

FINANCIAL HIGHLIGHTS THIRD QUARTER ENDED SEPTEMBER 2022



Board of Commissioners

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

CEO/General Manager

John Haarlow

November 2022

Combined operating revenue increased \$26.2 million and \$45.3 million in the three months and nine months ended September 30, 2022, compared to the same periods in 2021. Retail sales increased \$6.7 million in the third quarter of 2022 and \$13.3 million in the nine months of 2022 compared to the same periods in 2021. Wholesale power sales increased \$16.2 million in the third quarter of 2022 and increased \$29.8 million in the nine months of 2022. The PUD sells surplus power into the wholesale power markets. The current volatility in energy markets have provided more favorable revenues when selling surplus power. Other utility operating income increased \$3.3 million in the third quarter of 2022 and increased \$2.1 million in the nine months ended September 30, 2022, compared to 2021.

Operating expenses decreased \$4.0 million in the three months ended September 30, 2022, from the same period in 2021. Operating expenses remained comparable in the nine months ended September 30, 2022, compared to the same period in 2021. Purchased power expense was relatively unchanged for the three months and nine months ended September 30, 2022. Nominally better production from long term

power contracts resulted in a relatively flat volume of market power purchases. 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 year-to-date decrease.

Combined other income and expense decreased \$4.8 million and decreased \$8.7 million in the three and nine months ended September 30, 2022 compared to the same periods in 2021.

Capital contributions from developers decreased \$4.2 million and \$4.6 million in the three and nine months ended September 2022 compared to the same periods in 2021 as development activity has declined from their peaks in 2021.

Current assets increased \$1.8 million to \$256.1 million as of September 30, 2022, reflecting increases in the PUD's accounts receivable and materials inventory.

Combined net utility plant as of September 30, 2022, increased \$51.1 million when compared to the balance as of September 30, 2021 reflecting additions to electric and water distribution infrastructure to support a growing customer base. The PUD connected 6,199 new electric customers in this twelve-month period.

Other assets increased \$222.5 million since September 2021 due to the robust changes in the PUD's net pension assets.

Deferred outflows of resources were relatively flat from September 2021 to September 2022 due to an adjustment to the net pension liability and unamortized loss on debt.

Current liabilities increased \$5.4 million from September 2021. Vendor accounts payable increased due to the timing of payments for large pieces of equipment.

The \$43.0 million increase in long-term debt from September 2021 was the result of new bonds issued in 2022. Other liabilities decreased \$32.8 million from September 30, 2021, to 2022 due to an adjustment in the net pension plan liability.

Deferred inflows of resources increased \$135.0 million from September 2021 as a result of adjustments to net pension plan deferrals.

Combined Statements of Revenues and Expenses (UNAUDITED)

(In millions)

Three Months Ended September 30,

2022

2021

	Electric System	Generation System	Water System	Combined	Combined
Operating Revenues	\$ 176.6	\$ 6.6	\$ 5.0	\$ 181.7	\$ 155.4
Operating Expenses	161.4	3.5	4.4	162.8	165.9
Net Operating Income (Loss)	15.2	3.1	0.6	18.9	(10.5)
Other Income (Expense)	(7.1)	(0.8)	(0.2)	(8.0)	(1.2)
Capital Contributions	5.2	0.1	0.9	6.2	10.4
Net Income (Loss)	\$ 13.3	\$ 2.4	\$ 1.3	\$ 17.1	\$ (1.3)

Nine Months Ended September 30,

2022

2021

	Electric System	Generation System	Water System	Combined	Combined
Operating Revenues	\$ 552.8	\$ 21.0	\$ 11.7	\$ 564.7	\$ 519.4
Operating Expenses	516.6	12.4	11.2	519.4	516.1
Net Operating Income	36.2	8.6	0.5	45.3	3.3
Other Income (Expense)	(14.3)	(2.0)	(0.2)	(16.2)	(10.5)
Capital Contributions	19.0	0.1	2.3	21.5	26.1
Net Income	\$ 40.9	\$ 6.7	\$ 2.6	\$ 50.6	\$ 18.9

Twelve Months Ended September 30,

2022

2021

Electric System Retail Kilowatt-hours Sold (in millions)	6,733	6,527
Electric System New Customer Connects	6,199	5,709
Debt Service Coverage		
Electric System Parity Bonds	4.5	4.4x
Electric/Generation Parity Bonds	5.3	3.6x

Combined Statements of Net Position (UNAUDITED)

(In millions)

As of September 30,

2022

2021

	Electric System	Generation System	Water System	Combined	Combined
Current Assets	\$ 242.9	\$ 8.1	\$ 8.7	\$ 256.2	\$ 254.5
Net Utility Plant	1,391.4	197.5	135.2	1,724.1	1,673.0
Other Assets	615.9	39.8	26.4	653.9	431.4
Total Assets	2,250.2	245.4	170.3	2,634.2	2,358.9
Deferred Outflows of Resources	20.8	2.7	0.5	24.0	23.9
Total Assets & Deferred Outflows	\$ 2,271.0	\$ 248.1	\$ 170.8	\$ 2,658.2	\$ 2,382.8
Current Liabilities	\$ 110.5	\$ 10.1	\$ 3.2	\$ 120.3	\$ 139.3
Long-Term Debt	466.1	66.8	13.6	546.5	503.5
Other Liabilities	76.0	44.5	1.6	93.7	102.0
Total Liabilities	652.6	121.4	18.4	760.5	744.8
Deferred Inflows of Resources	146.2	10.7	4.8	161.9	26.7
Net Investment in Capital Assets	1,070.3	127.8	121.3	1,319.4	1,244.4
Restricted	171.9	17.7	20.6	210.2	193.6
Unrestricted	230.0	(29.5)	5.7	206.2	173.3
Total Net Position	1,472.2	116.0	147.6	1,735.8	1,611.3
Total Liabilities, Deferred Inflows and Net Position	\$ 2,271.0	\$ 248.1	\$ 170.8	\$ 2,658.2	\$ 2,382.8



For additional information

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