

## 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



Q3 2018

## Third Quarter Performance

Sales of electricity to Members increased \$3,559,000 (2.4%) compared to the third quarter of 2017. Billed demand increased by 128 MW (3.5%) due to higher coincident peak in the third quarter of 2018 and contributed \$2,405,000 to the increase. Billed energy increased by 83,411 MWh (3.9%) due to hotter weather conditions in the third quarter of 2018 and contributed \$2,527,000 to the increase.

Purchased Power costs increased \$9,574,000 (8.0%) compared to the third quarter of 2017. Capacity charges increased by 145 MW (3.9%) and contributed \$2,434,000. Energy charges increased by 95,895 MWh (4.5%) and contributed \$2,607,000 to the increase. Higher capacity and energy rates combined contributed \$4,533,000 to the overall increase.

Transmission and distribution costs decreased \$1,573,000 (23.4%) compared to the third quarter of 2017 primarily due to the 2017 OATT rate and challenge item true up credit and a refund for the retired Wake Forest Leased Facility.

Other Power Coordination costs decreased \$29,502,000 (83.1%) compared to the third quarter of 2017. The 2017 costs included a onetime accrual of \$30,580,000 relating to prior period Coal Combustion Residual Costs for the remediation and management of coal ash.

## Financing Status

As of September 30, 2018, NCEMPA had outstanding \$308,260,000 in bonds. The weighted average interest cost of the NCEMPA outstanding debt at the end of the quarter was 3.7%. To date, NCEMPA has had \$113,170,000 in debt redeemed prior to or at maturity.

## NCEMPA Statement of Net Position

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

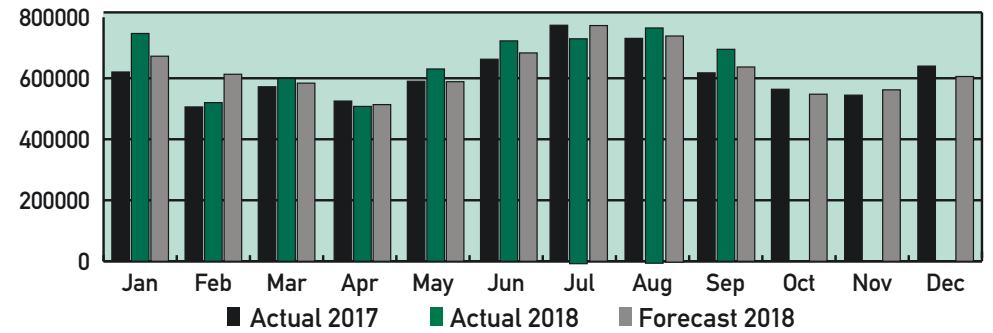
	September 30, 2018	September 30, 2017		September 30, 2018	September 30, 2017
<b>Assets</b>			<b>Deferred Outflows of Resources</b>		
<b>Non-Current Assets</b>			Unamortized debt issuance costs		
Capital Assets:			Cost to Be Recovered		
Electric Utility Plant, Net:			Total Deferred Outflows of Resources		
Electric plant in service	\$14,664	\$14,664	\$973	\$1,206	
Construction work in progress	104	-	<u>278,614</u>	<u>318,366</u>	
Less accumulated depreciation and amortization	<u>(2,439)</u>	<u>(1,873)</u>	<u><u>279,587</u></u>	<u><u>319,572</u></u>	
Total Electric Utility Plant, Net	12,329	12,791			
Non-Utility Property and Equipment, Net:			<b>Liabilities</b>		
Property and equipment	2,254	2,254	Non-Current Liabilities:		
Less accumulated depreciation	<u>(1,261)</u>	<u>(1,221)</u>	Long-Term Debt:		
Total Non-Utility Property and Equipment, Net	<u>993</u>	<u>1,033</u>	Bonds payable		
Total Capital Assets	13,322	13,824	268,195	308,260	
Restricted Assets:			Total Long-Term Debt		
Special Funds Invested:			Total Non-Current Liabilities		
Bond fund	25,270	25,159	268,195	308,260	
Contingency/Reserve & Contingency fund	5,135	5,157	Current Liabilities:		
Revenue fund (new)	<u>1,424</u>	<u>952</u>	Operating Liabilities:		
Total Special Funds Invested	<u>31,829</u>	<u>31,268</u>	Accounts payable		
Total Restricted Assets	<u>31,829</u>	<u>31,268</u>	72,511	72,904	
Total Non-Current Assets	45,151	45,092	Accrued taxes		
Current Assets			Total Operating Liabilities		
Funds Invested:			72,511	72,904	
Supplemental fund	170,384	177,316	Special Funds Liabilities:		
Total Funds Invested	<u>170,384</u>	<u>177,316</u>	Current maturities of bonds		
Member/Participant accounts receivable	48,914	44,540	40,065	39,280	
Plant materials and renewable certificate inventory	9,732	7,891	Accrued interest on bonds		
Prepaid expenses	<u>2,352</u>	<u>2,328</u>	2,689	2,886	
Total Current Assets	<u>231,382</u>	<u>232,075</u>	Total Special Funds Liabilities		
Total Assets	<u><u>\$276,533</u></u>	<u><u>\$277,167</u></u>	<u>42,754</u>	<u>42,166</u>	
			Total Current Liabilities		
			115,265	115,070	
			Total Liabilities		
			<u><u>383,460</u></u>	<u><u>423,330</u></u>	
			<b>Deferred Inflows of Resources</b>		
			Collections to be expended		
			23,537	23,537	
			Total Deferred Inflows of Resources		
			<u><u>23,537</u></u>	<u><u>23,537</u></u>	
			<b>Net Position</b>		
			Net invested in capital assets		
			13,322	13,824	
			Restricted for debt service		
			1,900	1,334	
			Unrestricted		
			<u>133,901</u>	<u>134,714</u>	
			Total Net Position		
			<u><u>\$149,123</u></u>	<u><u>\$149,872</u></u>	

