

2ND QUARTER 2022

August 9, 2022

Financial Highlights	<p>In the second quarter 2022, WPPI Energy's change in net position was a loss of \$182,333 compared to a loss of \$963,684 in the second quarter 2021. Primarily due to seasonal wholesale rates that include a higher demand charge during the summer months, WPPI experienced a loss in both second quarter 2022 and 2021.</p> <p>Energy sales to members totaled 1,222,278 megawatt-hours (MWh) in the second quarter of 2022. This is 31,194 MWh or 2.6% more than the same period a year ago.</p> <p>Total operating revenues for the second quarter in 2022 were \$141,123,839 or 31.0% higher than the same period a year ago, which includes \$3.5 million of Rate Stabilization Funds recognized in June 2022. Total operating expenses for the second quarter in 2022 were \$140,873,670 or 28.9% higher than the same period a year ago. The increase in operating revenues is primarily due to the increase in sales to members and an increase in off-system sales due to the combination of higher MWh sold to members and higher average revenue per MWh sold. The increase in operating expenses in the second quarter 2022 compared to 2021 is primarily due to an increase in purchased power and transmission expenses.</p>
Power Supply Update	<p>WPPI Energy's 20% share of Boswell Unit 4 generated 23,468 MWh of electricity at an average capacity factor of 9.2% during the second quarter of 2022. This compares to 13,947 MWh generated at an average capacity factor of 5.5% in the second quarter of 2021. Boswell Unit 4 was offline for the first 20 days of the quarter for a planned maintenance outage and was offline for 58 days to repair damage to turbine and generator bearings and seals resulting from a loss of lubricating oil pressure.</p> <p>WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 95,388 MWh at an average capacity factor of 41.3% in the second quarter of 2022. In the same quarter a year ago, the units generated 187,397 MWh at an average capacity factor of 81.2%. Elm Road Unit 2 was offline for 14 days for a planned maintenance outage and for 20 days to repair a boiler tube leak. Elm Road Units 1 and 2 were each offline for 27 days to repair cracks in their high pressure steam piping.</p>
News Highlights	<p>WPPI Energy hosted six Regional Power Dinner meetings in the second quarter of 2022 for member utility staff, local elected officials and utility governing bodies. The meetings, held in Iowa, Michigan and Wisconsin, provided an opportunity to network with other member community leaders, discuss electric industry issues and key initiatives within the organization. Regional Power Dinner meetings are held every other year.</p>
Company Profile	<p>Member-owned, not-for-profit WPPI Energy serves 51 locally owned electric utilities. Together, WPPI members have built a diverse, competitive and responsible power supply. They share modern technologies and forward-thinking services, and they speak with a unified voice for effective energy policy advocacy.</p>

[This report and other information about WPPI Energy can be found at wppienergy.org.](http://wppienergy.org)

FINANCIAL STATEMENTS

Statements of Net Position (Unaudited)

June 30,	2022	2021
Assets		
Current assets	\$ 152,433,964	\$ 141,545,102
Non-current assets	267,986,436	269,662,737
Electric plant, equipment, and land, net	340,066,926	351,493,168
Construction work in progress	9,575,416	6,815,895
Total assets	770,062,742	769,516,902
Deferred Outflows of Resources	19,559,529	19,172,275
Liabilities		
Current liabilities	67,493,687	54,065,499
Non-current liabilities	9,701,152	10,362,340
Long-term debt, net	302,034,220	322,579,573
Total liabilities	379,229,059	387,007,412
Deferred Inflows of Resources	88,344,619	90,539,178
Net Position	\$ 322,048,593	\$ 311,142,587

Statements of Revenue, Expenses and Changes in Net Position (Unaudited)

	Quarter Ended June 30,		Fiscal-to-Date	
	2022	2021	2022	2021
Operating Revenues	\$ 141,123,839	\$ 107,733,785	\$ 250,798,222	\$ 207,789,022
Operating Expenses				
Purchased power	103,424,407	72,939,848	176,862,611	139,558,906
Transmission	18,140,858	17,314,507	35,182,563	34,460,023
Fuel expense	4,202,819	4,897,080	12,892,047	12,622,206
Operation and maintenance	4,283,078	3,762,386	8,125,649	7,763,360
Customer service and administrative and general	4,878,778	4,501,917	9,609,091	9,099,192
Depreciation and amortization	4,368,128	4,242,418	8,710,614	8,465,994
Taxes	1,575,602	1,626,415	3,201,452	3,277,537
Total operating expenses	140,873,670	109,284,571	254,584,027	215,247,218
Operating Income	250,169	(1,550,786)	(3,785,805)	(7,458,196)
Non-Operating Revenues (Expenses)				
Investment income	3,802,899	3,626,346	7,445,350	7,300,277
Interest expense	(3,585,456)	(3,769,590)	(7,172,546)	(7,538,075)
Other	(649,945)	730,346	(2,973,932)	1,272,459
Total non-operating revenues (expenses), net	(432,502)	587,102	(2,701,128)	1,034,661
Change in Net Position	\$ (182,333)	\$ (963,684)	\$ (6,486,933)	\$ (6,423,535)

Some 2021 amounts were reclassified to conform to the 2022 presentation.

WPPI ENERGY IS THE POWER SUPPLIER FOR THE FOLLOWING LOCALLY-OWNED UTILITIES

WISCONSIN	Evansville	Menasha	Plymouth	Two Rivers	MICHIGAN	Negaunee
Algoma	Florence	Mount Horeb	Prairie du Sac	Waterloo	Alger Delta CEA	Norway
Black River Falls	Hartford	Muscoda	Reedsburg	Waunakee	Baraga	IOWA
Boscobel	Hustisford	New Glarus	Richland Center	Waupun	Crystal Falls	Independence
Brodhead	Jefferson	New Holstein	River Falls	Westby	Gladstone	Maquoketa
Cedarburg	Juneau	New London	Slinger	Whitehall	L'Anse	Preston
Columbus	Kaukauna	New Richmond	Stoughton			
Cuba City	Lake Mills	Oconomowoc	Sturgeon Bay			
Eagle River	Lodi	Oconto Falls	Sun Prairie			

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