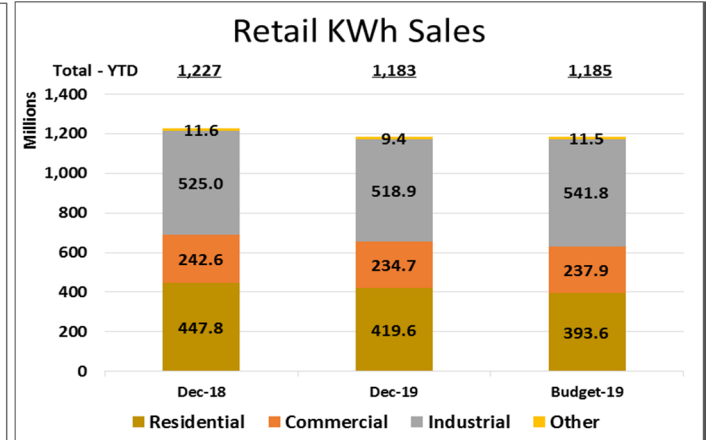
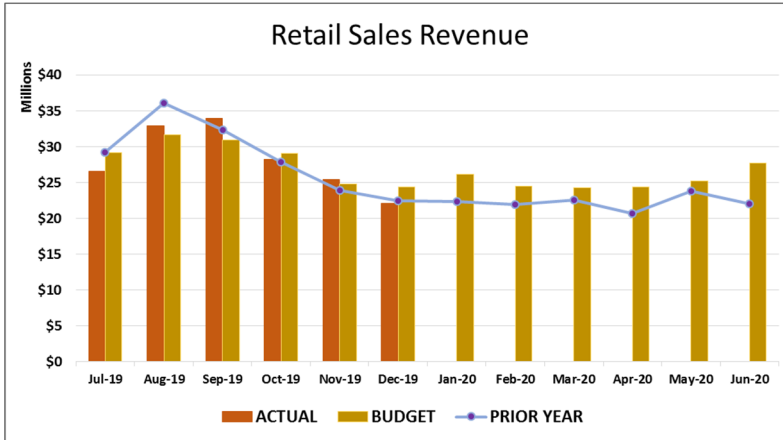


# RPU FINANCIAL RESULTS

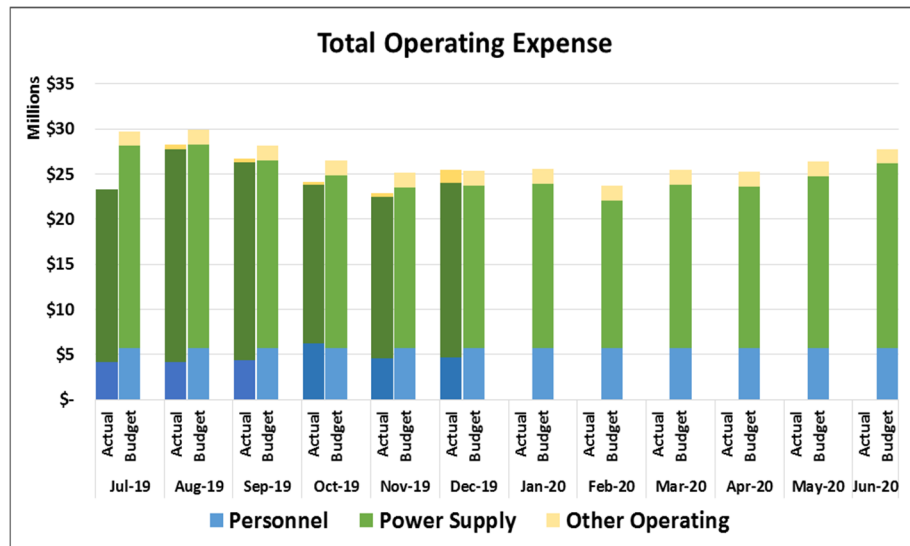
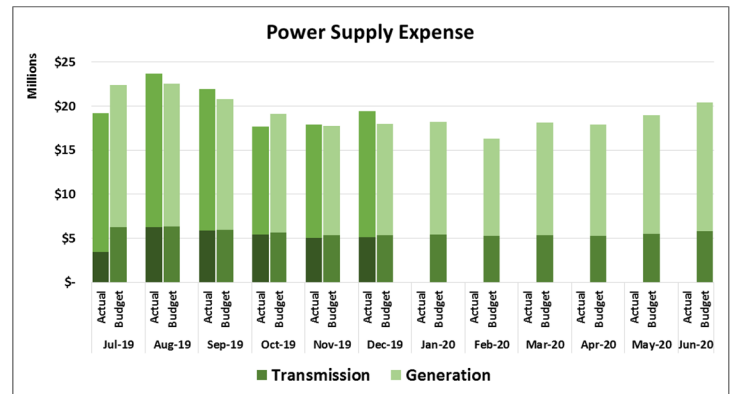
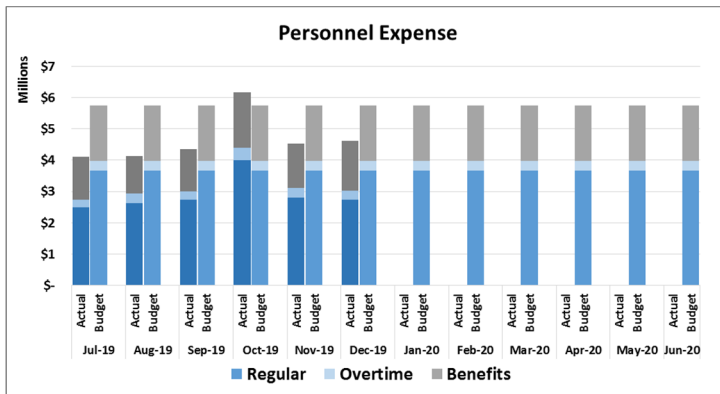
FY 2019/20 through December 31, 2019

