

## **Piedmont Municipal Power Agency Second Quarter 2021 Report**

### **Financial Summary**

Second quarter 2021 electricity sales to Participants increased by \$505 thousand (1.11%) when compared to second quarter 2020 sales. This increase was primarily due to an increase in year over year average quarterly temperatures of 1%.

Sales of electricity to other utilities increased by \$770 thousand (27.11%) in second quarter 2021 when compared to second quarter 2020. Surplus Energy sold to third parties increased \$501 thousand due to an increase in the kWh rate of \$9.39 during the second quarter of 2021 compared to the same period in 2020, partially offset by having less electricity available for sale. In addition, sales of electricity to Duke for exchange energy increased approximately \$269 thousand when compared to the same period in 2020.

Operating and maintenance costs increased \$599 thousand (10.03%) in second quarter 2021 when compared to the same period in 2020. This increase was due to the timing of maintenance costs associated with the Catawba Nuclear plant.

Purchase power costs decreased \$689 thousand (7.12%) in second quarter of 2021 when compared to the same period in 2020. Supplemental energy charges decreased \$1.3 million primarily due to capacity cost savings achieved from moving to The Energy Authority in 2021 for Backstand services. Contrary, there was an increase of \$665 thousand in McGuire exchange costs and other power purchased costs when compared to second quarter of 2020.

Operating revenues were \$1.6 million lower than PMPA's budget, which were offset by operating costs being under budget by \$4.0 million. Combined with interest income and miscellaneous expenses, the overall operating income for the second quarter exceeded PMPA's budget by \$2.1 million. Debt service deposits were under budget by \$3.4 million, as a result of the delay in the 2021A Bond Deal, causing the related principal deposits for the 2022 maturity to shift into the second half of the year. In addition, deposit and transfer activity was \$927 thousand lower than budget. As a result, PMPA added \$6.4 million more than budgeted to working capital for the second quarter of 2021.

**PIEDMONT MUNICIPAL POWER AGENCY**  
**Interim Statements of Net Position**  
**Quarters ending June 30, 2021 and 2020**  
**(UNAUDITED)**

	2021	2020
(Dollars in Thousands)		
<b>Assets</b>		
Capital assets:		
Utility plant assets being depreciated	\$ 762,521	\$ 756,543
Accumulated depreciation and amortization	(403,016)	(393,457)
Total utility plant assets being depreciated, net	359,505	363,086
Utility plant assets not being depreciated	37,334	29,299
Total capital assets, net	396,839	392,385
Current unrestricted assets		
Cash	827	4,681
Marketable debt securities	87,240	88,894
Accrued interest receivable	1	1
Participant accounts receivable	15,864	14,501
Other accounts receivable	286	492
Materials and supplies	19,423	19,349
Total current unrestricted assets	123,641	127,918
Current restricted assets:		
Restricted for debt service	73,418	97,862
Restricted for decommissioning	105,216	96,214
Restricted for other (Supplemental Reserve & Construction)	1,600	4,883
Total current restricted assets	180,234	198,959
Total current assets	303,875	326,877
Noncurrent assets:		
Net costs recoverable from future Participant billings	444,154	474,680
Other	99	129
Total other assets	444,253	474,809
Total assets	\$ 1,144,967	\$ 1,194,071
Deferred outflows:		
Redemption loss	\$ 8,231	\$ 10,763
Losses on advance refunding of debt, net	16,558	21,560
Postemployment benefits	440	522
Total deferred outflows	\$ 25,229	\$ 32,845
<b>Liabilities</b>		
Long-term liabilities:		
Bonds payable, net	\$ 611,627	\$ 672,637
Reserve for decommissioning	133,721	127,257
Accrued expense OPEB	1,607	1,484
Total long-term liabilities	746,955	801,378
Current liabilities:		
Accounts payable and accrued liabilities	7,133	7,546
Current liabilities payable from restricted assets:		
Accrued interest payable	170,166	159,008
Current installments of bonds payable	25,959	33,970
Total current liabilities payable from restricted assets	196,125	192,978
Total current liabilities	203,258	200,524
Total liabilities	\$ 950,213	\$ 1,001,902
Deferred inflows:		
Derivative financial instrument	\$ 50,802	\$ 50,918
<b>Net position</b>		
Net investments in capital assets	(224,189)	(292,662)
Restricted for other	1,600	4,883
Unrestricted	391,770	461,875
Total net position	\$ 169,181	\$ 174,096

**PIEDMONT MUNICIPAL POWER AGENCY**  
**Interim Statements of Revenues, Expenses**  
**And Changes in Net Position**  
**Quarters ending June 30, 2021 and 2020**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>
	(Dollars in Thousands)	
Operating Revenue:		
Sale of Electricity to Participants	\$ 46,017	\$ 45,512
Sale of Electricity to other utilities	3,610	2,840
Other	378	344
Total operating revenues	<u>50,005</u>	<u>48,696</u>
Operating Expense:		
Operation and maintenance	6,569	5,970
Nuclear fuel amortization	2,809	2,976
Purchased power	8,985	9,674
Transmission	2,086	1,886
Power delivery	116	177
Administrative and general	4,273	4,234
Depreciation	2,286	2,248
Decommissioning	1,656	1,576
Payments in lieu of property taxes	2,006	2,123
Total operating expenses	<u>30,786</u>	<u>30,864</u>
Net operating income	<u>19,219</u>	<u>17,832</u>
Other income (Expenses):		
Interest income	627	2,221
Net change in fair market value of investments and derivative instruments	(901)	(2,123)
Interest expense	(9,776)	(10,567)
Amortization expense	(653)	(777)
Other	(1,881)	(1,257)
Total other expenses, net	<u>(12,584)</u>	<u>(12,503)</u>
Revenues over expenses before change in net expenses recoverable from future Participant billings	6,635	5,329
Net increase (decrease) in net costs recoverable from future Participant billings	<u>(27,976)</u>	<u>3,138</u>
Revenues over expenses	<u>(21,341)</u>	<u>8,467</u>
Net position at beginning of period	190,522	165,629
Net position at end of period	<u>\$ 169,181</u>	<u>\$ 174,096</u>