

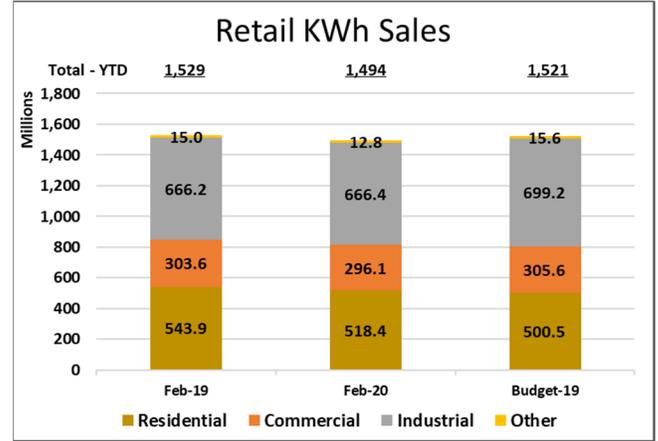
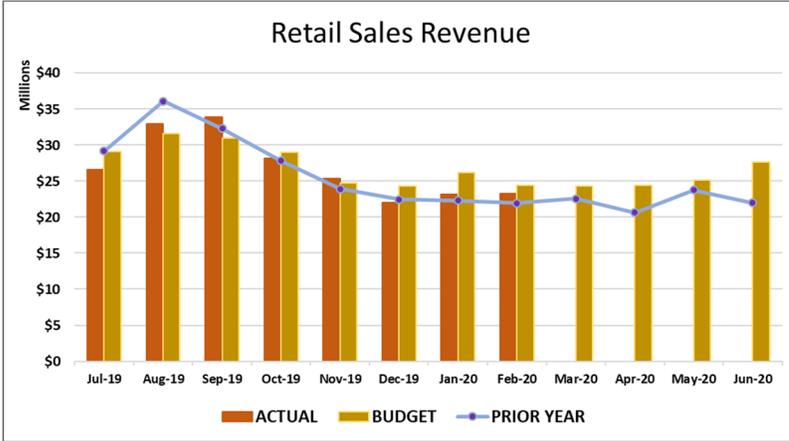


RPU FINANCIAL RESULTS

FY 2019/20 through February 29, 2020

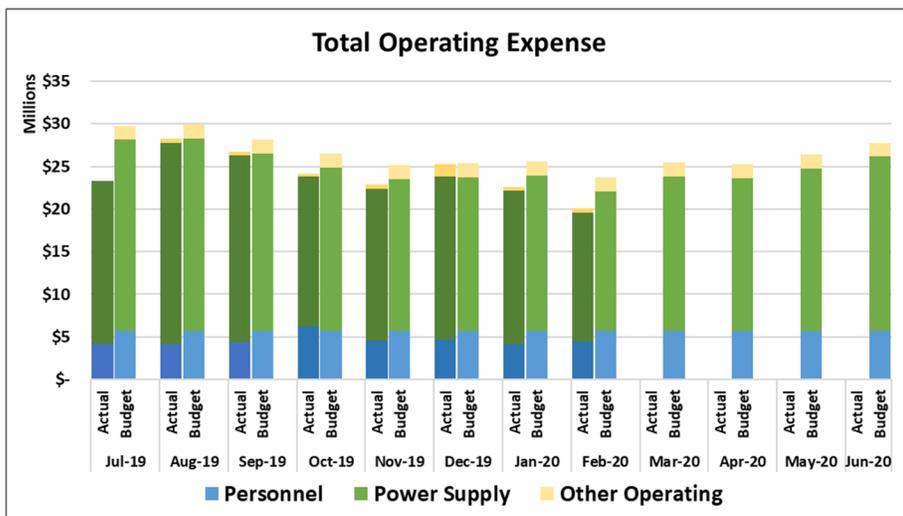
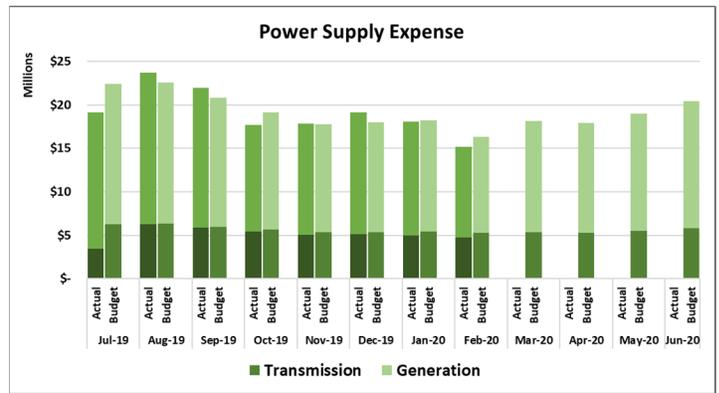
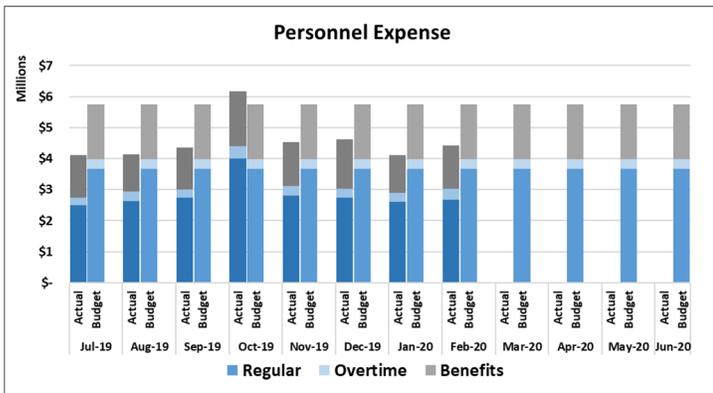
ELECTRIC

