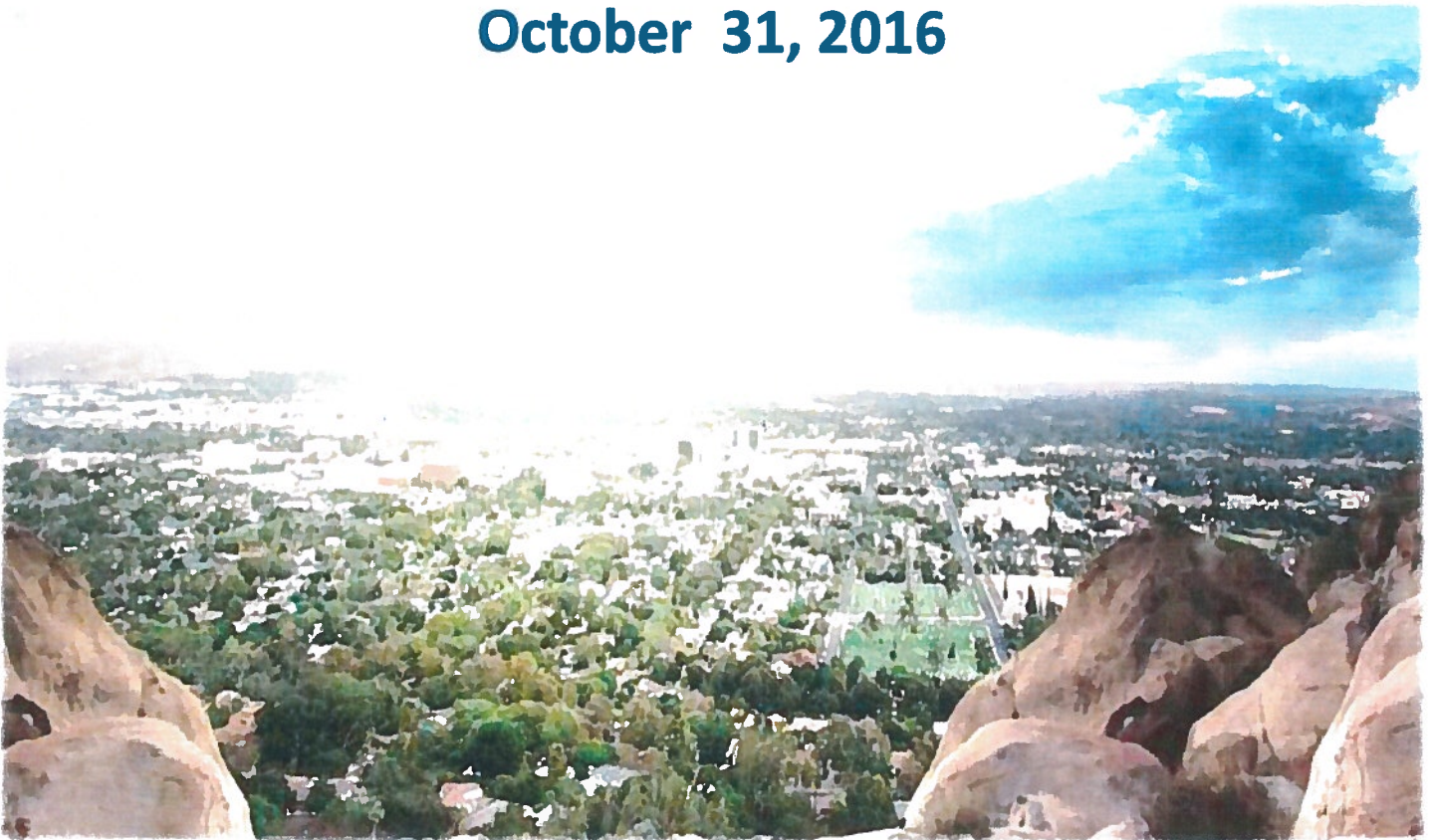
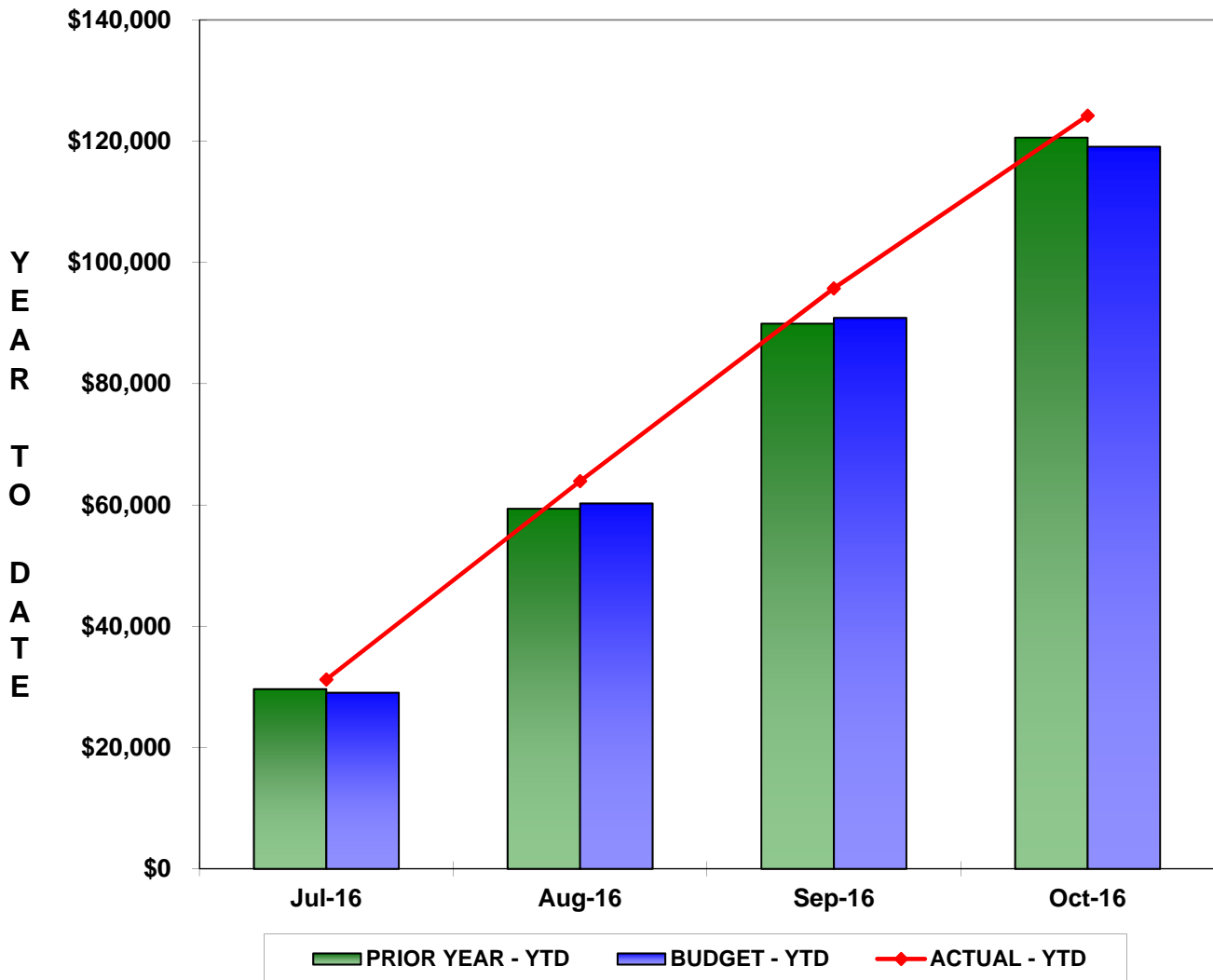


