



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Energy leaders since 1973

2023 Annual Report



Energy leaders since 1973

Innovation has been the driver for half a century at Platte River Power Authority and remains a guiding force for our organization as we continue to provide reliable, environmentally responsible and financially sustainable energy and services. In 2023, our team celebrated 50 years of powering our owner communities.

Platte River's journey has evolved to focus on adaptability and resilience, with a workforce in 2023 numbering nearly 300 and a peak demand from the owner communities of 680 megawatts (MW). Our team has strategically and intentionally invested in generation resources over the past 50 years as new technologies become commercially viable. Planners considered everything from the type and location of the fuel source, to the sustainability of the water supply, to the use of state-of-the-art technology. Since 1973, Platte River has invested in generation resources that maintain reliability and help reduce emissions while diversifying its energy portfolio, including being the first utility in Colorado to bring wind power to the state.

Platte River's first board of directors may not have conceived of the decisions that stand before the utility's board today, but they built the foundation of a forward-looking organization demonstrating why Platte River has been an energy leader since 1973. The next chapter for Platte River includes innovations like a virtual power plant; having an energy portfolio made up primarily of noncarbon resources; use of battery storage technology; and aeroderivative turbines (modern jet engine technology) to support reliability, that can transition to using hydrogen as a fuel source. Platte River is transforming and each team member has a role in this journey.

By learning from history, embracing innovation and planning strategically, Platte River shows how an organization can drive powerful change and make a lasting, positive impact on the environment and the communities it serves.



Giving you the power

In 2023, Platte River's marketing team launched the utility's first public education campaign, "Giving you the power," to create awareness in Platte River's service area and inform the region about 50 years of providing reliable, environmentally responsible and financially sustainable energy.



Jason Frisbie and Thaine Michie, current and former general managers, respectively, celebrate the organization's 50th year in operations. Together, they have a combined 60 years of service.

Celebrating the golden anniversary

In September 2023, Platte River brought former and current employees together with the board of directors to celebrate the utility's 50th anniversary. The celebration commemorated the shared dedication and commitment to Platte River's three foundational pillars. One of Platte River's core values as a public power provider is giving back and supporting the community. That giving spirit was evident during the anniversary celebration where employees gathered food and essential items to support the Food Bank for Larimer County.

Roadmap for our future



Scan this QR code to learn more about Platte River and explore the roadmap for our energy future.

50th anniversary video



Scan this QR code to view our 50th anniversary video, featuring interviews with former and current staff.

A history of leadership

General managers



Albert Hamilton
1973-1984



James Pendergrass
1984-1986



Thaine Michie
1987-1998



Brian Moeck
1999-2012



Jackie Sargent
2012-2016



Jason Frisbie
2016-present

“ The four cities are fortunate that forward thinkers—some 30 years ago—had the vision to realize that something innovative had to be done to meet our future power needs. ”

Robert Dekker
Mayor of Estes Park 1996–2000,
former Platte River Board Chair

Board chairs



Stanley Case
1965-1978



Jerry Trotter
1978-1982



Robert Dekker
1982-1986



Dieter Wirtzfeld
1986-1986



Robert Dekker
1986-1991



Rich Shannon
1991-1993



Jeffrey Gould
1993-1996



Richard Widmer
1996-1998



Ralph Mullinix
1998-2011



Brian Janonis
2011-2011



Tom Roiniotis
2011-2018



Todd Jirsa
2018-2020



Wade Troxell
2020-2021



David Hornbacher
2021-2022



Reuben Bergsten
2022-present

Table of contents



2023 overview

- Letter from the board chair and general manager/CEO8
- Platte River at a glance10
- Capacity and energy11
- Our philosophy12
- Our communities.....14
- Board of directors.....16
- Senior leadership team.....17

Energy leaders since 1973

- Leading the energy transition19
- Organizational leadership 20
 - 2023 Strategic Plan
 - An award-winning campus
- Workforce leadership 24
 - Designing a competitive total rewards strategy
 - Immersing new team members in Platte River’s culture
 - Rawhide transition plan
 - Fostering a culture of safety
- Operational leadership..... 28
 - Energy market participation
 - Transforming Rawhide Unit 1 into a more flexible resource
 - Upgrading equipment to support the foundational pillars
 - Chimney Hollow Reservoir project progress

- Energy transition leadership 36
 - Integrated resource plan
 - Dispatchable capacity support resolution approved
 - New resource acquisition efforts
 - Distributed energy resources
 - Distributed energy solutions
- Change management leadership 42
 - Software solutions
- Community engagement leadership 44
 - Community support
 - Community events
 - External affairs
- Financial leadership 48
 - Wholesale rate strategy
 - Strategic Financial Plan
 - Enterprise risk management

Financials

- Overall financial results.....50
- Financial highlights52
- Platte River operational data.....52
- Energy market statistics53
- Report of leadership54
- Independent auditor’s report and financial statements.....56

Letter from the board chair and general manager/CEO

// Platte River is leading the energy transition in Northern Colorado. //



Fifty years ago, the Town of Estes Park and the cities of Fort Collins, Longmont and Loveland came together and formed Platte River Power Authority to build their energy future. They faced numerous challenges but worked together to overcome them.

In 1975, Platte River leadership lobbied the state legislature to designate the utility as a joint action agency, which enabled us to borrow money to invest in resources. Since then, Platte River has issued \$2.6 billion in bonds, financing the development of a world-class resource portfolio and transmission system rooted in reliability, environmental responsibility and financial sustainability.

Today, the debt we incurred to build this system is a fraction of what it was, and we continue to exceed our strategic financial plan targets. We are transitioning our resource portfolio while maintaining the foundational pillars of the organization.

During our 50th year of operations, Platte River staff made significant progress toward our noncarbon goal through projects and initiatives detailed in this annual report. Among the accomplishments:

- A new strategic plan that identifies four focus areas organization-wide
- Entry into the Southwest Power Pool Western Energy Imbalance Service (SPP WEIS) market and signing a commitment agreement to join the SPP Regional Transmission Organization West (SPP RTO West) market
- A board-approved resolution for a dispatchable resource solution to maintain the reliability of our energy portfolio, paving the way for a three-pronged approach that includes battery storage, a virtual power plant in the owner communities and proven aeroderivative turbine technology

- Continuation of a multi-year wholesale rate increase to accelerate our investments in noncarbon resources ahead of retiring Rawhide Unit 1
- A new compensation approach that modernizes Platte River's pay program to retain and attract the talent we need to achieve our energy transition
- The framework for a transition plan for Rawhide staff, developed by a cross-functional team and senior leadership, which we expect to file with the state in final form in 2024

As exciting as it is to be part of this unique period for Platte River, we recognize that we are here because of the hard work and dedication of everyone who came before us. In 2023, we celebrated and honored our past while embracing the challenges ahead. In addition to commemorating the 50th anniversary, we had many other opportunities to celebrate, including the Plant of the Year recognition for our Rawhide Energy Station and LEED Gold Certification of our award-winning headquarters campus.

Looking ahead, we recognize there are questions yet to be answered, and we trust that the organization and our employees will forge a path forward and do it the right way, just as our predecessors did. Platte River is leading the energy transition in Northern Colorado; this change is already underway, and we are excited and honored to be part of it.

Reuben Bergsten
Board chair

Jason Frisbie
General manager/CEO

Platte River at a glance

Platte River Power Authority is a not-for-profit, community-owned public power generation and transmission utility that provides safe, reliable, environmentally responsible and financially sustainable energy and services to Estes Park, Fort Collins, Longmont and Loveland, Colorado, for delivery to their distribution utility customers.

Headquarters

Fort Collins, Colorado

2023 peak demand of owner communities

680 MW

General manager/CEO

Jason Frisbie

2023 deliveries of energy

4,506,208 MWh

Began operations

1973

2023 deliveries of energy to owner communities

3,161,533 MWh

Staff

290

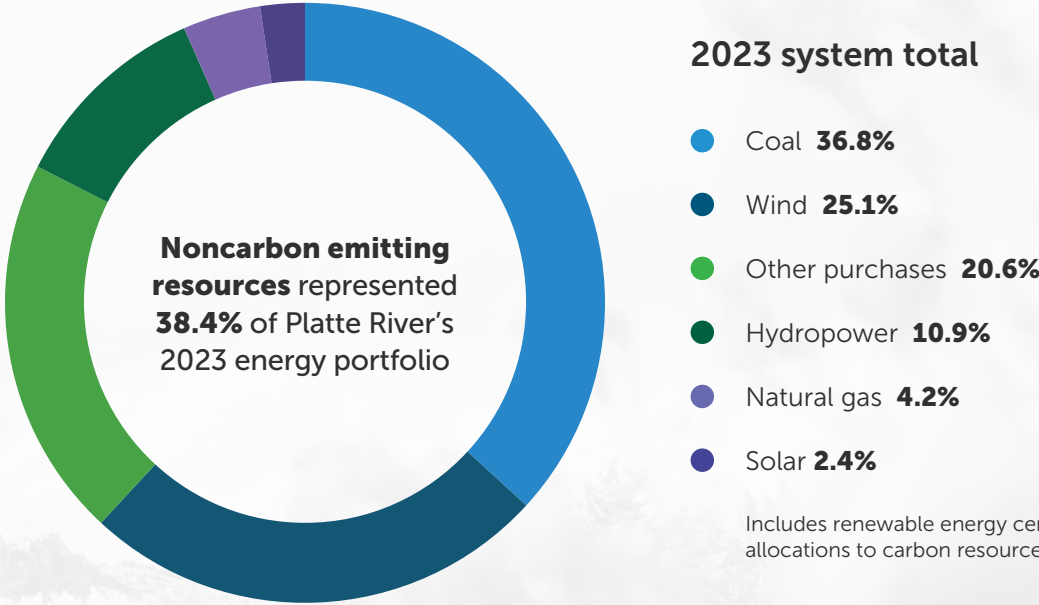
Transmission system

Platte River has equipment in 27 substations, 263 miles of wholly owned and operated high-voltage lines, and 522 miles of high-voltage lines jointly owned with other utilities.

Capacity and energy

Resource capacity	MW	
Coal	431	
Natural gas	388	
Hydropower ⁽¹⁾	100	
Wind power ⁽²⁾⁽³⁾	303	67
Solar ⁽²⁾	52	22
Total	1,274	1,008

(1) Hydropower capacity varies with drought conditions.
 (2) For the effective load carrying capability calculation, wind facilities are assigned firm capacity of 22% of their nameplate capacity and solar facilities are assigned 42% of their nameplate capacity. Platte River is also using a 2 MWh battery charged by solar.
 (3) 72 MW of wind is currently sold to other entities, 60 MW of which will return to Platte River in 2030.



Our philosophy

Platte River has long been guided by three foundational pillars that drive our mission and are among the requirements for achieving the Resource Diversification Policy (RDP). Together with our vision and values, these pillars inform all Platte River activities and serve as the foundation for our decarbonization efforts.



Reliability



Environmental responsibility



Financial sustainability

Vision

To be a respected leader and responsible power provider improving the region's quality of life through a more efficient and sustainable energy future.

Mission

While driving utility innovation, Platte River will safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities of Estes Park, Fort Collins, Longmont and Loveland.

Values

Safety

Without compromise, we will safeguard the public, our employees, contractors and assets we manage while fulfilling our mission.

Respect

We will embrace diversity and a culture of inclusion among employees, stakeholders and the public.

Innovation

We will proactively deliver creative solutions to generate best-in-class products, services and practices.

Sustainability

We will help our owner communities thrive while working to protect the environment we all share.

Integrity

We will conduct business equitably, transparently and ethically while complying fully with all regulatory requirements.

Service

As a respected leader and responsible energy partner, we will empower our employees to provide energy and superior services to our owner communities.

Operational excellence

We will strive for continuous improvement and superior performance in all we do.



Our communities

Platte River Power Authority is a Colorado political subdivision established to provide wholesale electric generation and transmission to the communities of Estes Park, Fort Collins, Longmont and Loveland.



ESTES PARK
COLORADO

Town of Estes Park

Estimated population*: 5,862

Utility: Estes Park Power and Communications, established in 1945



City of Longmont

Estimated population*: 98,687

Utility: Longmont Power & Communications, established in 1912



City of Fort Collins

Estimated population*: 169,249

Utility: Fort Collins Utilities, established in 1938



City of Loveland

Estimated population*: 77,884

Utility: Loveland Water and Power, established in 1925



*Based on data from the U.S. Census Bureau

Board of directors

Platte River is governed by an eight-person board of directors designed to bring relevant expertise to the decision making process. The board includes two members from each owner community.

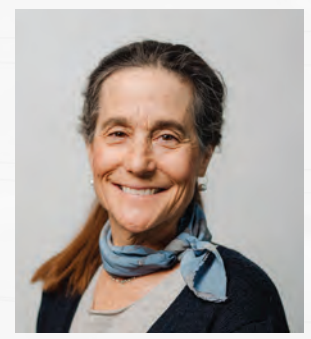
The mayor may serve or designate some other member of the governing board of their owner community to serve in their place on Platte River's Board of Directors. Each of the other four directors is appointed to a four-year staggered term by the governing body of the owner community represented by that director.



Wendy Koenig
Mayor
Town of Estes Park



Reuben Bergsten
Board chair
Director of utilities
Town of Estes Park



Jeni Arndt
Mayor
City of Fort Collins



Kendall Minor
Utilities executive
director
City of Fort Collins



Joan Peck
Mayor
City of Longmont



David Hornbacher
Assistant city
manager
City of Longmont



Jacki Marsh
Mayor
City of Loveland



Kevin Gertig
Vice chair
Director of Loveland
Water and Power
City of Loveland

Senior leadership team

Platte River operates under the direction of a general manager who serves at the pleasure of the board of directors. The general manager is the chief executive officer with full responsibility for planning, operations and the administrative affairs of Platte River. Platte River's senior leadership team has substantial experience in the utility industry.



Jason Frisbie
General manager/CEO



Eddie Gutiérrez
Chief strategy officer



Sarah Leonard
General counsel



Raj Singam Setti
Chief operating
officer, innovation
and resource strategy
integration



Dave Smalley
Chief financial officer/
deputy general
manager



Melie Vincent
Chief operating
officer, generation,
transmission and
markets



Angela Walsh
Executive director
of board and
administration, board
secretary



Rawhide Energy Station under construction



Leading the energy transition

When it comes to generating reliable, environmentally responsible and financially sustainable energy, a forward-thinking approach has proven to be a critical driver of progress and innovation. By learning from the past and envisioning the future, we create a roadmap that addresses current challenges and prepares us for those ahead. Platte River has embraced this mindset from its inception. It has guided us throughout our history and is driving present decisions, paving the way for a sustainable future.

The sections that follow illustrate how Platte River is leading the energy transition, and how our efforts in 2023 will help set an example for other utilities as they decarbonize their portfolios.

Organizational leadership

2023 Strategic Plan

Platte River’s ongoing planning process supports strategic thinking and adaptive strategies for the future. The 2018 Strategic Plan created the framework for the board of directors to adopt the RDP that continues to drive Platte River’s decisions.

The update process began in early 2022 with a dedicated board work session, moderated by a strategic planning consultant, followed by multiple rounds of employee focus group sessions throughout the summer to ensure the document reflects the vision of Platte River’s leadership and efforts of Platte River team members to execute that vision.

This process culminated into a 2023 Strategic Plan that aligns activities throughout the organization with four strategic initiatives anchored to Platte River’s vision, mission, values and foundational pillars. In November, Platte River received an Excellence in Communications Award from the American Public Power Association in the print and digital category for the 2023 Strategic Plan.



Strategic initiatives:



Resource diversification planning and integration

Incorporate reliability resources, dispatchable capacity and emerging technologies, such as long-duration storage and hydrogen



Community partner and engagement

Organize working groups across the owner communities and identify regional engagement opportunities



Workforce culture

Build a workforce roadmap that focuses on employee development and planning



Process management and coordination

Create a project management culture guided by the design of project and process management strategies for internal and external initiatives

Organizational leadership

An award-winning campus



In March, Platte River's headquarters building was awarded LEED Gold under the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED®) program. The building was the first in Fort Collins to achieve designation in USGBC's version four category for building design and construction, new construction.

The engineering, design and construction of the building were conceptualized using the same lens Platte River applies to our world-class generation and transmission facilities. The new design accommodates an expanding workforce and enhanced security and infrastructure needs while modeling environmental excellence in the community.

In November, the USGBC Colorado chapter presented Platte River with an Exceptional Sustainable Technology Award at its fall summit in Denver. The award recognizes projects that have "successfully implemented an exceptional and innovative technology that improves the sustainable design and/or operations of a building," specifically the zero-net carbon footprint, geo-exchange mechanical system and battery storage.



"This designation by the USGBC reflects our board of directors' vision to design and build a headquarters campus that aligns with the environmental values of our organization and our owner communities."

Jason Frisbie
General manager/CEO

1978

Platte River General Manager Al Hamilton secured permission from the Rolls Royce corporation in 1978 to emulate its logo for Platte River, branding the organization as the essence of quality in the electric utility industry.





Workforce leadership

Designing a competitive total rewards strategy

Platte River's human resources (HR) team continued to develop a total rewards strategy in 2023. The strategy is designed to lead the electric utility industry as Platte River works to achieve one of the most accelerated energy transition plans in the country. It is intended to retain, attract, hire and engage high-performing team members who understand and embrace Platte River's vision, mission and values.

Reflecting the priorities identified in a survey of Platte River staff, in fall 2023, Platte River decided to transition to a new third-party administrator for our self-insured benefits program. This change enables Platte River to improve participant experience and manage rising costs for both the organization and the employees. Updates to Platte River's benefits package took effect Jan. 1, 2024. The full package includes wellness-focused health benefits, promotes professional development, recognizes performance and offers robust retirement resources.

Progress continued on a compensation study to modernize Platte River's pay program and address several factors including pandemic-related turnover, competitive pay and defining career path options. HR and the senior leadership team finalized a new compensation approach in 2023 with implementation continuing in 2024.



Immersing new team members in Platte River's culture

To enhance Platte River's onboarding process, a cross-functional team developed an immersion program that dedicates time and resources to education about the organization's history, operations and finances. The process combines basic onboarding activities with formal and informal activities to complete throughout the first year of employment.

The immersion project emphasizes the value of maintaining Platte River's strong culture and facilitates connections between Rawhide and headquarters. Relationship-building is vital to Platte River's sense of community and pride within the workforce.

Rawhide transition plan

A cross-functional team developed a Just Transition Plan guided by the Workforce Resolution passed by the board in 2020. The plan incorporates six principles that Platte River is committed to following during implementation. These principles are:

- Transparency
- Workforce planning
- Workforce opportunities
- Workforce training
- Retention strategies
- Transition support

Platte River will continue to demonstrate its unwavering commitment to support and retain employees who wish to remain with the organization through Unit 1's retirement and the transition to a clean energy future. A plan will be presented in 2024 ahead of filing with the state.



"At Platte River, employees are our best asset – the people matter and the quality of work would not be what it is without such a high caliber staff."

- Travis Hunter
Director of power generation



Workforce leadership

Fostering a culture of safety

Platte River's safety initiatives remain a vital component of the success of our organization and overall culture. 2023 was a big year for the Emergency Response Team, from onboarding a new fire chief to leading the successful response to a coal mill piping fire at Rawhide without injury or further incident. These successes resulted in Rawhide's safety and fire protection program receiving a rare "exceptional rating" by our property and asset insurance provider.

Employees received regular updates about safety topics throughout the year from internal and external experts. In December, the safety team distributed safety challenge coins to all staff recognizing their efforts in fostering a culture of safety in 2023.



\$600,000

saved in estimated workers compensation claims costs resulting from onsite active release technique program

1.67 million

hours worked without a lost time injury

3rd place

in the APPA Safety Award of Excellence category for utilities with 250,000 to 999,999 worker-hours of annual worker exposure

1979

Platte River's Emergency Response Team was initiated in 1979 during construction of Rawhide Energy Station. The area, at the time, was a considerable distance from the closest fire department and the response time would be too lengthy during an incident to rely on local resources. Having a team of onsite first responders at the energy station has been a priority and necessity since day one.





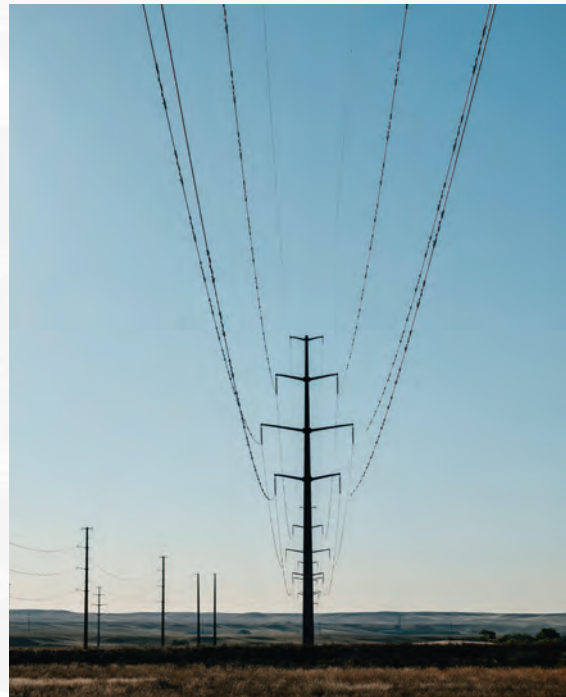
Operational leadership

Energy market participation

Departments across the organization collaborated to support Platte River's entry into the SPP WEIS market on April 1, 2023, marking an important milestone in the pursuit of a noncarbon energy future.

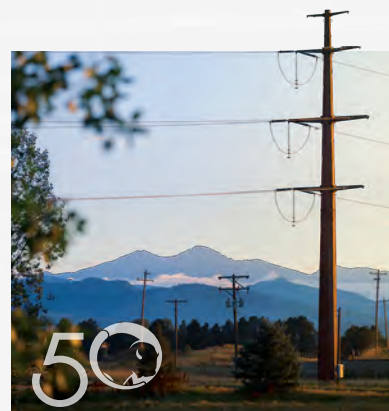
An energy imbalance market is a real-time market in which energy generation from multiple power providers is dispatched at the lowest possible cost to reliably serve the combined customer demand of the region. The SPP WEIS market has 12 participating utilities spanning eight central and western states and allows Platte River to reduce costs and balance energy generation with the real-time power needs of the region, as well as better integrate new renewable energy resources.

In 2023, Platte River joined six western electric service providers in committing to join the SPP RTO West market on April 1, 2026. SPP RTO West is a fully organized energy market and Platte River's participation represents a key advancement for the RDP.



2017

In 2017, Platte River, Xcel Energy and Black Hills Energy executed the joint dispatch agreement (a small energy imbalance market) to enhance regional reliability and allow for better integration of intermittent renewable resources. This agreement concluded in 2023 upon entry into the SPP WEIS market.



