

Piedmont Municipal Power Agency Third Quarter 2025 Report

Financial Summary

Nuclear fuel amortization costs decreased by \$611 thousand (16.82%) in the third quarter of 2025 when compared to the same period in 2024. The timing of the fall refueling outages at the Catawba Nuclear plant drove this decrease.

Purchased power costs increased by \$1.4 million (8.93%) in the third quarter of 2025 when compared to the same period in 2024. This increase was driven by an increase in the rate paid, partially offset by a decrease in the quantity of supplemental energy purchased.

Transmission costs increased by \$503 thousand (20.83%) in the third quarter of 2025 when compared to the same period in 2024. The third quarter of 2025 includes a transmission cost increase associated with the recuperation of Hurricane Helene related costs.

Other expenses increased by \$1.3 million (59.17%) in the third quarter of 2025 when compared to the same period in 2024. This increase was primarily driven by the true-up of the 2024 Duke headquarter expenses in 2025.

Operating revenues were \$339 thousand higher than PMPA's budget, and operating costs were \$468 thousand lower than PMPA's budget. Combined with interest income and miscellaneous expenses, the overall operating income for the third quarter was higher than PMPA's budget by \$158 thousand. Capital addition payments coupled with other transfers were \$438 thousand higher than the budget. As a result, PMPA withdrew \$280 thousand more than budgeted from working capital for the third quarter of 2025.

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING SEPTEMBER 30, 2025 AND 2024
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Current Unrestricted Assets:		
Cash	\$ 570	\$ 7,604
Marketable debt securities	72,299	59,738
Participant accounts receivable	17,909	17,334
Other accounts receivable	167	340
Materials and supplies	21,315	20,808
Total Current Unrestricted Assets	<u>112,260</u>	<u>105,824</u>
Current Restricted Assets:		
Restricted investments for debt service	110,603	108,710
Restricted investments for decommissioning	145,722	136,972
Restricted investments for other	1,600	1,600
Total Current Restricted Assets	<u>257,925</u>	<u>247,282</u>
Total Current Assets	<u>370,185</u>	<u>353,106</u>
Noncurrent Assets:		
Capital assets, net*	436,254	422,651
Net costs recoverable from future Participant billings	194,895	243,328
Participant settlement receivable	45,400	45,400
Other	-	7
Total Noncurrent Assets	<u>676,549</u>	<u>711,386</u>
Total Assets	<u>\$ 1,046,734</u>	<u>\$ 1,064,492</u>
Deferred Outflows:		
Asset retirement obligation*	\$ 36,184	\$ 7,343
Redemption loss, net	3,737	4,401
Losses on advance refundings of debt, net	<u>3,976</u>	<u>5,215</u>
Total Deferred Outflows	<u>\$ 43,897</u>	<u>\$ 16,959</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING SEPTEMBER 30, 2025 AND 2024
(DOLLARS IN THOUSANDS)
(UNAUDITED)

