



Long Range Financial Forecast

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Chief Financial Officer

Financial Projection - Low Load Forecast

	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	YEAR 6 2022	YEAR 7 2023	YEAR 8 2024	YEAR 9 2025	YEAR 10 2026
Low Growth Scenario										
Operating Revenues	\$592,814,980	\$615,968,169	\$634,959,174	\$656,207,910	\$676,547,698	\$694,525,239	\$711,783,930	\$728,584,525	\$745,466,996	\$762,781,286
Increase (Reduction) in Rate Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power	\$341,866,420)	\$(357,161,368)	\$367,572,097)	\$(380,401,071)	\$(391,977,579)	\$(402,239,196)	\$412,574,444)	\$(422,646,085)	\$432,768,017)	\$(443,147,956)
Operating Expenses without Power	\$(159,339,531)	\$(166,987,617)	\$(174,492,558)	\$(182,601,043)	\$(190,802,959)	\$(199,516,759)	\$(207,923,610)	\$(216,784,261)	\$(224,860,958)	\$(227,546,819)
Other Income and Interest Expenses	<u>(\$32,969,881)</u>	<u>(\$35,000,936)</u>	<u>(\$36,405,905)</u>	<u>(\$38,131,774)</u>	<u>(\$39,647,055)</u>	<u>(\$41,112,912)</u>	<u>(\$42,484,199)</u>	<u>(\$43,712,220)</u>	<u>(\$44,865,476)</u>	<u>(\$45,942,375)</u>
Net Margins	\$58,639,148	\$56,818,248	\$56,488,613	\$55,074,022	\$54,120,104	\$51,656,372	\$48,801,677	\$45,441,959	\$42,972,545	\$46,144,135
