

Financial Updates

Mid-West Electric Consumers Association
Western States Power Corporation

Denver, CO
April 24, 2019

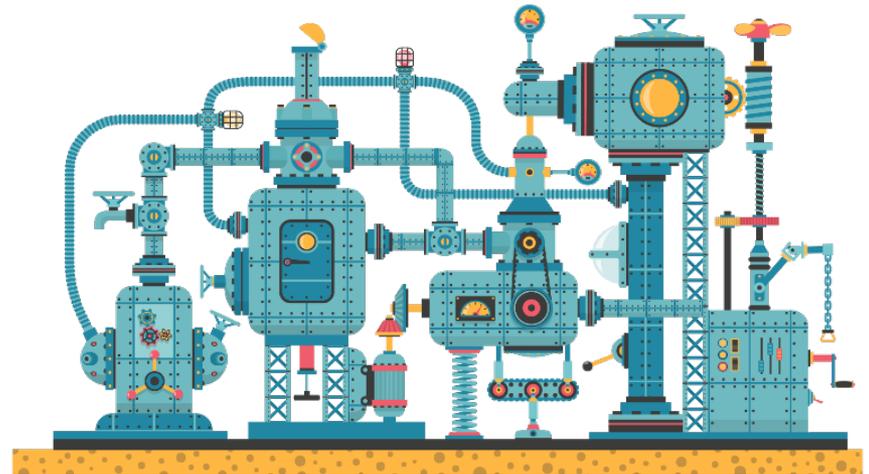
Dennis R. Sullivan, SVP and CFO

Topics

- Water & Power Committee – May 29, 2019
- Purchase Power & Wheeling update
- Capital Appropriations update
- Financial Transparency / Program Collaboration

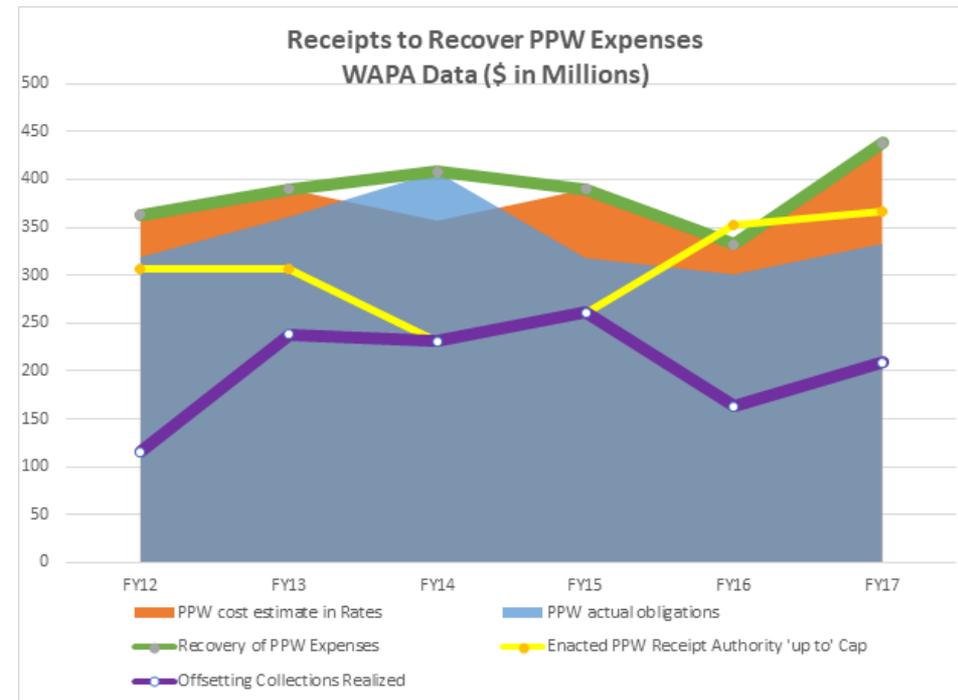
WAPA Funding Model Challenges

- Water & Power Committee: May 29, 2019
- Outline for discussion
 - Model overview, complexity
 - Current challenges
 - Purchase Power & Wheeling Authority
 - Capital appropriations trends
 - Other
 - W&P Committee feedback
 - Brainstorm: Short-term & long-term objectives
- Regional customer group discussions planned

