



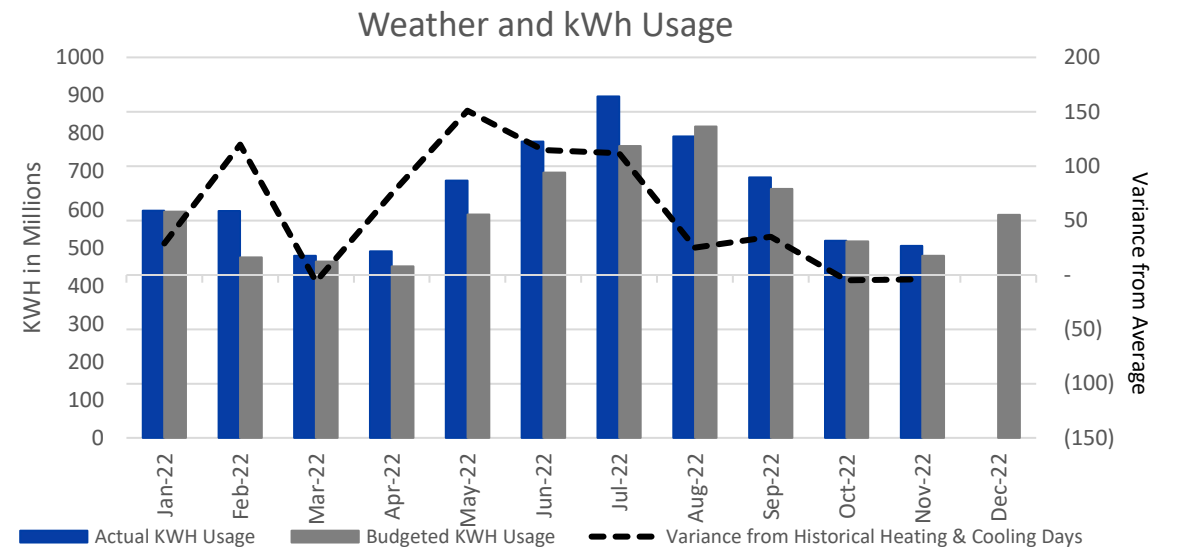
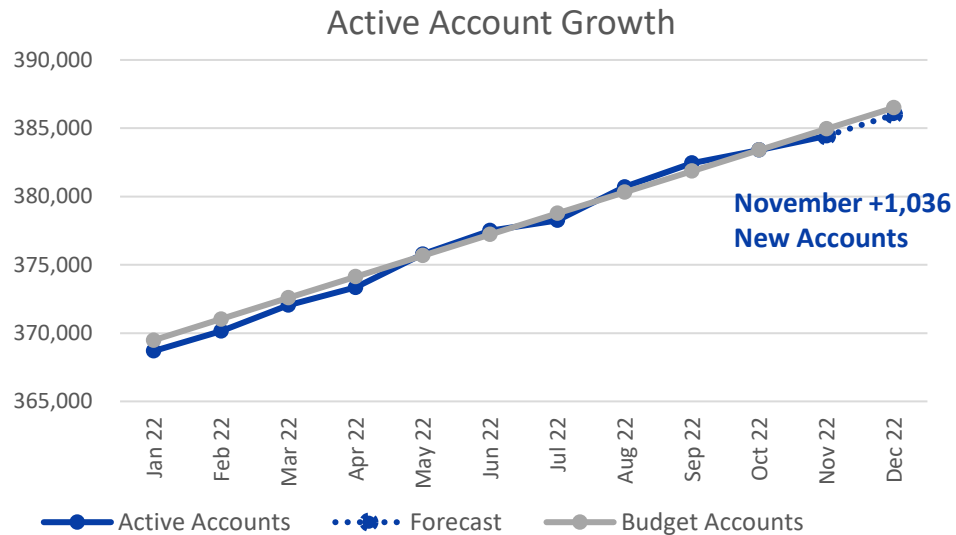
# November 2022 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

# Finance at a Glance – November 2022

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>MWH Sold</b>	505,077	478,944	26,133	7,016,793	6,504,861	511,932
<b>Gross Margins</b>	\$ 25.2	\$ 25.0	\$ 0.2	\$ 320.2	\$ 306.2	\$ 14.0
<b>Net Margins</b>	\$ (0.1)	\$ 1.2	\$ (1.3)	\$ 52.2	\$ 46.0	\$ 6.2
<b>EBIDA</b>	\$ 11.5	\$ 11.2	\$ 0.3	\$ 188.1	\$ 155.8	\$ 32.3
<b>Revenue O/(U)</b>	\$ 0.2	\$ 4.6	\$ (4.4)	\$ 23.7	\$ 34.9	\$ (11.2)
<b>EBIDA(X)</b>	\$ 11.7	\$ 15.8	\$ (4.1)	\$ 211.8	\$ 190.7	\$ 21.1

	Liquidity Coverage
Cash & Marketable Securities	\$ 6,289,206
Short Term Facilities	505,000,000
Less: Short Term Borrowings	114,446,383
Available Liquidity	\$ 396,842,823
<b>Liquidity Coverage (Days)</b>	<b>227</b>

