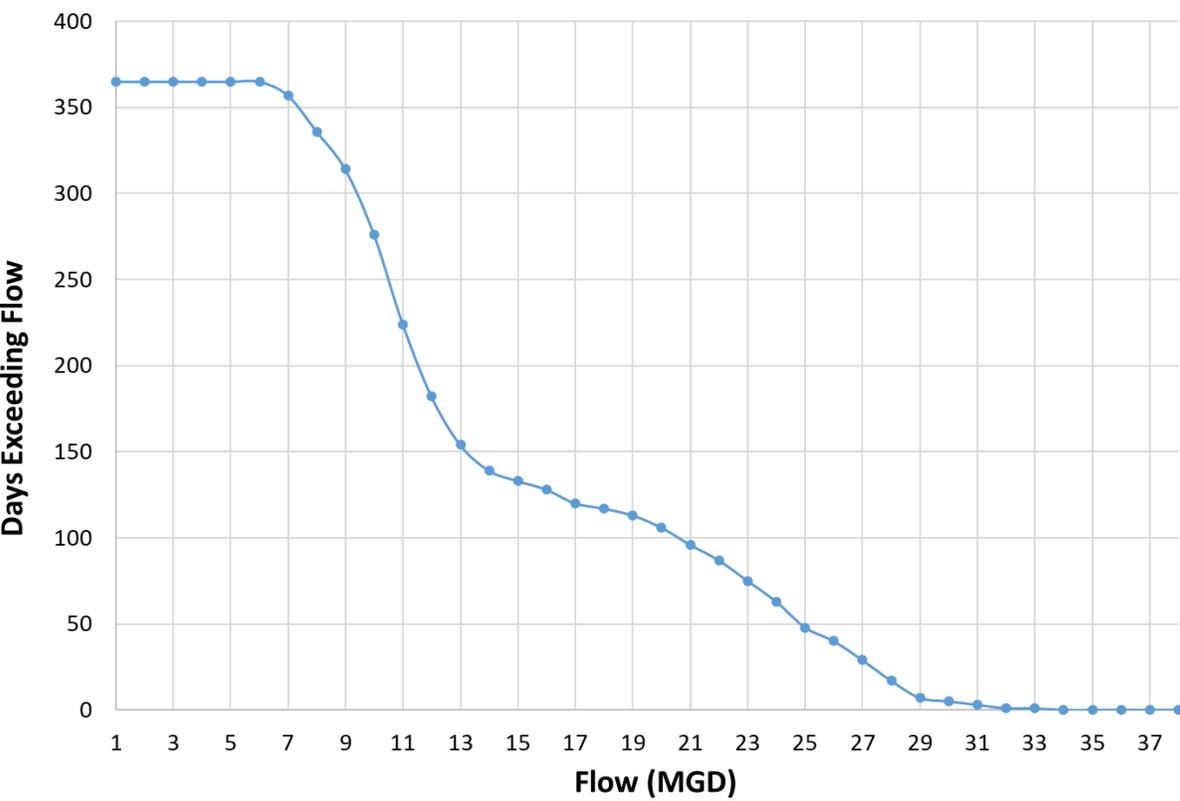


Water System Peak Demand

Historical Water Demand



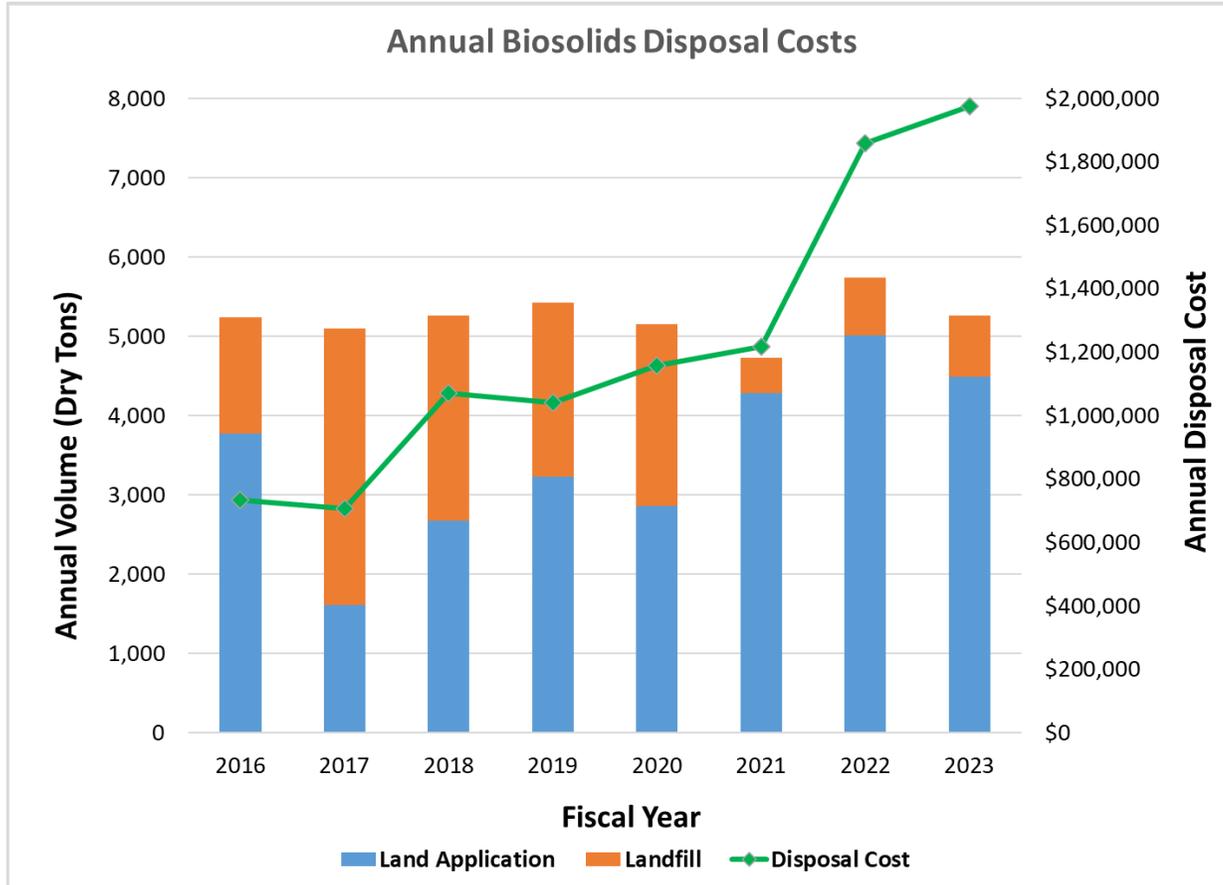
Frequency of Water Demand



Waste Water Utility

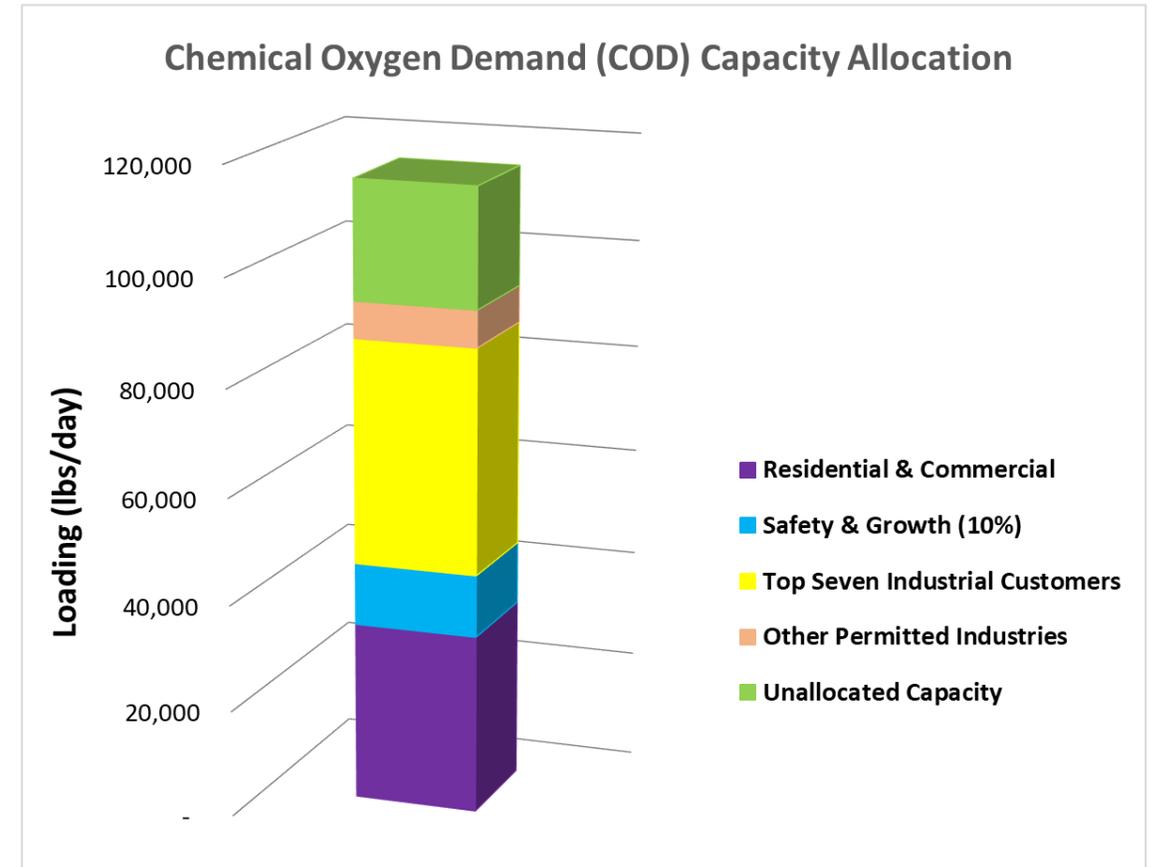


Biosolids Disposal Cost Mitigation - Digester



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

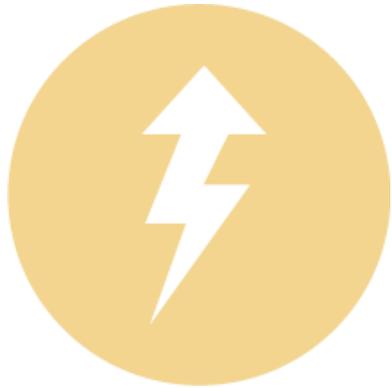
Barry Rutherford, Energy Efficiency Engineer

Amy Yost, Customer Solutions Senior Mgr.



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Thank you!



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