

Piedmont Municipal Power Agency First Quarter 2025 Report

Financial Summary

Sales of electricity to other utilities increased by \$1.1 million (23.00%) in the first quarter of 2025 when compared to the first quarter of 2024. This increase resulted from an increase in the rate received for sales, partially offset by less energy available to sell during the first quarter of 2025.

Operation and maintenance costs increased by \$2.6 million (50.70%) in the first quarter of 2025 when compared to the first quarter of 2024. This increase was related to the timing of refueling outage costs associated with the Catawba Nuclear plant.

Operating revenues were \$1.6 million higher than PMPA's budget, and operating costs were \$546 thousand lower than PMPA's budget. Combined with interest income and miscellaneous expenses, the overall operating income for the first quarter was higher than PMPA's budget by \$2.0 million. Capital addition payments coupled with other transfers were \$1.1 million lower than budget. As a result, PMPA added \$3.1 million more than budgeted to working capital for the first quarter of 2025.

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING MARCH 31, 2025 AND 2024
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Current Unrestricted Assets:		
Cash	\$ 437	\$ 1,645
Marketable debt securities	64,863	58,943
Participant accounts receivable	16,699	16,001
Other accounts receivable	1,312	4,661
Materials and supplies	19,938	20,321
Total Current Unrestricted Assets	<u>103,249</u>	<u>101,571</u>
Current Restricted Assets:		
Restricted investments for debt service	68,844	70,324
Restricted investments for decommissioning	141,033	127,914
Restricted investments for other	1,600	1,600
Total Current Restricted Assets	<u>211,477</u>	<u>199,838</u>
Total Current Assets	<u>314,726</u>	<u>301,409</u>
Noncurrent Assets:		
Capital assets, net*	435,350	413,976
Net costs recoverable from future Participant billings	218,838	267,531
Participant settlement receivable	45,400	-
Other	-	20
Total Noncurrent Assets	<u>699,588</u>	<u>681,527</u>
Total Assets	<u>\$ 1,014,314</u>	<u>\$ 982,936</u>
Deferred Outflows:		
Asset retirement obligation*	\$ 36,657	\$ 7,533
Redemption loss, net	4,063	4,752
Losses on advance refundings of debt, net	<u>4,463</u>	<u>6,233</u>
Total Deferred Outflows	<u>\$ 45,183</u>	<u>\$ 18,518</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING MARCH 31, 2025 AND 2024
(DOLLARS IN THOUSANDS)
(UNAUDITED)

<u>Liabilities</u>	<u>2025</u>	<u>2024</u>
Current Liabilities:		
Accounts payable and other accrued liabilities	\$ 3,802	\$ 4,770
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	183,307	169,246
Current installments of bonds payable	27,064	66,565
Total Current Liabilities Payable from Restricted Assets	<u>210,371</u>	<u>235,811</u>
Total Current Liabilities	<u>214,173</u>	<u>240,581</u>
Long-Term Liabilities:		
Bonds payable, net	477,035	463,245
Asset retirement obligation	184,151	147,388
Participant interest payable	129	-
Total other postemployment benefits	1,724	1,639
Total Long-Term Liabilities	<u>663,039</u>	<u>612,272</u>
Total Liabilities	<u>\$ 877,212</u>	<u>\$ 852,853</u>
Deferred Inflows:		
Postemployment benefits	<u>\$ 216</u>	<u>\$ 188</u>
 <u>Net Position</u>		
Net investment in capital assets*	\$ (11,894)	\$ (104,849)
Restricted for other	1,600	1,600
Unrestricted*	<u>192,363</u>	<u>251,662</u>
Total Net Position	<u>\$ 182,069</u>	<u>\$ 148,413</u>

*In order to more accurately reflect the financial reporting presentation, certain reclassifications have been made to the 2024 financial statement presentation to correspond to the current year's format.

