



August 2022 Financial Presentation to the Board

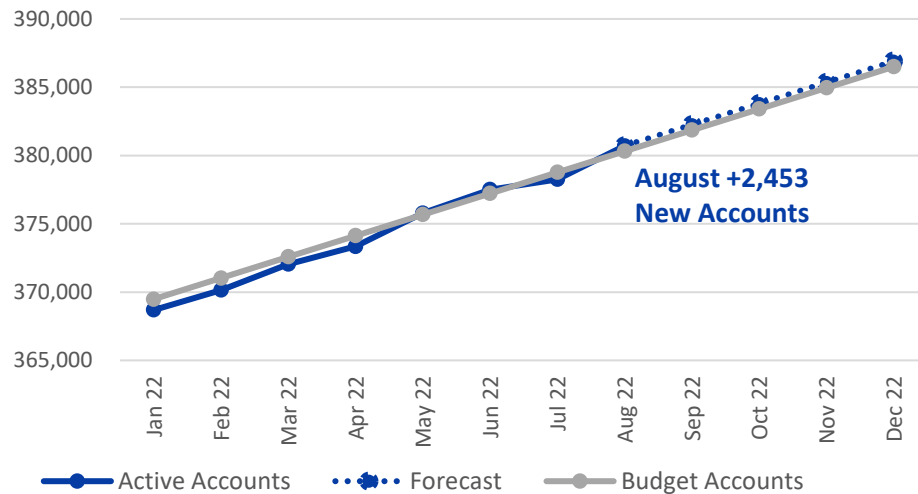
Randy Kruger | Chief Financial Officer

Finance at a Glance – August 2022

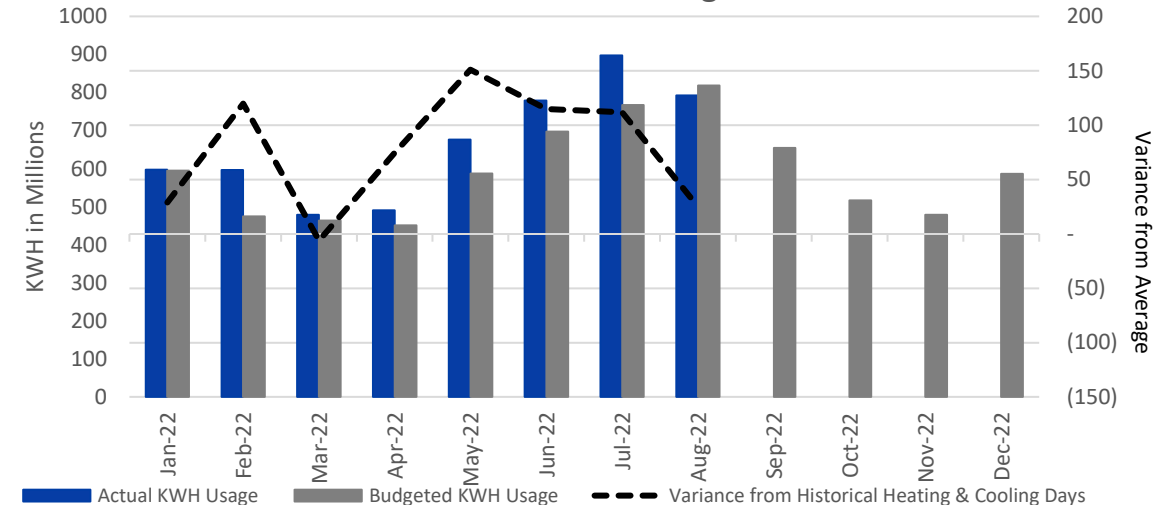
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	792,478	818,696	(26,219)	5,308,908	4,854,621	454,286
Gross Margins	\$ 33.0	\$ 34.1	\$ (1.1)	\$ 236.0	\$ 225.9	\$ 10.1
Net Margins	\$ 10.5	\$ 9.0	\$ 1.5	\$ 42.3	\$ 36.1	\$ 6.2
EBIDA	\$ 22.6	\$ 19.0	\$ 3.6	\$ 143.0	\$ 116.0	\$ 27.0
Revenue O/(U)	\$ 10.6	\$ 5.6	\$ 5.0	\$ 27.9	\$ 24.0	\$ 3.9
EBIDA(X)	\$ 33.2	\$ 24.6	\$ 8.6	\$ 170.9	\$ 140.0	\$ 30.9

	Liquidity Coverage
Cash & Marketable Securities	\$ 14,779,887
Short Term Facilities	505,000,000
Less: Short Term Borrowings	91,900,300
Available Liquidity	\$ 427,879,587
Liquidity Coverage (Days)	245

