Platte River Power Authority

Independent Auditor’s Report and Financial Statements

Dec. 31, 2023 and 2022

Platte River Power Authority

Financial statements

Years ended Dec. 31, 2023 and 2022

Contents

FORVIS

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Independent Auditor's Report

Board of Directors
Platte River Power Authority
Fort Collins, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Platte River Power Authority (Platte River) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Platte River's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities and fiduciary activities of Platte River as of December 31, 2023 and 2022, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Platte River and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in fiscal year 2023, Platte River adopted new accounting guidance related to subscription-based information technology arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Platte River's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Platte River's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

FORVIS, LLP

Denver, Colorado
April 8, 2024

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Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

This discussion and analysis provides an overview of the financial performance of Platte River Power Authority for the fiscal years ended Dec. 31, 2023, and Dec. 31, 2022. The information presented should be read in conjunction with the basic financial statements, accompanying notes to the financial statements and required supplementary information.

Platte River is a Colorado political subdivision and a wholesale electricity generation and transmission provider that delivers safe, reliable, environmentally responsible and financially sustainable energy and services to its four owner communities, Estes Park, Fort Collins, Longmont and Loveland, Colorado, for delivery to their utility customers.

Platte River is proactively working toward the goal of reaching a noncarbon energy future by 2030 through the Resource Diversification Policy, while maintaining Platte River's three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services. Advancements in technology and joining an energy market, amongst other requirements, must occur to achieve the 2030 goal and to successfully maintain Platte River's three pillars. Platte River continuously evaluates resource planning and opportunities to add noncarbon resources.

Platte River's power resources include generation from coal and natural gas units, wind purchases, allocations of federal hydropower from Western Area Power Administration (WAPA), solar (including storage) purchases, market purchases, bilateral purchases, owner community solar programs and a forced outage exchange agreement.

- Coal-fired generation includes Rawhide Unit 1 (280 megawatts), located 25 miles north of Fort Collins, and 18% ownership in Craig units 1 and 2 (151 megawatts combined), located in northwest Colorado. Rawhide Unit 1 is scheduled to be retired by Dec. 31, 2029. Craig units 1 and 2 are scheduled to be retired by Dec. 31, 2025 and Sept. 30, 2028, respectively.

- Natural gas-fired combustion turbines located at Rawhide Energy Station include five simple cycle combustion turbines, composed of four GE 7EAs (65 megawatts each) and a GE 7FA (128 megawatts). The combustion turbines are used to meet peak load demand, provide reserves during outages of the coal-fired units and make sales for resale.

- Wind generation includes 303 megawatts of nameplate capacity (67 megawatts of effective load carrying capability) provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.

    - Roundhouse Wind Energy Center (225 megawatts) in Wyoming; contract ends May 31, 2042.

    - Spring Canyon Wind Energy Center Phase II and III (60 megawatts) in Colorado; contracts end Oct. 31, 2039, and Dec. 10, 2039, respectively. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and reduce ancillary services expense, Platte River sold the energy and renewable attribute from these sites under a 10-year contract that began in 2020. This energy is therefore not delivered to the owner communities for the term of the sales contract. At the end of the sales contract, the energy will return to Platte River.

- Silver Sage Windpower Project (12 megawatts) in Wyoming; contract ends Sept. 30, 2029. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and to reduce transmission and ancillary services expenses, Platte River sold the energy and renewable attribute from this site under a long-term contract. This energy is therefore not delivered to the owner communities.
- Medicine Bow Wind Project (6 megawatts) in Wyoming; contract ends Dec. 30, 2033.

- Hydropower is received under two long-term contracts with WAPA – one for the Colorado River Storage Project and one for the Loveland Area Projects. The hydropower contracts are subject to periodic price changes.
  - Colorado River Storage Project contract rate of delivery amounts are 106 megawatts in the summer and 136 megawatts in the winter, which are not being met due to drought conditions. Actual capacity available varies by month. During 2023, summer season available capacity ranged from 30 megawatts to 70 megawatts. During the 2023 winter season, available capacity ranged from 42 megawatts to 60 megawatts. Available capacity and energy may further change with drought conditions, and as conditions worsen, there may be periods where no energy is delivered. The Colorado River Storage Project contract ends Sept. 30, 2057.
  - Loveland Area Projects' capacity varies from 23 megawatts to 30 megawatts in the summer season and 26 megawatts to 32 megawatts in the winter season. The Loveland Area Projects contract ends Sept. 30, 2054.
- Solar generation includes 52 megawatts of nameplate capacity (22 megawatts of effective load carrying capability) with 2 megawatt-hours of battery storage provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.
  - Rawhide Flats Solar facility (30 megawatts) located at the Rawhide Energy Station; contract ends Dec. 14, 2041.
  - Rawhide Prairie Solar facility (22 megawatts) located at the Rawhide Energy Station; contract ends March 18, 2041. This project has an integrated battery storage system of 2 megawatt-hours, which can be discharged once daily at a rate up to 1 megawatt per hour.

- Market purchases provide energy through participation in both the joint dispatch agreement through March 2023 and the Western Energy Imbalance Service operated by the Southwest Power Pool beginning in April 2023. The joint dispatch agreement was among Public Service Company of Colorado, Black Hills Colorado Electric and Platte River and operated similarly to an energy imbalance market. The joint dispatch agreement terminated as participants began operations in the Western Energy Imbalance Service. These market activities provide access to lower-cost resources and sales for resale opportunities in real time, increasing operational efficiencies while enhancing reliability. Platte River will participate in the Western Energy Imbalance Service until joining the Southwest Power Pool Regional Transmission Organization West planned for 2026.

- Bilateral purchases involve a single counterparty and are specifically negotiated deals. These provide energy to satisfy loads, replace power during outages and meet reserve requirements.

- Platte River purchases capacity of 4.022 megawatts and 0.333 megawatts from Fort Collins and Loveland community solar facilities, respectively. For these two facilities, the owner communities retain the renewable attributes and the facilities are not part of Platte River's noncarbon resource portfolio.

- Platte River had a forced outage exchange agreement with Tri-State Generation and Transmission Association, Inc. (Tri-State). If either Rawhide Unit 1 or Tri-State's Craig Unit 3 was out of service, the other utility would provide up to 100 megawatts of generation on a short-term basis. The agreement was in effect until March 31, 2024. No extension or comparable replacement agreements have or are planned to be executed.

Platte River operates as a utility enterprise and follows the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC). Platte River has implemented all applicable Governmental Accounting Standards Board (GASB) pronouncements. The accompanying financial statements for Platte River and the defined benefit pension plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. For the defined benefit pension plan, payments are recognized when due and payable in accordance with the terms of the defined benefit pension plan.

Request for information

This financial report is designed to provide a general overview of Platte River's finances, as well as the defined benefit pension plan's finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to David Smalley, chief financial officer and deputy general manager, Platte River Power Authority, 2000 East Horsetooth Road, Fort Collins, Colorado 80525.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Financial summary

Platte River reported change in net position of $9.3 million in 2023, approximately $2.6 million higher than 2022. The year ended with a decrease in operating revenues of $14.4 million, a decrease in operating expenses of $0.3 million and an increase in nonoperating revenues, net, of $16.7 million.

Under an accounting policy approved by the board in 2022, the general manager/CEO approved deferring $31.5 million of current-year operating revenues as deferred regulatory revenues. The policy reduces rate pressure and achieves rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. The strategy for determining revenue deferred is based on long-term financial and rate projections.

In 2023, Platte River adopted the principles of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and recognized the effect of a change in accounting principle for recording information technology subscriptions as capital assets and financing activities (notes 3 and 19) resulting in a restatement of total assets, total liabilities and change in net position as of and for the period ending Dec. 31, 2022.

Condensed financial statements

The following condensed statements of net position and condensed statements of revenues, expenses and changes in net position summarize Platte River's financial position and changes in financial position for 2023, 2022 and 2021.

Condensed statements of net position

	2023	Dec. 31, 2022 restated	2021*
		(in thousands)	
Assets			
Electric utility plant	**$ 557,394**	$ 574,294	$ 589,322
Special funds and investments	**188,480**	170,596	150,991
Current assets	**185,828**	155,125	138,671
Noncurrent assets	**141,423**	137,971	132,673
Total assets	**1,073,125**	1,037,986	1,011,657
Deferred outflows of resources	**38,439**	43,240	28,537
Liabilities			
Noncurrent liabilities	**293,258**	303,317	289,851
Current liabilities	**45,361**	42,774	35,178
Total liabilities	**338,619**	346,091	325,029
Deferred inflows of resources	**105,760**	77,212	63,878
Net position			
Net investment in capital assets	**406,299**	400,947	398,319
Restricted	**19,561**	18,873	18,864
Unrestricted	**241,325**	238,103	234,104
Total net position	**$ 667,185**	$ 657,923	$ 651,287

*2021 not restated for implementation of GASB 96.

Net position

Total net position at Dec. 31, 2023, was $667.2 million, an increase of $9.3 million over 2022. Total net position at Dec. 31, 2022, was $657.9 million, an increase of $6.6 million over 2021.

Electric utility plant decreased $16.9 million during 2023 primarily due to a $39 million increase in accumulated depreciation and amortization, partially offset by a $15.2 million increase in plant and equipment in service and a $6.9 million increase in construction work in progress (note 4).

In 2022, electric utility plant decreased $15 million from 2021, primarily due to a $35.6 million increase in accumulated depreciation and amortization and $2.9 million decrease in construction work in progress. Partially offsetting these net decreases was a $23.5 million increase in plant and equipment in service. 2022 was restated to record amortizable subscription assets due to GASB 96 (notes 3, 4 and 19).

Special funds and investments increased $17.9 million during 2023 primarily due to strong financial results providing excess cash flow during the year.

In 2022, special funds and investments increased $19.6 million over 2021 also primarily due to strong financial results.

Current assets increased $30.7 million during 2023 primarily due to increases in cash and cash equivalents and other temporary investments due to an increase in funds from additional sales of Windy Gap water units, as well as strong financial results providing excess cashflow during the year. Fuel inventory increased due to higher coal inventory at the Craig Energy Station following increased deliveries from Trapper Mine and lower generation. Materials and supplies inventory also increased as materials for future projects were procured to mitigate supply chain risk and new parts were required to support upgraded equipment maintenance. Partially offsetting the increases was a decrease in accounts receivable – other due to lower sales for resale average prices during the month of December and timing of payments.

In 2022, current assets increased $16.4 million over 2021 primarily due to increases in cash and cash equivalents, other temporary investments and accounts receivable due to strong financial results providing excess cashflow during the year. Prepayments also increased with the timing of certain prepaid expenses.

Noncurrent assets increased $3.4 million during 2023 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary and an additional funding requirement for the defined benefit pension plan. These differences are recorded in accordance with the GASB 62 board-approved pension related accounting policies (note 6). Other long-term assets also increased because of additional funding for the Windy Gap Firming Project (note 11).

In 2022, noncurrent assets increased $5.3 million over 2021 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary. This difference is recorded in accordance with the GASB 62 board-approved pension contribution expense recognition accounting policy (note 6). In addition, the noncurrent portion of prepayments increased because of various long-term agreements executed during the year.

Deferred outflows of resources decreased $4.8 million during 2023 primarily due to a decrease in defined benefit pension plan deferrals based on an increase in market returns and annual amortizations related to the defined benefit pension plan and deferred loss on debt refundings. These increases were partially offset by changes in asset retirement obligations due to inflation adjustments and updated cost estimates (note 9).

In 2022, deferred outflows of resources increased $14.7 million over 2021 primarily due to increases in pension deferrals based on a decrease in market returns and changes in plan experiences (note 8) and asset retirement obligations for the Craig Generating Station impoundments, for a new item and cost estimate updates, and Trapper Mine reclamation for additional mining activity (note 9). These increases were partially offset by decreases in unamortized deferred loss on debt refundings.

Noncurrent liabilities decreased $10.1 million during 2023 primarily due to principal retirements, amortization of premiums (note 7) and net pension liability from increased contributions and market returns (note 8). Partially offsetting the decreases were increases due to asset retirement obligations as noted above in deferred outflows of resources (note 9), deposits from others on sales for resale contracts, disposal facility closure costs (note 10) and liabilities for compensated absences as the maximum hours accruable for personal leave increased.

In 2022, noncurrent liabilities increased $13.5 million over 2021 primarily due to an increase in the net pension liability from decreased market returns (note 8) and an increase in asset retirement obligations as noted above in deferred outflows of resources. Subscription liabilities were initially recognized, further increasing noncurrent liabilities, with the implementation of GASB 96 (notes 3, 12 and 19). Partially offsetting the increase were principal retirements and a decrease in unamortized premium as described (note 7). The final payment for Platte River's Series II bonds was made in June.

Current liabilities increased $2.6 million during 2023 primarily due to increases in prepayments from others on sales for resale contracts and interconnection agreements and the timing of settlement liability payments for the Windy Gap Firming Project (note 11). Partially offsetting the increases was a decrease in the current portion of asset retirement obligations (note 9).

In 2022, current liabilities increased $7.6 million over 2021 primarily due to increases in accounts payable as year-over-year operating expenses were higher at the end of the year, mainly based on the Craig units' coal and operations and maintenance expenses, natural gas, medical expenses, contracted services and capital additions.

Deferred inflows of resources increased $28.5 million during 2023 primarily due to changes in regulatory credits as Platte River deferred $31.5 million of operating revenues (note 6). There were also increases in the regulatory credits for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6) and the regulatory credit for Craig units 1 and 2 decommissioning accrual (note 6). Partially offsetting the increases were amortization of the regulatory credit for the change in depreciation method (note 6) and amortization of defined benefit pension plan regulatory credit and deferrals (note 6).

In 2022, deferred inflows of resources increased $13.3 million over 2021 primarily due to changes in regulatory credits as Platte River deferred $21.7 million of operating revenues (note 6). There was also an increase in the regulatory credit for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6). Partially offsetting the increases was amortization of the regulatory credit for the change in depreciation method (note 6). Pension deferrals decreased due to reclassifying the earnings on investments account balance against the loss on investments for 2022, which was recorded as a deferred outflow of resources (note 8).

Condensed statements of revenues, expenses and changes in net position

	Years ended Dec. 31,		
	2022	**2022 restated**	**2021***
		(in thousands)	
Operating revenues	**$ 257,249**	$ 271,657	$ 265,378
Operating expenses	**257,500**	257,821	225,594
Operating income	**(251)**	13,836	39,784
Nonoperating revenues (expenses), net	**9,513**	(7,200)	(4,091)
Change in net position	**9,262**	6,636	35,693
Net position at beginning of year	**657,923**	651,287	615,594
Net position at end of year	**$ 667,185**	$ 657,923	$ 651,287

*2021 not restated for implementation of GASB 96.

Changes in net position

Net position increased $9.3 million in 2023, $2.6 million higher than in 2022, after deferring $31.5 million of current-year revenues under the board-approved deferred revenue and expense accounting policy (note 6). Before this deferral, change in net position was $40.8 million. There were decreases in operating revenues and operating expenses and an increase in nonoperating revenues, net. Net position increased $6.6 million in 2022, after deferring revenues of $21.7 million, $29.1 million lower than 2021. There were increases in operating revenues, operating expenses and nonoperating expenses, net.

Operating revenues in 2023 decreased $14.4 million from 2022.

- Sales to the owner communities increased $5.4 million over 2022 primarily due to a 5% average wholesale rate increase, partially offset by a decrease in owner communities' energy deliveries of 2.7% and billed demand of 1.5%.

