



# 2024 Unaudited Financial Statements

LES Finance Committee | February 21, 2025

**Emily N. Koenig | LES**  
Vice President, Financial Services & CFO



# 2024 Retail Revenue

Lower use by Commercial customers comprised most of the variance and was partially offset by higher Industrial usage.



## Retail Revenue

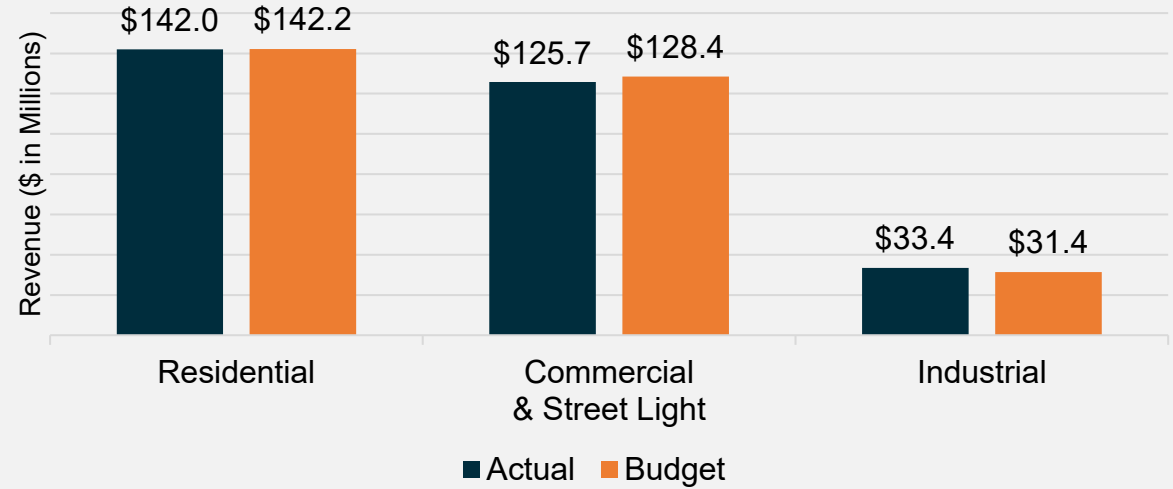
|               |               |                 |
|---------------|---------------|-----------------|
| <b>Actual</b> | <b>Budget</b> | <b>Variance</b> |
| \$301.1M      | \$302.0M      | -\$0.9M / -0.3% |



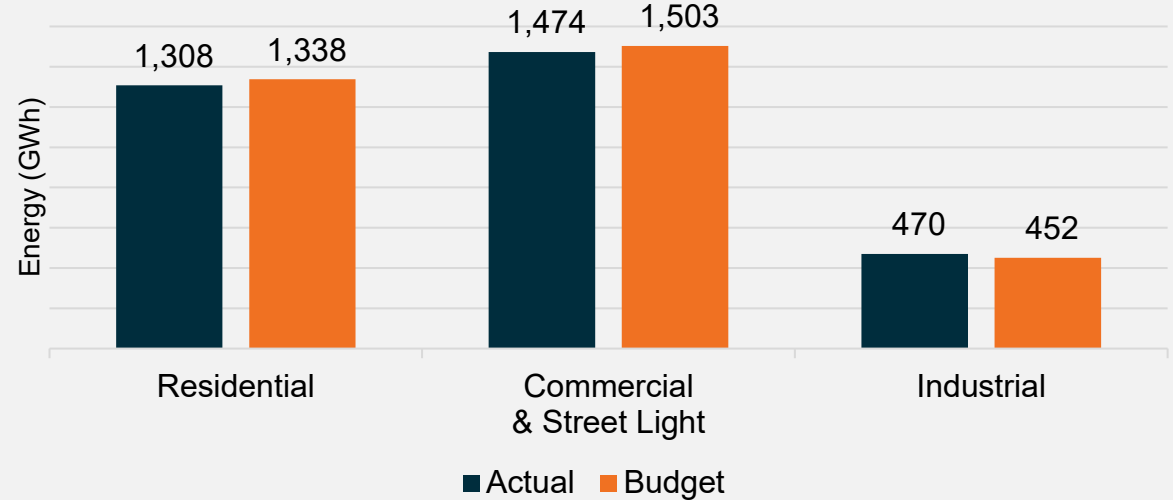
## Retail Energy

|               |               |                 |
|---------------|---------------|-----------------|
| <b>Actual</b> | <b>Budget</b> | <b>Variance</b> |
| 3,251 GWh     | 3,293 GWh     | -42 GWh / -1.3% |

## Retail Revenue



## Retail Energy



Totals and other calculations throughout this presentation may show slight inconsistencies due to rounding.

