

ORCAS POWER AND LIGHT COOPERATIVE Q1 FINANCIAL REPORT



MEMORANDUM

May 8, 2020

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2020 First Quarter Financial Report

Please see attached the full 2020 1st quarter financial report. Included in the report package are the Statement of Revenues and Margins (along with a notable driver analysis), Balance Sheet, Statement of Cash Flows (GAAP), and capital projects budget tracking.

First quarter financials are in good shape: impacts from COVID-19 did not start to have an effect on kWh sales / revenue until the last two weeks of March. Commercial kWh sales did report slightly lower in the last part of March—a preview of what we expect to see to a greater degree in Q2.

The colder weather experienced in Q1 of 2020 was the primary driver of the overall revenue variance of 2.5% (\$252k) higher than budgeted, however, the energy charge adjustment (ECA) of \$490k (\$300k in January based on December 2019 calculation) offset the increase in revenue, resulting in a decrease in sales by 2.3% or \$238k. Additionally, with the higher sales the cost of power was higher by 3% (\$89k). All combined resulted in a decrease in the actual margin over budget of \$338k.

Income Statement Summary (in thousands)		Q1 2020		
		Budget	Actual	Variance
	Gross Revenue	\$ 10,243	\$ 10,495	\$ 252
	ECA Surcharge / (Credit)	-	(490)	(490)
	Revenue	10,243	10,005	(238)
Expenses				
	Cost of Power	3,011	3,100	89
	Transmission & Distribution Expense	1,843	1,931	88
	General & Administrative Expense	1,398	1,361	(37)
	Depreciation, Tax, Interest & Other	2,206	2,166	(40)
	Total Expenses	8,458	8,558	100
Margin		\$ 1,785	\$ 1,447	\$ (338)
TIER		4.58	3.99	(0.59)

For more detail, please note the following key points:

- Through Q1, YTD Heating Degree Days (HDD) were up ~6.1% above normal budgeted levels (actual of 725 vs. budget of 683)
- Actual kWh sales were 8.1M kWh above budget (71.2M vs. budget of 63.1M). We expect weather and heating fluctuations to produce dramatic sales revenue volatility and have budgeted based on those assumptions. Given NOAA predictions last November, we have planned for neutral conditions in Q1 (neutral La Niña weather pattern) and expect warmer El Niño weather conditions through year-end. Correspondingly, kWh sales and associated sales have been allocated higher in Q1 and slightly lower at year-end 2020.
- Q1 YTD power purchases were up \$90k due to higher kWh consumption. Actual kWh purchases were 7.1M kWh above budget (74.3M vs. budget of 67.2M).
- Excluding purchased power, Q1 YTD operating expenses were approximately \$3k under budgeted amounts.
- The YTD ECA through March billing period was a credit to members (and reduction to operating revenue) of \$489,859, or \$7.02 for a member using 1000 kWh/month. Due to meter reading and billing lag from December to January, ~\$300k of the ECA was derived from 2019.
- Borrowings were accelerated in 2020, primarily due to concerns surrounding the COVID-19 pandemic and uncertainty of funds. OPALCO borrowed the 2020 budgeted amount of \$3.1M to ensure funding in case the pandemic impacts continued throughout the year.
- Rock Island Communications Q1 Financials included in separate packet.

OPALCO 2019 Q1 Financial Package under separate cover.

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

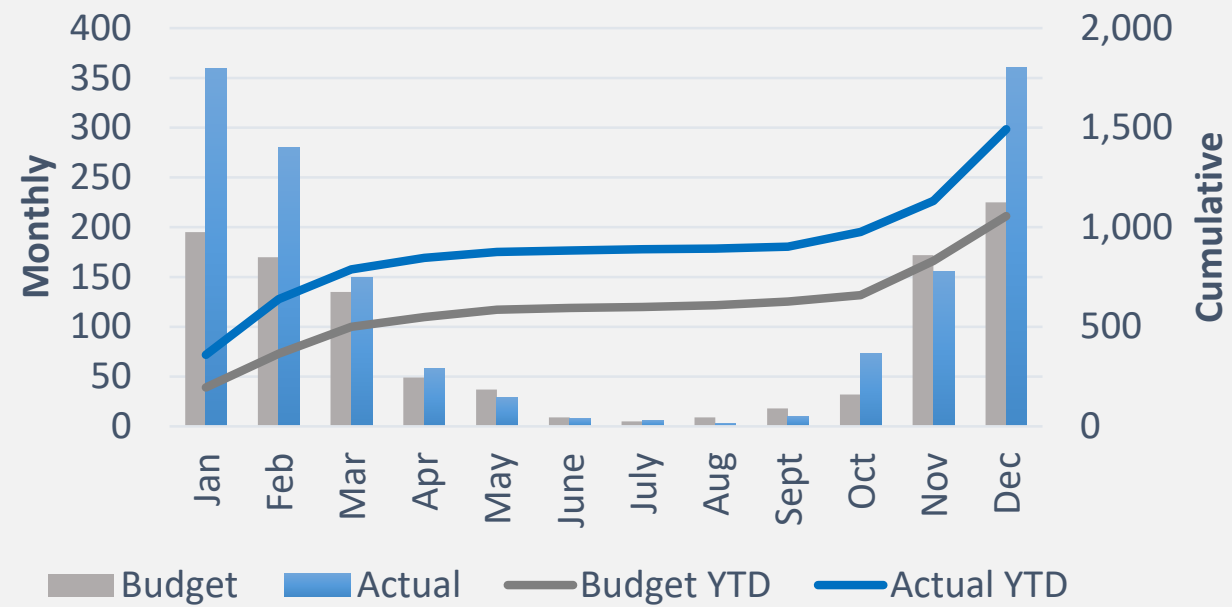
		A. Audited Year End 12/31/2018	B. Actual Period End 12/31/2019	C. Budget Period End 3/31/2020	D. Actual Period End 3/31/2020	E. \$ Change (D - C)	F. % Change (D - C)
1	kWh Purchases	217,948,000	221,869,000	67,204,000	74,290,000	7,086,000	10.5%
2	Gross Revenue	29,683,000	31,702,000	10,243,000	10,495,000	252,000	2.5%
3	Energy Charge Adjustment	-	(341,000)	-	(490,000)	(490,000)	
4	Gross Revenue Total	29,683,000	31,361,000	10,243,000	10,005,000	(238,000)	-2.3%
5	Cost of power	9,054,000	9,262,000	3,011,000	3,100,000	89,000	3.0%
6	Operations & G&A	10,181,000	11,178,000	3,241,000	3,292,000	51,000	1.6%
7	Depr, Int & Taxes	7,441,000	8,189,000	2,206,000	2,166,000	(40,000)	-1.8%
8		<u>26,676,000</u>	<u>28,629,000</u>	<u>8,458,000</u>	<u>8,558,000</u>	100,000	1.2%
9	Net Margins	<u>\$ 3,007,000</u>	<u>\$ 2,732,000</u>	<u>\$ 1,785,000</u>	<u>\$ 1,447,000</u>	(338,000)	-18.9%
10	TIER	2.67	2.40	4.58	3.99	(0.59)	
11	Equity % of Total Cap	41.0%	39.7%	40.8%	39.2%	-2%	
12	Equity	38,633,000	38,403,000	39,803,000	39,507,000	(296,000)	-0.7%
13	Total Debt	57,211,000	59,899,000	59,516,000	63,089,000	3,573,000	6.0%
14	Capital Spending	(11,181,000)	(7,004,861)	(1,966,000)	(1,866,000)	100,000	-5.1%
15	Capital Credit Retirement (net)	(1,084,000)	(1,115,000)	(118,000)	(46,000)	72,000	-61.0%
16	Annual HDD	1,190	1,323	683	725	42	6.1%



