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 Avden
- Belhaven
- Benson Clayton
- Edenton
- Elizabeth City Farmville
- Fremont
- Greenville
- Hamilton
- Hertford
- Hobgood
- Hookerton Kinston
- La Grange
- - - Lumberton
 - New Bern

Laurinburg

Louisburg

- Pikeville Red Springs
- Robersonville
- Rocky Mount

- Scotland Neck
- Selma
- Smithfield
- Southport
- Tarboro
- Wake Forest
- Washington
- Wilson



Third Quarter Performance

Sales of electricity to Members decreased \$3,353,000 (2.5%) compared to the first quarter of 2018. Billed energy decreased by 92,127 MWh (5.0%) due to milder weather conditions in the first guarter of 2019 and contributed \$2,791,000 to the decrease. Billed demand increased 10 MW (0.3%) due to higher coincident peaks and slightly offset the decrease by \$188,000. Other charges and credits decreased by \$1,000,000 primarily due to higher Distributed Generation credits resulting from the operation of the new generators in the first guarter of 2019.

Purchased Power costs decreased \$1,226,000 (1.0%) compared to the first guarter of 2018. Energy and capacity

volumes decreased by 99,221 MWh (5.2%) and 50 MW (1.5%), respectively. and contributed \$899,000 and \$2,724,000 to the decrease, respectively. Lower capacity rates contributed \$2,342,000 to the overall decrease. Higher energy rates slightly offset the overall decrease by \$343,000. Higher Coal Combustion Residual Costs relating to the remediation and management of coal ash residuals offset the overall decrease by \$4,396,000.

Financing Status

As of March 31, 2019, 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)

_	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Assets			Deferred Outflows of Resources		
Non-Current Assets			Unamortized debt issuance costs	\$ 864	\$1,087
Capital Assets:			Cost to Be Recovered	241,650	299,234
Electric Utility Plant, Net:			Total Deferred Outflows of Resources	242,514	300,321
Electric plant in service	\$14,664	\$14,664			
Construction work in progress	14,144	104	Liabilities		
Less accumulated depreciation and amortization	(2,722)	(2,156)	Non-Current Liabilities:		
Total Electric Utility Plant, Net	26,086	12,612	Long-Term Debt:		
Non-Utility Property and Equipment, Net:			Bonds payable	268,195	308,260
Property and equipment	2,254	2,254	Total Long-Term Debt	268,195	308,260
Less accumulated depreciation	(1,281)	(1,241)	Total Non-Current Liabilities	268,195	308,260
Total Non-Utility Property and Equipment, Net	973	1,013	Current Liabilities:		
Total Capital Assets	27,059	13,625	Operating Liabilities:		
Restricted Assets:			Accounts payable	56,425	74,904
Special Funds Invested:			Accrued taxes	-	-
Bond fund	45,210	44,630	Total Operating Liabilities	56,425	74,904
Contingency/Reserve & Contingency fund	5,150	5,099	Special Funds Liabilities:		
Revenue fund (new)	2,259	1,373	Current maturities of bonds	40,065	39,280
Total Special Funds Invested	52,619	51,102	Accrued interest on bonds	2,689	2,886
Total Restricted Assets	52,619	51,102	Total Special Funds Liabilities	42,754	42,166
Total Non-Current Assets	79,678	64,727	Total Current Liabilities	99,179	117,070
iolal Non-Current Assets	77,070	04,727	Total Liabilities	367,374	425,330
Current Assets			Deferred Inflows of Resources		
Funds Invested:				22 527	22 527
Supplemental fund	136,805	174,390	Collections to be expended	23,537	23,537
Total Funds Invested	136,805	174,390	Total Deferred Inflows of Resources	23,537	23,537
Member/Participant accounts receivable	41,467	41,153	Net Position		
Plant materials and renewable certificate inventory	11,200	8,569	Net invested in capital assets	27,059	13,625
Prepaid expenses	2,731	2,288	Restricted for debt service	2,668	1,530
Total Current Assets	192,203	226,400	Unrestricted	93,757	127,426
Total Assets	\$271,881	<u>\$291,127</u>	Total Net Position	\$123,484	\$142,581

NCEMPA Statements of Revenues and Expenses

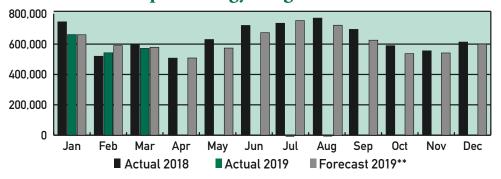
Per bond resolution and other agreements (Unaudited) (\$000's)

	Quarter En	ded March 31	Year-to-Date March 31	
Revenues	2019	2018	2019	2018
Sales of electricity to participants	\$130,244	\$133,597	\$ 130,244	\$ 133,597
Investment revenue available for operations	670	646	670	646
Total Revenues	130,914	134,243	130,914	134,243

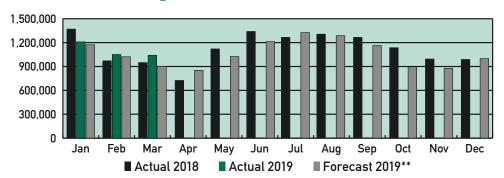
Expenses

xpenses				
Operation and maintenance	93	90	93	90
Fuel	175	96	175	96
Power coordination services:				
Purchased power	116,082	117,308	116,082	117,308
Transmission and distribution	5,968	6,259	5,968	6,259
Other	(1,336)	(1,945)	(1,336)	(1,945)
Total Power Coordination Services	120,714	121,622	120,714	121,622
Administrative and general - Agency	3,024	2,673	3,024	2,673
Debt service	12,705	12,705	12,705	12,705
Total Expenses	136,711	137,186	136,711	137,186
Net Position increase (decrease)	(5,797)	(2,943)	(5,797)	(2,943)
Net Position, beginning of period	129,281	145,524	129,281	145,524
Net Position, end of period	\$123,484	\$142,581	\$123,484	\$142,581

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 2019 data is from the NCEMPA 2018 Load Forecast.