

For the three- and six-months ending June 30, 2024, combined operating revenues increased by \$15.3 million and \$26.8 million compared to the same periods in restated 2023. Retail sales rose by \$14.8 million in the second quarter of 2024 and by \$15.1 million in the first half of 2024, which was primarily attributed to the increase in the base charge rate. To balance available energy resources with customer loads, the PUD sells power on the wholesale power markets. During the three- and six-months ending June 30, 2024, the PUD sold an additional 13.3 million and 210.7 million more kilowatt hours, respectively. These increases in wholesale kilowatt-hour volume resulted in sale increases of \$3.6 million and \$22.3 million. However, other operating revenues decreased by \$3.4 million and \$10.6 million in the three- and six-months ending June 30, 2024. This decline is mainly due to a \$3.4 million and \$7.5 million reduction in revenue from the Bonneville Power Administration's Reserve Distribution Clause program during these periods.

Operating expenses rose by \$44.0 million over the six months ending June 30, 2024, but saw a slight decrease of \$0.9 million in the three months ending on the same date. The increase was predominantly due to significantly higher electricity prices on the open market. Purchase power expenses for the six months ending June 30, 2024, increased by \$25.1 million compared to the previous period mainly due to higher electricity prices during the extremely cold weekend in January. However, for the three months ending June 30, 2024, purchase power expenses decreased by \$10.0 million due to lower loads required to operate the PUD and experiencing lower average prices than in the period being compared. Maintenance expenses increased \$1.6 million and \$4.2 million for the three- and six-months ending June 20, 2024, respectively, with most of the

increase due to additional overhead line maintenance.

Combined other income and expenses saw a slight increase over the six months ending June 30, 2024. However, for the three months ending on the same date, there was a notable increase of \$2.6 million, primarily driven by a \$3.3 million rise in interest income due to the volatility in mark-to-market yields.

Capital contributions increased by \$2.4 million in the six months ending June 30, 2024. Previously experienced supply chain issues have lightened up, resulting in the PUD receiving \$2.0 million more in donated plant from developers in the first half of 2024 compared to the previous year. In the second quarter of 2024, there was a modest increase of \$0.5 million in capital contributions.

Total assets increased by \$78.2 million in June 2024 compared to restated June 2023. Current assets rose by \$23.3 million; this growth includes a \$19.4 million increase in cash and temporary cash investments as more funds are held overnight to ensure ample liquidity for rising operating expenses. The provision for uncollectible accounts decreased by \$1.0 million as the PUD resumed normal collection processes. Materials inventory grew by \$8.3 million due to easing supply chain issues and the purchase of back-ordered transformers and other inventory. The PUD's net utility plant increased by \$93.7 million, reflecting ongoing investments in systems that provide safe and reliable power, with \$145.4 million in plant assets in service and \$12.1 million in construction work in progress, partially offset by regular depreciation. Other assets decreased by \$66.7 million, primarily due to changes in net pension assets, while long-term investments decreased by \$33.1 million to meet rising operating expense obligations.

Deferred outflows of resources decreased by \$7.3 million from June 2024 to 2023 due to an adjustment to net pension liabilities.

Total liabilities decreased by \$7.2 million since June 2023, reflecting an overall improvement in financial health. This includes a \$3.9 million reduction in long-term debt, attributed to regularly scheduled annual principal payments. Additionally, other liabilities declined by \$10.8 million, primarily due to adjustments in pension liabilities and the adoption of a new accounting standard for reporting lease obligations. However, current liabilities increased by \$7.6 million, driven by changes in accounts payable, which indicates higher short-term obligations for operational activities.

Deferred inflows of resources decreased by \$23.9 million following an adjustment to net pension plan deferrals at the close of 2023.