## ELECTRIC REVENUES



Year-to-date retail sales of \$169.0M are \$0.9M (0.5%) lower than budget due to lower than anticipated consumption. Current year actual retail sales are \$2.8M (1.6%) 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, slightly offset by the effect of the rate plan effective January 1, 2019. Retail kWh sales reflect 0.2% lower than budget due to lower than anticipated consumption and 3.6% lower than prior year due to a decrease in consumption.

## OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$27.9M are \$6.5M (18.9%) lower than budget due to various vacancies and attrition.

**Power Supply Expense:** Year-to-date power supply costs of \$119.8M are in line with the budget.

**Other Operating Expense:** Year-to-date other operating expenses of \$2.5M are \$7.3M (74.2%) below budget due to timing of expenses and savings in other general operating expenses.

# CAPITAL IMPROVEMENT PROGRAM

| CAPITAL/EQUIPMENT FUNDING<br>(In Millions) | Dec-19         | Dec-18         |
|--|----------------|----------------|
| Capital Contributions                      | \$ 1.9         | \$ 1.3         |
| Bond Proceeds                              | 8.0            | 3.6            |
| Rates/Reserves                             | 4.9            | 7.8            |
| <b>TOTAL</b>                               | <b>\$ 14.8</b> | <b>\$ 12.7</b> |

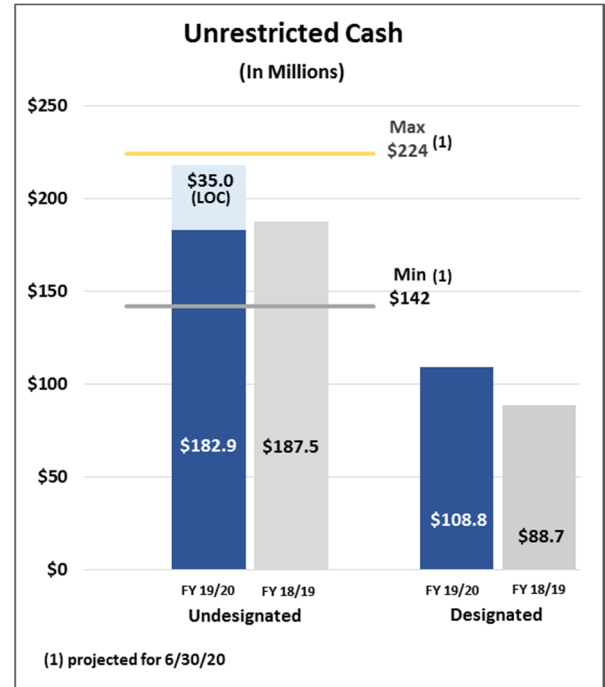
Current year capital expenses (projects and equipment) of \$14.8M are higher than prior year by \$2.1M primarily due to an increase in substation and recurring project expenditures.

