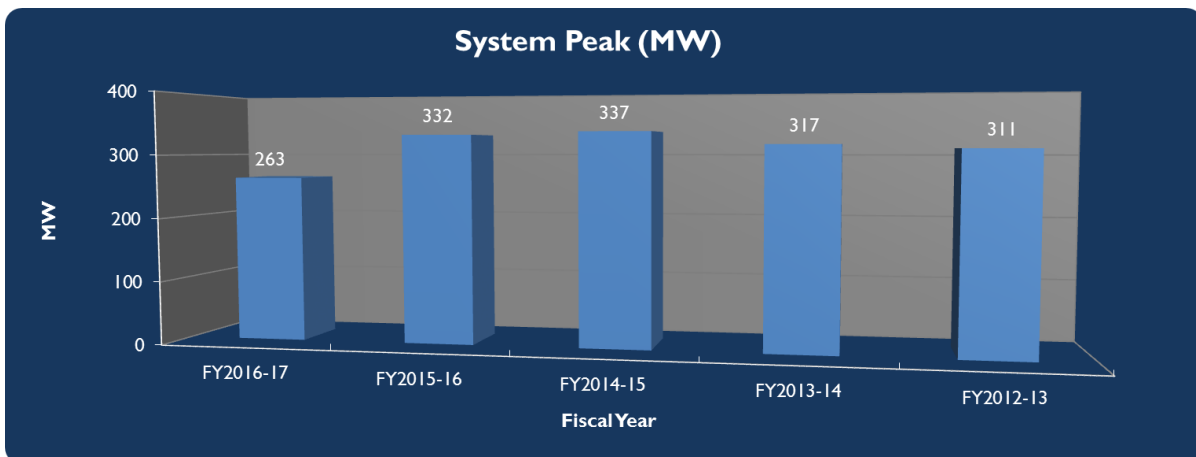
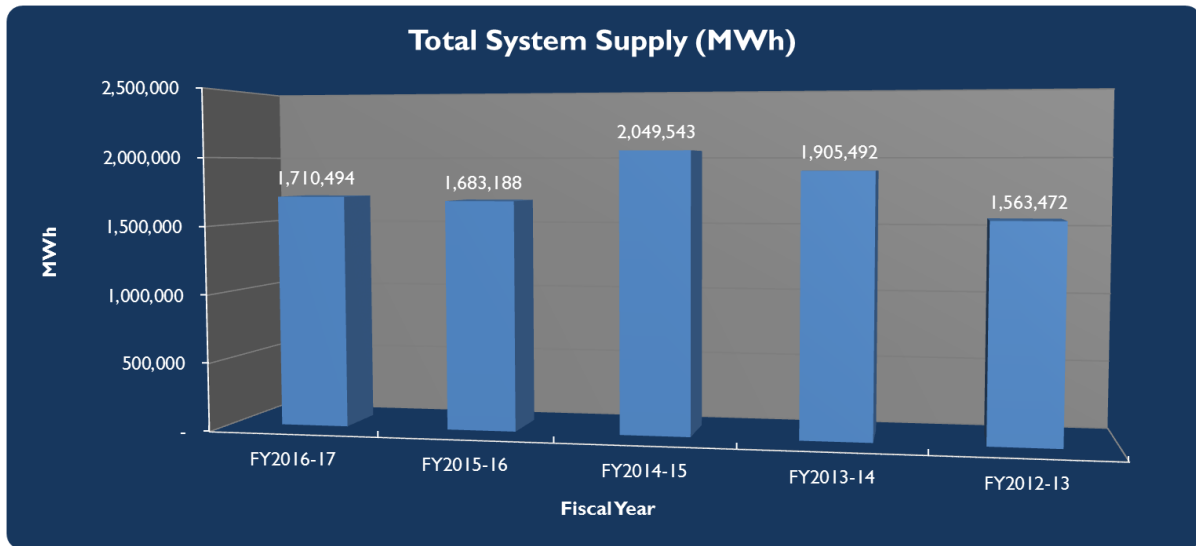
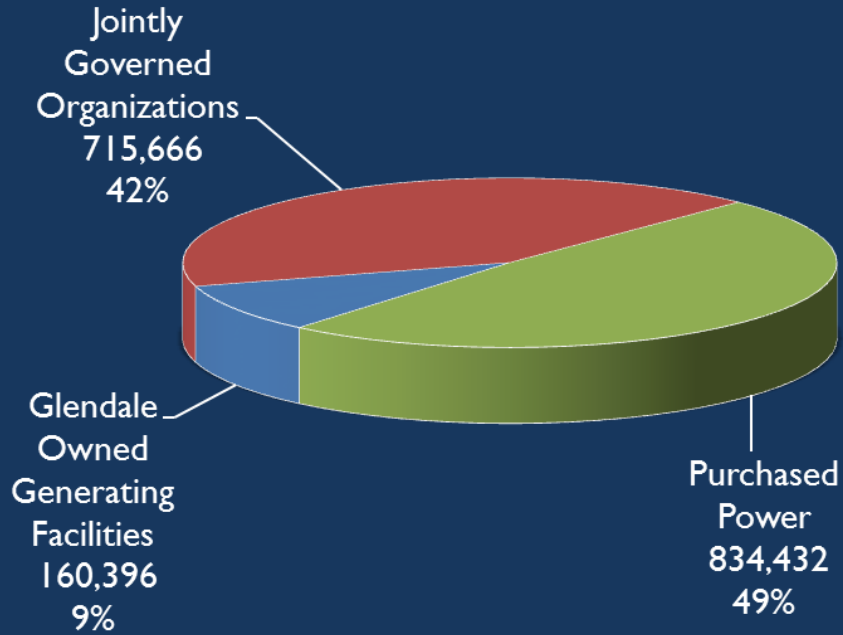