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
QUARTERS ENDED MARCH 31, 2025 AND 2024
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Sales of electricity to Participants	\$ 54,875	\$ 53,636
Sales of electricity to other utilities	6,049	4,917
Other	378	426
Total operating revenues	<u>61,302</u>	<u>58,979</u>
Operating expenses:		
Operation and maintenance	7,826	5,193
Nuclear fuel amortization	3,454	3,246
Purchased power	11,087	10,770
Transmission	2,532	2,525
Power delivery	200	189
Administrative and general	3,681	3,102
Depreciation*	2,315	2,134
Asset retirement obligation accretion and amortization*	1,720	1,973
Payments in lieu of property taxes	2,534	2,594
Total operating expenses	<u>35,349</u>	<u>31,726</u>
Net operating income	<u>25,953</u>	<u>27,253</u>
Other nonoperating revenues and (expenses):		
Net decrease in net costs recoverable from future Participant billings	(12,278)	(12,363)
Interest income	2,069	1,915
Net change in fair market value of investments	2,336	(1,009)
Interest expense	(8,570)	(8,591)
Bond amortization	1,495	1,510
Other	(1,455)	(1,344)
Total other nonoperating revenues and expenses, net	<u>(16,403)</u>	<u>(19,882)</u>
Increase in net position	9,550	7,371
Net position at beginning of period	<u>172,519</u>	<u>141,042</u>
Net position at end of period	<u>\$ 182,069</u>	<u>\$ 148,413</u>

*In order to more accurately reflect the financial reporting presentation, certain reclassifications have been made to the 2024 financial statement presentation to correspond to the current year's format.

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED MARCH 31, 2025 AND 2024
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Receipts from customers	\$ 61,321	\$ 56,761
Payments for operations and maintenance	(7,012)	(5,498)
Payments for purchased power, transmission, and power delivery	(16,353)	(16,078)
Payments for administration and general	(11,720)	(20,221)
Net cash from operating activities	<u>26,236</u>	<u>14,964</u>
Cash flows from investing activities:		
Purchase of investment securities	(85,754)	(71,006)
Proceeds from sales and maturities of investments	150,034	147,724
Interest received on investments	1,968	1,958
Net cash from in investing activities	<u>66,248</u>	<u>78,676</u>
Cash flows from capital and related financing activities:		
Payment of bond principal	(66,565)	(52,086)
Interest received on settlement debt	605	-
Interest payment on bonds	(10,953)	(23,126)
Expenditures for utility plant in service	(9,813)	(9,126)
Expenditures for nuclear fuel	(4,016)	(6,366)
Payment to Duke Energy for other charges	(2,055)	(1,350)
Other	11	12
Net cash used in capital and related financing activities	<u>(92,786)</u>	<u>(92,042)</u>
Net change in cash	(302)	1,598
Cash, beginning of quarter	<u>739</u>	<u>47</u>
Cash, end of quarter	<u><u>\$ 437</u></u>	<u><u>\$ 1,645</u></u>
Noncash investing and financing activities:		
Loss on sale of investment	<u>\$ (232)</u>	<u>\$ (275)</u>
Amortization expense on discounts and premiums	<u>\$ 1,659</u>	<u>\$ 1,940</u>
Amortization of net redemption loss	<u>\$ (405)</u>	<u>\$ (685)</u>
Net change in fair market value of investments	<u><u>\$ 2,336</u></u>	<u><u>\$ (1,009)</u></u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED MARCH 31, 2024 AND 2023
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
Reconciliation of net operating income to net cash from operating activities:		
Net operating income	\$ 25,953	\$ 27,253
Adjustments to reconcile net operating income to net cash from operating activities:		
Depreciation	2,315	2,134
Nuclear fuel amortization	3,454	3,246
Decom Asset retirement obligation accretion and amortization	1,720	1,973
Accretion of reserve for decommissioning-change in accounting estimate	-	-
(Increase) decrease in:		
Participant accounts receivable	941	1,487
Other accounts receivable	(922)	(3,705)
Materials and supplies	814	(305)
(Decrease) in:		
Accounts payable and other accrued liabilities	(8,039)	(17,119)
Net cash from operating activities	<u>\$ 26,236</u>	<u>\$ 14,964</u>