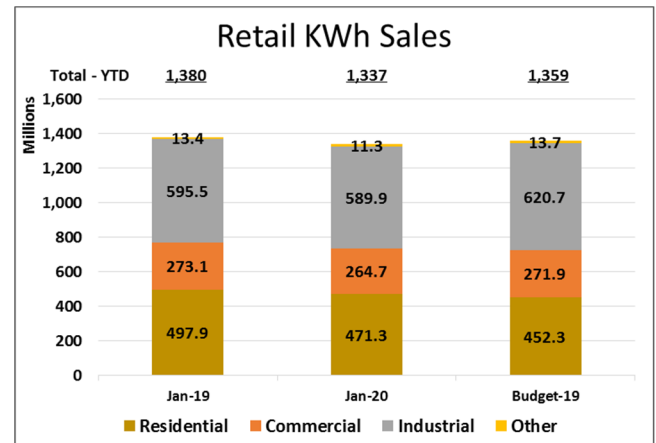
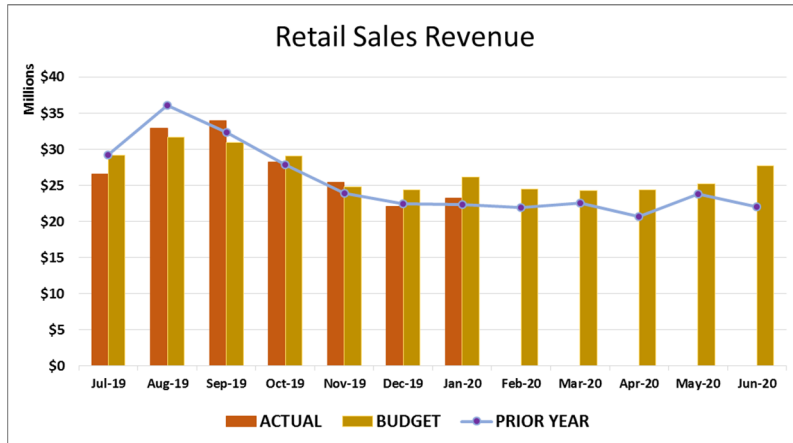


# RPU FINANCIAL RESULTS

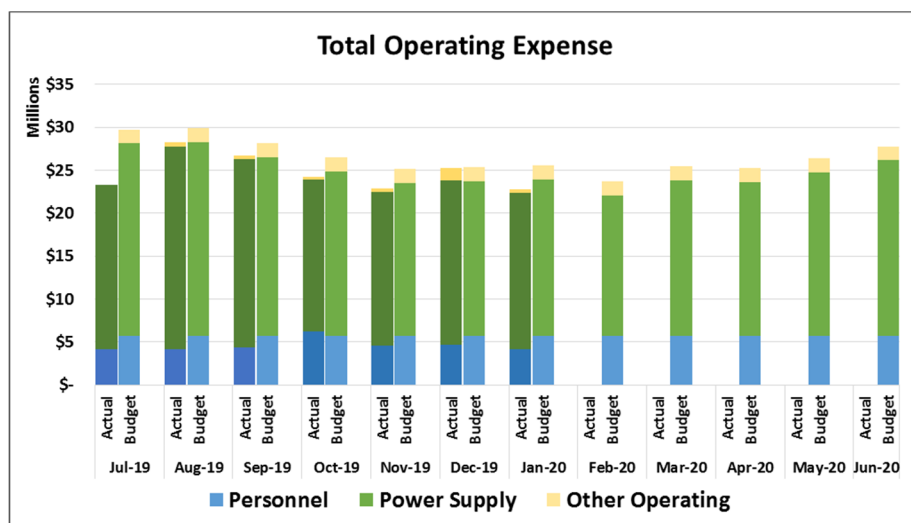
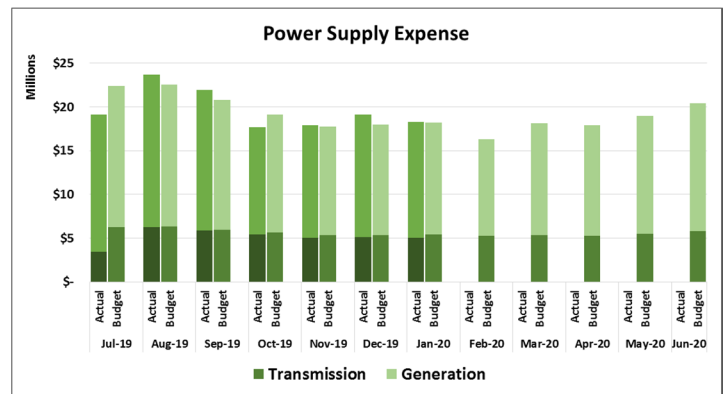
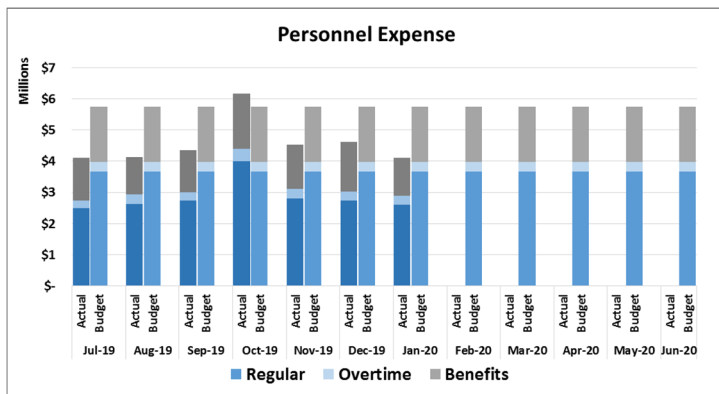
FY 2019/20 through January 31, 2020