- Sales for resale and other decreased $10.1 million from 2022 primarily due to lower energy served under long-term contracts and lower market sales volumes, partially offset by higher average market prices and additional point-to-point service reservations.

- Deferred regulatory revenues increased $9.7 million over 2022, which reduces operating revenues, due to overall stronger financial results relative to the strategic financial plan metrics.

Operating revenues in 2022 increased $6.3 million over 2021.

- Sales to the owner communities increased $13.1 million from 2021 primarily due to a 3.2% average wholesale rate increase and increases in owner communities' energy deliveries of 1% and billed demand of 0.4%. The owner communities set a new nonsummer peak of 532 megawatts on December 22 at 6 p.m.

- Sales for resale and other increased $14.9 million over 2021 primarily due to increased market prices, additional calls on a long-term capacity contract and higher wheeling revenues due to additional point-to-point service reservations.

- Deferred regulatory revenues were $21.7 million compared to no deferral in 2021. The deferred revenue and expense accounting policy was approved by the board and implemented in 2022 (note 6).

Operating expenses in 2023 decreased $0.3 million from 2022.

- Purchased power increased $8.3 million over 2022. The increase was primarily due to favorable market conditions after Platte River joined the Southwest Power Pool's Western Energy Imbalance Service in April, as baseload units were frequently economically dispatched at lower outputs and were replaced by lower-cost market purchases.

- Fuel decreased $21.3 million from 2022. Fuel for Rawhide Unit 1 and the Craig units decreased $8.6 million and $6.5 million, respectively, primarily due to operating at lower capacity factors at both sites as discussed above, partially offset with higher fuel prices. Natural gas expense also decreased by $6.2 million primarily due to lower commodity prices, partially offset by higher generation.

- Operations and maintenance increased $11.3 million over 2022 primarily due to increased contracted services for the Rawhide Unit 1 minor outage and combustion turbine projects and operating expenses at the Craig units due to scheduled maintenance and forced outages. Other non-routine projects and personnel costs also increased.

- Administrative and general increased $6.4 million over 2022 primarily due to increased personnel costs from new positions and increased costs toward strategic initiatives.

- Distributed energy resources increased $1.9 million over 2022 primarily due to increased program participation and increased personnel costs from new positions.

- Depreciation, amortization and accretion decreased $6.9 million from 2022 primarily due to a reduction in amortization expenses due to recognition of a net additional gain from the change in depreciation method regulatory credit (note 6) created by sales of Windy Gap water units.

Operating expenses in 2022 increased $32.3 million over 2021.

- Purchased power decreased $1.2 million from 2021. The decrease was due primarily to a net increase in forced outage assistance energy deliveries recorded as a net credit to purchased power, a refund and rate decrease for purchased reserves, decreased joint dispatch agreement purchases, less energy received from hydropower due to drought conditions and a decrease in other purchases because Rawhide Unit 1 did not have a scheduled maintenance outage in 2022. Partially offsetting the decreases were increases in wind and solar energy purchases and an increase in the replacement power accrual for the 2024 Rawhide Unit 1 scheduled maintenance outage.

- Fuel increased $18.9 million over 2021. Fuel for Rawhide Unit 1 and the Craig units increased $9.5 million and $5 million, respectively, due to increases in average prices and generation. The average price increased for Rawhide Unit 1 due to an increase in market prices for coal. The Craig units price increased because of an updated price for Trapper Mine coal. Generation was also higher because Rawhide Unit 1 did not have a scheduled maintenance outage as in 2021. Natural gas expense also increased by $4.4 million due to higher commodity prices, partially offset by operating the combustion turbines at a lower capacity factor as less generation was needed to serve load.

- Operations and maintenance increased $6.6 million over 2021. The increase was due primarily to the accrual for the next Rawhide Unit 1 scheduled maintenance outage, a full year of expenses for the Windy Gap Firming Project (Chimney Hollow Reservoir), an overall increase in operating expenses at the Craig units and other general miscellaneous increases. Partially offsetting the increase was a reduction in wheeling expenses.

- Administrative and general increased $4.4 million over 2021 primarily due to increased personnel expenses from new positions and increased insurance expenses.

- Distributed energy resources increased $1.4 million over 2021 primarily due to increased energy efficiency program participation.

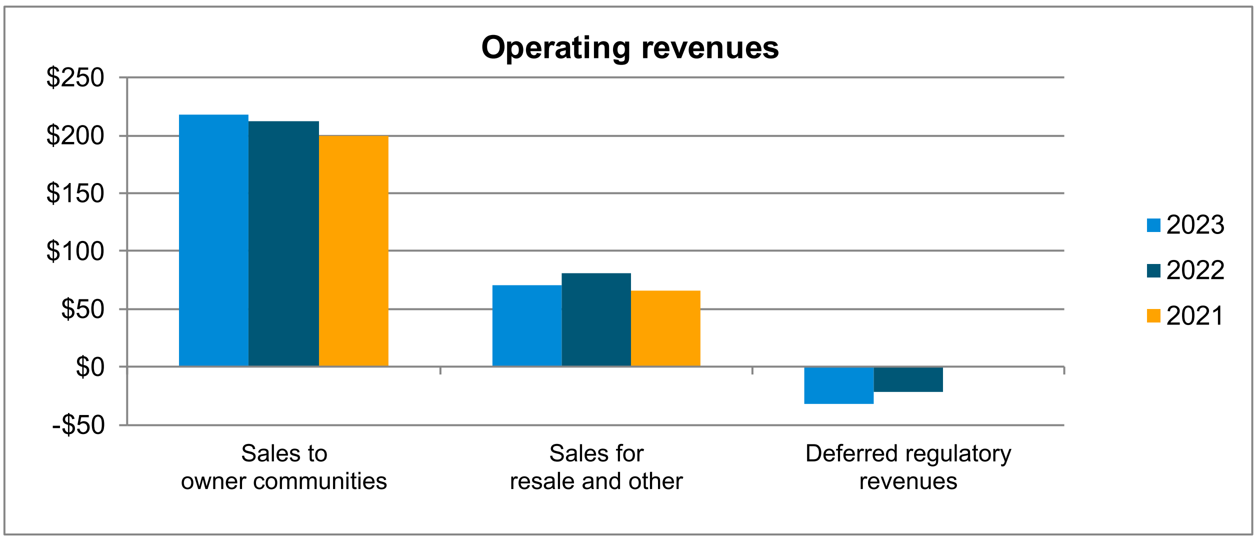
- Depreciation, amortization and accretion increased $2.2 million over 2021 as additional capital additions were in service, there was new accretion expense from the board-approved Craig units 1 and 2 decommissioning accrual accounting policy (note 6), cost estimates for asset retirement obligations increased and there was a full year of amortization of the Windy Gap Firming Project storage rights regulatory asset. 2022 was restated to record amortization of subscription assets due to implementation of GASB 96 (notes 3, 4 and 19). Partially offsetting the increase was a reduction in amortization expenses reflecting an increase in net gain recognized from the change in depreciation method regulatory credit (note 6).

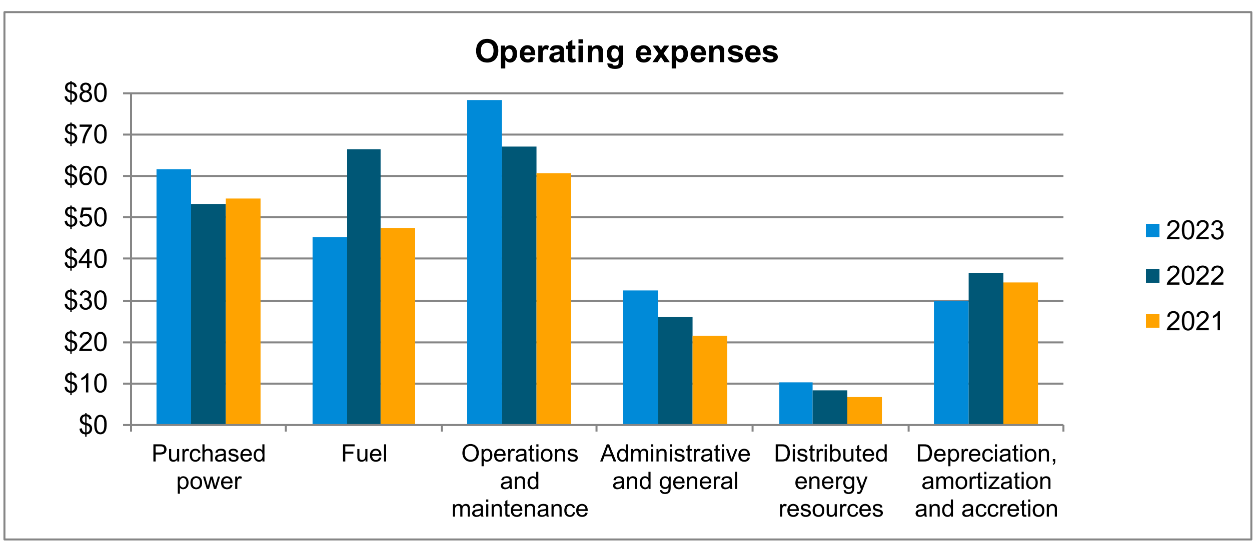
Nonoperating revenues (expenses), net, in 2023 increased $16.7 million over 2022. The increase was primarily due to a net increase in the fair value of investments as interest rates declined and investment prices rose during the fourth quarter of 2023 and higher interest income primarily due to larger fund balances earning higher interest rates.

Nonoperating revenues (expenses), net, in 2022 decreased $3.1 million from 2021. The decrease was primarily due to a net decrease in the fair value of investments from rising interest rates throughout the year and overall lower other income. Partially offsetting the decreases were higher interest income on investments and lower interest expense as principal was paid off.

Operating revenues and expenses

(in millions)





Debt ratings

The ratings on Platte River's existing bonds remained unchanged.

Bond issue	Moody's	S&P	Fitch
Power revenue bonds			
Series JJ	N/A	AA	AA
Taxable Series KK	Aa2	N/A	AA

Budgetary highlights

Platte River's board approved the 2023 Strategic Budget with total revenues of $305 million, operating expenses of $238.1 million, capital additions of $42.7 million and debt service expenditures of $18.1 million. After closing 2023, $0.3 million of budget-appropriated board contingency was required for debt service expenditures. The budget comparison amounts below reflect this transfer between appropriated categories. The following budgetary highlights are presented on a non-GAAP budgetary basis. The budgetary comparison schedule is presented as supplementary information at the end of the document.

Total revenues of $296.9 million ended the year $8.1 million below budget.

- Sales to owner communities of $217.8 million were $6.3 million below budget due to below-budget energy deliveries and billing demand.

- Sales for resale and other totaled $71 million and were below budget $3.6 million. Energy volume sold was below budget, partially offset by above-budget average prices. Wheeling was above budget due to additional point-to-point transmission service reservations and above-budget network customer service charges.

- Interest and other income of $8.1 million was above budget $1.8 million primarily due to higher interest income earned on investments.

Operating expenses of $226.4 million ended the year $11.7 million below budget.

- Purchased power of $61.7 million was $6.6 million above budget primarily due to above-budget market purchases as lower-cost energy was available in the Western Energy Imbalance Service, above-budget hydropower purchases due to favorable conditions and above-budget owner communities' solar programs due to higher prices. Partially offsetting the above-budget variances were net energy provided to Tri-State under the forced outage assistance agreement and below-budget wind and solar energy purchases.

- Fuel of $45.2 million was $17.5 million below budget primarily due to coal expenses. Generation from Rawhide Unit 1 and the Craig units was below budget primarily due to running at historically low capacity factors due to lower-cost energy available in the Western Energy Imbalance Service market and due to unplanned extensions to outages, partially offset by above-budget prices at both stations. Partially offsetting below-budget coal expense was natural gas expense, which was above budget due to operating the combustion turbines to make sales and meet load requirements.

- Production, transmission, administrative and general of $109.3 million were $2.8 million above budget primarily due to operating costs at the Craig Units and additional expenses needed for the Rawhide Unit 1 scheduled minor outage. Partially offsetting the above-budget variances were other Rawhide Energy Station non-routine projects and various other consulting services completed below budget or expenses not required.

- Distributed energy resources of $10.2 million were $3.6 million below budget primarily due to the unpredictability of the completion of customers' energy efficiency projects. Energy efficiency rebates and incentives were below budget primarily due to vendor and outreach challenges in residential retail product programming along with slow participation in small and medium business programs, which is driven by continued effects of the COVID-19 pandemic and economic recovery challenges.

Capital additions of $25.9 million ended the year $16.8 million below budget. This variance was due to schedule changes, scope changes, contract or material delays, internal resource constraints and canceled projects. Production additions, transmission additions and general additions were below budget $2.9 million, $7.5 million and $6.4 million, respectively. Of the total variance, $14 million was carried over to the 2024 Strategic Budget to complete projects.

Debt service expenditures of $18.1 million were at budget, following a $0.3 million contingency transfer, for scheduled principal and interest payments on outstanding power revenue bonds as well as principal and interest payments on lease and subscription liabilities recognized from the implementation of GASB 96 (notes 3, 12 and 19).

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31, 2023	Dec. 31, 2022 restated
	(in thousands)	
Assets		
Electric utility plant, at original cost (notes 3 and 4)		
Land and land rights	**$ 19,446**	$ 19,446
Plant and equipment in service	**1,482,084**	1,466,932
Less: accumulated depreciation and amortization	**(975,993)**	(936,957)
Plant in service, net	**525,537**	549,421
Construction work in progress	**31,857**	24,873
Total electric utility plant	**557,394**	574,294
Special funds and investments (note 5)		
Restricted funds and investments	**19,977**	19,338
Dedicated funds and investments	**168,503**	151,258
Total special funds and investments	**188,480**	170,596
Current assets		
Cash and cash equivalents (notes 3 and 5)	**70,720**	48,017
Other temporary investments (note 5)	**50,442**	47,841
Accounts receivable—owner communities	**17,306**	16,997
Accounts receivable—other	**7,082**	13,830
Fuel inventory, at last-in, first-out cost	**19,896**	10,103
Materials and supplies inventory, at average cost	**17,734**	15,831
Prepayments and other assets	**2,648**	2,506
Total current assets	**185,828**	155,125
Noncurrent assets		
Regulatory assets (note 6)	**131,578**	128,954
Other long-term assets	**9,845**	9,017
Total noncurrent assets	**141,423**	137,971
Total assets	**1,073,125**	1,037,986
Deferred outflows of resources		
Deferred loss on debt refundings (note 7)	**2,281**	3,075
Pension deferrals (note 8)	**9,787**	14,849
Asset retirement obligations (note 9)	**26,371**	25,316
Total deferred outflows of resources	**38,439**	43,240

See notes to financial statements.