SYSTEM SUPPLY (MWH)	FY2016-17	FY2015-16	FY2014-15	FY2013-14	FY2012-13
<b>Owned Generation</b>					
Glendale Owned Generating Facilities					
Natural Gas Units (Grayson)	160,396	179,028	180,493	167,663	198,276
Jointly Governed Organizations / Remote Ownership					
Intermountain Power Project (IPA)	240,123	242,105	237,736	246,338	226,098
PV Nuclear Generating Station (SCPPA)	83,317	84,190	84,641	80,787	83,157
San Juan Unit 3 (SCPPA)	136,669	112,255	129,710	117,522	123,942
Magnolia Power Project (SCPPA)	225,603	270,975	259,268	265,934	138,763
Tieton Hydropower Project (SCPPA)	29,954	26,003	26,466	27,316	24,012
<b>Total Owned Generation</b>	<b>876,062</b>	<b>914,556</b>	<b>918,314</b>	<b>905,560</b>	<b>794,248</b>
<b>Purchased Power</b>					
Purchased Power Contracts	453,419	349,826	156,719	180,445	202,642
Market Purchases	381,013	418,806	974,510	819,487	566,582
<b>Total Purchased Power</b>	<b>834,432</b>	<b>768,632</b>	<b>1,131,229</b>	<b>999,932</b>	<b>769,224</b>
<b>Total System Supply</b>	<b>1,710,494</b>	<b>1,683,188</b>	<b>2,049,543</b>	<b>1,905,492</b>	<b>1,563,472</b>
<b>System Peak (MW)</b>	<b>263</b>	<b>332</b>	<b>337</b>	<b>317</b>	<b>311</b>

