

# **Piedmont Municipal Power Agency First Quarter 2022 Report**

## **Financial Summary**

First quarter 2022 sales of electricity to Participants increased by \$5.6 million (11.73%) when compared to first quarter 2021 sales, driven by a decrease in base billing demand credits applied to Participants' monthly bills. Year over year energy usage and temperatures were comparable, causing no significant year over year changes in revenue.

Sales of electricity to other utilities increased by \$1.4 million (25.40%) in first quarter 2022 when compared to first quarter 2021. Surplus energy sold to third parties drove this increase due to an increase of \$13.85 kWh rate received for sales, coupled with more energy available to sell during first quarter 2022.

Operating and maintenance costs increased \$535 thousand (8.42%) in first quarter 2022 when compared to the same period in 2021. This increase was related to the timing of operating and maintenance costs associated with the Catawba Nuclear plant.

Administration and general costs decreased by \$840 thousand (23.10%) in first quarter 2022 when compared to the same period in 2021. This decrease was primarily resulting from an increase in the annual NEIL insurance distribution.

Operating revenues were \$873 thousand higher than PMPA's budget driven by sales of electricity to other utilities. In addition, operating costs were under budget by \$2.2 million. Combined with interest income and miscellaneous expenses, the overall operating income for the first quarter exceeded PMPA's budget by \$3.3 million. Capital addition payments coupled with other transfers were \$657 thousand over budget. As a result, PMPA added \$2.6 million more than budgeted to working capital for the first quarter of 2022.

**PIEDMONT MUNICIPAL POWER AGENCY**  
**Interim Statement of Net Position**  
**Quarters ending March 31, 2022 and 2021**  
**(UNAUDITED)**

	2022	2021
(Dollars in Thousands)		
<u>Assets</u>		
Capital assets:		
Utility plant assets being depreciated	\$ 771,240	\$ 772,986
Accumulated depreciation and amortization	(402,016)	(408,956)
Total utility plant assets being depreciated, net	369,224	364,030
Utility plant assets not being depreciated	31,098	33,863
Total capital assets, net	400,322	397,893
Current unrestricted assets		
Cash	306	5,351
Marketable debt securities	83,745	99,816
Accrued interest receivable	0	1
Participant accounts receivable	16,411	13,695
Other accounts receivable	1,397	735
Materials and supplies	19,405	19,444
Total current unrestricted assets	121,264	139,042
Current restricted assets:		
Restricted for debt service	69,957	71,615
Restricted for decommissioning	107,585	102,928
Restricted for other (Supplemental Reserve)	1,600	1,600
Total current restricted assets	179,142	176,143
Total current assets	300,406	315,185
Noncurrent assets:		
Net costs recoverable from future Participant billings	366,263	472,131
Other	78	107
Total other assets	366,341	472,238
Total assets	\$ 1,067,069	\$ 1,185,316
Deferred outflows:		
Redemption loss	\$ 6,372	\$ 9,429
Losses on advance refunding of debt, net	13,187	17,738
Postemployment benefits	576	440
Total deferred outflows	\$ 20,135	\$ 27,607
<u>Liabilities</u>		
Long-term liabilities:		
Bonds payable, net	\$ 589,550	\$ 616,720
Reserve for decommissioning	138,772	132,065
Accrued expense OPEB	1,983	1,607
Total long-term liabilities	730,305	750,392
Current liabilities:		
Accounts payable and accrued liabilities	3,319	3,794
Current liabilities payable from restricted assets:		
Accrued interest payable	179,158	163,664
Current installments of bonds payable	51,290	54,224
Total current liabilities payable from restricted assets	230,448	217,888
Total current liabilities	233,767	221,682
Total liabilities	964,072	972,074
Deferred inflows:		
Derivative financial instrument	\$ -	\$ 50,327
<u>Net position</u>		
Net investments in capital assets	(227,331)	(255,313)
Restricted for other	1,600	1,600
Unrestricted	348,863	444,235
Total net position	\$ 123,132	\$ 190,522

**PIEDMONT MUNICIPAL POWER AGENCY**  
**Interim Statements of Revenues, Expenses**  
**And Changes in Net Position**  
**Quarters ending March 31, 2022 and 2021**  
**(UNAUDITED)**

	<u>2022</u>	<u>2021</u>
	(Dollars in Thousands)	
Operating Revenue:		
Sale of electricity to Participants	\$ 53,455	\$ 47,842
Sale of electricity to other utilities	6,808	5,429
Other	389	326
Total operating revenues	<u>60,652</u>	<u>53,597</u>
Operating Expense:		
Operation and maintenance	6,892	6,357
Nuclear fuel amortization	3,559	3,353
Purchased power	9,033	8,899
Transmission	2,258	2,006
Power delivery	198	217
Administrative and general	2,796	3,636
Depreciation	2,395	2,281
Decommissioning	1,740	1,656
Payments in lieu of property taxes	2,062	2,006
Total operating expenses	<u>30,933</u>	<u>30,411</u>
Net operating income	<u>29,719</u>	<u>23,186</u>
Other Income (Expense):		
Interest income	380	852
Net change in fair market value of investments and derivative instruments	(5,358)	1,849
Interest expense	(9,860)	(9,883)
Amortization expense	1,635	(654)
Other	(1,347)	(1,234)
Total other expenses, net	<u>(14,550)</u>	<u>(9,070)</u>
Revenues over expenses before change in net expenses recoverable from future Participant billings	15,169	14,116
Net increase (decrease) in net costs recoverable from future Participant billings	<u>(8,407)</u>	<u>(3,399)</u>
Revenues over expenses	<u>6,762</u>	<u>10,717</u>
Net position at beginning of period	116,370	179,805
Net position at end of period	<u>\$ 123,132</u>	<u>\$ 190,522</u>