

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2017

CITY OF RIVERSIDE ELECTRIC PUBLIC UTILITIES

**2009A ELECTRIC REVENUE REFUNDING BONDS
BONDS DATED DECEMBER 22, 2009**

CUSIP NUMBERS 768874RV3 & 768874RW1

Prepared by
City of Riverside

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RIVERSIDE PUBLIC UTILITIES
CONTINUING DISCLOSURE INFORMATION – 2009A ELECTRIC BONDS \$34,920,000
FISCAL YEAR ENDED JUNE 30, 2017

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

(a) Enclosed is the City of Riverside CAFR and Electric Utility 2016/17 Audited Financial Statements

(b) Below is financial information and operating data with respect to the Electric Utility:

(i) The principal amount of the 2009A Bonds outstanding at June 30, 2017 was \$2,490,000.

(ii) Electric System Facilities

Utility Plant (less accumulated depreciation)	\$ 717,156,000
Construction in Progress	51,636,000
Distribution - Overhead Circuit Miles	513
Underground Circuit Miles	826
Street Light Circuit Miles	1,055

(iii) Annual Electricity Supply

<u>Resource</u>	<u>MWh</u>	<u>Percentage</u>
IPP Generating Station	619,500	27.3%
Firm Contracts and Open Market Purchases	653,000	28.8%
PVNGS	102,400	4.5%
Hoover Upgrading Project	28,400	1.3%
RERC/Springs/Clearwater	110,700	4.9%
Renewable Resources	753,000	33.2%
Total	<u>2,267,000</u>	<u>100.0%</u>

(iv) Total Energy Generated and Purchased and Peak Demand

From Own Generation (MWh)	119,000
From Other Sources (MWh)	2,148,000
System Total (MWh)	<u>2,267,000</u>
System Native Load (MWh)	2,197,000
System Peak Demand (MW)	581.70

(v) Number of Meters

Residential	97,372
Commercial	11,016
Industrial	833
Other	53
Total - All Classes	<u>109,274</u>

(vi) Energy Sold (millions of kWh)

Residential	730
Commercial	448
Industrial	996
Wholesale	1
Other	23
Total kWh sold	<u>2,198</u>

(vii) City Council approved a 4-year rate increase on December 1, 2006, and December 4, 2007, respectively as follows:

<u>Effective Date</u>	<u>Overall System</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
January 1, 2007	3.5%	2.1%	5.2%	4.7%
January 1, 2008	10.0%	13.5%	10.5%	8.9%
January 1, 2009	3.6%	3.7%	5.2%	2.8%
January 1, 2010	5.8%	8.6%	4.8%	5.4%

(viii) Revenues From Sales of Electricity (in thousands)

Residential	\$ 117,662
Commercial	71,456
Industrial	115,432
Other sales	4,782
Wholesale	9
Transmission	35,497
Total	<u>\$ 344,838</u>

(ix) Average Billing Price (Cents Per Kilowatt-Hour)	
Residential	16.1
Commercial	16.0
Industrial	11.6
Other	21.3
Average - All Classes Combined	14.1

(x) Summary of Operations and Debt Service Coverage (in thousands)

Operating revenues	
Residential	\$ 117,662
Commercial	71,456
Industrial	115,432
Other sales	4,782
Wholesale	9
Transmission	35,497
Other operating revenue	12,899
Total operating revenues before uncollectibles	357,737
Estimated uncollectibles, net of bad debt recovery	(551)
Total operating revenues, net of uncollectibles	<u>\$ 357,186</u>
Investment income	1,809
Capital Contributions	2,367
Non-Operating revenues	7,594
Total revenues	<u><u>\$ 368,956</u></u>
Operating expenses	
Nuclear production	\$ (45) ⁽¹⁾
Purchased/produced power	132,394
Transmission expense	59,497
Distribution expenses	16,053
Customer account expenses	6,888
Customer service expenses	1,847
Administration & general expenses	18,962
Clearing & Miscellaneous expenses	16,156
Total expenses	<u><u>\$ 251,752</u></u>
Net Operating Revenues Available for Debt Service and Depreciation	<u><u>\$ 117,204</u></u>
Debt Service Requirements on bonds	\$ 39,585
Debt Service Coverage	2.96

⁽¹⁾ Subsequent to the shutdown of SONGS in June 2013, Nuclear Production reflects non-decommissioning expenses and changes to decommissioning liability, which resulted in a credit balance in fiscal year 2016-17.

(xi) Outstanding Debt of Joint Powers Agencies (In Thousands)

	Principal Amount of Outstanding Debt	%	City of Riverside Electric Public Utilities Share
IPA			
Intermountain Power Project ⁽²⁾	\$ 1,139,726	7.617%	\$ 86,813
SCPPA ⁽²⁾			
Palo Verde	12,410	5.4%	670
STS	538,812	10.2%	54,959
Hoover Dam	2,136	31.9%	681
Mead-Phoenix	22,180	4.0%	887
Mead-Adelanto	73,093	13.5%	9,868
	<u>\$ 1,788,357</u>		<u>\$ 153,878</u>

⁽²⁾ Total before unamortized bond discount/premium and refunding charge.

(xii) No Additional Bonds and Parity Debt were incurred by the City with respect to the Electric System during fiscal year ended June 30, 2017.

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence during the reporting period of the following significant events with respect to the 2009 ELECTRIC REVENUE REFUNDING BONDS, SERIES A \$34,920,000.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of the credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the security.
7. Modification to rights of security holders.
8. Contingent or unscheduled bond calls
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the securities.
11. Rating changes.