# **MONTHLY FINANCIAL REPORT**

**October 31, 2016**



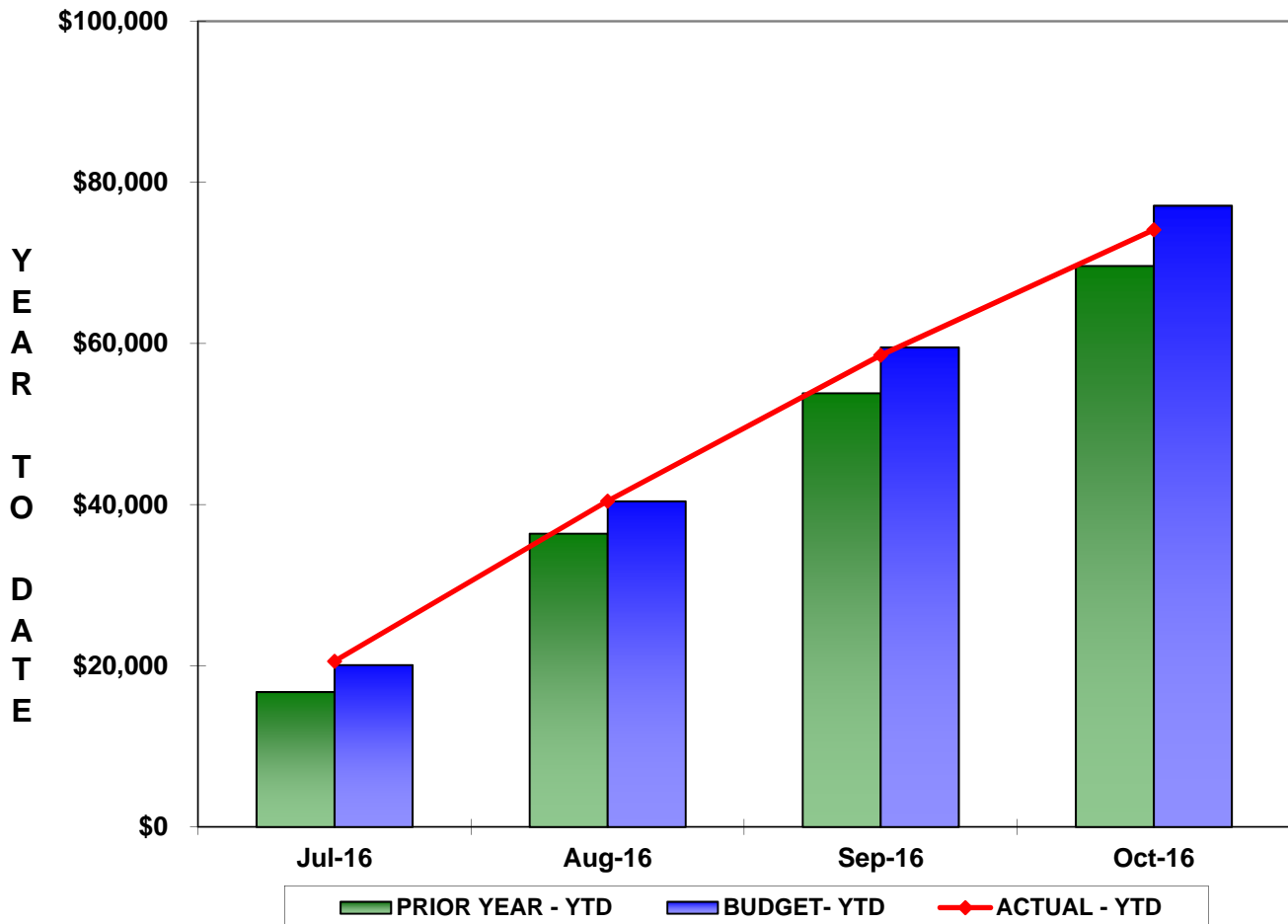
# ELECTRIC UTILITY RETAIL SALES REVENUE FOR THE PERIOD ENDED OCTOBER 31, 2016 (In Thousands)



