

POWER -- [FY18] PS Case 3 -- Final FY18 Budget

CASE ASSUMPTIONS

1 Planned Financial Metrics (Manual)

Debt Service Coverage Ratio	2.25
Cash Balance (Revenue Fund + DRTF)	170 Days
Capitalization Ratio	68.0%
Net Income	\$75M
Full Obligation Ratio	1.70

2 Load Forecast (Manual)

From Load Forecasting Group (Source: Mike Cockayne's report dated)	6/15/2016
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3 Budget Data for Capital and O&M

IBIS date	4/19/2017
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4 Fuel and Purchased Power

Fuel case date	4/12/2017
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5 Rate Action Dates

2012 Rate Action Effective	11/11/2012
2016 Rate Action Effective	4/1/16

6 Most Recent Bond Issues (Manual)

	Amount in \$M	Date	Issue Name
Refunding + Premium (Discount)	\$84.6M	5/19/2016	2016AR
New Money - Principal	\$500.0M	2/9/2017	2017A
New Money - Premium (Discount)	\$88.3M		

7 Future Bond Issues

	FY16	FY17	FY18
Fixed Rate Bond to be Issued	\$0.0	\$0.0	\$376.7
Variable Rate Bond to be Issued	\$3.3	\$11.0	\$96.7
Total Amount	\$3.3	\$11.0	\$473.5

8 Interest Expense - Rate Assumptions

	FY16	FY17	FY18
From Finance (Source: Peter Huynh' e-mail dated 2/3/17)			
Variable into Fixed triggered by Downgrade	0.41%	0.79%	5.40%
Variable	0.41%	0.79%	1.16%
Fixed	4.25%	4.60%	5.35%

9a Interest Income - Rate Assumptions

	FY16	FY17	FY18
From Finance (Source: Matt Curtis' e-mail dated 1/31/17)			
Variable	1.21%	1.70%	1.56%

9b Interest Income - IPA Subordinated Notes

\$M	FY16	FY17	FY18
	\$23.1	\$35.9	\$10.7

10 Rate Stabilization Fund

(\$M)	FY16	FY17	FY18
To meet the financial metric (net income)			
Deposit	\$0.0	\$0.0	\$0.0
Withdrawal	\$0.0	\$0.0	\$0.0

11 RCA Legacy Undercollection

(\$M)	FY16	FY17	FY18
Amortized over 10 years. Begin amortization in FY13 (50% due to incremental rate ordinance effective in Nov 2012)			
Amount	\$76.7	\$63.9	\$51.1

12 ECA Legacy Undercollection

(\$M)	FY16	FY17	FY18
Amortized over 10 years. Begin amortization in FY13 and collected in VEAF			
Amount	\$108.9	\$91.7	\$74.5

13 Legal Settlement (Barakat) Collection

(\$M)	FY16	FY17	FY18
Total costs of \$160M that will be collected over 10-yr period. Begin collection in FY15			
Amount	\$16.0	\$16.0	\$16.0

14 Energy Efficiency Adjustment

(\$M)	FY16	FY17	FY18
IBIS data			
Capital	\$73.3	\$147.5	\$178.1
GWH savings	129	472	496

15 Renewable Portfolio Standard (RPS) Adjustment

(\$M)	CY16/FY16	CY17/FY17	CY18/FY18
IBIS data			
IBIS data			
Capital	\$262.9	\$151.9	\$110.1
O&M	\$26.2	\$31.1	\$41.4
RPS% (CY Basis)	28.9%	30.1%	33.4%
RPS% (FY Basis)	24.3%	29.4%	31.4%

Manual -->

Manual -->

16 Sequestration Impact

	FY16	FY17	FY18	
BABs, QECB and CREB Subsidy Cut (%)	in %	7.3%	6.8%	6.8%
BABs, QECB and CREB Subsidy Cut (\$M)	in \$M	\$2.5	\$2.5	\$2.5

17 Burnertip Natural Gas Pricing (Manual)

	FY16	FY17	FY18
Rate Case Budget (9/11/2015)	\$3.31	\$3.46	\$3.61
FY2017 Budget (03/28/16)	\$2.71	\$3.03	\$3.31
FY2018 Budget (04/04/17)	\$2.85	\$3.41	\$3.67

[FY18] PS Case 3 -- Final FY18 Budget

Fuel Case --> 04/12/17
 O&M Case --> 04/19/17

FY2018 Fuel & PP (Final)	3 i-ECAFs	Navajo Coal Out on 7/1/2016	No Downgrade (AA-)
FY2018 O&M (Final)	FY2018 EE (15% by 2020)	Low CO2 Price	Pension Return - 7.75 - 7.5% 2Yr
BR #3	Solar SB-1 (FY 2018)	RPS Excess Credit Sales	Bad Debt as Budgeted
PSRP O&M Cuts #3	i-RCAF frozen in FY15 only	CO2 Expense - Selective Over	DRTF = \$500M
Non-PSRP O&M Cuts #3	i-RCA Balance Zeroed in FY1	No Load Reduction	No Additional COLA Adjust
RSF Drawdown #3	i-RCAF = 5.0 cts/kWh	Base Rev Target Preset #2	Var Debt -- PSRP 100%; Other 0%
		Base Rev Decoupled	with CISCON settlement
iCityXfer = No		Base Rev (July - July)	Remit City Transfer
City Xfer - 8%	ESA split from Base Rate	FY16 BRRTA --> 2 Yrs	PSRP CapEX Debt Funding #4
Rate action eff 4/1/16	ESAF frozen at 0.147 cts	PHEV --> As Is	with Excess WS & CIAC