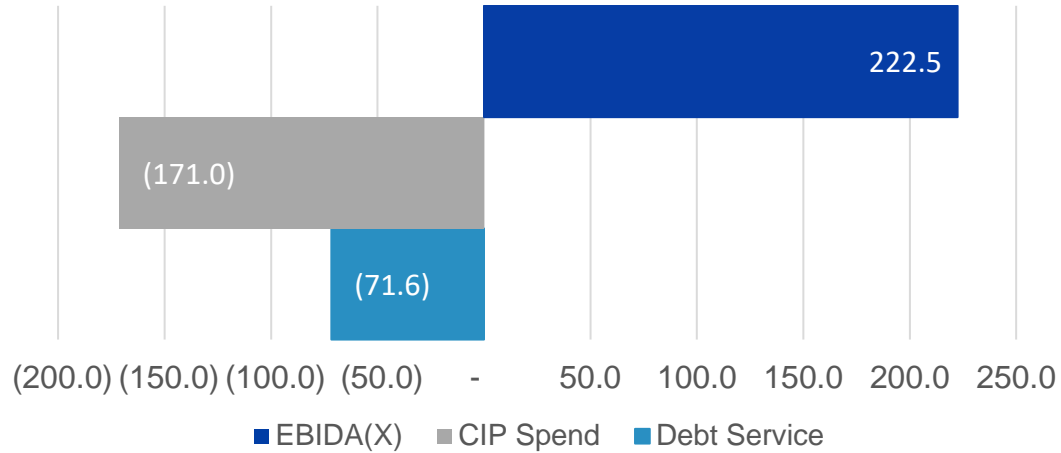


# Financial Performance

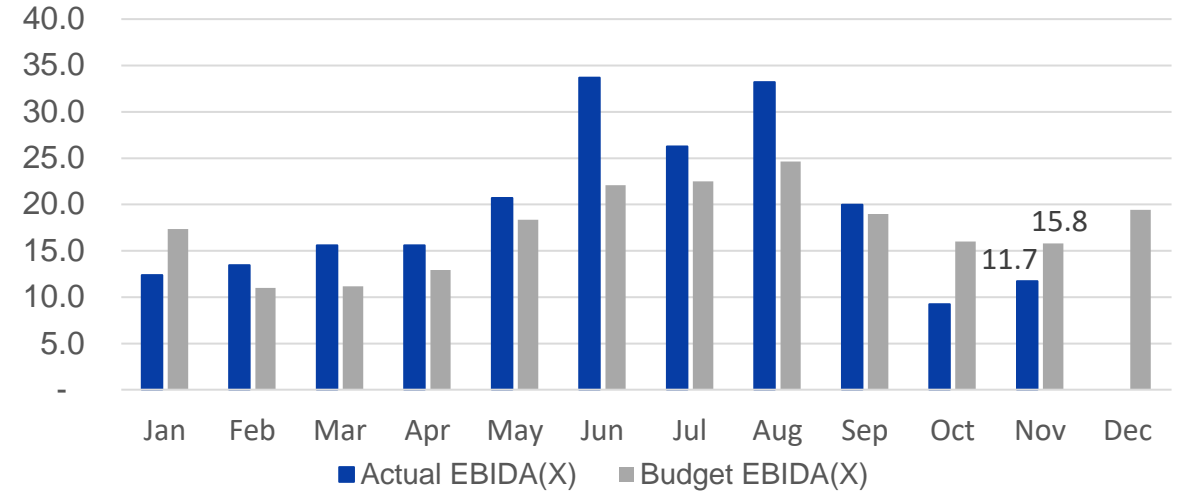
	MTD			YTD			Annual		2021 to 2022 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Forecast	Budget	
<b>Gross Margins</b>	<b>\$ 25,241,290</b>	<b>\$ 24,999,797</b>	<b>\$ 22,945,538</b>	<b>\$ 320,162,739</b>	<b>\$ 306,204,103</b>	<b>\$ 286,967,842</b>	<b>\$ 347,317,387</b>	<b>\$ 332,824,766</b>	11.57%
Operating Expenses Ex. Depreciation	13,810,508	13,824,008	11,134,882	138,078,953	152,981,257	143,453,980	152,872,888	165,745,081	-3.75%
Depreciation	7,664,360	6,391,252	5,984,548	94,279,022	70,303,774	64,511,547	102,427,972	76,695,026	
Interest Expense	3,901,683	3,589,638	3,665,600	41,593,180	39,513,844	36,848,092	45,181,052	43,103,481	
Other Income	(54,089)	(11,425)	(27,754)	(6,006,416)	(2,576,673)	(2,836,180)	(6,085,489)	(2,655,711)	
<b>Net Margins</b>	<b>\$ (81,172)</b>	<b>\$ 1,206,324</b>	<b>\$ 2,188,262</b>	<b>\$ 52,218,000</b>	<b>\$ 45,981,902</b>	<b>\$ 44,990,403</b>	<b>\$ 52,920,964</b>	<b>\$ 49,936,889</b>	
<b>EBIDA</b>	<b>\$ 11,484,871</b>	<b>\$ 11,187,213</b>	<b>\$ 11,838,410</b>	<b>\$ 188,090,202</b>	<b>\$ 155,799,519</b>	<b>\$ 146,350,042</b>	<b>\$ 200,529,987</b>	<b>\$ 169,735,396</b>	28.52%
Over (Under) Collected Revenues	223,541	4,601,849	14,235	23,734,764	34,936,304	(129,537,020)	\$21,920,494	40,435,604	
<b>EBIDA(X)</b>	<b>\$ 11,708,412</b>	<b>\$ 15,789,062</b>	<b>\$ 11,852,645</b>	<b>\$ 211,824,966</b>	<b>\$ 190,735,823</b>	<b>\$ 16,813,022</b>	<b>\$ 222,450,482</b>	<b>\$ 210,171,001</b>	
Total Long-Term Debt							\$ 1,021,144,403	\$ 1,040,538,177	
Debt Service							71,637,156	71,288,720	
Debt Service Coverage Ratio							2.80	2.38	
Equity as Percent of Assets							40.6%	40.3%	
Net Plant in Service							\$ 1,898,029,575	\$ 1,923,846,600	
Capital Improvement Spend							\$ 170,980,335	\$ 174,212,349	
Energy Sales kWh	505,076,877	478,943,806	431,747,851	7,016,792,853	6,504,860,831	6,170,030,469	7,603,151,892	7,091,219,870	13.72%
Energy Purchases kWh	542,587,375	510,803,563	460,745,225	7,437,622,041	6,936,854,954	6,580,815,309	8,076,378,224	7,571,421,437	13.02%
Active Accounts				384,445	384,957	365,968	385,993	386,505	5.05%