## 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 \$182.9M is \$4.6M lower than prior year primarily due to the funding of capital projects and is within the minimum and maximum levels at 12/31/19.

| COMPONENTS OF CASH (In Millions)      | 12/31/2019      | 12/31/2018      |
|---------------------------------------|-----------------|-----------------|
| <b>Unrestricted Undesignated</b>      | <b>\$ 182.9</b> | <b>\$ 187.5</b> |
| <b>Designated</b>                     |                 |                 |
| Electric Reliability                  | \$ 83.0         | \$ 66.6         |
| Additional Decommissioning Liability  | 10.8            | 9.1             |
| 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             |
| <b>Total Designated</b>               | <b>\$ 108.8</b> | <b>\$ 88.7</b>  |
| <b>Legally Restricted *</b>           | <b>\$ 164.1</b> | <b>\$ 114.8</b> |
| <b>Available Line of Credit (LOC)</b> | <b>\$ 35.0</b>  |                 |

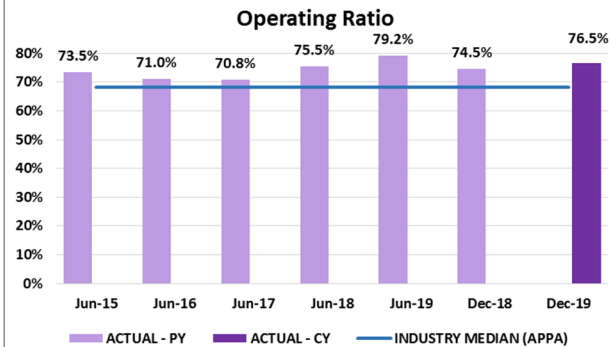
\* Includes \$48.3M of Bond Construction Cash



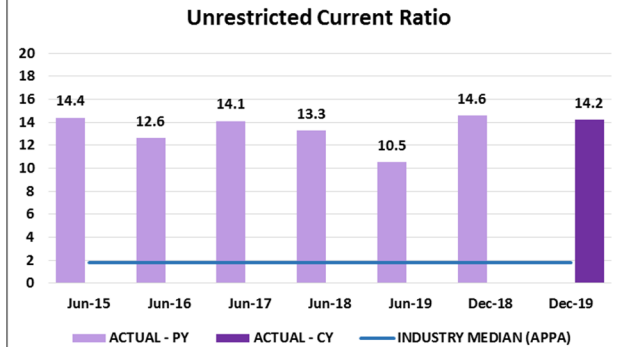
## FINANCIAL RATIOS

The ratios for the last 5 fiscal years are provided for reference. Each ratio reflects a full year of activities and may not be as a comparable for quarterly result comparison. The June 2019 fiscal year-end ratios may be used to estimate the trends for the current fiscal year when reviewed together with prior year ratios.

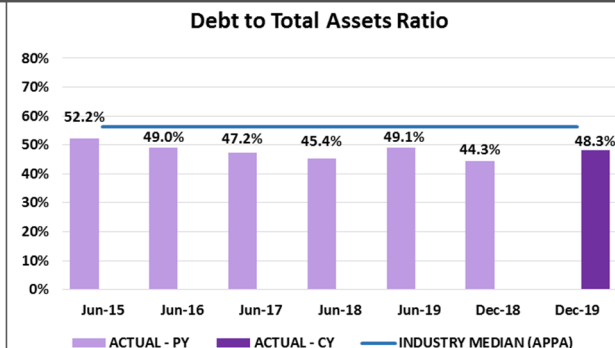
The Operating Ratio reflects the Utility's Operating and Maintenance costs to operating revenues. A lower ratio indicates positive results.



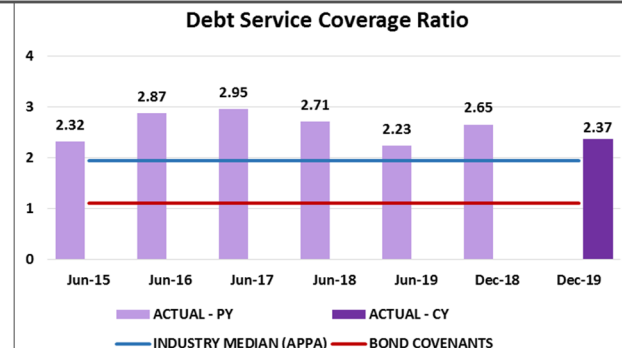
The Unrestricted Current Ratio indicates the Utility's ability to meet short-term liabilities. A higher ratio indicates positive results.



