



July 2022 Financial Presentation to the Board

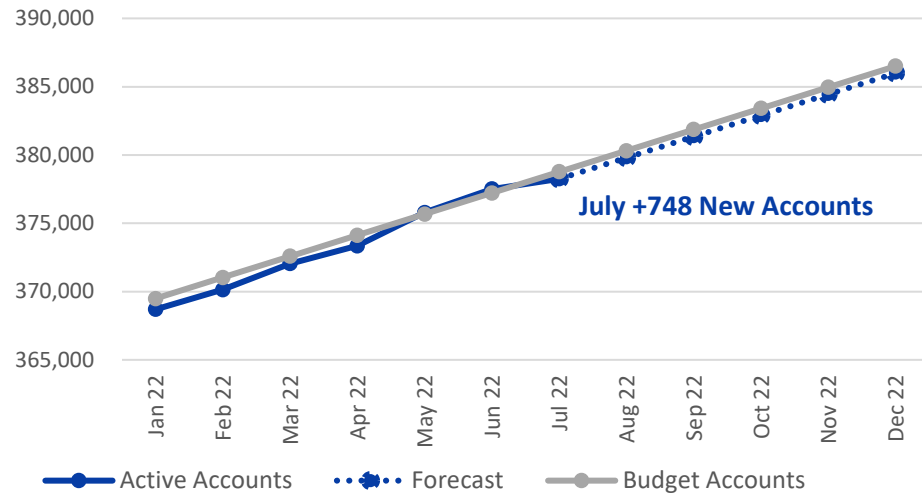
Randy Kruger | Chief Financial Officer

Finance at a Glance – July 2022

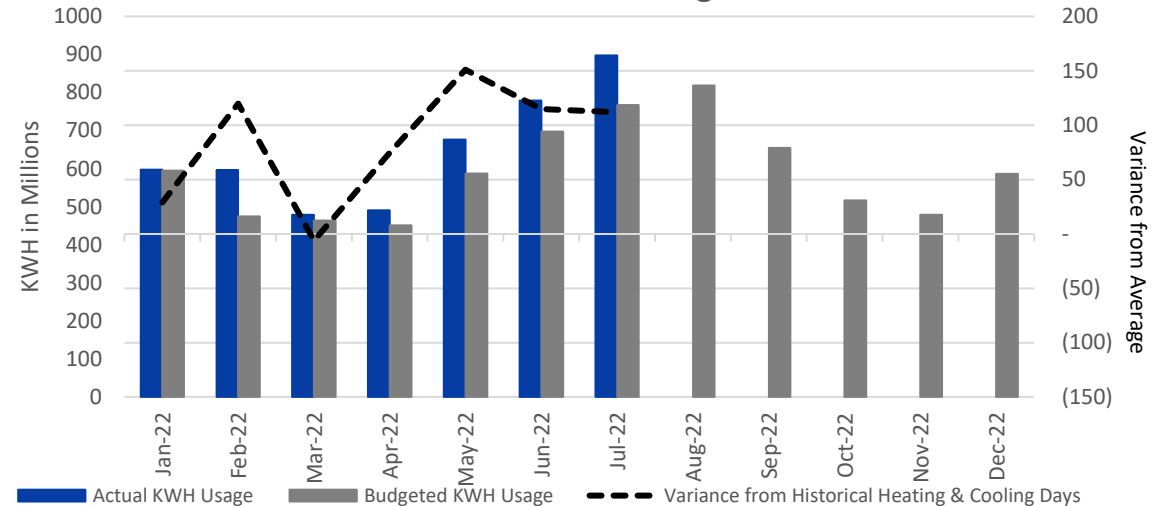
	MTD			YTD		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
MWH Sold	897,406	766,978	130,428	4,516,430	4,035,925	480,505
Gross Margins	\$ 34.9	\$ 32.7	\$ 2.2	\$ 203.0	\$ 191.8	\$ 11.2
Net Margins	\$ 9.7	\$ 8.5	\$ 1.2	\$ 31.8	\$ 27.0	\$ 4.8
EBIDA	\$ 21.8	\$ 18.5	\$ 3.3	\$ 120.4	\$ 96.9	\$ 23.5
Revenue O/(U)	\$ 4.5	\$ 4.0	\$ 0.5	\$ 17.3	\$ 18.4	\$ (1.1)
EBIDA(X)	\$ 26.2	\$ 22.5	\$ 3.7	\$ 137.7	\$ 115.3	\$ 22.4

	Liquidity Coverage (\$ in millions)
Cash & Marketable Securities	\$ 10.7
Short Term Facilities	505.0
Less: Short Term Borrowings	109.8
Available Liquidity	\$ 405.9
Liquidity Coverage (Days)	233