*At the PUD, we're always working to ensure reliability for our customers. Here a worker breaks down components at the North Camano Substation May 2.*

## Combined Statements of Revenues, Expenses, and Changes in Net Position (UNAUDITED) *In millions*

### Three Months Ended June 30,

	2024				As restated 2023	As previously reported 2023
	Electric System	Generation System	Water System	Combined	Combined	Combined
Operating Revenues	\$ 202.3	\$ 6.3	\$ 3.9	\$ 206.5	\$ 191.3	\$ 183.7
Operating Expenses	192.7	4.3	4.3	195.2	193.3	193.3
Net Operating Income (Loss)	9.6	2.0	(0.4)	11.3	(2.0)	(9.6)
Other Income (Expense)	2.0	(0.4)	0.3	1.9	(0.5)	(0.5)
Capital Contributions	7.0	–	0.3	7.4	6.9	6.9
<b>Net Income (Loss)</b>	<b>\$ 18.6</b>	<b>\$ 1.6</b>	<b>\$ 0.2</b>	<b>\$ 20.6</b>	<b>\$ 4.4</b>	<b>\$ (3.2)</b>

### Six Months Ended June,

	2024				As restated 2023	As previously reported 2023
	Electric System	Generation System	Water System	Combined	Combined	Combined
Operating Revenues	\$ 454.6	\$ 11.9	\$ 7.5	\$ 462.5	\$ 435.7	\$ 413.8
Operating Expenses	452.6	8.4	8.6	458.0	407.2	407.2
Net Operating Income	2.0	3.5	(1.1)	4.5	28.5	6.6
Other Income (Expense)	2.6	(0.8)	0.5	2.3	2.5	2.5
Capital Contributions	14.5	–	0.8	15.3	12.9	12.9
<b>Net Income</b>	<b>\$ 19.1</b>	<b>\$ 2.7</b>	<b>\$ 0.2</b>	<b>\$ 22.1</b>	<b>\$ 43.9</b>	<b>\$ 22.0</b>

### Twelve Months Ended March 31,

	2024	2023
Electric System Retail Kilowatt-hours Sold (in millions)	6,735	6,831
Electric System New Customer Connects	4,551	4,503
Debt Service Coverage		
Electric System Parity Bonds	4.0x	3.9
Electric/Generation Parity Bonds	3.6x	3.6

## Combined Statements of Net Position (UNAUDITED) *In millions*

### As of June 30,

	2024				As restated 2023	As previously reported 2023
	Electric System	Generation System	Water System	Combined	Combined	Combined
Current Assets	\$ 315.0	\$ 8.5	\$ 7.7	\$ 327.8	\$ 250.5	\$ 276.7
Net Utility Plant	1,555.6	197.6	143.1	1,896.3	1,802.6	1,802.6
Other Assets	384.7	34.1	40.3	435.7	502.3	502.3
Total Assets	2,255.3	240.2	191.1	2,659.8	2,555.4	2,581.6
Deferred Outflows of Resources	40.9	1.6	1.0	43.5	50.8	50.8
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 2,296.2</b>	<b>\$ 241.8</b>	<b>\$ 192.1</b>	<b>\$ 2,703.3</b>	<b>\$ 2,606.2</b>	<b>\$ 2,632.4</b>
Current Liabilities	\$ 109.6	\$ 9.9	\$ 2.5	\$ 105.3	\$ 110.9	\$ 110.9
Long-Term Debt	436.6	54.7	28.2	519.5	523.4	523.4
Other Liabilities	88.0	39.2	1.4	118.5	116.1	116.1
Total Liabilities	634.2	103.8	32.1	743.3	750.4	750.4
Deferred Inflows of Resources	50.7	4.5	1.5	56.7	80.7	80.7
Net Investment in Capital Assets	1,172.2	137.4	130.2	1,439.8	1,383.8	1,383.8
Restricted	208.8	15.9	22.2	246.9	161.5	161.5
Unrestricted	230.3	(19.8)	6.1	216.6	229.8	256.0
Total Net Position	1,611.3	\$ 133.5	158.5	1,903.3	1,775.1	1,801.3
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 2,296.2</b>	<b>\$ 241.8</b>	<b>\$ 192.1</b>	<b>\$ 2,703.3</b>	<b>\$ 2,606.2</b>	<b>\$ 2,632.4</b>



PUD's 2nd Energy Block Party rocked the neighborhood around Everett Headquarters on April 29. Some delighted customers won utility-recommended trees, courtesy of the Vegetation Management team.



A special celebration for Hydropower Appreciation Day was held May 20 at the Woods Creek Sustainability Center. Customers explored the Food Forest and saw hydropower in action with hosts Zip and Zap.

### For additional information

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