"We look forward to joining the SPP RTO West market in 2026. Participation will enhance our ability to achieve the noncarbon energy goal of Platte River and our owner communities while maintaining our commitment to system reliability and financial sustainability."

- Melie Vincent
Chief operating officer, generation, transmission and markets





Operational leadership

Transforming Rawhide Unit 1 into a more flexible resource

Commissioned in spring 1984, Rawhide Unit 1 has long been a model for efficiency, reliability and environmental performance. As Platte River continues working toward the RDP and recognizing requirements for energy market participation, the Rawhide team was challenged to operate Unit 1 differently.

Historically, Rawhide Unit 1 has run continuously with relatively stable output. Staff were challenged to shift operation of the unit to a more flexible resource that can respond to five-minute dispatch signals from the SPP WEIS market, the intermittency of renewables and to better manage the volatility of solar and wind output while maximizing value. These changes and specific modifications required several years of planning and testing.

In April 2021, staff successfully dispatched the unit at 80 MW. After two years of flexibly operating the unit between 80 MW and 280 MW, the Rawhide team saw operational success and significant fuel savings due to using the unit in a more dynamic way and were able to maintain reliability, consistent with the three foundational pillars of our organization. Staff acknowledge that the unit was not designed to operate in this manner and using it in this way, while successful, is not without costs to operations and maintenance, making it an unrealistic long-term solution to manage our existing renewable fleet.

Platte River plans continued investment in preventive maintenance on Rawhide Unit 1 to ensure the resource is reliable, safe and compliant through its remaining operating life. In May, Rawhide staff conducted a scheduled minor maintenance outage on the unit to inspect the boiler and other critical components, and to perform upkeep work on internal components not possible while the unit operates. Data from the inspections help inform the next scheduled maintenance outage planned for 2025.



2023

In February, the Coal Users' Group named Rawhide Energy Station the 2023 Plant of the Year during their annual meeting. The prestigious award recognizes world-class coal plant operations for safety, operational excellence and workforce culture.

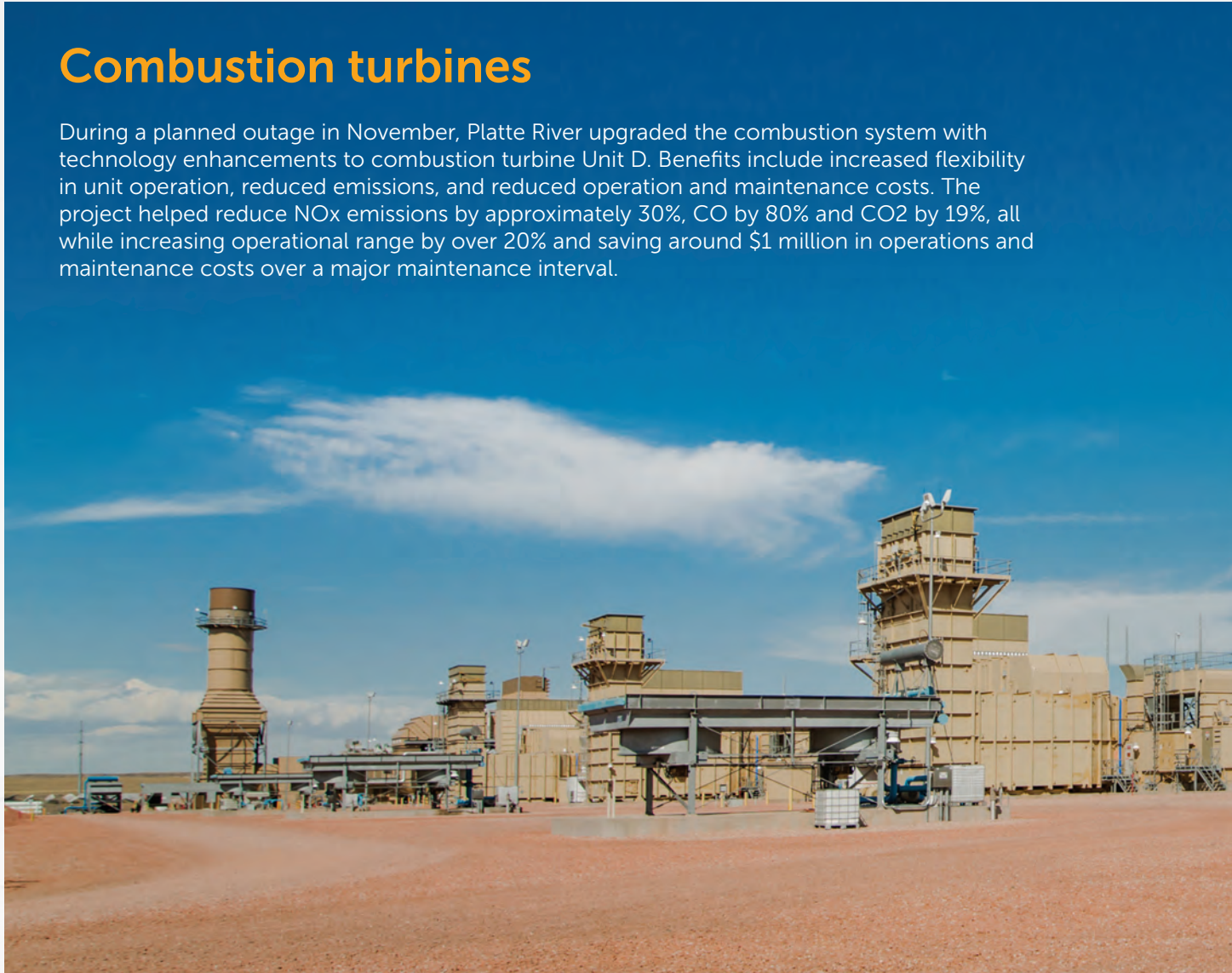


Operational leadership

Upgrading equipment to support the foundational pillars

Combustion turbines

During a planned outage in November, Platte River upgraded the combustion system with technology enhancements to combustion turbine Unit D. Benefits include increased flexibility in unit operation, reduced emissions, and reduced operation and maintenance costs. The project helped reduce NOx emissions by approximately 30%, CO by 80% and CO2 by 19%, all while increasing operational range by over 20% and saving around \$1 million in operations and maintenance costs over a major maintenance interval.



Transmission lines and substations

Regular maintenance and upgrade activities on Platte River's transmission lines and substations support continued reliability and safety. Improvements in 2023 included:

- Completing all scheduled transmission line maintenance on a combination of four 115-kV and 230-kV transmission lines
- Supporting WAPA's projects to rebuild the Lyons – Estes 115-kV and Flat Iron – Estes 115-kV lines
- Completing the underground cable replacement and termination repair on the Fordham – Fort St. Vrain transmission line
- Installing and testing a new transformer replacement for the City of Loveland

Monofill

In March, Rawhide staff completed the multi-year coal ash monofill upgrade below budget and ahead of schedule and began using the new cell to support Rawhide's environmentally sound long-term coal ash management system.





Operational leadership

Chimney Hollow Reservoir project progress

Chimney Hollow Reservoir, the most significant component of the Windy Gap Firming Project, reached the halfway point on construction at the end of 2023. The project supports long-term, dependable delivery of Platte River's Windy Gap water which is essential for reliable operations and helps optimize Platte River's water resource portfolio.

Northern Water's Municipal Subdistrict staff, along with key project contractors, anticipate completion of the reservoir construction in summer of 2025. It is expected to take about three years to fill the reservoir.

Once complete, Chimney Hollow Reservoir will provide all project participants with dedicated storage for Windy Gap water available during wet periods, and a reserve to draw upon during dry periods.



Energy transition leadership

Integrated resource plan

Resource planning is an ongoing and dynamic process at Platte River that helps guide the implementation of the RDP. The Western Area Power Administration (WAPA) requires an integrated resource plan (IRP) be filed every five years. However, with Platte River's accelerated decarbonization plan, we have chosen to file more frequently. The IRP details how the organization plans to meet the projected energy demand from the owner communities for the next five-to-20 years. Following passage of the RDP in 2018, Platte River accelerated the IRP filing timeline and submitted the 2020 IRP during the COVID-19 pandemic.



While work on the 2024 IRP began immediately after the 2020 IRP was filed, formal activities kicked off in 2023. In June, Platte River hosted the first of three community engagement sessions in the Energy Engagement Center at the headquarters campus. The meeting initiated a robust public outreach campaign that continued through late fall.

In parallel with the public outreach efforts, resource planning staff reviewed the challenges and assessed industry changes since the 2020 IRP was filed, incorporating the ongoing cost, labor and supply chain impacts from the pandemic. Following numerous studies from external consultants and extensive modeling and analysis, staff prepared a draft resource plan outlining the preferred mix of resources that evaluate various scenarios and consider tradeoffs between different options.

In 2024, staff will finalize the IRP and present results and a recommendation to Platte River's Board of Directors. Following board approval, Platte River will file the 2024 IRP with WAPA.

Dispatchable capacity support resolution approved

Building on the recommendations of the 2020 IRP preferred portfolio and expanding the modeling of "dark calm events" (an extended period of low or no renewable generation), Platte River staff integrated a dispatchable capacity option to support reliability that consisted of a three-pronged approach presented to the board in September 2023. The solution includes long-duration energy storage, a virtual power plant and aeroderivative turbines that are initially fueled by natural gas and can transition to green hydrogen once this fuel source is commercially available.

The board adopted the resolution supporting this dispatchable solution in October.



1998

In 1998, Platte River added wind energy from the Medicine Bow project to its energy portfolio, becoming the first utility in Colorado to offer wind energy to its owner communities.





Energy transition leadership

New resource acquisition efforts

The pandemic put many things on hold for two years, including construction of renewable projects. Since then, Platte River has worked hard to overcome delays and cost increases from supply chain issues, higher prices for labor, capital and equipment, and state and federal clean energy policies that intensified competition for renewable energy projects. Platte River has repeatedly renegotiated renewable energy contracts to keep projects on track, including the Black Hollow Solar project proposed in 2021. Construction of this project is expected to begin in spring 2024 with commercial operation expected in 2025.

Negotiations for an additional solar project continued in 2023 with plans to sign the contract in 2024. Platte River also continued evaluating proposals for the solar and storage projects requested in 2021 and issued a request for proposals (RFP) for new wind energy in September.



Distributed energy resources

Effective integration of distributed energy resources (DER) is key to achieving the RDP. Examples of DER include energy efficiency, building electrification, transportation electrification, distributed generation, distributed energy storage and demand response. DER integration can be accomplished only through intentional collaboration between Platte River and the owner communities.

In 2023, this collaborative effort led to the completion of a DER technology roadmap that identifies the systems Platte River and the owner communities will need to acquire and implement to successfully integrate DERs. These systems are intended to help customers enroll DERs in a virtual power plant that can be dispatched by Platte River and the owner communities to support a more reliable, financially sustainable noncarbon electric system.

Platte River staff also completed a DER potential study in 2023, the results from which will be included in the organization's 2024 IRP. In addition, staff furthered the procurement process for 20-25 MW of utility storage that can be located in the owner communities' systems.



300 MW


of new solar from two projects, one for which Platte River continued contract negotiations in 2023 and one that is expected to break ground in 2024

150-400 MW

of new wind energy sought in 2023 RFP

50+

responses evaluated in 2023 from all-renewable-resource RFPs





Energy transition leadership

Distributed energy solutions

Efficiency Works™ is a regional utility collaboration that provides guidance and resources to help customers use energy effectively. The collaboration, managed by Platte River for Estes Park, Fort Collins, Longmont and Loveland, continued its evolution in 2023 by expanding offerings beyond traditional energy efficiency programs to help customers contribute to the region's energy transition. This expansion included an increased focus on optimizing commercial building systems and shifting residential initiatives toward building electrification to help customers transition from natural gas to electricity for heating. They also expanded customer information on electric vehicles and introduced a public charger incentive for commercial customers.

Further, Efficiency Works programs and staff increased their focus on serving income-qualified customers through innovative partnerships, resulting in a 237% increase in available funds for investment in vulnerable households.

Successful programs from 2023 will serve as the foundation for customer programs in 2024, creating opportunities to help customers integrate DERs and technologies into the virtual power plant currently under development.

\$8.9 million

invested in energy services, including direct services to 5,600 customers and influencing an additional 6,500 energy-related decisions

6,800 tons

of carbon emissions avoided through Efficiency Works programs and initiatives, based on U.S. Environmental Protection Agency's emission rates for the Rocky Mountain region

2,399

local fourth-grade students participated in the Think! Energy programming through the Efficiency Works Consumer Engagement program

100+

local contractors expanded their businesses by offering Efficiency Works programming to customers in our communities

900

individuals educated on electric vehicle options along with guidance on state and federal purchase incentives



"Efficiency Works' expansion into building electrification and enhanced focus on serving income-qualified customers demonstrates our commitment to sustainability and equity. Looking ahead, we remain dedicated to guiding customers toward efficient energy usage and embracing emerging technologies like electric vehicles, ensuring a greener, more resilient energy future."

Raj Singam Setti

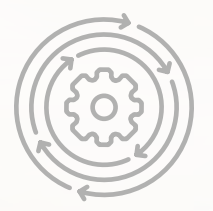
Chief operating officer, innovation and resource strategy integration

2014

In 2014, the owner communities and Platte River Power Authority came together to brand energy efficiency initiatives under the common name, Efficiency Works.

 **Efficiency Works™**

Estes Park | Fort Collins | Longmont | Loveland



Change management leadership

Software solutions



Individuals from across the organization came together as subject matter experts to collaborate on the design of our multi-year enterprise resource planning software project for Oracle Fusion Cloud (Oracle). The Oracle project team explored and implemented organizational change management best practices to prepare their peers for the transition to the new software. Their input and insight are shaping the plans for training, knowledge sharing and documentation in 2024.

The team's efforts in 2023 focused on evaluating processes and designing a system that will automate and create efficiencies for significant business processes, improve timeliness of data availability and enhance reporting. Vendors moved through design sessions to configure the system and enable early testing to validate those designs. This work has set the stage for testing sessions in 2024 to prepare for implementation.

Oracle is one of many significant changes as Platte River progresses through the energy transition. Staff continued process improvements with other software implementations in 2023 including a new fiber contract manager and an energy management system for the SPP WEIS market automatic dispatch system, providing seamless integration across the organization and external entities. Additionally, staff initiated a digital project management office to manage more than 100 digital projects in progress to support the clean energy transition, starting with two technology project managers who will oversee and manage the digital technology project life cycle.



Community engagement leadership

Community support



Platte River staff take pride in being community owned and continued to expand their giving and support efforts in 2023. Opportunities to give back were expanded based on employee feedback, adding a winter clothing drive benefiting Homeward Alliance and a food drive for the Food Bank for Larimer County, while continuing popular traditions like purchasing bikes and helmets for a Title I elementary second grade class through FoCo Wish for Wheels and donating gifts for the Boys and Girls Club Holiday Families program.



25

local nonprofits supported through donations, volunteer opportunities and sponsorships

\$14,000

total contribution to the four owner communities' Arbor Day events including support to purchase over 600 trees, ranging from seedlings to large trees

112

gifts donated to three families for the Boys and Girls Club Holiday Families program



117

Platte River employees donated

\$103,151

total donation with Platte River's cornerstone partnership

\$78,151

raised by employees

2023 was another record-breaking year for Platte River's annual United Way fundraising campaign. In May, Platte River received the Campaign of the Year award for the 2022-2023 campaign, a recognition staff were eager to duplicate for the organization's 50th anniversary. In 2023, the fundraising campaign featured videos highlighting the impacts of local nonprofits, further emphasizing the need in the community. In addition to increasing Platte River's cornerstone partner donation, Platte River staff surpassed the employee fundraising goal and the prior year's donations.





Community engagement leadership

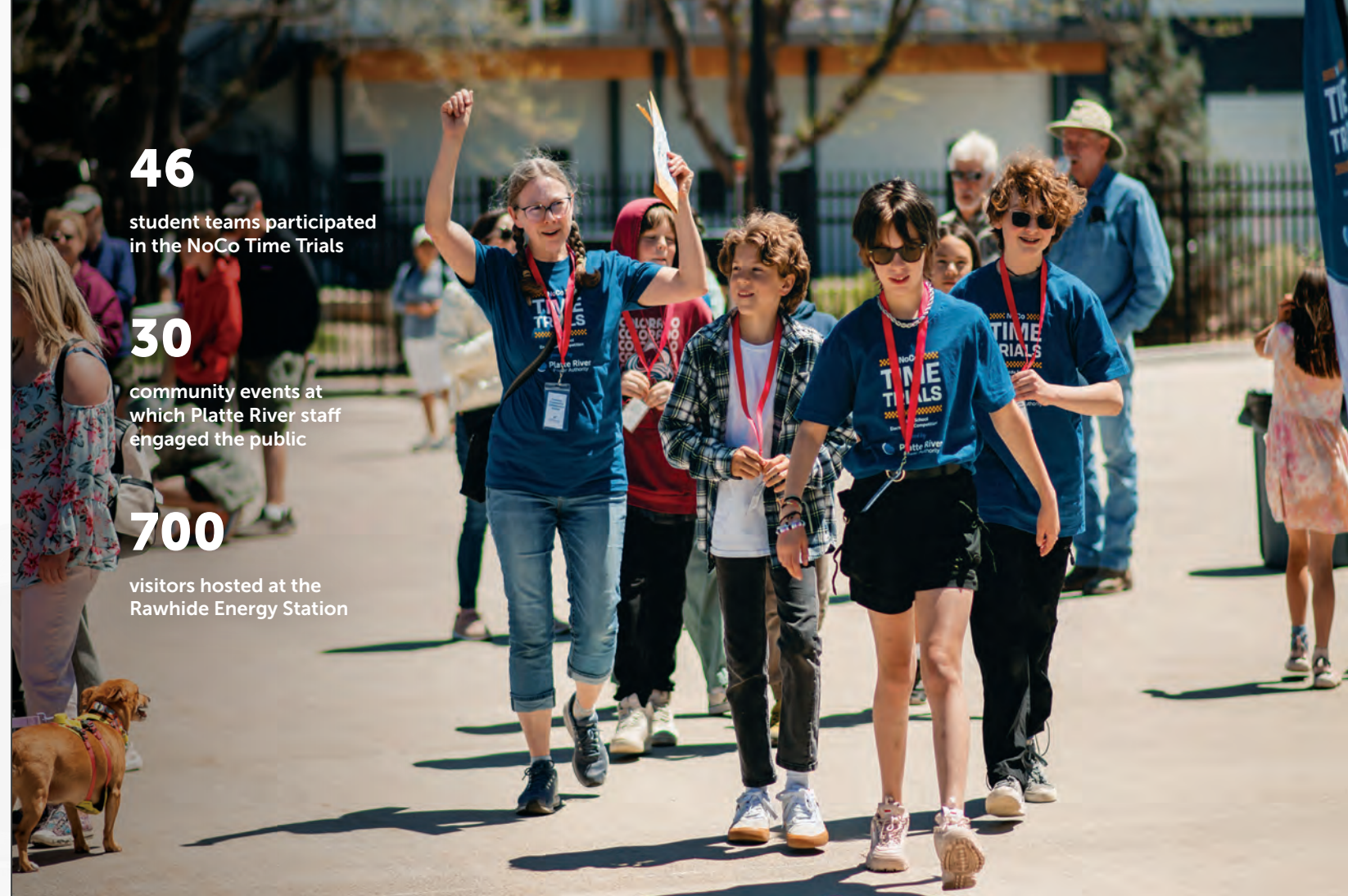
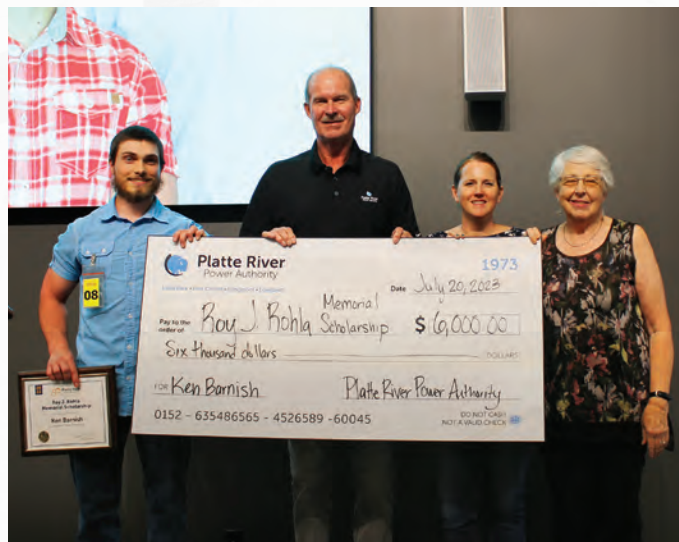
Community events

As Platte River continues to educate the public about our energy transition, the 50th milestone anchored expanded engagement efforts. In addition to attending numerous community events across our service territory, hundreds of visitors ranging from elementary school students to adults toured the Rawhide Energy Station. Visitors learned about the different energy resources at Rawhide and the importance of a diverse portfolio to protect grid reliability.

Cultivating an interest in science, technology, engineering and math (STEM) continues to be a priority for Platte River, and investments in 2023 reflect that ongoing commitment. In addition to the practical, hands-on experience middle school students receive from building and racing solar and battery cars for the annual NoCo Time Trials, two students received inaugural NoCo Time Trials scholarships to encourage their post-secondary studies in STEM.



Platte River also doubled the Roy J. Rohla Memorial Scholarship in 2023 and invited the family of the former Platte River employee for whom the scholarship is named to help present the scholarship to a Colorado State University student who is pursuing a degree in electrical engineering. Awards sponsored by Platte River for the Colorado Science and Engineering Fair also increased, and a new partnership with She's in Power, a workforce program designed to grow and inspire women to be tomorrow's clean energy leaders, began in 2023.



46
student teams participated in the NoCo Time Trials

30
community events at which Platte River staff engaged the public

700
visitors hosted at the Rawhide Energy Station

External affairs

In 2023, Platte River increased its engagement with state and regional legislative staff across agencies, municipalities, trade associations and local organizations, resulting in increased awareness of Platte River's plans and advocacy for the utility's effort in working toward its noncarbon goal. CEO Jason Frisbie continued hosting quarterly meetings with city managers to help owner community councils understand Platte River's resource transition and to discuss how the communities are part of this initiative.





Financial leadership

Wholesale rate strategy

Platte River increased the budgeted average wholesale rate 5.0% in 2023. This reflects Platte River's multi-year rate smoothing strategy to avoid greater single year rate impacts and meet specified objectives of Platte River's Strategic Financial Plan (SFP).

