

1<sup>ST</sup> QUARTER 2023

May 9, 2023

## Financial Highlights

In the first quarter 2023, WPPI Energy's change in net position was a loss of \$1,710,644 compared to a loss of \$6,304,599 in the first quarter 2022. The increase in the change in net position between the two periods is primarily due to a \$3,994,975 positive change in fair value of investment between the periods. Due to seasonal wholesale rates that include a higher demand charge during the summer months, WPPI Energy anticipated and experienced a loss in both first quarter 2023 and 2022.

Energy sales to members totaled 1,208,291 megawatt-hours (MWh) in the first quarter of 2023. This is 21,515 MWh or 1.7% less than the same period a year ago.

Total operating revenues for the first quarter in 2023, after a deferral of \$1,885,450 to the rate stabilization fund, were \$102,398,296 or 6.6% lower than the same period a year ago. Total operating expenses for the first quarter in 2023 were \$106,610,464 or 6.2% lower than the same period a year ago. The decrease in operating revenues is primarily due to lower off system sales revenue as a result of lower energy prices in the market in the first quarter of 2023 compared to 2022. Revenue from sales to members was very similar between the two time periods. The decrease in operating expenses in the first quarter 2023 compared to 2022 is primarily due to a decrease in purchased power expenses driven by lower market energy prices and natural gas prices.

## Power Supply

WPPI Energy's 20% share of Boswell Unit 4 generated 182,186 MWh of electricity at an average capacity factor of 72.1% during the first quarter of 2023. This compares to 197,510 MWh generated at an average capacity factor of 78.2% in the first quarter of 2022. Boswell Unit 4 ran continuously throughout the quarter. Generation was lower than in the first quarter of 2022 due to lower market energy prices.

WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 144,765 MWh at an average capacity factor of 63.5% in the first quarter of 2023. In the same quarter a year ago, the units generated 150,278 MWh at an average capacity factor of 65.9%. Elm Road Unit 1 was offline for 17 days to repair a main steam line leak and Elm Road Unit 2 was offline for 16 days to repair a leaking main steam drain line.

## News

Every other year, WPPI Energy senior staff visit utility member governing bodies to discuss current WPPI Energy and electric industry developments, and to 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 will begin governing bodies visits in early May and 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)

March 31,	2023	2022
<b>Assets</b>		
Current assets	\$ 137,621,282	\$ 138,404,592
Non-current assets	262,432,227	269,907,450
Electric plant, equipment, and land, net	337,150,149	341,283,592
Construction work in progress	6,334,371	9,775,884
Total assets	743,538,029	759,371,518
<b>Deferred Outflows of Resources</b>		
	22,774,634	19,978,687
<b>Liabilities</b>		
Current liabilities	48,167,722	52,267,375
Non-current liabilities	9,810,068	9,558,424
Long-term debt, net	283,181,544	302,940,409
Total liabilities	341,159,334	364,766,208
<b>Deferred Inflows of Resources</b>		
	89,768,551	92,353,071
<b>Net Position</b>	\$ 335,384,778	\$ 322,230,926

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

	Quarter Ended March 31,	
	2023	2022
<b>Operating Revenues</b>	\$ 102,398,296	\$ 109,674,382
<b>Operating Expenses</b>		
Purchased power	64,989,202	73,438,204
Transmission	17,274,173	17,041,706
Fuel expense	8,465,237	8,689,228
Operation and maintenance	3,922,474	3,842,571
Customer service and administrative and general	5,791,836	4,730,312
Depreciation and amortization	4,508,621	4,342,486
Taxes	1,658,921	1,625,849
Total operating expenses	106,610,464	113,710,356
<b>Operating Income</b>	(4,212,168)	(4,035,974)
<b>Non-Operating Revenues (Expenses)</b>		
Investment income	4,358,229	3,642,451
Interest expense	(3,373,578)	(3,587,090)
Other	1,516,873	(2,323,986)
Total non-operating revenues (expenses), net	2,501,524	(2,268,625)
<b>Change in Net Position</b>	\$ (1,710,644)	\$ (6,304,599)

Some 2022 amounts were reclassified to conform to the 2023 presentation.

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

#### WISCONSIN

Algoma  
Black River Falls  
Boscobel  
Brodhead  
Cedarburg  
Columbus  
Cuba City  
Eagle River

Evansville  
Florence  
Hartford  
Hustisford  
Jefferson  
Juneau  
Kaukauna  
Lake Mills  
Lodi

#### Menasha

Mount Horeb  
Muscodia  
New Glarus  
New Holstein  
New London  
New Richmond  
Oconomowoc  
Oconto Falls

#### Plymouth

Prairie du Sac  
Reedsburg  
Richland Center  
River Falls  
Slinger  
Stoughton  
Sturgeon Bay  
Sun Prairie

#### Two Rivers

Waterloo  
Waunakee  
Waupun  
Westby  
Whitehall

#### MICHIGAN

Alger Delta CEA  
Baraga  
Crystal Falls  
Gladstone  
L'Anse

#### Negaunee

Norway  
**IOWA**  
Independence  
Maquoketa  
Preston