Proof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Margins	\$58,639,148	\$56,818,248	\$56,488,613	\$55,074,022	\$54,120,104	\$51,656,372	\$48,801,677	\$45,441,959	\$42,972,545	\$46,144,135
New Debt Issued	\$72,447,853	\$106,399,375	\$105,083,427	\$105,564,214	\$86,746,352	\$86,075,288	\$88,252,297	\$90,578,164	\$92,864,054	\$95,626,757
Principal Paid	\$38,847,347	\$42,153,009	\$45,698,144	\$49,846,281	\$34,466,358	\$36,151,705	\$40,069,643	\$43,631,455	\$47,394,467	\$51,372,560
Long-Term Debt per Consumer	\$2,503	\$2,630	\$2,732	\$2,879	\$2,955	\$3,012	\$3,062	\$3,108	\$3,146	\$3,239
Long-Term Debt to Assets	43.69%	44.40%	44.85%	46.17%	46.47%	46.64%	46.82%	47.03%	47.22%	48.23%
Long-Term Debt	\$713,567,384	\$774,268,598	\$829,505,776	\$900,603,670	\$951,198,297	\$997,203,965	\$1,041,824,804	\$1,085,008,509	\$1,126,500,050	\$1,189,223,792
Debt Service Coverage Ratio	1.86	1.80	1.75	1.69	2.07	2.03	1.93	1.85	1.78	1.71
TIER Operating	2.72	2.57	2.50	2.40	2.32	2.22	2.11	2.00	1.92	1.97
TIER Net	2.74	2.59	2.52	2.42	2.34	2.23	2.13	2.02	1.94	1.99
Equity as Percent of Assets	38.95%	39.28%	39.66%	40.02%	40.39%	40.70%	40.95%	41.11%	41.23%	41.44%
Cash at Year End	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Plant in Service	\$1,479,712,420	\$1,590,577,503	\$1,696,707,045	\$1,798,061,201	\$1,894,520,442	\$1,986,159,583	\$2,073,203,073	\$2,155,650,912	\$2,234,152,255	\$2,314,609,736
