

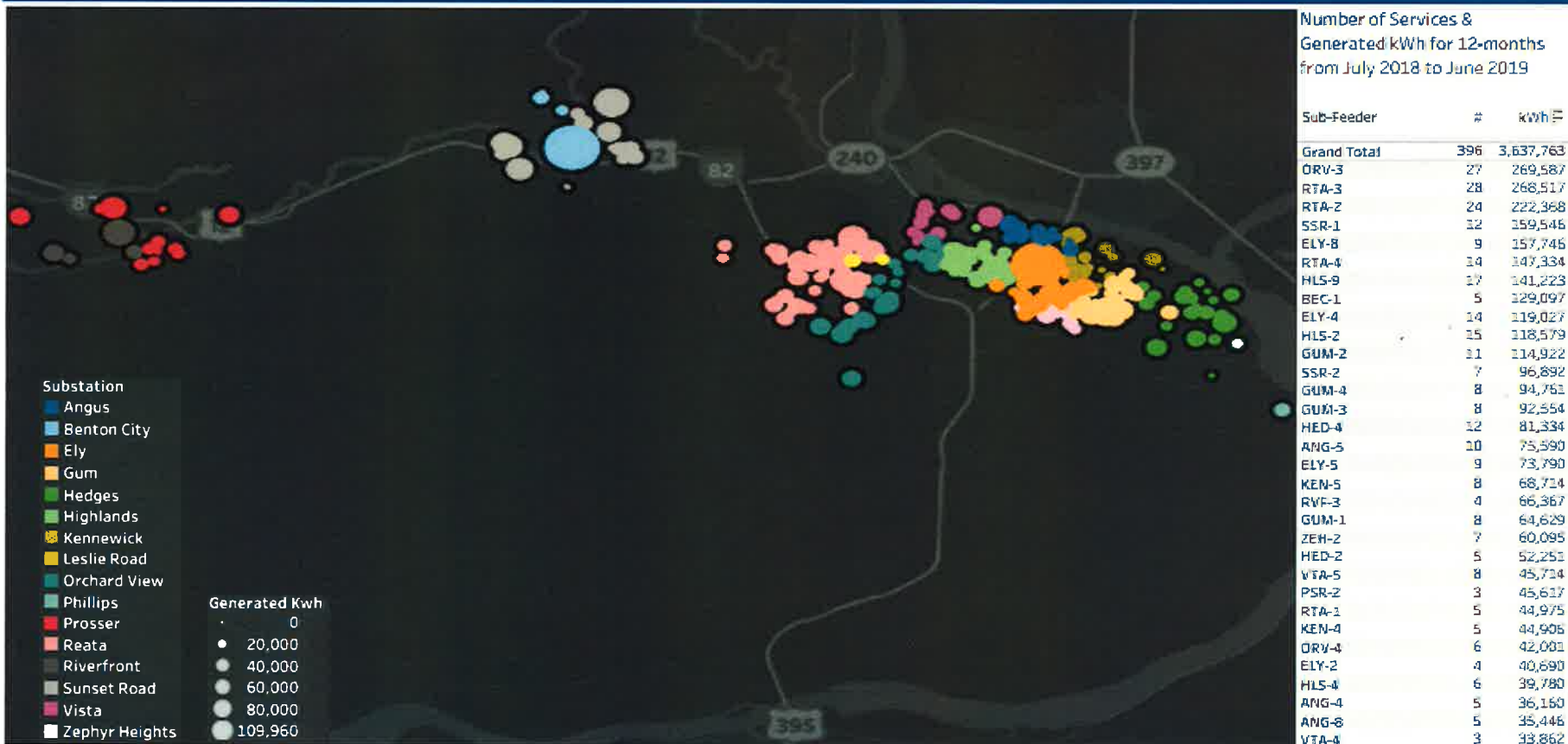
Net Metering Installations & Renewable Energy System Cost Recovery Program

