PIEDMONT MUNICIPAL POWER AGENCY

Financial Statements and Supplementary Information

December 31, 2023 and 2022

(With Report of Independent Auditor Thereon)

Cherry Bekaert LLP
Your Guide Forward

PIEDMONT MUNICIPAL POWER AGENCY

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Cherry Bekaert LLP
Your Guide Forward

Report of independent Auditor

To the Board of Directors
of Piedmont Municipal Power Agency

Opinion

We have audited the accompanying financial statements of Piedmont Municipal Power Agency ("PMPA") (a South Carolina corporation), which comprise the statements of net position as of December 31, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PMPA as of December 31, 2023 and 2022, and the changes in its financial position 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. 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 PMPA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe 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 PMPA's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 PMPA'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 PMPA'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1 and 2 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Cherry Bekaert LLP

Greenville, South Carolina
March 6, 2024

PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2023 and 2022

Overview of the Financial Statements

This section of Piedmont Municipal Power Agency's ("PMPA") annual financial statements presents our analysis of PMPA's financial performance during the fiscal years ended December 31, 2023 and 2022. Please read this discussion and analysis in conjunction with the financial statements that follow this section.

Financial Highlights

Year Ending December 31, 2023:

- PMPA's wholesale rates to Participants remain unchanged in 2023. Sales of electricity to Participants did not include a billing credit to return excess working capital generated in prior years to the Participants.
- In 2023, net cash generated from operating activities was $133.3 million, offsetting cash used in investing and financing activities of $5.6 million and $128.8 million, respectively.
- On January 1, 2023, PMPA made a principal payment of $51.3 million, reducing its long-term debt outstanding. PMPA's next principal payment of $52.1 million is due on January 1, 2024.

Year Ending December 31, 2022:

- PMPA's wholesale rates to Participants remain unchanged in 2022. Sales of electricity to Participants included a $10.8 million billing credit to return excess working capital generated in prior years to the Participants.
- In 2022, net cash generated from operating activities was $123.9 million, offsetting cash used in investing and financing activities of $33.5 million and $89.8 million, respectively.
- On January 1, 2022, PMPA made a principal payment of $26.0 million, reducing its long-term debt outstanding.

Overview of the Financial Activities

The following is an overview of the financial activities of PMPA for the years ended December 31, 2023 and 2022.

PMPA's financial statements, which include the statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows, are presented to display information about the reporting entity as a whole in accordance with GASB Statement No. 34, as amended. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

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Financial Information

The following summarizes the activities of PMPA for the years ended December 31, 2023, 2022, and 2021:

	2023	2022	2021
		(In thousands)	
Revenues:			
Sales of electricity to Participants	$ 220,132	$ 215,668	$ 190,501
Sales of electricity to other utilities and other operating revenues	18,833	23,161	21,165
Total operating revenues	238,965	238,829	211,666
Interest income	7,230	2,890	2,393
Net change in fair value of investments and derivative instruments	5,202	(9,143)	(292)
Total Revenues	251,397	232,576	213,767
Expenses:			
Operation, maintenance, and nuclear fuel amortization	37,539	38,322	39,308
Purchased power, transmission, and power delivery	54,443	65,683	50,889
Administrative, general, and payments in lieu of property taxes	25,554	24,001	23,480
Depreciation	9,450	10,634	9,609
Interest and amortization expense	30,448	31,894	38,754
Other	22,543	13,882	14,221
Total Expenses	179,977	184,416	176,261
Revenues over expenses before deferred items	71,420	48,160	37,506
Net decrease in net costs recoverable from future Participant billings	(46,721)	(48,055)	(100,859)
Postemployment benefits	(132)	-	(82)
	(46,853)	(48,055)	(100,941)
Revenues over (under) expenses	24,567	105	(63,435)
Net position at beginning of year	116,475	116,370	179,805
Net position at end of year	$ 141,042	$ 116,475	$ 116,370

Results of Operations

Revenues

- Sales of electricity to Participants, PMPA's primary source of revenue, increased in 2023 by 2.1%, or approximately $4.5 million. In 2023, sales of electricity to Participants did not include any billing credits to Participants, resulting in a $10.8 million increase in revenue from 2022. This increase was partially offset by a decrease in energy sold to Participants. Sales of electricity to Participants increased in 2022 by 13.2%, or approximately $25.2 million. The 2022 billing credit to Participants totaled $10.8 million compared to a credit of $28 million in 2021, resulting in a $17.2 million increase in revenue. The remaining increase was driven by increased energy sold to Participants.

- Sales of electricity to other utilities and other operating revenues decreased by 18.7% in 2023 due to a decrease in surplus energy rates, partially offset by an increase in energy available to sell in the market. Sales of electricity to other utilities and other operating revenues increased by 9.4% in 2022 due to an increase in surplus energy rates, partially offset by a decrease in energy available to sell in the market. PMPA's surplus energy was contractually sold to Santee Cooper and The Energy Authority as part of supplemental purchased power agreements and Duke Energy Carolinas, LLC.

Expenses

- Purchased power, transmission and power delivery expenses decreased by 17.1%, or approximately $11.2 million, in 2023 due to a decrease in purchase prices coupled with a decrease in supplemental energy purchased in the market during 2023. Purchased power, transmission, and power delivery expenses increased by 29.1%, or approximately $14.8 million, in 2022 due to an increase in purchase prices coupled with an increase in supplemental energy purchased in the market during 2022.

- Other Expenses increased $8.7 million in 2023 due to the recording of a $10.0 million settlement liability associated with a 2019 lawsuit naming PMPA a defendant by two Participants with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with two Participants receiving a combined cash payment of $55 million, of which $10 million is to be paid by PMPA out of working capital funds and $45 million is to be paid by the remaining eight Participants. The $45 million cash payment is contingent upon PMPA securing financing, on behalf of the remaining eight participants, and will be included in PMPA's financial statements once the financing is secured. Because PMPA's portion of the settlement was reasonably estimable and probable on December 31, 2023, PMPA has included a $10 million settlement liability in the accompanying statements of financial position and a related $10 million expense included in other nonoperating expenses in the accompanying statements of revenues, expenses and changes in net position. The financing associated with the $45 million cash payment will be excluded from PMPA's wholesale rates and net costs recoverable from future Participant billings, and will be paid by the remaining eight Participants during the life of the to be acquired financing.

Net Position

The following summarizes the net position of PMPA for the years ended December 31, 2023, 2022, and 2021:

	2023	2022	2021
		(In thousands)	
Assets:			
Capital assets, net	$ 411,492	$ 403,029	$ 399,965
Current unrestricted assets	123,023	117,133	118,593
Current restricted assets	252,035	240,123	207,968
Other noncurrent assets	279,921	326,671	374,755
Total Assets	$ 1,066,471	$ 1,086,956	$ 1,101,281
Deferred outflows:	$ 11,670	$ 16,366	$ 21,353
Liabilities:			
Long-term liabilities	$ 678,899	$ 739,068	$ 793,845
Current liabilities	258,012	247,779	212,419
Total Liabilities	$ 936,911	$ 986,847	$ 1,006,264
Deferred inflows:	$ 188	$ -	$ -
Net position:			
Net investment in capital assets	$ (165,602)	$ (231,065)	$ (266,625)
Restricted for other	1,600	1,600	1,600
Unrestricted	305,044	345,940	381,395
Total Net Position	$ 141,042	$ 116,475	$ 116,370

Current unrestricted assets fluctuate with the changes in working capital. Working capital decreased by $1.4 million and $4.6 million in 2023 and 2022, respectively.

Current restricted assets primarily include assets restricted for decommissioning and debt service. Assets restricted for decommissioning increase each year due to PMPA's regular deposits into the decommissioning fund. Assets restricted for debt service fluctuate each year depending on PMPA's debt service obligation on January 1 of the following year. As such, PMPA's assets restricted for debt service decreased on December 31, 2023 when compared to December 31, 2022 and increased on December 31, 2022 when compared to December 31, 2021.

Other noncurrent assets primarily include net costs recoverable from future Participant billings, which decreased by $46.7 million and $48.0 million in 2023 and 2022, respectively. This decrease was driven by the $52.1 million and $51.3 million of principal deposits made during 2023 and 2022, respectively, which were partially offset by the deferrals of interest, depreciation, and amortization expenses.

Long-term liabilities primarily include bonds payable, net and the reserve for decommissioning. Long-term bonds payable, net decreased by $61.2 million and $61.9 million in 2023 and 2022, respectively, due to bond payments and the amortization of bond premiums. The reserve for decommissioning increased by $1.5 million and $7.0 million in 2023 and 2022, respectively, due to the continued accretion to the PMPA's total decommissioning requirement. The 2023 increase was partially offset by the decrease resulting from the updated decommissioning study.