# 2024 Weather

2024 temperatures were warmer than usual, with heating degree days 16.9% below average and cooling degree days surpassing a regular year by 7.8%.

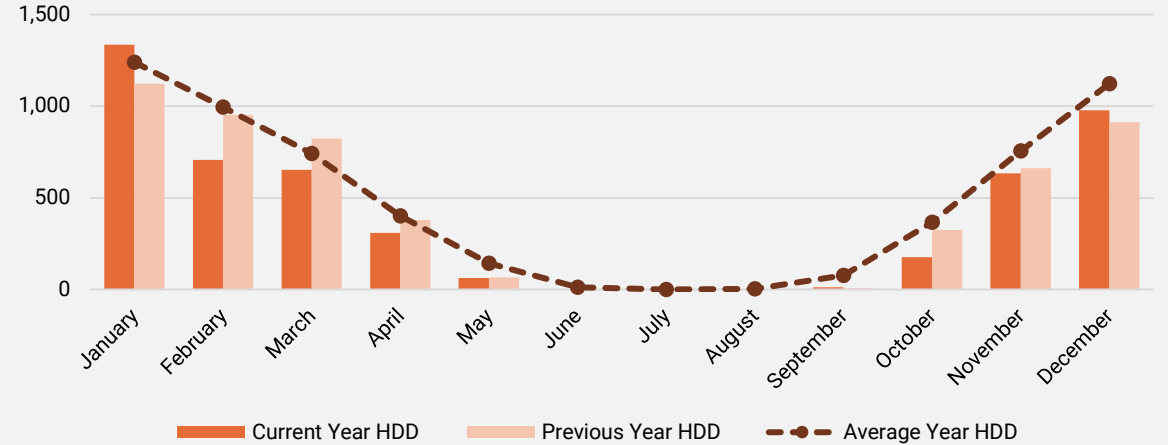


Warm weather from February through December offset January's cold temperatures, resulting in fewer heating degree days than average.

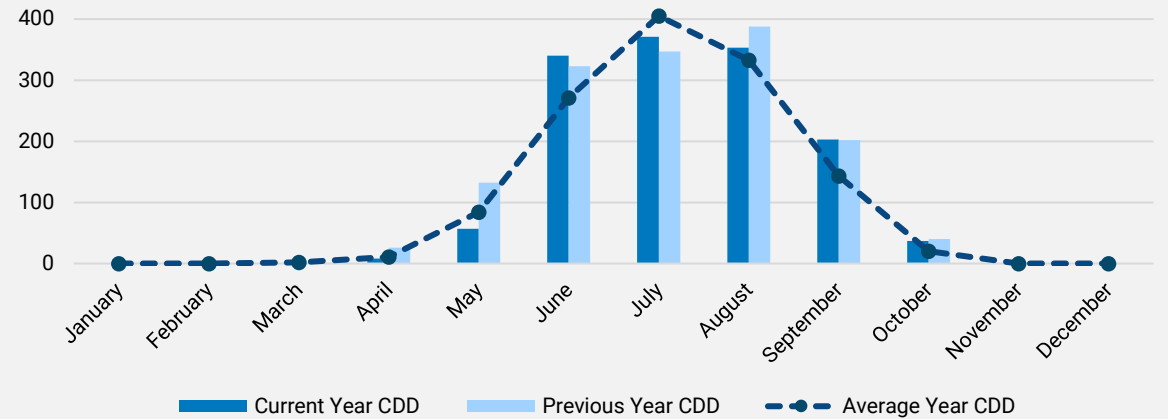


Warmer temperatures arriving early and lingering led to higher-than-average cooling degree days.

## 2024 Heating Degree Days



## 2024 Cooling Degree Days



# 2024 Operating Expenses\*



## O&M Expenses

| Actual  | Budget  | Variance      |
|---------|---------|---------------|
| \$40.9M | \$41.4M | -\$0.4M/-1.0% |