Capital Improvement Plan ("CIP")	\$165,789,728	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000
% of CIP Borrowed	43.70%	64.48%	63.69%	63.98%	52.57%	52.17%	53.49%	54.90%	56.28%	57.96%
Controllable Expenses	\$107,978,542	\$110,802,400	\$113,802,000	\$117,339,200	\$120,851,100	\$124,922,700	\$128,915,200	\$133,340,800	\$137,637,200	\$142,422,000
Average / Mid-Year Meters	285,112	294,397	303,629	312,781	321,914	331,032	340,219	349,107	358,029	367,182
Meter Growth	1,610	9,285	9,231	9,153	9,133	9,118	9,187	8,888	8,922	9,152
Meters end of year	281,806	294,397	303,629	312,781	321,914	331,032	340,219	349,107	358,029	367,182
Controllable Expenses per Avg Meter	\$378.72	\$376.37	\$374.81	\$375.15	\$375.41	\$377.37	\$378.92	\$381.95	\$384.43	\$387.88
Net Plant in Service per Avg Meter	\$5,189.93	\$5,402.83	\$5,588.10	\$5,748.62	\$5,885.17	\$5,999.90	\$6,093.72	\$6,174.75	\$6,240.14	\$6,303.72

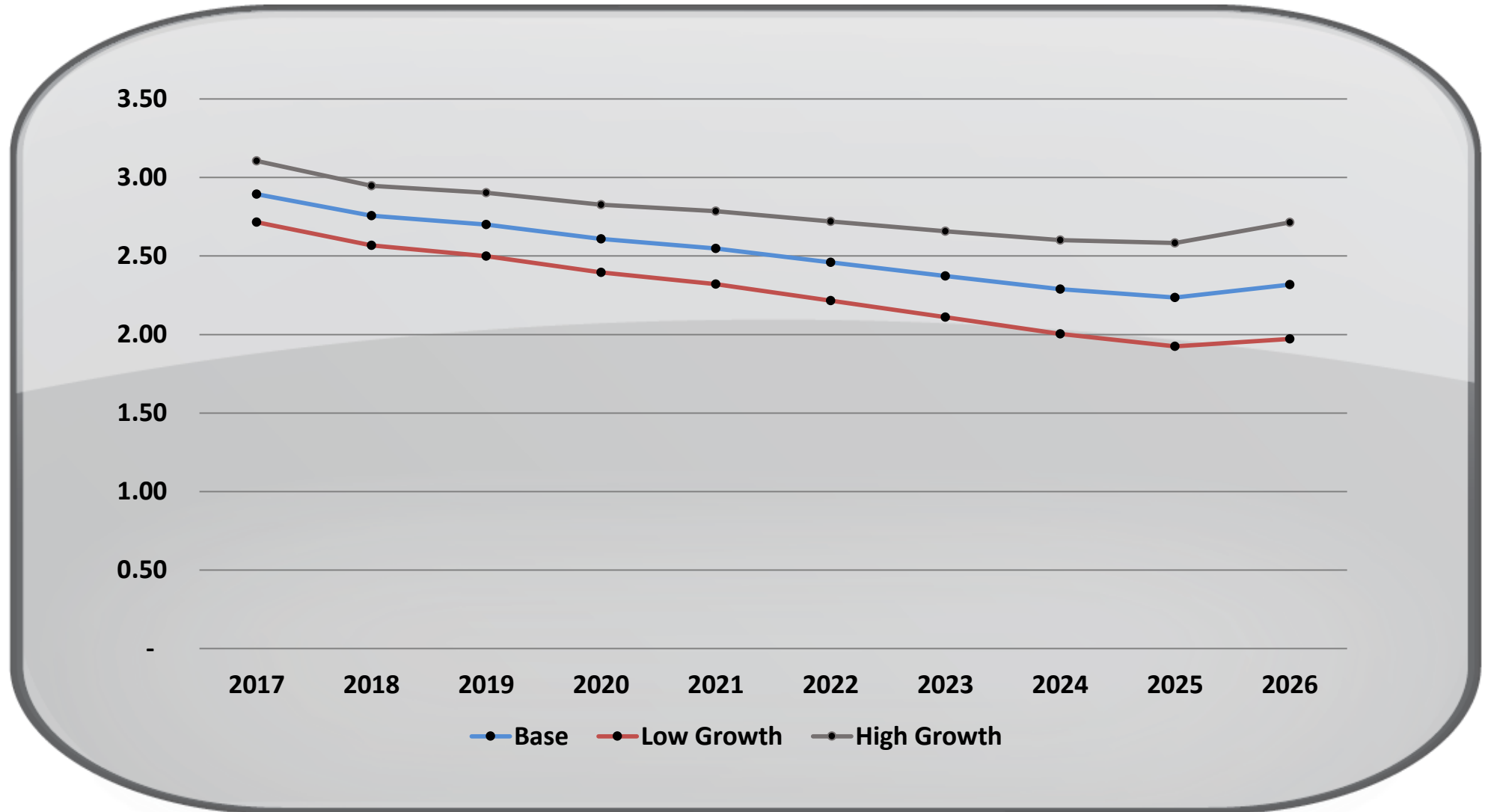
Financial Projection – Base Load Forecast

	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	YEAR 6 2022	YEAR 7 2023	YEAR 8 2024	YEAR 9 2025	YEAR 10 2026
Base Model										
Operating Revenues	\$607,076,603	\$631,052,752	\$650,426,668	\$672,425,639	\$693,760,017	\$713,031,854	\$731,522,784	\$750,178,858	\$769,108,646	\$788,560,185
