

3rd QUARTER 2024

November 5, 2024

Financial Highlights

In the third quarter 2024, WPPI Energy's change in net position was \$19,113,482 compared to \$18,750,442 in the third quarter 2023. The increase in the change in net position between the two periods is primarily due to a \$761,780 positive change in fair value of investments between the periods.

Energy sales to members totaled 1,355,737 megawatt-hours (MWh) in the third quarter of 2024. This is 21,583 MWh or 1.6% less than the same period a year ago. The decrease in MWh sales in 2024 is primarily the result of a decrease in average temperature in third quarter of 2024 compared to 2023.

Total operating revenues for the third quarter in 2024 were \$140,462,598 or 2.9% lower than the same period a year ago. Total operating expenses for the third quarter in 2024 were \$125,923,091 or 2.3% lower than the same period a year ago. The decrease in operating revenues is primarily due to lower MWh sales to members and lower average revenue collected from members in third quarter of 2024 compared to 2023. Revenue from sales to others was nearly the same in the third quarter 2024 and 2023. The decrease in operating expenses in the third quarter 2024 compared to 2023 is primarily due to lower purchased power expense, which was offset to a degree by higher fuel and transmission expenses.

Power Supply

WPPI Energy's 20% share of Boswell Unit 4 generated 141,113 MWh of electricity at an average capacity factor of 54.6% during the third quarter of 2024. This compares to 54,444 MWh generated at an average capacity factor of 21.1% in the third quarter of 2023. Boswell Unit 4 was offline for several brief outages of one to three days but was online for the remainder of the quarter. WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 177,281 MWh at an average capacity factor of 76.0% in the third quarter of 2024. In the same quarter a year ago, the units generated 195,946 MWh at an average capacity factor of 84.0%. Unit 1 had a forced outage of 10 days and Unit 2 had two outages totaling 21 days, all due to boiler tube leaks.

News

Public power leaders convened for the 2024 WPPI Energy Annual Meeting in September at Glacier Canyon Lodge in Wisconsin Dells. A number of industry leaders presented to the large gathering of member utility representatives. Brandon Delis, director of fleet optimization and environment with the Electric Power Research Institute, shared his outlook on shaping the future of the electric industry. Charles Franklin, professor of law and public policy at Marquette University in Milwaukee gave insight into the university law school poll and how election issues affect the utilities industry. There was a new schedule. WPPI Energy hosted seven breakout sessions with the opportunity to attend two throughout the afternoon. The topics of these sessions included strategic annexation, geographic information systems, community development, governmental relations, customer insights, new generation technologies and a new manager roundtable.

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)

| September 30, | 2024 | 2023 |
|--|----------------|----------------|
| Assets | | |
| Current assets | \$ 147,701,113 | \$ 155,840,160 |
| Non-current assets | 284,831,706 | 262,774,293 |
| Electric plant, equipment, and land, net | 318,318,015 | 329,681,823 |
| Construction work in progress | 9,630,715 | 10,006,923 |
| Total assets | 760,481,549 | 758,303,199 |
| Deferred Outflows of Resources | 16,248,211 | 13,355,164 |
| Liabilities | | |
| Current liabilities | 52,778,563 | 61,963,439 |
| Non-current liabilities | 13,220,451 | 9,819,822 |
| Long-term debt, net | 237,310,866 | 250,332,671 |
| Total liabilities | 303,309,880 | 322,115,932 |
| Deferred Inflows of Resources | 99,689,936 | 94,270,391 |
| Net Position | \$ 373,729,944 | \$ 355,272,040 |

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

| | Quarter Ended September 30, | | Fiscal-to-Date | |
|---|-----------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating Revenues | \$ 140,462,598 | \$ 144,637,776 | \$ 340,815,233 | \$ 346,608,706 |
| Operating Expenses | | | | |
| Purchased power | 79,330,478 | 85,949,544 | 199,315,460 | 207,443,952 |
| Transmission | 21,211,946 | 19,815,024 | 59,439,036 | 54,735,773 |
| Fuel expense | 9,089,906 | 7,002,123 | 25,101,704 | 23,478,295 |
| Operation and maintenance | 4,695,930 | 3,863,323 | 15,008,739 | 12,286,980 |
| Customer service and administrative and general | 5,927,514 | 6,566,546 | 17,438,850 | 20,508,046 |
| Depreciation and amortization | 4,327,045 | 4,480,441 | 13,035,225 | 13,501,863 |
| Taxes | 1,340,272 | 1,190,081 | 4,476,025 | 4,360,960 |
| Total operating expenses | 125,923,091 | 128,867,082 | 333,815,039 | 336,315,869 |
| Operating Income | 14,539,507 | 15,770,694 | 7,000,194 | 10,292,837 |
| Non-Operating Revenues (Expenses) | | | | |
| Investment income | 5,231,856 | 4,529,112 | 15,529,492 | 13,310,106 |
| Interest expense | (2,454,250) | (2,599,602) | (7,626,033) | (8,723,315) |
| Other | 1,796,369 | 1,050,238 | 3,327,813 | 3,296,990 |
| Total non-operating revenues (expenses), net | 4,573,975 | 2,979,748 | 11,231,272 | 7,883,781 |
| Change in Net Position | \$ 19,113,482 | \$ 18,750,442 | \$18,231,466 | \$18,176,618 |

Some 2023 amounts were reclassified to conform to the 2024 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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