

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2013

CITY OF RIVERSIDE ELECTRIC PUBLIC UTILITIES

**2003 ELECTRIC REFUNDING REVENUE BONDS
BONDS DATED JULY 31, 2003**

CUSIP NUMBERS 768874NU9 Through 768874NV7

Prepared by
City of Riverside

Laura M. Chavez-Nomura
Assistant General Manager-Finance/Administration
Public Utilities Department
951-826-5492

Brent A. Mason
Finance Director/Treasurer
Finance Department
951-826-5660

March 3, 2014

RIVERSIDE PUBLIC UTILITIES
CONTINUING DISCLOSURE INFORMATION - 2003 ELECTRIC BONDS \$75,405,000
FISCAL YEAR ENDED JUNE 30, 2013

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

1. Enclosed is the City of Riverside CAFR and Electric Utility 2012/13 Audited Financial Statements
2. The principal amount of the 2003 Bonds outstanding at June 30, 2013 was \$6,880,000.
3. The reserve requirement of the 2003 Electric bonds is fully funded.

The reserve is funded by cash in the amount of \$7,540,500 as of June 30, 2013.

4. Electric System Facilities

Utility Plant (less accumulated depreciation)	\$ 625,545,000
Construction in Progress	53,502,000

Distribution

Overhead Circuit Miles	513
Underground Circuit Miles	810
Street Light Circuit Miles	1,042

5. Number of Meters

Residential	96,207
Commercial	10,337
Industrial	894
Other	87
Total - All Classes	<u>107,525</u>

6. Energy Sold (millions of kWh)

Residential	726
Commercial	419
Industrial	1,003
Wholesale	14
Other	31
Total kWh sold	<u>2,193</u>

7. City Council approved a 4-year rate increase on December 1, 2006, and December 4, 2007, respectively as follows:

<u>Effective Date</u>	<u>Overall System</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
January 1, 2007	3.5%	2.1%	5.2%	4.7%
January 1, 2008	10.0%	13.5%	10.5%	8.9%
January 1, 2009	3.6%	3.7%	5.2%	2.8%
January 1, 2010	5.8%	8.6%	4.8%	5.4%

8. Revenues From Sales of Electricity (in thousands)

Residential	\$ 118,173
Commercial	66,632
Industrial	110,680
Other sales	5,712
Wholesale	638
Transmission	32,688
Total	<u>\$ 334,523</u>

9. Average Billing Price (Cents Per Kilowatt-Hour)

Residential	16.3
Commercial	15.9
Industrial	11.0
Other	18.4
Average - All Classes Combined	13.8

10. Summary of Operations and Debt Service Coverage (in thousands)

Operating revenues	
Residential	\$ 118,173
Commercial	66,632
Industrial	110,680
Other sales	5,712
Wholesale	638
Transmission	32,688
Other operating revenue	4,486
Total operating revenues, before (reserve)/recovery	339,009
Reserve for uncollectible, net of recovery	(959)
Total operating revenues, net of (reserve)/recovery	<u>\$ 338,050</u>
Investment income	3,060
Contributions in aid	3,557
Non-Operating revenues	3,520
Total revenues	<u><u>\$ 348,187</u></u>
Operating expenses	
Nuclear production (excludes nuclear fuel burn)	\$ 15,987
Purchased power (excludes amortization of prepaid power)	115,472
Transmission expense	45,957
Distribution expenses	13,730
Customer account expenses	6,978
Customer service expenses	2,089
Administration & general expenses	15,180
Clearing & Miscellaneous expenses	11,604
Total expenses	<u><u>\$ 226,997</u></u>
Net Operating Revenues Available for Debt Service and Depreciation	<u><u>\$ 121,190</u></u>
Debt Service Requirements on bonds	\$ 44,426
Debt Service Coverage	2.73

11. Outstanding Debt of Joint Powers Agencies (In Thousands)

	Principal Amount of Outstanding Debt	%	City of Riverside Electric Public Utilities Share
IPA			
Intermountain Power Project ⁽¹⁾	\$ 1,848,701	7.617%	\$ 140,816
SCPPA ⁽¹⁾			
Palo Verde	58,440	5.4%	3,156
STS	757,645	10.2%	77,280
Hoover Dam	9,685	31.9%	3,090
Mead-Phoenix	44,895	4.0%	1,796
Mead-Adelanto	143,990	13.5%	19,439
	<u>\$ 2,863,356</u>		<u>\$ 245,577</u>

⁽¹⁾ Total before unamortized bond discount/premium and refunding charge.

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence of the following significant events with respect to the 2003 ELECTRIC REFUNDING REVENUE BONDS \$75,405,000.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modification to rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls.
5. Defeasances.
6. Rating changes -

Payment of principal and interest on the bonds is insured by Assured Guaranty Municipal Corp (AGM), formerly known as Financial Security Assurance, Inc. On January 17, 2013, Moody's Investor Services downgraded the insurance financial strength rating of AGM from "Aa3" to "A2".

7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of the credit or liquidity providers or their failure to perform.
11. Release, substitution or sale of property securing repayment of the Bonds.