Active Account Growth



Weather and kWh Usage

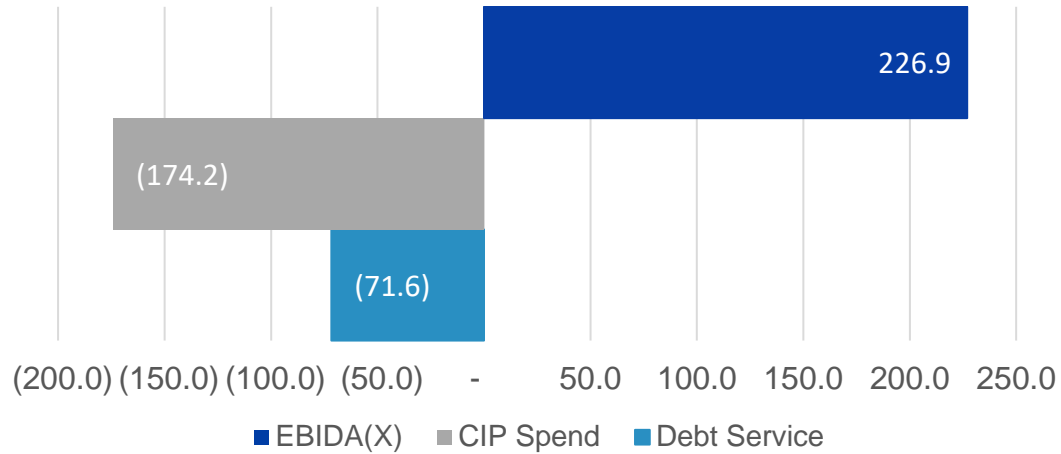


Financial Performance

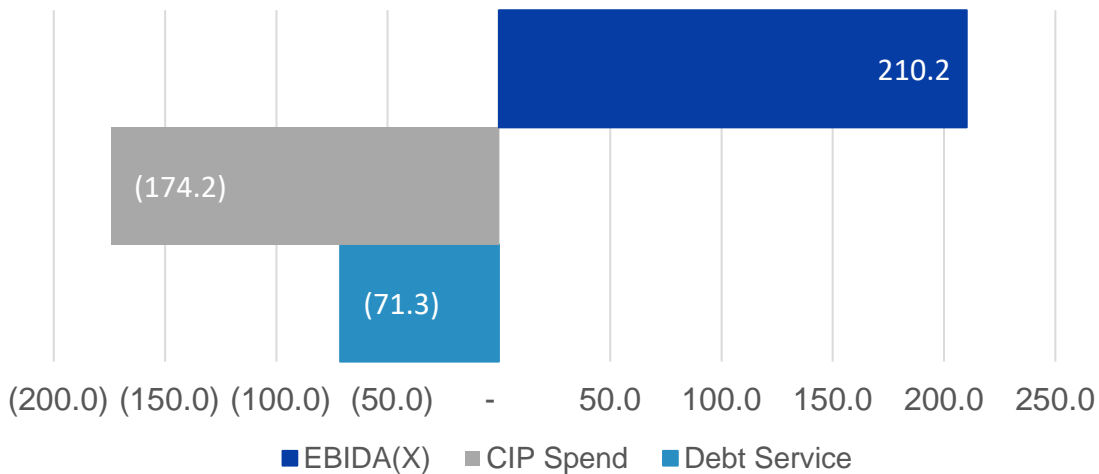
	MTD			YTD			Annual		2021 to 2022 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Forecast	Budget	
Gross Margins	\$ 34,873,596	\$ 32,658,090	\$ 27,134,121	\$ 202,982,463	\$ 191,828,229	\$ 177,835,780	\$ 344,297,047	\$ 332,824,766	14.14%
Operating Expenses Ex. Depreciation	13,345,270	14,195,145	14,348,197	84,125,625	96,033,021	95,176,349	155,655,766	165,745,081	-11.61%
Depreciation	8,204,655	6,391,252	5,915,870	62,505,783	44,738,765	40,705,553	103,250,534	76,695,026	
Interest Expense	3,837,388	3,592,730	3,518,280	26,110,398	25,149,109	22,125,633	44,055,940	43,103,481	
Other Income and Interest Expenses	(233,601)	(11,425)	12,069	(1,573,169)	(1,136,671)	(1,652,631)	(3,092,243)	(2,655,711)	
Net Margins	\$ 9,719,884	\$ 8,490,388	\$ 3,339,705	\$ 31,813,826	\$ 27,044,005	\$ 21,480,876	\$ 44,427,050	\$ 49,936,889	
EBIDA	\$ 21,761,927	\$ 18,474,370	\$ 12,773,855	\$ 120,430,007	\$ 96,931,878	\$ 84,312,062	\$ 191,733,524	\$ 169,735,396	42.84%
Over (Under) Collected Revenues	4,485,794	4,024,443	7,297,365	17,265,118	18,409,083	(140,316,366)	\$35,145,243	40,435,604	
EBIDA(X)	\$ 26,247,721	\$ 22,498,813	\$ 20,071,220	\$ 137,695,125	\$ 115,340,961	\$ (56,004,304)	\$ 226,878,767	\$ 210,171,001	
Total Long-Term Debt							\$ 1,016,716,118	\$ 1,040,538,177	
Debt Service							71,637,156	71,288,720	
Debt Service Coverage Ratio							2.68	2.38	
Equity as Percent of Assets							40.5%	40.3%	
Net Plant in Service							\$ 1,897,262,718	\$ 1,923,846,600	
Capital Improvement Spend							\$ 174,212,349	\$ 174,212,349	
Energy Sales kWh	897,405,642	766,977,646	696,027,513	4,516,429,799	4,035,924,787	3,841,293,243	7,571,724,883	7,091,219,870	17.58%
Energy Purchases kWh	935,578,000	817,926,853	727,277,157	4,786,839,153	4,303,759,086	4,095,714,796	8,059,005,461	7,571,421,437	16.87%
Active Accounts				378,259	378,772	359,945	385,992	386,505	5.09%

