



CITY OF RICHLAND, WASHINGTON
Electric Utility Financial Statements

For the Quarter Ended
December 31, 2020
(Unaudited)

Prepared by:
Administrative Services Department

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CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY FINANCIAL STATEMENTS
December 31, 2020

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Current Financial Developments

The following comments address events impacting the Electric utility's financial position. These comments clarify certain financial activity, including the environment in which the financial transactions occur.

1st Quarter

- The first quarter gross margin was \$3M higher than COSA projections due to the late winter weather providing additional retail rate revenue. The YTD variance is the result of a comparison between COSA projections and actual wholesale energy. The variance was due to actual revenues being \$1.3M higher than projections while actual wholesale power costs were \$95K higher than projections.
- Staff has no recommendations for a rate increase in 2020. The next rate increase is tentatively being forecasted for January of 2021.
- 2020 Capital Improvement Plan (CIP) is budgeted at \$14.2M with largest investments in Advanced Metering Infrastructure (AMI) of \$3.8M, Horn Rapids Solar Storage Training project (HRSST) of \$3.5M, Renewal & Replacements of \$1.9M, new development line extensions of \$1.3M and new Gateway Substation of \$1.1M.
- Capital investment expenditures through March were \$2.2M.
- Financial implications from the global COVID-19 pandemic are unknown in Q1 with mandatory business closures causing lower energy consumption.

2nd Quarter

- To assist with financial impacts to utilities from COVID-19, BPA suspended its Financial Reserve Policy (FRP), effective July 1st. The FRP had started to increase BPA revenues by \$30M beginning October 1, 2019. The FRP is expected to resume October 1, 2022. The costs deferred for RES are approximately \$50k per month or \$750k until resuming.
- With unknown financial implications from COVID-19, anticipated 2020 CIP completion was reduced to \$10.2M. Capital improvement expenditures January through June were \$5.2M.
- On April 6th, S&P Global, a municipal bond rating agency, inquired about the consumption and revenue implications from COVID-19. Energy consumption through March was analyzed to be 12% lower than a five-year average. However, heating degree days were also 14% lower through March. Similarly, consumption for March 2020 was 7% lower than a five-year average while heating degree days were 6% lower over a five-year average. Overall energy consumption did not appear to be impacted by COVID-19 after considering heating degree days.
- On April 15th, revenue projections from COVID-19 business closures were considered. While overall energy consumption was down 1-2% after weather considerations, consumption by each rate class was showing wide variations from normal. The largest 10 commercial users typically represent 25% of total revenues and residential consumers represent 50% of total revenues. The energy consumption for the top 10 commercial users through March showed variations of down 8% for one of the top 10 to an increase of 36% for another consumer. The office space users and manufacturing facilities energy users were down with some office employees working remotely. The WA Governor's essential businesses like food processing and nuclear fuel fabrication had increased energy consumption from recent expansions compared to previous year consumption.

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Current Financial Developments

- On May 6th, Energy consumption only for April was analyzed as it was the first complete month of business and school closures from the WA Governor's proclamations. Degree day data was not available at the time. However, overall consumption was up 9% and mixed with each rate class. With large numbers of people working from home, residential consumption was up 30%. Small general users, like gas stations, were up 3% while medium and large general commercial consumers were down 6% and 14% respectively. Large industrial rate class, users like essential food processors were up 17%. Small industrial and irrigation rate class users were not considered as it was a seasonal transition time for irrigation and historical data was skewed by recent growth in the small industrial rate class.

3rd Quarter

- Rate Schedule 90 was revised to include small cellular electric service to the existing cable TV services and to align with energy costs of small general electrical services. In 2019, the total revenue from rate schedule 90 was \$43k. The addition of small cell services could have similar revenues as 5G cellular technology is deployed.
- On August 6th, S&P Global inquired on revenue and consumption impacts from COVID-19. Year to year revenue comparisons is difficult to compare because of rate increases occurring at uneven times. However, energy consumption data through July was analyzed. After normalizing for weather, overall electrical consumption January through July was up 3% compared to a five-year average and up 10% compared to 2019.
- Also, on August 6th, the City reported to S&P Global, 1392 customers were on the pending disconnect list with a total account balance of \$781k. In 2019, approximately 120 customers were disconnected per week. The 1392 customers eligible for utility disconnect represent approximately 5% of the 25k customers. While the WA Governor has a moratorium preventing utility disconnects during COVID-19, the growing number of customers and the outstanding balance is financially concerning.
- Capital improvement expenditures January through September were \$7.2M.

4th Quarter

- The gross margin for this reporting period is a negative \$1.0 million. A gross margin calculation is the difference of actuals to projections for retail sales revenue and wholesale power expenses. Wholesale power costs are approximately 60% of total expenses and a reasonable indicator of overall actual expenses to projected expenses. While weather has a significant impact on energy consumption, the COVID-19 pandemic continues to influence consumption.
- Staff has performed a preliminary cost of service analysis (COSA) and recommends no rate increase in 2021. The next rate increase is tentatively being forecasted for January of 2022.
- The 2020 Capital Improvement Plan (CIP) closed at \$9.3M, 8% lower than what was originally projected. The largest 2020 capital investments included: Advanced Metering Infrastructure (AMI) of \$3.8M, Renewal & Replacements of \$1.9M, new development line extensions of \$1.3M and new Gateway Substation of \$1.1M. AMI and the Gateway Substation project are multi-year projects. The 2021 CIP is similarly budgeted for \$11M.
- In response to the COVID-19 pandemic, Washington State's Governor Inslee issued Proclamation 23-20 on March 18, 2020 preventing, in part, utility late fees and utility

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Current Financial Developments

disconnects for nonpayment. Governor Inslee has continued to amend the proclamation with the latest extension through April 30, 2021. RES has monitored the number of customers and outstanding balances throughout 2020 with amounts increasing to over 1200 accounts and outstanding balances over \$950k. This represents approximately 5% of electric utility customers with outstanding balances. In November 2020, City Council approved the use of CARES funding with customers requesting \$503k that was applied to utility accounts.

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Current Business Developments

The following comments address events influencing the operations of the Electric utility. These comments provide additional information not specifically addressed or identified in the financial statement presentation.

1st Quarter

- The 2019 average number of electrical customers was 24,966. RES is expected to be greater than the 25,000 average customer count in 2020. This will begin the Energy Independence Act (EIA) requirements for obtaining the 3% of renewable energy four years later.
- Average number of customers continues to increase at 1.8% while KWh increases at 0.8%.
- Worley Group Inc. began construction for the HRSST project Monday, February 24th with projected completion date of June 2020. Worley Group is partnered with Doosan for supplying the 1MW/4MWh Lithium-ion battery system which will be owned and operated by Energy Northwest. The 4MWdc solar panel installation by Tucci Energy Systems, formerly by Potelco, may complete ahead of the energy storage portion. The City has a power purchase agreement (PPA) with Tucci Energy Systems for the renewable energy generated. The renewable energy, along with a 2.2 multiplier, will largely support the City's renewable energy requirements of EIA through 2027.
- On February 28th, US Army Corp of Engineers, Bureau of Reclamation and Bonneville Power Administration (BPA) issued the Columbia River System Operations Draft Environmental Impact Statement with a preferred alternative of maintaining the four lower Snake River dams and a modified spill on the lower eight Columbia River and Snake River Federal dam projects. Litigation is expected to continue on the Federal dam projects.
- On February 29, WA Governor issued Proclamation 20-05, proclaiming a State emergency related to the coronavirus (COVID-19). On March 25th, non-essential businesses and schools were ordered closed. The City of Richland and Energy Services (RES) were identified as essential business and modified business processes to isolate operational employees across three alternating schedules and maximum use of teleworking for "non-essential" employees.
- On March 24, WA Governor issued Proclamation 20-23.1, prohibiting late fees and disconnection of utility services for non-payment.
- PNNL is breaking ground on two new research buildings. One is an Energy Sciences Laboratory (ESL) facility and the other is a Grid Storage Laboratory (GSL). Groundbreaking will be March 17th on the west side of the Biological Sciences Facility (3300 Stevens Drive).
- Over 600 out of approximately 1000 rental high-pressure sodium (HPS) lights were replaced with LED equivalents. The LED lights provide improved color recognition, reduce energy use, and reduce O&M expenses.

2nd Quarter

- In May, National Rural Electric Cooperative Association (NRECA) projected an average 6.1% load decrease in 2020 from COVID-19 impacts and an additional 6% in 2021. However, analysis of RES electrical consumption do not appear to be following national consumption patterns at this time.

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Current Business Developments

3rd Quarter

- Reliability data through June reflects 71 outages and an increase from a total of 83 outages in 2019. Since 2006, annual outage events have continued to decrease. Reliability metrics including: SAIFI, SAIDI, CAIDI and outage location are used to prioritize future CIP renewal and replacement projects.
- At the July 14th Utility Advisory Committee (UAC) meeting, Energy Northwest presented the results of a Northwest Energy Resource Mix study by Energy Environmental & Economics (E3) which identified the optimum generation resource mix as carbon legislation impacts closure of baseload coal generation. The study indicates renewable resources need to be overbuilt about ten times with geographic diversity to achieve a usable capacity factor. The study also indicated how small modular reactors (SMR) could be a part resource optimization as a baseload generation resource.
- Council adopted an Integrated Resource Plan (IRP) on August 4th. The IRP recommended the least cost energy resources for the City as continuing to utilize BPA's Tier 1 allocation, cost effective energy efficiency projects, and market purchases of renewable or non-federal block resources.
- On September 1st, the City did an automated meter interface (AMI) project kickoff with Itron and its subcontractors. The AMI project will be an 18-24 month implementation and integration of the electric and water meter systems. The project will provide customers with energy usage information through a customer portal and will provide data for optimum infrastructure reinvestments.

4th Quarter

- Energy Services staff, presented to the Utility Advisory Committee (UAC) a draft energy consumption report, detailing how COVID-19 has impacted energy use and revenue. Total 2020 consumption was down 2.4% compared to the utility's five-year average. When normalized for weather, consumption was 0.6% higher than a five-year average. Consumption across customer classes was mixed with higher residential consumption and lower commercial consumption.
- Energy Services completed a 2MW block wholesale power purchase agreement on October 30, 2020 for the Federal fiscal 2022 period. The agreement transfers a purchase from Columbia REA for City of Richland use at \$29.30/MW. For comparison, the forward price curve was \$31.64/MW for the same period. With this agreement, the City has secured all non-Federal FY22 Tier 2 wholesale obligations at an average cost of \$27.31/MW.
- Department of Energy (DOE) announced \$160M of initial funding to ENW for its Advanced Reactor Demonstration Program. ENW's proposal included utility partners with TerraPower-GE Hitachi and X-energy. DOE has identified a 50/50 cost-share agreement with the goal of commercial operations by 2027. TerraPower has targeted power costs of <\$40/MWh from a 336MWe facility and a salt storage option increasing capacity to 500MWe. The TerraPower project is proposed siting at ENW Site 4. The X-energy project has targeted power costs of \$40-45MWh from four 80 MWe packaged reactors. The X-energy project is proposed siting at ENW Site 1.
- The Horn Rapids Solar, Storage and Training (HRSST) project had its ribbon cutting ceremony on November 10, 2020. The 4 MW solar and 1 MW energy storage project is located north of

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Current Business Developments