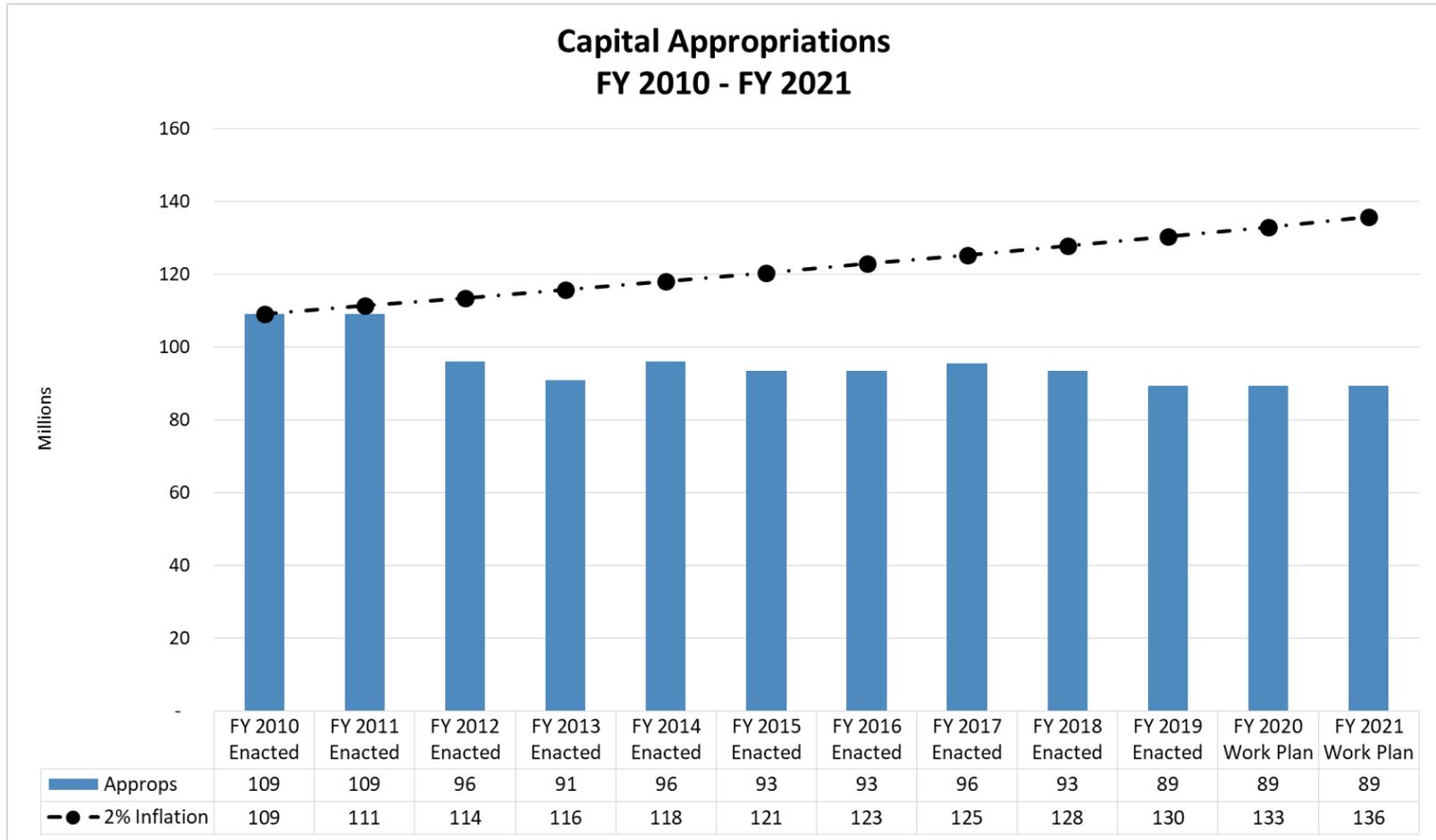


Purchase Power & Wheeling

- Congressional report status
- The greater of:
 - Actual PPW obligations in current year, or ...
 - Estimated PPW expenses in the rate
- Reserve strategy progress
 - FY18 reserve \$291m
 - FY19 projection +\$35M
 - FY20 budget “markup”

