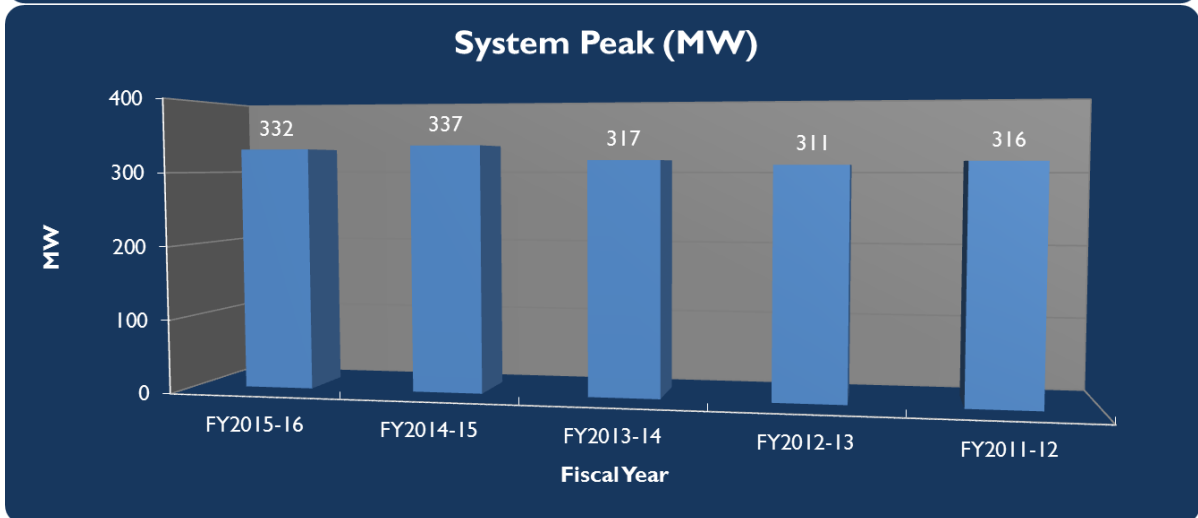
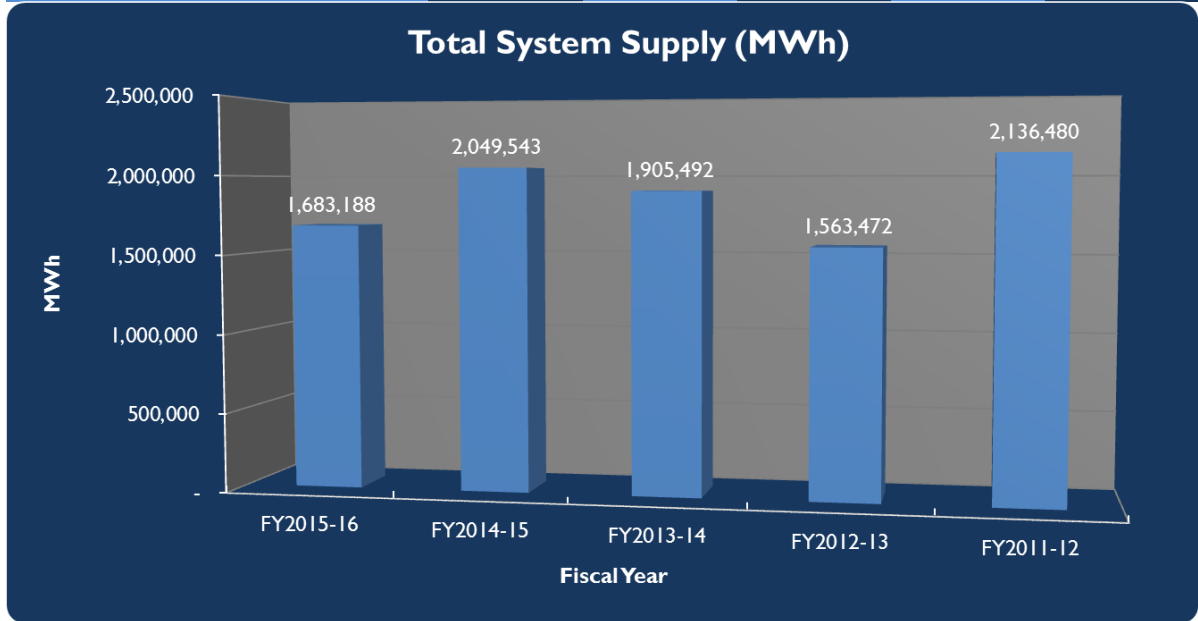