<u>Liabilities</u>	<u>2025</u>	<u>2024</u>
Current Liabilities:		
Accounts payable and other accrued liabilities	\$ 11,840	\$ 10,659
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	190,765	176,891
Current installments of bonds payable	27,064	66,565
Total Current Liabilities Payable from Restricted Assets	<u>217,829</u>	<u>243,456</u>
Total Current Liabilities	<u>229,669</u>	<u>254,115</u>
Long-Term Liabilities:		
Bonds payable, net	473,721	507,697
Asset retirement obligation	187,120	151,144
Participant interest payable	169	-
Total other postemployment benefits	1,724	1,639
Total Long-Term Liabilities	<u>662,734</u>	<u>660,480</u>
Total Liabilities	<u>\$ 892,403</u>	<u>\$ 914,595</u>
Deferred Inflows:		
Postemployment benefits	<u>\$ 216</u>	<u>\$ 188</u>
 <u>Net Position</u>		
Net investment in capital assets*	\$ (8,488)	\$ (93,665)
Restricted for other	1,600	1,600
Unrestricted*	<u>204,900</u>	<u>258,733</u>
Total Net Position	<u>\$ 198,012</u>	<u>\$ 166,668</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 SEPTEMBER 30, 2025 AND 2024
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Sales of electricity to Participants	\$ 60,310	\$ 60,290
Sales of electricity to other utilities	3,394	3,669
Other	445	391
Total operating revenues	<u>64,149</u>	<u>64,350</u>
Operating expenses:		
Operation and maintenance	5,321	5,814
Nuclear fuel amortization	3,022	3,633
Purchased power	16,848	15,467
Transmission	2,919	2,416
Power delivery	111	113
Administrative and general	4,372	4,160
Depreciation*	2,330	2,190
Asset retirement obligation accretion and amortization*	1,721	1,973
Payments in lieu of property taxes	2,529	2,594
Total operating expenses	<u>39,173</u>	<u>38,360</u>
Net operating income	<u>24,976</u>	<u>25,990</u>
Other nonoperating revenues and (expenses):		
Net decrease in net costs recoverable from future Participant billings	(12,173)	(12,211)
Interest income	2,854	2,319
Net change in fair market value of investments	600	5,108
Interest expense	(8,676)	(9,298)
Bond amortization	1,495	1,510
Other	(3,585)	(2,253)
Total other nonoperating revenues and expenses, net	<u>(19,485)</u>	<u>(14,825)</u>
Increase in net position	5,491	11,165
Net position at beginning of period	<u>192,521</u>	<u>155,503</u>
Net position at end of period	<u>\$ 198,012</u>	<u>\$ 166,668</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED SEPTEMBER 30, 2025 AND 2024
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Receipts from customers	\$ 66,503	\$ 66,189
Payments for operations and maintenance	(6,288)	(6,495)
Payments for purchased power, transmission, and power delivery	(22,407)	(20,590)
Payments for administration and general	(2,147)	(2,352)
Net cash from operating activities	<u>35,661</u>	<u>36,752</u>
Cash flows from investing activities:		
Purchase of investment securities	(113,235)	(96,324)
Proceeds from sales and maturities of investments	91,530	86,069
Interest received on investments	2,726	2,913
Net cash used in investing activities	<u>(18,979)</u>	<u>(7,342)</u>
Cash flows from capital and related financing activities:		
Interest payment on bonds	(9,301)	(10,145)
Interest received on settlement debt	605	605
Expenditures for utility plant in service	(2,453)	(4,108)
Expenditures for nuclear fuel	(7,230)	(5,860)
Payment to Duke Energy for other charges	(4,230)	(2,882)
Other	60	32
Net cash used in capital and related financing activities	<u>(22,549)</u>	<u>(22,358)</u>
Net change in cash	(5,867)	7,052
Cash, beginning of quarter	<u>6,437</u>	<u>552</u>
Cash, end of quarter	<u>\$ 570</u>	<u>\$ 7,604</u>
Noncash investing and financing activities:		
Loss on sale of investment	<u>\$ (132)</u>	<u>\$ (489)</u>
Amortization expense on discounts and premiums	<u>\$ 1,657</u>	<u>\$ 1,939</u>
Amortization of net redemption loss	<u>\$ (407)</u>	<u>\$ (685)</u>
Net change in fair market value of investments	<u>\$ 600</u>	<u>\$ 5,108</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED SEPTEMBER 30, 2025 AND 2024
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2025</u>	<u>2024</u>
Reconciliation of net operating income to net cash from operating activities:		
Net operating income	\$ 24,976	\$ 25,990
Adjustments to reconcile net operating income to net cash from operating activities:		
Depreciation*	2,330	2,190
Nuclear fuel amortization	3,022	3,633
Asset retirement obligation accretion and amortization*	1,721	1,973
(Increase) decrease in:		
Participant accounts receivable	1,974	1,929
Other accounts receivable	380	(90)
Materials and supplies	(967)	(681)
Increase in:		
Accounts payable and other accrued liabilities	2,225	1,808
Net cash from operating activities	<u>\$ 35,661</u>	<u>\$ 36,752</u>

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