Your Trusted Energy Partner

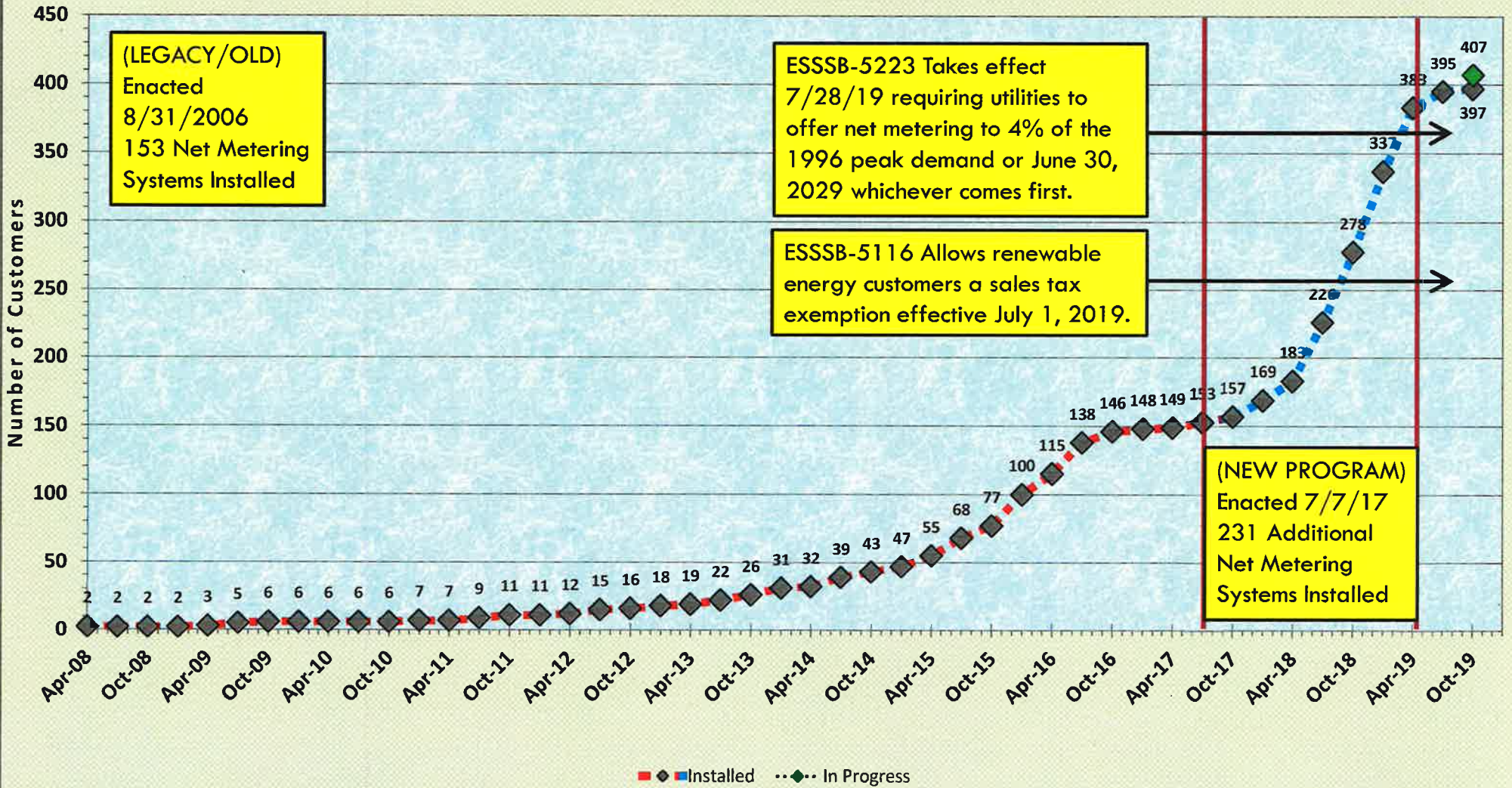
Commission July 23, 2019



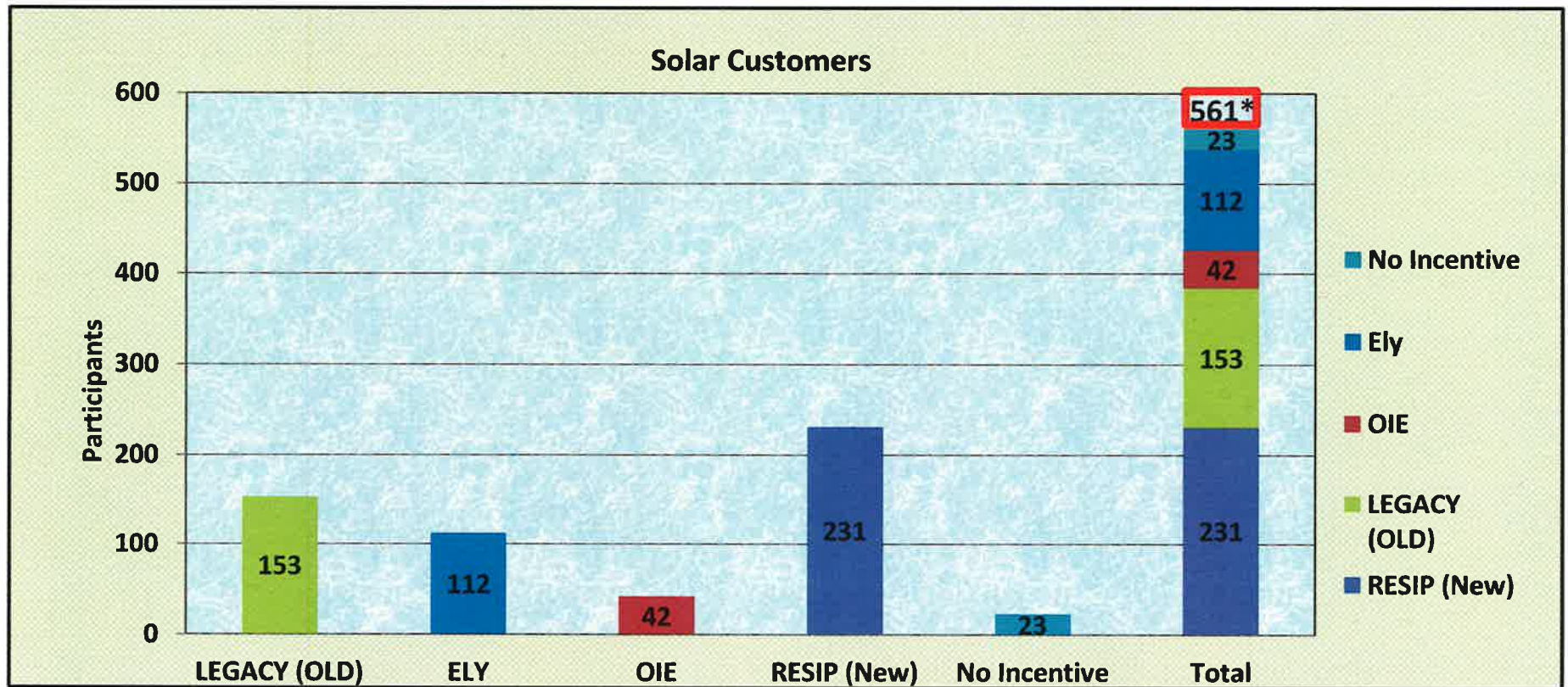
Solar Installations Throughout Benton PUD



Net Metering Systems



Net Metering Customers Through July 2019



* Includes 2 community solar projects with 154 customers

Renewable Energy System Cost Recovery Program

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State Incentive Payments						
Project/Program	Customers	2017 Actuals	2018 Actuals	2019 Pending	2020 Estimate	2021 Estimate
Ely	112	\$112,084	\$116,147	\$113,700	\$114,286	\$ -
O.I.E.	42	\$37,177	\$38,797	\$37,231	\$ 37,231	\$ -
LEGACY (OLD)	153	\$451,291	\$526,974	\$507,903	\$512,402	\$ -
RESIP (NEW)	231		\$45,274	\$366,865	\$530,490	\$ 530,490
Total Core Participants	538	\$600,552	\$727,192	\$1,025,699	\$1,194,409	\$530,490

Questions?



