Wabash Valley Power Association, Inc.

Consolidated Financial Statements
as of and for the Years Ended December 31, 2024 and 2023,
and Independent Auditor’s Report

Deloitte & Touche LLP
111 Monument Circle
Suite 4200
Indianapolis, IN 46204-5105
USA

Tel:+1 317 464 8600
Fax:+1 317 464 8500
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Wabash Valley Power Association, Inc.
Indianapolis, Indiana

Opinion

We have audited the consolidated financial statements of Wabash Valley Power Association, Inc. and its subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and patronage capital and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 the Company'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 the Company'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.

Deloitte & Touche LLP

March 21, 2025

WABASH VALLEY POWER ASSOCIATION, INC.

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023
(in thousands)

	2024	2023
ASSETS		
PLANT:		
In service—at cost	$ 1,485,158	$ 1,505,885
Construction work in progress	61,514	96,936
Plant held for future use	243	243
Less accumulated depreciation	(540,972)	(525,712)
	1,005,943	1,077,352
CURRENT ASSETS:		
Cash and cash equivalents	184,802	129,304
Restricted cash	2,511	285
Accounts receivable	110,595	87,557
Fuel stock and material inventory—at average cost	24,840	23,838
Under recovered power costs	-	104
Other	24,264	13,224
Plant held for sale	118,746	-
	465,758	254,312
OTHER ASSETS:		
Investments	22,318	21,143
Deferred charges and other	214,086	213,384
	236,404	234,527
TOTAL ASSETS	$ 1,708,105	$ 1,566,191
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION:		
Patronage capital equity	$ 334,303	$ 302,803
Finance lease liabilities	4,707	5,122
Operating lease liabilities	1,765	1,669
Long-term debt	864,469	817,958
	1,205,244	1,127,552
CURRENT LIABILITIES:		
Current portion of long-term debt	53,279	52,195
Accounts payable	73,981	77,169
Accrued interest	7,397	6,922
Accrued taxes other than income	5,932	5,650
Over collected power costs	23,806	-
Other	29,306	28,165
	193,701	170,101
DEFERRED CREDITS	309,160	268,538
TOTAL CAPITALIZATION AND LIABILITIES	$ 1,708,105	$ 1,566,191

WABASH VALLEY POWER ASSOCIATION, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(in thousands)

	2024	2023
OPERATING REVENUES:		
Member	$ 662,560	$ 652,405
Other	115,730	106,689
Total revenues	778,290	759,094
OPERATING EXPENSES:		
Fuel	59,002	65,016
Operation and maintenance	72,423	77,748
Purchased power	502,040	482,138
Administrative and general	26,266	24,048
Other taxes	856	682
Depreciation and amortization	63,811	60,593
Total operating expenses	724,398	710,225
OPERATING MARGIN	53,892	48,869
OTHER EXPENSES (INCOME):		
Interest expense—net of amounts capitalized	47,077	47,058
Interest income	(6,512)	(9,704)
Miscellaneous income and deductions—net	(20,673)	(18,485)
Total other expenses (income)	19,892	18,869
NET MARGIN	34,000	30,000
PATRONAGE CAPITAL—Beginning of year	302,803	275,303
PATRONAGE CAPITAL RETIREMENT	(2,500)	(2,500)
PATRONAGE CAPITAL—End of year	$ 334,303	$ 302,803

See notes to consolidated financial statements.

WABASH VALLEY POWER ASSOCIATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(in thousands)

	2024	2023
OPERATING ACTIVITIES:		
Net margin	$ 34,000	$ 30,000
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and amortization	63,811	60,593
Changes in certain assets and liabilities:		
Accounts receivable	(23,038)	19,309
Fuel stock and material inventory	(1,002)	(3,671)
Over collected/under recovered power costs	23,910	21,865
Accounts payable	4,915	(40,914)
Other assets and liabilities	23,541	99,044
Net cash provided by operating activities	126,137	186,226
INVESTING ACTIVITIES:		
Capital expenditures	(111,380)	(132,858)
Proceeds from sale of property, plant, and equipment	5	-
Proceeds from investments	124	115
Purchase of investments	(1,299)	(1,608)
Net cash used in investing activities	(112,550)	(134,351)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	100,000	-
Patronage capital retirements	(2,500)	(2,500)
Payments on finance leases	(662)	(662)
Payment on long-term debt	(52,701)	(52,936)
Net cash (used in)/provided by financing activities	44,137	(56,098)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	57,724	(4,223)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of period	129,589	133,812
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—End of period	$ 187,313	$ 129,589
SUPPLEMENTAL CASH FLOWS INFORMATION:		
Cash paid for interest on long-term debt	$ 41,324	$ 43,172
Additions to electric plant included in accounts payable	$ 24,036	$ 32,313

See notes to consolidated financial statements.