# Financing Sources & Uses

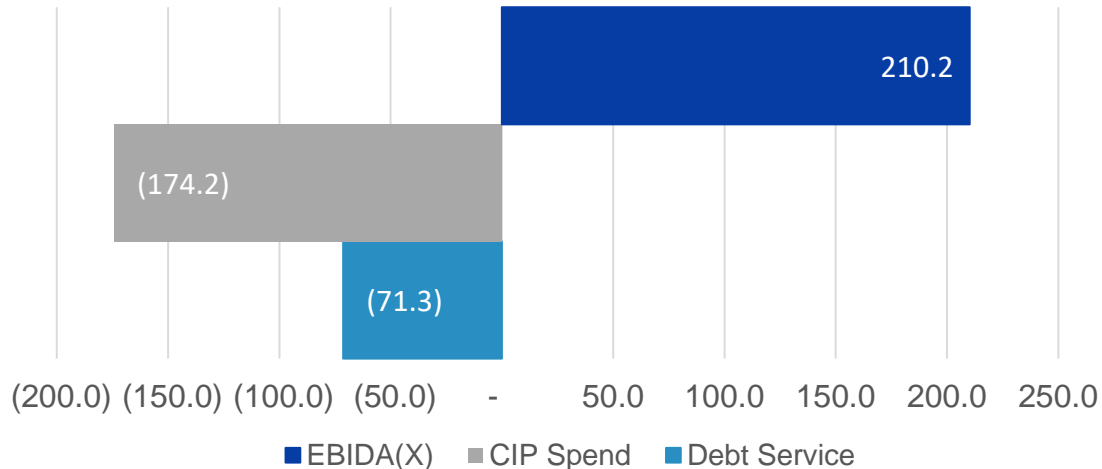
## Annual Forecast



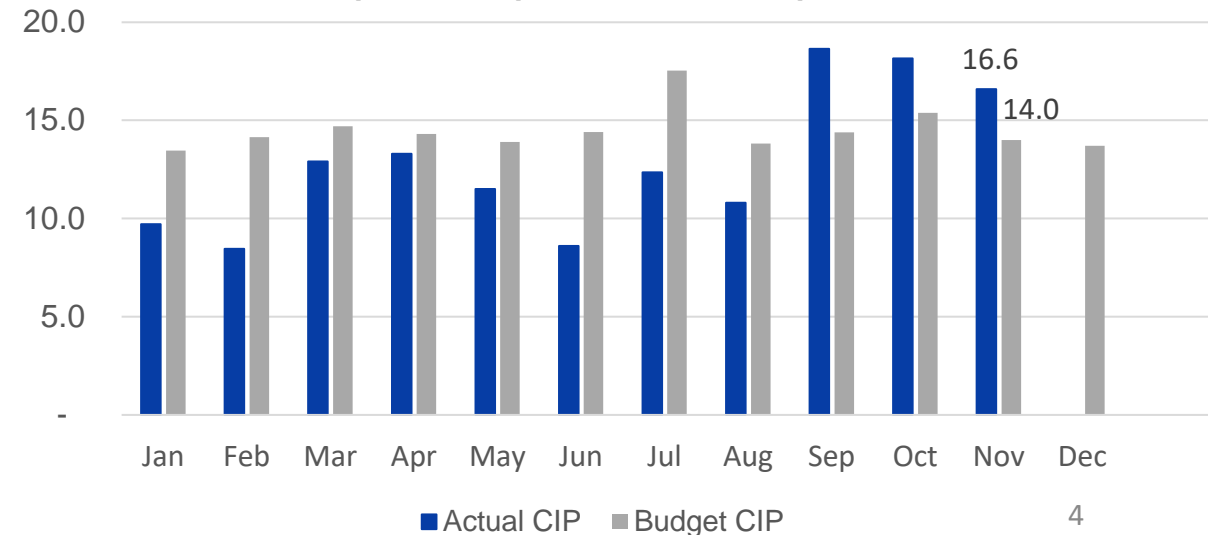
## EBIDA(X) by Month



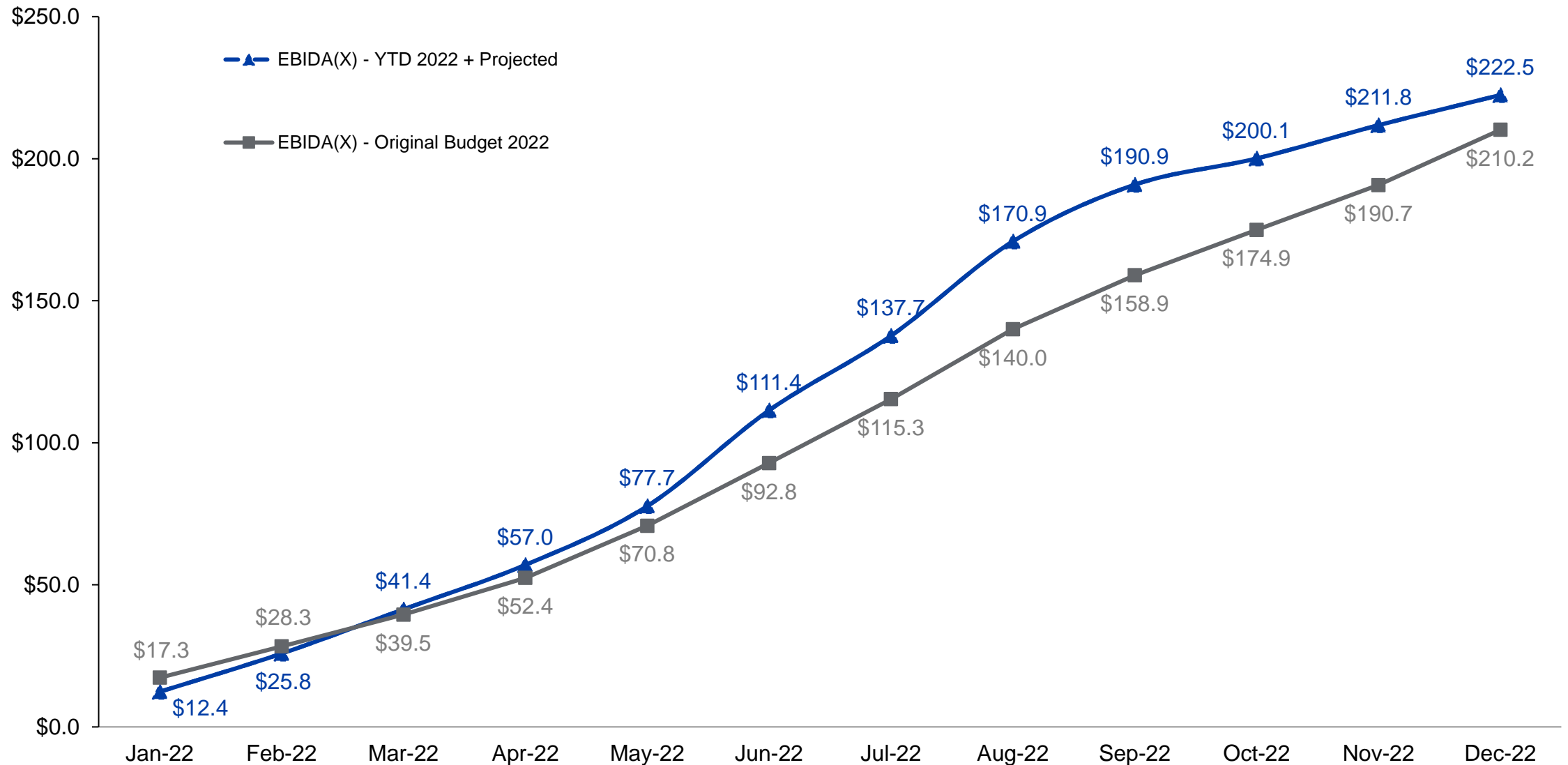
## Annual Budget



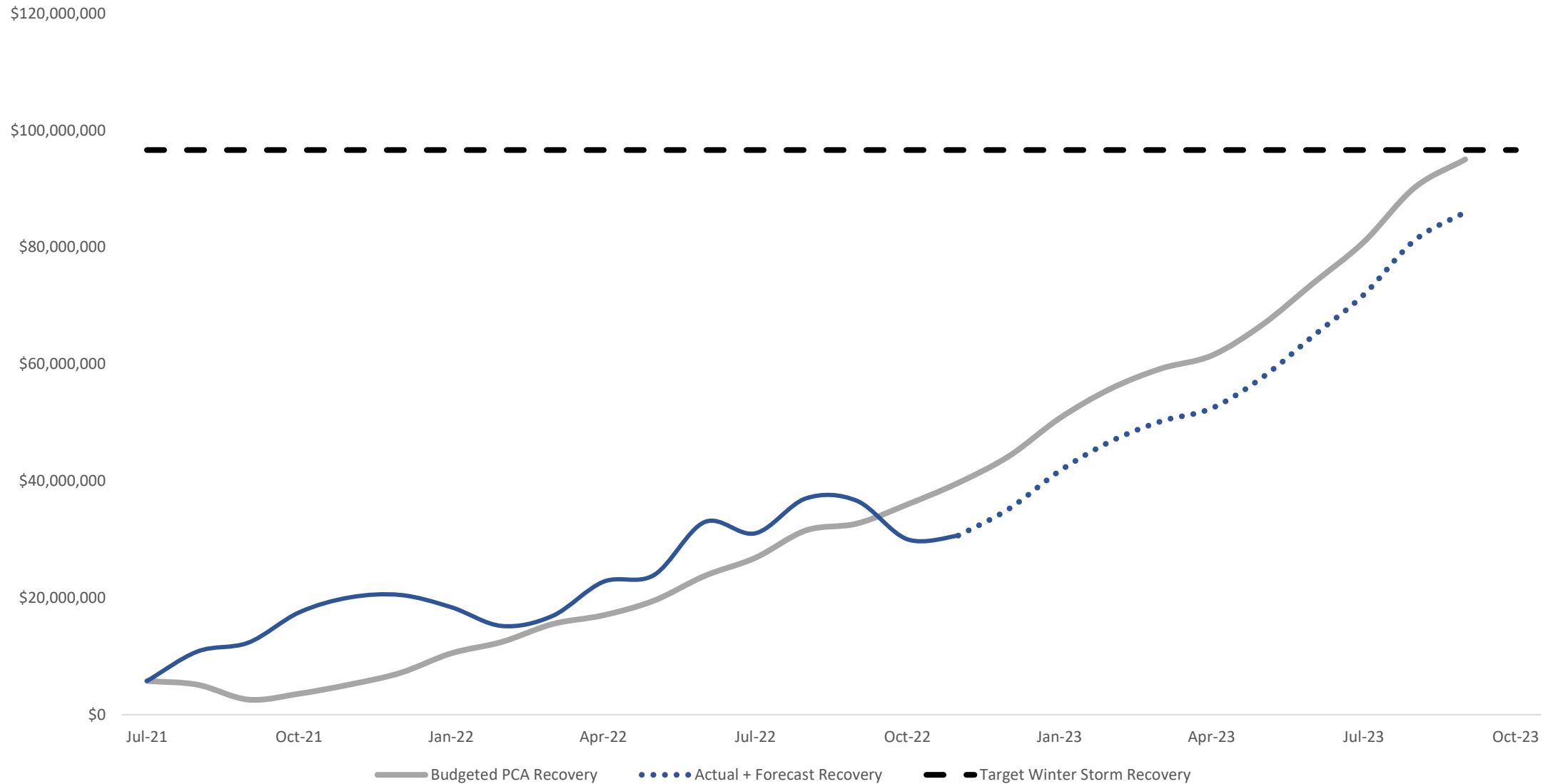
## Capital Improvement Spend



# EBIDA(X) Year to Date (in millions)

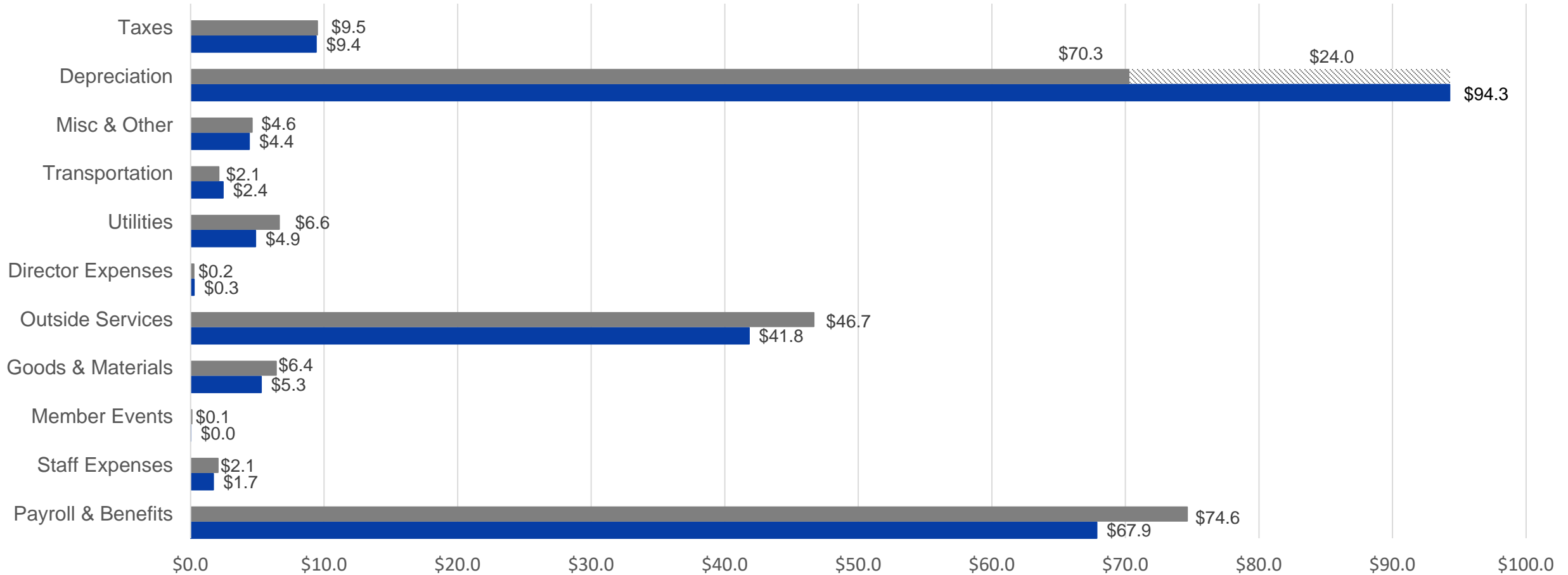


# PCA + FPCRf O/(U) Winter Storm Recovery



# Cost of Service (in millions)

## YTD Actual vs Budget through November 2022



# CIP Spend

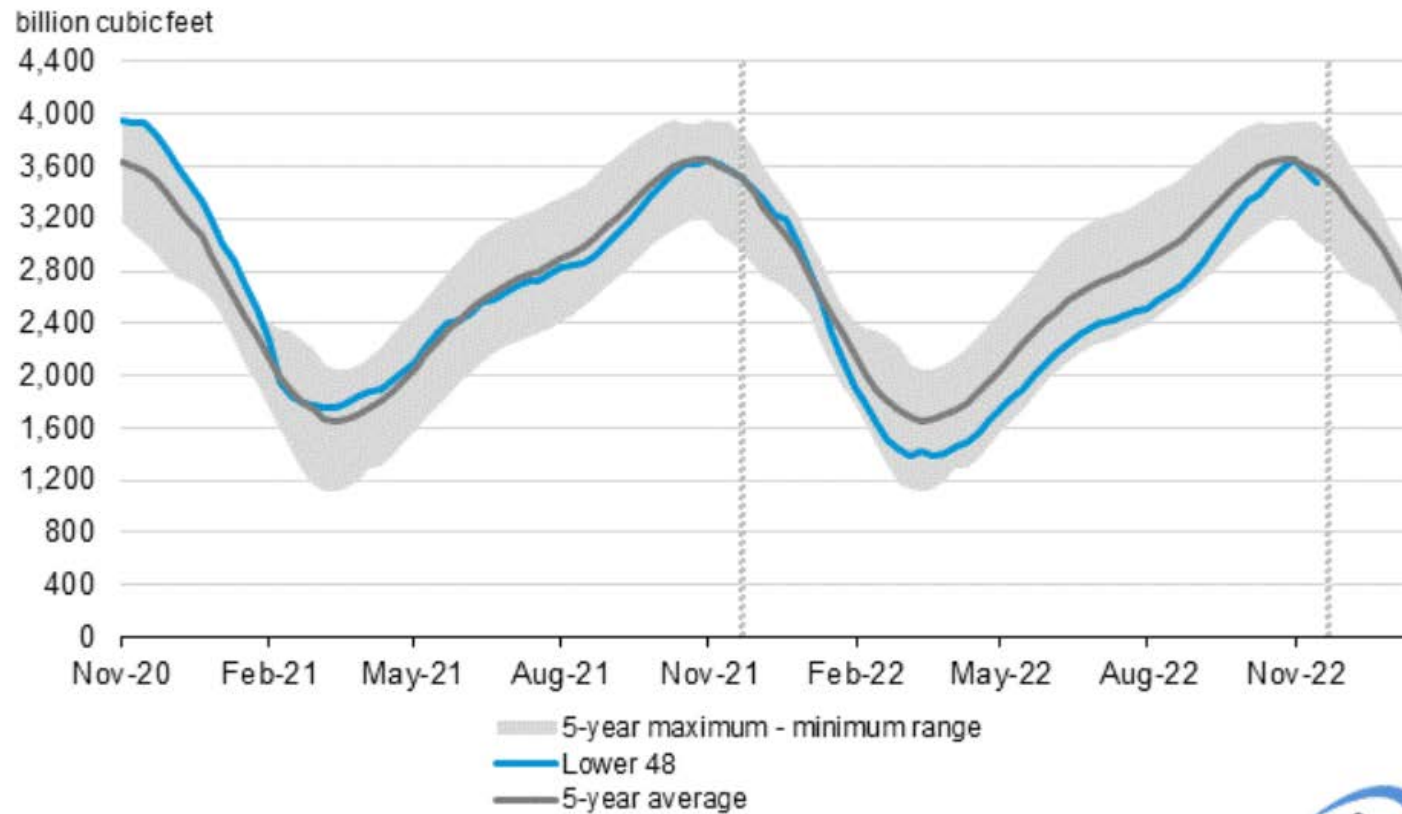
Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Amended Annual Budget
<b><u>Distribution</u></b>					
100	New Lines (Line Extensions for new primary, secondary and service lines)	\$ 10,099,898	\$ 8,341,667	\$ (1,758,231)	\$ 9,100,000
200	Tie Lines (new construction between existing lines)	4,891,326	6,515,443	\$ 1,624,116	7,052,396
300	Conversions or Line Changes	16,533,811	17,783,813	\$ 1,250,002	19,623,189
600	Miscellaneous Distribution Equipment	45,193,708	44,383,053	\$ (810,655)	48,417,876
700	Other Distribution Items	126,385	91,667	\$ (34,718)	100,000
<b>Distribution Total</b>		<b>\$ 76,845,128</b>	<b>\$ 77,115,642</b>	<b>\$ 270,514</b>	<b>\$ 84,293,462</b>