Long-term rate pressure is due to projected increases in net system costs as Platte River pursues the RDP goal. The financial and rates projections, presented to the board of directors in the spring of each year, can change because of ongoing assumption and plan updates.



Strategic Financial Plan

The board of directors approved updates to Platte River's SFP in December 2023. The SFP is Platte River's approach to financial management to achieve its short- and long-term goals and objectives. The SFP provides direction to preserve long-term financial sustainability and manage financial risk. The objectives of the SFP are:

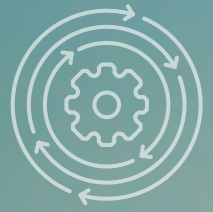
- Generate adequate earnings margins and cash flows
- Maintain sufficient liquidity for operational stability
- Maintain access to low-cost capital
- Provide wholesale rate stability

To meet these objectives, staff established financial metrics and rate stability strategies. These strategies include fiscal responsibility and rate smoothing, and help maintain financial stability and guide rate setting throughout the resource transition process.

Enterprise risk management

Efforts to expand Platte River's enterprise risk management program continued in 2023 with the hiring of an enterprise risk manager, support from a third-party consultant and engagement from Platte River employees. The consultant performed a risk assessment, which involved a dynamic and iterative process to identify and analyze risks to Platte River's ability to achieve its objectives, supporting actions to help manage and mitigate uncertainty. The risk assessment process involved interviews with Platte River employees and an online survey. The next steps in this process and overall enterprise risk management efforts will continue in 2024.





Financials

Overall financial results

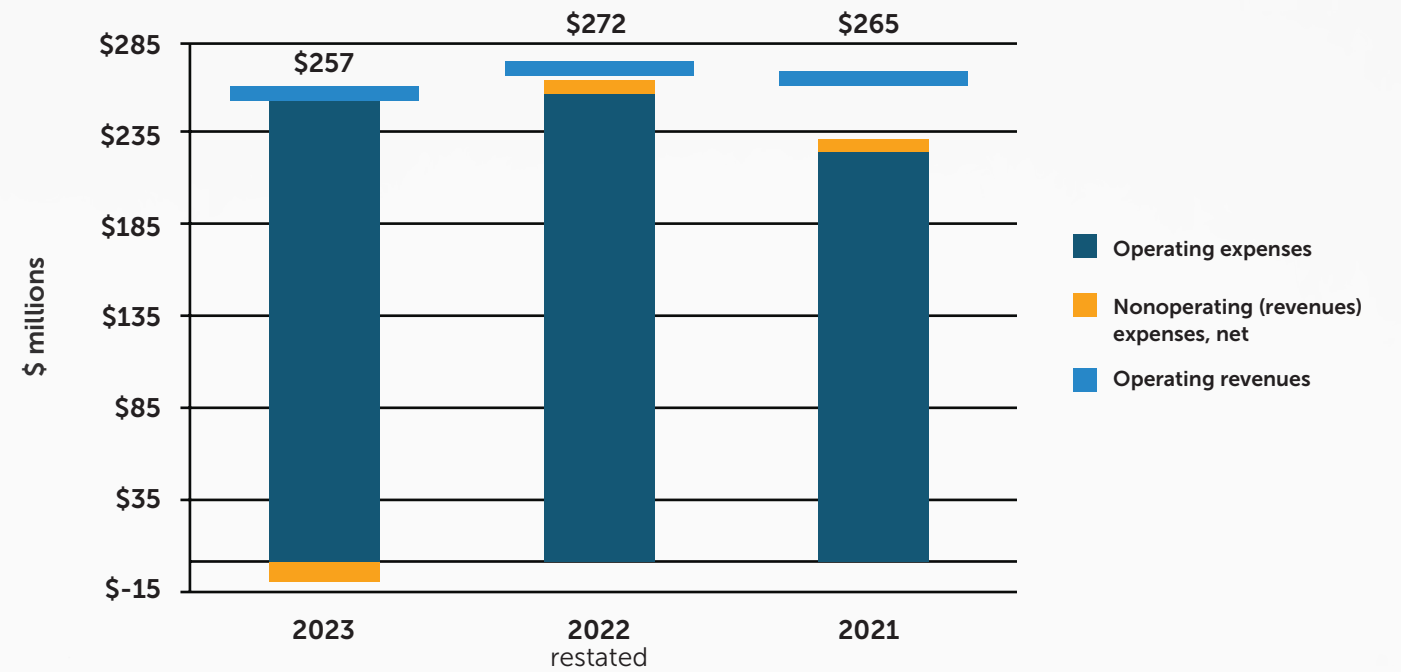
Platte River's financial position continues to strengthen. Platte River exceeded all strategic financial plan metrics in 2023, allowing staff to apply the board-approved deferred revenue and expense accounting policy. Change in net position before deferring revenue was \$40.8 million, and under the board-approved accounting policy, we deferred \$31.5 million of revenues (which can be used in a future period), resulting in a change in net position after the revenue deferral of \$9.3 million. The financial results, in conjunction with the accounting policies, support long-term financial sustainability, and help reduce the amount of future debt financings and help manage rate pressure.

Our bond service coverage ratio of 2.11 times exceeded the 1.10 times required by bond covenants, providing confidence for Platte River bond holders. Platte River's strong financial position will benefit the owner communities well into the future.

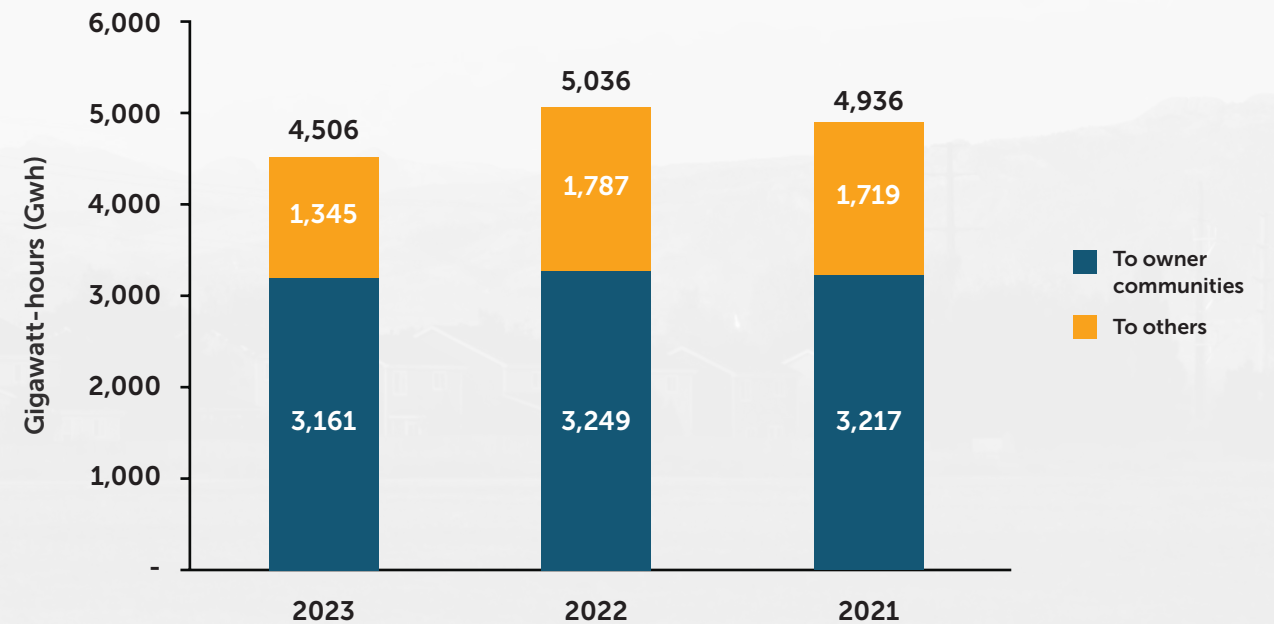
100%
of the strategic
financial plan
metrics met

AA
credit rating

Revenues and expenses



Energy deliveries



Financial highlights

Year ended Dec. 31

	2023	2022 restated	2021
Financial results (\$000)			
Operating revenues	\$ 257,249	\$ 271,657	\$ 265,378
Operating expenses	(257,500)	(257,821)	(225,594)
Nonoperating revenues (expenses), net	9,513	(7,200)	(4,091)
Change in net position	\$ 9,262	\$ 6,636	\$ 35,693
Strategic financial plan metrics ⁽¹⁾ Target minimums			
Fixed obligation charge coverage ratio 1.5x	1.50x	2.00x	2.80x
Change in net position as a percentage of annual operating expenses 3%	4.1%	3.0%	18.7%
Adjusted debt ratio < 50%	26%	28%	30%
Days adjusted liquidity on hand 200	461	408	412
Other selected data (\$000 except bond service coverage ratio)			
Gross utility plant	\$ 1,533,387	\$ 1,511,251	\$ 1,490,675
Long-term debt and other long-term obligations	\$ 230,655	\$ 245,207	\$ 260,370
Accumulated deferred revenues	\$ 53,236	\$ 21,739	\$ -
Accumulated net position	\$ 667,185	\$ 657,923	\$ 651,287
Bond service coverage ratio 1.1x	2.11x	3.02x	4.25x

(1) 2021 and 2022 restated metrics reported accord with the Strategic Financial Plan in effect for 2022. 2023 metrics reported accord with the Strategic Financial Plan in effect for 2023.

Platte River operational data

Year ended Dec. 31

	2023	2022	2021
Peak demand (kW)			
Estes Park	27,656	30,578	28,347
Fort Collins	306,414	309,141	318,671
Longmont	189,999	193,501	197,303
Loveland	167,568	176,719	175,125
Total owner communities' peak demand	691,637	709,939	719,446
Platte River coincident demand	680,365	683,566	706,778
Energy (MWh)			
Estes Park	140,220	140,571	137,187
Fort Collins	1,460,021	1,513,093	1,504,442
Longmont	836,116	847,303	841,993
Loveland	725,176	748,434	733,085
Total owner communities' energy	3,161,533	3,249,401	3,216,707
Sales to others	1,344,675	1,787,361	1,718,668
Energy – total system	4,506,208	5,036,762	4,935,375

Energy market statistics

Year ended Dec. 31

Owner communities combined retail sales ⁽¹⁾

	2023	2022	2021
Number of customers (monthly average)			
Residential	154,333	152,471	150,751
Commercial & industrial	19,593	19,335	19,017
Other	287	289	288
Total	174,213	172,095	170,056
Energy sales (MWh)			
Residential	1,171,689	1,213,607	1,216,255
Commercial & industrial	1,927,246	1,936,924	1,913,547
Other	3,829	3,884	3,772
Total	3,102,764	3,154,415	3,133,574
Revenue (\$000)			
Residential	\$ 148,244	\$ 145,894	\$ 142,716
Commercial & industrial	189,882	181,332	171,901
Other	605	584	536
Total	\$ 338,731	\$ 327,810	\$ 315,153
Residential averages (annual)			
Energy per customer (kWh)	7,592	7,960	8,068
Revenue per kWh (cents)	12.65	12.02	11.73
Revenue per customer	\$ 961	\$ 957	\$ 947

(1) Prior to May, data for the most recent year have been compiled from preliminary reports of the cities supplied with electric energy by Platte River.

Report of leadership

Platte River's leadership is responsible for the preparation, integrity and objectivity of the financial statements and related information included in this annual report. The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America and, where required, reflect amounts based on the best estimates and judgments of leadership.

Platte River maintains a strong internal control structure designed to provide reasonable assurance that transactions are executed in accordance with leadership's authorization, that financial statements are prepared in conformity with GAAP and that assets are safeguarded. Platte River's internal auditor evaluates internal controls for adherence to policies and procedures on an ongoing basis, and reports findings and recommendations for possible improvements to leadership.

In addition, the independent auditors consider elements of the internal control system in determining the nature and scope of their audit procedures for the annual audit of Platte River's financial statements. The board of directors, whose members are not employees of Platte River, periodically meets with the independent auditors and leadership to discuss the audit scope, audit results and any recommendations to improve the internal control structure. The board of directors directly engages the independent auditors.

Dave Smalley
Chief financial officer/
deputy general manager

Jason Frisbie
General manager/CEO



Platte River Power Authority

Independent Auditor's Report and Financial Statements

Dec. 31, 2023 and 2022

Platte River Power Authority

Financial statements

Years ended Dec. 31, 2023 and 2022

Contents

Independent auditor's report	1
Management's discussion and analysis	5
Financial statements	
Statements of net position	18
Statements of revenues, expenses and changes in net position.....	20
Statements of cash flows	21
Statements of fiduciary net position.....	23
Statements of changes in fiduciary net position.....	24
Notes to financial statements	25
Required supplementary information.....	74
Supplementary information	77
Budgetary comparison schedule.....	77

Independent Auditor's Report

Board of Directors
Platte River Power Authority
Fort Collins, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Platte River Power Authority (Platte River) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Platte River's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities and fiduciary activities of Platte River as of December 31, 2023 and 2022, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Platte River and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in fiscal year 2023, Platte River adopted new accounting guidance related to subscription-based information technology arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Board of Directors
Platte River Power Authority

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Platte River's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Platte River's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Report. The other information comprises the information included in the Annual Report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Denver, Colorado
April 8, 2024

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Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

This discussion and analysis provides an overview of the financial performance of Platte River Power Authority for the fiscal years ended Dec. 31, 2023, and Dec. 31, 2022. The information presented should be read in conjunction with the basic financial statements, accompanying notes to the financial statements and required supplementary information.

Platte River is a Colorado political subdivision and a wholesale electricity generation and transmission provider that delivers safe, reliable, environmentally responsible and financially sustainable energy and services to its four owner communities, Estes Park, Fort Collins, Longmont and Loveland, Colorado, for delivery to their utility customers.

Platte River is proactively working toward the goal of reaching a noncarbon energy future by 2030 through the Resource Diversification Policy, while maintaining Platte River's three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services. Advancements in technology and joining an energy market, amongst other requirements, must occur to achieve the 2030 goal and to successfully maintain Platte River's three pillars. Platte River continuously evaluates resource planning and opportunities to add noncarbon resources.

Platte River's power resources include generation from coal and natural gas units, wind purchases, allocations of federal hydropower from Western Area Power Administration (WAPA), solar (including storage) purchases, market purchases, bilateral purchases, owner community solar programs and a forced outage exchange agreement.

- Coal-fired generation includes Rawhide Unit 1 (280 megawatts), located 25 miles north of Fort Collins, and 18% ownership in Craig units 1 and 2 (151 megawatts combined), located in northwest Colorado. Rawhide Unit 1 is scheduled to be retired by Dec. 31, 2029. Craig units 1 and 2 are scheduled to be retired by Dec. 31, 2025 and Sept. 30, 2028, respectively.
- Natural gas-fired combustion turbines located at Rawhide Energy Station include five simple cycle combustion turbines, composed of four GE 7EAs (65 megawatts each) and a GE 7FA (128 megawatts). The combustion turbines are used to meet peak load demand, provide reserves during outages of the coal-fired units and make sales for resale.
- Wind generation includes 303 megawatts of nameplate capacity (67 megawatts of effective load carrying capability) provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.
 - Roundhouse Wind Energy Center (225 megawatts) in Wyoming; contract ends May 31, 2042.
 - Spring Canyon Wind Energy Center Phase II and III (60 megawatts) in Colorado; contracts end Oct. 31, 2039, and Dec. 10, 2039, respectively. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and reduce ancillary services expense, Platte River sold the energy and renewable

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

attribute from these sites under a 10-year contract that began in 2020. This energy is therefore not delivered to the owner communities for the term of the sales contract. At the end of the sales contract, the energy will return to Platte River.

- Silver Sage Windpower Project (12 megawatts) in Wyoming; contract ends Sept. 30, 2029. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and to reduce transmission and ancillary services expenses, Platte River sold the energy and renewable attribute from this site under a long-term contract. This energy is therefore not delivered to the owner communities.
- Medicine Bow Wind Project (6 megawatts) in Wyoming; contract ends Dec. 30, 2033.
- Hydropower is received under two long-term contracts with WAPA – one for the Colorado River Storage Project and one for the Loveland Area Projects. The hydropower contracts are subject to periodic price changes.
 - Colorado River Storage Project contract rate of delivery amounts are 106 megawatts in the summer and 136 megawatts in the winter, which are not being met due to drought conditions. Actual capacity available varies by month. During 2023, summer season available capacity ranged from 30 megawatts to 70 megawatts. During the 2023 winter season, available capacity ranged from 42 megawatts to 60 megawatts. Available capacity and energy may further change with drought conditions, and as conditions worsen, there may be periods where no energy is delivered. The Colorado River Storage Project contract ends Sept. 30, 2057.
 - Loveland Area Projects' capacity varies from 23 megawatts to 30 megawatts in the summer season and 26 megawatts to 32 megawatts in the winter season. The Loveland Area Projects contract ends Sept. 30, 2054.
- Solar generation includes 52 megawatts of nameplate capacity (22 megawatts of effective load carrying capability) with 2 megawatt-hours of battery storage provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.
 - Rawhide Flats Solar facility (30 megawatts) located at the Rawhide Energy Station; contract ends Dec. 14, 2041.
 - Rawhide Prairie Solar facility (22 megawatts) located at the Rawhide Energy Station; contract ends March 18, 2041. This project has an integrated battery storage system of 2 megawatt-hours, which can be discharged once daily at a rate up to 1 megawatt per hour.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

- Market purchases provide energy through participation in both the joint dispatch agreement through March 2023 and the Western Energy Imbalance Service operated by the Southwest Power Pool beginning in April 2023. The joint dispatch agreement was among Public Service Company of Colorado, Black Hills Colorado Electric and Platte River and operated similarly to an energy imbalance market. The joint dispatch agreement terminated as participants began operations in the Western Energy Imbalance Service. These market activities provide access to lower-cost resources and sales for resale opportunities in real time, increasing operational efficiencies while enhancing reliability. Platte River will participate in the Western Energy Imbalance Service until joining the Southwest Power Pool Regional Transmission Organization West planned for 2026.
- Bilateral purchases involve a single counterparty and are specifically negotiated deals. These provide energy to satisfy loads, replace power during outages and meet reserve requirements.
- Platte River purchases capacity of 4.022 megawatts and 0.333 megawatts from Fort Collins and Loveland community solar facilities, respectively. For these two facilities, the owner communities retain the renewable attributes and the facilities are not part of Platte River's noncarbon resource portfolio.
- Platte River had a forced outage exchange agreement with Tri-State Generation and Transmission Association, Inc. (Tri-State). If either Rawhide Unit 1 or Tri-State's Craig Unit 3 was out of service, the other utility would provide up to 100 megawatts of generation on a short-term basis. The agreement was in effect until March 31, 2024. No extension or comparable replacement agreements have or are planned to be executed.

Platte River operates as a utility enterprise and follows the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC). Platte River has implemented all applicable Governmental Accounting Standards Board (GASB) pronouncements. The accompanying financial statements for Platte River and the defined benefit pension plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. For the defined benefit pension plan, payments are recognized when due and payable in accordance with the terms of the defined benefit pension plan.

Request for information

This financial report is designed to provide a general overview of Platte River's finances, as well as the defined benefit pension plan's finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to David Smalley, chief financial officer and deputy general manager, Platte River Power Authority, 2000 East Horsetooth Road, Fort Collins, Colorado 80525.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Financial summary

Platte River reported change in net position of \$9.3 million in 2023, approximately \$2.6 million higher than 2022. The year ended with a decrease in operating revenues of \$14.4 million, a decrease in operating expenses of \$0.3 million and an increase in nonoperating revenues, net, of \$16.7 million.

Under an accounting policy approved by the board in 2022, the general manager/CEO approved deferring \$31.5 million of current-year operating revenues as deferred regulatory revenues. The policy reduces rate pressure and achieves rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. The strategy for determining revenue deferred is based on long-term financial and rate projections.

In 2023, Platte River adopted the principles of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and recognized the effect of a change in accounting principle for recording information technology subscriptions as capital assets and financing activities (notes 3 and 19) resulting in a restatement of total assets, total liabilities and change in net position as of and for the period ending Dec. 31, 2022.

Condensed financial statements

The following condensed statements of net position and condensed statements of revenues, expenses and changes in net position summarize Platte River's financial position and changes in financial position for 2023, 2022 and 2021.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Condensed statements of net position

	2023	Dec. 31, 2022 restated	2021*
	<i>(in thousands)</i>		
Assets			
Electric utility plant	\$ 557,394	\$ 574,294	\$ 589,322
Special funds and investments	188,480	170,596	150,991
Current assets	185,828	155,125	138,671
Noncurrent assets	141,423	137,971	132,673
Total assets	<u>1,073,125</u>	<u>1,037,986</u>	<u>1,011,657</u>
Deferred outflows of resources	38,439	43,240	28,537
Liabilities			
Noncurrent liabilities	293,258	303,317	289,851
Current liabilities	45,361	42,774	35,178
Total liabilities	<u>338,619</u>	<u>346,091</u>	<u>325,029</u>
Deferred inflows of resources	105,760	77,212	63,878
Net position			
Net investment in capital assets	406,299	400,947	398,319
Restricted	19,561	18,873	18,864
Unrestricted	241,325	238,103	234,104
Total net position	<u>\$ 667,185</u>	<u>\$ 657,923</u>	<u>\$ 651,287</u>

*2021 not restated for implementation of GASB 96.

Net position

Total net position at Dec. 31, 2023, was \$667.2 million, an increase of \$9.3 million over 2022. Total net position at Dec. 31, 2022, was \$657.9 million, an increase of \$6.6 million over 2021.

Electric utility plant decreased \$16.9 million during 2023 primarily due to a \$39 million increase in accumulated depreciation and amortization, partially offset by a \$15.2 million increase in plant and equipment in service and a \$6.9 million increase in construction work in progress (note 4).

In 2022, electric utility plant decreased \$15 million from 2021, primarily due to a \$35.6 million increase in accumulated depreciation and amortization and \$2.9 million decrease in construction work in progress. Partially offsetting these net decreases was a \$23.5 million increase in plant and equipment in service. 2022 was restated to record amortizable subscription assets due to GASB 96 (notes 3, 4 and 19).

Special funds and investments increased \$17.9 million during 2023 primarily due to strong financial results providing excess cash flow during the year.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

In 2022, special funds and investments increased \$19.6 million over 2021 also primarily due to strong financial results.

Current assets increased \$30.7 million during 2023 primarily due to increases in cash and cash equivalents and other temporary investments due to an increase in funds from additional sales of Windy Gap water units, as well as strong financial results providing excess cashflow during the year. Fuel inventory increased due to higher coal inventory at the Craig Energy Station following increased deliveries from Trapper Mine and lower generation. Materials and supplies inventory also increased as materials for future projects were procured to mitigate supply chain risk and new parts were required to support upgraded equipment maintenance. Partially offsetting the increases was a decrease in accounts receivable – other due to lower sales for resale average prices during the month of December and timing of payments.