Financial Forecast Update

July 23, 2019




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Financial Forecast*

Description		MTM 2019	Significant Uncertainty			
			50th 2020	50th 2021	50th 2022	50th 2023
June	Projected Rate Increase	Oct 1 2.9%	-	-	-	-
	Days Cash on Hand	106	115	115	144	154
	Net Income	\$2.4M	\$11.6M	\$13.2M	\$11.8M	\$8.1M
July	Projected Rate Increase	Oct 1 2.9%	-	-	-	-
	Days Cash on Hand	102	106	101	124	129
	Net Income	\$0.7M	\$9.9M	\$10.9M	\$9.6M	\$6.7M

Lower end of planning targets

*Forecast details located in the Appendix to this presentation



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Forecast Updates

∞ Two major changes

- ∞ BPA Financial Reserve Policy (FRP) Surcharge
 - ∞ Back into play at full amounts 2020-2023
 - ∞ ~\$2.9M total additional expense
- ∞ Forward Market Prices
 - ∞ Forward market price curve has dropped
 - ∞ 2019 (-11%), 2020 (-14%), 2021 (-10%), 2022 (-12%), and 2023 (-10%)
 - ∞ Reduces net secondary market revenues

∞ More uncertainties

- ∞ Summer/Winter Temperature
- ∞ 2019 Water
- ∞ Future water years
- ∞ Upcoming capital budgets



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Forecast Updates - FRP

∞ BPA Financial Reserves Policy (FRP) History

- ∞ Original BPA Policy
 - ∞ 2020 - \$30M total ~ \$630k to BPUD
 - ∞ 2021 - \$30M total ~ \$630k to BPUD
 - ∞ 2022 - \$40M total ~ \$820k to BPUD
 - ∞ 2023 - \$40M total ~ \$820k to BPUD
 - ∞ Total amount for Benton PUD ~\$2.9M (2019- 2023)
- ∞ Feb/Mar: Allocation error between Transmission and Power identified
 - ∞ Principal = \$277M charged to Power instead of Transmission
 - ∞ Interest = \$53M
 - ∞ Total = \$330M
- ∞ In March, BPUD removed FRP Surcharge from financial forecast
 - ∞ Error would bring reserves into BPA policy target



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Forecast Updates – FRP (Cont'd)

- ∞ In May, added \$300k FRP Surcharge to financial forecast (2020 only)
 - ∞ Canadian Water (March) – reduction in BPA reserves
 - ∞ Likelihood of a small FRP triggering for 2020 only
- ∞ Meanwhile, BPA conducted thorough review of financial reserves processes
 - ∞ Found additional errors in other modules (Pay-Related, Corp AP, and Other)
 - ∞ Principle = \$171.5M
 - ∞ Interest = \$30.9M
 - ∞ Total = \$202M
- ∞ Full FRP now needed for 2020-2023
 - ∞ \$2.9M added back into the forecast period



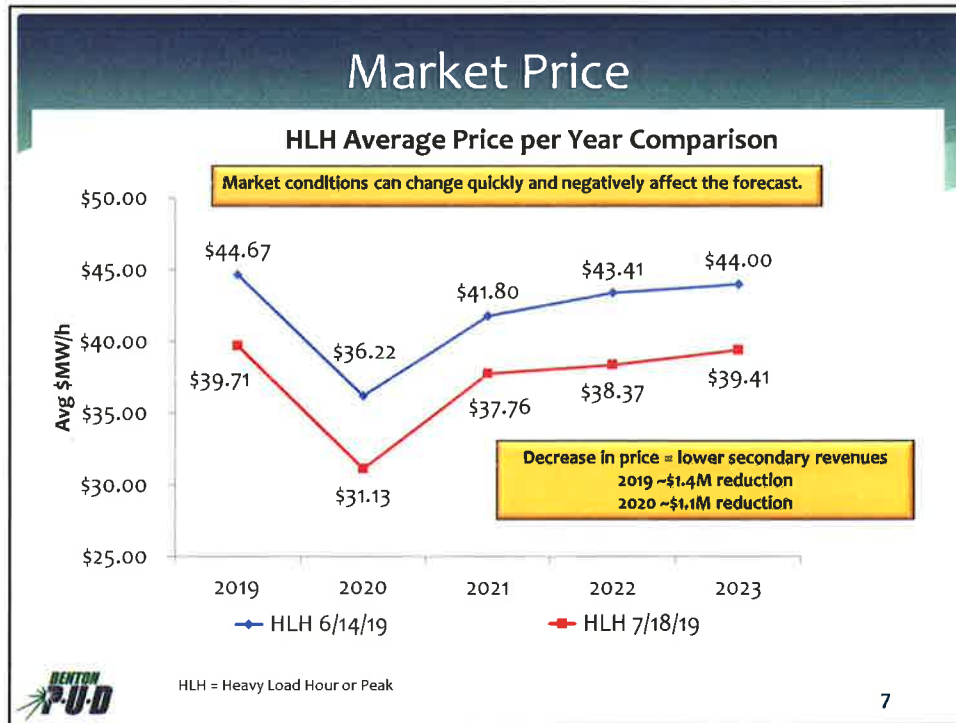
Forecast Updates (2019-2023)

