

EXECUTIVE SUMMARY**Fourth Quarter 2018
Compared to 2017**

The financial results for the fourth quarter of 2018 showed an increase in income before transfers of \$26.0 million as compared to the same period last year.

Operating revenue decreased \$7.6 million as compared to the same period in 2017. The primary driver for this was lower rates for the Central Cost of Service resulting from lower overall non-fuel O&M costs than projected. Higher energy sales, demand usage and fuel rate revenues somewhat offset this decrease.

Operating expense for the fourth quarter of 2018 was materially in-line with the same period in 2017.

Interest expense was \$12.7 million higher as compared to the same period last year due to the 2017 cessation of capitalized interest associated with V.C. Summer nuclear units 2 and 3.

Other revenue (expense) change of \$50.0 million resulted from the amortization of Toshiba Regulatory Assets due to utilizing settlement funds to fund debt defeasance and capital expenditures.

Combined Statements of Net Position
As of December 31, 2018 and December 31, 2017
Millions of Dollars
Unaudited

	December 31, 2018	December 31, 2017
Current assets		
Unrestricted funds	\$949.9	\$1,472.5
Restricted funds	72.3	234.7
Fuel inventory	234.1	414.7
Other current assets	470.0	496.5
	-----	-----
Total current assets	1,726.3	2,618.4
	-----	-----
Noncurrent assets		
Total utility plant - net	5,027.2	4,800.4
Cost to be recovered	225.6	229.9
Regulatory asset - ARO	710.3	694.0
Regulatory assets-OPEB	153.2	0.0
Regulatory assets-nuclear	4,220.9	4,248.5
Other noncurrent assets	362.3	369.5
	-----	-----
Total noncurrent assets	10,699.5	10,342.3
	-----	-----
Deferred outflows of resources	239.5	239.7
	-----	-----
Total assets & deferred outflows	\$12,665.3	\$13,200.4
	=====	=====
Current liabilities		
Current debt and interest	\$370.0	\$462.4
Other current liabilities	330.9	401.5
	-----	-----
Total current liabilities	700.9	863.9
	-----	-----
Noncurrent liabilities		
Pension liability	338.1	338.8
Asset retirement obligation liability	716.7	730.0
Long-term debt-net	7,355.6	7,897.1
Other noncurrent liabilities	290.2	114.2
	-----	-----
Total noncurrent liabilities	8,700.6	9,080.1
	-----	-----
Deferred inflows of resources	966.3	1,135.1
Total net position	2,297.5	2,121.3
	-----	-----
Total liabilities & deferred inflows	\$12,665.3	\$13,200.4
	=====	=====

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>Oct 1 - Dec 31</i>		<i>Jan 1 - Dec 31</i>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$397.7	\$405.3	\$1,806.6	\$1,757.0
O&M expense	298.6	298.4	1,208.5	1,171.5
Depreciation & sums in lieu of taxes	49.0	47.0	191.6	185.7
Operating expense	347.6	345.4	1,400.1	1,357.2
Operating Income	\$50.1	\$59.9	\$406.5	\$399.8
Nonoperating revenues (expenses)				
Interest charges	(101.7)	(89.0)	(377.8)	(260.9)
Other revenues (expenses)	54.6	4.6	169.2	(25.9)
Costs to be recovered	(2.3)	(0.9)	(4.3)	(4.3)
Total nonoperating revenues (expenses)	(49.5)	(85.3)	(212.9)	(291.1)
Income before transfers	\$0.6	(\$25.4)	\$193.6	\$108.7
	=====	=====	=====	=====