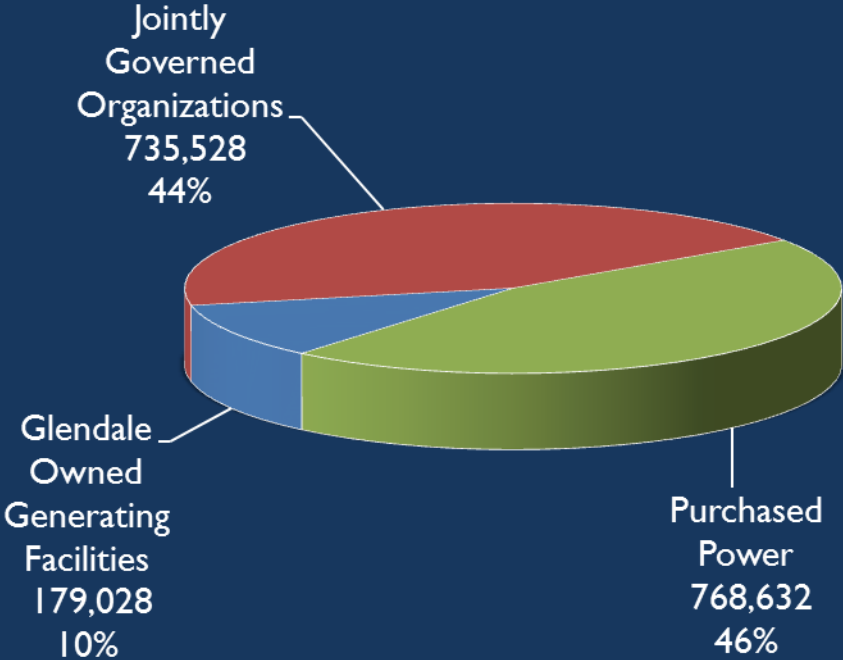


