

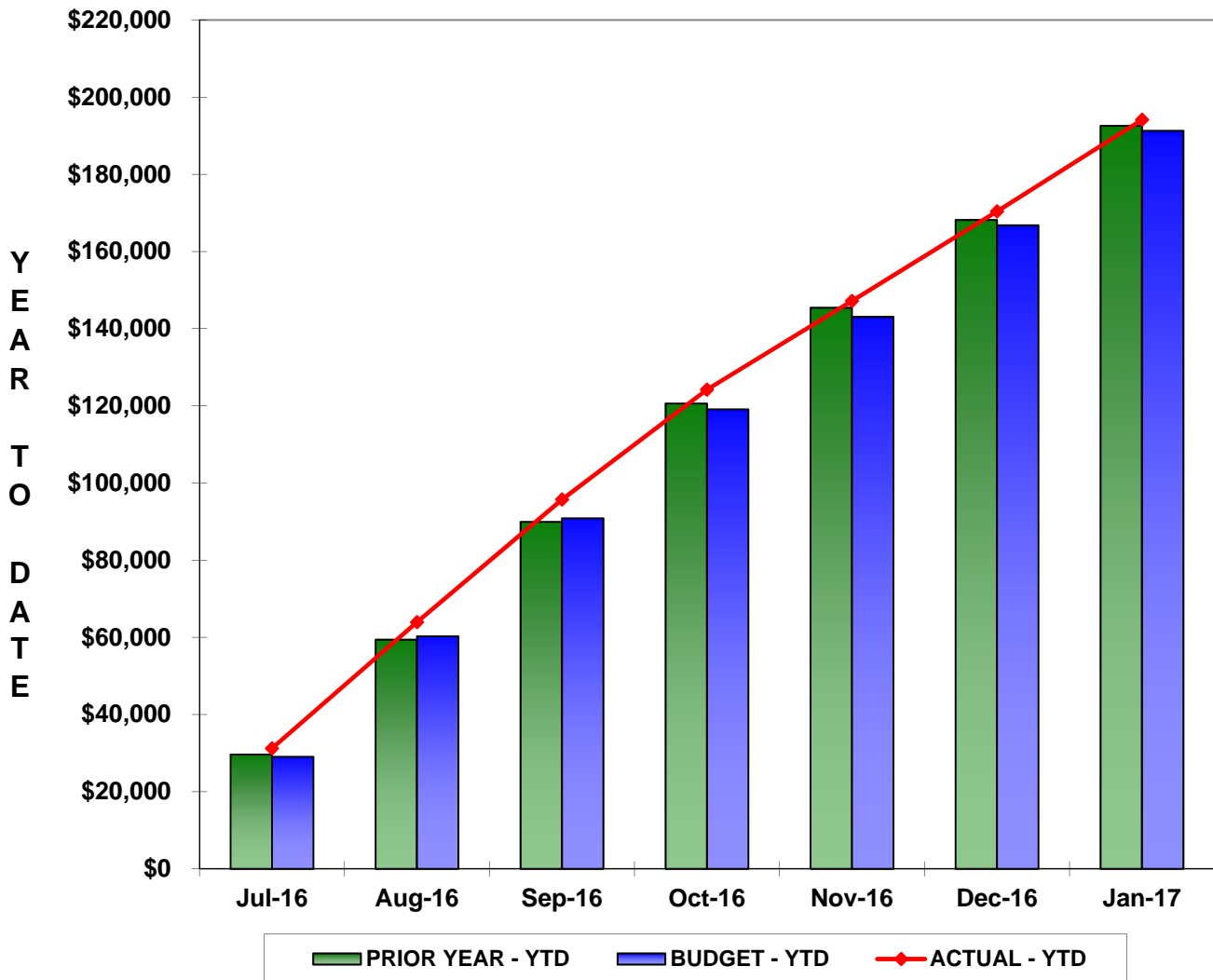
Arts & Innovation

MONTHLY FINANCIAL REPORT

January 31, 2017



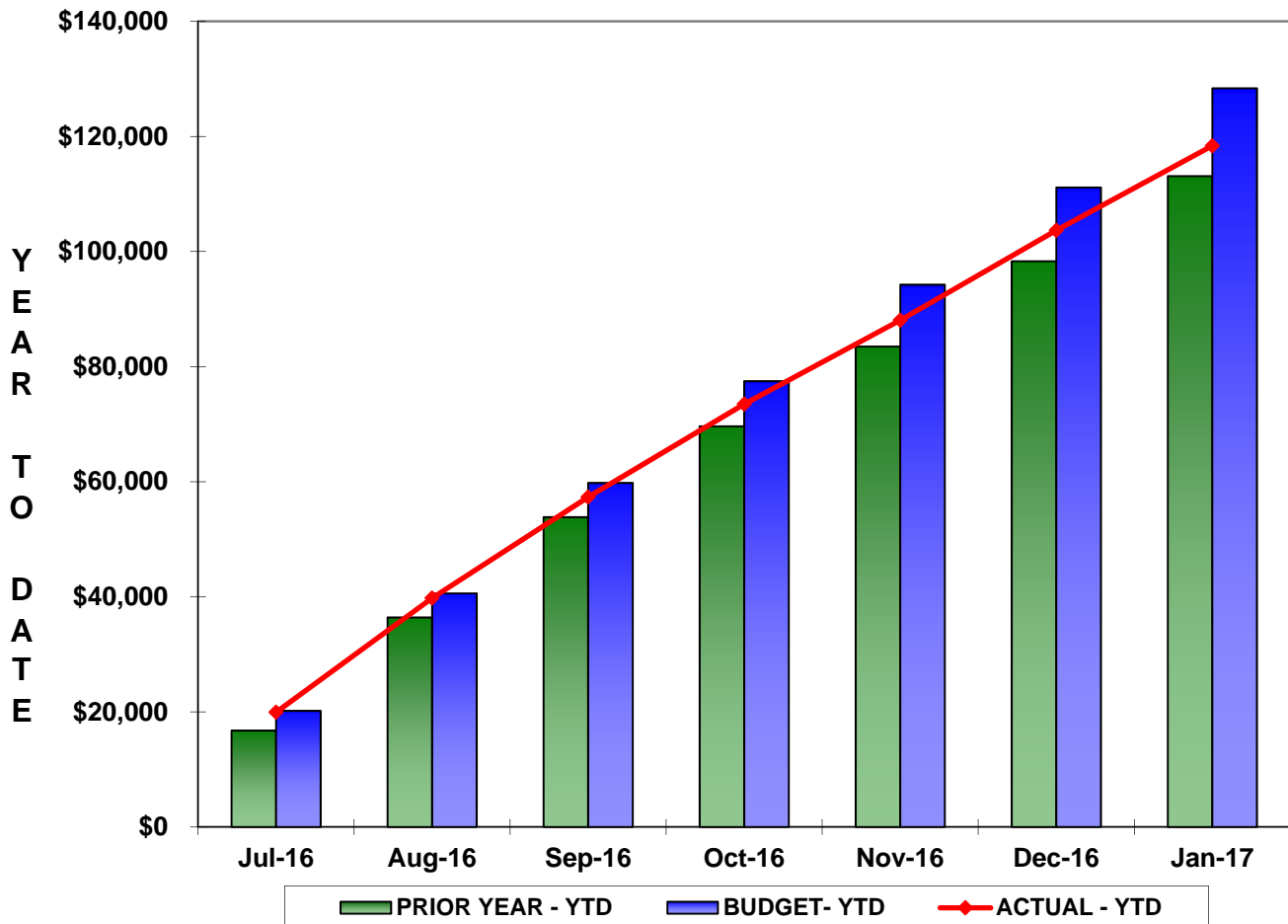
ELECTRIC UTILITY RETAIL SALES REVENUE FOR THE PERIOD ENDED JANUARY 31, 2017 (In Thousands)



Actual to Prior: Year-to-date retail sales of \$194.1M are \$1.6M (0.8%) higher than prior year due to a 0.5% increase in consumption as a result of warmer weather during the summer season.

Actual to Budget: Year-to-date actual retail sales are \$2.8M (1.5%) higher than budget due to higher consumption as a result of warmer weather.