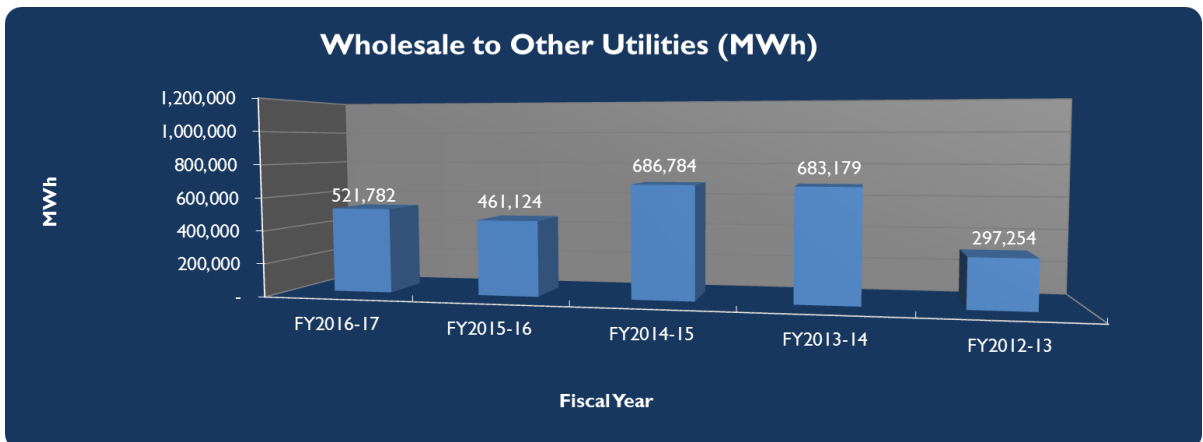
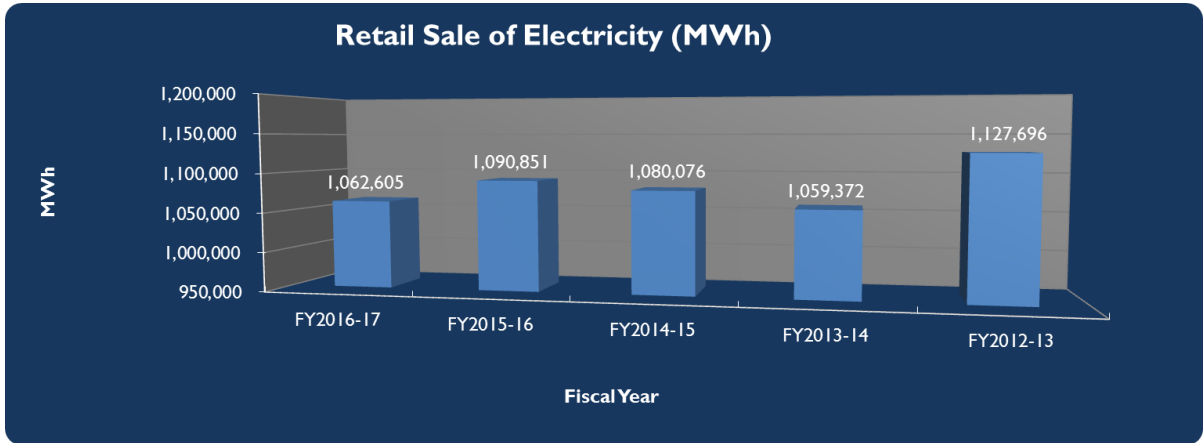


Not covered by independent auditor's report

### FY 2016-17: Total System Supply (MWh)

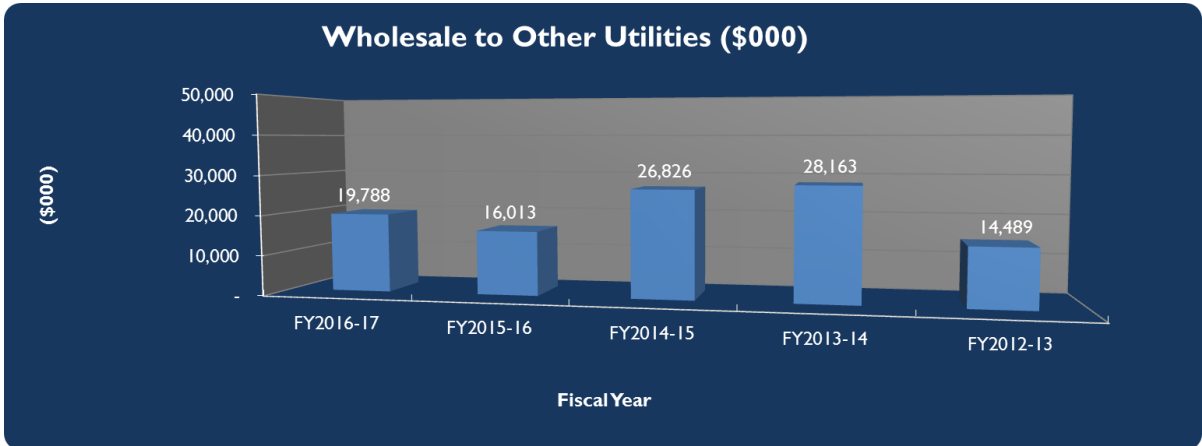
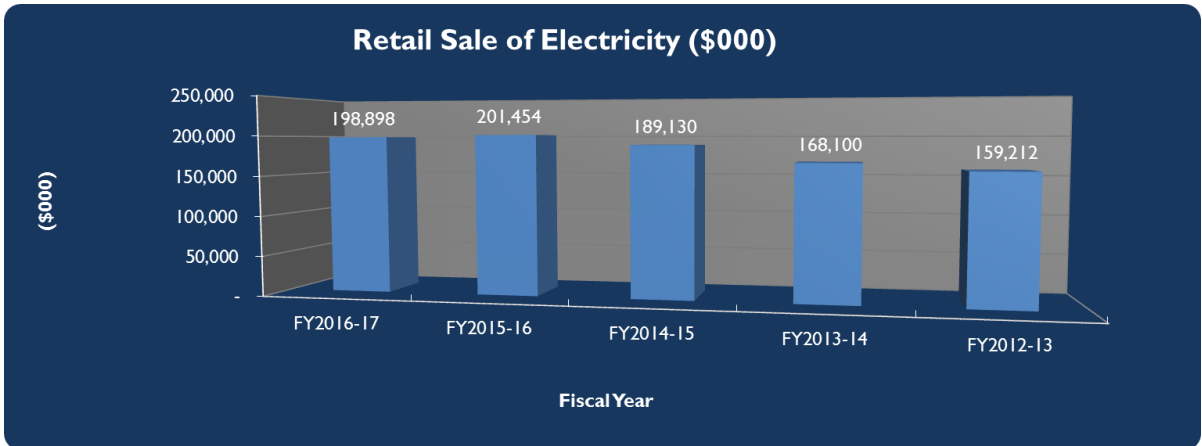