Increase (Reduction) in Rate Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power	\$ (350,540,321)	\$ (366,487,836)	\$ (377,179,269)	\$ (390,532,550)	\$ (402,762,559)	\$ (413,838,039)	\$ (424,951,869)	\$ (436,165,358)	\$ (447,541,550)	\$ (459,228,910)
Operating Expenses without Power	\$ (159,339,531)	\$ (166,987,617)	\$ (174,492,558)	\$ (182,601,043)	\$ (190,802,959)	\$ (199,516,759)	\$ (207,923,610)	\$ (216,784,261)	\$ (224,860,958)	\$ (227,546,819)
Other Income and Interest Expenses	<u>(\$32,815,024)</u>	<u>(\$34,630,238)</u>	<u>(\$35,813,889)</u>	<u>(\$37,304,530)</u>	<u>(\$38,565,866)</u>	<u>(\$39,753,802)</u>	<u>(\$40,820,260)</u>	<u>(\$41,711,412)</u>	<u>(\$42,488,455)</u>	<u>(\$43,146,253)</u>
Net Margins	\$64,381,728	\$62,947,062	\$62,940,952	\$61,987,516	\$61,628,633	\$59,923,255	\$57,827,044	\$55,517,827	\$54,217,683	\$58,638,203
Proof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Debt Issued	\$66,649,987	\$100,176,879	\$98,415,068	\$98,299,576	\$78,735,463	\$77,135,328	\$78,359,481	\$79,415,540	\$80,281,025	\$81,507,865
Principal Paid	\$38,792,061	\$42,059,327	\$45,482,124	\$49,495,136	\$33,963,998	\$35,478,628	\$39,202,194	\$42,544,697	\$46,056,576	\$49,747,735
Long-Term Debt per Consumer	\$2,418	\$2,524	\$2,605	\$2,729	\$2,781	\$2,812	\$2,836	\$2,851	\$2,856	\$2,906
Long-Term Debt to Assets	43.34%	43.73%	43.88%	44.90%	44.90%	44.76%	44.62%	44.48%	44.30%	44.83%