i-ECA Inc %	-1.6%	-3.4%	1.4%
i-Base Inc %	0.3%	5.6%	3.0%
i-RCA Inc %	0.0%	0.1%	0.7%
i-Increase Total %	-1.3%	2.3%	5.1%
i-Base + i-RCA %	0.3%	5.7%	3.7%
i-ECA Inc \$M	-54	-118	48
i-Base Inc \$M	10	193	106
i-RCA Inc \$M	1	3	25
i-Revenue Inc (\$M)	-44	77	179
i-Base + i-RCA (\$M)	11	196	131

	Final	Final	2016-17 Approved (Case 4)	Actuals Thru Feb '17	<= FORECAST >
	2014-15	2015-16	2016-17	2016-17	2017-18
FISCAL YEAR ENDING JUNE 30					
1. Retail Sales (GWh)	23,018	23,279	24,620	23,429	24,372
Adj. For DSM (GWh)	0	0	(811)	0	(720)
Adj. For Solar (GWh)	0	0	(124)	0	(144)
Adj. due to Others (GWh)	0	0	0	0	0
Net Retail Sales(GWh)	23,018	23,279	23,685	23,429	23,508
2. Operating Revenue:					
Base Revenue	1,526	1,522	1,561	1,538	1,561
Energy Cost Adjustment	1,310	1,318	1,342	1,329	1,332
Energy Subsidy Adjustment	36	37	36	36	35
Reliability Costs Adjustment	76	77	70	78	76
i-Base Revenue	175	209	405	397	489
i-ECA Revenue	266	222	124	103	153
i-RCA Revenue	58	59	120	61	88
Total Retail Revenue (\$M)	3,448	3,444	3,658	3,543	3,735
Wholesale Sales (Gen. & Trans.)	94	73	101	84	100
Deferred Revenue - Base Revenue	(41)	143	(109)	(72)	(56)
Deferred Revenue - Others	(136)	(117)	49	11	13
Others	(27)	(25)	(15)	(17)	(15)
Total Operating Revenue (\$M)	3,337	3,517	3,685	3,549	3,777
3. Non-Operating Revenue	100	119	95	101	84
4. Total Revenue	3,437	3,636	3,779	3,650	3,861
5. Fuel, Purchased Power & Emissions Expense	1,400	1,356	1,436	1,427	1,451
6. O&M Expenditures	1,030	1,081	1,028	1,018	1,060
7. Depreciation	496	540	642	546	668
8. Property Tax	15	15	18	15	15
9a. Interest Expense	299	300	328	324	352
9b. AFUDC	(38)	(32)	(17)	(9)	(3)
9c. CIAC	(67)	(66)	(53)	(48)	(53)
10. Total Expense	3,135	3,194	3,381	3,273	3,489
11a. Net Income Before City Transfer	302	442	398	377	372
11b. City Transfer	266	267	291	264	242
11c. Increase in Fund Net Assets	37	175	107	113	130
12. Capital Expenditures	1,260	1,173	1,486	1,223	1,393
13a. Borrowing for CapEx	796	528	864	599	473
13b. Cash on Hand	1,107	1,332	651	926	706
13c. Total Debt Service	458	472	480	483	551
13d. Total Non-Debt Service Expenditures	3,622	3,543	3,898	3,620	3,850
14. Financial Ratios (Accrual Basis):					
a. Debt Service Coverage	2.20	2.58	2.80	2.51	2.46
b. Adj. Debt Service Coverage	1.62	2.01	2.19	1.96	2.02
c. Full Obligation Coverage	1.49	1.76	1.81	1.66	1.74
d. Capitalization Factor	61.0%	61.3%	62.2%	61.9%	62.0%
e. Days of Operating Cash (w/o Debt Svc)	241	268	170	207	171
15. Average Rate (cts/kWh)					
System Average	15.0	14.8	15.4	15.1	15.9
Avg. Rate Increase (%)	5.8%	-1.2%	3.5%	2.2%	5.0%
16a. ECA (Under) Over Collection	(81)	48	(52)	(26)	(51)
16b. Legacy RCA (Under) Over Collection	(89)	(77)	(64)	(64)	(51)
16c. i-RCA (Under) Over Collection	0	0	(10)	(1)	(2)
16d. Total RCA (Under) Over Collection	(89)	(77)	(74)	(65)	(53)
17a. PSRP Capital Adds/(Cuts)	0	0	0	0	0
17b. PSRP O&M Adds/(Cuts)	0	0	0	0	0
17c. Non-PSRP Capital Adds/(Cuts)	0	0	0	0	0
17d. Non-PSRP O&M Adds/(Cuts)	0	0	0	0	0
17e. Pension, COLA, RPS Adj for Capital	0	0	0	0	0
17f. Pension, COLA, RPS Adj for O&M	0	0	0	0	0
17g. Total Capital Adds/(Cuts)	0	0	0	0	0
17h. Total O&M Adds/(Cuts)	0	0	0	0	0
18 %CapEx Borrowed	63%	45%	58%	49%	34%
20a. Rate Stabilization Fund Drawdown / (Injection)	0	0	0	0	0
20b. Rate Stabilization Fund Balance	174	174	174	174	174
21a. City Transfer from Legacy Revenue		227	251	232	242
21b. City Transfer from i-Revenue		40	40	33	0
21c. 21b. as a % of Total City Transfer		15%	14%	12%	0%
22 PSRP Cash Funding Level (%)			77%	77%	35%

