

GRAND RIVER DAM AUTHORITY

CONTINUING DISCLOSURE

FOR THE PERIOD ENDING DECEMBER 31, 2014

April 13, 2015

HISTORICAL OPERATING RESULTS¹
DEBT SERVICE COVERAGE
(UNAUDITED)

	2014	2013	2012	2011	2010
Operating Revenues:					
Municipal Power Sales	\$162,263,174	\$146,804,949	\$136,332,107	\$137,037,456	\$134,190,986
Electric Cooperative Power Sales	36,156,719	33,031,264	30,330,804	32,580,573	32,737,561
Industrial Power Sales	64,423,504	50,134,177	46,718,110	43,491,913	39,257,501
Off System Power Sales - Firm	141,896,445	125,960,365	98,925,927	83,913,519	74,402,723
Off System Power Sales - Spot	2,749,850	5,507,682	3,945,527	23,834,727	38,365,757
Other Power Sales	4,595,212	3,782,822	5,148,525	5,520,282	6,601,434
Collection of Power Cost Adjustment	50,167,078	52,300,885	77,855,180	55,253,037	28,288,486
Gross Power Sales	\$462,251,982	\$417,522,144	\$399,256,180	\$381,631,507	\$353,844,448
(Over)/Under Recovered Fuel Cost	1,694,077	(930,497)	2,193,112	7,202,571	20,680,299
Other Operating Revenues	11,213,267	13,835,208	9,573,441	5,652,493	7,476,042
Total Operating Revenues	\$475,159,326	\$430,426,855	\$411,022,733	\$394,486,572	\$382,000,789
Operating Expenses:					
Fuel-Coal	\$98,999,036	\$114,493,186	\$102,204,705	\$104,760,816	\$88,889,416
Fuel-Gas	72,948,083	56,131,007	49,208,937	55,461,351	62,433,378
Purchased Power	80,171,737	32,091,910	29,831,445	14,585,117	11,154,488
Electric Production (excluding fuel)					
Grand River Energy Center					
GRDA 1	10,852,066	11,286,305	9,410,565	9,653,447	15,073,618
GRDA 2 ²	15,266,537	13,562,331	15,401,528	9,773,395	9,540,430
Redbud Plant ³	10,622,173	6,347,489	5,198,882	5,688,311	7,125,088
Pensacola Hydro	4,215,985	4,280,732	2,617,604	2,574,279	2,214,252
Markham Ferry Hydro	3,228,603	3,655,258	2,937,972	1,983,510	2,732,768
Salina Pumped Storage	1,389,162	1,446,098	1,129,542	1,524,650	1,219,312
GRDA Police	2,018,368	2,254,759	1,400,245	1,335,068	1,261,031
Transmission	22,156,462	21,269,859	17,065,903	15,711,440	13,011,066
Transmission of Electric by Others	12,876,319	11,703,903	8,251,227	5,636,236	4,203,168
Administrative & General ⁴	15,530,403	16,361,145	27,120,506	24,927,167	23,885,933
Water Production	469,641	310,558	408,863	865,590	880,271
Total Operating Expenses	\$350,744,575	\$295,194,540	\$272,187,924	\$254,480,377	\$243,624,219
Net Operating Revenues	\$124,414,751	\$135,232,315	\$138,834,809	\$140,006,195	\$138,376,570
Other Income ⁵	20,570,371	6,835,884	12,778,212	11,907,475	11,834,590
Net Revenues Available for Debt Service	\$144,985,122	\$142,068,199	\$151,613,021	\$151,913,670	\$150,211,160
Other Available Funds ⁶	13,703,911	7,539,167	4,000,000	0	15,874,058
Total Funds Available for Debt Service	\$158,689,033	\$149,607,366	\$155,613,021	\$151,913,670	\$166,085,218
Debt Service	77,599,134	110,116,054	130,747,187	127,496,786	130,925,016
Available for Capital Improvements or Other Authorized Purposes	\$81,089,899	\$39,491,312	\$24,865,834	\$24,416,884	\$35,160,202
Debt Service Coverage (Total Avail. Funds)⁷	2.04	1.36	1.19	1.19	1.27

Continuing Disclosure Requirements (i): Historical Operating Results

¹ Excludes interdepartmental sales and expenses. Also excludes depreciation, which is not included in Operating Expenses, as defined in the Resolution (General Bond Resolution 5107), and does not require a cash outlay.

² Reflects the Authority's 62% undivided ownership of GRDA 2.