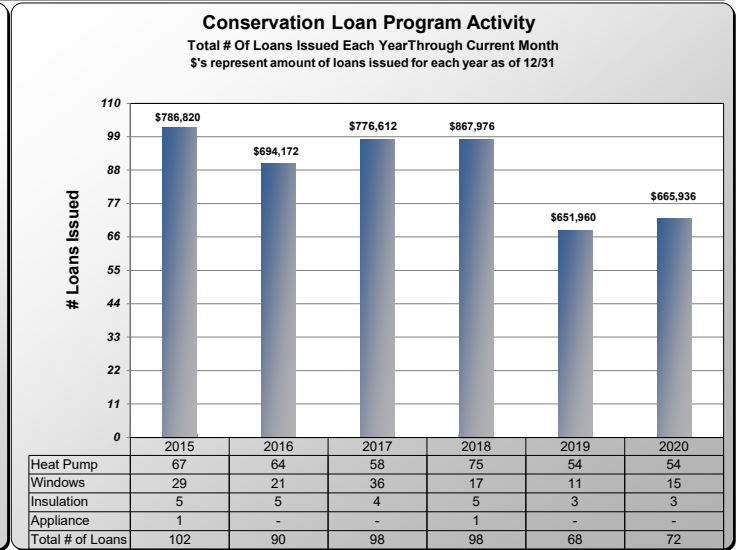
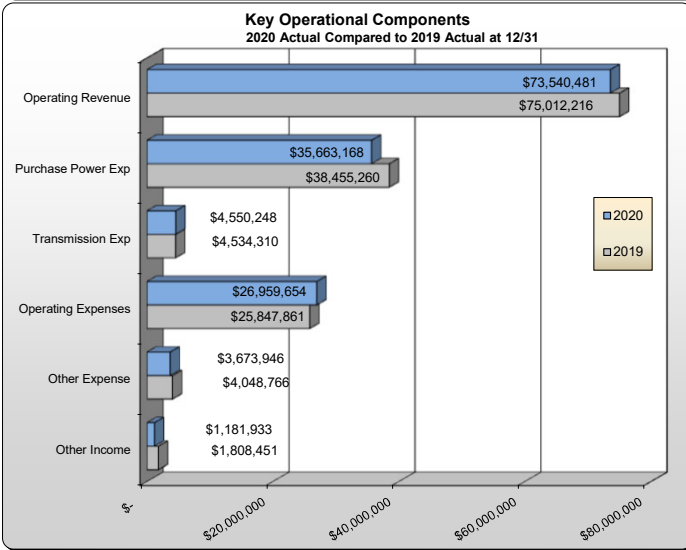
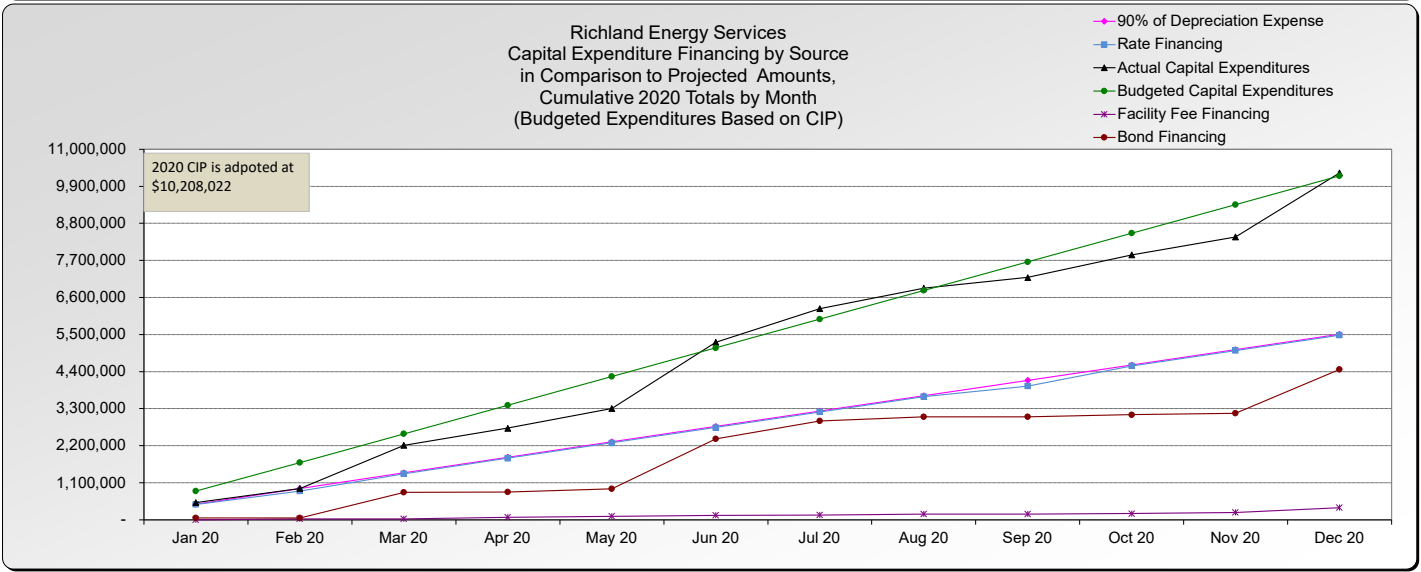
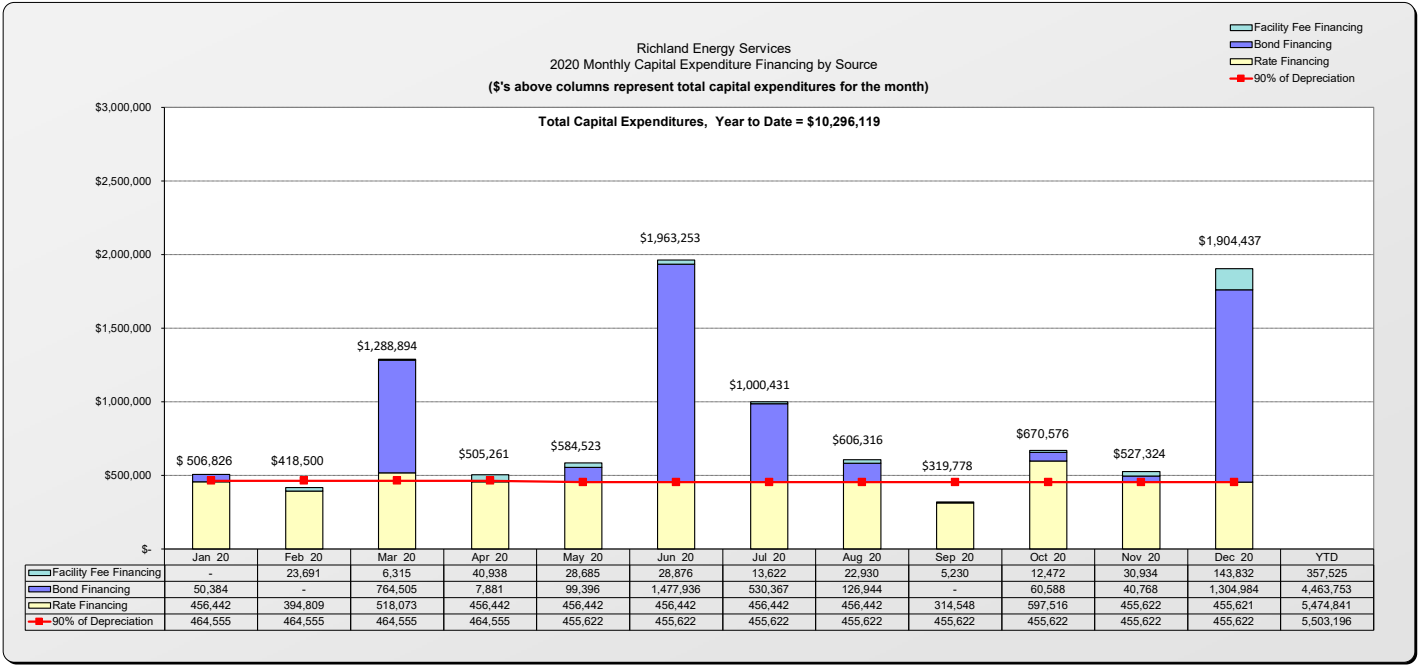
Richland and began generating October 21st. With the renewable energy obtained through a Power Purchase Agreement (PPA) with Tucci Energy, the City will meet its 3% renewable energy obligations through 2026.

- RES is planning three new substations over the next five years. Gateway Substation will be constructed in the Horn Rapids Industrial Area to support economic development of new commercial & industrial loads and increased reliability for existing customers. Substation design started in 2020 with construction and energization planned in 2021. The second substation will be along Dallas Road to support residential and commercial growth in the Badger Mountain South area. The design stage should begin in 2023 with construction of the substation in 2024. The third substation will be to support new industrial loads in the 1,641 acres of land north of Horn Rapids Road. Design of the third substation is planned for 2024 with construction in 2025.

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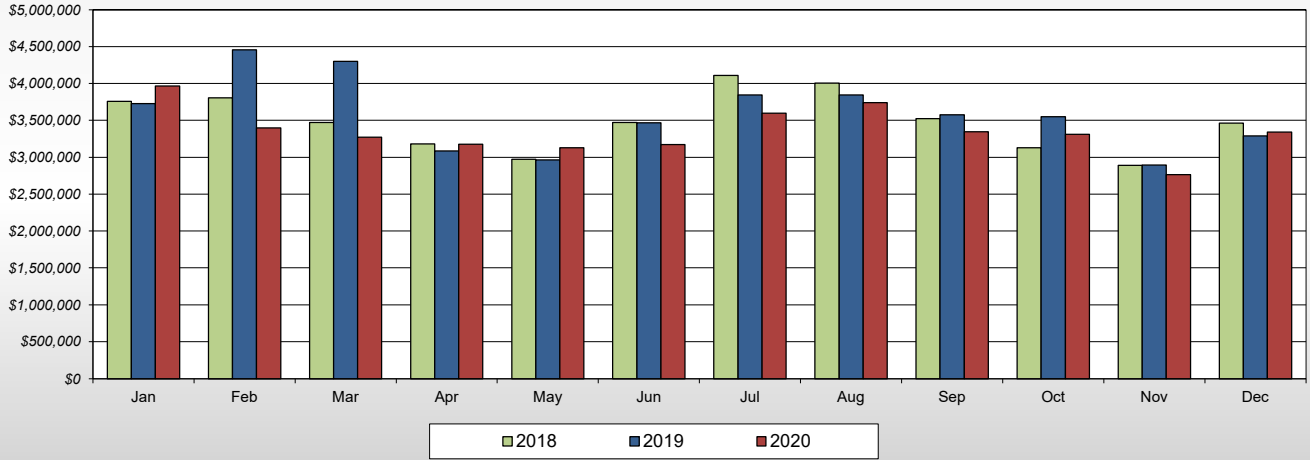
ELECTRIC UTILITY FINANCIAL TREND INFORMATION