[FY18] PS Case 3 -- Final FY18 Budget

LOS ANGELES DEPARTMENT OF WATER AND POWER
Power System Financial Plan Summary
(In Million Dollars)

Fuel Case --> 04/12/17
O&M Case --> 04/19/17

i-ECA Inc %	-1.6%	-3.4%	1.4%
i-Base Inc %	0.3%	5.6%	3.0%
i-RCA Inc %	0.0%	0.1%	0.7%
i-Increase %	-1.26%	2.25%	5.08%
i-Base + i-RCA %	0.30%	5.66%	3.72%
i-ECA Inc \$M	-54	-118	48
i-Base Inc \$M	10	193	106
i-RCA Inc \$M	1	3	25
i-Revenue Inc (\$M)	-44	77	179
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3. Non-Operating Revenue	100	119	95	101	84
4. Total Revenue	3,437	3,636	3,779	3,650	3,861
5. Fuel-Related Expenditures					
5a. Fuel and Purchased Power Expense	1,359	1,322	1,430	1,449	1,473
5b. Legal Settlement Expense	16	16	16	16	16
5c. CO2 Credit Expense	22	15	1	(40)	1
5d. CO2 Credit Revenue	0	0	(16)	0	(43)
5e. Other Emissions Expenses	2	2	5	3	5
5f. Excess RPS Compliance Credit	0	0	0	0	0
6. O&M Expenditures					
6a. DSM	0	0	0	0	0
6b. Other Infrastructure	361	356	330	328	288
6c. Operating Support	340	403	341	354	358
6d. PSRP	305	299	318	303	371
6f. Public Benefits	2	2	2	2	1
6g. RPS	22	21	37	31	41
6j. PSRP Adds/(Cuts)	0.0	0	0	0	0
6k. Non-PSRP Adds/(Cuts)	0	0	0	0	0
6n. Accrual Adj (GL Direct Entries)	0	0	0	0	0
6k. O&M Expenditures Total	1,030	1,081	1,028	1,018	1,060
7a. Depreciation	468	500	578	490	583
7b. Regulatory Asset - Solar SB-1	9	10	12	12	15
7c. Regulatory Asset - Demand Response	0	0	0	1	4
7d. Regulatory Asset - EE	20	31	52	43	67
8. Property Tax	15	15	18	15	15
9a. Interest Expense	299	300	328	324	352
9b. AFUDC	(38)	(32)	(17)	(9)	(3)
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11a. Net Income Before City Transfer	302	442	398	377	372
11b. City Transfer	266	267	291	264	242
11c. Increase in Fund Net Assets	37	175	107	113	130
12. Capital Expenditures					
12a. DSM	78	73	168	147	178
12b. Gas Drilling	2	1	5	1	3
12c. Other Infrastructure	293	276	338	331	310
12d. IRP	290	138	24	42	56
12e. IRP (not budgeted)	0	0	0	0	0
12g. Operating Support	70	80	158	132	158
12h. CISCON Settlement	0	5	65	50	76
12i. PSRP	318	336	480	368	470
12j. Public Benefits	0	0	0	0	0
12k. RPS	208	263	247	152	110
12l. RPS Storage	0	0	0	0	32
12o. PSRP Adds/(Cuts)	0	0	0	0	0
12p. Non-PSRP Adds/(Cuts)	0	0	0	0	0
12l. Net Capital Expenditures Total	1,260	1,173	1,486	1,223	1,393
13a. Borrowing for CapEx	796	528	864	599	473
13b. Cash on Hand	1,107	1,332	651	926	706
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13d. Total Non-Debt Service Expenditures	3,622	3,543	3,898	3,620	3,850
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a. Debt Service Coverage	2.20	2.58	2.80	2.51	2.46
b. Adj. Debt Service Coverage	1.62	2.01	2.19	1.96	2.02
c. Full Obligation Coverage	1.49	1.76	1.81	1.66	1.74
d. Capitalization Factor	61.0%	61.3%	62.2%	61.9%	62.0%
15. Average Rate (cts/kWh)					
System Average	15.0	14.8	15.4	15.1	15.9
Avg. Rate Increase (%)	5.8%	-1.2%	3.5%	2.2%	5.0%
16a. ECA (Under) Over Collection	(81)	48	(52)	(26)	(51)
16b. RCA (Under) Over Collection	(89)	(77)	(74)	(65)	(53)
16c. Baraket Settlement Balance	144	128	112	112	96