1. ORGANIZATION

Organization—Wabash Valley Power Association, Inc. d/b/a Wabash Valley Power Alliance, Inc. ("Wabash Valley Power" or the "Company") is a nonprofit electric generation and transmission cooperative headquartered in Indianapolis, Indiana. The Company provides wholesale power to 23 rural electric membership corporations (REMCs) located in northern Indiana and parts of Illinois and Missouri.

21 member REMCs have signed a Wholesale Power Supply Contract that obligates them to purchase all power and energy needed to serve their customers from Wabash Valley Power, except for distributed generation as permitted in Wabash Valley's policies. These contracts extend through December 2060.

On October 31, 2024, FERC approved agreements for two member REMCs that, effective June 1, 2025, terminate their membership in Wabash Valley and transition one to a full-requirements customer and the other to a partial-requirements customer. All obligations under these agreements terminate on May 31, 2028 and December 31, 2032, respectively.

Wabash Valley Power's membership also includes two non-cooperative organizations, JAron & Company (JAron) and Wabash Valley Energy Marketing, Inc. (Energy Marketing), a wholly owned subsidiary of Wabash Valley Power. JAron had contracted energy purchases from Wabash Valley Power through December 2024. As of January 1, 2025, JAron had no outstanding transactions from Wabash Valley and their membership was automatically terminated, per their membership agreement.

Basis of Consolidation—Due to Wabash Valley Power's ownership and control over the operations of Energy Marketing, the results of Energy Marketing have been included in the consolidated financial statements and all significant intercompany transactions have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Regulatory Accounting—Wholesale rates for Wabash Valley Power were governed by the Federal Energy Regulatory Commission (FERC) under the Federal Power Act through December 31, 2024. As such, the Company maintains its accounting records in accordance with the Uniform System of Accounts as prescribed by FERC. All required adjustments to FERC accounting have been made to make the consolidated financial statements consistent with GAAP. The Company elected to withdraw from FERC jurisdiction as of January 1, 2025.

The rates charged by the Company for power supplied to its members are based on the revenue required by Wabash Valley Power to cover the cost of supplying such power, plus an appropriate margin. As a rate-regulated entity, Wabash Valley Power issues consolidated financial statements that reflect actions of regulators that result in the recognition of revenues and expenses in different periods than enterprises that are not rate-regulated, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 980—Regulated Operations (ASC 980). As such, regulatory assets are recorded to reflect future revenues associated with costs that are expected to be recovered from customers in future periods. Regulatory liabilities are recorded to reflect future reductions in revenues associated with amounts that are expected to be credited to customers in future periods. For further information, see Note 9—Deferred Charges and Credits.

Cash and Cash Equivalents—Cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Restricted Cash—Wabash Valley Power's restricted cash for 2024 and 2023 includes amounts held as collateral to cover the Company's market exposure on gas futures contracts. The following table reconciles cash, cash equivalents and restricted cash reported on the balance sheets with those amounts shown in the statements of cash flows.

	2024	2023
Cash and cash equivalents	$ 184,802	$ 129,304
Restricted cash	2,511	285
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	$ 187,313	$ 129,589

Asset Impairment—Long-lived assets are reviewed for impairment when events or circumstances change that could impact the recoverability of the asset's carrying amount. There were no impairments recorded during 2024 or 2023.

Inventories—Fuel stock and materials and supplies are valued at average cost. The costs of fuel and materials used in production are expensed as consumed and are recovered through rates.

Revenue Recognition—Wabash Valley Power recognizes revenue each period as energy or other utility services are delivered and consumed. Performance obligations are satisfied over time as energy and services are delivered and consumed. Substantially all the Company's revenue is derived from contracts with a single performance obligation (delivery of energy and utility services) which does not result in any future performance obligations for disclosure purposes.

Wabash Valley Power categorizes revenue based on customer classification which aligns with the pricing tariffs approved by FERC. The disaggregated revenues by each class for 2024 and 2023 are as follows:

	2024	2023
Member	$ 662,560	$ 652,405
Non-member	115,730	106,689
Total operating revenues	$ 778,290	$ 759,094

Member billed revenues reflect estimated power supply costs based on the current year's board-approved operating budget. Per the Formula Rate Tariff approved by FERC, member bills are adjusted in the subsequent year to collect or refund the difference between actual and estimated costs of power supply. Differences are shown as under recovered power costs or over collected power costs on the consolidated balance sheets. The under recovered balance at December 31, 2023 was $104 and the over collected balance at December 31, 2024 was $23,806.

Use of Estimates—The preparation of consolidated financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and disclosure of contingent assets and liabilities. The estimates and assumptions used in the consolidated financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results may differ from those estimates.