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31, 2023	Dec. 31, 2022 restated
	(in thousands)	
Liabilities		
Noncurrent liabilities (note 10)		
Long-term debt, net (note 7)	**$ 122,681**	$ 137,808
Other long-term obligations (note 11)	**94,295**	95,184
Net pension liability (note 8)	**28,274**	30,520
Asset retirement obligations (note 9)	**34,983**	31,739
Lease and subscription liabilities (note 12)	**861**	916
Other liabilities and credits	**12,164**	7,150
Total noncurrent liabilities	**293,258**	303,317
Current liabilities		
Current maturities of long-term debt (note 7)	**12,790**	12,215
Current portion of other long-term obligations (note 11)	**889**	–
Current portion of asset retirement obligations (note 9)	**933**	1,547
Current portion of lease and subscription liabilities (note 12)	**641**	338
Accounts payable	**24,629**	24,359
Accrued interest	**416**	464
Accrued liabilities and other	**5,063**	3,851
Total current liabilities	**45,361**	42,774
Total liabilities	**338,619**	346,091
Deferred inflows of resources		
Deferred gain on debt refundings (note 7)	**112**	126
Regulatory credits (note 6)	**104,944**	75,947
Pension deferrals (note 8)	**–**	287
Lease deferrals (note 4)	**704**	852
Total deferred inflows of resources	**105,760**	77,212
Net position		
Net investment in capital assets (note 13)	**406,299**	400,947
Restricted	**19,561**	18,873
Unrestricted	**241,325**	238,103
Total net position	**$ 667,185**	$ 657,923

See notes to financial statements.

Platte River Power Authority

Statements of revenues, expenses and changes in net position

Dec. 31, 2023 and 2022

	Years ended Dec. 31, 2023	Years ended Dec. 31, 2022 restated
	(in thousands)	
Operating revenues		
Sales to owner communities	**$ 217,735**	$ 212,319
Sales for resale and other	**71,011**	81,077
Deferred regulatory revenues (note 6)	**(31,497)**	(21,739)
Total operating revenues	**257,249**	271,657
Operating expenses		
Purchased power	**61,730**	53,379
Fuel	**45,142**	66,456
Operations and maintenance	**78,337**	67,079
Administrative and general	**32,347**	25,956
Distributed energy resources	**10,214**	8,339
Depreciation, amortization and accretion (notes 4, 6 and 9)	**29,730**	36,612
Total operating expenses	**257,500**	257,821
Operating income	**(251)**	13,836
Nonoperating revenues (expenses) (notes 5, 7 and 12)		
Interest income	**7,735**	2,914
Other income	**318**	429
Interest expense	**(3,763)**	(4,168)
Net increase (decrease) in fair value of investments	**5,223**	(6,375)
Total nonoperating revenues (expenses)	**9,513**	(7,200)
Change in net position	**9,262**	6,636
Net position at beginning of year	**657,923**	651,287
Net position at end of year	**$ 667,185**	$ 657,923

See notes to financial statements.

Platte River Power Authority

Statements of cash flows

Dec. 31, 2023 and 2022

	Years ended Dec. 31, 2023	Years ended Dec. 31, 2022 restated
	(in thousands)	
Cash flows from operating activities		
Receipts from customers	**$ 293,109**	$ 290,780
Payments for operating goods and services	**(171,782)**	(166,773)
Payments for employee services	**(54,476)**	(47,523)
Net cash provided by operating activities	**66,851**	76,484
Cash flows from capital and related financing activities		
Additions to electric utility plant	**(23,874)**	(19,091)
Payments from accounts payable incurred for electric utility plant additions	**(3,493)**	(1,581)
Proceeds from disposal of electric utility plant	**12,418**	74
Principal payments on long-term debt	**(12,215)**	(11,660)
Interest payments on long-term debt	**(5,282)**	(5,850)
Payments related to other long-term obligations	**(4,145)**	(3,809)
Payments on lease and subscription liabilities	**(344)**	(621)
Receipts from lease receivables	**148**	148
Net cash used in capital and related financing activities	**(36,787)**	(42,390)
Cash flows from investing activities		
Purchases and sales of temporary and restricted investments, net	**(15,316)**	(29,643)
Interest and other income, including realized gains and losses	**7,955**	3,159
Net cash used in investing activities	**(7,361)**	(26,484)
Increase in cash and cash equivalents	**22,703**	7,610
Balance at beginning of year in cash and cash equivalents	**48,017**	40,407
Balance at end of year in cash and cash equivalents	**$ 70,720**	$ 48,017

See notes to financial statements.

Platte River Power Authority
Statements of cash flows
Dec. 31, 2023 and 2022

	Years ended Dec. 31, 2023	Years ended Dec. 31, 2022 restated
	(in thousands)	
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ (251)**	$ 13,836
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	**40,719**	39,223
Amortization	**(15,835)**	(6,143)
Operating expenses relating to other long-term obligations (note 11)	**2,888**	2,888
Changes in assets and liabilities that provided/(used) cash		
Accounts receivable	**6,439**	(4,125)
Fuel and materials and supplies inventories	**(11,696)**	(73)
Prepayments and other assets	**139**	(3,642)
Regulatory assets	**(3,397)**	(3,247)
Deferred outflows of resources	**4,007**	(15,602)
Accounts payable	**1,585**	5,356
Net pension liability	**(2,246)**	22,750
Asset retirement obligations	**2,630**	4,031
Other liabilities	**6,272**	849
Deferred inflows of resources	**35,597**	20,383
Net cash provided by operating activities	**$ 66,851**	$ 76,484
Noncash capital and related financing activities		
Additions of electric utility plant through incurrence of accounts payable	**$ 2,136**	$ 3,493
Additions of electric utility plant through leasing and subscription	**586**	1,736
Amortization of regulatory assets (debt issuance costs)	**80**	88
Amortization of bond premiums, deferred loss and deferred gain on refundings	**(1,557)**	(1,729)

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
Statements of fiduciary net position
Dec. 31, 2023 and 2022

	Dec. 31, 2023	Dec. 31, 2022
	(in thousands)	
Assets		
Cash equivalents	**$ 1,734**	$ 2,031
Investment income receivable	**7**	8
Investments		
Fixed income securities	**32,174**	28,482
Domestic equity securities	**39,885**	37,863
International equity securities	**22,716**	22,946
Infrastructure	**2,687**	2,541
Natural resources	**6,548**	7,395
Real estate funds	**2,782**	2,440
Private credit	**2,714**	1,252
Private equity	**1,672**	114
Reinsurance funds	**-**	13
Total investments	**111,178**	103,046
Total assets	**112,919**	105,085
Net position restricted for pension benefits	**$ 112,919**	$ 105,085

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
Statements of changes in fiduciary net position
Dec. 31, 2023 and 2022

	Years ended Dec. 31,			
	2023		**2022**	
	(in thousands)			
Additions				
Employer contributions	**$**	**6,041**	$	4,333
Investment income				
Net increase (decrease) in fair value of investments		**6,509**		(15,430)
Interest and dividends		**3,653**		3,115
Net investment income (loss)		**10,162**		(12,315)
Total additions		**16,203**		(7,982)
Deductions				
Benefit payments		**8,369**		8,450
Change in plan net position		**7,834**		(16,432)
Net position restricted for pension benefits				
Beginning net position		**105,085**		121,517
Ending net position	**$**	**112,919**	$	105,085

See notes to financial statements.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

1. Organization

Platte River Power Authority was organized under Colorado law as a separate governmental entity by the four owner communities of Estes Park, Fort Collins, Longmont and Loveland. Platte River contracted to supply the wholesale electric power and energy requirements of each of these owners, with limited exceptions. An owner may self-supply power and energy equivalent to the capacity of its generating facilities in service on Sept. 5, 1974, and may add new resources up to a limit of 1,000 kW or 1% of the owner community's peak load, whichever is greater. An owner community may also purchase power from its net metered customers subject to net metering limitations. Platte River's power supply contracts currently extend through Dec. 31, 2060.

Each of the four owner communities has a residual interest in Platte River's assets and liabilities upon dissolution, which is proportional to the total revenue received from each owner community since Platte River was organized, less any contributions of assets previously distributed. Based upon electric revenues billed from inception through Dec. 31, 2023, these residual interests are approximately as follows.

	Residual interest
City of Fort Collins	48%
City of Longmont	26%
City of Loveland	22%
Town of Estes Park	4%
	100%

Under Colorado law and the owner community contracts, the board has the exclusive authority to establish the electric rates to be charged to the owner communities. Platte River must follow specified statutory procedures, including public notice and holding a hearing to receive public comments, before adopting an annual budget.

The defined benefit pension plan is a single-employer defined benefit pension plan, which Platte River includes in the financial statements as a fiduciary component unit reported as a pension trust fund in the fiduciary funds statements. Platte River's board is the designated governing body over the defined benefit pension plan and has authority to amend the defined benefit pension plan. The retirement committee established under the defined benefit pension plan oversees the plan's investments. Platte River does not issue separate stand-alone financial statements of the defined benefit pension plan.

2. Operations

Rawhide Energy Station

The Rawhide Energy Station consists of Rawhide Unit 1, a 280 megawatt (net) coal-fired generating facility, a cooling pond, coal-handling facilities, related transmission facilities, five simple-cycle natural gas-fired combustion turbines and two solar facilities. Natural gas units A through D have summer peaking capacity of 65 megawatts each and unit F has a summer peaking capacity of 128 megawatts. Solar facilities include Rawhide Solar Flats (30 megawatts) and Rawhide Prairie Solar (22 megawatts). Rawhide Prairie Solar has an integrated battery storage system of two megawatt-hours, which can be discharged once daily at a rate up to one megawatt per hour. Platte River owns and operates all Rawhide Energy Station facilities except for the solar and battery storage facilities. Rawhide Unit 1 is scheduled to retire by Dec. 31, 2029.

Yampa project

Platte River owns 18%, or 151 megawatts, of Craig units 1 and 2 of the Yampa Project as a tenant-in-common with four other electric utilities. The current Yampa Project Participation Agreement took effect April 15, 1992. Craig units 1 and 2 are scheduled to retire by Dec. 31, 2025 and Sept. 30, 2028, respectively. The Yampa Project consists of 837 megawatts of coal-fired generation and associated transmission plant facilities located near the town of Craig in northwestern Colorado. Platte River's share of the plant investment is included in plant in service, net, in the accompanying statements of net position. Platte River's share of operating expenses of the Yampa Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Separate financial statements for the Yampa Project are not available. In addition, Platte River and two of the other Yampa Project participants own Trapper Mining, Inc., which owns and operates the adjacent coal mine that supplies coal for Craig units 1 and 2.

Windy Gap water

Under an agreement with the Municipal Subdistrict of Northern Colorado Water Conservancy District, Platte River is entitled to an allocation of the available water from the Windy Gap Project, a water diversion facility completed May 1, 1985. The water is used in operations at the Rawhide Energy Station. Platte River's share of operating expenses of the Windy Gap Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Additionally, Platte River is a participant in the Windy Gap Firming Project (Chimney Hollow Reservoir) following cash contributions from participants and the issuance of pooled financing for the project in 2021 (notes 6 and 11).

3. Summary of significant accounting policies

Reporting entity

For financial reporting purposes, Platte River meets the criteria of an "other stand-alone government." As a municipal utility and a separate governmental entity, Platte River is exempt from taxes on its income. Platte River is also exempt from taxes on its property located in Colorado.

The defined benefit pension plan is a single-employer defined benefit pension plan covering all employees of Platte River hired before Sept. 1, 2010 (note 8). Platte River contributes to the defined benefit pension plan based upon actuarial studies and has primary responsibility for managing the defined benefit pension plan. All retirement plan committee members are appointed by the board. Platte River also provides all accounting, reporting and administrative services to the defined benefit pension plan. Platte River has fiduciary responsibility for the defined benefit pension plan. Platte River includes the defined benefit pension plan in the accompanying basic financial statements as a fiduciary component unit of Platte River reported as a pension trust fund in the fiduciary funds statements.

Basis of accounting

Platte River accounts for its financial operations as a “proprietary fund.” The accompanying financial statements for Platte River and the defined benefit pension plan have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America. Platte River’s accounts are maintained in accordance with the Uniform System of Accounts as prescribed by FERC.

As a board-regulated entity, Platte River is subject to the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Regulated Operations, paragraphs 476–500, which requires the effects of the rate-making process to be recorded in the financial statements. Accordingly, certain expenses and revenues normally reflected in the statements of revenues, expenses and changes in net position as incurred are recognized when they are included in Platte River’s wholesale rates. Platte River has recorded various regulatory assets and credits to reflect the rate-making process (note 6).

Budgetary process

The Colorado State Local Government Law requires a formal budgetary process, which Platte River uses as a management control tool. Staff must submit a proposed annual budget to the board by Oct. 15 of each year. Following a public hearing, the board considers the budget for adoption on or before Dec. 31. Because Platte River operates as an enterprise, it is not subject to the Colorado Taxpayers’ Bill of Rights.

Use of estimates

Platte River prepares its financial statements for itself and the defined benefit pension plan in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB. These require management to make estimates and assumptions that affect (a) the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, (b) disclosure of contingent assets and liabilities at the date of the financial statements and (c) the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Electric utility plant and depreciation

Electric utility plant is stated at the historical cost of construction and includes expenditures of $5,000 or more for property, equipment or construction projects with an estimated useful life greater than two years. Construction costs include labor, materials, contracted services, and the allocation of indirect charges for engineering, supervision, transportation and administrative expenses. The cost of additions to utility plant and replacement property units is capitalized. Repairs, maintenance and minor replacement costs are charged to expense when incurred.

Platte River engages in leasing activity, both as a lessee and a lessor. In accordance with GASB Statement No. 87, *Leases*, the lease term is the period where there is a noncancellable right to use the underlying asset. For lessor contracts, lease receivables and deferred inflows of resources are recognized at present value. Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position. For lessee contracts, lease assets and related liabilities are recognized at present value using Platte River's estimated incremental borrowing rate unless otherwise contained in the contract terms. Lease assets are reported in electric utility plant and lease liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to leases with a present value of $50,000 or more at the beginning of the lease term and a term greater than one year.

Platte River also enters into subscription-based information technology arrangements. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the subscription term is the period where there is a noncancellable right to use the underlying asset, including considerations for options within contracts to extend the terms based on management’s best estimate of exercising those options at the time of commencement. Subscription assets and related liabilities are recognized at present value using Platte River’s estimated incremental borrowing rate, unless otherwise contained in the contract terms, at the commencement of the subscription term. Subscription assets also include other costs incurred during the initial implementation stage. Subscription assets are reported in electric utility plant and subscription liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to subscriptions with a present value of $50,000 or more at the commencement of the subscription term and a term greater than one year.

Depreciation is recorded using the straight-line method over the estimated useful lives of the various classes of plant in service, which range from five to 50 years. Following asset closure announcements, assets are evaluated and estimated useful lives are accelerated, as applicable. For lease and subscription assets, amortization is recorded over the shorter of the lease or subscription term, or the useful life of the underlying asset.

Cash and cash equivalents

For purposes of the statements of cash flows, Platte River considers all cash on deposit with financial institutions and highly liquid investments with an original maturity of less than three months, excluding special funds and investments, as cash and cash equivalents. At Dec. 31, 2023, cash equivalents consisted of local government investment pools and money market funds. At Dec. 31, 2022, cash equivalents consisted of local government investment pools, money market funds and collateralized bank deposit accounts.

Closure and postclosure care costs of disposal facility

Platte River accrues a liability of estimated future closure and postclosure care costs for its Rawhide Energy Station ash disposal facility. The liability is determined by multiplying the estimated closure and postclosure care costs in current dollars by the percentage of the disposal facility's total estimated capacity, by cell, used through the end of the year (note10). Platte River complies with financial assurance annual requirements of the Colorado Department of Public Health and Environment. No assets are restricted for payment of closure and postclosure care costs.