In 2022, current assets increased \$16.4 million over 2021 primarily due to increases in cash and cash equivalents, other temporary investments and accounts receivable due to strong financial results providing excess cashflow during the year. Prepayments also increased with the timing of certain prepaid expenses.

Noncurrent assets increased \$3.4 million during 2023 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary and an additional funding requirement for the defined benefit pension plan. These differences are recorded in accordance with the GASB 62 board-approved pension related accounting policies (note 6). Other long-term assets also increased because of additional funding for the Windy Gap Firming Project (note 11).

In 2022, noncurrent assets increased \$5.3 million over 2021 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary. This difference is recorded in accordance with the GASB 62 board-approved pension contribution expense recognition accounting policy (note 6). In addition, the noncurrent portion of prepayments increased because of various long-term agreements executed during the year.

Deferred outflows of resources decreased \$4.8 million during 2023 primarily due to a decrease in defined benefit pension plan deferrals based on an increase in market returns and annual amortizations related to the defined benefit pension plan and deferred loss on debt refundings. These increases were partially offset by changes in asset retirement obligations due to inflation adjustments and updated cost estimates (note 9).

In 2022, deferred outflows of resources increased \$14.7 million over 2021 primarily due to increases in pension deferrals based on a decrease in market returns and changes in plan experiences (note 8) and asset retirement obligations for the Craig Generating Station impoundments, for a new item and cost estimate updates, and Trapper Mine reclamation for additional mining activity (note 9). These increases were partially offset by decreases in unamortized deferred loss on debt refundings.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Noncurrent liabilities decreased \$10.1 million during 2023 primarily due to principal retirements, amortization of premiums (note 7) and net pension liability from increased contributions and market returns (note 8). Partially offsetting the decreases were increases due to asset retirement obligations as noted above in deferred outflows of resources (note 9), deposits from others on sales for resale contracts, disposal facility closure costs (note 10) and liabilities for compensated absences as the maximum hours accruable for personal leave increased.

In 2022, noncurrent liabilities increased \$13.5 million over 2021 primarily due to an increase in the net pension liability from decreased market returns (note 8) and an increase in asset retirement obligations as noted above in deferred outflows of resources. Subscription liabilities were initially recognized, further increasing noncurrent liabilities, with the implementation of GASB 96 (notes 3, 12 and 19). Partially offsetting the increase were principal retirements and a decrease in unamortized premium as described (note 7). The final payment for Platte River's Series II bonds was made in June.

Current liabilities increased \$2.6 million during 2023 primarily due to increases in prepayments from others on sales for resale contracts and interconnection agreements and the timing of settlement liability payments for the Windy Gap Firming Project (note 11). Partially offsetting the increases was a decrease in the current portion of asset retirement obligations (note 9).

In 2022, current liabilities increased \$7.6 million over 2021 primarily due to increases in accounts payable as year-over-year operating expenses were higher at the end of the year, mainly based on the Craig units' coal and operations and maintenance expenses, natural gas, medical expenses, contracted services and capital additions.

Deferred inflows of resources increased \$28.5 million during 2023 primarily due to changes in regulatory credits as Platte River deferred \$31.5 million of operating revenues (note 6). There were also increases in the regulatory credits for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6) and the regulatory credit for Craig units 1 and 2 decommissioning accrual (note 6). Partially offsetting the increases were amortization of the regulatory credit for the change in depreciation method (note 6) and amortization of defined benefit pension plan regulatory credit and deferrals (note 6).

In 2022, deferred inflows of resources increased \$13.3 million over 2021 primarily due to changes in regulatory credits as Platte River deferred \$21.7 million of operating revenues (note 6). There was also an increase in the regulatory credit for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6). Partially offsetting the increases was amortization of the regulatory credit for the change in depreciation method (note 6). Pension deferrals decreased due to reclassifying the earnings on investments account balance against the loss on investments for 2022, which was recorded as a deferred outflow of resources (note 8).

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Condensed statements of revenues, expenses and changes in net position

	Years ended Dec. 31,		
	2022	2022 restated	2021*
<i>(in thousands)</i>			
Operating revenues	\$ 257,249	\$ 271,657	\$ 265,378
Operating expenses	257,500	257,821	225,594
Operating income	(251)	13,836	39,784
Nonoperating revenues (expenses), net	9,513	(7,200)	(4,091)
Change in net position	9,262	6,636	35,693
Net position at beginning of year	657,923	651,287	615,594
Net position at end of year	<u>\$ 667,185</u>	<u>\$ 657,923</u>	<u>\$ 651,287</u>

*2021 not restated for implementation of GASB 96.

Changes in net position

Net position increased \$9.3 million in 2023, \$2.6 million higher than in 2022, after deferring \$31.5 million of current-year revenues under the board-approved deferred revenue and expense accounting policy (note 6). Before this deferral, change in net position was \$40.8 million. There were decreases in operating revenues and operating expenses and an increase in nonoperating revenues, net. Net position increased \$6.6 million in 2022, after deferring revenues of \$21.7 million, \$29.1 million lower than 2021. There were increases in operating revenues, operating expenses and nonoperating expenses, net.

Operating revenues in 2023 decreased \$14.4 million from 2022.

- Sales to the owner communities increased \$5.4 million over 2022 primarily due to a 5% average wholesale rate increase, partially offset by a decrease in owner communities' energy deliveries of 2.7% and billed demand of 1.5%.
- Sales for resale and other decreased \$10.1 million from 2022 primarily due to lower energy served under long-term contracts and lower market sales volumes, partially offset by higher average market prices and additional point-to-point service reservations.
- Deferred regulatory revenues increased \$9.7 million over 2022, which reduces operating revenues, due to overall stronger financial results relative to the strategic financial plan metrics.

Operating revenues in 2022 increased \$6.3 million over 2021.

- Sales to the owner communities increased \$13.1 million from 2021 primarily due to a 3.2% average wholesale rate increase and increases in owner communities' energy deliveries of 1% and billed demand of 0.4%. The owner communities set a new nonsummer peak of 532 megawatts on December 22 at 6 p.m.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

- Sales for resale and other increased \$14.9 million over 2021 primarily due to increased market prices, additional calls on a long-term capacity contract and higher wheeling revenues due to additional point-to-point service reservations.
- Deferred regulatory revenues were \$21.7 million compared to no deferral in 2021. The deferred revenue and expense accounting policy was approved by the board and implemented in 2022 (note 6).

Operating expenses in 2023 decreased \$0.3 million from 2022.

- Purchased power increased \$8.3 million over 2022. The increase was primarily due to favorable market conditions after Platte River joined the Southwest Power Pool's Western Energy Imbalance Service in April, as baseload units were frequently economically dispatched at lower outputs and were replaced by lower-cost market purchases.
- Fuel decreased \$21.3 million from 2022. Fuel for Rawhide Unit 1 and the Craig units decreased \$8.6 million and \$6.5 million, respectively, primarily due to operating at lower capacity factors at both sites as discussed above, partially offset with higher fuel prices. Natural gas expense also decreased by \$6.2 million primarily due to lower commodity prices, partially offset by higher generation.
- Operations and maintenance increased \$11.3 million over 2022 primarily due to increased contracted services for the Rawhide Unit 1 minor outage and combustion turbine projects and operating expenses at the Craig units due to scheduled maintenance and forced outages. Other non-routine projects and personnel costs also increased.
- Administrative and general increased \$6.4 million over 2022 primarily due to increased personnel costs from new positions and increased costs toward strategic initiatives.
- Distributed energy resources increased \$1.9 million over 2022 primarily due to increased program participation and increased personnel costs from new positions.
- Depreciation, amortization and accretion decreased \$6.9 million from 2022 primarily due to a reduction in amortization expenses due to recognition of a net additional gain from the change in depreciation method regulatory credit (note 6) created by sales of Windy Gap water units.

Operating expenses in 2022 increased \$32.3 million over 2021.

- Purchased power decreased \$1.2 million from 2021. The decrease was due primarily to a net increase in forced outage assistance energy deliveries recorded as a net credit to purchased power, a refund and rate decrease for purchased reserves, decreased joint dispatch agreement purchases, less energy received from hydropower due to drought

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

conditions and a decrease in other purchases because Rawhide Unit 1 did not have a scheduled maintenance outage in 2022. Partially offsetting the decreases were increases in wind and solar energy purchases and an increase in the replacement power accrual for the 2024 Rawhide Unit 1 scheduled maintenance outage.

- Fuel increased \$18.9 million over 2021. Fuel for Rawhide Unit 1 and the Craig units increased \$9.5 million and \$5 million, respectively, due to increases in average prices and generation. The average price increased for Rawhide Unit 1 due to an increase in market prices for coal. The Craig units price increased because of an updated price for Trapper Mine coal. Generation was also higher because Rawhide Unit 1 did not have a scheduled maintenance outage as in 2021. Natural gas expense also increased by \$4.4 million due to higher commodity prices, partially offset by operating the combustion turbines at a lower capacity factor as less generation was needed to serve load.
- Operations and maintenance increased \$6.6 million over 2021. The increase was due primarily to the accrual for the next Rawhide Unit 1 scheduled maintenance outage, a full year of expenses for the Windy Gap Firing Project (Chimney Hollow Reservoir), an overall increase in operating expenses at the Craig units and other general miscellaneous increases. Partially offsetting the increase was a reduction in wheeling expenses.
- Administrative and general increased \$4.4 million over 2021 primarily due to increased personnel expenses from new positions and increased insurance expenses.
- Distributed energy resources increased \$1.4 million over 2021 primarily due to increased energy efficiency program participation.
- Depreciation, amortization and accretion increased \$2.2 million over 2021 as additional capital additions were in service, there was new accretion expense from the board-approved Craig units 1 and 2 decommissioning accrual accounting policy (note 6), cost estimates for asset retirement obligations increased and there was a full year of amortization of the Windy Gap Firing Project storage rights regulatory asset. 2022 was restated to record amortization of subscription assets due to implementation of GASB 96 (notes 3, 4 and 19). Partially offsetting the increase was a reduction in amortization expenses reflecting an increase in net gain recognized from the change in depreciation method regulatory credit (note 6).

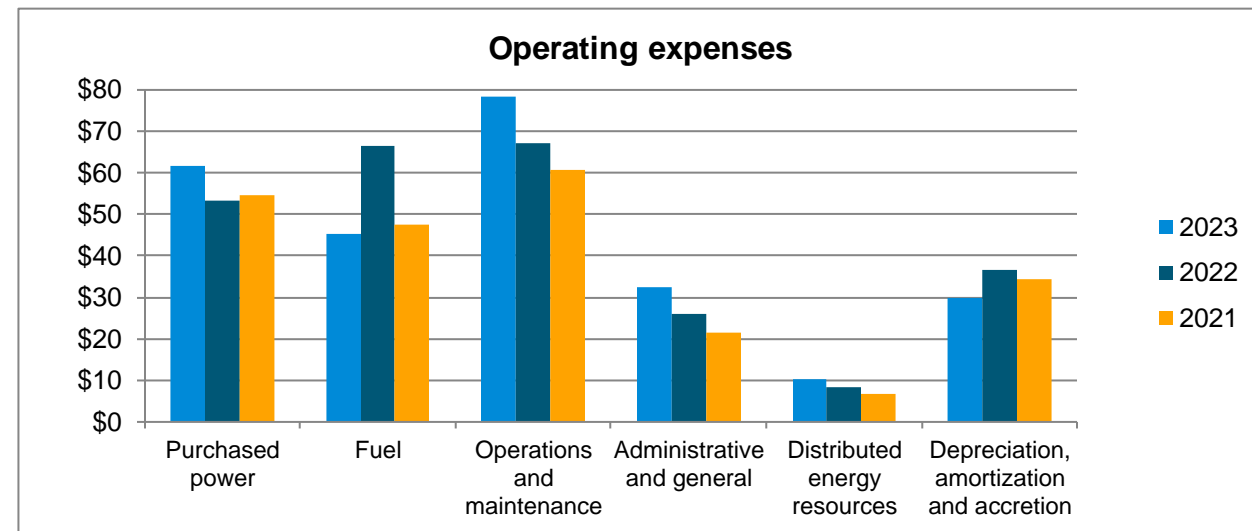
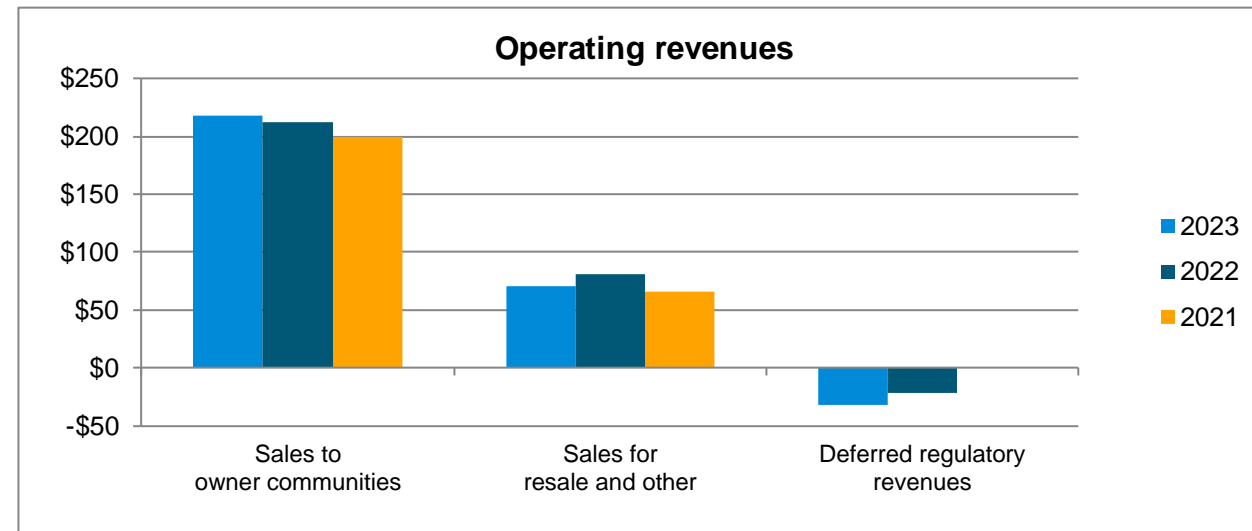
Nonoperating revenues (expenses), net, in 2023 increased \$16.7 million over 2022. The increase was primarily due to a net increase in the fair value of investments as interest rates declined and investment prices rose during the fourth quarter of 2023 and higher interest income primarily due to larger fund balances earning higher interest rates.

Nonoperating revenues (expenses), net, in 2022 decreased \$3.1 million from 2021. The decrease was primarily due to a net decrease in the fair value of investments from rising interest

Platte River Power Authority
 Management's discussion and analysis
 Dec. 31, 2023 and 2022

rates throughout the year and overall lower other income. Partially offsetting the decreases were higher interest income on investments and lower interest expense as principal was paid off.

Operating revenues and expenses
 (in millions)



Debt ratings

The ratings on Platte River's existing bonds remained unchanged.

Bond issue	Moody's	S&P	Fitch
Power revenue bonds			
Series JJ	N/A	AA	AA
Taxable Series KK	Aa2	N/A	AA

Platte River Power Authority
 Management's discussion and analysis
 Dec. 31, 2023 and 2022

Budgetary highlights

Platte River's board approved the 2023 Strategic Budget with total revenues of \$305 million, operating expenses of \$238.1 million, capital additions of \$42.7 million and debt service expenditures of \$18.1 million. After closing 2023, \$0.3 million of budget-appropriated board contingency was required for debt service expenditures. The budget comparison amounts below reflect this transfer between appropriated categories. The following budgetary highlights are presented on a non-GAAP budgetary basis. The budgetary comparison schedule is presented as supplementary information at the end of the document.

Total revenues of \$296.9 million ended the year \$8.1 million below budget.

- Sales to owner communities of \$217.8 million were \$6.3 million below budget due to below-budget energy deliveries and billing demand.
- Sales for resale and other totaled \$71 million and were below budget \$3.6 million. Energy volume sold was below budget, partially offset by above-budget average prices. Wheeling was above budget due to additional point-to-point transmission service reservations and above-budget network customer service charges.
- Interest and other income of \$8.1 million was above budget \$1.8 million primarily due to higher interest income earned on investments.

Operating expenses of \$226.4 million ended the year \$11.7 million below budget.

- Purchased power of \$61.7 million was \$6.6 million above budget primarily due to above-budget market purchases as lower-cost energy was available in the Western Energy Imbalance Service, above-budget hydropower purchases due to favorable conditions and above-budget owner communities' solar programs due to higher prices. Partially offsetting the above-budget variances were net energy provided to Tri-State under the forced outage assistance agreement and below-budget wind and solar energy purchases.
- Fuel of \$45.2 million was \$17.5 million below budget primarily due to coal expenses. Generation from Rawhide Unit 1 and the Craig units was below budget primarily due to running at historically low capacity factors due to lower-cost energy available in the Western Energy Imbalance Service market and due to unplanned extensions to outages, partially offset by above-budget prices at both stations. Partially offsetting below-budget coal expense was natural gas expense, which was above budget due to operating the combustion turbines to make sales and meet load requirements.
- Production, transmission, administrative and general of \$109.3 million were \$2.8 million above budget primarily due to operating costs at the Craig Units and additional expenses needed for the Rawhide Unit 1 scheduled minor outage. Partially offsetting the above-budget variances were other Rawhide Energy Station non-routine projects and various other consulting services completed below budget or expenses not required.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

- Distributed energy resources of \$10.2 million were \$3.6 million below budget primarily due to the unpredictability of the completion of customers' energy efficiency projects. Energy efficiency rebates and incentives were below budget primarily due to vendor and outreach challenges in residential retail product programming along with slow participation in small and medium business programs, which is driven by continued effects of the COVID-19 pandemic and economic recovery challenges.

Capital additions of \$25.9 million ended the year \$16.8 million below budget. This variance was due to schedule changes, scope changes, contract or material delays, internal resource constraints and canceled projects. Production additions, transmission additions and general additions were below budget \$2.9 million, \$7.5 million and \$6.4 million, respectively. Of the total variance, \$14 million was carried over to the 2024 Strategic Budget to complete projects.

Debt service expenditures of \$18.1 million were at budget, following a \$0.3 million contingency transfer, for scheduled principal and interest payments on outstanding power revenue bonds as well as principal and interest payments on lease and subscription liabilities recognized from the implementation of GASB 96 (notes 3, 12 and 19).

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022 restated
	(in thousands)	
Assets		
Electric utility plant, at original cost (notes 3 and 4)		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,482,084	1,466,932
Less: accumulated depreciation and amortization	(975,993)	(936,957)
Plant in service, net	525,537	549,421
Construction work in progress	31,857	24,873
Total electric utility plant	557,394	574,294
Special funds and investments (note 5)		
Restricted funds and investments	19,977	19,338
Dedicated funds and investments	168,503	151,258
Total special funds and investments	188,480	170,596
Current assets		
Cash and cash equivalents (notes 3 and 5)	70,720	48,017
Other temporary investments (note 5)	50,442	47,841
Accounts receivable—owner communities	17,306	16,997
Accounts receivable—other	7,082	13,830
Fuel inventory, at last-in, first-out cost	19,896	10,103
Materials and supplies inventory, at average cost	17,734	15,831
Prepayments and other assets	2,648	2,506
Total current assets	185,828	155,125
Noncurrent assets		
Regulatory assets (note 6)	131,578	128,954
Other long-term assets	9,845	9,017
Total noncurrent assets	141,423	137,971
Total assets	1,073,125	1,037,986
Deferred outflows of resources		
Deferred loss on debt refundings (note 7)	2,281	3,075
Pension deferrals (note 8)	9,787	14,849
Asset retirement obligations (note 9)	26,371	25,316
Total deferred outflows of resources	38,439	43,240

See notes to financial statements.

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Liabilities		
Noncurrent liabilities (note 10)		
Long-term debt, net (note 7)	\$ 122,681	\$ 137,808
Other long-term obligations (note 11)	94,295	95,184
Net pension liability (note 8)	28,274	30,520
Asset retirement obligations (note 9)	34,983	31,739
Lease and subscription liabilities (note 12)	861	916
Other liabilities and credits	12,164	7,150
Total noncurrent liabilities	293,258	303,317
Current liabilities		
Current maturities of long-term debt (note 7)	12,790	12,215
Current portion of other long-term obligations (note 11)	889	—
Current portion of asset retirement obligations (note 9)	933	1,547
Current portion of lease and subscription liabilities (note 12)	641	338
Accounts payable	24,629	24,359
Accrued interest	416	464
Accrued liabilities and other	5,063	3,851
Total current liabilities	45,361	42,774
Total liabilities	338,619	346,091
Deferred inflows of resources		
Deferred gain on debt refundings (note 7)	112	126
Regulatory credits (note 6)	104,944	75,947
Pension deferrals (note 8)	—	287
Lease deferrals (note 4)	704	852
Total deferred inflows of resources	105,760	77,212
Net position		
Net investment in capital assets (note 13)	406,299	400,947
Restricted	19,561	18,873
Unrestricted	241,325	238,103
Total net position	\$ 667,185	\$ 657,923

See notes to financial statements.

Platte River Power Authority
Statements of revenues, expenses and changes in net position
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Operating revenues		
Sales to owner communities	\$ 217,735	\$ 212,319
Sales for resale and other	71,011	81,077
Deferred regulatory revenues (note 6)	(31,497)	(21,739)
Total operating revenues	257,249	271,657
Operating expenses		
Purchased power	61,730	53,379
Fuel	45,142	66,456
Operations and maintenance	78,337	67,079
Administrative and general	32,347	25,956
Distributed energy resources	10,214	8,339
Depreciation, amortization and accretion (notes 4, 6 and 9)	29,730	36,612
Total operating expenses	257,500	257,821
Operating income	(251)	13,836
Nonoperating revenues (expenses) (notes 5, 7 and 12)		
Interest income	7,735	2,914
Other income	318	429
Interest expense	(3,763)	(4,168)
Net increase (decrease) in fair value of investments	5,223	(6,375)
Total nonoperating revenues (expenses)	9,513	(7,200)
Change in net position	9,262	6,636
Net position at beginning of year	657,923	651,287
Net position at end of year	\$ 667,185	\$ 657,923

See notes to financial statements.