## A&G Expenses

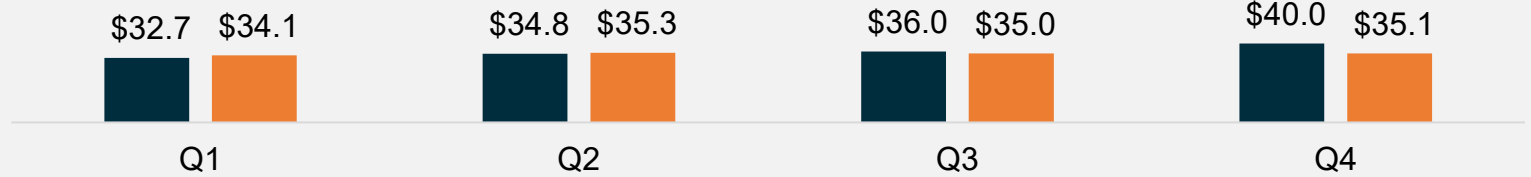
| Actual  | Budget  | Variance       |
|---------|---------|----------------|
| \$66.8M | \$59.8M | +\$7.0M/+11.7% |

\*Excludes Power Cost

## Actual vs Budget

(\$ in millions)

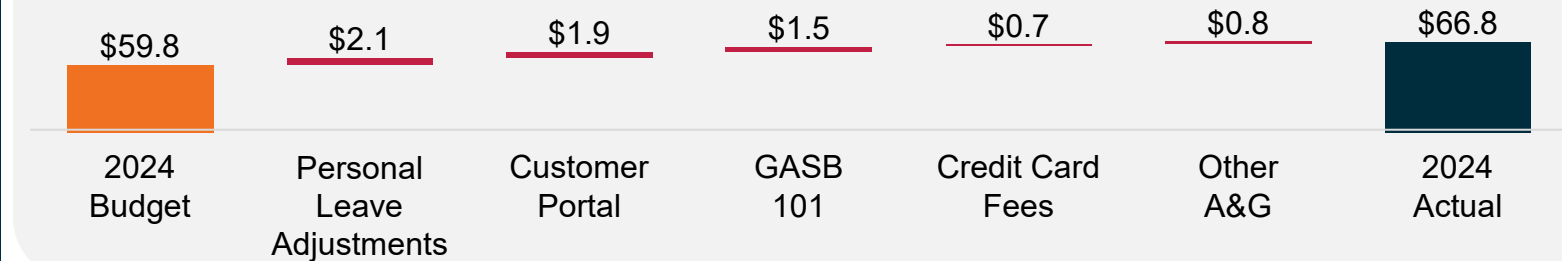
■ Actual ■ Budget



## Operations & Maintenance YTD Variances



## Administrative & General YTD Variances



Lincoln Electric System

# 2024 Net Power Cost

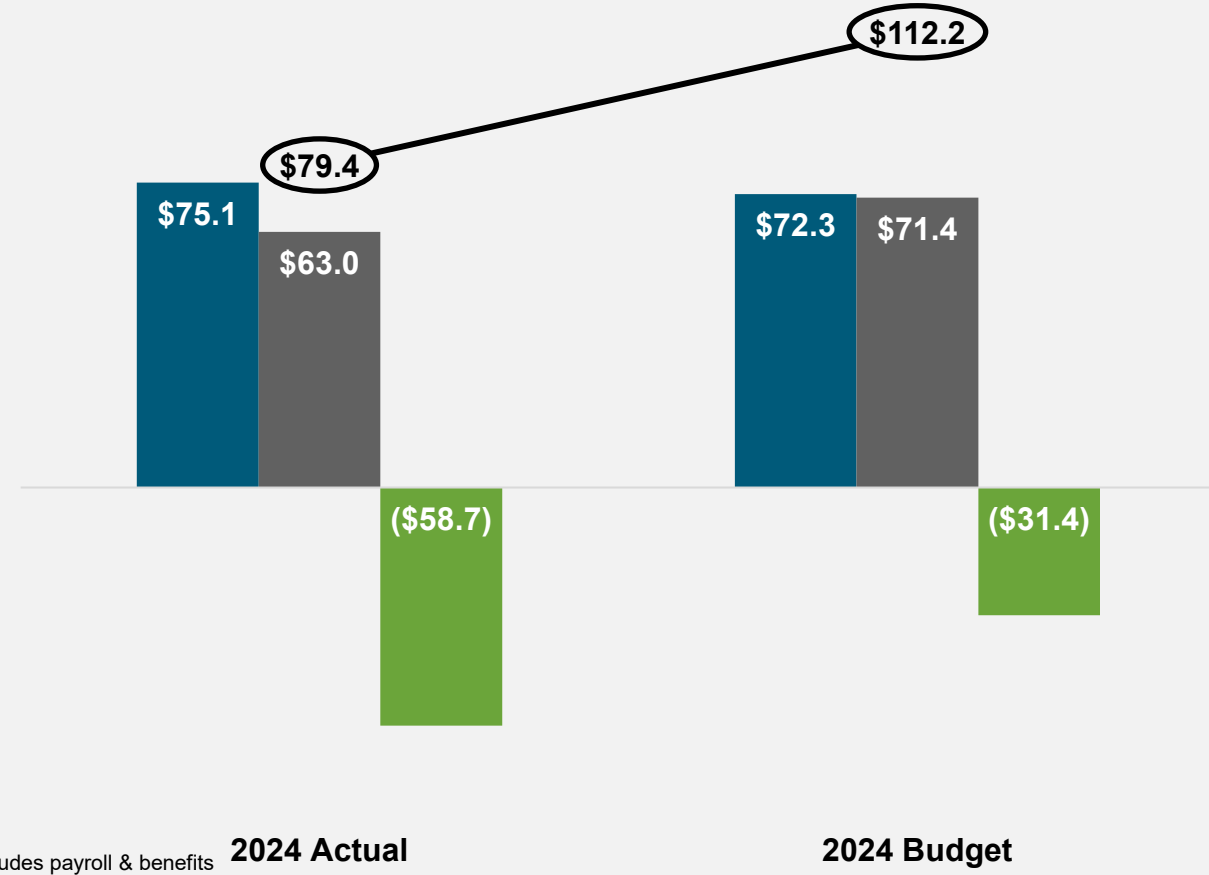
| Actual  | Budget   | Variance          |
|---------|----------|-------------------|
| \$79.4M | \$112.2M | -\$32.8M / -29.2% |

