

EXECUTIVE SUMMARY

Fourth Quarter 2020 Compared to 2019

The financial results for the fourth quarter of 2020 showed an increase in income before transfers of \$195.6 million as compared to the same period last year.

Operating revenue decreased \$14.5 million over the same period in 2019 primarily due to lower fuel and demand rate revenues. Somewhat offsetting this was a higher change in the 2019 and 2020 Central Cost of Service adjustment mainly from higher actual energy usage in the prior year causing a drop in the corresponding rate. Since the budgeted rate billed was higher, the actual adjustment was a decrease to revenue in the prior year.

Operating expense for the fourth quarter of 2020 decreased \$36.4 million over the same period in 2019 due to lower fuel and purchased power from lower energy sales and a lower cost fuel mix. Also contributing was lower non-fuel generation from lower labor, contract services and materials primarily from a Cross spring outage being shifted from 2020 to the spring of 2021 as well as mid-year budget cuts that lasted throughout the year. Summer expenses also added to the decrease due to Dominion's voluntary retirement program and merger integration costs driving costs higher in the prior year. Further contributions to the decrease resulted from a year-end FEMA accrual for COVID-19 expense reimbursement.

Interest expense decreased \$12.2 million over the prior year fourth quarter due to the 2019 defeasance and refunding.

Other revenue (expense) increase of \$201.9 million resulted from higher net amortization of the regulatory assets-nuclear over the regulatory inflows-Toshiba settlement in the prior year. This amortization was to align with impacts from the prior year debt defeasance as well as capital expenditures.

Costs to be recovered (CTBR) income decreased \$40.4 million over the same period in 2019 mainly because of an adjustment to revise depreciation amortization in the prior year.

Combined Statements of Net Position
As of December 31, 2020 and December 31, 2019
Millions of Dollars
Unaudited

	December 31, 2020	December 31, 2019
Current assets		(Restated)
Unrestricted funds	\$442.0	\$481.4
Restricted funds	172.3	70.6
Fuel inventory	183.0	233.2
Other current assets	398.0	409.9
	-----	-----
Total current assets	1,195.3	1,195.1
	-----	-----
Noncurrent assets		
Total utility plant - net	5,037.6	5,092.7
Cost to be recovered	219.8	274.3
Regulatory assets-OPEB	152.5	153.2
Regulatory assets-nuclear	3,734.2	3,747.8
Other noncurrent assets	316.3	337.3
	-----	-----
Total noncurrent assets	9,460.4	9,605.3
	-----	-----
Deferred outflows of resources	895.7	968.5
	-----	-----
Total assets & deferred outflows	\$11,551.4	\$11,768.9
	=====	=====
Current liabilities		
Current debt and interest	\$339.8	\$362.3
Other current liabilities	275.1	328.7
	-----	-----
Total current liabilities	614.9	691.0
	-----	-----
Noncurrent liabilities		
Net Pension liability	344.8	326.2
Net OPEB liability	176.1	186.7
Asset retirement obligation liability	694.2	717.8
Long-term debt-net	6,857.3	6,901.1
Other noncurrent liabilities	164.3	243.4
	-----	-----
Total noncurrent liabilities	8,236.7	8,375.2
	-----	-----
Deferred inflows of resources	600.1	637.6
Total net position	2,099.7	2,065.1
	-----	-----
Total liabilities & deferred inflows	\$11,551.4	\$11,768.9
	=====	=====

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	\$375.1	\$389.6	\$1,627.4	\$1,722.7
O&M expense	----- \$251.5	----- \$292.3	----- \$1,014.0	----- \$1,117.6
Depreciation & sums in lieu of taxes	----- \$58.3	----- \$53.9	----- \$249.7	----- \$202.3
Operating expense	----- 309.8	----- 346.2	----- 1,263.7	----- 1,319.9
Operating Income	----- \$65.3	----- \$43.4	----- \$363.7	----- \$402.8
Nonoperating revenues (expenses)				
Interest charges	(\$80.9)	(\$93.1)	(\$319.6)	(\$347.1)
Other revenues (expenses)	\$18.1	(\$183.8)	\$62.3	(\$118.7)
Costs to be recovered	\$0.3	\$40.7	(\$54.4)	\$48.7
Total nonoperating revenues (expenses)	----- (62.5)	----- (236.2)	----- (311.7)	----- (417.1)
Income before transfers	=====	=====	=====	=====
	\$2.8	(\$192.8)	\$52.0	(\$14.3)