



**Lodi Energy Center Project Participant Committee**

**LEC Financial Reports**

AGENDA ITEM NO.: 8

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**Date:** November 13, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** October 31, 2017 Financial Reports (Unaudited)

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**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENTS OF NET POSITION  
UNAUDITED**

	October	
	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 71,843	\$ 71,419
Interest receivable	167	26
Inventory and supplies - at average cost	2,110,855	1,877,526
Prepaid insurance	52,002	(22,686)
Due from (to) Agency, net	19,584,516	11,458,025
<b>TOTAL CURRENT ASSETS</b>	<b>21,819,383</b>	<b>13,384,310</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents	3,850,609	7,634,469
Investments	30,413,312	26,414,966
Interest receivable	119,049	69,626
<b>TOTAL RESTRICTED ASSETS</b>	<b>34,382,970</b>	<b>34,119,061</b>
<b>ELECTRIC PLANT</b>		
Electric plant in service	423,725,092	423,561,369
Less: accumulated depreciation	(71,811,564)	(57,202,824)
	351,913,528	366,358,545
Construction work-in-progress	107,024	102,031
<b>TOTAL ELECTRIC PLANT</b>	<b>352,020,552</b>	<b>366,460,576</b>
<b>OTHER ASSETS</b>		
Regulatory assets	22,193,211	19,989,371
<b>TOTAL OTHER ASSETS</b>	<b>22,193,211</b>	<b>19,989,371</b>
<b>TOTAL ASSETS</b>	<b>\$ 430,416,116</b>	<b>\$ 433,953,318</b>

**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENTS OF NET POSITION  
UNAUDITED**

	October	
	2017	2016
<b>LIABILITIES &amp; NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts and retentions payable	\$ 3,490,081	\$ 702,052
Operating reserves	13,040,781	11,913,561
Current portion of long-term debt	10,355,000	9,950,000
Accrued interest payable	6,677,891	6,842,834
<b>TOTAL CURRENT LIABILITIES</b>	<b>33,563,753</b>	<b>29,408,447</b>
<b>NON-CURRENT LIABILITIES</b>		
Operating reserves and other deposits	1,715,980	1,715,391
Long-term debt, net	340,796,994	351,623,812
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>342,512,974</b>	<b>353,339,203</b>
<b>TOTAL LIABILITIES</b>	<b>376,076,727</b>	<b>382,747,650</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Regulatory credits	41,913,592	42,842,261
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	(18,851,823)	(16,076,689)
Restricted	13,955,553	16,224,140
Unrestricted	17,322,067	8,215,956
<b>TOTAL NET POSITION</b>	<b>12,425,797</b>	<b>8,363,407</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 430,416,116</b>	<b>\$ 433,953,318</b>

**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENT OF REVENUES, EXPENSES  
& CHANGES IN NET POSITION  
UNAUDITED**

	Four Months Ended October	
	2017	2016
<b>SALES FOR RESALE</b>		
Participants	\$ 11,825,341	\$ 11,665,682
Other	20,879,196	7,493,160
<b>TOTAL SALES FOR RESALE</b>	<b>32,704,537</b>	<b>19,158,842</b>
<b>OPERATING EXPENSES</b>		
Operations	13,002,103	6,278,171
Depreciation	4,870,186	4,868,400
Purchased power	1,833,367	1,104,865
Maintenance	1,163,858	1,264,543
Administrative and general	1,553,795	1,388,951
Transmission	449,042	219,349
Intercompany (sales) purchases	92,864	75,505
<b>TOTAL OPERATING EXPENSES</b>	<b>22,965,215</b>	<b>15,199,784</b>
<b>NET OPERATING REVENUES</b>	<b>9,739,322</b>	<b>3,959,058</b>
<b>OTHER REVENUES (EXPENSES)</b>		
Interest expense	(5,200,604)	(5,304,628)
Interest income	248,401	45,031
Other	890,311	5,864,933
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<b>(4,061,892)</b>	<b>605,336</b>
<b>FUTURE RECOVERABLE AMOUNTS</b>	<b>540,757</b>	<b>831,542</b>
<b>REFUNDS TO PARTICIPANTS</b>	<b>(21)</b>	<b>(14)</b>
<b>INCREASE IN NET POSITION</b>	<b>6,218,166</b>	<b>5,395,922</b>
<b>NET POSITION</b>		
Beginning of year	6,207,631	2,967,485
End of period	\$ 12,425,797	\$ 8,363,407