- Purchased power was over budget by \$2.8M, or 3.9%, due to higher SPP purchases partially offset by lower expenses at Walter Scott #3.
- Produced power was \$8.4M, or 11.7%, under budget due to lower costs at Laramie River Station, Walter Scott #4 partially offset by increases expenses at Rokeby Generation Station, and Terry Bundy Generation Station.
- Wholesale revenue exceeded budget by \$27.3M, or 86.7%, due to revenues from SPP activities, including the recognition of \$16.8M of deferred revenue from winter storm Uri in 2021.

## 2024 Net Power Cost\*

(\$ in Millions)

■ Purchased Power      ■ Produced Power  
■ Wholesale Revenue      — Net Power Cost



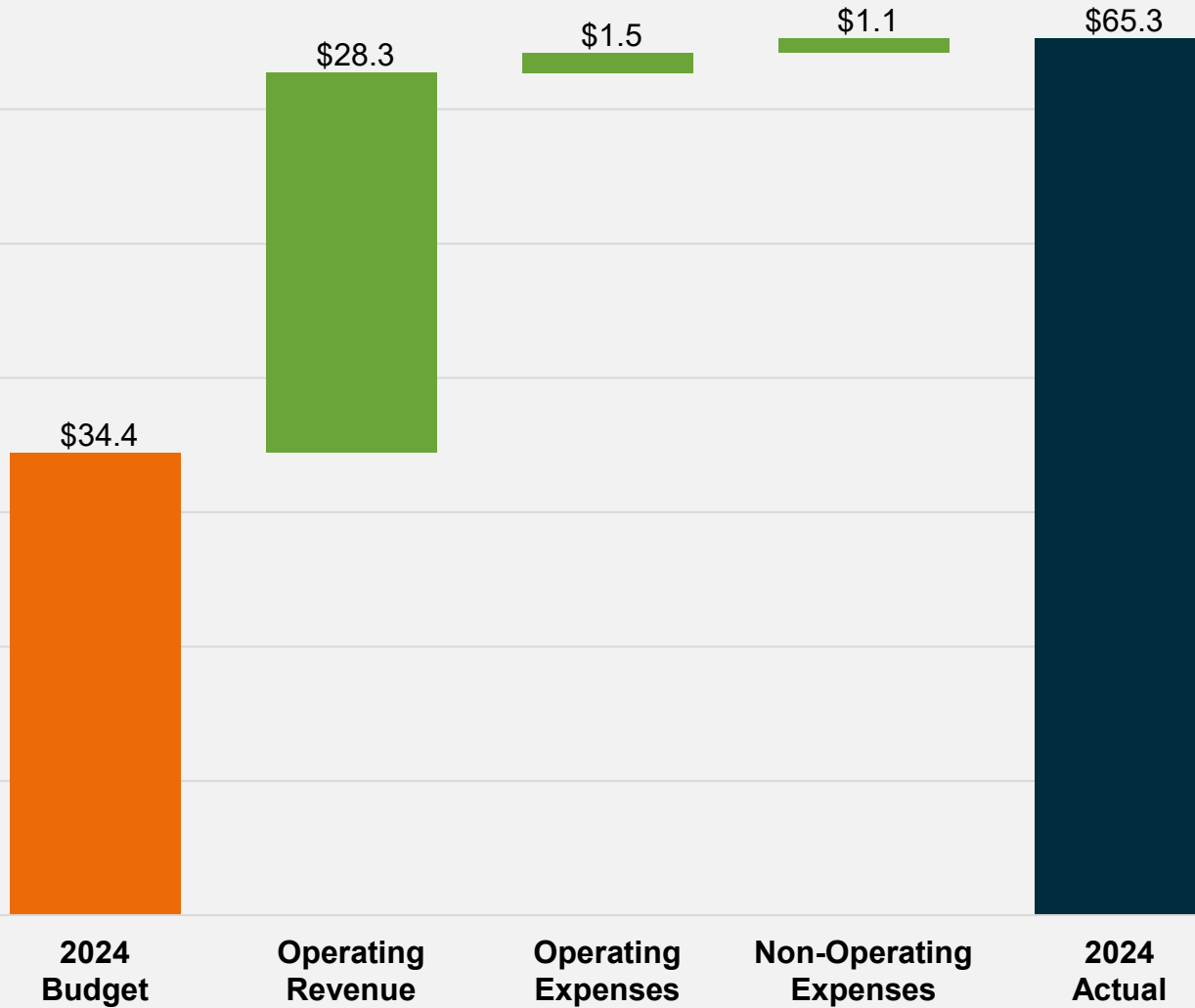
\* Includes payroll & benefits

2024 Actual

2024 Budget

## Change in Net Position

(\$ in Millions)



## Change in YTD Net Position or "Net Revenue"

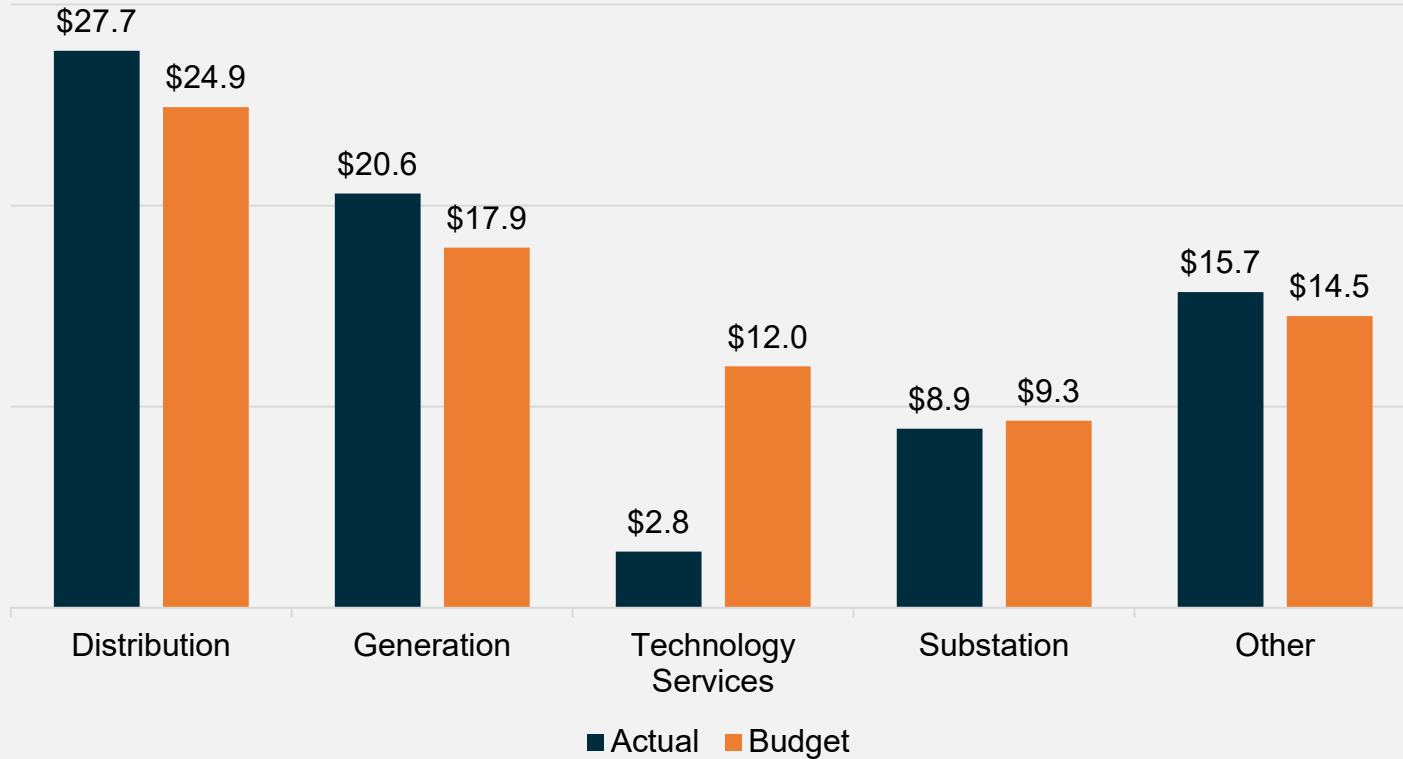
| Actual  | Budget  | Variance          |
|---------|---------|-------------------|
| \$65.3M | \$34.4M | +\$30.8M / +89.6% |