BPA Power & Transmission

Description	BP-20 (Jan 19)	BP-20 (May 19)	BP-20 (Jun 19)*	BP-20 (July 19)
Power – Base	1.4%	1.4%	0.0%	0.0%
Power - FRP	1.5%	0.0%	(assuming 0.6%)	1.5%
Transmission	3.6%	3.6%	3.6%	3.6%
As applied to Benton PUD				
Annual \$ Increase	\$1.3M	\$0.7M	\$0.6M	\$0.9M
Annual % Increase	1.8%	1.0%	0.8%	1.3%



*In the June forecast, the FRP was assumed to only be in Fiscal Year 2020, not subsequent years




Sensitivity Analysis

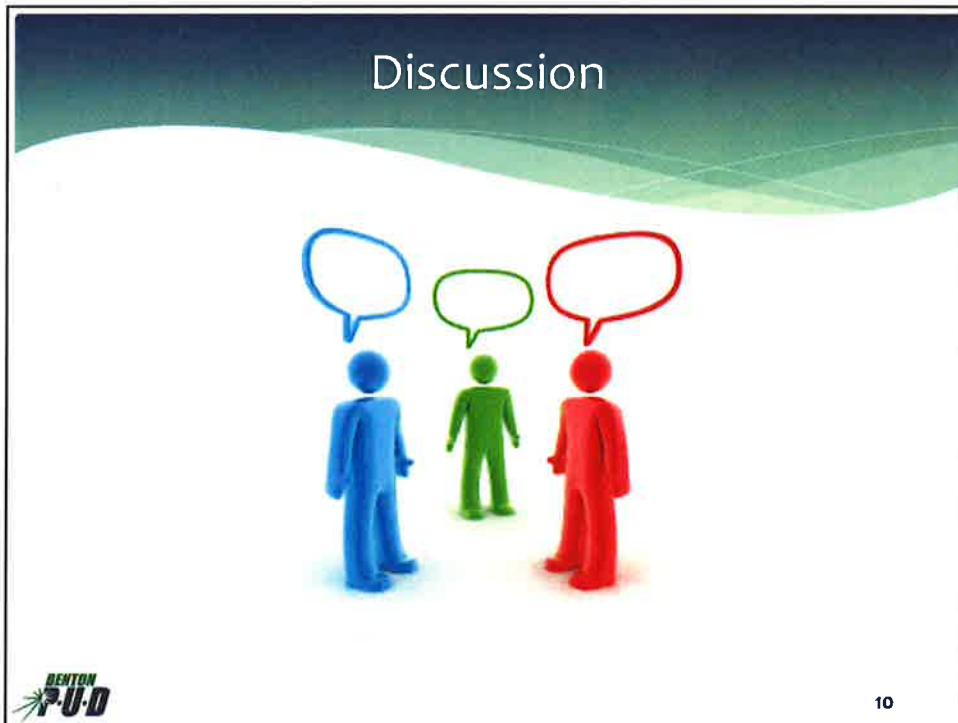
- ∞ What if some of the variables change?
- ∞ Staff has created 3 different scenarios
 - ∞ \$1M net revenue decrease 2019-2023, \$5M total
 - ∞ \$2M net revenue decrease 2019-2023, \$10M total
 - ∞ \$3M net revenue decrease 2019-2023, \$15M total

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Sensitivity Analysis Scenarios*

		Significant Uncertainty				
Description		MTM 2019	50th 2020	50th 2021	50th 2022	50th 2023
Scenario 1 \$1M net revenue decrease 2019-2023 (\$5M Total)	Projected Rate Increase	Oct 1 2.9%	-	Apr 1 1.9%	-	-
	Days Cash on Hand	99	100	96	123	131
	Net Income	\$(0.3M)	\$8.9M	\$11.7M	\$10.9M	\$8.0M
Scenario 2 \$2M net revenue decrease 2019-2023 (\$10M Total)	Projected Rate Increase	Oct 1 3.4%	-	Jan 1 2.9%	-	-
	Days Cash on Hand	96	96	96	124	134
	Net Income	\$(1.2M)	\$8.5M	\$13.1M	\$11.7M	\$8.9M
Scenario 3 \$3M net revenue decrease 2019-2023 (\$15M Total)	Projected Rate Increase	Oct 1 3.9%	-	Jan 1 2.9%	-	-
	Days Cash on Hand	94	92	94	124	136
	Net Income	\$(2.0M)	\$8.0M	\$13.9M	\$12.5M	\$9.7M