ELECTRIC USE	FY2016-17	FY2015-16	FY2014-15	FY2013-14	FY2012-13
<b>Average Number of Meters</b>					
Residential	74,783	74,176	73,678	72,975	72,625
Commercial	12,967	12,938	12,869	12,801	12,769
Industrial	211	212	214	218	217
Streetlights	21	21	21	18	18
<b>Total Meters - All Classes</b>	<b>87,982</b>	<b>87,347</b>	<b>86,782</b>	<b>86,012</b>	<b>85,629</b>
<b>MEGAWATT-HOUR SALES (MWh)</b>					
<b>Retail Sale of Electricity</b>					
Residential	372,746	383,783	372,426	352,861	393,136
Commercial	334,185	335,019	337,388	327,660	335,404
Industrial	346,427	362,867	361,719	370,321	389,872
Streetlighting	9,247	9,182	8,543	8,530	9,284
<b>Total Retail Sale of Electricity</b>	<b>1,062,605</b>	<b>1,090,851</b>	<b>1,080,076</b>	<b>1,059,372</b>	<b>1,127,696</b>
<b>Wholesale to Other Utilities</b>					
Sales to Other Utilities	521,782	461,124	512,846	351,348	61,407
Wholesale	-	-	173,938	331,831	235,847
<b>Total Wholesale to Other Utilities</b>	<b>521,782</b>	<b>461,124</b>	<b>686,784</b>	<b>683,179</b>	<b>297,254</b>
<b>Total Megawatt-Hour Sales</b>	<b>1,584,387</b>	<b>1,551,975</b>	<b>1,766,860</b>	<b>1,742,551</b>	<b>1,424,950</b>

