EXECUTIVE SUMMARY

Second Quarter 2021
Compared to 2020

The financial results for the second quarter of 2021 showed an increase in income before transfers of $86.0 million as compared to the same period last year.

Operating revenue increased $43.0 million over the same period in 2020 primarily due to higher energy sales (18%) and demand usage (20%) from higher degree days in the current year. Industrial customers also contributed from: (i) a new agreement with Century Aluminum; and (ii) increased production requirements at Nucor. Further increases were provided from impacts associated with the COVID-19 pandemic in the prior.

Operating expense for the second quarter of 2021 increased $50.3 million over the same period in 2020 due to higher fuel and purchased power from higher energy sales and higher natural gas prices in the energy markets. Utilization of more coal generation was undertaken to achieve a lower cost fuel mix, but savings were limited due to generating plant outages. Also contributing was higher non-fuel generation from contract services and materials due current year spring outages being completed and a prior year spring outage at Cross that was postponed.

Interest expense decreased $3.7 million over the prior year second quarter from impacts associated with the 2020 AB refunding and the December 2020 defeasance.

Other revenues increased $5.3 million primarily from lower net amortization expense of the Pee Dee and Nuclear assets over the deferred inflow - Toshiba settlement. Also contributing were sales of equipment from the Summer Nuclear 2 & 3 site.

Costs to be recovered (CTBR) expense decreased $84.3 million over the same period in 2020 mainly because of an adjustment to revise a depreciation rate in the prior year.

Combined Statements of Net Position
As of June 30, 2021 and December 31, 2020
Millions of Dollars
Unaudited

	June 30, 2021	December 31, 2020
Current assets		
Unrestricted funds	$552.6	$442.0
Restricted funds	161.5	172.3
Fuel inventory	165.0	183.0
Other current assets	454.1	398.0
Total current assets	1,333.2	1,195.3
Noncurrent assets		
Total utility plant - net	4,993.5	5,037.6
Cost to be recovered	221.5	219.8
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,719.8	3,734.2
Other noncurrent assets	351.6	316.3
Total noncurrent assets	9,438.9	9,460.4
Deferred outflows of resourses	874.5	895.7
Total assets & deferred outflows	$11,646.6	$11,551.4
Current liabilities		
Current debt and interest	$361.6	$339.8
Other current liabilities	310.0	275.1
Total current liabilities	671.6	614.9
Noncurrent liabilities		
Net Pension liability	346.7	344.8
Net OPEB liability	176.1	176.1
Asset retirement obligation liability	680.7	694.2
Long-term debt-net	6,827.3	6,857.3
Other noncurrent liabilities	157.1	164.3
Total noncurrent liabilities	8,187.9	8,236.7
Deferred inflows of resourses	632.5	600.1
Total net position	2,154.6	2,099.7
Total liabilities & deferred inflows	$11,646.6	$11,551.4

Combined Statements of Revenues, Expenses and Changes in Net Position

Millions of Dollars

Unaudited

	Current Quarter ***Apr 1 - Jun 30***		*12 Months to Date* ***Jul 1 - Jun 30***	
	This Year	Last Year	This Year	Last Year
Operating revenue	$416.0	$373.0	$1,703.8	$1,658.4
O&M expense	281.6	233.5	1,082.2	1,062.6
Depreciation & sums in lieu of taxes	66.2	64.0	252.7	233.3
Operating expense	347.8	297.5	1,334.9	1,295.9
Operating Income	68.2	75.5	368.9	362.5
Nonoperating revenues (expenses)				
Interest charges	(75.8)	(79.5)	(311.1)	(337.3)
Other revenues (expenses)	18.7	13.4	83.8	(149.2)
Costs to be recovered income (expense)	0.8	(83.5)	3.3	(12.8)
Total nonoperating revenues (expenses)	(56.3)	(149.6)	(224.0)	(499.3)
Income (loss) before transfers	**$11.9**	**($74.1)**	**$144.9**	**($136.8)**