<b><u>Substation</u></b>					
400	New Substations, Switching Stations and Meter Points	\$ 3,336,101	\$ 6,561,667	\$ 3,225,566	\$ 6,820,000
500	Substations, Switching Stations and Meter Point changes	11,496,773	9,086,417	(2,410,357)	9,758,111
<b>Substation Total</b>		<b>\$ 14,832,874</b>	<b>\$ 15,648,083</b>	<b>\$ 815,209</b>	<b>\$ 16,578,111</b>
<b><u>Transmission</u></b>					
800	New Transmission Lines	\$ 3,009,800	\$ 3,480,750	\$ 470,950	\$ 3,777,000
1000	Line and Station Changes	16,043,517	16,251,883	208,366	17,762,000
<b>Transmission Total</b>		<b>\$ 19,053,317</b>	<b>\$ 19,732,633</b>	<b>\$ 679,316</b>	<b>\$ 21,539,000</b>
<b><u>General Plant</u></b>					
2000	Facilities	\$ 21,997,056	\$ 30,002,083	\$ 8,005,028	\$ 32,825,000
3000	Information Technology	4,174,689	11,283,742	7,109,053	12,013,000
4000	Tools & Equipment	159,060	418,155	259,095	433,155
5000	Vehicles	1,866,101	5,986,403	4,120,302	6,530,621
<b>Total General Plant</b>		<b>\$ 28,196,906</b>	<b>\$ 47,690,383</b>	<b>\$ 19,493,477</b>	<b>\$ 51,801,776</b>
<b>Accrued WIP</b>		<b>\$ 2,119,303</b>	<b>\$ -</b>	<b>\$ (2,119,303)</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>		<b>\$ 141,047,528</b>	<b>\$ 160,186,741</b>	<b>\$ 19,139,213</b>	<b>\$ 174,212,349</b>