REVENUES



Year-to-date retail sales of \$215.5M are \$5.0M (2.3%) lower than budget due to lower than anticipated consumption. Current year actual retail sales are \$0.6M (0.3%) lower than prior year, due to a decrease in consumption as a result of cooler temperatures in the summer months compared to very warm temperatures in the prior year. Retail kWh sales reflect 1.8% lower than budget due to lower than anticipated consumption and 2.3% lower than prior year due to a decrease in consumption.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$36.4M are \$9.5M (20.6%) lower than budget due to various vacancies and attrition.

Power Supply Expense: Year-to-date power supply costs of \$152.7M are \$2.6M (1.7%) lower than budget primarily due to lower than anticipated consumption.

Other Operating Expense: Year-to-date other operating expenses of \$3.5M are \$9.6M (73.4%) below budget due to timing of expenses and savings in other general operating expenses.

CAPITAL IMPROVEMENT PROGRAM

| CAPITAL/EQUIPMENT FUNDING (In Millions) | Feb-20 | Feb-19 |
|--|----------------|----------------|
| Capital Contributions | \$ 2.0 | \$ 1.3 |
| Bond Proceeds | 12.4 | 7.1 |
| Rates/Reserves | 6.7 | 11.3 |
| TOTAL | \$ 21.1 | \$ 19.7 |

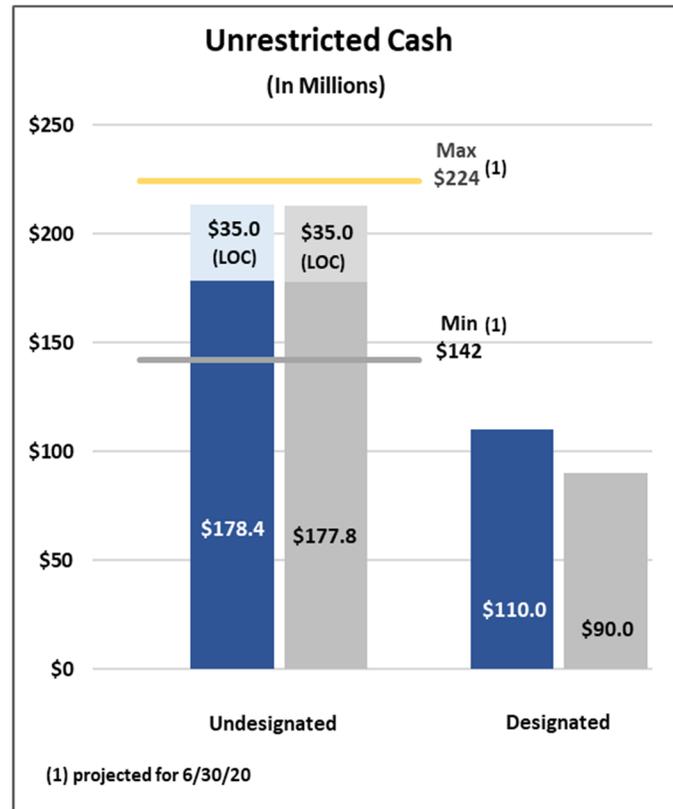
Current year capital expenses (projects and equipment) of \$21.1M are higher than prior year by \$1.4M primarily due to an increase in substation and recurring project expenditures.

