

3<sup>RD</sup> QUARTER 2022

November 7, 2022

Financial Highlights	<p>In the third quarter 2022, WPPI Energy's change in net position was \$15,763,893 compared to \$17,027,276 in the third quarter 2021. Due to seasonal wholesale rates that include a higher demand charge during the summer months, WPPI anticipated and experienced a higher change in net position during the third quarter in both third quarter 2022 and 2021 compared to the rest of the year.</p> <p>Energy sales to members totaled 1,354,015 megawatt-hours (MWh) in the third quarter of 2022. This is 5,084 MWh or 0.4% less than the same period a year ago.</p> <p>Total operating revenues for the third quarter in 2022 were \$180,986,285 or 20.2% higher than the same period a year ago. Total operating expenses for the third quarter in 2022 were \$164,698,624 or 23.2% higher than the same period a year ago. The increase in operating revenues is primarily due to the increase in revenue from off-system sales driven by significantly higher market energy prices, and higher average revenue per MWh sold to members during the third quarter of 2022 compared to 2021. The increase in operating expenses in the third quarter 2022 compared to 2021 is primarily due to an increase in purchased power expenses driven by higher market energy prices and natural gas prices.</p>
Power Supply Update	<p>WPPI Energy's 20% share of Boswell Unit 4 generated 197,433 MWh of electricity at an average capacity factor of 76.4% during the third quarter of 2022. This compares to 207,023 MWh generated at an average capacity factor of 80.1% in the third quarter of 2021. With the exception of several brief outages, Boswell Unit 4 was online for the entire quarter.</p> <p>WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 152,519 MWh at an average capacity factor of 65.4% in the third quarter of 2022. In the same quarter a year ago, the units generated 205,308 MWh at an average capacity factor of 88.5%. Elm Road Unit 2 came offline on September 10 for an extended outage to overhaul the steam turbine generator and replace a defective turbine steam chest.</p>
News Highlights	<p>The membership's 2022 WPPI Energy Annual Meeting took place in September at the Madison Marriott West in Middleton, Wis. Attended by member governing body representatives, mayors, utility officials and employees, the event received high marks. Joy Ditto, CEO of the American Public Power Association, delivered a presentation on the challenges and opportunities currently facing public power. WPPI Board Chair Jim Stawicki shared remarks, and WPPI CEO Mike Peters delivered the 2022 State of WPPI.</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.](https://wppienergy.org)

# FINANCIAL STATEMENTS

## Statements of Net Position (Unaudited)

September 30,	2022	2021
<b>Assets</b>		
Current assets	\$ 146,614,647	\$ 146,971,902
Non-current assets	261,504,076	267,458,821
Electric plant, equipment, and land, net	338,119,780	348,709,918
Construction work in progress	10,668,954	7,714,849
Total assets	756,907,457	770,855,490
<b>Deferred Outflows of Resources</b>	19,183,084	18,759,315
<b>Liabilities</b>		
Current liabilities	57,178,672	54,738,366
Non-current liabilities	9,719,511	10,463,624
Long-term debt, net	284,869,742	304,743,086
Total liabilities	351,767,925	369,945,076
<b>Deferred Inflows of Resources</b>	86,510,130	91,499,866
<b>Net Position</b>	\$ 337,812,486	\$ 328,169,863

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

	Quarter Ended September 30,		Fiscal-to-Date	
	2022	2021	2022	2021
<b>Operating Revenues</b>	\$ 180,986,285	\$ 150,599,089	\$ 431,784,506	\$ 358,388,111
<b>Operating Expenses</b>				
Purchased power	121,280,966	90,111,739	298,143,577	229,670,645
Transmission	18,784,310	18,823,258	53,966,872	53,283,281
Fuel expense	9,789,506	9,964,850	22,681,553	22,587,056
Operation and maintenance	3,858,799	4,201,851	11,984,853	11,965,212
Customer service and administrative and general	5,083,329	4,786,949	14,692,015	13,886,141
Depreciation and amortization	4,359,384	4,297,376	13,069,999	12,763,369
Taxes	1,542,330	1,539,700	4,743,781	4,817,237
Total operating expenses	164,698,624	133,725,723	419,282,650	348,972,941
<b>Operating Income</b>	16,287,661	16,873,366	12,501,856	9,415,170
<b>Non-Operating Revenues (Expenses)</b>				
Investment income	3,511,331	3,643,747	10,956,682	10,944,024
Interest expense	(3,370,991)	(3,583,286)	(10,543,537)	(11,121,360)
Other	(664,108)	93,449	(3,638,041)	1,365,907
Total non-operating revenues (expenses), net	(523,768)	153,910	(3,224,896)	1,188,571
<b>Change in Net Position</b>	\$ 15,763,893	\$ 17,027,276	\$ 9,276,960	\$ 10,603,741

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

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

<b>WISCONSIN</b>	Evansville	Menasha	Plymouth	Two Rivers	<b>MICHIGAN</b>	Negaunee
Algoma	Florence	Mount Horeb	Prairie du Sac	Waterloo	Alger Delta CEA	Norway
Black River Falls	Hartford	Muscoda	Reedsburg	Waunakee	Baraga	<b>IOWA</b>
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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