



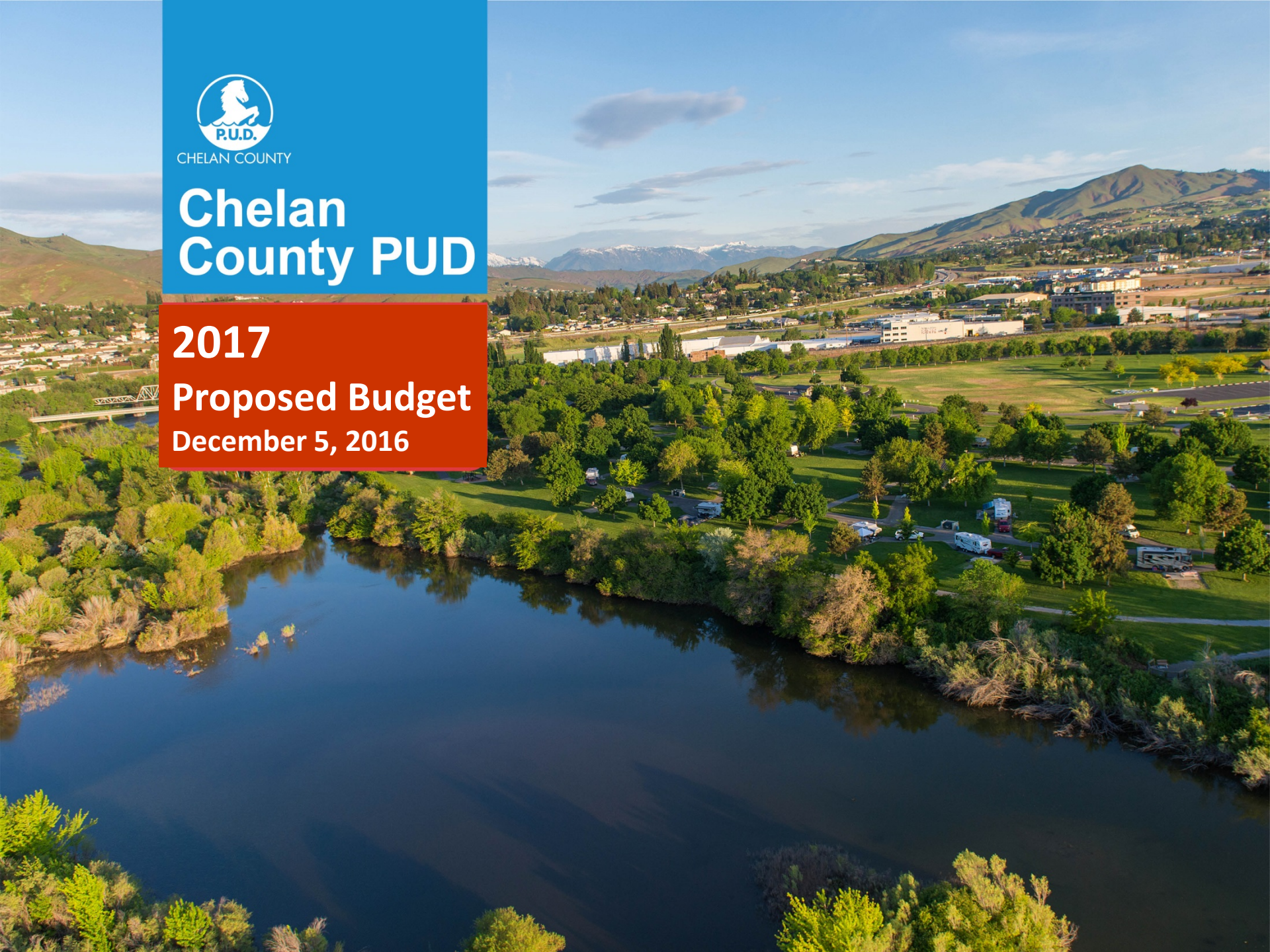
CHELAN COUNTY

Chelan County PUD

2017

Proposed Budget

December 5, 2016





Final Budget Adjustments

(following the Nov 21st hearing)

Wholesale revenues
adjusted to current forecast
(revised down <1%)

Operating expenditures
no material changes

Capital expenditures
no material changes
(revised up <1%)

**Overall impact to the District's
Bottom-Line less than 1%**

Combined Financial Results

(in 000's)	Adopted Budget 2016	Proposed Budget 2017	\$ Change	% Change
Service Revenue	63,285	63,168	(117)	(0.2)%
Net Surplus Energy Revenue	235,826	237,390	1,564	0.6%
Other Operating Revenue	20,424	20,886	462	2.3%
Operating Expense	(165,626)	(162,178)	3,448	(2.1)%
Depreciation & Tax Expense	(55,424)	(56,139)	(715)	1.3%
Operating Income	98,485	103,127	4,642	4.7%
Non-Operating Activity	(22,905)	(17,770)	5,135	(22.4)%
Bottom-Line (Dec 5th)	75,580	85,356	9,777	12.9%
<i>Nov 21st Budget Presentation</i>		85,958		
<i>2017-21 Business Plan</i>		83,097		

Combined District Expenditures

(in 000's)	*Adopted 2016 Budget	Proposed 2017 Budget	%
Operating Expense	167,905	162,178	96.6%
Tax Expense	8,025	7,895	98.4%
Non-Operating Exp/(Inc)	24,593	22,944	93.3%
Net Capital & Reg Assets *	77,090	95,976	124.5%
Total Expenditures (Dec 5th)	277,613	288,993	104.1%
<i>Nov 21st Budget Presentation</i>		288,121	

Net Debt Reduction	22,550	52,386	232.3%
Total Expenditures & Debt Reduction (Dec 5th)	300,163	341,379	113.7%
<i>Nov 21st Budget Presentation</i>		340,508	

* - Includes \$11.9M Rock Island capital budget revision approved with 2016 budget

The 2017 Budget exceeds all District and Business Line financial targets

Rate of Return
2017: 7.5%
Target > 4%

Combined Cover
2017: 3.02
Target > 2.0

Liquidity Target *
2017: \$353M
> \$178 M

Debt Ratio Target
2017: 38.3%
< 45% for 2017
< 35% by 2019

The 2017 budget process has taken the strategic plan priorities in to consideration and proposes to establish priorities within the three strategic plan focus areas: reinvesting in assets and people is the highest priority, reducing debt next and continuing the Public Power Benefit program (including the fiber build-out) third.