December 31, 2020

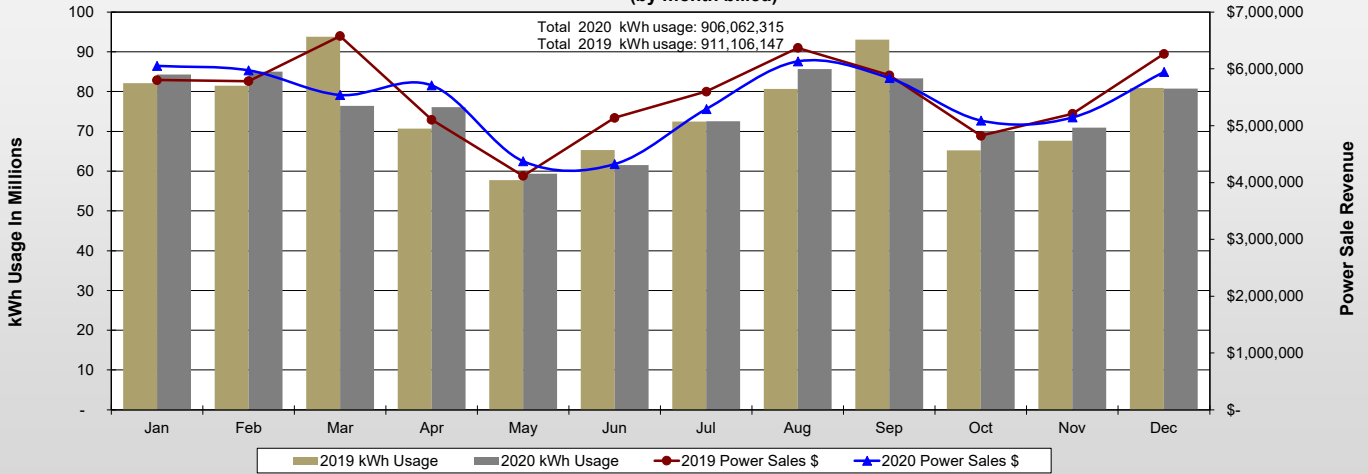


CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY FINANCIAL TREND INFORMATION, CONTINUED
December 31, 2020

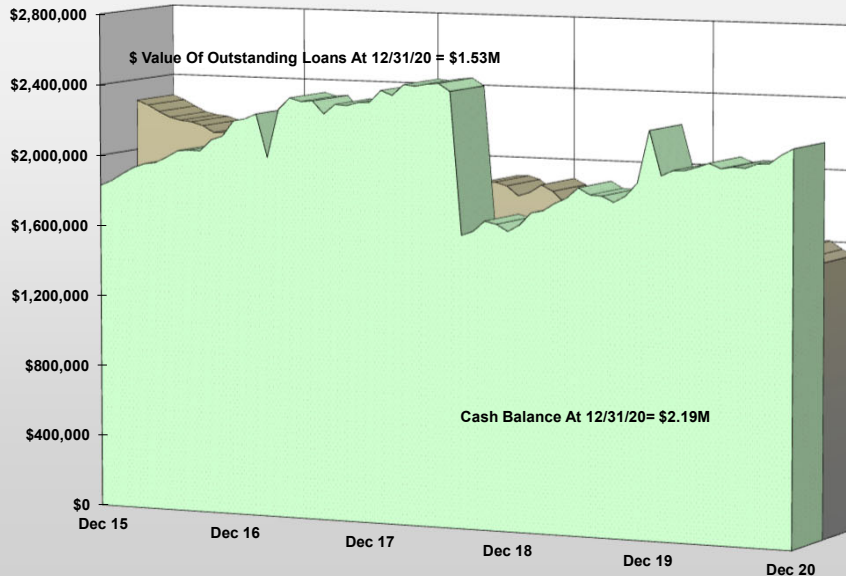
Monthly Power & Transmission Costs



**Energy kWh Usage & Power Sale Revenue
(by month billed)**

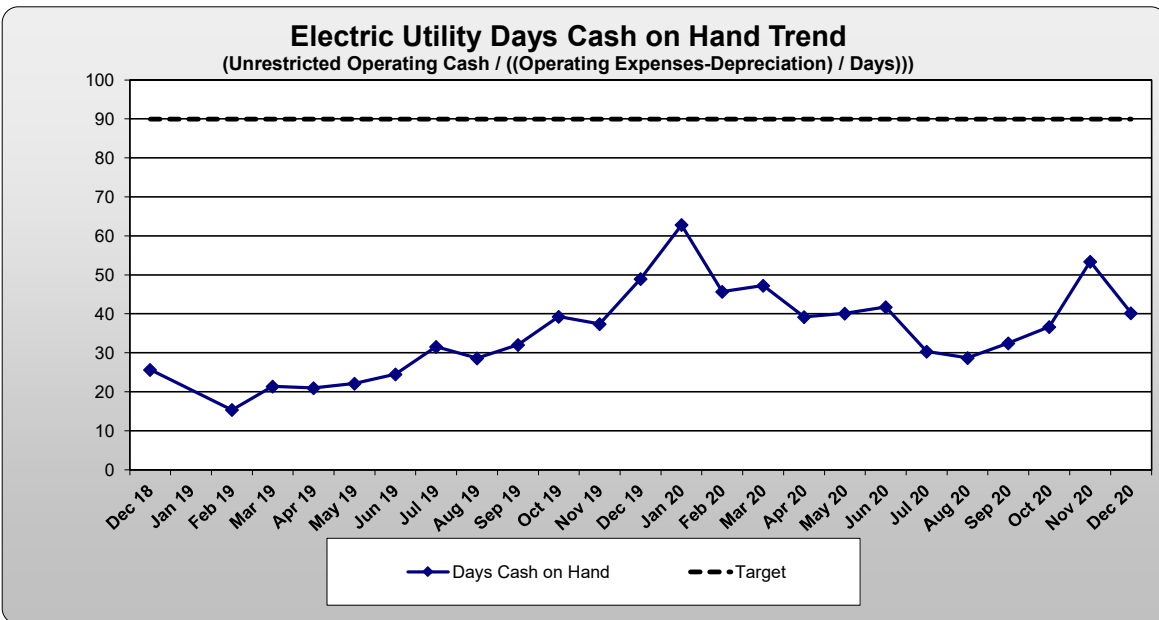
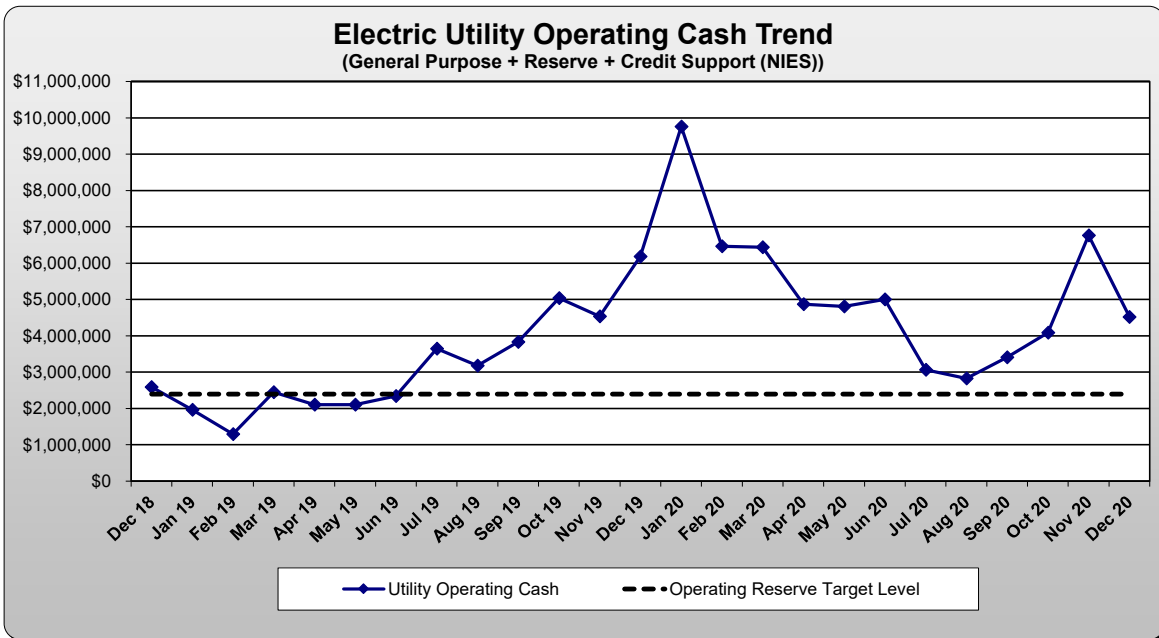


Conservation Cash & Outstanding Loan Balance History



**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
CASH POSITION
December 31, 2020**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Unrestricted Cash and Investments:		
Operating Cash, General Purpose	\$ 1,473,188	\$ 3,145,322
Operating Cash, Reserve	2,400,000	2,400,000
Conservation Loan Cash	2,188,104	2,257,590
Credit Support Reserve Cash (NIES)	639,000	639,000
Total Unrestricted Cash and Investments:	<u>6,700,292</u>	<u>8,441,912</u>
Restricted Cash and Investments:		
Revenue Bond Proceeds	5,449,586	9,572,795
Facility Development Fees (Line Extension)	223,162	319,855
Construction Allowances Subject To Refund (Note 1)	891,642	645,242
Bond Redemption Set-Aside	1,148,908	992,523
Bond Reserve	4,903,798	5,080,677
Total Restricted Cash and Investments:	<u>12,617,096</u>	<u>16,611,090</u>
Total Cash	<u>\$ 19,317,388</u>	<u>\$ 25,053,002</u>



CITY OF RICHLAND, WASHINGTON
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COMPARATIVE BALANCE SHEET
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>2020 - 2019 (+/-)</u>
ASSETS:			
Current Assets			
Cash & Cash Equivalents	\$ 5,839,596	\$ 7,876,352	\$ (2,036,755)
Deposits With Third Parties	1,900	1,900	-
Investments	860,696	565,560	295,136
Receivables:			
Customer Utility Accounts, (net) (Note 8)	4,746,381	5,011,974	(265,594)
Customer Conservation Loans	2,077,480	2,178,241	(100,760)
Miscellaneous	71,083	180,430	(109,347)
Prepaid Expenses	338,028	297,503	40,525
Inventory	4,468,372	3,802,092	666,281
Total Current Assets	<u>18,403,536</u>	<u>19,914,051</u>	<u>(1,510,515)</u>
Noncurrent			
Restricted Cash	7,713,298	1,957,619	5,755,679
Restricted Investments (Note 12)	4,903,798	14,653,471	(9,749,674)
Capital:			
Land	837,428	837,428	-
Depreciable Assets (net)	728,596	733,612	(5,016)
Infrastructure	110,409,757	106,027,811	4,381,945
Construction in Progress	1,899,284	1,504,546	394,738
Total Capital Assets (net)	113,875,065	109,103,398	4,771,667
Total Noncurrent Assets	<u>126,492,161</u>	<u>125,714,488</u>	<u>777,672</u>
TOTAL ASSETS	<u>144,895,697</u>	<u>145,628,539</u>	<u>(732,842)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss - Reacquired Debt (Note 2)	212,584	244,393	(31,809)
Other Deferred Debits (Note 2)	752,195	673,007	79,188
Total Deferred Outflows of Resources	<u>964,779</u>	<u>917,400</u>	<u>47,379</u>
LIABILITIES:			
Current Liabilities			
Accounts Payable & Accrued Expenses	4,536,996	6,533,641	(1,996,645)
Current Portion of Compensated Absences	384,493	331,579	52,915
Current Portion of Bond Principal Payable	3,120,000	3,045,000	75,000
Total Current Liabilities	<u>8,041,489</u>	<u>9,910,219</u>	<u>(1,868,730)</u>
Noncurrent Liabilities			
Noncurrent Portion of Compensated Absences	384,493	331,579	52,915
Revenue Bonds Payable	70,297,368	73,693,800	(3,396,432)
Unearned Revenue	835,717	781,152	54,565
Net OPEB Liability	954,207	875,687	78,520
Net Pension Liability	1,954,998	2,036,735	(81,737)
Total Noncurrent Liabilities	<u>74,426,783</u>	<u>77,718,952</u>	<u>(3,292,169)</u>
TOTAL LIABILITIES	<u>82,468,272</u>	<u>87,629,172</u>	<u>(5,160,900)</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized Gain - Reacquired Debt (Note 2)	5,568	5,919	(352)
Other Deferred Credits (Note 2)	839,610	1,408,287	(568,677)
Total Deferred Outflows of Resources	<u>845,178</u>	<u>1,414,206</u>	<u>(569,028)</u>
NET POSITION:			
Net Investment in Capital Assets	46,114,299	42,175,866	3,938,433
Restricted For:			
Debt Service	6,052,706	6,073,200	(20,494)
Capital Improvements	1,114,804	965,096	149,708
Unrestricted	9,265,217	8,288,399	976,818
TOTAL NET POSITION	<u>\$ 62,547,026</u>	<u>\$ 57,502,561</u>	<u>\$ 5,044,465</u>