Current liabilities primarily reflect PMPA's debt service requirement on January 1 of the following year. As such, current liabilities increased by $10.2 million and $35.4 million in 2023 and 2022, respectively.

PMPA calculates net investment in capital assets as the difference between capital assets and bonds payable, including loss on advance refunding of debt. Capital assets includes $411.0 million and $405.3 million of accumulated depreciation and amortization as of December 31, 2023 and 2022, respectively, causing the net investment in capital assets to reflect a negative balance.

Capital Assets

Capital assets include structures and improvements, reactor plant equipment, turbo-generator units, other equipment, and nuclear fuel. Such amounts are detailed as follows:

	2023	2022	2021
		(In thousands)	
Structures and improvements	$ 176,047	$ 174,077	$ 171,977
Reactor plant equipment	297,657	297,376	289,491
Turbo generator units	83,259	76,988	76,642
Other equipment	116,280	116,233	113,508
Nuclear fuel	79,063	73,348	69,578
Other	36,099	46,625	49,752
Construction work-in-progress	34,083	23,688	25,090
Total	822,488	808,335	796,038
Less accumulated depreciation and amortization	(410,996)	(405,306)	(396,073)
Total, net	$ 411,492	$ 403,029	$ 399,965

PMPA's investment in capital assets on December 31, 2023 totaled $411.5 million (net of accumulated depreciation and amortization), an $8.5 million increase from 2022. Significant capital transactions during 2023 included $15.4 million in nuclear fuel purchases and $21.0 million of capital additions, partially offset by depreciation and amortization expense of $22.2 million and a decommissioning adjustment of $5.8 million resulting from the updated study.

PMPA's investment in capital assets on December 31, 2022 totaled $403.0 million (net of accumulated depreciation and amortization), a $3.1 million increase from 2021. Significant capital transactions during 2022 included $12.8 million in nuclear fuel purchases and $15.0 million of capital additions, partially offset by depreciation and amortization expense of $24.0 million and a construction work-in-progress write off of $0.8 million.

Economic Factors and Next Year's Rates

Because the retail customers of PMPA Participants are primarily residential and small commercial accounts, PMPA is much less affected by economic downturns than a utility with larger commercial and industrial retail customers. The 2024 budget does not include an increase in PMPA's wholesale rates to the Participants.

Request for Information

This financial report is provided as an overview of PMPA's finances. Questions concerning any of the information in this report or requests for additional information should be directed to the Office of the Finance Director, Piedmont Municipal Power Agency, 121 Village Drive, Greer, South Carolina 29651.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Net Position

December 31, 2023 and 2022

(Dollars in thousands)

Assets	2023	2022
Capital Assets (Note 5):		
Utility plant assets being depreciated	$ 787,869	$ 784,111
Accumulated depreciation and amortization	(410,996)	(405,306)
Total utility plant assets being depreciated, net	376,873	378,805
Utility plant assets not being depreciated	34,619	24,224
Total Capital Assets, net	411,492	403,029
Current Unrestricted Assets:		
Cash	47	1,151
Marketable debt securities	84,516	78,355
Accrued interest receivable	1	1
Participant accounts receivable	17,488	16,813
Other accounts receivable	955	1,427
Materials and supplies	20,016	19,386
Total Current Unrestricted Assets	123,023	117,133
Current Restricted Assets (Note 7):		
Restricted for debt service	124,255	126,691
Restricted for decommissioning	126,180	111,832
Restricted for other	1,600	1,600
Total Current Restricted Assets	252,035	240,123
Total Current Assets	375,058	357,256
Noncurrent Assets:		
Net costs recoverable from future Participant billings (Note 8)	279,894	326,615
Other	27	56
Total Other Noncurrent Assets	279,921	326,671
Total Assets	$ 1,066,471	$ 1,086,956
Deferred Outflows:		
Redemption losses, net	$ 4,928	$ 5,754
Losses on advance refundings of debt, net	6,742	10,149
Postemployment benefits	-	463
Total Deferred Outflows	$ 11,670	$ 16,366

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Net Position (continued)

December 31, 2023 and 2022

(Dollars in thousands)

Liabilities	2023	2022
Long-Term Liabilities:		
Bonds payable, net (Notes 9 and 10)	$ 531,750	$ 592,953
Reserve for decommissioning (Note 11)	145,510	143,992
Other postemployment benefits (Note 13)	1,639	2,123
Total Long-Term Liabilities	678,899	739,068
Current Liabilities:		
Accounts payable and other accrued liabilities	11,889	11,877
Accrued settlement liability (Note 16)	10,000	-
Total Current Liabilities	21,889	11,877
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	184,037	184,612
Current installments of bonds payable	52,086	51,290
Total Current Liabilities Payable from Restricted Assets	236,123	235,902
Total Current Liabilities	258,012	247,779
Total Liabilities	$ 936,911	$ 986,847
Deferred Inflows:		
Postemployment benefits	$ 188	$ -
Net Position		
Net investment in capital assets	$ (165,602)	$ (231,065)
Restricted for other	1,600	1,600
Unrestricted	305,044	345,940
Total Net Position	$ 141,042	$ 116,475

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Revenues, Expenses and Changes in Net Position

Years Ended December 31, 2023 and 2022

(Dollars in thousands)

	2023	2022
Operating Revenues:		
Sales of electricity to Participants	$ 220,132	$ 215,668
Sales of electricity to other utilities	17,412	21,629
Other	1,421	1,532
Total Operating Revenues	238,965	238,829
Operating Expenses:		
Operation and maintenance	24,837	24,987
Nuclear fuel amortization	12,702	13,335
Purchased power	44,974	56,798
Transmission	8,861	8,295
Power delivery	608	590
Administrative and general	15,672	15,996
Depreciation	9,450	10,634
Decommissioning reserve accretion	7,313	6,960
Payments in lieu of property taxes	9,882	8,005
Total Operating Expenses	134,299	145,600
Net Operating Income	104,666	93,229
Other Income (Expense):		
Interest income	7,230	2,890
Net change in fair market value of investments	5,202	(9,143)
Interest expense	(36,660)	(39,041)
Amortization	6,212	7,147
Other	(15,230)	(6,922)
Total Other Expense, Net	(33,246)	(45,069)
Revenues over expenses before deferred items	71,420	48,160
Net decrease in net costs recoverable from future Participant billings	(46,721)	(48,055)
Postemployment benefits	(132)	-
	(46,853)	(48,055)
Revenue over expenses	24,567	105
Net position at beginning of year	116,475	116,370
Net position at end of year	$ 141,042	$ 116,475

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

(Dollars in thousands)

	2023	2022
Cash flows from operating activities:		
Receipts from customers	$ 238,762	$ 235,651
Payments for operations and maintenance	(25,467)	(24,703)
Payments for purchased power, transmission, and power delivery	(64,325)	(73,688)
Payments for administration and general	(15,660)	(13,396)
Net cash from operating activities	133,310	123,864
Cash flows from investing activities:		
Purchase of investment securities	(424,189)	(438,181)
Proceeds from sales and maturities of investments	409,805	401,335
Interest received on investments	8,743	3,390
Net cash used in investing activities	(5,641)	(33,456)
Cash flows from capital and related financing activities:		
Payment of bond principal	(51,290)	(25,959)
Interest payment on bonds	(35,906)	(30,178)
Expenditures for utility plant in service	(21,009)	(14,963)
Expenditures for nuclear fuel	(15,401)	(12,804)
Payment to Duke Energy for other charges	(5,339)	(5,958)
Other	172	53
Net cash used in capital and related financing activities	(128,773)	(89,809)
Net change in cash	(1,104)	599
Cash, beginning of year	1,151	552
Cash, end of year	$ 47	$ 1,151
Noncash investing and financing activities:		
Loss on sale of investment	$ (1,796)	$ (817)
Amortization expense on discounts and premiums	$ 9,117	$ 10,587
Amortization of net redemption loss	$ (4,233)	$ (4,874)
Net change in fair value of investments	$ 5,202	$ (9,143)
Change in decommissioning liability due to updated cost study	$ 5,795	$ -

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Cash Flows (continued)

Years Ended December 31, 2023 and 2022

(Dollars in thousands)

	2023	2022
Reconciliation of net operating income to net cash from operating activities:		
Net operating income	$ 104,666	$ 93,229
Adjustments to reconcile net operating income to net cash from operating activities:		
Depreciation	9,450	10,634
Nuclear fuel amortization	12,702	13,335
Decommissioning reserve accretion	7,313	6,960
(Increase) decrease in:		
Participant accounts receivable	(675)	(2,778)
Other accounts receivable	472	(400)
Materials and supplies	(630)	284
Increase in:		
Accounts payable and other accrued liabilities	12	2,600
Net cash from operating activities	$ 133,310	$ 123,864

See accompanying notes to financial statements.

