

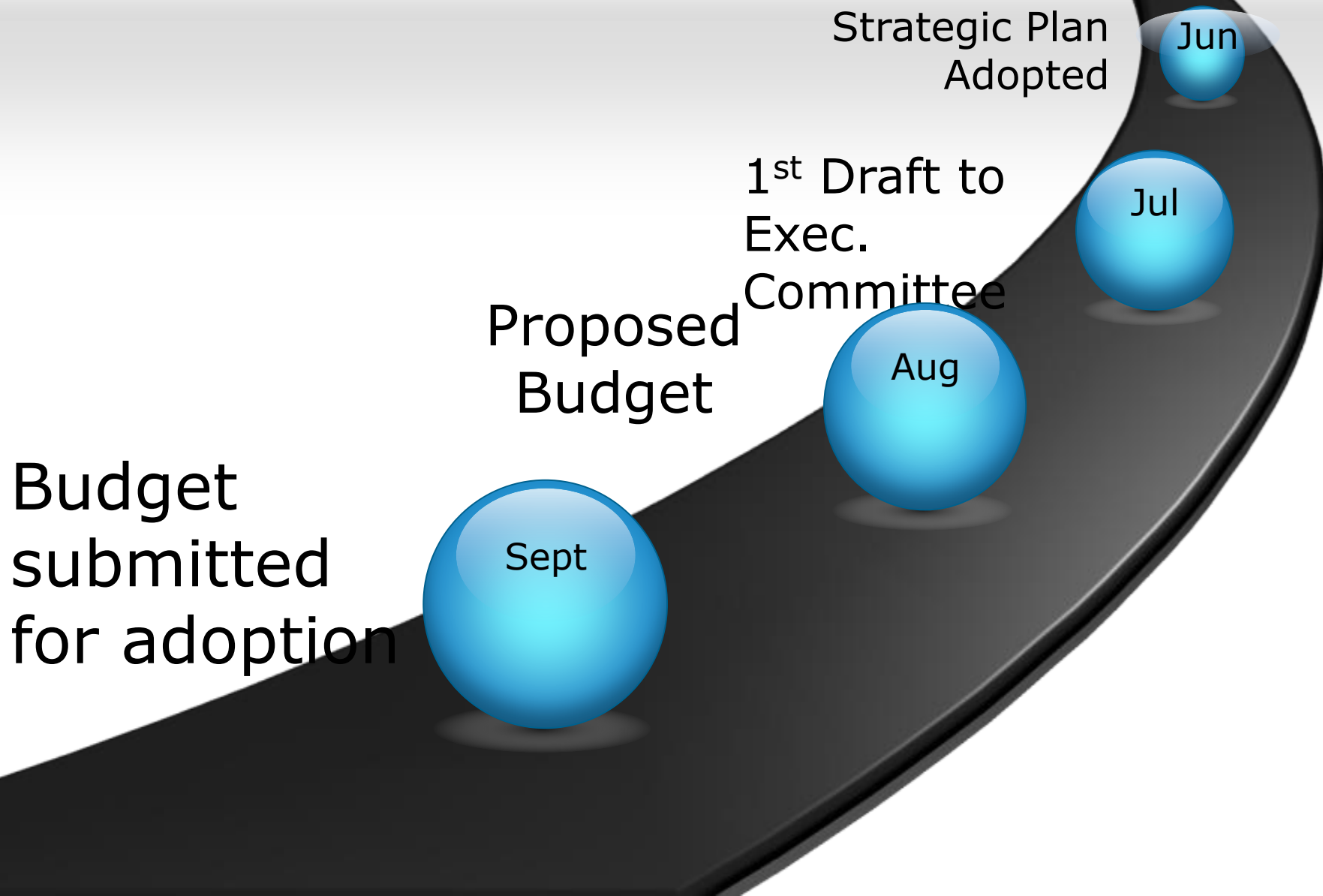


FY 2017-18 PROPOSED OPERATING BUDGET

Donald Eckert, Director of Administration & Finance



BUDGET PROCESS

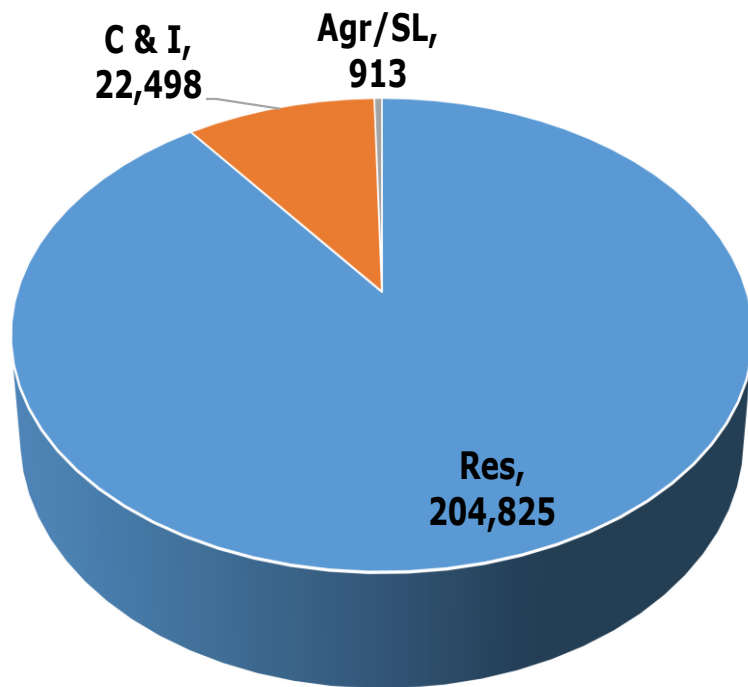


