

## About the Agency

NCEMPA is a state-chartered municipal corporation formed in 1976 by cities that owned and operated electric distribution systems but did not own generating or transmission facilities. At that time, the cities were wholesale customers of either Progress Energy Carolinas, Inc. (PEC) or Dominion North Carolina Power.

NCEMPA completed the sale of all of the electric generating and other assets it jointly owned with DEP to DEP on July 31, 2015. Contemporaneously with the sale of the jointly owned facilities NCEMPA entered into a full requirements power supply contract (FRPPA) with DEP. In connection with the asset sale bonds were issued ("the 2015 Bonds") to provide funds, together with proceeds of the asset sale and other funds available to NCEMPA, to pay the cost to retire or defease all of the outstanding Power System Revenue Bonds issued under Resolution R-2-82.

Management services for the NCEMPA Agency are provided by ElectriCities of North Carolina, Inc.

## NCEMPA Officers

Troy Lewis, Tarboro, Chairman  
Mayor Stephen W. Tripp, Ayden, Vice Chairman  
Doug Mercer, Washington, Secretary-Treasurer

## NCEMPA Participant Cities

- Apex
- Ayden
- Belhaven
- Benson
- Clayton
- Edenton
- Elizabeth City
- Farmville
- Fremont
- Greenville
- Hamilton
- Hertford
- Hobgood
- Hookerton
- Kinston
- La Grange
- Laurinburg
- Louisburg
- Lumberton
- New Bern
- Pikeville
- Red Springs
- Robersonville
- Rocky Mount
- Scotland Neck
- Selma
- Smithfield
- Southport
- Tarboro
- Wake Forest
- Washington
- Wilson



**Q1**  
**2018**

## First Quarter Performance

Sales of electricity to Members increased \$2,427,000 (1.9%) compared to the first quarter of 2017. Billed energy increased by 172,049 MWh (10.2%) due to colder weather conditions in the first quarter of 2018 and contributed \$5,633,000 to the increase. Billed demand increased 146 MW (4.8%) due to higher coincident peaks and contributed \$2,810,000 to the increase. A 4.5% rate decrease effective July 1, 2017 offset the overall increase by \$6,313,000.

Purchased Power costs increased \$19,668,000 (20.1%) compared to the first quarter of 2017. Energy and capacity charges increased by 190,632 MWh (11.1%) and 191 MW (6.2%) respectively and contributed \$5,065,000 and \$3,214,000 to the increase, respectively. Higher

capacity and energy rates combined contributed \$5,086,000 to the overall increase. Purchase power costs also include \$6,304,000 for NCEMPA's share of coal combustion residual costs "CCR costs". Under the terms of the FRPPA with DEP NCEMPA will pay a load ratio share of DEP's costs to comply with certain requirements to remediate coal combustion residuals. The amount includes ongoing CCR costs as well as the amortization of deferred CCR costs for 2015-2017.

## Financing Status

As of March 31, 2018, NCEMPA had outstanding \$347,540,000 in bonds.

The weighted average interest cost of the NCEMPA outstanding debt at the end of the quarter was 3.6%.

## NCEMPA Statement of Net Position

Per accounting principles generally accepted in the United States of America (GAAP)  
(Unaudited) (\$000's)

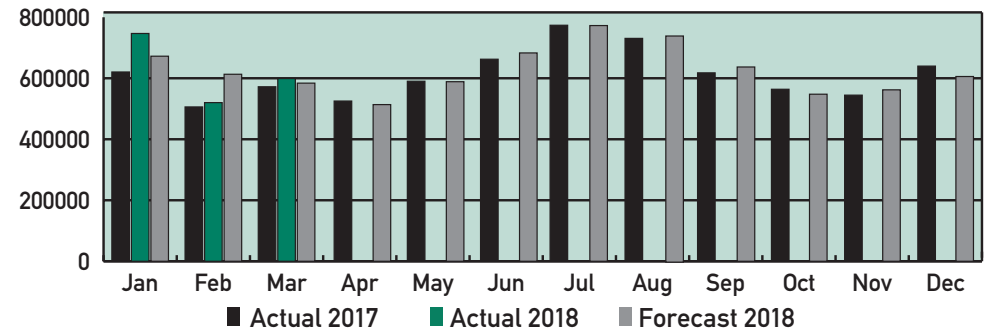
	<u>March 31, 2018</u>	<u>March 31, 2017</u>		<u>March 31, 2018</u>	<u>March 31, 2017</u>
<b>Assets</b>			<b>Deferred Outflows of Resources</b>		
<b>Non-Current Assets</b>			Unamortized debt issuance costs		
Capital Assets:			Cost to Be Recovered		
Electric Utility Plant, Net:			Total Deferred Outflows of Resources		
Electric plant in service	\$14,664	\$14,664		\$1,087	\$1,330
Construction work in progress	104	-		<u>299,234</u>	<u>338,961</u>
Less accumulated depreciation and amortization	<u>(2,156)</u>	<u>(1,590)</u>		<u>300,321</u>	<u>340,291</u>
Total Electric Utility Plant, Net	12,612	13,074	<b>Liabilities</b>		
Non-Utility Property and Equipment, Net:			Non-Current Liabilities:		
Property and equipment	2,254	2,254	Long-Term Debt:		
Less accumulated depreciation	<u>(1,241)</u>	<u>(1,199)</u>	Bonds payable		
Total Non-Utility Property and Equipment, Net	<u>1,013</u>	<u>1,055</u>	Total Long-Term Debt		
Total Capital Assets	13,625	14,129	Total Non-Current Liabilities		
Restricted Assets:			Current Liabilities:		
Special Funds Invested:			Operating Liabilities:		
Bond fund	44,630	44,311	Accounts payable		
Reserve and contingency fund	5,099	5,121	Accrued taxes		
Revenue fund	<u>1,373</u>	<u>902</u>	Total Operating Liabilities		
Total Special Funds Invested	<u>51,102</u>	<u>50,334</u>	Special Funds Liabilities:		
Total Restricted Assets	<u>51,102</u>	<u>50,334</u>	Current maturities of bonds		
Total Non-Current Assets	64,727	64,463	Accrued interest on bonds		
<b>Current Assets</b>			Total Special Funds Liabilities		
Funds Invested:			Total Current Liabilities		
Supplemental fund	<u>174,390</u>	<u>164,872</u>	Total Liabilities		
Total Funds Invested	174,390	164,872		<u>425,330</u>	<u>423,352</u>
Participant accounts receivable	41,153	50,354	<b>Deferred Inflows of Resources</b>		
Plant materials and renewable certificate inventory	8,569	6,572	Collections to be expended		
Prepaid expenses	<u>2,288</u>	<u>2,000</u>	Total Deferred Inflows of Resources		
Total Current Assets	<u>226,400</u>	<u>223,798</u>		<u>23,537</u>	<u>23,537</u>
Total Assets	<u>\$291,127</u>	<u>\$288,261</u>	<b>Net Position</b>		
			Net invested in capital assets		
			Restricted for debt service		
			Unrestricted		
			Total Net Position		
				13,625	14,129
				1,530	1,061
				<u>127,426</u>	<u>158,939</u>
				<u>\$142,581</u>	<u>\$174,129</u>

