

DOCKETED

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MARCH 2015 ARFIN FOR 2016-2017 BUDGET**CITY OF REDDING ELECTRIC DEPARTMENT****PROJECTED RESULTS OF FINANCIAL OPERATIONS**

(Millions of Dollars, by City Fiscal Year Ending June 30)

ARFIN FY15 LOAD FORECAST - 1.5% increase in 2016 - 3% in 2017-2020	2015	2016	2017	2018	2019	2020
RATE ADJUSTMENTS - Effective 1st Day of:	MARCH	MARCH	MARCH	MARCH	MARCH	MARCH
Rate Adjustment (% change from prior year)	0.00%	1.50%	3.00%	3.00%	3.00%	3.00%
Ending Rate, mills/kWh	166.7	169.2	174.3	179.5	184.9	190.5
Retail Sales, gWh	764.4	748.1	750.1	752.5	754.7	754.9
Average charge, cents/kWh	16.1	166.1	170.3	175.7	181.3	187.1
Reserves (Days of Cash on Hand)	98	99	100	105	142	175
Debt Service Coverage Ratio (Raw)	1.99	1.90	1.98	2.06	2.62	2.76
End of Year Reserves (in Millions)	33.9	33.5	34.2	35.3	45.3	57.2

OPERATING REVENUE

	2015	2016	2017	2018	2019	2020
Retail Sales	123.0	124.3	127.7	132.2	136.8	141.2
Miscellaneous Income	0.4	0.5	0.5	0.5	0.5	0.5
Wholesale Sales	22.8	20.3	18.7	13.3	11.3	11.5
Gas Prepay Discount	1.4	1.4	1.4	1.4	1.4	1.4
Renewable Energy Surcharge (Solar SB1)	1.0	1.0	1.0	1.0	1.0	1.0
Customer and Field Svc Revenue & Transfers-Out	4.4	4.7	5.3	5.5	5.7	5.8
Total Operating Revenue	153.0	152.2	154.7	153.9	156.7	161.5

OPERATION AND MAINTENANCE EXPENSES

	2015	2016	2017	2018	2019	2020
Purchased Power	18.7	19.1	19.1	19.2	19.5	19.7
San Juan Production and Transmission	6.4	6.5	7.3	5.1	0.0	0.0
Natural Gas (Commodity and Pipe)	36.3	26.3	25.3	24.4	23.5	24.3
Fixed-Generation A&G and O&M (Excluding Fuel)	15.3	16.1	16.5	17.0	17.5	18.0
MSR Expense	8.5	9.0	8.5	7.4	5.9	5.8
TANC Expense	5.6	5.7	5.3	5.2	5.0	5.0
Other Fixed Transmission Costs (Western & COTP)	3.9	4.2	4.5	4.5	4.6	4.6
Power Control Expenses	0.1	0.1	0.1	0.1	0.2	0.2
Subtotal (Power Cost)	94.9	87.0	86.6	83.0	76.1	77.6
System O&M/A&G	28.0	32.8	34.7	35.7	36.8	37.9
Labor Costs - Furlough End, PERS and PARS Uplift			0.5	1.0	1.0	1.0
Total Operating Expenses	122.9	119.7	121.8	119.7	113.9	116.5

NET OPERATING REVENUE

	2015	2016	2017	2018	2019	2020
	30.2	32.4	32.9	34.2	42.8	45.1

Total Revenue Available for Debt Service Ratio

	27.6	29.1	30.3	31.9	40.7	42.9
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DEBT SERVICE:

Net Debt Service: (Does not include JPA Debt)	13.9	15.3	15.3	15.5	15.5	15.5
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NET OPERATING REVENUE AFTER DEBT SERVICE

	16.3	17.1	17.5	18.7	27.3	29.5
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OTHER REVENUE AND EXPENSES

	2015	2016	2017	2018	2019	2020
Prior-Year Interest Earnings on City-Held Balance	0.4	0.5	0.6	0.7	0.8	0.9
Revenue-Funded Capital Additions and Improvements	-4.7	-8.5	-8.1	-8.9	-9.2	-9.5
In-Lieu Payment to City	-6.0	-5.7	-6.2	-6.4	-5.9	-6.1
Rolling Stock, Major Maintenance	-2.9	-3.8	-3.1	-2.9	-2.9	-3.0
Net Other Revenue and Expenses	-13.2	-17.5	-16.9	-17.5	-17.3	-17.7

CURRENT YEAR'S END-OF-YEAR OPERATING BALANCE

	3.1	-0.4	0.7	1.2	10.0	11.8
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ELECTRIC UTILITY FUND AT BEGINNING OF YEAR

	30.8	33.9	33.5	34.2	35.3	45.3
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Reconciliation to Cash Flow**ELECTRIC UTILITY FUND AT YEAR END**

	33.9	33.5	34.2	35.3	45.3	57.2
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