

GRAND RIVER DAM AUTHORITY

CONTINUING DISCLOSURE

FOR THE PERIOD ENDING DECEMBER 31, 2013

May 19, 2014

HISTORICAL OPERATING RESULTS¹ UNAUDITED

	2013	2012	2011	2010	2009 ²
Operating Revenues:					
Municipal Power Sales	\$146,804,949	\$136,332,107	\$137,037,456	\$134,190,986	\$114,935,982
Electric Cooperative Power Sales	33,031,264	30,330,804	32,580,573	32,737,561	27,277,647
Industrial Power Sales	50,134,177	46,718,110	43,491,913	39,257,501	28,749,878
Off System Power Sales - Firm	125,960,365	98,925,927	83,913,519	74,402,723	58,550,704
Off System Power Sales - Spot	5,507,682	3,945,527	23,834,727	38,365,757	50,460,911
Other Power Sales	3,782,822	5,148,525	5,520,282	6,601,434	7,618,971
Collection of Power Cost Adjustment	52,300,885	77,855,180	55,253,037	28,288,486	37,386,943
Gross Power Sales	\$417,522,144	\$399,256,180	\$381,631,507	\$353,844,448	\$324,981,036
(Over)/Under Recovered Fuel Cost	(930,497)	2,193,112	7,202,571	20,680,299	(15,302,733)
Other Operating Revenues	13,835,208	9,573,441	5,652,493	7,476,042	7,990,674
Total Operating Revenues	\$430,426,855	\$411,022,733	\$394,486,571	\$382,000,789	\$317,668,977
Operating Expenses:					
Fuel-CFC	\$114,493,186	\$102,204,705	\$104,760,816	\$88,889,416	\$94,585,202
Fuel-Redbud	56,131,007	49,208,937	55,461,351	62,433,378	36,371,265
Purchased Power	32,091,910	29,831,445	14,585,117	11,154,488	7,589,678
Electric Production (excluding fuel)					
Coal Fired Plant Unit 1	11,286,305	9,410,565	9,653,447	15,073,618	9,449,964
Coal Fired Plant Unit 2 ³	13,562,331	15,401,528	9,773,395	9,540,430	9,892,892
Redbud Plant ⁴	6,347,489	5,198,882	5,688,311	7,125,088	6,181,134
Pensacola Hydro	4,280,732	2,617,604	2,574,279	2,214,252	2,194,251
Markham Ferry Hydro	3,655,258	2,937,972	1,983,510	2,732,768	4,615,125
Salina Pumped Storage	1,446,098	1,129,542	1,524,650	1,219,312	1,059,582
GRDA Police	2,254,759	1,400,245	1,335,068	1,261,031	1,243,003
Transmission	21,269,859	17,065,903	15,711,440	13,011,066	16,880,899
Transmission of Electric by Others	11,703,903	8,251,227	5,636,236	4,203,168	4,200,776
Administrative & General ⁵	16,361,145	27,120,506	24,927,167	23,885,933	19,745,002
Water Production	310,558	408,863	865,590	880,271	749,430
Total Operating Expenses	\$295,194,540	\$272,187,924	\$254,480,377	\$243,624,219	\$214,758,203
Net Operating Revenues	\$135,232,315	\$138,834,809	\$140,006,194	\$138,376,570	\$102,910,774
Other Income ⁶	6,835,884	12,778,212	11,907,475	11,834,590	17,588,591
Net Revenues Available for Debt Service	\$142,068,199	\$151,613,021	\$151,913,669	\$150,211,160	\$120,499,365
Other Available Funds ⁷	7,539,167	4,000,000	0	15,874,058	22,000,000
Total Funds Available for Debt Service	\$149,607,366	\$155,613,021	\$151,913,669	\$166,085,218	\$142,499,365
Debt Service	110,116,054	130,747,187	127,496,786	130,925,016	133,726,236
Available for Capital Improvements or Other Authorized Purposes	\$39,491,312	\$24,865,834	\$24,416,883	\$35,160,202	\$8,773,129
Debt Service Coverage⁸	1.36	1.19	1.19	1.27	1.07

¹ Excludes interdepartmental sales and expenses. Also excludes depreciation, which is not included in Maintenance and Operation Costs, as defined in the resolution, and does not require a cash outlay.

² Per General Bond Resolution (GBR) 5107, the Authority shall establish and collect rates, which together with other available funds, will be sufficient to make all payments pertaining to bond payments, maintenance and operations costs, and any other charges against the Authority.

³ Reflects the Authority's 62% undivided ownership of GRDA Unit 2.

⁴ Reflects the Authority's 36% undivided ownership of Redbud combined-cycle natural gas fired plant near Luther, Oklahoma.