Long-Term Debt	\$707,918,485	\$762,613,224	\$811,533,189	\$875,868,804	\$919,125,620	\$957,058,777	\$992,873,557	\$1,026,232,528	\$1,056,765,865	\$1,105,370,715
Debt Service Coverage Ratio	1.94	1.88	1.84	1.78	2.19	2.17	2.08	2.01	1.95	1.89
TIER Operating	2.89	2.76	2.70	2.61	2.55	2.46	2.37	2.29	2.24	2.32
TIER Net	2.92	2.78	2.72	2.63	2.57	2.48	2.39	2.31	2.25	2.34
Equity as Percent of Assets	39.30%	39.96%	40.65%	41.31%	41.99%	42.62%	43.20%	43.72%	44.22%	44.84%
Cash at Year End	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Plant in Service	\$1,479,712,420	\$1,590,577,503	\$1,696,707,045	\$1,798,061,201	\$1,894,520,442	\$1,986,159,583	\$2,073,203,073	\$2,155,650,912	\$2,234,152,255	\$2,314,609,736
Capital Improvement Plan ("CIP")	\$165,789,728	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000
% of CIP Borrowed	40.20%	60.71%	59.65%	59.58%	47.72%	46.75%	47.49%	48.13%	48.66%	49.40%
Controllable Expenses	\$107,978,542	\$110,802,400	\$113,802,000	\$117,339,200	\$120,851,100	\$124,922,700	\$128,915,200	\$133,340,800	\$137,637,200	\$142,422,000
Average / Mid-Year Meters	292,721	302,160	311,489	320,927	330,516	340,292	350,098	359,988	370,029	380,352
Meter Growth	9,219	9,439	9,329	9,438	9,589	9,776	9,806	9,890	10,041	10,323
Controllable Exp. per Avg Consumer	\$368.88	\$366.70	\$365.35	\$365.63	\$365.64	\$367.10	\$368.23	\$370.40	\$371.96	\$374.45