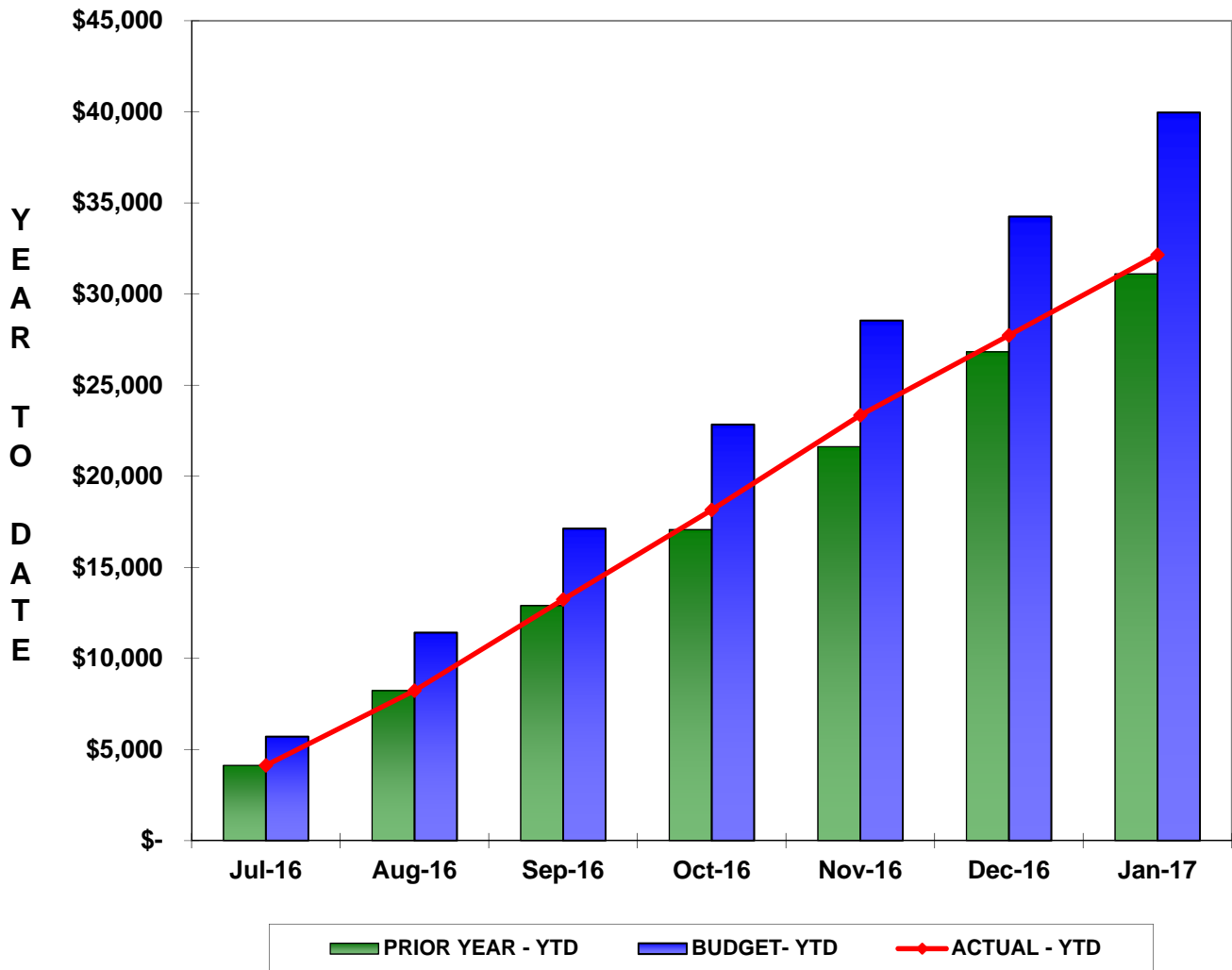
ELECTRIC UTILITY POWER SUPPLY EXPENSES FOR THE PERIOD ENDED JANUARY 31, 2017 (In Thousands)



Actual to Prior: Year-to-date power supply costs of \$118.4M are \$5.3M (4.7%) higher than prior year primarily due to increase in customer consumption as a result of warmer weather during the summer season and new renewable energy projects coming online.

Actual to Budget: Year-to-date power supply costs are \$10.0M (7.8%) below budget due to lower than anticipated market prices offset by higher than anticipated CAISO transmission access charges and higher customer consumption.

