



Natural gas combustion turbine unit F at Rawhide Energy Station.

Year-to-date March 2020 highlights

(Comparison to same period prior year)

Financial summary

Platte River reported year-to-date operating income of \$5.3 million compared with \$8.5 million reported in 2019. Income before contributions was \$6.4 million, down from \$8.5 million reported in 2019, and debt service coverage was 2.67 times compared to 3.12 times in 2019.

Operating revenues decreased \$2 million primarily as a result of decreased sales for resale and other revenues. Short-term sales for resale decreased \$5.2 million due to lower sales prices and volumes. The 2019 results included a significant nonrecurring short-term contract sale. Wheeling increased \$0.1 million as a result of a rate increase in the transmission tariff. Sales to owner communities increased \$0.3 million as the new 2020 rate structure, which includes a minimum demand charge, stabilizes demand revenues in off peak months when actual demand is below budgeted projections. Contract sales for resale increased \$2.8 million compared to 2019 due to two new long-term contracts.

Operating expenses were up \$1.3 million. Production and transmission expenses were \$1.1 million higher than 2019, representing the largest variance. The increase is primarily due to personnel expenses and non-routine projects. Depreciation and amortization were \$0.9 million higher than 2019 due to accelerated depreciation on Craig Unit 1 for closure of the unit by 2025 and depreciation for new assets. Demand-side management expenses were \$0.5 million higher than 2019 due to an increase in personnel expense and increases in energy efficiency program expenses. Purchased power expenses were \$0.3 million higher than 2019 due to favorable pricing within the joint dispatch agreement (JDA), additional wind generation and an increased outage accrual for the 2021 outage partially offset by a decrease in purchased reserves and supplemental purchases. Administrative and general expenses were \$0.1 million higher than 2019. Increased personnel expenses were partially offset by lower contracted services for resource planning and information technology. Partially offsetting the increases was a \$1.6 million decrease in fuel expenses as generation was replaced by lower-cost JDA purchases.

Sales statistics

	3 months ended March 31			12 months ended March 31		
	2020	2019	Change	2020	2019	Change
Owner community peak demand (kW)*	459,384	478,824	-4.1%	663,959	688,207	-3.5%
Owner community energy sales (MWh)*	781,226	785,548	-0.6%	3,189,971	3,225,625	-1.1%
Other energy sales (MWh)	289,558	297,463	-2.7%	898,102	812,818	10.5%

*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 84.4%, down from 89.6% reported in 2019. Craig units 1 and 2 reported a combined plant capacity factor of 36.0%, down from 55.2% reported in 2019. The primary reason capacity factors were lower was because generation was replaced by lower-cost JDA purchases.

Platte River's combustion turbines were utilized to serve load, complete unit testing and make surplus sales. Wind generation increased as a result of higher wind speeds. Solar generation decreased as a result of weather conditions. JDA purchases increased as a result of favorable pricing. Other purchases were higher in 2019 to replace generation during Rawhide Unit 1's planned screen outage.

3 months ended March 31

MWh	2020	2019	Change	MWh	2020	2019	Change
Rawhide Unit 1	515,678	541,649	-4.8%	Wind	84,566	71,315	18.6%
Craig units 1 and 2	118,830	179,844	-33.9%	Solar	12,059	12,319	-2.1%
Combustion turbines	4,060	1,815	123.7%	JDA purchases	177,692	89,280	99.0%
Hydropower	174,310	174,310	0.0%	Other purchases	2,516	22,111	-88.6%

Condensed statements of net position

Unaudited

(In thousands)
 March 31

	2020	2019
Assets		
Electric utility plant, net	\$ 585,944	\$ 567,608
Special funds and investments	115,497	122,640
Current assets	128,721	115,685
Noncurrent assets	14,390	11,436
Total assets	<u>844,552</u>	<u>817,369</u>
Deferred outflows of resources	31,820	40,908
Liabilities		
Noncurrent liabilities	234,857	253,909
Current liabilities	34,451	33,064
Total liabilities	<u>269,308</u>	<u>286,973</u>
Deferred inflows of resources	<u>7,105</u>	<u>2,765</u>
Net position	<u>\$ 599,959</u>	<u>\$ 568,539</u>

Note: Certain prior year line items have changed due to the restatement of 2018 financial statements.

Condensed statements of revenues, expenses and changes in net position

Unaudited

(In thousands)

	3 months ended March 31		12 months ended March 31	
	2020	2019	2020	2019
Operating revenues				
Sales to owner communities	\$ 46,471	\$ 46,167	\$ 198,279	\$ 197,330
Sales for resale and other	<u>8,479</u>	<u>10,750</u>	<u>28,938</u>	<u>29,543</u>
Total operating revenues	<u>54,950</u>	<u>56,917</u>	<u>227,217</u>	<u>226,873</u>
Operating expenses				
Operations and maintenance	43,745	43,391	173,496	166,276
Depreciation and amortization	<u>5,939</u>	<u>4,990</u>	<u>22,758</u>	<u>22,360</u>
Total operating expenses	<u>49,684</u>	<u>48,381</u>	<u>196,254</u>	<u>188,636</u>
Operating income	<u>5,266</u>	<u>8,536</u>	<u>30,963</u>	<u>38,237</u>
Nonoperating revenues (expenses)				
Interest and other income	945	1,078	3,928	3,782
Interest expense, net	(1,467)	(1,558)	(5,871)	(5,684)
Net increase in fair value of investments	<u>1,613</u>	<u>424</u>	<u>2,400</u>	<u>890</u>
Total nonoperating revenues and expenses	<u>1,091</u>	<u>(56)</u>	<u>457</u>	<u>(1,012)</u>
Income before contributions	<u>6,357</u>	<u>8,480</u>	<u>31,420</u>	<u>37,225</u>
Contribution of assets to owner communities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(137)</u>
Change in net position	<u>\$ 6,357</u>	<u>\$ 8,480</u>	<u>\$ 31,420</u>	<u>\$ 37,088</u>

Note: Certain prior year line items have changed due to the restatement of 2018 financial statements.