

## ***EXECUTIVE SUMMARY***

### **Fourth Quarter 2021 Compared to 2020**

The financial results for the fourth quarter of 2021 showed a decrease in income before transfers of \$59.1 million as compared to the same period last year.

Operating revenue increased \$32.0 million over the same period in 2020 primarily due to higher energy sales (9%) and demand usage (15%) mainly from industrial customers due to: (i) a new agreement with Century Aluminum; and (ii) increased production requirements at Nucor. There was an increase due to current period higher fuel rate revenues as well.

Operating expense for the fourth quarter of 2021 increased \$110.7 million over the same period in 2020 due to higher net fuel and purchased power from higher energy sales and higher priced natural gas in the energy markets. Further increases in purchased power were triggered by coal stockpile management which limited the use of coal fired generation. Another contributor was higher non-fuel generation expenses from contract services and materials driven by current year coal and nuclear plant outage work.

Interest expense decreased \$3.5 million over the prior year fourth quarter from impacts associated with the 2020 AB refunding and the December 2020 defeasance.

Other revenues increased \$10.3 million primarily from: higher gains from TEA of \$8.9 million and a sale of a leased tower and salvage of \$3.5 million all occurring in the current period.

Costs to be recovered (CTBR) expense decreased \$5.8 million over the same period in 2020 mainly because of impacts from an adjustment made increasing CTBR expense in the in the prior year period.

**Combined Statements of Net Position**  
As of December 31, 2021 and December 31, 2020  
Millions of Dollars  
*Unaudited*

	December 31, 2021	December 31, 2020
<b>Current assets</b>		
Unrestricted funds	\$603.1	\$442.0
Restricted funds	219.0	172.3
Fuel inventory	159.8	183.0
Other current assets	418.6	398.0
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<b>Total current assets</b>	1,400.5	1,195.3
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<b>Noncurrent assets</b>		
Total utility plant - net	4,976.7	5,037.6
Cost to be recovered	223.0	219.8
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,697.7	3,734.2
Other noncurrent assets	390.3	316.3
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<b>Total noncurrent assets</b>	9,440.2	9,460.4
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Deferred outflows of resources	872.6	895.7
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<b>Total assets &amp; deferred outflows</b>	\$11,713.3	\$11,551.4
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<b>Current liabilities</b>		
Current debt and interest	\$270.2	\$339.8
Other current liabilities	401.7	275.1
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<b>Total current liabilities</b>	671.9	614.9
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<b>Noncurrent liabilities</b>		
Net Pension liability	294.5	344.8
Net OPEB liability	189.3	176.1
Asset retirement obligation liability	669.4	694.2
Long-term debt-net	6,961.6	6,857.3
Other noncurrent liabilities	87.7	164.3
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<b>Total noncurrent liabilities</b>	8,202.5	8,236.7
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Deferred inflows of resources	700.1	600.1
Total net position	2,138.8	2,099.7
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<b>Total liabilities &amp; deferred inflows</b>	\$11,713.3	\$11,551.4
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## 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>Oct 1 - Dec 31</i>		<i>Jan 1 - Dec 31</i>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$407.1	\$375.1	\$1,765.8	\$1,627.4
O&M expense	\$353.9	\$251.5	\$1,232.7	\$1,014.0
Depreciation & sums in lieu of taxes	\$66.6	\$58.3	\$263.6	\$249.7
Operating expense	420.5	309.8	1,496.3	1,263.7
Operating Income	(\$13.4)	\$65.3	\$269.5	\$363.7
Nonoperating revenues (expenses)				
Interest charges	(\$77.3)	(\$80.8)	(\$304.9)	(\$319.6)
Other revenues (expenses)	\$28.3	\$18.1	\$88.6	\$62.3
Costs to be recovered	\$6.1	\$0.3	\$3.1	(\$54.4)
Total nonoperating revenues (expenses)	(42.9)	(62.5)	(213.2)	(311.7)
Income before transfers	<b>(\$56.3)</b>	<b>\$2.8</b>	<b>\$56.3</b>	<b>\$52.0</b>