Concentration of Risk—Approximately 23% and 24% of Wabash Valley Power's total revenues for 2024 and 2023, respectively, were derived from sales to two members, Citizens Electric Corporation (Citizens) and Hendricks Power Cooperative (Hendricks). Accounts receivable balances for Citizens and Hendricks accounted for 16% and 17% of total accounts receivable as of December 31, 2024 and 2023.

Plant in Service and Maintenance—Plant in service is stated at original cost, which includes labor, materials, overheads, and interest on borrowed funds used during construction (for major projects only). Maintenance and repairs of plant and replacement of items determined to be less than units of property are charged to maintenance expense as incurred.

When assets other than general plant are retired, sold or otherwise disposed of, the original cost plus the cost of removal, less salvage, is charged to accumulated depreciation and the corresponding gain or loss is amortized over the remaining life of the plant. Losses included in accumulated depreciation that will continue to be amortized are

$(42,252) and $(40,125) at December 31, 2024 and 2023, respectively. As general plant assets are sold or retired, any resulting gain or loss is recognized in the consolidated statements of operations and patronage capital.

Also included in accumulated depreciation are costs of removal for assets that do not have associated legal or contractual retirement obligations. Wabash Valley Power estimates that a regulatory liability related to these removal costs has been recorded in accumulated depreciation on the consolidated balance sheets at December 31, 2024 and 2023 of $60,343 and $61,532, respectively.

Wabash Valley Power's ownership in the Prairie State Energy Group LLC (Prairie State) also includes an interest in coal reserves. The original cost, net of depletion, at December 31, 2024 and 2023 was $2,233 and $2,348, respectively.

Depreciation—Plant in service is depreciated on a straight-line basis at rates designed to recover the cost of properties over their estimated service lives. The resulting average depreciation rates by plant function at December 31 were as follows:

	2024	2023
Steam production	4.13 %	4.13 %
Other production	3.51	3.52
Transmission	2.17	2.16
Distribution	3.31	3.37
Other utility	3.70	3.70
General	4.87	5.38

Plant Held for Sale— A disposal group classified as held for sale is reflected on the balance sheet at the lower of its carrying amount or estimated fair value less cost to sell. Assets and liabilities related to a disposal group classified as held for sale are segregated in the current balance sheet in the period in which the disposal group is classified as held for sale. Assets and liabilities of held for sale disposal groups are classified as current when they are expected to be disposed within 12 months (Note 15).

Federal Income Taxes—Wabash Valley Power is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(12) as long as member gross margins are at least 85% of total gross margins. Member gross margins as a percent of total gross margins for 2024 and 2023 were greater than 85%. As a result, no provision for federal income taxes was made during either year.

The Company has adopted guidance governing uncertain income tax positions that sets forth recognition thresholds and measurement attributes for financial statement recognition. The guidance did not result in the recording of any uncertain tax position liabilities as of December 31, 2024 and 2023. Tax years 2021 through 2024 remain open and could be subject to audit by the IRS.

Fair Value of Financial Instruments—Cash, temporary cash investments, restricted cash, trustee deposits, capital term certificates (CTCs), receivables, certain other liabilities and long-term debt are considered to be financial instruments. The carrying value of cash, temporary cash investments, trustee deposits, receivables and certain other liabilities approximate the fair value because of the short maturity of the instruments. The fair value of the National Rural Utilities Cooperative Finance Corporation (CFC) CTCs and other investments are not estimable since these instruments are required to be held by Wabash Valley Power as a condition of membership and can only be returned to the investee.

The Company uses observable inputs in the calculation of fair value. ASC 820—Fair Value Measurement and Disclosures (ASC 820) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the hierarchy are described below.

Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2—Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3—Prices or valuations that require inputs that are both significant to the fair value measure and unobservable.

Wabash Valley Power's gas futures derivatives were valued using Level 1 inputs, which consist of quoted market prices from active exchange markets.

The Company's power contract derivatives were calculated using broker quotes or appropriate pricing models with primarily externally verifiable model inputs. These valuations are considered Level 2.

The interest rate swap derivatives were valued using yield curves derived from current interest rates and spreads to project and discount swap cash flows to present value. These valuations are considered Level 2.

Leases—An arrangement is determined to be a lease at inception based on whether the Company has the right to control the use of an identified asset. Right-of-use (ROU) assets represent Wabash Valley Power's right to use the underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The present value of the remaining lease payments (plus any amounts probable of being owed by the lessee under a residual value guarantee), is calculated using a risk-free rate consistent with the Daily Treasury Par Yield Curve Rates as of the later of the lease commencement date or the Company's adoption date of January 1, 2022, for a term consistent with the remaining term of the lease itself. Lease expense and lease income are recognized on a straight-line basis over the lease term for operating leases.