Platte River Power Authority
Statements of cash flows
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Cash flows from operating activities		
Receipts from customers	\$ 293,109	\$ 290,780
Payments for operating goods and services	(171,782)	(166,773)
Payments for employee services	(54,476)	(47,523)
Net cash provided by operating activities	<u>66,851</u>	<u>76,484</u>
Cash flows from capital and related financing activities		
Additions to electric utility plant	(23,874)	(19,091)
Payments from accounts payable incurred for electric utility plant additions	(3,493)	(1,581)
Proceeds from disposal of electric utility plant	12,418	74
Principal payments on long-term debt	(12,215)	(11,660)
Interest payments on long-term debt	(5,282)	(5,850)
Payments related to other long-term obligations	(4,145)	(3,809)
Payments on lease and subscription liabilities	(344)	(621)
Receipts from lease receivables	148	148
Net cash used in capital and related financing activities	<u>(36,787)</u>	<u>(42,390)</u>
Cash flows from investing activities		
Purchases and sales of temporary and restricted investments, net	(15,316)	(29,643)
Interest and other income, including realized gains and losses	7,955	3,159
Net cash used in investing activities	<u>(7,361)</u>	<u>(26,484)</u>
Increase in cash and cash equivalents	22,703	7,610
Balance at beginning of year in cash and cash equivalents	48,017	40,407
Balance at end of year in cash and cash equivalents	<u>\$ 70,720</u>	<u>\$ 48,017</u>

See notes to financial statements.

Platte River Power Authority
Statements of cash flows
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ (251)	\$ 13,836
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	40,719	39,223
Amortization	(15,835)	(6,143)
Operating expenses relating to other long-term obligations (note 11)	2,888	2,888
Changes in assets and liabilities that provided/(used) cash		
Accounts receivable	6,439	(4,125)
Fuel and materials and supplies inventories	(11,696)	(73)
Prepayments and other assets	139	(3,642)
Regulatory assets	(3,397)	(3,247)
Deferred outflows of resources	4,007	(15,602)
Accounts payable	1,585	5,356
Net pension liability	(2,246)	22,750
Asset retirement obligations	2,630	4,031
Other liabilities	6,272	849
Deferred inflows of resources	35,597	20,383
Net cash provided by operating activities	<u>\$ 66,851</u>	<u>\$ 76,484</u>
Noncash capital and related financing activities		
Additions of electric utility plant through incurrence of accounts payable	\$ 2,136	\$ 3,493
Additions of electric utility plant through leasing and subscription	586	1,736
Amortization of regulatory assets (debt issuance costs)	80	88
Amortization of bond premiums, deferred loss and deferred gain on refundings	(1,557)	(1,729)

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
Statements of fiduciary net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022
	<i>(in thousands)</i>	
Assets		
Cash equivalents	\$ 1,734	\$ 2,031
Investment income receivable	7	8
Investments		
Fixed income securities	32,174	28,482
Domestic equity securities	39,885	37,863
International equity securities	22,716	22,946
Infrastructure	2,687	2,541
Natural resources	6,548	7,395
Real estate funds	2,782	2,440
Private credit	2,714	1,252
Private equity	1,672	114
Reinsurance funds	-	13
Total investments	<u>111,178</u>	<u>103,046</u>
Total assets	<u>112,919</u>	<u>105,085</u>
Net position restricted for pension benefits	<u>\$ 112,919</u>	<u>\$ 105,085</u>

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
Statements of changes in fiduciary net position
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022
	<i>(in thousands)</i>	
Additions		
Employer contributions	\$ 6,041	\$ 4,333
Investment income		
Net increase (decrease) in fair value of investments	6,509	(15,430)
Interest and dividends	3,653	3,115
Net investment income (loss)	<u>10,162</u>	<u>(12,315)</u>
Total additions	<u>16,203</u>	<u>(7,982)</u>
Deductions		
Benefit payments	<u>8,369</u>	8,450
Change in plan net position	<u>7,834</u>	<u>(16,432)</u>
Net position restricted for pension benefits		
Beginning net position	<u>105,085</u>	121,517
Ending net position	<u>\$ 112,919</u>	<u>\$ 105,085</u>

See notes to financial statements.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

1. Organization

Platte River Power Authority was organized under Colorado law as a separate governmental entity by the four owner communities of Estes Park, Fort Collins, Longmont and Loveland. Platte River contracted to supply the wholesale electric power and energy requirements of each of these owners, with limited exceptions. An owner may self-supply power and energy equivalent to the capacity of its generating facilities in service on Sept. 5, 1974, and may add new resources up to a limit of 1,000 kW or 1% of the owner community's peak load, whichever is greater. An owner community may also purchase power from its net metered customers subject to net metering limitations. Platte River's power supply contracts currently extend through Dec. 31, 2060.

Each of the four owner communities has a residual interest in Platte River's assets and liabilities upon dissolution, which is proportional to the total revenue received from each owner community since Platte River was organized, less any contributions of assets previously distributed. Based upon electric revenues billed from inception through Dec. 31, 2023, these residual interests are approximately as follows.

	Residual interest
City of Fort Collins	48%
City of Longmont	26%
City of Loveland	22%
Town of Estes Park	4%
	100%

Under Colorado law and the owner community contracts, the board has the exclusive authority to establish the electric rates to be charged to the owner communities. Platte River must follow specified statutory procedures, including public notice and holding a hearing to receive public comments, before adopting an annual budget.

The defined benefit pension plan is a single-employer defined benefit pension plan, which Platte River includes in the financial statements as a fiduciary component unit reported as a pension trust fund in the fiduciary funds statements. Platte River's board is the designated governing body over the defined benefit pension plan and has authority to amend the defined benefit pension plan. The retirement committee established under the defined benefit pension plan oversees the plan's investments. Platte River does not issue separate stand-alone financial statements of the defined benefit pension plan.

2. Operations

Rawhide Energy Station

The Rawhide Energy Station consists of Rawhide Unit 1, a 280 megawatt (net) coal-fired generating facility, a cooling pond, coal-handling facilities, related transmission facilities, five simple-cycle natural gas-fired combustion turbines and two solar facilities. Natural gas units A

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

through D have summer peaking capacity of 65 megawatts each and unit F has a summer peaking capacity of 128 megawatts. Solar facilities include Rawhide Solar Flats (30 megawatts) and Rawhide Prairie Solar (22 megawatts). Rawhide Prairie Solar has an integrated battery storage system of two megawatt-hours, which can be discharged once daily at a rate up to one megawatt per hour. Platte River owns and operates all Rawhide Energy Station facilities except for the solar and battery storage facilities. Rawhide Unit 1 is scheduled to retire by Dec. 31, 2029.

Yampa project

Platte River owns 18%, or 151 megawatts, of Craig units 1 and 2 of the Yampa Project as a tenant-in-common with four other electric utilities. The current Yampa Project Participation Agreement took effect April 15, 1992. Craig units 1 and 2 are scheduled to retire by Dec. 31, 2025 and Sept. 30, 2028, respectively. The Yampa Project consists of 837 megawatts of coal-fired generation and associated transmission plant facilities located near the town of Craig in northwestern Colorado. Platte River's share of the plant investment is included in plant in service, net, in the accompanying statements of net position. Platte River's share of operating expenses of the Yampa Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Separate financial statements for the Yampa Project are not available. In addition, Platte River and two of the other Yampa Project participants own Trapper Mining, Inc., which owns and operates the adjacent coal mine that supplies coal for Craig units 1 and 2.

Windy Gap water

Under an agreement with the Municipal Subdistrict of Northern Colorado Water Conservancy District, Platte River is entitled to an allocation of the available water from the Windy Gap Project, a water diversion facility completed May 1, 1985. The water is used in operations at the Rawhide Energy Station. Platte River's share of operating expenses of the Windy Gap Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Additionally, Platte River is a participant in the Windy Gap Firming Project (Chimney Hollow Reservoir) following cash contributions from participants and the issuance of pooled financing for the project in 2021 (notes 6 and 11).

3. Summary of significant accounting policies

Reporting entity

For financial reporting purposes, Platte River meets the criteria of an "other stand-alone government." As a municipal utility and a separate governmental entity, Platte River is exempt from taxes on its income. Platte River is also exempt from taxes on its property located in Colorado.

The defined benefit pension plan is a single-employer defined benefit pension plan covering all employees of Platte River hired before Sept. 1, 2010 (note 8). Platte River contributes to the defined benefit pension plan based upon actuarial studies and has primary responsibility for managing the defined benefit pension plan. All retirement plan committee members are

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

appointed by the board. Platte River also provides all accounting, reporting and administrative services to the defined benefit pension plan. Platte River has fiduciary responsibility for the defined benefit pension plan. Platte River includes the defined benefit pension plan in the accompanying basic financial statements as a fiduciary component unit of Platte River reported as a pension trust fund in the fiduciary funds statements.

Basis of accounting

Platte River accounts for its financial operations as a “proprietary fund.” The accompanying financial statements for Platte River and the defined benefit pension plan have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America. Platte River’s accounts are maintained in accordance with the Uniform System of Accounts as prescribed by FERC.

As a board-regulated entity, Platte River is subject to the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Regulated Operations, paragraphs 476–500, which requires the effects of the rate-making process to be recorded in the financial statements. Accordingly, certain expenses and revenues normally reflected in the statements of revenues, expenses and changes in net position as incurred are recognized when they are included in Platte River’s wholesale rates. Platte River has recorded various regulatory assets and credits to reflect the rate-making process (note 6).

Budgetary process

The Colorado State Local Government Law requires a formal budgetary process, which Platte River uses as a management control tool. Staff must submit a proposed annual budget to the board by Oct. 15 of each year. Following a public hearing, the board considers the budget for adoption on or before Dec. 31. Because Platte River operates as an enterprise, it is not subject to the Colorado Taxpayers’ Bill of Rights.

Use of estimates

Platte River prepares its financial statements for itself and the defined benefit pension plan in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB. These require management to make estimates and assumptions that affect (a) the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, (b) disclosure of contingent assets and liabilities at the date of the financial statements and (c) the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Electric utility plant and depreciation

Electric utility plant is stated at the historical cost of construction and includes expenditures of \$5,000 or more for property, equipment or construction projects with an estimated useful life greater than two years. Construction costs include labor, materials, contracted services, and the allocation of indirect charges for engineering, supervision, transportation and administrative

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

expenses. The cost of additions to utility plant and replacement property units is capitalized. Repairs, maintenance and minor replacement costs are charged to expense when incurred.

Platte River engages in leasing activity, both as a lessee and a lessor. In accordance with GASB Statement No. 87, *Leases*, the lease term is the period where there is a noncancellable right to use the underlying asset. For lessor contracts, lease receivables and deferred inflows of resources are recognized at present value. Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position. For lessee contracts, lease assets and related liabilities are recognized at present value using Platte River’s estimated incremental borrowing rate unless otherwise contained in the contract terms. Lease assets are reported in electric utility plant and lease liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to leases with a present value of \$50,000 or more at the beginning of the lease term and a term greater than one year.

Platte River also enters into subscription-based information technology arrangements. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the subscription term is the period where there is a noncancellable right to use the underlying asset, including considerations for options within contracts to extend the terms based on management’s best estimate of exercising those options at the time of commencement. Subscription assets and related liabilities are recognized at present value using Platte River’s estimated incremental borrowing rate, unless otherwise contained in the contract terms, at the commencement of the subscription term. Subscription assets also include other costs incurred during the initial implementation stage. Subscription assets are reported in electric utility plant and subscription liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to subscriptions with a present value of \$50,000 or more at the commencement of the subscription term and a term greater than one year.

Depreciation is recorded using the straight-line method over the estimated useful lives of the various classes of plant in service, which range from five to 50 years. Following asset closure announcements, assets are evaluated and estimated useful lives are accelerated, as applicable. For lease and subscription assets, amortization is recorded over the shorter of the lease or subscription term, or the useful life of the underlying asset.

Cash and cash equivalents

For purposes of the statements of cash flows, Platte River considers all cash on deposit with financial institutions and highly liquid investments with an original maturity of less than three months, excluding special funds and investments, as cash and cash equivalents. At Dec. 31, 2023, cash equivalents consisted of local government investment pools and money market funds. At Dec. 31, 2022, cash equivalents consisted of local government investment pools, money market funds and collateralized bank deposit accounts.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Closure and postclosure care costs of disposal facility

Platte River accrues a liability of estimated future closure and postclosure care costs for its Rawhide Energy Station ash disposal facility. The liability is determined by multiplying the estimated closure and postclosure care costs in current dollars by the percentage of the disposal facility's total estimated capacity, by cell, used through the end of the year (note 10). Platte River complies with financial assurance annual requirements of the Colorado Department of Public Health and Environment. No assets are restricted for payment of closure and postclosure care costs.

Asset retirement obligations

An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Following GASB Statement No. 83, *Certain Asset Retirement Obligations*, Platte River records an asset retirement obligation liability when it has determined that a liability has been incurred based on (a) the occurrence of an external obligating event, such as laws, regulations, contracts or court judgments and (b) an internal obligating event that obligates it to perform asset retirement activities. Platte River updates the asset retirement obligations by inflation or deflation annually and when significant changes occur (note 9).

Long-term debt

Platte River defers the difference between the reacquisition price and the net carrying amount of refunded debt (deferred amount on refundings) in an advance refunding. Platte River then amortizes the difference as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the defeased debt or the life of the new debt. The deferred amounts are reported as deferred outflows or inflows of resources.

Operating revenues and expenses

Operating revenues and expenses consist of revenues and costs directly related to the generation, purchase, sale and transmission of electricity. Operating revenues are recorded at the end of each month for all electricity delivered. Operating revenues include the amount of deferred regulatory revenues recorded as a regulatory credit (note 6) to be recognized in one or more future periods. Revenues and expenses related to financing, investing and other activities are considered nonoperating.

Compensated absences

Platte River allows employees to accumulate unused vacation and sick leave. Vacation leave may be accumulated to a specified limit, which increased during 2023, whereas accumulated sick leave is unlimited. Employees are entitled to full payment for any unused vacation leave upon retirement or termination of employment; they are paid at a reduced rate for any accumulated unused sick leave. Accrued liabilities for compensated absences are valued using the vesting method.

In the financial statements, Platte River estimates a portion of the total unused vacation and sick leave as due within one year with the remainder of the liability recorded as a noncurrent liability (note 10).

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Deferred outflows of resources

Deferred outflows consist of unamortized deferred losses on debt refunding, defined benefit pension plan-related deferrals (note 8) and unamortized asset retirement obligations (note 9).

Deferred inflows of resources

Deferred inflows consist of unamortized deferred gains on debt refunding, regulatory credits (note 6), defined benefit pension plan-related deferrals (note 8) and lease deferrals (note 4).

Use of restricted and unrestricted resources

Platte River's use of restricted and unrestricted resources is based on the intended purposes stated in the bond resolutions.

Adoption of recent accounting pronouncement

In 2023, Platte River implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Subscription-based information technology arrangements are contracts that convey control of the right to use another entity's information technology software, alone or in combination with tangible capital assets, as specified for a period of time in an exchange or exchange-like transaction without the transfer of ownership of the asset. GASB Statement No. 96 applies to financial statements with reporting periods beginning after June 15, 2022, and affects the statements of net position, statements of revenues, expenses and changes in net position and the statements of cash flows. The 2022 statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows were restated for comparative purposes. Note 19 outlines the impacts of the restatement to the financial statements.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

4. Electric utility plant

Electric utility plant asset activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022 restated	Increases	Decreases	Dec. 31, 2023
	<i>(in thousands)</i>			
Nondepreciable assets				
Land and land rights	\$ 19,446	\$ -	\$ -	\$ 19,446
Construction work in progress	24,873	25,893	(18,909)	31,857
	44,319	25,893	(18,909)	51,303
Depreciable assets				
Production plant	968,867	10,991	(1,839)	978,019
Transmission plant	398,183	4,307	(1,405)	401,085
General plant	96,325	2,633	(680)	98,278
	1,463,375	17,931	(3,924)	1,477,382
Less accumulated depreciation	(936,451)	(40,719)	3,030	(974,140)
	526,924	(22,788)	(894)	503,242
Amortizable lease assets				
General plant	134	-	-	134
Less accumulated amortization	(13)	(9)	-	(22)
	121	(9)	-	112
Amortizable subscription assets				
General plant	3,423	1,145	-	4,568
Less accumulated amortization	(493)	(1,338)	-	(1,831)
	2,930	(193)	-	2,737
Total electric utility plant	\$ 574,294	\$ 2,903	\$ (19,803)	\$ 557,394

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Electric utility plant asset activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Increases	Decreases	Dec. 31, 2022 restated
	<i>(in thousands)</i>			
Nondepreciable assets				
Land and land rights	\$ 19,446	\$ -	\$ -	\$ 19,446
Construction work in progress	27,831	24,459	(27,417)	24,873
	47,277	24,459	(27,417)	44,319
Depreciable assets				
Production plant	961,290	11,849	(4,272)	968,867
Transmission plant	394,050	4,972	(839)	398,183
General plant	87,924	8,945	(544)	96,325
	1,443,264	25,766	(5,655)	1,463,375
Less accumulated depreciation	(901,353)	(39,223)	4,125	(936,451)
	541,911	(13,457)	(1,530)	526,924
Amortizable lease assets				
General plant	134	-	-	134
Less accumulated amortization	-	(13)	-	(13)
	134	(13)	-	121
Amortizable subscription assets				
General plant	-	3,423	-	3,423
Less accumulated amortization	-	(493)	-	(493)
	-	2,930	-	2,930
Total electric utility plant	\$ 589,322	\$ 13,919	\$ (28,947)	\$ 574,294

Platte River uses the specific identification method. Under the specific identification method, gains and losses are recognized immediately on the retirement of capital assets. Alternative accounting treatment under a board-approved change in depreciation method accounting policy using GASB 62 (note 6) recognizes the effects of the rate-making process allowing deferred gains and losses on retirements of capital assets to be recognized in a single year or deferred to future periods.

Leasing and subscription activity

Amortizable lease assets represent fiber optic strands from a third party; the contract terminates in 2033. Platte River made no variable payments, and there are no lease impairments as of Dec. 31, 2023 and 2022. In determining the value of the lease assets, there are no payments attributable to residual value guarantees or termination penalties. Liabilities relating to lease assets are discussed in note 12.

Amortizable subscription assets represent various software solutions from multiple third parties with contracts that terminate or are expected to terminate, or transition to ongoing cancellable short-term arrangements, between 2024 and 2026. There were no subscription impairments as

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

of Dec. 31, 2023 and 2022. One subscription calls for quarterly payments of \$105,000 to the vendor before the commencement of the subscription term, which is expected to be July 2024, and those payments are recorded as construction work in progress until the commencement of the subscription term, when they will be included in the valuation of the amortizable subscription asset. Liabilities relating to subscription assets are discussed in note 12. Note 19 outlines the details of the restatement of 2022 for GASB 96.

Platte River also leases unused fiber optic strands and co-locate property, included in electric utility plant, to third parties. Lease terms range from 10 to 36 years. Lessor-related balances and activity as of and for the years ended Dec. 31, 2023, and 2022, are shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Current lease receivable	\$ 120	\$ 148
Noncurrent lease receivable	584	704
Total lease receivable	<u>\$ 704</u>	<u>\$ 852</u>
Lease deferrals	\$ 704	\$ 852
Recognized inflows of resources	\$ 106	\$ 106
Fiber lease pass-through receipts	\$ 42	\$ 42

Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position.

Recognized inflows of resources are reported as other income on the statements of revenues, expenses and changes in net position. Platte River received \$11,000 of variable lease payments in 2023 and none in 2022.

5. Cash and investments

Platte River invests funds consistent with Colorado law and Platte River's general power bond resolution, fiscal resolution and investment policy statement. Accordingly, Platte River may invest only in obligations of the United States government and its agencies and other investments permitted under Colorado law. Platte River records its investments at their estimated fair market values. The unrealized holding gains and losses on these investments are included in net increase (decrease) in fair value of investments in the statements of revenues, expenses and changes in net position.

The fair value of investments is presented on the statements of net position as special funds and investments, cash and cash equivalents and other temporary investments. Special funds and investments are either internally dedicated by board resolution (dedicated funds and investments) or restricted by Platte River's general power bond resolution (restricted funds and

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

investments). The fair value of investments, excluding accrued interest of \$1,470,000 and \$688,000 as of Dec. 31, 2023 and 2022, respectively, is shown in the following tables.

As of Dec. 31, 2023, Platte River had the following cash and investments and related maturities.

Cash and investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-2	2-3
<i>(in thousands)</i>				
U.S. Treasuries	\$ 170,284	\$ 72,353	\$ 63,577	\$ 34,354
U.S. agencies				
FFCB	23,737	6,953	-	16,784
FHLB	17,919	8,954	5,928	3,037
Total securities	<u>211,940</u>	<u>88,260</u>	<u>69,505</u>	<u>54,175</u>
Cash and money market funds	5,087	5,087	-	-
Local government investment pools	91,145	91,145	-	-
Total cash and investments	<u>\$ 308,172</u>	<u>\$ 184,492</u>	<u>\$ 69,505</u>	<u>\$ 54,175</u>

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2023, is as follows.

	Fair value	Accrued interest	Total
	<i>(in thousands)</i>		
Restricted funds and investments	\$ 19,824	\$ 153	\$ 19,977
Dedicated funds and investments	167,481	1,022	168,503
Cash and cash equivalents	70,717	3	70,720
Other temporary investments	50,150	292	50,442
Total cash and investments	<u>\$ 308,172</u>	<u>\$ 1,470</u>	<u>\$ 309,642</u>

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

As of Dec. 31, 2022, Platte River had the following cash and investments and related maturities.

Cash and investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-2	2-3
<i>(in thousands)</i>				
U.S. Treasuries	\$ 166,816	\$ 44,999	\$ 69,801	\$ 52,016
U.S. agencies				
FFCB	12,800	5,879	6,921	-
FHLB	14,664	4,934	6,843	2,887
Total securities	194,280	55,812	83,565	54,903
Certificates of deposit	3,532	3,532	-	-
Cash and money market funds	3,353	3,353	-	-
Local government investment pools	64,601	64,601	-	-
Total cash and investments	<u>\$ 265,766</u>	<u>\$ 127,298</u>	<u>\$ 83,565</u>	<u>\$ 54,903</u>

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2022, is as follows.

	Fair value	Accrued interest	Total
<i>(in thousands)</i>			
Restricted funds and investments	\$ 19,271	\$ 67	\$ 19,338
Dedicated funds and investments	150,778	480	151,258
Cash and cash equivalents	48,017	-	48,017
Other temporary investments	47,700	141	47,841
Total cash and investments	<u>\$ 265,766</u>	<u>\$ 688</u>	<u>\$ 266,454</u>

Fair value is the amount received if an asset is sold or paid to transfer a liability in a transaction between market participants at the measurement date. Fair value measurements maximize the use of observable inputs and minimize the use of unobservable inputs. Platte River and the defined benefit pension plan categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are prices determined using observable inputs other than Level 1 prices such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets; Level 3 inputs are significant unobservable inputs. Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2023.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

- U.S. Treasury securities of \$170,284,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$41,656,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2022.

