

# Exhibit to Agenda Item #3

Provide the Board with SMUD's financial results from the ten-month period ended October 31, 2022, and a summary of SMUD's current Power Supply Costs.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, December 6, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# October 2022 Financial Highlights

<p><b>\$110</b> Million</p> <p><b>“Net Income”</b> Net position YTD <i>Favorable compared to budget</i></p>	<p><b>\$1,393</b> Million</p> <p><b>Customer Revenue</b> \$92M or 7.0% higher customer revenues than budgeted (favorable)</p> <ul style="list-style-type: none"> <li>• \$105M higher than target primarily due to higher customer usage &amp; lower bad debt expense, offset by \$13M reduction in revenues due to overstatement of 2021 estimated unbilled revenues</li> </ul>
	<p><b>\$730</b> Million</p> <p><b>Commodity</b> \$290M or 65.8% higher commodity expenditures than budgeted (unfavorable)</p> <ul style="list-style-type: none"> <li>• Purchased power higher due to increased load, reduced hydro, and thermal generation down due to Cosumnes power plant outage</li> </ul>
	<p><b>\$457</b> Million</p> <p><b>Other Operating Expenses</b> \$24M or 4.9% lower expenditures than budgeted (favorable)</p> <ul style="list-style-type: none"> <li>• Customer expenses &amp; program costs - \$22M lower primarily due to lower transportation electrification</li> <li>• Public Good \$6M lower primarily from less participation in energy efficiency programs</li> <li>• Offset by \$11M higher Transmission and Distribution operating &amp; maintenance expenses</li> </ul>
	<p><b>\$150</b> Million</p> <p><b>Non-cash Expenses</b> \$75M or 33.3% lower non-cash expenses than budgeted (favorable)</p> <ul style="list-style-type: none"> <li>• Accounting Governmental Accounting Standards Board required journal entries for pension</li> </ul>
	<p><b>\$71</b> Million</p> <p><b>Non-operating Revenues</b> \$36M or 101.0% higher non-operating revenues than budgeted (favorable)</p> <ul style="list-style-type: none"> <li>• Increase primarily due to positive natural gas hedging activities and higher interest income</li> </ul>

\$17M other net revenues and expenses not included in the highlights above; primarily \$25M transfer from the Hydro Rate Stabilization Fund

