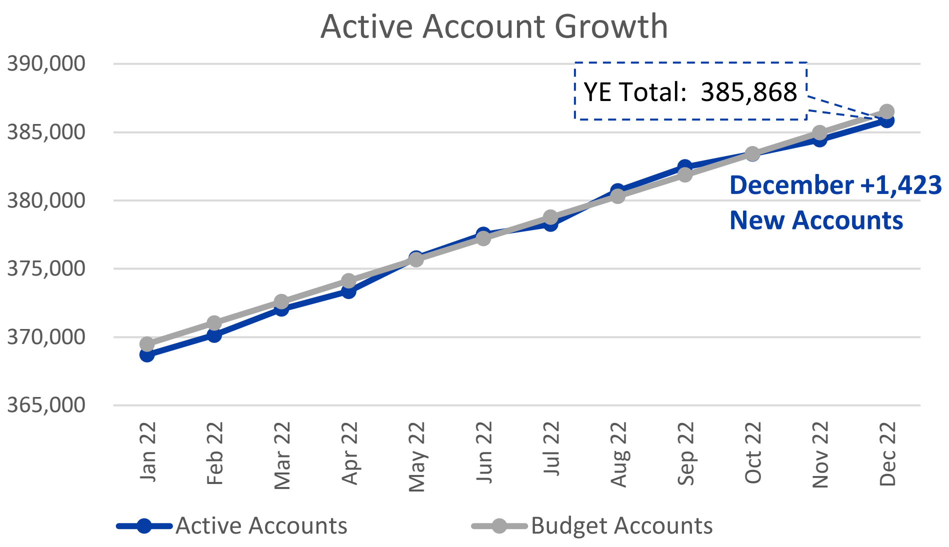
December 2022 Financial Presentation to the Board

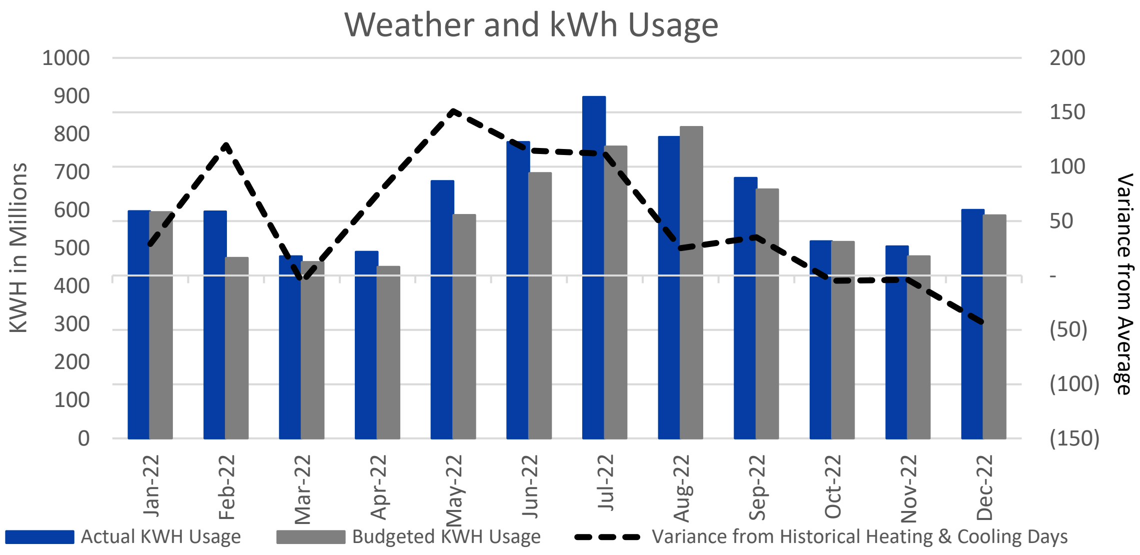
Randy Kruger | Chief Financial Officer

Finance at a Glance – December 2022

	MTD ($ in millions)			YTD ($ in millions)		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
MWH Sold	600,848	586,359	14,489	7,617,641	7,091,220	526,421
Gross Margins	$ 27.4	$ 28.1	$ (0.7)	$ 346.7	$ 334.3	$ 12.4
Net Margins	$ (0.1)	$ 4.0	$ (4.1)	$ 52.1	$ 49.9	$ 2.2
EBIDA	$ 11.2	$ 13.9	$ (2.7)	$ 199.3	$ 169.7	$ 29.6
Revenue O/(U)	$ (5.1)	$ 5.5	$ (10.6)	$ 18.7	$ 40.4	$ (21.7)
EBIDA(X)	$ 6.1	$ 19.4	$ (13.3)	$ 218.0	$ 210.2	$ 7.8
Long-Term Debt				$ 1,029.4	$ 1,040.5	$ 11.1

