

2022

ANNUAL REPORT



Piedmont Municipal Power Agency

In 2022, Piedmont Municipal Power Agency (PMPA) continued its mission of providing reliable, competitive wholesale electric and other value-added services to our Public Power Communities. PMPA undertook the second year of its 2021-2025 Strategic Plan, working in various key areas.

Rates, load management, and financial stability comprise the first of these areas. PMPA did not adjust wholesale rates in 2022 because of its stable financial condition. In the area of load management, various PMPA communities maintained load management switches to control electric demand during peak usage periods. Moreover, PMPA continued the implementation of a cost-cutting project to decrease its operational systems' communication costs.

The COVID-19 pandemic proved to be a challenge worldwide and presented unprecedented challenges, and its effects will be felt for years. Societies and economies continue to recover. Fortunately, COVID-19 did not have a material impact on PMPA's operations or financial condition.

PMPA pursued programs to enhance the success of our communities. PMPA funded community representatives' participation in the South Carolina Economic Development Institute to assist with economic development efforts.

Legislative and regulatory activities are of great importance to Public Power in general and our communities in particular. PMPA continues to partner with the American Public Power Association and other trade organizations to influence and monitor proposed legislation and regulation at the state and national levels. PMPA continues its efforts to influence energy policy, assist its Members with appropriation and grant requests, and monitor actions on the state level. In 2020, the South Carolina General Assembly acted to establish an Energy Market Reform Study Committee. Two of PMPA's Directors were appointed to serve on the Advisory Board, and a final report was presented to the committee in 2023. A number of Southeast utilities have been working to develop a market across the region. The market would be known as the Southeast Energy Exchange Market ("SEEM"). Member utilities of the SEEM include Duke Energy Carolinas, Duke Energy Progress, Southern Company, Dominion Energy, the Tennessee Valley Authority, Santee Cooper, and NCMAPA¹, among others. On October 12, 2021, and in the absence of FERC action, SEEM became effective. SEEM began operations on November 11, 2022.

Economic Development efforts are another area where PMPA continues its focus. To enhance Member-cities' economic development programs, PMPA offers financial assistance and training. Further, PMPA offers many value-added services to help its Member cities in the fields of information technology and customer service.

Although the COVID-19 pandemic added great uncertainty to the past three years across the globe, PMPA continues to respond to emerging issues, empowering city officials and staff to influence change. PMPA will continue to deliver quality leadership and reliable, cost-effective power to our Member cities. PMPA strives to be a valuable business partner for our public power communities and an asset for all our Member-cities.

FINANCIALS

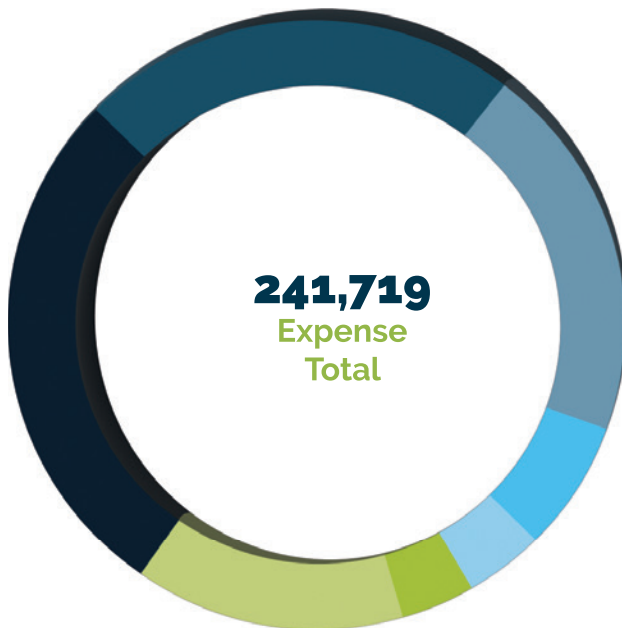
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended December 31, 2022 and 2021 (Dollars in Thousands)		2022	2021
OPERATING REVENUES	Sales of electricity to participants	\$215,668	\$190,501
	Sales of electricity to other utilities	21,629	19,627
	Other	1,532	1,538
Total Operating Revenues		238,829	211,666
OPERATING EXPENSES	Operation and maintenance	24,987	26,506
	Nuclear fuel amortization	13,335	12,802
	Purchased power	56,798	41,580
	Transmission	8,295	8,696
	Power delivery	590	613
	Administrative and general	15,996	15,625
	Depreciation	10,634	9,609
	Decommissioning	6,960	6,623
	Payments in lieu of property taxes	8,005	7,855
Total Operating Expenses		145,600	129,909
NET OPERATING INCOME		93,229	81,757
OTHER INCOME (EXPENSE)	Interest income	2,890	2,393
	Net change in fair market value of investments	(9,143)	(292)
	Interest expense	(39,041)	(39,149)
	Amortization expense	7,147	395
	Other	(6,922)	(7,598)
Total Other Expense, Net		(45,069)	(44,251)
Revenues over expenses before change in net expenses recoverable from future Participant billings		48,160	37,506
Net decrease in net costs recoverable from future Participant billings		(48,055)	(100,859)
Postemployment benefits		-	(82)
REVENUE OVER (UNDER) EXPENSES		105	(63,435)
NET POSITION AT BEGINNING OF YEAR		116,370	179,805
NET POSITION AT END OF YEAR		\$116,475	\$116,370