# October 2022 Energy Sources



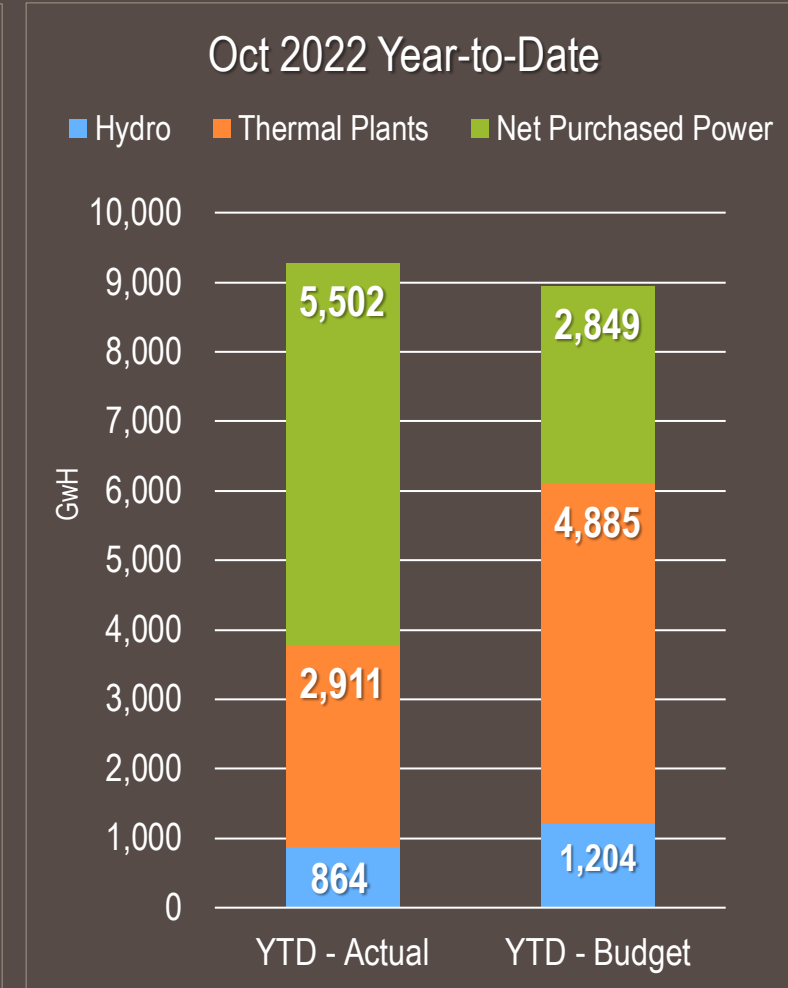
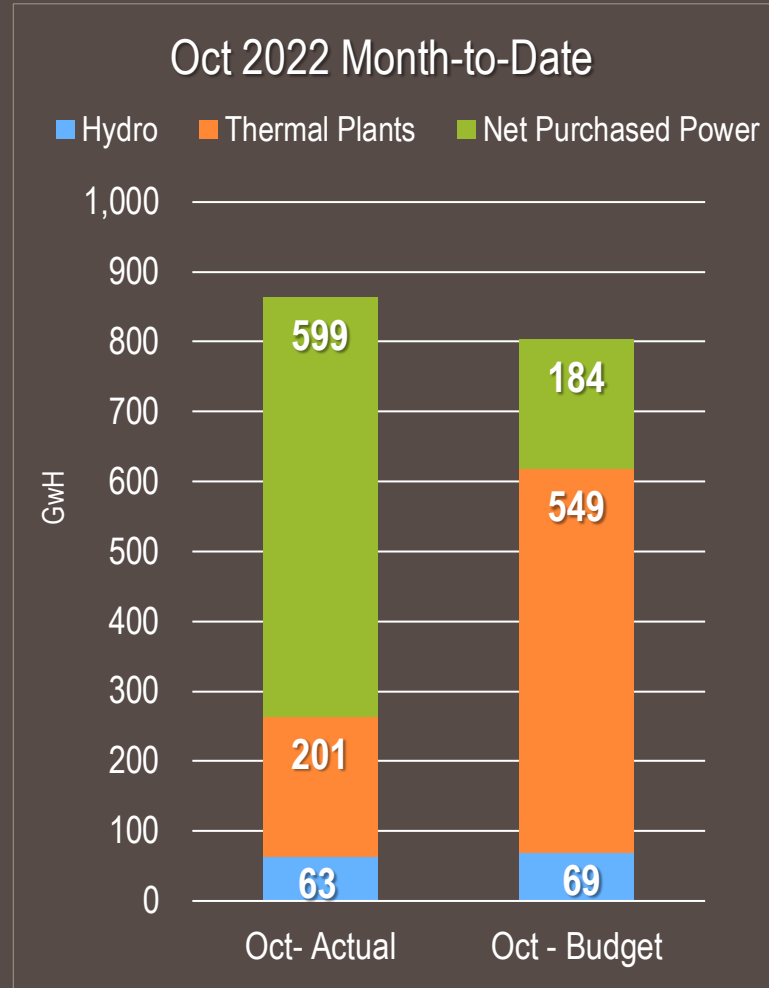
Hydro generation was 9% lower than budget in October, and 28% lower than budget year-to-date.



Thermal plants generation 63% lower than budget for September due to the Cosumnes power plant outage, and 40% lower than budget year-to-date.