- U.S. Treasury securities of \$166,816,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$27,464,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, uses two local government investment pools for investment. The two pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Statewide Investment Program (CSIP). COLOTRUST is a local government investment pool with a stable net asset value. CSIP is a local government investment pool in which the underlying investments are measured at the investments' net asset value. The State of Colorado Securities Commissioner administers and enforces all Colorado statutes governing these pools. They operate similarly to a money market fund and each share equals \$1, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency and competitive yields through investment in a diversified portfolio of short-term marketable securities. They may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as a custodian for the portfolios under a custodian agreement. The custodian acts as a safekeeping agent for the investment portfolios and provides services as the depository for direct investments and withdrawals. The custodian's internal records segregate investments owned by the investment pools. The investment pools do not have any limitations or restrictions on participant withdrawals.

As of Dec. 31, 2023 and 2022, all investments of the defined benefit pension plan had a maturity of less than one year or undefined.

Each year, Platte River measures fair value and determines the level within the fair value hierarchy in which the fair value measurements fall. The following table presents the fair value measurements of the defined benefit pension plan's assets recognized in the accompanying financial statements at Dec. 31, 2023 and 2022.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Dec. 31, 2023	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i>				
Investments by fair value level				
Cash equivalents	\$ 1,734	\$ -	\$ 1,734	\$ -
Fixed income	32,174	32,174	-	-
Domestic equity	39,885	39,885	-	-
International equity	22,716	22,716	-	-
Infrastructure	2,687	2,687	-	-
Natural resources	6,548	6,548	-	-
Real estate funds	2,782	2,782	-	-
Private credit ⁽¹⁾	2,714	-	-	2,714
Private equity ⁽¹⁾	1,672	-	-	1,672
Total investments by fair value level	<u>\$ 112,912</u>	<u>\$ 106,792</u>	<u>\$ 1,734</u>	<u>\$ 4,386</u>

⁽¹⁾ Fair value as of Sept. 30, 2023.

Dec. 31, 2022	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i>				
Investments by fair value level				
Cash equivalents	\$ 2,031	\$ -	\$ 2,031	\$ -
Fixed income	28,482	28,482	-	-
Domestic equity	37,863	37,863	-	-
International equity	22,946	22,946	-	-
Infrastructure	2,541	2,541	-	-
Natural resources	7,395	7,395	-	-
Real estate funds	2,440	2,440	-	-
Private credit ⁽¹⁾	1,252	-	-	1,252
Private equity ⁽¹⁾	114	-	-	114
Reinsurance	13	13	-	-
Total investments by fair value level	<u>\$ 105,077</u>	<u>\$ 101,680</u>	<u>\$ 2,031</u>	<u>\$ 1,366</u>

⁽¹⁾ Fair value as of Sept. 30, 2022.

For the defined benefit pension plan, where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

market-based or independently sourced market parameters. These include, but are not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows, all of which are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Asset allocation

All assets of the defined benefit pension plan are invested to comply with the defined benefit pension plan document (plan document), the defined benefit pension plan investment policy statement and any federal, state or Internal Revenue Service (IRS) laws or regulations. The defined benefit pension plan's investments are governed by the Colorado Uniform Prudent Investor Act. The investment policy statement provides an asset allocation strategy to create a broadly diversified portfolio. The strategy is designed to reflect and be consistent with the objectives expressed in the investment policy statement, subject to the risk tolerance of the retirement committee.

Defined benefit pension plan assets are held by Principal Trust Company under a trust agreement and invested in money market funds, bonds, stock portfolios, infrastructure, natural resources, private equity, private credit or real estate as directed by the retirement committee. Northern Trust Investments (Northern Trust), the retirement committee's investment manager, assists the retirement committee in overseeing the investment program. Investment management firms have full discretionary investment authority to invest in a specific asset class, subject to the policies and guidelines of the investment policy statement.

The investment mix and percentage allocations were as follows at Dec. 31.

Asset class	2023	2022
Domestic equities	36%	37%
International equities	15%	18%
Emerging market equities	6%	4%
Fixed income	16%	12%
High yield	12%	14%
Infrastructure	2%	2%
Natural resources	6%	7%
Real estate	2%	2%
Cash & cash equivalents	2%	3%
Private credit	2%	1%
Private equity	1%	0%

Rate of return

For the years ended Dec. 31, 2023 and 2022, the money-weighted rate of return on defined benefit pension plan investments, net of investment expense, was 9.8% and (10.3%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

To limit exposure to fair value losses from rising interest rates, Platte River's investment policy and Colorado law limit the investment portfolio, excluding the defined benefit pension plan, to maturities of five years or less. Platte River uses a laddered approach to investing funds based on projected cash flows. The assumed maturity date for callable securities is based on market conditions as of Dec. 31, 2023. If the price of the security is at or above its call price, the security is assumed to be redeemed on its next call date.

The defined benefit pension plan's fixed income assets are invested in a core fixed-income exchange-traded fund (ETF), a high-yield fixed-income ETF, an inflation-focused ETF and an ultra-short-term fixed-income ETF. The funds are managed by Northern Trust. As interest rates decline, the value of a fixed-income bond fund is likely to increase. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Given the long-term nature of the defined benefit pension plan, the investment policy statement does not place maturity restrictions on its bond funds.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Platte River's investment policy allows investments in local government investment pools and money market funds. As of Dec. 31, 2023, Platte River, excluding the defined benefit pension plan, maintained investments in funds managed by the local government investment pools COLOTRUST and CSIP. COLOTRUST and CSIP Liquid Portfolios are both rated AAAM by S&P Global Ratings (S&P). CSIP Liquid Portfolio is also rated AA Af by Fitch Ratings. Platte River's investments in the Federal Farm Credit Bank (FFCB) and the Federal Home Loan Bank (FHLB) were rated Aaa by Moody's Investors Service and AA+ by S&P.

The defined benefit pension plan's core fixed income fund portfolio objective, under normal conditions, is to primarily invest up to 80% of its net assets in U.S. dollar-denominated investment-grade fixed-income securities either directly or indirectly through ETFs. The defined benefit pension plan's high yield allocation invests at least 80% of its assets in below investment-grade corporate bonds (not in default) as rated by at least one nationally recognized statistical rating organization. As of Dec. 31, 2023, the defined benefit pension plan's average credit quality for its core fixed-income and high-yield allocations were AA and B, respectively. The ultra-short fixed-income ETF has an average credit quality of A, while the inflation-focused ETF is 100% securities backed by the U.S. Treasury.

Private credit and private equity risk

The private credit and private equity investments in the defined benefit pension plan are subject to various risk factors resulting from the investment activities of the fund managers and the

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

unique structures of the investments, including market, liquidity and capital risk. Private credit and private equity are diversified, multi-manager private lending investments and subject to market risk. Additionally, the funds report a market value on a quarterly basis – a less frequent measurement that can make using traditional methods to monitor and measure market risk more difficult. As a result of this reporting frequency, the fair value measurements reflected in the financial statements are as of Sept. 30, 2023 and 2022, respectively. The investments are subject to illiquidity risk. The funds' multi-manager structures are designed to help mitigate individual manager or company risk. Other risks include quality of the fund managers, interest rate risk and currency risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer.

Platte River's investment policy, excluding the defined benefit pension plan, requires assets held in Platte River's funds be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of Dec. 31, 2023, more than 5% of Platte River's investments were concentrated in FFCB and FHLB. These investments were 8% and 6% of Platte River's total investments, respectively (including investments held in local government investment pools and certificates of deposit).

Custodial credit risk

Custodial credit risk is the risk that, if the counterparty fails, the defined benefit pension plan will not be able to recover the value of its investments or collateral securities held by that counterparty. The defined benefit pension plan's assets are held in trust and the custodial relationship is defined in the plan document. At Dec. 31, 2023 and 2022, the defined benefit pension plan did not identify any investments subject to custodial credit risk.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The defined benefit pension plan has exposure to foreign currency risk through its international equity, emerging markets, global natural resources, global infrastructure and global real estate allocations. These are all ETFs. For the defined benefit pension plan's international and emerging markets equity allocations, the portfolios invest primarily in foreign denominated securities and typically do not hedge currency risk. The remaining allocations invest primarily in domestic and foreign-denominated securities while also not typically hedging currency risk. As of Dec. 31, 2023, foreign non-dollar allocations for the global natural resources allocation were 63.4%, foreign non-dollar allocations for the global infrastructure allocation were 60.0% and foreign non-dollar allocations for the global real estate allocation were 31.4%. The defined benefit pension plan's investments in international and emerging markets equity strategies, as of Dec. 31, 2023 and 2022, were \$22.7 million and \$22.9 million, respectively.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2023, is shown in the following table.

Currency	Total	International	
		stocks	Fixed income
		<i>(in thousands)</i>	
Australian dollar	\$ 1,418	\$ 1,133	\$ 285
Bermudian dollar	33	-	33
Brazilian real	444	444	-
Canadian dollar	3,955	3,055	900
Chilean peso	1	1	-
Chinese yuan renminbi	1,412	1,407	5
Colombian peso	25	-	25
Danish krone	214	213	1
European euro	5,759	4,816	943
Hong Kong dollar	1,006	1,006	-
Indian rupee	1,431	1,431	-
Indonesian rupiah	139	139	-
Israeli new shekel	613	613	-
Japanese yen	4,357	4,323	34
Korean won	557	556	1
Kuwaiti dinar	173	173	-
Malaysian ringgit	412	412	-
Mexican peso	87	77	10
Moroccan dirham	87	87	-
New Zealand dollar	56	51	5
Norwegian krone	288	288	-
Peruvian sol	1	1	-
Philippine peso	78	78	-
Pound sterling	2,928	2,617	311
Qatari riyal	253	253	-
Saudi riyal	687	687	-
Singapore dollar	940	940	-
South African rand	42	42	-
Sweedish krona	113	100	13
Swiss franc	2,156	2,138	18
Taiwan dollar	1,048	1,048	-
Tanzanian shilling	7	-	7
Thai baht	235	235	-
Turkish new lira	27	27	-
Ukrainian hryvnia	11	-	11
UAE dirham	429	429	-
Vietnamese dong	1	1	-
	<u>\$ 31,423</u>	<u>\$ 28,821</u>	<u>\$ 2,602</u>

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2022, is shown in the following table.

Currency	Total	International		
		stocks	Fixed income	Reinsurance ⁽¹⁾
		<i>(in thousands)</i>		
Australian dollar	\$ 1,498	\$ 1,375	\$ 123	\$ -
Bermudian dollar	129	-	129	-
Brazilian real	438	438	-	-
Canadian dollar	4,480	3,478	1,002	-
Caymanian dollar	39	-	39	-
Chilean peso	1	1	-	-
Chinese yuan renminbi	64	64	-	-
Colombian peso	2	-	-	2
Danish krone	547	542	5	-
European euro	5,572	4,553	1,019	-
Hong Kong dollar	2,174	2,174	-	-
Hungarian forint	22	22	-	-
Indian rupee	572	572	-	-
Indonesian rupiah	140	140	-	-
Israeli new shekel	659	659	-	-
Japanese yen	5,005	4,936	69	-
Korean won	146	144	2	-
Kuwaiti dinar	267	267	-	-
Liberian dollar	85	-	85	-
Malaysian ringgit	254	254	-	-
Mauritius rupee	13	-	13	-
Mexican peso	52	52	-	-
Moroccan dirham	56	56	-	-
New Zealand dollar	80	61	19	-
Norwegian krone	211	211	-	-
Peruvian sol	20	20	-	-
Philippine peso	34	34	-	-
Pound sterling	3,660	3,257	403	-
Qatari riyal	145	145	-	-
Saudi riyal	374	373	1	-
Singapore dollar	1,069	1,069	-	-
South African rand	100	100	-	-
Sweedish krona	142	97	45	-
Swiss franc	2,524	2,484	40	-
Taiwan dollar	634	634	-	-
Thai baht	236	236	-	-
UAE dirham	626	626	-	-
	<u>\$ 32,070</u>	<u>\$ 29,074</u>	<u>\$ 2,994</u>	<u>\$ 2</u>

(1) Foreign currency exposure through the reinsurance fund as of Oct. 31, 2022.

6. Regulatory assets and deferred inflows of resources related to regulatory credits

For rate-making purposes, Platte River's board has approved the following policies under GASB 62, paragraphs 476-500.

Additional pension funding expense recognition

Platte River funds its defined benefit pension plan (note 8) based on cost estimates developed on an actuarial basis. In addition to the base contribution, Platte River has an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits. A board-approved policy allows Platte River to record the additional pension funding charge as a regulatory asset and recognize the expense over a 10-year period.

Pension contribution expense recognition

This board-approved policy requires pension contributions for the defined benefit pension plan to be recorded as pension expense because the pension contribution amount is known at the time of budget preparation and rate setting. Any difference between pension contribution and pension expense, as calculated by the actuary under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is classified as either a regulatory asset or a deferred inflow of resources and amortized over a 10-year period beginning the following year. The amortization amount is included in pension expense along with the pension contribution for each year calculated.

Debt issuance expense recognition

Under GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, debt issuance costs must be expensed in the period incurred rather than amortized over the life of the related debt. To provide recovery for debt issuance costs through rates, this board-approved policy provides for the expense recognition of debt issuance costs to be amortized over the life of the associated debt and included in regulatory assets.

Windy Gap Firming Project

This board-approved policy allows Platte River's costs for the Windy Gap Firming Project (Chimney Hollow Reservoir) (note 11) to be recorded as a regulatory asset and other long-term obligations. These costs are recognized ratably over the term of the pooled financing with the unamortized component included in regulatory assets and the outstanding balance of the pooled financing included in other long-term obligations. The value of the debt service payments under the pooled financing is expensed as an operations and maintenance expense and not accounted for as debt service.

Maintenance outage expense accrual

Under this board-approved policy, Platte River accrues estimated incremental expenses of future scheduled major maintenance outages each year. After a Rawhide Unit 1 maintenance

outage is completed, the estimated maintenance and replacement power costs for the next major maintenance outage are accrued as a deferred inflow of resources.

Change in depreciation method

Platte River changed depreciation method from the group method to the specific identification method during 2020. Under the specific identification method, gains and losses would be recognized immediately on the retirement of capital assets. Alternative accounting treatment under this board-approved policy recognizes the effects of the rate-making process whereby deferred gains and losses on retirements of capital assets may be recognized in a single year or deferred to future periods.

Craig units 1 and 2 decommissioning accrual

The owners of the Craig Generating Station, acting through Tri-State as operating agent, have announced that Craig Unit 1 is scheduled to retire by Dec. 31, 2025, and Craig Unit 2 is scheduled to retire by Sept. 30, 2028. Decommissioning and closure costs have not been fully determined and no binding obligation exists. Under general accounting rules, without a binding obligation the expense related to decommissioning and closure would not be recognized and therefore funds would not be recovered through rates. This board-approved accounting policy records accretion of estimated decommissioning costs for Craig units 1 and 2 using the budgetary estimate provided by Tri-State. Once a binding obligation exists, Platte River will account for decommissioning costs under GASB 83.

Deferred revenue and expense

This board-approved accounting policy authorizes the general manager/CEO to defer revenues or expenses to reduce rate pressure and achieve rate smoothing as Platte River transitions its portfolio to meet the Resource Diversification Policy goal. Any amount of change in net position above the minimum required to achieve the strategic financial plan metrics can be deducted from operating revenues and held on the statement of net position as a regulatory credit, to be recorded as revenue in one or more future periods. Alternatively, any amount of change in net position below the minimum required to achieve the strategic financial plan metrics can be deducted from operating expenses and held on the statement of net position as a regulatory asset, to be recorded as expense in one or more future periods. The regulatory credit for this policy was restated with the implementation of a GASB 96 (notes 3 and 19).

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2023, are shown in the tables below.

	Dec. 31, 2022 restated	Additions	Reductions	Dec. 31, 2023
Regulatory assets				
Additional pension funding expense recognition	\$ 5,445	\$ 3,000	\$ (853)	\$ 7,592
Pension contribution expense recognition	11,690	2,528	(1,278)	12,940
Debt issuance expense recognition	558	-	(80)	478
Windy Gap Firming Project	111,261	-	(693)	110,568
Total regulatory assets	<u>\$ 128,954</u>	<u>\$ 5,528</u>	<u>\$ (2,904)</u>	<u>\$ 131,578</u>
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	\$ 3,840	\$ 3,621	\$ -	\$ 7,461
Pension contribution expense recognition	5,724	-	(657)	5,067
Change in depreciation method	43,313	-	(6,888)	36,425
Craig units 1 and 2 decommissioning accrual	1,331	1,424	-	2,755
Deferred revenue and expense	21,739	31,497	-	53,236
Total regulatory credits	<u>\$ 75,947</u>	<u>\$ 36,542</u>	<u>\$ (7,545)</u>	<u>\$ 104,944</u>

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2022, are shown in the tables below.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022 restated
	<i>(in thousands)</i>			
Regulatory assets				
Additional pension funding expense recognition	\$ 5,200	\$ 1,141	\$ (896)	\$ 5,445
Pension contribution expense recognition	8,688	4,280	(1,278)	11,690
Debt issuance expense recognition	646	-	(88)	558
Windy Gap Firming Project	111,954	-	(693)	111,261
Total regulatory assets	<u>\$ 126,488</u>	<u>\$ 5,421</u>	<u>\$ (2,955)</u>	<u>\$ 128,954</u>
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	\$ 324	\$ 3,516	\$ -	\$ 3,840
Pension contribution expense recognition	6,191	-	(467)	5,724
Change in depreciation method	50,200	-	(6,887)	43,313
Craig units 1 and 2 decommissioning accrual	-	1,331	-	1,331
Deferred revenue and expense	-	21,739	-	21,739
Total regulatory credits	<u>\$ 56,715</u>	<u>\$ 26,586</u>	<u>\$ (7,354)</u>	<u>\$ 75,947</u>

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

7. Long-term debt

Long-term debt outstanding as of Dec. 31, 2023 and 2022, consisted of the following.

	Interest rate	Dec. 31	
		2023	2022
		<i>(in thousands)</i>	
Power revenue bonds (all serial bonds)			
Series JJ maturing 6/1/2036	3.5%–5%	\$ 102,320	\$ 113,490
Taxable Series KK maturing 6/1/2037	1%-1.9%	23,550	24,595
		<u>125,870</u>	<u>138,085</u>
Unamortized bond premium ⁽¹⁾		9,601	11,938
Total revenue bonds outstanding		<u>135,471</u>	<u>150,023</u>
Less: due within one year		<u>(12,790)</u>	<u>(12,215)</u>
Total long-term debt, net		<u>\$ 122,681</u>	<u>\$ 137,808</u>

⁽¹⁾ Fixed rate bond premium costs are amortized over the terms of the related bond issues.

The outstanding balance of Series JJ is callable June 1, 2026. Taxable Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

Interest expense for the years ended Dec. 31, 2023 and 2022, related to long-term debt outstanding is as follows. The remainder of interest expense, as shown on the statements of revenues, expenses and changes in net position, relates to lease and subscription liabilities as discussed in note 12.

	2023	2022
	<i>(in thousands)</i>	
Interest	\$ 5,233	\$ 5,803
Amortization of bond related costs	<u>(1,477)</u>	<u>(1,640)</u>
Total interest expense	<u>\$ 3,756</u>	<u>\$ 4,163</u>

Calendar year totals for monthly bond service funding requirements per bond resolution for all bonds outstanding are shown in the following table. These may differ from actual semi-annual debt service requirements.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
Deposits in 2023 for 2024 payment	\$ 7,461	\$ 416	\$ 7,877
2024	13,146	4,642	17,788
2025	13,730	4,023	17,753
2026	14,312	3,449	17,761
2027	14,898	2,826	17,724
2028	15,443	2,246	17,689
2029-2033	28,547	6,079	34,626
2034-2037	18,333	1,180	19,513
	<u>\$ 125,870</u>	<u>\$ 24,861</u>	<u>\$ 150,731</u>

Bond service coverage

Power revenue bonds are secured by a pledge of the revenues of Platte River after deducting operating expenses, as defined in the general power bond resolution. The power revenue bonds issued by Platte River may be subject to early call provisions. Principal and interest payments are met from net revenues earned from wholesale electric rates charged to the owner communities and others, and from interest earnings.

Under the general power bond resolution, Platte River is required to charge wholesale electric energy rates to the owner communities that are reasonably expected to yield net revenues for the forthcoming 12-month period that are equal to at least 1.10 times total power bond service requirements. Under the general power bond resolution, Platte River has established a rate stabilization reserve account. Deposits to this account are a reduction to current net revenues for purposes of computing bond service coverage. Future withdrawals will increase net revenues for purposes of computing bond service coverage and could assist Platte River, at that time, in meeting its wholesale rate covenant. The balances in the rate stabilization reserve account at Dec. 31, 2023 and 2022, were \$20,194,000 and \$19,546,000, respectively, excluding accrued interest. The rate stabilization reserve account is included in dedicated funds and investments in the statements of net position.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

The following table is a calculation of the power revenue bond coverage ratio for the years ended Dec. 31, 2023 and 2022.

	2023	2022 restated
	<i>(in thousands)</i>	
Bond service coverage		
Net revenues		
Operating revenues	\$ 257,249	\$ 271,657
Operating expenses, excluding depreciation, amortization and accretion	<u>227,770</u>	<u>221,209</u>
Net operating revenues	29,479	50,448
Plus interest and other income ⁽¹⁾	<u>8,107</u>	<u>3,326</u>
Net revenues before rate stabilization	<u>37,586</u>	<u>53,774</u>
Rate stabilization		
Deposits	-	-
Withdrawals	-	-
Total net revenues	<u>\$ 37,586</u>	<u>\$ 53,774</u>
Bond service		
Power revenue bonds	<u>\$ 17,783</u>	<u>\$ 17,787</u>
Bond service coverage ratio	<u>2.11</u>	<u>3.02</u>

⁽¹⁾ Excludes unrealized holding gains and losses on investments.

Arbitrage rebate

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after Aug. 31, 1986, is subject to arbitrage rebate requirements. Interest income on bond proceeds that exceeds the cost of borrowing is payable to the federal government on every fifth anniversary of each bond issue. Platte River had no arbitrage liability outstanding as of Dec. 31, 2023 and 2022.

Deferred outflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred outflows related to debt consisted of the unamortized deferred loss on debt refundings of \$2,281,000 and \$3,075,000, respectively.

Deferred inflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred inflows related to debt consisted of the unamortized deferred gain on debt refundings of \$112,000 and \$126,000, respectively.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

8. Defined benefit pension plan

Description

The following brief description of the defined benefit pension plan is provided for general information purposes only. Participants and all others should refer to the plan document for more complete information. Platte River does not issue separate stand-alone financial statements for the defined benefit pension plan.