**Lodi Energy Center  
FY 2018 Operating Costs  
As of October 31, 2017**

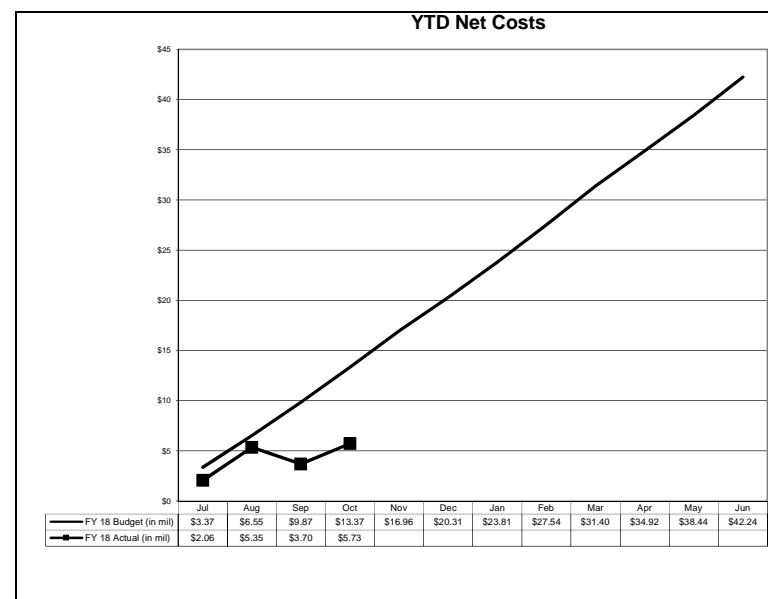
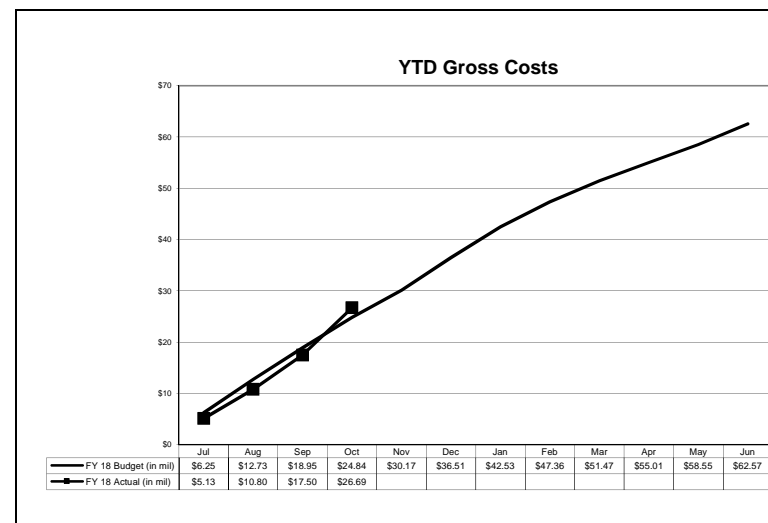
	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
<b>Routine O&amp;M Costs</b>					
<b>Variable</b>					
Variable	\$ 1,263,067	\$ 1,616,279	\$ (353,212)	0%	A
Fixed	3,336,592	882,553	2,454,039	74%	
Administration	230,934	27,357	203,577	88%	
Mandatory Costs	291,959	189,443	102,516	35%	B
<b>Routine O&amp;M Costs without Labor</b>	5,122,552	2,715,632	2,406,920	47%	
<b>Labor</b>	5,051,714	1,512,919	3,538,795	70%	
<b>Total Routine O&amp;M Cost</b>	10,174,266	4,228,551	5,945,715	58%	
<b>Other Costs</b>					
Fuel	14,877,170	9,495,747	5,381,423	36%	C
CA ISO Charges	196,309	449,042	(252,733)	0%	D
CA ISO Purchased Energy	3,724,590	1,833,367	1,891,223	51%	E
Debt Service	26,416,640	8,805,547	17,611,093	67%	
Insurance	765,367	-	765,367	100%	
Other Costs	54,826	19,616	35,210	64%	
Generation Services Shared	359,388	92,864	266,524	74%	
Administrative & General (Allocated)	1,883,356	592,203	1,291,153	69%	
Power Management Allocated Costs	1,479,117	493,039	986,078	67%	
<b>Total O&amp;M Cost</b>	59,931,029	26,009,976	33,921,053	57%	
<b>Projects</b>					
<b>Operations &amp; Maintenance</b>	63,652	9,129	54,523	86%	
Capital	560,000	-	560,000	100%	
Maintenance Reserve	2,012,800	670,933	1,341,867	67%	
<b>Total Projects</b>	2,636,452	680,062	1,956,390	74%	
<b>Annual Cost</b>	62,567,481	26,690,038	35,877,443	57%	
<b>Less: Third Party Revenue</b>					
Interest Income	171,889	76,612	95,277	55%	F
ISO Energy Sales	19,760,321	20,321,648	(561,327)	0%	
Ancillary Services Sales	396,879	557,548	(160,669)	0%	
	20,329,089	20,956,201	(627,112)	0%	
<b>Net Annual Cost to Participants</b>	\$ 42,238,392	\$ 5,733,837	\$ 36,504,555	86%	

<b>Total Variable Costs</b>	20,061,136	13,394,435	6,666,701
<b>Total Fixed Costs</b>	42,506,345	13,295,603	29,210,742
	<u>\$ 62,567,481</u>	<u>\$ 26,690,038</u>	<u>\$ 35,877,443</u>

<b>Net Cumulative Generation (MWh)</b>	377,711	349,884
<b>Total O&amp;M Cost Per MWh</b>	\$ 158.67	\$ 74.34
<b>Net Annual Cost Per MWh</b>	\$ 111.83	\$ 16.39

