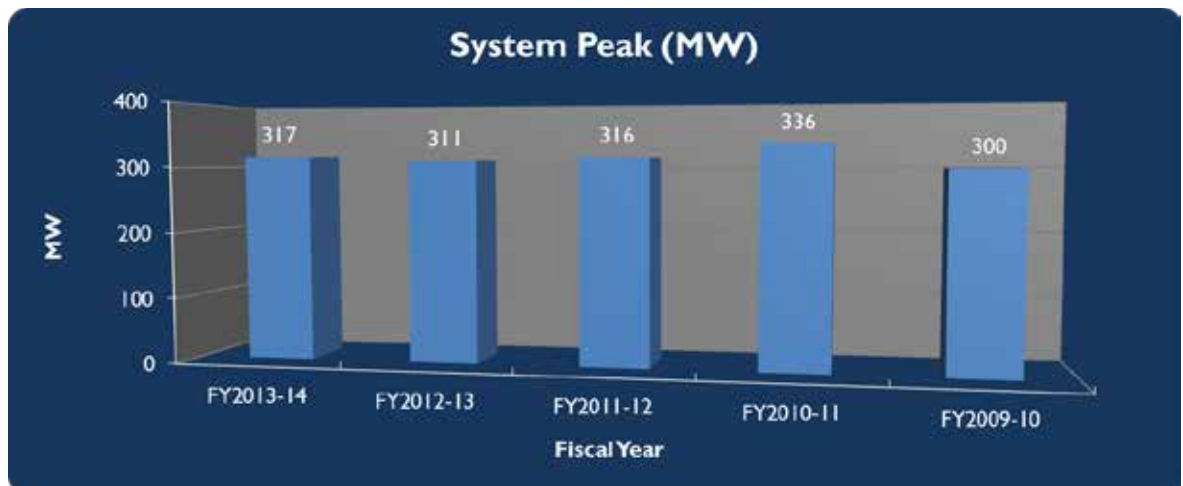
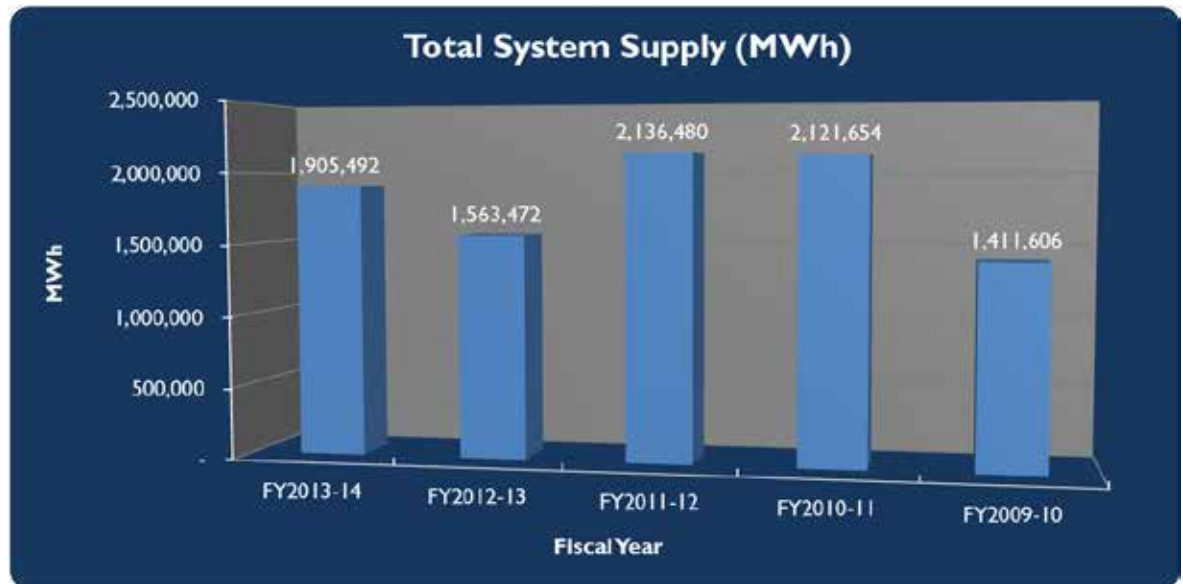
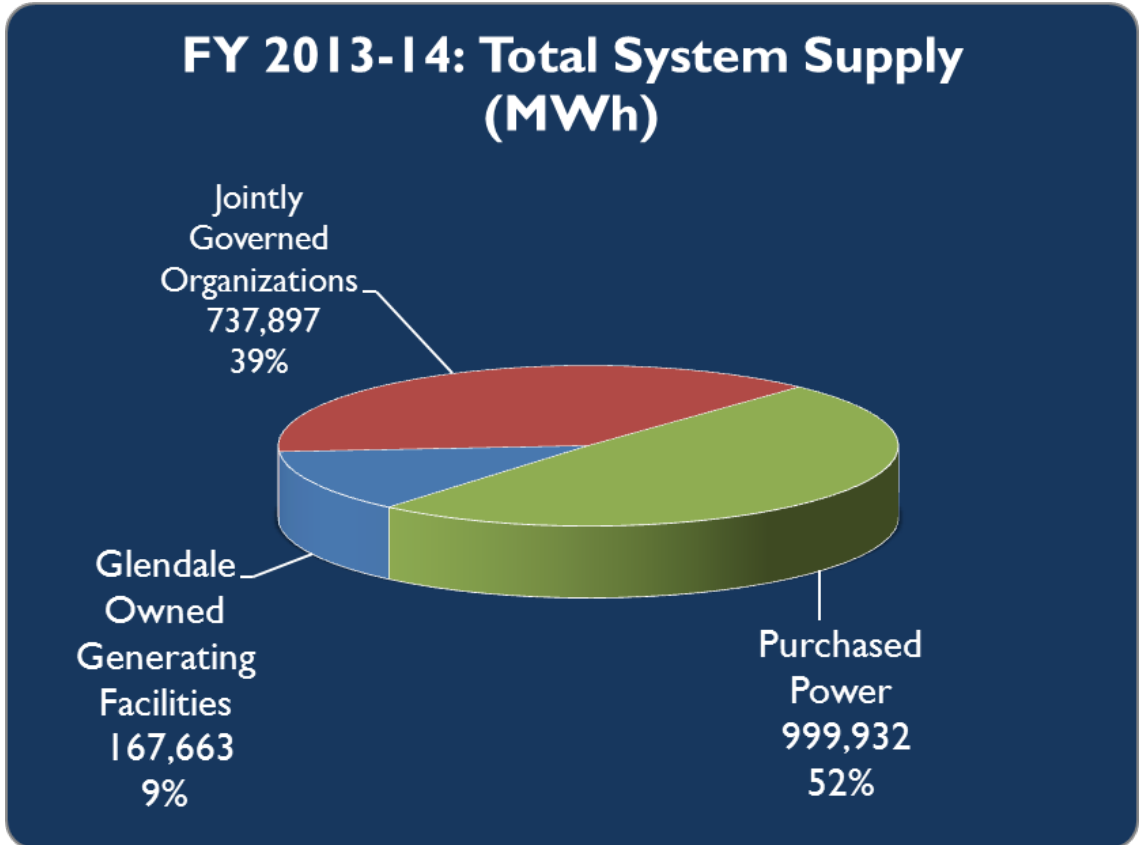