**Los Angeles Department of Water and Power
Power System Income Statement
(\$ in millions)**

DRAFT -CONFIDENTIAL

Fiscal Year Ending June 30	Final		2016-17 Approved (Case 4)	Actuals Thru Feb '17	FORECAST
	2015	2016	2017	2017	2018
Retail Sales (GWh)	23,018	23,279	24,392	23,429	24,372
Proj. Energy Eff. Prgm (GWh)	0	0	(413)	0	(720)
Solar Roof Top	0	0	(115)	0	(144)
Reductions from Weather or Actuals (GWh)	0	0	0	0	0
Net Retail Sales (GWh)	23,018	23,279	23,863	23,429	23,508
Revenues:					
Residential	1,090	1,118	1,154	1,183	1,181
Commercial	1,595	1,570	1,688	1,599	1,727
Industrial	275	264	292	267	298
Apartment	149	149	158	151	161
City Dept	145	149	153	148	157
Other Govt	157	159	166	157	170
Intra Dept	19	15	20	20	21
Street Lighting	13	14	13	13	14
OAL	5	5	5	5	5
Retail Revenue	3,448	3,444	3,650	3,543	3,735
Revenues:					
Base Revenue	1,526	1,522	1,579	1,538	1,561
Energy Costs Adjustment	1,310	1,318	1,352	1,329	1,332
Energy Subsidy Adjustment	36	37	36	36	35
Reliability Costs Adjustment	76	77	70	78	76
i-Base Revenue	175	209	301	397	489
i-ECA Revenue	266	222	258	103	153
i-RCA Revenue	58	59	53	61	88
Retail Revenue	3,448	3,444	3,650	3,543	3,735
Wholesale Sales (Generation)	12	(3)	13	2	10
Wholesale Sales (Transmission)	82	76	21	81	22
Excess Wholesale Sales	0	0	0	0	69
Distribution Other Revenue	(2)	12	22	19	22
Deferred IPP Revenue	0	0	0	0	0
Deferred Public Benefit	0	0	0	0	0
Deferred Rate Stabilization	0	0	0	0	0
Deferred SCPPA Credit	0	0	0	0	0
Deferred Revenue from City Xfer Refund	0	0	0	(51)	0
ECAF (Over)/Under Collection	(121)	(128)	(34)	74	25
ESA (Over) /Under Collection	0	0	0	0	0
RCA (Over)/Under Collection	(12)	(13)	(11)	(12)	(12)
Base Revenue (Over)/Under Collection	(41)	143	(7)	(72)	(56)
Green Power Over/Under Collection	0	0	0	0	0
Change in Accrued Revenue	(3)	24	0	(1)	0
Allowance for Legal Settlement	0	0	0	0	0
Allowance for Bad Debt	(25)	(36)	(37)	(36)	(37)
Total Operating Revenue	3,337	3,517	3,618	3,549	3,777
System Average (cents/kWh)	15.0	14.8	15.3	15.1	15.9
Retail Rate Increase	5.8%	-1.2%	2.1%	2.2%	5.0%
Fuel Expenses	337	285	297	273	227
Purchased Power	1,022	1,037	1,180	1,176	1,246
Legal Settlement Expense	16	16	16	16	16
CO2 Allowance Expense	22	15	15	(40)	1
CO2 Allowance Sales Revenue	0	0	(3)	0	(43)
Other Emissions Expense	2	2	4	3	5
Excess RPS Compliance Credit	0	0	0	0	0
O & M Expenses	1,028	1,079	1,037	1,017	1,058
Demand Side Management (Exld. PB)	0	0	0	0	0
Public Benefit	2	2	2	2	1
Depreciation - Regular Asset	468	500	533	490	583
Depreciation - Solar	9	10	12	12	15
Depreciation - Demand Response	0	0	0	1	4
Depreciation - EE	20	31	39	43	67
Property Taxes	15	15	17	15	15
TOTAL OPR EXPENSES	2,941	2,992	3,150	3,006	3,194
Operating Income	396	525	468	543	583
Gain/Loss On Asset Sales	0	0	0	0	0
Other Income/Expenses, Net	100	119	96	101	84
Income Before LT Debt Expenses	496	644	564	644	667
Interest on Fixed Rate Bonds	347	353	312	375	393
Interest on Variable Rate Bonds	0	0	6	4	16
Debt Issuance Cost	0	0	3	2	2
Amortization of Debt Expenses	(48)	(54)	(47)	(57)	(60)
Total Debt Expenses	299	300	274	324	352
AFUDC	(38)	(32)	(38)	(9)	(3)
Net Debt Expenses	261	268	236	315	349
Contributions in Aid of Construction (CIAC)	67	66	22	48	23
Excess CIAC	0	0	0	0	30
Change in Fund Net Assets Before Transfer to the City	302	442	350	377	372
City Transfer	266	267	275	264	242
Extraordinary loss					
Increase in Fund Net Assets	36.6	175	75	113	130
Addn'l Bond Test Ratio: (prev / max)	1.84	1.78	2.05	2.08	1.94
Financial Ratio (Current/Current)					
Debt Service Coverage	2.20	2.58	2.71	2.51	2.46
Adj. Debt Service Coverage	1.62	2.01	2.07	1.96	2.02
Full Obligation Coverage	1.49	1.76	1.79	1.66	1.74
Capitalization Ratio	61.0%	61.3%	62.4%	61.9%	62.0%
Interest Coverage	2.92	3.41	3.69	3.19	3.31

Los Angeles Department of Water and Power
Power System Balance Sheet
(\$ in millions)