CASH RESERVES

Reserves can be restricted by applicable laws and regulations or designated for specific purposes. Reserves that have not been restricted or designated are available to pay bills and provide cushion in the event of an emergency. The target levels for the unrestricted, undesignated reserve are established by City Council through reserve requirements for fiscal stability and are determined annually at 6/30 in conjunction with year-end financial results. The unrestricted, undesignated reserve of \$178.4M is \$0.6M higher than prior year primarily due to positive operating results and use of bond construction cash to fund capital projects, which is within the minimum and maximum levels at 2/29/20. On February 26, 2019, the 2019A Refunding Electric Revenue Bonds closed which established the \$103M Bond Construction Cash, which was used to fund capital projects and was included as part of Legally Restricted Cash. In addition, the Electric Fund entered into a line of credit (LOC) of \$35M to provide flexibility and operating liquidity similar to cash reserves, which allows cash levels to reduce while maintaining compliance with RPU Cash Reserve Policy and supporting strong bond ratings.

| COMPONENTS OF CASH (In Millions) | 2/29/2020 | 2/28/2019 |
|---------------------------------------|-----------------|-----------------|
| Unrestricted Undesignated | \$ 178.4 | \$ 177.8 |
| Designated | | |
| Electric Reliability | \$ 83.9 | \$ 67.6 |
| Additional Decommissioning Liability | 11.1 | 9.4 |
| Customer Deposits | 4.6 | 4.6 |
| Capital Repair/Replacement | 6.0 | 4.9 |
| Mission Square Improvement | 1.5 | 1.2 |
| Dark Fiber | 2.9 | 2.3 |
| Total Designated | \$ 110.0 | \$ 90.0 |
| Legally Restricted * | \$ 167.4 | \$ 215.8 |
| Available Line of Credit (LOC) | \$ 35.0 | \$ 35.0 |

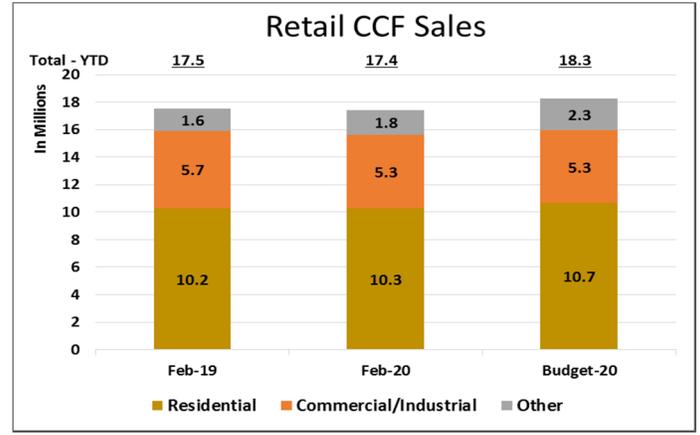
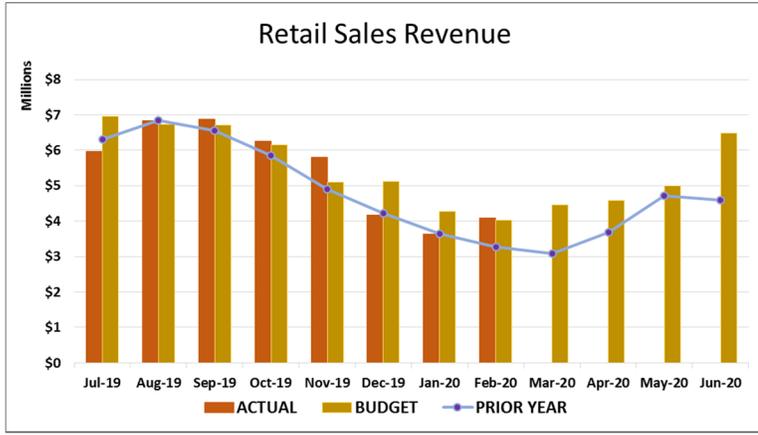
* Includes \$44.0M of Bond Construction Cash at 2/29/2020.