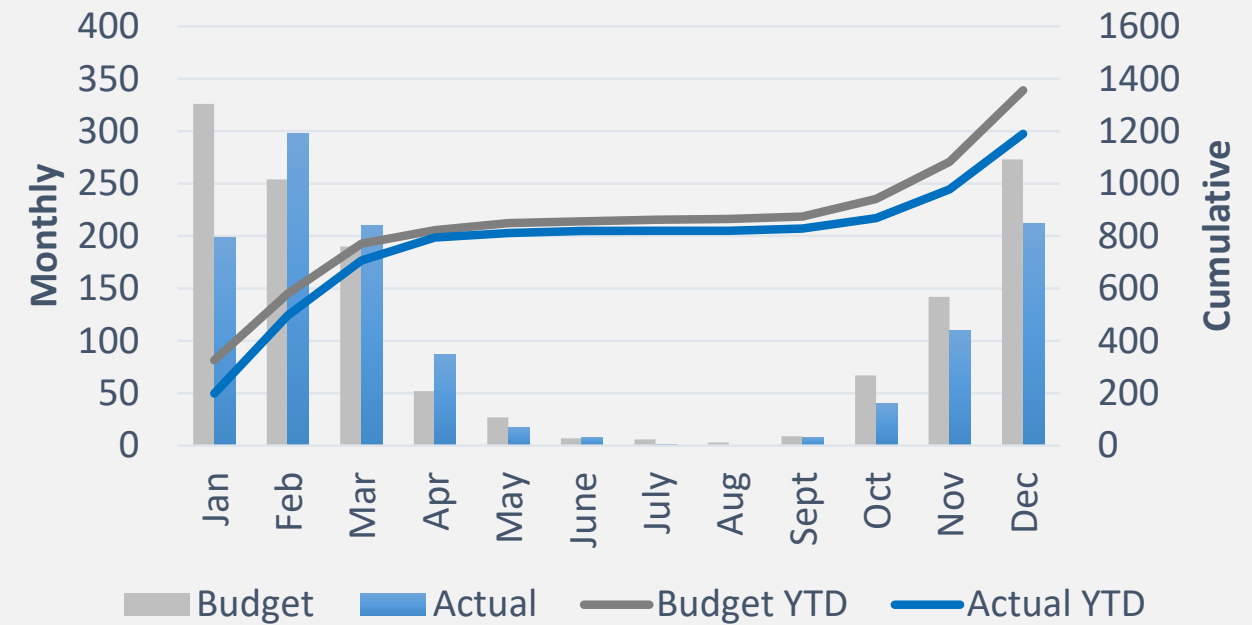
2020 Q1 Financial Highlights

2020 Budget to Actual: Heating Degree Days

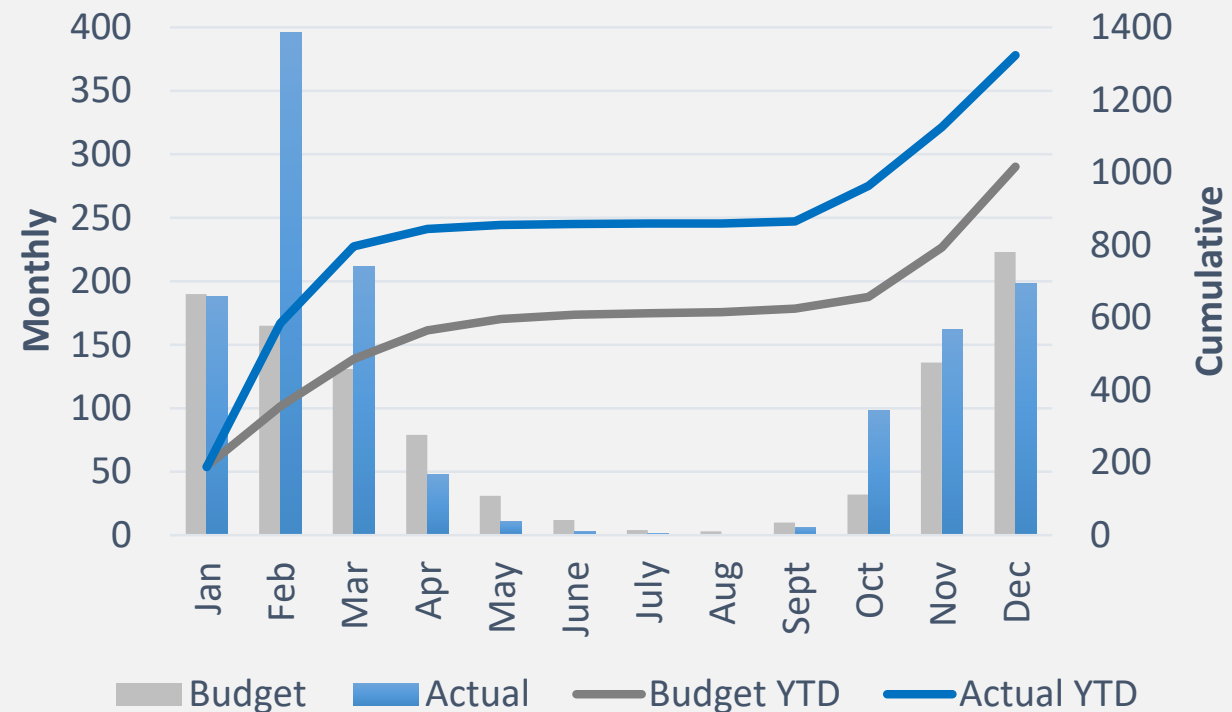
2017 HDD's



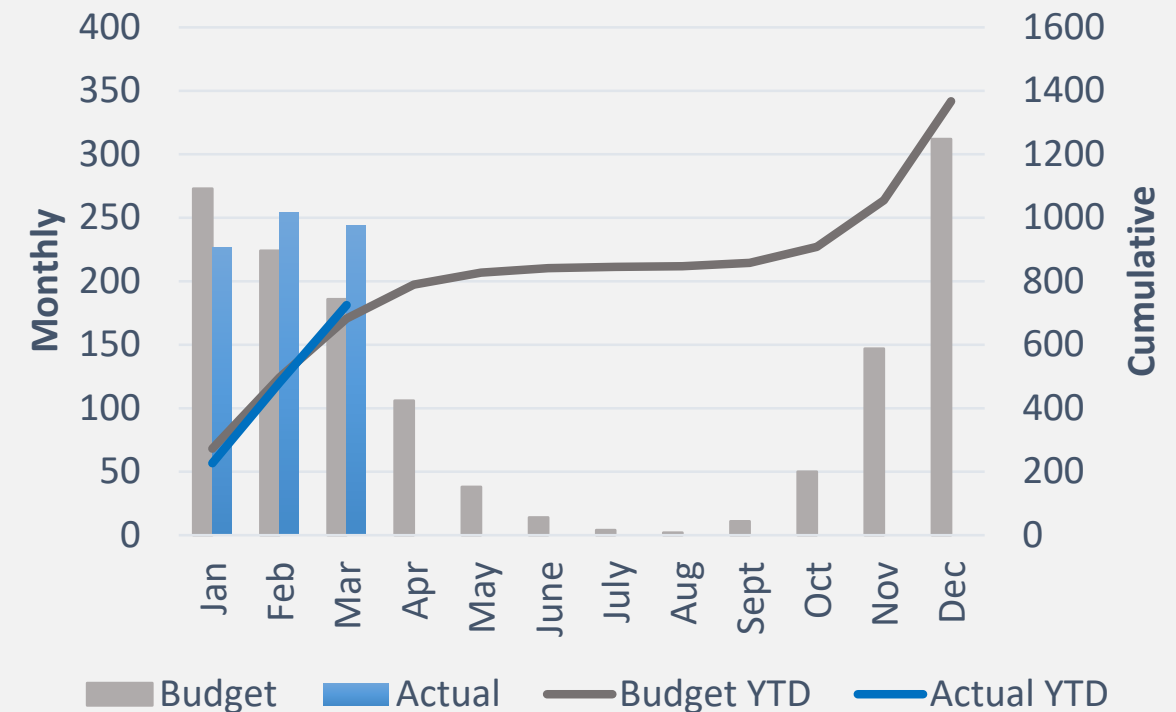
2018 HDD's



2019 HDD's

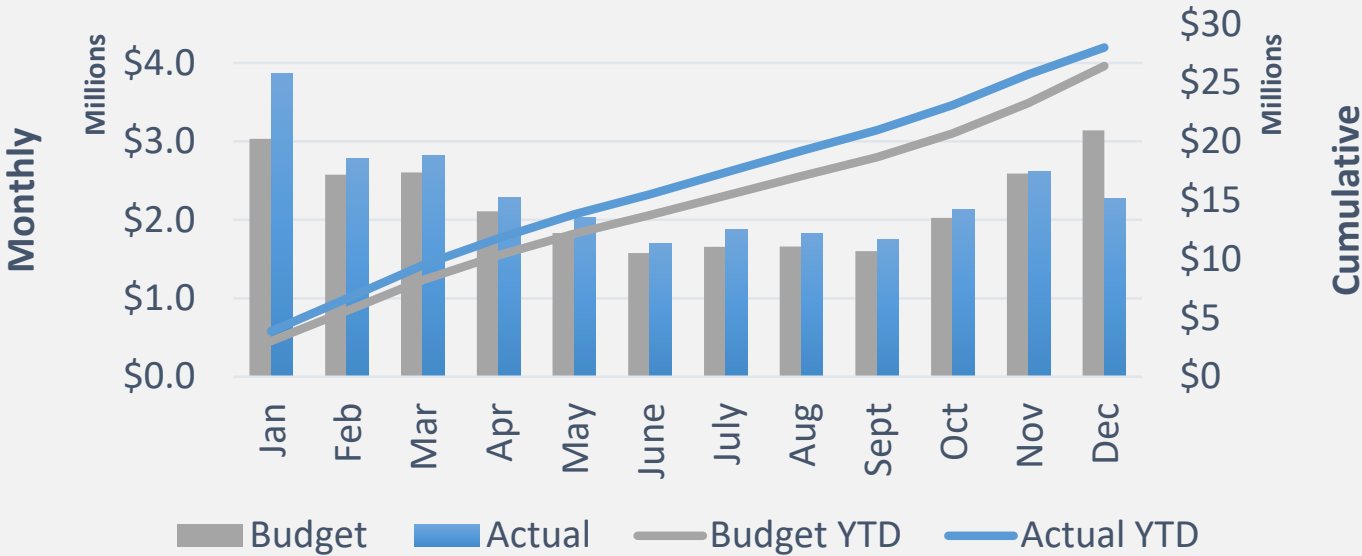


2020 HDD's

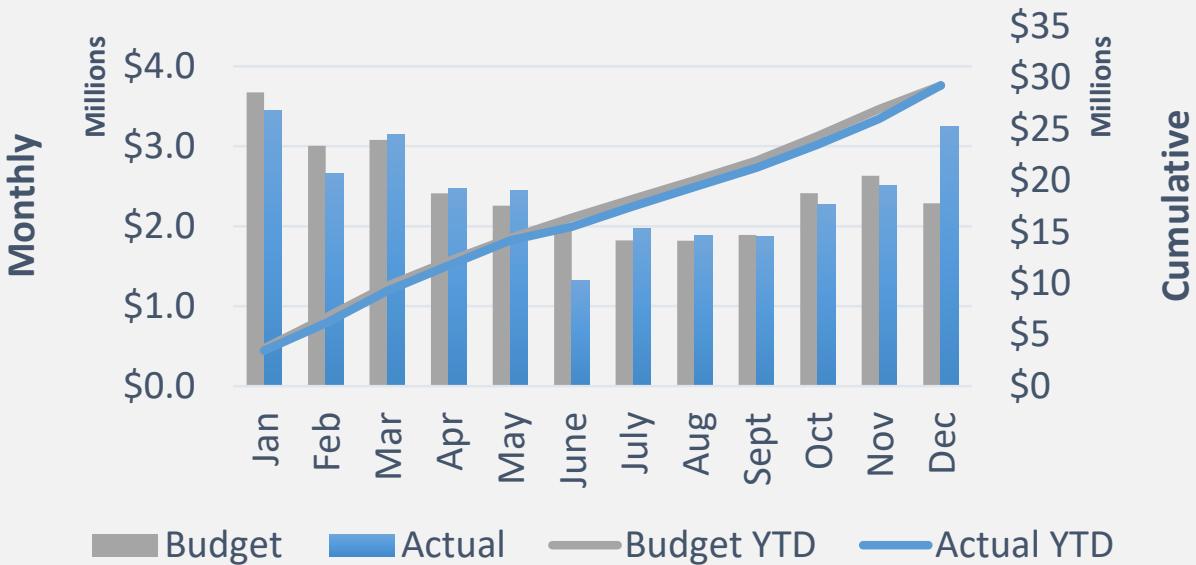


2020 Budget to Actual: Revenue

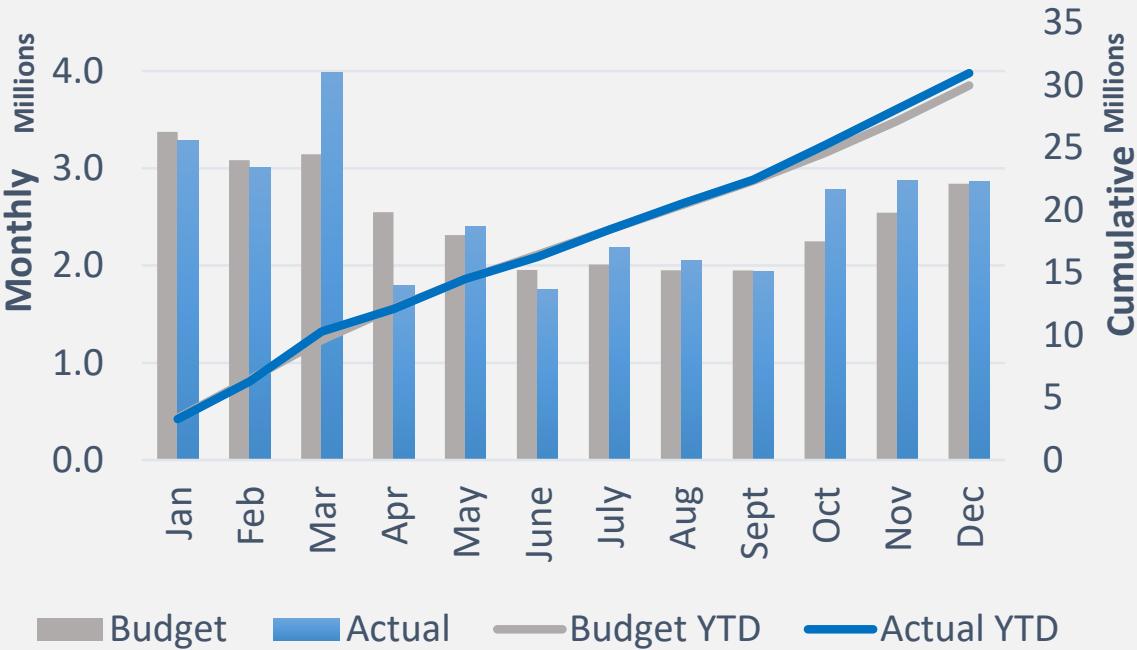
2017 Revenue



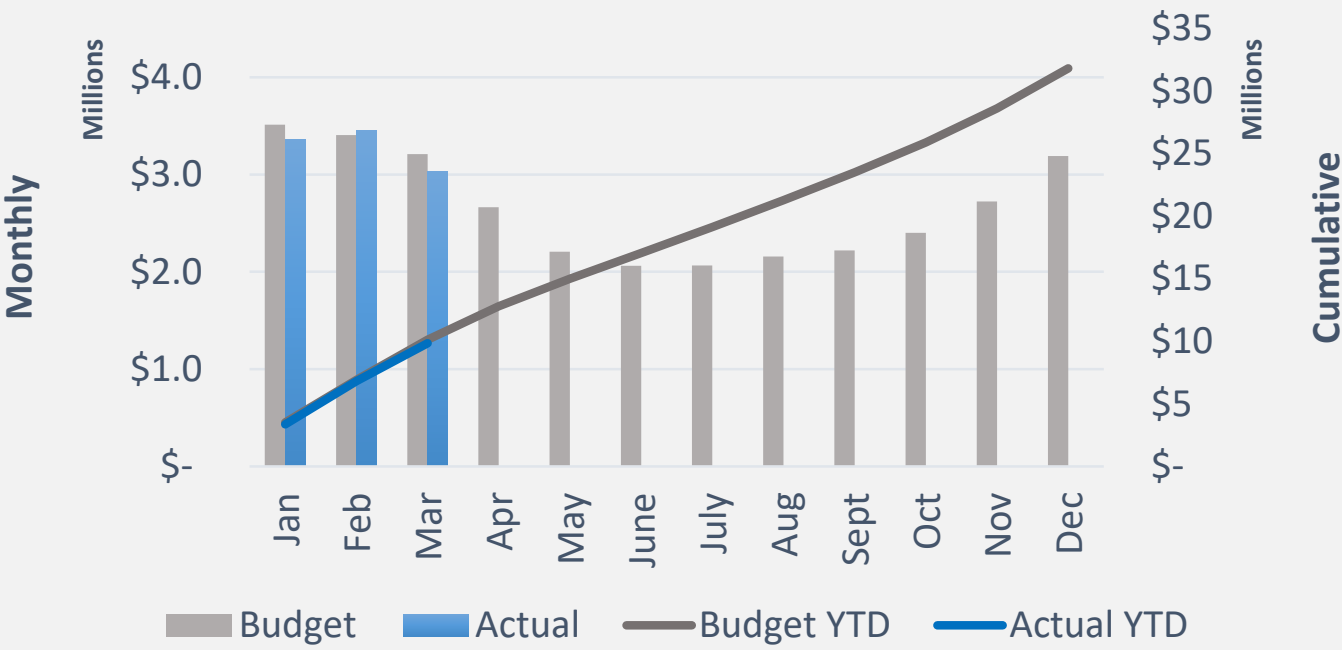
2018 Revenue



2019 Revenue



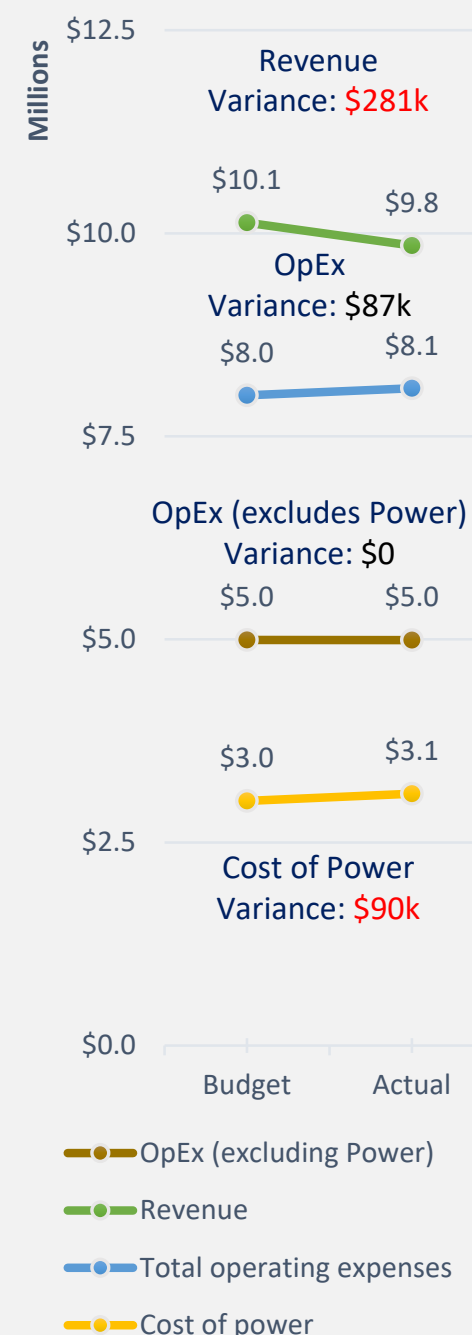
2020 Revenue



Net of ECA

2020 Q1 Budget to Actual: Statement of Operations

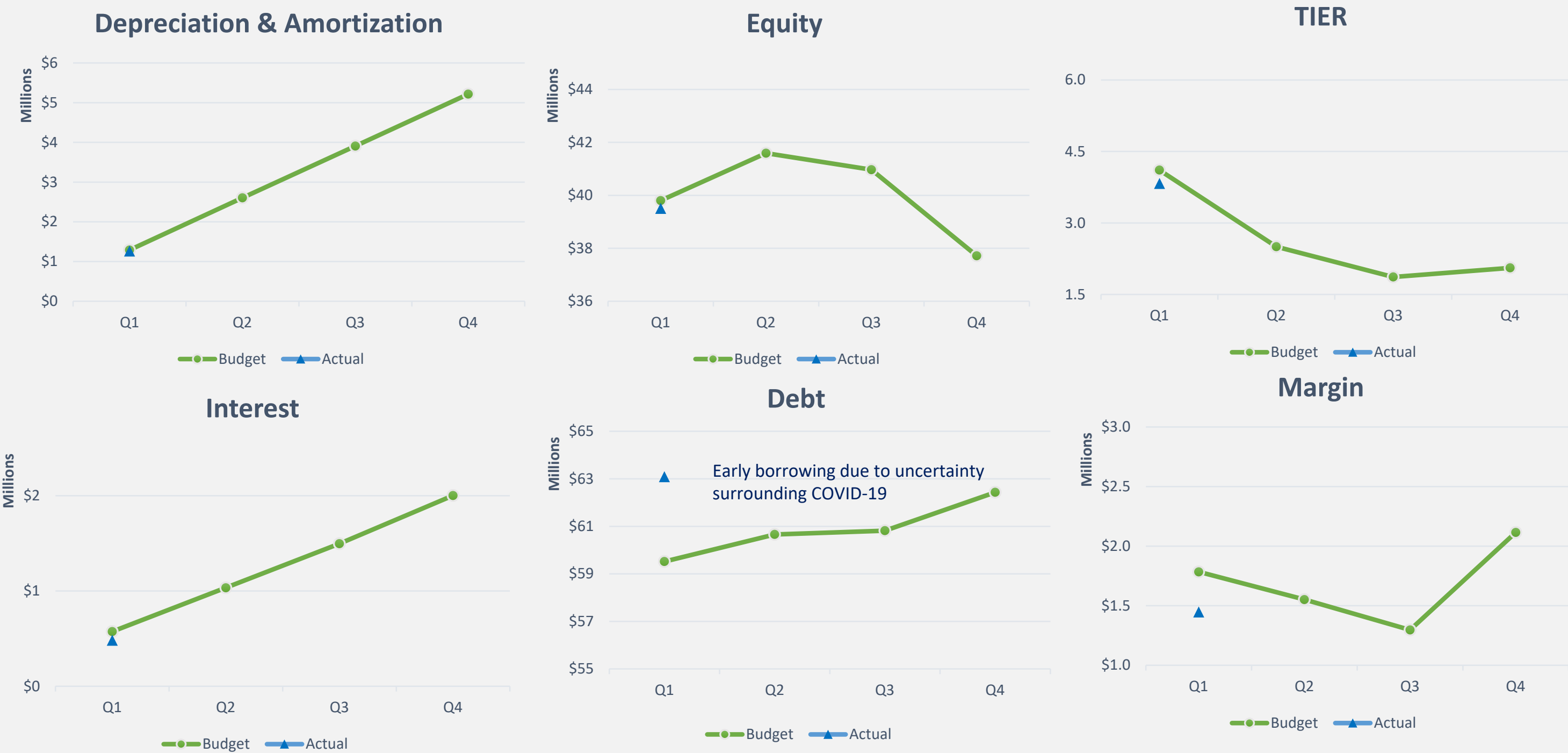
	A. Audited Year End 12/31/2018	B. Unaudited Year End 12/31/2019	C. Budget Year End 12/31/2020	D. Budget Period End 3/31/2020	E. Actual Period End 3/31/2020	F. Budget Variance (E - D)
1 OPERATING REVENUES						
2 Residential	\$ 21,373,137	\$ 22,679,087	\$ 23,156,921	\$ 7,373,907	\$ 7,427,661	53,754
3 Commercial	7,655,416	7,999,086	8,411,026	2,689,752	2,359,044	(330,708)
4 Other						
5 Penalties and fees	186,774	190,397	188,239	55,733	43,730	(12,003)