³ Reflects the Authority's 36% undivided ownership of Redbud combined-cycle natural gas fired plant near Luther, Oklahoma.

⁴ In 2013, GRDA began allocating employee benefits and non-productive pay such as annual, holiday and sick leave along with direct pay to other operating expenses in order to better prepare for the SPP Integrated Markets which went live March 1, 2014.

⁵ In 2014, includes Contributions in Aid of Construction of \$12.7 million and the remainder consists primarily of interest income.

2010-2013 consists primarily of interest income. Excludes change in fair value on instruments, interest income restricted for special purposes and capitalized construction interest.

⁶ Other Available Funds consisted of excess from the Debt Service Reserve Fund.

⁷ Total Funds Available for Debt Service divided by Debt Service.

SELECTED CASH AND INVESTMENT FUND BALANCES
(UNAUDITED)

	2014	2013	2012	2011	2010
<u>Unrestricted</u>					
Revenue Fund and General Reserve Fund	\$158,052,673	\$85,793,846	\$65,680,834	\$105,062,893	\$69,267,384
<u>Board Designated</u>					
In the General Reserve Fund:					
Supplemental Reserve for Environmental Costs	22,500,000	22,500,000	22,500,000	20,000,000	17,500,000
Supplemental Reserve for Unforeseen Risks	11,133,000	14,000,000	15,000,000	15,000,000	15,000,000
<u>Other Special Purposes</u>					
Pensacola Fish & Wildlife Mitigation Fund ¹	1,044,351	915,224	735,886	611,055	488,793
The Nature Conservancy Fund ²	27,000	27,000	14,089	26,123	24,663
Certificate of Deposit for SPP Line of Credit ³	4,250,000	1,000,000	-	-	-
<u>Restricted</u>					
Debt Service Reserve Account ⁴	88,451,195	133,476,142	141,810,137	143,429,267	139,140,993
Construction Account	518,754,428	202,530,697	232,617,067	257,891,432	317,223,969
Debt Service Account	17,705,259	33,526,718	56,886,806	61,324,015	66,485,014
Total Cash and Investments	\$821,917,906	\$493,769,627	\$535,244,819	\$603,344,785	\$625,130,816

Continuing Disclosure Requirements (ii): Selected Fund Balances

¹ Required by Pensacola Dam operating license.

² Required by Pensacola Dam operating license to be funded to \$27,000 by each January 1 to provide assistance to Nature Conservancy for certain endangered species.

³ Required by Southwest Power Pool (SPP) to participate in the Integrated Market.

⁴ Deposits and interest receivable to these accounts, not legally restricted, have been reclassified as unrestricted.

**OPERATING REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2014**

	SALES (1000 KWH)	BASE REVENUES (BEFORE PCA)	TOTAL REVENUES (AFTER PCA)
Municipal Power Sales	3,266,293	\$162,263,174	\$182,148,873
Industrial Power Sales	1,287,651	64,423,504	72,334,577
Electric Cooperative Power Sales	640,025	36,156,719	39,909,976
Sub-Total Load Following Contract Power Sales	<u>5,193,969</u>	<u>\$262,843,397</u>	<u>\$294,393,426</u>
Off System Power Sales - Firm	3,074,595	141,896,445	160,513,494
(Over)/Under Recovered Fuel Cost			1,694,077
Other Power Sales ¹	96,537	4,595,212	4,595,212
Total Contract Power Sales	<u>8,365,101</u>	<u>\$409,335,054</u>	<u>\$461,196,209</u>
Off System Power Sales - Spot	79,648	2,749,850	2,749,850
Total Power Sales	<u>8,444,749</u>	<u>\$412,084,904</u>	<u>\$463,946,059</u>
Other Operating Revenues			11,213,267
Total Operating Revenues²	<u>8,444,749</u>	<u>\$412,084,904</u>	<u>\$475,159,326</u>

Continuing Disclosure Requirements (iii): Sales of Electric Power and Energy and Operating Revenues

¹ Includes sales to Oklahoma Municipal Power Authority (OMPA). OMPA's portion includes its share of Authority debt service relating to GRDA 2 and common facilities, fuel costs, fixed and variable operating expenses, administrative and general expenses and capital improvements.

² Does not reflect Interdepartmental Power Sales.