**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
COMPARATIVE STATEMENT OF OPERATIONS
FOURTH QUARTER 2020**

	Quarter Ended 12/31/2020 <u>Actual</u>	Quarter Ended 12/31/2019 <u>Actual</u>	% Variance From 2019 <u>Actual</u>
OPERATING REVENUES:			
Power Sales Revenue	\$ 16,188,981	\$ 16,299,281	-1%
Utility Occupation Tax	1,502,534	1,512,802	-1%
Other Operating Revenues (Note 3)	<u>608,170</u>	<u>508,950</u>	19%
Total Operating Revenues	<u>18,299,684</u>	<u>18,321,033</u>	0%
OPERATING EXPENSES:			
Power (Net of BPA REP Lookback Credit) (Note 11)	8,349,317	8,696,331	-4%
Transmission	<u>1,067,202</u>	<u>1,034,525</u>	3%
Total Purchased Power	<u>9,416,519</u>	<u>9,730,856</u>	-3%
Distribution Operations and Maintenance (O&M)			
Distribution - Operations	676,112	818,009	-17%
Distribution - Maintenance	<u>769,872</u>	<u>534,951</u>	44%
Total Distribution O&M	<u>1,445,984</u>	<u>1,352,960</u>	7%
Customer Accounting			
Meter Reading Expense	338,245	180,530	87%
Customer Records & Collections	316,211	487,551	-35%
Bad Debt Expense (Note 9)	<u>272,109</u>	<u>(87,842)</u>	410%
Total Customer Accounting	<u>926,565</u>	<u>580,239</u>	60%
Conservation & Customer Service (Note 10)	836,233	1,045,406	-20%
Administration & General	14,622	8,164	79%
Depreciation	1,518,741	1,460,888	4%
Taxes	1,858,594	1,729,104	7%
Operating Transfer to Equipment Replacement Fund	80,231	72,937	0%
Other Operating Expenses (Note 4)	<u>1,732</u>	<u>2,200</u>	-21%
Total Non-Power Operating Expenses	<u>6,682,701</u>	<u>6,251,898</u>	7%
Total Operating Expenses	<u>16,099,220</u>	<u>15,982,754</u>	1%
OPERATING INCOME (LOSS):	<u>2,200,464</u>	<u>2,338,279</u>	-6%
OTHER INCOME:			
Interest Income	31,461	112,502	-72%
Gain / (Loss) on Fair Market Value (FMV) Adjustment	(59,671)	147,001	-141%
Other Income (Note 5)	323,498	278,779	16%
City Shops Rental	<u>-</u>	<u>-</u>	NA
Total Other Income:	<u>295,288</u>	<u>538,282</u>	-45%
OTHER EXPENSE:			
Interest on Long-Term Debt	743,665	738,836	1%
Debt Issuance Expense	-	243,218	-100%
Amortization of Bond Discount / Premium	(69,108)	(42,977)	-61%
Amortization of Loss on Reacquired Debt	7,864	6,682	18%
Other Expenses (Note 6)	<u>187,495</u>	<u>279,594</u>	-33%
Total Other Expense:	<u>869,916</u>	<u>1,225,353</u>	-29%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>1,625,835</u>	<u>1,651,208</u>	-2%
Capital Contributions - Facility Development Fees (Note 7)	639,499	655,628	-2%
Transfers From General Fund	-	-	NA
Transfers To Broadband Fund	<u>(7,500)</u>	<u>(7,500)</u>	0%
Total of Capital Contributions and Transfers to Other Funds	<u>631,999</u>	<u>648,128</u>	-2%
CHANGE IN NET POSITION BEFORE PRIOR PERIOD ADJUSTMENTS	<u>2,257,834</u>	<u>2,299,335</u>	-2%
Prior Period Adjustments	<u>-</u>	<u>-</u>	
CHANGE IN NET POSITION	<u>\$ 2,257,834</u>	<u>\$ 2,299,335</u>	-2%

**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
COMPARATIVE STATEMENT OF OPERATIONS
December 31, 2020**

	12/31/2020	12/31/2019	% Variance From 2019
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
OPERATING REVENUES:			
Power Sales Revenue	\$ 65,459,120	\$ 66,690,130	-2%
Utility Occupation Tax	6,076,466	6,190,982	-2%
Other Operating Revenues (Note 3)	<u>2,004,894</u>	<u>2,131,104</u>	-6%
Total Operating Revenues	<u>73,540,481</u>	<u>75,012,216</u>	-2%
OPERATING EXPENSES:			
Power (Net of BPA REP Lookback Credit) (Note 11)	35,663,168	38,455,260	-7%
Transmission	<u>4,550,248</u>	<u>4,534,310</u>	0%
Total Purchased Power	<u>40,213,416</u>	<u>42,989,570</u>	-6%
Distribution Operations and Maintenance (O&M)			
Distribution - Operations	3,510,490	3,524,636	0%
Distribution - Maintenance	<u>2,869,150</u>	<u>2,205,462</u>	30%
Total Distribution O&M	<u>6,379,640</u>	<u>5,730,099</u>	11%
Customer Accounting			
Meter Reading Expense	882,994	564,789	56%
Customer Records & Collections	1,181,514	1,686,648	-30%
Bad Debt Expense (Note 9)	<u>365,259</u>	<u>(4,952)</u>	7476%
Total Customer Accounting	<u>2,429,766</u>	<u>2,246,486</u>	8%
Conservation & Customer Service (Note 10)	1,396,233	1,894,704	-26%
Administration & General	1,963,602	1,307,446	50%
Depreciation	6,114,666	5,878,747	4%
Taxes	8,348,663	8,491,948	-2%
Operating Transfer to Equipment Replacement Fund	320,922	291,748	10%
Other Operating Expenses (Note 4)	<u>6,163</u>	<u>6,684</u>	-8%
Total Non-Power Operating Expenses	<u>26,959,654</u>	<u>25,847,861</u>	4%
Total Operating Expenses	<u>67,173,070</u>	<u>68,837,431</u>	-2%
OPERATING INCOME (LOSS):	<u>6,367,411</u>	<u>6,174,785</u>	3%
OTHER INCOME:			
Interest Income	265,409	433,934	-39%
Gain / (Loss) on Fair Market Value (FMV) Adjustment	(59,671)	147,001	-141%
Other Income (Note 5)	976,195	1,227,516	-20%
City Shops Rental	<u>-</u>	<u>-</u>	NA
Total Other Income:	<u>1,181,933</u>	<u>1,808,451</u>	-35%
OTHER EXPENSE:			
Interest on Long-Term Debt	3,055,031	3,015,654	1%
Debt Issuance Expense	-	243,218	-100%
Amortization of Bond Discount / Premium	(276,432)	(171,909)	-61%
Amortization of Loss on Reacquired Debt	31,458	26,726	18%
Other Expenses (Note 6)	<u>863,890</u>	<u>935,076</u>	-8%
Total Other Expense:	<u>3,673,946</u>	<u>4,048,766</u>	-9%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>3,875,397</u>	<u>3,934,470</u>	-2%
Capital Contributions - Facility Development Fees (Note 7)	1,199,067	1,149,766	4%
Transfers From General Fund	-	-	NA
Transfers To Broadband Fund	<u>(30,000)</u>	<u>(30,000)</u>	0%
Total of Capital Contributions and Transfers to Other Funds	<u>1,169,067</u>	<u>1,119,766</u>	4%
CHANGE IN NET POSITION BEFORE PRIOR PERIOD ADJUSTMENTS	<u>5,044,465</u>	<u>5,054,237</u>	0%
Prior Period Adjustments	<u>-</u>	<u>159,609</u>	
CHANGE IN NET POSITION	<u>\$ 5,044,465</u>	<u>\$ 5,213,846</u>	-3%