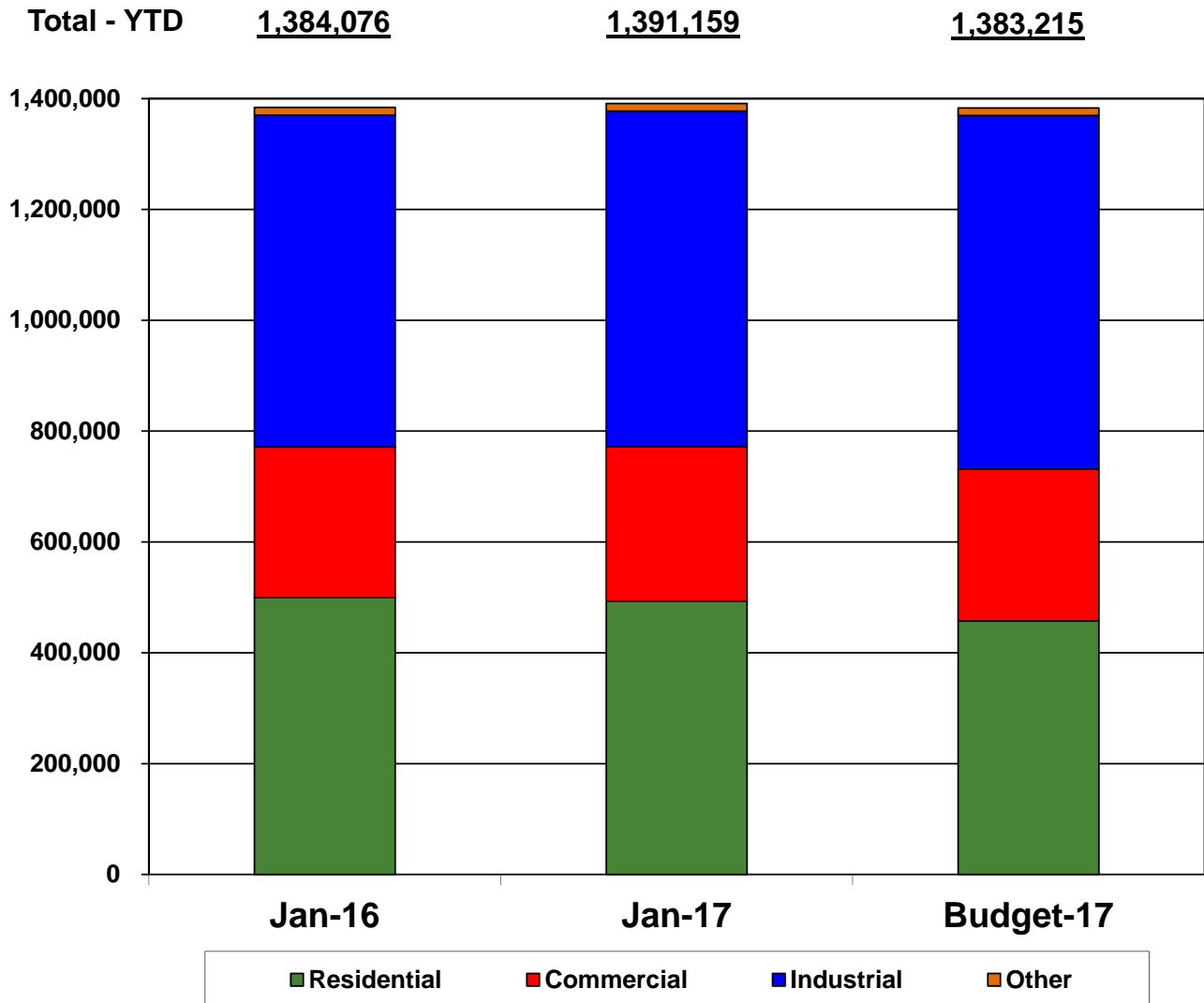
ELECTRIC UTILITY DISTRIBUTION OPERATING EXPENSES FOR THE PERIOD ENDED JANUARY 31, 2017 (In Thousands)



Actual to Prior: Year-to-date distribution operating expenses of \$32.2M are \$1.0M (3.4%) higher than prior year primarily due to an increase in general operating expenses.

Actual to Budget: Year-to-date operating expenses are \$7.8M (19.5%) 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 JANUARY 31, 2017***



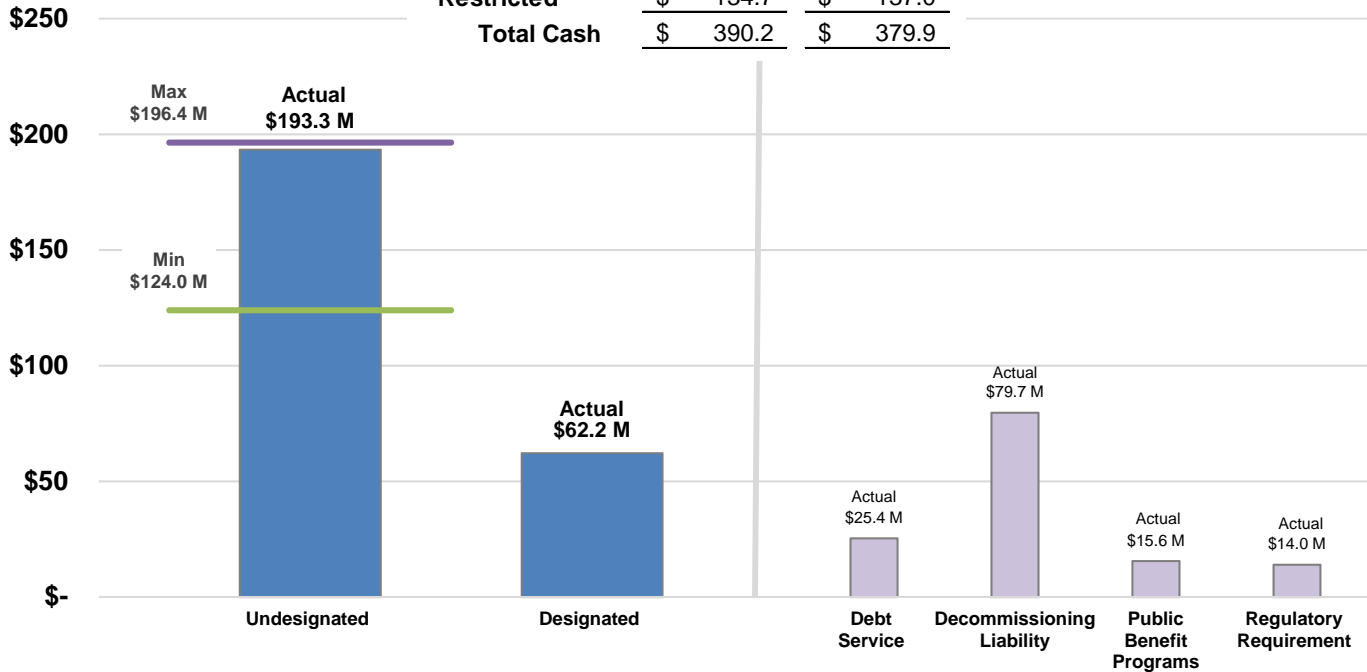
Actual to Prior: Retail kWh sales are 0.5% higher than prior year due to an increase in consumption as a result of warmer weather during the summer season.