(1) Description of the Entity, Industry Restructuring Developments, and Related Uncertainties

(a) Description of the Entity

Piedmont Municipal Power Agency ("PMPA") was incorporated in 1979 under the South Carolina Joint Municipal Electric Power and Energy Act (the "Act"). The Act, adopted in April 1978, enabled the formation, by South Carolina municipalities and municipal commissions of public works, of a joint agency to plan, finance, develop, own, and operate electric generation and transmission facilities. Ten municipal utility systems ("Participants") comprise PMPA's membership. The Participants, located in northwestern South Carolina, are the cities of Abbeville, Clinton, Easley, Gaffney, Greer, Laurens, Newberry, Rock Hill, Union, and Westminster. PMPA is not a component unit of any other governmental entity.

PMPA has a 25% undivided ownership interest in Unit 2 of the Catawba Nuclear Station ("Catawba"). Pursuant to the Operating and Fuel Agreement between PMPA and Duke Energy Carolinas, LLC ("Duke"), Duke operates both Units 1 and 2 at Catawba. PMPA's power output entitlements (approximately 272 MW) come from both Catawba Units. PMPA pays 12.5% of the costs and receives 12.5% of the power output associated with each of these 1,145 MW units. The operating licenses for Catawba Unit 1 and Unit 2 expire on December 5, 2043.

Additionally, the terms of the McGuire Reliability Exchange Agreement ("MREA") allow transfers of energy between PMPA's entitlements from the Catawba Units and Duke's two nuclear units at the McGuire Nuclear Station ("McGuire"). The result spreads PMPA's entitlements across four similar nuclear units. The operating license for McGuire Unit 1 expires on June 12, 2041 and the operating license for McGuire Unit 2 expires on March 3, 2043.

(b) Industry Restructuring Developments and Related Uncertainties

There is no deregulation debate underway in the South Carolina General Assembly. The well-publicized complexities of deregulation in other parts of the country have caused the legislators and regulators in South Carolina to continue a regulated retail electricity market.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus,* GASB Statement No. 38, *Certain Financial Statement Disclosures* and GASB Statement No. 61, *The Financial Reporting Entity – Omnibus – An Amendment of GASB Statement No. 14 and No. 34.* Statement No. 34 requires as supplementary information Management's Discussion and Analysis, which includes an analytical overview of PMPA's financial activities.

PMPA's accounting records are maintained on an accrual basis in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and substantially in conformity with the Federal Energy Regulatory Commission's Uniform System of Accounts.

PMPA follows the accounting practices set forth in U.S. GAAP, Accounting for the Effects of Certain Types of Regulation, as amended. This standard allows PMPA to capitalize or defer certain costs or revenues based on PMPA's ongoing assessment that it is probable that such items will be recovered through future revenues based on the rate-making authority of PMPA's Board of Directors. The criteria require consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized cost.

PMPA's General Bond Resolution requires that its rate structure be designed to produce revenues sufficient to pay operating, debt service, and other specified costs. PMPA's Board of Directors, which is comprised of representatives of the Participants, is responsible for reviewing and approving the rate structure. The application of a given rate structure to a given period's electricity sales may produce revenues not intended to pay that period's costs, and conversely, that period's costs may not be intended to be recovered in period revenues. The affected revenues and/or costs are, in such cases, deferred for future recognition. The ultimate recognition of deferred items is correlated with specific future events, primarily payment of debt principal.

PMPA maintains a single enterprise fund to record its activities, which consists of a self-balancing set of accounts. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

(2) Summary of Significant Accounting Policies – Continued

(b) Losses on Advanced Refundings of Debt and Redemption Losses, net

Losses on advanced refundings of debt and redemption losses, net at December 31, 2023 and 2022 of $11,670 and $15,903, respectively, (net of accumulated amortization of $253,678 and $265,804, respectively) have been deferred in accordance with U.S. GAAP and are being amortized over the term of the debt issued on refunding using the effective interest method. The remaining costs on advanced refundings will be amortized over the next 10 years (2024 through 2033) based on the shorter of the original debt maturity dates or the maturity dates of the new debt.

(c) Discounts on Bonds Payable

The discounts on bonds payable at December 31, 2023 and 2022 of $81 and $134, respectively, (net of accumulated amortization of $1,007 and $954, respectively) are being amortized on the bonds outstanding method, which approximates the effective interest method.

(d) Premiums on Bonds Payable

The premiums on bonds payable at December 31, 2023 and 2022 of $44,921 and $54,091, respectively, (net of accumulated amortization of $31,455 and $22,285, respectively) are being amortized on a method that approximates the effective interest method.

(e) Income Taxes

PMPA is recognized as a public utility for federal income tax purposes. As such, the gross income of PMPA is excluded from federal income taxes under Internal Revenue Code ("IRC") Section 115.

(f) Marketable Debt Securities

As authorized by the General Bond Resolution, investment securities at December 31, 2023 and 2022 consist only of direct obligations of the United States government and obligations of United States government agencies. These investments are uninsured and unregistered and are held by PMPA's trustee in PMPA's name.

Marketable debt securities are recorded at fair value based on market prices. Unrealized holding gains and losses on marketable debt securities are included in income. Interest income is recognized when earned.

(Dollars in thousands)

(2) Summary of Significant Accounting Policies – Continued

(g) Capital Assets, net

Utility plant assets, including unclassified assets, are stated at cost and are depreciated on a straight-line basis at rates calculated to depreciate the composite assets over their respective estimated useful lives. Depreciation begins when assets are placed into service. PMPA's annual provision for depreciation expressed as a percentage of the average balance of depreciable utility plant was 1.2% and 1.4% in 2023 and 2022, respectively.

PMPA's capital assets are currently being depreciated according to the following table:

	Years		Years
Structures and improvements	40	Station equipment	40
Reactor plant equipment	40	Transmission equipment	40
Turbo generator units	40	Other	35-40
Accessory electric equipment	40	Unclassified	40
Miscellaneous plant equipment	40	Nuclear fuel	4-5

(h) Materials and Supplies

Materials and supplies inventories are stated at the lower of cost or net realizable value using the average cost method.

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Summary of Significant Accounting Policies – Continued

(j) Net Position

Equity is classified into net positions and is displayed in three components:

- *Net Investment in Capital Assets* – consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted for Other* – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provision or enabling legislation.
- *Unrestricted* – all other net position that does not meet the definition of "restricted for other" or "net investment in capital assets."

(k) Revenue Recognition

PMPA recognizes revenue on sales when the electricity is delivered to the Participants and other utilities.

(l) Operating and Non-operating Expenses

PMPA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in addition to producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues of PMPA are charges to Participants and other utilities for sales and services. Operating expenses for PMPA include the costs of sales and services, general and administrative services, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(2) Summary of Significant Accounting Policies – Continued

(m) Recent Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement (1) defines a subscription-based information technology arrangement ("SBITA"); (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. PMPA adopted this statement effective January 1, 2023. There was no material impact on PMPA's financial statements as a result of the adoption.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement aligns the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. This Statement is not expected to have a material impact on PMPA.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. This Statement is not expected to have a material impact on PMPA.

(Dollars in thousands)

(3) Power Sales Agreements

(a) Catawba Project Power Sales Agreements

PMPA and each Participant are parties to Catawba Project Power Sales Agreements ("Power Sales Agreements"). These Power Sales Agreements obligate PMPA to provide each Participant a share of the undivided 25% interest in Unit 2 of Catawba power output. In turn, each Participant must pay its share of the Catawba costs. Participants make their payments on a "take-or-pay" basis whether or not Catawba is operable or operating. Such payments are not subject to reduction or offset and are not conditioned upon performance by PMPA or any given Participant. The Power Sales Agreements are in effect until the earlier of August 1, 2035 or the completion of payments on the bonds and satisfaction of obligations under the Project agreements.

Each Participant is entitled to the following percentages of PMPA's Catawba output:

Abbeville	2.68
Clinton	7.84
Easley	13.24
Gaffney	10.05
Greer	9.34
Laurens	6.49
Newberry	10.47
Rock Hill	28.04
Union	10.01
Westminster	1.84
	100.00

(b) Supplemental Power Sales Agreements

PMPA and each Participant are also parties to Supplemental Power Sales Agreements ("Supplemental Agreements") under which each Participant has agreed to pay, in exchange for All Requirements Bulk Power Supply, its share of All Requirements Bulk Power Supply costs. The Supplemental Agreements terminate on December 20, 2034; however, a Participant may terminate its Supplemental Agreement with ten years advance notice. On December 31, 2018 the Participants Greer, Rock Hill and Westminster turned in the ten-year written notice to terminate their Supplemental Agreements with PMPA. The effective date of termination will be December 31, 2028. In December 2019, the remaining seven Participants turned in the ten-year written notice to terminate their Supplemental Agreements with PMPA. The effective date of termination will be December 31, 2029.