SYSTEM SUPPLY (MWH)	FY2015-16	FY2014-15	FY2013-14	FY2012-13	FY2011-12
Owned Generation					
Glendale Owned Generating Facilities					
Natural Gas Units (Grayson)	179,028	180,493	167,663	198,276	173,682
Jointly Governed Organizations / Remote Ownership					
Intermountain Power Project (IPA)	242,105	237,736	246,338	226,098	219,477
PV Nuclear Generating Station (SCPPA)	84,190	84,641	80,787	83,157	82,467
San Juan Unit 3 (SCPPA)	112,255	129,710	117,522	123,942	86,481
Magnolia Power Project (SCPPA)	270,975	259,268	265,934	138,763	256,319
Tieton Hydropower Project (SCPPA)	26,003	26,466	27,316	24,012	28,211
Total Owned Generation	914,556	918,314	905,560	794,248	846,637
Purchased Power					
Purchased Power Contracts	171,384	156,719	180,445	202,642	277,484
Market Purchases	597,248	974,510	819,487	566,582	1,012,359
Total Purchased Power	768,632	1,131,229	999,932	769,224	1,289,843
Total System Supply	1,683,188	2,049,543	1,905,492	1,563,472	2,136,480
System Peak (MW)	332	337	317	311	316



Not covered by independent auditor's report

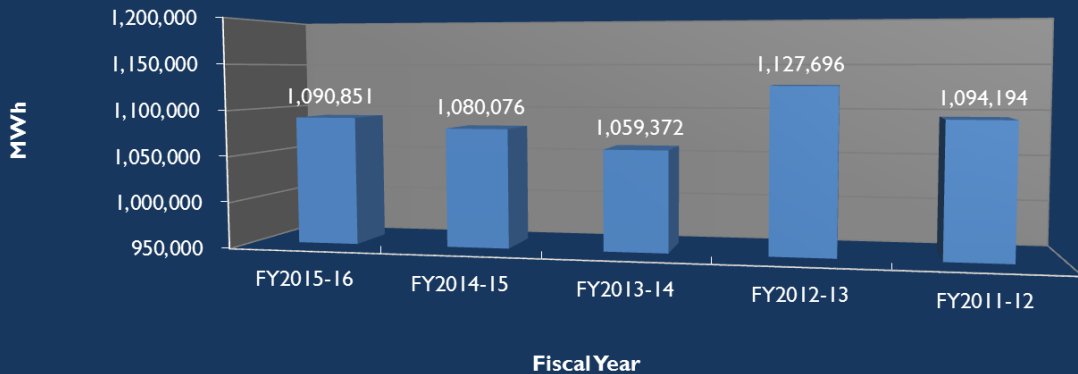
FY 2015-16: Total System Supply (MWh)



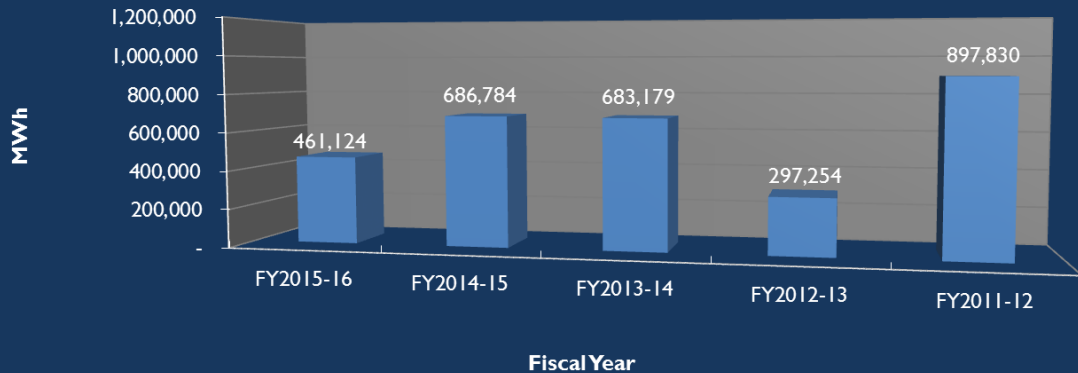
Not covered by independent auditor's report

ELECTRIC USE	FY2015-16	FY2014-15	FY2013-14	FY2012-13	FY2011-12
Average Number of Meters					
Residential	74,176	73,678	72,975	72,625	72,220
Commercial	12,938	12,869	12,801	12,769	12,898
Industrial	212	214	218	217	222
Streetlights	21	21	18	18	18
Total Meters - All Classes	87,347	86,782	86,012	85,629	85,358
MEGAWATT-HOUR SALES (MWh)					
Retail Sale of Electricity					
Residential	383,783	372,426	352,861	393,136	368,237
Commercial	335,019	337,388	327,660	335,404	319,478
Industrial	362,867	361,719	370,321	389,872	397,144
Streetlighting	9,182	8,543	8,530	9,284	9,335
Total Retail Sale of Electricity	1,090,851	1,080,076	1,059,372	1,127,696	1,094,194
Wholesale to Other Utilities					
Sales to Other Utilities	461,124	512,846	351,348	61,407	493,511
Wholesale	-	173,938	331,831	235,847	404,319
Total Wholesale to Other Utilities	461,124	686,784	683,179	297,254	897,830
Total Megawatt-Hour Sales	1,551,975	1,766,860	1,742,551	1,424,950	1,992,024

