

EXECUTIVE SUMMARY

Fourth Quarter 2025 Compared to Fourth Quarter 2024

The financial results for the fourth quarter of 2025 showed an increase in income before transfers of \$165.1 million as compared to the same period last year.

Operating revenue increased \$126.7 million over the same period in 2024 primarily due to higher fuel and demand rate revenues. This was primarily due to higher fuel costs in the 4th quarter and the ability to recover these outside of the rate freeze. Other increases were caused by higher billed demand usage (32%). The impact was primarily due to the new rate structure for retail customers, which began charging retail customers based on demand usage starting April 1, 2025. Further increases were provided by Cook regulatory asset revenues (\$16.7 million) and higher industrial sales (\$17.9 million).

Operating expense for the fourth quarter of 2025 decreased \$32.1 million over the same period in 2024 primarily due to a decrease related to fuel and purchased power, resulting from the Cook regulatory asset write down in the fourth quarter of the previous year. Also contributing to the decrease, was lower administrative and general expenses due to the Cook regulatory asset write down in the fourth quarter of the previous year and lower pension expense resulting from the 2025 actuarial study showing an increase in investment returns on plan assets. These decreases were offset by higher fuel and purchased power due to higher coal, gas and market prices. Additionally, depreciation expense increased due to assets placed into service.

Interest expense decreased \$7.9 million due primarily to the Cook regulatory asset write down in the fourth quarter of the previous year. This was offset by an increase in interest on long-term debt from the 2025 A&C new money bond issues in March 2025.

Other revenues decreased \$1.6 million primarily due to lower nuclear sales offset by lower nuclear amortization.

Combined Statements of Net Position
As of December 31, 2025 and December 31, 2024
Millions of Dollars
Unaudited

	December 31, 2025	December 31, 2024
Current assets		
Unrestricted funds	\$439.5	\$406.4
Restricted funds	523.2	376.9
Fuel inventory	118.5	117.7
Other current assets	706.1	566.1
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Total current assets	1,787.3	1,467.1
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Noncurrent assets		
Total utility plant - net	6,036.1	5,384.8
Cost to be recovered	217.9	213.8
Regulatory assets-OPEB	144.9	144.9
Regulatory assets-nuclear	3,431.4	3,529.1
Regulatory assets - Cook Settlement Exceptions	488.4	517.1
Other noncurrent assets	319.9	313.0
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Total noncurrent assets	10,638.6	10,102.7
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Deferred outflows of resources	692.3	757.7
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Total assets & deferred outflows	\$13,118.2	\$12,327.5
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Current liabilities		
Current debt and interest	\$501.1	\$343.7
Other current liabilities	386.6	307.1
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Total current liabilities	887.7	650.8
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Noncurrent liabilities		
Net Pension liability	263.4	279.6
Net OPEB liability	181.3	161.2
Asset retirement obligation liability	450.1	504.2
Long-term debt-net	8,451.5	7,961.6
Other noncurrent liabilities	163.0	136.5
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Total noncurrent liabilities	9,509.3	9,043.1
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Deferred inflows of resources	524.2	551.0
Total net position	2,197.0	2,082.6
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Total liabilities & deferred inflows	\$13,118.2	\$12,327.5
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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>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
	Oct 1 - Dec 31		Jan 1 - Dec 31	
Operating revenue	\$571.1	\$444.4	\$2,352.7	\$1,916.9
O&M expense	395.3	435.6	1,596.5	1,487.8
Depreciation & sums in lieu of taxes	78.2	70.0	290.8	276.5
Operating expense	473.5	505.6	1,887.3	1,764.3
Operating Income	97.6	(61.2)	465.4	152.6
Nonoperating revenues (expenses)				
Interest charges	(95.1)	(103.0)	(361.6)	(325.0)
Other revenues (expenses)	(4.9)	(3.3)	31.4	24.1
Total nonoperating revenues (expenses)	(100.0)	(106.3)	(330.2)	(300.9)
Income before transfers	(2.4)	(\$167.5)	\$135.2	(\$148.3)