The Debt Ratio indicates what proportion of debt the Utility has in relation to Utility assets. This ratio is favorable when it is lower.



The Debt Service Coverage Ratio measures the ability to produce enough cash to cover debt service. A higher ratio is more favorable.

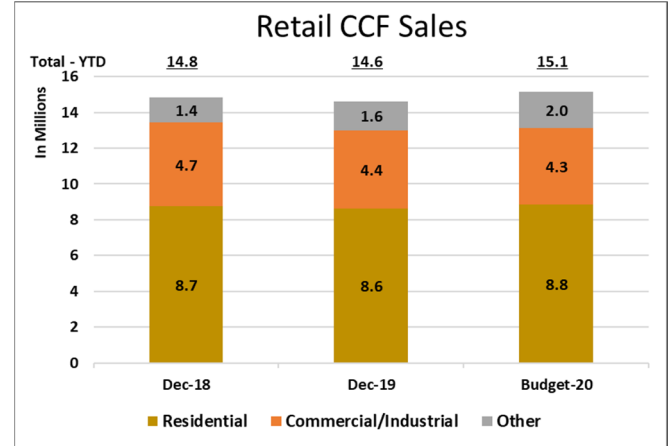
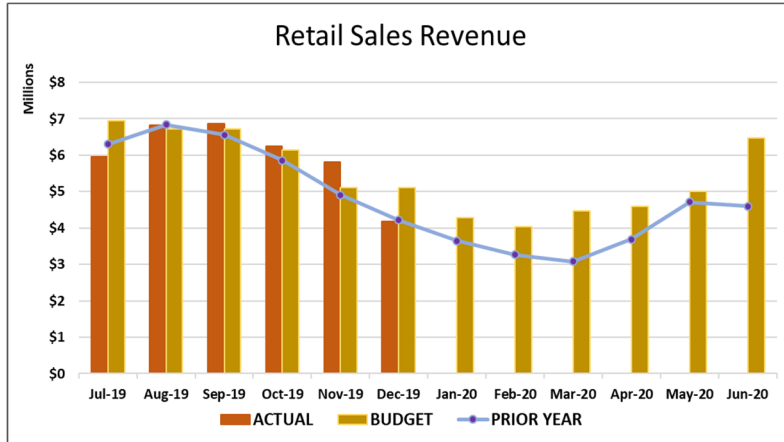


