

## **EXECUTIVE SUMMARY**

### **First Quarter 2023 Compared to First Quarter 2022**

The financial results for the first quarter of 2023 showed an increase in income before transfers of \$81.2 million as compared to the same period last year.

Operating revenue decreased \$28.5 million over the same period in 2022 primarily due to lower energy sales (3%) and demand usage (4%). The impacts were largely due to lower heating degree days (23%) resulting from milder weather. Other decreases were provided by lower fuel, demand and O&M rate revenues.

Operating expense for the first quarter of 2023 decreased \$109.9 million over the same period in 2022 primarily due to credits in fuel and purchased power of \$72.2 million from the recording of Cook settlement exceptions regulatory asset. Also contributing were lower kWh sales and lower year over year prices in the purchased power and natural gas markets. Somewhat offsetting this decrease was higher non-fuel generation primarily from labor expenses associated with higher OPEB charges than prior year and utility expenses due to a nuclear development payment on a Dominion utility bill coded incorrectly. Further offsets were due to lower contract services from a Cross outage being moved back.

Interest expense increased \$8.7 million over the prior year mainly from the impacts associated with the 2022EF New Money issue in November 2022 and the increase in Revolving Credit Agreement draws.

Other revenues increased \$9.4 million primarily due to an increase in the fair market value of investments.

Costs to be recovered (CTBR) expense increased \$900,000 over the same period in 2022 from higher principal amortization in the current year.

**Combined Statements of Net Position**  
As of March 31, 2023 and December 31, 2022  
Millions of Dollars  
*Unaudited*

	March 31, 2023	December 31, 2022
<b>Current assets</b>		
Unrestricted funds	\$382.3	\$462.9
Restricted funds	538.3	512.7
Fuel inventory	244.3	200.7
Other current assets	408.7	493.0
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<b>Total current assets</b>	1,573.6	1,669.3
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<b>Noncurrent assets</b>		
Total utility plant - net	4,865.1	4,881.9
Cost to be recovered	220.8	222.0
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,663.1	3,670.7
Regulatory assets - Cook Settlement Exceptions	430.8	358.6
Other noncurrent assets	349.1	410.3
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<b>Total noncurrent assets</b>	9,681.4	9,696.0
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Deferred outflows of resources	978.6	976.7
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<b>Total assets &amp; deferred outflows</b>	\$12,233.6	\$12,342.0
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<b>Current liabilities</b>		
Current debt and interest	\$268.4	\$198.2
Other current liabilities	301.8	474.1
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<b>Total current liabilities</b>	570.2	672.3
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<b>Noncurrent liabilities</b>		
Net Pension liability	308.2	308.6
Net OPEB liability	203.8	203.8
Asset retirement obligation liability	617.7	630.5
Long-term debt-net	7,617.8	7,573.6
Other noncurrent liabilities	100.1	96.2
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<b>Total noncurrent liabilities</b>	8,847.6	8,812.7
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Deferred inflows of resources	637.5	723.1
Total net position	2,178.3	2,133.9
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<b>Total liabilities &amp; deferred inflows</b>	\$12,233.6	\$12,342.0
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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>Jan 1 - Mar 31</i>		<i>Apr 1 - Mar 31</i>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$441.3	\$469.8	\$1,920.5	\$1,810.6
O&M expense	249.3	360.6	1,284.7	1,341.7
Depreciation & sums in lieu of taxes	69.5	68.1	275.3	267.7
Operating expense	318.8	428.7	1,560.0	1,609.4
Operating Income	122.5	41.1	360.5	201.2
Nonoperating revenues (expenses)				
Interest charges	(83.1)	(74.4)	(299.5)	(303.8)
Other revenues (expenses)	15.5	6.1	34.9	77.5
Costs to be recovered	(1.1)	(0.2)	(1.8)	1.9
Total nonoperating revenues (expenses)	(68.7)	(68.5)	(266.4)	(224.4)
Income before transfers	<b>\$53.8</b>	<b>(\$27.4)</b>	<b>\$94.1</b>	<b>(\$23.2)</b>