Financing Sources & Uses

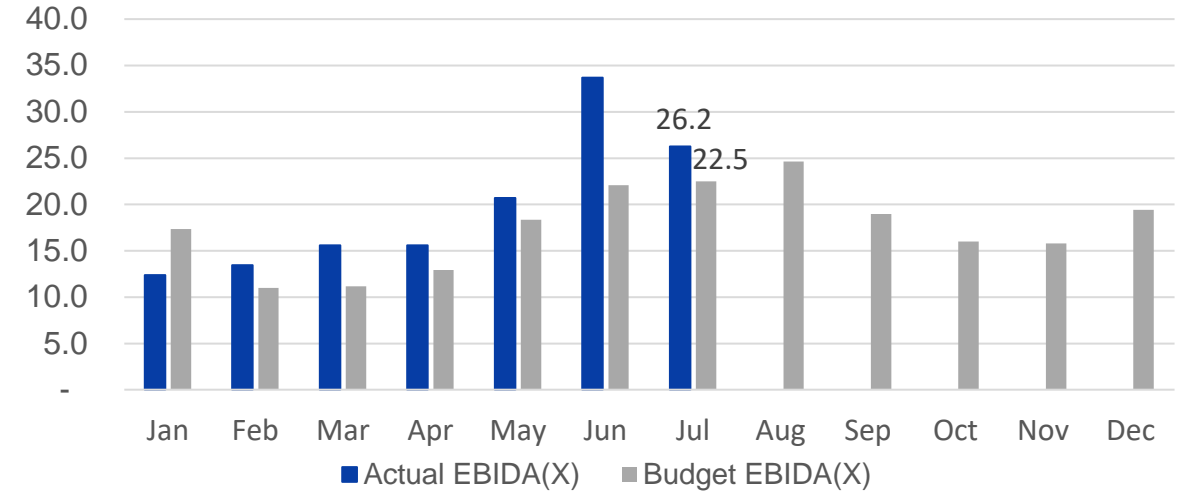
Annual Forecast



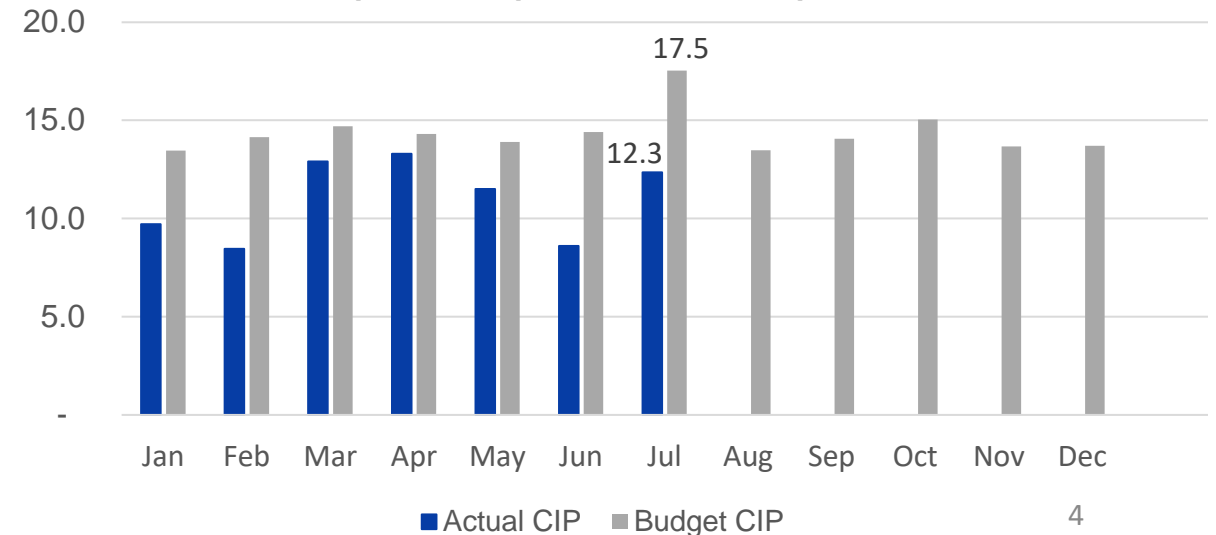
Annual Budget



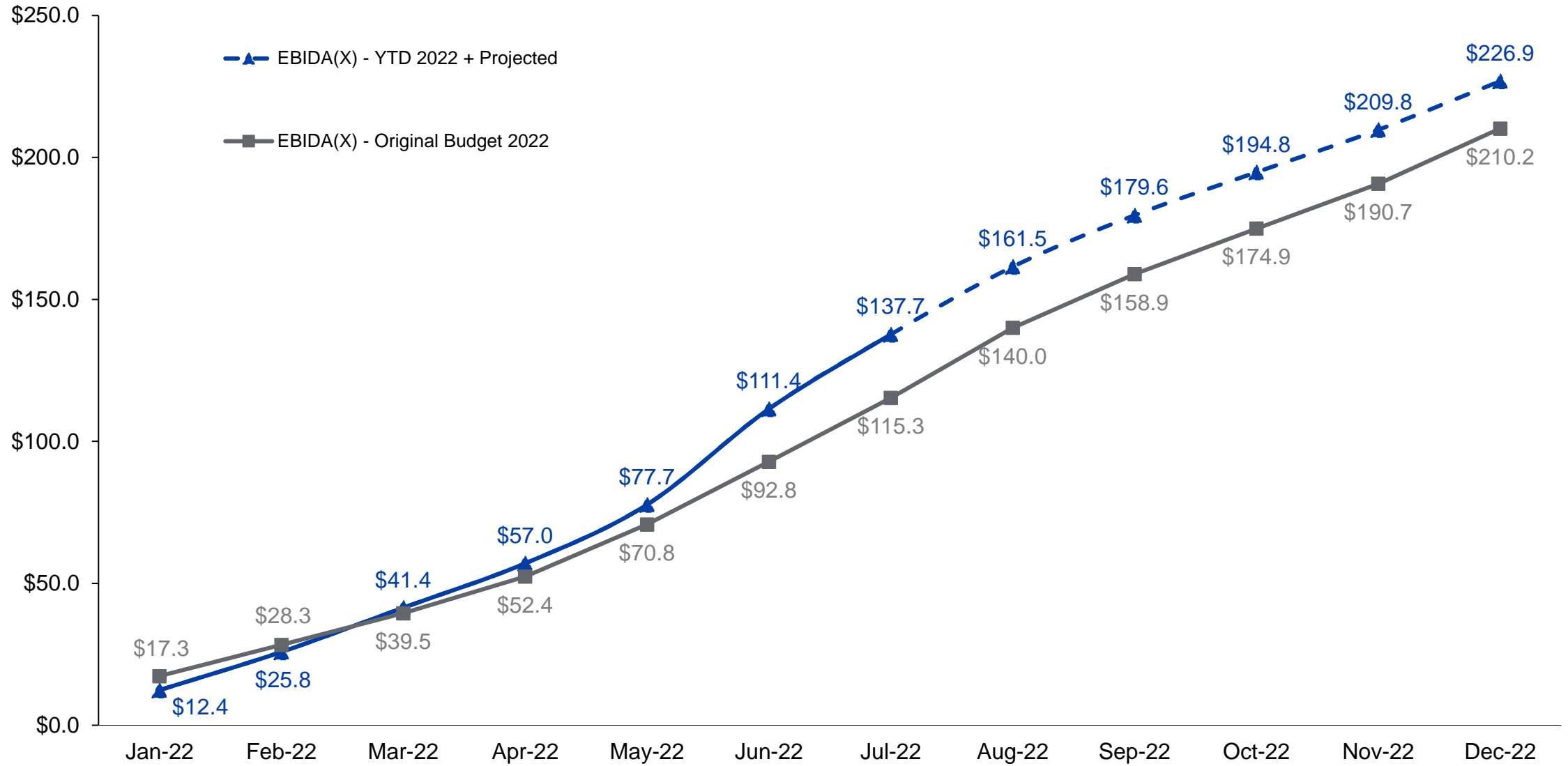
EBIDA(X) by Month



