

## **EXECUTIVE SUMMARY**

### **Second Quarter 2022 Compared to Second Quarter 2021**

The financial results for the second quarter of 2022 showed an increase in income before transfers of \$97.3 million as compared to the same period last year.

Operating revenue increased \$52.2 million over the same period in 2021 primarily due to higher energy sales (10%) and demand usage (3%) mainly from Industrial supplemental energy use and the Central Cost of Service adjustment made between the periods. Also, contributing to the increase was higher fuel rate revenues mainly in the Industrial and Sales to Other Utilities categories.

Operating expense for the 2nd quarter of 2022 decreased \$29.4 million over the same period in 2021 primarily from lower fuel and purchased power due to credits of \$126.1 million from the recording of the Cook exception regulatory asset. Somewhat offsetting this were higher fuel and purchased power from higher kWh sales, higher commodity prices for the generation mix utilized and increased cost of purchased power being driven by higher costs in the energy markets for natural gas. Further decreases were provided by non-fuel generation and administrative and general due mainly from the Cook exception regulatory asset credits of \$16.7 million and \$5.4 million, respectively.

Interest expense decreased \$11.1 million over the prior year mainly from an \$8.4 million credit from recording the Cook exceptions regulatory asset. Also contributing were the impacts associated with the 2021 A Refunding in late 2021 and the 2022 A and B Refunding in February 2022.

Other revenues increased \$11.2 million primarily from higher nuclear equipment sales, Camp Hall sales, and TEA gains in the current period. This was partially offset by lower other income resulting from higher net amortization of the Toshiba regulatory liability over the nuclear regulatory asset amortization in prior year.

Costs to be recovered (CTBR) expense decreased \$1.0 million over the same period in 2021 from higher principal amortization in the current year.

**Combined Statements of Net Position**  
As of June 30, 2022 and December 31, 2021  
Millions of Dollars  
*Unaudited*

	June 30, 2022	December 31, 2021
<b>Current assets</b>		
Unrestricted funds	\$697.4	\$603.1
Restricted funds	245.5	219.0
Fuel inventory	140.2	159.8
Other current assets	623.4	418.6
	-----	-----
<b>Total current assets</b>	1,706.5	1,400.5
	-----	-----
<b>Noncurrent assets</b>		
Total utility plant - net	4,928.2	4,976.7
Cost to be recovered	222.4	223.0
Regulatory assets-OPEB	152.5	152.5
Regulatory assets-nuclear	3,635.3	3,697.7
Regulatory assets - Cook Settlement Exceptions	157.7	0.0
Other noncurrent assets	461.5	390.3
	-----	-----
<b>Total noncurrent assets</b>	9,557.6	9,440.2
	-----	-----
Deferred outflows of resources	994.0	872.6
	-----	-----
<b>Total assets &amp; deferred outflows</b>	\$12,258.1	\$11,713.3
	=====	=====
<b>Current liabilities</b>		
Current debt and interest	\$287.9	\$270.2
Other current liabilities	663.4	401.7
	-----	-----
<b>Total current liabilities</b>	951.3	671.9
	-----	-----
<b>Noncurrent liabilities</b>		
Net Pension liability	295.2	294.5
Net OPEB liability	187.5	189.3
Asset retirement obligation liability	647.3	669.4
Long-term debt-net	7,040.4	6,961.6
Other noncurrent liabilities	87.1	87.7
	-----	-----
<b>Total noncurrent liabilities</b>	8,257.5	8,202.5
	-----	-----
Deferred inflows of resources	837.3	700.1
Total net position	2,212.0	2,138.8
	-----	-----
<b>Total liabilities &amp; deferred inflows</b>	\$12,258.1	\$11,713.3
	=====	=====

**Combined Statements of Revenues, Expenses and Changes in Net Position**

Millions of Dollars

*Unaudited*

	<i>Current Quarter</i> <b>Apr 1 - Jun 30</b>		<i>12 Months to Date</i> <b>Jul 1 - Jun 30</b>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$468.2	\$416.0	\$1,862.8	\$1,703.8
O&M expense	\$252.4	\$281.6	\$1,312.5	\$1,082.2
Depreciation & sums in lieu of taxes	\$66.0	\$66.2	\$267.5	\$252.7
Operating expense	318.4	347.8	1,580.0	1,334.9
Operating Income	\$149.8	\$68.2	\$282.8	\$368.9
Nonoperating revenues (expenses)				
Interest charges	(\$64.7)	(\$75.8)	(\$292.6)	(\$311.2)
Other revenues (expenses)	\$24.3	\$18.7	\$83.0	\$83.9
Costs to be recovered	(\$0.2)	\$0.8	\$0.9	\$3.3
Total nonoperating revenues (expenses)	(40.6)	(56.3)	(208.7)	(224.0)
Income before transfers	<b>\$109.2</b>	<b>\$11.9</b>	<b>\$74.1</b>	<b>\$144.9</b>