

Piedmont Municipal Power Agency First Quarter 2026 Report

Financial Summary

Operation and maintenance costs decreased by \$4.2 million (53.17%) in the first quarter of 2026 compared to the same period in 2025. This decrease was related to the timing of refueling outage costs associated with the Catawba Nuclear plant.

Purchased power costs increased by \$2.9 million (26.26%) in the first quarter of 2026 compared to the same period in 2025. This increase was driven by an increase in both the rate paid and the quantity of supplemental energy purchased.

Transmission costs increased by \$577 thousand (22.79%) in the first quarter of 2026 when compared to the same period in 2025. The first quarter of 2026 includes a transmission cost increase associated with the recuperation of Hurricane Helene related costs.

Operating revenues were \$1.4 million higher than PMPA's budget, and operating costs were \$160 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 \$1.7 million. Capital addition payments coupled with other transfers were \$693 thousand lower than budget. As a result, PMPA added \$2.4 million more than budgeted to working capital for the first quarter of 2026.

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING MARCH 31, 2026 AND 2025
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>2026</u>	<u>2025</u>
<u>Assets</u>		
Current Unrestricted Assets:		
Cash	\$ 483	\$ 437
Marketable debt securities	72,435	64,863
Participant accounts receivable	17,067	16,699
Other accounts receivable	468	1,312
Materials and supplies	20,906	19,938
Total Current Unrestricted Assets	<u>111,359</u>	<u>103,249</u>
Current Restricted Assets:		
Restricted investments for debt service	61,397	68,844
Restricted investments for decommissioning	148,783	141,033
Restricted investments for other	1,600	1,600
Total Current Restricted Assets	<u>211,780</u>	<u>211,477</u>
Total Current Assets	<u>323,139</u>	<u>314,726</u>
Noncurrent Assets:		
Depreciable capital assets, net	433,501	385,945
Non-depreciable capital assets	23,029	49,405
Net costs recoverable from future Participant billings	167,419	218,838
Participant settlement receivable	45,400	45,400
Total Noncurrent Assets	<u>669,349</u>	<u>699,588</u>
Total Assets	<u>\$ 992,488</u>	<u>\$ 1,014,314</u>
Deferred Outflows:		
Asset retirement obligation	\$ 35,711	\$ 36,657
Redemption losses, net	3,415	4,063
Losses on advance refundings of debt, net	<u>3,517</u>	<u>4,463</u>
Total Deferred Outflows	<u>\$ 42,643</u>	<u>\$ 45,183</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING MARCH 31, 2026 AND 2025
(DOLLARS IN THOUSANDS)
(UNAUDITED)