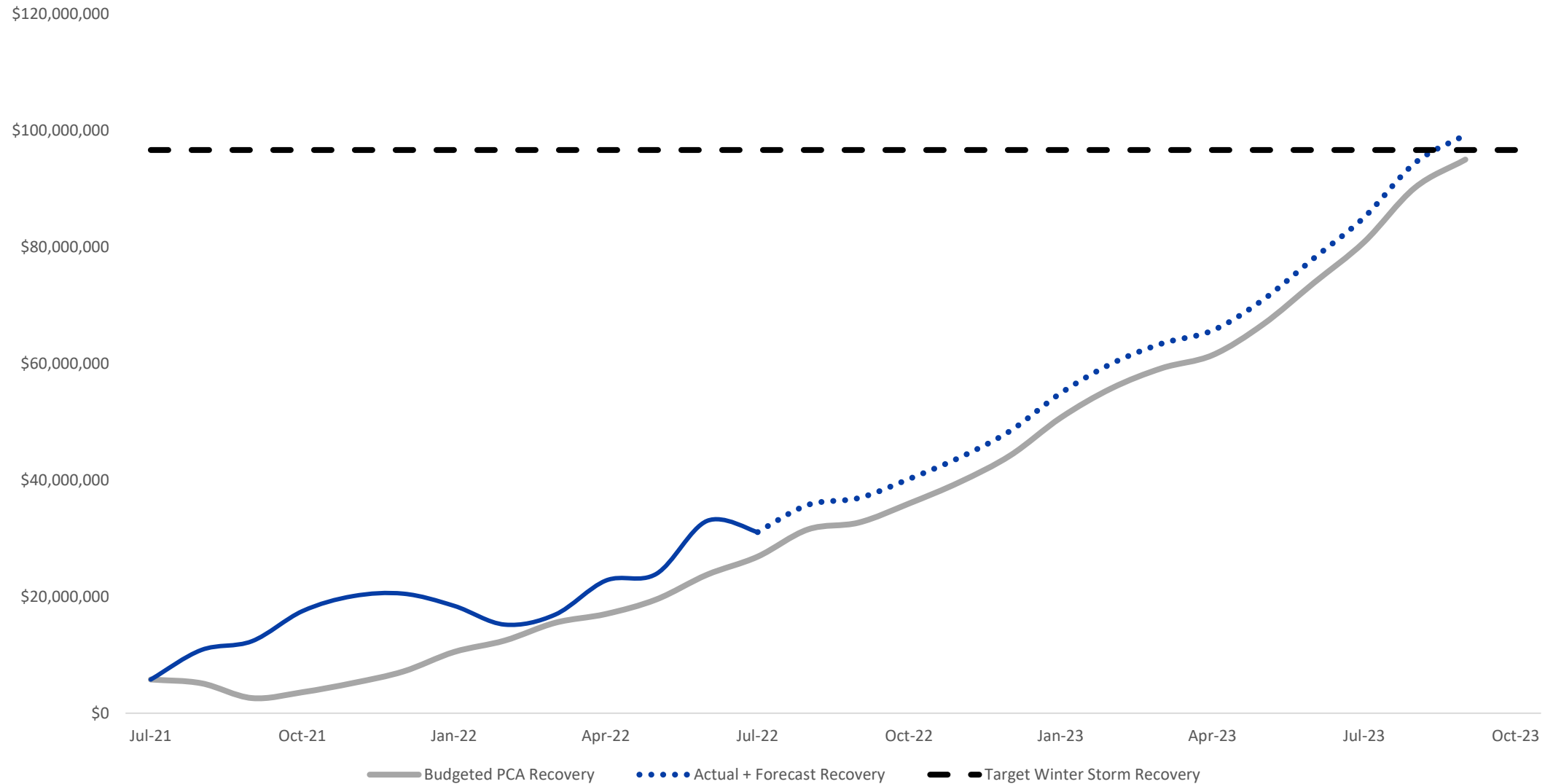
Capital Improvement Spend



EBIDA(X) Year to Date (in millions)

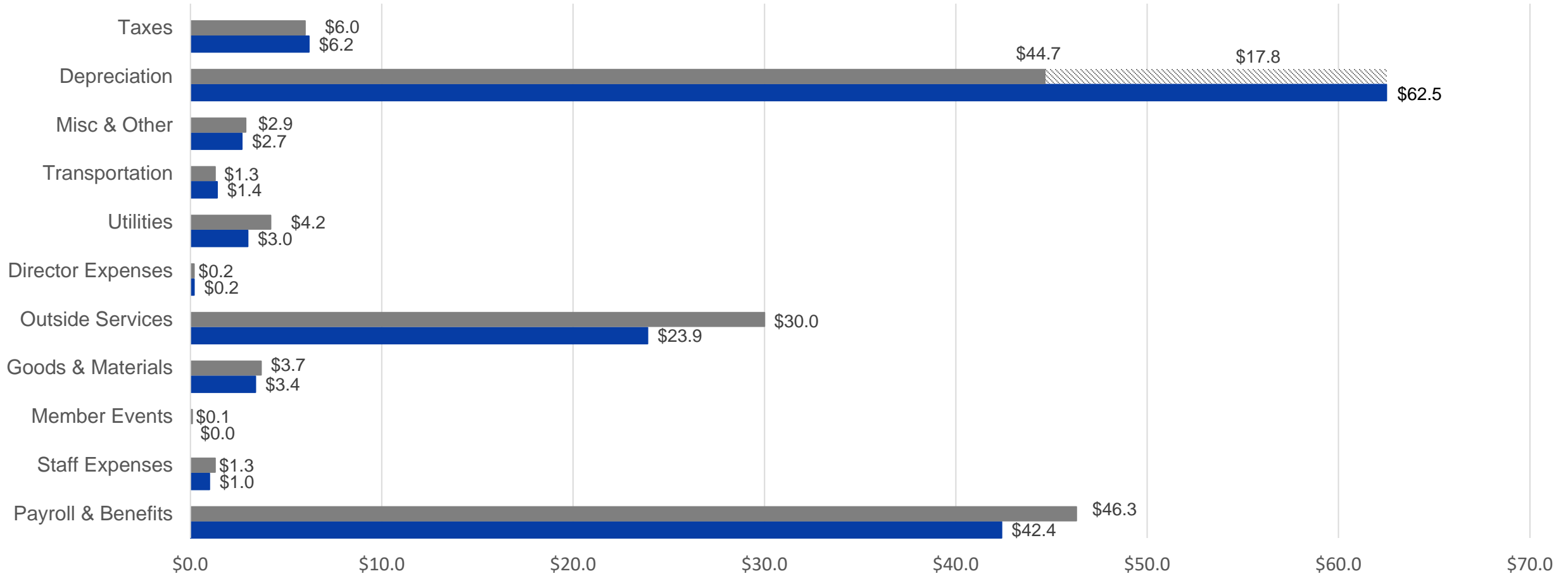


Base Power Over/(Under) Recovery



Cost of Service (in millions)