Asset retirement obligations

An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Following GASB Statement No. 83, *Certain Asset Retirement Obligations*, Platte River records an asset retirement obligation liability when it has determined that a liability has been incurred based on (a) the occurrence of an external obligating event, such as laws, regulations, contracts or court judgments and (b) an internal obligating event that obligates it to perform asset retirement activities. Platte River updates the asset retirement obligations by inflation or deflation annually and when significant changes occur (note 9).

Long-term debt

Platte River defers the difference between the reacquisition price and the net carrying amount of refunded debt (deferred amount on refundings) in an advance refunding. Platte River then amortizes the difference as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the defeased debt or the life of the new debt. The deferred amounts are reported as deferred outflows or inflows of resources.

Operating revenues and expenses

Operating revenues and expenses consist of revenues and costs directly related to the generation, purchase, sale and transmission of electricity. Operating revenues are recorded at the end of each month for all electricity delivered. Operating revenues include the amount of deferred regulatory revenues recorded as a regulatory credit (note 6) to be recognized in one or more future periods. Revenues and expenses related to financing, investing and other activities are considered nonoperating.

Compensated absences

Platte River allows employees to accumulate unused vacation and sick leave. Vacation leave may be accumulated to a specified limit, which increased during 2023, whereas accumulated sick leave is unlimited. Employees are entitled to full payment for any unused vacation leave upon retirement or termination of employment; they are paid at a reduced rate for any accumulated unused sick leave. Accrued liabilities for compensated absences are valued using the vesting method.

In the financial statements, Platte River estimates a portion of the total unused vacation and sick leave as due within one year with the remainder of the liability recorded as a noncurrent liability (note 10).

Deferred outflows of resources

Deferred outflows consist of unamortized deferred losses on debt refunding, defined benefit pension plan-related deferrals (note 8) and unamortized asset retirement obligations (note 9).

Deferred inflows of resources

Deferred inflows consist of unamortized deferred gains on debt refunding, regulatory credits (note 6), defined benefit pension plan-related deferrals (note 8) and lease deferrals (note 4).

Use of restricted and unrestricted resources

Platte River's use of restricted and unrestricted resources is based on the intended purposes stated in the bond resolutions.

Adoption of recent accounting pronouncement

In 2023, Platte River implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Subscription-based information technology arrangements are contracts that convey control of the right to use another entity's information technology software, alone or in combination with tangible capital assets, as specified for a period of time in an exchange or exchange-like transaction without the transfer of ownership of the asset. GASB Statement No. 96 applies to financial statements with reporting periods beginning after June 15, 2022, and affects the statements of net position, statements of revenues, expenses and changes in net position and the statements of cash flows. The 2022 statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows were restated for comparative purposes. Note 19 outlines the impacts of the restatement to the financial statements.

4. Electric utility plant

Electric utility plant asset activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022 restated	Increases	Decreases	Dec. 31, 2023
		(in thousands)		
Nondepreciable assets				
Land and land rights	$ 19,446	$ -	$ -	**$ 19,446**
Construction work in progress	24,873	25,893	(18,909)	**31,857**
	44,319	25,893	(18,909)	**51,303**
Depreciable assets				
Production plant	968,867	10,991	(1,839)	**978,019**
Transmission plant	398,183	4,307	(1,405)	**401,085**
General plant	96,325	2,633	(680)	**98,278**
	1,463,375	17,931	(3,924)	**1,477,382**
Less accumulated depreciation	(936,451)	(40,719)	3,030	**(974,140)**
	526,924	(22,788)	(894)	**503,242**
Amortizable lease assets				
General plant	134	-	-	**134**
Less accumulated amortization	(13)	(9)	-	**(22)**
	121	(9)	-	**112**
Amortizable subscription assets				
General plant	3,423	1,145	-	**4,568**
Less accumulated amortization	(493)	(1,338)	-	**(1,831)**
	2,930	(193)	-	**2,737**
Total electric utility plant	$ 574,294	$ 2,903	$ (19,803)	**$ 557,394**

Electric utility plant asset activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Increases	Decreases	Dec. 31, 2022 restated
		(in thousands)		
Nondepreciable assets				
Land and land rights	$ 19,446	$ -	$ -	$ 19,446
Construction work in progress	27,831	24,459	(27,417)	24,873
	47,277	24,459	(27,417)	44,319
Depreciable assets				
Production plant	961,290	11,849	(4,272)	968,867
Transmission plant	394,050	4,972	(839)	398,183
General plant	87,924	8,945	(544)	96,325
	1,443,264	25,766	(5,655)	1,463,375
Less accumulated depreciation	(901,353)	(39,223)	4,125	(936,451)
	541,911	(13,457)	(1,530)	526,924
Amortizable lease assets				
General plant	134	-	-	134
Less accumulated amortization	-	(13)	-	(13)
	134	(13)	-	121
Amortizable subscription assets				
General plant	-	3,423	-	3,423
Less accumulated amortization	-	(493)	-	(493)
	-	2,930	-	2,930
Total electric utility plant	$ 589,322	$ 13,919	$ (28,947)	$ 574,294

Platte River uses the specific identification method. Under the specific identification method, gains and losses are recognized immediately on the retirement of capital assets. Alternative accounting treatment under a board-approved change in depreciation method accounting policy using GASB 62 (note 6) recognizes the effects of the rate-making process allowing deferred gains and losses on retirements of capital assets to be recognized in a single year or deferred to future periods.

Leasing and subscription activity

Amortizable lease assets represent fiber optic strands from a third party; the contract terminates in 2033. Platte River made no variable payments, and there are no lease impairments as of Dec. 31, 2023 and 2022. In determining the value of the lease assets, there are no payments attributable to residual value guarantees or termination penalties. Liabilities relating to lease assets are discussed in note 12.

Amortizable subscription assets represent various software solutions from multiple third parties with contracts that terminate or are expected to terminate, or transition to ongoing cancellable short-term arrangements, between 2024 and 2026. There were no subscription impairments as of Dec. 31, 2023 and 2022. One subscription calls for quarterly payments of $105,000 to the vendor before the commencement of the subscription term, which is expected to be July 2024, and those payments are recorded as construction work in progress until the commencement of the subscription term, when they will be included in the valuation of the amortizable subscription asset. Liabilities relating to subscription assets are discussed in note 12. Note 19 outlines the details of the restatement of 2022 for GASB 96.

Platte River also leases unused fiber optic strands and co-locate property, included in electric utility plant, to third parties. Lease terms range from 10 to 36 years. Lessor-related balances and activity as of and for the years ended Dec. 31, 2023, and 2022, are shown in the table below.

	2023	**2022**
	(in thousands)	
Current lease receivable	**$ 120**	$ 148
Noncurrent lease receivable	**584**	704
Total lease receivable	**$ 704**	$ 852
Lease deferrals	**$ 704**	$ 852
Recognized inflows of resources	**$ 106**	$ 106
Fiber lease pass-through receipts	**$ 42**	$ 42

Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position.

Recognized inflows of resources are reported as other income on the statements of revenues, expenses and changes in net position. Platte River received $11,000 of variable lease payments in 2023 and none in 2022.

5. Cash and investments

Platte River invests funds consistent with Colorado law and Platte River's general power bond resolution, fiscal resolution and investment policy statement. Accordingly, Platte River may invest only in obligations of the United States government and its agencies and other investments permitted under Colorado law. Platte River records its investments at their estimated fair market values. The unrealized holding gains and losses on these investments are included in net increase (decrease) in fair value of investments in the statements of revenues, expenses and changes in net position.

The fair value of investments is presented on the statements of net position as special funds and investments, cash and cash equivalents and other temporary investments. Special funds and investments are either internally dedicated by board resolution (dedicated funds and investments) or restricted by Platte River's general power bond resolution (restricted funds and investments). The fair value of investments, excluding accrued interest of $1,470,000 and $688,000 as of Dec. 31, 2023 and 2022, respectively, is shown in the following tables.

As of Dec. 31, 2023, Platte River had the following cash and investments and related maturities.

		Investment maturities (in years)		
Cash and investment type	**Fair value**	**Less than 1**	**1-2**	**2-3**
		(in thousands)		
U.S. Treasuries	$ 170,284	$ 72,353	$ 63,577	$ 34,354
U.S. agencies				
FFCB	23,737	6,953	-	16,784
FHLB	17,919	8,954	5,928	3,037
Total securities	211,940	88,260	69,505	54,175
Cash and money market funds	5,087	5,087	-	-
Local government investment pools	91,145	91,145	-	-
Total cash and investments	$ 308,172	$ 184,492	$ 69,505	$ 54,175

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2023, is as follows.

	Fair value	**Accrued interest**	**Total**
		(in thousands)	
Restricted funds and investments	$ 19,824	$ 153	$ 19,977
Dedicated funds and investments	167,481	1,022	168,503
Cash and cash equivalents	70,717	3	70,720
Other temporary investments	50,150	292	50,442
Total cash and investments	$ 308,172	$ 1,470	$ 309,642

As of Dec. 31, 2022, Platte River had the following cash and investments and related maturities.

Cash and investment type	Fair value	Investment maturities (in years) Less than 1	1-2	2-3
		(in thousands)		
U.S. Treasuries	$ 166,816	$ 44,999	$ 69,801	$ 52,016
U.S. agencies				
FFCB	12,800	5,879	6,921	-
FHLB	14,664	4,934	6,843	2,887
Total securities	194,280	55,812	83,565	54,903
Certificates of deposit	3,532	3,532	-	-
Cash and money market funds	3,353	3,353	-	-
Local government investment pools	64,601	64,601	-	-
Total cash and investments	$ 265,766	$ 127,298	$ 83,565	$ 54,903

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2022, is as follows.

	Fair value	Accrued interest	Total
		(in thousands)	
Restricted funds and investments	$ 19,271	$ 67	$ 19,338
Dedicated funds and investments	150,778	480	151,258
Cash and cash equivalents	48,017	-	48,017
Other temporary investments	47,700	141	47,841
Total cash and investments	$ 265,766	$ 688	$ 266,454

Fair value is the amount received if an asset is sold or paid to transfer a liability in a transaction between market participants at the measurement date. Fair value measurements maximize the use of observable inputs and minimize the use of unobservable inputs. Platte River and the defined benefit pension plan categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are prices determined using observable inputs other than Level 1 prices such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets; Level 3 inputs are significant unobservable inputs. Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2023.

- U.S. Treasury securities of $170,284,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of $41,656,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2022.

- U.S. Treasury securities of $166,816,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of $27,464,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, uses two local government investment pools for investment. The two pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Statewide Investment Program (CSIP). COLOTRUST is a local government investment pool with a stable net asset value. CSIP is a local government investment pool in which the underlying investments are measured at the investments' net asset value. The State of Colorado Securities Commissioner administers and enforces all Colorado statutes governing these pools. They operate similarly to a money market fund and each share equals $1, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency and competitive yields through investment in a diversified portfolio of short-term marketable securities. They may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as a custodian for the portfolios under a custodian agreement. The custodian acts as a safekeeping agent for the investment portfolios and provides services as the depository for direct investments and withdrawals. The custodian's internal records segregate investments owned by the investment pools. The investment pools do not have any limitations or restrictions on participant withdrawals.

As of Dec. 31, 2023 and 2022, all investments of the defined benefit pension plan had a maturity of less than one year or undefined.

Each year, Platte River measures fair value and determines the level within the fair value hierarchy in which the fair value measurements fall. The following table presents the fair value measurements of the defined benefit pension plan's assets recognized in the accompanying financial statements at Dec. 31, 2023 and 2022.

Dec. 31, 2023		Fair value		Quoted prices in active markets for identical assets (Level 1)		Significant other observable inputs (Level 2)		Significant unobservable inputs (Level 3)
				(in thousands)				
Investments by fair value level								
Cash equivalents	$	1,734	$	-	$	1,734	$	-
Fixed income		32,174		32,174		-		-
Domestic equity		39,885		39,885		-		-
International equity		22,716		22,716		-		-
Infrastructure		2,687		2,687		-		-
Natural resources		6,548		6,548		-		-
Real estate funds		2,782		2,782		-		-
Private credit [(1)]		2,714		-		-		2,714
Private equity [(1)]		1,672		-		-		1,672
Total investments by fair value level	$	112,912	$	106,792	$	1,734	$	4,386

[(1)] Fair value as of Sept. 30, 2023.

Dec. 31, 2022		Fair value		Quoted prices in active markets for identical assets (Level 1)		Significant other observable inputs (Level 2)		Significant unobservable inputs (Level 3)
				(in thousands)				
Investments by fair value level								
Cash equivalents	$	2,031	$	-	$	2,031	$	-
Fixed income		28,482		28,482		-		-
Domestic equity		37,863		37,863		-		-
International equity		22,946		22,946		-		-
Infrastructure		2,541		2,541		-		-
Natural resources		7,395		7,395		-		-
Real estate funds		2,440		2,440		-		-
Private credit [(1)]		1,252		-		-		1,252
Private equity [(1)]		114		-		-		114
Reinsurance		13		13		-		-
Total investments by fair value level	$	105,077	$	101,680	$	2,031	$	1,366

[(1)] Fair value as of Sept. 30, 2022.

For the defined benefit pension plan, where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters. These include, but are not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows, all of which are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Asset allocation

All assets of the defined benefit pension plan are invested to comply with the defined benefit pension plan document (plan document), the defined benefit pension plan investment policy statement and any federal, state or Internal Revenue Service (IRS) laws or regulations. The defined benefit pension plan's investments are governed by the Colorado Uniform Prudent Investor Act. The investment policy statement provides an asset allocation strategy to create a broadly diversified portfolio. The strategy is designed to reflect and be consistent with the objectives expressed in the investment policy statement, subject to the risk tolerance of the retirement committee.

Defined benefit pension plan assets are held by Principal Trust Company under a trust agreement and invested in money market funds, bonds, stock portfolios, infrastructure, natural resources, private equity, private credit or real estate as directed by the retirement committee. Northern Trust Investments (Northern Trust), the retirement committee's investment manager, assists the retirement committee in overseeing the investment program. Investment management firms have full discretionary investment authority to invest in a specific asset class, subject to the policies and guidelines of the investment policy statement.

The investment mix and percentage allocations were as follows at Dec. 31.

Asset class	2023	2022
Domestic equities	**36%**	37%
International equities	**15%**	18%
Emerging market equities	**6%**	4%
Fixed income	**16%**	12%
High yield	**12%**	14%
Infrastructure	**2%**	2%
Natural resources	**6%**	7%
Real estate	**2%**	2%
Cash & cash equivalents	**2%**	3%
Private credit	**2%**	1%
Private equity	**1%**	0%

Rate of return

For the years ended Dec. 31, 2023 and 2022, the money-weighted rate of return on defined benefit pension plan investments, net of investment expense, was 9.8% and (10.3%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

To limit exposure to fair value losses from rising interest rates, Platte River's investment policy and Colorado law limit the investment portfolio, excluding the defined benefit pension plan, to maturities of five years or less. Platte River uses a laddered approach to investing funds based on projected cash flows. The assumed maturity date for callable securities is based on market conditions as of Dec. 31, 2023. If the price of the security is at or above its call price, the security is assumed to be redeemed on its next call date.