(4) Project and Other Agreements

Project Agreements between PMPA and Duke consist of the Purchase, Construction, and Ownership Agreement (“Sales Agreement”), the Operating and Fuel Agreement (the “Operating Agreement”), the Joint Ownership Support Agreement, (the “JOSA”), and the MREA.

(a) Sales Agreement

The Sales Agreement generally provides for (i) the purchase of Catawba by PMPA; (ii) PMPA’s contract with Duke to act as engineer contractor for PMPA for completion of construction, initial fueling, and placing Catawba into commercial operation; (iii) PMPA’s payment to Duke for construction completed to the date of closing on Catawba and for construction thereafter; and (iv) PMPA’s payment to Duke of certain profits and fees.

(b) Operating Agreement

The Operating Agreement generally provides that PMPA employs Duke, as operator of Catawba, to be responsible for the (i) operation, maintenance, and fueling of Catawba; (ii) making of renewals, replacements, and capital additions to Catawba; and (iii) ultimate decommissioning of Catawba at the end of its useful life.

(c) JOSA

The JOSA generally provides for certain joint ownership rights and obligations, including the Catawba Reliability Exchange. This agreement became effective on January 1, 2006.

(d) MREA

The MREA generally provides for the continued exchange of energy from PMPA’s entitlements to the Catawba units for energy from Duke’s McGuire Nuclear Station units. This agreement became effective January 1, 2006, and can be terminated by either party by giving a three-year written notice.

(4) Project and Other Agreements – Continued

Other Agreements

(a) Requirements Service Agreement

On December 13, 2010, PMPA entered into a Power Sales Agreement with the South Carolina Public Service Authority ("Santee Cooper"). This agreement became effective on January 1, 2014. The contract requires that PMPA purchase power from Santee Cooper to meet all of its load demand beyond the amounts served by Catawba, the Participants' share of electricity, excluding backstand services, from SEPA ("Southeastern Power Administration") hydroelectric facilities, and load requirements met by individual generating resources owned by certain Participants. On January 28, 2020, PMPA provided the required ten-year notice of termination to Santee Cooper for the Requirements Service Agreement. This cancellation is a result of all Participants providing notice to cancel their Supplemental Agreements, as discussed in Note 3.

(b) Transmission Services

PMPA entered into a service agreement with Duke to begin taking transmission service under Duke's Open Access Transmission Tariff ("OATT") on January 1, 2006.

(c) The Energy Authority Resource ("TEA") Management Agreement

Effective January 1, 2021, PMPA entered into a Resource Management Agreement with TEA. The Resource Management Agreement generally provides for PMPA to purchase capacity and energy from TEA to obtain backstand services for PMPA's entitlement to capacity and energy from the Catawba and McGuire Nuclear Stations. The TEA agreement has an initial term of three years and, unless terminated, shall renew on an annual basis for successive one-year terms, starting in 2024.

(Dollars in thousands)

(5) Capital Assets

The following is a summary of capital asset activity for the years ended December 31, 2023 and 2022:

	December 31, 2023			
	Beginning Balance	Increase	Decrease	Ending Balance
Utility plant being depreciated:				
Structures and improvements	$ 174,077	$ 2,651	$ (681)	$ 176,047
Reactor plant equipment	297,376	1,305	(1,024)	297,657
Turbo generator units	76,988	8,219	(1,948)	83,259
Accessory electric equipment	66,526	1,028	(237)	67,317
Miscellaneous plant equipment	35,988	1,044	(6)	37,026
Station equipment	7,536	146	(1,928)	5,754
Transmission equipment	6,183	-	-	6,183
Other	19,375	-	(5,848)	13,527
Unclassified	26,714	9,631	(14,309)	22,036
Nuclear fuel	73,348	15,401	(9,686)	79,063
Total utility plant assets being depreciated	784,111	39,425	(35,667)	787,869
Less accumulated depreciation and amortization	(405,306)	(22,152)	16,462	(410,996)
Total utility plant assets being depreciated, net	378,805	17,273	(19,205)	376,873
Utility plant assets not being depreciated:				
Land	536	-	-	536
Construction work-in-progress	23,688	21,009	(10,614)	34,083
Total utility plant assets not being depreciated	24,224	21,009	(10,614)	34,619
Total capital assets, net	$ 403,029	$ 38,282	$ (29,819)	$ 411,492

(Dollars in thousands)

(5) Capital Assets – Continued

	December 31, 2022			
	Beginning Balance	Increase	Decrease	Ending Balance
Utility plant being depreciated:				
Structures and improvements	$ 171,977	$ 2,439	$ (339)	$ 174,077
Reactor plant equipment	289,491	9,515	(1,630)	297,376
Turbo generator units	76,642	663	(317)	76,988
Accessory electric equipment	65,297	1,470	(241)	66,526
Miscellaneous plant equipment	33,945	2,601	(558)	35,988
Station equipment	8,083	87	(634)	7,536
Transmission equipment	6,183	-	-	6,183
Other	19,832	30	(487)	19,375
Unclassified	29,384	14,019	(16,689)	26,714
Nuclear fuel	69,578	12,804	(9,034)	73,348
Total utility plant assets being depreciated	770,412	43,628	(29,929)	784,111
Less accumulated depreciation and amortization	(396,073)	(23,969)	14,736	(405,306)
Total utility plant assets being depreciated, net	374,339	19,659	(15,193)	378,805
Utility plant assets not being depreciated:				
Land	536	-	-	536
Construction work-in-progress	25,090	14,963	(16,365)	23,688
Total utility plant assets not being depreciated	25,626	14,963	(16,365)	24,224
Total capital assets, net	$ 399,965	$ 34,622	$ (31,558)	$ 403,029

Unclassified assets are in service and being depreciated but are not yet classified to specific plant accounts.

(Dollars in thousands)

(5) Capital Assets – Continued

Nuclear fuel represents costs associated with acquiring and processing reload fuel assemblies as well as the cost of nuclear fuel in the reactor. Nuclear fuel is amortized based on burn rates using a unit of production basis. PMPA regularly removes fully amortized nuclear fuel costs when fuel batches are replaced during core refueling operations. Fully amortized fuel costs of $9,686 and $9,034 were removed during 2023 and 2022, respectively.

A summary of accumulated depreciation and amortization on December 31, 2023 and 2022 is as follows:

	2023	2022
Accumulated depreciation of utility plant assets	$ 370,959	$ 368,285
Accumulated amortization of nuclear fuel	40,037	37,021
	$ 410,996	$ 405,306

The depreciation charge for the year on PMPA's generation plant has been determined based on revised estimated useful lives for these assets. The remaining estimated useful lives were revised to recognize a 19-year extension of the operating license for Catawba Unit 1 and a 17-year extension of the operating license for Catawba Unit 2 through 2043, which Duke received during 2003.

(6) Cash and Investments

On December 31, 2023, the carrying value of deposits included in cash was $47. Insured and collateralized bank deposits were $173 on December 31, 2023.

As of December 31, 2023, PMPA had the following investments (all are listed at fair value):

	Time Segmented Distribution					
Investment Type	Under 1 Year	1-2 Years	2-3 Years	3-4 Years	>4 Years	Total
Cash/Money Market	$ 153,552	$ -	$ -	$ -	$ -	$ 153,552
Government Agency	-	13,913	-	-	-	13,913
Government Treasury	15,701	40,721	40,454	38,001	33,071	167,948
Mortgage Backed Securities	-	-	-	-	252	252
Total fair value	$ 169,253	$ 54,634	$ 40,454	$ 38,001	$ 33,323	$ 335,665

(Dollars in thousands)

(6) Cash and Investments – Continued

On December 31, 2022, the carrying value of deposits included in cash was $1,151. Insured and collateralized bank deposits were $299 on December 31, 2022.

