Exhibit to Agenda Item #5

Provide the Board with the financial results from the nine-month period ended September 30, 2021.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting Tuesday, November 16, 2021, scheduled to begin at 6:30 p.m.

Virtual Meeting (online)



September 2021 YTD Financial Highlights

\$234 million

"Net income"
Net position YTD
Favorable compared to

Customer Revenue

\$1,199 Million \$36 million or 3.1% higher customer revenues than budgeted (favorable)

- Customer revenue \$51M over target due to higher usage and warmer weather
- Offset by increased bad debt expense of \$15M over target
- \$100M Accounts Receivable arrears balance with estimated uncollectible balance of \$69M

Commodity

\$428 Million \$28M or 7.1% higher commodity expenditures than budgeted (unfavorable)

- Purchased power higher due to reduced hydro generation available
- Non-cash revenue transfer from Hydro Rate Stabilization fund of \$19 million will offset increased summer purchased power costs from lack of hydro

Other Operating Expenses

\$362 Million \$66M or 15.3% lower expenditures than budgeted (favorable)

- Administrative and general expenditures \$31M lower due to various general expenses
- Customer expenses \$11M lower due to various impacts of COVID
- Public Good \$17M lower due to decreased research and development expenses

\$166 Million Non-cash Expenses

\$25M or 13.1% lower non-cash expenses than budgeted (favorable)

• Accounting Governmental Accounting Standards Board required journal entries



^{* \$9} million in other net expenses and revenues not included in the highlights above

September 2021 Energy Sources



Hydro generation was less than half of budget for September, and 70% lower than budget year-to-date.



Thermal plants generated slightly more than budget to make up the shortfall of hydro for September, and 30% more than budget year-to-date.



Net purchased power slightly lower than budget for month of September due to thermal making up the shortfall of hydro for the month. However, 6% higher than budget year-to-date.