STATEMENTS OF NET POSITION

December 31, 2022 and 2021 (Dollars in Thousands)		2022	2021
CAPITAL ASSETS	Utility plant assets being depreciated	\$784,111	\$ 770,412
	Accumulated depreciation and amortization	(405,306)	(396,073)
	Total utility plant assets being depreciated, net	378,805	374,339
	Utility plant assets not being depreciated	24,224	25,626
	Total Capital Assets, net	403,029	399,965
CURRENT UNRESTRICTED ASSETS	Cash	1,151	552
	Marketable debt securities	78,355	83,308
	Accrued interest receivable	1	1
	Participant accounts receivable	16,813	14,035
	Other accounts receivable	1,427	1,027
	Materials and supplies	19,386	19,670
	Total Current Unrestricted Assets	117,133	118,593
CURRENT RESTRICTED ASSETS	Restricted cash - debt service	126,691	97,500
	Restricted cash - decommissioning	111,832	108,868
	Restricted cash - other	1,600	1,600
	Total Current Restricted Assets	240,123	207,968
	Total Current Assets	357,256	326,561
NONCURRENT ASSETS	Net costs recoverable from future Participant billings	326,615	374,670
	Other	56	85
	Total Other Assets	326,671	374,755
TOTAL ASSETS		\$1,086,956	\$1,101,281
DEFERRED OUTFLOWS	Redemption loss	\$5,754	\$6,578
	Losses on advance refunding of debt, net	10,149	14,199
	Postemployment benefits	463	576
	Total Deferred Outflows	\$16,366	\$21,353
LONG-TERM LIABILITIES	Bonds payable, net	\$592,953	\$654,830
	Reserve for decommissioning	143,992	137,032
	Accrued expense OPEB	2,123	1,983
	Total Long-term Liabilities	739,068	793,845
CURRENT LIABILITIES	Account payable and accrued liabilities	11,877	9,277
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	Accrued interest payable	184,612	177,183
	Current installments of bonds payable	51,290	25,959
	Total Current Liabilities Payable from Restricted Assets	235,902	203,142
	Total Current Liabilities	247,779	212,419
TOTAL LIABILITIES		\$986,847	\$ 1,006,264
NET POSITION	Net investment in capital assets	\$(231,065)	\$(266,625)
	Restricted for other	1,600	1,600
	Unrestricted	345,940	381,395
TOTAL NET POSITION		\$116,475	\$116,370

HIGHLIGHTS



DEBT OUTSTANDING STATISTICS
(Dollars in Thousands)

DEBT OUTSTANDING

Bonds Outstanding 12/31/2021	616,245
Matured 1/1/2022	(25,959)
Refunded bonds	-
New bonds	-
Bonds Outstanding 12/31/2022	590,286

SCHEDULE OF REVENUE & EXPENSE

Per The Bond Resolution and Other Agreements
(Dollars in Thousands)

REVENUE

Sales to Participants	217,200	90%
Sales to Other Utilities	21,629	9%
Interest Income	2,890	1%
TOTAL	241,719	100%

EXPENSE

Debt Service	87,962	36%
Operations & Maintenance	47,767	20%
Purchased Power	56,798	23%
General & Administrative	15,996	7%
Transmission & Power Delivery	8,885	4%
Payment in Lieu of Taxes	8,005	3%
Other Deposits	16,306	7%
TOTAL	241,719	100%

DEBT OUTSTANDING (as of 12/31)

	Bonds Outstanding	Weighted Average Interest Cost
Fixed Rate Bonds 2022	495,195	4.75%
Fixed Rate Bonds 2021	513,575	4.87%
Capital Appreciation Bonds 2022	95,091	5.76%
Capital Appreciation Bonds 2021	102,670	5.75%



Piedmont Municipal Power Agency

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