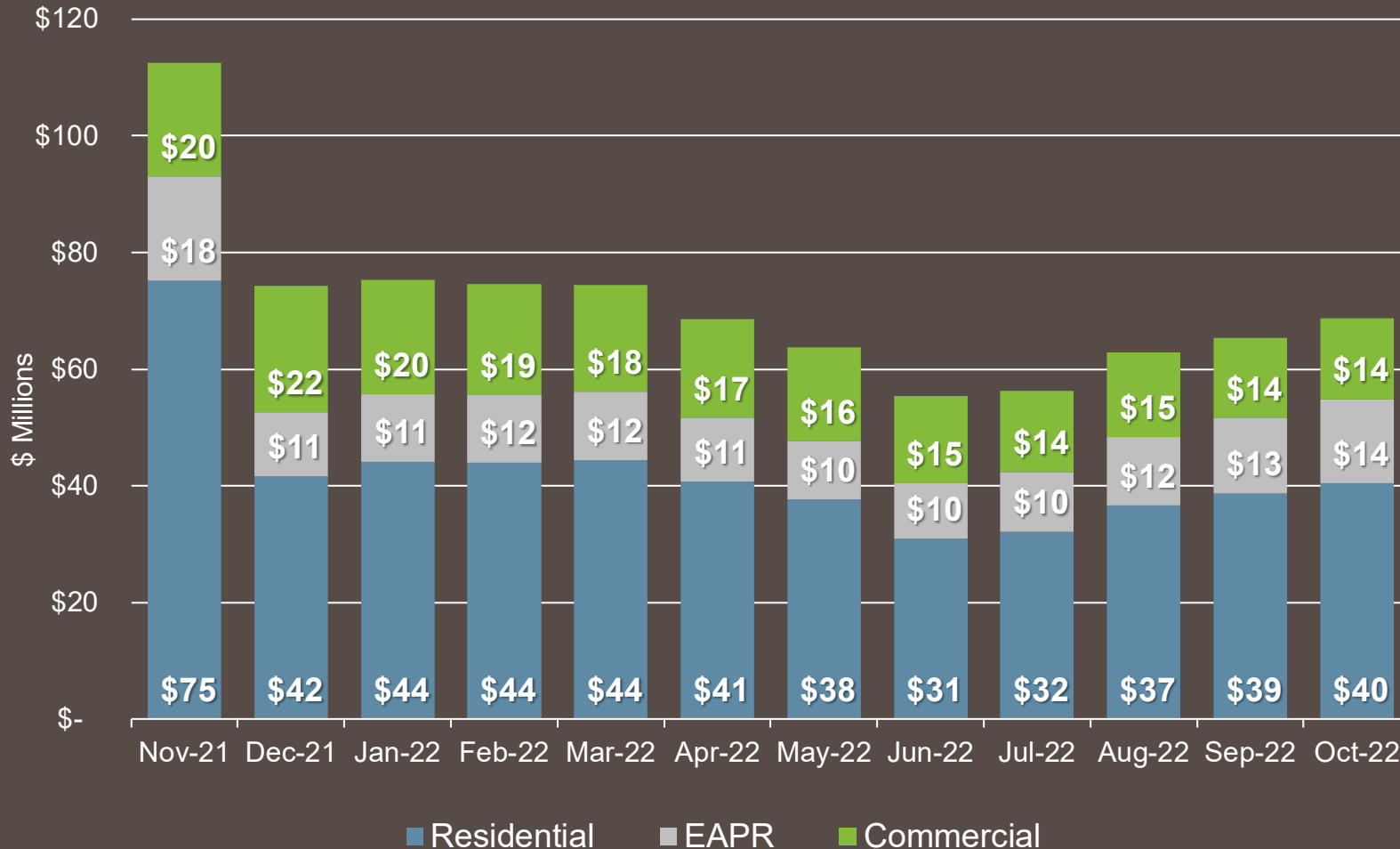


Net purchased power was 225% higher than budget for September due to purchase of replacement power for the Cosumnes power plant, and 93% higher year-to-date due to higher load and the shortfall of hydro & thermal.



# Delinquency by Account Type

As of October 31, 2022



Delinquency Summary as of 10/31/2022		
	Delinquency (millions)	Number of Customers
Residential	\$40.4	117,573
Energy Assistance Program Rate (EAPR)	\$14.4	33,905
Commercial	\$13.9	9,302
All other (St. Lighting, Night Light, Agriculture)	\$ 0.8	1,494
<b>Totals</b>	<b>\$69.5</b>	<b>162,274</b>

# Commodity Budget: Mitigations & Forecast



SMUD has in place financial mitigation tools that hedge against hydroelectric uncertainty

\$56.1 Million	HRSF balance
-\$25.1 Million	HRSF withdrawal for Water Year April 2021 to March 2022
\$31.0 Million	HRSF remaining balance after withdrawal
\$33.5 Million	WAPA RSF balance
-\$30.0 Million	WAPA RSF forecasted withdrawal
\$3.5 Million	Estimated – WAPA RSF remaining balance after forecasted withdrawal