6 Other	48,047	69,974	64,692	11,547	19,162	7,615
7 Total operating revenue	29,263,375	30,938,545	31,820,878	10,130,939	9,849,597	(281,342)
8						
9 OPERATING EXPENSES						
10 Cost of power	9,053,663	9,262,362	9,532,908	3,010,859	3,100,440	89,581
11 Transmission	252,433	458,165	377,727	137,392	134,514	(2,878)
12 Distribution - operations	3,365,842	3,604,825	3,913,175	1,083,925	1,075,850	(8,076)
13 Distribution - maintenance	1,945,822	2,170,783	2,324,623	621,692	720,275	98,583
14 Consumer accounts	1,014,503	1,097,439	1,153,739	302,907	321,578	18,671
15						
16 General and administration						
17 Administration	3,191,624	3,390,513	3,593,738	942,153	908,973	(33,180)
18 Energy services	375,582	395,013	505,230	137,596	109,848	(27,748)
19 Subsidiary charges (RIC network mgt services)	34,920	61,378	63,219	15,805	20,743	4,939
20 Total general and administration	3,602,127	3,846,904	4,162,187	1,095,554	1,039,565	(55,989)
21						
22 Depreciation and amortization	4,528,224	4,923,805	5,216,895	1,290,917	1,262,576	(28,341)
23 Taxes	1,365,016	1,444,843	1,514,661	460,967	435,931	(25,036)