 *Forecast details located in the Appendix to this presentation 9



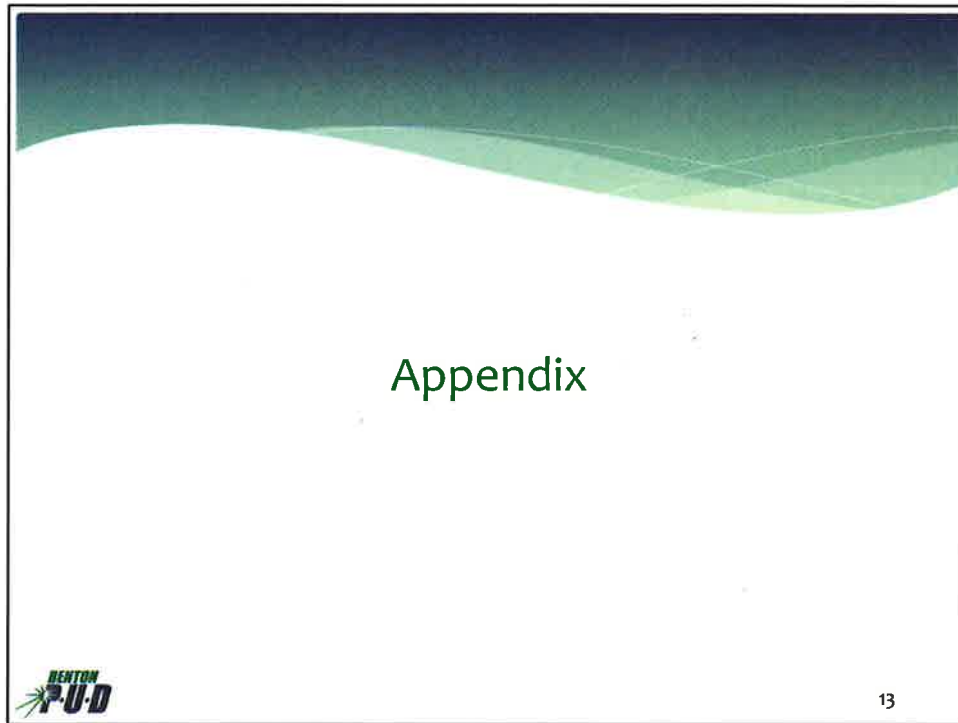
Rate Increase Meetings

- ∞ Proposed Customer Meetings
 - ∞ Key Accounts: August 21, 2019 @ 8:00am
 - ∞ All Customers: August 21, 2019 @ 5:30pm
- ∞ Commission to consider final adoption
 - ∞ September 10, 2019



End of Presentation





June 25th Scenario 2) Financial Forecast

2019 MtM NPC + 2020 - 2023 at 50th Percentile NPC

(\$'s in Millions)	ACTUAL			Significant Uncertainty				Assumptions:		
	2017	2018	2019	FORECAST PERIOD						
Assumptions	2017	2018	2019	2020	2021	2022	2023			
1 Net Power Cost Percentile			MtM	50 th	50 th	50 th	50 th	Adopted 2019 Capital Plan • \$0.5M under run each year 2020-2023		
2 Rate Action Effective Date	Oct 1		Oct 1	Based on current conditions. Subject to legislative and market changes				• 2019 Load Forecast (2019-2028)		
3 Revenue Rate Action	1.9%		2.9%					• FRP Surcharge Impact Included (assuming 0.6% or ~\$300K)		
								• No BPA CRAC or Spill Surcharge Included		
								• BPA FY20/21 Increase: 0% power, 3.6% transmission		
								• Overall 0.8% increase as applied to Benton PUD		
								• BPA Future Year Inc: 4.0% power, 4.0% transmission		
Metrics	2017	2018	2019	2020	2021	2022	2023	Financial Policy Requirements	Fitch 2016 Median A+	Moody's 2014 Median Range
5 Operating Income / (Loss)	\$ 7.4	\$ 8.4	\$ 1.0	\$ 11.2	\$ 12.6	\$ 10.9	\$ 6.8	Sufficient over time		
6 Net Income / (Loss)	✓ \$ 8.1	✓ \$ 9.7	✓ \$ 2.4	✓ \$ 11.6	✓ \$ 13.2	✓ \$ 11.8	✓ \$ 8.1	Target > 0		
7 Debt Service Coverage										
8 With Capital Contributions	✓ 3.39	✓ 3.32	✓ 2.39	✓ 3.95	✓ 4.16	✓ 4.63	✓ 4.81	2.00	N/A	2.94 to 3.49
9 Without Capital Contributions	✓ 3.07	✓ 2.99	✓ 2.07	✓ 3.76	✓ 3.98	✓ 4.41	✓ 4.54	1.75	2.31	N/A
10 Fixed Charge Coverage	✓ 1.37	✓ 1.39	✗ 1.23	✓ 1.47	✓ 1.50	✓ 1.53	✓ 1.53	Benchmark Data	1.40	N/A
11 Debt per Customer	\$ 1,065	\$ 985	\$ 904	\$ 823	\$ 739	\$ 672	\$ 621	No target	\$2,974	N/A
12 Debt to Capitalization	✓ 31%	✓ 28%	✓ 27%	✓ 24%	✓ 20%	✓ 18%	✓ 16%	Maximum of 38%	40%	28% to 29%
13 Forecast Reserves	\$ 55.8	\$ 56.3	\$ 43.7	\$ 44.8	\$ 45.7	\$ 56.5	\$ 57.8	Stat Recommendation		
14 Days Cash on Hand (DCOH)	✓ 155	✓ 146	✗ 106	✓ 115	✓ 115	✓ 144	✓ 154	120 +/- 10%	140	94 to 147
15 Days Liquidity on Hand (+\$10M LOC)	✓ 183	✓ 172	✗ 130	✓ 140	✓ 140	✓ 170	✓ 180		186	N/A
16 % Change in DCOH	0%	-6%	-27%	8%	0%	-25%	7%			
17 Minimum Reserves (90 DCOH)	\$ 32.4	\$ 35.3	\$ 37.1	\$ 35.1	\$ 35.8	\$ 35.3	\$ 33.8			
18 Designated Bond Insurance Rep.	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ -	\$ -	\$ -			
19 Designated Power Market Volatility	\$ 3.9	\$ -	\$ 1.0	\$ 2.0	\$ 3.0	\$ 4.0				
20 Designated Special Capital	\$ 12.6	\$ 2.1	\$ 4.4	\$ 6.2	\$ 16.5	\$ 18.3				
21 Designated Customer Deposits	\$ 1.9	\$ 1.9	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7				
22 Average Residential Bill Comparison	\$ 116	\$ 116	\$ 119	\$ 119	\$ 119	\$ 119	\$ 119	Using average rate action. Rate action by class may vary.		
23 Net Margin (Retail Rev - Net Power)	\$ 44.0	\$ 43.9	\$ 39.9	\$ 51.6	\$ 53.7	\$ 52.6	\$ 49.3			

*Financial Forecasts are projections only, District staff will continue to monitor and evaluate the need for future rate increases.

