



# Reporting Item

## BOARD OF DIRECTORS

May 16, 2023

### ITEM

First Quarter 2023 Financial Report

### PURPOSE

Report the quarterly financial results to the Board of Directors

### FACTS

- a. The first quarter 2023 financial results are attached for review.
- b. Retail Revenue for the first quarter 2023 was \$247.6 million, which was \$19.5 million under budget. Off-system Revenue was \$58.7 million, which was \$13.2 million over budget. Other Income was \$45.1 million, which was \$20.5 million over budget.
- c. Operations and Maintenance Expense (less Fuel and Purchased Power) for the first quarter 2023 was \$113.7 million, which was \$0.7 million over budget. Fuel and Purchased Power Expense was \$117.9 million, which was \$2.5 million under budget. Other Expense was \$90.5 million, which was \$9.5 million under budget.
- d. Operating Income for the first quarter 2023 was \$21.4 million, which was \$7.4 million over budget.
- e. Net Income for the first quarter 2023 was \$29.5 million, which was \$25.8 million over budget.

### ACTION

Reporting item.

### RECOMMENDED:

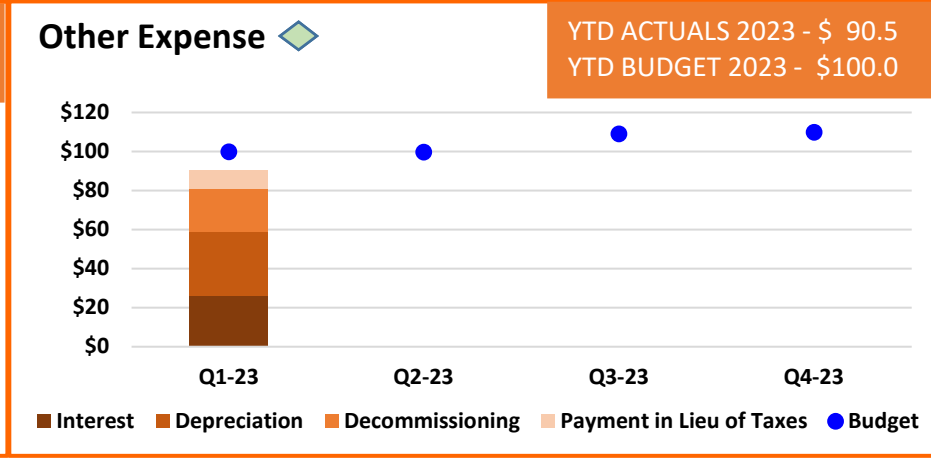
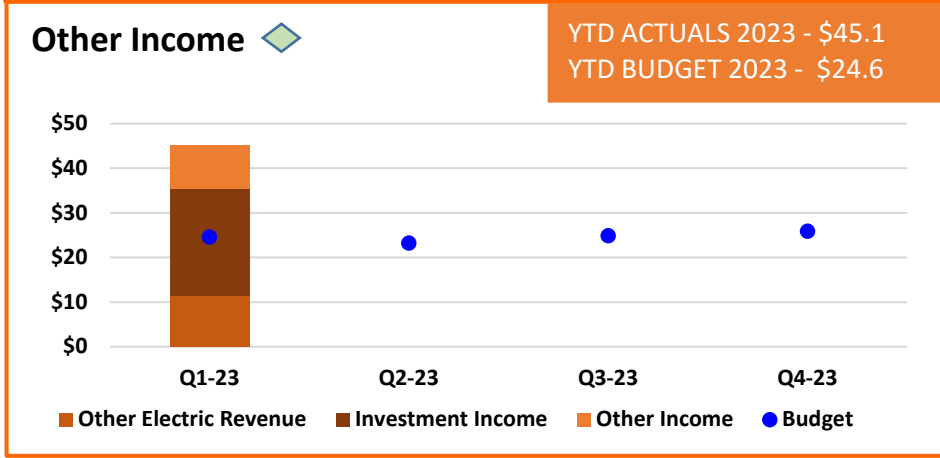
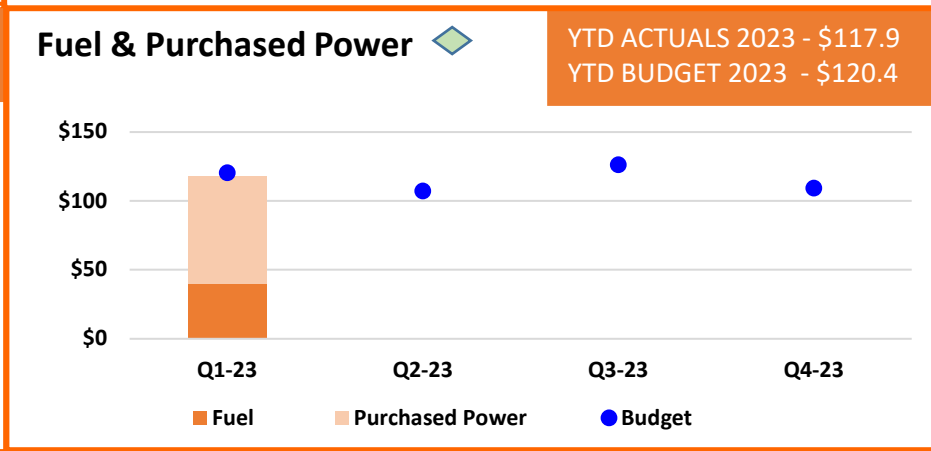
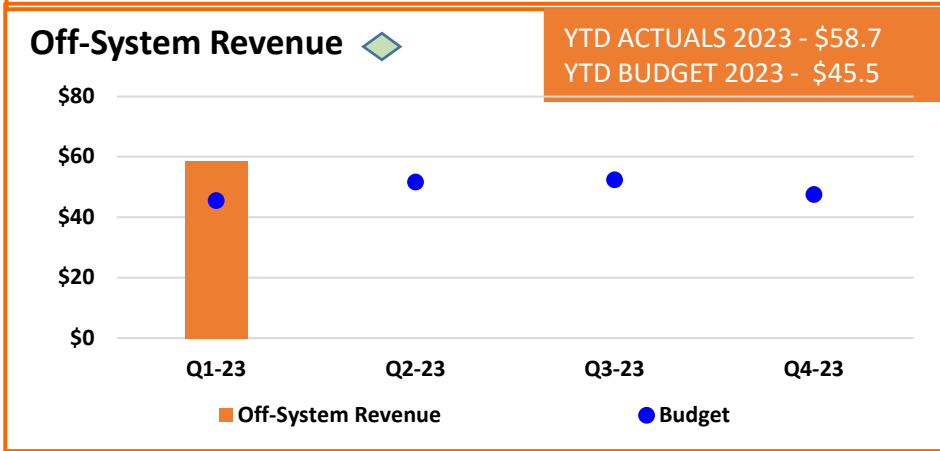
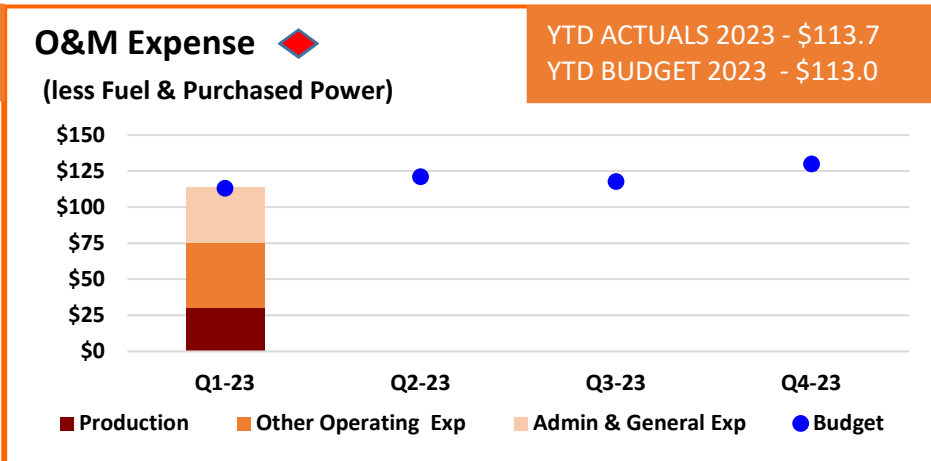
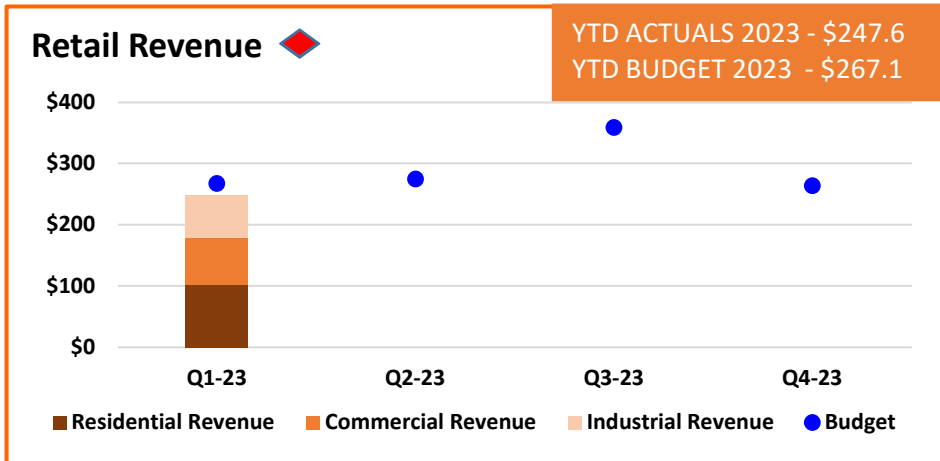
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Jeff M. Bishop