	Final	Final	Actuals Thru Feb '17	Forecast
FY ENDING JUNE 30	2015	2016	2017	2018
Plant in Service	15,697	17,492	18,873	19,788
Nuclear Fuel - Net	39	40	39	39
Natural Gas Field	229	214	194	177
C W I P	1,721	866	459	656
Gross Plant	17,686	18,612	19,565	20,661
Accum. Depreciation	7,760	8,289	8,692	9,217
Net Plant	9,926	10,323	10,873	11,444
Restricted and Other Investment:				
Nuclear Decommissioning Fund	129	133	136	139
Debt Reduction Trust Funds	500	454	461	467
Sinking Funds for CREBs	0	5	15	26
Post Retiree Benefit Fund	0	0	0	0
Natural Gas Hedging Trust Fund	0	0	0	0
Hazardous Waste Treatment TF	2	2	2	2
Other Investment	10	5	0	0
Total Restricted and Othr Invs.	642	600	615	634
Current Assets				
Construction Fund	85	0	0	0
Revenue Fund - Unrestricted	1,104	1,328	923	703
Revenue Fund - Working Funds	3	3	3	3
Bond R&I Fund	288	262	322	356
Insurance Funds	154	164	174	184
Account Receivable	516	412	567	551
Accrued Revenue	171	197	197	197
Material & Supplies	155	208	209	210
Fuel Inventory	10	11	11	11
Other Prepayments and assets	107	106	46	46
Bond Issue Costs	0	0	0	0
Total Current Assets	2,593	2,691	2,450	2,259
City Transfer Refund Trust Fund			50	(1)
Regulatory Asset - CISCON Settlement	0	0	50	126
Regulatory Asset - Barakat Settlement	144	128	112	96
Regulatory Asset - Solar Incentives	165	200	213	225
Regulatory Asset - Demand Response	0	0	2	14
Regulatory Asset - DSM	217	298	395	506
Post Retirement Healthcare Assets	670	674	674	674
Deferred Outflows - Pension	546	463	587	536
Deferred Reg Asset - Pension	938	670	1,195	1,078
Long - Term Notes Receivable	658	636	621	569
Regulatory Asset - Hoover Prepayment	22	20	18	15
Deferred Outflows - Debt Refunding	30	28	24	20
Total Assets	16,553	16,755	17,880	18,199
Retained Earnings	4,681	4,790	4,855	4,932
Acc. CIAC	735.2	801	849	902
Equity	5,416	5,591	5,704	5,834
Bonds & Notes	8,598	8,955	9,398	9,676
Bonds to be Defeased	0	0	0	0
LT Debt Due in 1 Yr	113	94	132	154
Non - Current Debt	8,485	8,860	9,266	9,523
Current Liabilities				
LT Debt Due in 1 Yr	113	94	132	154
Revenue Certificates	200	200	200	200
Accrued interest	171	169	190	202
Accounts Payable	340	332	299	327
Payable to City's Reserve Fund	0	0	0	0
Payable to Water System	73	75	18	18
Accrued Payroll & Others	115	120	85	85
Potential Refund	0	0	0	0
Total Current Liabilities	1,012	991	924	986
Long -term accrued liabilities	4	2	0	0
Deferred Public Benefit	0	0	0	0
ECAF Over (Under) Collection	(81)	48	(26)	(51)
ESA Over (Under) Collection	0	0	0	0
RCA Over (Under) Collection	(89)	(77)	(65)	(53)
Base Revenue Over (Under) Collection	(14)	(156)	(85)	(29)
Deferred Rate Stabilization	174	174	174	174
Green Power Over (Under) Collection	3	3	5	5
Deferred Revenue - Others	0	0	0	0
Workers Comp Liability	55	62	63	63
Discount on Notes	38	35	21	16
Deferred Revenue - City Transfer Refund			51	51
Deferred Credit (SCPPA)	0	0	0	0
Deferred Inflows - Derivatives		23		
Deferred Inflows - Debt Refunding	7	7	7	7
Net Pension Liability	861	771	1,477	1,404
Deferred Inflows - Pension	683	421	364	270
Total Liabilities and Equity	16,553	16,755	17,880	18,199

Los Angeles Department of Water and Power
Power System Source of Funds
(\$ in millions)