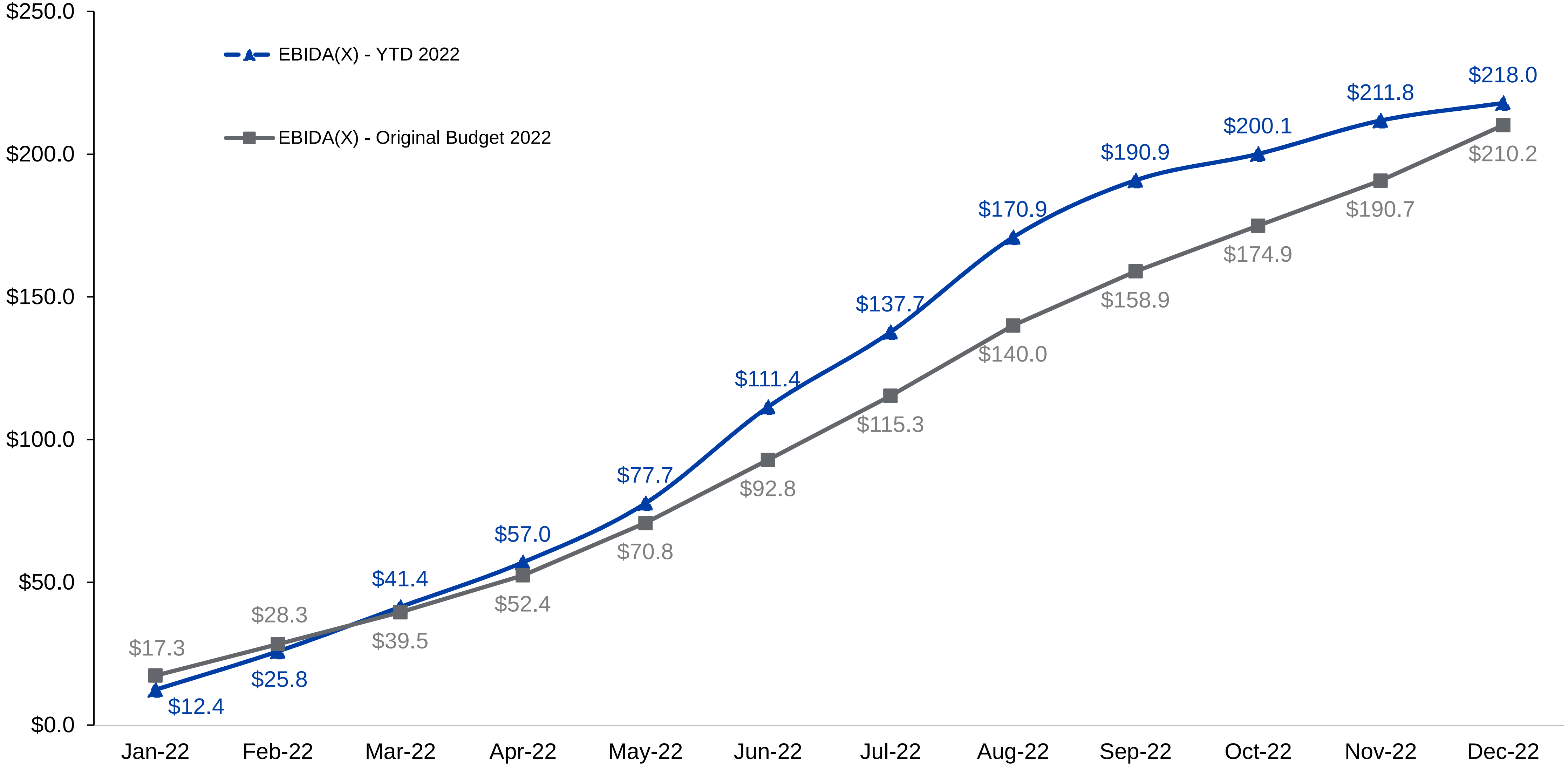
	Liquidity Coverage ($ in millions)
Cash & Marketable Securities	$ 9.1
Short Term Facilities	505.0
Less: Short Term Borrowings	132.7
Available Liquidity	$ 381.4
Liquidity Coverage (Days)	**219**





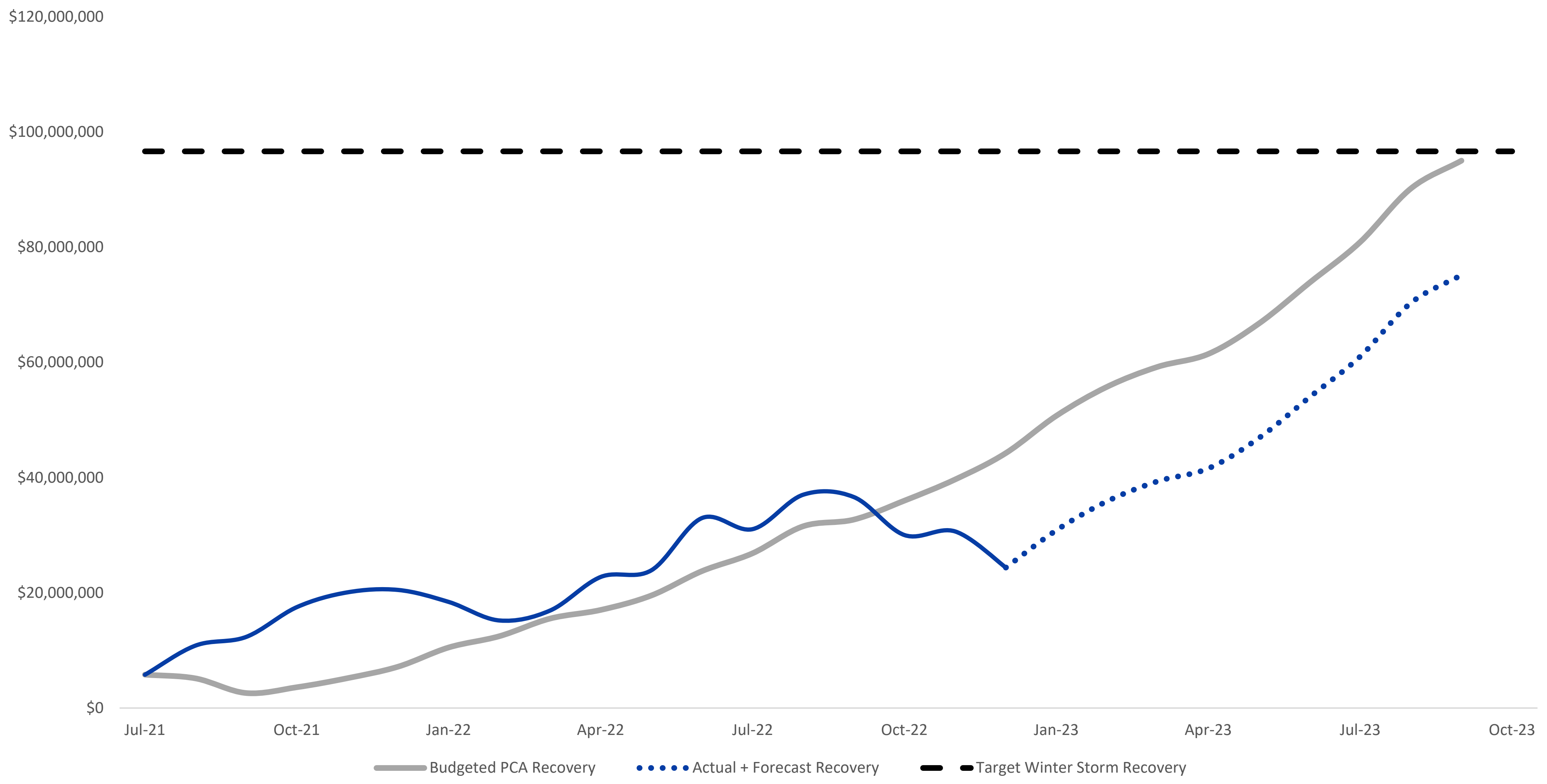
Note: DRAFT Preliminary Financial Estimates