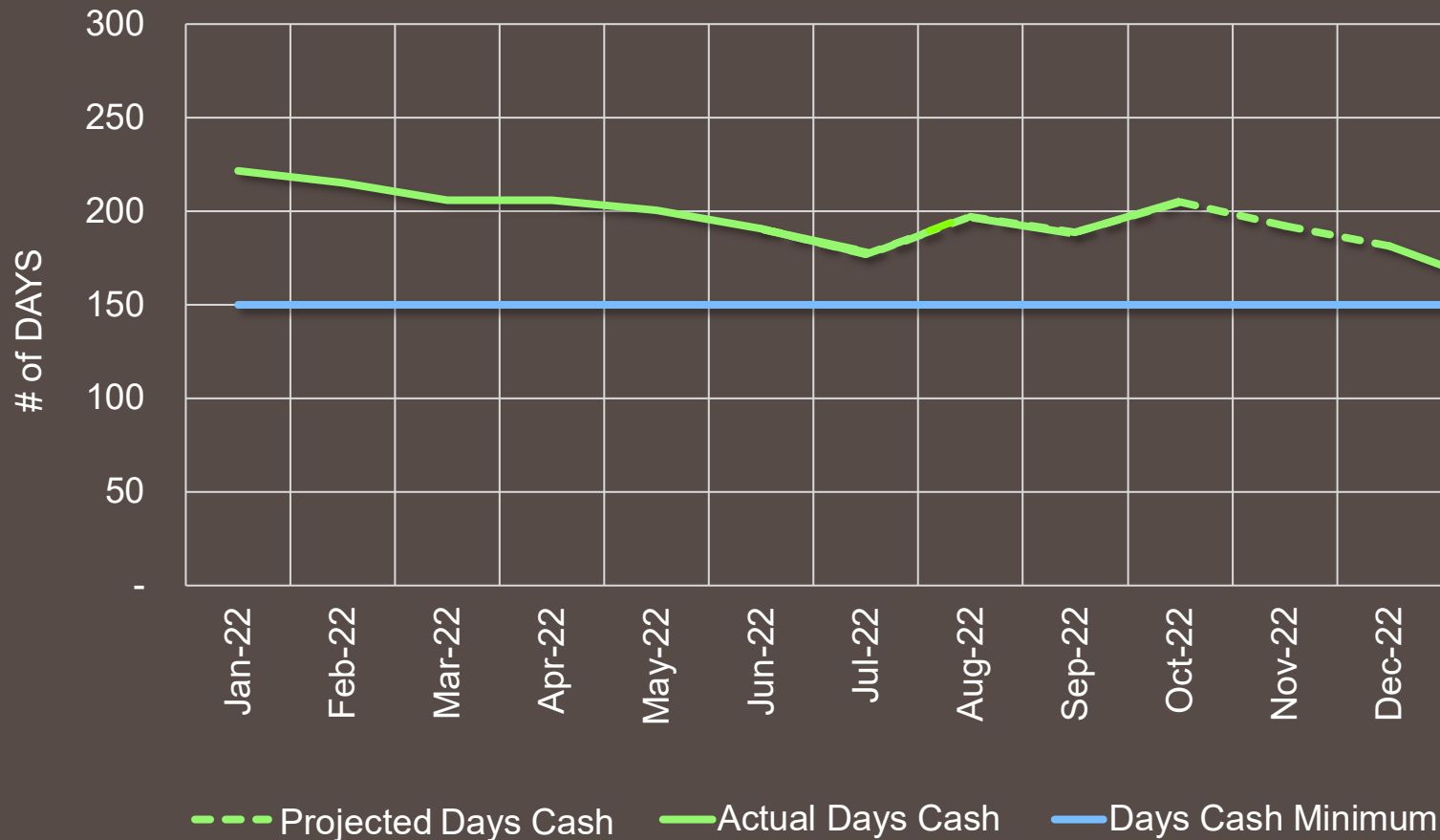
2022 Commodity Annual Costs as October 31, 2022	
Forecast	\$738 Million
2022 Budget	\$441 Million
Difference	\$297 Million

Hydro Performance Annual Forecast as of October 31, 2022			
	UARP	WAPA	UARP + WAPA
Forecast	999 GWh	193 GWh	1,192 GWh
2022 Budget	1,303 GWh	661 GWh	1,964 GWh
Variance	-304 GWh	-468 GWh	-772 GWh

**HRSF:** Hydro Rate Stabilization Fund    **WAPA:** Western Area Power Administration    **UARP:** Upper American River Project    **RSF:** Rate Stabilization Fund

# Days Cash on Hand

As of October 31, 2022



Days Cash on Hand As of October 31, 2022		
Oct. 31, 2022	Budget	191 days
Oct. 31, 2022	Actual	205 days
Dec. 31, 2022	Budget	162 days
Dec. 31, 2022	Projected	181 days