⁵ 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 Southwest Integrated Markets which went live March 1, 2014.

⁶ Consists primarily of interest income. Excludes change in fair value on instruments of (\$7,709,629), (\$3,948,188), \$8,883,253, \$173,550 and (\$2,012,928) in 2013, 2012, 2011, 2010, and 2009 respectively, interest income restricted for special purposes of \$2,980, \$2,473 \$3,289, \$4,072, and \$5,957 in 2013, 2012, 2011, 2010, and 2009 respectively, and capitalized construction interest of \$1,602,081, \$2,197,557, \$1,785,678, \$2,991,145, and \$2,018,999 in 2013, 2012, 2011, 2010, and 2009 respectively.

⁷ In 2013, 2012 and 2009, Other Available Funds were from the Reserve Fund. In 2010, Other Available Funds were from the Reserve & Contingency Fund (not required under GBR 5107) utilized for bond principal payments.

⁸ Total Funds Available for Debt Service divided by Debt Service.

Selected Cash and Investment Fund Balances
As of December 31, 2013

	Balance	Interest Receivable	Total
Restricted			
Debt Service Reserve Account ¹	133,476,142		133,476,142
Construction Account	202,530,697	553,035	203,083,732
Debt Service Account	33,526,719	6	33,526,725
Other Special Purposes			
Pensacola Fish & Wildlife Mitigation Fund ²	915,224	448	915,672
The Nature Conservancy Fund ³	27,000	-	27,000
Certificate of Deposit for SPP Line of Credit ⁴	1,000,000	-	1,000,000
Board Designated			
In the General Reserve Fund:			
Supplemental Reserve for Environmental Costs	22,500,000	-	22,500,000
Supplemental Reserve for Unforeseen Risks	14,000,000	-	14,000,000
Unrestricted			
Revenue Fund and General Reserve Fund	\$85,793,845	\$1,458,147	\$87,251,992
Total Cash and Investments			
	\$493,769,627	\$2,011,636	\$495,781,263

¹ Deposits and interest receivable to these accounts, not legally restricted, have been reclassified as unrestricted.

² Required by Pensacola Dam operating license.

³ 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.

⁴ Required by Southwest Power Pool (SPP) to participate in the Integrated Market.

**OPERATING REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2013**

	SALES (1000 KWH)	BASE REVENUES (BEFORE PCA)	TOTAL REVENUES (AFTER PCA)
Electric Cooperative Power Sales	630,015	\$33,031,264	\$37,334,050
Municipal Power Sales	3,193,662	146,804,949	167,808,010
Industrial Power Sales	1,022,471	50,134,177	57,048,738
Sub-Total Load Following Contract Power Sales	4,846,148	\$229,970,390	\$262,190,798
Off System Power Sales - Firm	2,943,886	125,960,365	146,040,842
(Over)/Under Recovered Fuel Cost			(930,497)
Other Power Sales ¹	49,597	3,782,822	3,782,822
Total Contract Power Sales	7,839,631	\$359,713,577	\$411,083,965
Off System Power Sales - Spot	180,004	5,507,682	5,507,682
Total Power Sales	8,019,635	\$365,221,259	\$416,591,647
Other Operating Revenues			13,835,208
Total Operating Revenues²	8,019,635	\$365,221,259	\$430,426,855

¹ Includes sales to Oklahoma Municipal Power Authority. Oklahoma Municipal Power Authority'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 COOPERATIVE POWER SALES
PEAK DEMAND, SALES, AND REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2013**

CUSTOMER	CUSTOMER SINCE	CONTRACT EXPIRES	PEAK KW DEMAND	SALES (1000 KWH)	AUTHORITY REVENUES
Northeastern Oklahoma Electric Cooperative, Inc	1946	2014	152,915	630,015	\$37,334,050
Total Electric Cooperative Power Sales				630,015	\$37,334,050