EBIDA(X) Year to Date (in millions)



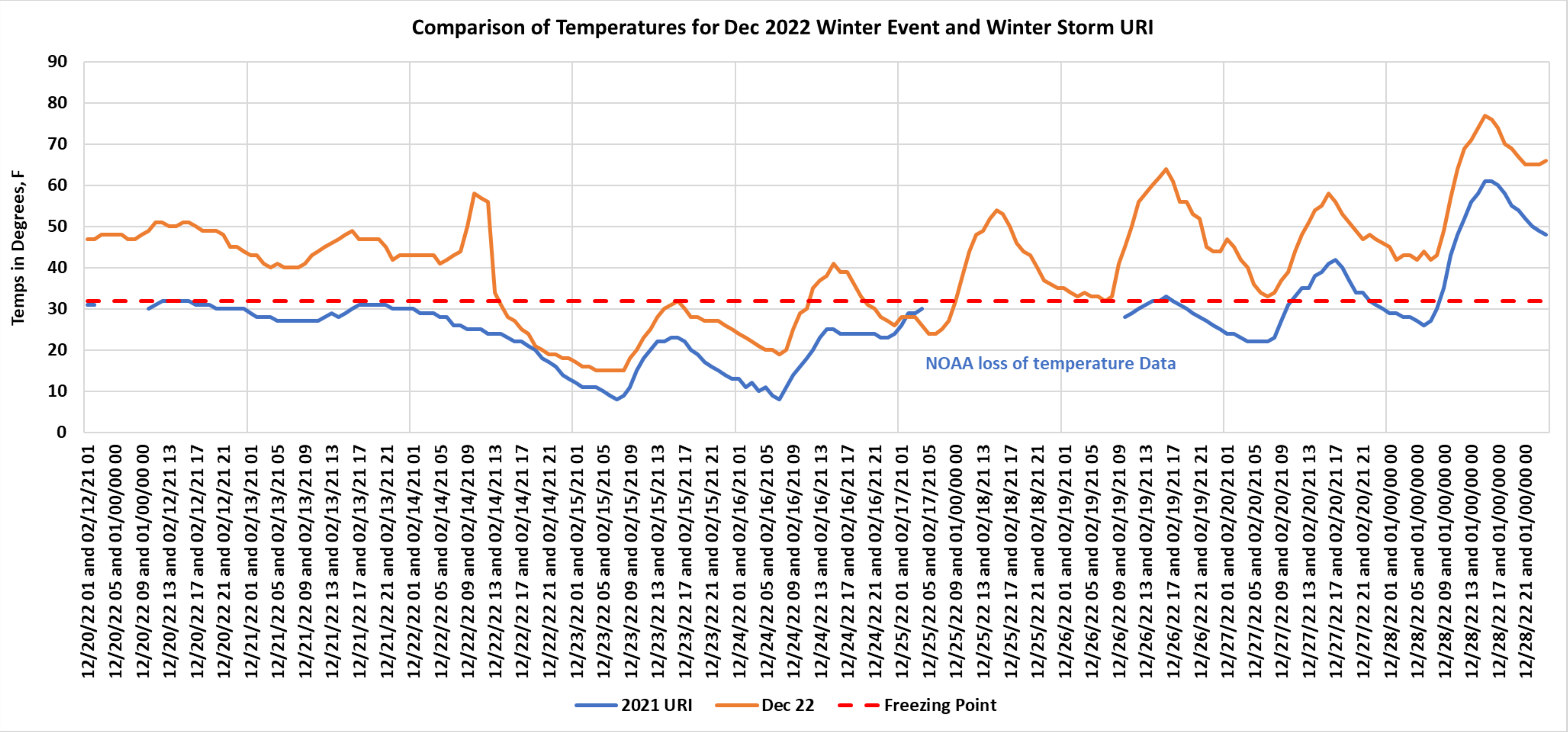
Note: DRAFT Preliminary Financial Estimates