Active Account Growth



Weather and kWh Usage

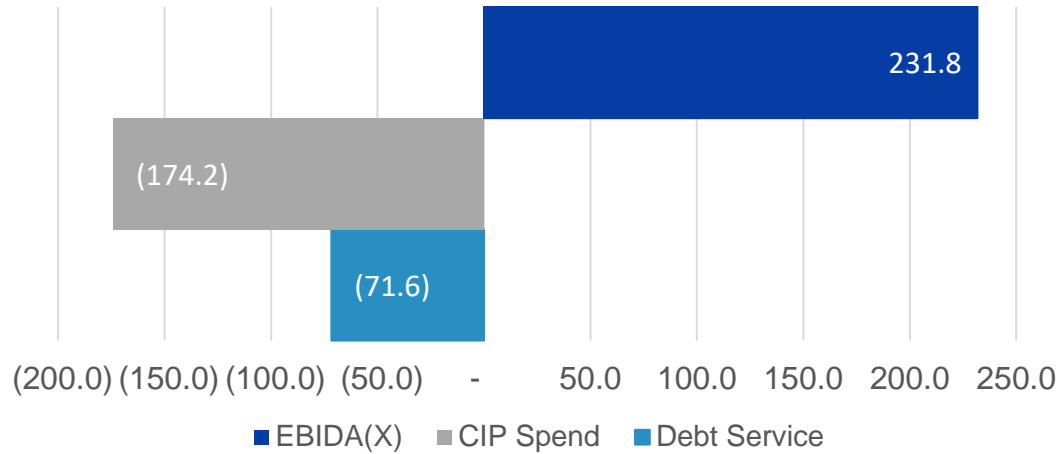


Financial Performance

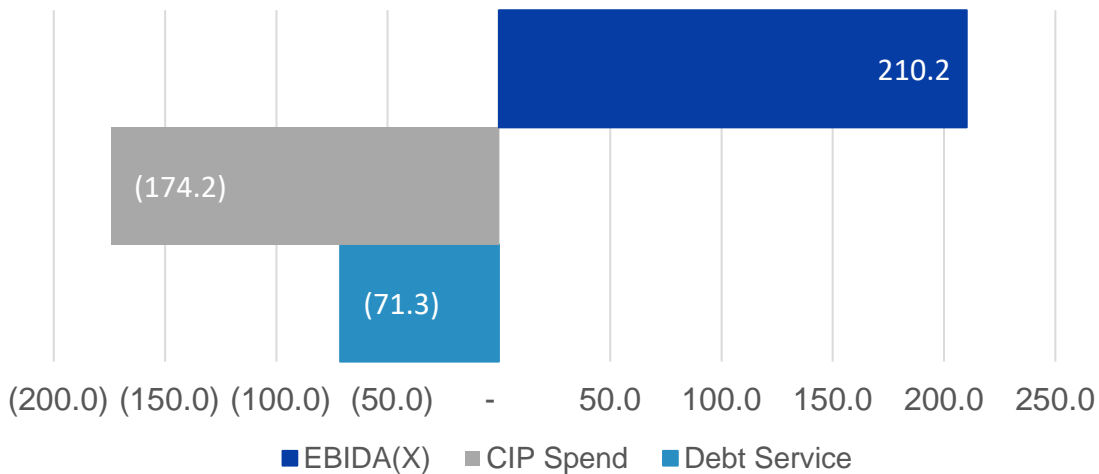
	MTD			YTD			Annual		2021 to 2022 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Forecast	Budget	
Gross Margins	\$ 33,044,098	\$ 34,119,909	\$ 31,365,339	\$ 236,026,560	\$ 225,948,138	\$ 209,201,118	\$ 343,250,882	\$ 332,824,766	12.82%
Operating Expenses Ex. Depreciation	13,506,038	15,111,174	13,783,322	97,637,492	111,144,195	108,959,670	154,080,279	165,745,081	-10.39%
Depreciation	8,256,653	6,391,252	5,927,810	70,762,435	51,130,017	46,633,363	103,358,236	76,695,026	
Interest Expense	3,846,612	3,592,730	3,685,474	29,957,010	28,741,838	25,811,107	44,311,588	43,103,481	
Other Income and Interest Expenses	(3,072,954)	(11,425)	(75,322)	(4,646,123)	(1,148,096)	(1,727,955)	(6,153,774)	(2,655,711)	
Net Margins	\$ 10,507,749	\$ 9,036,178	\$ 8,044,055	\$ 42,315,746	\$ 36,080,183	\$ 29,524,933	\$ 47,654,552	\$ 49,936,889	
EBIDA	\$ 22,611,014	\$ 19,020,160	\$ 17,657,339	\$ 143,035,191	\$ 115,952,039	\$ 101,969,403	\$ 195,324,377	\$ 169,735,396	40.27%
Over (Under) Collected Revenues	10,594,499	5,619,354	5,285,890	27,859,617	24,028,437	(135,030,476)	\$36,434,964	40,435,604	
EBIDA(X)	\$ 33,205,513	\$ 24,639,515	\$ 22,943,229	\$ 170,894,808	\$ 139,980,476	\$ (33,061,073)	\$ 231,759,341	\$ 210,171,001	
Total Long-Term Debt							\$ 1,011,835,544	\$ 1,040,538,177	
Debt Service							71,637,156	71,288,720	
Debt Service Coverage Ratio							2.73	2.38	
Equity as Percent of Assets							40.6%	40.3%	
Net Plant in Service							\$ 1,897,099,311	\$ 1,923,846,600	
Capital Improvement Spend							\$ 174,212,349	\$ 174,212,349	
Energy Sales kWh	792,477,745	818,696,476	746,590,861	5,308,907,544	4,854,621,263	4,587,884,104	7,571,724,883	7,091,219,870	15.72%
Energy Purchases kWh	845,449,057	873,148,750	782,686,022	5,632,281,509	5,176,907,836	4,878,400,818	8,059,005,461	7,571,421,437	15.45%
Active Accounts				380,712	380,316	361,397	386,901	386,505	5.34%

