

3<sup>RD</sup> QUARTER 2023

November 9, 2023

Financial Highlights	<p>In the third quarter 2023, WPPI Energy's change in net position was \$18,750,442 compared to \$15,763,893 in the third quarter 2022. The increase in the change in net position between the two periods is primarily due to a \$2,170,835 positive change in fair value of investments between the periods.</p> <p>Energy sales to members totaled 1,377,320 megawatt-hours (MWh) in the third quarter of 2023. This is 23,305 MWh or 1.7%, more than the same period a year ago. The increase in MWh sales in 2023 is primarily the result of higher temperatures experienced in the third quarter of 2023 compared to 2022. WPPI Energy set an all time record peak demand of 1,061MW on August 23, 2023.</p> <p>Total operating revenues for the third quarter in 2023 were \$153,502,489 or 15.2% lower than the same period a year ago. Total operating expenses for the third quarter in 2023 were \$137,731,783 or 16.4% lower than the same period a year ago. The decrease in operating revenues is primarily due to lower revenue from off system sales in the third quarter of 2023 compared to 2022 due to lower market energy prices. Lower revenues from sales to members with lower average revenue from members in the third quarter of 2023 compared to 2022 also contributed to lower operating revenues in third quarter of 2023 despite higher MWh sold to members in the quarter. The decrease in operating expenses in the third quarter 2023 compared to 2022 is primarily due to decrease in purchased power expenses driven by lower market energy prices along with lower fuel expenses. This was offset to a degree by higher transmission expenses and administrative and general expenses in third quarter of 2023 compared to 2022.</p>
Power Supply	<p>WPPI Energy's 20% share of Boswell Unit 4 generated 54,444 MWh of electricity at an average capacity factor of 21.1% during the third quarter of 2023. This compares to 197,433 MWh generated at an average capacity factor of 76.4% in the third quarter of 2022. Boswell Unit 4 was offline for nearly all of August and September to repair equipment damage resulting from a loss of station power on August 1.</p> <p>WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 195,946 MWh at an average capacity factor of 84.0% in the third quarter of 2023. In the same quarter a year ago, the units generated 152,519 MWh at an average capacity factor of 65.4%. Except for a brief outage from late August to early September to repair a boiler tube leak on Unit 1 and the shutdown of Unit 2 on September 29 for a scheduled fall outage, the Elm Road units were online for the entire quarter.</p>
News	<p>Members gathered for the 2023 WPPI Energy Annual Meeting in September at the Blue Harbor Resort in Sheboygan, Wis. It was the most highly attended in recent years. Scott Corwin, the new president and CEO of the American Public Power Association, spoke about powering strong communities. Tom Thibodeau, distinguished professor at Viterbo University, opened the meeting with a presentation on the positive power of leading through service. Dale Lythjohan, retired from Cedarburg Light &amp; Water after three decades as general manager, was inducted into the Joint Action Hall of Fame. Wisconsin Public Service Commission Chairperson Rebecca Cameron Valcq delivered remarks on the challenges of retaining talent and the transition to renewable energy.</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://www.wppienergy.org)

# FINANCIAL STATEMENTS

## Statements of Net Position (Unaudited)

September 30,	2023	2022
<b>Assets</b>		
Current assets	\$ 155,840,160	\$ 146,614,647
Non-current assets	262,774,293	261,504,076
Electric plant, equipment, and land, net	329,681,823	338,119,780
Construction work in progress	10,006,923	10,668,954
Total assets	758,303,199	756,907,457
<b>Deferred Outflows of Resources</b>	13,355,164	9,125,687
<b>Liabilities</b>		
Current liabilities	61,963,439	57,178,672
Non-current liabilities	9,819,822	9,719,511
Long-term debt, net	250,332,671	284,869,742
Total liabilities	322,115,932	351,767,925
<b>Deferred Inflows of Resources</b>	94,270,391	76,452,733
<b>Net Position</b>	\$ 355,272,040	\$ 337,812,486

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

	Quarter Ended September 30,		Fiscal-to-Date	
	2023	2022	2023	2022
<b>Operating Revenues</b>	\$ 153,502,489	\$ 180,986,285	\$ 365,000,271	\$ 431,784,506
<b>Operating Expenses</b>				
Purchased power	94,814,257	121,280,966	225,835,518	298,143,577
Transmission	19,815,024	18,784,310	54,735,773	53,966,872
Fuel expense	7,002,123	9,789,506	23,478,295	22,681,553
Operation and maintenance	3,863,214	3,858,799	12,286,980	11,984,854
Customer service and administrative and general	6,566,642	5,083,335	20,508,046	14,692,020
Depreciation and amortization	4,480,441	4,359,384	13,501,863	13,069,999
Taxes	1,190,082	1,542,330	4,360,959	4,743,781
Total operating expenses	137,731,783	164,698,630	354,707,434	419,282,656
<b>Operating Income</b>	15,770,706	16,287,655	10,292,837	12,501,850
<b>Non-Operating Revenues (Expenses)</b>				
Investment income	4,529,112	3,511,331	13,310,106	10,956,682
Interest expense	(2,599,602)	(3,370,991)	(8,723,315)	(10,543,537)
Other	1,050,226	(664,102)	3,296,990	(3,638,035)
Total non-operating revenues (expenses), net	2,979,736	(523,762)	7,883,781	(3,224,890)
<b>Change in Net Position</b>	\$ 18,750,442	\$ 15,763,893	\$ 18,176,618	\$ 9,276,960

Some 2022 amounts were reclassified to conform to the 2023 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			

[wppienergy.org](http://wppienergy.org)