Lower than expected Net Power Cost result in an overall increase in Net Revenue.



# 2024 Capital Expenditures

## 2024 Capital Expenditures (\$ in millions)



2024 Capital spending was below budget

| 2024 Actual | Budget  | Variance      |
|-------------|---------|---------------|
| \$75.7M     | \$78.6M | -\$2.8M / -4% |

The YTD variance is driven by the delays, reductions, and reclassifications of large Technology Services projects. It is partially offset by higher-than-planned costs for turbine upgrades at the Terry Bundy Generating Station, accelerated costs for the Service Center HVAC Upgrades, and additional spending on Distribution projects.

# Financial Metrics

LES has minimum target values for financial ratios when setting customer rates.

## Fixed Charge Coverage Ratio

| 2024 Actual | Budget | Variance |
|-------------|--------|----------|
| 1.76x       | 1.40x  | 0.36x    |

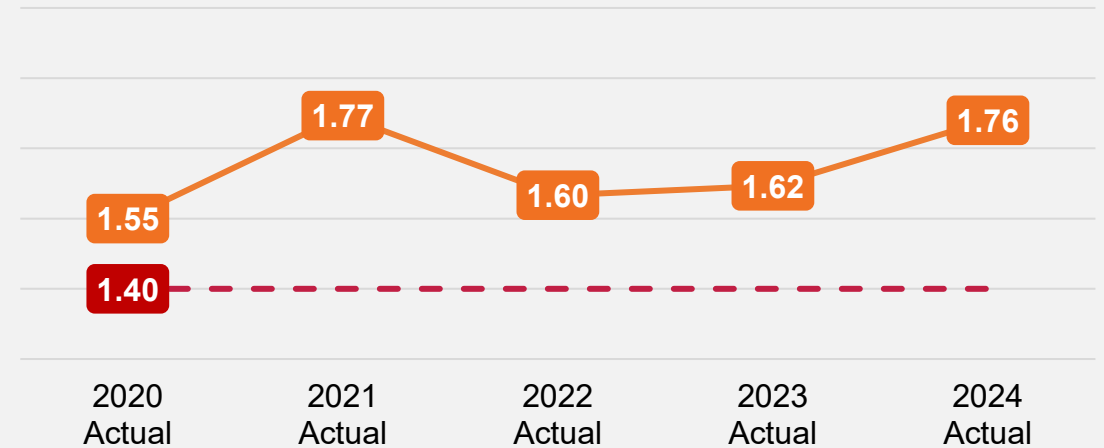
Higher or increasing values are considered favorable.

## Days Cash on Hand

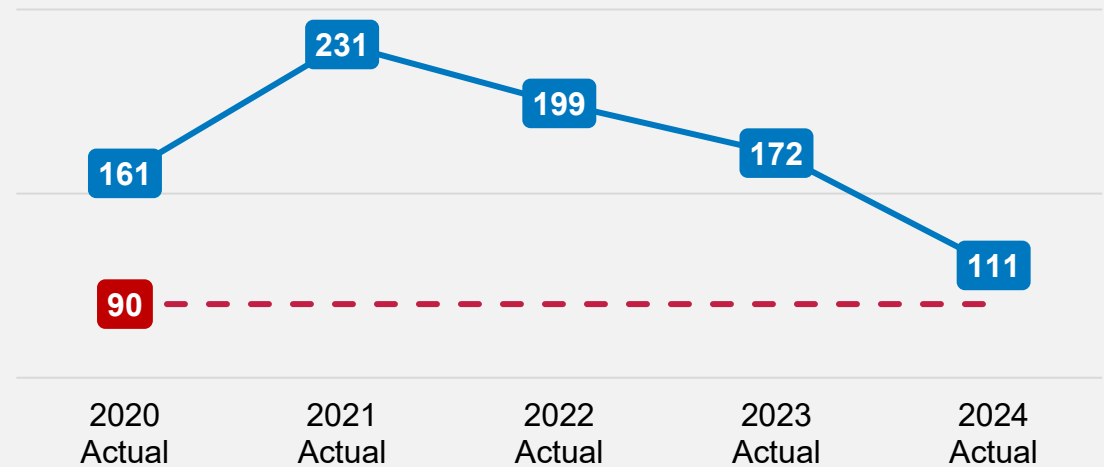
| 2024 Actual | Budget | Variance |
|-------------|--------|----------|
| 111         | 116    | -5       |