PCA + FPCRF O/(U) Winter Storm Recovery

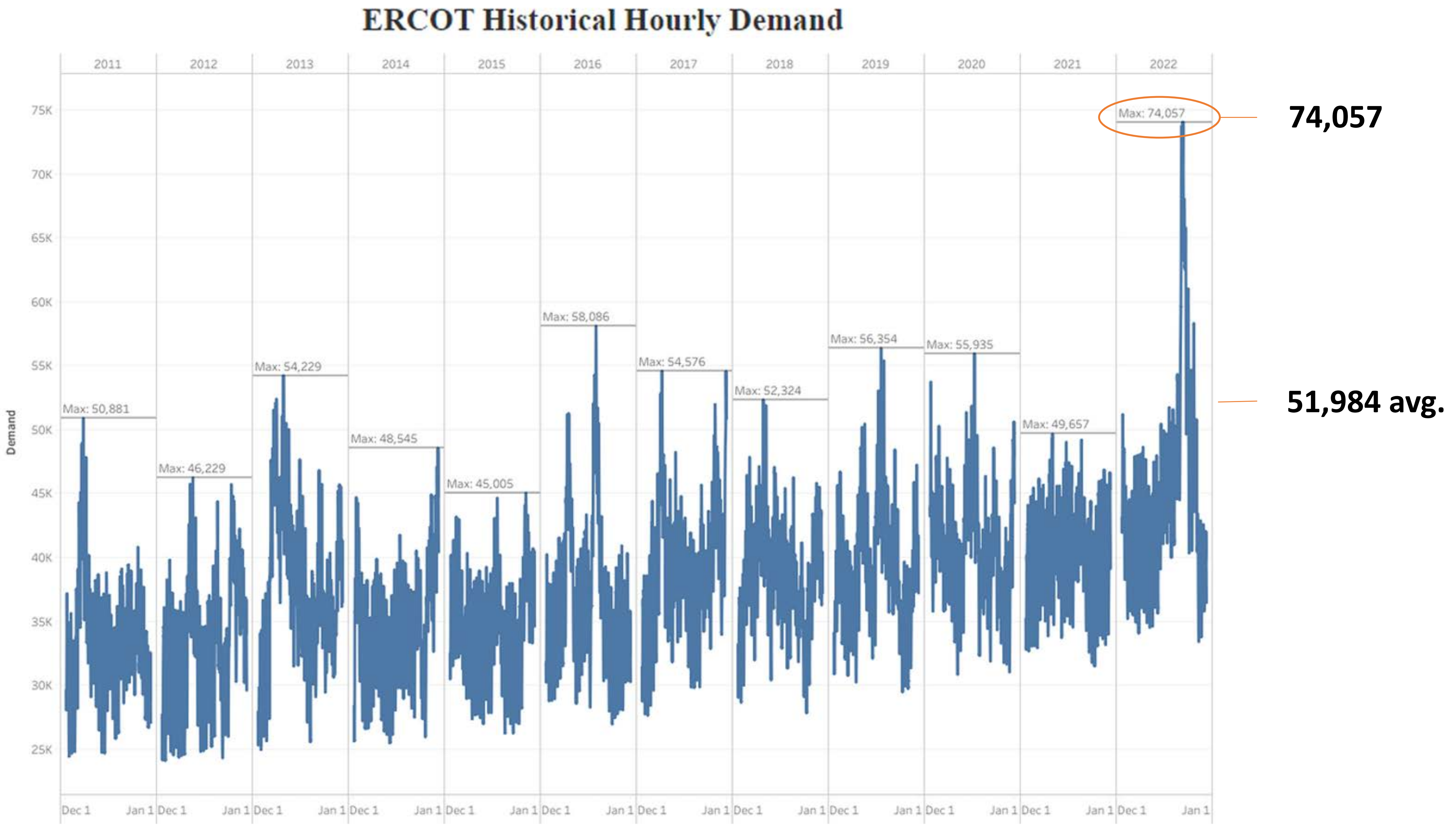


Note: DRAFT Preliminary Financial Estimates

December Lows Approached Those of Uri but Shorter in Duration

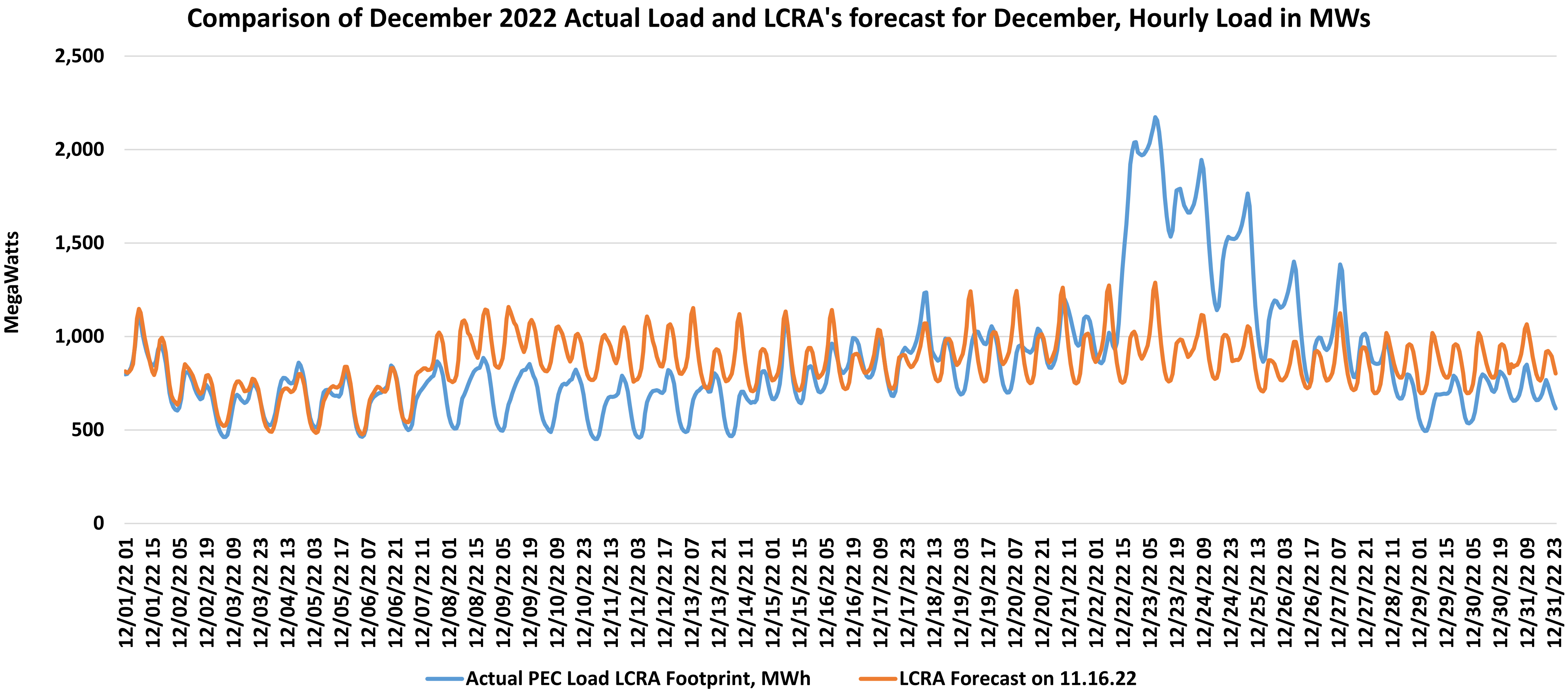


Record December ERCOT Demand Peak



