Executive Summary:
Third Quarter 2026 vs. Third Quarter 2025

Overview

Income before transfers decreased **$22.0 million** compared to the third quarter of 2025, as higher operating revenues were outpaced by elevated fuel and purchased power expenses.

1. Operating Revenues (+$85.2 million)

- **Key Additions:** Led by gains across wholesale customer sales ($47.7 million), industrial sales ($17.8 million) and retail sales ($15.3 million), spurred by higher fuel cost pass-throughs and increased energy usage. Further growth was generated by the continuation of Cook Charge collections ($3.9 million), which began in July 2025.

2. Operating Expenses (+$94.2 million)

- **Fuel and Purchased Power (+$72.2 million):** These increases were primarily attributable to higher energy market prices, unplanned unit outages that required additional purchased power, increased dispatch of higher-cost generating resources, and growth in overall energy usage.
- **Non-Fuel Generation (+$9.8 million):** Stemming from higher plant payroll, technical support, station operations, and extended run-time maintenance at Cross, Winyah, and Cherokee, though softened by reduced scheduled outage scopes.
- **Cook Exceptions Amortization (+$6.4 million):** Reflecting active scheduled amortization that took effect in July 2025.
- **Depreciation (+$5.1 million):** Driven by capital additions

3. Interest Expense (+$2.6 million)

- **Long-Term Debt Interest (+$2.1 million):** Tied to incremental carrying costs associated with March 2026 Series A & B new-money bond issues.

4. Other Revenues (-$10.4 million)

- **Unfavorable Drivers:** Principally reflecting downward mark-to-market valuations on investments ($9.3 million), lower interest earnings ($5.1 million), and the absence of a prior-year patronage capital distribution recognized in September 2025 ($4.4 million).
- **Favorable Offsets:** Mitigated by proceeds from nuclear equipment sales ($8.6 million).

Combined Statements of Net Position
As of September 30, 2026 and December 31, 2025
Millions of Dollars
Unaudited

	September 30, 2026	December 31, 2025
Current assets		
Unrestricted funds	$461.8	$439.5
Restricted funds	429.9	523.2
Fuel inventory	86.6	118.6
Other current assets	728.9	696.3
Total current assets	1,707.2	1,777.6
Noncurrent assets		
Total utility plant - net	6,504.4	6,035.5
Cost to be recovered	219.4	217.9
Regulatory assets-OPEB	144.9	144.9
Regulatory assets-nuclear	3,360.2	3,431.4
Regulatory assets - Cook Settlement Exceptions	435.7	488.4
Other noncurrent assets	318.2	319.8
Total noncurrent assets	10,982.8	10,637.9
Deferred outflows of resources	722.6	723.5
Total assets & deferred outflows	$13,412.6	$13,139.0
Current liabilities		
Current debt and interest	$421.3	$501.2
Other current liabilities	389.3	385.0
Total current liabilities	810.6	886.2
Noncurrent liabilities		
Net Pension liability	262.3	263.4
Net OPEB liability	174.0	181.3
Asset retirement obligation liability	477.9	490.0
Long-term debt-net	8,719.6	8,451.5
Other noncurrent liabilities	185.9	163.1
Total noncurrent liabilities	9,819.7	9,549.3
Deferred inflows of resources	478.4	515.4
Total net position	2,303.9	2,188.1
Total liabilities & deferred inflows	$13,412.6	$13,139.0

Combined Statements of Revenues, Expenses and Changes in Net Position

Millions of Dollars

Unaudited

	Third Quarter 2026 ***Jul 1 - Sep 30***		*12 Months to Date* ***Oct 1 - Sep 30***	
	This Year	Last Year	This Year	Last Year
Operating revenue	$748.3	$663.1	$2,648.6	$2,226.0
O&M expense	520.9	432.6	1,849.2	1,636.8
Depreciation & sums in lieu of taxes	76.5	70.6	305.2	282.5
Operating expense	597.4	503.2	2,154.4	1,919.3
Operating Income	150.9	159.9	494.2	306.7
Nonoperating revenues (expenses)				
Interest charges	(98.6)	(96.0)	(386.8)	(369.5)
Other revenues (expenses)	5.3	15.7	21.7	33.0
Total nonoperating revenues (expenses)	(93.3)	(80.3)	(365.1)	(336.5)
Income before transfers	**57.6**	**$79.6**	**$129.1**	**($29.8)**