# RPU FINANCIAL RESULTS

FY 2019/20 through December 31, 2019

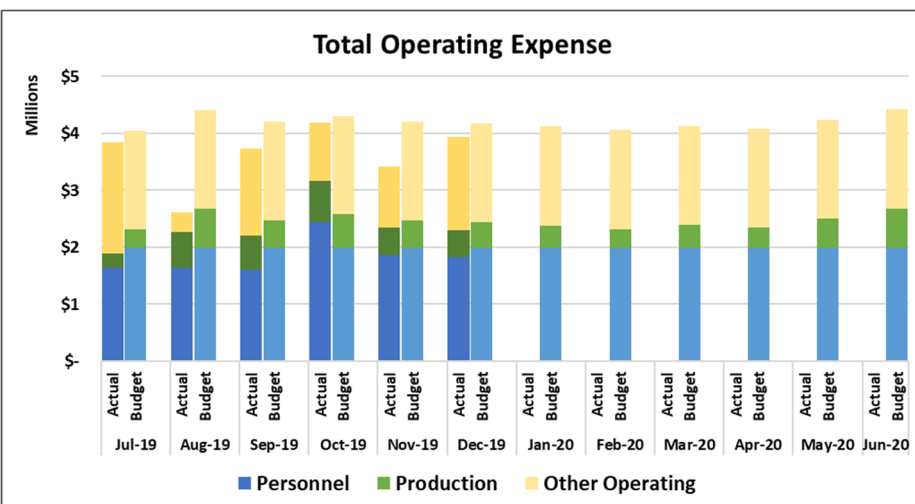
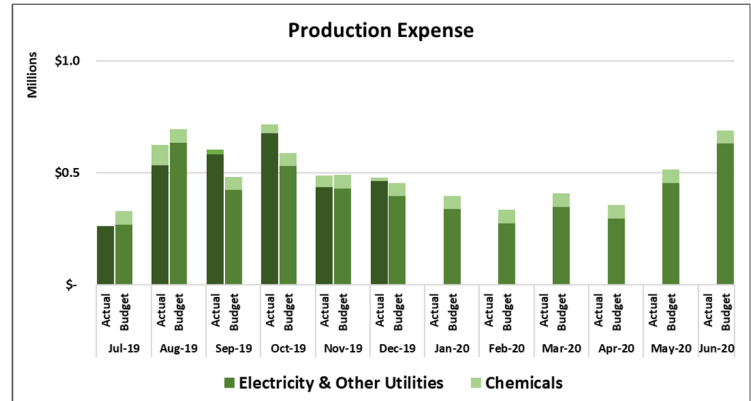
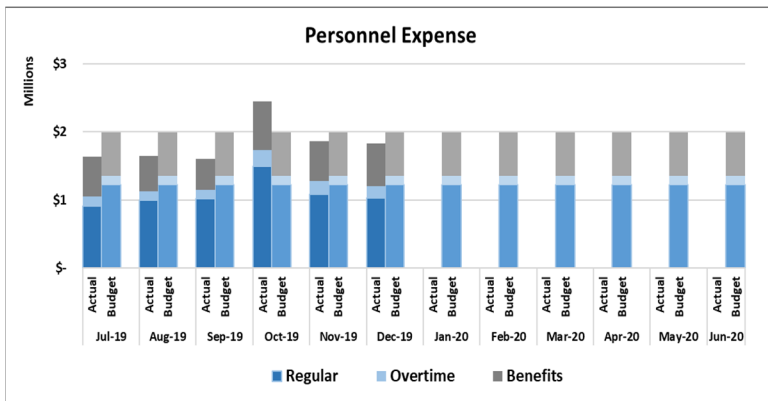
## WATER

### REVENUES



Year-to-date retail sales of \$35.9M are \$1.2M (3.5%) higher than prior year due to warmer than anticipated weather. Current year retail sales are \$0.9M (2.3%) lower than budget due to the higher than anticipated precipitation over the past two months. Retail CCF sales are 3.3% lower than budget and slightly lower than prior year due to a decrease in consumption.

### OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$11M are \$0.9M (7.7%) 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 \$3.2M are \$0.1M (4.5%) higher than budget primarily due to higher than anticipated electric costs for water production.

**Other Operating Expense:** Other operating expenses of \$7.5M are \$2.8M (27.2%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

## CAPITAL FUNDING

| CAPITAL/EQUIPMENT FUNDING<br>(In Millions) | Dec-19        | Dec-18         |
|--|---------------|----------------|
| Capital Contributions                      | \$ 1.1        | \$ 0.8         |
| Bond Proceeds                              | 3.0           | 4.9            |
| Rates/Reserves                             | 2.6           | 4.5            |
| <b>TOTAL</b>                               | <b>\$ 6.7</b> | <b>\$ 10.2</b> |

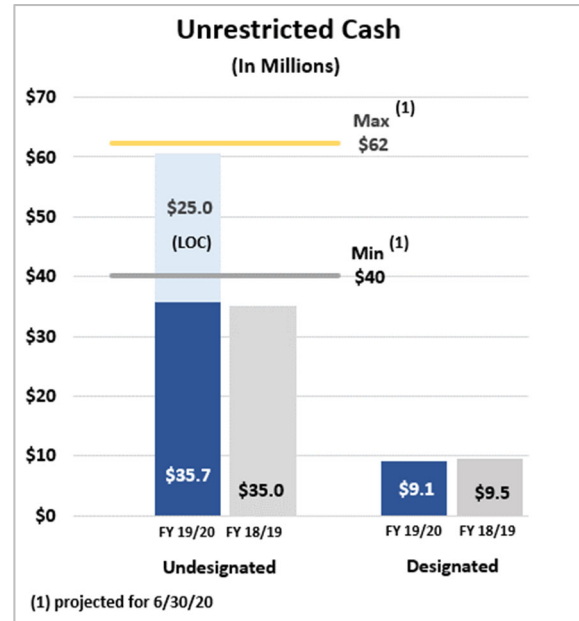
Current year capital expenses (projects and equipment) of \$6.7M are \$3.5M lower than prior year primarily due to a decrease in transmission pipelines and water supply expenditures.