### APPROVED FOR REPORTING TO BOARD:

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L. Javier Fernandez

Attachments: Quarterly Financial Report (Graphs)

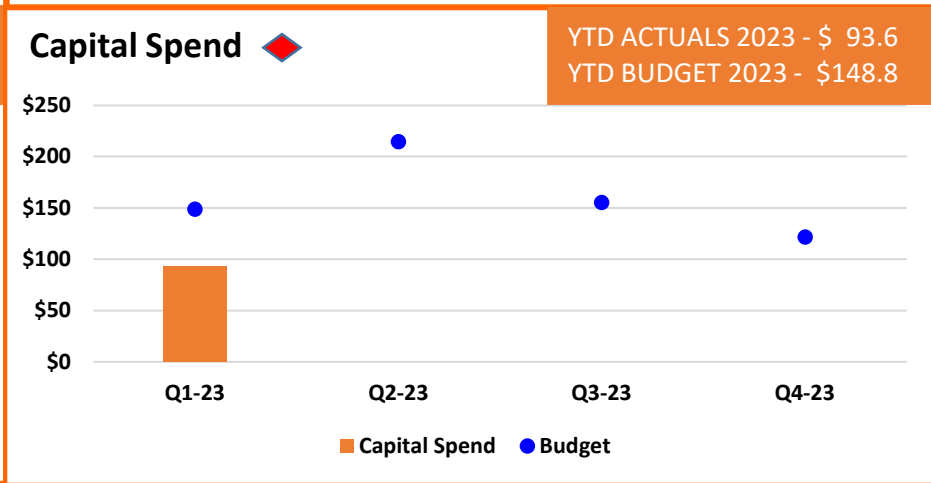
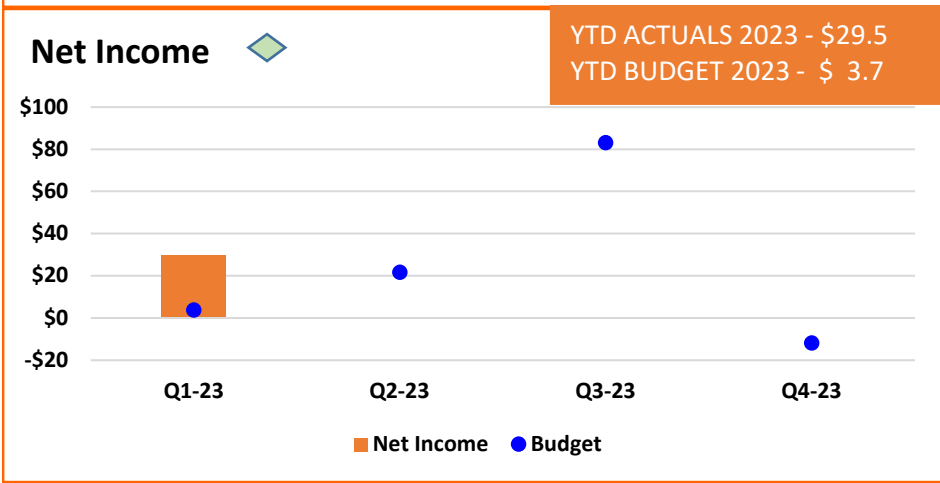
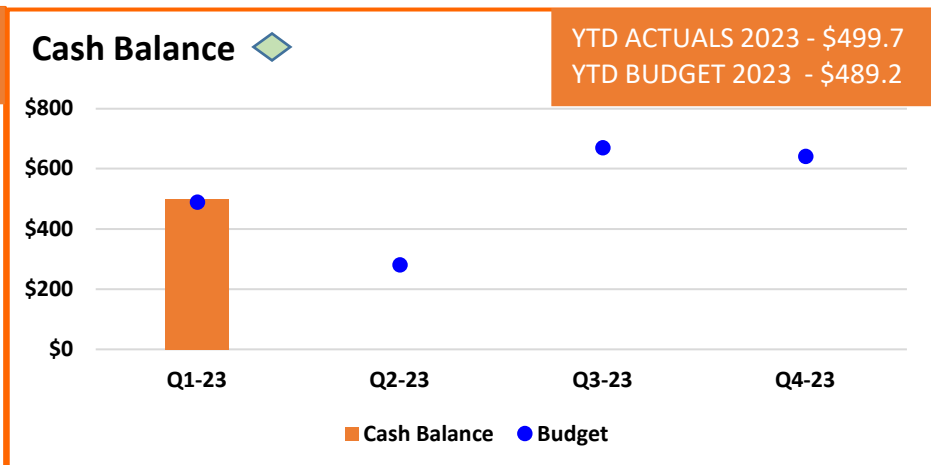
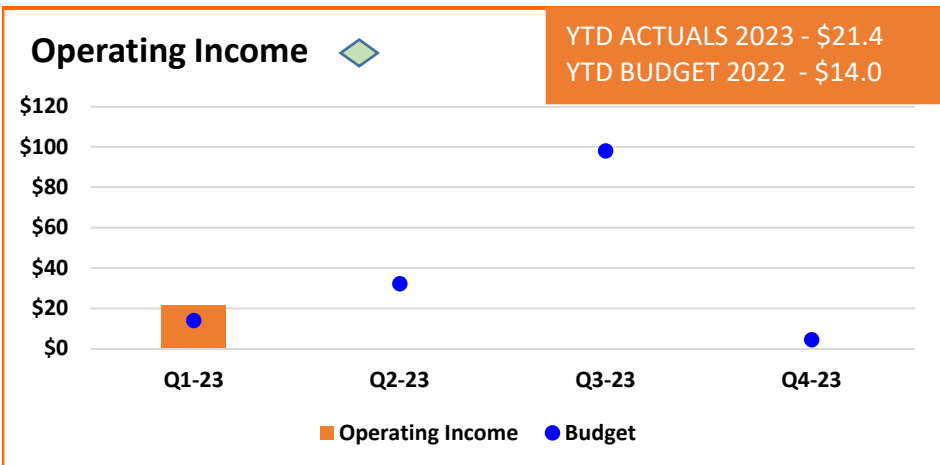
# Q1 2023 Results (\$ Millions)