Financing Sources & Uses

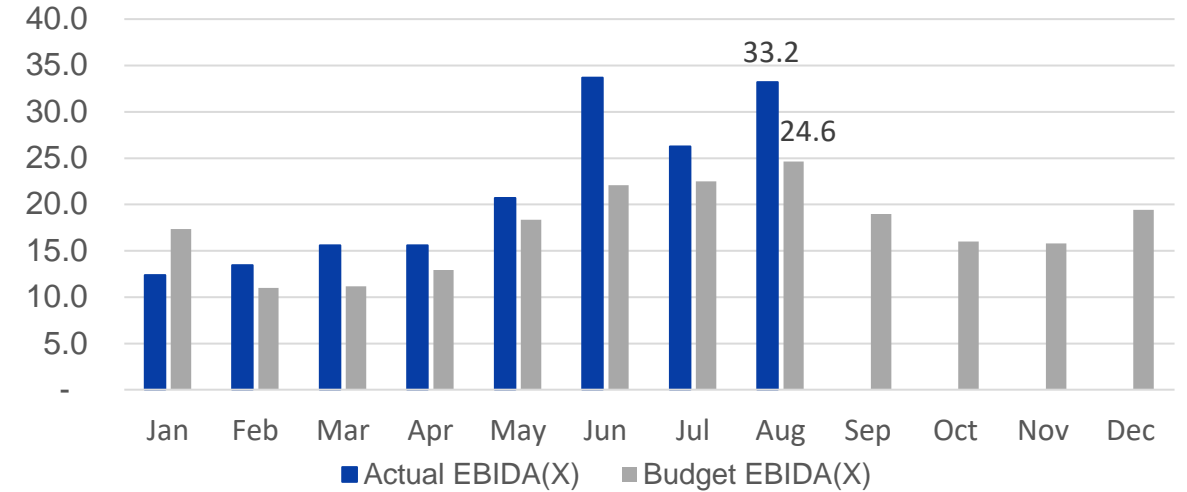
Annual Forecast



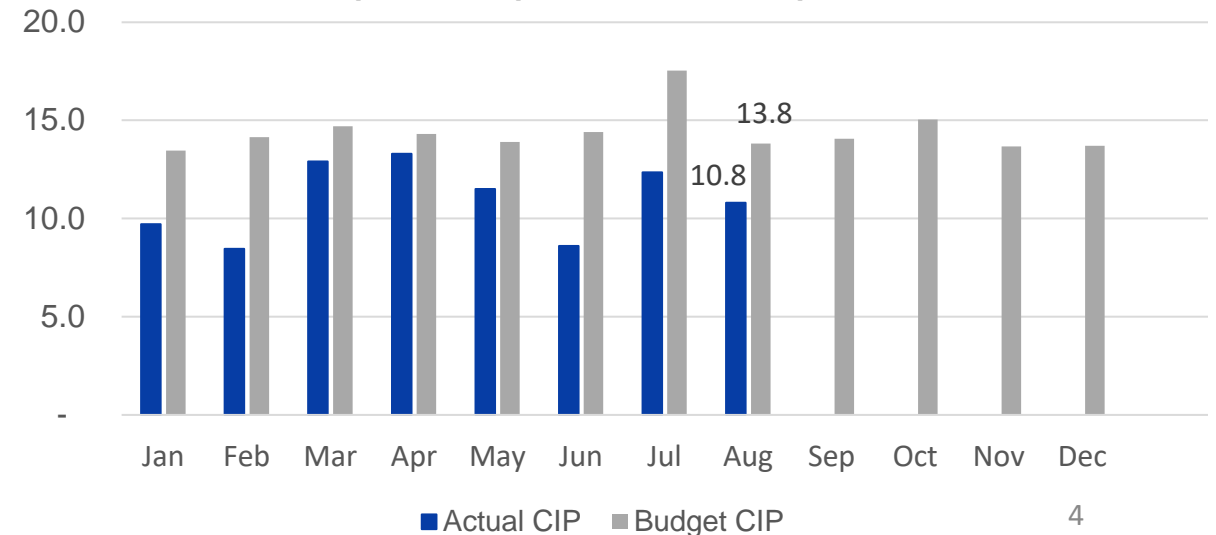
Annual Budget



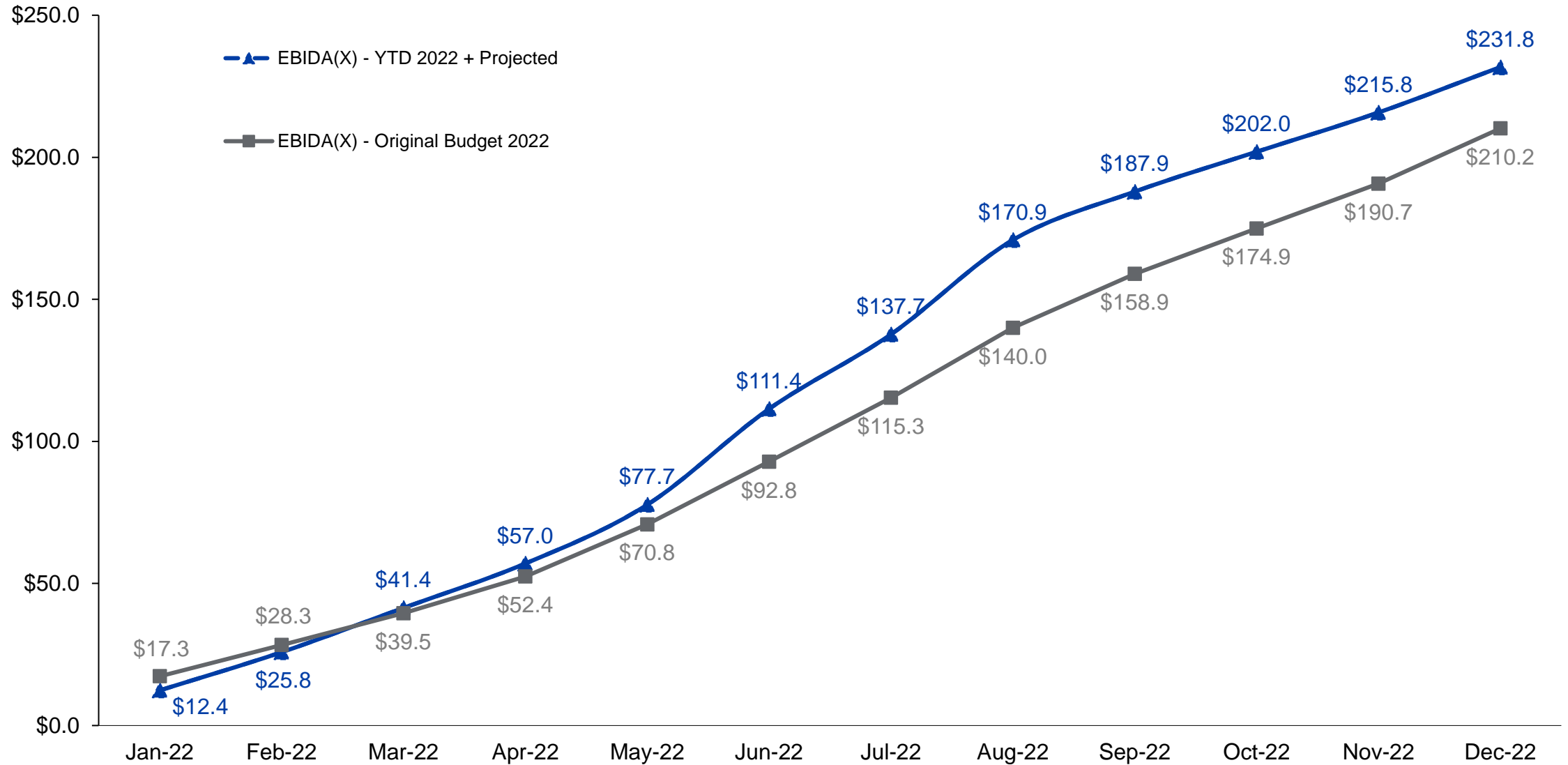
EBIDA(X) by Month



