

EXECUTIVE SUMMARY

Second Quarter 2019 Compared to 2018

The financial results for the second quarter of 2019 showed a decrease in income before transfers of \$30.6 million as compared to the same period last year.

Operating revenue was materially in-line with same period in 2018.

Operating expense for the second quarter of 2019 decreased \$12.0 million as compared to prior year primarily due to lower net fuel and purchased power expense from lower commodity prices than prior year and a shift in generation mix.

Interest expense was \$5.2 million lower as compared to the same period last year resulting from the 2018 defeasance.

Other revenue (expense) change of \$52.0 million resulted mainly from a prior year catch-up (retroactive to January 1st, 2018) for the amortization of the Toshiba Regulatory Liability. This amortization was to align with impacts from the 2018 debt defeasance and capital expenditures.

Combined Statements of Net Position
As of June 30, 2019 and December 31, 2018
Millions of Dollars
Unaudited

	June 30, 2019	December 31, 2018
Current assets		
Unrestricted funds	\$757.1	\$949.9
Restricted funds	103.3	72.3
Fuel inventory	250.0	234.1
Other current assets	478.4	470.0
	-----	-----
Total current assets	1,588.8	1,726.3
	-----	-----
Noncurrent assets		
Total utility plant - net	5,069.9	5,027.2
Cost to be recovered	231.1	225.6
Regulatory asset - ARO	705.6	710.3
Regulatory assets-OPEB	153.2	153.2
Regulatory assets-nuclear	4,209.9	4,220.9
Other noncurrent assets	350.3	362.3
	-----	-----
Total noncurrent assets	10,720.0	10,699.5
	-----	-----
Deferred outflows of resources	237.3	239.5
	-----	-----
Total assets & deferred outflows	\$12,546.1	\$12,665.3
	=====	=====
Current liabilities		
Current debt and interest	\$345.7	\$370.0
Other current liabilities	241.7	330.9
	-----	-----
Total current liabilities	587.4	700.9
	-----	-----
Noncurrent liabilities		
Pension liability	341.8	338.1
Asset retirement obligation liability	709.5	716.7
Long-term debt-net	7,309.6	7,355.6
Other noncurrent liabilities	292.9	290.2
	-----	-----
Total noncurrent liabilities	8,653.8	8,700.6
	-----	-----
Deferred inflows of resources	922.7	966.3
Total net position	2,382.2	2,297.5
	-----	-----
Total liabilities & deferred inflows	\$12,546.1	\$12,665.3
	=====	=====

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>Apr 1 - Jun 30</i>		<i>Jul 1 - Jun 30</i>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$422.7	\$421.8	\$1,741.2	\$1,811.1
O&M expense	\$274.5	\$289.4	\$1,133.7	\$1,201.1
Depreciation & sums in lieu of taxes	\$50.3	\$47.4	\$192.9	\$189.3
Operating expense	324.8	\$336.8	1,326.6	1,390.4
Operating Income	\$97.9	\$85.0	\$414.6	\$420.7
Nonoperating revenues (expenses)				
Interest charges	(\$90.7)	(\$95.9)	(\$353.3)	(\$326.2)
Other revenues (expenses)	\$26.6	\$78.6	\$132.6	\$62.9
Costs to be recovered	\$2.7	(\$0.6)	\$2.2	(\$3.1)
Total nonoperating revenues (expenses)	(61.4)	(\$17.9)	(218.5)	(266.4)
Income before transfers	\$36.5	\$67.1	\$196.1	\$154.3