ASSUMPTIONS

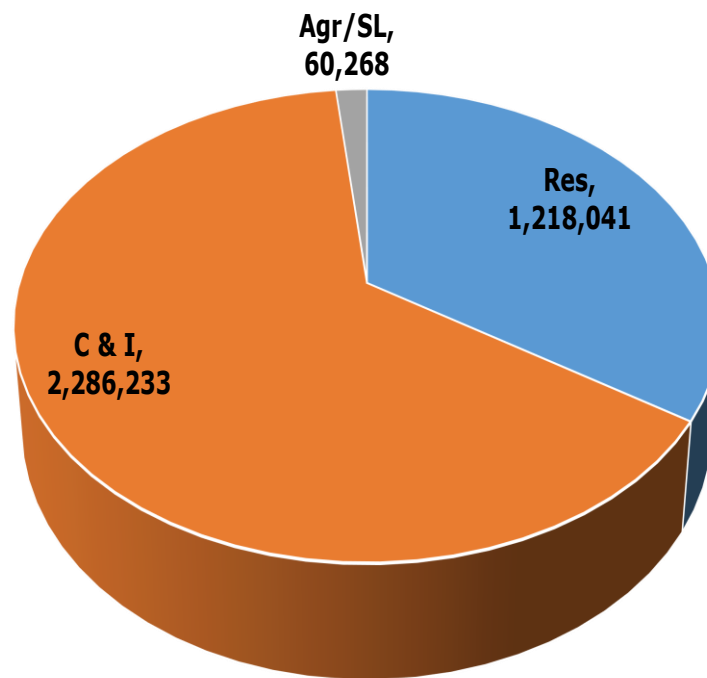
- Proposed FY 2017-18 budget is balanced
- First full year of Operations
- Staff used a zero-based budgeting approach
- Strategic plan was guide