# Gas Storage

- Gas in storage briefly touches 5yr average before pulling back due to increased heating demand

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



Data source: U.S. Energy Information Administration

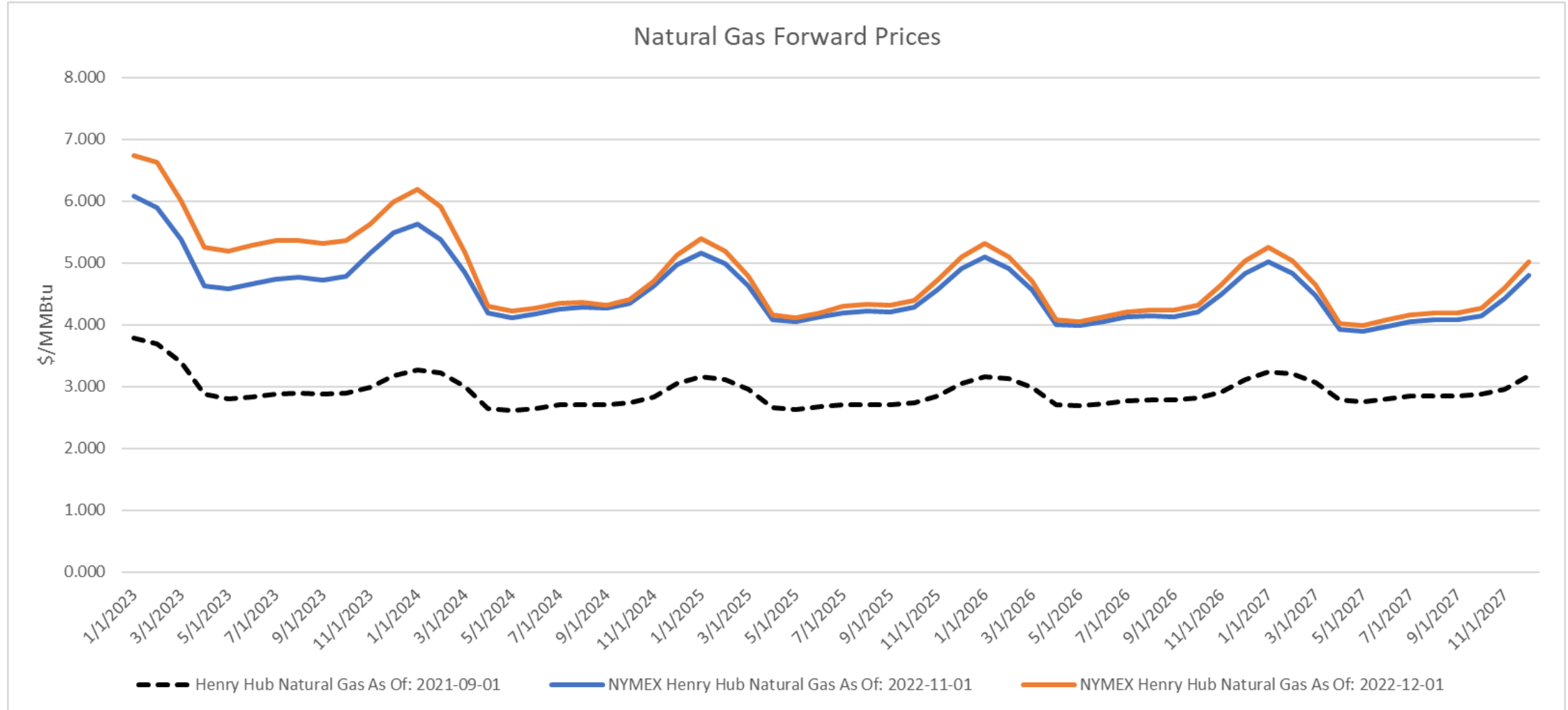


**Note:** The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2017 through 2021. The dashed vertical lines indicate current and year-ago weekly periods.

