

## Net Income

The PUD reported net income of \$76.5 million for the first three quarters of 2025, an increase of \$32.4 million (73.5%) over the same period in 2024. The improvement was primarily driven lower operating expenses. Net income also exceeded budget expectations by \$15.7 million (20.5%).

## Operations & Maintenance (O&M)

Operations and maintenance expenses totaled \$516.3 million, finishing \$2.6 million (0.5%) above budget. Overall, O&M costs were \$51.5 million lower in 2025 than 2024, driven primarily by a substantial reduction in purchased power expenses. In January 2024, unusually cold temperatures drove up demand and prices, inflating purchase power expenses. In contrast, 2025 purchase power expenses were \$52.4 million lower than the prior year, representing a 16.4% decrease from the prior period, although they still came in 1.1% above budget.

## Retail Energy Sales

- The PUD sold approximately 72,200 MWh (1.4%) more electricity across all retail categories compared to 2024.
- Combined with a 4.6% system-wide revenue adjustment on April 1, 2025, retail revenues rose by \$37.4 million (6.9%) year-over-year.
- Sales growth was led by the Commercial sector with a gain of 41,900 MWh, followed by Residential at 28,900 MWh. Industrial and Street-light sales were flat.
- Overall, retail energy sales volume were 125,900 MWh (2.4%) above budget.

## Wholesale Energy Market

To manage supply and demand, the PUD actively participates in wholesale energy markets. In the first three quarters of 2025:

- Wholesale sales declined by 388,800 MWh (-24%) compared to 2024.
- Wholesale sales were 1,222,740 MWh, falling 81,949 MWh (6.7%) short of budget.
- The average sales price fell to \$38/MWh, down from \$53/MWh, reflecting last year's unusually high market prices.
- The combined impact of lower sales volume and reduced average sales price resulted in a \$39.9 million (-46%) reduction in wholesale revenues.

## Interest and Non-Operating Income

- Interest income declined by \$3.1 million year-over-year but exceeded budget by \$4.2 million (23%), driven primarily by non-cash mark-to-market adjustments.
- Miscellaneous non-operating income totaled \$9.4 million, down \$7.1 million from 2024, largely due to the SnoSMART program as part of the Department of Energy's Grid Resilience and Innovations Partnerships (GRIP) Grant and the Washington Home Efficiency and Appliance Rebates (HEAR) Grant.

## Balance Sheet Highlights

- Customer accounts receivable increased by \$4.9 million (6.3%) compared to the prior year. In the third quarter of 2025, the PUD applied \$14.3 million in Washington Families Clean Energy Credits Grants Program to customer accounts.
- Materials inventory rose by \$11.3 million (16.7%), driven by a combination of higher costs of goods, elevated inventory, and the addition of environmental credits. The credits were recorded in accordance to Federal Energy Regulatory Commission Order 898, which updated accounting requirements to better reflect the growing role of renewable energy resources and storage technologies.
- Temporary and other investments increased by \$128.2 million (57.4%), primarily due to the strategic reclassification of the \$116.5 million rate stabilization fund in October 2024. Special funds decreased by \$6.6 million, reflecting the reclassification, issuance of \$185 million in new bonds, and a \$75.4 million drawdown of bond construction funds to support ongoing capital projects.
- Plant in service grew by \$135 million (4.7%), driven by major capital projects, including:
  - » A new 115 kV transmission line between Stanwood and Camano Island (\$13.7 million)
  - » Construction of Sky Valley substation (\$12.4 million)
  - » Construction of Twin City substation (\$8.9 million)
  - » Construction of Jennings Park substation (\$8.1 million)
  - » North County Modular Data Center (\$4.6 million)
- Long-term debt increased by \$153 million (29.6%) following the issuance of \$185 million in construction bonds to fund projects over the next three years, including Connect Up, substation upgrades, and distribution system improvements. The PUD also refunded the 2010 and 2015 bonds.

