

EXECUTIVE SUMMARY

Third Quarter 2022 Compared to Third Quarter 2021

The financial results for the third quarter of 2022 showed a decrease in income before transfers of \$91.4 million as compared to the same period last year.

Operating revenue increased \$53.1 million over the same period in 2021 primarily due to higher energy sales (4%) and demand usage (7%). Also, contributing to the increase was higher fuel rate revenues mainly in the industrial category.

Operating expense for the third quarter of 2022 increased \$133.4 million over the same period in 2021 primarily due to fuel and purchased power from higher kWh sales, higher commodity prices for the generation mix utilized and increased costs of purchased power being driven by higher costs in the energy markets for natural gas. Somewhat offsetting this large increase were credits of \$93.2 million from the recording of the Cook exception regulatory asset. Further decreases were provided by non-fuel generation mainly from lower contract services and materials due largely to timing of invoices and a smaller maintenance outage scope at Cross and Winyah.

Interest expense decreased \$2.2 million over the prior year mainly from the impacts associated with the 2021 A Refunding in late 2021 and the 2022 A and B Refunding in February 2022.

Other revenues decreased \$17.8 million primarily from lower nuclear equipment sales, lower income from lower amortization of the Toshiba regulatory liability, and higher amortization of the nuclear regulatory assets in the prior period.

Costs to be recovered (CTBR) expense decreased \$4.5 million over the same period in 2021 from higher principal amortization in the previous year.

Combined Statements of Net Position
As of September 30, 2022 and December 31, 2021
Millions of Dollars
Unaudited

	September 30, 2022	December 31, 2021
Current assets		
Unrestricted funds	\$594.5	\$603.1
Restricted funds	268.7	219.0
Fuel inventory	154.7	159.8
Other current assets	631.4	418.6
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Total current assets	1,649.3	1,400.5
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Noncurrent assets		
Total utility plant - net	4,908.5	4,976.7
Cost to be recovered	222.4	223.0
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,604.2	3,697.7
Regulatory assets - Cook Settlement Exceptions	250.9	0.0
Other noncurrent assets	459.1	390.3
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Total noncurrent assets	9,597.6	9,440.2
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Deferred outflows of resources	960.6	872.6
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Total assets & deferred outflows	\$12,207.5	\$11,713.3
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Current liabilities		
Current debt and interest	\$342.8	\$270.2
Other current liabilities	515.9	401.7
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Total current liabilities	858.7	671.9
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Noncurrent liabilities		
Net Pension liability	295.5	294.5
Net OPEB liability	189.9	189.3
Asset retirement obligation liability	636.2	669.4
Long-term debt-net	7,142.6	6,961.6
Other noncurrent liabilities	88.4	87.7
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Total noncurrent liabilities	8,352.6	8,202.5
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Deferred inflows of resources	836.0	700.1
Total net position	2,160.2	2,138.8
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Total liabilities & deferred inflows	\$12,207.5	\$11,713.3
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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>Jul 1 - Sep 30</i>		<i>Oct 1 - Sep 30</i>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$570.8	\$517.7	\$1,915.9	\$1,733.8
O&M expense	\$474.6	\$345.6	\$1,441.5	\$1,130.3
Depreciation & sums in lieu of taxes	\$71.2	\$66.8	\$271.8	\$255.4
Operating expense	545.8	412.4	1,713.3	1,385.7
Operating Income	\$25.0	\$105.3	\$202.6	\$348.1
Nonoperating revenues (expenses)				
Interest charges	(\$82.6)	(\$76.4)	(\$298.8)	(\$308.4)
Other revenues (expenses)	\$14.9	\$24.3	\$73.6	\$78.2
Costs to be recovered	(\$0.1)	(\$4.6)	\$5.4	(\$148.2)
Total nonoperating revenues (expenses)	(67.8)	(56.7)	(219.8)	(378.4)
Income before transfers	(\$42.8)	\$48.6	(\$17.2)	(\$30.3)
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