When LES approaches the minimum target, short or long-term borrowings are utilized to replenish the cash balance.

## Fixed Charge Coverage Ratio



## Days Cash on Hand





# Financial Metrics

## Debt to Capitalization

| 2024 Actual | Budget | Variance |
|-------------|--------|----------|
| 48%         | 50%    | -2%      |

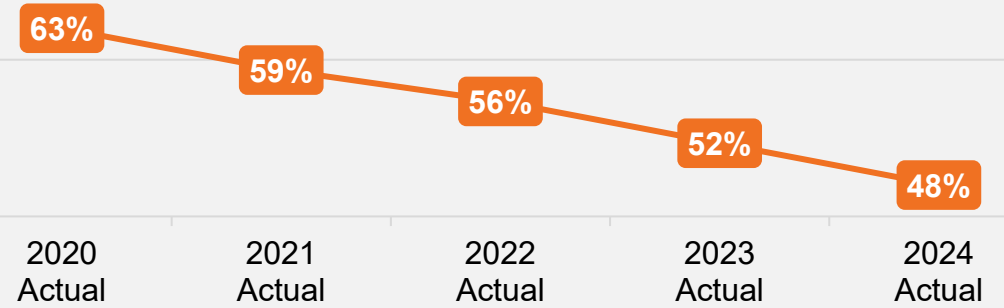
Lower or decreasing values are considered favorable.

## Net Debt Ratio

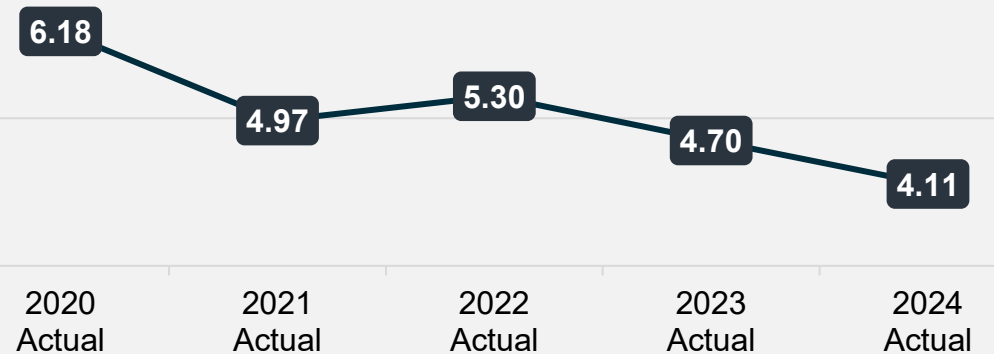
| 2024 Actual | Budget | Variance |
|-------------|--------|----------|
| 4.11x       | 5.30x  | -1.19x   |

Lower or decreasing values are considered favorable.