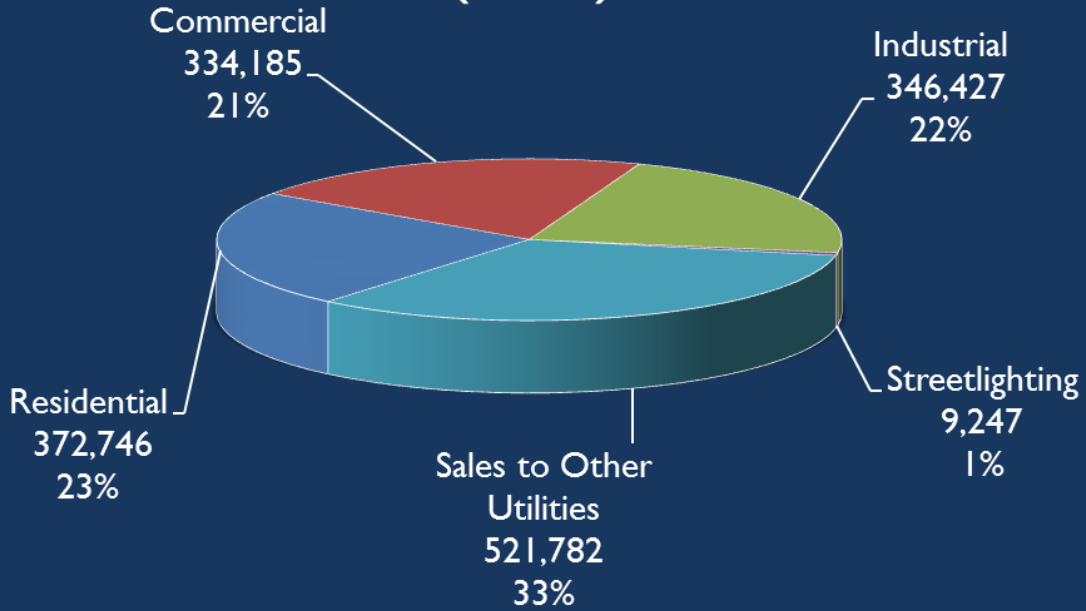


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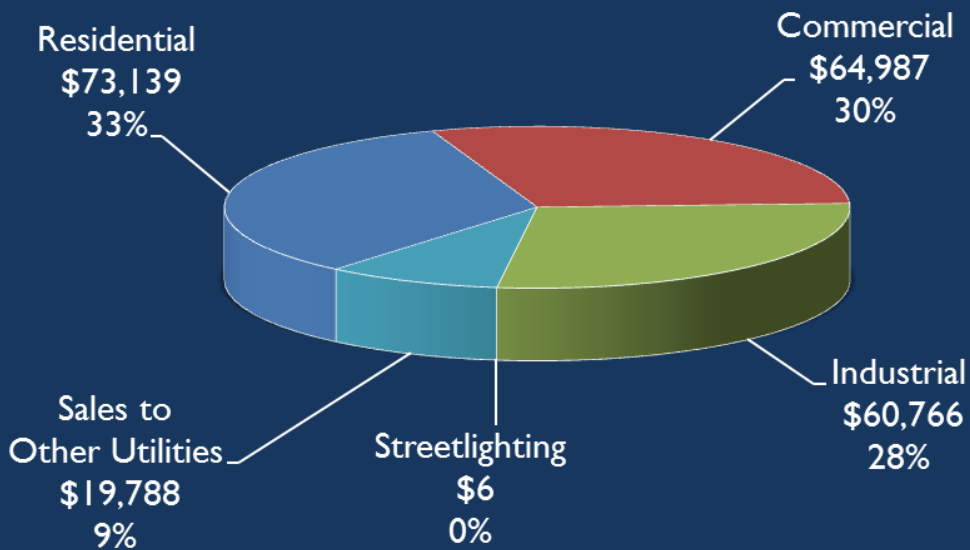
REVENUES (\$000)	FY2016-17	FY2015-16	FY2014-15	FY2013-14	FY2012-13
<b>Operating Revenues</b>					
<b>Retail Sale of Electricity</b>					
Residential	\$ 73,139	\$ 73,924	\$ 67,754	\$ 59,906	\$ 58,411
Commercial	64,987	64,214	61,747	55,751	51,394
Industrial	60,766	63,310	59,626	52,437	49,397
Streetlighting	6	6	3	6	10
<b>Total Retail Sale of Electricity</b>	<b>198,898</b>	<b>201,454</b>	<b>189,130</b>	<b>168,100</b>	<b>159,212</b>
<b>Wholesale to Other Utilities</b>					
Sales to Other Utilities	19,788	16,013	19,042	13,033	1,686
Wholesale Sales	-	-	7,784	15,130	12,803
<b>Total Wholesale to Other Utilities</b>	<b>19,788</b>	<b>16,013</b>	<b>26,826</b>	<b>28,163</b>	<b>14,489</b>
<b>Total Operating Revenues</b>	<b>\$ 218,686</b>	<b>\$ 217,467</b>	<b>\$ 215,956</b>	<b>\$ 196,263</b>	<b>\$ 173,701</b>



**FY2016-17: Sale of Electricity (MWh)**



**FY2016-17: Sale of Electricity (\$000)**



Not covered by independent auditor's report

<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>FY2016-17</b>	<b>FY2015-16</b>	<b>FY2014-15</b>	<b>FY2013-14</b>	<b>FY2012-13</b>
<b>Circuit Miles</b>					
Overhead lines (miles)	278	278	278	278	279
Underground lines (miles)	276	276	275	275	275
<b>Total Circuit Miles</b>	<b>554</b>	<b>554</b>	<b>553</b>	<b>553</b>	<b>554</b>
<b>Transformer Capacity, kVA</b>					
230kV to 69kV	324,000	324,000	324,000	324,000	324,000
69kV to 35kV	550,000	550,000	550,000	550,000	550,000
69kV to 12kV	225,000	225,000	225,000	225,000	225,000
35kV to 12kV	140,000	140,000	140,000	140,000	140,000
35kV to 4kV	124,000	124,000	128,000	162,000	161,833
13.8kV to 35kV	187,000	187,000	187,000	187,000	187,000
13.8kV to 69kV	99,000	99,000	99,000	98,500	98,500
12 kV to Customer	620,312	658,836	654,412	635,082	629,975
4 kV to Customer	176,199	179,902	185,582	195,093	196,260
<b>ELECTRIC UTILITY FACTS</b>	<b>FY2016-17</b>	<b>FY2015-16</b>	<b>FY2014-15</b>	<b>FY2013-14</b>	<b>FY2012-13</b>
Operating Margin	17.3%	21.4%	15.8%	3.7%	1.6%
Debt to Total Capitalization	35.4%	37.3%	39.8%	36.5%	27.0%
Debt Service Coverage Ratio	6.9	7.6	6.3	6.9	4.5

