



Silver Sage Windpower Project

## Year-to-Date March 2018 Highlights

(Comparison to same period prior year)

### Financial Summary

Platte River reported year-to-date operating income of \$4.7 million compared with \$1.6 million reported in 2017. Income before contributions was \$3.6 million, up from \$0.6 million reported in 2017, and debt service coverage was 2.00 times compared to 1.11 times in 2017.

Operating revenues increased \$2.4 million as a result of a \$1.7 million increase in municipal sales. In 2018, wholesale rates increased 2 percent, energy delivered increased 2.5 percent and billing demand increased 0.4 percent. The sales for resale and other revenues also increased by \$0.7 million due to an increase in volume and price.

Operating expenses were down \$0.7 million. Production and transmission expenses were \$1.3 million less than 2017, representing the largest variance. The decrease is mainly due to the 2017 scheduled maintenance outages for Craig Unit 2 and Rawhide Unit 1. Depreciation and amortization expenses were \$0.8 million less than 2017 due to the original Rawhide Energy Station plant assets becoming fully depreciated and amortizing the gain on the sale of Windy Gap water units. Purchased power decreased \$0.4 million due to a rate reduction in hydropower and lower purchased reserves. The accrual for replacement power for the 2018 scheduled maintenance outage was also not required due to an estimated over accrual in 2017. Partially offsetting the decrease was a \$0.8 million increase in fuel expenses mainly due to Rawhide Unit 1 higher generation (scheduled maintenance outage in 2017) and price. Administrative and general expenses were higher than 2017 by \$1.0 million mainly due to demand side management expenses, contracted services and information technology investments.

### Sales Statistics

	3 Months Ended March 31			12 Months Ended March 31		
	2018	2017	Change	2018	2017	Change
Municipal Peak Demand (kW)*	487,744	502,046	-2.8%	660,530	658,587	0.3%
Municipal Energy Sales (MWh)*	787,734	768,419	2.5%	3,201,038	3,198,778	0.1%
Other Energy Sales (MWh)	258,517	235,435	9.8%	897,487	819,106	9.6%

\*Demand and energy provided under community solar agreements are not included.

### Resources

Rawhide Unit 1 reported a net plant capacity factor of 87.8 percent, up from 80.1 percent reported in 2017. The lower capacity factor in 2017 was due to the scheduled minor outage of Rawhide Unit 1. Craig Units 1 and 2 reported a combined plant capacity factor of 65.3 percent, down from 68.5 percent reported in 2017. Generation was impacted by surplus sales market conditions, holding more reserves on the units, and Joint Dispatch Agreement (JDA) purchases.

Platte River's combustion turbines were utilized to serve load, complete unit testing and make surplus sales. Wind generation decreased as a result of lower wind conditions. Rawhide Flats Solar generation increased as a result of implementing control system improvements mid-year 2017. JDA purchases increased as a result of favorable pricing, offsetting the decrease in other purchases.

3 Months Ended March 31							
MWh	2018	2017	Change	MWh	2018	2017	Change
Rawhide Unit 1	530,684	484,243	9.6%	Wind	81,349	81,890	-0.7%
Craig Units 1 and 2	217,104	227,846	-4.7%	Rawhide Flats Solar	12,205	10,720	13.9%
Combustion Turbines	4,215	3,019	39.6%	JDA Purchases	33,200	9,331	255.8%
Hydropower	174,310	174,310	0.0%	Other Purchases	14,992	37,221	-59.7%

**CONDENSED STATEMENTS OF NET POSITION**

Unaudited

	(In Thousands)	
	March 31	
	2018	2017
<b>ASSETS</b>		
Electric utility plant, net	\$ 552,789	\$ 582,242
Special funds and investments	129,495	127,128
Current assets	105,041	80,715
Non-current assets	13,403	14,243
Total assets	<u>800,728</u>	<u>804,328</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>22,651</b>	23,781
<b>LIABILITIES</b>		
Non-current liabilities	243,645	262,837
Current liabilities	32,627	41,914
Total liabilities	<u>276,272</u>	<u>304,751</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>13,066</b>	6,365
<b>NET POSITION</b>	<b><u>\$ 534,041</u></b>	<b><u>\$ 516,993</u></b>

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Unaudited

	(In Thousands)			
	3 Months Ended March 31		12 Months Ended March 31	
	2018	2017	2018	2017
<b>OPERATING REVENUES:</b>				
Sales to municipalities	\$ 45,248	\$ 43,542	\$ 191,286	\$ 186,346
Sales for resale and other	6,911	6,185	24,443	22,293
Total operating revenues	<u>52,159</u>	<u>49,727</u>	<u>215,729</u>	<u>208,639</u>
<b>OPERATING EXPENSES:</b>				
Operations and maintenance	41,426	41,267	168,672	157,373
Depreciation	6,030	6,867	25,176	27,306
Total operating expenses	<u>47,456</u>	<u>48,134</u>	<u>193,848</u>	<u>184,679</u>
<b>OPERATING INCOME</b>	<b>4,703</b>	1,593	<b>21,881</b>	23,960
<b>NONOPERATING REVENUES AND EXPENSES:</b>				
Interest and other income	790	604	2,558	2,031
Interest expense, net	(1,589)	(1,725)	(6,420)	(6,865)
Net (decrease) increase in fair value of investments	(291)	84	(834)	(325)
Total nonoperating revenues and expenses	<u>(1,090)</u>	<u>(1,037)</u>	<u>(4,696)</u>	<u>(5,159)</u>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>3,613</b>	556	<b>17,185</b>	18,801
Contribution of assets to municipalities	-	-	(137)	(191)
<b>CHANGE IN NET POSITION</b>	<b><u>\$ 3,613</u></b>	<b><u>\$ 556</u></b>	<b><u>\$ 17,048</u></b>	<b><u>\$ 18,610</u></b>