Revenue Assumptions

~228,000 ACCOUNTS



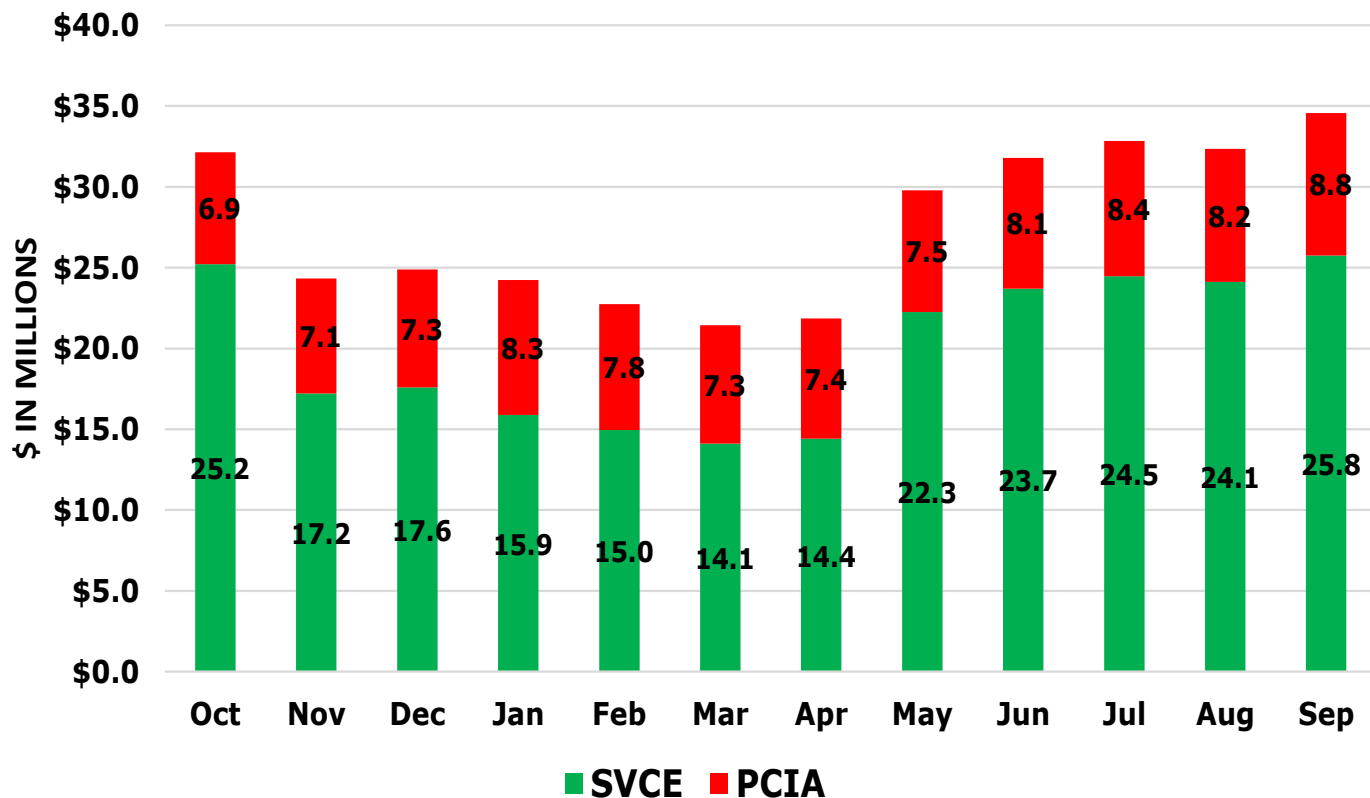
~3.6 Million MWh's



4% Opt-Out for Residential
2% Opt-out for C&I

REVENUES

REVENUES BY MONTH



16%
Increase in
PCIA in
2018

1.5%
decrease in
PG&E Rates
in 2018

Maintain
Pricing of
1% below
PG&E

OPERATING EXPENSES

- Employment Expenses
 - 3% Across-the-Board
 - 1 Reclassification/2 New Positions
 - RECLASS - Leg. & Reg. Analyst to Manager of Legislative and Regulatory Affairs
 - NEW - Associate Legislative Analyst
 - NEW - Administrative Analyst - HR