3. RECENTLY ISSUED ACCOUNTING STANDARDS

In October 2021, the FASB issued ASU 2021-08 *Business Combinations* (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This update addresses how to determine whether a contract liability is recognized by the acquirer in a business combination. This standard is effective for Wabash Valley Power beginning January 1, 2024 and will apply prospectively to business combinations occurring on or after the effective date of the amendments. No business combinations occurred during the year ended December 31, 2024.

4. RETIREMENT PLANS

Multiemployer—Plan-Qualified employees of the Company are members of a pension plan sponsored by the National Rural Electric Cooperative Association (NRECA). The NRECA Retirement Security Plan (RS Plan) is a defined benefit pension plan qualified under Section 401 and is tax-exempt under Section 501(a) of the Internal Revenue Code. It is considered a multiemployer plan under the accounting standards. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

Contributions to the RS Plan by Wabash Valley Power in 2024 and 2023 represented less than 5% of the total contributions made by all participating employers. Wabash Valley Power's contributions in 2024 and 2023 were $1,787 and $1,568, respectively.

For the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80% funded on both January 1, 2024 and January 1, 2023 based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans, and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Retirement Savings Plan—Employees of the Company are also eligible to participate in the WVPA Retirement Savings 401(k) Plan. This is a defined contribution 401(k) plan. Wabash Valley Power makes matching contribution payments for the benefit of those employees who participate in the plan. The Company expenses the payments as incurred, and contributions were $250 and $220 for 2024 and 2023, respectively.

5. PLANT IN SERVICE

Plant in service at December 31 consists of the following:

	2024	2023
Production	$ 742,052	$ 736,626
Transmission	509,503	558,241
Distribution	160,160	151,006
Other utility	15,525	13,446
General	57,917	46,566
Plant in service	$ 1,485,157	$ 1,505,885

Wabash Valley Power has an agreement with Duke Energy Indiana, Inc. (Duke Indiana) and Indiana Municipal Power Agency (IMPA) that provides for an undivided 25% ownership interest in the Gibson Unit No. 5 production facility.

Wabash Valley Power has an agreement with Duke Indiana that provides for an undivided 37.5% ownership interest in the Vermillion generating facility.

Wabash Valley Power has an agreement with Hoosier Energy REC (Hoosier) that provides for a one-third ownership interest in the Lawrence generating facility.

Wabash Valley Power and Hoosier jointly own the Holland generating facility. The agreement provides each owner with an undivided 50% ownership in the facility.

Wabash Valley Power has an undivided 5.06% ownership interest in Prairie State, which includes coal reserves and a captive coal mine that serves as the fuel source for the power plant.

Wabash Valley Power jointly owns certain transmission property and local facilities with Duke Indiana and IMPA. These facilities are part of the joint transmission system (JTS) maintained by Duke Indiana.

A substantial portion of Wabash Valley Power’s utility plant and related operation and maintenance expenses is included under the terms of the above agreements.

6. INVESTMENTS

Investments at December 31 consist of the following:

	2024	2023
Capital term certificates—CFC	$ 2,511	$ 2,631
Cooperative investment patronage allocation	19,316	17,996
Investment in associated organizations	491	516
Total	$ 22,318	$ 21,143

The CTCs bear interest ranging from 0% to 5.6% and are required to borrow from the CFC. All investments with CFC are classified as held-to-maturity investments and are reported at cost.

Wabash Valley Power's cooperative investment patronage allocations and investments in associated companies are reported at cost, plus allocated equities.

Wabash Valley Power also has authority to make short-term investments. As held-to-maturity investments that will mature in less than one year, the notes and commercial paper are carried at cost, which approximates fair value, and would be included in short-term investments on the consolidated balance sheets. There were no amounts invested at December 31, 2024 or 2023. There were no gains or losses recorded during the year.

7. LONG-TERM OBLIGATIONS

Debt—Wabash Valley Power's long-term debt, as of December 31, consists of the following:

		2024	2023
First Mortgage Notes (due in quarterly installments):			
Series 2000-A	3.45% due 2030	$ 1,283	$ 1,482
Series 2001-A	2.09%–6.95% due 2027	370	498
Series 2004-A	5.08% due 2024	-	5,470
Series 2004-C	6.00% due 2024	-	538
Series 2004-D	5.56% due 2024	-	2,532
Series 2005-A	5.25% due 2025	1,185	2,694
Series 2006-A	6.44%–6.87% due 2028	4,344	6,512
Series 2007	6.14%–6.24% due 2028	43,476	55,207
Series 2009-A	7.39%–7.71% due 2039	77,346	80,270
Series 2009-B	7.22% due 2039	70,217	72,953
Series 2012	5.79% (through April 2025) due 2032 [(a)]	27,900	28,150
Series 2012	4.58% due 2032 [(b)]	20,587	20,587
Series 2015-A	3.87% due 2045	36,200	37,050
Series 2015-B	4.03% due 2045	36,200	37,050
Series 2016-A	3.65% due 2031	25,650	29,450
Series 2016-B	3.54% due 2046	28,908	30,252
Series 2016-C	3.56% due 2047	26,179	27,317
Series 2016-D	4.02% due 2036	11,750	12,750
Series 2018-A	4.01% due 2048	68,000	70,833
Series 2018-B	4.05% due 2049	32,667	34,000
Series 2020-A	2.99% due 2045	100,000	100,000
Series 2020-B	2.39%–3.57% due 2048	66,964	69,643
Series 2022-A	5.42% (through March 2025) due 2049	69,393	72,196
Series 2022-B	5.42% (through March 2025) due 2049	46,698	48,585
Series 2024-A	5.97% due 2049	100,000	-
Tax-Exempt Bonds (due in quarterly installments)—Series 2010-A	4.14% (through February 2025) due 2030 [(c)]	23,750	25,750
Total long-term debt		919,067	871,768
Less current maturities		53,279	52,195
Less debt issuance costs		1,319	1,615
Total long-term debt—net of current maturities and debt issuance costs		$ 864,469	$ 817,958

[(a)] Variable rate on debt with swap to effectively fix the rate at 3.75% and 3.78% (see Note 11—Derivative Instruments)
[(b)] Due at maturity
[(c)] Variable rate on debt with swap to effectively fix the rate at 2.65% (see Note 11—Derivative Instruments)

Wabash Valley Power issues secured debt under an Indenture of Mortgage, Security Agreement and Financing Statement (Indenture). The Indenture requires the Company to design rates that shall, on an annual basis, yield a minimum times interest earned ratio (TIER) of 1.0 and a debt service coverage (DSC) ratio of 1.10. The TIER and DSC for the year ended December 31, 2024 were 1.72 and 1.54, respectively. Under the Indenture, Wabash Valley Power may retire patronage capital provided members' capital as of the end of the most recent fiscal quarter is not less than 20% of total long-term debt and members' capital (See Note 13—Members' Patronage Capital Equity).

The First Mortgage Notes are collateralized by the Company's generation, transmission, distribution, and general plant assets (excluding transportation equipment).

Debt issuance costs are being amortized over the lives of the related debt on a straight-line basis.

Estimated future maturities on long-term obligations as of December 31, 2024 are as follows:

2025	$ 55,047
2026	54,784
2027	54,695
2028	47,013
2029	44,801
Thereafter	662,727
Total long-term debt	$ 919,067

Credit Facility—The Company has a $400,000 syndicated revolving credit facility that expires in July 2026. The facility can be used to finance the general operating needs of the Company, provide interim financing of capital projects, and provide letters of credit to power supply counterparties to support purchase and sale obligations. There were no amounts outstanding under the agreement at December 31, 2024 and 2023.

8. LEASES

Wabash Valley Power's lease agreements do not contain any material residual value guarantees, material restrictions or material covenants. There are no material lease transactions with related parties. Agreements in which the Company is the lessor do not include provisions for the lessee to purchase the assets. Because risk is minimal, the Company does not take any significant actions to manage risk associated with the residual value of leased assets.

The operating lease agreements the Company has are primarily for equipment and real property, including land, communication towers, office space, and storage facility space. The lease terms may include options to extend or terminate a lease when it is reasonably certain that those options will be exercised. As noted above, Wabash Valley Power has elected an accounting policy that exempts leases with terms of one year or less from the recognition requirements of ASC 842.

Supplemental balance sheet information related to leases as of December 31 is as follows:

	Classification	2024	2023
Assets			
Finance	Plant in service--at cost and accumulated depreciation	$ 5,653	$ 5,944
Operating	Deferred charges and other	1,882	1,740
Total lease assets		$ 7,535	$ 7,684
Liabilities			
Current			
Finance	Other current liabilities	$ 450	$ 430
Operating	Other current liabilities	147	90
Noncurrent			
Finance	Finance lease liabilities	4,707	5,122
Operating	Operating lease liabilities	1,765	1,669
Total lease liabilities		$ 7,069	$ 7,311

The components of lease cost included in the Consolidated Statements of Operations and Patronage Capital as of December 31 are as follows:

	Classification	2024	2023
Finance lease cost			
Amortization of leased assets	Depreciation and amortization	$ 291	$ 291
Interest on lease liabilities	Interest expense--net of amounts capitalized	231	250
Operating lease cost	Operating expenses	164	121
Total lease cost		$ 686	$ 662

Future minimum lease payments under noncancelable operating and finance leases with terms greater than one year as of December 31, 2024 are as follows:

	Operating Leases	Finance Leases
2025	$ 197	$ 662
2026	198	662
2027	196	662
2028	172	660
2029	132	566
Thereafter	1,513	2,944
Total future undiscounted lease payments	2,408	6,156
Less: Interest	(496)	(999)
Total lease liabilities	$ 1,912	$ 5,157

