



# Electric Utility Department

## **FY 26 Q1/Q2 Financial Update** **(Ending December 31, 2025)**

March 18, 2026



## Electric Utility Fund Cash Flow Summary (December 31, 2025)

	Budget	Actual	% of Budget
<b>Revenue</b>			
Sales Revenues	90,550,120	50,643,093	56%
Development Impact Fees	320,930	161,291	50%
Other Revenues	6,329,180	2,959,112	47%
<b>Total Revenues</b>	<b>97,200,230</b>	<b>53,763,496</b>	<b>55%</b>
<b>Expenses</b>			
Purchased Power	54,161,260	29,496,913	54%
Non Power	22,547,890	10,111,122	45%
Capital Projects	7,792,783	2,116,480	27%
Debt Service	4,181,130	3,107,133	74%
Cost of Service*	4,243,420	4,243,420	100%
PILOT (Transfer to General Fund)*	7,765,150	7,765,150	100%
<b>Total Expenses</b>	<b>100,691,633</b>	<b>56,840,218</b>	<b>56%</b>

<b>Beginning Cash Balance (7/1/25)</b>		<b>36,949,983</b>
<b>Ending Cash Balance (12/31/25)</b>		<b>43,666,202</b>
<b>Reserve Policy Target</b>		<b>\$29,719,600</b>
<b>% of Target</b>		<b>147%</b>

\*One time annual transfers made to GF at beginning of FY

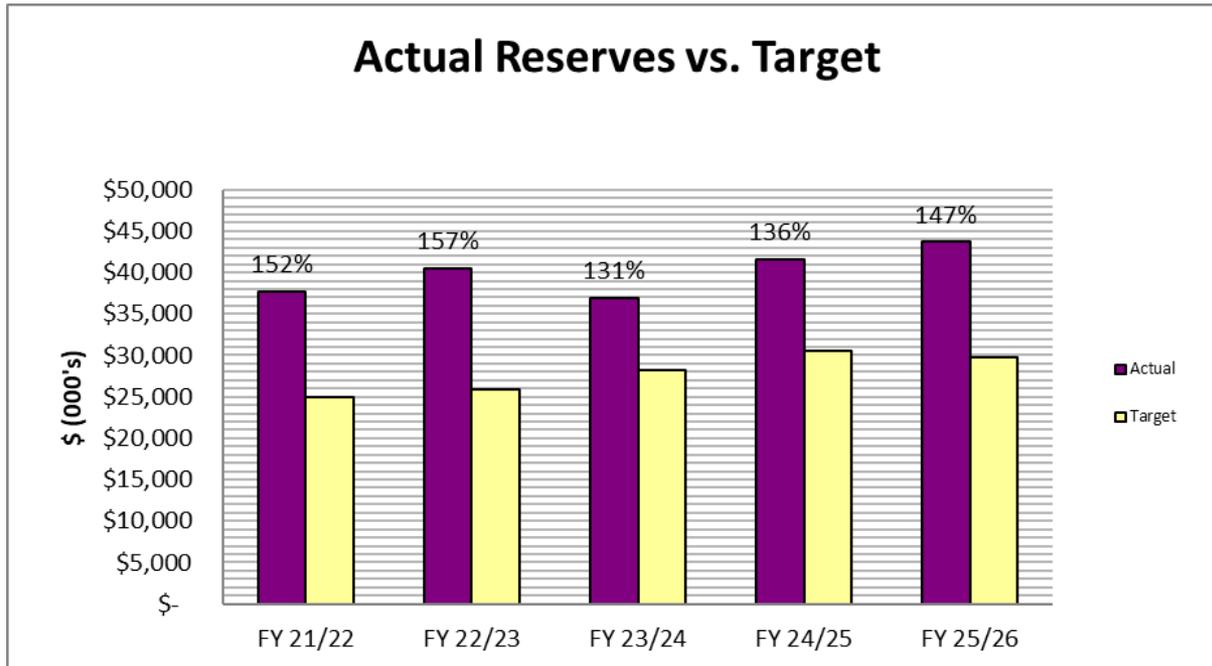


## Electric Utility Funds Cash Balances (December 31, 2025)

Operating / Capital Funds	\$ 24,080,219
Low Carbon Fuel Standard (LCFS) Fund	\$ 54,190
Public Benefits Fund	\$ 10,877,882
Impact Fee Fund	\$ 1,163,094
Solar Surcharge Fund	\$ 372,391
Greenhouse Gas Fund	\$ 7,118,426
<b>Total</b>	<b>\$ 43,666,202</b>