**MUNICIPAL POWER SALES
PEAK DEMAND, SALES, AND REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2013**

CUSTOMER	CUSTOMER SINCE	CONTRACT EXPIRES	PEAK KW DEMAND	SALES (1000 KWH)	AUTHORITY REVENUES
<u>Municipal Contracts:</u>					
City of Coffeyville, Kansas	1999	2042	128,515	823,159	\$40,002,413
Stillwater Utilities Authority	1987	2042	107,336	437,457	22,696,647
Claremore Public Works Authority	1946	2042	77,303	299,264	16,855,024
City of Siloam Springs, Arkansas	1989	2042	55,455	250,059	13,469,766
Tahlequah Public Works Authority	1947	2042	46,076	198,289	11,254,961
Miami Public Utilities Board	1947	2042	45,921	192,834	10,596,537
Byng Public Works Authority	1992	2017	30,875	191,047	9,574,513
Sallisaw Municipal Authority	1952	2042	26,365	115,677	6,729,112
Cushing Municipal Authority	1953	2042	26,812	118,220	6,451,397
City of Pryor Creek Municipal Utility Board	1951	2042	28,280	104,326	5,899,621
Wagoner Public Works Authority	1947	2042	21,079	83,393	4,853,751
Stilwell Area Development Authority	1950	2042	17,084	79,061	4,459,994
Collinsville Municipal Authority ¹	2003	2042	13,799	47,582	2,724,420
Skiatook Public Works Authority	1977	2042	18,453	67,768	2,399,510
Mannford Public Works Authority	2003	2042	8,798	41,751	2,300,094
Stroud Utilities Authority	1986	2042	8,909	33,839	2,012,699
Lindsay Public Works Authority	2000	2025	8,209	30,554	1,701,625
Pawnee Public Works Authority	1953	2042	5,843	22,071	1,320,908
Chickasaw Tribal Utilities Authority	1992	2017	2,716	14,429	768,477
Total Municipal Contracts				3,150,780	\$166,071,469
<u>Replacement Energy:</u>					
Stillwater Utilities Authority ²				42,882	1,736,541
Total Replacement Energy				42,882	\$1,736,541
Total Municipal Power Sales				3,193,662	\$167,808,010

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

² Stillwater Replacement Energy Sales ended in 2013 upon execution of a new contract.

**INDUSTRIAL POWER SALES
PEAK DEMAND, SALES, AND REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2013**

CUSTOMER	PRODUCT	CUSTOMER SINCE	PEAK KW DEMAND	SALES (1000 KWH)	AUTHORITY REVENUES
Google	Internet Search Engine	2007	32,715	204,570	\$10,181,819
Pryor Plant Chemical Company	Chemical Products	2004	36,295	139,360	8,998,859
Air Products Manufacturing Corporation	Industrial Gases	1976	19,049	136,441	7,413,643
Solae, LLC	Food Supplements	1975	17,378	134,582	7,003,570
Orchids Paper Products Company	Paper Products	1975	10,108	74,926	4,162,433
American Castings, LLC	Iron Castings	2003	17,819	77,328	3,973,896
National Gypsum Company	Building Products	1950	8,593	58,146	3,335,966
Armin Plastics-Central Region	Plastic Bags	1990	7,560	52,561	2,858,857
Wal-Mart	Distribution Center	2005	3,988	22,334	1,217,066
Chevron Phillips Chemical Company, LP	Chemical	1997	3,195	19,890	1,077,876
All Others (71)				102,333	6,824,753
Total Industrial Power Sales				1,022,471	\$57,048,738

**OFF SYSTEM POWER SALES - FIRM
PEAK DEMAND, SALES AND REVENUES
FOR TWELVE MONTHS ENDED DECEMBER 31, 2013**

CUSTOMER	CUSTOMER SINCE	CONTRACT EXPIRES	PEAK KW DEMAND	SALES (1000 KWH)	AUTHORITY REVENUES
Western Farmers Electric Cooperative ¹	1983 ¹	2025	200,000	1,273,710	\$64,566,597
Kansas Municipal Energy Agency	2000	2026	84,000	612,941	28,614,018
Paragould, Arkansas, Light and Water Commission	1992	2038	75,000	497,474	25,006,846
City of Poplar Bluff, Missouri	1992	2039	40,000	297,122	14,403,235
Oklahoma Municipal Power Agency ²	1986 ²	2040	40,000	262,639	13,450,146
Total Off System Power Sales - Firm				2,943,886	\$146,040,842

¹ GRDA and WFEC entered and 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.