**Actual to Prior:** Year-to-date retail sales of \$124.2M are \$3.6M (3.0%) higher than prior year due to a 2.8% increase in consumption as a result of warmer weather.

**Actual to Budget:** Year-to-date actual retail sales are \$5.1M (4.3%) higher than budget due to higher than expected consumption due to warmer than anticipated weather.

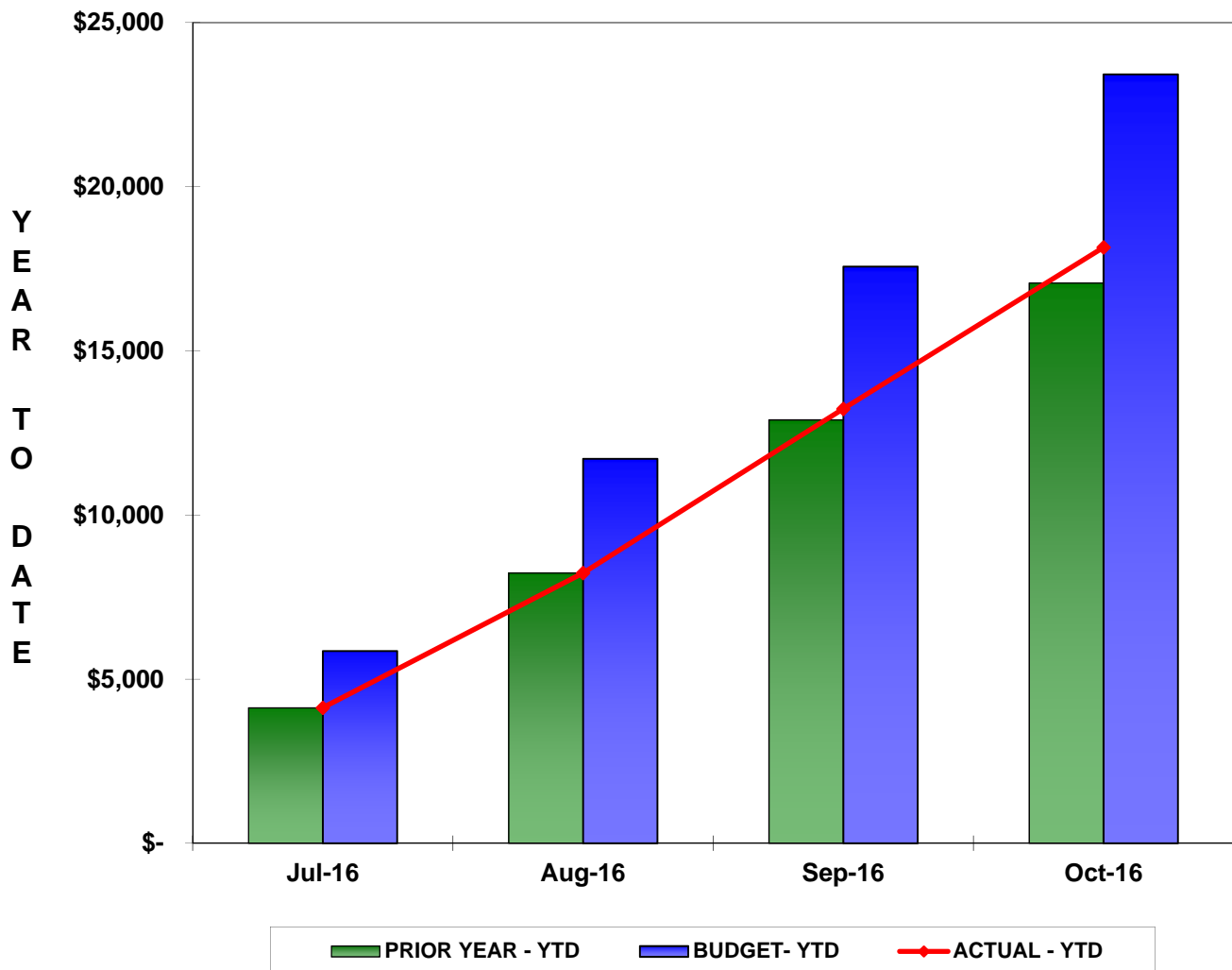
# ELECTRIC UTILITY POWER SUPPLY EXPENSES FOR THE PERIOD ENDED OCTOBER 31, 2016 (In Thousands)



**Actual to Prior:** Year-to-date power supply costs of \$74.1M are \$4.5M (6.4%) higher than prior year primarily due to increase in customer consumption as a result of warmer weather and new renewable energy projects coming online.