◇ - Favorable    ◆ - Unfavorable

Unaudited results.

# Q1 2023 Results (\$ Millions)



## SD Impact:

\* **SD-2 Rates** - The 2022 average retail rate was 9.3% below the regional (as defined) retail average rates, based on 2021 EIA data.

\* **SD-3 Access to Credit Markets** - The 12-month rolling debt service coverage ratio is 1.91 times through March 2023, and is forecasted at 2.0 times at year end. The District's days of cash on hand is 182 days as of March 31, 2023.

## HIGHLIGHTS:

\* Retail revenues were under budget year-to-date (YTD) by \$19.5 million, or 7.3% due to lower than expected industrial usage from delayed load ramp on anticipated growth. Off-system sales were over budget YTD by \$13.2 million, or 29.0%, primarily due to higher than expected congestion hedging revenue.

\* Other expense was under budget YTD by \$9.5 million, or 9.5%, primarily due to lower depreciation expense from new depreciation rates in 2023.

\* Net income of \$29.5 million YTD was over budget by \$25.8 million, primarily due to higher investment income from positive fair market value adjustments and the operating results addressed above.

\* Capital expenditures were under budget YTD by 37.1%, or \$55.2 million, due to delayed spending primarily on Power with Purpose projects.

◇ - Favorable

◇ - Unfavorable

Unaudited results.