**ELECTRIC COOPERATIVES REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2014**

CUSTOMER	CUSTOMER SINCE	CONTRACT EXPIRES	% REVENUES	AUTHORITY REVENUES
Northeastern Oklahoma Electric Cooperative, Inc	1946	2015	9%	\$39,909,976
Total Electric Cooperative Power Sales			9%	\$39,909,976

Continuing Disclosure Requirements (iv): Revenues from Electric Cooperatives

MUNICIPAL REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2014

CUSTOMER	CUSTOMER SINCE	CONTRACT EXPIRES	% REVENUES	AUTHORITY REVENUES
City of Coffeyville, Kansas	1999	2042	10%	\$45,089,394
Stillwater Utilities Authority	1987	2042	6	28,423,891
Claremore Public Works Authority	1946	2042	4	17,671,102
City of Siloam Springs, Arkansas	1989	2042	3	14,619,199
Tahlequah Public Works Authority	1947	2042	3	11,643,016
Miami Public Utilities Board	1947	2042	2	11,111,696
Byng Public Works Authority	1990	2017	2	9,424,589
Sallisaw Municipal Authority	1952	2042	2	7,018,970
Cushing Municipal Authority	1953	2042	2	7,168,764
City of Pryor Creek Municipal Utility Board	1951	2042	1	6,155,000
Wagoner Public Works Authority	1947	2042	1	4,917,217
Stilwell Area Development Authority	1950	2042	1	4,377,261
Collinsville Municipal Authority ¹	2003	2042	1	2,920,799
Skiatook Public Works Authority	1977	2042	1	3,028,180
Mannford Public Works Authority	2003	2042	1	2,402,229
Stroud Utilities Authority	1986	2042	0	2,133,308
Lindsay Public Works Authority	2000	2025	0	1,784,506
Pawnee Public Works Authority	1953	2042	0	1,396,632
Chickasaw Tribal Utilities Authority	1992	2017	0	863,120
Total Municipal Power Sales			40%	\$182,148,873

Continuing Disclosure Requirements (iv): Revenues from Municipalities

¹ Customer from 1946 to 1993 and from 2003 to the present.

**INDUSTRIAL REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2014**

CUSTOMER	PRODUCT	CUSTOMER SINCE	% REVENUES	AUTHORITY REVENUES
Google	Internet Search Engine	2007	4%	\$20,292,962
Pryor Chemical Company	Chemical Products	2004	3	12,117,397
Air Products Manufacturing Corporation	Industrial Gases	1976	2	7,842,273
Solae, LLC	Food Supplements	1975	2	7,223,684
American Castings, LLC	Iron Castings	2003	1	4,716,120
Orchids Paper Products Company	Paper Products	1975	1	4,149,396
National Gypsum Company	Building Products	1950	1	3,289,423
Armin Plastics-Central Region	Plastic Bags	1990	1	3,018,831
Wal-Mart	Distribution Center	2005	0	1,307,660
Chevron Phillips Chemical Company, LP	Chemical	1997	0	1,103,173
All Others (71)			2	7,273,658
Total Industrial Power Sales			17%	\$72,334,577

Continuing Disclosure Requirements (iv): Revenues from Ten Largest Industrial Customers

**OFF SYSTEM REVENUES - FIRM
FOR TWELVE MONTHS ENDED DECEMBER 31, 2014**

CUSTOMER	CUSTOMER SINCE	CONTRACT EXPIRES	% REVENUES	AUTHORITY REVENUES
Western Farmers Electric Cooperative ¹	2010	2025	15%	\$71,581,132
Kansas Municipal Energy Agency	2000	2026	7	30,470,026
Paragould, Arkansas, Light and Water Commission	1992	2038	6	27,301,978
City of Poplar Bluff, Missouri	1992	2039	3	16,061,468
Oklahoma Municipal Power Agency ²	2007	2040	3	15,098,890
Total Off System Power Sales - Firm			34%	\$160,513,494

Continuing Disclosure Requirements (v): Off System Sales-Firm

¹ *The Authority and WFEC entered an interchange agreement for emergency and replacement energy exchanges in 1983. Off-System Firm Sales began in 2010.*

² *Sales began in 1986 with a unit contingent output agreement from GRDA 2. Off-System Firm Sales began in 2007.*

**UNIT OUTPUT AGREEMENT
FOR TWELVE MONTHS ENDED DECEMBER 31, 2014**

CUSTOMER	CUSTOMER SINCE	CONTRACT EXPIRES	% REVENUES	AUTHORITY REVENUES
Oklahoma Municipal Power Agency ¹	1985	2036	1%	\$4,595,212
Total Electric Cooperative Power Sales			1%	\$4,595,212

¹ These sales includes its share of Authority debt service relating to GRDA 2 and common facilities, fuel costs, fixed and variable operating expenses, administrative and general expenses and capital improvements.