RPU FINANCIAL RESULTS

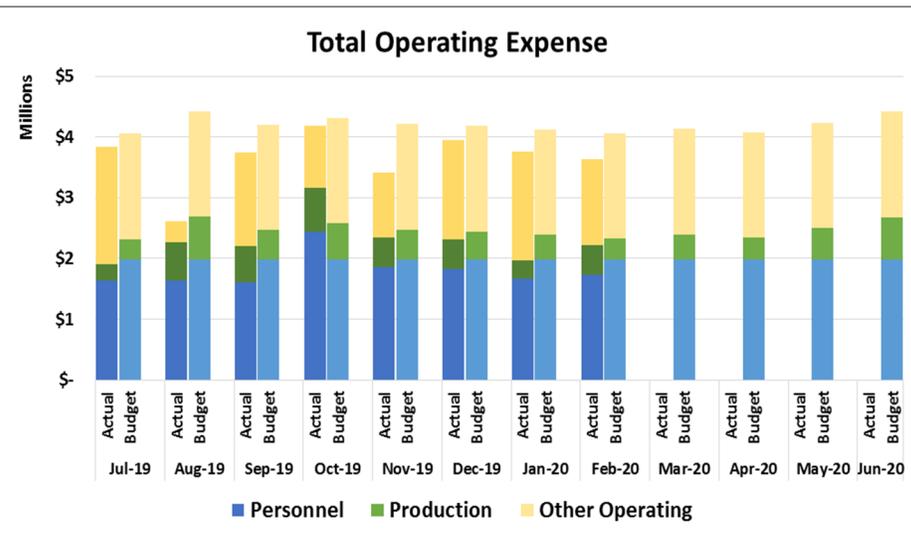
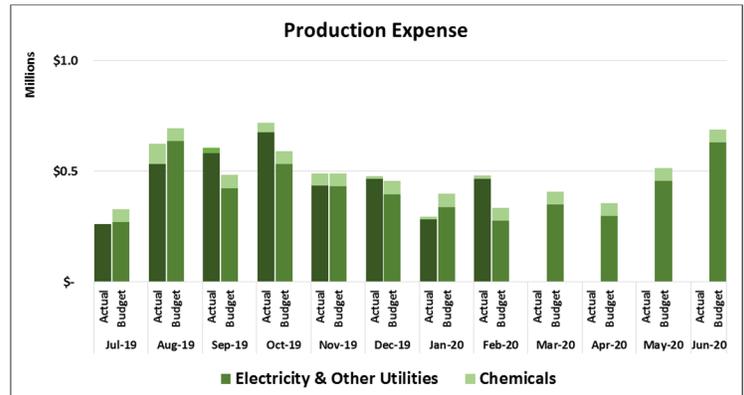
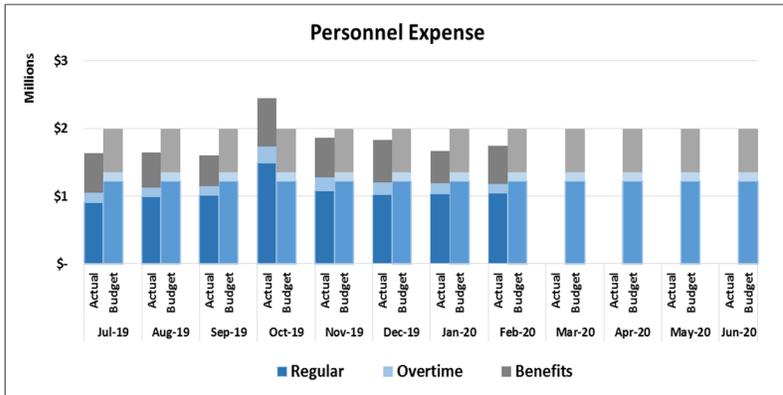
FY 2019/20 through February 29, 2020