## Infrastructure Highlights

As of September 30, 2025:

### Substation Reliability Projects

- Three out of the six substation reliability projects planned for 2025 have been completed.
- The remaining three projects are in the design phase; two of these have construction planned to begin in 2025, and the final project has been delayed to 2026 due to outage constraints.

### Advanced Metering Infrastructure (AMI)

- **Electric System:** Over 31% of AMI meters installed; aiming for 40% completion by year-end.
- **Water System:** 80% of AMI meters installed. All necessary inventory for full installation has been received.

### Stanwood-Camano 115kV Line Rebuild

- Construction of the 115kV Stanwood-Camano transmission line rebuild is in progress and expected to finish by year-end.

### North County Community Office

- The new North County Community Office is now open, providing improved local access to services.
- The facility supports customer service representatives, warehouse staff, and line crews operating in the North County area.



PUD summer interns tour the Microgrid at the North County Campus, Aug. 5

## Combined Statements of Revenues, Expenses, and Changes in Net Position (UNAUDITED) *(In millions)*

Nine Months Ended September 30,

	2025			As restated 2024	
	Electric System	Generation System	Water System	Combined	Combined
Operating Revenues	\$643.6	\$14.5	\$14.1	\$658.1	\$669.7
Operating Expenses	595.5	14.4	14.6	610.3	660.0
Net Operating Income	48.1	0.1	(0.5)	47.8	9.7
Other Income (Expense)	8.5	(1.7)	0.6	7.5	7.9
Capital Contributions	19.6	–	1.5	21.2	26.4
<b>Net Income</b>	<b>\$76.2</b>	<b>\$(1.6)</b>	<b>\$1.6</b>	<b>\$76.5</b>	<b>\$44.0</b>

Twelve Months Ended September 30,

	2024	2025
Electric System Retail Kilowatt-hours Sold (in millions)	6,893	6,762
Electric System New Customer Connects	4,613	4,564
Debt Service Coverage		
Electric System Parity Bonds	4.6x	4.0x
Electric/Generation Parity Bonds	3.9x	3.6x

## Combined Statements of Net Position *(In millions)*

As of September 30,

	2025			As restated 2024	
	Electric System	Generation System	Water System	Combined	Combined
Current Assets	\$373.0	\$9.5	\$8.5	\$388.6	\$286.9
Net Utility Plant	1,689.0	192.8	155.0	2,036.8	1,921.5
Other Assets	445.9	24.5	30.0	479.5	488.4
<b>Total Assets</b>	<b>2,507.9</b>	<b>226.8</b>	<b>193.5</b>	<b>2,904.9</b>	<b>2,696.8</b>
Deferred Outflows of Resources	56.2	1.6	1.5	59.3	43.2
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$2,564.1</b>	<b>\$228.4</b>	<b>\$195.0</b>	<b>\$2,964.2</b>	<b>\$2,740.0</b>
Current Liabilities	\$124.2	\$3.5	\$1.9	\$127.0	\$134.8
Long-Term Debt	598.3	47.0	26.8	672.1	518.6
Other Liabilities	88.0	36.3	1.2	104.8	106.4
<b>Total Liabilities</b>	<b>810.5</b>	<b>86.8</b>	<b>29.9</b>	<b>903.9</b>	<b>759.8</b>
Deferred Inflows of Resources	29.2	5.6	0.8	35.6	55.0
Net Investment in Capital Assets	1,247.0	145.5	135.8	1,528.3	1,455.8
Restricted	66.0	6.9	19.1	92.0	241.9
Unrestricted	411.4	(16.4)	9.4	404.4	227.5
<b>Total Net Position</b>	<b>1,724.4</b>	<b>136.0</b>	<b>164.3</b>	<b>2,024.7</b>	<b>1,925.2</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$2,564.1</b>	<b>\$228.4</b>	<b>\$195.0</b>	<b>\$2,964.2</b>	<b>\$2,740.0</b>



A lineworker installs new equipment as part of the SnoSMART program, July 5



The ARC Trailer dazzling and educating crowds at the Fair on 44th in Lynnwood, Sept. 6



A guest at the Sultan side channel fish habitat ribbon cutting, Sept. 19

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