



**Lodi Energy Center Project Participant Committee**

**LEC Financial Reports**

AGENDA ITEM NO.: 8

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**Date:** October 9, 2017

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

**Subject:** September 30, 2017 Financial Reports (Unaudited)

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

	September	
	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 71,843	\$ 71,311
Interest receivable	113	98
Inventory and supplies - at average cost	2,110,855	1,848,960
Prepaid insurance	104,117	(14,366)
Due from (to) Agency, net	19,750,022	13,546,237
<b>TOTAL CURRENT ASSETS</b>	<b>22,036,950</b>	<b>15,452,240</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents	1,642,450	7,631,139
Investments	30,419,076	24,213,959
Interest receivable	82,159	53,792
<b>TOTAL RESTRICTED ASSETS</b>	<b>32,143,685</b>	<b>31,898,890</b>
<b>ELECTRIC PLANT</b>		
Electric plant in service	423,668,509	423,558,733
Less: accumulated depreciation	(70,593,652)	(55,985,707)
	353,074,857	367,573,026
Construction work-in-progress	107,024	102,031
<b>TOTAL ELECTRIC PLANT</b>	<b>353,181,881</b>	<b>367,675,057</b>
<b>OTHER ASSETS</b>		
Regulatory assets	22,012,959	19,781,485
<b>TOTAL OTHER ASSETS</b>	<b>22,012,959</b>	<b>19,781,485</b>
<b>TOTAL ASSETS</b>	<b>\$ 429,375,475</b>	<b>\$ 434,807,672</b>

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

	September	
	2017	2016
<b>LIABILITIES &amp; NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts and retentions payable	\$ 2,542,950	\$ 875,633
Operating reserves	12,879,360	11,782,311
Current portion of long-term debt	10,355,000	9,950,000
Accrued interest payable	5,343,032	5,475,054
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,120,342</b>	<b>28,082,998</b>
<b>NON-CURRENT LIABILITIES</b>		
Operating reserves and other deposits	1,715,973	1,715,387
Long-term debt, net	340,831,702	351,665,435
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>342,547,675</b>	<b>353,380,822</b>
<b>TOTAL LIABILITIES</b>	<b>373,668,017</b>	<b>381,463,820</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Regulatory credits	42,049,664	42,946,688
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	(18,041,526)	(15,244,710)
Restricted	13,051,134	15,371,751
Unrestricted	18,648,186	10,270,123
<b>TOTAL NET POSITION</b>	<b>13,657,794</b>	<b>10,397,164</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 429,375,475</b>	<b>\$ 434,807,672</b>

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

	Three Months Ended September	
	2017	2016
<b>SALES FOR RESALE</b>		
Participants	\$ 11,304,702	\$ 10,319,788
Other	13,763,297	6,290,236
<b>TOTAL SALES FOR RESALE</b>	<b>25,067,999</b>	<b>16,610,024</b>
<b>OPERATING EXPENSES</b>		
Operations	7,579,119	4,939,559
Depreciation	3,652,274	3,651,283
Purchased power	1,283,143	621,513
Maintenance	819,733	901,844
Administrative and general	1,193,256	1,084,094
Transmission	372,959	60,197
Intercompany (sales) purchases	40,317	52,664
<b>TOTAL OPERATING EXPENSES</b>	<b>14,940,801</b>	<b>11,311,154</b>
<b>NET OPERATING REVENUES</b>	<b>10,127,198</b>	<b>5,298,870</b>
<b>OTHER REVENUES (EXPENSES)</b>		
Interest expense	(3,900,453)	(3,978,471)
Interest income	194,837	18,973
Other	668,090	5,466,662
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<b>(3,037,526)</b>	<b>1,507,164</b>
<b>FUTURE RECOVERABLE AMOUNTS</b>	<b>360,505</b>	<b>623,656</b>
<b>REFUNDS TO PARTICIPANTS</b>	<b>(14)</b>	<b>(11)</b>
<b>INCREASE IN NET POSITION</b>	<b>7,450,163</b>	<b>7,429,679</b>
<b>NET POSITION</b>		
Beginning of year	6,207,631	2,967,485
End of period	\$ 13,657,794	\$ 10,397,164