SYSTEM SUPPLY (MWH)	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10
Owned Generation					
Glendale Owned Generating Facilities					
Natural Gas Units (Grayson)	167,663	198,276	173,682	211,654	194,680
Jointly Governed Organizations / Remote Ownership					
Intermountain Power Project (IPA)	246,338	226,098	219,477	234,904	293,957
PV Nuclear Generating Station (SCPPA)	80,787	83,157	82,467	83,565	78,354
San Juan Unit 3 (SCPPA)	117,522	123,942	86,481	138,246	124,415
Magnolia Power Project (SCPPA)	265,934	138,763	256,319	230,589	268,655
Tieton Hydropower Project (SCPPA)	27,316	24,012	28,211	29,724	
Total Owned Generation	905,560	794,248	846,637	928,682	960,061
Purchased Power					
Portland General Electric Contract		18,171	83,661	86,492	59,384
Market Purchases	999,932	751,053	1,206,182	1,106,480	392,161
Total Purchased Power	999,932	769,224	1,289,843	1,192,972	451,545
Total System Supply	1,905,492	1,563,472	2,136,480	2,121,654	1,411,606
System Peak (MW)	317	311	316	336	300



Not covered by independent auditor's report



Not covered by independent auditor's report

ELECTRIC USE	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10
Average Number of Meters					
Residential	72,975	72,625	72,220	72,030	71,866
Commercial	12,801	12,769	12,898	12,698	12,690
Industrial	218	217	222	216	226
Streetlights	18	18	18	18	18
Total Meters - All Classes	86,012	85,629	85,358	84,962	84,800
MEGAWATT-HOUR SALES (MWh)					
Retail Sale of Electricity					
Residential	352,861	393,136	368,237	357,604	378,460
Commercial	327,660	335,404	319,478	305,908	322,377
Industrial	370,321	389,872	397,144	377,698	392,273
Streetlighting	8,530	9,284	9,335	9,240	9,200
Total Retail Sale of Electricity	1,059,372	1,127,696	1,094,194	1,050,450	1,102,310
Wholesale to Other Utilities					
Sales to Other Utilities	351,348	61,407	493,511	487,753	108,731
Wholesale	331,831	235,847	404,319	396,933	76,934
Total Wholesale to Other Utilities	683,179	297,254	897,830	884,686	185,665
Total Megawatt-Hour Sales	1,742,551	1,424,950	1,992,024	1,935,136	1,287,975

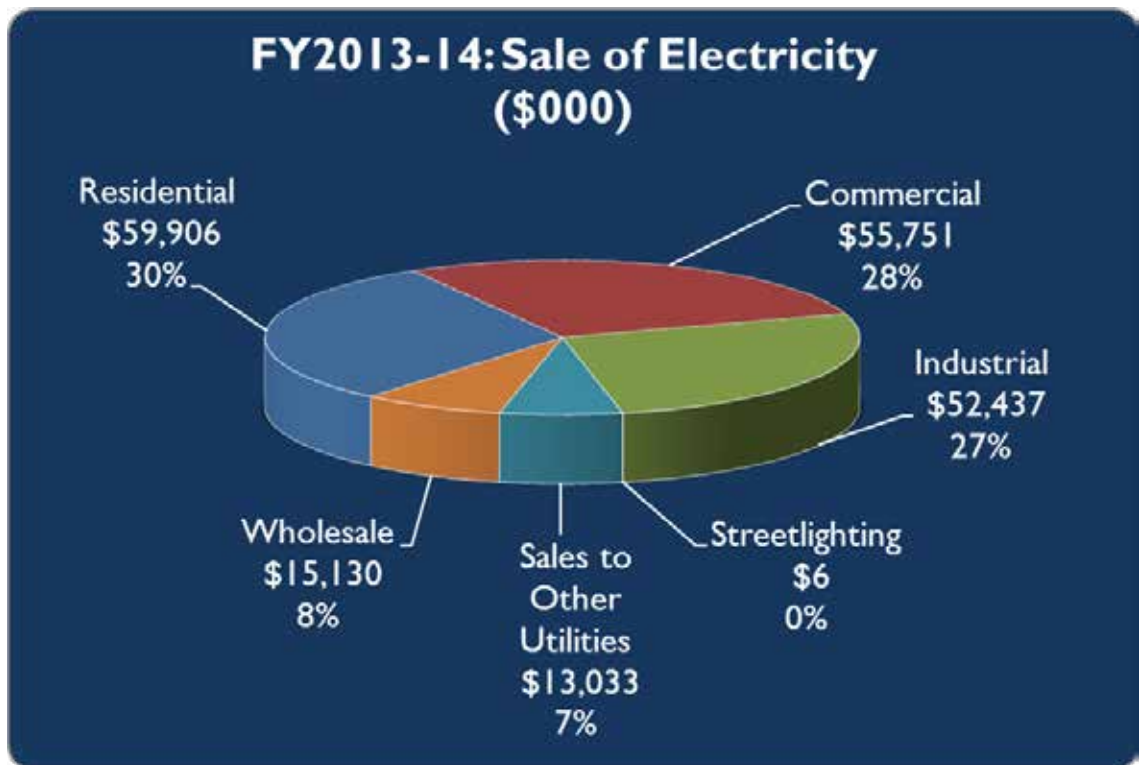
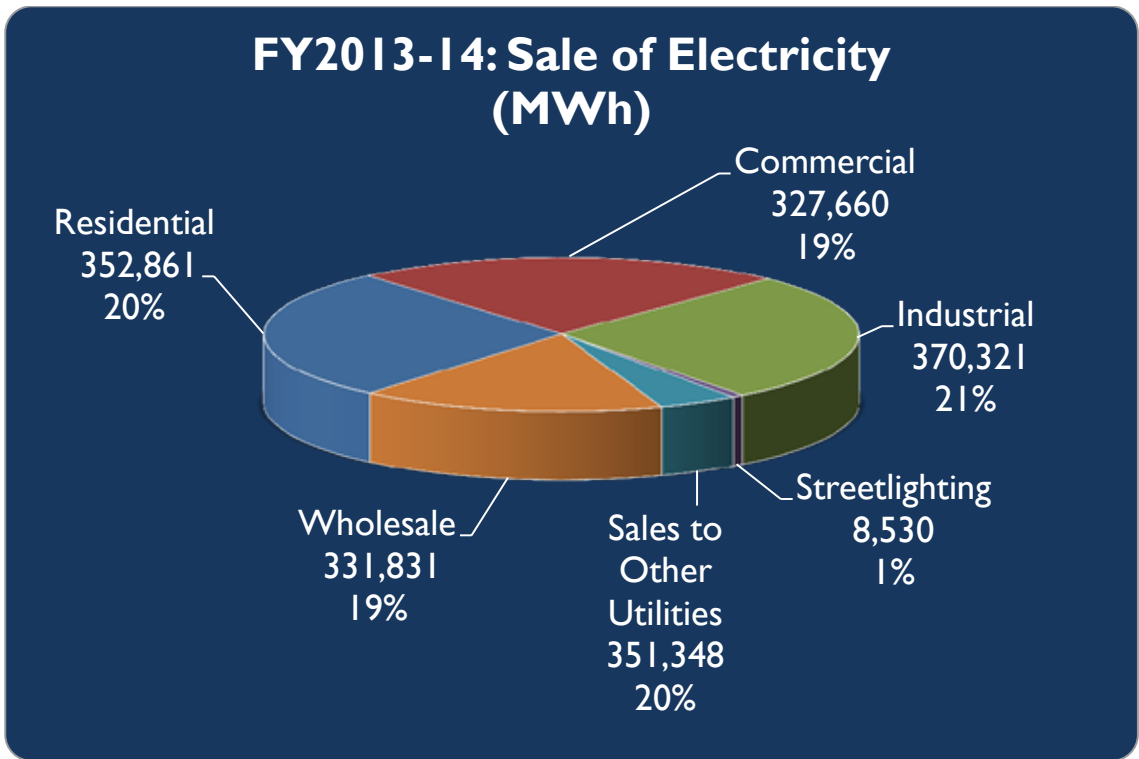