**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
MONTHLY STATEMENT OF OPERATIONS
CY 2020 ACTUAL**

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
OPERATING REVENUES:													
Power Sales Revenue	\$ 6,052,935	\$ 5,975,434	\$ 5,543,703	\$ 5,714,009	\$ 4,379,436	\$ 4,328,189	\$ 5,297,712	\$ 6,135,205	\$ 5,843,517	\$ 5,093,429	\$ 5,147,660	\$ 5,947,891	\$ 65,459,120
Utility Occupation Tax	562,005	554,762	514,652	530,081	406,497	401,734	491,801	569,609	542,793	472,636	477,884	552,013	6,076,466
Other Operating Revenues (Note 3)	75,322	268,592	176,343	21,854	33,885	43,687	222,075	194,587	360,378	213,449	72,696	322,025	2,004,894
Total Operating Revenues	6,690,262	6,798,787	6,234,698	6,265,945	4,819,818	4,773,609	6,011,588	6,899,401	6,746,688	5,779,514	5,698,240	6,821,930	73,540,481
OPERATING EXPENSES:													
Power (Net of BPA REP Lookback Credit) (Note 11)	3,515,094	3,007,899	2,956,942	2,877,251	2,794,687	2,768,413	3,161,166	3,259,504	2,972,895	2,997,083	2,426,622	2,925,612	35,663,168
Transmission	449,939	388,740	316,607	300,002	333,490	404,062	437,520	479,851	372,835	313,540	338,437	415,225	4,550,248
Total Purchased Power	3,965,033	3,396,639	3,273,549	3,177,253	3,128,177	3,172,475	3,598,686	3,739,355	3,345,730	3,310,623	2,765,059	3,340,837	40,213,416
Distribution Operations and Maintenance (O&M)													
Distribution - Operations	270,656	376,851	398,021	414,805	267,866	288,428	255,763	296,474	265,514	356,485	293,216	26,412	3,510,490
Distribution - Maintenance	152,170	173,129	141,269	266,017	293,020	270,152	274,294	276,785	252,441	305,358	284,266	180,248	2,869,150
Total Distribution O&M	422,826	549,980	539,290	680,823	560,886	558,581	530,057	573,260	517,955	661,843	577,482	206,660	6,379,640
Customer Accounting													
Meter Reading Expense	43,275	43,338	52,611	71,806	57,959	69,271	72,477	70,414	63,596	80,897	94,298	163,051	882,994
Customer Records & Collections	136,747	152,072	135,578	107,384	104,222	(83,452)	103,990	104,182	104,589	105,107	104,164	106,939	1,181,514
Bad Debt Expense (Note 9)	10,350	10,350	10,350	10,350	10,350	10,350	10,350	10,350	10,350	10,350	10,350	251,409	365,259
Total Customer Accounting	190,373	205,761	198,539	189,540	172,531	(3,831)	186,807	184,946	178,536	196,354	208,812	521,399	2,429,766
Conservation & Customer Service (Note 10)	44,265	145,988	72,519	35,149	31,020	71,293	52,944	69,287	37,535	127,763	45,880	662,589	1,396,233
Administration & General	350,217	223,928	192,213	200,685	199,624	237,292	182,726	173,453	188,842	211,571	174,619	(371,568)	1,963,602
Depreciation	516,173	516,173	516,173	516,173	506,247	506,247	506,247	506,247	506,247	506,247	506,247	506,247	6,114,666
Taxes	807,372	810,225	850,791	775,865	585,614	582,536	706,953	825,813	544,902	474,123	583,728	800,743	8,348,663
Operating Transfer to Equipment Replacement Fund	26,744	26,744	26,744	26,744	26,744	26,744	26,744	26,744	26,744	26,744	26,744	26,744	320,922
Other Operating Expenses (Note 4)	-	1,474	478	477	-	700	-	410	892	364	-	1,368	6,163
Total Non-Power Operating Expenses	2,357,969	2,480,271	2,396,746	2,425,455	2,082,664	1,979,560	2,192,476	2,360,159	2,001,652	2,205,009	2,123,511	2,354,182	26,959,654
Total Operating Expenses	6,323,003	5,876,910	5,670,295	5,602,708	5,210,842	5,152,035	5,791,162	6,099,514	5,347,382	5,515,632	4,888,570	5,695,019	67,173,870
OPERATING INCOME (LOSS):	367,260	921,877	564,403	663,238	(391,024)	(378,426)	220,426	799,887	1,399,306	263,882	809,671	1,126,911	6,367,411
OTHER INCOME :													
Interest Income	43,333	46,408	41,366	25,479	13,353	22,738	15,246	14,551	11,477	15,248	6,545	9,669	265,409
Gain / (Loss) on Fair Market Value (FMV) Adjustment	-	-	-	-	-	-	-	-	-	-	-	(59,671)	(59,671)
Other Income (Note 5)	36,335	86,599	38,454	109,919	23,082	42,734	31,548	106,780	177,246	78,631	45,943	198,923	976,195
City Shops Rental	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	79,668	133,007	79,820	135,397	36,435	65,471	46,794	121,331	188,722	93,879	52,488	148,920	1,181,933
OTHER EXPENSE :													
Interest on Long-Term Debt	259,983	259,983	259,983	259,983	254,287	254,287	254,287	254,287	254,287	254,287	244,689	244,689	3,055,031
Debt Issuance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Bond Discount / Premium	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(23,036)	(276,432)
Amortization of Loss on Reacquired Debt	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	31,458
Other Expenses (Note 6)	69,026	77,868	69,698	90,036	81,738	80,102	69,457	68,254	70,217	98,794	59,614	29,087	863,890
Total Other Expense:	308,594	317,437	309,266	329,604	315,610	313,974	303,329	302,126	304,089	332,666	283,888	253,362	3,673,946
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	138,333	737,447	334,957	469,031	(670,199)	(626,929)	(36,109)	619,091	1,283,940	25,095	578,270	1,022,470	3,875,397
Capital Contributions - Facility Development Fees (Note 7)	39,818	46,649	36,401	81,277	17,986	122,794	67,351	12,790	134,502	24,288	3,343	611,868	1,199,067
Transfers To Broadband Fund	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(30,000)
Total of Capital Contributions and Transfers to Other Funds	37,318	44,149	33,901	78,777	15,486	120,294	64,851	10,290	132,002	21,788	843	609,368	1,169,067
CHANGE IN NET POSITION BEFORE PRIOR PERIOD ADJUSTMENTS	175,651	781,596	368,858	547,808	(654,713)	(506,635)	28,741	629,382	1,415,942	46,883	579,114	1,631,838	5,044,465
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 175,651	\$ 781,596	\$ 368,858	\$ 547,808	\$ (654,713)	\$ (506,635)	\$ 28,741	\$ 629,382	\$ 1,415,942	\$ 46,883	\$ 579,114	\$ 1,631,838	\$ 5,044,465

**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
STATEMENT OF CASH FLOWS
December 31, 2020**

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Year To Date
Cash Flows From Operating Activities													
Receipts from power sales to customers	\$ 7,265,520	\$ 6,618,786	\$ 6,273,325	\$ 5,930,088	\$ 5,642,553	\$ 4,454,315	\$ 4,898,639	\$ 6,271,756	\$ 6,115,495	\$ 6,496,156	\$ 5,011,996	\$ 6,588,057	\$ 71,566,687
Other operating cash receipts	182,154	280,171	256,156	132,647	98,900	92,217	273,829	187,903	557,770	369,760	171,882	312,248	2,915,636
Payments for power	(2,944,289)	(3,510,136)	(3,017,815)	(2,963,856)	(2,882,209)	(2,794,687)	(2,775,920)	(3,169,648)	(3,251,055)	(2,974,458)	(163,095)	(5,266,527)	(35,713,696)
Payment for transmission	(344,146)	(449,939)	(388,740)	(316,607)	(300,002)	(333,490)	(404,062)	(437,520)	(479,851)	(372,835)	-	(651,977)	(4,479,169)
Payments to suppliers	1,096,658	(4,391,321)	(1,290,442)	(2,535,028)	(794,650)	252,102	(2,081,631)	(1,221,004)	(641,619)	(846,039)	(508,357)	(1,184,425)	(14,145,756)
Payments for utility tax	(562,270)	(555,067)	(512,041)	(533,667)	(406,804)	(402,043)	(492,109)	(569,909)	(542,836)	(473,116)	(478,171)	(552,492)	(6,080,525)
Payments to employees	(74,472)	(38,408)	(38,408)	(80,853)	(59,341)	(41,883)	(83,224)	(77,738)	(85,665)	(179,475)	(85,725)	(158,938)	(1,050,864)
Payments for interfund services	(300,003)	(269,903)	(284,719)	(218,631)	(290,666)	11,303	(300,620)	(246,348)	(171,819)	(209,778)	(271,032)	(154,013)	(2,706,226)
Net Cash Provided (Used) by Operating Activities	4,319,153	(2,362,551)	997,316	(585,906)	1,007,781	1,237,834	(965,098)	737,492	1,500,419	1,810,216	3,677,498	(1,068,066)	10,306,087
Cash Flows From Noncapital Financing Activities													
Transfer (to) / from Broadband Fund (Note 13)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(30,000)
Net Cash Used by Noncapital Financing Activities	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(30,000)
Cash Flows From Capital and Related Financing Activities													
Principal Paid on Long-Term Debt	-	-	-	-	-	-	-	-	-	-	(3,045,000)	-	(3,045,000)
Interest Paid on Long-Term Debt	-	-	-	-	(1,434,590)	-	-	-	-	-	(1,525,722)	-	(2,960,313)
Capital Contributions	39,818	46,649	36,401	81,277	17,986	122,794	67,351	12,790	134,502	24,288	3,343	21,654	608,854
Deferred Capital Contributions	27,600	12,000	-	-	-	118,800	-	22,200	66,000	-	-	-	246,600
Capital Contributions Refunded	-	-	-	(187,001)	-	-	-	-	-	-	-	-	(187,001)
Sale of Land	-	3,837	-	-	-	-	-	-	-	-	1,917	-	5,754
Acquisition and Construction of Capital Assets	(506,826)	(418,500)	(1,288,894)	(505,261)	(584,523)	(1,963,253)	(1,000,431)	(606,316)	(319,778)	(670,576)	(527,324)	(2,494,652)	(10,886,333)
Net Cash Provided (Used) by Capital and Related Financing Activities	(439,408)	(356,014)	(1,252,493)	(610,985)	(2,001,127)	(1,721,660)	(933,080)	(571,326)	(119,276)	(646,288)	(5,092,786)	(2,472,997)	(16,217,439)
Cash Flows From Investing Activities													
Interest Received on Investments	43,333	46,408	41,366	25,479	13,353	22,738	15,246	14,551	11,477	15,248	6,545	9,669	265,409
Investments Sold *	15,219,031	-	-	-	-	-	-	-	-	-	-	(124,433)	15,094,598
Investments Purchased *	-	-	-	-	-	-	-	-	-	-	-	(5,699,732)	(5,699,732)
Net Cash Provided (Used) by Investing Activities	15,262,364	46,408	41,366	25,479	13,353	22,738	15,246	14,551	11,477	15,248	6,545	(5,814,496)	9,660,276
Net Change in Cash and Cash Equivalents	19,139,609	(2,674,657)	(216,311)	(1,173,913)	(982,493)	(463,588)	(1,885,433)	178,216	1,390,120	1,176,676	(1,411,243)	(9,358,060)	3,718,924
Cash and Cash Equivalents at Beginning of Period	9,833,971	28,973,580	26,298,923	26,082,611	24,908,699	23,926,206	23,462,618	21,577,185	21,755,401	23,145,522	24,322,197	22,910,955	9,833,971
Cash and Cash Equivalents at End of Period	\$ 28,973,580	\$ 26,298,923	26,082,611	\$ 24,908,699	\$ 23,926,206	\$ 23,462,618	\$ 21,577,185	\$ 21,755,401	\$ 23,145,522	\$ 24,322,197	\$ 22,910,955	\$ 13,552,895	\$ 13,552,895
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities													
Net Operating Income	\$ 367,260	\$ 921,877	\$ 564,403	\$ 663,238	\$ (391,024)	\$ (378,426)	\$ 220,426	\$ 799,887	\$ 1,399,306	\$ 263,882	\$ 809,671	\$ 1,126,911	\$ 6,367,411
Adjustments to reconcile net operating income to net cash provided by operating activities:													
Depreciation & Amortization	516,173	516,173	516,173	516,173	506,247	506,247	506,247	506,247	506,247	506,247	506,247	506,247	6,114,666
Accrued Pension Expense	-	-	-	-	-	-	-	-	-	-	-	(651,082)	(651,082)
Other Income, Net	(32,691)	4,894	(31,244)	19,883	(58,655)	(37,368)	(37,908)	38,526	107,029	(20,163)	(15,587)	760,050	696,766
Changes in operating assets and liabilities:													
(Increase) / Decrease in Receivables	662,504	44,117	203,328	(253,771)	909,510	(328,163)	(895,740)	(538,414)	(128,202)	993,475	(564,621)	371,677	475,701
(Increase) / Decrease in Inventory	(28,930)	226,792	(235,092)	(842,911)	(82,297)	(3,653)	(209,180)	(44,856)	(4,393)	262,344	130,065	165,829	(666,281)
(Increase) / Decrease in Prepaid Expenses	(121,683)	6,122	10,874	11,081	11,740	6,122	16,039	2,599	2,655	11,081	6,067	(3,223)	(40,525)
Increase / (Decrease) in Power & Transmission AP	658,189	(558,478)	(132,800)	(103,210)	(54,034)	49,256	413,746	140,669	(388,667)	(36,630)	2,595,964	(2,577,667)	6,338
Increase / (Decrease) in Accounts Payable	2,308,809	(3,549,946)	76,536	(620,310)	67,887	1,177,326	(1,022,584)	(253,324)	(24,813)	(173,787)	163,528	(295,649)	(2,146,326)
Increase / (Decrease) in Accrued Wages	(5,208)	-	-	-	-	-	-	-	-	-	-	159,662	154,454
Increase / (Decrease) in Prepaid Leases	-	-	-	-	-	-	-	-	-	-	-	(5,034)	(5,034)
(Increase) / Decrease in Deferred Charges	(5,269)	25,898	25,137	23,921	98,407	246,493	43,856	86,158	31,257	3,767	46,164	(625,788)	0
Net Cash Provided (Used) by Operating Activities	\$ 4,319,153	\$ (2,362,551)	\$ 997,316	\$ (585,906)	\$ 1,007,781	\$ 1,237,834	\$ (965,098)	\$ 737,492	\$ 1,500,419	\$ 1,810,216	\$ 3,677,498	\$ (1,068,066)	\$ 10,306,087
Contribution of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,214	\$ 590,214

* The Electric Utility's cash is invested along with the City's cash in pooled investments. Pooled cash and investments are maintained in a separate fund for investment and are shown in individual funds as purchased on December 31 and sold on January 1. The rest of the year pooled cash and investments are shown as a component of cash and cash equivalents on interim cash flow statements.