<u>Liabilities</u>	<u>2026</u>	<u>2025</u>
Current Liabilities:		
Accounts payable and other accrued liabilities	\$ 4,736	\$ 3,802
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	156,820	183,307
Current installments of bonds payable	37,397	27,064
Total Current Liabilities Payable from Restricted Assets	<u>194,217</u>	<u>210,371</u>
Total Current Liabilities	<u>198,953</u>	<u>214,173</u>
Long-Term Liabilities:		
Bonds payable, net	433,062	477,035
Asset retirement obligation	190,136	184,151
Participant interest payable	217	129
Total other postemployment benefits	2,018	1,724
Total Long-Term Liabilities	<u>625,433</u>	<u>663,039</u>
Total Liabilities	<u>\$ 824,386</u>	<u>\$ 877,212</u>
Deferred Inflows:		
Postemployment benefits	\$ 68	\$ 216
 <u>Net Position</u> 		
Net investment in capital assets	\$ 41,333	\$ (11,894)
Restricted for other	1,600	1,600
Unrestricted	<u>167,744</u>	<u>192,363</u>
Total Net Position	<u>\$ 210,677</u>	<u>\$ 182,069</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
QUARTERS ENDED MARCH 31, 2026 AND 2025
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2026</u>	<u>2025</u>
Operating Revenues:		
Sales of electricity to Participants	\$ 55,514	\$ 54,875
Sales of electricity to other utilities	5,730	6,049
Other	488	378
Total Operating Revenues	<u>61,732</u>	<u>61,302</u>
Operating Expenses:		
Operation and maintenance	3,665	7,826
Nuclear fuel amortization	3,568	3,454
Purchased power	13,999	11,087
Transmission	3,109	2,532
Power delivery	234	200
Administrative and general	3,364	3,681
Depreciation	2,695	2,315
Asset retirement obligation accretion and amortization	1,768	1,720
Payments in lieu of property taxes	2,500	2,534
Total Operating Expenses	<u>34,902</u>	<u>35,349</u>
Net Operating Income	<u>26,830</u>	<u>25,953</u>
Other Nonoperating Revenues and (Expenses):		
Net decrease in net costs recoverable from future Participant billings	(15,303)	(12,278)
Interest income	2,436	2,069
Net change in fair market value of investments	(1,290)	2,336
Interest expense	(7,813)	(8,570)
Bond amortization	1,444	1,495
Other	(1,300)	(1,455)
Total Other Nonoperating Revenues and Expenses, net	<u>(21,826)</u>	<u>(16,403)</u>
Increase in net position	5,004	9,550
Net position at beginning of period	<u>205,673</u>	<u>172,519</u>
Net position at end of period	<u>\$ 210,677</u>	<u>\$ 182,069</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED MARCH 31, 2026 AND 2025
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Receipts from customers	\$ 63,146	\$ 61,321
Payments for operations and maintenance	(3,503)	(7,012)
Payments for purchased power, transmission, and power delivery	(19,842)	(16,353)
Payments for administration and general	(1,777)	(11,720)
Net cash from operating activities	<u>38,024</u>	<u>26,236</u>
Cash flows from investing activities:		
Purchase of investment securities	(81,365)	(85,754)
Proceeds from sales and maturities of investments	139,768	150,034
Interest received on investments	2,154	1,968
Net cash from investing activities	<u>60,557</u>	<u>66,248</u>
Cash flows used in capital and related financing activities:		
Payment of bond principal	(27,064)	(66,565)
Interest received on settlement debt	605	605
Interest payment on bonds	(49,975)	(10,953)
Expenditures for utility plant in service	(8,704)	(9,813)
Expenditures for nuclear fuel	(11,962)	(4,016)
Payment to Duke Energy for other charges	(1,894)	(2,055)
Other	14	11
Net cash used in capital and related financing activities	<u>(98,980)</u>	<u>(92,786)</u>
Net change in cash	(399)	(302)
Cash, beginning of quarter	<u>882</u>	<u>739</u>
Cash, end of quarter	<u>\$ 483</u>	<u>\$ 437</u>
Noncash investing and financing activities:		
Loss on sale of investment	<u>\$ (26)</u>	<u>\$ (232)</u>
Amortization expense on discounts and premiums	<u>\$ 1,605</u>	<u>\$ 1,659</u>
Amortization of net redemption loss	<u>\$ (376)</u>	<u>\$ (405)</u>
Net change in fair market value of investments	<u>\$ (1,290)</u>	<u>\$ 2,336</u>

**PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED MARCH 31, 2026 AND 2025
(DOLLAR IN THOUSANDS)
(UNAUDITED)**

	<u>2026</u>	<u>2025</u>
Reconciliation of net operating income to net cash from operating activities:		
Net operating income	\$ 26,830	\$ 25,953
Adjustments to reconcile net operating income to net cash from operating activities:		
Depreciation	2,695	2,315
Nuclear fuel amortization	3,568	3,454
Asset retirement obligation accretion and amortization	1,768	1,720
(Increase) decrease in:		
Participant accounts receivable	1,052	941
Other accounts receivable	362	(922)
Materials and supplies	162	814
Increase (decrease) in:		
Accounts payable and other accrued liabilities	1,587	(8,039)
Net cash from operating activities	<u>\$ 38,024</u>	<u>\$ 26,236</u>