OFF SYSTEM REVENUES - SPOT

CUSTOMER	AUTHORITY REVENUES				
	2014	2013	2012	2011	2010
Southwest Power Pool	\$2,417,239	\$3,762,625	\$3,406,876	\$10,852,364	\$18,340,560
Associated Electric Cooperative Inc	6,550	512,085	378,967	6,190,566	5,754,031
Western Farmers Electric Cooperative	0	47,410	14,040	2,192,038	5,997,429
All Others	326,061	1,185,562	145,644	4,599,759	8,273,736
Total Off System Power Sales - Spot	\$2,749,850	\$5,507,682	\$3,945,527	\$23,834,727	\$38,365,757

Continuing Disclosure Requirements (vi): Off System Sales-Spot

EQUIVILANT AVAILABILITY PERCENTAGES Coal Fired Plants

<u>Year</u>	<u>GRDA 1¹</u>	<u>GRDA 2¹</u>	<u>NERC²</u>
2005	87.9%	79.3%	83.4%
2006	87.4%	70.7% ³	84.5%
2007	92.4%	86.8%	82.5%
2008	90.0%	88.7%	84.0%
2009	90.2%	90.3%	81.1%
2010	78.4% ³	85.0%	81.3%
2011	91.2%	86.1%	81.8%
2012	88.2%	66.1% ³	82.2%
2013	76.5%	84.5%	83.3%
2014	79.0%	78.6%	NA

Continuing Disclosure Requirements (vii): GRDA 1 and GRDA 2 Equivilant Availability Percentages

¹ Percentages provided by GRDA Grand River Energy Center management.

² Percentages from NERC Website for Coal Primary Units with 400-599MW Nameplate.

³ Reflects scheduled major maintenance overhauls.

EQUIVALENT AVAILABILITY PERCENTAGES **Redbud Generating Facility**

<u>Year</u>	<u>Redbud 1¹</u>	<u>Redbud 2¹</u>	<u>Redbud 3¹</u>	<u>Redbud 4¹</u>	<u>NERC²</u>
2009	76.2%	91.9%	90.5%	98.5%	87.3%
2010	65.3%	86.3%	82.0%	83.2%	85.8%
2011	89.9%	90.8%	86.6%	90.0%	86.6%
2012	91.6%	90.9%	94.7%	73.2%	85.7%
2013	96.5%	69.9%	75.5%	97.0%	85.5%
2014	67.3%	94.1%	91.3%	74.2%	NA

¹ Percentages provided by Oklahoma Gas and Electric Company (Redbud Operator/Majority Owner).

² Percentages from NERC Website for Combine Cycle Units All Sizes.

HISTORICAL ENERGY REQUIREMENTS (MWH)

Year	Historical Sales by Customer Group (MWh)								Pumping	Other ²	Total Requirements
	Cooperative	Municipal	Industrial	Off System Firm	Other ¹	Contract Power Sales	Off System Spot	Total Power Sales			
2005	555,078	3,140,142	638,268	1,866,390	155,001	6,354,879	346,451	6,701,330	421,231	65,412	7,187,973
2006	583,181	2,990,548	650,148	1,642,752	141,144	6,007,773	90,254	6,098,027	323,680	130,005	6,551,712
2007	587,543	3,068,267	668,840	1,625,919	176,206	6,126,775	547,964	6,674,739	432,959	161,506	7,269,204
2008	605,556	3,047,991	686,806	1,660,683	181,709	6,182,745	864,608	7,047,353	446,752	172,408	7,666,513
2009	607,723	3,000,980	616,543	1,730,040	160,818	6,116,104	1,612,029	7,728,133	287,157	213,259	8,228,549
2010	661,648	3,132,069	770,321	1,965,468	159,263	6,688,769	993,433	7,682,202	386,354	195,839	8,264,395
2011	648,510	3,215,429	939,237	2,255,335	135,576	7,194,087	699,525	7,893,612	381,765	178,462	8,453,839
2012	602,781	3,184,093	1,056,978	2,552,525	36,401	7,432,778	170,759	7,603,537	267,276	175,812	8,046,625
2013	630,015	3,193,662	1,022,471	2,943,886	49,597	7,839,631	180,004	8,019,635	198,553	151,609	8,369,797
2014	640,025	3,266,293	1,287,651	3,074,595	96,537	8,365,101	79,648	8,444,749	235,935	183,259	8,863,943

Continuing Disclosure Requirements (viii): Historical Sales by Customer Group (MWh)

Continuing Disclosure Requirements (ix): Historical Energy Requirements and Resources

¹ GRDA 2 Output Power Sales to Oklahoma Municipal Power Authority.