24						
25 Total operating expenses	25,127,630	26,809,125	28,195,915	8,004,213	8,090,729	86,516
26						
27 Operating margins before fixed charges	4,135,745	4,129,420	3,624,963	2,126,726	1,758,868	(367,858)
28						
29 FIXED CHARGES						
30 Interest on long-term debt	1,547,868	1,820,581	1,873,848	454,001	467,190	13,188
31						
32 Operating margins after fixed charges	2,587,877	2,308,838	1,751,115	1,672,725	1,291,678	(381,047)
33						
34 PATRONAGE CAPITAL CREDITS	143,090	125,254	132,375	46,331	29,581	(16,750)
35						
36 Net operating margins	2,730,967	2,434,092	1,883,490	1,719,056	1,321,259	(397,797)
37						
38 NON-OPERATING MARGINS						
39 Interest income	97,091	123,252	81,464	20,366	22,043	1,677
40 Other income (loss)	13,812	4,259	(18,842)	2,573	61,699	59,126
41 Total Opalco non-operating margins	110,903	127,511	62,622	22,939	83,742	60,803
42						
43 Non-operating margins from Subsidiary						
44 Interest Income (RIC loan)	79,214	79,346	79,260	19,815	19,883	68
45 Other income (use of OPALCO backbone)	86,285	89,976	89,976	22,494	22,494	-
46 Total non-operating margins from Subsidiary	165,499	169,322	169,236	42,309	42,377	68
47						
48 Net non-operating margins	276,402	296,833	231,858	65,248	126,119	60,871
49						
50 NET MARGINS	\$ 3,007,369	\$ 2,730,925	\$ 2,115,348	\$ 1,784,305	\$ 1,447,379	(336,926)
51						
TIER	2.67	2.40	2.06	4.58	3.99	(0.59)
Equity % of Total Cap	41.0%	39.7%	38.3%	40.8%	39.2%	-1.6%



Notes:

- Through Q1 the ECA returned a net \$490k in the form of bill credits to the membership which is the primary driver of the overall revenue variance of \$281k.
- Note:** Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA returned \$300K in January 2020, related to the calculation based on December 2019 factors.
- Net Margin: \$1.45M (\$337k decrease)

2020 Q1 Budget to Actual: Financial Metrics



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

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49						
50 TIER	2.67	2.40	2.06	4.58	3.99	(0.59)
51 Equity % of Total Cap	41.0%	39.7%	38.3%	40.8%	39.2%	-1.6%

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL DETAILED BREAKOUT OF NOTABLE DRIVERS