Retail Sale of Electricity (MWh)

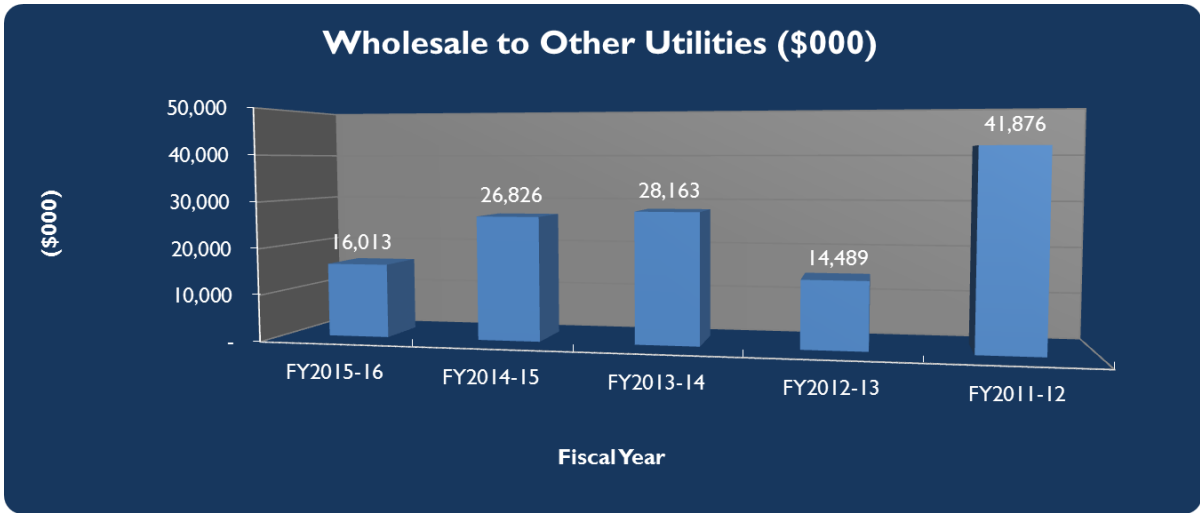
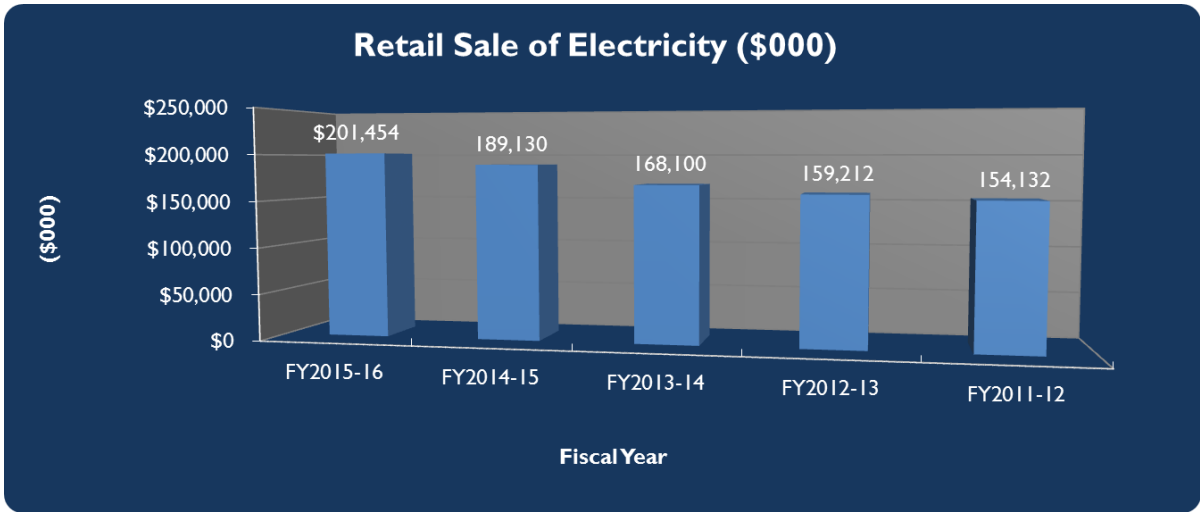