OFF SYSTEM POWER SALES - SPOT
AS OF DECEMBER 31, 2013

CUSTOMER	AUTHORITY REVENUES				
	2013	2012	2011	2010	2009
SOUTHWEST POWER POOL	\$3,762,625	\$3,406,876	\$10,852,364	\$18,340,560	\$12,825,552
EMPIRE DISTRICT ELECTRIC COOP.	649,875	28,695	638,802	805,158	1,451,133
ASSOCIATED ELECTRIC COOP., INC.	512,085	378,967	6,190,566	5,754,031	12,782,473
KANSAS CITY POWER & LIGHT	138,188	7,400	1,363,241	1,441,049	2,288,078
WESTERN RESOURCES	134,050	6,160	344,319	545,485	1,521,600
CARGILL-ALLIANT	101,990	17,498	486,058	1,388,427	3,297,728
WESTERN FARMERS ELECTRIC COOP.	47,410	14,040	2,192,038	5,997,429	11,077,199
OMAHA PUBLIC POWER DISTRICT	39,800	1,700	7,900	40,100	4,700
RAINBOW ENERGY	28,168	-	59,990	155,237	321,977
THE ENERGY AUTHORITY	24,155	1,204	221,611	975,831	1,121,510
OKLAHOMA GAS & ELECTRIC	17,800	9,218	47,938	185,685	86,677
CLECO CORPORATION	8,500	5,800	11,094	6,105	5,403
AMERICAN ELECTRIC POWER (SWEPCO)	7,500	9,000	596,294	778,066	741,367
ENTERGY	7,400	4,253	4,500	4,191	2,400
SUNFLOWER ELECTRIC POWER	6,530	24,900	74,626	51,491	157,718
WESTERN AREA POWER ADMINISTRATION	4,938	7,343	3,000	-	-
CONSTELLATION POWER SOURCE	3,400	2,200	2,200	2,721	2,900
SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION	2,300	2,900	3,243	3,500	1,200
LOUISIANA GENERATING	1,800	2,900	3,020	3,900	400
NEBRASKA PUBLIC POWER DISTRICT	1,800	3,300	9,502	3,600	1,400
LINCOLN ELECTRIC	1,638	300	200	500	600
BOARD OF PUBLIC UTILITIES KANSAS CITY	1,400	900	1,700	1,500	2,100
MISSOURI PUBLIC SERVICE/UTILICORP	1,200	2,100	2,700	5,612	3,597
TENASKA POWER SERVICES	850	-	232,813	208,905	230,772
SOUTHWESTERN PUBLIC SERVICE	800	2,800	6,400	2,300	6,100
CITY UTILITIES, SPRINGFIELD, MO	500	-	400	-	-
LAFAYETTE UTILITY SYSTEM	500	1,700	1,900	300	2,100
CITY OF INDEPENDENCE LIGHT & POWER	200	1,400	900	700	600
OKLAHOMA MUNICIPAL POWER AUTHORITY	180	1,194	9,545	6,695	-
LOUISIANA ENERGY & POWER AUTHORITY	100	500	500	400	900
SOUTHWEST POWER ADMINISTRATION	-	279	341	967,479	1,254,260
ENDURE ENERGY	-	-	431,593	591,515	1,268,093
KANSAS ENERGY LLC	-	-	28,605	-	-
TRADEMARK MERCHANT ENERGY	-	-	4,323	-	-
NRG	-	-	501	-	-
CARTHAGE, MO	-	-	-	97,285	-
KANSAS MUNICIPAL ENERGY AGENCY	-	-	-	-	274
BASIN ELECTRIC	-	-	-	-	100
Total Off System Power Sales - Spot	\$5,507,682	\$3,945,527	\$23,834,727	\$38,365,757	\$50,460,911

EQUIVALENT AVAILABILITY PERCENTAGES Coal Fired Plants

<u>Year</u>	<u>GRDA 1¹</u>	<u>GRDA 2¹</u>	<u>NERC²</u>
2004	75.9% ³	86.5%	84.9%
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%	NA

¹ Percentages provided by GRDA Coal Fired Complex Management.

² Percentages from NERC Website for Coal Primary Units with
400-599MW Nameplate at <http://www.nerc.com> as of 04/21/2014.

³ Reflects scheduled major maintenance overhauls lasting nine weeks.

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%	89.3%	87.3%
2010	65.3%	86.3%	82.0%	79.2%	85.8%
2011	87.5%	88.5%	84.5%	87.1%	86.6%
2012	91.6%	90.8%	94.7%	87.6%	85.7%
2013	96.5%	70.0%	75.5%	84.7%	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

<http://www.nerc.com> as of 04/21/2014.

HISTORICAL ENERGY REQUIREMENTS AND RESOURCES (MWH)

Year	Historical Energy Requirements (MWH)										
	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			
2004	443,742	2,850,359	593,349	1,622,823	170,278	5,680,551	484,467	6,165,018	677,792	129,242	6,972,052
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

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

² Interdepartmental use and Losses.

Year	Historical Energy Resources (MWH)							
	Run-of-River Hydro Generation	Pumped-Storage Hydro Generation	Combined Cycle Gas Generation	Coal Fired Thermal-Steam Generation	Purchased Power Long Term Wind	Municipal SPA Allocations ⁴	Total Resources	
2004	844,100	443,913	-	5,099,124	547,293	37,622	6,972,052	
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

³ Includes replacement energy plus net energy from banking arrangements.

⁴ 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
2004	1,107	0	1,107	234	260	-	812	-	13	1,319
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

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 Unit 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.