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FY ENDING JUNE 30	Final	Final	Forecast	
	2015	2016	2017	2018
Beginning Cash				
Revenue Fund	776	1,107	1,332	926
Construction Fund	194	85	0	0
Sinking Fund for CREBs/QCEBs	0	0	5	15
DWP Debt Mang.	249	251	202	205
SCPPA Debt Mang.	40	40	40	41
IPA Debt Mang.	208	209	211	214
Total	1,466	1,692	1,790	1,402
Cash Avail. From Operations	479	483	540	620
Cont. In Aid of Const.	67	66	48	53
Bond Proceeds for CapEx	679	431	511	473
Bond Premium Proceeds from Issuance	117	97	88	0
Bond Refunding Proceeds	719	72	0	0
Bond Refunding Premium Proceeds	105	13	0	0
Rev. Certificate Proceeds	0	0	0	0
Asset Sales Proceeds for Debt Defeasance	0	0	0	0
Use of Funds for Regulatory Asset		(5)	(50)	(76)
Change in Current Assets	27	37	(214)	22
Hazardous Waste Treatment TF	(0)	(0)	0	0
Bond R&I Fund	(18)	25	(59)	(34)
Insurance Funds	(10)	(10)	(10)	(10)
Account Receivable	54	104	(154)	16
Accrued Revenue	4	(25)	0	0
Material & Supplies	(3)	(52)	(1)	(1)
Fuel Inventory	0	(1)	0	0
Other Prepayments and assets	(0)	1	60	0
Post Retirement Healthcare Assets	(1)	(5)	0	0
Prepaid Hoover Debt Purchase				
City Transfer Refund Trust Fund			(50)	51
Change in Regulatory Asset - Hoover Prepay	2	2	2	2
Receivable from ISO	0	0	0	0
Long Term Notes Receivable	87	22	16	52
Change in Liabilities	(28)	1	(118)	35
Accrued interest	11	(2)	21	12
Accounts Payable	(54)	(8)	(33)	27
Payable to City's Reserve Fund	0	0	0	0
Payable to Water System	15	2	(57)	0
Accrued Payroll & Others	7	5	(35)	0
Potential Refund	0	0	0	0
Long term accrued liabilities	(2)	(2)	(2)	0
Green Power Over (Under) Collection	(0)	1	1	0
Workers Comp Liability	(2)	7	1	1
Discount on Notes	(4)	(3)	(14)	(5)
Sales of Assets	0	0	0	0
Bond Issue Costs	(3)	(2)	(2)	(2)
Bond Premium (Discount)	0	0	0	0
Refunding	(824)	(85)	0	0
Clearing Depreciation	0	0	0	0
Cash/Accrual Adjustment	54	124	0	0
AFDC	0	0	0	0
Retained Sinking Fund Payment	0	5	10	10
Change in investments	5	5	5	0
Total Sources	2,952	2,958	2,626	2,591
Capital Expenditure (Gross)	1,260	1,173	1,223	1,393
Ending Cash	1,692	1,785	1,402	1,199

Los Angeles Department of Water and Power
Power System Operating Result *DRAFT -CONFIDENTIAL*
(\$ in millions)

FY ENDING JUNE 30	Final	Final	Forecast	
	2015	2016	2017	2018
Retail Revenue	3,448	3,444	3,543	3,735
Wholesales Revenue	94	73	84	100
Distribution Other Revenue	(2)	12	19	22
Change in Accrued Revenue	(3)	24	(1)	0
Allowance for Legal Settlement	0	0	0	0
Allowance for Bad Debt	(25)	(36)	(36)	(37)
Total Non-Accrual Revenue	3,512	3,516	3,609	3,820
Operating Expenses:				
Fuel & Purchased Power	1,340	1,300	1,428	1,453
CO2 Credit Expense	22	15	(40)	1
CO2 Credit Sales Revenue	0	0	0	(43)
Other Emissions Expense	2	2	3	5
Excess RPS Compliance Credit	0	0	0	0
O & M Expenses	1,030	1,081	1,018	1,060
Property Taxes	15	15	15	15
Total O & M Before Depr.	2,410	2,413	2,423	2,491
Cash Adj. for Pension Expense	0	0	0	0
Other Income / Expenses, Net	100	119	101	84
Total Other	100	119	101	84
Cash Avail. for Debt Svc.	1,202	1,222	1,287	1,413
Interest on Debt	347	354	379	409
Bonds Maturities	111	113	94	132
Transfer to Sinking Fund - CREBs	0	5	10	10
Total Debt Services	458	472	483	551
Cash Available after D.S.	744	750	804	862
Transfer to City	266	267	264	242
Cash Available from Operations	479	483	540	620

**Los Angeles Department of Water and Power
Power System Financial Ratios
(\$ in millions)**

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Cash / Accrual for Revenue -->
Net of Bond Subsidies -->

1 = Cash, 0 = Accrual
1 = Net, 0 = Do Not Net

FY ENDING JUNE 30	Final	Final	Forecast	
	2015	2016	2017	2018

Debt Service Coverage (Current / Current)

Revenue:				
Operating Revenue Prior to Adjustment	3,337	3,517	3,549	3,777
Less Deferred Revenue:				
Deferred - IPP Revenue	0	0	0	0
Deferred - Public Benefit	0	0	0	0
Deferred - Rate Stabilization	0	0	0	0
Deferred - SCPPA Credit	0	0	0	0
Deferred - Energy Cost Adjustment	0	0	0	0
Deferred - Energy Subsidy Adjustment	0	0	0	0
Deferred - Reliability Cost Adjustment	0	0	0	0
Deferred - Base Revenue	0	0	0	0
Deferred - Green Power	0	0	0	0
Total Deferred Revenue	0	0	0	0
Non-Operating Revenue	100	119	101	84
Total Revenue	3,437	3,636	3,650	3,861
Less Operating Expenses	(2,941)	(2,992)	(3,006)	(3,194)
Adj. for Depreciation Expense	496	540	546	688
Adj. for NG Depletion Expense	20	22	21	19
Adjustment for Non-Cash Expense:				
Adj. for Pension GASB 27 (Extra Funding over Expense)	0	0	0	0
Adj. for Healthcare GASB 45 (Extra Funding over Expense)	0	0	0	0
Less Adjustment for Bond Interest Subsidies BAB, CREB and QECB Subsidies	0	0	0	0
Funds Balance Avail for Debt Service	1,012	1,207	1,210	1,354
Debt Service Payment				
Interest on Fixed Rate Debt	347	353	375	393
Interest on Variable Rate Debt	0	0	4	16
Principal Maturities	111	113	94	132
Principal Maturities (Mini Bond Redemptions)	2.9	0.3		
Sinking Fund Payment for CREBs	0	0	10	10
less BAB, CREB and QECB Subsidies	0	0	0	0
Net Debt Service	461	467	483	551
Debt Service Coverage Ratio	2.20	2.58	2.51	2.46

