



Natural gas combustion turbine at Rawhide Energy Station.

## Year-to-date June 2019 highlights

(Comparison to same period prior year)

### Financial summary

Platte River reported year-to-date operating income of \$12.9 million compared with \$13.2 million reported in 2018. Income before contributions was \$12.9 million, up from \$11.4 million reported in 2018, and debt service coverage was 2.68 times compared to 2.30 times in 2018.

Operating revenues increased \$0.9 million as a result of a \$3.4 million increase in sales for resale and other revenues. The surplus sales market improved, which increased price and volume of sales. Partially offsetting the increase was a decrease to sales to owner communities of \$2.5 million due to lower demand and energy as a result of milder weather in 2019. A 2 percent increase in wholesale rates in 2019 partially offset the lower demand and energy.

Operating expenses were up \$1.3 million. Purchased power expenses were \$1.2 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 \$1.1 million higher than 2018 primarily due to personnel expenses and contracted services for resource planning and information technology. Demand side management expenses were \$0.8 million higher than 2018 due to personnel and energy efficiency program expenses. Production and transmission expenses were \$0.7 million higher than 2018. The increase is primarily due to personnel expenses and Craig units 1 and 2 operating expenses partially offset by a decrease in water expenses and the outage accrual. Partially offsetting the increases was a \$0.7 million decrease in depreciation expense mainly due to the original Rawhide Energy Station plant assets becoming fully depreciated and amortizing a portion of the gain on the sale of Windy Gap water units. Fuel expenses were \$1.8 million lower than 2018 due to lower generation on Rawhide Unit 1 and Craig units 1 and 2 and lower price on the Craig units. Low-cost purchases from the JDA replaced generation.

### Sales statistics

	6 months ended			12 months ended		
	June 30			June 30		
	2019	2018	Change	2019	2018	Change
Owner community peak demand (kW)*	589,365	663,654	-11.2%	688,207	665,694	3.4%
Owner community energy sales (MWh)*	1,513,931	1,572,558	-3.7%	3,169,913	3,220,727	-1.6%
Other energy sales (MWh)	427,592	422,838	1.1%	778,626	892,237	-12.7%

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

## Resources

Rawhide Unit 1 reported a net plant capacity factor of 79.5 percent, down from 86.7 percent reported in 2018. The lower capacity factor was due to low load testing to meet operational flexibility initiatives to accommodate additional renewable resources, planned and forced outages, and lower cost joint dispatch transactions. Craig units 1 and 2 reported a combined plant capacity factor of 50.8 percent, down from 53.7 percent reported in 2018. Generation was impacted by JDA purchases and surplus sales market conditions.

Platte River's combustion turbine controls and protective relays were updated in 2019 and were utilized less than in 2018. Wind generation decreased as a result of lower wind speeds. Rawhide Flats solar decreased as a result of a curtailment and a forced outage. JDA purchases increased as a result of favorable pricing. Other purchases increased to replace generation of Rawhide Unit 1 due to low load testing and a screen outage.

6 Months Ended June 30							
MWh	2019	2018	Change	MWh	2019	2018	Change
Rawhide Unit 1	966,377	1,054,014	-8.3%	Wind	138,023	150,100	-8.0%
Craig Units 1 and 2	333,283	359,022	-7.2%	Rawhide Flats Solar	29,391	33,041	-11.0%
Combustion Turbines	4,322	11,054	-60.9%	JDA purchases	163,275	90,957	79.5%
Hydropower	299,627	304,739	-1.7%	Other purchases	41,067	32,760	25.4%

## Condensed statements of net position

Unaudited

	(In thousands)	
	2019	2018
<b>Assets</b>		
Electric utility plant, net	\$ 574,487	\$ 551,758
Special funds and investments	113,384	110,840
Current assets	107,374	118,340
Non-current assets	16,351	15,884
Total assets	811,596	796,822
<b>Deferred outflows of resources</b>	16,993	8,671
<b>Liabilities</b>		
Non-current liabilities	223,945	219,813
Current liabilities	27,288	27,838
Total liabilities	251,233	247,651
<b>Deferred inflows of resources</b>	3,823	18,713
<b>Net position</b>	\$ 573,533	\$ 539,129

Note: Certain prior year line items have changed due to restatement of 2017 financial statements.

## Condensed statements of revenues, expenses and changes in net position

Unaudited

	(In thousands)			
	6 months ended June 30		12 months ended June 30	
	2019	2018	2019	2018
<b>Operating revenues</b>				
Sales to owner communities	\$ 91,788	\$ 94,239	\$ 193,960	\$ 193,924
Sales for resale and other	14,771	11,380	29,093	24,304
Total operating revenues	<u>106,559</u>	<u>105,619</u>	<u>223,053</u>	<u>218,228</u>
<b>Operating expenses</b>				
Operations and maintenance	83,611	81,647	167,313	168,724
Depreciation	10,049	10,723	21,160	23,569
Total operating expenses	<u>93,660</u>	<u>92,370</u>	<u>188,473</u>	<u>192,293</u>
Operating income	<u>12,899</u>	<u>13,249</u>	<u>34,580</u>	<u>25,935</u>
<b>Nonoperating revenues (expenses)</b>				
Interest and other income	2,061	1,547	4,010	2,857
Interest expense, net	(3,073)	(3,092)	(5,697)	(6,223)
Net increase/(decrease) in fair value of investments	1,060	(277)	1,511	(788)
Total nonoperating revenues and expenses	<u>48</u>	<u>(1,822)</u>	<u>(176)</u>	<u>(4,154)</u>
Income before contributions	<u>12,947</u>	<u>11,427</u>	<u>34,404</u>	<u>21,781</u>
Contribution of assets to owner communities	-	(137)	-	(137)
Change in net position	<u>\$ 12,947</u>	<u>\$ 11,290</u>	<u>\$ 34,404</u>	<u>\$ 21,644</u>