

Piedmont Municipal Power Agency

Second Quarter 2023 Report

Financial Summary

Second quarter of 2023 sales of electricity to other utilities decreased by \$1.4 million (31.3%) when compared to the second quarter of 2022. This decrease was driven by a significant decrease in the rate received for surplus energy, partially offset by a significant increase in surplus energy available for sale.

Nuclear fuel amortization costs decreased by \$1.4 million (39.2%) in the second quarter of 2023 when compared to the same period in 2022. The second quarter of 2023 included a refueling outage, whereas the second quarter of 2022 did not, driving the year-over-year decrease in fuel costs.

Purchased power costs decreased by \$4.4 million (30.1%) in the second quarter of 2023 when compared to the second quarter of 2022, driven by a significant decrease in both the rate and quantity of supplemental energy purchased.

Net decrease in net costs recoverable from future Participants billings decreased by \$3.3 million (39.7%) in the second quarter of 2023 when compared to the second quarter of 2022. This decrease was related to the timing of the principal and interest deposits associated with PMPA's outstanding bonds.

Operating revenues were \$5.2 million lower than PMPA's budget, offset by operating costs coming in \$6.2 million lower than PMPA's budget. Combined with interest income and miscellaneous expenses, the overall operating income for the second quarter exceeded PMPA's budget by \$979 thousand. Capital addition payments coupled with other transfers were \$660 thousand under budget. As a result, PMPA added \$1.6 million more than budgeted to working capital for the second quarter of 2023.

PIEDMONT MUNICIPAL POWER AGENCY

INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Capital Assets:		
Utility plant assets being depreciated	\$783,712	\$772,602
Accumulated depreciation and amortization	(405,885)	(407,841)
Total utility plant assets being depreciated, net	<u>377,827</u>	<u>364,761</u>
Utility plant assets not being depreciated	37,169	32,876
Total Capital Assets, Net	<u>414,996</u>	<u>397,637</u>
Current Unrestricted Assets:		
Cash	735	312
Marketable debt securities	71,418	95,254
Accrued interest receivable	1	1
Participant accounts receivable	17,594	18,336
Other accounts receivable	395	456
Materials and supplies	19,871	19,588
Total Current Unrestricted Assets	<u>110,014</u>	<u>133,947</u>
Current Restricted Assets:		
Restricted for debt service	93,013	87,943
Restricted for decommissioning	117,510	108,895
Restricted for other	1,600	1,600
Total Current Restricted Assets	<u>212,123</u>	<u>198,438</u>
Total Current Assets	<u>322,137</u>	<u>332,385</u>
Noncurrent Assets:		
Net costs recoverable from future Participant billings	303,127	357,856
Other	41	70
Total Other Assets	<u>303,168</u>	<u>357,926</u>
Total Assets	<u>\$1,040,301</u>	<u>\$1,087,948</u>
Deferred Outflows:		
Redemption loss	\$5,341	\$6,166
Losses on advance refunding of debt, net	8,446	12,174
Postemployment benefits	463	576
Total Deferred Outflows	<u>\$14,250</u>	<u>\$18,916</u>

PIEDMONT MUNICIPAL POWER AGENCY

INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>2023</u>	<u>2022</u>
<u>Liabilities</u>		
Long-Term Liabilities:		
Bonds payable, net	\$536,308	\$587,055
Reserve for decommissioning	147,649	140,512
Accrued expense OPEB	2,123	1,983
Total Long-Term Liabilities	<u>686,080</u>	<u>729,550</u>
Current Liabilities:		
Accounts payable and accrued liabilities	6,234	9,058
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	176,784	188,659
Current installment of bonds payable	52,086	51,290
Total Current Liabilities Payable from Restricted Assets	<u>228,870</u>	<u>239,949</u>
Total Current Liabilities	<u>235,104</u>	<u>249,007</u>
Total Liabilities	<u><u>\$921,184</u></u>	<u><u>\$978,557</u></u>
<u>Net position</u>		
Net investment in capital assets	(\$164,953)	(\$228,535)
Restricted for other	1,600	1,600
Unrestricted	296,720	355,242
Total Net Position	<u><u>\$133,367</u></u>	<u><u>\$128,307</u></u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
QUARTERS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Sales of electricity to Participants	\$53,309	\$55,087
Sales of electricity to other utilities	2,975	4,332
Other	318	408
Total Operating Revenues	<u>56,602</u>	<u>59,827</u>
Operating Expenses:		
Operation and maintenance	5,513	5,085
Nuclear fuel amortization	2,126	3,499
Purchased power	10,158	14,537
Transmission	1,721	2,112
Power delivery	141	140
Administrative and general	3,789	4,261
Depreciation	2,385	2,396
Decommissioning	1,828	1,740
Payments in lieu of property taxes	2,102	2,061
Total Operating Expenses	<u>29,763</u>	<u>35,831</u>
Net Operating Income	<u>26,839</u>	<u>23,996</u>
Other Income (Expense):		
Interest income	1,403	460
Net change in fair value of investments	(1,425)	(1,630)
Interest expense	(8,961)	(9,552)
Amortization expense	1,553	1,634
Other	(1,276)	(1,326)
Total Other Expense, Net	<u>(8,706)</u>	<u>(10,414)</u>
Revenues over expenses before change in net expenses recoverable from future Participants billings	18,133	13,582
Net decrease in net costs recoverable from future Participant billings	<u>(11,744)</u>	<u>(8,407)</u>
Revenues over expenses	6,389	5,175
Net position at beginning of period	<u>126,978</u>	<u>123,132</u>
Net position at end of period	<u><u>\$133,367</u></u>	<u><u>\$128,307</u></u>