Other information related to leases as of December 31 is as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities [a]		
Operating cash flows from finance leases	$ 231	$ 250
Operating cash flows from operating leases	154	110
Financing cash flows from finance leases	662	662
Lease assets obtained in exchange for new lease liabilities (non-cash)		
Finance	$ -	$ -
Operating	465	139
Weighted-average remaining lease term		
Finance	6.51 years	7.52 years
Operating	17.68 years	20.49 years
Weighted-average discount rate		
Finance	4.42%	4.42%
Operating	2.81%	2.73%

[a] No amounts were classified as investing cash flows from leases for the years ended December 31, 2024 and 2023.

9. DEFERRED CHARGES AND CREDITS

Amounts recorded as deferred charges as of December 31, 2024 and 2023, are as follows:

	2024	2023
Regulatory asset—contract termination cost	$ 2,248	$ 2,639
Regulatory asset—unrealized losses on derivative instruments	5,944	13,692
Fair value of derivative instruments	167,491	151,853
Plant retirement and decommissioning costs	35,613	42,188
Operating ROU Assets	1,882	1,649
Other deferred charges	908	1,363
Total deferred charges and other	$ 214,086	$ 213,384

A power supply contract with Duke Energy Vermillion LLC (Duke Energy) was terminated in 2004 when the Company acquired an ownership interest in the Vermillion generating facility (see Note 5—Plant in Service). Wabash Valley Power received regulatory approval to defer the termination costs and amortize them over the remaining life of the plant (through September 2030).

Wabash Valley Power has FERC approval to defer all unrealized gains and losses on derivative and hedging contracts. Amounts are recorded as a regulatory asset or liability until the derivative is settled, at which time the gain or loss is recognized in earnings.

The Company has power, gas futures and interest rate contracts that qualify as derivative instruments under FASB ASC 815—Accounting for Derivative Instruments and Hedging Activities (ASC 815), as amended. These contracts are recorded at fair value in the consolidated balance sheets. See Note 11—Derivative Instruments for the recovery period of derivative contracts.

Wabash Valley Power has FERC approval to defer all costs associated with the retirement and decommissioning of Wabash River Unit 1 and the discontinued operations of a coal gasification plant. The deferral is being amortized over 14 years, which approximated the remaining lives of the assets, and continues through May 2030.

The Company has entered into certain agreements classified as operating leases. The net book value of the operating right-of-use (ROU) assets associated with these agreements is recorded in deferred charges and other on the consolidated balance sheets.

Amounts recorded as deferred credits as of December 31, 2024 and 2023, are as follows:

	2024	2023
Member buy-out payments	$ 2,611	$ 3,394
Fair value of derivative instruments	5,944	13,692
Regulatory liability—unrealized gains on derivative instruments	167,491	151,853
Asset retirement obligations	13,098	7,757
Collateral from power providers	106,030	90,860
Other deferred credits	13,986	982
Total deferred credits	$ 309,160	$ 268,538

Paulding Putnam REMC's membership terminated at the end of 2014 and Northeastern REMC's membership terminated on June 30, 2015. The termination fees received were deferred and are being amortized through April 2028 (see Note 13—Members' Patronage Capital Equity).

Under the terms of a long-term power supply agreement, Wabash Valley Power receives cash collateral as financial security from a power supplier when the mark-to-market value of the contract exceeds pre-established credit thresholds.

10. ASSET RETIREMENT OBLIGATIONS

The Environmental Protection Agency (EPA) has rules established regulating the disposal of coal combustion residuals (CCR) from electric utilities. The federal regulation has requirements regarding landfill design, structural integrity design and assessment criteria for surface impoundments, groundwater monitoring and protection procedures and other operational and reporting procedures to ensure the safe disposal and management of CCR.

Because of these rules, the Company records its ownership share of legal obligations associated with the retirement of waste landfills and ash ponds at the Gibson Unit No. 5 production facility and mine reclamation and closure costs at the Prairie State generating facility. The obligations are recorded at fair value when incurred and capitalized as a cost of the related asset. The liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. It is adjusted as additional information is gained through the closure process, including acceptance and approval of compliance approaches that may change management assumptions, and may result in a material change to the balance. When the asset is retired, the entity settles the obligation for its recorded amount or incurs a gain or loss.

The following table represents the details of Wabash Valley Power's asset retirement obligations, which are included on the consolidated balance sheets in deferred credits.

	2024	2023
Beginning balance	$ 7,757	$ 5,436
Liabilities settled	(9)	(9)
Accretion	230	188
Cash flow revisions	5,120	2,142
Ending balance	$ 13,098	$ 7,757

11. DERIVATIVE INSTRUMENTS

Wabash Valley Power is exposed to various market risks in the normal course of business. Management has established risk management policies to mitigate the potentially adverse effects that these risks may have on member rates. The policies include the use of derivative instruments that generally qualify for the normal purchase and normal sales exception under ASC 815.