## NCEMPA Statements of Revenues and Expenses

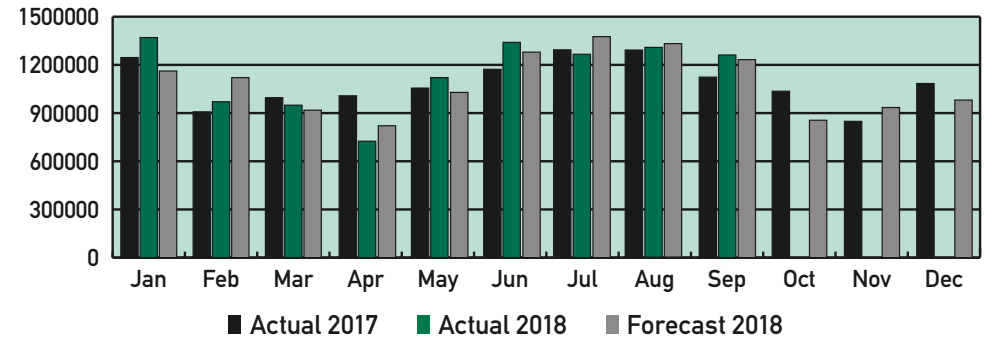
Per bond resolution and other agreements  
(Unaudited) (\$000's)

Revenues	Quarter Ended September 30		Year-to-Date September 30	
	2018	2017	2018	2017
Sales of electricity to participants	\$152,305	\$148,746	\$415,363	\$407,647
Other revenues	-	5	5,886	5
Investment revenue available for operations	755	500	2,146	1,325
<b>Total Revenues</b>	<b>153,060</b>	<b>149,251</b>	<b>423,395</b>	<b>408,977</b>
<b>Expenses</b>				
Operation and maintenance	13	31	127	147
Fuel	194	147	425	350
Power coordination services:				-
Purchased power	129,752	120,178	360,116	317,505
Transmission and distribution	5,162	6,735	17,312	17,817
Other	5,999	35,501	(5,361)	36,267
<b>Total Power Coordination Services</b>	<b>140,913</b>	<b>162,414</b>	<b>372,067</b>	<b>371,589</b>
Administrative and general - DEP	-	-	-	-
Administrative and general - Agency	2,992	2,477	8,977	7,960
Debt service	12,790	12,790	38,200	38,200
<b>Total Expenses</b>	<b>156,902</b>	<b>177,859</b>	<b>419,796</b>	<b>418,246</b>
Net Position increase (decrease)	(3,842)	(28,608)	3,599	(9,269)
Net Position, beginning of period	152,965	178,480	145,524	159,141
<b>Net Position, end of period</b>	<b>\$149,123</b>	<b>\$149,872</b>	<b>\$149,123</b>	<b>\$149,872</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 data is from the NCEMPA 2017 Load Forecast.