OPERATING EXPENSES

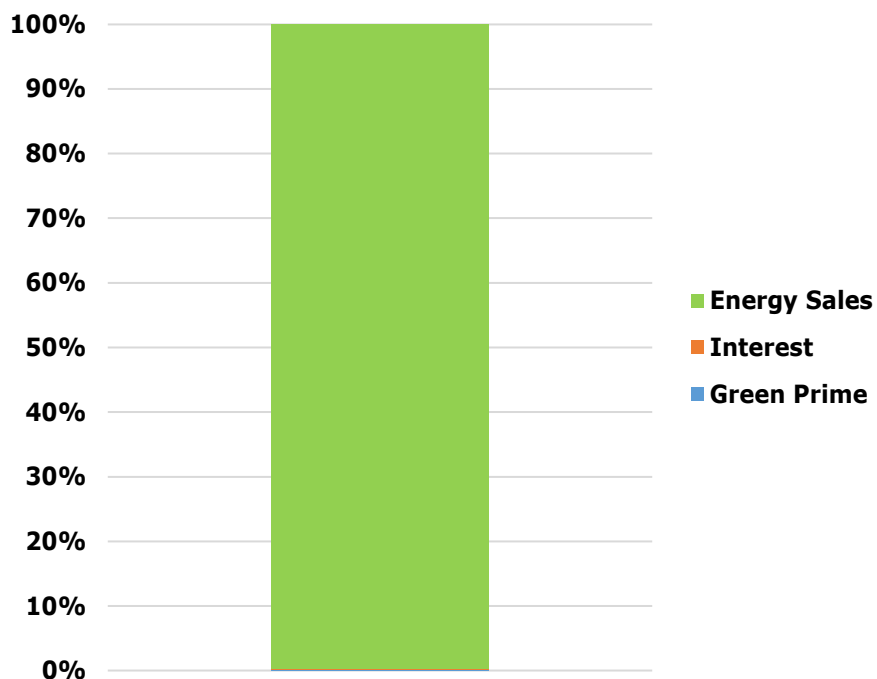
- Professional Services decreased 23% compared to Mid-Year
- General and Admin expenses includes:
 - \$1,000/Board Member for Travel
 - \$100 per meeting
- Programs at 2% of Revenue
- 6% of Operating Budget is Non-Power Supply

DEBT SERVICE

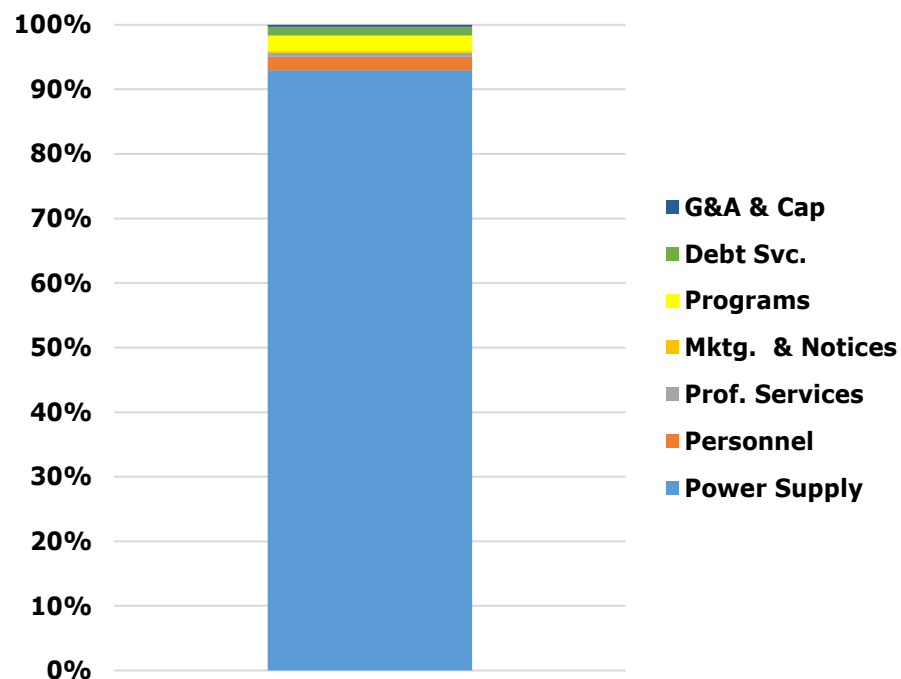
- NRLOC – Paid down in August
- RLOC – Expect to pay off before end of this fiscal year
- FY 2017-18 budget includes return of \$2.7 loan from Member Agencies

