



Construction of the new Platte River headquarters campus.

Year-to-date March 2019 highlights

(Comparison to same period prior year)

Financial summary

Platte River reported year-to-date operating income of \$8.5 million compared with \$4.7 million reported in 2018. Income before contributions was \$8.5 million, up from \$3.6 million reported in 2018, and debt service coverage was 3.12 times compared to 2.00 times in 2018.

Operating revenues increased \$4.7 million as a result of a \$3.8 million increase in sales for resale and other revenues. The surplus sales market improved, which increased price and volume of sales. Sales to owner communities also increased \$0.9 million primarily due to a 2 percent increase in wholesale rates in 2019.

Operating expenses were up \$0.9 million. Purchased power expenses were \$1.5 million higher than 2018, representing the largest variance. The increase is mainly due to joint dispatch agreement (JDA) and supplemental purchases. Administrative and general expenses were \$0.6 million higher than 2018 due to personnel expenses and contracted services. Production and transmission expenses were \$0.6 million higher than 2018. The increase is due to personnel expenses, contracted services and Craig units 1 and 2 operating expenses. Demand side management expenses were higher \$0.1 million from 2018 primarily due to personnel expenses. Partially offsetting the increase was a \$0.9 million decrease in fuel expenses due to Craig units 1 and 2 lower generation and price. Low-cost purchases from JDA replaced generation from the Craig facilities. Depreciation expenses were \$1 million less than 2018 due to the original Rawhide Energy Station plant assets becoming fully depreciated and amortizing the gain on the sale of Windy Gap water units.

Sales statistics

	3 months ended			12 months ended		
	March 31			March 31		
	2019	2018	Change	2019	2018	Change
Owner community peak demand (kW)*	478,824	487,744	-1.8%	688,207	661,409	4.1%
Owner community energy sales (MWh)*	785,548	788,463	-0.4%	3,225,625	3,207,911	0.6%
Other energy sales (MWh)	297,463	258,517	15.1%	812,818	897,487	-9.4%

*Demand and energy provided under community solar agreements are lagged by one month.

Resources

Rawhide Unit 1 reported a net plant capacity factor of 89.6 percent, up from 87.8 percent reported in 2018. The lower capacity factor in 2018 was due to the market conditions. Craig units 1 and 2 reported a combined plant capacity factor of 55.2 percent, down from 65.3 percent reported in 2018. Generation was replaced by 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. JDA purchases increased as a result of favorable pricing. Other purchases increased in 2019 to replace generation of Rawhide Unit 1 due to a screen outage.

MWh	3 months ended March 31			MWh	3 months ended March 31		
	2019	2018	Change		2019	2018	Change
Rawhide Unit 1	541,649	530,684	2.1%	Wind	71,315	81,349	-12.3%
Craig units 1 and 2	179,844	217,104	-17.2%	Rawhide Flats Solar	12,319	12,205	0.9%
Combustion turbines	1,815	4,215	-56.9%	JDA purchases	89,280	33,200	168.9%
Hydropower	174,310	174,310	0.0%	Other purchases	22,111	14,992	47.5%

Condensed statements of net position

Unaudited (in thousands)

	March 31	
	2019	2018
Assets		
Electric utility plant, net	\$ 567,608	\$ 552,789
Special funds and investments	122,640	129,495
Current assets	115,685	105,041
Non-current assets	16,786	15,943
Total assets	<u>822,719</u>	<u>803,268</u>
Deferred outflows of resources	17,279	10,707
Liabilities		
Non-current liabilities	235,102	237,357
Current liabilities	33,064	32,627
Total liabilities	<u>268,166</u>	<u>269,984</u>
Deferred inflows of resources	<u>2,765</u>	<u>12,540</u>
Net position	<u>\$ 569,067</u>	<u>\$ 531,451</u>

Condensed statements of revenues, expenses and changes in net position

Unaudited (in thousands)

	3 months ended March 31		12 months ended March 31	
	2019	2018	2019	2018
Operating revenues				
Sales to owner communities	\$ 46,167	\$ 45,248	\$ 197,330	\$ 191,286
Sales for resale and other	10,750	6,911	29,543	24,443
Total operating revenues	<u>56,917</u>	<u>52,159</u>	<u>226,873</u>	<u>215,729</u>
Operating expenses				
Operations and maintenance	43,391	41,426	167,314	168,672
Depreciation	4,990	6,030	20,794	25,176
Total operating expenses	<u>48,381</u>	<u>47,456</u>	<u>188,108</u>	<u>193,848</u>
Operating income	<u>8,536</u>	<u>4,703</u>	<u>38,765</u>	<u>21,881</u>
Nonoperating revenues (expenses)				
Interest and other income	1,078	790	3,782	2,558
Interest expense, net	(1,558)	(1,589)	(5,684)	(6,420)
Net increase/(decrease) in fair value of investments	424	(291)	890	(834)
Total nonoperating revenues and expenses	<u>(56)</u>	<u>(1,090)</u>	<u>(1,012)</u>	<u>(4,696)</u>
Income before contributions	<u>8,480</u>	<u>3,613</u>	<u>37,753</u>	<u>17,185</u>
Contribution of assets to owner communities	-	-	(137)	(137)
Change in net position	<u>\$ 8,480</u>	<u>\$ 3,613</u>	<u>\$ 37,616</u>	<u>\$ 17,048</u>