YTD Actual vs Budget through July 2022



■ Actual - 2022
 ■ Budget - 2022
 ▨ Accounting Estimate Change

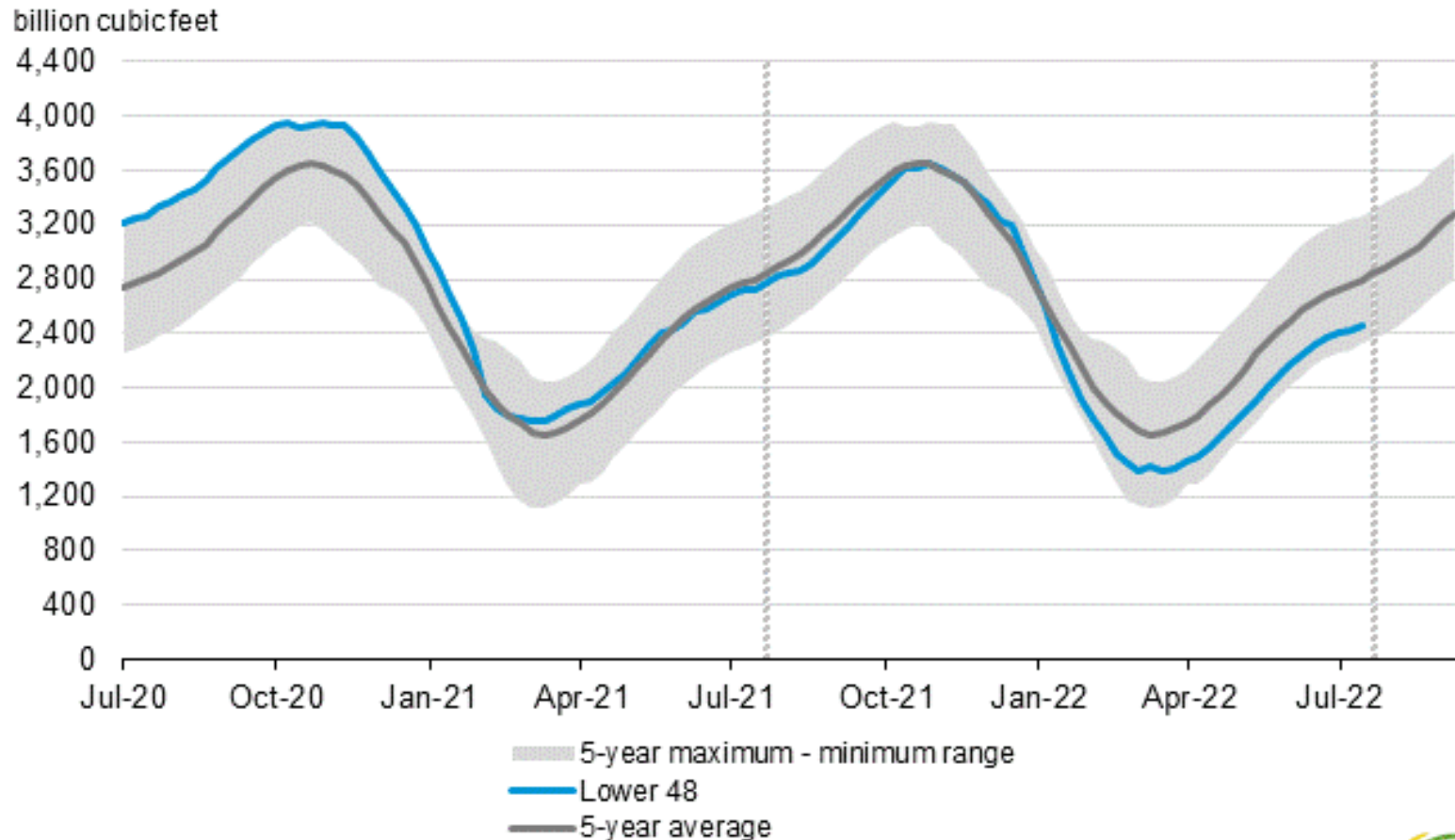
CIP Spend

Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Amended Annual Budget
<u>Distribution</u>					
100	New Lines (Line Extensions for new primary, secondary and service lines)	\$ 2,425,422	\$ 5,308,333	\$ 2,882,911	\$ 9,100,000
200	Tie Lines (new construction between existing lines)	2,715,600	4,367,628	1,652,028	7,052,396
300	Conversions or Line Changes	8,717,526	10,236,974	1,519,448	19,623,189
600	Miscellaneous Distribution Equipment	29,641,527	28,243,761	(1,397,766)	48,417,876
700	Other Distribution Items	102,019	58,333	(43,686)	100,000
Distribution Total		\$ 43,602,095	\$ 48,215,030	\$ 4,612,935	\$ 84,293,462
<u>Substation</u>					
400	New Substations, Switching Stations and Meter Points	\$ 127,990	\$ 4,988,333	\$ 4,860,343	\$ 6,820,000
500	Substations, Switching Stations and Meter Point changes	5,084,453	5,574,083	489,630	9,758,111
Substation Total		\$ 5,212,444	\$ 10,562,417	\$ 5,349,973	\$ 16,578,111
<u>Transmission</u>					
800	New Transmission Lines	\$ 1,605,386	\$ 2,073,750	\$ 468,364	\$ 3,777,000
1000	Line and Station Changes	7,925,009	10,211,417	2,286,408	17,762,000
Transmission Total		\$ 9,530,395	\$ 12,285,167	\$ 2,754,772	\$ 21,539,000
<u>General Plant</u>					
2000	Facilities	\$ 11,865,800	\$ 18,710,417	\$ 6,844,617	\$ 32,825,000
3000	Information Technology	2,235,122	8,669,743	6,434,621	12,013,000
4000	Tools & Equipment	121,290	358,155	236,865	433,155
5000	Vehicles	1,201,608	3,809,529	2,607,921	6,530,621
Total General Plant		\$ 15,423,820	\$ 31,547,844	\$ 16,124,023	\$ 51,801,776
Accrued WIP		\$ 3,090,743	\$ -	\$ (3,090,743)	\$ -
Total Capital Improvement Plan Spend		\$ 76,859,496	\$ 102,610,456	\$ 25,750,960	\$ 174,212,349

Gas Storage

- Working gas in storage remains below 5-year average and near 5-year minimum

Working gas in underground storage compared with the 5-year maximum and minimum



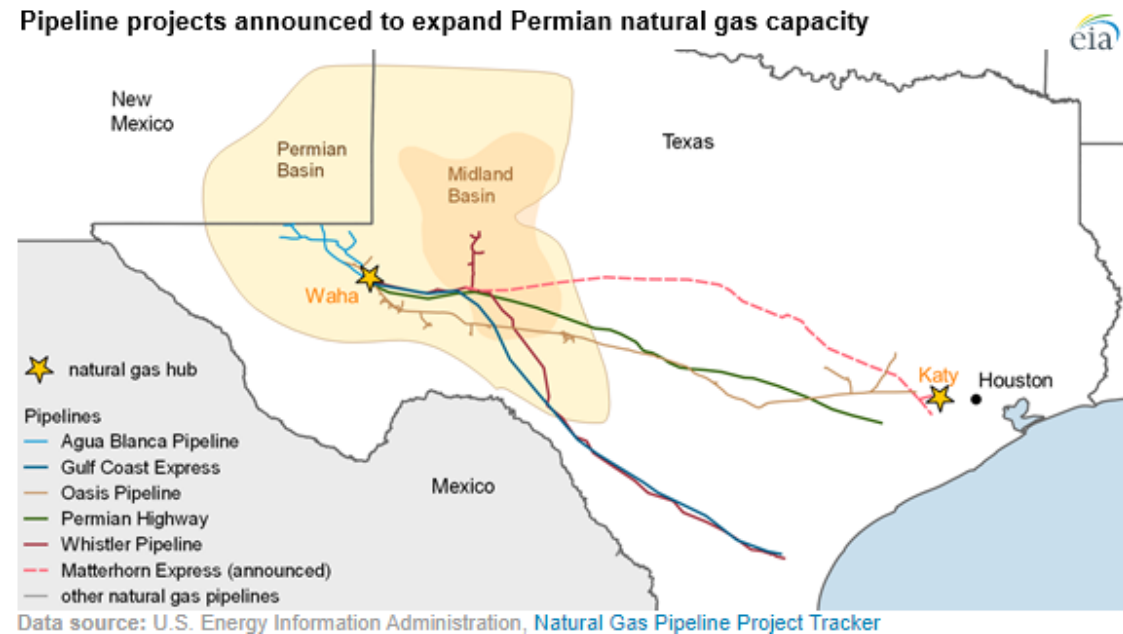
Source: U.S. Energy Information Administration



Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2017 through 2021. The dashed vertical lines indicate current and year-ago weekly periods.