	A.	B.		C.	D.
	Budget Period End 3/31/2020	Actual Year End 3/31/2020		Budget Variance (B - A)	Comments: Budget To Actual (Column C.)
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ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget	Actual	Budget	
		Period End	Year End	Variance	
		3/31/2020	3/31/2020	(B - A)	Comments: Budget To Actual (Column C.)
43					
	TOTAL OPERATING EXPENSES	8,004,213	8,090,729	86,516	Overall increase in expense
44					
45					
46	III				
	FIXED CHARGES - Interest Expense - Line 28	454,001	467,190	13,188	Increase in expense - borrowed full 2020 budgeted amount due to uncertainty surrounding COVID-19
47					
48	IV				
	PATRONAGE CAPITAL CREDITS (Income) - Line 32	46,331	29,581	(16,750)	Decrease in income - received from associated cooperatives
49					
50					
	TOTAL NET OPERATING MARGINS	1,719,056	1,321,259	(397,797)	Decrease in margin
51					
52	V				
	NON-OPERATING MARGINS	65,248	126,119	60,871	Increase in margin
53					
54					
	Interest and Dividend Income - Line 37 combined with Line 42	40,181	41,926	1,745	Increase in income - interest increase due to investments and OBF
55					
56					
	Other Income - Line 38 combined with Line 43	25,067	84,193	59,126	Increase in income - REDA Energy Audit Grant
57					
58					
	TOTAL OPALCO NON-OPERATING MARGINS	65,248	126,119	60,871	Increase in margin
59					
60					
61					
	TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	1,784,305	1,447,379	(336,926)	Decrease in margin

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2017	B. Audited Year End 12/31/2018	C. Unaudited Year End 12/31/2019	D. Actual Period End 3/31/2020	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4 Electric plant in service	\$ 124,265,509	\$ 136,469,139	\$ 144,301,230	\$ 145,424,179	1,122,949
5 Construction work in progress	10,630,332	6,790,804	5,015,317	5,539,178	523,861
6					
7	134,895,841	143,259,943	149,316,547	150,963,357	1,646,810
8 Less accumulated depreciation and amortization	45,632,268	49,148,193	53,456,306	54,528,776	1,072,470
9					
10 Net utility plant	89,263,573	94,111,750	95,860,241	96,434,581	574,340
11					
12 Investments in associated organizations					
13 Other (CFC, Federated, PNGC, etc.)	1,654,603	1,737,909	1,814,993	1,830,832	15,839
14 Non-utility investment subsidiary (Note 1)	(4,944,798)	(7,444,503)	(9,279,459)	(9,719,079)	(439,620)
15 Total investments in associated organizations	(3,290,195)	(5,706,594)	(7,464,466)	(7,888,247)	(423,781)
16					
17 Other property and investments	(3,290,195)	(5,706,594)	(7,464,466)	(7,888,247)	(423,781)
18					
19 CURRENT ASSETS					
20 Cash and cash equivalents	3,269,223	2,041,535	3,928,582	7,618,174	3,689,592
21 Cash and cash equivalents - board designated	750,000	530,765	538,699	732,103	193,404
22 Accounts receivable, less doubtful accts allowance	3,136,480	4,501,319	3,910,241	4,490,346	580,105
23 Interest receivable	13,218	6,316	24,279	16,716	(7,563)
24 Materials and supplies	3,221,936	3,045,487	3,006,903	3,136,704	129,801
25 Prepaid expenses	343,441	384,379	452,011	229,636	(222,375)
26					
27 Total current assets	10,734,298	10,509,801	11,860,715	16,223,679	4,362,964
28					
29 DEFERRED CHARGES (Note 2)	-	-	647,075	810,993	163,918
30					
29 Total assets	\$ 96,707,676	\$ 98,914,957	\$ 100,903,565	\$ 105,581,006	\$ 4,677,441

