

**PENINSULA CLEAN ENERGY**  
**Fiscal Year 2018 - 2019 Budget**

6/28/2018

Category	FY 2017-18 Approved Budget	FY 2017-18 Actual (10 mo) + Forecast (2 mo)	FY 2018-19 Proposed Budget	Change in \$\$\$ Approved vs Proposed Budget	Change in % Approved vs Proposed Budget
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**OPERATING REVENUES**

Electricity Sales	\$ 247,213,713	\$ 238,857,454	\$ 254,916,736	\$ 7,703,023	3%
ECO100 Premium	737,000	1,421,404	1,627,364	890,364	121%
<b>Revenues</b>	<b>\$ 247,950,713</b>	<b>\$ 240,278,858</b>	<b>\$ 256,544,100</b>	<b>\$ 8,593,387</b>	<b>3%</b>

**OPERATING EXPENSES**

Cost of energy	\$ 181,715,000	\$ 171,749,055	\$ 176,147,894	\$ (5,567,106)	-3%
Data Manager	\$ 3,970,000	\$ 4,068,203	\$ 3,758,400	\$ (211,600)	-5%
Service Fees - PG&E	\$ 1,636,000	\$ 1,432,372	\$ 1,260,000	\$ (376,000)	-23%
Bad Debt expense	\$ 865,248	\$ 836,001	\$ 897,904	\$ 32,656	4%
Communications and Outreach	\$ 1,049,000	\$ 494,437	\$ 1,010,600	\$ (38,400)	-4%
General and Administrative	\$ 795,207	\$ 897,848	\$ 1,227,200	\$ 431,993	54%
Professional Services	\$ 1,017,000	\$ 460,653	\$ 1,432,511	\$ 415,511	41%
Energy Programs	\$ 250,000	\$ 20,000	\$ 3,200,000	\$ 2,950,000	1180%
Legal	\$ 1,030,000	\$ 1,227,273	\$ 1,146,600	\$ 116,600	11%
Personnel	\$ 3,319,605	\$ 2,145,510	\$ 4,492,745	\$ 1,173,140	35%
<b>Total Operating Expenses</b>	<b>\$ 195,647,060</b>	<b>\$ 183,331,352</b>	<b>\$ 194,573,855</b>	<b>\$ (1,073,206)</b>	<b>-1%</b>

<b>Operating Income (Loss)</b>	<b>52,303,653</b>	<b>56,947,506</b>	<b>61,970,246</b>	<b>9,666,593</b>	<b>18%</b>
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<b>NON-OPERATING REVENUES (EXP.)</b>					
Interest Income	-	113,060	440,000	440,000	0%
Interest and related expense	-	(262,373)	(168,000)	(168,000)	0%
Nonoperating Revenues (Exp.)	-	(149,313)	272,000	272,000	0%

<b>OTHER USES.</b>					
Capital Outlay	484,000	311,280	42,000	(442,000)	-91%
Debt Service Principal	7,997,000	-	-	(7,997,000)	-100%
<b>Other Uses</b>	<b>8,481,000</b>	<b>311,280</b>	<b>42,000</b>	<b>(8,439,000)</b>	<b>-100%</b>

<b>CHANGE IN NET POSITION</b>					
Net Position at the beginning of period	21,710,529	21,710,529	78,197,442	56,486,913	260%
Increase in Net Position	43,822,653	56,486,913	62,200,246	18,377,593	42%
Net Position at the end of period	65,533,182	78,197,442	140,397,688	74,864,506	114%

Approx. Cash & Cash Equivalents	\$ 58,979,863	\$ 70,377,698	\$ 130,397,688
Approx. Other Assets	\$ 6,553,318	\$ 7,819,744	\$ 10,000,000
Target Operating Reserves (Days cash on hand)	120	120	120
Days Cash on Hand (before LC)	110	140	245
Target Operating Reserves	\$ 64,322,321	\$ 60,273,321	\$ 63,969,486
Line of Credit	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
Cash, Cash Equivalents & LC	\$ 70,979,863	\$ 82,377,698	\$ 142,397,688
Days Cash on Hand (after LC)	132	164	267

**Assumptions/Notes**

- Revenue: Assumes 5% discount for ECOplus compared to PG&E and no further rate changes in FY 2018-19.
- ECO100 Premium: Assumes 10% annual growth.
- Cost of Energy: Assumes 1% annual account growth for E19 and RES cust., and 0.50% consumption growth driven by increased use of EVs.
- Bad Debt: Based on 0.35% of annual sales.
- General and Admin: Includes bank fees, building maintenance, professional dev., industry memberships, rent, and office supplies among others.
- Professional Fees: Includes fees for the annual audit, and consulting fees for accounting, IT, power resources, energy programs, and HR.
- Energy Programs: Reflects the launch of PCE's energy programs including the EV incentive, the pilot local programs, and other programs.
- Personnel: Captures salaries and wages, insurance, retirement contributions, and other benefits adjusted for inflation and additional staffing.
- Interest Income: Assumes investment of cash reserves (\$40MM) in T-bills with an expected return of 1.1%.