Wholesale to Other Utilities (MWh)

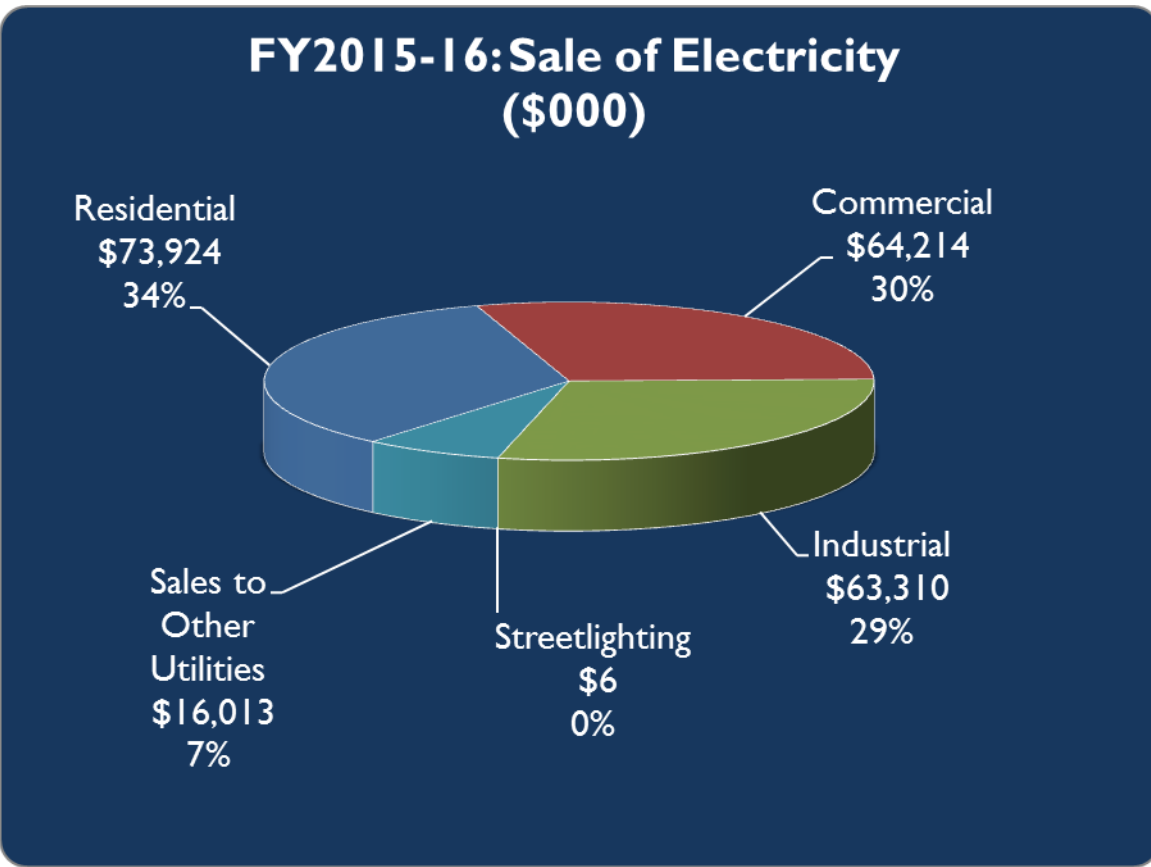
