PUD NO. 1 OF KLICKITAT COUNTY

INCOME STATEMENT - COMBINED

2016 BUDGET

(11/2/15 Forward Curve Prices)

	2015 Budget	2016	2017	2018	2019	2020
RATE INCREASES (Jan 1st & Jul 1st)		3% & 3%	4% & 3%	3% & 0%	3% & 0%	2% & 0%
EVENUE						
Rate						
Residential	12.025.740	15 275 550	16,479,531	17 260 572	17,796,611	10 162 720
Small General Service	13,935,749	15,375,550		17,268,573	, ,	18,162,728
	770,922	854,519	923,750	975,966	1,014,459	1,044,232
Medium General Service	2,704,661	3,016,602	3,279,855	3,481,774	3,640,021	3,768,514
Large General Service	4,364,325	4,862,283	5,264,286	5,554,295	5,780,939	5,957,77
Industrial/Commercial	2,001,268	2,070,290	2,104,446	2,194,507	2,230,712	2,326,17
Irrigation Service	2,505,584	2,829,467	3,126,046	3,338,959	3,540,685	3,715,08
Street Lighting	274,810	298,418	319,730	334,251	344,348	351,23
Cliffs Water	20,121	4,331	4,461	4,595	4,732	4,87
Water/Wastewater Systems	1,449,567	1,218,472	1,239,206	1,259,323	1,280,070	1,301,48
Total Rate Revenue	28,027,007	30,529,932	32,741,311	34,412,243	35,632,576	36,632,10
Transmission						
Transmission Service	4,876,019	5,279,022	5,307,292	5,340,148	5,374,663	5,411,19
Total Transmission Revenue	4,876,019	5,279,022	5,307,292	5,340,148	5,374,663	5,411,19
Wholesale Market						
HW Hill Methane Facility (LFG)	7,611,543	7,016,348	5,512,652	5,267,737	5,635,924	6,092,65
White Creek Wind	1,881,265	1,231,494	1,304,761	1,480,453	1,788,076	1,957,23
Slice/Other	2,144,249	1,439,692	1,414,000	1,428,140	1,442,421	
Total Generation Revenue	11,637,057	9,687,535	8,231,412	8,176,330	8,866,422	1,456,84 9,506,7 3
Total Generation Revenue	11,037,037	3,067,333	0,231,412	8,170,330	0,000,422	9,500,75
Miscellaneous						
Pole Connections & Rent Revenues	245,871	250,499	250,499	250,499	250,499	250,49
Billings & Collection Fees	217,800	209,800	209,800	209,800	209,800	209,80
Set Up Fees	4,737	2,329	2,329	2,329	2,329	2,32
Interest Income	186,164	157,701	154,953	149,977	146,149	143,57
Electric	158,504	132,925	133,097	129,823	127,352	125,98
Water/Wastewater	27,660	24,777	21,856	20,154	18,798	17,5
Aid in Construction, GFC	2,823,180	2,783,596	2,410,532	2,067,144	2,067,144	2,067,14
Electric - Cash	1,253,994	1,353,952	1,200,000	1,200,000	1,200,000	1,200,00
Electric - Regulatory Acctg (Non Cash)	867,144	867,144	867,144	867,144	867,144	867,14
Water/Wastewater	702,042	562,500	343,388	-	-	,-
Energy Services	18,480	18,647	18,647	18,647	18,647	18,64
Other Water/Wastewater Income	7,178	20,0 .7				20,0 .
Other Income	512,402	575,394	529,073	529,073	496,073	463,07
BABS	487,902	483,144	436,823	436,823	436,823	436,82
Other Income	24,500	92,250	92,250	92,250	59,250	26,25
Total Miscellaneous Revenue	4,015,812	3,997,967	3,575,833	3,227,469	3,190,642	3,155,06
OTAL REVENUE	\$ 48,555,895 \$	49,494,455	\$ 49,855,849	51,156,190	\$ 53,064,303 \$	54,705,10

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PUD NO. 1 OF KLICKITAT COUNTY

INCOME STATEMENT - COMBINED

2016 BUDGET

(11/2/15 Forward Curve Prices)

