

Piedmont Municipal Power Agency Third Quarter 2024 Report

Financial Summary

Operating and maintenance costs decreased by \$3.1 million (34.63%) in the third quarter of 2024 when compared to the third quarter of 2023. This decrease was related to the timing of refueling outage costs associated with the Catawba Nuclear plant.

Other expense increased by \$873 thousand (63.26%) in the third quarter of 2024 when compared to the third quarter of 2023. The increase in other expense was primarily driven by the true-up of additional full year 2023 Duke headquarter expenses.

Operating revenues were \$114 thousand higher than PMPA's budget, and operating costs were \$2.8 million 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 \$1.3 million. Capital addition payments coupled with other transfers were \$2.3 million lower than budget. As a result, PMPA added \$3.6 million more than budgeted to working capital for the third quarter of 2024.

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING SEPTEMBER 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Capital Assets:		
Utility plant assets being depreciated	\$ 804,005	\$ 794,582
Accumulated depreciation and amortization	<u>(408,749)</u>	<u>(407,041)</u>
Total utility plant assets being depreciated, net	395,256	387,541
Utility plant assets not being depreciated	<u>34,738</u>	<u>32,083</u>
Total Capital Assets, net	<u>429,994</u>	<u>419,624</u>
Current Unrestricted Assets:		
Cash	7,604	206
Marketable debt securities	59,738	72,031
Accrued interest receivable	1	1
Participant accounts receivable	17,334	17,706
Other accounts receivable	339	406
Materials and supplies	<u>20,808</u>	<u>19,657</u>
Total Current Unrestricted Assets	<u>105,824</u>	<u>110,007</u>
Current Restricted Assets:		
Restricted for debt service	108,710	103,669
Restricted for decommissioning	136,972	120,143
Restricted for other	<u>1,600</u>	<u>1,600</u>
Total Current Restricted Assets	<u>247,282</u>	<u>225,412</u>
Total Current Assets	<u>353,106</u>	<u>335,419</u>
Noncurrent Assets:		
Net costs recoverable from future Participant billings	243,328	291,537
Participant settlement receivable	45,400	-
Other	<u>7</u>	<u>34</u>
Total Other Noncurrent Assets	<u>288,735</u>	<u>291,571</u>
Total Assets	<u>\$ 1,071,835</u>	<u>\$ 1,046,614</u>
Deferred Outflows:		
Redemption loss, net	\$ 4,401	\$ 5,134
Losses on advance refunding of debt, net	5,215	7,594
Postemployment benefits	<u>-</u>	<u>463</u>
Total Deferred Outflows	<u>\$ 9,616</u>	<u>\$ 13,191</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENTS OF NET POSITION
QUARTERS ENDING SEPTEMBER 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	2024	2023
<u>Liabilities</u>		
Long-term Liabilities:		
Bonds payable, net	\$ 507,697	\$ 534,029
Reserve for decommissioning	151,144	149,477
Other postemployment benefits	1,639	2,123
Total Long-Term Liabilities	660,480	685,629
Current Liabilities:		
Accounts payable and other accrued liabilities	10,659	9,284
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	176,891	175,000
Current installments of bonds payable	66,565	52,086
Total Current Liabilities Payable from Restricted Assets	243,456	227,086
Total Current Liabilities	254,115	236,370
Total Liabilities	\$ 914,595	\$ 921,999
Deferred Inflows:		
Postemployment benefits	\$ 188	\$ -
<u>Net Position</u>		
Net investments in capital assets	\$ (139,053)	\$ (158,897)
Restricted for other	1,600	1,600
Unrestricted	304,121	295,103
Total Net Position	\$ 166,668	\$ 137,806

INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
QUARTERS ENDING SEPTEMBER 30, 2024 AND 2023
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Sales of electricity to Participants	\$ 60,290	\$ 60,782
Sales of electricity to other utilities	3,669	3,961
Other	391	359
Total Operating Revenues	<u>64,350</u>	<u>65,102</u>
Operating Expenses:		
Operation and maintenance	5,814	8,894
Nuclear fuel amortization	3,633	3,576
Purchased power	15,467	15,909
Transmission	2,416	2,443
Power delivery	113	122
Administrative and general	4,160	4,522
Depreciation	2,285	2,376
Decommissioning reserve accretion	1,878	1,828
Payments in lieu of property taxes	2,594	2,101
Total Operating Expenses	<u>38,360</u>	<u>41,771</u>
Net Operating Income	<u>25,990</u>	<u>23,331</u>
Other Income (Expense):		
Interest income	2,319	2,196
Net change in fair market value of investments	5,108	(302)
Interest expense	(9,298)	(9,369)
Amortization	1,510	1,553
Other	(2,253)	(1,380)
Total Other Expenses, Net	<u>(2,614)</u>	<u>(7,302)</u>
Revenues over expenses before deferred items	23,376	16,029
Net decrease in net costs recoverable from future Participant billings	<u>(12,211)</u>	<u>(11,590)</u>
Revenues over expenses	11,165	4,439
Net position at beginning of period	<u>155,503</u>	<u>133,367</u>
Net position at end of period	<u>\$ 166,668</u>	<u>\$ 137,806</u>

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENT OF CASH FLOW
QUARTERS ENDED SEPTEMBER 30, 2024 AND 2023
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	2024	2023
Cash flows from operating activities:		
Receipts from customers	\$ 66,189	\$ 64,979
Payments for operations and maintenance	(6,495)	(8,680)
Payments for purchased power, transmission, and power delivery	(20,590)	(20,575)
Payments for administration and general	(2,352)	(1,472)
Net cash from operating activities	36,752	34,252
Cash flows from investing activities:		
Purchase of investment securities	(96,324)	(84,967)
Proceeds from sales and maturities of investments	86,069	70,865
Interest received on investments	2,913	2,094
Net cash used in investing activities	(7,342)	(12,008)
Cash flows from capital and related financing activities:		
Interest payment on bonds	(10,145)	(10,820)
Interest received on settlement debt	605	-
Expenditures for utility plant in service	(4,108)	(5,458)
Expenditures for nuclear fuel	(5,860)	(5,122)
Payment to Duke Energy for other charges	(2,882)	(1,389)
Other	32	16
Net cash used in capital and related financing activities	(22,358)	(22,773)
Net change in cash	7,052	(529)
Cash, beginning of quarter	552	735
Cash, end of quarter	\$ 7,604	\$ 206
Noncash investing and financing activities:		
Loss on sale of investment	\$ (489)	\$ (230)
Amortization expense on discounts and premiums	\$ 1,939	\$ 2,379
Amortization of net redemption loss	\$ (685)	\$ (1,059)
Net change in fair value of investments	\$ 5,108	\$ (302)

PIEDMONT MUNICIPAL POWER AGENCY
INTERIM STATEMENT OF CASH FLOW
QUARTERS ENDED SEPTEMBER 30, 2024 AND 2023
(DOLLAR IN THOUSANDS)
(UNAUDITED)

	<u>2024</u>	<u>2023</u>
Reconciliation of net operating income to net cash from operating activities:		
Net operating income	\$ 25,990	\$ 23,331
Adjustments to reconcile net operating income to net cash from operating activities:		
Depreciation	2,285	2,376
Nuclear fuel amortization	3,633	3,576
Decommissioning reserve accretion	1,878	1,828
(Increase) decrease in:		
Participant accounts receivable	1,929	(112)
Other accounts receivable	(90)	(11)
Materials and supplies	(681)	214
Increase in:		
Accounts payable and other accrued liabilities	1,808	3,050
Net cash from operating activities	<u>\$ 36,752</u>	<u>\$ 34,252</u>