Actual to Budget: Retail kWh sales are 0.6% above budget primarily due to higher than anticipated residential and commercial consumption as a result of warmer weather.

ELECTRIC UTILITY CASH BALANCE JANUARY 31, 2017 (In Millions)

Total Cash as of January 31:

	2017	2016
Unrestricted	\$ 255.5	\$ 242.9
Restricted *	\$ 134.7	\$ 137.0
Total Cash	\$ 390.2	\$ 379.9



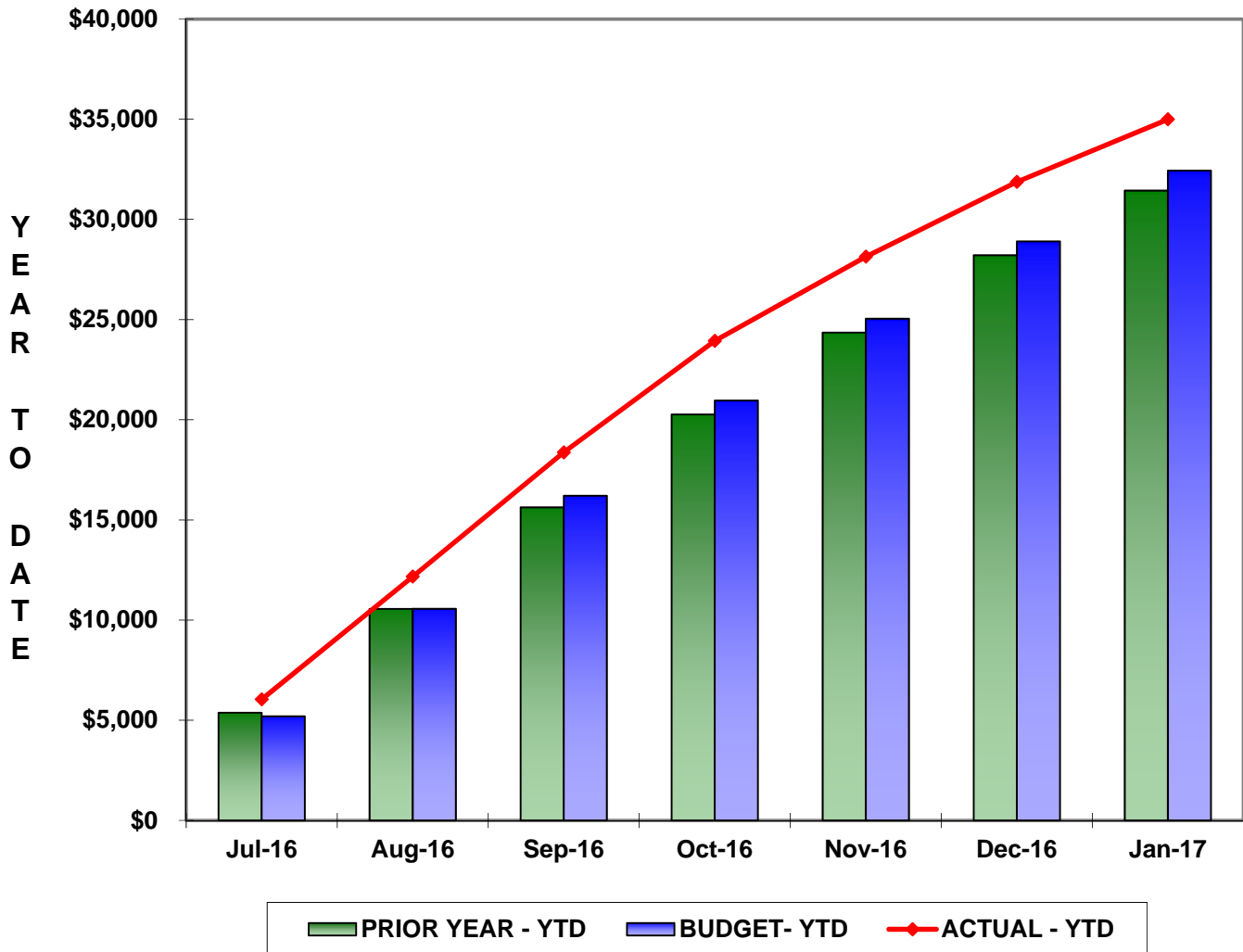
* Legally restricted for specific purposes.