## Electric Utility Reserve Policy (December 31, 2025)

Purpose	Target	Actual
Operating Reserve	\$29,719,600	\$ 43,666,202



*Cash balances support City Council approved reserve requirements and provide funds for pay as you go Capital Improvement Projects.*



# Capital Improvement Project 5-Year Outlook (December 31, 2025)

Project	FY 25-26 Budget*	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Distribution Capacity Program	\$907,347	\$0	\$0	\$0	\$0
Underground / Overhead Maintenance	\$1,230,000	\$1,145,000	\$1,145,000	\$1,145,000	\$1,145,000
Streetlight Maintenance / Repair	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
230 kV Interconnection Project**	\$1,648,825	\$25,000	\$25,000	\$25,000	\$25,000
Substation Maintenance / Improvements	\$1,649,312	\$730,000	\$550,000	\$550,000	\$550,000
Facility & Security Improvements	\$110,102	\$50,000	\$50,000	\$50,000	\$50,000
Wildfire Mitigation (Lodi Lake)***	\$300,000	TBD	TBD	TBD	TBD
Work for Others	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Vehicles & Equipment	\$1,097,197	\$855,000	\$385,000	\$110,000	\$110,000
<b>Total Projects</b>	<b>\$7,792,783</b>	<b>\$3,655,000</b>	<b>\$3,005,000</b>	<b>\$2,730,000</b>	<b>\$2,730,000</b>

\*Does not include budget adjustments made after December 31, 2025 for FY 27 planning efforts

\*\*Includes preliminary costs only - construction costs will be debt financed

\*\*\*Future phases being estimated as part of future year planning efforts



## 5-Year Financial Forecast Looking Ahead

	<b>FY 25-26 Budget</b>	<b>FY 26-27 Forecast</b>	<b>FY 27-28 Forecast</b>	<b>FY 28-29 Forecast</b>	<b>FY 29-30 Forecast</b>
<b>Available Cash</b>	<b>\$38,419,840</b>	<b>\$38,094,532</b>	<b>\$39,373,742</b>	<b>\$39,096,121</b>	<b>\$41,726,134</b>
Days Cash	150	147	148	145	151
Reserve Target	\$29,719,600	\$30,225,131	\$30,719,094	\$31,175,717	\$31,691,588
<b>% of Target</b>	<b>129%</b>	<b>126%</b>	<b>128%</b>	<b>125%</b>	<b>132%</b>

- As reported to S&P and Moody's in late Fall 2025
- Forecast assumes funding of all budgeted full-time positions in future years
- Does not include FY 26 midyear adjustments
- Assumes CPI level rate increase of 3 percent in FY 30



## Power Sales (December 31, 2025)

Power Sales (kWh)		
Customer Class	Budget	Actual
Residential	176,599,645	92,303,870
Commercial	170,741,313	88,768,907
Industrial	111,099,328	59,229,778
<b>Total</b>	<b>458,440,286</b>	<b>240,302,555</b>

Revenue (\$)					
Customer Class	Budget	Actual	Average Base Rate (w/ECA)	PG&E*	Lodi vs. PG&E
Residential	\$ 38,813,826	\$ 21,345,694	\$ 0.1907 (\$0.2313)	\$ 0.4107	<b>44% LOWER</b>
Commercial	\$ 33,833,628	\$ 18,816,109	\$ 0.1705 (\$0.2120)	\$ 0.4002	<b>47% LOWER</b>
Industrial	\$ 17,902,666	\$ 10,481,290	\$ 0.1332 (\$0.1770)	\$ 0.3373	<b>47% LOWER</b>
<b>Total</b>	<b>\$ 90,550,120</b>	<b>\$50,643,093</b>	<b>\$ 0.1691 (\$0.2107)</b>	<b>\$ 0.3852</b>	<b>45% LOWER</b>

\*Based on 11 months of reported data for CY 2025 by PG&E



## ECA Revenue (December 31, 2025)

Customer Class	Total (\$)
Residential	\$ 3,742,823
Commercial	\$ 3,680,571
Industrial	\$ 2,591,581
<b>Total Revenue</b>	<b>\$ 10,014,975</b>



## Electric Utility Fund Operating Results (December 31, 2025)

	Budget	Actual	% of Budget
Personnel	\$ 15,169,300	\$ 7,993,049	53%
Supplies, Materials, Services	\$ 5,597,400	\$ 1,635,246	29%
Other Payments	\$ 1,708,640	\$ 448,346	26%
Utilities	\$ 72,550	\$ 34,480	48%
<b>Total Operating Expenses</b>	<b>\$ 22,547,890</b>	<b>\$ 10,111,122</b>	<b>45%</b>