ELECTRIC UTILITY Class Trends (Overview)	Residential	Commercial	Industrial	Street lighting	Subtotal	Sales to Other Utilities	Total
<b>Revenue from the Sale of Electricity (\$000)</b>							
Year Ended June 30 -							
2017	\$ 73,139	\$ 64,987	\$ 60,766	\$ 6	198,898	\$ 19,788	\$ 218,686
2016	73,924	64,214	63,310	6	201,454	16,013	217,467
<b>Increase (Decrease)</b>	\$ (785)	\$ 773	\$ (2,544)	\$ -	\$ (2,556)	\$ 3,775	\$ 1,219
Percent Increase (-)	-1.1%	1.2%	-4.0%	0.0%	-1.3%	23.6%	0.6%
<b>Megawatt-Hours Sold</b>							
Year Ended June 30 -							
2017	372,746	334,185	346,427	9,247	1,062,605	521,782	1,584,387
2016	383,783	335,019	362,867	9,182	1,090,851	461,124	1,551,975
<b>Increase (Decrease)</b>	(11,037)	(834)	(16,440)	65	(28,246)	60,658	32,412
Percent Increase (-)	-2.9%	-0.2%	-4.5%	0.7%	-2.6%	13.2%	2.1%
<b>Average Number of Meters</b>							
Year Ended June 30 -							
2017	74,783	12,967	211	21	87,982	N/A	87,982
2016	74,176	12,938	212	21	87,347	N/A	87,347
<b>Increase (Decrease)</b>	607	29	(1)	-	635	N/A	635
Percent Increase (-)	0.8%	0.2%	-0.5%	0.0%	0.7%	N/A	0.7%

ELECTRIC UTILITY Class Trends (Unit Cost)	Residential	Commercial	Industrial	Street lighting	Subtotal	Sales to Other Utilities	Total
<b>Average Billing Price per kWh</b>							
Year Ended June 30 -							
2017	\$ 0.1962	\$ 0.1945	\$ 0.1754	\$ 0.0007	\$ 0.1872	\$ 0.0379	\$ 0.1380
2016	0.1926	0.1917	0.1745	0.0007	0.1847	0.0347	0.1401
<b>Increase (Decrease)</b>	\$ 0.0036	\$ 0.0028	\$ 0.0009	\$ -	\$ 0.0025	\$ 0.0032	\$ (0.0021)
Percent Increase (-)	1.9%	1.5%	0.5%	0.0%	1.4%	9.2%	-1.5%

ELECTRIC UTILITY Class Trends (Usage by Meter)	Residential	Commercial	Industrial	Street lighting	Subtotal	Sales to Other Utilities	Total
<b>Average Use by Meter, kWh</b>							
Year Ended June 30 -							
2017	4,984	25,772	1,641,834	440,333	12,078	N/A	12,078
2016	5,174	25,894	1,711,637	437,238	12,489	N/A	12,489
<b>Increase (Decrease)</b>	(190)	(122)	(69,803)	3,095	(411)	N/A	(411)
Percent Increase (-)	-3.7%	-0.5%	-4.1%	0.7%	-3.3%	N/A	-3.3%



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of City Council  
of the City of Glendale  
City of Glendale, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position and related statement of revenues, expenses and changes in net position, and statement of cash flows of the Electric Enterprise Fund (the Fund) of the City of Glendale, California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated November 22, 2017. Our report included an emphasis of matter paragraph regarding the fact that the financial statements present only the Fund of the City and do not purport to, and do not, present fairly the financial position of the City of Glendale, California, as of June 30, 2016, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Fund's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not

Vavrinick, Trine, Day & Co. LLP

November 22, 2017