BENTON PUD

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July Scenario 1) Financial Forecast

2019 MtM NPC + 2020 - 2023 at 50th Percentile NPC

[S's in Millions]	ACTUAL		FORECAST PERIOD				Financial Policy Requirements	Fitch 2016 Median A+	Moody's 2014 Median Range
	2017	2018	2019	2020	2021	2022			
Assumptions									
1 Net Power Cost Percentile			MtM	50 th	50 th	50 th			
2 Rate Action Effective Date	Oct 1		Oct 1	Based on current conditions. Subject to legislative and market changes					
3 Revenue Rate Action	1.9%		2.9%						
Assumptions:									
• Adopted 2019 Capital Plan									
• \$0.5M under run each year 2020-2023									
• 2019 Load Forecast (2019-2028)									
• FRP Surcharge impact included (2019-2023 approx. \$3M)									
• No BPA CRAC or Spill Surcharge included									
• BPA FY20/21 Increase: 0% power, 3.6% transmission									
• Overall 1.3% increase as applied to Benton PUD									
• BPA Future Year Inc: 4.0% power, 4.0% transmission									
Metrics	2017	2018	2019	2020	2021	2022	2023		
4 Operating Income / (Loss)	\$ 7.4	\$ 8.4	\$ (0.7)	\$ 9.6	\$ 10.4	\$ 8.8	\$ 5.7	Sufficient over time	
5 Net Income / (Loss)	✓ \$ 8.1	✓ \$ 9.7	✓ \$ 0.7	✓ \$ 9.9	✓ \$ 10.9	✓ \$ 9.6	✓ \$ 6.7	Target > 0	
6 Debt Service Coverage									
7 With Capital Contributions	✓ 3.39	✓ 3.32	✓ 2.12	✓ 3.69	✓ 3.82	✓ 4.23	✓ 4.52	2.00	N/A
8 Without Capital Contributions	✓ 3.07	✓ 2.99	✓ 1.81	✓ 3.51	✓ 3.63	✓ 4.01	✓ 4.24	1.75	2.31
9 Fixed Charge Coverage	✓ 1.37	✓ 1.39	✗ 1.19	✓ 1.43	✓ 1.45	✓ 1.47	✓ 1.49	Benchmark Data	1.40
10 Debt per Customer	\$ 1,065	\$ 985	\$ 904	\$ 823	\$ 739	\$ 672	\$ 621	No target	\$2,974
11 Debt to Capitalization	✓ 31%	✓ 28%	✓ 27%	✓ 24%	✓ 21%	✓ 19%	✓ 17%	Maximum of 38%	40%
12 Forecast Reserves	\$ 55.8	\$ 56.3	\$ 42.0	\$ 41.4	\$ 40.0	\$ 48.6	\$ 48.6	Utilization recommendation	28% to 29%
13 Days Cash on Hand (DCOH)	✓ 155	✓ 146	✗ 99	✗ 100	✗ 96	✓ 124	✓ 129	120 +/- 10%	140
14 Days Liquidity on Hand (+\$10M LOC)	✓ 183	✓ 172	✗ 126	✗ 131	✗ 126	✓ 149	✓ 155	186	94 to 147
15 % Change in DCOH	0%	-6%	-30%	4%	-5%	23%	4%		N/A
16 Minimum Reserves (90 DCOH)	\$ 32.4	\$ 35.3	\$ 37.0	\$ 35.1	\$ 35.7	\$ 35.3	\$ 33.9		
17 Designated Bond Insurance Rep.	\$ 2.6	\$ 2.6	\$ 2.6	\$ -	\$ -	\$ -	\$ -		
18 Designated Power Market Volatility	\$ 3.9	\$ 0.5	\$ 2.0	\$ 2.6	\$ 5.0	\$ 5.0	\$ 5.0		
19 Designated Special Capital	\$ 12.6	\$ -	\$ -	\$ -	\$ 6.6	\$ 8.0	\$ -		
20 Designated Customer Deposits	\$ 1.9	\$ 1.9	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7		
21 Average Residential Bill Comparison	\$ 116	\$ 116	\$ 119	\$ 119	\$ 119	\$ 119	\$ 119	Using average rate action. Rate action by class may vary.	
22 Net Margin (Retail Rev - Net Power)	\$ 44.0	\$ 43.9	\$ 37.9	\$ 50.0	\$ 51.5	\$ 50.5	\$ 48.1		

*Financial Forecasts are projections only, District staff will continue to monitor and evaluate the need for future rate increases.

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Sensitivity Analysis #1) \$1M Additional Costs, (\$5M Total)