As of December 31, 2022, PMPA had the following investments (all are listed at fair value):

	Time Segmented Distribution					
Investment Type	**Under 1 Year**	**1-2 Years**	**2-3 Years**	**3-4 Years**	**>4 Years**	**Total**
Cash/Money Market	$ 163,184	$ -	$ -	$ -	$ -	$ 163,184
Government Agency	7,644	3,028	13,505	-	-	24,177
Government Treasury	-	45,152	26,894	30,409	27,760	130,215
Mortgage Backed Securities	-	30	101	151	18	300
Total fair value	$ 170,828	$ 48,210	$ 40,500	$ 30,560	$ 27,778	$ 317,876

Interest Rate Risk

Interest rate risk is the risk that rising interest rates will adversely affect the fair value of PMPA's investments. As outlined in PMPA's investment policy, investment maturities shall be less than 20 years and maturities shall be staggered in a way that avoids undue concentration in a specific maturity sector and provides for stability of income and reasonable liquidity.

Credit Risk

PMPA's investment policy for managing credit risk is in accordance with the statutes of the State of South Carolina. The policy allows for the investment of money in the following investments:

a) Direct obligations of, or obligations for, which the principal and interest are unconditionally guaranteed by the United States or its Agencies.

b) Direct and general obligations, to the payment of which the full faith and credit of the issuer is pledged, of the State of South Carolina or any political subdivision thereof that at the time of investment are assigned a rating of at least "A."

c) Certificates of deposit issued by any bank, trust company, or national banking association whose principal place of business is in the State of South Carolina or that is a member of the Federal Reserve System and authorized to do business in any state of the United States.

(Dollars in thousands)

(6) Cash and Investments – Continued

d) Bills of exchange or time drafts drawn on and accepted by a domestic or foreign bank, otherwise known as Bankers' Acceptances, which are eligible for purchase by the Federal Reserve, the short-term commercial paper of which is rated in the highest category.

e) Investments in repurchase agreements and reverse repurchase agreements with any bank, savings and loan association, credit union, or trust company organized under the laws of any state of the United States or any national banking association or government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which are collateralized by securities as set forth in (a) and (b).

PMPA's investments in U.S. Agencies and U.S. Government Sponsored Enterprises, including Federal Home Loan Bank System, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation, are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. U.S. Treasury and Agency Mortgage-Backed Securities are unrated but are considered equivalent to an AAA rating.

The following represents securities in an unrealized loss position as of December 31, 2023:

Less than 12 months		12 months or more		Total	
Fair Value	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
$ 10,544	$ (57)	$ 92,439	$ (5,121)	$ 102,983	$ (5,178)
$ 10,544	$ (57)	$ 92,439	$ (5,121)	$ 102,983	$ (5,178)

The following represents securities in an unrealized loss position as of December 31, 2022:

Less than 12 months		12 months or more		Total	
Fair Value	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
$ 12,547	$ (530)	$ 91,104	$ (7,779)	$ 103,651	$ (8,309)
$ 12,547	$ (530)	$ 91,104	$ (7,779)	$ 103,651	$ (8,309)

(Dollars in thousands)

(6) Cash and Investments – Continued

Custodial Credit Risk

PMPA's policy for managing custodial risk requires all securities owned by PMPA to be held in safekeeping by a third party custodian bank in PMPA's name under a custody agreement. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, PMPA will not be able to recover the value of its investments or collateral that is in the possession of an outside party.

Concentration of Credit Risk

The investment policy of PMPA permits a maximum portfolio percentage of 100% for U.S. Treasuries, Federal Agencies and U.S. Government-sponsored enterprises and permits a maximum portfolio percentage of 50% in any one federal agency or government-sponsored enterprise.

As of December 31, 2023, 4.1% of the portfolio was held in Federal Agency bonds and 0.1% was held in Agency Mortgage-Backed Securities. As of December 31, 2022, 7.6% of the portfolio was held in Federal Agency bonds and 0.1% was held in Agency Mortgage-Backed Securities.

A reconciliation of cash and investments for PMPA on December 31, 2023 and 2022 shown in the statements of net position is as follows:

	2023	2022
Fair value of investments	$ 335,665	$ 317,876
Accrued interest receivable	886	602
Total	$ 336,551	$ 318,478
Statements of Net Position:		
Marketable debt securities	$ 84,516	$ 78,355
Restricted for debt services	124,255	126,691
Restricted for decommissioning	126,180	111,832
Restricted for other	1,600	1,600
Total investments, including accrued interest receivable	$ 336,551	$ 318,478

(Dollars in thousands)

(7) Restricted Assets

The General Bond Resolution and Project agreements restrict the use of bond proceeds, PMPA revenues, and PMPA funds on hand. Certain restrictions define the order in which available funds may be used to pay costs; other restrictions require minimum balances or accumulation of balances for specific purposes. On December 31, 2023 and 2022, management believes PMPA was in compliance with all such restrictions and held the following restricted assets:

	2023		2022	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Debt services - bond principal	$ 64,562	$ 64,562	$ 65,388	$ 65,388
Debt services - bond fixed rate interest	10,862	10,862	11,812	11,812
Debt service reserve	44,263	45,679	44,724	47,671
Reserve and contingency	4,568	4,568	4,767	4,767
Decommissioning	126,180	129,411	111,832	118,730
Special reserve	1,600	1,600	1,600	1,600
	$ 252,035	$ 256,682	$ 240,123	$ 249,968
Funds are comprised of:				
Marketable debt securities	$ 251,149	$ 255,796	$ 239,521	$ 249,366
Accrued interest receivable	886	886	602	602
	$ 252,035	$ 256,682	$ 240,123	$ 249,968

(Dollars in thousands)

(8) Net Costs Recoverable from Future Participant Billings

As described in Notes 1 and 2, rates charged to Participants are structured to systematically provide for debt requirements and operating costs of PMPA. The expenses and revenues excluded from rates are capitalized and expensed in such periods as they are intended to be included in rates.

Net costs recoverable from future Participant billings on December 31, 2023 and 2022 are as follows:

	2023	2022	Change
	(Cumulative totals)		
Items to be recovered in future Participant billings:			
Interest expense	$ 509,088	$ 494,783	$ 14,305
Depreciation expense	411,681	408,061	3,620
Amortization of redemption and defeasance losses	366,125	361,891	4,234
Debt issuance costs and amortization of bond discounts and premiums	54,858	63,975	(9,117)
Nuclear fuel expenses	873	873	-
Letter of credit fees	5,649	5,649	-
Other	2,390	2,390	-
	1,350,664	1,337,622	13,042
Items reducing future Participant billings:			
Investment income	(76,528)	(76,528)	-
Reserve and contingency deposits	(117,840)	(117,840)	-
	(194,368)	(194,368)	-
Revenues (expenses) recognized:			
Interest, depreciation, amortization expense included in Participant billings for debt principal payments	(899,530)	(847,444)	(52,086)
Capital appreciation bond interest deposits	(37,735)	(25,426)	(12,309)
Reserve and contingency revenue applied to expenses	60,863	56,231	4,632
	(876,402)	(816,639)	(59,763)
Net costs recoverable from future Participant billings	$ 279,894	$ 326,615	$ (46,721)

(8) Net Costs Recoverable from Future Participant Billings – Continued

The following expenses will be recognized in future periods when rates charged to Participants produce revenues sufficient to retire the debt that funded those costs:

- Interest expense on PMPA's bonds and variable rate demand obligations along with an associated letter of credit, banking, and remarketing fees (except interest and fees related to capital appreciation bonds) paid from bond proceeds during a defined "Construction Period" (net of income earned on the temporary investment of those bond proceeds);
- Interest expense on capital appreciation bonds accrued but not paid until maturity;
- Debt issuance expenses, amortization of bond discounts and premiums, defeasance losses, redemption losses, and organization costs paid from or included in bond proceeds;
- Depreciation on utility plant constructed with bond proceeds and amortization of nuclear fuel acquired with bond proceeds; and
- Certain other project costs paid from bond proceeds.

Additionally, PMPA's General Bond Resolution requires Participant revenues to be established at levels sufficient to provide specified deposits into a Reserve and Contingency fund. Monies in that fund are used to construct or acquire utility plant assets. The recognition of such revenues is considered unearned until the depreciation is recorded on the assets constructed or acquired with those monies.