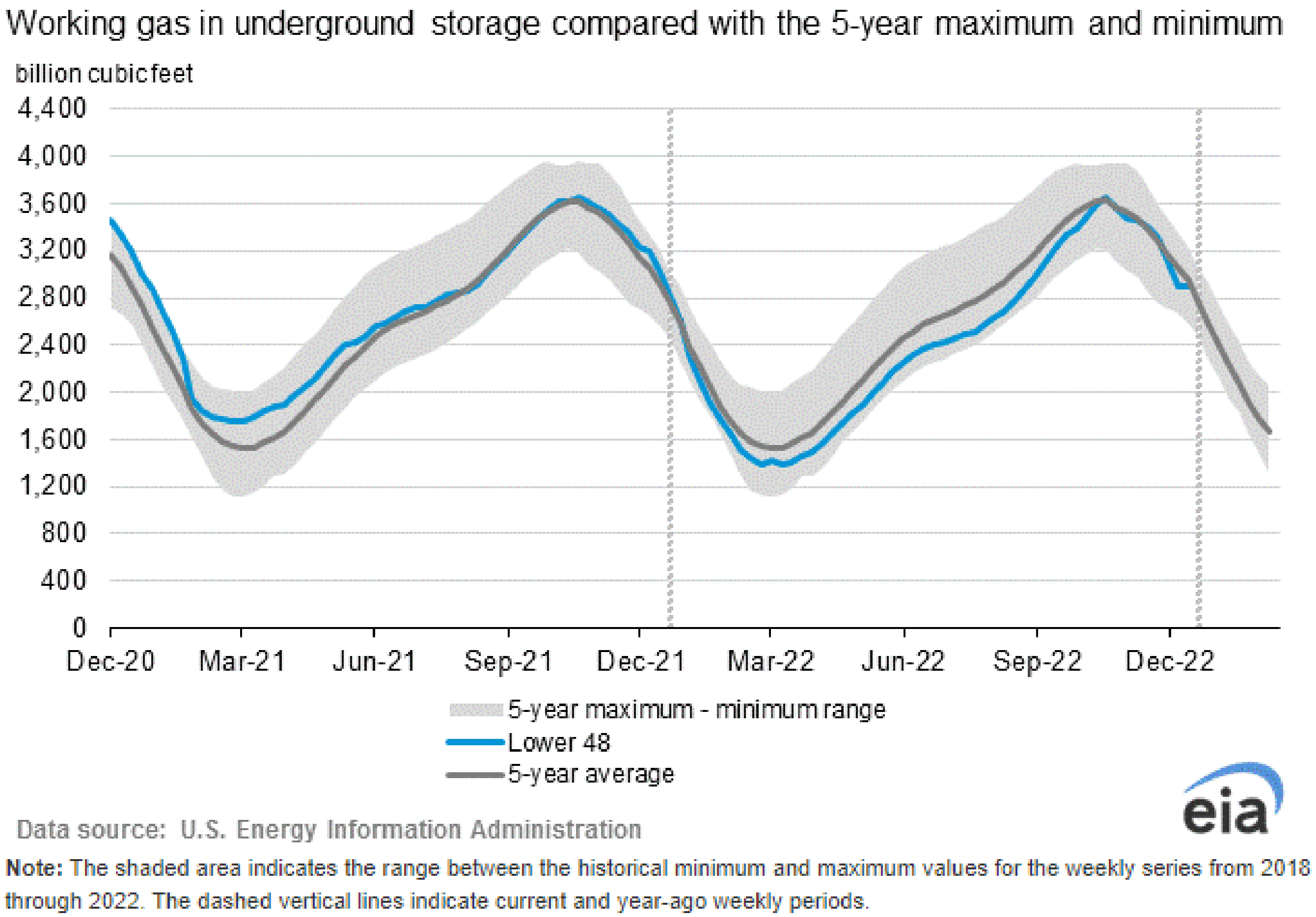
Source: Priority Power, *Priority View – Dec '22 Recap: ERCOT & Nat Gas*

Record December PEC Demand Peak



Gas Storage

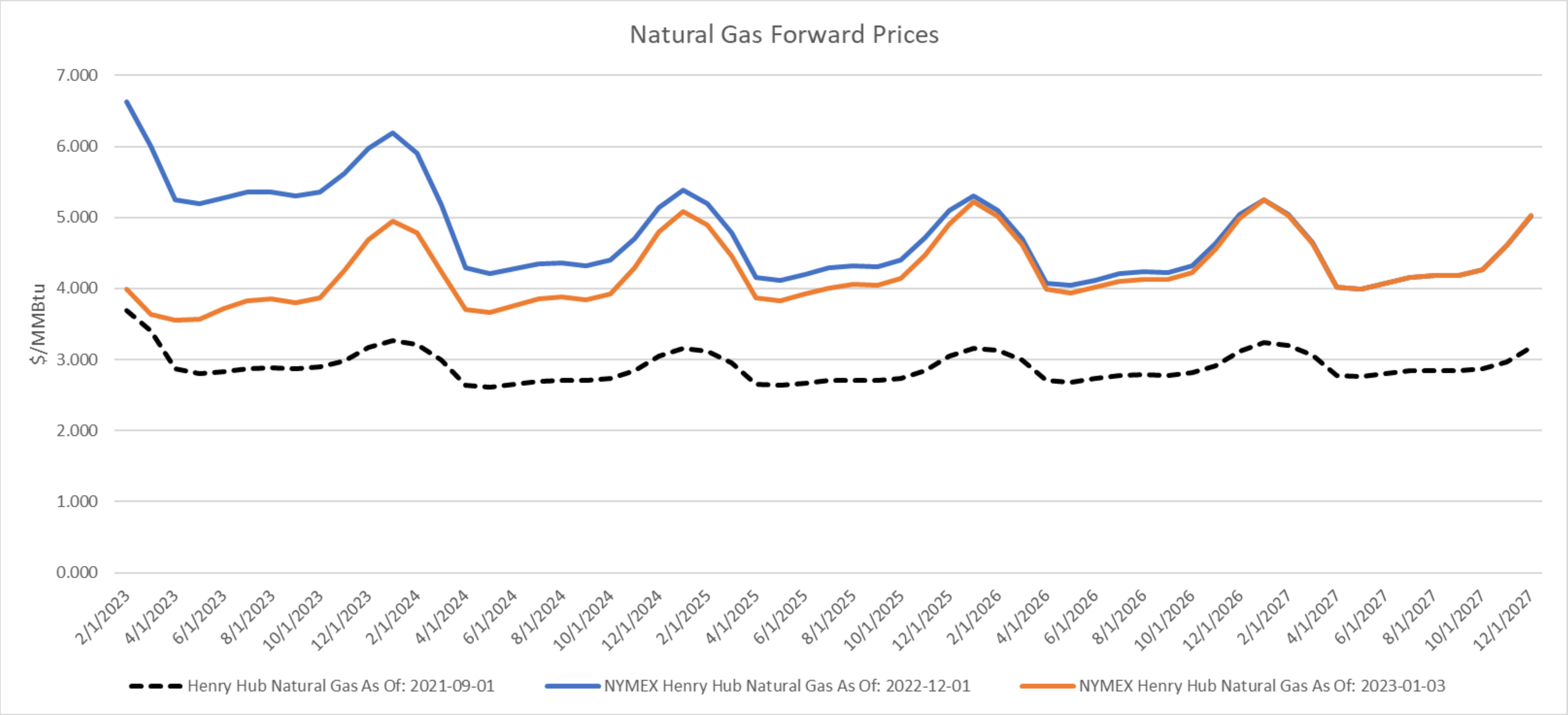
- Gas in storage slightly below 5yr average



