

EXECUTIVE SUMMARY

Fourth Quarter 2019 Compared to 2018

The financial results for the fourth quarter of 2019 showed a decrease in income before transfers of \$193.0 million as compared to the same period last year.

Operating revenue decreased \$8.1 million over the same period in 2018 due to lower energy sales, demand usage and fuel rate revenues.

Operating expense for the fourth quarter of 2019 was materially in-line with the prior year quarter.

Interest expense decreased \$3.0 million over the same period in 2018 as a result of the 2018 and 2019 defeasances.

Other revenue (expense) change of \$232.3 million resulted mainly from higher net amortization of the regulatory assets-nuclear over the regulatory inflows-Toshiba settlement. This amortization was to align with impacts from the current year debt defeasance as well as capital expenditures.

Costs to be recovered (CTBR) decreased \$43.0 million over the same period in 2018. This was due to higher depreciation in 2019 as compared to 2018, as well as a depreciation true-up to adjust from estimated to actual depreciation on CTBR assets.

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

	December 31, 2019	December 31, 2018
Current assets		(Restated)
Unrestricted funds	\$481.4	\$949.9
Restricted funds	70.6	72.3
Fuel inventory	233.2	234.1
Other current assets	409.9	470.0
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Total current assets	1,195.1	1,726.3
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Noncurrent assets		
Total utility plant - net	5,092.7	5,027.2
Cost to be recovered	274.3	225.6
Regulatory assets-OPEB	153.2	153.2
Regulatory assets-nuclear	3,747.8	4,113.3
Other noncurrent assets	337.3	362.3
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Total noncurrent assets	9,605.3	9,881.6
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Deferred outflows of resources	968.5	949.8
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Total assets & deferred outflows	\$11,768.9	\$12,557.7
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Current liabilities		
Current debt and interest	\$362.3	\$370.0
Other current liabilities	328.7	330.9
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Total current liabilities	691.0	700.9
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Noncurrent liabilities		
Net Pension liability	326.2	338.1
Net OPEB liability	186.7	172.8
Asset retirement obligation liability	717.8	716.7
Long-term debt-net	6,901.1	7,355.6
Other noncurrent liabilities	243.4	117.4
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Total noncurrent liabilities	8,375.2	8,700.6
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Deferred inflows of resources	637.6	859.3
Total net position	2,065.1	2,296.9
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Total liabilities & deferred inflows	\$11,768.9	\$12,557.7
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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>	
	Oct 1 - Dec 31		Jan 1 - Dec 31	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$389.6	\$397.7	\$1,722.7	\$1,806.6
O&M expense	\$292.3	\$298.6	\$1,117.6	\$1,208.5
Depreciation & sums in lieu of taxes	\$53.9	\$49.0	\$202.3	\$191.6
Operating expense	346.2	\$347.6	1,319.9	1,400.1
Operating Income	\$43.4	\$50.1	\$402.8	\$406.5
Nonoperating revenues (expenses)				
Interest charges	(\$84.3)	(\$87.3)	(\$347.1)	(\$361.8)
Other revenues (expenses)	(\$192.6)	\$39.7	(\$118.7)	\$152.6
Costs to be recovered	\$40.7	(\$2.3)	\$48.7	(\$4.3)
Total nonoperating revenues (expenses)	(236.2)	(\$49.9)	(417.1)	(213.5)
Income before transfers	(\$192.8)	\$0.2	(\$14.3)	\$193.0