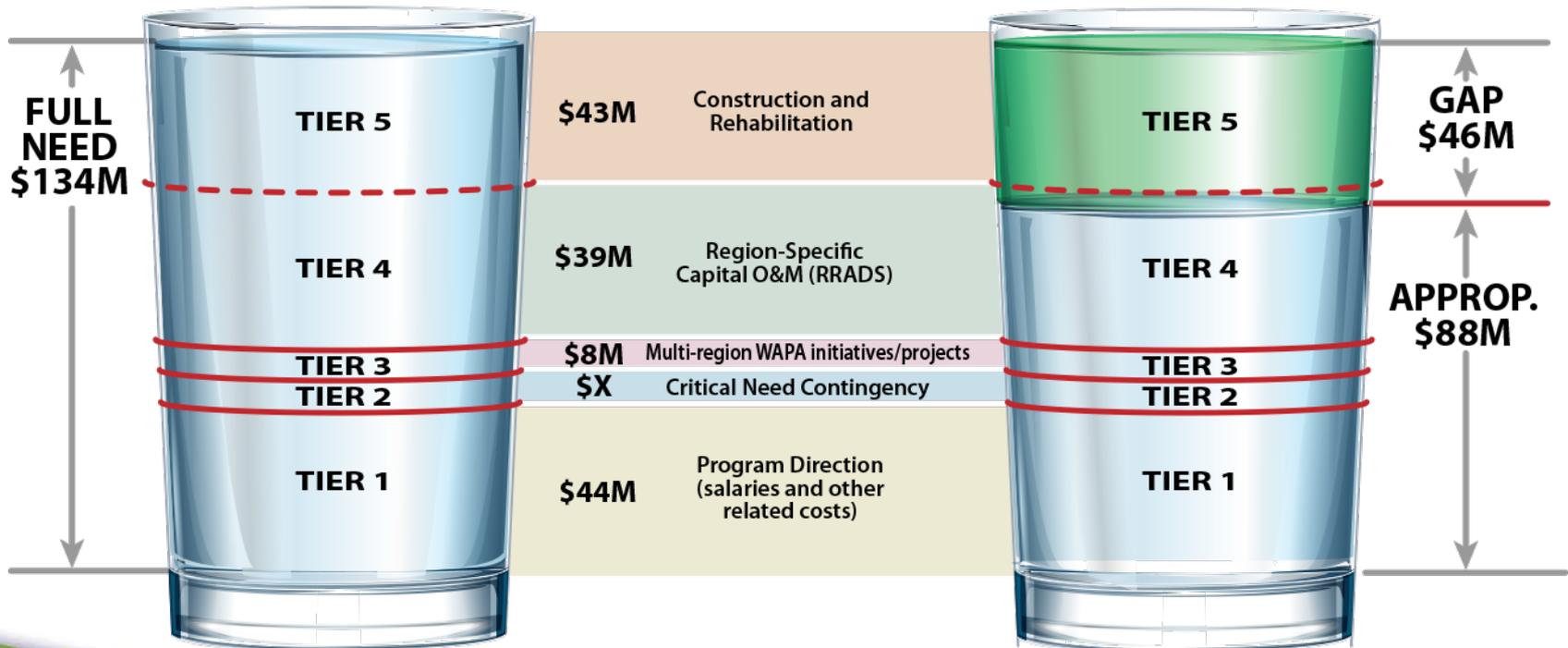


Capital Appropriations Status



Capital Appropriations Allocation Plan

- FY21: Projected \$2.9M shortfall in capital O&M
- DOE, OMB discussions
- Long-term solution?



Financial Transparency / Program Collaboration

- Enhanced financial reviews
 - Work plans
 - Execution reviews
 - HQ 10YP
 - WAPA program leaders
- Expanded “The Source”
 - Access to historical data
- Technology & Security Symposium
- Financial transparency vs. Programmatic insight?

Financial Transparency



- Sharing historical and planned budget/execution
 - Provide opportunity for input/feedback
 - Answers: what, why, how much, value-delivered
- Results:** Common understanding of investment drivers

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