

FINANCIAL HIGHLIGHTS SECOND QUARTER

ENDED JUNE 2022



Board of Commissioners

Toni Olson, President
Rebecca Wolfe, Vice President
Sid Logan, Secretary

CEO/General Manager

John Haarlow

August 2022

Combined operating revenue increased \$10.2 million and \$19.1 million in the three months and six months ended June 30, 2022, compared to the same periods in 2021. Retail sales increased \$5.4 million in the second quarter of 2022 and \$15.2 million in the first six months of 2022 compared to the same periods in 2021. Wholesale power sales increased \$8.2 million in the second quarter of 2022 and increased \$13.7 million in the first half of 2022. The PUD sells surplus power into the wholesale power markets to balance resources with customer loads. Market prices were lower in 2022 when compared to 2021; however, volume of sales was significantly higher in 2022. Other utility operating income was unchanged in the second quarter of 2022 and unchanged in the six months ended June 30, 2022, compared to 2021.

Operating expenses increased \$5.1 million and increased \$6.5 for the three months and six months ended June 30, 2022, from the same periods in 2021. Purchased power expense decreased \$0.9 million and \$0.5 million in the three months and six months ended June 30, 2022. A heat wave in June

2021 led to significantly larger volumes of power purchases in the wholesale market. Operation and maintenance expense decreased \$14.9 million and increased \$6.5 million in the three and six months ended June 30, 2022. Two significant weather events in the first quarter of 2021 and the recognition of increased bad debt provision expense were the main drivers of the decrease.

Combined other income and expense increased \$0.4 million and \$1.3 million in the three and six months ended June 30, 2022, compared to the same periods in 2021. Market conditions led to relatively flat interest income compared to the same periods in 2021.

Capital contributions from developers decreased \$0.4 million in the three and six months ended June 30, 2022, compared to the same periods in 2021. Development growth has flattened when compared to a relatively robust development period in 2021 following COVID-19 restrictions.

Current assets decreased \$21.3 million to \$236.5 million as of June 30, 2022, the result of timing and is anticipated to be temporary.

Combined net utility plant as of June 30, 2022, increased \$58.0 million when compared to the balance as of June 30, 2021, reflecting additions to electric and water distribution infrastructure to support a growing customer base. The PUD connected 6,345 new electric customers in this twelve-month period.

Other assets increased \$143.3 million since June 2021 due to in large \$116.6 million of net pension assets.

Current liabilities decreased \$0.1 million from June 2021.

The \$25.1 million decrease in June 2022 long-term debt from June 2021 is the result of annual repayments of issued debt.

Other liabilities decreased \$34.1 million from June 30, 2021, to 2022 due to an adjustment in the net pension plan liability.

Deferred inflows of resources increased \$133.1 million since June 2021 as a result of recording adjustments to net pension plan deferrals at the end of 2021. PERS represents \$109 million of the change.

Combined Statements of Revenues and Expenses (UNAUDITED)

(In millions)

Three Months Ended June 30,

2022

2021

	Electric System	Generation System	Water System	Combined	Combined
Operating Revenues	\$ 164.0	\$ 7.3	\$ 3.4	\$ 167.5	\$ 157.3
Operating Expenses	176.4	4.8	3.6	177.5	172.4
Net Operating Income (Loss)	(12.4)	2.5	(0.2)	(10.0)	(15.1)
Other Income (Expense)	(3.9)	(1.2)	(0.1)	(4.4)	(4.8)
Capital Contributions	6.1	—	0.7	6.8	7.2
Net Income (Loss)	\$ (10.2)	\$ 1.3	\$ 0.5	\$ (7.6)	\$ (12.7)

Six Months Ended June 30,

2022

2021

	Electric System	Generation System	Water System	Combined	Combined
Operating Revenues	\$ 376.2	\$ 14.3	\$ 6.7	\$ 383.1	\$ 364.0
Operating Expenses	355.2	8.8	6.8	356.7	350.2
Net Operating Income	21.0	5.5	(0.1)	26.4	13.8
Other Income (Expense)	(7.3)	(1.2)	(0.3)	(8.0)	(9.3)
Capital Contributions	13.9	0.0	1.4	15.3	15.7
Net Income	\$ 27.6	\$ 4.3	\$ 1.0	\$ 33.7	\$ 20.2

Twelve Months Ended June 30,

2022

2021

Electric System Retail Kilowatt-hours Sold (in millions)	6,736	6,527
Electric System New Customer Connects	6,345	5,958
Debt Service Coverage		
Electric System Parity Bonds	4.3x	4.4x
Electric/Generation Parity Bonds	3.8x	3.6x

Combined Statements of Net Position (UNAUDITED)

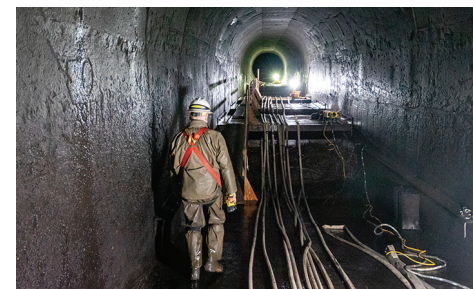
(In millions)

As of June 30,

2022

2021

	Electric System	Generation System	Water System	Combined	Combined
Current Assets	\$ 224.8	\$ 8.3	\$ 7.0	\$ 236.5	\$ 257.8
Net Utility Plant	1,380.8	197.5	133.8	1,712.1	1,654.1
Other Assets	547.3	37.5	27.0	582.7	439.4
Total Assets	2,152.9	243.3	167.8	2,531.3	2,351.3
Deferred Outflows of Resources	20.9	2.9	0.5	24.3	19.5
Total Assets & Deferred Outflows	\$ 2,173.8	\$ 246.2	\$ 168.3	\$ 2,555.6	\$ 2,370.8
Current Liabilities	\$ 97.0	\$ 9.2	\$ 3.0	\$ 105.7	\$ 105.8
Long-Term Debt	398.2	67.1	12.5	477.9	503.0
Other Liabilities	73.2	45.5	1.7	90.9	125.0
Total Liabilities	568.4	121.8	17.2	674.5	733.8
Deferred Inflows of Resources	146.3	11.1	4.8	162.2	29.1
Net Investment in Capital Assets	1,067.4	127.6	120.9	1,719.0	1,231.5
Restricted	168.1	16.1	20.3	204.5	188.3
Unrestricted	223.6	(30.4)	5.2	198.7	192.8
Total Net Position	1,459.1	113.3	146.4	2,122.2	1,612.6
Total Liabilities, Deferred Inflows and Net Position	\$ 2,173.8	\$ 246.2	\$ 168.4	\$ 2,958.9	\$ 2,375.5



For additional information

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