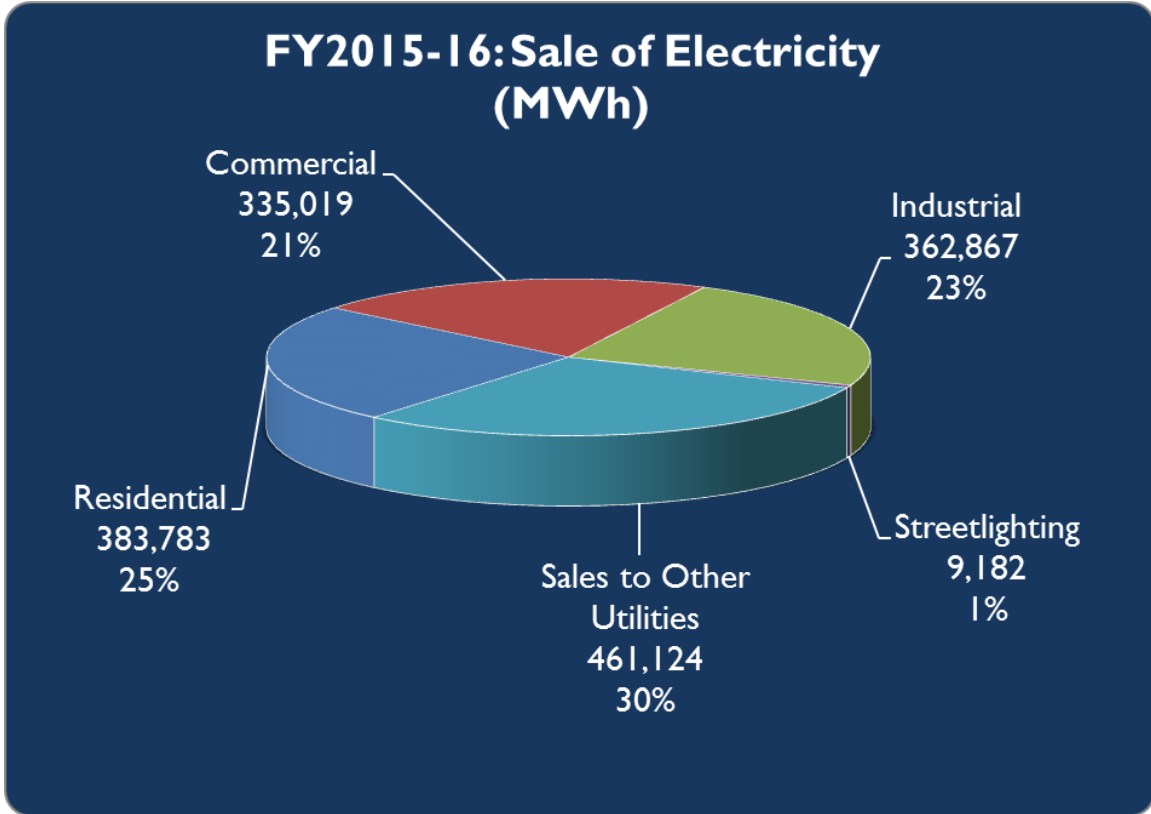