WATER REVENUES



Year-to-date retail sales of \$43.6M are \$2.0M (4.8%) higher than prior year due to rate plan increases. Current year retail sales are \$1.4M (3.2%) lower than budget due to the higher than anticipated precipitation over the past two months. Retail CCF sales are 4.5% lower than budget and 0.5% lower than prior year due to a decrease in consumption.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$14.4M are \$1.5M (9.3%) below budget due to various vacancies and attrition. This is partially offset by overtime, which is currently trending higher than budget. Overtime expenses fluctuate from month to month due to season, weather, planned and unplanned work. Overtime will continue to be monitored closely.

Production Expense: Year-to-date production costs of \$4.0M are \$0.2M (4.8%) higher than budget primarily due to higher than anticipated electric costs for water production.

Other Operating Expense: Other operating expenses of \$10.8M are \$3.1M (22.6%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

CAPITAL FUNDING

| CAPITAL/EQUIPMENT FUNDING (In Millions) | Feb-20 | Feb-19 |
|--|----------------|----------------|
| Capital Contributions | \$ 1.8 | \$ 1.5 |
| Bond Proceeds | 5.3 | 8.1 |
| Rates/Reserves | 3.3 | 5.4 |
| TOTAL | \$ 10.4 | \$ 15.0 |

Current year capital expenses (projects and equipment) of \$10.4M are \$4.6M lower than prior year primarily due to a decrease in distribution pipeline and distribution facility expenditures.

CASH RESERVES

Reserves can be restricted by applicable laws and regulations or designated for specific purposes. Reserves that have not been restricted or designated are available to pay bills and provide cushion in the event of an emergency. The target levels for the unrestricted, undesignated reserve are established by City Council through reserve requirements for fiscal stability and are determined annually at 6/30 in conjunction with year-end financial results. The unrestricted, undesignated reserve of \$33.3M is 1.5M higher than prior year primarily due to positive operating results. On February 26, 2019, the 2019A Refunding Water Revenue Bonds closed, which established the \$52.2M Bond Construction Cash that will be used to fund capital projects and is included as part of Legally Restricted Cash. In addition, the Water Fund entered into a line of credit (LOC) of \$25M to provide flexibility and operating liquidity similar to cash reserves, which allows cash levels to reduce while maintaining compliance with RPU Cash Reserve Policy and supporting strong bond ratings. Water Fund's unrestricted, undesignated reserve balance combined with the line of credit (LOC) in compliance with RPU Cash Reserve Policy, at 2/29/2020 is above target minimum which is consistent with projections provided during the biennial budget and rate plan proposal processes.

| COMPONENTS OF CASH (In Millions) | 2/29/2020 | 2/28/2019 |
|---------------------------------------|----------------|----------------|
| Unrestricted Undesignated | \$ 33.3 | \$ 31.8 |
| Designated | | |
| Property | \$ 5.1 | \$ 5.0 |
| Recycled Water | 1.1 | 1.6 |
| Customer Deposits | 0.6 | 0.6 |
| Capital Repair/Replacement | 2.3 | 2.3 |
| Total Designated | \$ 9.1 | \$ 9.5 |
| Legally Restricted * | \$ 45.1 | \$ 58.8 |
| Available Line of Credit (LOC) | \$ 25.0 | \$ 25.0 |

* Includes \$35.0M of Bond Construction Cash at 2/29/2020.