## ELECTRIC REVENUES



Year-to-date retail sales of \$192.2M are \$3.8M (1.9%) lower than budget due to lower than anticipated consumption. Current year actual retail sales are \$1.9M (1.0%) 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 1.6% lower than budget due to lower than anticipated consumption and 3.1% lower than prior year due to a decrease in consumption.

## OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$32.0M are \$8.1M (20.3%) lower than budget due to various vacancies and attrition.

**Power Supply Expense:** Year-to-date power supply costs of \$137.8M are in line with the budget.

**Other Operating Expense:** Year-to-date other operating expenses of \$3.0M are \$8.5M (74.1%) below budget due to timing of expenses and savings in other general operating expenses.

## CAPITAL IMPROVEMENT PROGRAM

CAPITAL/EQUIPMENT FUNDING (In Millions)	Jan-20	Jan-19
Capital Contributions	\$ 2.0	\$ 1.3
Bond Proceeds	10.3	5.1
Rates/Reserves	6.0	8.5
<b>TOTAL</b>	<b>\$ 18.3</b>	<b>\$ 14.9</b>

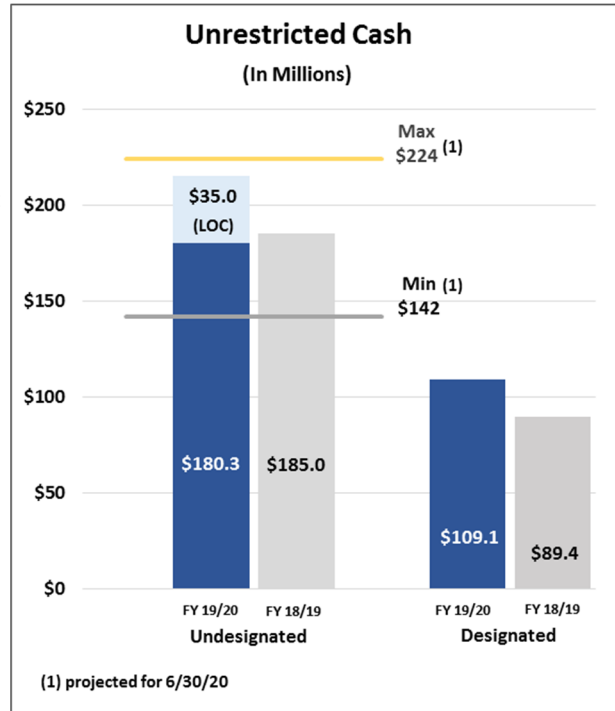
Current year capital expenses (projects and equipment) of \$18.3M are higher than prior year by \$3.4M primarily due to an increase in substation and recurring project expenditures.