The defined benefit pension plan's fixed income assets are invested in a core fixed-income exchange-traded fund (ETF), a high-yield fixed-income ETF, an inflation-focused ETF and an ultra-short-term fixed-income ETF. The funds are managed by Northern Trust. As interest rates decline, the value of a fixed-income bond fund is likely to increase. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Given the long-term nature of the defined benefit pension plan, the investment policy statement does not place maturity restrictions on its bond funds.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Platte River's investment policy allows investments in local government investment pools and money market funds. As of Dec. 31, 2023, Platte River, excluding the defined benefit pension plan, maintained investments in funds managed by the local government investment pools COLOTRUST and CSIP. COLOTRUST and CSIP Liquid Portfolios are both rated AAAm by S&P Global Ratings (S&P). CSIP Liquid Portfolio is also rated AAAf by Fitch Ratings. Platte River's investments in the Federal Farm Credit Bank (FFCB) and the Federal Home Loan Bank (FHLB) were rated Aaa by Moody's Investors Service and AA+ by S&P.

The defined benefit pension plan's core fixed income fund portfolio objective, under normal conditions, is to primarily invest up to 80% of its net assets in U.S. dollar-denominated investment-grade fixed-income securities either directly or indirectly through ETFs. The defined benefit pension plan's high yield allocation invests at least 80% of its assets in below investment-grade corporate bonds (not in default) as rated by at least one nationally recognized statistical rating organization. As of Dec. 31, 2023, the defined benefit pension plan's average credit quality for its core fixed-income and high-yield allocations were AA and B, respectively. The ultra-short fixed-income ETF has an average credit quality of A, while the inflation-focused ETF is 100% securities backed by the U.S. Treasury.

Private credit and private equity risk

The private credit and private equity investments in the defined benefit pension plan are subject to various risk factors resulting from the investment activities of the fund managers and the unique structures of the investments, including market, liquidity and capital risk. Private credit and private equity are diversified, multi-manager private lending investments and subject to market risk. Additionally, the funds report a market value on a quarterly basis – a less frequent measurement that can make using traditional methods to monitor and measure market risk more difficult. As a result of this reporting frequency, the fair value measurements reflected in the financial statements are as of Sept. 30, 2023 and 2022, respectively. The investments are subject to illiquidity risk. The funds' multi-manager structures are designed to help mitigate individual manager or company risk. Other risks include quality of the fund managers, interest rate risk and currency risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer.

Platte River's investment policy, excluding the defined benefit pension plan, requires assets held in Platte River's funds be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of Dec. 31, 2023, more than 5% of Platte River's investments were concentrated in FFCB and FHLB. These investments were 8% and 6% of Platte River's total investments, respectively (including investments held in local government investment pools and certificates of deposit).

Custodial credit risk

Custodial credit risk is the risk that, if the counterparty fails, the defined benefit pension plan will not be able to recover the value of its investments or collateral securities held by that counterparty. The defined benefit pension plan's assets are held in trust and the custodial relationship is defined in the plan document. At Dec. 31, 2023 and 2022, the defined benefit pension plan did not identify any investments subject to custodial credit risk.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The defined benefit pension plan has exposure to foreign currency risk through its international equity, emerging markets, global natural resources, global infrastructure and global real estate allocations. These are all ETFs. For the defined benefit pension plan's international and emerging markets equity allocations, the portfolios invest primarily in foreign denominated securities and typically do not hedge currency risk. The remaining allocations invest primarily in domestic and foreign-denominated securities while also not typically hedging currency risk. As of Dec. 31, 2023, foreign non-dollar allocations for the global natural resources allocation were 63.4%, foreign non-dollar allocations for the global infrastructure allocation were 60.0% and foreign non-dollar allocations for the global real estate allocation were 31.4%. The defined benefit pension plan's investments in international and emerging markets equity strategies, as of Dec. 31, 2023 and 2022, were $22.7 million and $22.9 million, respectively.

The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2023, is shown in the following table.

Currency	Total	International stocks	Fixed income
		(in thousands)	
Austrailian dollar	$ 1,418	$ 1,133	$ 285
Bermudian dollar	33	-	33
Brazilian real	444	444	-
Canadian dollar	3,955	3,055	900
Chilean peso	1	1	-
Chinese yuan renminbi	1,412	1,407	5
Colombian peso	25	-	25
Danish krone	214	213	1
European euro	5,759	4,816	943
Hong Kong dollar	1,006	1,006	-
Indian rupee	1,431	1,431	-
Indonesian rupiah	139	139	-
Israeli new shekel	613	613	-
Japanese yen	4,357	4,323	34
Korean won	557	556	1
Kuwaiti dinar	173	173	-
Malaysisan ringgit	412	412	-
Mexican peso	87	77	10
Moroccan dirham	87	87	-
New Zealand dollar	56	51	5
Norwegian krone	288	288	-
Peruvian sol	1	1	-
Philippine peso	78	78	-
Pound sterling	2,928	2,617	311
Qatari riyal	253	253	-
Saudi riyal	687	687	-
Singapore dollar	940	940	-
South African rand	42	42	-
Sweedish krona	113	100	13
Swiss franc	2,156	2,138	18
Taiwan dollar	1,048	1,048	-
Tanzanian shilling	7	-	7
Thai baht	235	235	-
Turkish new lira	27	27	-
Ukrainian hryvnia	11	-	11
UAE dirham	429	429	-
Vietnamese dong	1	1	-
	$ 31,423	$ 28,821	$ 2,602

The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2022, is shown in the following table.

Currency	Total	International stocks	Fixed income	Reinsurance (1)
		(in thousands)		
Austrailian dollar	$ 1,498	$ 1,375	$ 123	$ -
Bermudian dollar	129	-	129	-
Brazilian real	438	438	-	-
Canadian dollar	4,480	3,478	1,002	-
Caymanian dollar	39	-	39	-
Chilean peso	1	1	-	-
Chinese yuan renminbi	64	64	-	-
Colombian peso	2	-	-	2
Danish krone	547	542	5	-
European euro	5,572	4,553	1,019	-
Hong Kong dollar	2,174	2,174	-	-
Hungarian forint	22	22	-	-
Indian rupee	572	572	-	-
Indonesian rupiah	140	140	-	-
Israeli new shekel	659	659	-	-
Japanese yen	5,005	4,936	69	-
Korean won	146	144	2	-
Kuwaiti dinar	267	267	-	-
Liberian dollar	85	-	85	-
Malaysisan ringgit	254	254	-	-
Mauritius rupee	13	-	13	-
Mexican peso	52	52	-	-
Moroccan dirham	56	56	-	-
New Zealand dollar	80	61	19	-
Norwegian krone	211	211	-	-
Peruvian sol	20	20	-	-
Philippine peso	34	34	-	-
Pound sterling	3,660	3,257	403	-
Qatari riyal	145	145	-	-
Saudi riyal	374	373	1	-
Singapore dollar	1,069	1,069	-	-
South African rand	100	100	-	-
Sweedish krona	142	97	45	-
Swiss franc	2,524	2,484	40	-
Taiwan dollar	634	634	-	-
Thai baht	236	236	-	-
UAE dirham	626	626	-	-
	$ 32,070	$ 29,074	$ 2,994	$ 2

(1) Foreign currency exposure through the reinsurance fund as of Oct. 31, 2022.

6. Regulatory assets and deferred inflows of resources related to regulatory credits

For rate-making purposes, Platte River's board has approved the following policies under GASB 62, paragraphs 476-500.

Additional pension funding expense recognition

Platte River funds its defined benefit pension plan (note 8) based on cost estimates developed on an actuarial basis. In addition to the base contribution, Platte River has an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits. A board-approved policy allows Platte River to record the additional pension funding charge as a regulatory asset and recognize the expense over a 10-year period.

Pension contribution expense recognition

This board-approved policy requires pension contributions for the defined benefit pension plan to be recorded as pension expense because the pension contribution amount is known at the time of budget preparation and rate setting. Any difference between pension contribution and pension expense, as calculated by the actuary under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is classified as either a regulatory asset or a deferred inflow of resources and amortized over a 10-year period beginning the following year. The amortization amount is included in pension expense along with the pension contribution for each year calculated.

Debt issuance expense recognition

Under GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, debt issuance costs must be expensed in the period incurred rather than amortized over the life of the related debt. To provide recovery for debt issuance costs through rates, this board-approved policy provides for the expense recognition of debt issuance costs to be amortized over the life of the associated debt and included in regulatory assets.

Windy Gap Firming Project

This board-approved policy allows Platte River's costs for the Windy Gap Firming Project (Chimney Hollow Reservoir) (note 11) to be recorded as a regulatory asset and other long-term obligations. These costs are recognized ratably over the term of the pooled financing with the unamortized component included in regulatory assets and the outstanding balance of the pooled financing included in other long-term obligations. The value of the debt service payments under the pooled financing is expensed as an operations and maintenance expense and not accounted for as debt service.

Maintenance outage expense accrual

Under this board-approved policy, Platte River accrues estimated incremental expenses of future scheduled major maintenance outages each year. After a Rawhide Unit 1 maintenance outage is completed, the estimated maintenance and replacement power costs for the next major maintenance outage are accrued as a deferred inflow of resources.

Change in depreciation method

Platte River changed depreciation method from the group method to the specific identification method during 2020. Under the specific identification method, gains and losses would be recognized immediately on the retirement of capital assets. Alternative accounting treatment under this board-approved policy recognizes the effects of the rate-making process whereby deferred gains and losses on retirements of capital assets may be recognized in a single year or deferred to future periods.

Craig units 1 and 2 decommissioning accrual

The owners of the Craig Generating Station, acting through Tri-State as operating agent, have announced that Craig Unit 1 is scheduled to retire by Dec. 31, 2025, and Craig Unit 2 is scheduled to retire by Sept. 30, 2028. Decommissioning and closure costs have not been fully determined and no binding obligation exists. Under general accounting rules, without a binding obligation the expense related to decommissioning and closure would not be recognized and therefore funds would not be recovered through rates. This board-approved accounting policy records accretion of estimated decommissioning costs for Craig units 1 and 2 using the budgetary estimate provided by Tri-State. Once a binding obligation exists, Platte River will account for decommissioning costs under GASB 83.

Deferred revenue and expense

This board-approved accounting policy authorizes the general manager/CEO to defer revenues or expenses to reduce rate pressure and achieve rate smoothing as Platte River transitions its portfolio to meet the Resource Diversification Policy goal. Any amount of change in net position above the minimum required to achieve the strategic financial plan metrics can be deducted from operating revenues and held on the statement of net position as a regulatory credit, to be recorded as revenue in one or more future periods. Alternatively, any amount of change in net position below the minimum required to achieve the strategic financial plan metrics can be deducted from operating expenses and held on the statement of net position as a regulatory asset, to be recorded as expense in one or more future periods. The regulatory credit for this policy was restated with the implementation of a GASB 96 (notes 3 and 19).

Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2023, are shown in the tables below.

	Dec. 31, 2022 restated	Additions	Reductions	Dec. 31, 2023
Regulatory assets				
Additional pension funding expense recognition	$ 5,445	$ 3,000	$ (853)	**$ 7,592**
Pension contribution expense recognition	11,690	2,528	(1,278)	**12,940**
Debt issuance expense recognition	558	-	(80)	**478**
Windy Gap Firming Project	111,261	-	(693)	**110,568**
Total regulatory assets	$ 128,954	$ 5,528	$ (2,904)	**$ 131,578**
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	$ 3,840	$ 3,621	$ -	**$ 7,461**
Pension contribution expense recognition	5,724	-	(657)	**5,067**
Change in depreciation method	43,313	-	(6,888)	**36,425**
Craig units 1 and 2 decommissioning accrual	1,331	1,424	-	**2,755**
Deferred revenue and expense	21,739	31,497	-	**53,236**
Total regulatory credits	$ 75,947	$ 36,542	$ (7,545)	**$ 104,944**

Platte River Power Authority

Notes to financial statements

Dec. 31, 2023 and 2022

Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2022, are shown in the tables below.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022 restated
	(in thousands)			
Regulatory assets				
Additional pension funding expense recognition	$ 5,200	$ 1,141	$ (896)	$ 5,445
Pension contribution expense recognition	8,688	4,280	(1,278)	11,690
Debt issuance expense recognition	646	-	(88)	558
Windy Gap Firming Project	111,954	-	(693)	111,261
Total regulatory assets	$ 126,488	$ 5,421	$ (2,955)	$ 128,954
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	$ 324	$ 3,516	$ -	$ 3,840
Pension contribution expense recognition	6,191	-	(467)	5,724
Change in depreciation method	50,200	-	(6,887)	43,313
Craig units 1 and 2 decommissioning accrual	-	1,331	-	1,331
Deferred revenue and expense	-	21,739	-	21,739
Total regulatory credits	$ 56,715	$ 26,586	$ (7,354)	$ 75,947

7. Long-term debt

Long-term debt outstanding as of Dec. 31, 2023 and 2022, consisted of the following.

	Interest rate	Dec. 31 2023	Dec. 31 2022
		(in thousands)	
Power revenue bonds (all serial bonds)			
Series JJ maturing 6/1/2036	3.5%–5%	**$ 102,320**	$ 113,490
Taxable Series KK maturing 6/1/2037	1%-1.9%	**23,550**	24,595
		125,870	138,085
Unamortized bond premium [1]		**9,601**	11,938
Total revenue bonds outstanding		**135,471**	150,023
Less: due within one year		**(12,790)**	(12,215)
Total long-term debt, net		**$ 122,681**	$ 137,808

[1] Fixed rate bond premium costs are amortized over the terms of the related bond issues.

The outstanding balance of Series JJ is callable June 1, 2026. Taxable Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

Interest expense for the years ended Dec. 31, 2023 and 2022, related to long-term debt outstanding is as follows. The remainder of interest expense, as shown on the statements of revenues, expenses and changes in net position, relates to lease and subscription liabilities as discussed in note 12.

	2023	2022
	(in thousands)	
Interest	**$ 5,233**	$ 5,803
Amortization of bond related costs	**(1,477)**	(1,640)
Total interest expense	**$ 3,756**	$ 4,163

Calendar year totals for monthly bond service funding requirements per bond resolution for all bonds outstanding are shown in the following table. These may differ from actual semi-annual debt service requirements.

Year ending Dec. 31	Principal	Interest	Total
		(in thousands)	
Deposits in 2023 for 2024 payment	$ 7,461	$ 416	$ 7,877
2024	13,146	4,642	17,788
2025	13,730	4,023	17,753
2026	14,312	3,449	17,761
2027	14,898	2,826	17,724
2028	15,443	2,246	17,689
2029-2033	28,547	6,079	34,626
2034-2037	18,333	1,180	19,513
	$ 125,870	$ 24,861	$ 150,731

Bond service coverage

Power revenue bonds are secured by a pledge of the revenues of Platte River after deducting operating expenses, as defined in the general power bond resolution. The power revenue bonds issued by Platte River may be subject to early call provisions. Principal and interest payments are met from net revenues earned from wholesale electric rates charged to the owner communities and others, and from interest earnings.

Under the general power bond resolution, Platte River is required to charge wholesale electric energy rates to the owner communities that are reasonably expected to yield net revenues for the forthcoming 12-month period that are equal to at least 1.10 times total power bond service requirements. Under the general power bond resolution, Platte River has established a rate stabilization reserve account. Deposits to this account are a reduction to current net revenues for purposes of computing bond service coverage. Future withdrawals will increase net revenues for purposes of computing bond service coverage and could assist Platte River, at that time, in meeting its wholesale rate covenant. The balances in the rate stabilization reserve account at Dec. 31, 2023 and 2022, were $20,194,000 and $19,546,000, respectively, excluding accrued interest. The rate stabilization reserve account is included in dedicated funds and investments in the statements of net position.

The following table is a calculation of the power revenue bond coverage ratio for the years ended Dec. 31, 2023 and 2022.