**Actual to Budget:** Year-to-date power supply costs are \$3.0M (3.9%) below budget due to lower than anticipated market prices offset by higher than anticipated CAISO transmission access charges and higher than anticipated customer consumption.

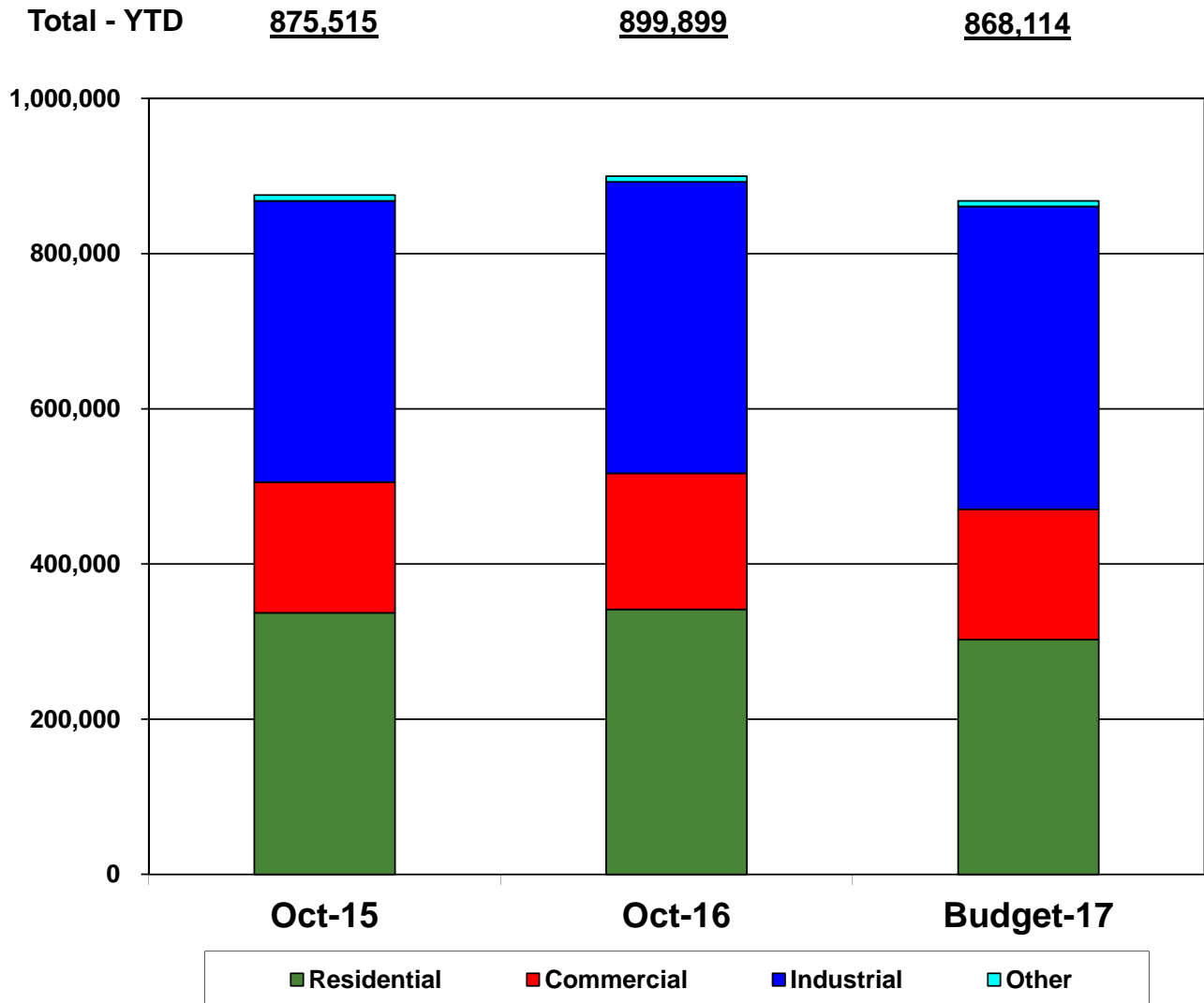
# ELECTRIC UTILITY DISTRIBUTION OPERATING EXPENSES FOR THE PERIOD ENDED OCTOBER 31, 2016 (In Thousands)



**Actual to Prior:** Year-to-date distribution operating expenses of \$18.2M are \$1.1M (6.4%) higher than prior year primarily due to an increase in general operating expenses.

**Actual to Budget:** Year-to-date operating expenses are \$5.3M (22.5%) below anticipated levels primarily due to timing of expenditures and savings in personnel costs and other general operating expenses.