As of November 25, 2022

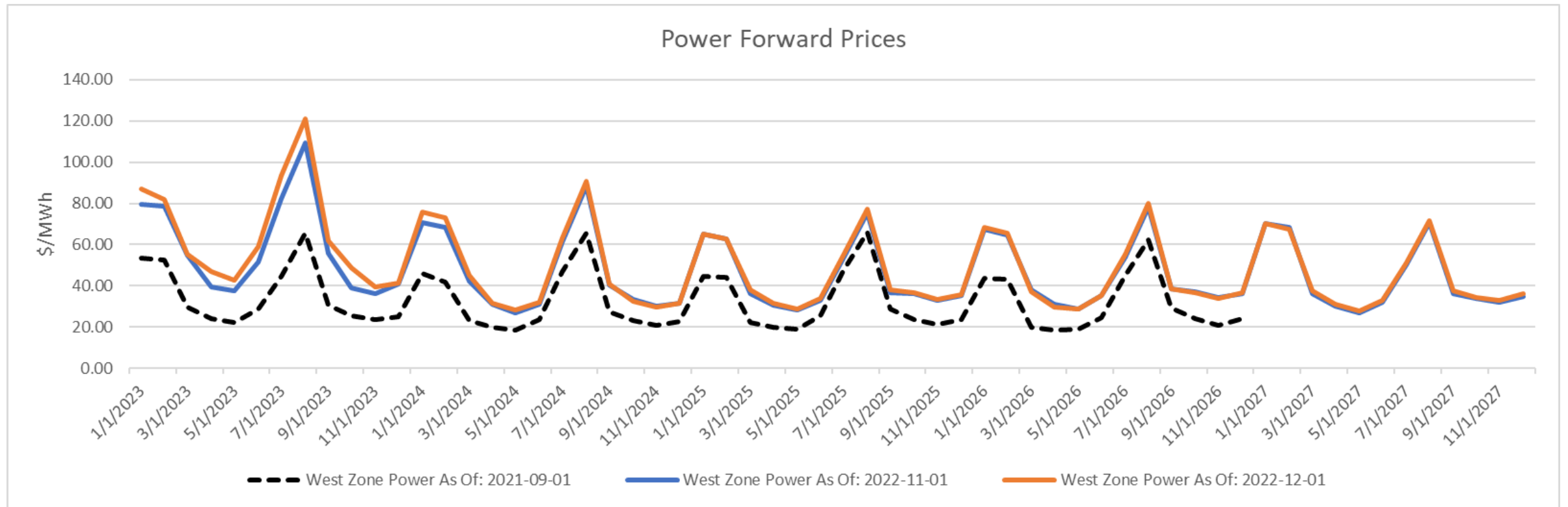
# Forward Natural Gas Prices

Natural gas prices are up on increased heating demand and up from 2022 budget



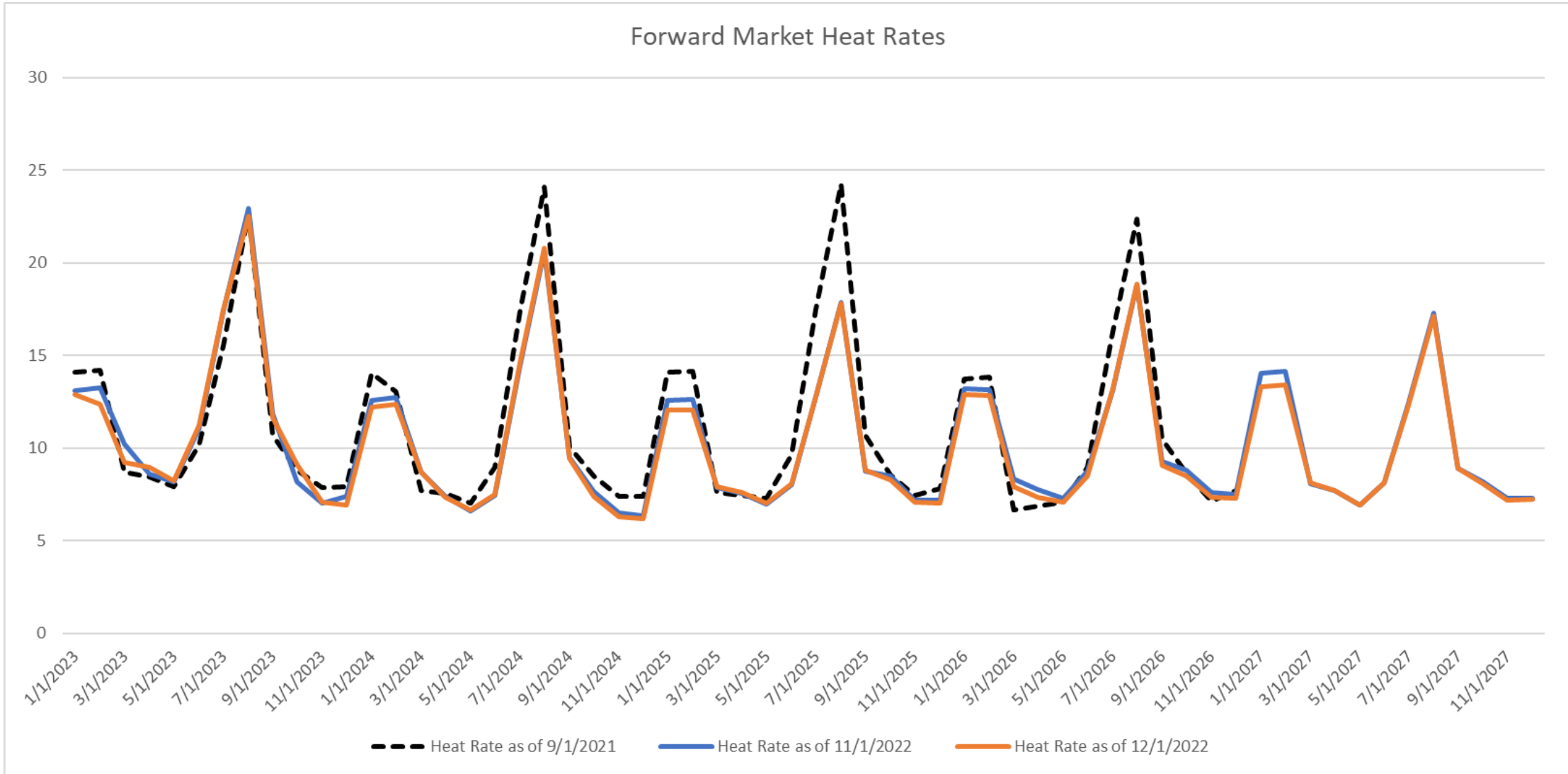
# Forward Power Prices

Forward power prices have followed gas prices

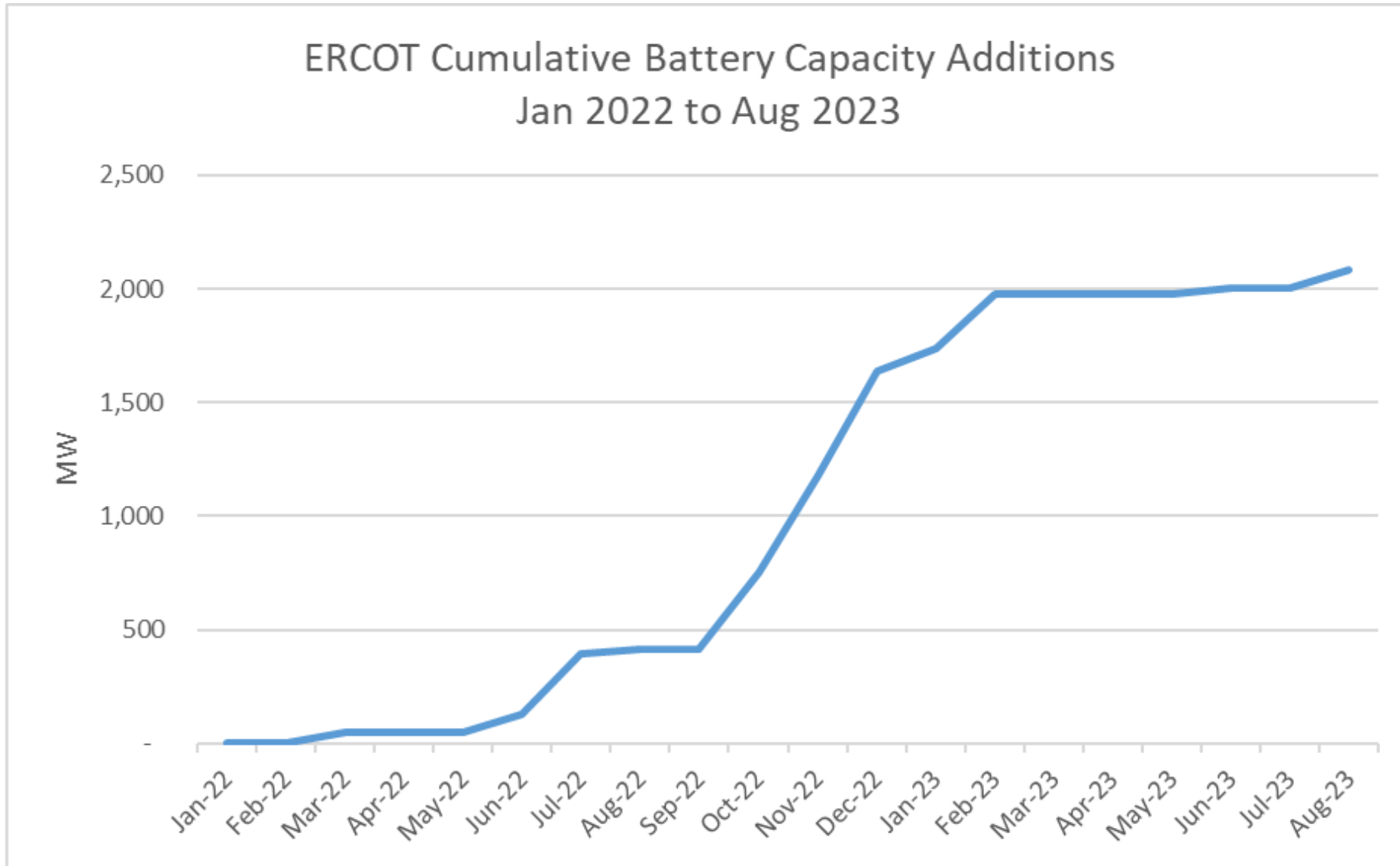


# Market Heat Rates

Prompt heat rates declined from last month and outer years are down from 2022 budget