## 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 \$35.7M is 0.7M higher than prior year primarily due to positive operating results. Water Fund's unrestricted, undesignated reserve balance combined with the line of credit in compliance with RPU Cash Reserve Policy, at 12/31/2019 is above target minimum which is consistent with projections provided during the biennial budget and rate plan proposal processes.

| COMPONENTS OF CASH (In Millions)      | 12/31/2019     | 12/31/2018     |
|---------------------------------------|----------------|----------------|
| <b>Unrestricted Undesignated</b>      | <b>\$ 35.7</b> | <b>\$ 35.0</b> |
| <b>Designated</b>                     |                |                |
| Property                              | \$ 5.1         | \$ 5.0         |
| Recycled Water                        | 1.1            | 1.6            |
| Customer Deposits                     | 0.6            | 0.6            |
| Capital Repair/Replacement            | 2.3            | 2.3            |
| <b>Total Designated</b>               | <b>\$ 9.1</b>  | <b>\$ 9.5</b>  |
| <b>Legally Restricted *</b>           | <b>\$ 44.7</b> | <b>\$ 7.7</b>  |
| <b>Available Line of Credit (LOC)</b> | <b>\$ 25.0</b> |                |

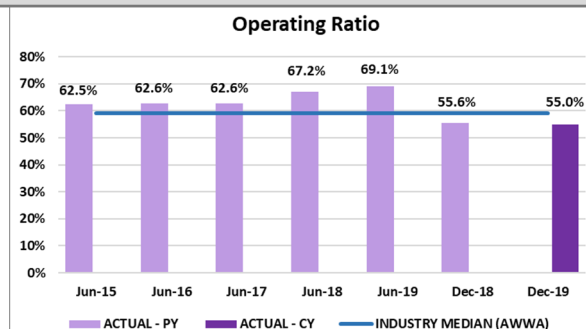
\* Includes \$37.2M of Bond Construction Cash



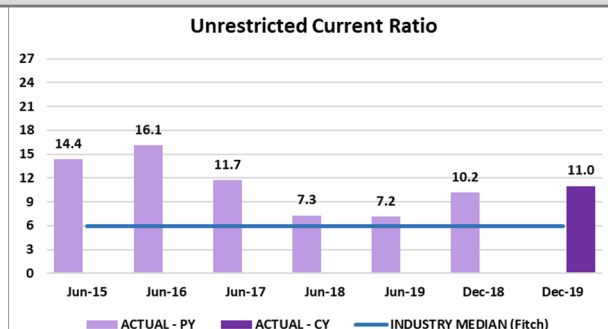
## FINANCIAL RATIO

The ratios for the last 5 fiscal years are provided for reference. Each ratio reflects a full year of activities and may not be as comparable for quarterly result comparison. The June 2019 fiscal year-end ratios may be used to estimate the trends for the current fiscal year when reviewed together with prior year ratios.

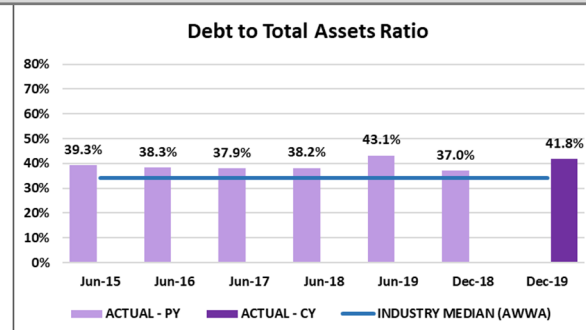
The Operating Ratio reflects the Utility's Operating and Maintenance costs to operating revenues. A lower ratio indicates positive results.



The Unrestricted Current Ratio indicates the Utility's ability to meet short-term liabilities. A higher ratio indicates positive results.



The Debt Ratio indicates what proportion of debt the Utility has in relation to Utility assets. This ratio is favorable when it is lower.



The Debt Service Coverage Ratio measures the ability to produce enough cash to cover debt service. A higher ratio is more favorable.