Wabash Valley Power enters into power contracts with the primary intent of securing wholesale power requirements for members at the minimum cost, while enhancing the value of the Company's assets and managing the risk associated with volatility in power prices. These contracts generally meet the definition of a derivative as defined in ASC 815. Many of these contracts qualify for the normal purchase and normal sales exception and are not recorded in the consolidated financial statements at fair value. Contracts not meeting the normal purchase and normal sales exception are reflected at fair value on the consolidated balance sheets. Wabash Valley Power values its contracts using market prices from brokers. Notional values of these contracts for 2024 and 2023 were 6.2 million megawatt hours (MWh) and 8.0 million MWh, respectively.

Wabash Valley Power holds gas futures contracts for the primary purpose of mitigating volatility in gas prices related to the operation of its gas-fired plants and reducing the effect on member rates due to changes in future gas prices. These contracts qualify as derivatives and are recorded at fair value on the consolidated balance sheets. Notional values under these contracts were 22,756,000 MMBtu (million British thermal units) in 2024 and 17,230,000 MMBtu in 2023.

Wabash Valley Power has entered into three interest rate swap agreements with a total remaining notional value of $52,300 to mitigate the risk associated with changes in floating interest rates on the issuance of variable-rate long-term debt. The swap agreements convert floating rates into fixed rates on a quarterly basis so the Company can more accurately predict future interest costs and protect itself against increases in floating rates. These contracts qualify as derivatives and are reflected at fair value on the consolidated balance sheets. See Note 7—Long-term Obligations for additional detail.

See Note 2—Summary of Significant Accounting Policies for additional information regarding the fair value of these derivatives.

The following reflects the amounts recorded in assets and liabilities at December 31, 2024 and 2023 for the Company's derivative instruments:

	2024	2023
Power contracts:		
Other current assets	$ 2,327	$ 325
Deferred charges	164,555	148,947
Gas futures:		
Other current assets	1,719	-
Deferred charges	50	164
Interest rate swaps:		
Deferred charges	2,886	2,742
Total derivative assets	$ 171,537	$ 152,178
Power contracts:		
Other current liabilities	$ 7,800	$ 3,831
Deferred credits	3,895	9,284
Gas futures:		
Other current liabilities	1,461	4,500
Deferred credits	2,049	4,408
Total derivative liabilities	$ 15,205	$ 22,023

The changes in the fair value of derivative contracts result in unrealized gains and losses, which are reflected in regulatory assets or liabilities, as appropriate, on the consolidated balance sheets (See Note 9—Deferred Charges and Credits). As the contracts are settled, the derivative assets and liabilities and corresponding regulatory assets and liabilities are relieved and amounts are recognized in fuel expense, purchased power, or interest expense, as appropriate.

Net realized losses (gains) recognized in earnings for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Power contracts (purchased power)	$ 12,350	$ 8,124
Gas futures (fuel expense or purchased power)	9,955	9,433
Interest rate swaps (interest expense)	(1,207)	(1,123)

The realized portion of derivative gains and losses is reflected in net cash from operating activities on the consolidated statements of cash flows.

All power and gas futures contracts reflected at fair value on the consolidated balance sheets at December 31, 2024 mature on or before December 31, 2035. The interest rate swaps mature in January 2032 and July 2032. Based on the Company's current credit rating, Wabash Valley Power had no cash collateral posted under the terms of these agreements as of December 31, 2024 and 2023.

12. RELATED PARTY TRANSACTIONS

Wabash Valley Power is a member of ACES LLC (ACES), which provides wholesale marketing services and efficiencies of combining the marketing of member power resources. The investment in ACES is accounted for using the cost method of accounting. At December 31, 2024 and 2023, Wabash Valley Power's investment in ACES was approximately $500.

13. MEMBERS' PATRONAGE CAPITAL EQUITY

Revenues in excess of current period costs (net margins) in any year are considered capital furnished by the members and are credited to the members' individual accounts pursuant to the provisions of Wabash Valley Power's by-laws. Net margins are held by Wabash Valley Power until they are retired and returned, without interest, at the discretion of the Board of Directors and subject to certain restrictions under the Indenture (see Note 7—Long-term Obligations). $2,500 was returned to members in 2024 and 2023.

Wabash Valley Power's Buyout Policy and Procedure (Buyout Policy) describes the process and obligations for withdrawing from membership. Pursuant to the Buyout Policy, a terminating member continues to be an all-requirements purchaser and member for three years upon execution of a Supplemental Agreement. During the three-year period, the terminating member is required to pay any obligations for early termination of the contract.