Not covered by independent auditor's report

REVENUES (\$000)	FY2015-16	FY2014-15	FY2013-14	FY2012-13	FY2011-12
Operating Revenues					
Retail Sale of Electricity					
Residential	\$73,924	\$ 67,754	\$ 59,906	\$ 58,411	\$ 54,283
Commercial	64,214	61,747	55,751	51,394	49,217
Industrial	63,310	59,626	52,437	49,397	50,625
Streetlighting	6	3	6	10	7
Total Retail Sale of Electricity	\$201,454	189,130	168,100	159,212	154,132
Wholesale to Other Utilities					
Sales to Other Utilities	16,013	19,042	13,033	1,686	23,049
Wholesale Sales	-	7,784	15,130	12,803	18,827
Total Wholesale to Other Utilities	16,013	26,826	28,163	14,489	41,876
Total Operating Revenues	\$ 217,467	\$ 215,956	\$ 196,263	\$ 173,701	\$ 196,008



Not covered by independent auditor's report



Not covered by independent auditor's report

TRANSMISSION & DISTRIBUTION	FY2015-16	FY2014-15	FY2013-14	FY2012-13	FY2011-12
Circuit Miles					
Overhead lines (miles)	278	278	278	279	281
Underground lines (miles)	276	275	275	275	277
Total Circuit Miles	554	553	553	554	558
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	225,000
35kV to 12kV	140,000	140,000	140,000	140,000	140,000
35kV to 4kV	124,000	128,000	162,000	161,833	161,833
13.8kV to 35kV	187,000	187,000	187,000	187,000	187,000
13.8kV to 69kV	99,000	99,000	98,500	98,500	98,500
12 kV to Customer	658,836	654,412	635,082	629,975	623,037
4 kV to Customer	179,902	185,582	195,093	196,260	196,365

ELECTRIC UTILITY FACTS	FY2015-16	FY2014-15	FY2013-14	FY2012-13	FY2011-12
Operating Margin	21.4%	15.8%	3.7%	1.6%	-0.1%
Debt to Total Capitalization	37.3%	39.8%	36.5%	27.0%	26.1%
Debt Service Coverage Ratio	7.6	6.3	6.9	4.5	4.3

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 -								
2016	\$ 73,924	\$ 64,214	\$ 63,310	\$ 6	201,454	\$ 16,013	\$ -	\$ 217,467
2015	67,754	61,747	59,626	3	189,130	19,042	7,784	215,956
Increase (Decrease)	\$ 6,170	\$ 2,467	\$ 3,684	\$ 3	\$ 12,324	\$ (3,029)	\$ (7,784)	\$ 1,511
Percent Increase (-)	9.1%	4.0%	6.2%	100.0%	6.5%	-15.9%	-100.0%	0.7%
Megawatt-Hours Sold								
Year Ended June 30 -								
2016	383,783	335,019	362,867	9,182	1,090,851	461,124	-	1,551,975
2015	372,426	337,388	361,719	8,543	1,080,076	512,846	173,938	1,766,860
Increase (Decrease)	11,357	(2,369)	1,148	639	10,775	(51,722)	(173,938)	(214,885)
Percent Increase (-)	3.0%	-0.7%	0.3%	7.5%	1.0%	-10.1%	-100.0%	-12.2%
Average Number of Meters								
Year Ended June 30 -								
2016	74,176	12,938	212	21	87,347	N/A	N/A	87,347
2015	73,678	12,869	214	21	86,782	N/A	N/A	86,782
Increase (Decrease)	498	69	(2)	-	565	N/A	N/A	565
Percent Increase (-)	0.7%	0.5%	-0.9%	0.0%	0.7%	N/A	N/A	0.7%

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 -								
2016	\$ 0.1926	\$ 0.1917	\$ 0.1745	\$ 0.0007	\$ 0.1847	\$ 0.0347	\$ -	\$ 0.1401
2015	0.1819	0.1830	0.1648	0.0004	0.1751	0.0371	0.0448	0.1222
Increase (Decrease)	\$ 0.0107	\$ 0.0087	\$ 0.0097	\$ 0.0003	\$ 0.0096	\$ (0.0024)	\$ (0.0448)	\$ 0.0179
Percent Increase (-)	5.9%	4.8%	5.9%	75.0%	5.5%	-6.5%	-100.0%	14.6%

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 -								
2016	5,174	25,894	1,711,637	437,238	12,489	N/A	N/A	12,489
2015	5,055	26,217	1,690,276	406,810	12,446	N/A	N/A	12,446
Increase (Decrease)	119	(323)	21,361	30,428	43	N/A	N/A	43
Percent Increase (-)	2.4%	-1.2%	1.3%	7.5%	0.3%	N/A	N/A	0.3%



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, 2016, 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 28, 2016. 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. Our report included an emphasis of matter regarding the Fund's adoption of Governmental Accounting Standards Board (GASB) Statements No. 72, *Fair Value Measurement and Application*, and No. 82, *Pension Issues – an Amendment of GASB Statement No. 67, No. 68, and No. 73*, effective July 1, 2015.

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 suitable for any other purpose.

Vavrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California
November 28, 2016