The components of Unrestricted Designated Reserves are:

	FY 16/17
Electric Reliability Fund	\$ 50.3
Add'l Decommissioning Liability Reserve	\$ 5.9
Customer Deposits Reserve	\$ 3.8
Capital Repair/Replacement Reserve	\$ 2.0
Mission Square Improvement Fund	\$ 0.2
Total Designated Reserves	\$ 62.2

At January 31, 2017, total cash is \$10.3M higher than prior year and the unrestricted, undesignated reserve balance of \$193.3M is within target levels. The increase in total cash over prior year is primarily due to the settlement recoveries and liquidated damages received in the last half of the prior fiscal year and positive operating results. This is offset by the funding of capital projects with undesignated reserves.

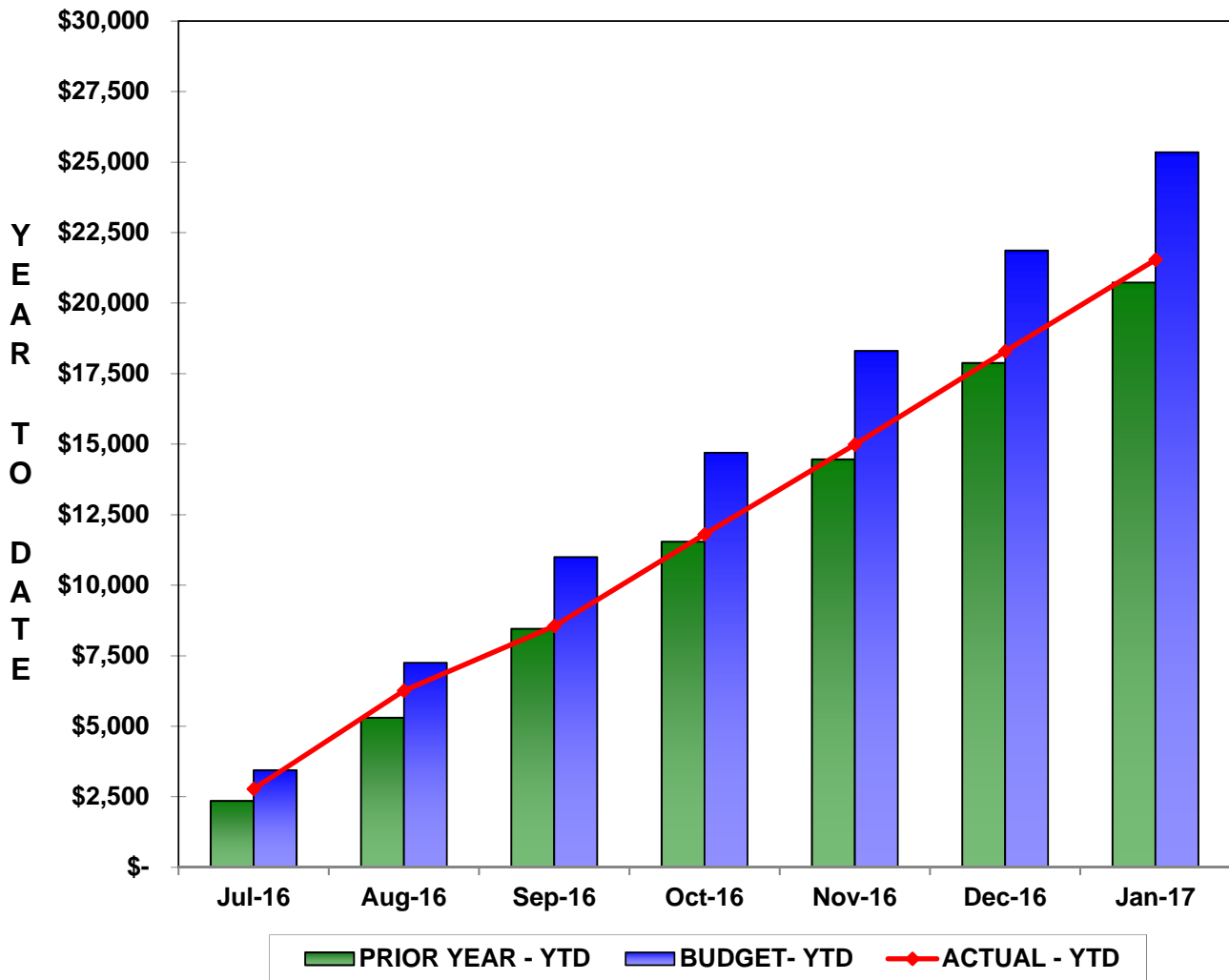
WATER UTILITY RETAIL SALES REVENUE FOR THE PERIOD ENDED JANUARY 31, 2017 (In Thousands)



