Piedmont Municipal Power Agency
Second Quarter 2026 Report

Financial Summary

Sales of electricity to other utilities decreased by $2.0 million (41.9%) in the second quarter of 2026 when compared to the same period in 2025. This decrease resulted from less energy available for sale, coupled with a lower rate received for sales during the second quarter of 2026.

Nuclear fuel amortization costs decreased by $706 thousand (19.9%) in the second quarter of 2026 when compared to the same period in 2025. The timing of the refueling outages at the Catawba Nuclear plant drove this decrease.

Purchased power costs increased by $2.3 million (19.3%) in the second quarter of 2026 when 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.

Operating revenues were $961 thousand lower than PMPA's budget, and operating costs were $2.5 million lower than PMPA's budget. Combined with interest income and miscellaneous expenses, the overall operating income for the second quarter was higher than PMPA's budget by $1.5 million. Capital addition payments coupled with other transfers were $868 thousand higher than the budget. As a result, PMPA added $655 thousand more than budgeted to working capital for the second quarter of 2026.

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING JUNE 30, 2026 AND 2025
(DOLLARS IN THOUSANDS)
(UNAUDITED)

		2026		2025
Assets				
Current Unrestricted Assets:				
Cash	$	230	$	6,437
Marketable debt securities		71,346		68,119
Participant accounts receivable		19,348		19,883
Other accounts receivable		584		547
Materials and supplies		21,428		20,348
Total Current Unrestricted Assets		112,936		115,334
Current Restricted Assets:				
Restricted investments for debt service		86,217		94,552
Restricted investments for decommissioning		149,666		143,520
Restricted investments for other		4,597		1,600
Total Current Restricted Assets		240,480		239,672
Total Current Assets		353,416		355,006
Noncurrent Assets:				
Depreciable capital assets, net		429,679		407,482
Non-depreciable capital assets		26,010		24,441
Net costs recoverable from future Participant billings		152,116		207,069
Participant settlement receivable		45,400		45,400
Total Noncurrent Assets		653,205		684,392
Total Assets	$	1,006,621	$	1,039,398
Deferred Outflows:				
Asset retirement obligation	$	35,474	$	36,420
Redemption losses, net		3,253		3,900
Losses on advance refundings of debt, net		3,302		4,220
Total Deferred Outflows	$	42,029	$	44,540

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING JUNE 30, 2026 AND 2025
(DOLLARS IN THOUSANDS)
(UNAUDITED)

Liabilities		2026		2025
Current Liabilities:				
Accounts payable and other accrued liabilities	$	8,944	$	9,615
Current Liabilities Payable from Restricted Assets:				
Accrued interest payable		164,423		191,634
Current installments of bonds payable		37,397		27,064
Total Current Liabilities Payable from Restricted Assets		201,820		218,698
Total Current Liabilities		210,764		228,313
Long-Term Liabilities:				
Bonds payable, net		431,456		475,378
Asset retirement obligation		191,669		185,636
Participant interest payable		241		150
Total other postemployment benefits		2,018		1,724
Total Long-Term Liabilities		625,384		662,888
Total Liabilities	$	836,148	$	891,201
Deferred Inflows:				
Postemployment benefits	$	68	$	216
Net Position				
Net investment in capital assets	$	41,721	$	(14,069)
Restricted for other		4,597		1,600
Unrestricted		166,116		204,990
Total Net Position	$	212,434	$	192,521

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
QUARTERS ENDED JUNE 30, 2026 AND 2025
(DOLLAR IN THOUSANDS)
(UNAUDITED)

		2026		2025
Operating Revenues:				
Sales of electricity to Participants	$	56,172	$	56,049
Sales of electricity to other utilities		2,809		4,832
Other		492		401
Total Operating Revenues		59,473		61,282
Operating Expenses:				
Operation and maintenance		5,303		5,306
Nuclear fuel amortization		2,849		3,555
Purchased power		14,185		11,889
Transmission		3,147		2,815
Power delivery		110		111
Administrative and general		3,995		4,033
Depreciation		2,538		2,834
Asset retirement obligation accretion and amortization		1,769		1,722
Payments in lieu of property taxes		2,501		2,531
Total Operating Expenses		36,397		34,796
Net Operating Income		23,076		26,486
Other Nonoperating Revenues and (Expenses):				
Net decrease in net costs recoverable from future Participant billings		(15,303)		(11,770)
Interest income		2,623		2,481
Net change in fair market value of investments		(1,282)		1,122
Interest expense		(7,511)		(8,263)
Bond amortization		1,444		1,495
Other		(1,290)		(1,099)
Total Other Nonoperating Revenues and Expenses, net		(21,319)		(16,034)
Increase in net position		1,757		10,452
Net position at beginning of period		210,677		182,069
Net position at end of period	$	212,434	$	192,521

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED JUNE 30, 2026 AND 2025
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	2026	2025
Cash flows from operating activities:		
Receipts from customers	$ 57,076	$ 58,863
Payments for operations and maintenance	(5,825)	(5,716)
Payments for purchased power, transmission, and power delivery	(19,943)	(17,346)
Payments for administration and general	213	1,780
Net cash from operating activities	31,521	37,581
Cash flows used in investing activities:		
Purchase of investment securities	(119,775)	(120,594)
Proceeds from sales and maturities of investments	90,548	89,883
Interest received on investments	2,957	2,863
Net cash used in investing activities	(26,270)	(27,848)
Cash flows used in capital and related financing activities:		
Interest rebate on bonds	308	308
Interest received on settlement debt	605	605
Expenditures for utility plant in service	(2,999)	(2,051)
Expenditures for nuclear fuel	(1,547)	(911)
Payment to Duke Energy for other charges	(1,885)	(1,697)
Other	14	13
Net cash used in capital and related financing activities	(5,504)	(3,733)
Net change in cash	(253)	6,000
Cash, beginning of quarter	483	437
Cash, end of quarter	$ 230	$ 6,437
Noncash investing and financing activities:		
Loss on sale of investment	$ (49)	$ (234)
Amortization expense on discounts and premiums	$ 1,606	$ 1,657
Amortization of net redemption loss	$ (377)	$ (406)
Net change in fair market value of investments	$ (1,282)	$ 1,122

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF CASH FLOWS
QUARTERS ENDED JUNE 30, 2026 AND 2025
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	2026	2025
Reconciliation of net operating income to net cash from operating activities:		
Net operating income	$ 23,076	$ 26,486
Adjustments to reconcile net operating income to net cash from operating activities:		
Depreciation	2,538	2,834
Nuclear fuel amortization	2,849	3,555
Asset retirement obligation accretion and amortization	1,769	1,722
(Increase) decrease in:		
Participant accounts receivable	(2,281)	(3,184)
Other accounts receivable	(116)	765
Materials and supplies	(522)	(410)
Increase in:		
Accounts payable and other accrued liabilities	4,208	5,813
Net cash from operating activities	$ 31,521	$ 37,581