



# October 2018 Financial Presentation to the Board

John A. Davis | Chief Financial Officer

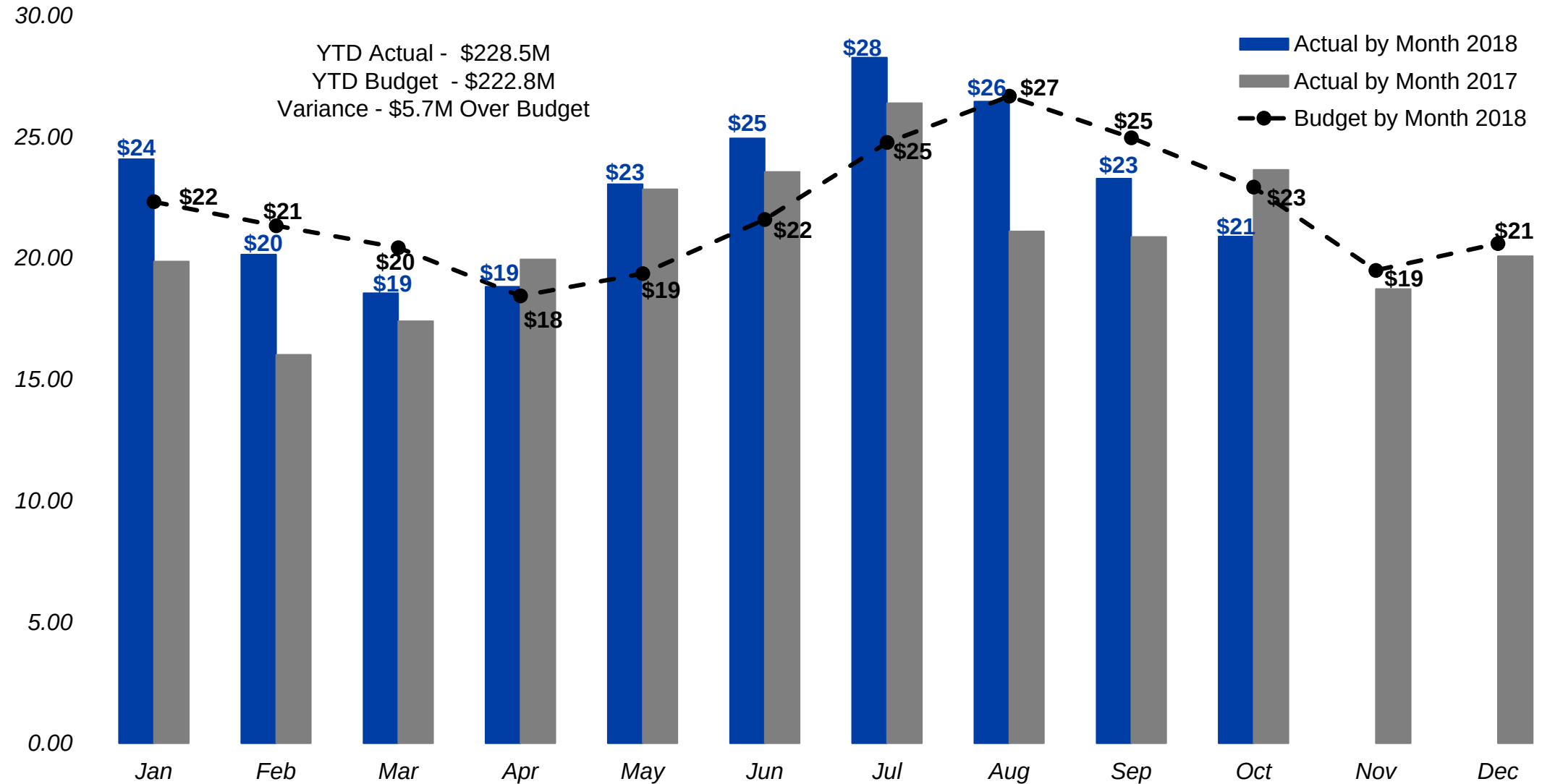
# Growth Statistics by month 2018



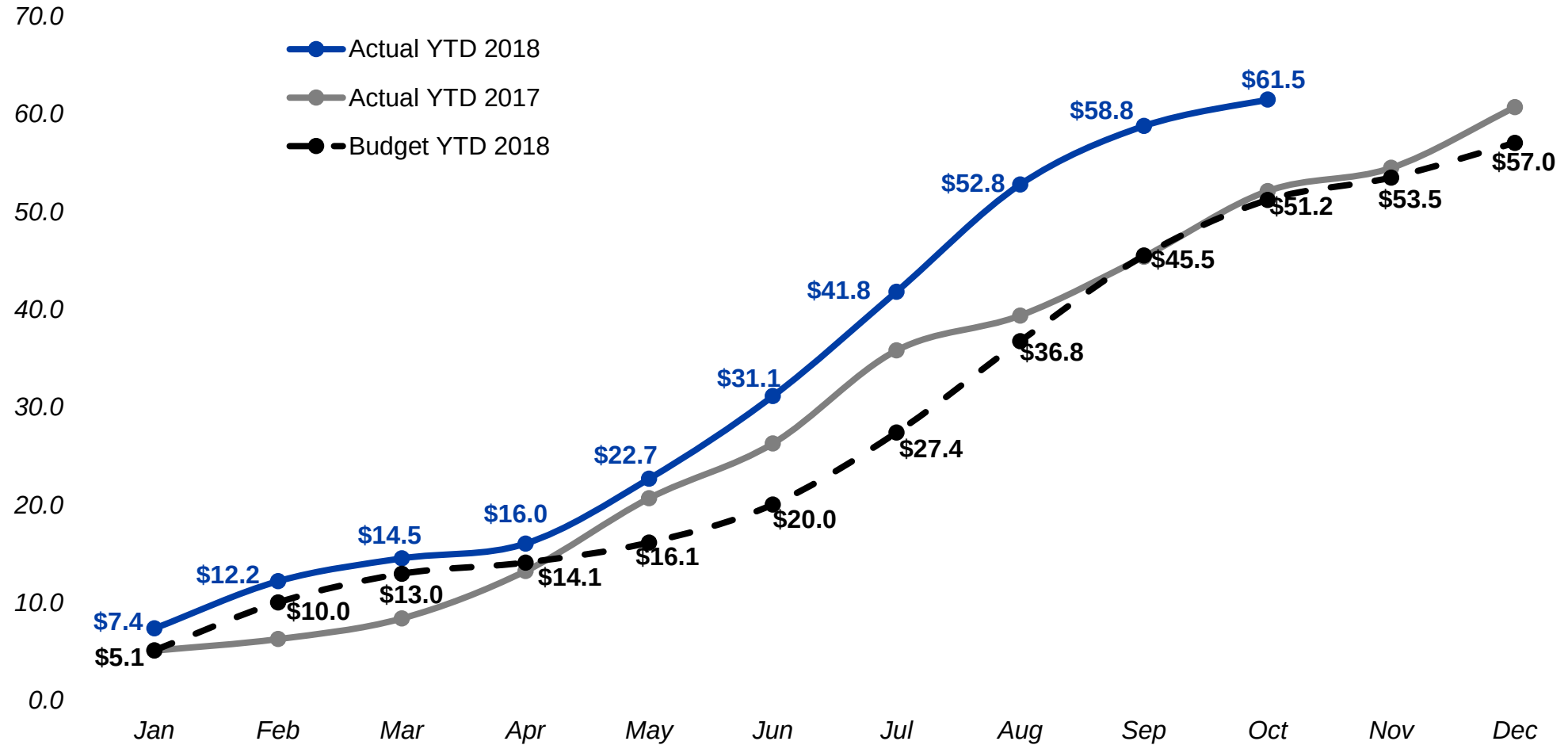
|          | Active<br>Accounts* | Net Increase | Applications | Time of Use | Interconnect | Renewable<br>Rider |
|----------|---------------------|--------------|--------------|-------------|--------------|--------------------|
| Jan 2018 | 301,508             | 1,270        | 1,942        | 174         | 1,847        | 377                |
| Feb 2018 | 302,653             | 1,145        | 1,969        | 200         | 1,898        | 378                |
| Mar 2018 | 303,585             | 932          | 2,242        | 201         | 1,968        | 376                |
| Apr 2018 | 305,173             | 1,588        | 2,545        | 197         | 2,031        | 378                |
| May 2018 | 306,852             | 1,679        | 2,794        | 202         | 2,091        | 383                |
| Jun 2018 | 308,085             | 1,233        | 3,007        | 204         | 2,161        | 387                |
| Jul 2018 | 309,570             | 1,485        | 3,400        | 206         | 2,232        | 395                |
| Aug 2018 | 311,129             | 1,559        | 3,178        | 214         | 2,320        | 398                |
| Sep 2018 | 311,320             | 191          | 2,224        | 887         | 2,396        | 405                |
| Oct 2018 | 312,852             | 1,532        | 2,343        | 893         | 2,486        | 408                |