Net Plant in Service per Avg Consumer	\$5,055.02	\$5,264.02	\$5,447.08	\$5,602.70	\$5,732.01	\$5,836.63	\$5,921.77	\$5,988.12	\$6,037.78	\$6,085.44

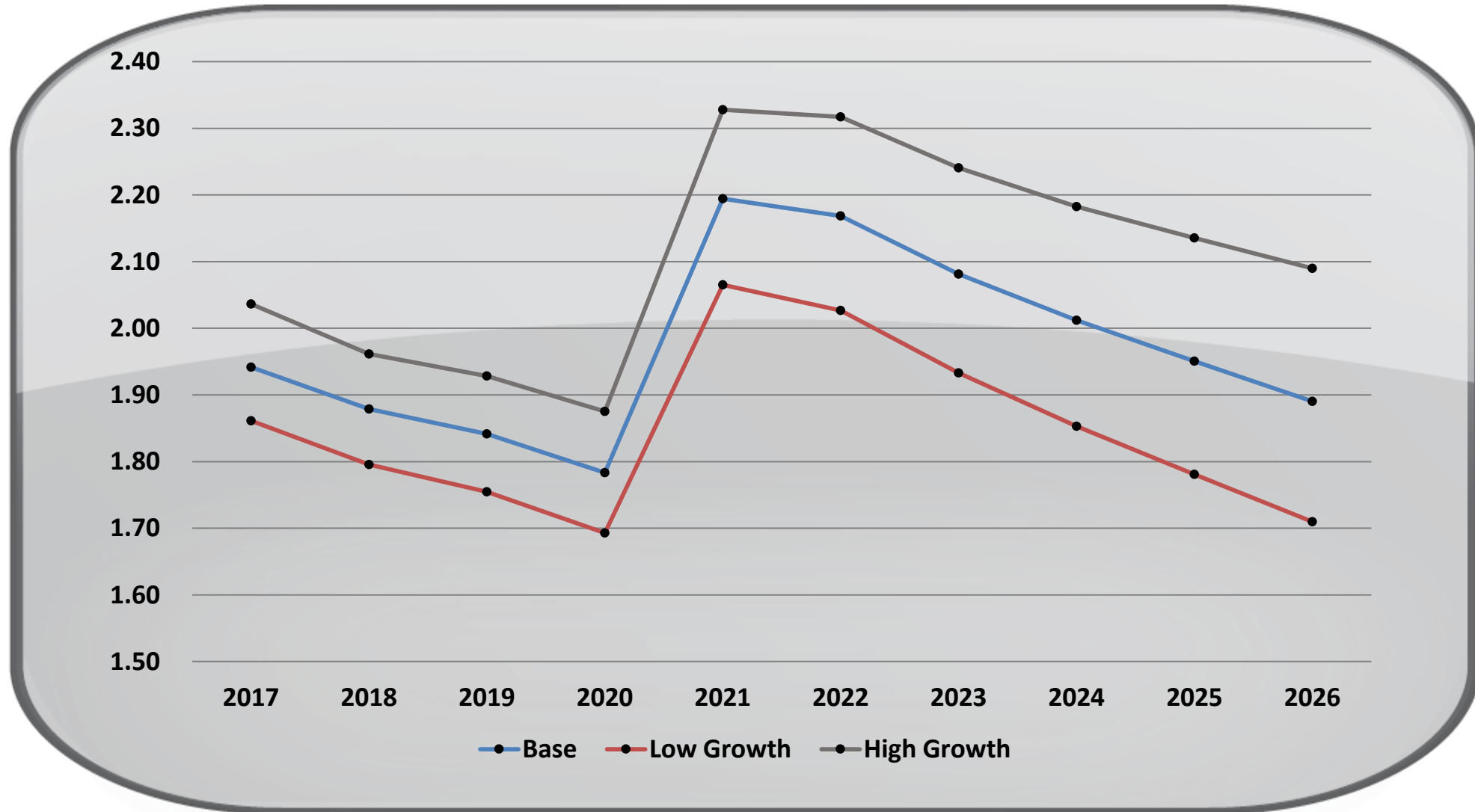
Financial Projection – High Load Forecast

	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	YEAR 6 2022	YEAR 7 2023	YEAR 8 2024	YEAR 9 2025	YEAR 10 2026
High Growth Scenario										
Operating Revenues	\$625,885,315	\$645,822,200	\$665,435,544	\$688,140,065	\$710,207,992	\$730,631,172	\$750,480,931	\$770,417,263	\$791,255,012	\$812,713,700
Increase (Reduction) in Rate Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power	\$(362,781,169)	\$(375,723,480)	\$(386,561,836)	\$(400,306,183)	\$(412,931,832)	\$(424,629,078)	\$(436,484,493)	\$(448,393,072)	\$(460,828,666)	\$(473,632,400)
Operating Expenses without Power	\$(159,339,531)	\$(166,987,617)	\$(174,492,558)	\$(182,601,043)	\$(190,802,959)	\$(199,516,759)	\$(207,923,610)	\$(216,784,261)	\$(224,860,958)	\$(227,546,819)
Other Income and Interest Expenses	<u>(\$32,640,164)</u>	<u>(\$34,222,499)</u>	<u>(\$35,191,812)</u>	<u>(\$36,453,061)</u>	<u>(\$37,464,952)</u>	<u>(\$38,378,817)</u>	<u>(\$39,140,635)</u>	<u>(\$39,694,439)</u>	<u>(\$40,096,114)</u>	<u>(\$40,333,602)</u>
Net Margins	\$71,124,451	\$68,888,604	\$69,189,337	\$68,779,779	\$69,008,248	\$68,106,518	\$66,932,193	\$65,545,492	\$65,469,274	\$71,200,879