2019 MtM NPC + 2020 - 2023 at 50th Percentile NPC

[S's in Millions]	ACTUAL		FORECAST PERIOD				Financial Policy Requirements	Fitch 2016 Median A+	Moody's 2014 Median Range
	2017	2018	2019	2020	2021	2022			
Assumptions									
1 Net Power Cost Percentile			MtM	50 th	50 th	50 th			
2 Rate Action Effective Date	Oct 1		Oct 1	Based on current conditions. Subject to legislative and market changes					
3 Revenue Rate Action	1.9%		2.9%						
Assumptions:									
• Adopted 2019 Capital Plan									
• \$0.5M under run each year 2020-2023									
• 2019 Load Forecast (2019-2028)									
• FRP Surcharge impact included (2019-2023 approx. \$3M)									
• No BPA CRAC or Spill Surcharge included									
• BPA FY20/21 Increase: 0% power, 3.6% transmission									
• Overall 1.3% increase as applied to Benton PUD									
• BPA Future Year Inc: 4.0% power, 4.0% transmission									
Metrics	2017	2018	2019	2020	2021	2022	2023		
4 Operating Income / (Loss)	\$ 7.4	\$ 8.4	\$ (1.7)	\$ 8.6	\$ 11.2	\$ 10.1	\$ 7.0	Sufficient over time	
5 Net Income / (Loss)	✓ \$ 8.1	✓ \$ 9.7	✗ \$ (0.3)	✓ \$ 8.9	✓ \$ 11.7	✓ \$ 10.9	✓ \$ 8.0	Target > 0	
6 Debt Service Coverage									
7 With Capital Contributions	✓ 3.39	✓ 3.32	✗ 1.97	✓ 3.53	✓ 3.93	✓ 4.46	✓ 4.80	2.00	N/A
8 Without Capital Contributions	✓ 3.07	✓ 2.99	✗ 1.65	✓ 3.35	✓ 3.75	✓ 4.24	✓ 4.53	1.75	2.31
9 Fixed Charge Coverage	✓ 1.37	✓ 1.39	✗ 1.16	✓ 1.41	✓ 1.47	✓ 1.50	✓ 1.53	Benchmark Data	1.40
10 Debt per Customer	\$ 1,065	\$ 985	\$ 904	\$ 823	\$ 739	\$ 672	\$ 621	No target	\$2,974
11 Debt to Capitalization	✓ 31%	✓ 28%	✓ 27%	✓ 24%	✓ 21%	✓ 19%	✓ 17%	Maximum of 38%	40%
12 Forecast Reserves	\$ 55.8	\$ 56.3	\$ 41.0	\$ 39.3	\$ 38.7	\$ 48.6	\$ 49.8	Utilization recommendation	28% to 29%
13 Days Cash on Hand (DCOH)	✓ 155	✓ 146	✗ 99	✗ 100	✗ 96	✓ 123	✓ 131	120 +/- 10%	140
14 Days Liquidity on Hand (+\$10M LOC)	✓ 183	✓ 172	✗ 123	✗ 125	✗ 121	✓ 148	✓ 157	186	94 to 147
15 % Change in DCOH	0%	-6%	-32%	1%	-4%	28%	7%		N/A
16 Minimum Reserves (90 DCOH)	\$ 32.4	\$ 35.3	\$ 37.2	\$ 35.4	\$ 36.3	\$ 35.6	\$ 34.2		
17 Designated Bond Insurance Rep.	\$ 2.6	\$ 2.6	\$ 2.6	\$ -	\$ -	\$ -	\$ -		
18 Designated Power Market Volatility	\$ 3.9	\$ (0.7)	\$ (0.4)	\$ 0.7	\$ 5.0	\$ 5.0	\$ 5.0		
19 Designated Special Capital	\$ 12.6	\$ -	\$ -	\$ -	\$ 6.3	\$ 8.9	\$ -		
20 Designated Customer Deposits	\$ 1.9	\$ 1.9	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7		
21 Average Residential Bill Comparison	\$ 116	\$ 116	\$ 119	\$ 119	\$ 121	\$ 121	\$ 121	Using average rate action. Rate action by class may vary.	
22 Net Margin (Retail Rev - Net Power)	\$ 44.0	\$ 43.9	\$ 36.9	\$ 49.0	\$ 52.4	\$ 52.0	\$ 49.5		

*Financial Forecasts are projections only, District staff will continue to monitor and evaluate the need for future rate increases.

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Sensitivity Analysis #2) \$2M Additional Costs, (\$10M Total)

2019 MtM NPC + 2020 - 2023 at 50th Percentile NPC

(\$'s in Millions)	ACTUAL			Significant Uncertainty FORECAST PERIOD			
	2017	2018	2019	2020	2021	2022	2023
Assumptions							
1 Net Power Cost Percentile			MtM	50 th	50 th	50 th	50 th
2 Rate Action Effective Date	Oct 1		Oct 1		Jan 1		
3 Revenue Rate Action	1.9%		3.4%		7.9%		
Based on current conditions. Subject to legislative and market changes							
Metrics	2017	2018	2019	2020	2021	2022	2023
4 Operating Income / (Loss)	\$ 7.4	\$ 8.4	\$ (2.6)	\$ 8.2	\$ 12.6	\$ 10.9	\$ 7.8
5 Net Income / (Loss)	✓ \$ 8.1	✓ \$ 9.7	✗ \$ (1.2)	✓ \$ 8.5	✓ \$ 13.1	✓ \$ 11.7	✓ \$ 8.9
6 Debt Service Coverage							
7 With Capital Contributions	✓ 3.39	✓ 3.32	✗ 1.84	✓ 3.47	✓ 4.14	✓ 4.60	✓ 4.99
8 Without Capital Contributions	✓ 3.07	✓ 2.99	✗ 1.52	✓ 3.28	✓ 3.96	✓ 4.38	✓ 4.71
9 Fixed Charge Coverage	✓ 1.37	✓ 1.39	✗ 1.14	✓ 1.40	✓ 1.50	✓ 1.52	✓ 1.56
10 Debt per Customer	\$ 1,065	\$ 985	\$ 904	\$ 823	\$ 739	\$ 672	\$ 621
11 Debt to Capitalization	✓ 31%	✓ 28%	✓ 27%	✓ 24%	✓ 21%	✓ 19%	✓ 17%
12 Forecast Reserves	\$ 55.8	\$ 56.3	\$ 40.1	\$ 38.0	\$ 38.8	\$ 49.5	\$ 51.6
13 Days Cash on Hand (DCOH)	✓ 155	✓ 146	✗ 96	✗ 96	✗ 96	✓ 124	✓ 134
14 Days Liquidity on Hand (+\$10M LOC)	✓ 183	✓ 172	✗ 120	✗ 121	✗ 121	✓ 149	✓ 161
15 % Change in DCOH	0%	-6%	-34%	0%	0%	29%	8%
16 Minimum Reserves (90 DCOH)	\$ 32.4	\$ 35.3	\$ 37.6	\$ 35.7	\$ 36.4	\$ 35.9	\$ 34.6
17 Designated Bond Insurance Rep.	\$ 2.6	\$ 2.6	\$ 2.6	\$ -	\$ -	\$ -	\$ -
18 Designated Power Market Volatility	\$ 3.9	\$ (2.0)	\$ (2.0)	\$ 0.7	\$ 5.0	\$ 5.0	\$ 5.0
19 Designated Special Capital	\$ 12.6	\$ -	\$ -	\$ -	\$ 6.9	\$ 10.3	\$ -
20 Designated Customer Deposits	\$ 1.9	\$ 1.9	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7
21 Average Residential Bill Comparison	\$ 116	\$ 116	\$ 119	\$ 119	\$ 123	\$ 123	\$ 123
22 Net Margin (Retail Rev - Net Power)	\$ 44.0	\$ 43.9	\$ 36.0	\$ 48.6	\$ 54.0	\$ 52.9	\$ 50.5