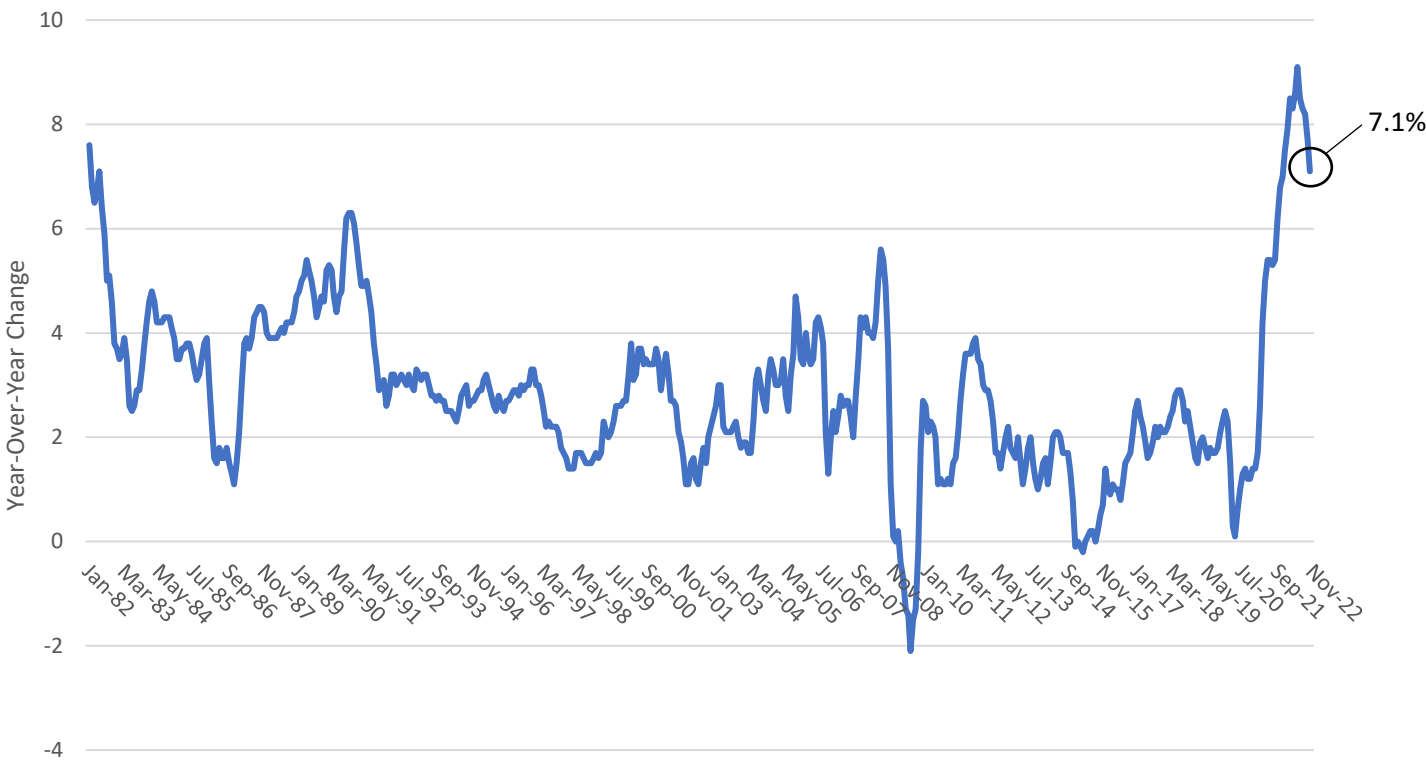
# ERCOT Utility Scale Battery Capacity Additions



Source: Energy Information Administration

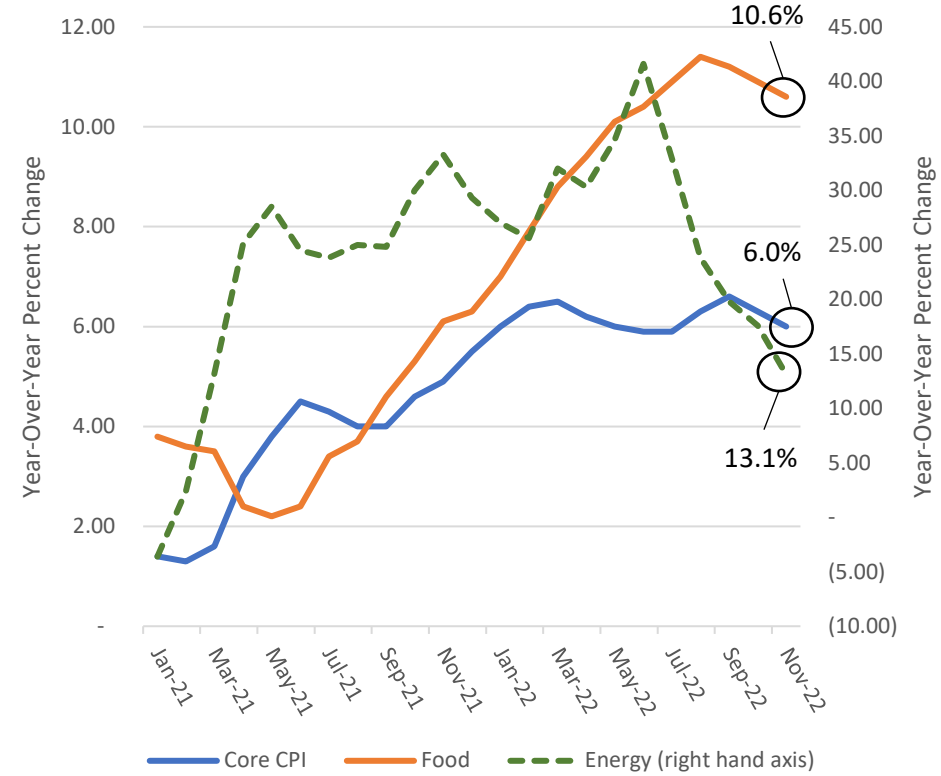
# Inflation

CPI Jan 1982 to Nov 2022



Source: U.S. Bureau of Labor Statistics

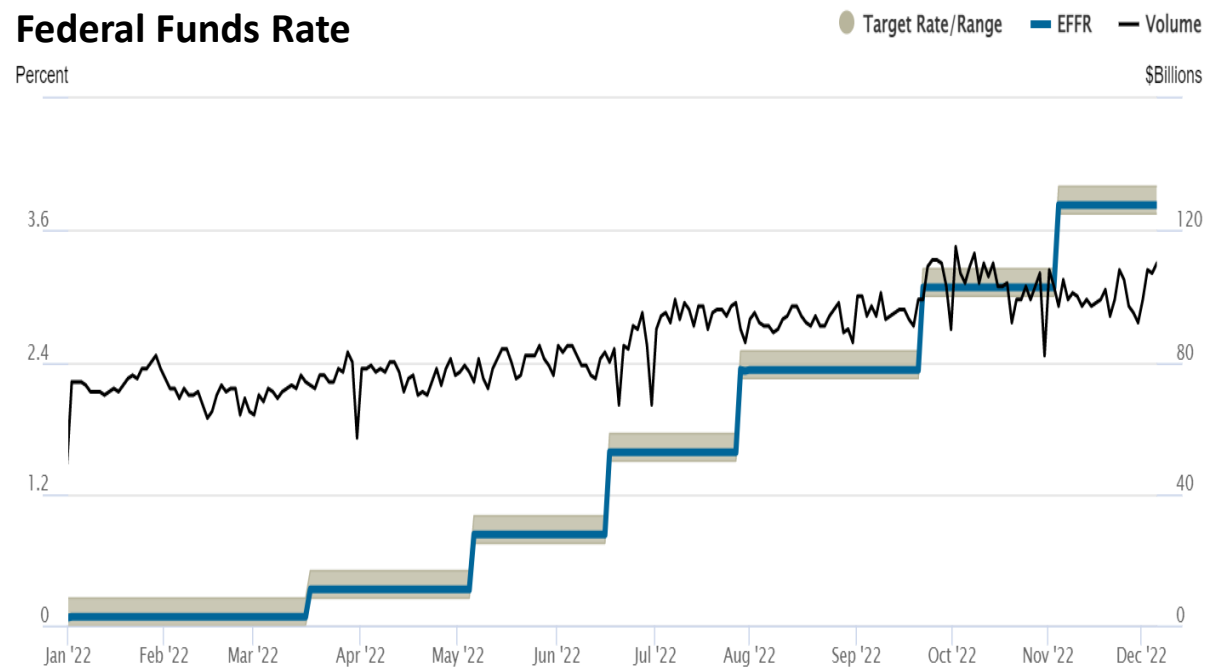
Core CPI, Food and Energy  
Jan 2021 to Nov 2022