Proof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Margins	\$71,124,451	\$68,888,604	\$69,189,337	\$68,779,779	\$69,008,248	\$68,106,518	\$66,932,193	\$65,545,492	\$65,469,274	\$71,200,879
Reduction in Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Debt Issued	\$59,851,979	\$94,123,824	\$91,935,333	\$91,143,787	\$70,842,641	\$68,269,901	\$68,378,790	\$68,290,964	\$67,681,644	\$67,309,691
Principal Paid	\$38,736,775	\$41,947,813	\$45,250,773	\$49,131,610	\$33,450,792	\$34,796,465	\$38,326,651	\$41,447,787	\$44,708,785	\$48,112,237
Long-Term Debt per Consumer	\$2,330	\$2,417	\$2,478	\$2,578	\$2,607	\$2,613	\$2,610	\$2,598	\$2,572	\$2,583
Long-Term Debt to Assets	42.94%	43.02%	42.87%	43.61%	43.32%	42.87%	42.41%	41.92%	41.36%	41.41%
Long-Term Debt	\$701,287,276	\$750,160,309	\$792,964,065	\$850,657,098	\$886,703,254	\$916,646,527	\$943,577,526	\$967,159,712	\$986,729,166	\$1,021,135,842
Debt Service Coverage Ratio	2.04	1.96	1.93	1.88	2.33	2.32	2.24	2.18	2.14	2.09
TIER Operating	3.11	2.95	2.90	2.83	2.78	2.72	2.66	2.60	2.58	2.71
TIER Net	3.13	2.97	2.92	2.85	2.80	2.74	2.68	2.62	2.60	2.73
Equity as Percent of Assets	39.72%	40.69%	41.67%	42.63%	43.61%	44.55%	45.46%	46.34%	47.23%	48.25%
Cash at Year End	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Plant in Service	\$1,479,712,420	\$1,590,577,503	\$1,696,707,045	\$1,798,061,201	\$1,894,520,442	\$1,986,159,583	\$2,073,203,073	\$2,155,650,912	\$2,234,152,255	\$2,314,609,736
