

2ND QUARTER 2023

August 11, 2023

Financial Highlights

In the second quarter 2023, WPPI Energy's change in net position was \$1,136,820 compared to a loss of \$182,333 in the second quarter 2022. The increase in the change in net position between the two periods is primarily due to a \$1,074,379 positive change in fair value of investments between the periods.

Energy sales to members totaled 1,193,393 megawatt-hours (MWh) in the second quarter of 2023. This is 28,885 MWh or 2.4% less than the same period a year ago. The decrease is due in part to cooler weather in 2023 compared to 2022 in second quarter, and increased self-generation by a large industrial customer in second quarter 2023 compared to 2022.

Total operating revenues for the second quarter in 2023, after a deferral of \$1,079,619 to the rate stabilization fund, were \$109,099,487 or 22.7% lower than the same period a year ago. Total operating expenses for the second quarter in 2023 were \$110,365,188 or 21.7% lower than the same period a year ago. The decrease in operating revenues is primarily due to lower revenues from sales to members with lower average revenue from members in second quarter 2023 compared to second quarter 2022 and lower MWh sold in second quarter 2023. Additionally, revenue from off system sales was lower in the second quarter 2023 due to lower market energy prices. Revenues in the second quarter of 2022 increased due to the use of \$3.5 million of rate stabilization fund. In the second quarter of 2023, revenues decreased due to the previously mentioned deferral to the rate stabilization fund. The decrease in operating expenses in the second quarter 2023 compared to 2022 is primarily due to decrease in purchased power expenses driven by lower market energy prices and natural gas prices. This was offset to a degree by higher fuel expenses and administrative and general expenses in second quarter of 2023 compared to 2022.

Power Supply

WPPI Energy's 20% share of Boswell Unit 4 generated 175,243 MWh of electricity at an average capacity factor of 68.6% during the second quarter of 2023. This compares to 23,468 MWh generated at an average capacity factor of 9.2% in the second quarter of 2022. Boswell Unit 4 was offline for 5 days for a planned maintenance outage and was online for the remainder of the quarter.

WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 121,047 MWh at an average capacity factor of 52.4% in the second quarter of 2023. In the same quarter a year ago, the units generated 95,388 MWh at an average capacity factor of 41.3%. Elm Road Unit 1 was offline for 46 days for a maintenance outage and Elm Road Unit 2 was offline for 13 days to repair a boiler tube leak.

News

Every other year, WPPI Energy senior staff visit utility member governing bodies to discuss current WPPI Energy and electric industry developments and provide recent accomplishments members have achieved together by partnering through joint action. These presentations allow WPPI Energy the opportunity to maintain relationships with city councils, village boards, utility commissions and other community leaders. Senior staff are currently making governing bodies visits and will continue to do so throughout the summer months.

Company Profile

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.

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

FINANCIAL STATEMENTS

Statements of Net Position (Unaudited)

June 30,	2023	2022
Assets		
Current assets	\$ 140,714,200	\$ 155,792,094
Non-current assets	256,463,741	264,628,306
Electric plant, equipment, and land, net	333,851,549	340,066,926
Construction work in progress	6,908,283	9,575,416
Total assets	737,937,773	770,062,742
Deferred Outflows of Resources	14,461,837	19,559,528
Liabilities		
Current liabilities	45,601,281	67,493,687
Non-current liabilities	9,869,262	9,701,151
Long-term debt, net	267,425,775	302,034,220
Total liabilities	322,896,318	379,229,058
Deferred Inflows of Resources	92,981,694	88,344,619
Net Position	\$ 336,521,598	\$ 322,048,593

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

	Quarter Ended June 30,		Fiscal-to-Date	
	2023	2022	2023	2022
Operating Revenues	\$ 109,099,487	\$ 141,123,840	\$ 211,497,782	\$ 250,798,222
Operating Expenses				
Purchased power	66,032,058	103,424,407	131,021,260	176,862,611
Transmission	17,646,576	18,140,857	34,920,749	35,182,563
Fuel expense	8,010,936	4,202,819	16,476,172	12,892,047
Operation and maintenance	4,501,292	4,283,483	8,423,765	8,126,054
Customer service and administrative and general	8,149,568	4,878,374	13,941,404	9,608,686
Depreciation and amortization	4,512,800	4,368,128	9,021,422	8,710,614
Taxes	1,511,959	1,575,602	3,170,879	3,201,451
Total operating expenses	110,365,189	140,873,670	216,975,651	254,584,026
Operating Income	(1,265,702)	250,170	(5,477,869)	(3,785,804)
Non-Operating Revenues (Expenses)				
Investment income	4,422,766	3,802,899	8,780,994	7,445,350
Interest expense	(2,750,135)	(3,585,456)	(6,123,713)	(7,172,546)
Other	729,891	(649,946)	2,246,764	(2,973,932)
Total non-operating revenues (expenses), net	2,402,522	(432,503)	4,904,045	(2,701,128)
Change in Net Position	\$ 1,136,820	\$ (182,333)	\$ (573,824)	\$ (6,486,932)

Some 2022 amounts were reclassified to conform to the 2023 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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