Actual to Prior: Year-to-date actual retail sales of \$35.0M are \$3.6M (11.3%) higher than prior year primarily due to a 10.9% increase in consumption as a result of the lifting of water restriction mandates and warmer weather during the summer season.

Actual to Budget: Year-to-date actual retail sales are \$2.6M (7.9%) higher than budget due to an increase in consumption levels as a result of the lifting of water restriction mandates and warmer weather.

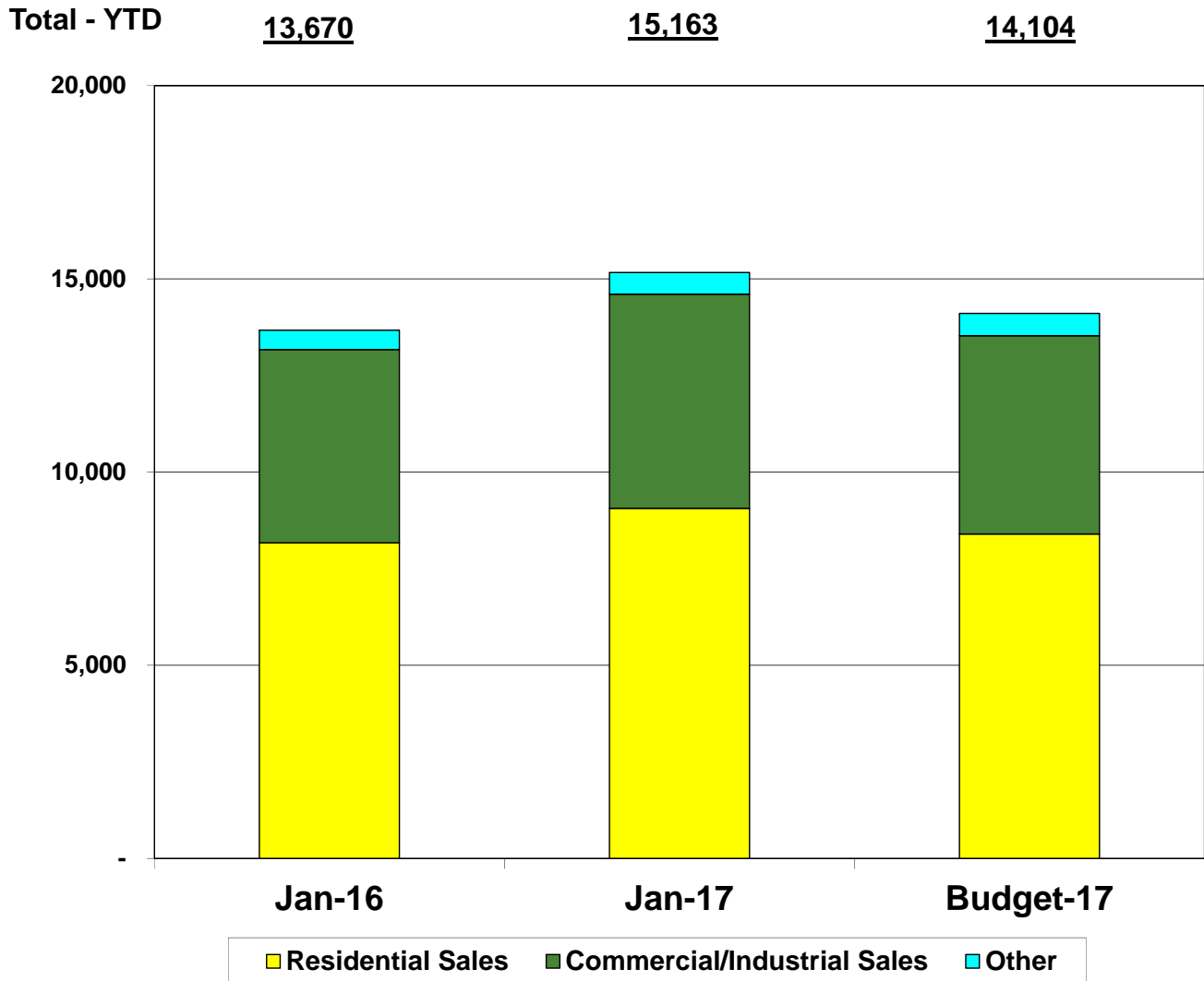
WATER UTILITY DISTRIBUTION OPERATING EXPENSES FOR THE PERIOD ENDED JANUARY 31, 2017 (In Thousands)