(Dollars in thousands)

(9) Bonds Payable

Bonds payable, net on December 31, 2023 and 2022 consist of the following:

	2022	Additions	Reductions	2023	Due within one year
1993 Refunding Series Electric Revenue Bonds, payable from 2023 to 2025 with interest at 5.38%	$ 32,185	$ -	$ 425	$ 31,760	$ 450
2004A Capital Appreciation Electric Revenue Bonds, payable annually from 2023 to 2024, 2026 to 2032 and 2034 with interest ranging from 5.46% to 5.80%	95,091	-	8,230	86,861	6,531
2009B Electric Revenue Bonds (Build America Bonds), payable 2031 to 2034 with interest at 7.036% (35% interest federally refunded yielding net interest at 4.57%)	26,490	-	-	26,490	-
2012C Refunding Series Electric Revenue Bonds	4,485	-	4,485	-	-
2015A Series Electric Revenue Bonds, payable annually from 2023 to 2034 with interest ranging from 3.50% to 5.00%	50,460	-	5,165	45,295	5,425
2017A Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	9,565	-	-	9,565	7,755
2017B Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	22,625	-	-	22,625	19,135

(Dollars in thousands)

(9) Bonds Payable – Continued

	2022	Additions	Reductions	2023	Due within one year
2021A Refunding Series Electric Revenue Bonds, payable annually from 2023 to 2025 with interest at 4.00%	$ 38,870	$ -	$ 10,975	$ 27,895	$ 10,870
2021B Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest ranging from 4.00% to 5.00%	97,420	-	-	97,420	-
2021C Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest at 5.00%	90,520	-	-	90,520	-
2021D Refunding Series Electric Revenue Bonds, payable annually from 2026 to 2034 with interest at 4.00%	91,410	-	-	91,410	-
2021E Refunding Series Electric Revenue Bonds, payable annually from 2023 to 2025 with interest at 5.00%	31,165	-	22,010	9,155	1,920
Total bonds payable	590,286	-	51,290	538,996	52,086
Less unamortized discounts	(134)	-	(53)	(81)	-
Plus unamortized premiums	54,091	-	9,170	44,921	-
Bonds payable, net	$ 644,243	$ -	$ 60,407	$ 583,836	$ 52,086

(Dollars in thousands)

(9) Bonds Payable – Continued

Bonds payable, net on December 31, 2022 and 2021 consist of the following:

	2021	Additions	Reductions	2022	Due within one year
1993 Refunding Series Electric Revenue Bonds, payable from 2022 to 2025 with interest at 5.38%	$ 32,590	$ -	$ 405	$ 32,185	$ 425
2004A Capital Appreciation Electric Revenue Bonds, payable annually from 2022 to 2024, 2026 to 2032 and 2034 with interest ranging from 5.38% to 5.80%	102,670	-	7,579	95,091	8,230
2009B Electric Revenue Bonds (Build America Bonds), payable 2031 to 2034 with interest at 7.036% (35% interest federally refunded yielding net interest at 4.57%)	26,490	-	-	26,490	-
2012C Refunding Series Electric Revenue Bonds, payable 2023 with interest at 4.25%	4,485	-	-	4,485	4,485
2015A Series Electric Revenue Bonds, payable annually from 2022 to 2034 with interest ranging from 3.50% to 5.00%	51,935	-	1,475	50,460	5,165
2017A Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	9,565	-	-	9,565	-
2017B Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	22,625	-	-	22,625	-

(Dollars in thousands)

(9) Bonds Payable – Continued

	2021	Additions	Reductions	2022	Due within one year
2021A Refunding Series Electric Revenue Bonds, payable annually from 2022 to 2025 with interest ranging from 3.00% to 4.00%	$ 55,370	$ -	$ 16,500	$ 38,870	$ 10,975
2021B Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest ranging from 4.00% to 5.00%	97,420	-	-	97,420	-
2021C Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest at 5.00%	90,520	-	-	90,520	-
2021D Refunding Series Electric Revenue Bonds, payable annually from 2026 to 2034 with interest at 4.00%	91,410	-	-	91,410	-
2021E Refunding Series Electric Revenue Bonds, payable annually from 2023 to 2025 with interest at 5.00%	31,165	-	-	31,165	22,010
Total bonds payable	616,245	-	25,959	590,286	51,290
Less unamortized discounts	(186)	-	(52)	(134)	-
Plus unamortized premiums	64,730	-	10,639	54,091	-
Bonds payable, net	$ 680,789	$ -	$ 36,546	$ 644,243	$ 51,290

(Dollars in thousands)

(9) Bonds Payable – Continued

The bonds are special obligations of PMPA and are secured by future revenue and pledged monies and securities as provided by the Bond Resolution. Proceeds from these bonds provided financing for the construction of Catawba. The bonds are payable solely from electrical net revenues and are payable through 2034.

PMPA has advanced refunded certain bond issues as described in Note 10. PMPA is in compliance with its covenants under the Bond Resolution.

The following is a summary of bonds outstanding as of December 31, 2023. All principal payments are due on January 1 and are required to be deposited during the year prior.

Payment Due 1/1	Principal	Interest	Total
2024	$ 52,086	$ 33,334	$ 85,420
2025	66,565	18,855	85,420
2026	27,065	56,245	83,310
2027	37,397	46,276	83,673
2028	37,863	45,807	83,670
2029-2033	239,457	178,784	418,241
2034	78,563	5,069	83,632
	$ 538,996	$ 384,370	$ 923,366

(10) Refunding and Defeasance of Debt

In prior years, PMPA defeased in-substance certain Electric Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust fund to provide for future debt service payments on the old debt. Accordingly, the trust account asset and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2023 and 2022, $24,695 and $25,030 of the bonds are considered defeased in-substance, respectively.

(11) Reserve for Decommissioning

The owners of Catawba, including PMPA, have an obligation to decommission the station after its operating licenses expire. Management believes PMPA complies with the Nuclear Regulatory Commission requirements for funding future decommissioning costs. Since 1985, PMPA has been making regular deposits to segregated decommissioning accounts. Deposits pertaining to contaminated portions of the Project are held by a trustee. As of December 31, 2023 and 2022, the fair value of PMPA's assets that are legally restricted for settling the decommissioning obligation is $126,180 and $111,832, respectively.

Planned deposits into the decommissioning fund, together with interest earnings, are expected to be sufficient to pay PMPA's share of the projected cost of decommissioning the entire Catawba Station.

During 2003, Duke received a 19-year extension of the operating license for Catawba Unit 1 and a 17-year extension of the operating license for Catawba Unit 2 through 2043. In connection with the license extensions, PMPA received an updated decommissioning study in 2003 and has subsequently received updated decommissioning studies in December 2008, 2013, 2018, and 2023. The latest study, as of December 2023, estimates total decommissioning costs of $1,846,942 in 2023 dollars and presumes the Catawba Nuclear Station will be decommissioned as soon as possible following the expiration of its operating licenses in 2043. PMPA used the estimates from this study to determine its decommissioning liability in accordance with U.S. GAAP accounting for asset retirement obligations.

(Dollars in thousands)

(11) Reserve for Decommissioning – Continued

PMPA used the following assumptions in determining its reserve for decommissioning:

	2023	2022
Period in which decommissioning liability was incurred	1985	1985
Agency's share of decommissioning costs per study		
(in 2023 and 2018 dollars, respectively)	$230,868	$225,319
Estimation of inflation	2.75%	2.4%
Credit adjusted risk-free interest rate	3.0%	5.0%
Estimated life of corresponding asset	20 years	25 years

The following is a roll forward of the reserve for decommissioning for the years ended December 31, 2023 and 2022:

	2023	2022
Reserve for decommissioning at January 1	$ 143,992	$ 137,032
Decomissioning reserve accretion	7,313	6,960
Change in decommissioning liability due to updated cost study	(5,795)	-
Reserve for decommissioning at December 31	$ 145,510	$ 143,992

(12) Employee Benefit Plans

PMPA maintains a defined contribution money purchase plan in compliance with Section 401(a) of the IRC. On behalf of all full-time employees, PMPA contributes 10% of the base salary to the money purchase plan. PMPA contributions totaled $179 and $165 in 2023 and 2022, respectively. Employee contributions may also be made to the Plan, providing combined employer and employee annual contributions do not exceed 25% of eligible employee compensation, or $30, whichever is less.

PMPA also maintains a deferred compensation plan under Section 457 of the IRC. In the past, on behalf of selected employees, PMPA has contributed to the deferred compensation plan; however, no such contribution was made in 2023 or 2022. Employee contributions may also be made to the deferred compensation plan providing combined employer and employee annual contributions do not exceed certain limitations.

Assets of the money purchase and deferred compensation plans are held by Empower Retirement, administrator, and trustee for PMPA, for the exclusive benefit of the employees.

(Dollars in thousands)

(13) Other Postemployment Benefits ("OPEB")

PMPA's Postemployment Benefit Plan (the "Plan") provides other retiree medical benefits to qualified retirees. To qualify, a retiree must be 59½ years of age, have ten years of service and be an active employee of PMPA at the time of retirement. Medical benefits to qualified retirees are as follows: PMPA will maintain and pay up to 100% of premiums for group medical and dental insurance for each eligible retiree and up to 60% of premiums for the retiree's dependent spouse and children for the retiree's lifetime. After qualifying for Medicare, the covered individual will be covered under a supplemental insurance plan secondary to Medicare.