Increasing Permian Production and Takeaway Capacity

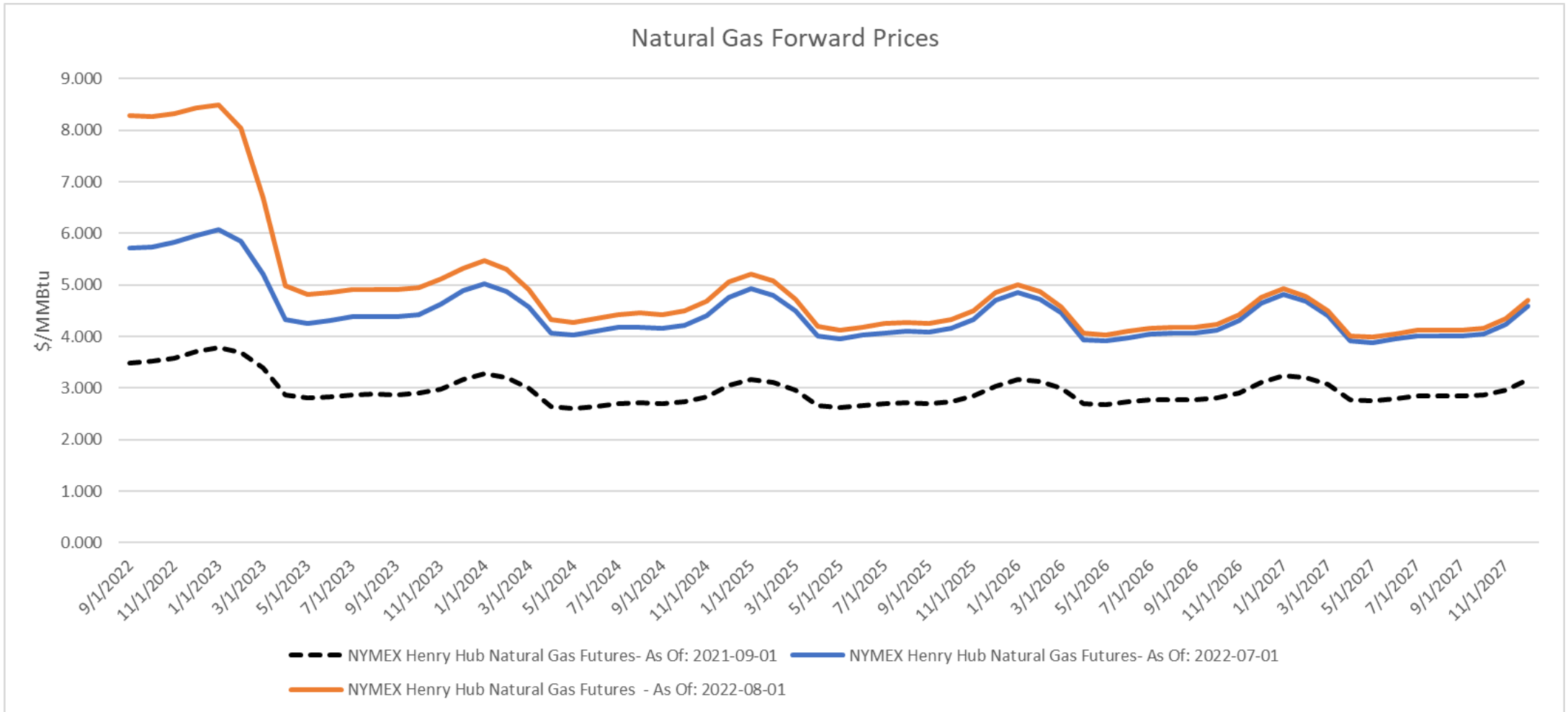
- Permian production to increase by 3.7 Bcf/d through 2023



- Gulf Coast Express expansion—0.6 Bcf/d in service December 2023
- Permian Highway Pipeline expansion—0.6 Bcf/d in service November 2023
- Whistler Pipeline expansion—0.5 Bcf/d in service September 2023
- Oasis Pipeline expansion—0.1 Bcf/d in service by end of 2022
- Matterhorn Express Pipeline—2.5 Bcf/d in service by Q3 2024