BALANCE SHEET

Updated 5/7/2020

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

	A. Audited Year End 12/31/2018	B. Unaudited Year End 12/31/2019	C. Actual Period End 3/31/2020
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins	\$ 3,007,369	\$ 2,730,925	\$ 1,447,379
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	4,528,224	4,923,805	1,262,576
6 Changes in assets and liabilities			
7 Accounts receivable	(1,364,839)	(55,997)	(580,105)
8 Interest receivable	6,902	(17,963)	7,563
9 Prepaid expenses	(40,936)	(67,635)	222,375
10 Accounts payable	(1,018,175)	(357,591)	38,017
11 Customer deposits	(3,362)	1,402	(502)
12 Accrued liabilities	(1,341,890)	(107,317)	317,164
13 Deferred credits	40,180	(5,449)	28,260
14 Deferred Charges	-	-	(163,918)
14 Net cash from operating activities	3,813,473	7,044,180	2,578,809
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(11,357,751)	(7,659,387)	(2,321,488)
18 Change in materials and supplies	176,449	38,584	(129,801)
19 (Increase) decrease in investment in Subsidiary	2,499,705	1,834,956	439,620
20 (Increase) decrease in other OPALCO property and investments, net	(83,306)	(77,084)	(15,839)
21			
22 Net cash from investing activities	(8,764,903)	(5,862,931)	(2,027,508)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net	548,985	(1,544,018)	(409,394)
25 Proceeds from debt (Note 1)	4,500,000	4,232,000	3,600,000
26 Memberships	620	(225)	210
27 Retirements of patronage capital, net	(1,025,396)	(1,119,442)	96,307
28 Change in subsidiary equities	(2,501,052)	(1,841,675)	(440,000)
29 Contributions in aid of construction	1,981,350	987,092	484,572
30			
30 Net cash from financing activities	3,504,507	713,732	3,331,695
31			
31 NET CHANGE IN CASH	(1,446,923)	1,894,981	3,882,996
32			
32 CASH AND CASH EQUIVALENTS, beginning of year/period	4,019,223	2,572,300	4,467,281
33			
33 CASH AND CASH EQUIVALENTS, end of year/period	2,572,300	4,467,281	8,350,277
34			
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 3,083,072	\$ 1,948,626	\$ 483,901
36			
36 OUTSTANDING DEBT BALANCE	(57,210,787)	(59,898,769)	(63,089,375)
37			
37 Notes:			
38 1 Drew full 2020 FFB borrowing budget (\$3.1M) early due to uncertainty surrounding COVID-19. \$500K RESP projected to be received in Q4'19 was received in Jan'20.			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands						
	A. Audited Year-End 12/31/2018	B. Unaudited Year-End 12/31/2019	C. Approved Budget 3/31/2020	D. Unaudited Period-End 3/31/2020	E. Variance (D - C)	F. Comments
1 % Rate Increase	5%	5%	3%	3%		
2 OPERATING ACTIVITIES:						
3 Margins	\$ 3,000	\$ 2,700	\$ 1,800	\$ 1,400	\$ (400)	Effect of ECA - rollover from December 2019
4 Plus depreciation/amortization	<u>4,500</u>	<u>4,900</u>	<u>1,300</u>	<u>1,300</u>	<u>-</u>	
5 Cash flow operations	7,500	7,600	3,100	2,700	(400)	
6						
7 PLANT INVESTMENT (NET)						
8 Plant investment (including material inventory)	<u>(10,300)</u>	<u>(4,400)</u>	<u>(2,000)</u>	<u>(1,900)</u>	<u>100</u>	
9 Cash flow from operations and plant investment	(2,800)	3,200	1,100	800	(300)	
10						
11 CASH FLOWS FROM PATRONAGE CAPITAL	<u>(1,100)</u>	<u>(1,100)</u>	<u>(120)</u>	<u>(50)</u>	<u>70</u>	
12 Cash flow before borrowings	(3,900)	2,100	980	750	(230)	
13						
14 NET BORROWINGS	<u>5,000</u>	<u>2,700</u>	<u>(400)</u>	<u>3,200</u>	<u>3,600</u>	Early borrowing due to uncertainty surrounding COVID-19
15 Cash increase (decrease) after net borrowings	<u>\$ 1,100</u>	<u>\$ 4,800</u>	<u>\$ 580</u>	<u>\$ 3,950</u>	<u>\$ 3,370</u>	
16						
17						
18 OUTSTANDING DEBT BALANCE	<u>57,200</u>	<u>59,900</u>	<u>59,500</u>	<u>63,100</u>	<u>3,600</u>	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	F.	G.
RUS CWP DESCRIPTION			Audited Year End 12/31/2018	Unaudited Year End 12/31/2019	Budget Year End 12/31/2020	Budget Period End 3/31/2020	Actual Period End 3/31/2020	Budget Variance (D- C)	Comments
1	DISTRIBUTION								
2	100	New Services	\$ 397,842	\$ 389,793	\$ 397,000	\$ 79,400	\$ 77,162	\$ (2,238)	
3	200	New Tie Lines	3,147	(6,874)	115,000	-	94,242	94,242	Unbudgeted County project - Missing Mountain Road
4	300	Conversions and Line Changes	754,232	751,525	1,165,000	75,000	67,998	(7,002)	
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,502,357	1,312,375	1,005,000	700,000	542,483	(157,517)	Delays in Decatur Battery Construction
7	600	Miscellaneous Distribution Equipment							
8	601	Transformers & Meters	801,046	619,180	646,000	75,000	47,396	(27,604)	
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	-	-	
10	603	Sectionalizing Equipment	1,063	1,258	140,000	-	727	727	
11	604	Regulators	114,440	(1,499)	100,000	-	2,387	2,387	
12	606	Ordinary Replacements	-	226,830	350,000	100,000	112,237	12,237	
13	607	Overhead to Underground Replacements	146,639	-	70,000	2,000	-	(2,000)	
14	608	Underground Dist. Cable Replacement	1,679,837	2,350,837	1,600,000	500,000	646,011	146,011	Reprioritized projects
15	700	Other Distribution Items							
16	701	Engineering Fees	-	-	-	-	-	-	
17	704	LMS & SCADA	139,991	138,265	70,000	15,000	3,515	(11,485)	Reprioritized to fiber projects (see Line 19 - 706 Communications)
18	705	AMR	232,872	44,876	55,000	-	-	-	
19	706	Communications	534,627	157,426	110,000	-	12,196	12,196	Reprioritized from SCADA projects (see Line 17 - 704 LMS & SCADA)
20	TRANSMISSION								
21	800	New Tie Line	-	-	-	-	-	-	
22	900	New Substations, switching station, metering point, etc.	526,038	-	110,000	-	-	-	
23	1000	Line and Station Changes	2,672,572	196,951	100,000	10,000	2,612	(7,388)	
24	1100	Other Transmission	-	-	-	-	-	-	
25	GENERATION								
26	1200	Generation	-	-	-	-	-	-	
27	OTHER								
28	1300	Headquarters Facilities	77,349	574,560	355,000	325,000	507,205	182,205	Multiple HVAC failures and further septic repairs than anticipated
29	1400	Acquisitions	219,235	-	60,000	-	-	-	
30	1500	All Other (Transportation, Etc.)							
31	1501	Transportation/Equipment/Tools/Radios	612,005	596,410	539,000	150,000	132,141	(17,859)	Received vehicles later than anticipated
32	1502	Office Equipment/Furniture/Etc.	9,746	20,662	80,000	55,000	30,443	(24,557)	Delays in construction pushed purchases to Q2
33	1503	Computer/Servers/Software	264,369	310,903	222,000	50,000	60,851	10,851	
34	1504	Electrical Infrastructure to Support Community Solar	984,612	40,263	1,500,000	-	-	-	
35	1600	Minor Projects	605,704	268,214	155,000	70,000	10,734	(59,266)	
36	RUS CWP SUBTOTAL		12,279,724	7,991,954	8,944,000	2,206,400	2,350,338	143,938	
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)								
38		New Services	(448,823)	(439,694)	(408,000)	(60,000)	(89,544)	(29,544)	Offset to Line 2 - New Services
39		Meters and Transformers	(273,110)	(280,290)	(285,000)	(30,000)	(54,374)	(24,374)	Offset to Line 8 - Transformers & Meters
40		Joint Projects	(94,806)	(266,480)	(244,000)	-	(40,654)	(40,654)	Offset to Lines 3, 4, 14 and 35
41		WA DOC Grant Funding	(180,000)	-	(670,000)	(150,000)	(300,000)	(150,000)	Funding of \$150k submitted earlier than anticipated
42		Community Solar Member Contributions	(984,612)	(627)	(1,500,000)	-	-	-	
43	CIAC SUBTOTAL		(1,981,350)	(987,092)	(3,107,000)	(240,000)	(484,572)	(244,572)	
44									
45	RUS CWP NET TOTAL		10,298,373	7,004,861	5,837,000	1,966,400	1,865,765	(100,635)	