Membership in the healthcare benefit plan consisted of the following on December 31:

	2023	2022
Retirees	5	4
Active Employees	11	14
Total	16	18

Funding Policy

The required contribution is based on pay-as-you-go financing requirements.

Actuarial Assumptions and Other Inputs

The following actuarial assumptions and other inputs were used in calculating the OPEB liability for the years ended December 31, 2023 and 2022:

	2023	2022
Valuation date	December 31, 2023	December 31, 2021
Actuarial cost method	Entry age normal	Entry age normal
Discount rate	4.0% per annum	2.25% per annum
Salary increases	2.5% per annum	2.5% per annum
Mortality rates	1994 Group Annuity Mortality Static Table	1994 Group Annuity Mortality Static Table
Healthcare trend rates (Medical)	7% grading to 5.6% over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04% by 2075	6% grading to 5.5% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% by 2075
Healthcare trend rates (Vision)	5% per annum	5% per annum
Participation rates	100% of active participants are assumed to elect coverage in retirement 50% of active participants are assumed to cover a spouse in retirement	100% of active participants are assumed to elect coverage in retirement 50% of active participants are assumed to cover a spouse in retirement

(Dollars in thousands)

(13) Other Postemployment Benefits ("OPEB") – Continued

The following is a schedule of changes in the OPEB liability for the years ended December 31, 2023 and 2022:

	2023	2022
OPEB liability at January 1	$ 2,123	$ 1,983
Service cost	118	115
Interest	50	46
Experience gains	(24)	-
Changes of assumptions	(599)	-
Benefit paids	(29)	(21)
OPEB liability at December 31	$ 1,639	$ 2,123

The following table represents the net OPEB liability calculated using the stated medical trend assumption, as well as what the net OPEB liability would be if it were calculated using a medical trend rate that is one percentage point lower or one percentage point higher than the assumed medical trend rate.

	Medical Trend Rate		
	1% Decrease (6.0% to 4.6% over 3 years following Getzen model thereafter)	**Current (7.0% to 5.6% over 3 years following Getzen model thereafter)**	**1% Increase (8.0% to 6.6% over 3 years following Getzen model thereafter)**
OPEB Liability	$1,298	$1,639	$1,887

The following table represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage higher than the current rate.

	Discount Rate		
	1% Decrease (3.0%)	**Current (4.0%)**	**1% Increase (5.0%)**
OPEB Liability	$1,970	$1,639	$1,375

(Dollars in thousands)

(13) Other Postemployment Benefits ("OPEB") – Continued

OPEB Expense and Deferred Outflows of Resources Related to OPEB

Experience gains or losses as well as changes in actuarial assumptions are recognized over the average working lifetime of all participants, which is 7.4 years and 8.1 years for the years ended December 31, 2023 and 2022, respectively. The following table summarizes OPEB expense for the years ended December 31, 2023 and 2022:

	2023	2022
Service cost	$ 118	$ 115
Interest	50	47
Experience gains	(3)	-
Changes of assumptions	(82)	-
Amortization of deferrals	112	112
Total OPEB expense	$ 195	$ 274

On December 31, 2023, the deferred inflows of resources related to OPEB was $188. On December 31, 2022, the deferred outflows of resources was $463. The deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ending December 31,	
2024	$ 28
2025	28
2026	(24)
2027	(54)
2028	(54)
Thereafter	(112)
	$ (188)

(14) Disclosures Regarding Fair Value of Financial Instruments

U.S. GAAP requires disclosure of fair value information about financial instruments, whether or not recognized in the statement of net position, for which it is practicable to estimate fair value. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and the relevant market information. Where available, quoted market prices are used. In other cases, fair values are based on estimates using present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, prepayments, estimates of future cash flows, future expected loss experience and other factors. Changes in assumptions could significantly affect these estimates. Derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, may or may not be realized in an immediate sale of the instrument.

Under U.S. GAAP, fair value estimates are based on existing financial instruments without attempting to estimate the value of anticipated future business and the value of the assets and liabilities that are not financial instruments. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of PMPA.

The following describes the methods and assumptions used by PMPA in determining carrying value and estimated fair value of financial instruments:

(a) Cash

Carrying value equals estimated fair value.

(b) Marketable Debt Securities

Marketable debt securities are reported at fair value and categorized within the fair value hierarchy established under U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Gains or losses that result from market fluctuation are reported in the current period. As of December 31, 2023 and 2022, the Agency's investments included money market investments of \$153,552 and \$163,184, respectively, which were valued at amortized cost approximate fair value, and marketable debt securities of \$182,113 and \$154,692, respectively, which were valued at fair value using significant other observable inputs (Level 2 inputs).

(c) Participant Accounts Receivable and Other Accounts Receivable

Carrying amount approximates fair value due to the short-term nature of these instruments.

(Dollars in thousands)

(14) Disclosures Regarding Fair Value of Financial Instruments – Continued

(d) Long-Term Debt

Carrying value of long-term debt coupon securities includes par, less unaccreted discounts, plus unamortized premiums, plus accrued interest payable. Carrying value also includes capital appreciation term bonds valued at the original price plus accrued interest payable.

The estimated fair value of long-term debt securities is derived from quoted market prices and includes accrued interest.

The estimated fair values of PMPA's long-term debt with carrying amount on December 31, 2023 and 2022 are as follows:

	2023		2022	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
1993 Electric Revenue Refunding Bonds	$ 32,567	$ 33,363	$ 32,955	$ 34,549
2004A-2 Electric Revenue Refunding Bonds	260,078	288,621	267,932	297,027
2009B Build America Bonds	27,422	30,892	27,422	31,159
2012C Electric Revenue Refunding Bonds	-	-	4,580	4,580
2015A Electric Revenue Refunding Bonds	47,825	47,163	53,687	53,307
2017A Electric Revenue Refunding Bonds	9,843	9,841	10,073	10,030
2017B Electric Revenue Refunding Bonds	23,286	23,261	23,946	23,709
2021A Electric Revenue Refunding Bonds	29,062	28,631	41,219	40,059
2021B Electric Revenue Refunding Bonds	116,555	108,120	119,163	107,241
2021C Electric Revenue Refunding Bonds	105,681	98,689	107,640	99,771
2021D Electric Revenue Refunding Bonds	105,844	97,929	107,552	97,074
2021E Electric Revenue Refunding Bonds	9,710	9,530	32,686	32,274
	$ 767,873	$ 776,040	$ 828,855	$ 830,780

The carrying amount of the bond is net of all discounts, premiums, and accrued interest on capital appreciation bonds.

(15) Nuclear Insurance and Other Risk Management

Nuclear Insurance. Duke owns and operates McGuire with two nuclear reactors. In addition, Duke operates and has a partial ownership interest in Catawba with two nuclear reactors. Nuclear insurance coverage is maintained in three program areas: nuclear liability coverage; property, decontamination and premature decommissioning coverage; and business interruption and/or extra expense coverage. The other joint owners of Catawba reimburse Duke for certain expenses associated with nuclear insurance premiums per the Catawba joint owner agreements. The Price-Anderson Act requires Duke to provide for public nuclear liability claims resulting from nuclear incidents to the maximum total financial protection liability. The maximum total financial protection liability, which currently is $13,700,000, is subject to change every five years for inflation and for the number of licensed reactors.

Primary Liability Insurance. Duke has purchased the maximum reasonably available private primary nuclear liability insurance as required by law, which currently is $450,000 per station.

Excess Liability. This policy currently provides $13,200,000 of coverage through the Price-Anderson Act's mandatory industry-wide excess secondary financial protection program of risk pooling. The $13,200,000 of coverage is the product of the current potential cumulative retrospective premium assessments of $138,000 times the current 96 licensed commercial nuclear reactors in the U.S. Under this program, operating unit licensees could be assessed retrospective premiums to compensate for public nuclear liability damages in the event of a nuclear incident at any licensed facility in the U.S. Retrospective premiums may be assessed at a rate not to exceed $20,500 per year per licensed reactor for each incident. The assessment may be subject to state premium taxes.

Duke is a member of Nuclear Electric Insurance Limited ("NEIL"), which provides property and accidental outage insurance coverage for Duke's nuclear facilities under the following two policy programs:

Accidental Property Damage, Nuclear Accident Decontamination and Premature Decommissioning Liability Insurance. This policy has limits of $1,500,000 for Catawba and McGuire. Catawba has a dedicated $1,250,000 of additional nuclear accident insurance limit above their dedicated underlying limit. McGuire also shares an additional $1,250,000 nuclear accident insurance limit above their underlying limit with other nuclear stations. This shared limit is not subject to reinstatement in the event of a loss. Catawba also has an additional $750,000 of non-nuclear accidental property damage limit.