Not covered by independent auditor's report

REVENUES (\$000)	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10
Operating Revenues					
Retail Sale of Electricity					
Residential	\$59,906	\$ 58,411	\$ 54,283	\$ 53,558	\$ 59,516
Commercial	55,751	51,394	49,217	47,557	52,574
Industrial	52,437	49,397	50,625	49,085	54,368
Streetlighting	6	10	7	4	3
Total Retail Sale of Electricity	168,100	159,212	154,131	150,204	166,461
Wholesale to Other Utilities					
Sales to Other Utilities	13,033	1,686	23,049	17,437	6,942
Wholesale Sales	15,130	12,803	18,827	20,160	3,500
Total Wholesale to Other Utilities	28,163	14,489	41,876	37,597	10,442
Total Operating Revenues	\$ 196,263	\$ 173,701	\$ 196,007	\$ 187,801	\$ 176,903



Not covered by independent auditor's report



Not covered by independent auditor's report

TRANSMISSION & DISTRIBUTION	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10
Circuit Miles					
Overhead lines (miles)	278	279	281	282	280
Underground lines (miles)	275	275	277	280	279
Total Circuit Miles	553	554	558	562	559
Transformer Capacity, kVA					
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	180,000
35kV to 12kV	140,000	140,000	140,000	140,000	135,000
35kV to 4kV	162,000	161,833	161,833	161,833	174,800
13.8kV to 35kV	187,000	187,000	187,000	187,000	187,000
13.8kV to 69kV	98,500	98,500	98,500	98,500	98,500
12 kV to Customer	635,082	629,975	623,037	589,249	556,640
4 kV to Customer	195,093	196,260	196,365	227,482	247,085
ELECTRIC UTILITY FACTS	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10
Operating Margin	3.7%	1.6%	0.1%	4.3%	9.0%
Debt to Total Capitalization	36.5%	27.0%	26.1%	25.5%	25.6%
Debt Service Coverage Ratio	6.9	4.5	4.3	5.8	5.2