## Debt to Capitalization



## Net Debt Ratio



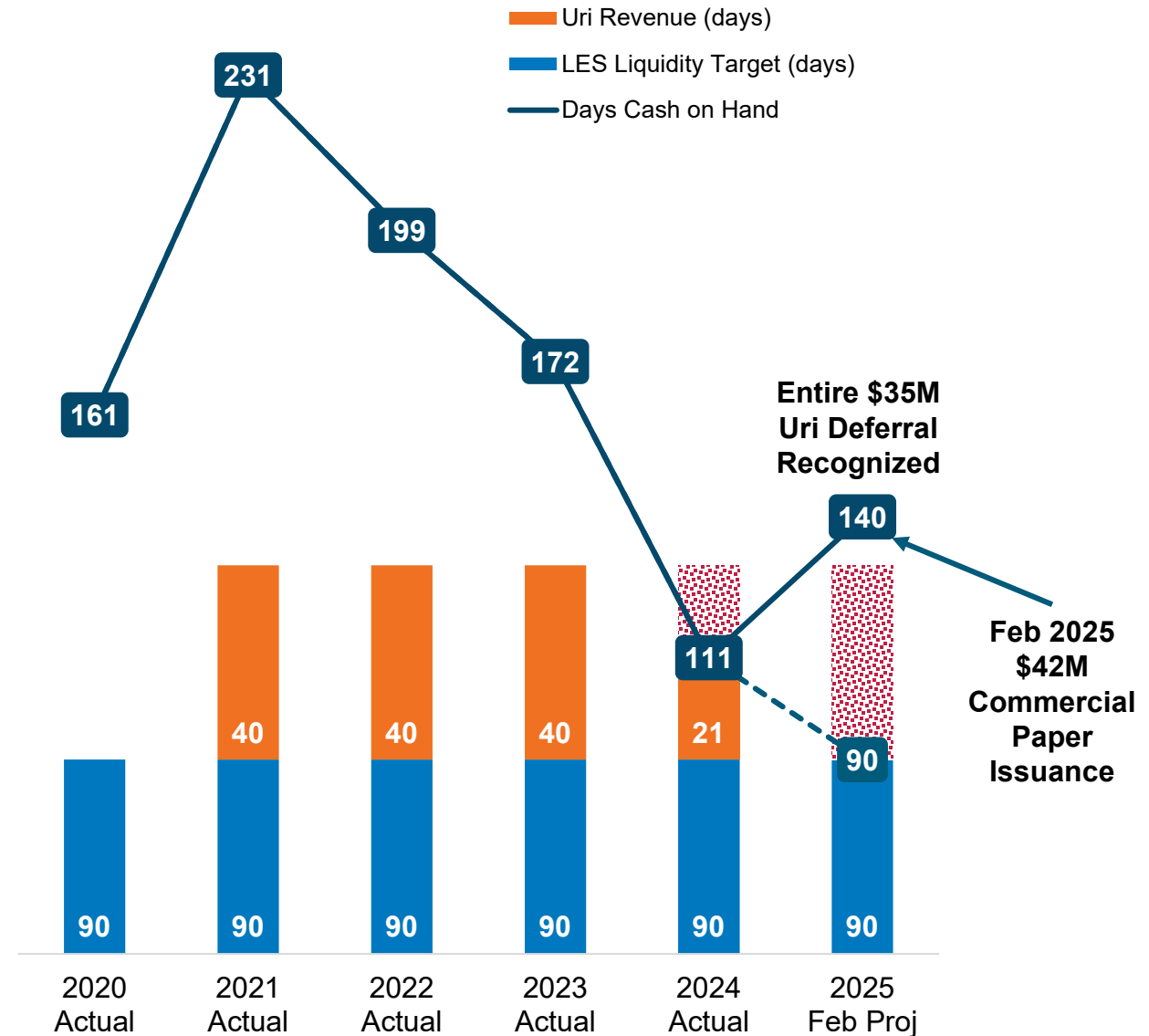
# Winter Storm Uri Deferred Revenue Recognition

Liquidity target = 90 Days

2021 Winter Storm Uri revenue deferral = 40 Days (\$35M)

- When overall liquidity drops below 130 days LES must begin to recognize Uri revenue deferral
- At year-end 2024, liquidity was at 111 days, resulting in \$16.8M of deferred revenue recognition
- Projections indicated entire \$35M may need to be recognized by February 2025
- Commercial Paper was issued in February 2025 to replenish cash balance


## Days Cash on Hand



# 2024 Budget Authorization

2024 spending was \$31.6M or 9.6% under the City Council approved Budget Authorization

- 2024 Actuals includes \$16.8M of Winter Storm Uri revenue that was deferred in 2021
- LES monitors the authorization monthly
- If LES exceeds the Total Budget Authorization it must request that the City Council ratify the budget increase

|  | 2024<br>Actuals | 2024<br>Authorization | Total Variance |              |
|---|-----------------|-----------------------|----------------|--------------|
| Operating   | \$ 281,684      | \$ 283,181            | \$ (1,497)     | -0.5%        |
| Capital   | <u>75,726</u>   | <u>78,556</u>         | <u>(2,830)</u> | <u>-3.6%</u> |
| Total Authorization   | 357,410         | 361,736               | (4,327)        | -1.2%        |
| Wholesale Revenue   | 58,677          | 31,423                | 27,254         | 86.7%        |
| Total Authorization   | \$ 298,732      | \$ 330,314            | \$ (31,581)    | -9.6%        |