City of Richland, Washington
 Electric Utility
 Notes to the Financial Statements
 December 31, 2020

1. The construction allowance is the portion of line extension costs paid for by the Utility, assuming the expected number of permanent connections to the system result. The developer bears the full cost of the line extension up front, and the Utility pays its portion by refunding the developer based on the number of permanent connections to the line extension over a five-year period.

The refundable portion of fees collected is a deposit to guarantee connections to the line extension. Deposits are not characterized as revenue. Instead, a Deferred Revenue: Facility Fee Deposits account is included in the liability section of the balance sheet to offset the cash balance of these potentially refundable amounts. Five years from the date the line extension is energized, unused deposits expire and are recognized as revenue.

Reported separately from these traditional line extension projects are large, customer requested projects, facilitating customer specific needs as opposed to improvements to the utility system as a whole. Customer payments are received in advance and are recorded as Facility Development Fees - Large Projects with an offset to Unearned Facility Fee Revenue. Cash is depleted and fees are reclassified as revenue when expenses are incurred by the Utility.

Year-to-date facility fees collected from customers totaled \$855,454 of which \$608,854 was recognized as revenue and \$246,600 represents refundable construction allowances recorded as unearned revenue.

2. Deferred outflows of resources represent expenses of the Utility that apply to future periods. The primary purpose of the deferred outflow of resources accounts is to accumulate expenditures that are to be recognized in future periods or allocated to more than one account number. Deferred outflow of resources includes unamortized loss on reacquired bond debt. Other Deferred Debits includes clearing accounts that are used to hold warehousing, overhead, and equipment costs pending final allocation.

GASB Statement 68, *Accounting and Financial Reporting for Pensions*, requires reporting the fund's proportionate share the State's retirement plan net pension assets and liabilities. Other Deferred Debits also includes contributions after the State retirement plan measurement date and Other Deferred Credits include the net difference between projected and actual investments earnings on pension plan investments.

3. Other Operating Revenue includes the items listed below, with year-to-date comparisons to the prior year.

Other Operating Revenue YTD Through:	December 2020	December 2019	Difference
Permanent Service Fees	\$ 262,275	\$ 244,437	\$ 17,838
New Account Fees	85,695	82,035	3,660
Rewire / Charges to Repair Damage	63,059	69,571	(6,512)
Delinquent Account Fees	56,699	338,353	(281,654)
Disconnect Fees	50,092	242,239	(192,147)
Pole Contracts	100,864	100,864	-
BPA - Conservation Program (EEI)	692,908	919,488	(226,580)
COVID Assistance	519,127	-	519,127
Other	174,176	134,117	40,060
Total Other Operating Revenue	\$ 2,004,894	\$ 2,131,104	\$ (126,209)

4. Other Operating Expenses as reported on the Comparative Statement of Operations consist of power costs paid to Benton PUD for three customer accounts provided power through the Benton PUD system.

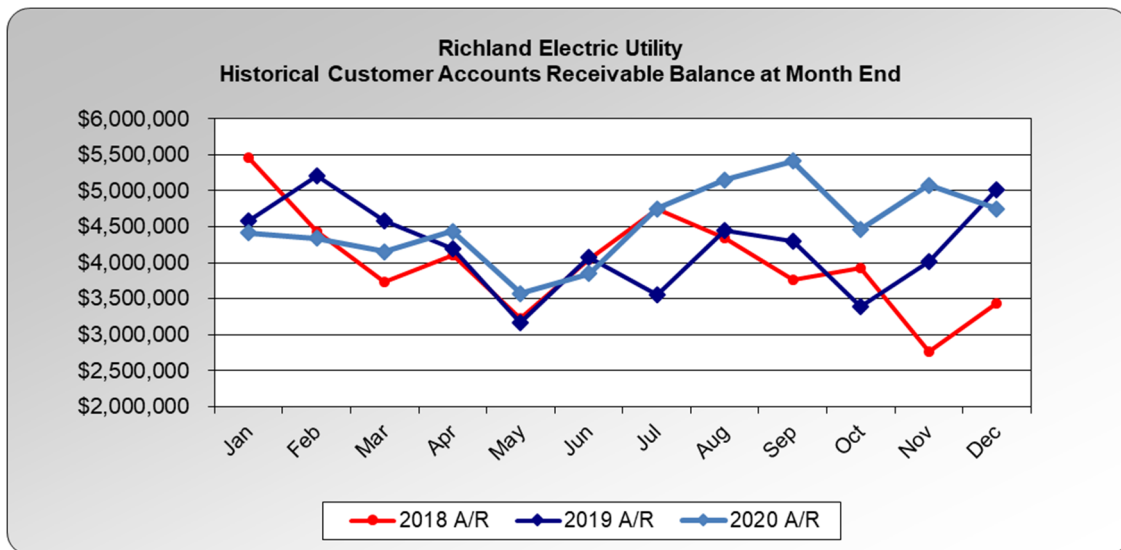
City of Richland, Washington
 Electric Utility
 Notes to the Financial Statements
 December 31, 2020

5. Other Income as reported on the Comparative Statement of Operations includes Federal interest subsidies received relative to 2009 Build America Bonds issued as well as the following revenue sources:

Other Income YTD Through:	December 2020	December 2019	Difference
Interest Collected on Conservation Loan Payments	\$ 51,894	\$ 57,290	\$ (5,396)
BPA - Conservation Admin Fee	158,640	49,929	108,711
Meter Reading Revenue	244,374	280,715	(36,341)
Work Performed for City Departments	494,482	577,174	(82,691)
Gain / (Loss) on Land sales and Disposition of Assets	20,825	73,407	(52,583)
Other	5,981	189,001	(183,020)
Total Other Income	\$ 976,195	\$ 1,227,516	\$ (251,321)

Other Income also includes revenues allocated to the Electric Utility for its share of Horn Rapids Industrial Park sale proceeds. In 1982, work was undertaken by the City to develop the Horn Rapids Industrial Park, Phase One. Proceeds from the sale of land at Horn Rapids Industrial Park are allocated to City Utility Funds from the Industrial Development Fund based on each utility's proportionate share of total improvement costs. The remaining maximum reimbursement due to the Electric Utility, contingent upon sale of Horn Rapids Industrial Park Phase One property as of December 2020 is \$154,960.

6. The Other Expenses reported on the Comparative Statement of Operations includes the cost of Non-Electric Utility Operations work. Some of the Non-Utility Operations costs are those charged to other City departments through the Interdepartmental Billing (IDB) process.
7. The Electric Utility recognized \$49,285 in facility development fee revenue (capital contributions) in the fourth quarter of 2020. According to Governmental Accounting Standard Board (GASB) Statement No. 33, capital contributions from external sources are to be recognized as revenue in the current year rather than as a direct increase to contributed capital. Year-to-date facility development fee revenue of \$608,853 is comprised of fees paid during the year.
8. The outstanding utility accounts receivable balance, net of allowance for doubtful accounts at December 31, 2020, is \$4,746,381. This represents a \$665,952 decrease from the previous quarter. The following graph presents month-end customer accounts receivable balances during the last three calendar years.



City of Richland, Washington
 Electric Utility
 Notes to the Financial Statements
 December 31, 2020

Write-offs, recoveries, and accounts receivable balances for the year-to-date, with prior year comparisons are as follows:

Accounts Receivable YTD Through:	December 2020	December 2019	Difference
Write-Offs	\$ 216,422	\$ 70	\$ 216,353
Recoveries	12,573	8,259	4,314
Balance	\$ 4,746,381	\$ 5,011,974	\$ (265,594)

9. Customer Accounting Expense includes bad debt expense. Customer accounts receivable are written off using the allowance method as prescribed by generally accepted accounting principles. Under this method, the projected uncollectible portion of customer accounts receivable is presented on the balance sheet based on a study of prior years' actual write-offs. Uncollectible accounts are written off against this estimated allowance rather than to bad debt expense. The monthly expense is 1/12 of the estimated annual allowance. Periodically, actual write-offs as a percentage of billings are analyzed, and the allowance is adjusted with an offset to bad debts expense, or the monthly entry may be temporarily suspended if the allowance becomes too high.
10. Conservation expenses may vary greatly from month-to-month and from budgeted amounts, as expenses for conservation supplies, educational materials, and payment of incentives to customers do not follow a regular schedule. In the fourth quarter of 2020, a total of \$769,280 was spent on ductless heat pumps, windows, insulation and conservation programs. Year-to-date expenses on conservation measures total \$1,186,296.
11. In 2008, the Electric Utility received Residential Exchange Program (REP) payments totaling \$3,662,901 from the Bonneville Power Administration (BPA) as part of a return to public utilities of wholesale power overcharges during fiscal years 2007-2008. An additional payment of \$204,686 was received in November 2009. Between May 2009 and June 2010 \$3,740,631 of the proceeds were utilized to reduce customers' bills through a monthly billing credit program. Due to the nature of the billing schedule and billing software design, an exact cutoff of the credit sufficient to bring the balance to zero was not possible.

In addition to the above payments, BPA applies a "look-back" credit to Richland's monthly wholesale power bills. This is a return of overcharges related to the REP program in years prior to 2007. These billing credits reimburse for overcharges during fiscal years 2001-2006. Following recent industry negotiations, the monthly credit changed from \$98,575 to \$98,427 and should remain at this level through September 2020. The related settlement agreement resolves issues associated with overcharge reimbursement while limiting the amount of REP payments to Investor Owned Utilities (IOUs). The look-back credit is reported as a net of purchased power to be consistent.

12. Bond ordinances require either maintenance of a cash Bond Reserve or purchase of bond insurance with an AAA rated provider in order to ensure debt is serviced in the event of financial hardship. The utility has historically purchased bond sureties to fulfill this requirement. However, due to the current economic climate, none of the surety companies currently enjoy an AAA rating. As a result, the utility funded a Bond Reserve, in 2008, in order to stay in compliance until the bond surety companies' ratings recover. The bond reserve was initially funded using \$993,000 in Facility Fee cash and \$2,111,575 in unrestricted cash. The amount of the bond reserve is adjusted annually and when additional debt is issued.
13. Monthly transfers to the Broadband Fund are presented in the financial statements as non-operating transfers to other funds.