As of January 6, 2023

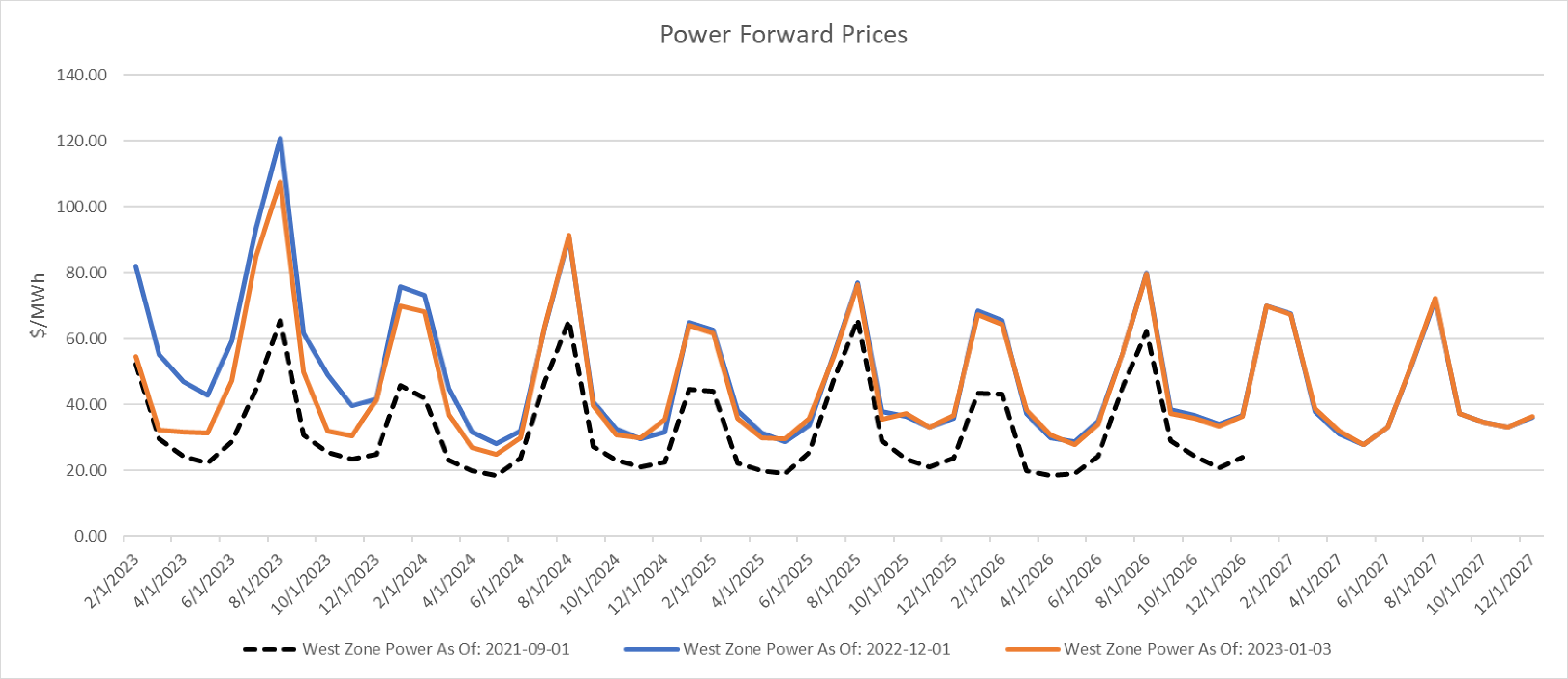
Forward Natural Gas Prices

Natural gas prices down on warm weather outlook. Curve upward sloping for the first time since early 2020