	2023	2022 restated
	(in thousands)	
Bond service coverage		
Net revenues		
Operating revenues	**$ 257,249**	$ 271,657
Operating expenses, excluding depreciation, amortization and accretion	**227,770**	221,209
Net operating revenues	**29,479**	50,448
Plus interest and other income [1]	**8,107**	3,326
Net revenues before rate stabilization	**37,586**	53,774
Rate stabilization		
Deposits	**-**	-
Withdrawals	**-**	-
Total net revenues	**$ 37,586**	$ 53,774
Bond service		
Power revenue bonds	**$ 17,783**	$ 17,787
Bond service coverage ratio	**2.11**	3.02

[1] Excludes unrealized holding gains and losses on investments.

Arbitrage rebate

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after Aug. 31, 1986, is subject to arbitrage rebate requirements. Interest income on bond proceeds that exceeds the cost of borrowing is payable to the federal government on every fifth anniversary of each bond issue. Platte River had no arbitrage liability outstanding as of Dec. 31, 2023 and 2022.

Deferred outflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred outflows related to debt consisted of the unamortized deferred loss on debt refundings of $2,281,000 and $3,075,000, respectively.

Deferred inflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred inflows related to debt consisted of the unamortized deferred gain on debt refundings of $112,000 and $126,000, respectively.

8. Defined benefit pension plan

Description

The following brief description of the defined benefit pension plan is provided for general information purposes only. Participants and all others should refer to the plan document for more complete information. Platte River does not issue separate stand-alone financial statements for the defined benefit pension plan.

Effective June 1, 1973, Platte River adopted the defined benefit pension plan. Generally, the defined benefit pension plan is a defined-benefit, single-employer plan covering all regular employees of Platte River hired before Sept. 1, 2010. The defined benefit pension plan is closed to new employees hired on or after that date.

The general manager of Platte River is the defined benefit pension plan administrator. The retirement committee, composed of six members (two staff members and four members of the board), meets quarterly and oversees the defined benefit pension plan's investments. Platte River's board is the designated governing body over the defined benefit pension plan and has the authority to amend the defined benefit pension plan as necessary. In 2020, the board appointed a defined benefit plan subcommittee. The subcommittee has the power by unanimous resolution to amend the defined benefit pension plan. Platte River pays all administrative expenses of the defined benefit pension plan.

The defined benefit pension plan has received favorable determination letters from the IRS for the original defined benefit pension plan and subsequent amendments effective through Jan. 1, 2014. Thereafter, the IRS ended review of amendments and stopped providing determination letters.

Benefits provided

Retirement benefits are based on years of service rendered and the final average compensation earned by the participant as defined by the plan document. The defined benefit pension plan provides for 100% vesting after five years of service to all eligible employees.

The defined benefit pension plan provides for normal retirement at age 65. A participant may retire before age 65 after having completed 10 years of credited service and having attained at least age 55, with reduced benefits in accordance with the plan document. For a participant who began employment before Jan. 1, 2008, a special early retirement benefit is available if the participant has completed 13 years of credited service and has attained the ages of 55 through 58 or has completed 20 years of credited service and has attained the age of 55. A participant who began employment on or after Jan. 1, 2008, qualifies for special early retirement if the participant has completed 20 years of credited service and terminates employment after attaining age 55. Benefits will not be reduced if the participant elects to receive benefits on or after the seventh anniversary of the date the participant is first eligible for the special early retirement benefit. The defined benefit pension plan also provides for a deferred vested retirement income starting at the normal retirement date to participants who choose to leave Platte River before normal retirement age.

Participants may elect to receive their benefits by selecting one of the six forms of payment: (1) the duration of the participant's life; (2) the duration of the participant's life with a minimum of 10 years certain and any remainder paid to a beneficiary; (3) 50% joint and survivor annuity option; (4) 66-2/3% joint and survivor option with a minimum of 10 years certain and any remainder paid to a beneficiary; (5) 66-2/3% joint and survivor option without 10 years certain; or (6) an actuarially equivalent lump sum payment, when this option is available. Active employees who become totally and permanently disabled may qualify for a vested retirement income at age 65 or an early retirement income at ages 55 through 64 if they have met the requirements for these benefits when they initially became disabled. Upon the death of an active or disabled retiree, a benefit in the form of a monthly income or lump sum payment is paid to the participant's beneficiary in accordance with the plan document.

Benefits paid by the defined benefit pension plan are adjusted annually by the change in the consumer price index, subject to a maximum increase of 6% for employees who retired before Dec. 6, 1991. Employees who retired on or after Dec. 6, 1991, receive two-thirds of the change in the consumer price index, up to a maximum of 4%.

Membership

At Dec. 31, participants in the defined benefit pension plan are as follows.

	2023	**2022**
Retirees and beneficiaries currently receiving benefits	**185**	180
Terminated vested employees not yet receiving benefits	**46**	47
Active plan participants	**72**	77
Total participants	**303**	304

Contributions

All contributions to the defined benefit pension plan are authorized by the board and made by Platte River. Employees cannot contribute to the defined benefit pension plan. The defined benefit pension plan's funding policy is intended to fund current service costs as they accrue, plus an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits.

Platte River's contributions to the defined benefit pension plan, equaling or exceeding the actuarially determined requirements for the years ended Dec. 31, 2023 and 2022, are as follows.

	2023	2022
	(in thousands)	
Base contribution	**$ 3,041**	$ 3,192
Additional funding	**3,000**	1,141
Total contributions	**$ 6,041**	$ 4,333

Expenses

Investment manager fees are deducted from investment earnings by the investment management firms.

Additionally, Platte River pays the administrative expenses of the defined benefit pension plan, including actuarial fees, investment consulting fees, trustee fees, auditing expenses and legal fees.

Net pension liability

The net pension liability was measured and determined by actuarial valuations as of Dec. 31, 2023 and 2022, respectively. The components of the net pension liability were as follows.

	2023	2022
	(in thousands)	
Total pension liability	**$ 141,193**	$ 135,605
Plan fiduciary net position	**112,919**	105,085
Platte River's net pension liability	**$ 28,274**	$ 30,520
Plan fiduciary net position as a percentage of the total pension liability	**79.98%**	77.49%

Actuarial assumptions

Total pension liability for the years ended Dec. 31, 2023 and 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	2023	2022
Salary increases, next calendar period, all ages	**3%**	7%
Salary increases, all future periods, age <51	**4%**	4%
Salary increases, all future periods, age 51-65	**3%**	3%
Salary increases, all future periods, age 66+	**2%**	2%
Investment rate of return	**7.5%**	7.5%
Cost of living	**1.5%**	1.5%

Mortality rates for the years ended Dec. 31, 2023 and 2022, were based on the Pri-2012 employee, healthy retiree and contingent survivor mortality tables for males and females, projected generationally with the MP-2020 projection scales for males and females.

The actuarial assumption for the long-term expected rate of return on defined benefit pension plan investments is established in the investment policy statement approved by the retirement committee. Platte River establishes a rate using best-estimate ranges of expected future rates of return net of investment expense for each major asset class. The estimates for each major asset class that are included in the defined benefit pension plan's target asset allocation as of Dec. 31, 2023 and 2022, are summarized in the following table.

	Target allocation		**Long-term expected rate of return**	
Asset class	**Dec. 31, 2023**	**Dec. 31, 2022**	**2023**	**2022**
Domestic equities	**34%**	33%	**7.0%**	7.1%
International equities	**16%**	16%	**6.9%**	7.0%
Emerging market equities	**6%**	7%	**6.9%**	7.2%
Core fixed income	**14%**	15%	**4.3%**	3.1%
Inflation protection	**3%**	2%	**3.7%**	3.3%
High yield	**7%**	7%	**6.0%**	5.4%
Infrastructure	**2%**	2%	**6.6%**	7.1%
Natural resources	**5%**	5%	**7.6%**	6.9%
Real estate	**2%**	2%	**7.6%**	9.4%
Private credit	**4%**	4%	**6.2%**	9.2%
Private equity	**6%**	6%	**8.3%**	10.0%
Cash	**1%**	1%	**n/a**	n/a

Discount rate

The discount rate used to measure total pension liability was 7.5% for the years ended Dec. 31, 2023 and 2022. Projections of cash flows assumed: (a) employer contributions are made throughout the year and, on average, at midyear and (b) all decrement events are assumed to occur in the middle of the year. Based on these assumptions, the defined benefit pension plan's fiduciary net position was projected to meet all projected future benefit payments of current defined benefit pension plan participants. The long-term expected rate of return on defined benefit pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Changes in net pension liability

Changes in net pension liability for the year ended Dec. 31, 2023, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
		(in thousands)	
Balances at Dec. 31, 2022	$ 135,605	$ 105,085	$ 30,520
Changes for the year			
Service cost	1,100	-	1,100
Interest	9,939	-	9,939
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,918	-	2,918
Employer contributions	-	6,041	(6,041)
Net investment income	-	10,162	(10,162)
Benefit payments	(8,369)	(8,369)	-
Changes of assumptions	-	-	-
Net changes	5,588	7,834	(2,246)
Balances at Dec. 31, 2023	**$ 141,193**	**$ 112,919**	**$ 28,274**

Changes in net pension liability for the year ended Dec. 31, 2022, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
		(in thousands)	
Balances at Dec. 31, 2021	$ 129,287	$ 121,517	$ 7,770
Changes for the year			
Service cost	1,055	-	1,055
Interest	9,459	-	9,459
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,254	-	4,254
Employer contributions	-	4,333	(4,333)
Net investment loss	-	(12,315)	12,315
Benefit payments	(8,450)	(8,450)	-
Changes of assumptions	-	-	-
Net changes	6,318	(16,432)	22,750
Balances at Dec. 31, 2022	$ 135,605	$ 105,085	$ 30,520

Sensitivity of the net pension liability to changes in the discount rate

Net pension liability at Dec. 31, 2023, calculated using the current discount rate, as well as using a discount rate 1% lower or 1% higher than the current rate, is as follows.

	Discount rate	Net pension liability 2023 (in thousands)
1% decrease	6.5%	$ **42,264**
Current discount rate	7.5%	**28,274**
1% increase	8.5%	**16,293**

Termination

Platte River reserves the right to discontinue its contributions at any time and to terminate the defined benefit pension plan, although it has not expressed any intention to do so. Discontinuing contributions does not constitute a formal termination of the defined benefit pension plan. If Platte River formally terminates the defined benefit pension plan, the net position of the defined benefit pension plan will be distributed in the following order of priority.

a. The minimum required amount to retired or terminated participants whose retirement income payments began at least three years before the termination date.

b. Each other active, retired or terminated participant who, at least three years before the termination date, had become eligible for benefits.

Remaining assets are allocated between participants and beneficiaries using the excess above the amount required to provide the actuarial equivalent single sum value.

Platte River is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is therefore not subject to the pension benefit guaranty provisions of ERISA. Benefits under the defined benefit pension plan are not insured by the Pension Benefit Guaranty Corporation.

Pension expense

The board-approved policies under GASB 62, paragraphs 476–500, allow Platte River to recognize pension expense when recovered through rates rather than recording the amount calculated under GASB 68 (note 6).

For the years ended Dec. 31, 2023 and 2022, Platte River recognized pension expense as follows.

	2023	2022
	(in thousands)	
Base contribution	**$ 3,041**	$ 3,192
Additional pension funding expense amortization (note 6)	**853**	896
Pension contribution expense recognition amortization (note 6)	**621**	811
Total pension expense	**$ 4,515**	$ 4,899

Deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan

At Dec. 31, 2023 and 2022, Platte River reported deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan from the following sources.

Dec. 31, 2023	**Deferred outflows of resources**	**Deferred inflows of resources**
	(in thousands)	
Differences between expected and actual experience	$ 1,554	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	8,233	-
Total	**$ 9,787**	**$ -**

Dec. 31, 2022	**Deferred outflows of resources**	**Deferred inflows of resources**
	(in thousands)	
Differences between expected and actual experience	$ 2,851	$ -
Changes of assumptions	-	287
Net difference between projected and actual earnings on investments	11,998	-
Total	$ 14,849	$ 287

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan as of Dec. 31, 2023, will be recognized as a component of pension expense as follows.

Year ending Dec. 31	
(in thousands)	
2024	$ 4,114
2025	2,366
2026	3,781
2027	(474)
2028	-
Total	$ 9,787

9. Asset retirement obligations

Platte River has evaluated its contracts and current regulations associated with tangible capital assets and identified those subject to asset retirement obligation recognition under GASB Statement No. 83, *Certain Asset Retirement Obligations* and for which costs can be estimated.

Asset retirement obligation activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022	**Additions**	**Reductions**	**Dec. 31, 2023**	**Due within one year**
		(in thousands)			
Deferred outflows of resources	$ 25,316	$ 4,476	$ (3,421)	**$ 26,371**	$ -
Liabilities	33,286	4,476	(1,846)	**35,916**	933

Asset retirement obligation activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	**Additions**	**Reductions**	**Dec. 31, 2022**	**Due within one year**
		(in thousands)			
Deferred outflows of resources	$ 22,447	$ 5,069	$ (2,200)	$ 25,316	$ -
Liabilities	29,255	5,069	(1,038)	33,286	1,547

Rawhide Energy Station decommissioning

As part of the 1979 rezoning resolution and Rawhide Energy Station construction agreement with the Board of County Commissioners of Larimer County, the county government included reclamation or restoration requirements if Platte River abandons the Rawhide Energy Station as a location for the generation of electricity. Platte River agreed to remove all above-ground structures, excluding the cooling pond dam and power plant foundations, in accordance with reasonable specifications and procedures to be agreed upon by both parties at the time of abandonment.

In 2019, Platte River hired an independent engineering firm to estimate the asset retirement obligation under the agreement's reclamation or restoration clause. The firm's report estimates the cost to decommission and demolish all infrastructure to grade, except the substation and transmission line, with no concrete foundation removal. The estimate assumes a contractor will perform the necessary work. The cost estimate has not been reduced for the potential market value of reusable or scrap materials and does not consider associated recycling costs.

Platte River has recognized its asset retirement liability using the "probable cost" price estimates developed by the engineering firm. Cost estimates were provided with a +/- 30 percent high-low range from the probable cost estimate for decommissioning, demolition and environmental cost categories. The deferred outflows of resources and associated liability will be adjusted for inflation/deflation annually and reviewed for other significant changes.

The amortization period for recognition of the deferred outflow of resources is based on the estimated remaining useful life of the Rawhide Energy Station of Dec. 31, 2055.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	2023	**2022**
	(in thousands)	
Deferred outflows of resources	**$ 15,128**	$ 14,416
Noncurrent liability	**17,551**	16,403

Rawhide Energy Station impoundments

Platte River is obligated under state laws and regulations to remove wastes from impoundments at the Rawhide Energy Station and confirm that any environmental impact has been addressed before closure. The impoundments used for the generation of electric power and energy and associated purposes include nine phosphorous removal ponds, one retention pond and a fire training pond. Platte River hired an independent consultant to estimate the closure costs of the impoundments. Following state regulations, the estimate will be updated every five years. As a result, Platte River recognized an asset retirement obligation for the estimated clean closure costs of these impoundments and the amount is adjusted annually for inflation/deflation. These costs are amortized over the estimated remaining useful life of each impoundment or the estimated remaining useful life of the facility, whichever is shorter. Impoundments are therefore amortized through Rawhide Unit 1’s planned retirement date, which is Dec. 31, 2029. Platte River meets the financial assurances required by the state.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	2023	2022
	(in thousands)	
Deferred outflows of resources	**$ 4,397**	$ 4,581
Noncurrent liability	**7,178**	6,708

Craig Generating Station impoundments

As part of the Yampa Project Amended and Restated Participation Agreement among PacifiCorp, Public Service Company of Colorado, Platte River Power Authority, Salt River Project Agricultural Improvement and Power District and Tri-State Generation and Transmission Association, Inc. (Participation Agreement), the participants must operate, maintain, replace, remove and provide all Yampa Project capital improvements in compliance with laws, executive orders and regulations applicable to the participants. The Participation Agreement continues until the last of Craig Generating Station Unit 1 or 2 is retired from service, and all salvage and required site restoration is completed and the participants have paid their respective shares of those costs. The participants have undivided ownership interests in Craig units 1 and 2 and the common facilities.