Actual to Prior: Year-to-date distribution operating expenses of \$21.5M are \$0.8M (3.9%) higher than prior year due to an increase in production costs as a result of an increase in consumption.

Actual to Budget: Year-to-date operating expenses are \$3.8M (15.0%) 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 JANUARY 31, 2017**



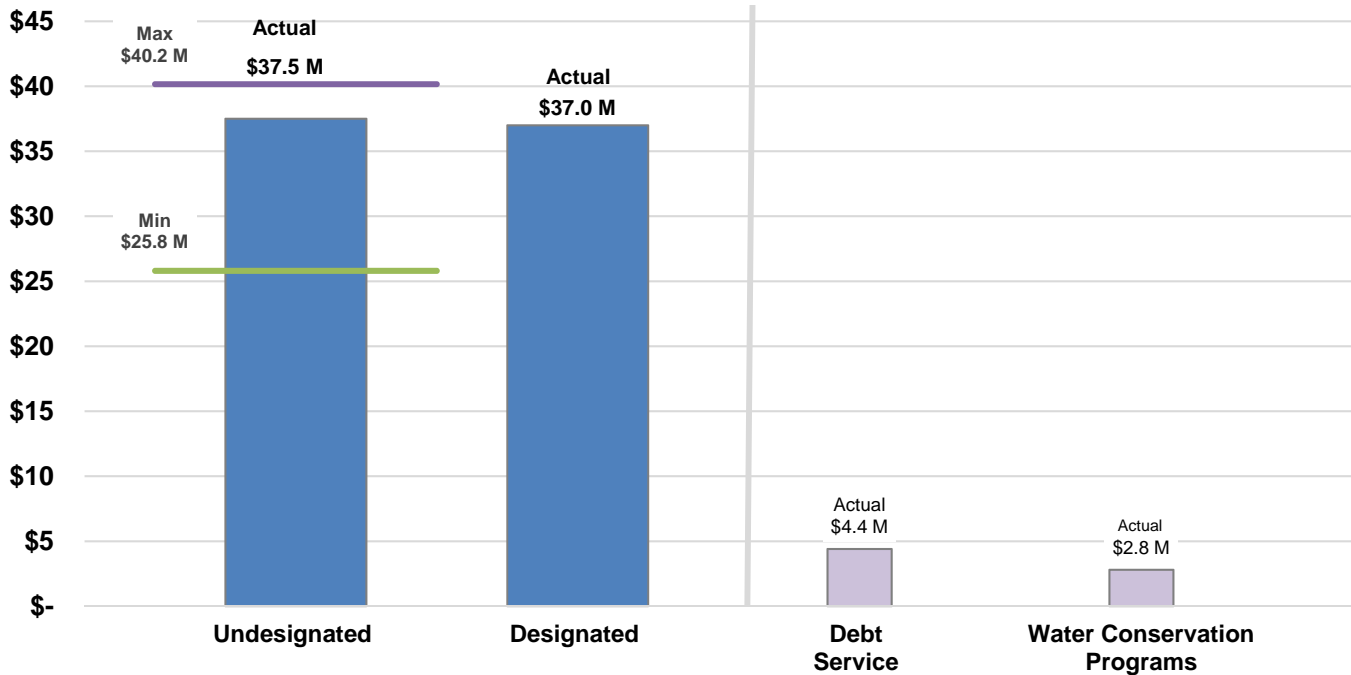
Actual to Prior: Retail CCF sales are 10.9% higher than prior year due to an increase in consumption as a result of the lifting of water restriction mandates and warmer weather during the summer season.

Actual to Budget: Retail CCF sales are 7.5% above budget due to increased consumption levels primarily due to the lifting of water restrictions and warmer weather.

WATER UTILITY CASH BALANCE JANUARY 31, 2017 (In Millions)

Total Cash as of January 31 :

	2017	2016
Unrestricted	\$ 74.5	\$ 75.0
Restricted *	\$ 7.2	\$ 7.7
Total Cash	\$ 81.7	\$ 82.7



* 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
Total Designated Reserves	\$ 37.0

Overall cash balances are \$1.0M lower than prior year primarily due to the use of undesignated reserve for capital projects customarily funded by bonds, offset by positive operating results.