**Footnotes:**

- General** - The plant ran each day of the month.  
October payroll, A&G allocation and generation services allocation are estimated.
- A - Higher variable maintenance and chemical costs due to higher year to date generation.
  - B - Payments for annual CEC fee and Air Resources Board fee were higher than expected.
  - C - Higher fuel costs due to higher generation and higher natural gas costs per mmBtu.
  - D - Higher than budgeted CA ISO costs due to higher than anticipated GMC costs and transmission costs due to volume.
  - E - Higher than budgeted costs due to CA ISO real time settlement resulting in additional market purchases by NCPA and for Participants purchasing energy from CA ISO using LEC as the SC.
  - F - Higher than budgeted interest income due to increase in short term interest rates.

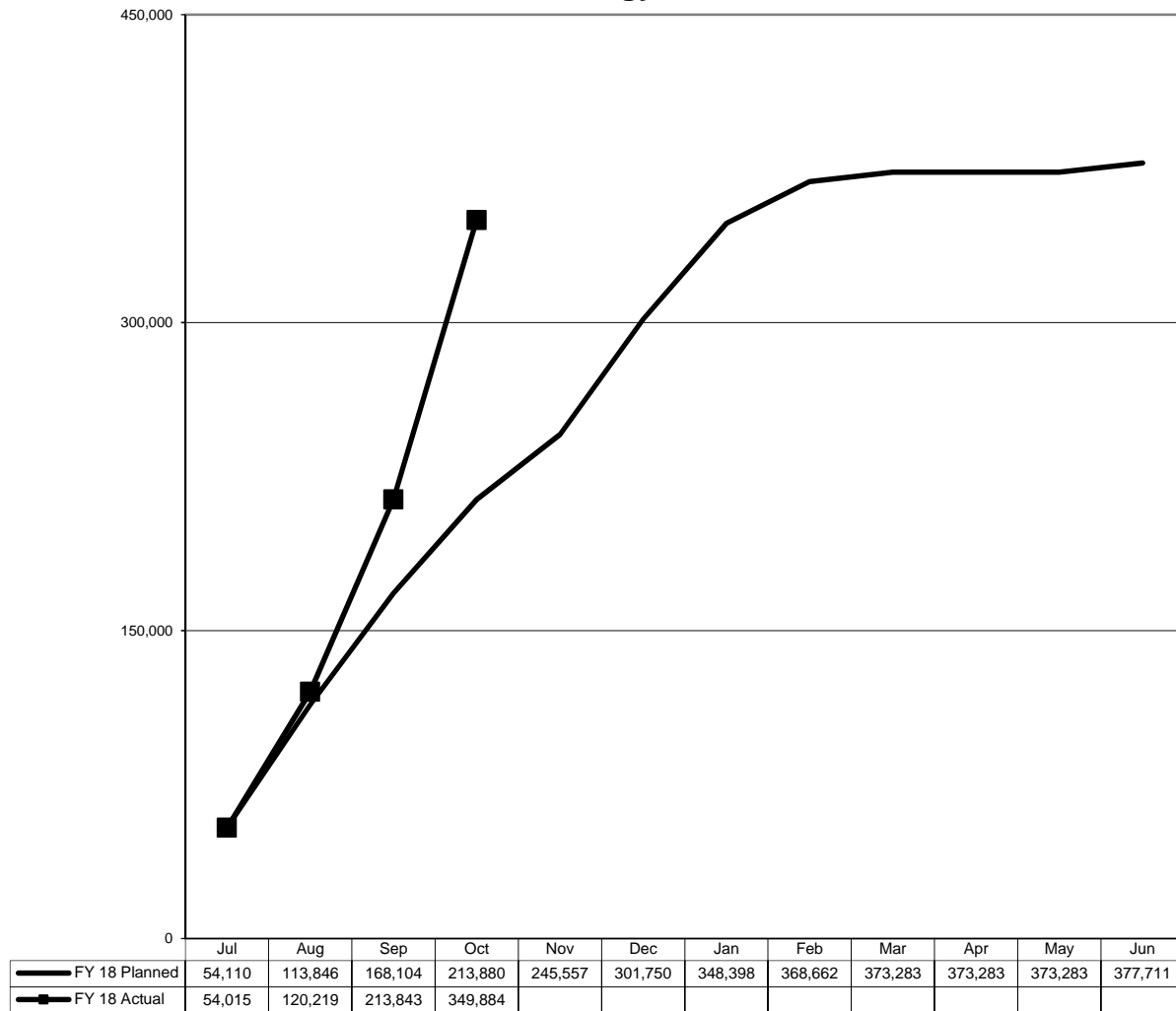


**Note:** Decrease in September net costs due to adjustment of energy sales in prior periods.

**Annual Budget  
LEC Generation Analysis  
Planned vs. Actual  
FY 2018**

In MWh

**Lodi Energy Center**



**Note:** Increase in generation due to decrease in transmission costs, making it economical for the plant to run.