Source: U.S. Bureau of Labor Statistics

# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York

## 10-Year Note

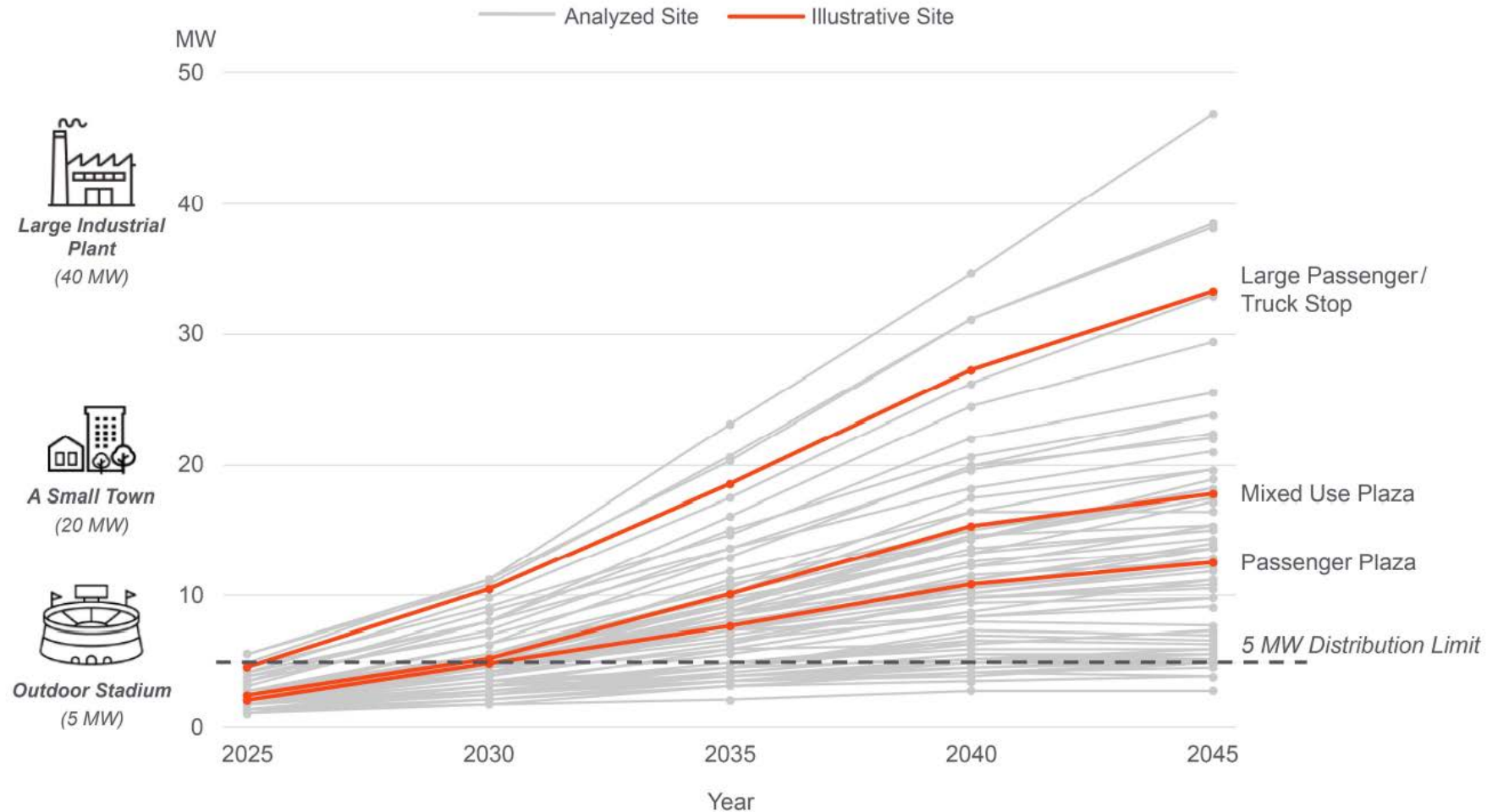


Source: *The Wall Street Journal*

# Electric Highways Study

- Study analyzes the impact of 100% EV mandates.
- Focuses on 71 charging stations in NY and MA
- Key findings:
  - Some sites could reach 40MW demand peaks by 2045
  - Load peaks mid-afternoon
  - Transmission level service required for most sites
  - Average daily usage across all studied sites reaches 4.5 GWhs/day (equivalent to about 20% of PEC's average daily usage)

Figure ES-1. Capacity Required to Meet Annual Peak Demand at Each Site Compared to Other Large Energy Users

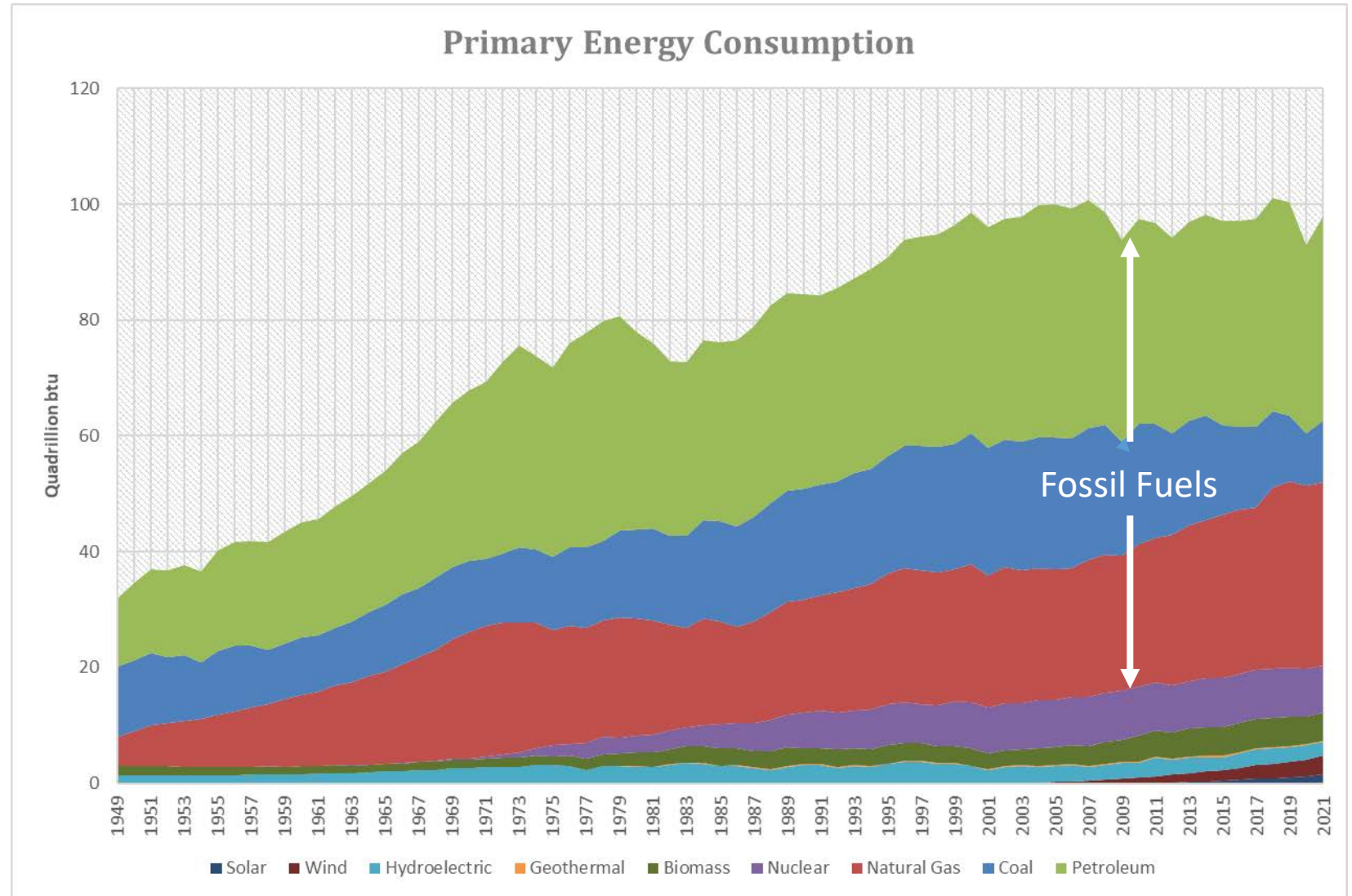


Source: *Electric Highways*, NationalGrid, et. al., November 2022



# Electrification Challenge

- Fossil fuels accounted for 77.5 quadrillion btus (QUADs) of U.S. energy consumption in 2021
- Of that 25.6 QUADs was for transportation
- 25.6 QUADs is equivalent to about 7.5 billion MWhs
- 2021 Total U.S. utility scale electric generation in the U.S. was about 4.1 billion MWhs



Source: Energy Information Administration



**PROUD**