\*Active Accounts are meters and lights only.

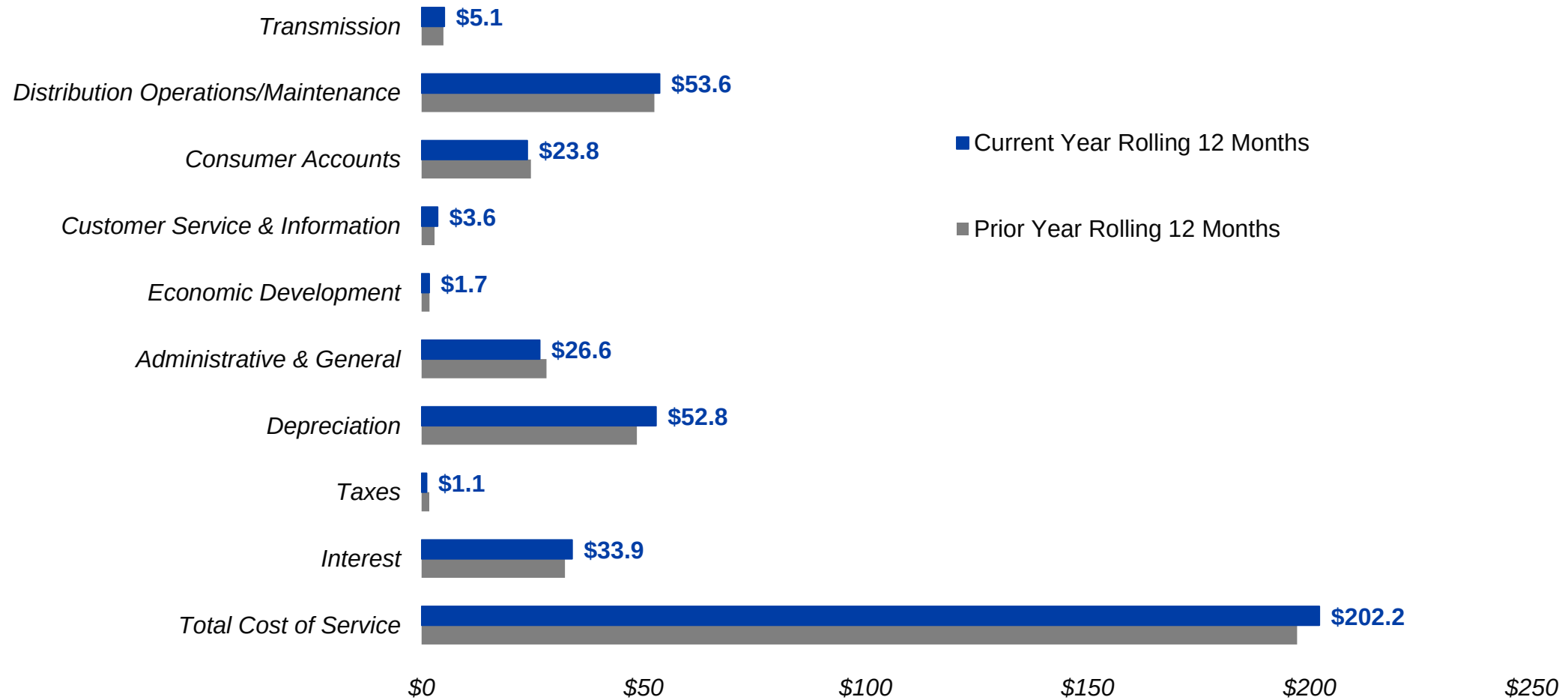
# Gross Margins by Month (in millions)