***ELECTRIC UTILITY  
RETAIL KWH SALES (In Thousands)  
FOR THE PERIOD ENDED OCTOBER 31, 2016***



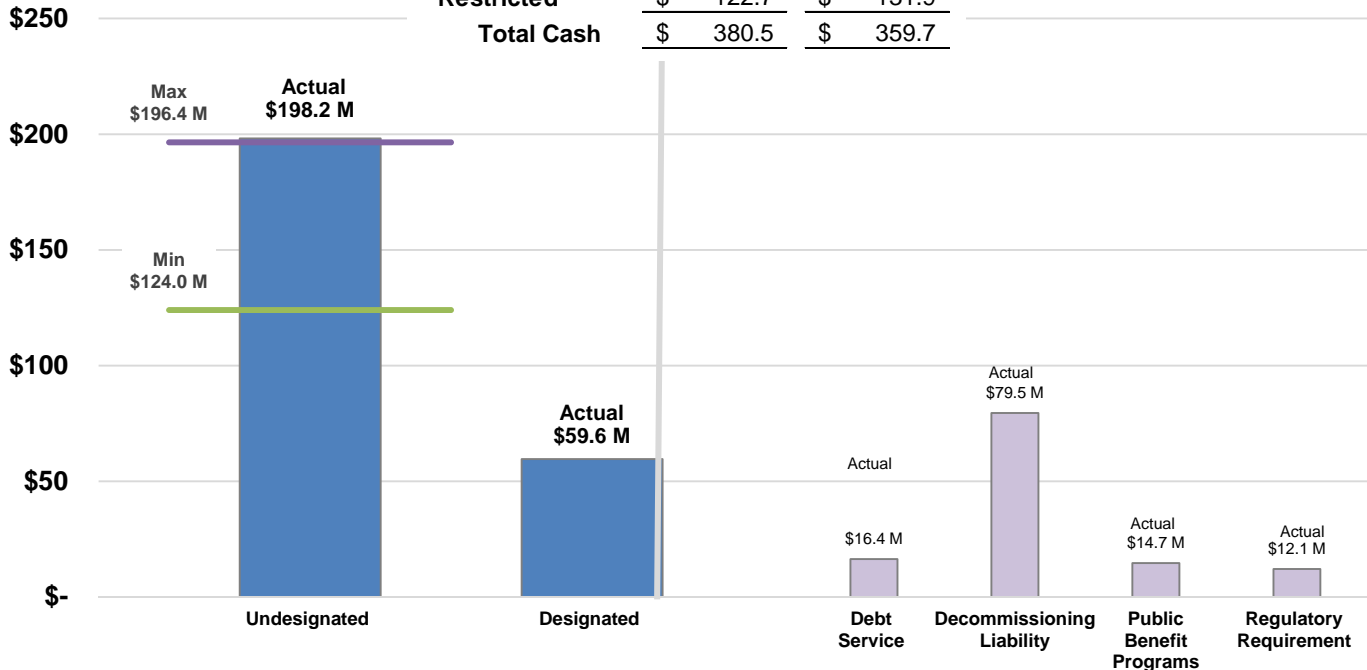
**Actual to Prior:** Retail kWh sales are 2.8% higher than prior year due to an increase in consumption as a result of warmer weather.

**Actual to Budget:** Retail kWh sales are 3.7% above budget primarily due to higher than anticipated residential and commercial consumption as a result of warmer than anticipated weather.

# ELECTRIC UTILITY CASH BALANCE OCTOBER 31, 2016 (In Millions)

Total Cash as of October 31:

	2016	2015
Unrestricted	\$ 257.8	\$ 227.8
Restricted *	\$ 122.7	\$ 131.9
<b>Total Cash</b>	<b>\$ 380.5</b>	<b>\$ 359.7</b>



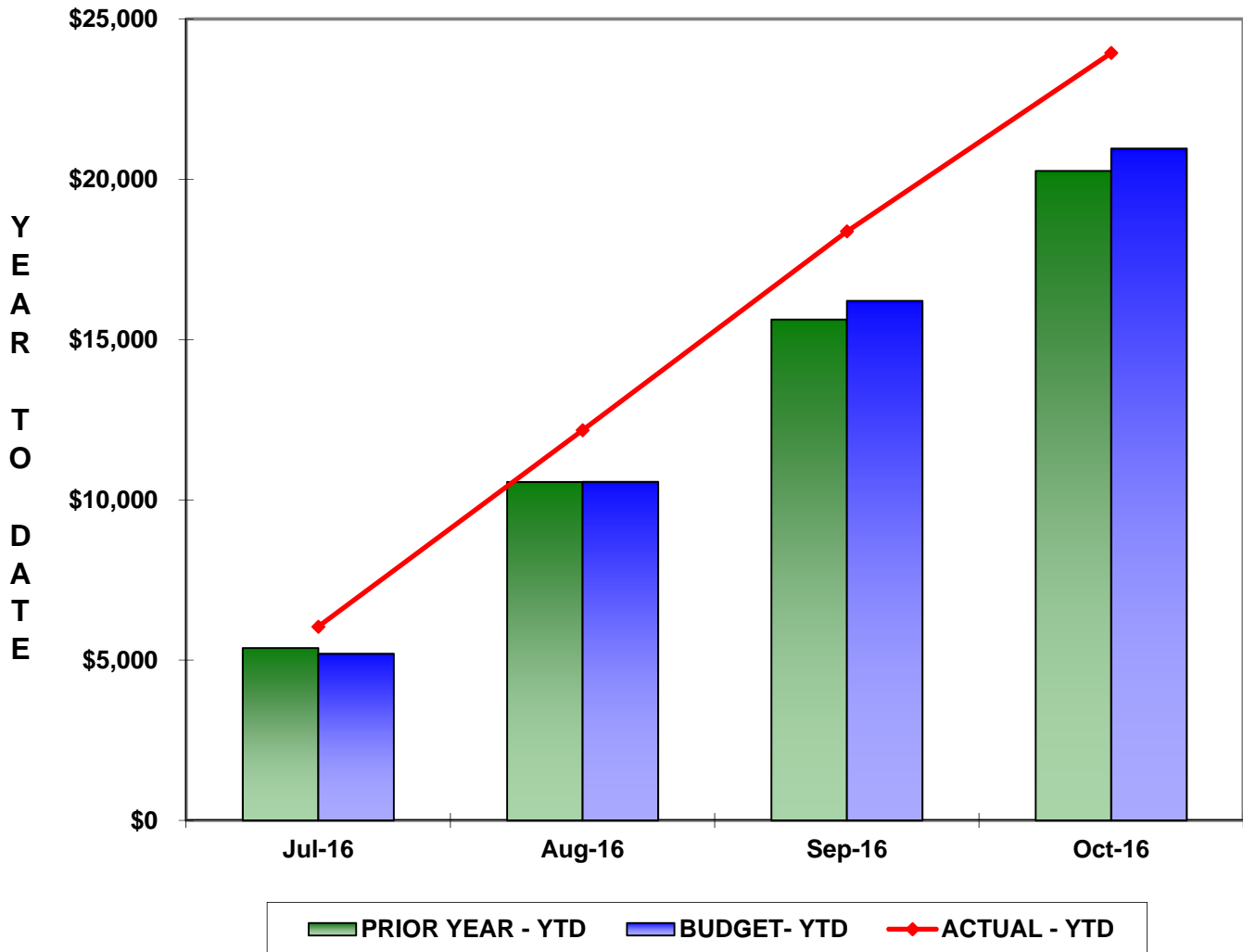
\* Legally restricted for specific purposes.