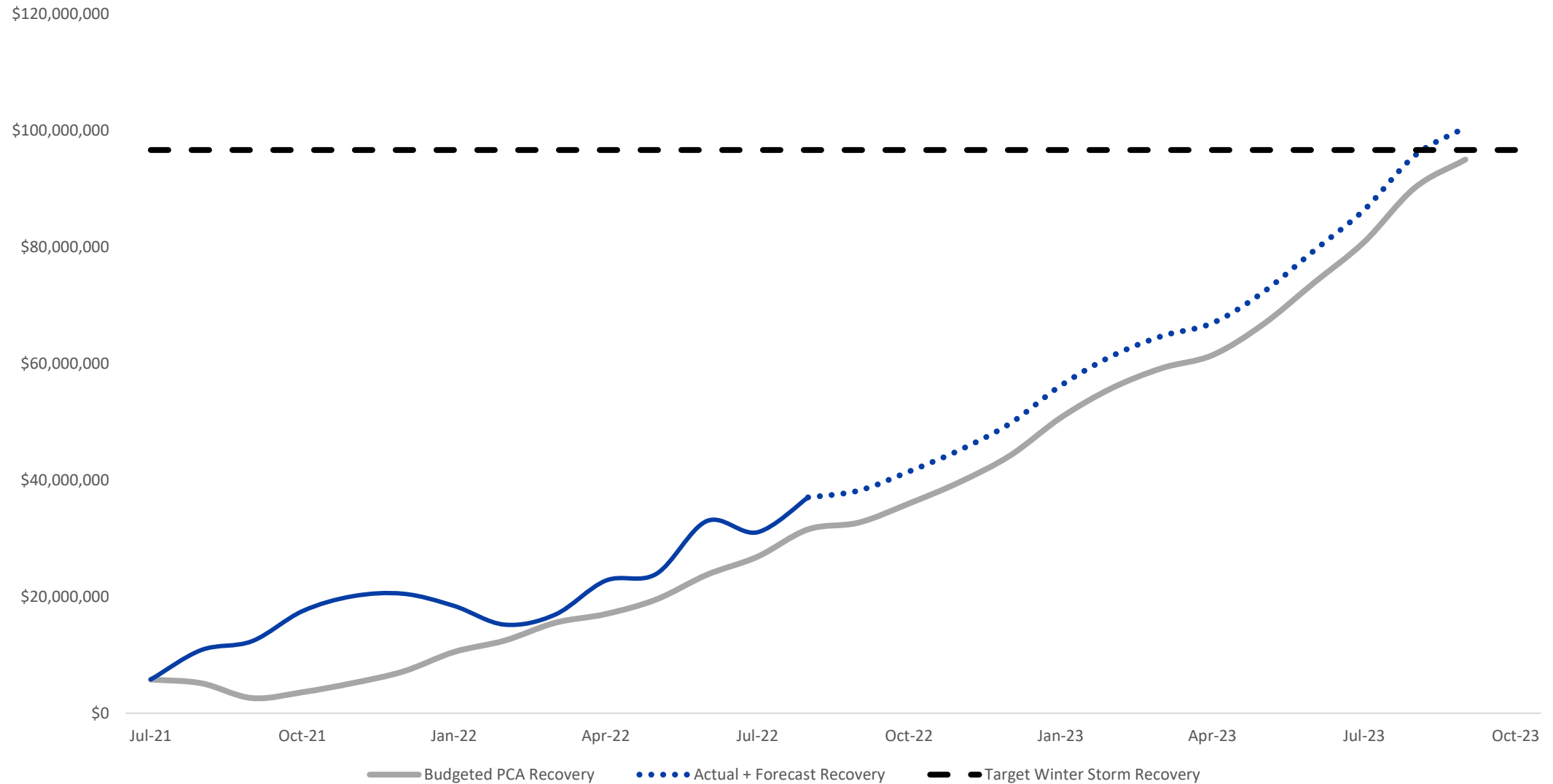
Capital Improvement Spend



EBIDA(X) Year to Date (in millions)

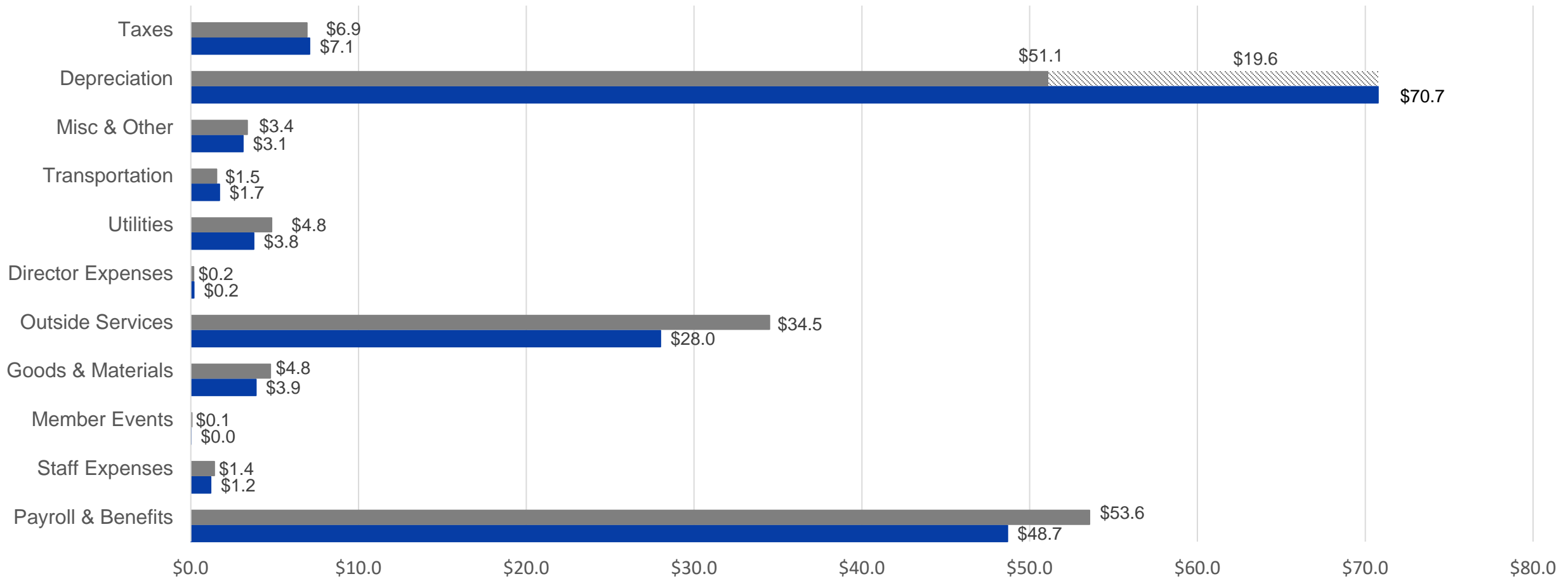


Base Power Over/(Under) Recovery



Cost of Service (in millions)

