

EXECUTIVE SUMMARY

Third Quarter 2023 Compared to Third Quarter 2022

The financial results for the third quarter of 2023 showed an increase in income before transfers of \$171.9 million as compared to the same period last year.

Operating revenue is materially in line with the same period last year.

Operating expense for the third quarter of 2023 decreased \$163.3 million over the same period in 2022 primarily due to lower fuel & purchased power primarily from higher commodity prices (third quarter 2022) for the generation mix utilized and increase costs of purchased power being driven by higher costs in the energy markets for natural gas (third quarter 2022). Somewhat offsetting this decrease was higher non-fuel generation primarily from higher nuclear expenses and higher contract services due to increased gypsum expense due to price per ton increases.

Interest expense decreased \$5.5 million over the prior year mainly from Cook settlement exception regulatory asset credits (\$16.9 million) recorded in the current quarter with no corresponding entries in the third quarter of 2022. This decrease was offset by the higher interest expense impacts associated with the 2022EF new money issue in November 2022.

Other revenues increased \$10.2 million primarily due to lower nuclear regulatory asset amortization due to lower principal payments on nuclear debt coming due in the current year. Further increases were provided by an increase in the fair value of investments and interest income.

Costs to be recovered (CTBR) expense increased \$2.0 million over the same period in 2022 from higher net principal amortization in the current year.

Combined Statements of Net Position
As of September 30, 2023 and December 31, 2022
Millions of Dollars
Unaudited

	September 30, 2023	December 31, 2022
Current assets		
Unrestricted funds	\$465.7	\$462.9
Restricted funds	475.8	512.7
Fuel inventory	248.5	200.7
Other current assets	459.3	493.0
	-----	-----
Total current assets	1,649.3	1,669.3
	-----	-----
Noncurrent assets		
Total utility plant - net	4,879.6	4,881.9
Cost to be recovered	217.6	222.0
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,647.9	3,670.7
Regulatory assets - Cook Settlement Exceptions	579.9	358.6
Other noncurrent assets	327.8	410.3
	-----	-----
Total noncurrent assets	9,805.3	9,696.0
	-----	-----
Deferred outflows of resources	919.2	976.7
	-----	-----
Total assets & deferred outflows	\$12,373.8	\$12,342.0
	=====	=====
Current liabilities		
Current debt and interest	\$308.9	\$198.2
Other current liabilities	286.6	474.1
	-----	-----
Total current liabilities	595.5	672.3
	-----	-----
Noncurrent liabilities		
Net Pension liability	307.4	308.6
Net OPEB liability	203.8	203.8
Asset retirement obligation liability	592.2	630.5
Long-term debt-net	7,687.4	7,573.6
Other noncurrent liabilities	103.8	96.2
	-----	-----
Total noncurrent liabilities	8,894.6	8,812.7
	-----	-----
Deferred inflows of resources	608.2	723.1
Total net position	2,275.5	2,133.9
	-----	-----
Total liabilities & deferred inflows	\$12,373.8	\$12,342.0
	=====	=====

Combined Statements of Revenues, Expenses and Changes in Net Position

Millions of Dollars

Unaudited

	<i>Current Quarter</i>		<i>12 Months to Date</i>	
	<i>Jul 1 - Sep 30</i>		<i>Oct 1 - Sep 30</i>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$565.7	\$570.8	\$1,867.7	\$1,915.9
O&M expense	313.2	474.6	1,170.4	1,441.5
Depreciation & sums in lieu of taxes	69.3	71.2	276.7	271.8
Operating expense	382.5	545.8	1,447.1	1,713.3
Operating Income	183.2	25.0	420.6	202.6
Nonoperating revenues (expenses)				
Interest charges	(68.7)	(74.2)	(313.9)	(290.4)
Other revenues (expenses)	16.7	6.5	32.3	65.2
Costs to be recovered	(2.1)	(0.1)	(4.7)	5.4
Total nonoperating revenues (expenses)	(54.1)	(67.8)	(286.3)	(219.8)
Income before transfers	\$129.1	(\$42.8)	\$134.3	(\$17.2)
	=====	=====	=====	=====