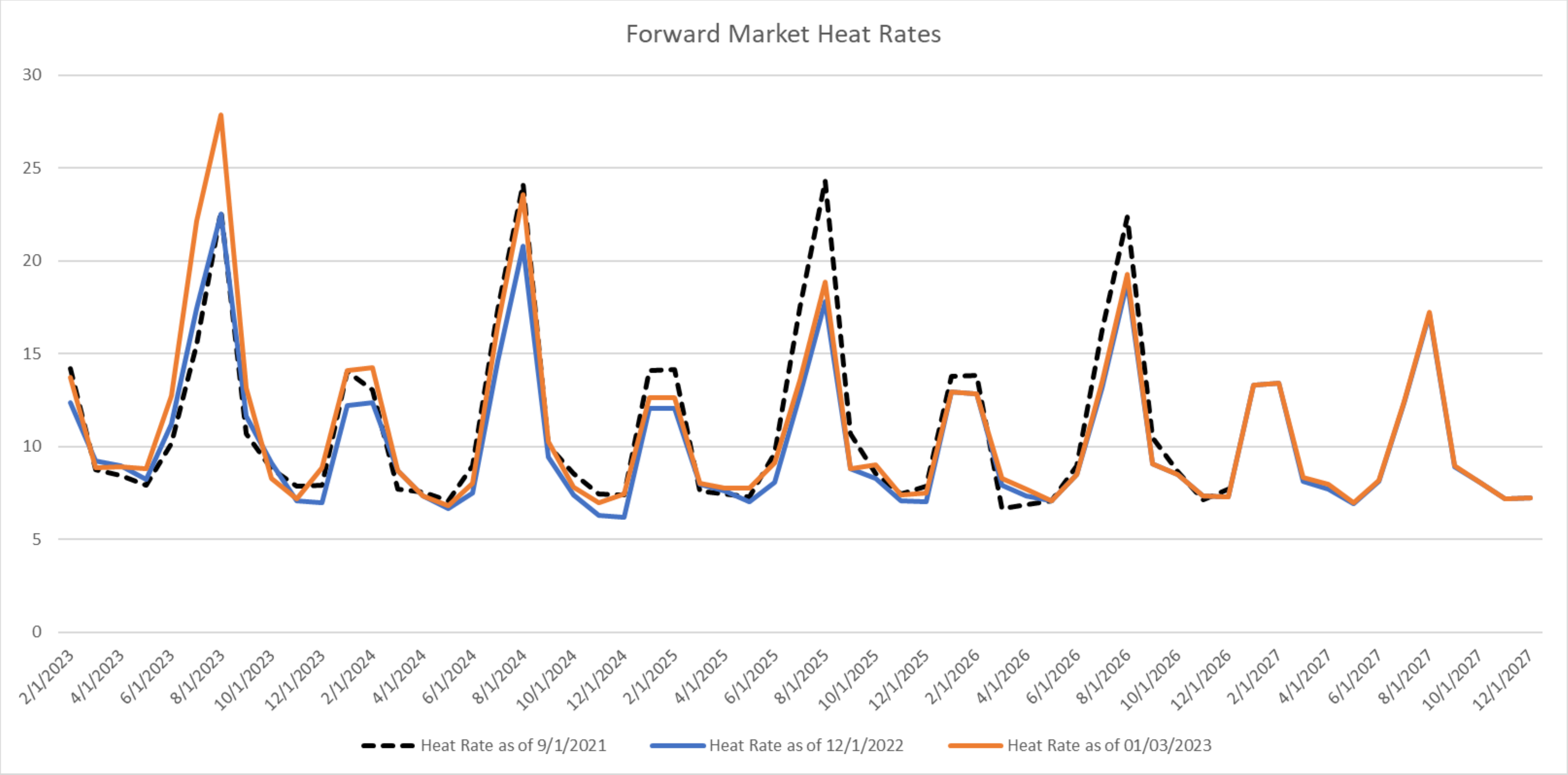
Forward Power Prices

Forward power prices down but not as dramatically as gas prices



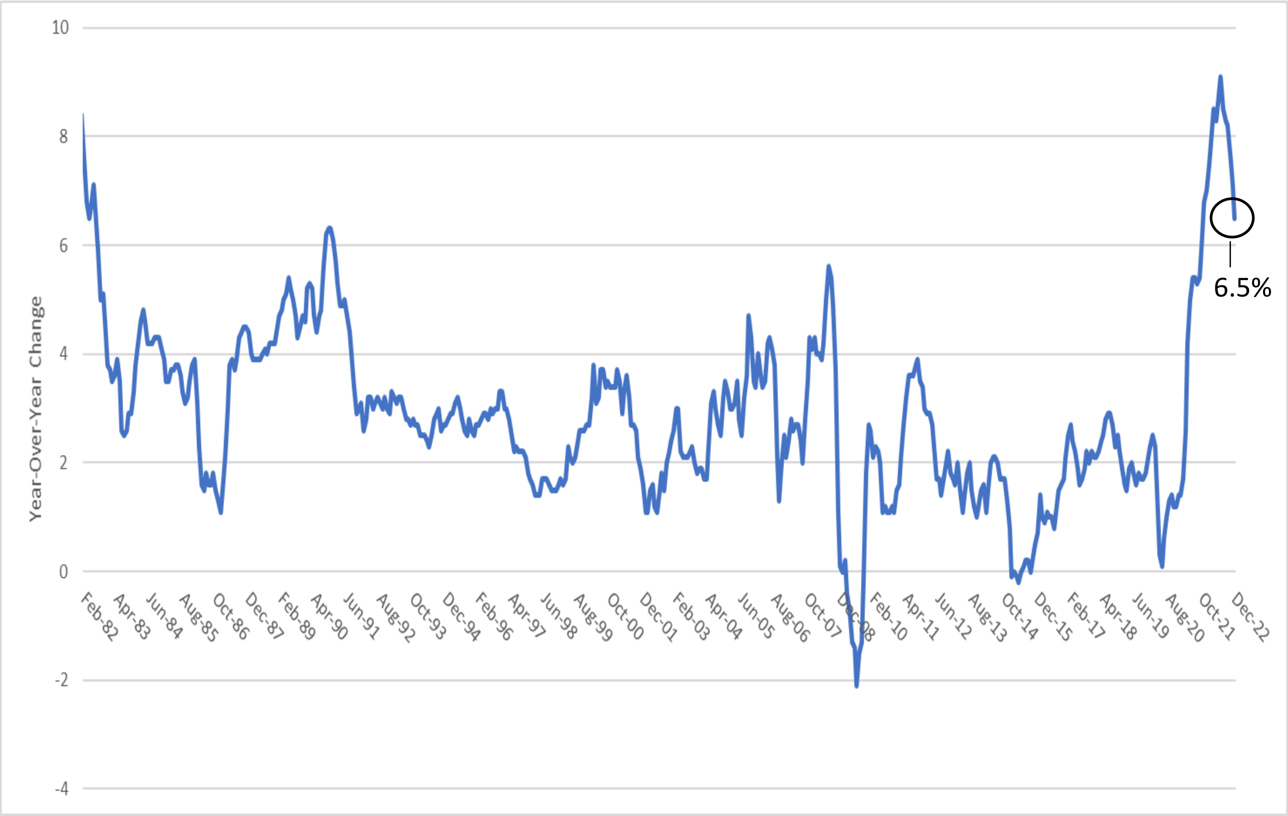
Market Heat Rates

Prompt heat rates have increase



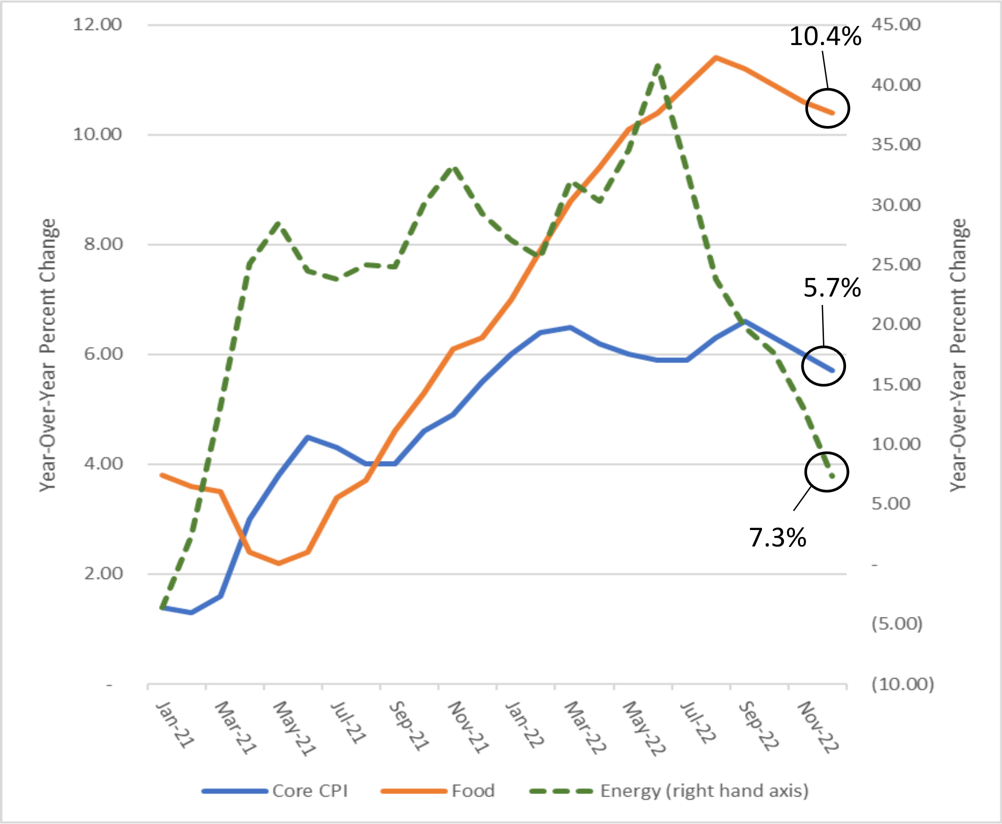
Inflation

CPI Jan 1982 to Dec 2022