ORCAS POWER AND LIGHT COOPERATIVE

SALES AND USAGE REPORT

		A. Year to Date Total	B. January	C. February	D. March	E. April	F. May	G. June	H. July	I. August	J. September	K. October	L. November	M. December	N. Total
1	HEATING DEGREE DAYS (HDD)														
2	Budget HDD	683	273	224	186	106	38	14	4	2	11	50	147	312	1,367
3	Actual HDD	725	227	254	244										725
4	Variance	42	(46)	30	58										42
5															
6	ENERGY USAGE (kWh)														
7	Residential														
8	Budget	46,210,363	16,040,280	15,609,417	14,560,666	12,390,987	10,189,579	9,495,228	9,511,172	9,949,438	10,234,224	10,946,272	12,404,517	14,615,778	145,947,558
9	Actual	53,290,549	18,948,661	17,705,839	16,636,049										53,290,549
10	Variance (Budget to Actual)	7,080,186	2,908,381	2,096,422	2,075,383	-	-	-	-	-	-	-	-	-	7,080,186
11															
12	Commercial														
13	Budget	16,850,637	5,841,720	5,676,583	5,332,334	4,518,013	3,735,421	3,434,772	3,418,828	3,577,562	3,690,776	3,973,728	4,504,483	5,278,220	52,982,442
14	Actual	17,891,388	6,164,848	5,974,411	5,752,129										17,891,388
15	Variance (Budget to Actual)	1,040,751	323,128	297,828	419,795	-	-	-	-	-	-	-	-	-	1,040,751
16															
17	Combined Energy Usage (kWh)														
18	Budget	63,061,000	21,882,000	21,286,000	19,893,000	16,909,000	13,925,000	12,930,000	12,930,000	13,527,000	13,925,000	14,920,000	16,909,000	19,893,998	198,930,000
19	Actual	71,181,937	25,113,509	23,680,250	22,388,178	-	-	-	-	-	-	-	-	-	71,181,937
20	Variance (Budget to Actual)	8,120,937	3,231,509	2,394,250	2,495,178	-	-	-	-	-	-	-	-	-	8,120,937
21															
22	SALES REVENUE (kWh based net of ECA)														
23	Residential														
24	Budget	7,369,374	2,558,069	2,479,822	2,331,483	1,945,157	1,607,617	1,492,721	1,498,175	1,564,628	1,613,126	1,742,841	1,980,442	2,327,514	23,141,595
25	Actual	7,423,377	2,544,980	2,598,317	2,280,081	-	-	-	-	-	-	-	-	-	7,423,377
26	Variance (Budget to Actual)	54,003	(13,089)	118,495	(51,402)	-	-	-	-	-	-	-	-	-	54,003
27															
28	Commercial														
29	Budget	2,687,271	931,625	901,822	853,824	709,245	589,340	539,972	538,525	562,600	581,743	632,688	719,163	840,539	8,401,086
30	Actual	2,356,586	786,613	833,920	736,053	-	-	-	-	-	-	-	-	-	2,356,586
31	Variance (Budget to Actual)	(330,685)	(145,012)	(67,902)	(117,771)	-	-	-	-	-	-	-	-	-	(330,685)
32															
33	Combined kWh Sales Revenue														
34	Budget	10,056,645	3,489,694	3,381,644	3,185,307	2,654,402	2,196,957	2,032,693	2,036,700	2,127,228	2,194,869	2,375,529	2,699,605	3,168,053	31,542,681
35	Actual	9,779,963	3,331,593	3,432,236	3,016,134	-	-	-	-	-	-	-	-	-	9,779,963
36	Variance (Budget to Actual)	(276,682)	(158,101)	50,592	(169,173)	-	-	-	-	-	-	-	-	-	(276,682)
37	NOTE: Excluded Other Revenue and Revenues that are not usage based.														
38															
39	POWER COST														
40	Budget	3,010,859	1,044,213	1,016,110	950,536	810,022	669,507	622,669	622,669	650,771	669,507	716,345	810,022	950,537	9,532,908
41	Actual	3,100,440	1,173,716	966,987	959,737										3,100,440
42	Variance (Budget to Actual)	89,581	129,503	(49,123)	9,201	-	-	-	-	-	-	-	-	-	89,581

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7
STATEMENT OF OPERATIONS

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION

BORROWER
DESIGNATIONWA0009
PERIOD ENDEDMarch '20
BORROWER NAME
Orcas Power & Light Cooperative

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552).

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☐All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	10,279,556	9,849,597	10,130,939	3,036,384
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	3,105,483	3,100,440	3,010,859	959,737
4. Transmission Expense	47,348	134,514	137,392	13,497
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	993,904	1,075,850	1,083,925	339,670
7. Distribution Expense - Maintenance	550,525	720,275	621,692	205,998
8. Customer Accounts Expense	287,296	321,578	302,907	103,561
9. Customer Service and Informational Expense	124,710	139,119	169,161	3,303
10. Sales Expense	12,336	10,485	9,907	2,658
11. Administrative and General Expense	862,972	889,961	916,485	288,693
12. Total Operation & Maintenance Expense (2 thru 11)	5,984,576	6,392,221	6,252,329	1,917,117
13. Depreciation and Amortization Expense	1,219,335	1,262,576	1,290,917	424,111
14. Tax Expense - Property & Gross Receipts	86,770	91,066	95,447	31,073
15. Tax Expense - Other	354,190	344,865	365,520	114,091
16. Interest on Long-Term Debt	484,352	483,901	498,462	161,901
17. Interest Charged to Construction - Credit	(47,441)	(16,712)	(44,461)	(9,267)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	-	-	-	-
20. Total Cost of Electric Service (12 thru 19)	8,081,783	8,557,918	8,458,214	2,639,026
21. Patronage Capital & Operating Margins (1 minus 20)	2,197,773	1,291,678	1,672,725	397,357
22. Non Operating Margins - Interest	40,370	41,926	40,181	16,829
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	25,961	84,193	25,067	56,494
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	26,994	29,581	46,331	29,581
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (21 thru 28)	2,291,099	1,447,379	1,784,305	500,261

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7
BALANCE SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION		
			WA0009		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			March '20		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR <i>(a)</i>	THIS YEAR <i>(b)</i>		LAST YEAR <i>(a)</i>	THIS YEAR <i>(b)</i>
1. New Services Connected	41	55	5. Miles Transmission	42.65	42.65
2. Services Retired	63	-	6. Miles Distribution – Overhead	153.47	149.78
3. Total Services in Place	15,120	15,274	7. Miles Distribution - Underground	1,055.04	1,065.60
4. Idle Services (Exclude Seasonals)	771	757	8. Total Miles Energized (5 + 6 + 7)	1,251.16	1,258.03
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	145,424,177		30. Memberships	56,565	
2. Construction Work in Progress	5,595,233		31. Patronage Capital	42,671,871	
3. Total Utility Plant (1 + 2)	151,019,410		32. Operating Margins - Prior Years	-	
4. Accum. Provision for Depreciation and Amort.	54,584,831		33. Operating Margins - Current Year	1,363,186	
5. Net Utility Plant (3 - 4)	96,434,579		34. Non-Operating Margins	84,193	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	(4,669,077)	
7. Investments in Subsidiary Companies	(9,719,078)		36. Total Margins & Equities (30 thru 35)	39,506,737	
8. Invest. in Assoc. Org. - Patronage Capital	1,260,318		37. Long-Term Debt - RUS (Net)	-	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	54,098,862	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	558,274		39. Long-Term Debt - Other - RUS Guaranteed	-	
11. Investments in Economic Development Projects	-		40. Long-Term Debt Other (Net)	8,957,407	
12. Other Investments	1,940		41. Long-Term Debt - RUS - Econ. Devel. (Net)	-	
13. Special Funds	905,972		42. Payments – Unapplied	-	
14. Total Other Property & Investments (6 thru 13)	(6,982,274)		43. Total Long-Term Debt (37 thru 41 - 42)	63,056,270	
15. Cash - General Funds	2,348,486		44. Obligations Under Capital Leases - Noncurrent	15,048	
16. Cash - Construction Funds - Trustee	37,932		45. Accumulated Operating Provisions and Asset Retirement Obligations	-	
17. Special Deposits	-		46. Total Other Noncurrent Liabilities (44 + 45)	15,048	
18. Temporary Investments	5,131,458		47. Notes Payable	-	
19. Notes Receivable (Net)	70,560		48. Accounts Payable	1,660,244	
20. Accounts Receivable - Sales of Energy (Net)	2,754,705		49. Consumers Deposits	84,757	
21. Accounts Receivable - Other (Net)	135,477		50. Current Maturities Long-Term Debt	-	
22. Renewable Energy Credits	-		51. Current Maturities Long-Term Debt - Economic Development	-	
23. Materials and Supplies - Electric & Other	3,136,704		52. Current Maturities Capital Leases	18,057	
24. Prepayments	229,637		53. Other Current and Accrued Liabilities	900,900	
25. Other Current and Accrued Assets	1,472,747		54. Total Current & Accrued Liabilities	2,663,958	
26. Total Current and Accrued Assets	15,317,707		55. Regulatory Liabilities	-	
27. Regulatory Assets	-		56. Other Deferred Credits	338,993	
28. Other Deferred Debits	810,993		57. Total Liabilities and Other Credits	105,581,006	
29. Total Assets and Other Debits	105,581,006				