# Net Margins Year to Date (in millions)



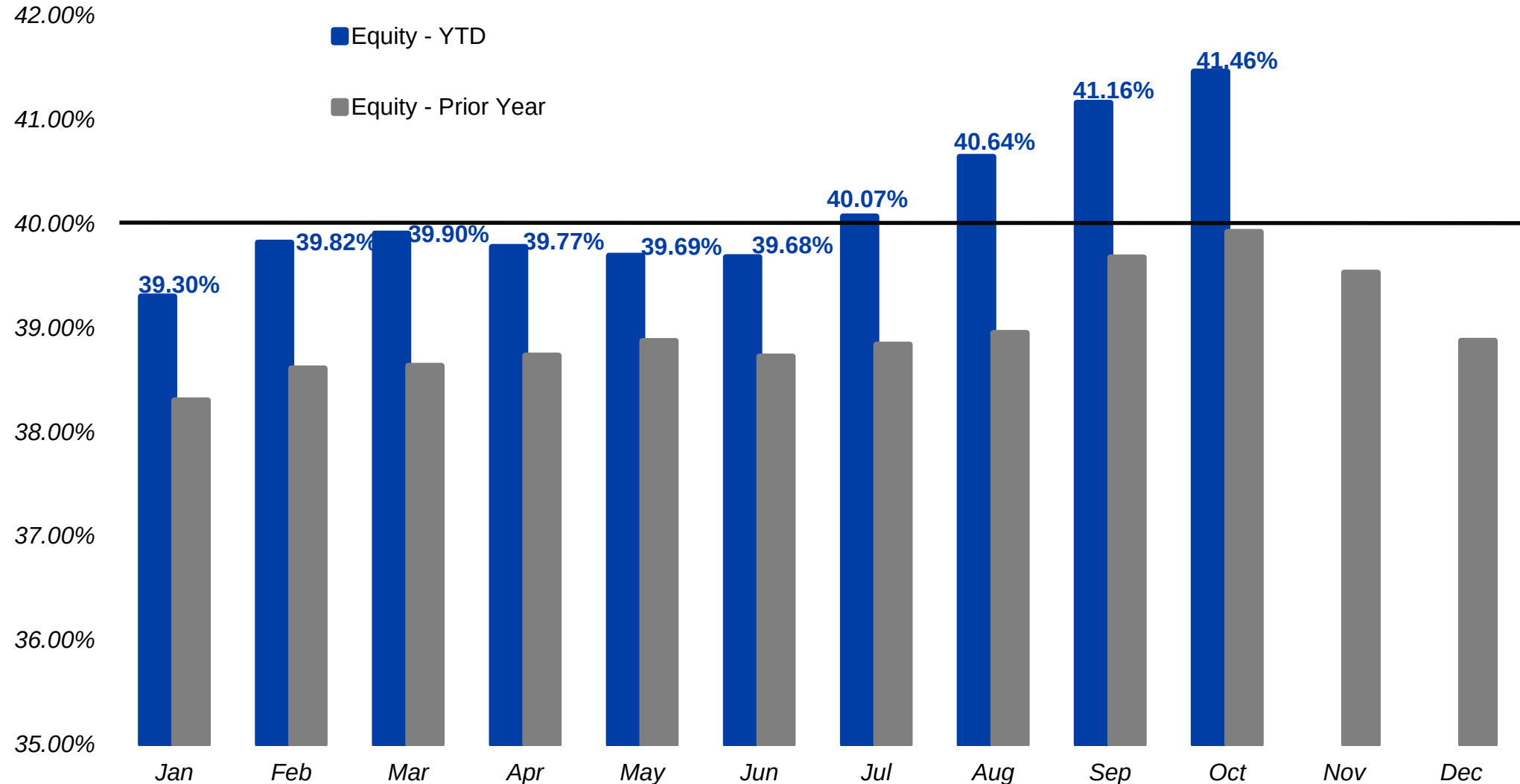
# Cost of Service Rolling 12 Months through October 2018 (in millions)