## 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 \$180.3M is \$4.7M lower than prior year primarily due to the funding of capital projects and is within the minimum and maximum levels at 1/31/20.

COMPONENTS OF CASH (In Millions)	1/31/2020	1/31/2019
<b>Unrestricted Undesignated</b>	<b>\$ 180.3</b>	<b>\$ 185.0</b>
<b>Designated</b>		
Electric Reliability	\$ 83.2	\$ 67.2
Additional Decommissioning Liability	10.9	9.2
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>\$ 109.1</b>	<b>\$ 89.4</b>
<b>Legally Restricted *</b>	<b>\$ 165.8</b>	<b>\$ 117.7</b>
<b>Available Line of Credit (LOC)</b>	<b>\$ 35.0</b>	

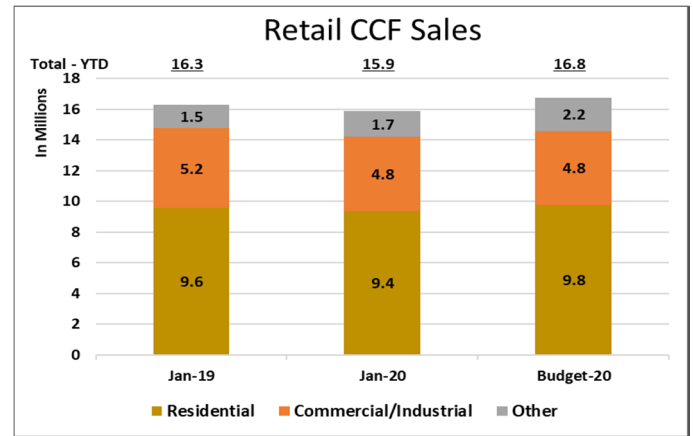
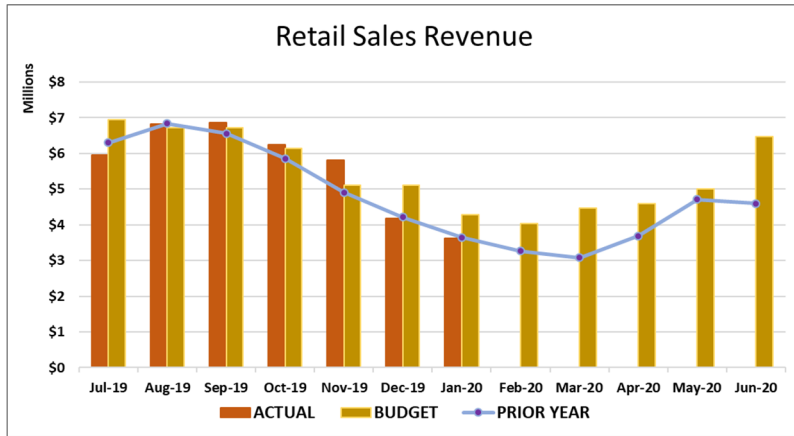
\* Includes \$46.1M of Bond Construction Cash



