

EXECUTIVE SUMMARY

Third Quarter 2021 Compared to 2020

The financial results for the third quarter of 2021 showed a decrease in income before transfers of \$29.6 million as compared to the same period last year.

Operating revenue increased \$30.0 million over the same period in 2020 primarily due to higher energy sales (22%) and demand usage (30%) primarily from industrial customers due to: (i) a new agreement with Century Aluminum; and (ii) increased production requirements at Nucor. Further increases were provided by a higher Central Cost of Service adjustment in the current year as well as higher fuel rate revenues.

Operating expense for the third quarter of 2021 increased \$50.8 million over the same period in 2020 due to higher net fuel and purchased power from higher energy sales and higher natural gas prices in the energy markets. Further increases in purchased power were provided by coal stockpile management efforts limiting the use of coal fired generation. Also contributing were higher non-fuel generation expenses from contract services and materials mainly from current year outage work and a prior year spring outage at Cross that was postponed until 2021. Summer Nuclear expenses were also up from a prior year due to an R25 outage true-up credit received in 2020.

Interest expense decreased \$2.8 million over the prior year third quarter from impacts associated with the 2020 AB refunding and the December 2020 defeasance.

Other revenues decreased \$5.7 million primarily from lower net amortization expense in the current year of the Pee Dee and Nuclear assets over the deferred inflow - Toshiba settlement. Also contributing were lower sales of equipment from the Summer Nuclear 2 & 3 site as compared to last year

Costs to be recovered (CTBR) expense increased \$5.9 million over the same period in 2020 mainly because of impacts of a commercial paper pay down in July 2021 that was included in CTBR.

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

	September 30, 2021	December 31, 2020
Current assets		
Unrestricted funds	\$688.2	\$442.0
Restricted funds	386.5	172.3
Fuel inventory	143.3	183.0
Other current assets	493.0	398.0
	-----	-----
Total current assets	1,711.0	1,195.3
	-----	-----
Noncurrent assets		
Total utility plant - net	4,969.3	5,037.6
Cost to be recovered	216.9	219.8
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,712.6	3,734.2
Other noncurrent assets	401.7	316.3
	-----	-----
Total noncurrent assets	9,453.0	9,460.4
	-----	-----
Deferred outflows of resources	869.6	895.7
	-----	-----
Total assets & deferred outflows	\$12,033.6	\$11,551.4
	=====	=====
Current liabilities		
Current debt and interest	\$338.8	\$339.8
Other current liabilities	419.3	275.1
	-----	-----
Total current liabilities	758.1	614.9
	-----	-----
Noncurrent liabilities		
Net Pension liability	347.7	344.8
Net OPEB liability	176.6	176.1
Asset retirement obligation liability	674.0	694.2
Long-term debt-net	7,076.5	6,857.3
Other noncurrent liabilities	84.9	164.3
	-----	-----
Total noncurrent liabilities	8,359.7	8,236.7
	-----	-----
Deferred inflows of resources	720.7	600.1
Total net position	2,195.1	2,099.7
	-----	-----
Total liabilities & deferred inflows	\$12,033.6	\$11,551.4
	=====	=====

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>July 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	\$517.7	\$487.7	\$1,733.8	\$1,641.9
O&M expense	\$345.6	\$297.5	\$1,130.3	\$1,054.8
Depreciation & sums in lieu of taxes	\$66.8	\$64.1	\$255.4	\$245.3
Operating expense	412.4	361.6	1,385.7	1,300.1
Operating Income	\$105.3	\$126.1	\$348.1	\$341.8
Nonoperating revenues (expenses)				
Interest charges	(\$76.4)	(\$79.2)	(\$308.5)	(\$331.9)
Other revenues (expenses)	\$24.3	\$30.0	\$78.3	(\$139.6)
Costs to be recovered	(\$4.6)	\$1.3	(\$148.2)	\$131.6
Total nonoperating revenues (expenses)	(56.7)	(47.9)	(378.4)	(339.9)
Income before transfers	\$48.6	\$78.2	(\$30.3)	\$1.9