**Lodi Energy Center  
FY 2018 Operating Costs  
As of September 30, 2017**

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
<b>Routine O&amp;M Costs</b>					
<b>Variable</b>					
<b>Fixed</b>	\$ 1,263,067	\$ 173,630	\$ 1,089,437	86%	
<b>Administration</b>	3,336,592	627,422	2,709,170	81%	
<b>Mandatory Costs</b>	230,934	21,359	209,575	91%	
<b>Routine O&amp;M Costs without Labor</b>	291,959	182,629	109,330	37%	A
<b>Labor</b>	5,122,552	1,005,040	4,117,512	80%	
<b>Total Routine O&amp;M Cost</b>	10,174,266	2,087,445	8,086,821	79%	
<b>Other Costs</b>					
<b>Fuel</b>	14,877,170	6,021,104	8,856,066	60%	B
<b>CA ISO Charges</b>	196,309	136,414	59,895	31%	C
<b>CA ISO Purchased Energy</b>	3,724,590	1,283,143	2,441,447	66%	D
<b>Debt Service</b>	26,416,640	6,604,160	19,812,480	75%	
<b>Insurance</b>	765,367	-	765,367	100%	
<b>Other Costs</b>	54,826	19,616	35,210	64%	E
<b>Generation Services Shared</b>	359,388	60,317	299,071	83%	
<b>Administrative &amp; General (Allocated)</b>	1,883,356	408,402	1,474,954	78%	
<b>Power Management Allocated Costs</b>	1,479,117	369,779	1,109,338	75%	
<b>Total O&amp;M Cost</b>	59,931,029	16,990,380	42,940,649	72%	
<b>Projects</b>					
<b>Operations &amp; Maintenance</b>	63,652	5,260	58,392	92%	
<b>Capital</b>	560,000	-	560,000	100%	
<b>Maintenance Reserve</b>	2,012,800	503,200	1,509,600	75%	
<b>Total Projects</b>	2,636,452	508,460	2,127,992	81%	
<b>Annual Cost</b>	62,567,481	17,498,840	45,068,641	72%	
<b>Less: Third Party Revenue</b>					
Interest Income	171,889	35,249	136,640	79%	
ISO Energy Sales	19,760,321	13,534,481	6,225,840	32%	
Ancillary Services Sales	396,879	228,816	168,063	42%	
	20,329,089	13,798,939	6,530,150	32%	
<b>Net Annual Cost to Participants</b>	\$ 42,238,392	\$ 3,699,901	\$ 38,538,491	91%	

<b>Total Variable Costs</b>	20,061,136	7,614,291	12,446,845
<b>Total Fixed Costs</b>	42,506,345	9,884,549	32,621,796
	<u>\$ 62,567,481</u>	<u>\$ 17,498,840</u>	<u>\$ 45,068,641</u>

<b>Net Cumulative Generation (MWh)</b>	377,711	213,843
<b>Total O&amp;M Cost Per MWh</b>	\$ 158.67	\$ 79.45
<b>Net Annual Cost Per MWh</b>	\$ 111.83	\$ 17.30

**Footnotes:**

**General** - During the month, there were 4 days when the plant was available but did not run for economic reasons. September A&G allocation and generation services allocation are estimated.

**A** - Payments for annual CEC fee and Air Resources Board fee were higher than expected.

**B** - Higher fuel costs due to higher generation and higher natural gas costs per mmBtu.

**C** - Higher than budgeted CA ISO costs due to higher than anticipated GMC costs.

**D** - 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.

**E** - Annual trustee fees paid and overall costs expected to levelize for remainder of fiscal year.