Financial Policy Requirements

Sufficient over time
Target > 0

Benchmark Data
No target

Maximum of 38%
State recommendation

Using average rate action. Rate action by class may vary.

Financial Policy Requirements	Fitch 2016 Median A+	Moody's 2014 Median Range
2.00	N/A	2.94 to 3.49
1.75	2.31	N/A
1.40	1.40	N/A
\$2,974	\$2,974	N/A
40%	40%	28% to 29%
120 +/- 10%	140	94 to 147
	186	N/A

* Financial Forecasts are projections only, District staff will continue to monitor and evaluate the need for future rate increases.

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Sensitivity Analysis #3) \$3M Additional Costs, (\$15M Total)

2019 MtM NPC + 2020 - 2023 at 50th Percentile NPC

(\$'s in Millions)	ACTUAL			Significant Uncertainty FORECAST PERIOD			
	2017	2018	2019	2020	2021	2022	2023
Assumptions							
1 Net Power Cost Percentile			MtM	50 th	50 th	50 th	50 th
2 Rate Action Effective Date	Oct 1		Oct 1		Jan 1		
3 Revenue Rate Action	1.9%		3.9%		3.9%		
Based on current conditions. Subject to legislative and market changes							
Metrics	2017	2018	2019	2020	2021	2022	2023
4 Operating Income / (Loss)	\$ 7.4	\$ 8.4	\$ (3.4)	\$ 7.8	\$ 13.5	\$ 11.7	\$ 8.6
5 Net Income / (Loss)	✓ \$ 8.1	✓ \$ 9.7	✗ \$ (2.0)	✓ \$ 8.0	✓ \$ 13.9	✓ \$ 12.5	✓ \$ 9.7
6 Debt Service Coverage							
7 With Capital Contributions	✓ 3.39	✓ 3.32	✗ 1.70	✓ 3.40	✓ 4.27	✓ 4.75	✓ 5.17
8 Without Capital Contributions	✓ 3.07	✓ 2.99	✗ 1.38	✓ 3.22	✓ 4.09	✓ 4.53	✓ 4.89
9 Fixed Charge Coverage	✓ 1.37	✓ 1.39	✗ 1.12	✓ 1.39	✓ 1.52	✓ 1.54	✓ 1.58
10 Debt per Customer	\$ 1,065	\$ 985	\$ 904	\$ 823	\$ 739	\$ 672	\$ 621
11 Debt to Capitalization	✓ 31%	✓ 28%	✓ 27%	✓ 25%	✓ 21%	✓ 19%	✓ 17%
12 Forecast Reserves	\$ 55.8	\$ 56.3	\$ 39.2	\$ 36.7	\$ 38.4	\$ 49.9	\$ 52.7
13 Days Cash on Hand (DCOH)	✓ 155	✓ 146	✗ 91	✗ 91	✗ 91	✓ 124	✓ 136
14 Days Liquidity on Hand (+\$10M LOC)	✓ 183	✓ 172	✗ 117	✗ 117	✗ 118	✓ 149	✓ 162
15 % Change in DCOH	0%	-6%	-36%	-2%	2%	32%	10%
16 Minimum Reserves (90 DCOH)	\$ 32.4	\$ 35.3	\$ 37.5	\$ 35.9	\$ 36.8	\$ 36.2	\$ 34.9
17 Designated Bond Insurance Rep.	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ -	\$ -	\$ -
18 Designated Power Market Volatility	\$ 3.9	\$ (2.8)	\$ (3.5)	\$ (0.1)	\$ 5.0	\$ 5.0	\$ 5.0
19 Designated Special Capital	\$ 12.6	\$ -	\$ -	\$ -	\$ 7.0	\$ 11.1	\$ -
20 Designated Customer Deposits	\$ 1.9	\$ 1.9	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7
21 Average Residential Bill Comparison	\$ 116	\$ 116	\$ 120	\$ 120	\$ 125	\$ 125	\$ 125
22 Net Margin (Retail Rev - Net Power)	\$ 44.0	\$ 43.9	\$ 35.2	\$ 48.3	\$ 54.9	\$ 53.8	\$ 51.4

Financial Policy Requirements

Sufficient over time
Target > 0

Benchmark Data
No target

Maximum of 38%
State recommendation

Using average rate action. Rate action by class may vary.

Financial Policy Requirements	Fitch 2016 Median A+	Moody's 2014 Median Range
2.00	N/A	2.94 to 3.49
1.75	2.31	N/A
1.40	1.40	N/A
\$2,974	\$2,974	N/A
40%	40%	28% to 29%
120 +/- 10%	140	94 to 147
	186	N/A

* Financial Forecasts are projections only, District staff will continue to monitor and evaluate the need for future rate increases.

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