Capital Improvement Plan ("CIP")	\$165,789,728	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000	\$165,000,000
% of CIP Borrowed	36.10%	57.04%	55.72%	55.24%	42.93%	41.38%	41.44%	41.39%	41.02%	40.79%
Controllable Expenses	\$107,978,542	\$110,802,400	\$113,802,000	\$117,339,200	\$120,851,100	\$124,922,700	\$128,915,200	\$133,340,800	\$137,637,200	\$142,422,000
Average / Mid-Year Meters	300,917	310,358	320,017	329,977	340,123	350,740	361,516	372,328	383,680	395,379
Meter Growth	17,415	9,440	9,659	9,960	10,145	10,617	10,776	10,813	11,352	11,699
Meters end of year	311,034	310,358	320,017	329,977	340,123	350,740	361,516	372,328	383,680	395,379
Controllable Exp. per Avg Meter	\$358.83	\$357.02	\$355.61	\$355.60	\$355.32	\$356.17	\$356.60	\$358.13	\$358.73	\$360.22
Net Plant in Service per Avg Meter	\$4,917.34	\$5,124.98	\$5,301.93	\$5,449.04	\$5,570.11	\$5,662.78	\$5,734.76	\$5,789.65	\$5,822.96	\$5,854.15

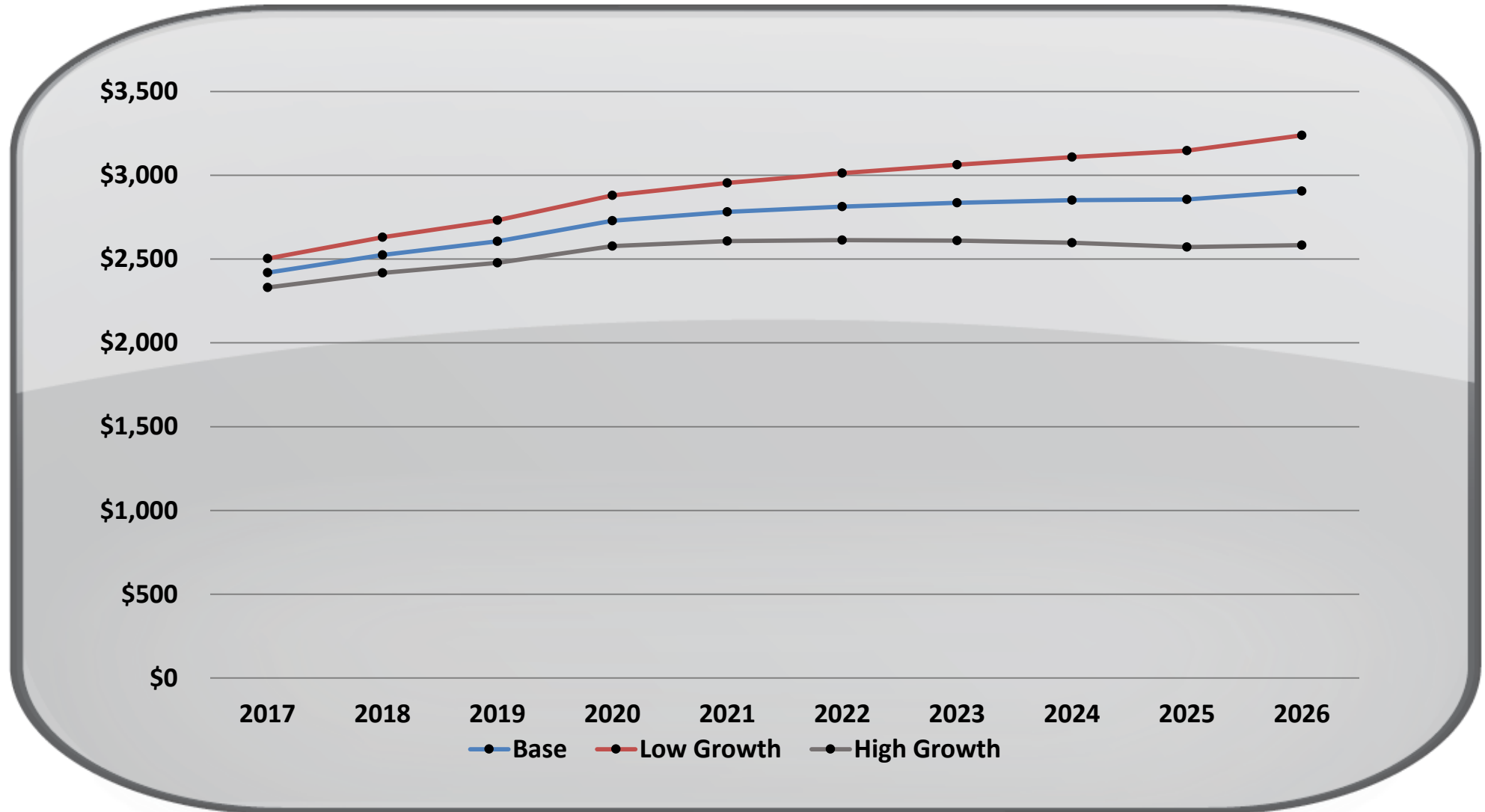
TIER Operating



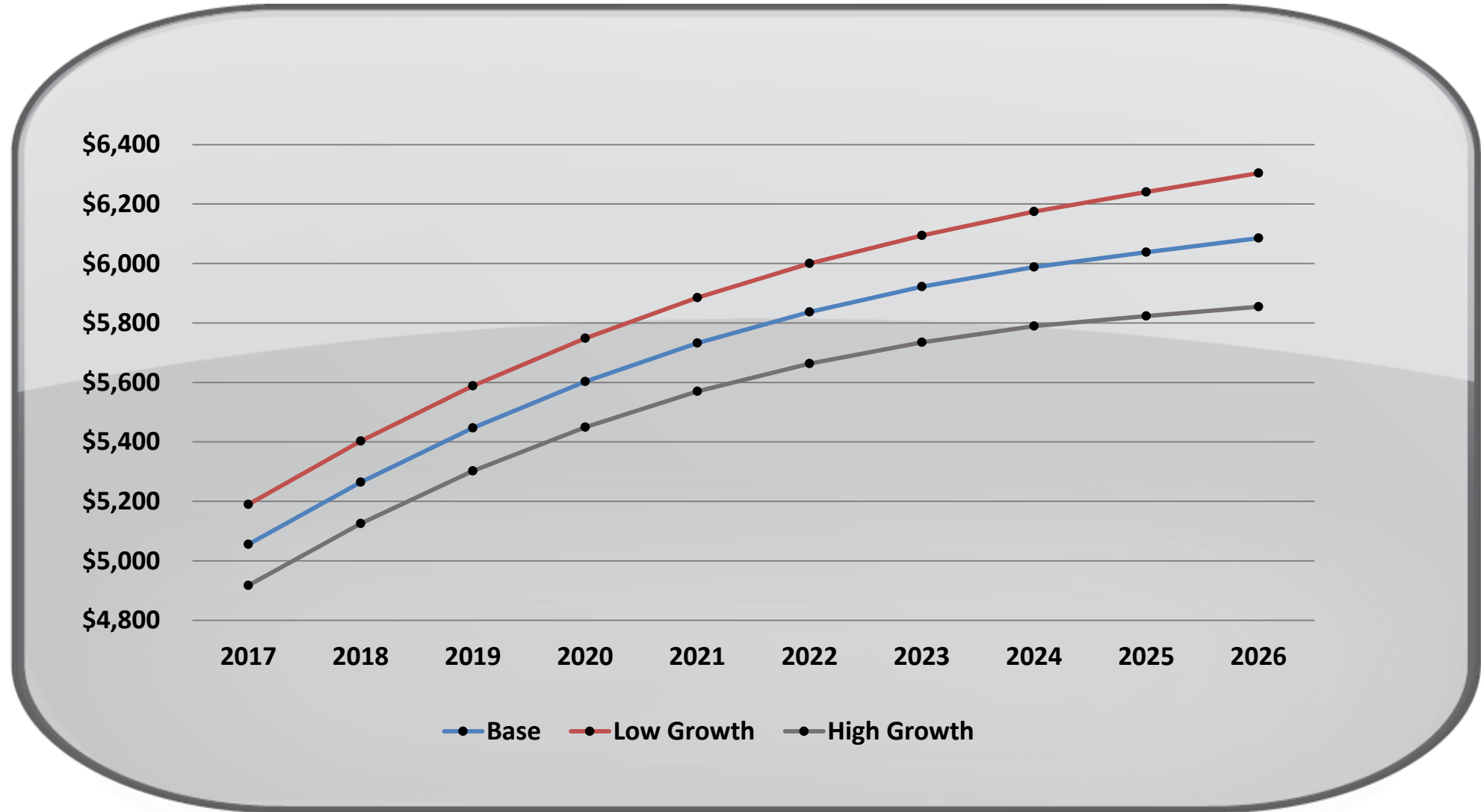
Debt Service Coverage Ratio



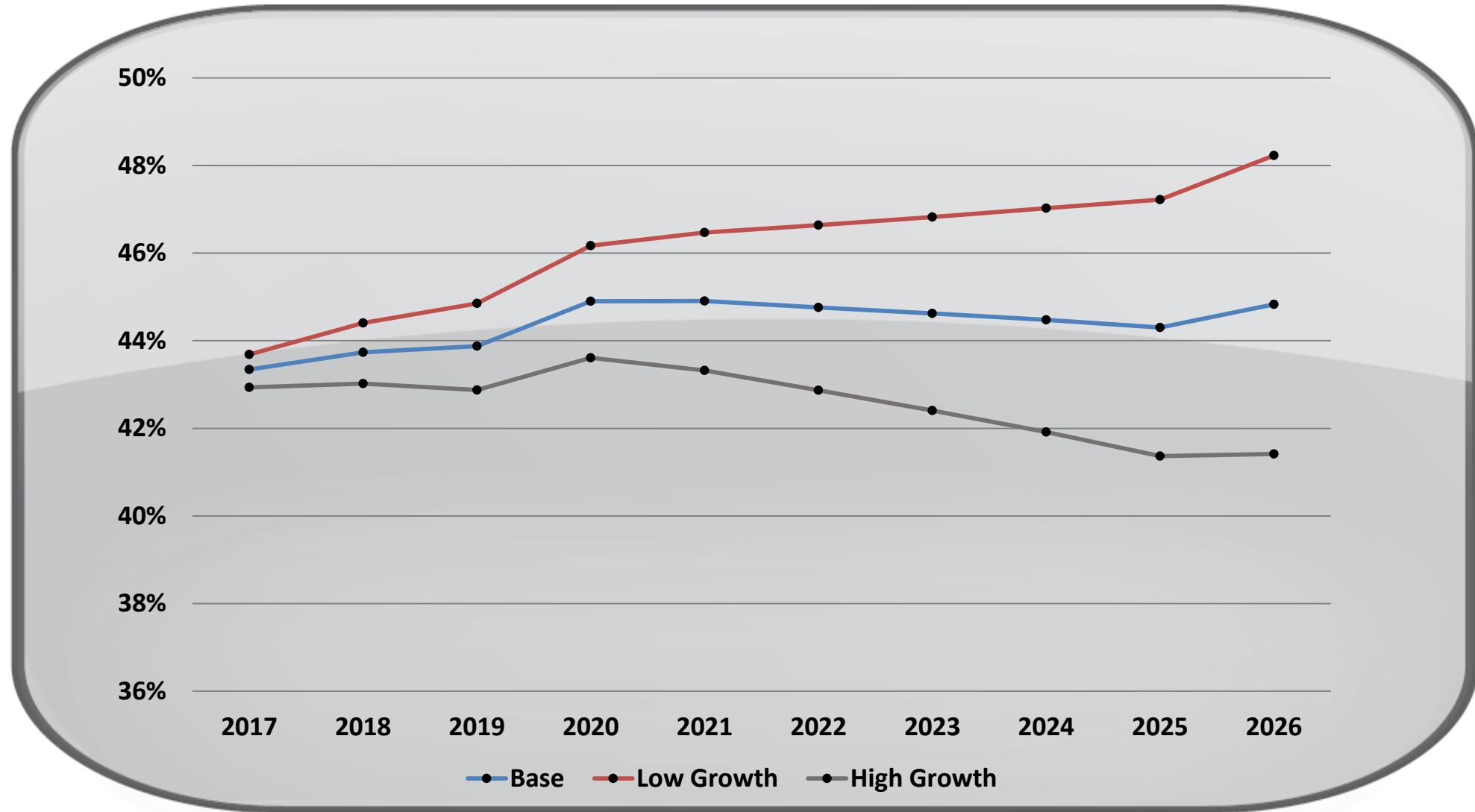
Long-Term Debt per Consumer



Net Plant in Service per Avg. Meter



Long-Term Debt to Assets





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