

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

Third Quarter Performance

Sales of electricity to Members increased \$5,677,000 (3.7%) compared to the third quarter of 2018. Billed demand increased 72 MW (1.9%) due to higher coincident peaks and contributed \$1,575,000 to the increase. Billed energy increased by 19,061 MWh (0.9%) due to hotter weather conditions in the third quarter of 2019 and contributed \$475,000. An overall rate increase of 1.2% effective April 1, 2019 contributed \$3,025,000 to the increase.

Purchased Power costs decreased \$723,000 (0.6%) compared to the third quarter of 2018. Lower capacity rates in the third quarter of 2019 contributed \$2,781,000 to the decrease. Higher volumes resulting from weather conditions experienced in the third quarter of 2019 partially offset the overall decrease by \$1,629,000. Higher energy rates in the third quarter of 2019 further offset the overall decrease by \$429,000.

Transmission and distribution costs increased \$811,000 (15.7%) compared to the third quarter of 2018. In the third quarter of 2019, a 2012-2017 OATT rate adjustment refund of \$645,000 was received compared to a true-up refund of \$1,642,000 for the 2017 OATT rate and challenge item true up and retired Wake Forest Leased Facility received in the third quarter of 2018.



Other Power Coordination costs increased \$3,520,000 (58.7%) compared to the third quarter of 2018 primarily due to higher Coal Combustion Residual costs.

Financing Status

As of September 30, 2019, NCEMPA had outstanding \$268,195,000 in bonds.

The weighted average interest cost of the NCEMPA outstanding debt at the end of the quarter was 3.8%.

To date, NCEMPA has had \$153,235,000 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, 2019 September 30, 2018

Assets

Non-Current Assets

Capital Assets:

Electric Utility Plant, Net:

Electric plant in service	\$14,664	\$14,664
Construction work in progress	14,144	104
Less accumulated depreciation and amortization	(3,005)	(2,439)
Total Electric Utility Plant, Net	25,803	12,329

Non-Utility Property and Equipment, Net:

Property and equipment	2,254	2,254
Less accumulated depreciation	(1,301)	(1,261)
Total Non-Utility Property and Equipment, Net	953	993
Total Capital Assets	26,756	13,322

Restricted Assets:

Special Funds Invested:

Bond fund	25,644	25,270
Contingency/Reserve & Contingency fund	5,233	5,135
Revenue fund (new)	2,406	1,424
Total Special Funds Invested	33,283	31,829

Total Restricted Assets	33,283	31,829
Total Non-Current Assets	60,039	45,151

Current Assets

Funds Invested:

Supplemental fund	114,778	170,384
Total Funds Invested	114,778	170,384

Member/Participant accounts receivable	49,017	48,914
Plant materials and renewable certificate inventory	12,554	9,732
Prepaid expenses	2,887	2,352
Total Current Assets	179,236	231,382
Total Assets	\$239,275	\$276,533

September 30, 2019 September 30, 2018

Deferred Outflows of Resources

Unamortized debt issuance costs	\$761	\$973
Cost to Be Recovered	236,837	278,614
Total Deferred Outflows of Resources	237,598	279,587

Liabilities

Non-Current Liabilities:

Long-Term Debt:

Bonds payable	227,095	268,195
Total Long-Term Debt	227,095	268,195
Total Non-Current Liabilities	227,095	268,195

Current Liabilities:

Operating Liabilities:

Accounts payable	52,079	72,511
Accrued taxes	-	-
Total Operating Liabilities	52,079	72,511

Special Funds Liabilities:

Current maturities of bonds	41,100	40,065
Accrued interest on bonds	2,431	2,689
Total Special Funds Liabilities	43,531	42,754
Total Current Liabilities	95,610	115,265
Total Liabilities	322,705	383,460

Deferred Inflows of Resources

Collections to be expended	41,224	23,537
Total Deferred Inflows of Resources	41,224	23,537

Net Position

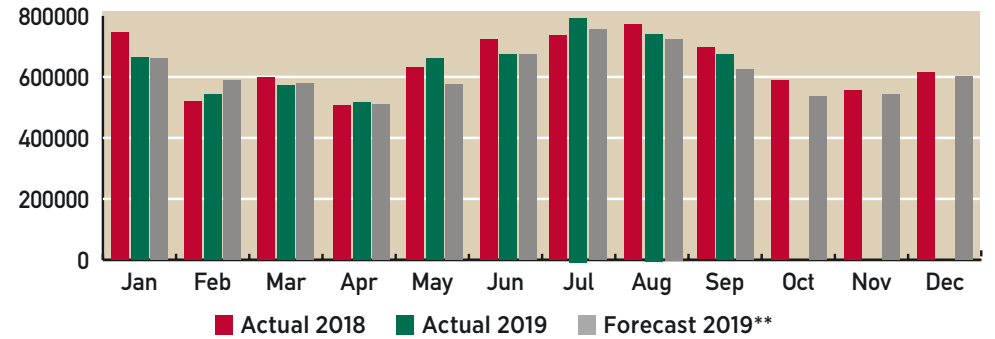
Net invested in capital assets	26,756	13,322
Restricted for debt service	3,348	1,900
Unrestricted	82,840	133,901
Total Net Position	\$112,944	\$149,123

NCEMPA Statements of Revenues and Expenses

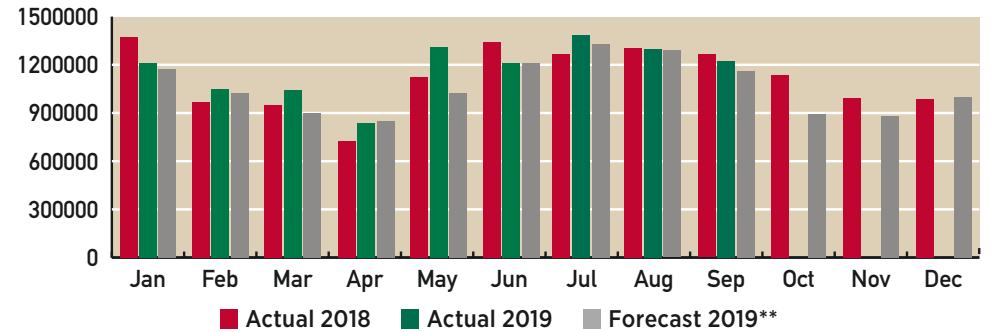
Per bond resolution and other agreements
(Unaudited) (\$000's)

Revenues	Quarter Ended September 30		Year-to-Date September 30	
	2019	2018	2019	2018
Sales of electricity to participants	\$157,982	\$152,305	\$293,191	\$415,363
Other Revenues	33	0	33	5,886
Investment revenue available for operations	528	755	1,149	2,146
Total Revenues	158,543	153,060	294,373	423,395
Expenses				
Operation and maintenance	131	13	555	127
Fuel	526	194	741	425
Power coordination services:				
Purchased power	129,029	129,752	237,368	360,116
Transmission and distribution	5,973	5,162	11,710	17,312
Other	9,519	5,999	21,411	(5,361)
Total Power Coordination Services	144,521	140,913	270,489	372,067
Administrative and general - Agency	2,625	2,992	7,630	8,977
Debt service	12,791	12,790	25,496	38,200
Total Expenses	160,594	156,902	304,911	419,796
Net Position increase (decrease)	(2,051)	(3,842)	(10,538)	3,599
Net Position, beginning of period	114,995	152,965	123,482	145,524
Net Position, end of period	\$112,944	\$149,123	\$112,944	\$149,123

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.