# Summary of Plant Additions, Work in Progress (WIP) 2018

| <u>Asset Additions by GL Account &amp; Period with Life</u> | <u>Jan 2018</u>     | <u>Feb 2018</u>      | <u>Mar 2018</u>      | <u>Apr 2018</u>      | <u>May 2018</u>      | <u>Jun 2018</u>      | <u>Jul 2018</u>      | <u>Aug 2018</u>        | <u>Sep 2018</u>      | <u>Oct 2018</u>        | <u>YTD Total</u>     |
|-------------------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| 353.10 TP-Station Equipment (Life 52.5 Yrs)                 | 2,603               | -                    | -                    | 5,060                | -                    | -                    | -                    | -                      | -                    | 902,134                | 909,797              |
| 355.10 TP-Poles & Fixtures (Life 49.5 Yrs)                  | -                   | 4,342                | 71,814               | -                    | 31,038               | -                    | -                    | -                      | -                    | 4,672,902              | 4,780,096            |
| 356.10 TP-OH Conductors & Devices (Life 52.5 Yrs)           | -                   | 439                  | 7                    | 4,513                | -                    | -                    | -                    | 593                    | -                    | 112,326                | 117,877              |
| 360.10 DP-Land & Land Rights                                | -                   | -                    | 753,099              | -                    | -                    | -                    | -                    | -                      | -                    | -                      | 753,099              |
| 361.10 DP-Structures & Improvement (Life 50 Yrs)            | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                      | -                    | 17,972                 | 17,972               |
| 362.10 DP-Station Equipment (Life 45 Yrs)                   | 129,011             | 18,722               | -                    | 196,995              | -                    | 5,710                | 53,261               | -                      | 20,109               | 5,452,294              | 5,876,100            |
| 364.10 DP-Poles; Towers & Fixtures (Life 42 Yrs)            | 740,856             | 655,738              | 1,413,310            | 2,696,487            | 2,057,442            | 2,316,671            | 1,716,013            | 3,388,631              | 3,214,255            | 2,921,375              | 21,120,778           |
| 364.20 DP-Poles; Wood Pole Treatment (Life 10 Yrs)          | -                   | 355,399              | -                    | -                    | -                    | -                    | -                    | -                      | -                    | -                      | 355,399              |
| 365.10 DP-OH Conductors & Devices (Life 44 Yrs)             | 1,328,817           | 544,740              | 1,201,395            | 1,861,076            | 2,538,123            | 1,299,280            | 1,931,964            | 1,569,001              | 1,777,665            | 1,698,135              | 15,750,196           |
| 366.10 DP-Underground Conduit (Life 54 Yrs)                 | -                   | -                    | 115                  | 278                  | 590                  | 107                  | 1,554                | 1,650                  | 1,434                | 4,591                  | 10,320               |
| 367.10 DP-URD Conductors & Devices (Life 38 Yrs)            | 387,238             | 1,193,736            | 1,541,291            | 751,526              | 1,423,716            | 1,173,746            | 1,200,245            | 597,448                | 552,419              | 1,582,534              | 10,403,898           |
| 368.10 DP-Line Transformers (Life 35 Yrs)                   | 281,963             | 902,560              | 1,039,544            | 866,755              | 1,507,845            | 2,631,774            | 2,204,337            | 1,225,164              | 947,259              | 1,667,362              | 13,274,562           |
| 369.10 DP-Services (Life 39 Yrs)                            | 45,841              | 134,100              | 521,704              | 239,271              | 785,656              | 299,279              | 515,597              | 793,715                | 163,037              | 362,269                | 3,860,468            |
| 370.10 DP-Meters (Life 8 Yrs)                               | 558,287             | 15,803               | 25,169               | 996,840              | 38,204               | 24,237               | 876,160              | 610,706                | 644,934              | 85,964                 | 3,876,302            |
| 370.20 DP-Meters AMR Collectors (Life 8 Yrs)                | 374,966             | 1,252                | 1,932                | 877,240              | 2,820                | 3,701                | 792,729              | 519,758                | 510,075              | 37,278                 | 3,121,751            |
