

EXECUTIVE SUMMARY

Second Quarter 2023 Compared to Second Quarter 2022

The financial results for the second quarter of 2023 showed a decrease in income before transfers of \$131.6 million as compared to the same period last year.

Operating revenue decreased \$47.7 million over the same period in 2022 primarily due to lower energy sales (5%) and demand usage (4%). The impacts were largely due to lower heating degree days (22%) resulting from milder weather. Other decreases were provided by lower fuel rate revenues.

Operating expense for the second quarter of 2023 increased \$50.3 million over the same period in 2022 primarily due to lower current year Cook settlement exception regulatory asset credits (\$112.4 million) in second quarter 2023 as compared to second quarter 2022. Further quarter over quarter increases were provided by higher non-fuel generation due to higher Cross outage expenses in the current year due to the Spring outage being later in 2023 versus 2022. Somewhat offsetting this increase was lower fuel and purchased power from lower kwh sales, less expensive coal units running and lower year over year prices in the purchased power and natural gas markets.

Interest expense increased \$19.9 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 and CP issues, related to the Cook Settlement Exception Regulatory Asset as well as the previous year Cook settlement exception regulatory asset credit (\$8.4 million) with no corresponding entry in the current year.

Other revenues decreased \$12.8 million primarily due to lower nuclear sales in the current quarter. Somewhat offsetting this decrease was lower nuclear regulatory asset amortization (\$5.6 million) due to lower principal payments on nuclear debt coming due in the current year.

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 June 30, 2023 and December 31, 2022
Millions of Dollars
Unaudited

	June 30, 2023	December 31, 2022
Current assets		
Unrestricted funds	\$347.8	\$462.9
Restricted funds	429.9	512.7
Fuel inventory	279.4	200.7
Other current assets	439.5	493.0
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Total current assets	1,496.6	1,669.3
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Noncurrent assets		
Total utility plant - net	4,871.5	4,881.9
Cost to be recovered	219.7	222.0
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,655.5	3,670.7
Regulatory assets - Cook Settlement Exceptions	467.7	358.6
Other noncurrent assets	332.7	410.3
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Total noncurrent assets	9,699.6	9,696.0
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Deferred outflows of resources	947.7	976.7
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Total assets & deferred outflows	\$12,143.9	\$12,342.0
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Current liabilities		
Current debt and interest	\$242.5	\$198.2
Other current liabilities	279.5	474.1
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Total current liabilities	522.0	672.3
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Noncurrent liabilities		
Net Pension liability	307.7	308.6
Net OPEB liability	203.8	203.8
Asset retirement obligation liability	605.0	630.5
Long-term debt-net	7,625.1	7,573.6
Other noncurrent liabilities	103.0	96.2
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Total noncurrent liabilities	8,844.6	8,812.7
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Deferred inflows of resources	621.4	723.1
Total net position	2,155.9	2,133.9
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Total liabilities & deferred inflows	\$12,143.9	\$12,342.0
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Combined Statements of Revenues, Expenses and Changes in Net Position

Millions of Dollars

Unaudited

	<i>Current Quarter Apr 1 - Jun 30</i>		<i>12 Months to Date Jul 1 - Jun 30</i>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$420.5	\$468.2	\$1,872.8	\$1,862.8
O&M expense	299.5	252.4	1,331.8	1,312.5
Depreciation & sums in lieu of taxes	69.2	66.0	278.6	267.5
Operating expense	368.7	318.4	1,610.4	1,580.0
Operating Income	51.8	149.8	262.4	282.8
Nonoperating revenues (expenses)				
Interest charges	(84.6)	(64.7)	(319.4)	(292.6)
Other revenues (expenses)	11.5	24.3	22.1	83.0
Costs to be recovered	(1.1)	(0.2)	(2.7)	0.9
Total nonoperating revenues (expenses)	(74.2)	(40.6)	(300.0)	(208.7)
Income before transfers	(\$22.4)	\$109.2	(\$37.6)	\$74.1