	2015 Budget	2016	2017	2018	2019	2020
RATE INCREASES (Jan 1st & Jul 1st)		3% & 3%	4% & 3%	3% & 0%	3% & 0%	2% & 0%
EXPENSE						
Wholesale Expense	44.470.047	44.552.205	45.000.050	45.000.000	45.044.007	45 600 205
Purchased Power BPA Purchased Power	14,470,047 12,687,412	14,563,386	15,039,259	15,069,028	15,214,987	15,698,295
Power Cost - PUD USE	(1,595,974)	12,885,708 (1,602,678)	13,046,779 (1,308,876)	13,529,993 (1,783,531)	13,699,118 (1,828,119)	14,206,493 (1,873,822)
Wholesale Power Purchases	2,198,253	2,100,000	2,121,000	2,142,210	2,163,632	2,185,268
White Creek Wind I Amortization	1,180,356	1,180,356	1,180,356	1,180,356	1,180,356	1,180,356
Power Cost - Discounts	(2,467,881)	(2,617,671)	(2,650,392)	(2,782,911)	(2,817,698)	(2,922,057)
Transmission Expense	2,587,644	2,376,054	2,407,383	2,524,157	2,572,277	2,696,818
Department Expense	2,361,220	2,211,056	2,251,063	2,362,437	2,405,160	2,524,244
Labor Expense	226,424	164,998	156,320	161,720	167,118	172,575
Total Wholesale Expense	14,589,810	14,321,769	14,796,250	14,810,274	14,969,567	15,473,057
Power Generation Expense						
Department Expense	6,437,858	5,904,764	5,590,800	6,308,421	6,576,132	6,852,118
LFG	3,371,688	3,149,611	2,766,768	3,413,789	3,609,134	3,810,945
Wind	1,969,470	1,740,545	1,784,058	1,828,660	1,874,376	1,921,236
McNary	594,000	468,050	479,751	491,745	504,038	516,639
Other	502,700	546,558	560,222	574,227	588,583	603,298
Generation Labor Expense	1,551,467	920,348	954,894	991,185	1,029,126	1,068,576
Total Power Generation Expense	7,989,325	6,825,112	6,545,694	7,299,606	7,605,258	7,920,694
Total Wholesale/Power Generation	22,579,135	21,146,880	21,341,944	22,109,880	22,574,824	23,393,751
Operating Expense						
Distribution Expense - Ops & Maint	4,133,712	5,758,304	5,845,388	6,015,709	6,215,257	6,417,985
Department Expense	1,054,413	1,172,076	1,201,378	1,231,412	1,262,198	1,293,753
Labor Expense	3,079,299	4,586,227	4,644,010	4,784,297	4,953,060	5,124,233
Distribution Expense - Water/Wastewater	905,974	763,907	785,208	813,700	831,221	859,934
Department Expense	383,918	243,348	245,442	255,618	254,225	262,848
Labor Expense	522,056	520,559	539,766	558,082	576,996	597,086
Customer Accounts	807,286	762,834	733,323	757,247	782,306	808,211
Department Expense	178,858	203,910	209,008	214,233	219,589	225,078
Labor Expense	628,428	558,924	524,315	543,014	562,717	583,132
Administrative & General	3,097,383	3,644,517	3,616,451	3,706,930	3,816,348	3,941,712
Department Expense	1,282,530	1,853,732	1,761,085	1,783,566	1,822,005	1,873,555
Labor Expense	1,814,853	1,790,785	1,855,366	1,923,364	1,994,343	2,068,157
Total Operating Expense	8,944,355	10,929,561	10,980,370	11,293,585	11,645,132	12,027,842
Other Expenses						
Depreciation & Amortization	9,151,855	9,620,490	9,620,490	9,620,490	9,620,490	9,620,490
Taxes	1,782,147	1,952,904	2,111,614	2,230,927	2,304,977	2,317,578
Electric	1,731,985	1,907,678	2,065,582	2,184,128	2,257,391	2,269,182
Water/Wastewater	50,162	45,226	46,032	46,799	47,586	48,396
Interest Expense	6,996,069	6,938,262	6,319,173	6,195,435	6,051,311	5,887,785
Interest Expense on New Borrowing			75,000	375,000	600,000	600,000
Total Other Expenses	17,930,071	18,511,656	18,126,277	18,421,852	18,576,779	18,425,854
TOTAL EXPENSE	\$ 49,453,561	\$ 50,588,097	\$ 50,448,591 \$	51,825,317	\$ 52,796,735 \$	53,847,446
NET OPERATING MARGIN	\$ (897,666)	\$ (1,093,642)	\$ (592,742) \$	(669,127)	\$ 267,568 \$	857,662
Outstanding Publication (F) FFFF10 Similar		40.02	40.000			
Outstanding Debt Service (ELECTRIC ONLY)	10,129,632	10,615,184	10,660,216	10,959,763	11,189,147	11,188,968
Pebt Service Coverage Ratio \$ Above(Below) Financial Policy of 1.50	1.50	1.39 (1,143,398)	1.40 (1,030,729)	1.41 (1,025,941)	1.47 (353,528)	1.51 82,618
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Debt Service Coverage (DSC) Revenues (ELEC ONLY)	42.070.205	44 272 696	45,036,349	46,664,803	48,588,859	50,243,680
Operating Revenues	43,070,395	44,273,686				
Plus Cliffs Water System Revenues	20,121	4,331	4,461	4,595	4,732	4,874
Less Operating Expenses	(41,501,356)	(42,840,702)	(43,223,177)	(44,394,384)	(45,266,616)	(46,451,331)
Non-Operating Revenues	3,274,195	3,408,361	3,208,260	3,204,987	3,169,515	3,135,144
Total Operating & Non-Operating Income	4,863,355	4,845,676	5,025,893	5,480,001	6,496,491	6,932,368
Adjustments:	1 100 350	1 100 250	1 100 350	1 100 350	1 100 350	1 100 350
Add Back White Creek Wind I Amortization Exp.	1,180,356	1,180,356	1,180,356	1,180,356	1,180,356	1,180,356
Add Back Depreciation Expense	9,151,855	9,620,490	9,620,490	9,620,490	9,620,490	9,620,490
Deduct AIC Regulatory Accounting Net Revenues	15 105 560	(867,144)	(867,144)	(867,144)	(867,144)	(867,144)
(Deposits) Withdrawals from Power Cost Stabilization	15,195,566	14,779,378	14,959,595	15,413,703	16,430,193	16,866,070
Adjusted Net Revenues	15,195,566	14,779,378	14,959,595	15,413,703	16,430,193	16,866,070
Aujusteu Net Nevellues	13,133,300	17,//3,3/0	17,303,033	13,413,703	10,430,133	10,000,070

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12/8/2015