SUMMARY

OPERATING REVENUES \$240.3 MILLION

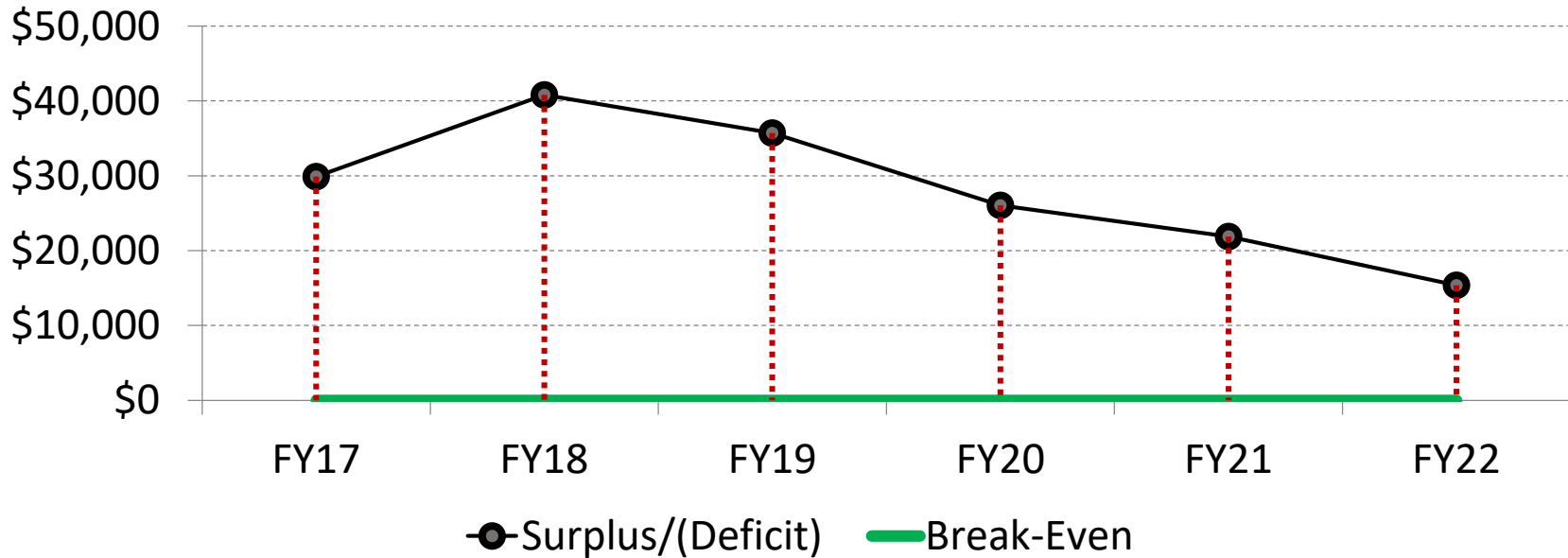


OPERATING EXPENSES \$199.5 MILLION



Net Revenue = \$40.8 MILLION

5 YEAR FORECAST



Assumptions in forecast include:

- Flat PG&E rates after FY19

- PCIA increasing 10% in 2019 then flattens out

- Load growth at 0.5%

SVCE VALUE

- Environmental Value - 100% Carbon Free Energy
- Political Value – Ratepayers are now shareholders.
- Economic Value - \$3.4 million in customer savings for FY 2017-18

Next Steps

- Receive feedback from Board and Public tonight
- Decision on Operating Margin will be reflected in Budget next month
- Budget submitted for adoption in September



THANK YOU!