The components of Unrestricted Designated Reserves are:

	FY 16/17
Electric Reliability Fund	\$ 48.1
Add'l Decommissioning Liability Reserve	\$ 5.5
Customer Deposits Reserve	\$ 3.8
Capital Repair/Replacement Reserve	\$ 2.0
Mission Square Improvement Fund	\$ 0.2
<b>Total Designated Reserves</b>	<b>\$ 59.6</b>

At October, 31, 2016, the unrestricted, undesignated reserve balance of \$198.2M, \$20.8M higher than prior year and is temporarily above the maximum threshold calculated at June 30, 2016 by \$1.8M. This is primarily due to a combination of: 1) starting the year with a higher than planned beginning cash balance due to \$13M of miscellaneous settlements and liquidated damages received; 2) higher revenues than expected due to higher consumption by customers; 3) lower expenses than planned due to lower energy prices and timing of payments and 4) lower than anticipated capital improvement spending through October. Based on current planned projects and remaining budgeted expenses, we anticipate being within minimum and maximum levels by year end as required by RPU's fiscal policy.

# **WATER UTILITY RETAIL SALES REVENUE FOR THE PERIOD ENDED OCTOBER 31, 2016 (In Thousands)**

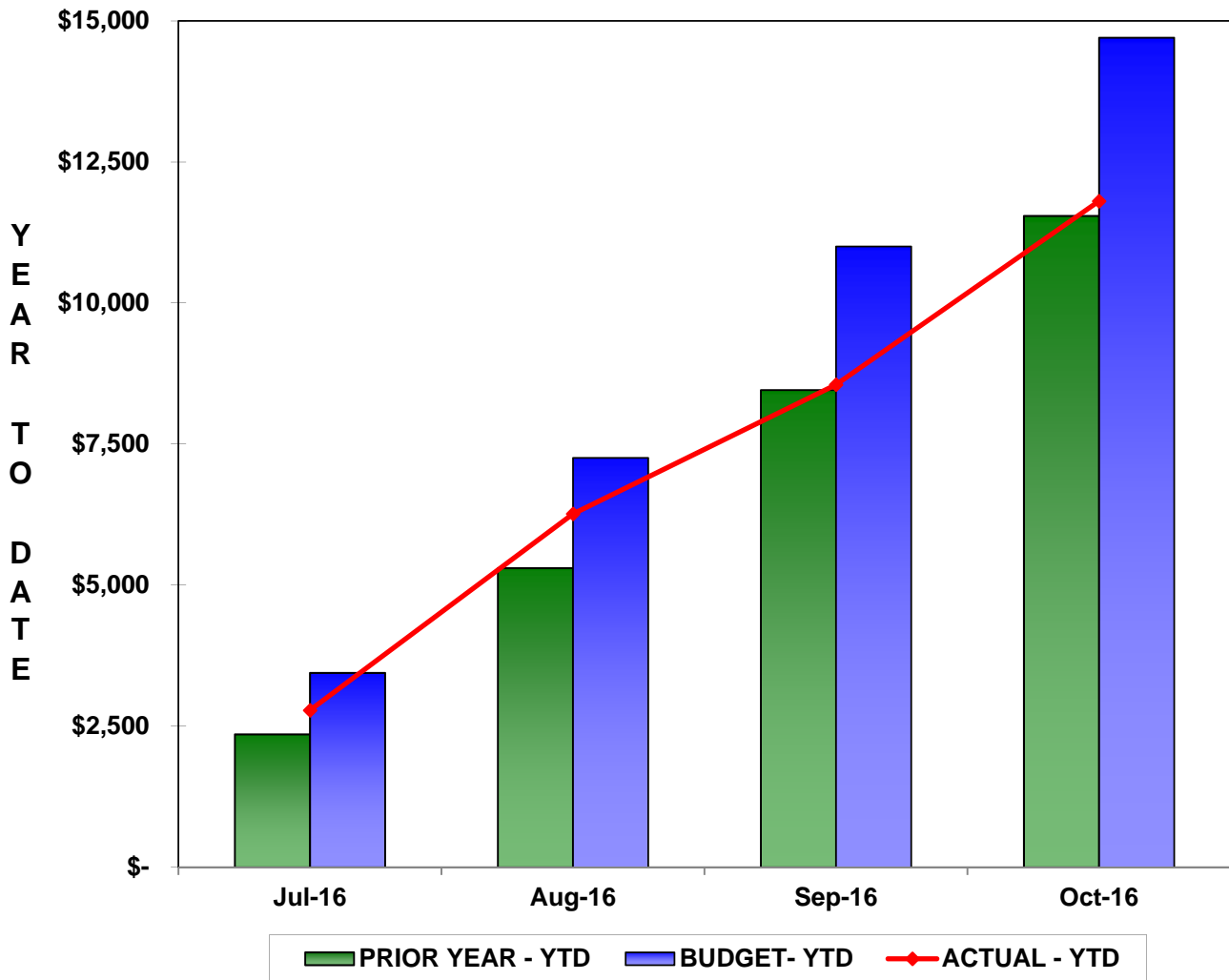


**Actual to Prior:** Year-to-date actual retail sales of \$23.9M are \$3.7M (18.1%) higher than prior year primarily due to a 18.6% increase in consumption as a result of the lifting of water restriction mandates and warmer weather.

**Actual to Budget:** Year-to-date actual retail sales are \$3.0M (14.2%) higher than budget due to an increase in consumption levels as a result of the lifting of water restriction mandates and warmer than anticipated weather.



# **WATER UTILITY DISTRIBUTION OPERATING EXPENSES FOR THE PERIOD ENDED OCTOBER 31, 2016 (In Thousands)**

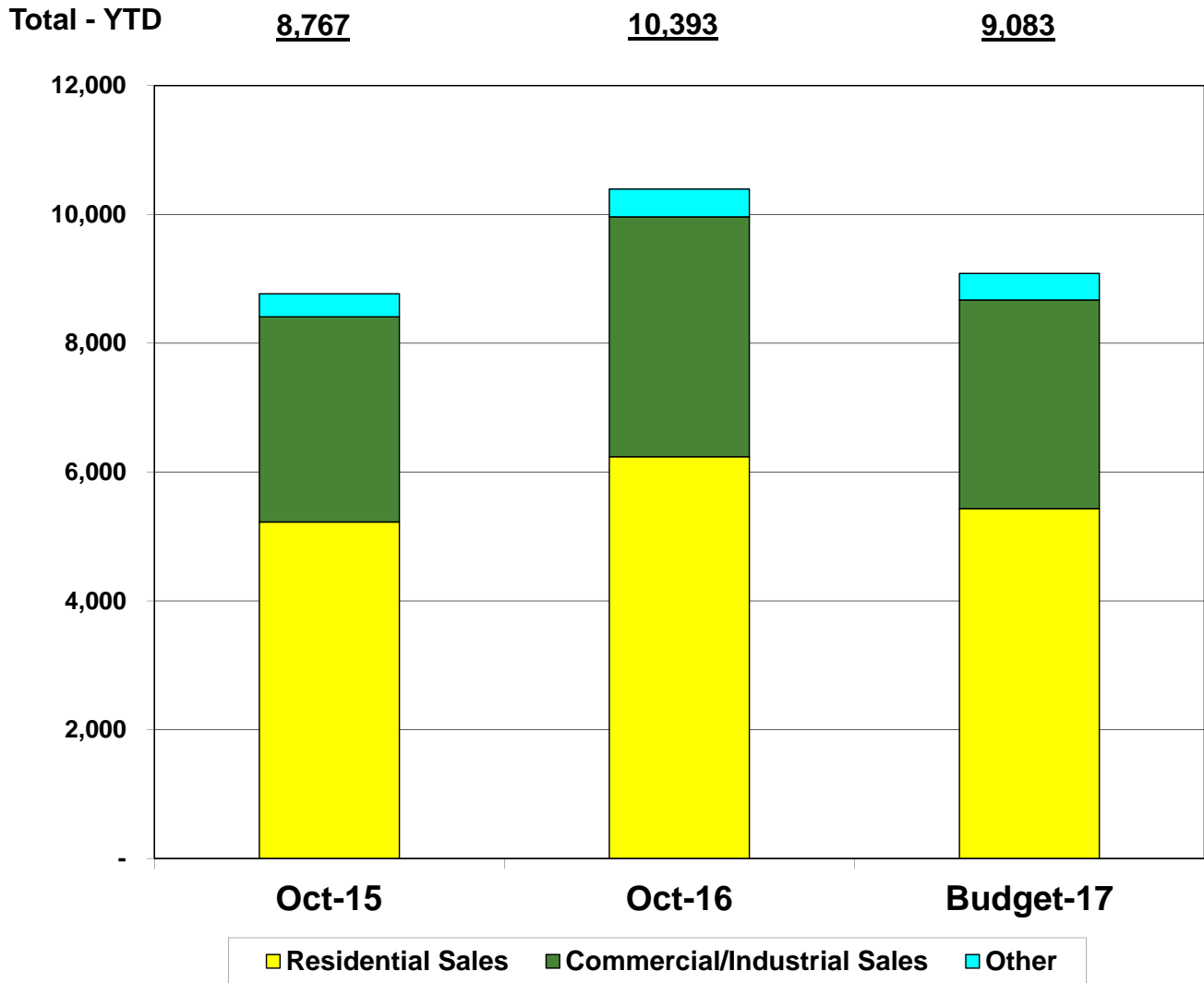


**Actual to Prior:** Year-to-date distribution operating expenses of \$11.8M are slightly higher than prior year due to a slight increase in production costs as a result of an increase in consumption.