(15) Nuclear Insurance and Other Risk Management – Continued

Accidental Outage Insurance. This policy provides some coverage, similar to business interruption, for losses in the event of a major accident property damage outage of a nuclear unit. Coverage is provided on a weekly limit basis after a significant waiting period deductible and at 100% of the applicable weekly limits for 52 weeks and 80% of weekly limits for up to the next 110 weeks. Coverage is provided until these applicable weekly periods are met, where the accidental outage policy limit will not exceed $490,000 for Catawba and McGuire. NEIL sub-limits the accidental outage recovery up to the first 104 weeks of coverage not to exceed $328,000 from non-nuclear accidental property damage. Coverage amounts decrease in the event that more than one unit at a station is out of service due to a common accident. All coverages are subject to sublimits and deductibles.

Losses resulting from acts of terrorism are covered as a common occurrence, such that if terrorist acts occur against one or more commercial nuclear power plants insured by NEIL within a 12-month period, they would be treated as one event and the owners of the plants, where the acts occurred, would share one full limit of liability (currently $3,200,000). NEIL sub-limits the total aggregate for all of their policies for non-nuclear terrorist events to approximately $1,800,000.

In the event of NEIL losses, NEIL's Board of Directors may assess companies' retroactive premiums of amounts up to ten times their annual premiums for up to six years after a loss. NEIL has never exercised this assessment. The maximum aggregate annual retrospective premium obligations for Duke are $151,000.

Pursuant to regulations of the Nuclear Regulatory Commission, each company's property damage insurance policies provide that all proceeds from such insurance be applied, first, to place the plant in a safe and stable condition after a qualifying accident and second, to decontaminate before any proceeds can be used for decommissioning, plant repair or restoration.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material adverse effect on Duke's results of operations, cash flows or financial position.

The maximum assessment amounts include 100% of Duke's potential obligation to NEIL for Catawba. However, the other joint owners of Catawba are obligated to assume their pro rata share of liability for retrospective premiums and other premium assessments resulting from the Price-Anderson Act's excess secondary financial protection program of risk pooling or the NEIL policies.

(15) Nuclear Insurance and Other Risk Management – Continued

PMPA also carries building and personal property insurance for the administrative offices, health insurance for all active employees, and workers' compensation insurance in accordance with statutory requirements. The policy limit for the building and personal property insurance is $6,581.

(16) Commitments and Contingencies

The Agency is subject to lawsuits, claims, investigations, and proceedings, which arise in the ordinary course of business. If management believes that a loss arising from these matters is probable and can be reasonably estimated, a loss is recorded. As additional information becomes available, these matters are assessed and the estimates are revised, if necessary. Based on the currently available information, management believes the ultimate outcome of these matters, individually and in the aggregate, will not have a material, adverse effect on the Agency's business, financial condition, or results of operation.

In 2019, PMPA was named a defendant in a lawsuit by two Participants with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with two Participants receiving a combined cash payment of $55 million, of which $10 million is to be paid by PMPA out of working capital funds and $45 million is to be paid by the remaining eight Participants. The $45 million cash payment is contingent upon PMPA securing financing, on behalf of the remaining eight participants, and will be included in PMPA's financial statements once the financing is secured. Because PMPA's portion of the settlement was reasonably estimable and probable on December 31, 2023, PMPA has included a $10 million settlement liability in the accompanying statements of financial position and a related $10 million expense included in other nonoperating expenses in the accompanying statements of revenues, expenses and changes in net position. The financing associated with the $45 million cash payment will be excluded from PMPA's wholesale rates and net costs recoverable from future Participant billings, and will be paid by the remaining eight Participants during the life of the to be acquired financing.

In July 2023, PMPA was named a defendant in a lawsuit by a Participant regarding the terms of the Project Sales Agreements. The lawsuit seeks a declaratory judgment regarding final accounting procedures set forth within the Project Sales Agreements. The impact of this lawsuit, if any, on the PMPA financial statements is currently unknown and no provision for this litigation has been made in the accompanying financial statements.

(17) Subsequent Events

As referenced in Note 16, PMPA entered into a settlement agreement in January 2024 related to the lawsuit filed by two Participants with regards to the allocation of costs amongst all Participants. The associated $10 million settlement liability, accrued at December 31, 2023, was paid in February 2024.

SUPPLEMENTARY INFORMATION

PIEDMONT MUNICIPAL POWER AGENCY

Schedule of Revenues and Expenses Actual and Budget

Per the Bond Resolution and Other Agreements

Year Ended December 31, 2023

(Dollars in thousands)

	Actual Revenues and Expenses	Budgeted Revenues and Expenses	Actual Over (Under) Budget
Revenue:			
Sales of electricity to Participants	$ 220,132	$ 231,379	$ (11,247)
Sales of electricity to Duke	11,200	12,136	(936)
Sales of electricity to Others	6,212	3,222	2,990
Interest income	7,230	7,248	(18)
Other	1,421	1,572	(151)
Total Revenue	$ 246,195	$ 255,557	$ (9,362)
Expenses:			
Catawba operating expenses:			
Operation and maintenance	$ 24,837	$ 27,470	$ (2,633)
Nuclear fuel amortization	12,702	13,048	(346)
Purchased power-Duke	11,349	12,656	(1,307)
Payments in lieu of taxes	9,882	8,406	1,476
Purchased power:			
Supplemental Suppliers	17,727	28,831	(11,104)
Participants	13,401	14,297	(896)
Other	2,497	2,499	(2)
Transmission services	8,861	9,142	(281)
Distribution services	608	600	8
Administrative and general:			
Agency	5,922	5,980	(58)
Duke	9,750	10,577	(827)
Other	15,164	6,215	8,949
Special fund deposits(withdrawals):			
Bond fund:			
Deposits from revenues	85,421	85,420	1
Decommissioning fund:			
Deposits from revenue	9,237	9,237	-
Interest income(1)	1,444	1,018	426
Revenue fund:			
Working capital	(1,421)	(2,441)	1,020
Net change in fair market value	(5)	-	(5)
Fuel	(15,401)	(16,370)	969
Debt service reserve release	(2,190)	(4,561)	2,371
Plant additions:			
Generation plant	20,863	25,253	(4,390)
General plant	46	55	(9)
Transmission plant	47	1,725	(1,678)
LDMSS/SCADA	53	130	(77)
Fuel acquisitions	15,401	16,370	(969)
Total Expenses	$ 246,195	$ 255,557	$ (9,362)

(1) Included in "Revenue: Interest Income."

PIEDMONT MUNICIPAL POWER AGENCY

Schedule of Revenues and Expenses

Per the Bond Resolution and Other Agreements

Year Ended December 31, 2023

(Dollars in thousands)

		FUNDS						
		Revenue	Operating	Bond		Reserve Contingency	Decommission	Supplemental Power
		Working Capital	Fuel Account	Principal Interest Retirement	Reserve			
Balances at beginning of year:								
Assets		$ 109,248	$ 7,885	$ 77,200	$ 44,724	$ 4,767	$ 111,832	$ 1,600
Liabilities		(11,877)	-	-	-	-	-	-
Net		97,371	7,885	77,200	44,724	4,767	111,832	1,600
Project revenues:								
Participants-Electric	(1)	220,132						
-Facilities rent	(1)	339						
-Other	(1)	1,082						
Duke Power-Electric	(1)	11,200						
Other-Surplus Electric	(1)	6,212						
Interest income	(1)	5,786					1,444	
Project costs:								
Operations and maintenance	(2)	(24,837)						
Nuclear fuel amortization	(3)	(12,702)	12,702					
Purchased power-Duke	(2)	(11,349)						
Decommissioning	(3)	(9,237)					9,237	
Administrative and general	(2)	(14,155)						
Payments in lieu of taxes	(2)	(9,759)						
Other	(2)	(15,164)						
Debt service	(3)	(83,231)		86,035	(1,991)	(199)		
Supplemental power costs:								
Purchased power:								
-Supplemental Suppliers	(2)	(17,727)						
-Participants	(2)	(13,401)						
-Other	(2)	(2,497)						
Transmission services	(2)	(8,861)						
Distribution services	(2)	(608)						
Administrative and general	(2)	(1,517)						
Payments in lieu of taxes	(2)	(123)						
Other fund changes:								
Net change in fair market value		5			1,530		3,667	
Payments:								
Capital additions	(2)	(21,009)	(15,401)	(87,811)				
Balances at December 31, 2023		$ 95,950	$ 5,186	$ 75,424	$ 44,263	$ 4,568	$ 126,180	$ 1,600
Assets		117,839						
Liabilities		(21,889)						
		$ 95,950						

(1) Deposited in appropriate fund

(2) Paid to third parties

(3) Transfers between funds