YTD Actual vs Budget through August 2022



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

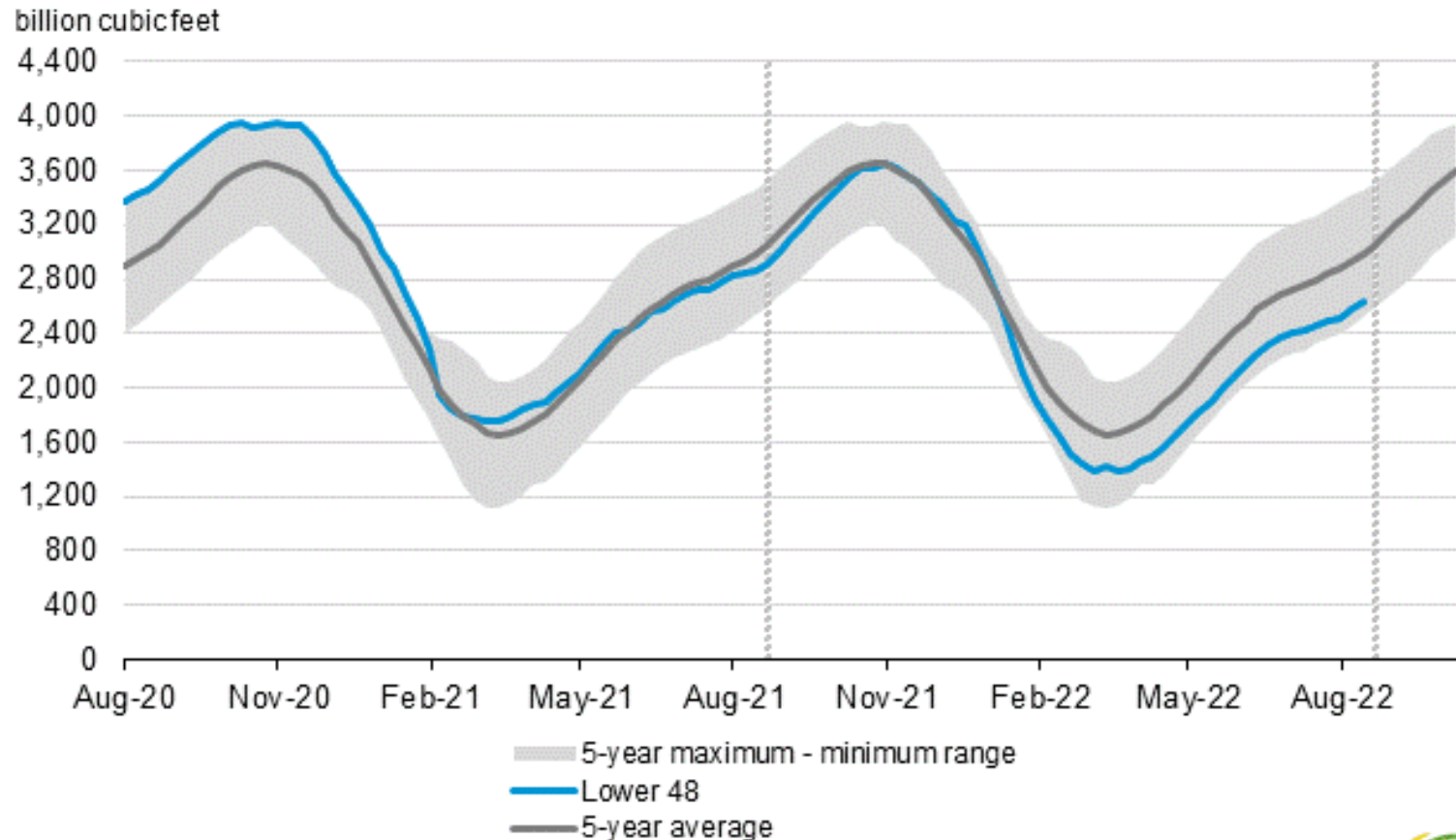
CIP Spend

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)	\$ 2,111,657	\$ 6,066,667	\$ 3,955,010	\$ 9,100,000
200 Tie Lines (new construction between existing lines)	3,197,470	4,904,582	1,707,112	7,052,396
300 Conversions or Line Changes	10,428,273	12,139,461	1,711,188	19,623,189
600 Miscellaneous Distribution Equipment	33,464,699	32,278,584	(1,186,115)	48,417,876
700 Other Distribution Items	118,713	66,667	(52,047)	100,000
Distribution Total	\$ 49,320,812	\$ 55,455,960	\$ 6,135,148	\$ 84,293,462
<u>Substation</u>				
400 New Substations, Switching Stations and Meter Points	\$ 2,941,203	\$ 5,246,667	\$ 2,305,464	\$ 6,820,000
500 Substations, Switching Stations and Meter Point changes	5,958,704	6,123,000	164,296	9,758,111
Substation Total	\$ 8,899,907	\$ 11,369,667	\$ 2,469,760	\$ 16,578,111
<u>Transmission</u>				
800 New Transmission Lines	\$ 1,618,872	\$ 2,370,000	\$ 751,129	\$ 3,777,000
1000 Line and Station Changes	8,424,635	11,721,533	3,296,899	17,762,000
Transmission Total	\$ 10,043,506	\$ 14,091,533	\$ 4,048,027	\$ 21,539,000
<u>General Plant</u>				
2000 Facilities	\$ 13,744,759	\$ 21,533,333	\$ 7,788,574	\$ 32,825,000
3000 Information Technology	2,685,551	9,245,992	6,560,441	12,013,000
4000 Tools & Equipment	145,457	373,155	227,698	433,155
5000 Vehicles	1,201,608	4,353,747	3,152,140	6,530,621
Total General Plant	\$ 17,777,375	\$ 35,506,228	\$ 17,728,852	\$ 51,801,776
Accrued WIP	\$ 1,617,659	\$ -	\$ (1,617,659)	\$ -
Total Capital Improvement Plan Spend	\$ 87,659,259	\$ 116,423,388	\$ 28,764,129	\$ 174,212,349

Gas Storage

- High temperatures and flat production keeping storage near 5 year minimum

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



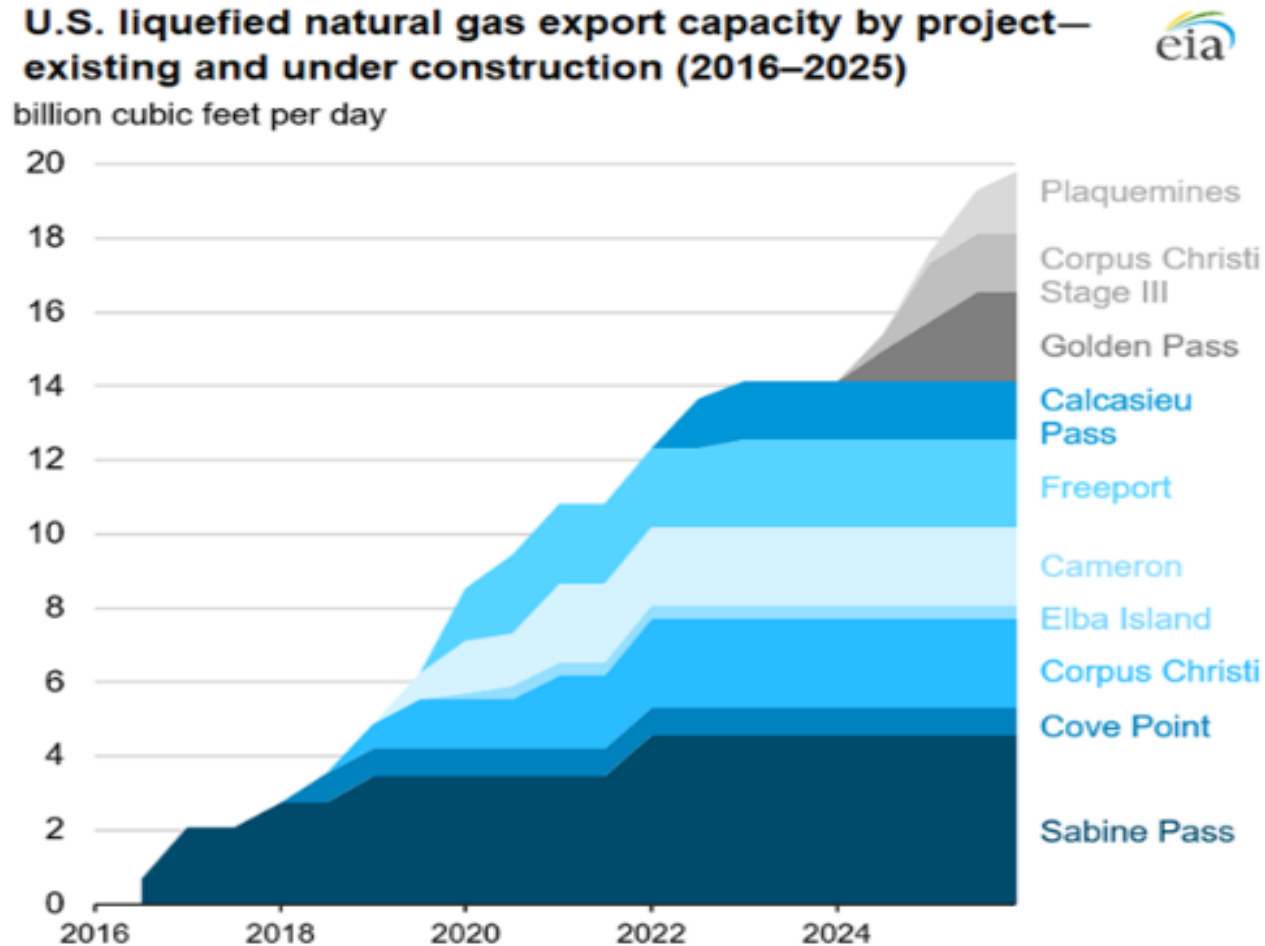
Source: U.S. Energy Information Administration



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.