## NCEMPA Statements of Revenues and Expenses

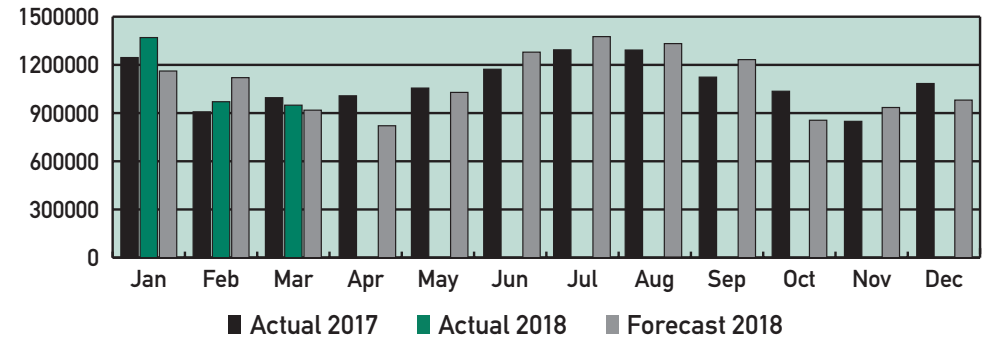
Per bond resolution and other agreements  
(Unaudited) (\$000's)

Revenues	Quarter Ended March 31		Year-to-Date March 31	
	2018	2017	2018	2017
Sales of electricity to members	\$133,597	\$131,170	\$133,597	\$131,170
Sales of electricity to utilities	-	-	-	-
Fund valuation	-	-	-	-
Other revenues	-	-	-	-
Investment revenue available for operations	646	367	646	367
<b>Total Revenues</b>	<b>134,243</b>	<b>131,537</b>	<b>134,243</b>	<b>131,537</b>
<b>Expenses</b>				
Operation and maintenance	90	55	90	55
Fuel	96	83	96	83
Power coordination services:				
Purchased power	117,308	97,640	117,308	97,640
Transmission and distribution	6,259	5,587	6,259	5,587
Other	(1,945)	(1,953)	(1,945)	(1,953)
<b>Total Power Coordination Services</b>	<b>121,622</b>	<b>101,274</b>	<b>121,622</b>	<b>101,274</b>
Administrative and general - DEP	-	-	-	-
Administrative and general - Agency	2,673	2,432	2,673	2,432
Sums in lieu of taxes	-	-	-	-
Debt service	12,705	12,705	12,705	12,705
<b>Total Expenses</b>	<b>137,186</b>	<b>116,549</b>	<b>137,186</b>	<b>116,549</b>
Net Position (decrease)	(2,943)	14,988	(2,943)	14,988
Net Position, beginning of period	145,524	159,141	145,524	159,141
<b>Net Position, end of period</b>	<b>\$142,581</b>	<b>\$174,129</b>	<b>\$142,581</b>	<b>\$174,129</b>

## NCEMPA Participant Energy Usage (in MWh)



## NCEMPA Participant CP Demand (in kW)



NOTE: \* NCEMPA Energy and CP Demand are at the Power Agency to City Billing Point and includes the SEPA allocation. Actual data is not weather normalized.

\*\* The Forecast Year 2018 is from the NCEMPA 2017 Load Forecast.