Effective June 1, 1973, Platte River adopted the defined benefit pension plan. Generally, the defined benefit pension plan is a defined-benefit, single-employer plan covering all regular employees of Platte River hired before Sept. 1, 2010. The defined benefit pension plan is closed to new employees hired on or after that date.

The general manager of Platte River is the defined benefit pension plan administrator. The retirement committee, composed of six members (two staff members and four members of the board), meets quarterly and oversees the defined benefit pension plan's investments. Platte River's board is the designated governing body over the defined benefit pension plan and has the authority to amend the defined benefit pension plan as necessary. In 2020, the board appointed a defined benefit plan subcommittee. The subcommittee has the power by unanimous resolution to amend the defined benefit pension plan. Platte River pays all administrative expenses of the defined benefit pension plan.

The defined benefit pension plan has received favorable determination letters from the IRS for the original defined benefit pension plan and subsequent amendments effective through Jan. 1, 2014. Thereafter, the IRS ended review of amendments and stopped providing determination letters.

Benefits provided

Retirement benefits are based on years of service rendered and the final average compensation earned by the participant as defined by the plan document. The defined benefit pension plan provides for 100% vesting after five years of service to all eligible employees.

The defined benefit pension plan provides for normal retirement at age 65. A participant may retire before age 65 after having completed 10 years of credited service and having attained at least age 55, with reduced benefits in accordance with the plan document. For a participant who began employment before Jan. 1, 2008, a special early retirement benefit is available if the participant has completed 13 years of credited service and has attained the ages of 55 through 58 or has completed 20 years of credited service and has attained the age of 55. A participant who began employment on or after Jan. 1, 2008, qualifies for special early retirement if the participant has completed 20 years of credited service and terminates employment after attaining age 55. Benefits will not be reduced if the participant elects to receive benefits on or after the seventh anniversary of the date the participant is first eligible for the special early retirement benefit. The defined benefit pension plan also provides for a deferred vested

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

retirement income starting at the normal retirement date to participants who choose to leave Platte River before normal retirement age.

Participants may elect to receive their benefits by selecting one of the six forms of payment: (1) the duration of the participant's life; (2) the duration of the participant's life with a minimum of 10 years certain and any remainder paid to a beneficiary; (3) 50% joint and survivor annuity option; (4) 66-2/3% joint and survivor option with a minimum of 10 years certain and any remainder paid to a beneficiary; (5) 66-2/3% joint and survivor option without 10 years certain; or (6) an actuarially equivalent lump sum payment, when this option is available. Active employees who become totally and permanently disabled may qualify for a vested retirement income at age 65 or an early retirement income at ages 55 through 64 if they have met the requirements for these benefits when they initially became disabled. Upon the death of an active or disabled retiree, a benefit in the form of a monthly income or lump sum payment is paid to the participant's beneficiary in accordance with the plan document.

Benefits paid by the defined benefit pension plan are adjusted annually by the change in the consumer price index, subject to a maximum increase of 6% for employees who retired before Dec. 6, 1991. Employees who retired on or after Dec. 6, 1991, receive two-thirds of the change in the consumer price index, up to a maximum of 4%.

Membership

At Dec. 31, participants in the defined benefit pension plan are as follows.

	2023	2022
Retirees and beneficiaries currently receiving benefits	185	180
Terminated vested employees not yet receiving benefits	46	47
Active plan participants	72	77
Total participants	303	304

Contributions

All contributions to the defined benefit pension plan are authorized by the board and made by Platte River. Employees cannot contribute to the defined benefit pension plan. The defined benefit pension plan's funding policy is intended to fund current service costs as they accrue, plus an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Platte River's contributions to the defined benefit pension plan, equaling or exceeding the actuarially determined requirements for the years ended Dec. 31, 2023 and 2022, are as follows.

	2023	2022
	<i>(in thousands)</i>	
Base contribution	\$ 3,041	\$ 3,192
Additional funding	3,000	1,141
Total contributions	\$ 6,041	\$ 4,333

Expenses

Investment manager fees are deducted from investment earnings by the investment management firms.

Additionally, Platte River pays the administrative expenses of the defined benefit pension plan, including actuarial fees, investment consulting fees, trustee fees, auditing expenses and legal fees.

Net pension liability

The net pension liability was measured and determined by actuarial valuations as of Dec. 31, 2023 and 2022, respectively. The components of the net pension liability were as follows.

	2023	2022
	<i>(in thousands)</i>	
Total pension liability	\$ 141,193	\$ 135,605
Plan fiduciary net position	112,919	105,085
Platte River's net pension liability	\$ 28,274	\$ 30,520
Plan fiduciary net position as a percentage of the total pension liability	79.98%	77.49%

Actuarial assumptions

Total pension liability for the years ended Dec. 31, 2023 and 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	2023	2022
Salary increases, next calendar period, all ages	3%	7%
Salary increases, all future periods, age <51	4%	4%
Salary increases, all future periods, age 51-65	3%	3%
Salary increases, all future periods, age 66+	2%	2%
Investment rate of return	7.5%	7.5%
Cost of living	1.5%	1.5%

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Mortality rates for the years ended Dec. 31, 2023 and 2022, were based on the Pri-2012 employee, healthy retiree and contingent survivor mortality tables for males and females, projected generationally with the MP-2020 projection scales for males and females.

The actuarial assumption for the long-term expected rate of return on defined benefit pension plan investments is established in the investment policy statement approved by the retirement committee. Platte River establishes a rate using best-estimate ranges of expected future rates of return net of investment expense for each major asset class. The estimates for each major asset class that are included in the defined benefit pension plan's target asset allocation as of Dec. 31, 2023 and 2022, are summarized in the following table.

Asset class	Target allocation		Long-term expected rate of return	
	Dec. 31, 2023	Dec. 31, 2022	2023	2022
Domestic equities	34%	33%	7.0%	7.1%
International equities	16%	16%	6.9%	7.0%
Emerging market equities	6%	7%	6.9%	7.2%
Core fixed income	14%	15%	4.3%	3.1%
Inflation protection	3%	2%	3.7%	3.3%
High yield	7%	7%	6.0%	5.4%
Infrastructure	2%	2%	6.6%	7.1%
Natural resources	5%	5%	7.6%	6.9%
Real estate	2%	2%	7.6%	9.4%
Private credit	4%	4%	6.2%	9.2%
Private equity	6%	6%	8.3%	10.0%
Cash	1%	1%	n/a	n/a

Discount rate

The discount rate used to measure total pension liability was 7.5% for the years ended Dec. 31, 2023 and 2022. Projections of cash flows assumed: (a) employer contributions are made throughout the year and, on average, at midyear and (b) all decrement events are assumed to occur in the middle of the year. Based on these assumptions, the defined benefit pension plan's fiduciary net position was projected to meet all projected future benefit payments of current defined benefit pension plan participants. The long-term expected rate of return on defined benefit pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Changes in net pension liability

Changes in net pension liability for the year ended Dec. 31, 2023, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
<i>(in thousands)</i>			
Balances at Dec. 31, 2022	\$ 135,605	\$ 105,085	\$ 30,520
Changes for the year			
Service cost	1,100	-	1,100
Interest	9,939	-	9,939
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,918	-	2,918
Employer contributions	-	6,041	(6,041)
Net investment income	-	10,162	(10,162)
Benefit payments	(8,369)	(8,369)	-
Changes of assumptions	-	-	-
Net changes	5,588	7,834	(2,246)
Balances at Dec. 31, 2023	\$ 141,193	\$ 112,919	\$ 28,274

Changes in net pension liability for the year ended Dec. 31, 2022, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
<i>(in thousands)</i>			
Balances at Dec. 31, 2021	\$ 129,287	\$ 121,517	\$ 7,770
Changes for the year			
Service cost	1,055	-	1,055
Interest	9,459	-	9,459
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,254	-	4,254
Employer contributions	-	4,333	(4,333)
Net investment loss	-	(12,315)	12,315
Benefit payments	(8,450)	(8,450)	-
Changes of assumptions	-	-	-
Net changes	6,318	(16,432)	22,750
Balances at Dec. 31, 2022	\$ 135,605	\$ 105,085	\$ 30,520

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Sensitivity of the net pension liability to changes in the discount rate

Net pension liability at Dec. 31, 2023, calculated using the current discount rate, as well as using a discount rate 1% lower or 1% higher than the current rate, is as follows.

	<u>Discount rate</u>	<u>Net pension liability 2023</u>
		<i>(in thousands)</i>
1% decrease	6.5%	\$ 42,264
Current discount rate	7.5%	28,274
1% increase	8.5%	16,293

Termination

Platte River reserves the right to discontinue its contributions at any time and to terminate the defined benefit pension plan, although it has not expressed any intention to do so. Discontinuing contributions does not constitute a formal termination of the defined benefit pension plan. If Platte River formally terminates the defined benefit pension plan, the net position of the defined benefit pension plan will be distributed in the following order of priority.

- a. The minimum required amount to retired or terminated participants whose retirement income payments began at least three years before the termination date.
- b. Each other active, retired or terminated participant who, at least three years before the termination date, had become eligible for benefits.

Remaining assets are allocated between participants and beneficiaries using the excess above the amount required to provide the actuarial equivalent single sum value.

Platte River is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is therefore not subject to the pension benefit guaranty provisions of ERISA. Benefits under the defined benefit pension plan are not insured by the Pension Benefit Guaranty Corporation.

Pension expense

The board-approved policies under GASB 62, paragraphs 476–500, allow Platte River to recognize pension expense when recovered through rates rather than recording the amount calculated under GASB 68 (note 6).

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

For the years ended Dec. 31, 2023 and 2022, Platte River recognized pension expense as follows.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Base contribution	\$ 3,041	\$ 3,192
Additional pension funding expense amortization (note 6)	853	896
Pension contribution expense recognition amortization (note 6)	621	811
Total pension expense	<u>\$ 4,515</u>	<u>\$ 4,899</u>

Deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan

At Dec. 31, 2023 and 2022, Platte River reported deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan from the following sources.

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<u>Dec. 31, 2023</u>	<i>(in thousands)</i>	
Differences between expected and actual experience	\$ 1,554	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	8,233	-
Total	<u>\$ 9,787</u>	<u>\$ -</u>

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<u>Dec. 31, 2022</u>	<i>(in thousands)</i>	
Differences between expected and actual experience	\$ 2,851	\$ -
Changes of assumptions	-	287
Net difference between projected and actual earnings on investments	11,998	-
Total	<u>\$ 14,849</u>	<u>\$ 287</u>

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan as of Dec. 31, 2023, will be recognized as a component of pension expense as follows.

<u>Year ending Dec. 31</u>	
<i>(in thousands)</i>	
2024	\$ 4,114
2025	2,366
2026	3,781
2027	(474)
2028	-
Total	<u>\$ 9,787</u>

9. Asset retirement obligations

Platte River has evaluated its contracts and current regulations associated with tangible capital assets and identified those subject to asset retirement obligation recognition under GASB Statement No. 83, *Certain Asset Retirement Obligations* and for which costs can be estimated.

Asset retirement obligation activity for the year ended Dec. 31, 2023, was as follows.

	<u>Dec. 31,</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>	<u>Due within</u>
	<u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>2023</u>	<u>one year</u>
	<i>(in thousands)</i>				
Deferred outflows of resources	\$ 25,316	\$ 4,476	\$ (3,421)	\$ 26,371	\$ -
Liabilities	33,286	4,476	(1,846)	35,916	933

Asset retirement obligation activity for the year ended Dec. 31, 2022, was as follows.

	<u>Dec. 31,</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>	<u>Due within</u>
	<u>2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>2022</u>	<u>one year</u>
	<i>(in thousands)</i>				
Deferred outflows of resources	\$ 22,447	\$ 5,069	\$ (2,200)	\$ 25,316	\$ -
Liabilities	29,255	5,069	(1,038)	33,286	1,547

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Rawhide Energy Station decommissioning

As part of the 1979 rezoning resolution and Rawhide Energy Station construction agreement with the Board of County Commissioners of Larimer County, the county government included reclamation or restoration requirements if Platte River abandons the Rawhide Energy Station as a location for the generation of electricity. Platte River agreed to remove all above-ground structures, excluding the cooling pond dam and power plant foundations, in accordance with reasonable specifications and procedures to be agreed upon by both parties at the time of abandonment.

In 2019, Platte River hired an independent engineering firm to estimate the asset retirement obligation under the agreement's reclamation or restoration clause. The firm's report estimates the cost to decommission and demolish all infrastructure to grade, except the substation and transmission line, with no concrete foundation removal. The estimate assumes a contractor will perform the necessary work. The cost estimate has not been reduced for the potential market value of reusable or scrap materials and does not consider associated recycling costs.

Platte River has recognized its asset retirement liability using the "probable cost" price estimates developed by the engineering firm. Cost estimates were provided with a +/- 30 percent high-low range from the probable cost estimate for decommissioning, demolition and environmental cost categories. The deferred outflows of resources and associated liability will be adjusted for inflation/deflation annually and reviewed for other significant changes.

The amortization period for recognition of the deferred outflow of resources is based on the estimated remaining useful life of the Rawhide Energy Station of Dec. 31, 2055.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Deferred outflows of resources	\$ 15,128	\$ 14,416
Noncurrent liability	17,551	16,403

Rawhide Energy Station impoundments

Platte River is obligated under state laws and regulations to remove wastes from impoundments at the Rawhide Energy Station and confirm that any environmental impact has been addressed before closure. The impoundments used for the generation of electric power and energy and associated purposes include nine phosphorous removal ponds, one retention pond and a fire training pond. Platte River hired an independent consultant to estimate the closure costs of the impoundments. Following state regulations, the estimate will be updated every five years. As a result, Platte River recognized an asset retirement obligation for the estimated clean closure costs of these impoundments and the amount is adjusted annually for inflation/deflation. These costs are amortized over the estimated remaining useful life of each impoundment or the estimated remaining useful life of the facility, whichever is shorter. Impoundments are therefore

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

amortized through Rawhide Unit 1's planned retirement date, which is Dec. 31, 2029. Platte River meets the financial assurances required by the state.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Deferred outflows of resources	\$ 4,397	\$ 4,581
Noncurrent liability	7,178	6,708

Craig Generating Station impoundments

As part of the Yampa Project Amended and Restated Participation Agreement among PacifiCorp, Public Service Company of Colorado, Platte River Power Authority, Salt River Project Agricultural Improvement and Power District and Tri-State Generation and Transmission Association, Inc. (Participation Agreement), the participants must operate, maintain, replace, remove and provide all Yampa Project capital improvements in compliance with laws, executive orders and regulations applicable to the participants. The Participation Agreement continues until the last of Craig Generating Station Unit 1 or 2 is retired from service, and all salvage and required site restoration is completed and the participants have paid their respective shares of those costs. The participants have undivided ownership interests in Craig units 1 and 2 and the common facilities.

Tri-State is the operating agent under the Participation Agreement. Tri-State has given Platte River its best estimate of the current asset retirement obligation liability based on Financial Accounting Standards Board guidance, which is being accreted to a future cashflow estimate and does not currently represent the full liability. The asset retirement obligation consists of restoration costs of five dewatering ponds, a high-quality water holding pond and an evaporation pond used for the generation of electric power and energy and associated uses. Beginning in 2022, the asset retirement obligation increased due to including an estimate for post closure monitoring of the ponds and cost estimate updates. Platte River's interest in Craig units 1 and 2 represents a minority of the asset retirement obligation. Under GASB 83 guidance, Platte River's reported liability depends on the measurement produced by Tri-State. Platte River receives an annual update for its share of the asset retirement obligation from Tri-State and adjusts the liability and future amortization schedule accordingly. Each pond, representing an associated tangible capital asset of the asset retirement obligation liability, is amortized through Craig Unit 2's planned retirement date of Sept. 30, 2028.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Platte River's share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Total member liability	\$ 31,117	\$ 29,787
Platte River's % share	12%	12%
Platte River's deferred outflows of resources	\$ 2,497	\$ 2,830
Platte River's noncurrent liability	\$ 3,734	\$ 3,575

Trapper Mining Inc. reclamation and mine closure

Trapper Mining Inc. is engaged in the business of mining, selling and delivering coal from the Trapper Mine located near Craig, Colorado, to its members under an agreement with the Craig Generating Station, located adjacent to the Trapper Mine. Trapper Mining Inc. follows Financial Accounting Standard Board guidance and has recorded an asset retirement obligation related to the final reclamation and mine closure based on detailed engineering calculations of the amount and timing of future cash spending for a third party to perform the required work. Under the Final Reclamation Agreement with its members, Trapper Mining Inc. (as contractor) and Salt River Project Agricultural Improvement and Power District, Tri-State, PacifiCorp, Platte River, and Public Service Company of Colorado (as payors) assume responsibility for the asset retirement obligation. The acres of mine to be reclaimed and associated costs are reviewed annually, and the costs are allocated to members based on cumulative tons of coal delivered. Tri-State and Public Service Company of Colorado are no longer members and have settled their asset retirement obligations. The coal contract expires Dec. 31, 2025, and the remaining amount of unamortized deferred outflows of resources is amortized over the remaining term of the contract. In 2021, Trapper Mining Inc. began invoicing for reclamation costs incurred, which Platte River pays and charges against the liability.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Platte River's share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Total member liability	\$ 34,498	\$ 28,582
Platte River's % share	26.67%	26.72%
Platte River's deferred outflows of resources	\$ 4,349	\$ 3,489
Platte River's gross liability	\$ 9,201	\$ 7,639
Less: reclamation costs incurred	(1,748)	(1,039)
Platte River's net liability	\$ 7,453	\$ 6,600
Less: current liability	(933)	(1,547)
Noncurrent liability	<u>\$ 6,520</u>	<u>\$ 5,053</u>

Easement agreements

Platte River is a party to numerous easement agreements related to transmission lines and pipelines. These assets are determined to complete a single system, have a perpetual life and are not expected to be retired. Platte River intends to replace sections of its transmission lines, if necessary, and not retire the entire system. Therefore, an asset retirement obligation related to these easements cannot be reasonably estimated.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

10. Noncurrent liabilities

Noncurrent liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022	Additions	Reductions	Dec. 31, 2023	Due within one year
	<i>(in thousands)</i>				
Long-term debt, net	\$ 150,023	\$ -	\$ (14,552)	\$ 135,471	\$ 12,790
Other liabilities and credits					
Compensated absences	6,765	1,474	(314)	7,925	575
Fiber lease advances	394	-	(47)	347	46
Yampa employee obligation	291	-	(3)	288	-
Disposal facility closure costs	332	1,718	-	2,050	-
Deposits	-	2,175	-	2,175	-
Total other liabilities and credits	7,782	5,367	(364)	12,785	621
Total noncurrent liabilities	<u>\$ 157,805</u>	<u>\$ 5,367</u>	<u>\$ (14,916)</u>	<u>\$ 148,256</u>	<u>\$ 13,411</u>

Noncurrent liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022	Due within one year
	<i>(in thousands)</i>				
Long-term debt, net	\$ 164,297	\$ -	\$ (14,274)	\$ 150,023	\$ 12,215
Other liabilities and credits					
Compensated absences	6,197	981	(413)	6,765	586
Fiber lease advances	455	-	(61)	394	46
Yampa employee obligation	380	-	(89)	291	-
Disposal facility closure costs	212	120	-	332	-
Total other liabilities and credits	7,244	1,101	(563)	7,782	632
Total noncurrent liabilities	<u>\$ 171,541</u>	<u>\$ 1,101</u>	<u>\$ (14,837)</u>	<u>\$ 157,805</u>	<u>\$ 12,847</u>

As discussed in note 3, Platte River has an ash disposal facility, comprising three cells (C1, 2A and 2B), at Rawhide Energy Station and accrues a liability to report a portion of state-regulated closure and postclosure costs, by cell, as an operating expense in each period based on landfill

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

capacity used as of each statement of net position date. For this purpose, Cells 1 and 2A are considered at capacity and is no longer accepting waste. They also have similar remaining closure and postclosure requirements. Cell 2B was placed into service at the beginning of 2023. Cell 2B's potential capacity exceeds the projected capacity to be used before closure, therefore Platte River considers the greater of actual capacity used or a straightline percentage through expected closure as the capacity used for determining the liability.

Current regulations require Platte River to place a final cover on Cell 2B as part of closure and postclosure monitoring for 30 years on all cells following the closure process. Closure and postclosure cost estimates are allocated to the cells as determined by management, based on the closure and postclosure activities required by each cell. These cost estimates are based on costs to perform all closure and postclosure compliance in 2023. Platte River expects to begin closing the ash disposal facility no earlier than 2030. Actual costs will vary due to inflation, changes in technology or changes in regulations. Cost estimates are maintained according to financial assurance regulations which include periodic updates by an independent third party. In years where a new cost estimate is not obtained, the costs are updated using inflation rates promulgated by the Colorado Department of Public Health and Environment. Disposal facility closure costs are as follows for the years ended Dec. 31, 2023 and 2022.

	2023	2022
	<i>(in thousands)</i>	
Cells 1 and 2A closure and postclosure care cost estimate	\$ 1,144	\$ 332
Capacity used to date	100%	100%
Cells 1 and 2A disposal facility closure cost liability	\$ 1,144	\$ 332
Cell 2B closure and postclosure care cost estimate	\$ 6,333	\$ 6,657
Capacity used to date	14.3%	0.0%
Cell 2B disposal facility closure cost	\$ 906	\$ -
Total disposal facility closure cost	\$ 2,050	\$ 332

11. Other long-term obligations

Under an agreement between the Windy Gap Firing Project Water Activity Enterprise, Municipal Subdistrict of Northern Colorado Water Conservancy District (Municipal Subdistrict) and Platte River, Platte River has contractual rights to 16,000 acre-feet of storage in the total 90,000 acre-feet storage system known as the Windy Gap Firing Project, of which the largest component is the Chimney Hollow Reservoir. Contractors expect construction to progress

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

through 2025, at which point the new reservoir will be ready to fill. The time needed to fill the reservoir will depend on water supply conditions. Total project costs are not final until the construction period ends. Once the project is complete, Platte River will have a perpetual right for capacity in the project.

In 2021, the project was partially financed through a pooled financing with other participants. Due to alternate accounting treatment (note 6) and specifics of the agreement, Platte River recorded a regulatory asset and other long-term obligations. The regulatory asset is the value of the total cost of the project whereas the other long-term obligations represent Platte River's portion of the pooled financing. Platte River did not receive cash with the financing as the project is managed by the Municipal Subdistrict; however, Platte River also cash funded a portion of the project. The debt service payments under the pooled financing are included in operations and maintenance expense and not accounted for as debt service. These payments are considered fixed obligation charges, reported as cash flows from capital and related financing activities and the outstanding balance of the pooled financing is considered other long-term obligations.