Tri-State is the operating agent under the Participation Agreement. Tri-State has given Platte River its best estimate of the current asset retirement obligation liability based on Financial Accounting Standards Board guidance, which is being accreted to a future cashflow estimate and does not currently represent the full liability. The asset retirement obligation consists of restoration costs of five dewatering ponds, a high-quality water holding pond and an evaporation pond used for the generation of electric power and energy and associated uses. Beginning in 2022, the asset retirement obligation increased due to including an estimate for post closure monitoring of the ponds and cost estimate updates. Platte River’s interest in Craig units 1 and 2 represents a minority of the asset retirement obligation. Under GASB 83 guidance, Platte River’s reported liability depends on the measurement produced by Tri-State. Platte River receives an annual update for its share of the asset retirement obligation from Tri-State and adjusts the liability and future amortization schedule accordingly. Each pond, representing an associated tangible capital asset of the asset retirement obligation liability, is amortized through Craig Unit 2’s planned retirement date of Sept. 30, 2028.

Platte River’s share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

	2023	2022
	(in thousands)	
Total member liability	**$ 31,117**	$ 29,787
Platte River's % share	**12%**	12%
Platte River's deferred outflows of resources	**$ 2,497**	$ 2,830
Platte River's noncurrent liability	**$ 3,734**	$ 3,575

Trapper Mining Inc. reclamation and mine closure

Trapper Mining Inc. is engaged in the business of mining, selling and delivering coal from the Trapper Mine located near Craig, Colorado, to its members under an agreement with the Craig Generating Station, located adjacent to the Trapper Mine. Trapper Mining Inc. follows Financial Accounting Standard Board guidance and has recorded an asset retirement obligation related to the final reclamation and mine closure based on detailed engineering calculations of the amount and timing of future cash spending for a third party to perform the required work. Under the Final Reclamation Agreement with its members, Trapper Mining Inc. (as contractor) and Salt River Project Agricultural Improvement and Power District, Tri-State, PacifiCorp, Platte River, and Public Service Company of Colorado (as payors) assume responsibility for the asset retirement obligation. The acres of mine to be reclaimed and associated costs are reviewed annually, and the costs are allocated to members based on cumulative tons of coal delivered. Tri-State and Public Service Company of Colorado are no longer members and have settled their asset retirement obligations. The coal contract expires Dec. 31, 2025, and the remaining amount of unamortized deferred outflows of resources is amortized over the remaining term of the contract. In 2021, Trapper Mining Inc. began invoicing for reclamation costs incurred, which Platte River pays and charges against the liability.

Platte River's share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

	2023	2022
	(in thousands)	
Total member liability	**$ 34,498**	$ 28,582
Platte River's % share	**26.67%**	26.72%
Platte River's deferred outflows of resources	**$ 4,349**	$ 3,489
Platte River's gross liability	**$ 9,201**	$ 7,639
Less: reclamation costs incurred	**(1,748)**	(1,039)
Platte River's net liability	**$ 7,453**	$ 6,600
Less: current liability	**(933)**	(1,547)
Noncurrent liability	**$ 6,520**	$ 5,053

Easement agreements

Platte River is a party to numerous easement agreements related to transmission lines and pipelines. These assets are determined to complete a single system, have a perpetual life and are not expected to be retired. Platte River intends to replace sections of its transmission lines, if necessary, and not retire the entire system. Therefore, an asset retirement obligation related to these easements cannot be reasonably estimated.

10. Noncurrent liabilities

Noncurrent liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022	Additions	Reductions	Dec. 31, 2023	Due within one year
			(in thousands)		
Long-term debt, net	$ 150,023	$ -	$ (14,552)	**$ 135,471**	$ 12,790
Other liabilities and credits					
Compensated absences	6,765	1,474	(314)	**7,925**	575
Fiber lease advances	394	-	(47)	**347**	46
Yampa employee obligation	291	-	(3)	**288**	-
Disposal facility closure costs	332	1,718	-	**2,050**	-
Deposits	-	2,175	-	**2,175**	-
Total other liabilities and credits	7,782	5,367	(364)	**12,785**	621
Total noncurrent liabilities	$ 157,805	$ 5,367	$ (14,916)	**$ 148,256**	$ 13,411

Noncurrent liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022	Due within one year
			(in thousands)		
Long-term debt, net	$ 164,297	$ -	$ (14,274)	$ 150,023	$ 12,215
Other liabilities and credits					
Compensated absences	6,197	981	(413)	6,765	586
Fiber lease advances	455	-	(61)	394	46
Yampa employee obligation	380	-	(89)	291	-
Disposal facility closure costs	212	120	-	332	-
Total other liabilities and credits	7,244	1,101	(563)	7,782	632
Total noncurrent liabilities	$ 171,541	$ 1,101	$ (14,837)	$ 157,805	$ 12,847

As discussed in note 3, Platte River has an ash disposal facility, comprising three cells (C1, 2A and 2B), at Rawhide Energy Station and accrues a liability to report a portion of state-regulated closure and postclosure costs, by cell, as an operatng expense in each period based on landfill capacity used as of each statement of net position date. For this purpose, Cells 1 and 2A are considered at capacity and is no longer accepting waste. They also have similar remaining closure and postclosure requirements. Cell 2B was placed into service at the beginning of 2023. Cell 2B's potential capacity exceeds the projected capacity to be used before closure, therefore Platte River considers the greater of actual capacity used or a straightline percentage through expected closure as the capacity used for determining the liability.

Current regulations require Platte River to place a final cover on Cell 2B as part of closure and postclosure monitoring for 30 years on all cells following the closure process. Closure and postclosure cost estimates are allocated to the cells as determined by management, based on the closure and postclosure activities required by each cell. These cost estimates are based on costs to perform all closure and postclosure compliance in 2023. Platte River expects to begin closing the ash disposal facility no earlier than 2030. Actual costs will vary due to inflation, changes in technology or changes in regulations. Cost estimates are maintained according to financial assurance regulations which include periodic updates by an independent third party. In years where a new cost estimate is not obtained, the costs are updated using inflation rates promulgated by the Colorado Department of Public Health and Environment. Disposal facility closure costs are as follows for the years ended Dec. 31, 2023 and 2022.

	2023	2022
	(in thousands)	
Cells 1 and 2A closure and postclosure care cost estimate	**$ 1,144**	$ 332
Capacity used to date	**100%**	100%
Cells 1 and 2A disposal facility closure cost liability	**$ 1,144**	$ 332
Cell 2B closure and postclosure care cost estimate	**$ 6,333**	$ 6,657
Capacity used to date	**14.3%**	0.0%
Cell 2B disposal facility closure cost	**$ 906**	$ -
Total disposal facility closure cost	**$ 2,050**	$ 332

11. Other long-term obligations

Under an agreement between the Windy Gap Firming Project Water Activity Enterprise, Municipal Subdistrict of Northern Colorado Water Conservancy District (Municipal Subdistrict) and Platte River, Platte River has contractual rights to 16,000 acre-feet of storage in the total 90,000 acre-feet storage system known as the Windy Gap Firming Project, of which the largest component is the Chimney Hollow Reservoir. Contractors expect construction to progress through 2025, at which point the new reservoir will be ready to fill. The time needed to fill the reservoir will depend on water supply conditions. Total project costs are not final until the construction period ends. Once the project is complete, Platte River will have a perpetual right for capacity in the project.

In 2021, the project was partially financed through a pooled financing with other participants. Due to alternate accounting treatment (note 6) and specifics of the agreement, Platte River recorded a regulatory asset and other long-term obligations. The regulatory asset is the value of the total cost of the project whereas the other long-term obligations represent Platte River's portion of the pooled financing. Platte River did not receive cash with the financing as the project is managed by the Municipal Subdistrict; however, Platte River also cash funded a portion of the project. The debt service payments under the pooled financing are included in operations and maintenance expense and not accounted for as debt service. These payments are considered fixed obligation charges, reported as cash flows from capital and related financing activities and the outstanding balance of the pooled financing is considered other long-term obligations.

Other long-term obligations outstanding consist of the following.

		Dec. 31,	
	Interest rate	**2023**	**2022**
		(in thousands)	
Windy Gap Firming Project obligations			
Pooled financing senior debt maturing 7/15/2051	4%–5%	**$ 61,046**	$ 61,046
Pooled financing subordinate debt estimated to mature 8/1/2055	2.08%	**32,360**	32,360
Settlement liability	n/a	**1,778**	1,778
		95,184	95,184
Less: due within one year		**(889)**	-
Total long-term obligations, net		**$ 94,295**	$ 95,184

Operations and maintenance expenses relating to the pooled financing alternative accounting treatment are as follows.

	2023	**2022**
	(in thousands)	
Interest	**$ 2,888**	$ 2,888
Principal	**-**	-
Total operations and maintenance expenses relating to the pooled financing	**$ 2,888**	$ 2,888

Estimated calendar year totals for pooled financing payments under the agreement are as follows. These will change depending on final construction timing and costs, and the ability of the other participants to meet their funding obligations.

Year ending Dec. 31	Estimated net principal [1]	Estimated interest	Total
		(in thousands)	
2024	$ -	$ 2,888	$ 2,888
2025	-	2,888	2,888
2026	2,935	3,561	6,496
2027	3,061	3,438	6,499
2028	3,188	3,308	6,496
2029-2033	18,108	14,376	32,484
2034-2038	22,340	10,143	32,483
2039-2044	18,848	5,069	23,917
2045-2048	8,671	2,395	11,066
2049-2053	8,575	986	9,561
2054-2055	2,833	89	2,922
	$ 88,559	$ 49,141	$ 137,700

[1] Estimated unused senior bond service reserves applied in 2041 and 2051.

Other obligations relating to the project include Platte River's portion of a settlement liability estimated to be payable in 2024 and 2025.

At Dec. 31, 2023 and 2022, other long-term assets include senior bond service reserve funds of $4,847,000, which are expected to be applied to future principal payments as shown in estimated net principal above but are not included in total other long-term obligations.

At Dec. 31, 2023 and 2022, other long-term assets also include liquidity fund deposits of $1,562,000 and $305,000, respectively, which are held for use if another participant defaults. When the pooled financing is fully repaid, liquidity funds are expected to be returned to Platte River.

12. Lease and subscription liabilities

Lease and subscription liabilities represent obligations associated with the recognition of amortizable lease and subscription assets (notes 3 and 4) based on the net present value of anticipated future cashflows at the commencement of each lease or subscription term. When necessary, these anticipated future cashflows consider management's best estimate of exercising optional terms within contracts, and actual terms may differ. No lease or subscription contract has a stated or implied interest rate, therefore, Platte River has used an estimated incremental borrowing rate which varies, based on interest rates at the time of each commencement, between 0.4% and 3.6%.

Lease and subscription liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022 restated	Additions	Reductions	Dec. 31, 2023	Due within one year
			(in thousands)		
Lease liabilities	$ 120	$ -	$ (9)	**$ 111**	$ 9
Subscription liabiltiies	1,134	586	(329)	**1,391**	632
Total lease and subscription liabilities	$ 1,254	$ 586	$ (338)	**$ 1,502**	$ 641

Lease and subscription liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022 restated	Due within one year
			(in thousands)		
Lease liabilities	$ 134	$ -	$ (14)	$ 120	$ 9
Subscription liabiltiies	-	1,736	(602)	1,134	329
Total lease and subscription liabilities	$ 134	$ 1,736	$ (616)	$ 1,254	$ 338

Interest expense for the years ended Dec. 31, 2023 and 2022, related to lease and subscription liabilities, was $7,000 and $5,000, respectively. In addition to principal and interest, Platte River recognized, as operating expenses, variable payments of $16,000 and $19,000 during the years ended Dec. 31, 2023 and 2022, which were not included in the initial measurement of the liabilities. No other non-support payments, such as termination penalties, were incurred.

Calendar year totals for expected lease liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	(in thousands)		
2024	$ 9	$ 4	$ 13
2025	9	4	13
2026	10	3	13
2027	10	3	13
2028	11	3	14
2029-2033	62	9	71
	$ 111	$ 26	$ 137

Calendar year totals for expected subscription liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	(in thousands)		
2024	$ 632	$ 33	$ 665
2025	585	19	604
2026	174	3	177
	$ 1,391	$ 55	$ 1,446

13. Net investment in capital assets

Net investment in capital assets consisted of the following as of Dec. 31, 2023 and 2022.

	2023	2022 restated
	(in thousands)	
Electric utility plant	**$ 557,394**	$ 574,294
Windy Gap Firming Project storage rights	**110,568**	111,261
Other long-term assets relating to capital assets	**6,408**	5,152
Deferred loss on debt refundings	**2,281**	3,075
Debt issuance expense recognition regulatory asset	**478**	558
Deferred gain on debt refundings	**(112)**	(126)
Lease and subscription liabilities	**(1,502)**	(1,254)
Accounts payable incurred for capital assets	**(2,136)**	(3,493)
Deferred gains and losses on capital retirements	**(36,425)**	(43,313)
Other long-term obligations	**(95,184)**	(95,184)
Long-term debt, net	**(135,471)**	(150,023)
Net investment in capital assets	**$ 406,299**	$ 400,947

14. Defined contribution plan

Effective Sept. 1, 2010, the board established the Platte River Power Authority defined contribution plan (in accordance with Internal Revenue Code Section 401(a)) for all regular employees hired on or after that date. As of Dec. 31, 2023, there were 215 active plan participants. The plan's assets are held in an external trust account and the investments are participant directed.

Based on years of service, Platte River contributed between 5% and 10% of earnings for plan participants. Platte River also contributed to the 401(a) an amount equal to 50% of the participant's contributions to a separate 457(b) plan, taking into account only participant contributions up to 6% of the participant's earnings. For the years ended Dec. 31, 2023 and 2022, Platte River contributions to the 401(a) plan, which were recognized as expenses, were $2,168,000 and $1,707,000, respectively. The employer contributions to the 401(a) plan vest 100% after three years. The plan's records are kept on the accrual basis.

15. Insurance programs

Platte River has purchased insurance policies to cover the risk of loss related to various general liability, property loss exposures and cyber events. Insurance settlements have not exceeded insurance coverage in the past three years. Platte River also provides a self-insured medical and dental plan to its employees. Platte River carries medical stop-loss insurance to cover losses above $175,000 per person per incident. A liability was recorded for estimated medical and dental claims that were incurred but not reported. Platte River uses a third-party administrator to account for health insurance claims and estimates medical claims liability based on prior claims payment experience. Medical claims liability is included as a component of accounts payable in the statements of net position.

Changes in the balance of the medical claims liability during 2023, 2022 and 2021 were as follows.