LNG Export Capacity Growing

- U.S. leads the world in LNG export capacity which will increase by 5.7 Bcf/day through 2025

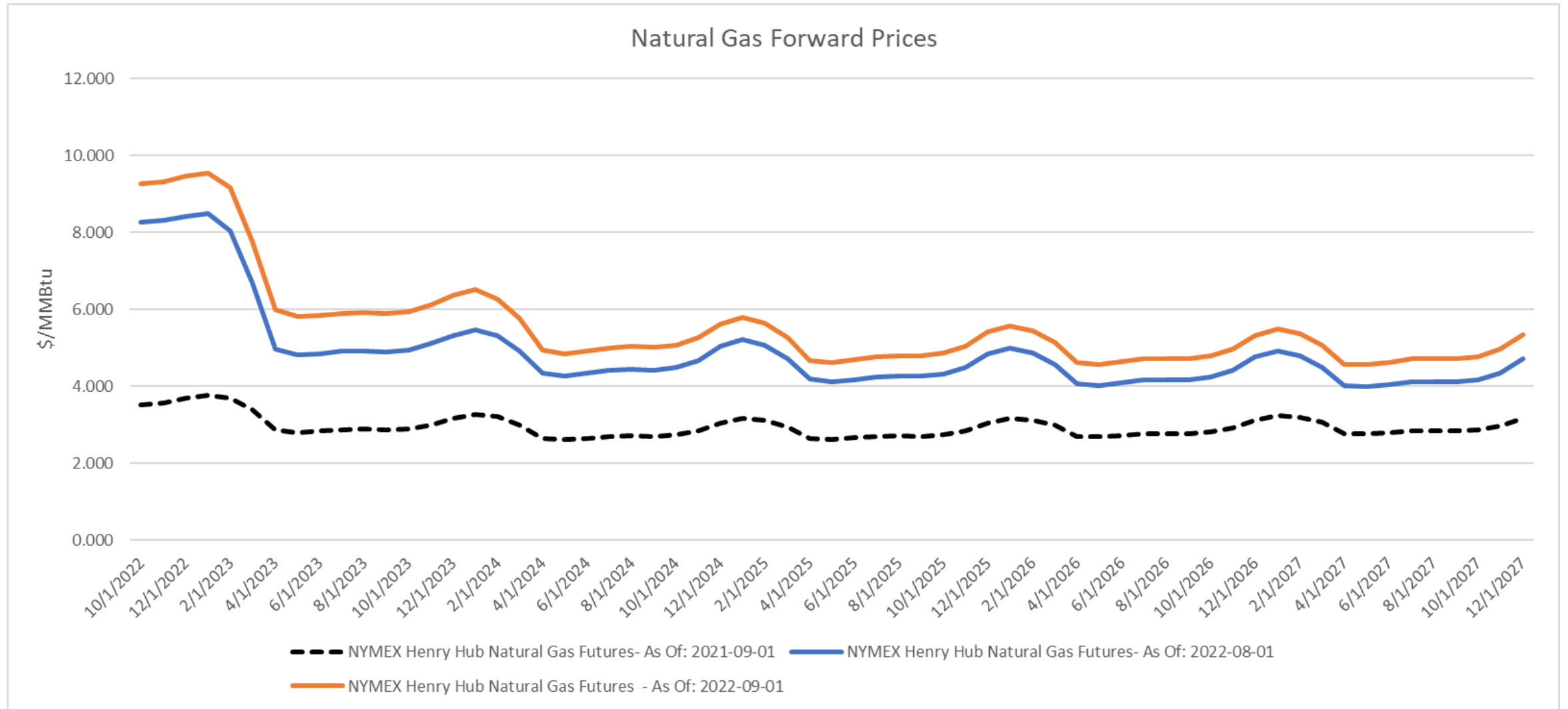


Data source: U.S. Energy Information Administration, [Liquefaction Capacity File](#)

Note: The chart shows U.S. LNG peak export capacity buildout by project. Online dates of LNG export projects under construction are our estimates based on trade press.