Other long-term obligations outstanding consist of the following.

	Interest rate	Dec. 31,	
		2023	2022
		<i>(in thousands)</i>	
Windy Gap Firing Project obligations			
Pooled financing senior debt maturing 7/15/2051	4%–5%	\$ 61,046	\$ 61,046
Pooled financing subordinate debt estimated to mature 8/1/2055	2.08%	32,360	32,360
Settlement liability	n/a	1,778	1,778
		95,184	95,184
Less: due within one year		(889)	-
Total long-term obligations, net		\$ 94,295	\$ 95,184

Operations and maintenance expenses relating to the pooled financing alternative accounting treatment are as follows.

	2023	2022
	<i>(in thousands)</i>	
Interest	\$ 2,888	\$ 2,888
Principal	-	-
Total operations and maintenance expenses relating to the pooled financing	\$ 2,888	\$ 2,888

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Estimated calendar year totals for pooled financing payments under the agreement are as follows. These will change depending on final construction timing and costs, and the ability of the other participants to meet their funding obligations.

Year ending Dec. 31	Estimated net	Estimated	Total
	principal ⁽¹⁾	interest	
	<i>(in thousands)</i>		
2024	\$ -	\$ 2,888	\$ 2,888
2025	-	2,888	2,888
2026	2,935	3,561	6,496
2027	3,061	3,438	6,499
2028	3,188	3,308	6,496
2029-2033	18,108	14,376	32,484
2034-2038	22,340	10,143	32,483
2039-2044	18,848	5,069	23,917
2045-2048	8,671	2,395	11,066
2049-2053	8,575	986	9,561
2054-2055	2,833	89	2,922
	<u>\$ 88,559</u>	<u>\$ 49,141</u>	<u>\$ 137,700</u>

⁽¹⁾ Estimated unused senior bond service reserves applied in 2041 and 2051.

Other obligations relating to the project include Platte River's portion of a settlement liability estimated to be payable in 2024 and 2025.

At Dec. 31, 2023 and 2022, other long-term assets include senior bond service reserve funds of \$4,847,000, which are expected to be applied to future principal payments as shown in estimated net principal above but are not included in total other long-term obligations.

At Dec. 31, 2023 and 2022, other long-term assets also include liquidity fund deposits of \$1,562,000 and \$305,000, respectively, which are held for use if another participant defaults. When the pooled financing is fully repaid, liquidity funds are expected to be returned to Platte River.

12. Lease and subscription liabilities

Lease and subscription liabilities represent obligations associated with the recognition of amortizable lease and subscription assets (notes 3 and 4) based on the net present value of anticipated future cashflows at the commencement of each lease or subscription term. When necessary, these anticipated future cashflows consider management's best estimate of exercising optional terms within contracts, and actual terms may differ. No lease or subscription contract has a stated or implied interest rate, therefore, Platte River has used an estimated

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

incremental borrowing rate which varies, based on interest rates at the time of each commencement, between 0.4% and 3.6%.

Lease and subscription liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31,	Additions	Reductions	Dec. 31,	Due within
	2022			2023	one year
	restated	<i>(in thousands)</i>			
Lease liabilities	\$ 120	\$ -	\$ (9)	\$ 111	\$ 9
Subscription liabilities	1,134	586	(329)	1,391	632
Total lease and subscription liabilities	<u>\$ 1,254</u>	<u>\$ 586</u>	<u>\$ (338)</u>	<u>\$ 1,502</u>	<u>\$ 641</u>

Lease and subscription liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31,	Additions	Reductions	Dec. 31,	Due within
	2021			restated	one year
	<i>(in thousands)</i>				
Lease liabilities	\$ 134	\$ -	\$ (14)	\$ 120	\$ 9
Subscription liabilities	-	1,736	(602)	1,134	329
Total lease and subscription liabilities	<u>\$ 134</u>	<u>\$ 1,736</u>	<u>\$ (616)</u>	<u>\$ 1,254</u>	<u>\$ 338</u>

Interest expense for the years ended Dec. 31, 2023 and 2022, related to lease and subscription liabilities, was \$7,000 and \$5,000, respectively. In addition to principal and interest, Platte River recognized, as operating expenses, variable payments of \$16,000 and \$19,000 during the years ended Dec. 31, 2023 and 2022, which were not included in the initial measurement of the liabilities. No other non-support payments, such as termination penalties, were incurred.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Calendar year totals for expected lease liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
2024	\$ 9	\$ 4	\$ 13
2025	9	4	13
2026	10	3	13
2027	10	3	13
2028	11	3	14
2029-2033	62	9	71
	<u>\$ 111</u>	<u>\$ 26</u>	<u>\$ 137</u>

Calendar year totals for expected subscription liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
2024	\$ 632	\$ 33	\$ 665
2025	585	19	604
2026	174	3	177
	<u>\$ 1,391</u>	<u>\$ 55</u>	<u>\$ 1,446</u>

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

13. Net investment in capital assets

Net investment in capital assets consisted of the following as of Dec. 31, 2023 and 2022.

	2023	2022 restated
	<i>(in thousands)</i>	
Electric utility plant	\$ 557,394	\$ 574,294
Windy Gap Firing Project storage rights	110,568	111,261
Other long-term assets relating to capital assets	6,408	5,152
Deferred loss on debt refundings	2,281	3,075
Debt issuance expense recognition regulatory asset	478	558
Deferred gain on debt refundings	(112)	(126)
Lease and subscription liabilities	(1,502)	(1,254)
Accounts payable incurred for capital assets	(2,136)	(3,493)
Deferred gains and losses on capital retirements	(36,425)	(43,313)
Other long-term obligations	(95,184)	(95,184)
Long-term debt, net	(135,471)	(150,023)
Net investment in capital assets	<u>\$ 406,299</u>	<u>\$ 400,947</u>

14. Defined contribution plan

Effective Sept. 1, 2010, the board established the Platte River Power Authority defined contribution plan (in accordance with Internal Revenue Code Section 401(a)) for all regular employees hired on or after that date. As of Dec. 31, 2023, there were 215 active plan participants. The plan's assets are held in an external trust account and the investments are participant directed.

Based on years of service, Platte River contributed between 5% and 10% of earnings for plan participants. Platte River also contributed to the 401(a) an amount equal to 50% of the participant's contributions to a separate 457(b) plan, taking into account only participant contributions up to 6% of the participant's earnings. For the years ended Dec. 31, 2023 and 2022, Platte River contributions to the 401(a) plan, which were recognized as expenses, were \$2,168,000 and \$1,707,000, respectively. The employer contributions to the 401(a) plan vest 100% after three years. The plan's records are kept on the accrual basis.

15. Insurance programs

Platte River has purchased insurance policies to cover the risk of loss related to various general liability, property loss exposures and cyber events. Insurance settlements have not exceeded insurance coverage in the past three years. Platte River also provides a self-insured medical and dental plan to its employees. Platte River carries medical stop-loss insurance to cover

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

losses above \$175,000 per person per incident. A liability was recorded for estimated medical and dental claims that were incurred but not reported. Platte River uses a third-party administrator to account for health insurance claims and estimates medical claims liability based on prior claims payment experience. Medical claims liability is included as a component of accounts payable in the statements of net position.

Changes in the balance of the medical claims liability during 2023, 2022 and 2021 were as follows.

	2023	2022	2021
	<i>(in thousands)</i>		
Medical claims liability, beginning of year	\$ 1,000	\$ 493	\$ 552
Current year claims and changes in estimates	5,747	5,058	3,577
Claim payments	(5,809)	(4,551)	(3,636)
Medical claims liability, end of year	\$ 938	\$ 1,000	\$ 493

16. Related-party transactions

Platte River pays certain expenses of the defined benefit pension plan and performs certain administrative functions at no cost to the defined benefit pension plan.

17. Commitments

Platte River has two long-term purchase power contracts with WAPA. The contract with the Colorado River Storage Project continues through Sept. 30, 2057. The Loveland Area Projects contract continues through Sept. 30, 2054. The contract rates and the amount of energy available are subject to change. During 2023, Platte River paid \$16,183,000 for power delivered under these contracts.

Platte River and two of the other four participants in the Yampa Project own Trapper Mine, the primary source of coal for the Yampa Project. The contract provides for delivery of specified amounts of coal to each Yampa owner through 2025. This contract is subject to price adjustments. During 2023, Platte River's coal purchases totaled \$20,862,000 under this contract.

The Rawhide Energy Station's coal purchase and transportation agreements are under multiple-year contracts. Base prices for these contracts are subject to future price adjustments. During 2023, Platte River paid \$23,305,000 for coal delivered under these agreements.

Platte River has committed to purchase Renewable Energy Certificates (RECs) annually through 2024, with future payment of \$538,000. During 2023, Platte River paid \$550,000 under these REC agreements.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Platte River has agreements to purchase renewable wind energy output of 12 megawatts from Silver Sage Windpower Project through 2029, 60 megawatts from Spring Canyon Wind Energy Center Phases II and III through 2039, approximately 6 megawatts from Medicine Bow Wind Project through 2033 and 225 megawatts from Roundhouse Wind Energy Center through 2042. During 2023, Platte River paid \$23,439,000 under these renewable wind energy agreements. Platte River has a long-term agreement with a third party to sell all the output purchased from the Silver Sage Windpower Project through 2029. During 2023, Platte River received \$627,000 under this agreement. In addition, to accommodate additional wind energy available from the Roundhouse Wind Energy Center power purchase agreement and reduce ancillary services expense, the energy and renewable attributes from the Spring Canyon Wind Energy Center Phases II and III sites were sold under a 10-year sales contract beginning in 2020. At the end of the sales contract, the energy will return to Platte River. During 2023, Platte River received \$3,496,000 under this agreement.

Platte River has agreements to purchase renewable solar energy output of 30 megawatts through 2041 from the Rawhide Flats Solar photovoltaic power plant (located at the Rawhide Energy Station) and 22 megawatts through 2041 from the Rawhide Prairie Solar photovoltaic power plant (also located at the Rawhide Energy Station). A two megawatt-hour battery energy storage project is fully integrated with Rawhide Prairie Solar. During 2023, Platte River paid \$4,890,000 under these renewable solar energy agreements.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of generation from Craig units 1 and 2 through June 30, 2024. During 2023, Platte River received \$4,152,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell 65 megawatts of capacity from combustion turbine units A-D through Apr. 30, 2025. The agreement also provides for energy, maintenance and start charges when the capacity option is called. During 2023, Platte River received \$5,251,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell non-unit-specific capacity beginning on Jan. 1, 2024 through May 31, 2026. The capacity sold is 50 megawatts through the end of 2024, then increases to 100 megawatts through the duration of the agreement. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of non-unit-specific capacity beginning on June 1, 2024 through Sept. 30, 2025. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

18. Risks, uncertainties and contingencies

In the ordinary course of business, Platte River may be affected by various legal matters and is subject to legislative, administrative and regulatory requirements that govern operations and

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

environmental compliance. Although Platte River cannot predict the outcomes of these matters, management is aware of no pending legal matters or environmental regulations for which the outcome is likely to have a material adverse effect upon Platte River's operations, financial position or changes in financial position in the near term.

Currently Platte River generates and delivers the majority of its energy from carbon resources. In December 2018, the board passed the Resource Diversification Policy. The policy includes the goal of reaching a 100% noncarbon energy mix by 2030 while maintaining Platte River's "three pillars" of providing reliable, environmentally responsible and financially sustainable electricity and services. The policy acknowledges that several conditions must be met to achieve this goal, including participation in a full energy market, more mature and lower-cost battery storage performance, transmission and distribution infrastructure investments, improved grid management systems and more. Platte River is proactively working to diversify its resource mix to achieve the policy's goal.

Additionally, potential changes in environmental regulations could affect the cost of generation for coal and gas facilities or could require significant capital expenditures and therefore materially affect the rates Platte River charges its customers. In 2019, the Colorado General Assembly adopted a "Climate Action Plan" (H.B. 19-1261) that established statewide goals for a 26% reduction in greenhouse gas emissions from 2005 levels by 2025, a 50% reduction by 2030 and a 90% reduction by 2050. In addition, S.B. 19-236 established even more stringent greenhouse gas emission reduction targets for electric utilities, including an 80% reduction from 2005 levels by 2030 and a 100% reduction by 2050. During 2020, the state released a draft roadmap outlining potential policies to meet outlined targets. In 2022, Platte River submitted a voluntary clean energy plan under H.B. 19-1261 and S.B. 19-236 showing Platte River's path to reduce its carbon emissions 80% by 2030 (compared to 2005 levels).

Investments of the defined benefit pension plan are subject to various risks, such as interest rate, credit, foreign currency, illiquidity, quality of fund managers and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments could occur in the near term and that these changes could materially affect the amounts reported in the statements of fiduciary net position.

Platte River makes defined benefit pension plan contributions and reports net pension liability based on assumptions about interest rates, inflation rates and employee demographics, all of which could change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

The defined benefit pension plan is exposed to potential losses from torts. Platte River carries fiduciary liability insurance coverage for these types of claims. There have been no significant decreases in insurance coverage.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Platte River's defined benefit pension plan portfolio includes allocations to various asset classes with volatile prices. Due to market conditions, the lump sum distribution option from the defined benefit pension plan was suspended in 2022.

Economic uncertainties continue to exist that may negatively affect Platte River's financial position, results of operations and cash flows. The duration and future financial impact of supply chain constraints, labor and materials shortages, price volatility in fuel and electric markets, inflation, national and international political tensions and other risks and uncertainties cannot be reasonably estimated.

19. Change in accounting principle

In 2023, Platte River recognized the effect of a change in accounting principle for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, to reflect the initial recording for subscription arrangement accounting of amortizable subscription assets included in electric utility plant (note 4), subscription liabilities (note 12) and related amortization expense. This resulted in a restatement of the following Dec. 31, 2022, financial statement line items.

Year ended Dec. 31, 2022	Previously reported	Restated	Increase (decrease)
	<i>(in thousands)</i>		
Statement of net position			
Electric utility plant, at original cost			
Plant and equipment in service	\$ 1,463,609	\$ 1,466,932	\$ 3,323
Accumulated depreciation and amortization	(936,475)	(936,957)	(482)
Construction work in progress	26,117	24,873	(1,244)
Current assets			
Prepayments and other assets	2,868	2,506	(362)
Noncurrent liabilities			
Lease and subscription liabilities ⁽¹⁾	111	916	805
Current liabilities			
Current portion of lease and subscription liabilities ⁽²⁾	9	338	329
Accounts payable	24,378	24,359	(19)
Deferred inflows of resources			
Regulatory credits	75,810	75,947	137
Net position			
Net investment in capital assets	400,485	400,947	462
Unrestricted	238,583	238,103	(480)

⁽¹⁾ Previously reported as a component of other liabilities and credits but has also been reclassified to conform with current year presentation.

⁽²⁾ Previously reported as a component of accrued liabilities and other but has also been reclassified to conform with current year presentation.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Year ended Dec. 31, 2022	Previously reported	Restated	Increase (decrease)
	(in thousands)		
Statement of revenues, expenses and changes in net position			
Operating revenues			
Deferred regulatory revenues	\$ (21,602)	\$ (21,739)	\$ (137)
Operating expenses			
Operations and maintenance	67,482	67,079	(403)
Administrative and general	26,015	25,956	(59)
Distributed energy resources	8,484	8,339	(145)
Depreciation, amortization and accretion	36,129	36,612	483
Nonoperating revenues (expenses)			
Interest expense	(4,163)	(4,168)	(5)
Change in net position	6,654	6,636	(18)
Net position at end of year	657,941	657,923	(18)
Statement of cash flows			
Cash flows from operating activities			
Payments for operating goods and services ⁽¹⁾	\$ (167,724)	\$ (166,773)	\$ 951
Cash flows from capital and related financing activities			
Additions to electric utility plant	(18,747)	(19,091)	(344)
Payments on lease and subscription liabilities	(14)	(621)	(607)
Noncash capital and related financing activities			
Additions of electric utility plant through leasing and subscription	-	1,736	1,736

⁽¹⁾ Previously reported adjusted for reclassification to payments related to other long-term obligations to conform with current year presentation not related to this change in accounting principle.

Platte River Power Authority
Defined benefit pension plan

Required supplementary information
Schedule of changes in net pension liability and related ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	(in thousands)									
Total pension liability	\$ 1,100	\$ 1,055	\$ 1,216	\$ 1,364	\$ 1,575	\$ 1,535	\$ 1,616	\$ 1,728	\$ 1,839	\$ 1,885
Service cost	9,939	9,459	9,306	9,179	9,022	8,740	8,421	8,176	7,665	7,343
Interest	-	-	(160)	-	-	-	-	-	2,397	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,918	4,254	3,017	970	704	2,088	1,175	(620)	931	(180)
Changes of assumptions	-	-	(1,353)	-	-	-	-	-	3,661	(574)
Benefit payments	(8,369)	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(4,287)
Net change in total pension liability	5,588	6,318	827	3,369	1,442	4,947	4,851	3,866	11,861	4,187
Total pension liability—beginning	135,605	129,287	128,460	125,091	123,649	118,702	113,851	109,985	98,124	93,937
Total pension liability—ending (a)	\$ 141,193	\$ 135,605	\$ 129,287	\$ 128,460	\$ 125,091	\$ 123,649	\$ 118,702	\$ 113,851	\$ 109,985	\$ 98,124
Plan fiduciary net position	\$ 6,041	\$ 4,333	\$ 4,569	\$ 7,593	\$ 3,649	\$ 4,578	\$ 6,220	\$ 2,912	\$ 3,302	\$ 3,905
Contributions – employer	10,162	(12,315)	15,291	6,995	13,044	(3,179)	11,289	7,476	(624)	4,658
Net investment income	(8,369)	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(4,287)
Benefit payments	7,834	(16,432)	8,661	6,444	6,834	(6,017)	11,148	4,970	(1,954)	4,276
Net change in Plan fiduciary net position	105,085	121,517	112,856	106,412	99,578	105,595	94,447	89,477	91,431	87,155
Plan fiduciary net position—beginning	\$ 112,919	\$ 105,085	\$ 121,517	\$ 112,856	\$ 106,412	\$ 99,578	\$ 105,595	\$ 94,447	\$ 89,477	\$ 91,431
Plan fiduciary net position—ending (b)	\$ 28,274	\$ 30,520	\$ 7,770	\$ 15,604	\$ 18,679	\$ 24,071	\$ 13,107	\$ 19,404	\$ 20,508	\$ 6,693
Net pension liability—ending (a) – (b)	79,98%	77.49%	93.99%	87.85%	85.07%	80.53%	88.96%	82.96%	81.35%	93.18%
Plan fiduciary net position as a percentage of the total pension liability	\$ 12,664	\$ 12,154	\$ 12,502	\$ 13,490	\$ 14,909	\$ 15,290	\$ 16,215	\$ 16,874	\$ 17,305	\$ 17,951
Estimated covered payroll	223.25%	251.10%	62.15%	115.67%	125.29%	157.43%	80.83%	114.99%	118.51%	37.28%
Net pension liability as a percentage of estimated covered payroll										

Platte River Power Authority
Defined benefit pension plan
Required supplementary information
Schedule of employer contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 6,041	\$ 4,333	\$ 4,569	\$ 7,593	\$ 3,649	\$ 4,578	\$ 6,220	\$ 2,912	\$ 3,302	\$ 3,905
Contribution in relation to the actuarially determined contribution	6,041	4,333	4,569	7,593	3,649	4,578	6,220	2,912	3,302	3,905
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated covered payroll	\$12,664	\$12,154	\$12,502	\$13,490	\$14,909	\$15,290	\$16,215	\$16,874	\$17,305	\$17,951
Contributions as a percentage of covered payroll	47.70%	35.65%	36.55%	56.29%	24.48%	29.94%	38.36%	17.26%	19.08%	21.75%

Notes to schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the calendar year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Frozen initial liability, entry age normal
Amortization method 5-year, level dollar, open period
Asset valuation method 4-year smoothed market
Salary increases 3.2%, 10 year average
Increases in retiree benefits -- in payment If benefits commenced prior to 1/1/92, 2.25% for 2015-2023 and 3% for 2014. If benefits commenced after 12/31/1991, 1.5% for 2015-2023 and 2% for 2014.
Investment rate of return 7.5% for 2016 - 2023; 8% for 2014 - 2015

Platte River Power Authority
Defined benefit pension plan
Required supplementary information
Schedule of investment returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	9.8%	(10.3%)	14.0%	6.6%	13.5%	(3.1%)	12.0%	8.5%	(0.7%)	5.4%

Platte River Power Authority
Supplementary information
Budgetary comparison schedule

	Year ended Dec. 31, 2023		
	Budget ⁽¹⁾	Actual	Variance
	<i>(in thousands)</i>		
Revenues			
Operating revenues			
Sales to owner communities	\$ 224,082	\$ 217,735	\$ (6,347)
Sales for resale and other	74,638	71,011	(3,627)
Total operating revenues	298,720	288,746	(9,974)
Other revenues			
Interest income ⁽²⁾	5,978	7,789	1,811
Other income	301	318	17
Total other revenues	6,279	8,107	1,828
Total revenues	\$ 304,999	\$ 296,853	\$ (8,146)
Expenditures			
Operating expenses ⁽³⁾			
Purchased power	\$ 55,115	\$ 61,730	\$ (6,615)
Fuel	62,676	45,142	17,534
Production	54,770	58,307	(3,537)
Transmission	20,254	19,348	906
Administrative and general	31,508	31,714	(206)
Distributed energy resources	13,789	10,131	3,658
Total operating expenses	238,112	226,372	11,740
Capital additions			
Production	14,668	11,758	2,910
Transmission	14,953	7,484	7,469
General	13,048	6,650	6,398
Asset retirement obligations	52	52	-
Total capital additions	42,721	25,944	16,777
Debt service expenditures ⁽⁴⁾			
Principal	12,888	12,888	-
Interest expense	5,239	5,239	-
Total debt service expenditures	18,127	18,127	-
Total expenditures	\$ 298,960	\$ 270,443	\$ 28,517
Contingency appropriation	51,656	-	51,656
Total expenditures and contingency	\$ 350,616	\$ 270,443	\$ 80,173
Revenues less expenditures and contingency	\$ (45,617)	\$ 26,410	\$ 72,027

⁽¹⁾ Reflects \$344,000 transfer of budget-appropriated funds from contingency appropriation to debt service expenditures.

⁽²⁾ Interest income excludes unrealized investment holding gains and losses.

⁽³⁾ Operating expenses do not include depreciation and other nonappropriated expenses.

⁽⁴⁾ Debt service expenditures include monthly principal and interest funding for power revenue bonds and lease and subscription liabilities.



Platte River Power Authority

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