14. COMMITMENTS, CONTINGENCIES AND PENDING LITIGATION

Long-Term Supply Agreements—Wabash Valley Power has several long-term power supply agreements that obligate the Company to purchase power at amounts specified in the agreements without regard to whether it takes delivery of such power. All power supply agreements expire on or before December 31, 2037, and the total amount of these future purchase obligations as of December 31, 2023 by year are as follows:

2025	$ 128,039
2026	107,484
2027	111,391
2028	123,331
2029	105,233
Thereafter	479,253
Total	$ 1,054,731

Wabash Valley Power also has long-term power supply agreements that are supplier cost based. The costs are part of a formulary rate and vary from year to year. Volumes under these agreements are approximately 305 megawatts (MW) per year and all agreements expire on or before December 31, 2032.

Amounts paid under long-term agreements were $215,530 and $251,443 in 2024 and 2023, respectively.

Guarantees—Wabash Valley Power's Board of Directors has authorized the following guarantees related to the Company's 50% ownership of the Holland generating facility.

- Guarantee up to $10,000 of activities related to operations, fuel purchasing, financial and construction activities. A guarantee for $6,000 is outstanding as of December 31, 2024.

- Guarantee up to $100 of MISO activities. A guarantee to MISO for $100 is outstanding as of December 31, 2024.

Pending Litigation—In connection with a settlement agreement (see Note 1—Organization), the Complaint filed by Tipmont Rural Electric Membership Corporation ("Tipmont") on October 1, 2018 at the Federal Energy Regulatory Commission ("Commission") in Docket No. EL19-2-000 was resolved.

Wabash Valley Power is a defendant in various other claims and lawsuits arising in the normal course of business. While the ultimate results of these other lawsuits or proceedings against the Company cannot be estimated with certainty, management does not expect these matters will have a material adverse effect on Wabash Valley Power's financial position, results of operations, or cash flows.

Environmental Matters—On March 15, 2023, the Environmental Protection Agency (EPA) issued its final Good Neighbor Plan to reduce emissions of nitrogen oxide (NOx) emissions to achieve the 2015 Ozone National Ambient Air Quality Standards (NAAQS). On June 27, 2024, the United States Supreme Court granted a stay application and blocked enforcement of the Good Neighbor Plan. To comply with the Supreme Court's Stay Order, the EPA issued a third interim final rule which requires certain states (including Indiana and Illinois) to comply with the 2008 ozone NAAQS. Currently, the Company's assets are subject to the Acid Rain Program, the Cross-State Air Pollution Rule (CSAPR), sulfur dioxide (SO2) Group 1, CSAPR Annual NOx and CSAPR Expanded Group 2 Ozone Season NOx allowance trading programs. At this time, the rule is not anticipated to materially impact operations.

In April 2024, the EPA issued the final carbon pollution standards for fossil fuel fired power plants with ambitious reductions in carbon pollution. The proposed standards are based on technologies such as carbon capture and sequestration/storage (CCS), use of lower emitting fuels, and natural gas co-firing. The Company is unable to estimate the cost of compliance as it evaluates various compliance strategies.

The Company is monitoring many federal, state and local laws and regulations to protect both human health and the environment while also regulating the emission, discharge, or release of pollutants into the environment. The Company is analyzing these changes to comply with new and future regulations to determine the impact.

15. SUBSEQUENT EVENTS

As part of the comprehensive settlement agreements (see Note 1—Organization), the Company sold certain assets on January 1, 2025. These assets were sold at net book value, resulting in no gain or loss. The value of these assets was as follows:

Plant in service—at cost	$ 131,670
Construction work in progress	14,562
Accumulated depreciation	(27,486)
Plant held for sale	$ 118,746

In addition, the Company closed on a $335,000 unsecured syndicated bridge loan on March 12, 2025. The term of the loan is up to 18 months. Interest is variable and will be paid monthly based on a Secured Overnight Financing Rate plus a margin.

Finally, on July 1, 2024, the Company entered into an agreement to purchase an undivided 50% ownership interest in St. Joseph Energy Center, LLC, a 750 megawatt combined cycle natural gas plant located in New Carlisle, Indiana. The acquisition was finalized on March 13, 2025. Also on the acquisition date, the Company entered into two additional parent guarantees for up to $13,386 of activities related to fuel purchasing and fuel transportation for the generating facility. The purchase is considered a subsequent event, as the agreement was executed before the balance sheet date but the transaction was completed after the reporting period ended. As of the date of issuance of these financial statements, the acquisition has not been reflected in the financial statements for the year ended December 31, 2024. The Company is in the process of finalizing the purchase accounting, including assessing the fair value of the assets acquired and liabilities assumed.

The consolidated financial statements include a review of subsequent events through March 21, 2025, the date the consolidated financial statements were issued.

* * * * * *