

QUARTERLY REPORT

FINANCIAL HIGHLIGHTS
FIRST QUARTER
ENDED MARCH 2024

Combined operating revenues for the three months ended March 31, 2024, were \$11.7 million greater than in the same period in restated 2023. The restated retail power sales remained relatively unchanged. Management has elected to discontinue the monthly evaluation of unbilled revenue. This will assist in operational decisions and interim internal reporting. The retail sales of the PUD, when comparing the current period to the prior period as previously reported, showed retails sales \$14.6 million higher. The PUD sells surplus power on the wholesale power markets to balance resources with customer loads. Wholesale power revenues increased \$18.7 million for the three months ended March 2024 when compared to the first quarter of 2023. The PUD sold 197.5 million more kWh than in the same period 2023. In 2024, the PUD sold wholesale energy for an average of \$71.37 per megawatt, while in 2023 the average was \$64.49 per megawatt. Other operating revenues in the three months ended March 2024 decreased \$7.2 million when compared to the same period in 2023. The main components that contributed to this decline in revenues are related to Bonneville Power Administration programs, which are the Reserve Distribution Clause, Energy Conservation Achievement, and Residential Exchange Program.

Operating expenses increased \$47.5 million for the three months ended March 31, 2024, from 2023. The increase was predominantly influenced by significantly higher prices paid for electricity on the open market. This is reflected in an increase of \$35.2 million in purchased power. While in the same period, maintenance expenses were relatively unchanged with a slight increase of about \$2.6 million.

Combined other income and expense in the three months

ended March 31, 2024, decreased \$2.3 million driven primarily by increases in interest income due to rising market interest rates. \$3.7 million of this decrease is composed of non-cash market valuation adjustments to the PUD's investments as a result of a volatile interest rate environment. The fluctuations are on bonds that are owned with the intent to be held to maturity.

Capital contributions from developers increased \$1.8 million as the PUD has begun to have a moderate uptick in development.

Current assets increased \$8.2 million in March 2024, \$9.1 million was the result of decreases in temporary cash investments. The provision for uncollectible accounts had reductions of \$1.1 million as the PUD resumed normal collection processes. Materials inventory experienced increases of \$18.6 million with supply chain issues easing. The PUD made purchases of transformers and other inventory that were on back order during the prior period.

The PUD saw increases of \$98.0 million to net utility plant assets. This is the result of the PUD making continued investment in the systems that provide safe and reliable power. Increases of \$132.6 million and \$31.9 million in plant assets in service and construction work in progress, respectively. These increases are offset by the regular depreciation of these assets.

Other assets decreased by \$55.5 million driven largely by changes in the PUD's net pension assets. These decreases reflect overall changes seen in the broader market. Additionally, the long-term investments of the PUD's portfolio decreased by \$15.1 million as investments were shortened to meet rising operating expense obligations.

Deferred outflows of resources decreased by \$7.3 million from March 2024 to 2023 because of an adjustment to net pension liabilities.

Current liabilities increased \$1.8 million since March 2023, reflecting changes in accounts payable specifically for purchase power.

The \$3.9 million decrease in long-term debt is attributable to regularly scheduled annual principal payments.

Other liabilities decreased \$9.2 million, this change is due to the combination of adjustments of pension liabilities and the adoption of a new accounting standard that relates to reporting lease obligations.

Deferred inflows of resources decreased \$23.6 million as the result of an adjustment to net pension plan deferrals at the end of 2023.



The utility celebrates its 75th Anniversary as an electric provider in 2024. Employees wore 75th Anniversary shirts for this photo taken on Employee Appreciation Day, March 21.

Combined Statements of Revenues, Expenses, and Changes in Net Position (UNAUDITED)

(In millions)

Three Months Ended March 31,					
	2024				As previously reported 2023
	Electric System	Generation System	Water System	Combined	Combined
Operating Revenues	\$ 252.3	\$ 5.6	\$ 3.6	\$ 256.0	\$ 244.3
Operating Expenses	259.9	4.1	4.3	262.7	213.9
Net Operating Income (Loss)	(7.6)	1.5	(0.7)	(6.7)	30.4
Other Income (Expense)	0.6	(0.4)	0.2	0.4	3.0
Capital Contributions	7.4	–	0.5	7.9	6.1
Net Income (Loss)	\$ 0.4	\$ 1.1	\$ 0.0	\$ 1.6	\$ 25.2

Twelve Months Ended March 31,

	2024	2023
Electric System Retail Kilowatt-hours Sold (in millions)	6,720	6,816
Electric System New Customer Connects	4,539	4,491
Debt Service Coverage		
Electric System Parity Bonds	3.4x	4.4x
Electric/Generation Parity Bonds	3.1x	3.9x

Combined Statements of Net Position (UNAUDITED)

(In millions)

as of March 31,					
	2024				As previously reported 2023
	Electric System	Generation System	Water System	Combined	Combined
Current Assets	\$ 292.5	\$ 10.5	\$ 8.3	\$ 307.9	\$ 314.0
Net Utility Plant	1,536.7	198.5	142.1	1,877.3	1,779.1
Other Assets	421.1	30.2	40.4	468.3	523.8
Total Assets	2,250.3	239.2	190.8	2,653.5	2,616.9
Deferred Outflows of Resources	41.0	1.8	1.0	43.8	51.2
Total Assets & Deferred Outflows	\$ 2,291.3	\$ 241.0	\$ 191.8	\$ 2,697.3	\$ 2,668.1
Current Liabilities	\$ 120.0	\$ 10.4	\$ 2.3	\$ 129.2	\$ 127.4
Long-Term Debt	437.3	54.8	28.2	520.3	524.3
Other Liabilities	89.0	39.2	1.5	106.4	115.6
Total Liabilities	646.3	104.4	32.0	755.9	767.3
Deferred Inflows of Resources	52.2	4.8	1.6	58.6	82.3
Net Investment in Capital Assets	1,164.2	138.4	129.7	1,432.3	1,388.1
Restricted	205.4	14.4	21.6	241.4	128.4
Unrestricted	223.2	(21.0)	6.9	209.1	302.0
Total Net Position	1,592.8	131.8	158.2	1,882.8	1,818.5
Total Liabilities, Deferred Inflows and Net Position	\$ 2,291.3	\$ 241.0	\$ 191.8	\$ 2,697.3	\$ 2,653.9



In January, Substation team members spent a week in Doble training, learning skills to lengthen the life of valuable equipment.



Tree trimmers in the field in February. The utility has started a new postcard campaign to increase customer awareness of this vital activity.



Groundbreaking for El Sol al Alcance de tus Manos, the PUD’s new Community Solar Project in South Everett, took place March 22.

For additional information

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