

DOCKETED

Docket Number:	17-IEPR-03
Project Title:	Electricity and Natural Gas Demand Forecast
TN #:	217238
Document Title:	City of Redding Financial Statement for Form 8.1a
Description:	This Financial Statement offers the information requested in Form 8.1a.
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Organization:	City of Redding
Submitter Role:	Public Agency
Submission Date:	4/21/2017 9:17:22 AM
Docketed Date:	4/21/2017

APRIL 2017 ARFIN FOR 2018-2019 BUDGET-CM Meeting

CITY OF REDDING ELECTRIC DEPARTMENT

PROJECTED RESULTS OF FINANCIAL OPERATIONS

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

ARFIN FY16 LOAD FORECAST - 0% increase in 2017 - 1.5% in 2018 - 0% in 2019 - 2% in 2020	2017	2018	2019	2020	2021	2022	2023
<u>RATE ADJUSTMENTS - Effective 1st Day of:</u>	MARCH	MARCH	MARCH	MARCH	MARCH	MARCH	MARCH
Rate Adjustment in Forecast (% change from prior year)	0.00%	1.50%	0.00%	2.00%	2.00%	2.00%	2.00%
Retail Sales, gWh	743,231	736,360	733,022	729,388	726,765	726,170	726,316
Average charge, cents/kWh	16.98	16.94	17.07	17.16	17.52	17.88	18.24
Reserves (Days of Cash on Hand)	148	146	155	151	149	150	162
Debt Service Coverage Ratio (Excluding in-lieu)	2.43	1.91	2.16	2.03	2.12	2.21	2.28
End of Year Reserves (in Millions)	48.0	46.9	47.9	47.2	47.4	48.3	51.5

OPERATING REVENUE

	2017	2018	2019	2020	2021	2022	2023
Retail Sales	126.2	124.7	125.2	125.2	127.3	129.8	132.5
Miscellaneous Income	2.2	0.7	0.7	0.7	0.7	0.7	0.7
Wholesale Sales	18.0	13.3	8.9	8.8	8.9	9.0	9.1
Gas Prepay Discount	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Renewable Energy Surcharge (Solar SB1)	0.9	0.9	0.4	-	-	-	-
Customer and Field Services Revenue & Transfers Out	5.5	4.5	4.7	4.8	4.9	5.1	5.2
Total Operating Revenue	154.3	145.5	141.3	140.9	143.4	146.0	149.0

OPERATION AND MAINTENANCE EXPENSES

	2017	2018	2019	2020	2021	2022	2023
Purchased Power	22.0	19.8	20.1	20.6	21.0	21.3	21.7
San Juan Production and Transmission	5.0	3.9	0.1	0.1	0.1	0.1	0.1
Natural Gas (Commodity and Pipe)	22.6	24.4	22.2	20.7	19.1	18.0	18.6
Fixed-Generation A&G and O&M (Excluding Fuel)	12.7	12.9	13.8	14.2	14.6	15.0	15.5
MSR Expense	6.9	5.9	5.1	5.2	5.2	5.1	0.3
TANC Expense	2.7	3.8	3.8	4.2	3.9	3.9	3.8
Other Fixed Transmission Costs (Western & COTP)	4.8	5.2	5.6	5.8	5.9	6.1	6.3
LTP Engine Hour Expense	2.7	3.0	2.9	2.7	2.6	2.6	2.7
Subtotal (Power Cost)	79.4	78.9	73.4	73.3	72.5	72.2	69.0

System O&M/A&G	36.1	36.9	37.8	39.0	40.1	41.3	42.6
Labor Costs - PERS and PARS Unlift				0.4	1.3	1.9	2.5

Total Operating Expenses	115.5	115.8	111.2	112.7	113.9	115.4	114.0
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NET OPERATING REVENUE

	2017	2018	2019	2020	2021	2022	2023
Total Revenue Available for Debt Service Ratio	38.8	29.7	30.0	28.3	29.5	30.6	35.0
Total Net New Generation and Distribution Debt Service	36.0	28.4	28.8	27.0	28.3	29.5	33.8

DEBT SERVICE:

Net Debt Service: (Does not include JPA Debt)	14.9	14.9	13.3	13.3	13.3	13.3	14.9
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NET OPERATING REVENUE AFTER DEBT SERVICE

	23.9	14.9	16.7	14.9	16.1	17.3	20.1
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OTHER REVENUE AND EXPENSES

	2017	2018	2019	2020	2021	2022	2023
New Mandates (Carbon, RPS, NERC, etc)	-	-	-	-	-	-	-
Prior-Year Interest Earnings on City-Held Balance	0.4	0.4	0.5	0.5	0.6	0.6	0.6
Revenue-Funded Capital Additions and Improvements	(7.8)	(8.3)	(8.0)	(8.3)	(8.5)	(8.8)	(9.0)
In-Lieu Payment to City	(6.3)	(6.3)	(6.4)	(6.2)	(6.3)	(6.5)	(6.7)
Rolling Stock, Major Maintenance	(3.1)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Net Other Revenue and Expenses	(16.8)	(16.0)	(15.7)	(15.7)	(16.0)	(16.4)	(16.8)

CURRENT YEAR'S END-OF-YEAR OPERATING BALANCE

	7.1	(1.1)	1.0	(0.7)	0.1	0.9	3.3
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ELECTRIC UTILITY FUND AT BEGINNING OF YEAR

	40.9	48.0	46.9	47.9	47.2	47.4	48.3
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Reconciliation to Cash Flow

ELECTRIC UTILITY FUND AT YEAR END

	48.0	46.9	47.9	47.2	47.4	48.3	51.5
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