**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
COMPARATIVE REVENUE AND CONSUMPTION
FOR THE PERIOD ENDED
December 2020**

	CURRENT		VARIANCE	% VARIANCE	2020 - 2019	2020 YEAR	2020 - 2019
<u>POWER SALE REVENUE (Net of City Utility Tax):</u>	<u>QUARTER</u>	<u>BUDGET</u>	<u>FROM BUDGET</u>	<u>FROM BUDGET</u>	<u>CURRENT QTR.</u>	<u>TO</u>	<u>YTD</u>
					<u>(+/-)</u>	<u>DATE</u>	<u>(+/-)</u>
Residential	\$ 7,776,072	\$ 6,262,551	\$ 1,513,521	24%	\$ 124,223	\$ 31,806,860	\$ (323,848)
Small General Service	1,520,441	1,499,614	20,827	1%	(30,420)	6,105,190	(282,648)
Medium General Service	2,139,300	1,815,456	323,844	18%	(192,673)	8,585,150	(312,152)
Large General Service	2,225,342	2,105,472	119,870	6%	77,501	8,516,233	(782,818)
Small Industrial	798,364	369,451	428,913	116%	95,689	3,153,454	760,431
Large Industrial	1,303,595	1,375,263	(71,668)	-5%	(215,176)	5,465,610	(386,023)
Small Irrigation	30,593	35,277	(4,684)	-13%	(962)	124,464	(420)
Large Irrigation	243,414	169,021	74,393	44%	24,481	1,129,259	100,933
Cable TV Amp	14,843	14,338	505	4%	4,038	47,257	4,038
Street Lighting	94,057	90,294	3,763	4%	3,793	357,855	(3,408)
Rental Lighting	32,529	33,700	(1,171)	-3%	(1,239)	128,462	(6,016)
Traffic Lights	10,431	7,922	2,509	32%	445	39,326	921
TOTAL POWER SALE REVENUE:	\$ 16,188,981	\$ 13,778,359	\$ 2,410,622	17%	\$ (110,301)	\$ 65,459,120	\$ (1,231,010)
<u>CONSUMPTION (kWh):</u>							
Residential	84,190,765	84,514,859	(324,094)	0%	1,515,381	348,079,140	(18,985,131)
Small General Service	19,329,516	22,482,961	(3,153,445)	-14%	(543,878)	78,487,194	(7,912,766)
Medium General Service	35,037,491	42,417,190	(7,379,699)	-17%	(3,441,034)	144,758,487	(10,687,473)
Large General Service	39,466,620	49,193,262	(9,726,642)	-20%	(915,000)	154,100,860	(19,529,210)
Small Industrial	14,377,600	8,632,023	5,745,577	67%	2,729,600	55,851,200	12,718,200
Large Industrial	23,587,200	32,512,125	(8,924,925)	-27%	7,939,200	100,512,000	37,772,400
Small Irrigation	477,923	542,716	(64,793)	-12%	(7,423)	1,662,961	5,980
Large Irrigation	3,385,143	3,949,081	(563,938)	-14%	347,935	16,546,544	1,373,594
Cable TV Amp	288,797	259,283	29,514	11%	64,958	960,314	64,958
Street Lighting	1,276,011	1,427,940	(151,929)	-11%	275,938	4,008,384	189,305
Rental Lighting	210,972	277,501	(66,529)	-24%	(36,475)	714,016	(46,468)
Traffic Lights	103,929	121,309	(17,380)	-14%	5,860	381,215	(7,221)
TOTAL CONSUMPTION (kWh):	221,731,967	246,330,250	(24,598,283)	-10%	7,935,062	906,062,315	(5,043,832)
<u>METERED DEMAND (kW):</u>							
Residential	967	-	967		(620)	14,211	10,125
Small General Service	53,243	-	53,243		(2,952)	212,919	(21,394)
Medium General Service	102,326	128,419	(26,093)		(8,964)	399,905	(27,435)
Large General Service	83,225	112,974	(29,749)		(3,122)	320,119	(48,590)
Small Industrial	28,045	16,581	11,464		(3,369)	116,489	26,078
Large Industrial	53,814	68,284	(14,470)		20,729	217,940	86,094
Small Irrigation	1,697	-	1,697		46	5,207	85
Large Irrigation	13,026	14,099	(1,073)		1,291	53,552	4,645
TOTAL METERED DEMAND (kW):	336,343	340,357	(4,014)		3,039	1,340,342	29,608

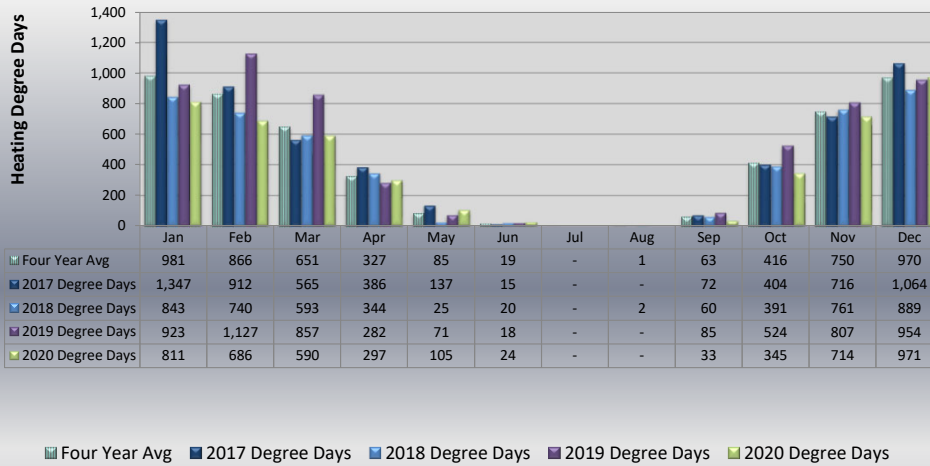
**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
COMPARATIVE REVENUE AND CONSUMPTION
FOR THE PERIOD ENDED
December 2020**

	CURRENT QUARTER	QUARTERLY BUDGET	% VARIANCE FROM BUDGET	MONTHLY AVERAGE		% VARIANCE FROM BUDGET
				Y-T-D	Y-T-D	
				ACTUAL	BUDGET	
<u>POWER SALE REVENUE PER METER:</u>						
(Net of Utility Tax)						
Residential	\$ 313	\$ 248	21%	\$ 107	\$ 87	19%
Small General Service	627	600	4%	212	195	8%
Medium General Service	7,061	5,586	21%	2,295	1,807	21%
Large General Service	41,470	33,693	19%	12,962	10,035	23%
Small Industrial	126,823	93,039	27%	34,277	30,876	10%
Large Industrial	434,532	432,484	0%	151,822	133,012	12%
Small Irrigation	360	413	-15%	123	122	1%
Large Irrigation	11,391	6,596	42%	4,499	2,634	41%
Cable TV Amp	14,843	14,338	3%	3,938	4,371	-11%
Street Lighting	94,057	90,294	4%	29,821	29,853	0%
Rental Lighting	81	84	-4%	27	26	1%
Traffic Lights	186	140	25%	59	41	31%
System Average Per Meter	<u>\$ 573</u>	<u>563</u>	2%	<u>\$ 193</u>	<u>\$ 159</u>	18%
<u>POWER SALE REVENUE PER KILOWATT HOUR:</u>						
	(\$/kWh)	(\$/kWh)		(\$/kWh)	(\$/kWh)	
(Net of Utility Tax)						
Residential	\$ 0.2790	\$ 0.2223	20%	\$ 0.0914	\$ 0.0741	19%
Small General Service	0.2358	0.2001	15%	0.0778	0.0667	14%
Medium General Service	0.1832	0.1284	30%	0.0593	0.0428	28%
Large General Service	0.1692	0.1284	24%	0.0553	0.0428	23%
Small Industrial	0.1667	0.1284	23%	0.0565	0.0428	24%
Large Industrial	0.1660	0.1269	24%	0.0544	0.0423	22%
Small Irrigation	0.1934	0.1950	-1%	0.0748	0.0650	13%
Large Irrigation	0.2764	0.1284	54%	0.0682	0.0428	37%
Cable TV Amp	0.1532	0.1659	-8%	0.0492	0.0553	-12%
Street Lighting	0.2223	0.1959	12%	0.0893	0.0855	4%
Rental Lighting	0.4648	0.3744	19%	0.1799	0.1561	13%
Traffic Lights	0.3022	0.1959	35%	0.1032	0.0653	37%
System Average Per Meter	<u>\$ 0.0730</u>	<u>\$ 0.0559</u>	23%	<u>\$ 0.0722</u>	<u>\$ 0.0567</u>	22%
<u>KILOWATT HOURS PER METER:</u>						
	(kWh)	(kWh)		(kWh)	(kWh)	
Residential	3,384	3,353	1%	1,166	1,169	0%
Small General Service	7,966	9,003	-13%	2,725	2,929	-8%
Medium General Service	115,645	130,507	-13%	38,695	42,228	-9%
Large General Service	735,541	787,215	-7%	234,552	234,462	0%
Small Industrial	2,284,229	2,173,803	5%	607,078	721,407	-19%
Large Industrial	7,862,400	10,224,205	-30%	2,792,000	3,144,489	-13%
Small Irrigation	5,623	6,354	-13%	1,642	1,877	-14%
Large Irrigation	158,950	154,114	3%	65,922	61,540	7%
Cable TV Amp	288,797	259,283	10%	80,026	79,044	1%
Street Lighting	1,276,011	1,427,940	-12%	334,032	349,268	-5%
Rental Lighting	527	694	-32%	149	169	-14%
Traffic Lights	1,856	2,148	-16%	573	623	-9%
System Average Per Meter	<u>2,618</u>	<u>2,836</u>	-8%	<u>2,677</u>	<u>2,812</u>	-5%

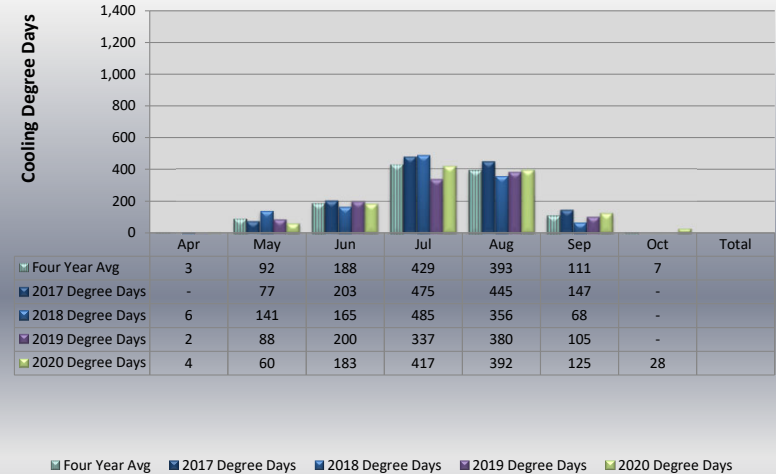
City of Richland, Washington Electric Utility December 31, 2020

Climatological Data From Hanford Meteorology Station Located 25 Miles N.W. of Richland, WA

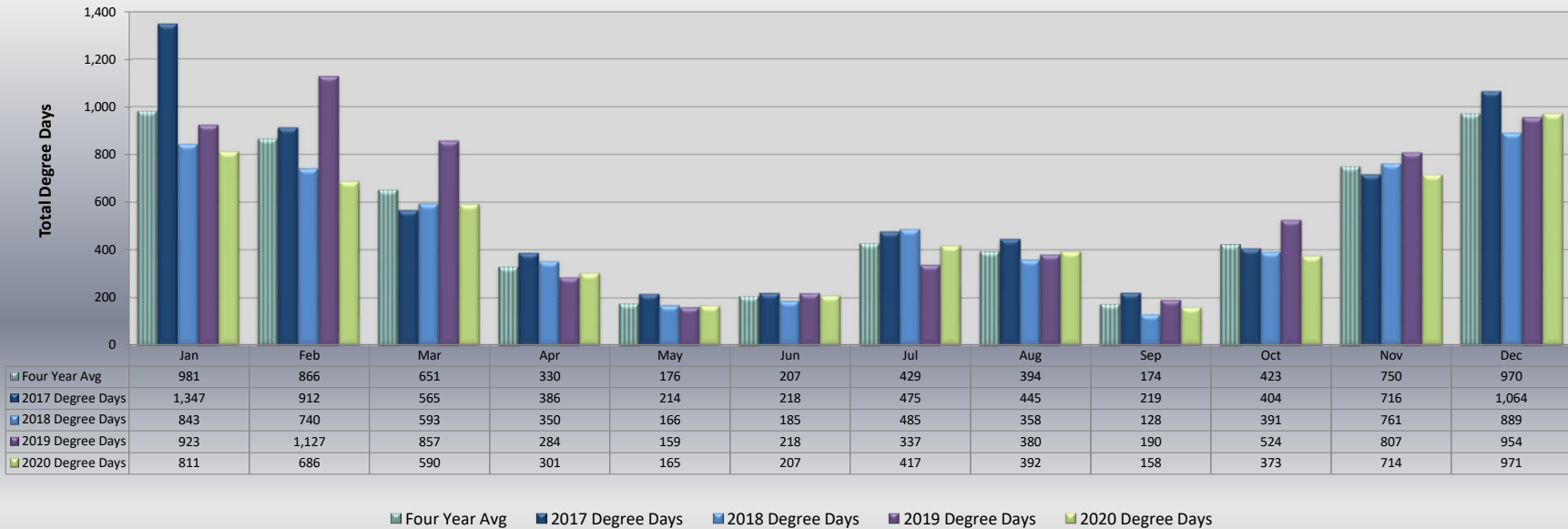
Heating Degree Days By Month



Cooling Degree Days By Month



Total Degree Days By Month



Degree days are indicators of how much energy a typical household will use for heating or cooling. Degree days are based on the assumption that when the outside temperature is 65° F, a household would not need heating or cooling to be comfortable. An increase in heating or cooling degrees days correlates with increased energy consumption. Degree days are the difference between the average daily temperature and 65° F. Cooling degree days result when the daily temperature average is above 65° F. Heating degree days result when the daily temperature average is below 65° F.