Source: U.S. Bureau of Labor Statistics

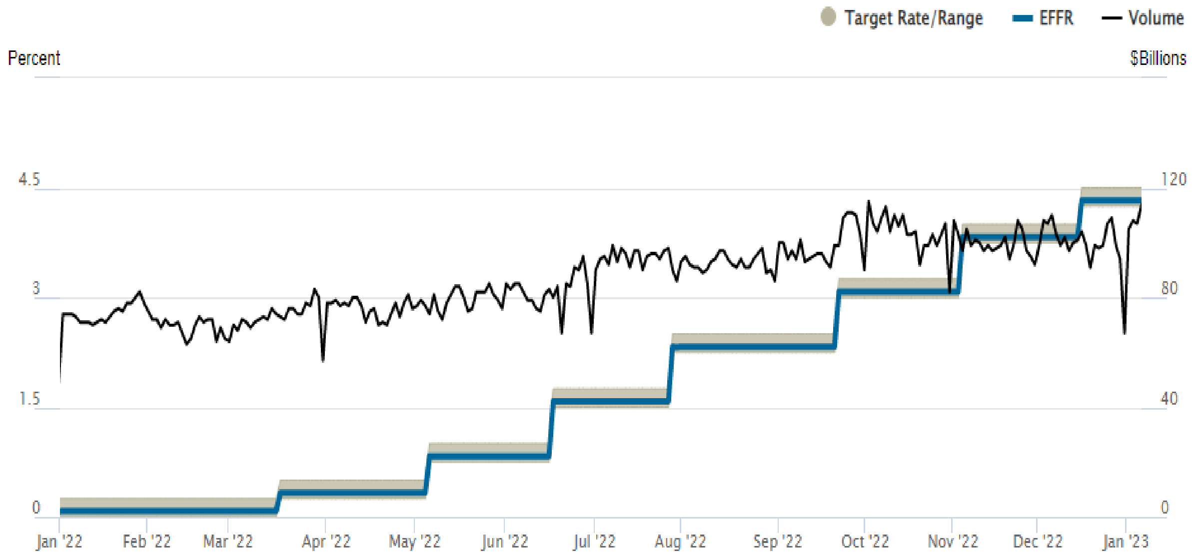
Core CPI, Food and Energy
Jan 2021 to Dec 2022



Source: U.S. Bureau of Labor Statistics

Interest Rates

Federal Funds Rate



Source: Federal Reserve Bank of New York

10-Year Note

Source: *The Wall Street Journal* 1/9/2023

PROUD