



Rawhide Flats Solar at Rawhide Energy Station.

## Year-to-date September 2019 highlights

(Comparison to same period prior year)

### Financial summary

Platte River reported year-to-date operating income of \$31 million compared with \$31.2 million reported in 2018. Income before contributions was \$30.6 million, up from \$29.1 million reported in 2018, and debt service coverage was 3.54 times compared to 3.21 times in 2018.

Operating revenues increased \$1.3 million primarily as a result of increased sales for resale and other revenues. Sales for resale increased by \$0.9 million due to a new contract that was not effective until fourth quarter 2018. Wheeling increased by \$0.3 million as a result of a rate increase in the transmission tariff. Sales to owner communities also increased \$0.1 million primarily due to a 2% increase in wholesale rates in 2019.

Operating expenses were up \$1.5 million. Administrative and general expenses were \$1.5 million higher than 2018, representing the largest variance. The increase is primarily due to personnel expenses and contracted services for resource planning and information technology. Production and transmission expenses were \$1 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 wheeling expenses, water expenses, outage expenses and the outage accrual. Demand-side management expenses were \$0.9 million higher than 2018 due to personnel and energy efficiency program expenses. Purchased power expenses were \$0.7 million higher than 2018 due to the outage accrual, joint dispatch agreement (JDA) and supplemental purchases partially offset by a decrease in purchased reserves, solar purchases and energy provided to Tri-State Generation and Transmission, Inc. under the Forced Outage Assistance Agreement. Partially offsetting the increases was a \$0.9 million decrease in depreciation and amortization 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 \$1.7 million lower than 2018 due to lower generation on Rawhide Unit 1. Operational flexibility initiatives and low-cost purchases from the JDA replaced generation.

### Sales statistics

	9 months ended September 30			12 months ended September 30		
	2019	2018	Change	2019	2018	Change
Owner community peak demand (kW)*	<b>663,959</b>	688,207	<b>-3.5%</b>	<b>663,959</b>	688,207	<b>-3.5%</b>
Owner community energy sales (MWh)*	<b>2,408,230</b>	2,448,658	<b>-1.7%</b>	<b>3,188,111</b>	3,224,939	<b>-1.1%</b>
Other energy sales (MWh)	<b>592,220</b>	647,932	<b>-8.6%</b>	<b>718,161</b>	931,686	<b>-22.9%</b>

\*Demand and energy provided under community solar agreements are lagged by one month; therefore, totals will not represent actuals for the time period presented.

## Resources

Rawhide Unit 1 reported a net plant capacity factor of 79.5%, down from 87.3% reported in 2018. The lower capacity factor was due to operating at lower loads for operational flexibility 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 57.2%, up from 55.5% reported in 2018. Generation was impacted by implementing strategies to manage the coal stockpile and optimize sales.

Wind generation decreased as a result of lower wind speeds. Rawhide Flats solar generation decreased as a result of a curtailment, a forced outage and weather conditions. JDA purchases increased as a result of favorable pricing. Other purchases decreased as a result of no major outage and unfavorable pricing.

### 9 months ended September 30

MWh	2019	2018	Change	MWh	2019	2018	Change
Rawhide Unit 1	1,457,717	1,601,358	-9.0%	Wind	199,020	204,676	-2.8%
Craig units 1 and 2	566,303	559,490	1.2%	Rawhide Flats solar	50,175	54,058	-7.2%
Combustion turbines	65,245	65,130	0.2%	JDA purchases	242,010	172,389	40.4%
Hydropower	436,760	441,872	-1.2%	Other purchases	57,699	58,962	-2.1%

## Condensed statements of net position

Unaudited

(In thousands)  
 September 30

	2019	2018
<b>Assets</b>		
Electric utility plant, net	\$ 579,578	\$ 563,183
Special funds and investments	118,293	115,991
Current assets	119,579	121,181
Non-current assets	15,933	15,545
Total assets	833,383	815,900
<b>Deferred outflows of resources</b>	16,707	8,385
<b>Liabilities</b>		
Non-current liabilities	223,068	218,928
Current liabilities	30,953	29,435
Total liabilities	254,021	248,363
<b>Deferred inflows of resources</b>	4,905	19,085
<b>Net position</b>	\$ 591,164	\$ 556,837

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)			
	9 months ended September 30		12 months ended September 30	
	2019	2018	2019	2018
<b>Operating revenues</b>				
Sales to owner communities	\$ 151,864	\$ 151,720	\$ 196,555	\$ 195,853
Sales for resale and other	<u>21,958</u>	<u>20,790</u>	<u>26,871</u>	<u>27,836</u>
Total operating revenues	<u>173,822</u>	<u>172,510</u>	<u>223,426</u>	<u>223,689</u>
<b>Operating expenses</b>				
Operations and maintenance	127,587	125,190	167,744	169,070
Depreciation and amortization	<u>15,258</u>	<u>16,116</u>	<u>20,977</u>	<u>22,809</u>
Total operating expenses	<u>142,845</u>	<u>141,306</u>	<u>188,721</u>	<u>191,879</u>
Operating income	<u>30,977</u>	<u>31,204</u>	<u>34,705</u>	<u>31,810</u>
<b>Nonoperating revenues (expenses)</b>				
Interest and other income	2,938	2,592	3,840	3,343
Interest expense, net	(4,518)	(4,417)	(5,816)	(5,982)
Net increase/(decrease) in fair value of investments	<u>1,180</u>	<u>(244)</u>	<u>1,598</u>	<u>(385)</u>
Total nonoperating revenues and expenses	<u>(400)</u>	<u>(2,069)</u>	<u>(378)</u>	<u>(3,024)</u>
Income before contributions	<u>30,577</u>	<u>29,135</u>	<u>34,327</u>	<u>28,786</u>
Contribution of assets to owner communities	<u>-</u>	<u>(137)</u>	<u>-</u>	<u>(137)</u>
Change in net position	<u>\$ 30,577</u>	<u>\$ 28,998</u>	<u>\$ 34,327</u>	<u>\$ 28,649</u>