² GRDA internal use and losses.

HISTORICAL ENERGY RESOURCES (MWH)

Year	Run-of-River	Pumped-Storage	Combined Cycle	Coal Fired Generation	Purchased Power		Municipal SPA Allocations ²	Total Resources
	Hydro Generation	Hydro Generation	Gas Generation		Long Term Wind	Other ¹		
2005	687,192	276,189	-	5,361,969		828,723	33,900	7,187,973
2006	140,975	199,626	-	5,029,856		1,163,942	17,313	6,551,712
2007	808,193	267,255	-	5,630,573		527,821	35,362	7,269,204
2008	1,140,029	279,154	239,073	5,612,618		343,244	52,395	7,666,513
2009	1,069,449	170,326	1,322,444	5,493,609		128,920	43,801	8,228,549
2010	804,231	233,436	1,915,495	4,991,403		280,878	38,952	8,264,395
2011	492,200	228,570	1,782,658	5,508,842		410,568	31,001	8,453,839
2012	284,048	150,566	2,362,192	4,222,926	18,329	982,857	25,707	8,046,625
2013	711,789	104,040	1,968,570	4,526,724	169,710	858,973	29,991	8,369,797
2014	325,372	129,333	2,137,660	3,595,061	174,336	2,478,267	23,914	8,863,943

Continuing Disclosure Requirements (ix): Historical Energy Requirements and Resources

¹ Includes replacement energy plus net energy from banking arrangements.

² GRDA is scheduling agent for Skiatook and Coffeyville allocation of SPA (Southwestern Power Administration) hydro power.

HISTORICAL DEMAND REQUIREMENTS AND RESOURCES (MW)

Year	Contract Demand Requirements			Rated Capability of Resources						
	Contract Peak Demand	Required Capacity Margin ¹	Contract Demand plus Required Margin	Run-of-River Hydro Generation ²	Pumped-Storage Hydro Generation ³	Combined-Cycle Gas Generation ⁴	Steam Generation ⁵	Purchased Power ⁶	Municipal's SPA Allocation ⁷	Total Resources
2005	1,210	145	1,355	234	260	-	812	-	13	1,319
2006	1,085	130	1,215	234	260	-	812	-	13	1,319
2007	1,115	134	1,249	234	260	-	812	206	13	1,525
2008	1,130	136	1,266	240	260	-	812	228	13	1,553
2009	1,116	134	1,250	243	260	431	812	78	13	1,837
2010	1,218	146	1,364	213	260	416	812	78	13	1,792
2011	1,322	159	1,481	213	260	416	812	78	13	1,792
2012	1,449	197	1,646	213	260	416	812	78	13	1,792
2013	1,387	189	1,576	254	260	416	812	111	13	1,866
2014	1,420	193	1,614	254	260	439	812	111	13	1,889

Continuing Disclosure Requirements (x): Historical Contract Peak Demand and Resources (MW)

¹ Minimum Required Capacity Margin is 13.6% of contract peak demand or 12% of system capacity per SPP Criteria 2.1.9.

² The total of Pensacola and Markham Ferry capability and reflects increased capability as provided by unit upgrades.

³ The Salina Pumped Storage capacity in the amount of 260 MW is limited to 25% daily plant factor operation and therefore suitable for peaking operations only.

⁴ Includes the Authority's 36% ownership interest in the 1230 MW Redbud combined-cycle natural gas fired plant near Luther, Oklahoma purchased October 1, 2008. Actual capacity (442.8, 36 % of 1230) is dependent on weather temperature and is reported as 457 Winter (Jan-May and Oct-Dec) and 430 Summer (Jun-Sep) on FERC 714.

⁵ Includes the Authority's 62% ownership interest in GRDA 2 520 MW, which was placed in commercial operation April 1, 1986.

⁶ Includes 56.2 MW capacity contract with City of Coffeyville, KS beginning August 1, 2007, 21.45 MW capacity contract with Cushing Municipal Authority beginning October 1, 2007 and 32.5 MW capacity contract with Stillwater Utilities Authority September 1, 2013.

⁷ GRDA is the scheduling agent for Skiatook's and Coffeyville's allocation of SPA (Southwestern Power Administration) hydro power.