**Actual to Budget:** Year-to-date operating expenses are \$2.9M (19.7%) below anticipated levels due to timing of expenditures and savings in personnel costs and other general operating expenses.



**WATER UTILITY**  
**CCF SALES (In Thousands)**  
**FOR THE PERIOD ENDED OCTOBER 31, 2016**



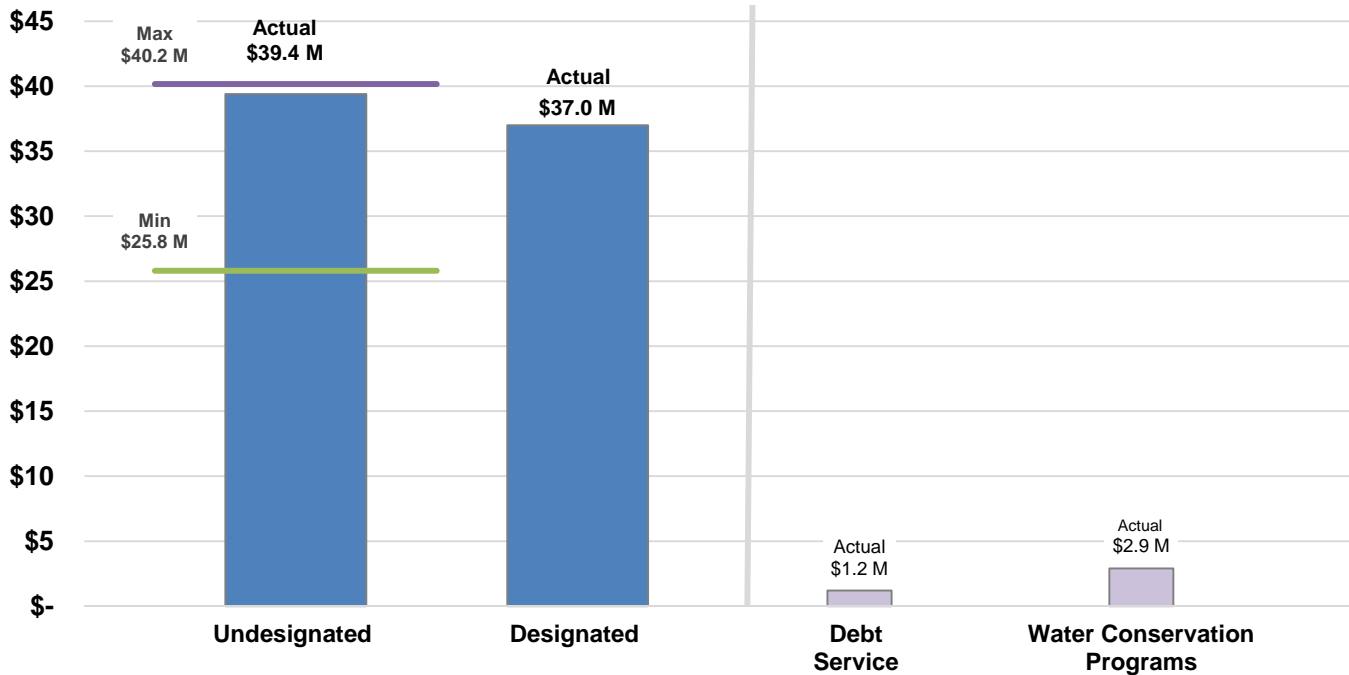
**Actual to Prior:** Retail CCF sales are 18.6% higher than prior year due to an increase in consumption as a result of the lifting of water restriction mandates and warmer weather.

**Actual to Budget:** Retail CCF sales are 14.4% above budget due to increased consumption levels primarily due to the lifting of water restrictions and warmer than anticipated weather.

# WATER UTILITY CASH BALANCE OCTOBER 31, 2016 (In Millions)

Total Cash as of October 31 :

	2016	2015
Unrestricted	\$ 76.4	\$ 79.5
Restricted *	\$ 4.1	\$ 4.7
<b>Total Cash</b>	<b>\$ 80.5</b>	<b>\$ 84.2</b>



\* Legally restricted for specific purposes.

The components of Unrestricted Designated Reserves are:

	FY 16/17
Property Reserve	\$ 26.0
Recycled Water Reserve	\$ 9.8
Capital Repair/Replacement Reserve	\$ 0.8
Customer Deposits Reserve	\$ 0.4
<b>Total Designated Reserves</b>	<b>\$ 37.0</b>

Overall cash balances are \$3.7M lower than prior year primarily due to the use of undesignated reserve for capital projects customarily funded by bonds. With the City Council approved Reimbursement Resolution, use of undesignated reserve currently for capital projects may be reimbursed by a future bond issuance.