	2023	2022	2021
		(in thousands)	
Medical claims liability, beginning of year	**$ 1,000**	$ 493	$ 552
Current year claims and changes in estimates	**5,747**	5,058	3,577
Claim payments	**(5,809)**	(4,551)	(3,636)
Medical claims liability, end of year	**$ 938**	$ 1,000	$ 493

16. Related-party transactions

Platte River pays certain expenses of the defined benefit pension plan and performs certain administrative functions at no cost to the defined benefit pension plan.

17. Commitments

Platte River has two long-term purchase power contracts with WAPA. The contract with the Colorado River Storage Project continues through Sept. 30, 2057. The Loveland Area Projects contract continues through Sept. 30, 2054. The contract rates and the amount of energy available are subject to change. During 2023, Platte River paid $16,183,000 for power delivered under these contracts.

Platte River and two of the other four participants in the Yampa Project own Trapper Mine, the primary source of coal for the Yampa Project. The contract provides for delivery of specified amounts of coal to each Yampa owner through 2025. This contract is subject to price adjustments. During 2023, Platte River’s coal purchases totaled $20,862,000 under this contract.

The Rawhide Energy Station’s coal purchase and transportation agreements are under multiple-year contracts. Base prices for these contracts are subject to future price adjustments. During 2023, Platte River paid $23,305,000 for coal delivered under these agreements.

Platte River has committed to purchase Renewable Energy Certificates (RECs) annually through 2024, with future payment of $538,000. During 2023, Platte River paid $550,000 under these REC agreements.

Platte River has agreements to purchase renewable wind energy output of 12 megawatts from Silver Sage Windpower Project through 2029, 60 megawatts from Spring Canyon Wind Energy Center Phases II and III through 2039, approximately 6 megawatts from Medicine Bow Wind Project through 2033 and 225 megawatts from Roundhouse Wind Energy Center through 2042. During 2023, Platte River paid $23,439,000 under these renewable wind energy agreements. Platte River has a long-term agreement with a third party to sell all the output purchased from the Silver Sage Windpower Project through 2029. During 2023, Platte River received $627,000 under this agreement. In addition, to accommodate additional wind energy available from the Roundhouse Wind Energy Center power purchase agreement and reduce ancillary services expense, the energy and renewable attributes from the Spring Canyon Wind Energy Center Phases II and III sites were sold under a 10-year sales contract beginning in 2020. At the end of the sales contract, the energy will return to Platte River. During 2023, Platte River received $3,496,000 under this agreement.

Platte River has agreements to purchase renewable solar energy output of 30 megawatts through 2041 from the Rawhide Flats Solar photovoltaic power plant (located at the Rawhide Energy Station) and 22 megawatts through 2041 from the Rawhide Prairie Solar photovoltaic power plant (also located at the Rawhide Energy Station). A two megawatt-hour battery energy storage project is fully integrated with Rawhide Prairie Solar. During 2023, Platte River paid $4,890,000 under these renewable solar energy agreements.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of generation from Craig units 1 and 2 through June 30, 2024. During 2023, Platte River received $4,152,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell 65 megawatts of capacity from combustion turbine units A-D through Apr. 30, 2025. The agreement also provides for energy, maintenance and start charges when the capacity option is called. During 2023, Platte River received $5,251,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell non-unit-specific capacity beginning on Jan. 1, 2024 through May 31, 2026. The capacity sold is 50 megawatts through the end of 2024, then increases to 100 megawatts through the duration of the agreement. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of non-unit-specific capacity beginning on June 1, 2024 through Sept. 30, 2025. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

18. Risks, uncertainties and contingencies

In the ordinary course of business, Platte River may be affected by various legal matters and is subject to legislative, administrative and regulatory requirements that govern operations and environmental compliance. Although Platte River cannot predict the outcomes of these matters, management is aware of no pending legal matters or environmental regulations for which the outcome is likely to have a material adverse effect upon Platte River's operations, financial position or changes in financial position in the near term.

Currently Platte River generates and delivers the majority of its energy from carbon resources. In December 2018, the board passed the Resource Diversification Policy. The policy includes the goal of reaching a 100% noncarbon energy mix by 2030 while maintaining Platte River's "three pillars" of providing reliable, environmentally responsible and financially sustainable electricity and services. The policy acknowledges that several conditions must be met to achieve this goal, including participation in a full energy market, more mature and lower-cost battery storage performance, transmission and distribution infrastructure investments, improved grid management systems and more. Platte River is proactively working to diversify its resource mix to achieve the policy's goal.

Additionally, potential changes in environmental regulations could affect the cost of generation for coal and gas facilities or could require significant capital expenditures and therefore materially affect the rates Platte River charges its customers. In 2019, the Colorado General Assembly adopted a "Climate Action Plan" (H.B. 19-1261) that established statewide goals for a 26% reduction in greenhouse gas emissions from 2005 levels by 2025, a 50% reduction by 2030 and a 90% reduction by 2050. In addition, S.B. 19-236 established even more stringent greenhouse gas emission reduction targets for electric utilities, including an 80% reduction from 2005 levels by 2030 and a 100% reduction by 2050. During 2020, the state released a draft roadmap outlining potential policies to meet outlined targets. In 2022, Platte River submitted a voluntary clean energy plan under H.B. 19-1261 and S.B. 19-236 showing Platte River's path to reduce its carbon emissions 80% by 2030 (compared to 2005 levels).

Investments of the defined benefit pension plan are subject to various risks, such as interest rate, credit, foreign currency, illiquidity, quality of fund managers and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments could occur in the near term and that these changes could materially affect the amounts reported in the statements of fiduciary net position.

Platte River makes defined benefit pension plan contributions and reports net pension liability based on assumptions about interest rates, inflation rates and employee demographics, all of which could change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

The defined benefit pension plan is exposed to potential losses from torts. Platte River carries fiduciary liability insurance coverage for these types of claims. There have been no significant decreases in insurance coverage.

Platte River's defined benefit pension plan portfolio includes allocations to various asset classes with volatile prices. Due to market conditions, the lump sum distribution option from the defined benefit pension plan was suspended in 2022.

Economic uncertainties continue to exist that may negatively affect Platte River's financial position, results of operations and cash flows. The duration and future financial impact of supply chain constraints, labor and materials shortages, price volatility in fuel and electric markets, inflation, national and international political tensions and other risks and uncertainties cannot be reasonably estimated.

19. Change in accounting principle

In 2023, Platte River recognized the effect of a change in accounting principle for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* to reflect the initial recording for subscription arrangement accounting of amortizable subscription assets included in electric utility plant (note 4), subscription liabilities (note 12) and related amortization expense. This resulted in a restatement of the following Dec. 31, 2022, financial statement line items.

Year ended Dec. 31, 2022	**Previously reported**	**Restated**	**Increase (decrease)**
		(in thousands)	
Statement of net position			
Electric utility plant, at original cost			
Plant and equipment in service	$ 1,463,609	$ 1,466,932	$ 3,323
Accumulated depreciation and amortization	(936,475)	(936,957)	(482)
Construction work in progress	26,117	24,873	(1,244)
Current assets			
Prepayments and other assets	2,868	2,506	(362)
Noncurrent liabilities			
Lease and subscription liabilities [(1)]	111	916	805
Current liabilities			
Current portion of lease and subscription liabilities [(2)]	9	338	329
Accounts payable	24,378	24,359	(19)
Deferred inflows of resources			
Regulatory credits	75,810	75,947	137
Net position			
Net investment in capital assets	400,485	400,947	462
Unrestricted	238,583	238,103	(480)

[(1)] Previously reported as a component of other liabilities and credits but has also been reclassified to conform with current year presentation.

[(2)] Previously reported as a component of accrued liabilities and other but has also been reclassified to conform with current year presentation.

Year ended Dec. 31, 2022	Previously reported	Restated	Increase (decrease)
		(in thousands)	
Statement of revenues, expenses and changes in net position			
Operating revenues			
Deferred regulatory revenues	$ (21,602)	$ (21,739)	$ (137)
Operating expenses			
Operations and maintenance	67,482	67,079	(403)
Administrative and general	26,015	25,956	(59)
Distributed energy resources	8,484	8,339	(145)
Depreciation, amortization and accretion	36,129	36,612	483
Nonoperating revenues (expenses)			
Interest expense	(4,163)	(4,168)	(5)
Change in net position	6,654	6,636	(18)
Net position at end of year	657,941	657,923	(18)
Statement of cash flows			
Cash flows from operating activities			
Payments for operating goods and services [1]	$ (167,724)	$ (166,773)	$ 951
Cash flows from capital and related financing activities			
Additions to electric utility plant	(18,747)	(19,091)	(344)
Payments on lease and subscription liabilities	(14)	(621)	(607)
Noncash capital and realted financing activities			
Additions of electric utility plant through leasing and subscription	-	1,736	1,736

[1] Previously reported adjusted for reclassification to payments related to other long-term obligations to conform with current year presentation not related to this change in accounting principle.

Platte River Power Authority
Defined benefit pension plan
Required supplementary information
Schedule of changes in net pension liability and related ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
					(in thousands)					
Total pension liability										
Service cost	**$ 1,100**	$ 1,055	$ 1,216	$ 1,364	$ 1,575	$ 1,535	$ 1,616	$ 1,728	$ 1,839	$ 1,885
Interest	**9,939**	9,459	9,306	9,179	9,022	8,740	8,421	8,176	7,665	7,343
Changes of benefit terms	**-**	-	(160)	-	-	-	-	-	2,397	-
Differences between expected and actual experience	**2,918**	4,254	3,017	970	704	2,088	1,175	(620)	931	(180)
Changes of assumptions	**-**	-	(1,353)	-	-	-	-	-	3,661	(574)
Benefit payments	**(8,369)**	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(4,287)
Net change in total pension liability	**5,588**	6,318	827	3,369	1,442	4,947	4,851	3,866	11,861	4,187
Total pension liability–beginning	**135,605**	129,287	128,460	125,091	123,649	118,702	113,851	109,985	98,124	93,937
Total pension liability–ending (a)	**$ 141,193**	$ 135,605	$ 129,287	$ 128,460	$ 125,091	$ 123,649	$ 118,702	$ 113,851	$ 109,985	$ 98,124
Plan fiduciary net position										
Contributions – employer	**$ 6,041**	$ 4,333	$ 4,569	$ 7,593	$ 3,649	$ 4,578	$ 6,220	$ 2,912	$ 3,302	$ 3,905
Net investment income	**10,162**	(12,315)	15,291	6,995	13,044	(3,179)	11,289	7,476	(624)	4,658
Benefit payments	**(8,369)**	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(4,287)
Net change in Plan fiduciary net position	**7,834**	(16,432)	8,661	6,444	6,834	(6,017)	11,148	4,970	(1,954)	4,276
Plan fiduciary net position–beginning	**105,085**	121,517	112,856	106,412	99,578	105,595	94,447	89,477	91,431	87,155
Plan fiduciary net position–ending (b)	**$ 112,919**	$ 105,085	$ 121,517	$ 112,856	$ 106,412	$ 99,578	$ 105,595	$ 94,447	$ 89,477	$ 91,431
Net pension liability–ending (a) – (b)	**$ 28,274**	$ 30,520	$ 7,770	$ 15,604	$ 18,679	$ 24,071	$ 13,107	$ 19,404	$ 20,508	$ 6,693
Plan fiduciary net position as a percentage of the total pension liability	**79.98%**	77.49%	93.99%	87.85%	85.07%	80.53%	88.96%	82.96%	81.35%	93.18%
Estimated covered payroll	**$ 12,664**	$ 12,154	$ 12,502	$ 13,490	$ 14,909	$ 15,290	$ 16,215	$ 16,874	$ 17,305	$ 17,951
Net pension liability as a percentage of estimated covered payroll	**223.25%**	251.10%	62.15%	115.67%	125.29%	157.43%	80.83%	114.99%	118.51%	37.28%

Platte River Power Authority
Defined benefit pension plan
Required supplementary information
Schedule of employer contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
					(in thousands)					
Actuarially determined contribution	**$ 6,041**	$ 4,333	$ 4,569	$ 7,593	$ 3,649	$ 4,578	$ 6,220	$ 2,912	$ 3,302	$ 3,905
Contribution in relation to the actuarially determined contribution	**6,041**	4,333	4,569	7,593	3,649	4,578	6,220	2,912	3,302	3,905
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Estimated covered payroll	**$12,664**	$12,154	$12,502	$13,490	$14,909	$15,290	$16,215	$16,874	$17,305	$17,951
Contributions as a percentage of covered payroll	**47.70%**	35.65%	36.55%	56.29%	24.48%	29.94%	38.36%	17.26%	19.08%	21.75%

Notes to schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the calendar year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability, entry age normal
Amortization method	5-year, level dollar, open period
Asset valuation method	4-year smoothed market
Salary increases	3.2%, 10 year average
Increases in retiree benefits – in payment	If benefits commenced prior to 1/1/92, 2.25% for 2015-2023 and 3% for 2014. If benefits commenced after 12/31/1991, 1.5% for 2015–2023 and 2% for 2014.
Investment rate of return	7.5% for 2016 - 2023; 8% for 2014 – 2015

Platte River Power Authority
Defined benefit pension plan
Required supplementary information
Schedule of investment returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	**9.8%**	(10.3%)	14.0%	6.6%	13.5%	(3.1%)	12.0%	8.5%	(0.7%)	5.4%

Platte River Power Authority
Supplementary information
Budgetary comparison schedule

	Year ended Dec. 31, 2023		
	Budget [1]	Actual	Variance
	(in thousands)		
Revenues			
Operating revenues			
Sales to owner communities	$ 224,082	**$ 217,735**	$ (6,347)
Sales for resale and other	74,638	**71,011**	(3,627)
Total operating revenues	298,720	**288,746**	(9,974)
Other revenues			
Interest income[2]	5,978	**7,789**	1,811
Other income	301	**318**	17
Total other revenues	6,279	**8,107**	1,828
Total revenues	$ 304,999	**$ 296,853**	$ (8,146)
Expenditures			
Operating expenses[3]			
Purchased power	$ 55,115	**$ 61,730**	$ (6,615)
Fuel	62,676	**45,142**	17,534
Production	54,770	**58,307**	(3,537)
Transmission	20,254	**19,348**	906
Administrative and general	31,508	**31,714**	(206)
Distributed energy resources	13,789	**10,131**	3,658
Total operating expenses	238,112	**226,372**	11,740
Capital additions			
Production	14,668	**11,758**	2,910
Transmission	14,953	**7,484**	7,469
General	13,048	**6,650**	6,398
Asset retirement obligations	52	**52**	-
Total capital additions	42,721	**25,944**	16,777
Debt service expenditures[4]			
Principal	12,888	**12,888**	-
Interest expense	5,239	**5,239**	-
Total debt service expenditures	18,127	**18,127**	-
Total expenditures	$ 298,960	**$ 270,443**	$ 28,517
Contingency appropriation	51,656	**-**	51,656
Total expenditures and contingency	$ 350,616	**$ 270,443**	$ 80,173
Revenues less expenditures and contingency	$ (45,617)	**$ 26,410**	$ 72,027

(1) Reflects $344,000 transfer of budget-appropriated funds from contingency appropriation to debt service expenditures.

(2) Interest income excludes unrealized investment holding gains and losses.

(3) Operating expenses do not include depreciation and other nonappropriated expenses.

(4) Debt service expenditures include monthly principal and interest funding for power revenue bonds and lease and subscription liabilities.