Additional Bond Test Ratio (Prev / Max) -- Must Exceed 1.25

Net Income	302	442	377	372
LT Debt Expense	299	300	324	352
Depreciation	496	540	545	664
Adjusted Net Income	1,097	1,282	1,246	1,387
Max Debt Service	617	617	617	643
Additional Bond Test Ratio (Previous Period Adj. Net Income / Max Debt Service)	1.84	1.78	2.08	1.94

Capitalization Ratio

Non-Current Debt	8,485	8,860	9,266	9,523
Retained Earnings	4,681	4,790	4,855	4,932
Accum. CIAC	735	801	849	902
Equity	5,416	5,591	5,704	5,834
Non-Current Debt + Equity	13,901	14,451	14,970	15,356
Capitalization Ratio (NC Debt / (NC Debt + Equity))	61.0%	61.3%	61.9%	62.0%

Days of Operating Cash

Fuel, Purchased Power & Emission Expense	1,400	1,356	1,427	1,451
Barakat Settlement Expense (included in FPPB)	(16)	(16)	(16)	(16)
O&M Expense	1,030	1,081	1,018	1,060
Property Tax	15	15	15	15
Capital Expenditures	1,260	1,173	1,223	1,393
CIAC	(67)	(66)	(48)	(23)
Total Non-Debt Service Expenditures	3,622	3,543	3,620	3,880
less Capital Expenditures	(1,260)	(1,173)	(1,223)	(1,393)
less CIAC	67	66	48	23
Operating Expense	2,429	2,436	2,444	2,510
Daily Operating Cash Needs	6.7	6.7	6.7	6.9
Cash Target	1,107	1,332	926	706
Cash from DRTF	500	454	461	467
Total Equivalent Cash	1,607	1,785	1,387	1,173
Days of Operating Cash	241	268	207	171

Other Ratios

Cash Balance Avail for Debt Service	1,012	1,207	1,210	1,354
Interest on Fixed Rate Debt	347	353	375	393
Interest on Variable Rate Debt	0	0	4	16
Interest Coverage Ratio	2.92	3.41	3.19	3.31

Off-Balance Sheet Debt Svc(\$M)

Conventional	2015	2016	2017	2018
IGS (IPA) - Issued	186.2	209.7	121.4	171.2
NTS (IPA) - Issued	6.1	6.9	4.0	5.6

**Los Angeles Department of Water and Power
Power System Financial Ratios
(\$ in millions)**

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Cash / Accrual for Revenue --> 0
Net of Bond Subsidies --> 0

1 = Cash, 0 = Accrual
1 = Net, 0 = Do Not Net

FY ENDING JUNE 30	Final		Forecast	
	2015	2016	2017	2018
STS (SCPPA) - Issued	48.7	48.8	47.6	47.0
STS Upgrade - Issued	4.4	4.4	4.4	4.4
Mead-Adelanto (SCPPA) - Issued	8.1	7.7	7.7	7.7
Mead-Phoenix (SCPPA) - Issued	1.7	1.6	1.6	1.6
PV (SCPPA) - Issued	8.6	8.6	8.6	0.0
Asset or Prepay RPS				
Linden (SCPPA) - \$135M - Issued	8.2	8.2	8.2	8.2
Milford I (SCPPA) - \$219M - Issued	17.1	17.1	17.0	17.0
Windy Point (SCPPA) - \$512M - Issued	40.2	40.3	40.1	40.1
Milford II (SCPPA) - \$155M Prepay - Issued	11.7	11.7	11.6	11.6
APEX 2014A Tax-Exempt (SCPPA) - \$153M	7.6	7.6	7.6	7.6
APEX 2014B Taxable (SCPPA) - \$167M	14.3	14.3	14.2	14.2
Future IRP and RPS Projects				
	Issue Yr	Issue Amt		
1 Geo1 25/200	2023	\$158.6	0.0	0.0
2 Geo2 25/200	2024	\$80.5	0.0	0.0
3 Geo3 25/200	2025	\$40.8	0.0	0.0
4 Geo4 25/200	2026	\$41.5	0.0	0.0
5 GeoPPA 2015OW 14/114	2011	\$0.0	0.0	0.0
6 GeoPPA 2013OH 35/291	2011	\$0.0	0.0	0.0
7 Generic Geo Various (100MW)	2011	\$0.0	0.0	0.0
8 Generic Geo Various (100MW)	2011	\$0.0	0.0	0.0
9 Generic Geo Various (100MW)	2011	\$0.0	0.0	0.0
10 SolarPPA 2015B 200/430	2011	\$0.0	0.0	0.0
11 SolarPPA 2015B 200/430	2011	\$0.0	0.0	0.0
12 SolarPPA 2015CM 210/453	2011	\$0.0	0.0	0.0
13 SolarPPA 2015CM 210/453	2011	\$0.0	0.0	0.0
14 SolarPPA 2014K 250/557	2011	\$0.0	0.0	0.0
15 SolarPPA 2014K 250/557	2011	\$0.0	0.0	0.0
16 Owens Valley Solar (SCPPA)	2021	\$149.0	0.0	0.0
17 Owens Valley Solar (SCPPA)	2023	\$231.4	0.0	0.0
18 Owens Valley Solar (SCPPA)	2025	\$197.2	0.0	0.0
19 Owens Valley Solar (SCPPA)	2011	\$0.0	0.0	0.0
20				
21				
22				
23				
24				
25				
26				
27				
28				
29 IPP CC 2-575	2024	\$1,884.9	0.0	0.0
30 IPP CT 6-100	2011	\$0.0	0.0	0.0
Future RPS Buyouts				
1				
2				
3				
4				
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11				
12				
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14				
15				
16				
17				
18				
19				
20				
Gross Off-Balance Sheet Debt Service (\$M)				
	362.9	386.9	294.2	336.2
Less IPA Subordinated Notes (\$M)				
IPA Notes - Interest Payment	(30.9)	(23.1)	(35.9)	(10.7)
IPA Notes - Principal Maturities	(69.4)	(88.9)	(15.6)	(51.5)
Total Income from IPA Notes	(100.3)	(112.0)	(51.5)	(62.2)
Net Off-Balance Sheet Debt Service (\$M)				
	262.6	274.9	242.7	274.0
Adjusted Debt Service Ratio				
Funds Available for Debt Service	1,012	1,207	1,210	1,354
less City Transfer	(266)	(267)	(264)	(242)
Adj. Funds Available for Debt Service	746	940	946	1,112
On-Balance Sheet Debt Service, net of Bond Subsidies	461	467	483	551
Adjusted Debt Service Ratio, net of Bond Subsidies & IPA N	1.62	2.01	1.96	2.02
Full Obligation Coverage Ratio (Net of IPA Notes)				
Funds Available for Debt Service	1,012	1,207	1,210	1,354
Gross Off-Balance Sheet Debt Service	363	387	294	336
less IPA - Interest Portion	(31)	(23)	(36)	(11)
less City Transfer	(266)	(267)	(264)	(242)
Adj. Funds Available for Debt Service	1,078	1,303	1,204	1,438
On-Balance Sheet Debt Service	461	467	483	551
Off-Balance Sheet Debt Service	363	387	294	336
less IPA Notes - Interest + Principal	(100)	(112)	(52)	(62)
Full Obligation Ratio	1.49	1.76	1.66	1.74