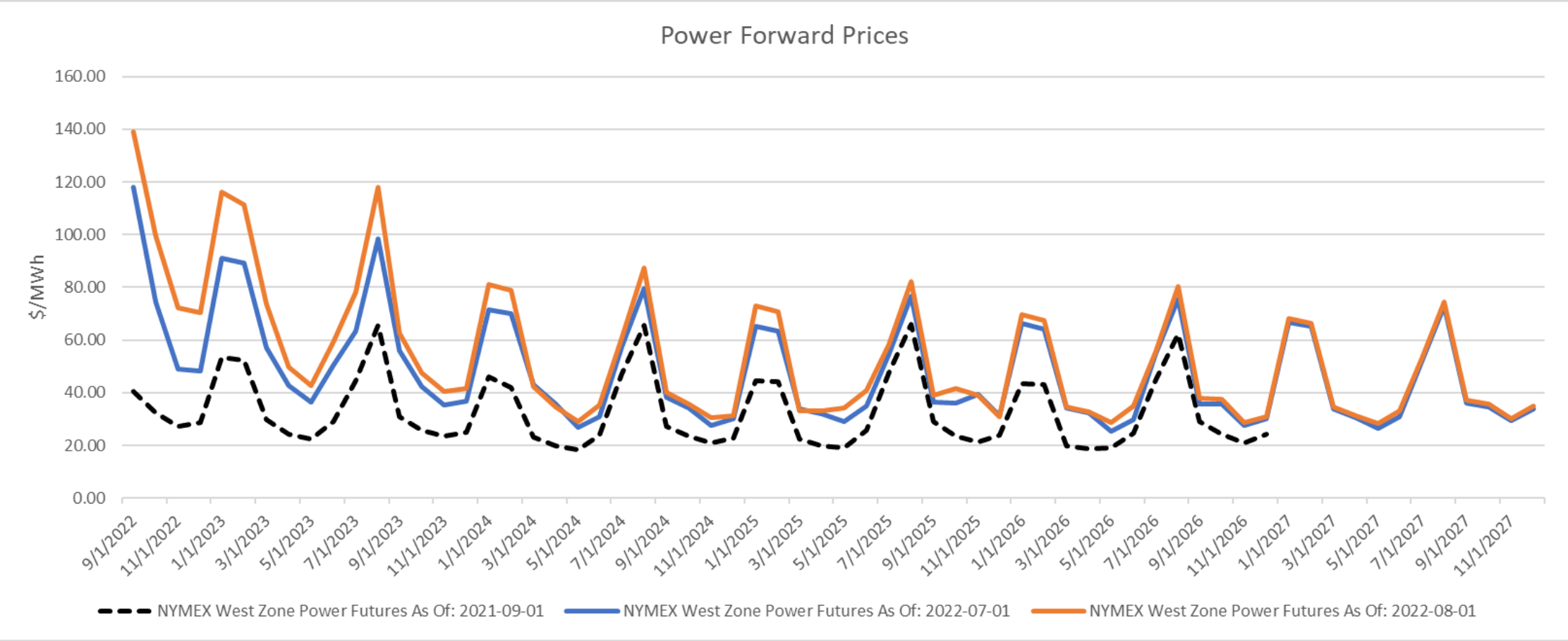
Forward Natural Gas Prices

Natural gas prices are up since last month and up from budget



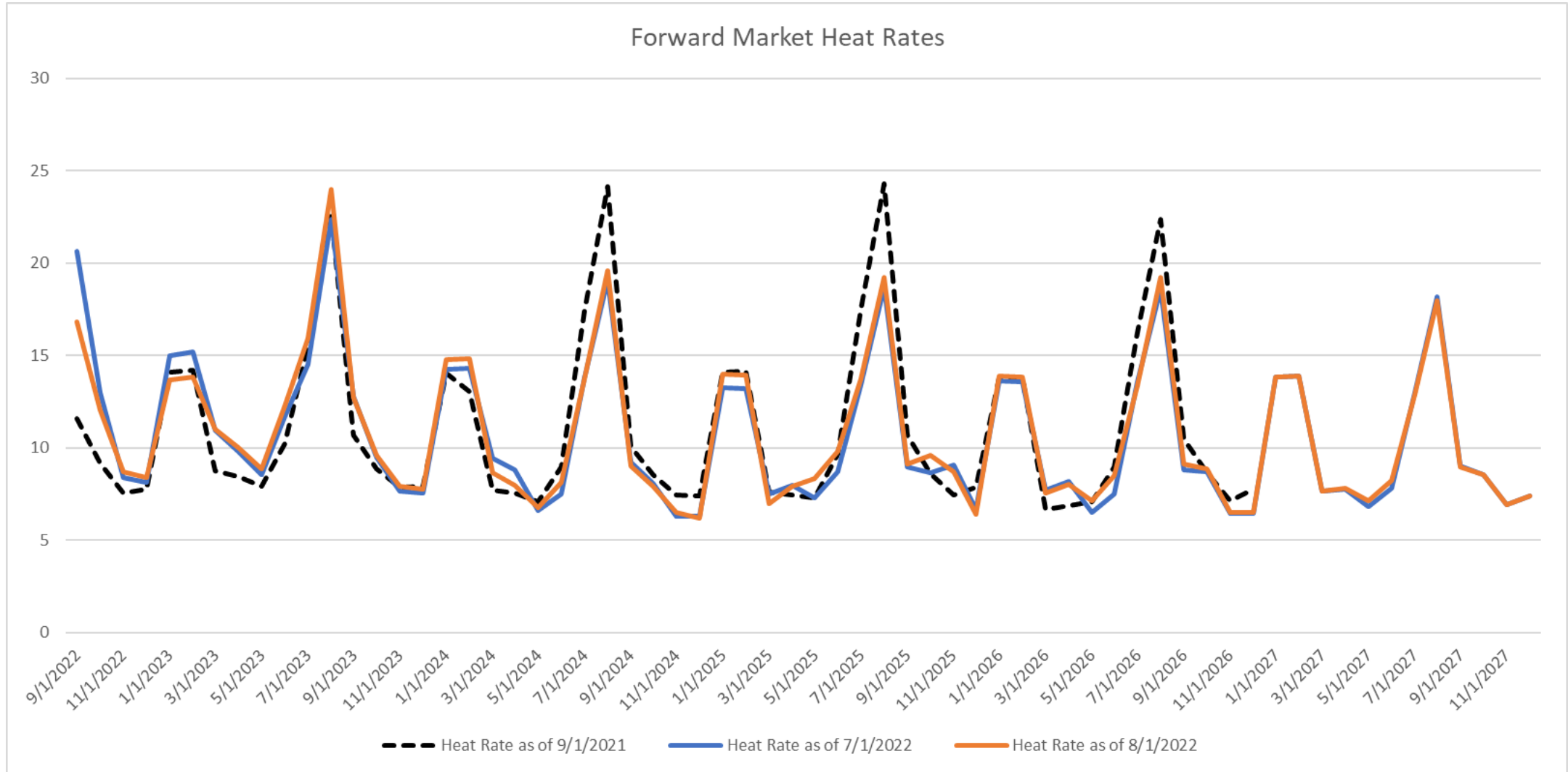
Forward Power Prices

Forward power prices have followed gas prices



Market Heat Rates

2022 and Winter 2023 market heat rates are down from last month and up from budget

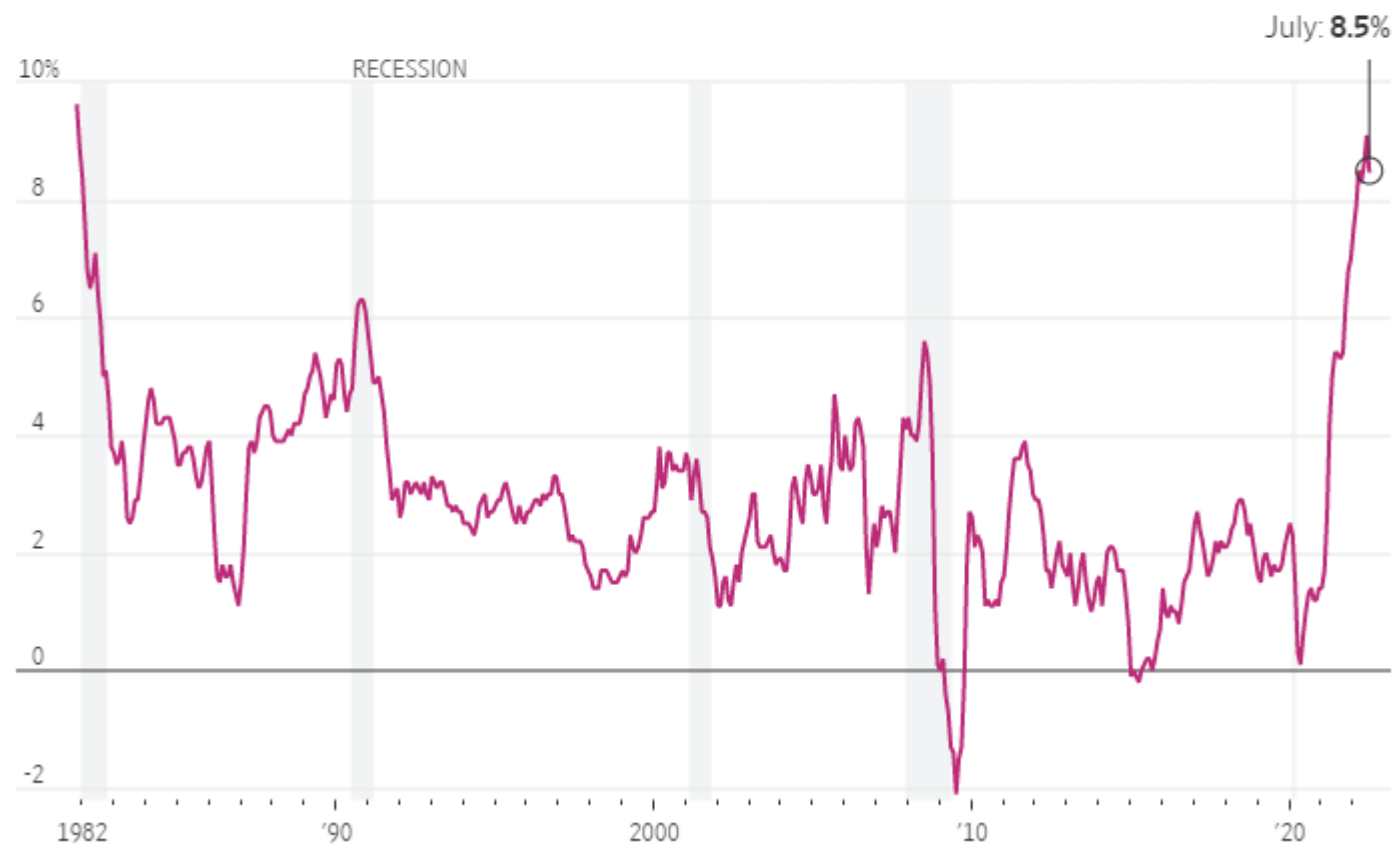


THE WALL STREET JOURNAL.