**CITY OF RICHLAND, WASHINGTON
ELECTRIC UTILITY
DETAILED REVENUE SHEET
CY 2020 ACTUAL**

REVENUES

Acct. No	Account Title	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Year To Date
41900	Interest Income	(42,681.07)	(45,829.89)	(40,929.68)	(25,273.34)	(12,728.28)	(22,579.58)	(15,097.74)	(14,424.42)	(11,386.88)	(11,106.74)	(6,437.31)	(9,474.88)	(257,948.81)
41900	(Gain)/Loss on Fair Market Value (FMV) Adjustment	-	-	-	-	-	-	-	-	-	-	-	59,671.44	59,671.44
41910	Interest (Consv Loan Int Payments)	(4,547.38)	(1,385.78)	(6,917.93)	(4,402.67)	(4,259.02)	(4,415.90)	(4,414.77)	(4,365.47)	(4,334.02)	(4,382.06)	(4,287.09)	(4,181.92)	(51,894.01)
41911	Interest on Conservation Loan Investment	(447.27)	(408.25)	(336.48)	(205.22)	(129.80)	(93.35)	(81.05)	(66.88)	(51.99)	(48.69)	(40.72)	(40.76)	(1,950.46)
41912	Other Interest Thru Collection Agency	(204.17)	(169.50)	(99.34)	-	(494.88)	(64.71)	(66.76)	(59.41)	(37.70)	(4,092.73)	(66.69)	(152.93)	(5,508.82)
41920	BPA - Conservation Admin Fee	-	(45,507.23)	(9,863.33)	(2,953.80)	-	-	(8,820.17)	(38,122.02)	(39,659.39)	(3,519.22)	(6,333.26)	(3,861.21)	(158,639.63)
41921	BPA - Conservation Program (EEI)	(560.00)	(147,068.04)	(89,580.05)	(31,689.83)	(2,400.00)	(9,061.90)	(150,371.55)	(72,737.00)	(62,914.54)	(45,961.95)	(31,666.32)	(48,896.46)	(692,907.64)
42100	Miscellaneous Revenue	-	(1,440.61)	(14,937.23)	(1,547.55)	(403.41)	-	(13,931.63)	(131.82)	(3,137.73)	(160.40)	-	-	(35,990.95)
43902	Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
44000	Electric Utility Tax	(562,004.71)	(554,761.62)	(514,652.17)	(530,081.36)	(406,497.16)	(401,733.57)	(491,800.79)	(569,608.99)	(542,792.53)	(472,636.09)	(477,884.17)	(552,013.27)	(6,076,466.43)
44010	Energy: Residential	(3,430,343.78)	(2,937,380.23)	(2,890,160.70)	(2,895,011.13)	(1,932,574.23)	(1,768,945.26)	(2,490,279.02)	(3,070,007.05)	(2,616,086.64)	(2,263,776.17)	(2,317,218.95)	(3,195,076.46)	(31,806,859.62)
44210	General Service	282.52	-	-	-	-	-	-	-	-	-	-	-	282.52
44211	Small Gen Service	(587,652.55)	(596,506.93)	(525,053.04)	(500,705.52)	(391,242.92)	(422,708.37)	(491,882.02)	(524,200.56)	(545,079.37)	(475,115.41)	(506,275.19)	(539,050.15)	(6,105,472.03)
44212	Medium Gen Service	(660,747.90)	(863,163.66)	(720,437.17)	(707,694.30)	(615,551.66)	(595,516.90)	(697,430.88)	(774,898.01)	(810,409.27)	(697,322.42)	(716,428.94)	(725,548.74)	(8,585,149.85)
44213	Large Gen Service	(585,852.59)	(728,307.12)	(626,638.04)	(659,879.86)	(629,590.92)	(657,872.90)	(704,533.01)	(836,421.67)	(861,794.65)	(754,802.36)	(744,937.60)	(725,602.01)	(8,516,232.73)
44215	Cable TV Amp	(3,601.65)	(3,601.65)	(3,601.65)	(3,601.65)	(3,601.65)	(3,601.65)	(3,601.65)	(3,601.65)	(3,601.65)	(5,620.47)	(3,601.65)	(5,620.47)	(47,257.44)
44221	Small Industrial	(228,598.56)	(259,974.71)	(251,170.26)	(322,925.70)	(241,770.33)	(236,154.48)	(280,312.83)	(219,767.69)	(314,415.57)	(282,411.18)	(253,983.06)	(261,970.12)	(3,153,454.49)
44222	Large Industrial	(508,740.76)	(541,246.20)	(482,275.96)	(513,202.53)	(408,380.19)	(447,692.57)	(392,019.98)	(442,137.63)	(426,318.51)	(399,524.59)	(465,742.69)	(438,328.08)	(5,465,609.69)
44225	Large Irrigation	(1,197.50)	(1,264.52)	(1,409.60)	(52,479.04)	(102,446.28)	(143,111.88)	(178,746.85)	(202,152.96)	(203,036.37)	(151,032.72)	(85,251.84)	(7,129.11)	(1,129,258.67)
44230	Small Irrigation	(1,672.25)	(974.96)	(652.34)	(13,974.95)	(11,378.12)	(11,540.79)	(16,321.02)	(18,106.86)	(19,250.11)	(18,409.71)	(9,138.62)	(3,044.51)	(124,464.24)
44410	Street Lighting	(30,446.34)	(28,482.06)	(27,926.71)	(29,859.60)	(29,777.10)	(28,297.80)	(29,241.06)	(29,557.57)	(30,210.00)	(31,250.48)	(31,269.08)	(31,537.54)	(357,855.34)
44420	Traffic Lighting	(3,416.95)	(3,794.38)	(3,493.48)	(3,224.05)	(3,264.02)	(2,896.31)	(2,886.06)	(2,912.70)	(3,007.45)	(3,229.01)	(3,410.42)	(3,791.64)	(39,326.47)
45100	Misc Service Revenue	(675.00)	(450.00)	(675.00)	-	(225.00)	-	(900.00)	(675.00)	(675.00)	(450.00)	(900.00)	(106,843.22)	(112,468.22)
45110	New Accounts	(6,090.00)	(6,675.00)	(8,820.00)	(4,590.00)	(9,630.00)	(7,425.00)	(6,990.00)	(2,670.00)	(9,810.00)	(2,010.00)	(7,455.00)	(13,530.00)	(85,695.00)
45120	Reimb Loan Service Fees	(351.00)	(2,313.00)	(1,993.00)	(1,083.00)	(611.00)	(3,584.00)	(980.00)	(1,477.00)	(490.00)	(2,826.00)	(714.00)	(9,295.32)	(25,717.32)
45122	Permanent Service Fees	(24,893.11)	(27,077.65)	(23,879.31)	(3,008.73)	(17,250.12)	(20,175.00)	(30,617.87)	(28,190.00)	(18,620.00)	(20,575.00)	(20,126.61)	(27,861.30)	(262,274.70)
45123	Damages & Claims	-	(1,109.22)	-	-	(3,891.47)	-	-	-	-	(7,321.68)	-	-	12,322.37
45124	Rewires & Underground Conversion	-	(37,818.24)	(1,304.49)	(670.16)	(404.54)	-	-	(1,009.82)	(1,024.81)	(1,869.27)	(8,348.57)	(10,609.21)	(63,059.11)
45125	Facilities Fees	(39,818.03)	(46,648.83)	(36,401.18)	(81,277.18)	(17,986.10)	(122,793.86)	(67,350.74)	(12,790.24)	(134,502.04)	(24,287.83)	(3,343.27)	(21,654.38)	(608,853.68)
45126	Contributed Capital (NonCash)	-	-	-	-	-	-	-	-	-	-	-	(590,213.68)	(590,213.68)
45150	Disconnect/Reconnect Fees	(21,925.00)	(16,225.00)	(9,700.00)	200.00	(50.00)	(150.00)	(100.00)	-	(200.00)	100.00	(100.00)	(150.00)	(48,300.00)
45152	Operations Disconnect/Rec Fees	-	(1,692.19)	-	-	-	(100.00)	-	-	-	-	-	-	(1,792.19)
45154	Delinquent Account Fees	(20,828.35)	(26,722.64)	(25,454.00)	20,534.80	980.20	(5,142.80)	(18,184.40)	15,119.00	7,651.80	(177.81)	(3,385.20)	(1,089.40)	(56,698.80)
45160	Rental Lights Contract	(10,946.97)	(10,737.27)	(10,883.92)	(11,450.94)	(9,858.09)	(9,849.75)	(10,457.40)	(11,440.65)	(10,307.86)	(10,934.59)	(10,402.22)	(11,192.46)	(128,462.12)
45170	Land Sales	-	(3,836.89)	-	-	-	-	-	-	-	-	(1,916.64)	-	(5,753.53)
45440	Pole Contacts-Telecable	-	-	-	-	-	1,952.00	-	(102,815.50)	-	-	-	-	(100,863.50)
45602	BAB Federal Interest Subsidy	-	-	-	(947.11)	-	-	-	-	-	-	-	-	(947.11)
45603	COVID Assistance	-	-	-	-	-	-	-	-	(271,157.92)	(132,196.52)	-	(115,772.22)	(519,126.66)
45610	Gain/Loss on Sale of Scrapped Assets	(5,162.32)	(1,551.47)	-	(733.14)	(496.65)	-	(312.62)	(1,524.67)	(969.88)	-	-	(4,320.32)	(15,071.07)
45629	Meter Reading Revenue	(26,625.36)	(22,086.38)	(21,672.98)	(17,190.99)	(18,326.75)	(25,916.80)	(18,000.91)	(18,352.05)	(15,001.54)	(20,365.29)	(21,038.55)	(19,796.32)	(244,373.92)
45630	Work For City Depts	-	(12,231.13)	-	(83,691.15)	-	-	-	(44,415.75)	(117,281.05)	(50,364.54)	(12,367.86)	(161,729.76)	(494,482.39)
45654	Land Lease	-	-	-	-	-	-	-	-	-	-	-	-	(5,033.71)
TOTAL REVENUES		(6,809,748.05)	(6,978,442.25)	(6,350,919.04)	(6,482,619.70)	(4,874,239.49)	(4,961,874.28)	(6,125,732.78)	(7,033,522.04)	(7,069,912.67)	(5,897,680.93)	(5,754,071.52)	(7,582,718.32)	(75,921,481.07)