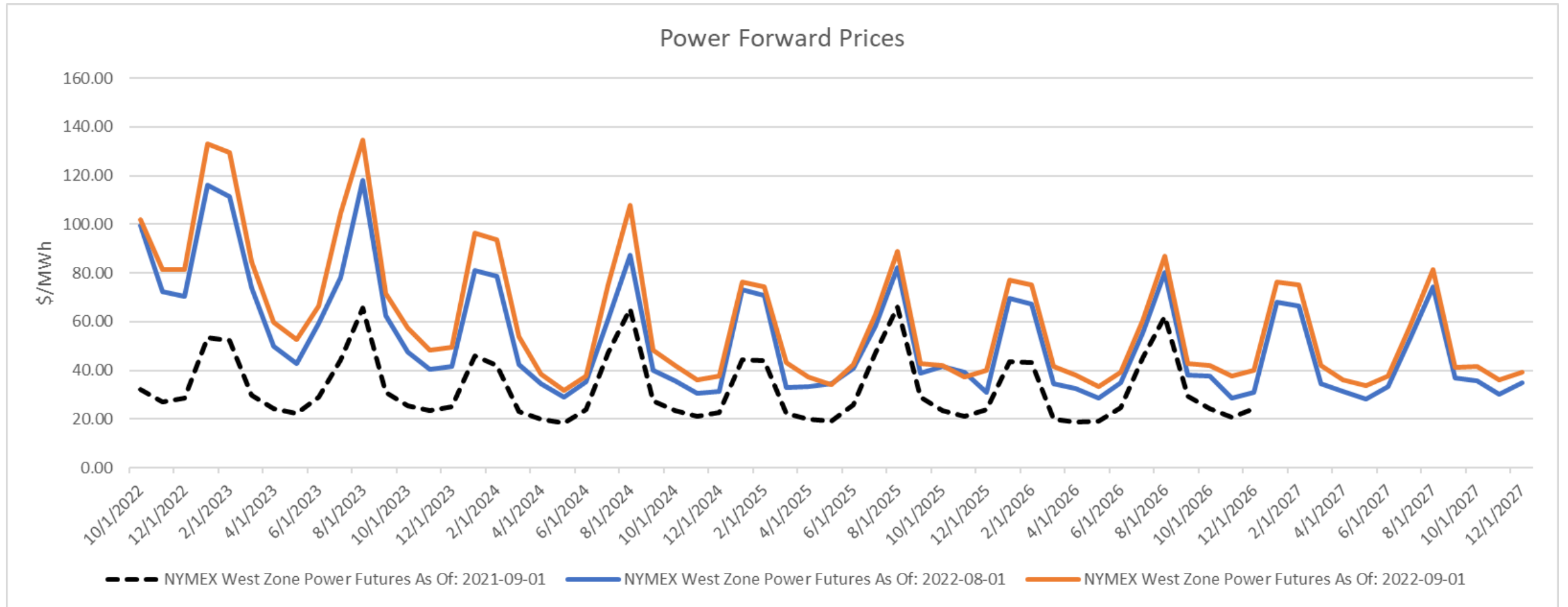
Forward Natural Gas Prices

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



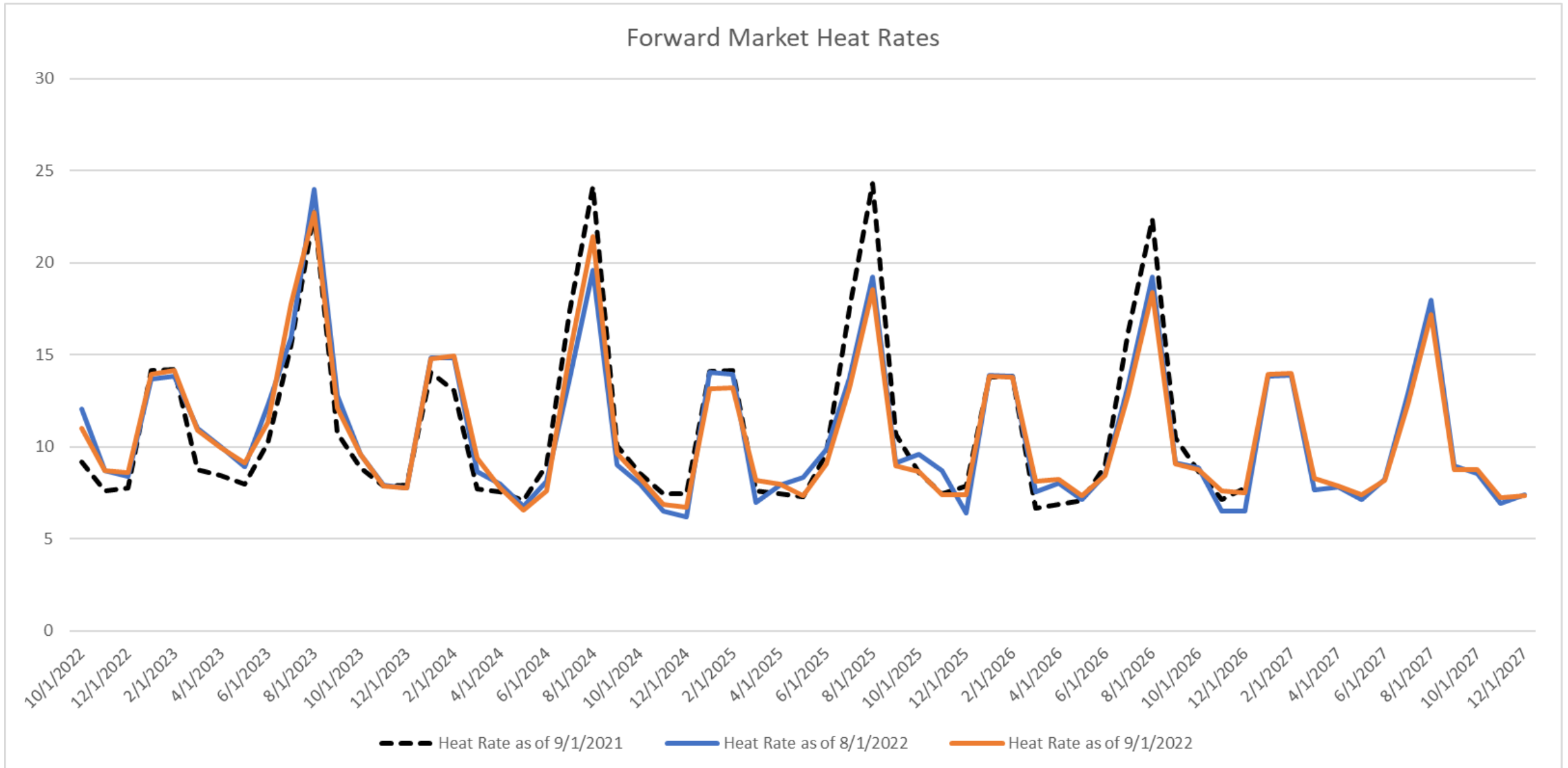
Forward Power Prices

Forward power prices have followed gas prices



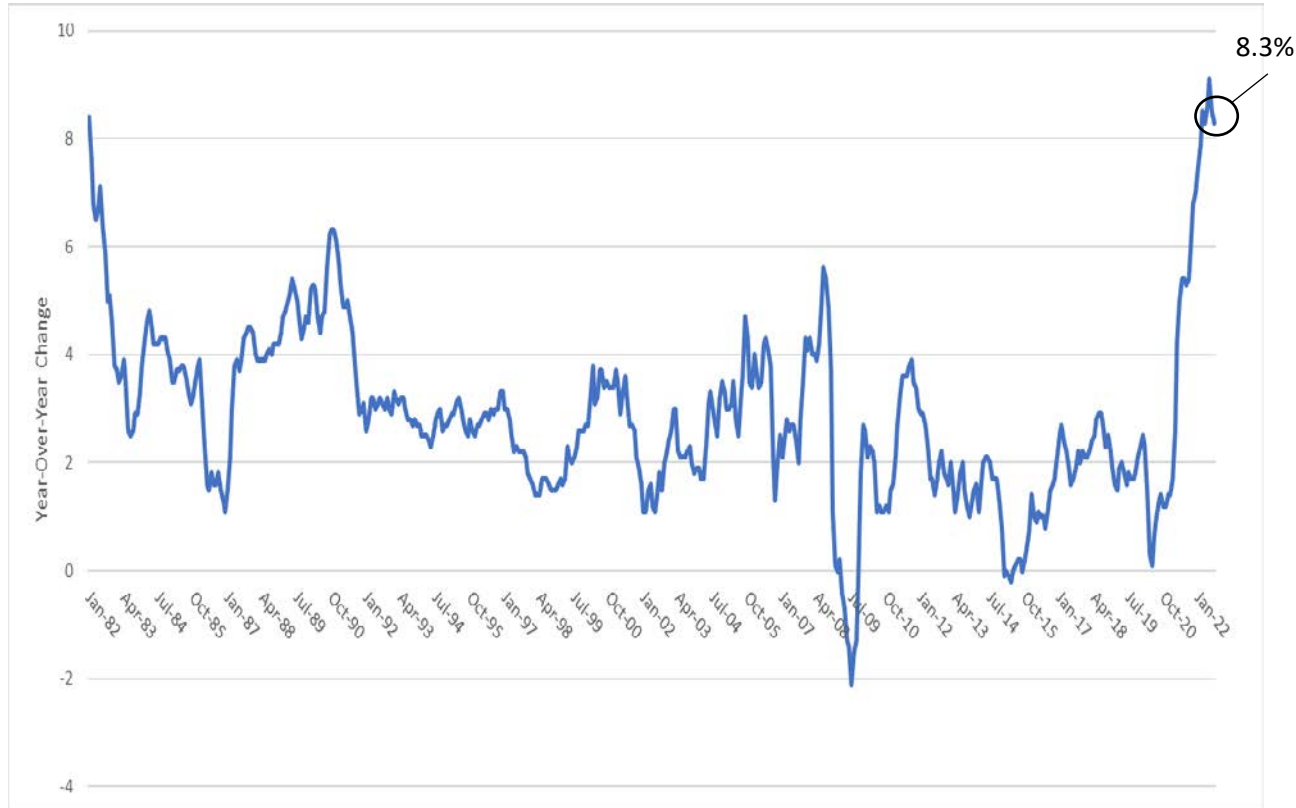
Market Heat Rates

Heat rates relatively unchanged from last month and outer years down from budget



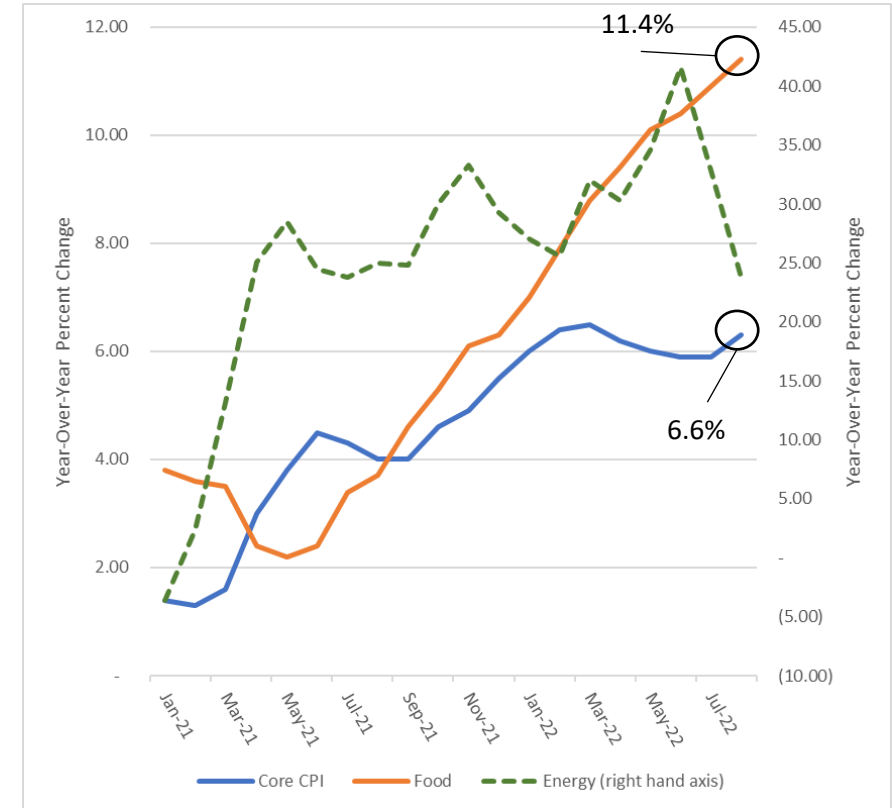
Inflation

CPI Jan 1982 to August 2022



Source: U.S. Bureau of Labor Statistics

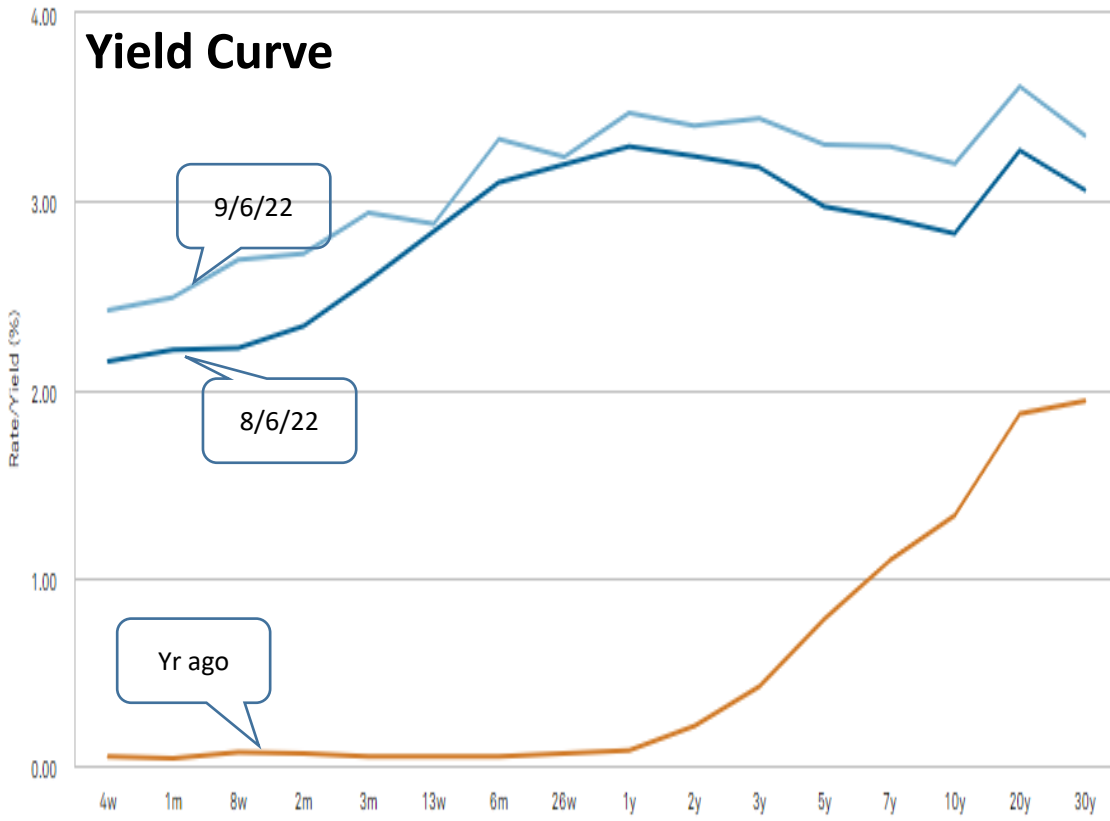
Core CPI, Food and Energy
Jan 2021 to August 2022



Source: U.S. Bureau of Labor Statistics

Interest Rates

- 10-yr treasury rate approaching June highs and yield curve remains inverted



10-Year Note



Fear and Loathing in the Energy Markets

FINANCIAL TIMES

German companies halt production to cope with rising energy prices

Newsweek

Californians Told Not to Charge Electric Cars Days After Gas Car Sales Ban

yahoo!finance

UK Inflation Could Top 22% Next Year, Warns Goldman Sachs

The Guardian

More than 70% of pubs do not expect to survive winter as energy costs soar

**FOX 7
AUSTIN**

More than 20 million US households are behind on utility bills

The New York Times

Europe is Sacrificing Its Ancient Forests for Energy



PROUD