Not covered by independent auditor's report

ELECTRIC UTILITY Class Trends (Overview)	Residential	Commercial	Industrial	Street lighting	Subtotal	Sales to Other Utilities	Wholesale	Total
Revenue from the Sale of Electricity (\$000)								
Year Ended June 30 -								
2014	\$ 59,906	\$ 55,751	\$ 52,437	\$ 6	168,100	\$ 13,033	\$ 15,130	\$ 196,263
2013	58,411	51,394	49,397	10	159,212	1,686	12,803	173,701
Increase (Decrease)	\$ 1,495	\$ 4,357	\$ 3,040	\$ (4)	\$ 8,888	\$ 11,347	\$ 2,327	\$ 22,562
Percent Increase ()	2.6%	8.5%	6.2%	40.0%	5.6%	673.0%	18.2%	13.0%
Megawatt-Hours Sold								
Year Ended June 30 -								
2014	352,861	327,660	370,321	8,530	1,059,372	351,348	331,831	1,742,551
2013	393,136	335,404	389,872	9,284	1,127,696	61,407	235,847	1,424,950
Increase (Decrease)	(40,275)	(7,744)	(19,551)	(754)	(68,324)	289,941	95,984	317,601
Percent Increase ()	10.2%	2.3%	5.0%	8.1%	6.1%	472.2%	40.7%	22.3%
Average Number of Meters								
Year Ended June 30 -								
2014	72,975	12,801	218	18	86,012	N/A	N/A	86,012
2013	72,625	12,769	217	18	85,629	N/A	N/A	85,629
Increase (Decrease)	350	32	1	0	383	N/A	N/A	383
Percent Increase ()	0.5%	0.3%	0.5%	0.0%	0.4%	N/A	N/A	0.4%

ELECTRIC UTILITY Class Trends (Unit Cost)	Residential	Commercial	Industrial	Street lighting	Subtotal	Sales to Other Utilities	Wholesale	Total
Average Billing Price per kWh								
Year Ended June 30 -								
2014	\$ 0.1693	\$ 0.1696	\$ 0.1412	\$ 0.0006	\$ 0.1587	\$ 0.0371	\$ 0.0456	\$ 0.1126
2013	0.1486	0.1532	0.1267	0.0010	0.1412	0.0275	0.0543	0.1219
Increase (Decrease)	\$ 0.0207	\$ 0.0164	\$ 0.0145	\$ (0.0004)	\$ 0.0175	\$ 0.0096	\$ (0.0087)	\$ (0.0093)
Percent Increase ()	13.9%	10.7%	11.4%	38.2%	12.4%	35.1%	16.0%	7.6%

ELECTRIC UTILITY Class Trends (Usage by Meter)	Residential	Commercial	Industrial	Street lighting	Subtotal	Sales to Other Utilities	Wholesale	Total
Average Use by Meter, kWh								
Year Ended June 30 -								
2014	4,835	25,596	1,698,720	473,889	12,317	N/A	N/A	12,317
2013	5,413	26,267	1,796,645	515,778	13,170	N/A	N/A	13,170
Increase (Decrease)	(578)	(671)	(97,925)	(41,889)	(853)	N/A	N/A	(853)
Percent Increase ()	10.7%	2.6%	5.5%	8.1%	6.5%	N/A	N/A	6.5%

Not covered by independent auditor's report



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 statements of revenues, expenses and changes in net position, and statements of cash flows of the Electric Enterprise Fund of the City of Glendale, California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Electric Enterprise Fund's basic financial statements, and have issued our report thereon dated November 25, 2014. Our report included an emphasis of matter paragraph regarding the fact that the financial statements present only the Electric Enterprise 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, 2014, 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 Electric Enterprise 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Electric Enterprise Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Electric Enterprise 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 Electric Enterprise Fund 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 suitable for any other purpose.

Varrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California
November 25, 2014