# RPU FINANCIAL RESULTS

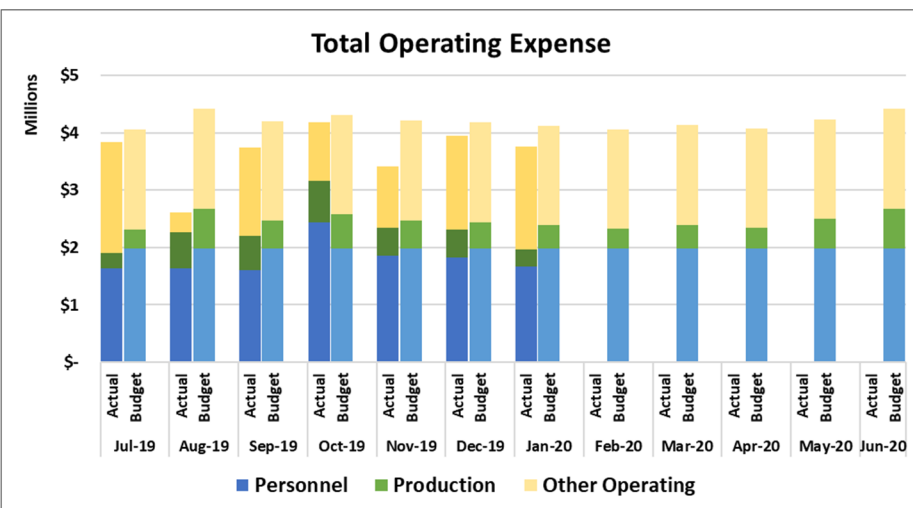
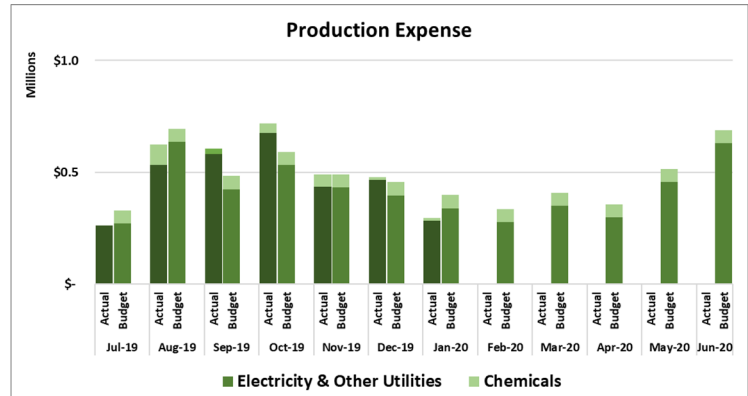
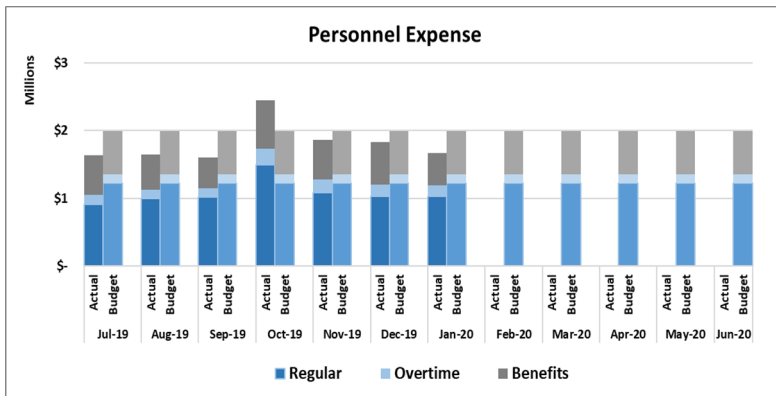
FY 2019/20 through January 31, 2020

## WATER REVENUES



Year-to-date retail sales of \$39.5M are \$1.2M (3.1%) higher than prior year due to warmer than anticipated weather. Current year retail sales are \$1.5M (3.7%) lower than budget due to the higher than anticipated precipitation over the past two months. Retail CCF sales are 5.2% lower than budget and 2.5% lower than prior year due to a decrease in consumption.

## OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$12.7M are \$1.2M (8.9%) 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 \$3.5M are in line with the budget.

**Other Operating Expense:** Other operating expenses of \$9.3M are \$2.8M (23.2%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

## CAPITAL FUNDING

CAPITAL/EQUIPMENT FUNDING (In Millions)	Jan-20	Jan-19
Capital Contributions	\$ 1.1	\$ 1.2
Bond Proceeds	3.9	6.3
Rates/Reserves	3.3	5.1
<b>TOTAL</b>	<b>\$ 8.3</b>	<b>\$ 12.6</b>

Current year capital expenses (projects and equipment) of \$8.3M are \$4.3M 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 \$34.6M is 1.8M higher than prior year primarily due to positive operating results. Water Fund's unrestricted, undesignated reserve balance combined with the line of credit (LOC) in compliance with RPU Cash Reserve Policy, at 1/31/2020 is above target minimum which is consistent with projections provided during the biennial budget and rate plan proposal processes.

COMPONENTS OF CASH (In Millions)	1/31/2020	1/31/2019
<b>Unrestricted Undesignated</b>	<b>\$ 34.6</b>	<b>\$ 32.8</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>\$ 45.2</b>	<b>\$ 8.3</b>
<b>Available Line of Credit (LOC)</b>	<b>\$ 25.0</b>	

\* Includes \$36.4M of Bond Construction Cash

