

## **EXECUTIVE SUMMARY**

### **First Quarter 2021 Compared to 2020**

The financial results for the first quarter of 2021 showed an increase in income before transfers of \$6.9 million as compared to the same period last year.

Operating revenue increased \$33.4 million over the same period in 2020 primarily due to higher energy sales (10%) and demand usage (6%) from colder weather in the current year. Higher fuel rate revenues also added to this increase. Somewhat offsetting this was a decrease in the 2020 and 2021 Central Cost of Service adjustments driven by current year finalization of 2020's adjust-to-actual as well as closing of 2016's audit issues. Also contributing was an increase in the adjustment in the prior year driven by a higher demand rate resulting from higher expenses and a lower load than projected.

Operating expense for the first quarter of 2021 increased \$20.9 million over the same period in 2020 due to higher fuel and purchased power from higher energy sales and utilization of more coal generation to achieve a lower cost fuel mix. Also contributing was higher non-fuel generation from contract services and materials due to timing associated with spring outages starting in March for Cross, Rainey and Winyah.

Interest expense decreased \$4.8 million over the prior year first quarter from impacts associated with the 2020 AB refunding and the December 2020 defeasance.

Other revenues increased \$16.2 million primarily from increases in the fair value of investments and higher gains on energy sales. Also contributing was lower current year net amortization associated with the regulatory assets – nuclear and Pee Dee over the deferred inflows – Toshiba settlement.

Costs to be recovered (CTBR) income decreased \$26.6 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 March 31, 2021 and December 31, 2020  
Millions of Dollars  
*Unaudited*

	March 31, 2021	December 31, 2020
<b>Current assets</b>		
Unrestricted funds	\$520.2	\$442.0
Restricted funds	222.8	172.3
Fuel inventory	173.5	183.0
Other current assets	387.2	398.0
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<b>Total current assets</b>	1,303.7	1,195.3
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<b>Noncurrent assets</b>		
Total utility plant - net	5,005.6	5,037.6
Cost to be recovered	220.8	219.8
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,727.0	3,734.2
Other noncurrent assets	320.6	316.3
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<b>Total noncurrent assets</b>	9,426.5	9,460.4
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Deferred outflows of resources	885.5	895.7
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<b>Total assets &amp; deferred outflows</b>	\$11,615.7	\$11,551.4
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<b>Current liabilities</b>		
Current debt and interest	\$413.1	\$339.8
Other current liabilities	269.2	275.1
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<b>Total current liabilities</b>	682.3	614.9
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<b>Noncurrent liabilities</b>		
Net Pension liability	345.7	344.8
Net OPEB liability	176.1	176.1
Asset retirement obligation liability	687.5	694.2
Long-term debt-net	6,833.3	6,857.3
Other noncurrent liabilities	162.7	164.3
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<b>Total noncurrent liabilities</b>	8,205.3	8,236.7
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Deferred inflows of resources	585.4	600.1
Total net position	2,142.7	2,099.7
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<b>Total liabilities &amp; deferred inflows</b>	\$11,615.7	\$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>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	\$425.0	\$391.6	\$1,660.8	\$1,708.1
O&M expense	\$251.6	\$231.5	\$1,034.1	\$1,103.6
Depreciation & sums in lieu of taxes	\$64.0	\$63.2	\$250.5	\$219.6
Operating expense	315.6	294.7	1,284.6	1,323.2
Operating Income	\$109.4	\$96.9	\$376.2	\$384.9
Nonoperating revenues (expenses)				
Interest charges	(\$75.4)	(\$80.2)	(\$314.9)	(\$342.7)
Other revenues (expenses)	\$17.2	\$1.0	\$78.6	(\$141.8)
Costs to be recovered	\$0.9	\$27.5	(\$81.0)	\$73.4
Total nonoperating revenues (expenses)	(57.3)	(51.7)	(317.3)	(411.1)
Income before transfers	<b>\$52.1</b>	<b>\$45.2</b>	<b>\$58.9</b>	<b>(\$26.2)</b>
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