| 370.30 DP-Meters CT & PT TRFS (Life 35 Yrs)                 | 41,353              | 13,301               | 9,930                | 4,690                | 12,018               | 16,459               | 5,973                | 9,188                  | 44,784               | 20,992                 | 178,689              |
| 370.40 DP-Meters - AMR Collectors/Software (Life 5 Yrs)     | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                      | -                    | 21,164                 | 21,164               |
| 370.60 DP-Meters - AMI RF Collectors (Life 15 Yrs)          | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 38,234                 | -                    | -                      | 38,234               |
| 373.20 DP-Light Watchman Fixture (Life 38 Yrs)              | (49)                | 132,676              | 12,888               | 348,969              | 32,053               | 33,727               | 259,850              | 337,756                | 59,047               | 30,913                 | 1,247,828            |
| 390.10 GP-Structures & Improvement (Life 42 Yrs)            | 60,725              | 2,449                | -                    | 66,138               | 175,556              | -                    | -                    | 21,349,964             | -                    | 79,594                 | 21,734,427           |
| 390.20 GP-Leased Bldg Improvement (Life 42 Yrs)             | -                   | -                    | -                    | 6,928                | -                    | -                    | -                    | -                      | -                    | -                      | 6,928                |
| 391.10 GP-Office Furniture & Equipment (Life 12 Yrs)        | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 171,702                | -                    | 283,955                | 455,657              |
| 391.20 GP-Computer Equipment & Software (Life 5 Yrs)        | 310,669             | -                    | -                    | 208,915              | 10,866               | -                    | -                    | 2,743,192              | -                    | 3,278                  | 3,276,921            |
| 392.10 GP-Transportation Equipment (Life 8 Yrs)             | 20,406              | 431,666              | 219,087              | 31,994               | 169,979              | 70,976               | 49,475               | -                      | 36,829               | 101,843                | 1,132,254            |
| 393.10 GP-Stores Equipment (Life 16 Yrs)                    | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 45,186                 | -                    | (206)                  | 44,980               |
| 394.10 GP-Tools; Shop & Garage Equipment (Life 16 Yrs)      | (27,633)            | -                    | -                    | 10,444               | -                    | -                    | -                    | -                      | -                    | 8,149                  | (9,040)              |
| 395.10 GP-Laboratory Equipment (Life 16 Yrs)                | -                   | 6,594                | -                    | 164,617              | -                    | 3,505                | 15,550               | -                      | -                    | 189,053                | 379,319              |
| 396.10 GP-Power Operated Equipment (Life 10 Yrs)            | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                      | -                    | 346,286                | 346,286              |
| 397.10 GP-Telephones & Radios (Life 10 Yrs)                 | 604,062             | -                    | -                    | -                    | 516,987              | -                    | -                    | 60,936                 | 39,039               | -                      | 1,221,024            |
| 398.10 GP-Misc Equipment-Safety (Life 16 Yrs)               | -                   | -                    | -                    | 217,334              | -                    | -                    | -                    | 1,269,941              | -                    | 37,838                 | 1,525,112            |
| <b>Total Asset Additions</b>                                | <b>\$ 4,859,114</b> | <b>\$ 4,413,515</b>  | <b>\$ 6,811,284</b>  | <b>\$ 9,556,069</b>  | <b>\$ 9,302,893</b>  | <b>\$ 7,879,173</b>  | <b>\$ 9,622,708</b>  | <b>\$ 34,732,766</b>   | <b>\$ 8,010,883</b>  | <b>\$ 20,639,993</b>   | <b>\$115,828,398</b> |
| <b>WIP</b>                                                  | <b>\$ 644,715</b>   | <b>\$ 7,735,723</b>  | <b>\$ 6,214,243</b>  | <b>\$ 3,708,509</b>  | <b>\$ 2,394,605</b>  | <b>\$ 8,908,288</b>  | <b>\$ 3,156,407</b>  | <b>\$ (24,890,152)</b> | <b>\$ 2,334,095</b>  | <b>\$ (10,146,475)</b> | <b>\$ 59,958</b>     |
| <b>Total</b>                                                | <b>\$ 5,503,829</b> | <b>\$ 12,149,238</b> | <b>\$ 13,025,527</b> | <b>\$ 13,264,578</b> | <b>\$ 11,697,498</b> | <b>\$ 16,787,461</b> | <b>\$ 12,779,115</b> | <b>\$ 9,842,613</b>    | <b>\$ 10,344,978</b> | <b>\$ 10,493,518</b>   | <b>\$115,888,357</b> |

# Equity as a Percentage of Assets 2018



Board Policy Targets Equity Range of 32% to 45%



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