**Los Angeles Department of Water and Power
Power System
On and Off Balance Sheet Debt Summary**

Fiscal Year	2015	2016	2017	2018
On-Balance Sheet (\$M)				
- Debt Issuance (Fixed Rate)	679	0	0	377
- Debt Issuance (Variable Rate)	0	3	11	97
- Debt Issuance	679	431	511	473
- Debt Outstanding (Non-Current)	8,485	8,860	9,266	9,523
- Debt Outstanding (Current)	113	94	132	154
- Debt Outstanding (Total)	8,598	8,955	9,398	9,676
- Debt Outstanding (Fixed Rate)	7,229	7,582	8,014	8,196
- Debt Outstanding (Variable Rate)	1,369	1,373	1,384	1,480
- Debt Outstanding % (Fixed Rate)	84%	85%	85%	85%
- Debt Outstanding % (Variable Rate)	16%	15%	15%	15%
- Gross Debt Service	461	467	483	551
less Bond Subsidy	0	0	0	0
- Net Debt Service	461	467	483	551
- On-Balance Sheet DS as % of Total DS	63.7%	63.0%	66.6%	66.8%
- On-Balance Sheet Debt Outstanding as % of Total Debt	81.5%	83.0%	84.9%	86.2%
Off-Balance Sheet (\$M)				
- Debt Issuance (Fixed Rate)	0	0	0	0
- Gross Debt Outstanding (Non-Current)	2,348	2,260	2,001	1,787
- Gross Debt Outstanding (Current)	348	228	303	346
- Gross Debt Outstanding	2,696	2,488	2,304	2,133
- less IPA Notes Outstanding	(740)	(651)	(635)	(584)
- Net Debt Outstanding	1,956	1,837	1,669	1,550
- Net Debt Outstanding (Fixed Rate)	1,732	1,673	1,517	1,410
- Net Debt Outstanding (Variable Rate)	224	164	152	139
- Net Debt Outstanding % (Fixed Rate)	89%	91%	91%	91%
- Net Debt Outstanding % (Variable Rate)	11%	9%	9%	9%
- Gross Debt Service	363	387	294	336
less IPA Notes	(100)	(112)	(52)	(62)
- Net Debt Service	263	275	243	274
- Off-Balance Sheet DS as % of Total DS	36.3%	37.0%	33.4%	33.2%
- Off-Balance Sheet Debt Outstanding as % of Total	18.5%	17.0%	15.1%	13.8%
On and Off-Balance Sheet (\$M)				
- Total Debt Issuance	679	431	511	473
- Total Debt Service	723	742	726	825
- Total Debt Outstanding	10,555	10,792	11,067	11,226
- Total Debt Outstanding (Fixed Rate)	8,961	9,255	9,531	9,606
- Total Debt Outstanding (Variable Rate)	1,593	1,536	1,536	1,620
- Total Debt Outstanding % (Fixed Rate)	85%	86%	86%	86%
- Total Debt Outstanding % (Variable Rate)	15%	14%	14%	14%