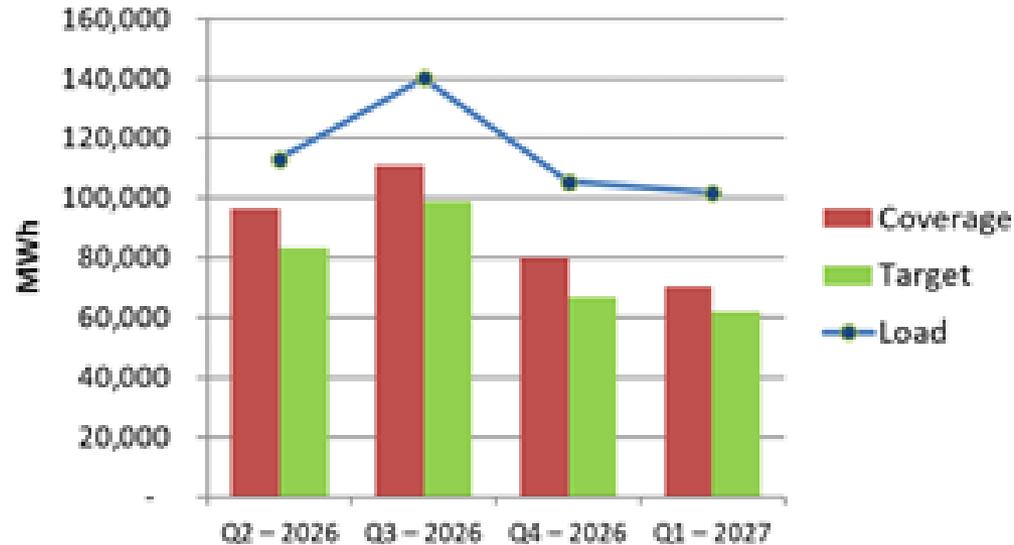


## Power Supply Costs (December 31, 2025)

	Budget	Actual	% of Budget
Generation	\$ 36,713,680	\$ 22,379,104	61%
Transmission	\$ 15,373,900	\$ 6,131,958	40%
Management Services	\$ 2,073,680	\$ 985,851	48%
<b>Total Power Supply Costs</b>	<b>\$ 54,161,260</b>	<b>\$ 29,496,913</b>	<b>54%</b>

## Load Coverage

	ROC Matrix		Load Coverage
	MWh Load	Target	(Including Purchases)
Q2 – 2026	113,107	76.7%	85.4%
Q3 – 2026	140,199	66.7%	78.7%
Q4 – 2026	105,463	60.0%	72.0%
Q1 – 2027	101,933	60.0%	67.9%



- LEU continues to meet or exceed Risk Management targets

# Risk Oversight Committee (ROC)

## Meeting Highlights

- Six (6) ROC Meetings held July – December 2025
  - Forward energy purchases covering open positions Oct 2025 – Jun 2027
  - Forward Resource Adequacy (RA) purchases for Apr –Sept 2026
  - Purchase of Vintage 2026 Portfolio Content Category (PCC) 1 RECs
  - Purchase of Vintage 2024 and 2025 PCC 3 RECs
  - Completed Cap & Trade transactions
  - Purchase of short-term RECs and RA from Nevada Irrigation District
  - Purchase of short-term bundled energy + PCC 1 RECs from Silicon Valley Power
  - Approved LEU Annual Reserve Target amount based on adopted budget
  - Discussed market conditions and hedging results
  - Annual review of Renewables Portfolio Standard (RPS) Procurement Plan
  - Accepted FY 2025 Billing Settlement Refund from NCPA
  - Discussed LCFS base credit transfers to POUs
  - Discussed several confidential Renewable Energy Projects being marketed
  - Discussed STIG Repower Project

# Activity Highlights

- 230 kV Project EIR completed and approved
- Completed CPUC audit
- Successfully completed financial review with S&P and Moody's
  - Maintained existing ratings with stable outlook
- Completed Council required 3-year review of LEU Reserve Policy
- Issued EV Master Plan RFP
- Updated public EV charging rate to ensure cost recovery
- Launched DIY Commercial Lighting Program
- Completed several recruitments and promotions
  - Lineman / Foreman
  - Administrative Assistant
  - Electric Utility Technician
  - Key Accounts & Customer Programs Specialist
- Removed over 30 hazardous trees at Legion Park