

EXECUTIVE SUMMARY

Second Quarter 2018 Compared to 2017

The financial results for the second quarter of 2018 showed an increase in income before transfers of \$45.6 million as compared to the same period last year.

Operating revenue decreased \$11.8 million as compared to the same period in 2017. The primary driver for this was lower fuel rate revenues. Somewhat offsetting this was 2% higher kWh sales. Degree days were up 17% from the same quarter last year.

Operating expense for the second quarter of 2018 was down \$6.0 million mainly from lower fuel and purchased power expense as a result of lower commodity prices in the current quarter. Smaller variances were spread among the remaining cost categories.

Interest expense was \$26.5 million higher compared to 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 \$77.4 million resulted from the amortization of Toshiba Regulatory Assets due to utilizing settlement funds to fund defeasance and capital expenditures.

Combined Statements of Net Position
As of June 30, 2018 and December 31, 2017
Millions of Dollars
Unaudited

	June 30, 2018	December 31, 2017
Current assets		
Unrestricted funds	\$1,299.1	\$1,472.5
Restricted funds	131.6	234.7
Fuel inventory	367.8	414.7
Other current assets	473.3	496.5
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Total current assets	2,271.8	2,618.4
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Noncurrent assets		
Total utility plant - net	4,880.7	4,800.4
Cost to be recovered	228.8	229.9
Regulatory asset - ARO	706.4	694.0
Regulatory assets - Nuclear & Deferred Int	4,235.0	4,248.5
Other noncurrent assets	350.7	369.5
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Total noncurrent assets	10,401.6	10,342.3
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Deferred outflows of resources	235.7	239.7
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Total assets & deferred outflows	\$12,909.1	\$13,200.4
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Current liabilities		
Current debt and interest	\$296.8	\$462.4
Other current liabilities	258.6	401.5
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Total current liabilities	555.4	863.9
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Noncurrent liabilities		
Pension liability	342.0	338.8
Asset retirement obligation liability	726.4	730.0
Long-term debt-net	7,903.5	7,897.1
Other noncurrent liabilities	118.4	114.2
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Total noncurrent liabilities	9,090.3	9,080.1
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Deferred inflows of resources	1,060.2	1,135.1
Total net position	2,203.3	2,121.3
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Total liabilities & deferred inflows	\$12,909.1	\$13,200.4
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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>	
	<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	\$421.8	\$433.6	\$1,811.1	\$1,758.8
O&M expense	289.4	296.6	1,201.1	1,190.2
Depreciation & sums in lieu of taxes	47.4	46.2	189.3	182.5
Operating expense	336.8	342.8	1,390.4	1,372.7
Operating Income	\$85.0	\$90.8	\$420.7	\$386.1
 Nonoperating revenues (expenses)				
Interest charges	(95.9)	(69.4)	(326.2)	(231.6)
Other revenues (expenses)	78.6	1.2	62.9	(14.9)
Costs to be recovered	(0.6)	(1.1)	(3.1)	(4.8)
Total nonoperating revenues (expenses)	(17.9)	(69.3)	(266.4)	(251.3)
Income before transfers	\$67.1	\$21.5	\$154.3	\$134.8