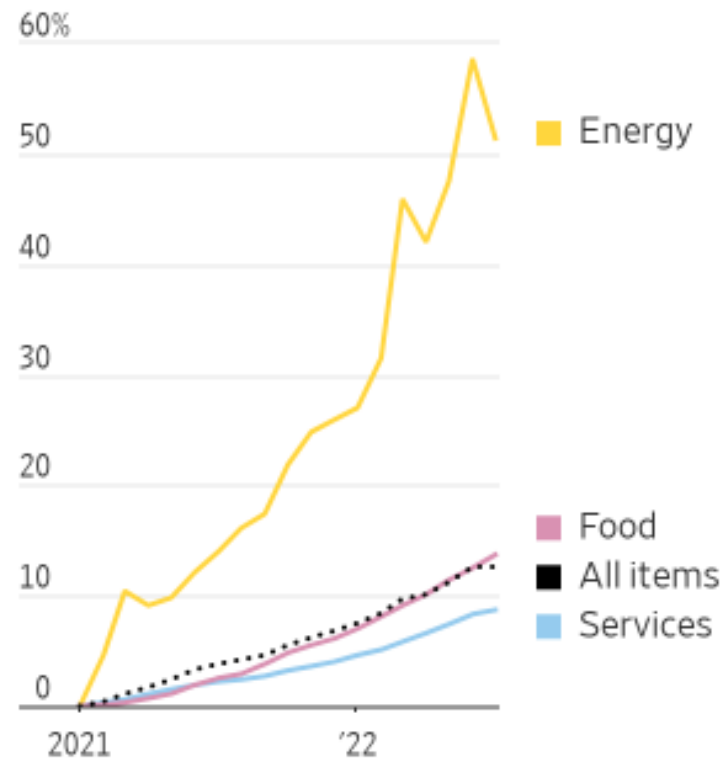
August 10, 2022

U.S. Inflation Eased Slightly to 8.5% in July

Consumer-price index, 12-month change



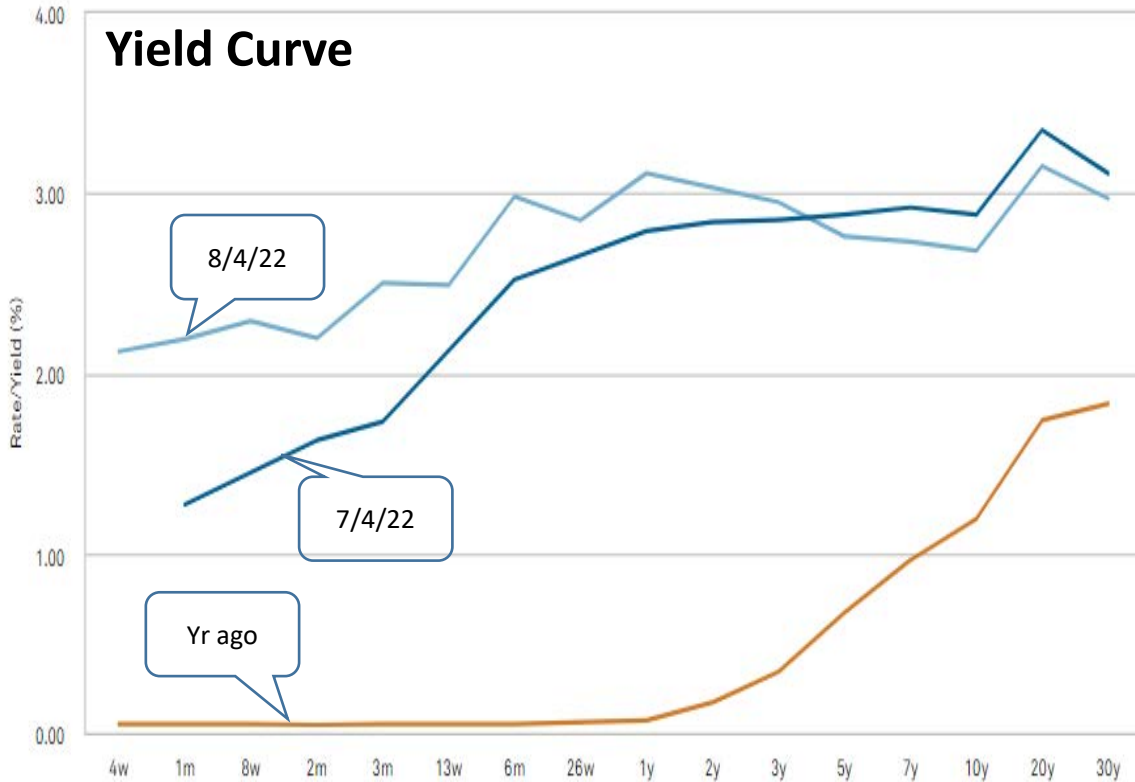
Consumer-price index, change since January 2021



Note: Seasonally adjusted
Source: Labor Department

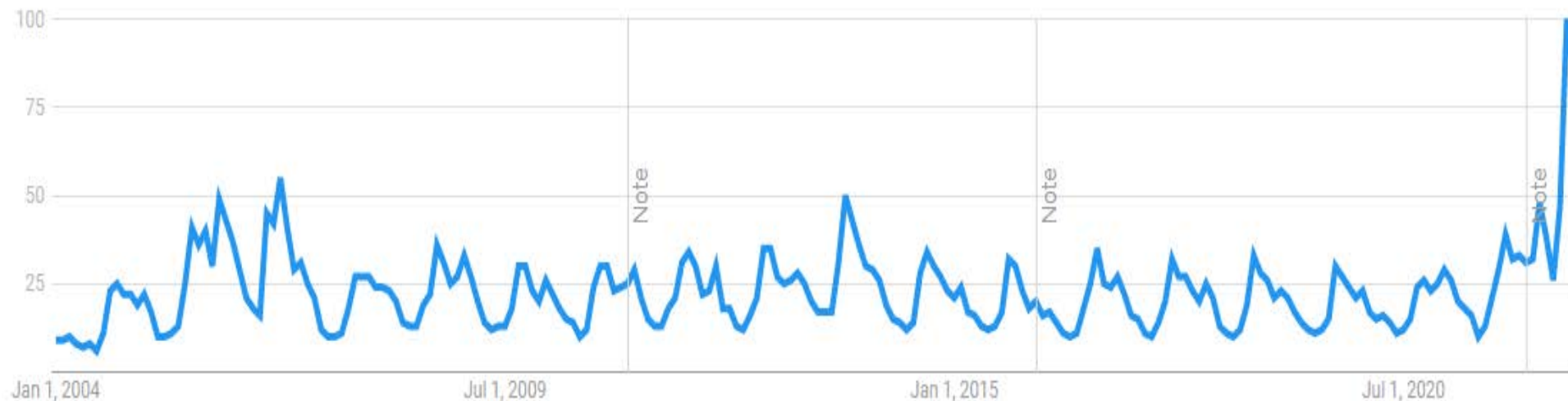
Interest Rates

- 10-yr treasury rate decreasing but yield curve becoming more inverted



Google Searches for “Brennholz” (firewood) in Germany

Google searches for firewood in Germany have exploded over the last couple of months as the country braces for natural gas shortages



Source: Google Trends

Note: Numbers represent search interest relative to the highest point on the chart for a given region and time. A value of 100 is the peak popularity for the term.

- Deutsche bank publishes research note assuming wood for gas switching would occur for private household heating in Germany
- Hungarian Prime Minister Viktor Orban issues a decree loosening logging restrictions in the event of a firewood shortage



PROUD

