

About the Agency

NCMPA1 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 Duke Energy Corporation (Duke).

In 1978, the Agency purchased 75 percent ownership in Catawba Nuclear Station Unit 2 located at Lake Wylie, South Carolina. The Agency also has an exchange agreement with Duke that provides for electric power through McGuire Nuclear Station and Catawba Unit 1.

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

NCMPA1 Officers

Todd Clark, Newton, Chairman

J. Richard Howell Jr., Shelby, Vice Chairman

Mayor Jack Edwards, Pineville, Secretary-Treasurer

NCMPA1 Participant Cities

- Albemarle
- Gastonia
- Lexington
- Newton
- Bostic
- Granite Falls
- Lincolnton
- Pineville
- Cherryville
- High Point
- Maiden
- Shelby
- Cornelius
- Huntersville
- Monroe
- Statesville
- Drexel
- Landis
- Morganton

NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1

1427 Meadow Wood Blvd. • Raleigh, North Carolina 27604 • 919-760-6000



First Quarter Performance

Sales to Participants decreased \$2,955,000 (3.4%) compared to the first quarter of 2019 due to lower demand rates and energy volumes. The 2% wholesale rate decrease effective July 1, 2019 was applied through the demand rate and contributed \$1,865,000 to the decrease. Billed energy decreased by 27,735 MWh (2.3%) and contributed \$858,000 to the decrease due to milder weather experienced in the first quarter of 2020.

Sales to utilities decreased \$9,548,000 (40.9%) compared to the first quarter of 2019. Average energy rates decreased by \$13.72/MWh (41.9%) and contributed \$9,779,000. Energy volumes increased by 12,104 MWh (1.7%) and offset the decrease by \$231,000.

Operations and Maintenance costs increased \$1,513,000 (6.5%) compared to the first quarter of 2019 primarily due to anticipatory expenses related to the

scheduled spring outage at Catawba Unit 1. There was no outage in the first quarter of 2019.

Purchased power costs decreased \$1,234,000 (13.2%) compared to the first quarter of 2019 primarily due to lower energy rates that contributed \$1,368,000 to the decrease.

Special Funds deposit into the Reserve and Contingency Fund increased \$21,640,000 (328.9%) compared to the first quarter of 2019. The increase is to provide funds for capital improvements at the Catawba station after full utilization of the Construction Fund balances.

Financing Status

As of March 31, 2020, NCMPA 1 had outstanding \$763,360,000 in bonds.

The weighted average interest cost of the NCMPA1 outstanding debt at the end of the quarter was 5.00%.

To date, NCMPA1 has had \$2,377,692,000 in debt redeemed prior to or at maturity.

NCMPA1 Statement of Net Position

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>		<u>March 31, 2020</u>	<u>March 31, 2019</u>
Assets			Deferred Outflows of Resources		
Non-Current Assets			Costs of advance refundings of debt		
Capital Assets:			Unamortized Debt issuance costs		
Electric Utility Plant, Net:			\$40,356	\$50,405	
Electric plant in service	\$2,019,183	\$1,912,051	3,178	3,493	
Construction work in progress	66,300	40,337	<u>43,534</u>	<u>53,898</u>	
Nuclear fuel	255,797	238,217			
Accumulated depreciation and amortization	<u>(1,190,031)</u>	<u>(1,051,861)</u>			
Total Electric Utility Plant, Net	1,151,249	1,138,744			
Non-Utility Property and Equipment, Net:			Liabilities		
Property and equipment	4,348	4,348	Non-Current Liabilities:		
Less accumulated depreciation	<u>(3,403)</u>	<u>(3,360)</u>	Long-Term Debt:		
Total Non-Utility Property and Equipment, Net	945	988	Bonds payable		
Total Capital Assets	1,152,194	1,139,732	Unamortized premium/(discount), net		
Restricted Assets:			Total Long-Term Debt		
Special Funds Invested:			Asset Retirement Obligation		
Construction fund	-	18,620	Total Non-Current Liabilities		
Bond fund	109,426	139,315	Current Liabilities:		
Reserve and contingency fund	<u>19,441</u>	<u>14,271</u>	Operating Liabilities:		
Total Special Funds Invested	128,867	172,206	Accounts payable		
Trust for Decommissioning Costs	404,530	354,389	Accrued taxes		
Total Restricted Assets	<u>533,397</u>	<u>526,595</u>	Total Operating Liabilities		
Total Non-Current Assets	<u>1,685,591</u>	<u>1,666,327</u>	Special Funds Liabilities:		
Current Assets			Current maturities of bonds		
Funds Invested:			Accrued interest on bonds		
Revenue fund	41,375	69,288	Total Special Funds Liabilities		
Operating fund	79,859	82,373	Total Current Liabilities		
Supplemental fund	<u>286,940</u>	<u>315,662</u>	Total Liabilities		
Total Funds Invested	408,174	467,323	1,329,621		
Participant accounts receivable	27,295	28,575			
Operating accounts receivable	10,238	16,404			
Plant materials and renewable certificate inventory	<u>68,198</u>	<u>67,326</u>			
Total Current Assets	513,905	579,628			
Total Assets	<u>\$2,199,496</u>	<u>\$2,245,955</u>			
			Deferred Inflows of Resources		
			Collections to be expended		
			656,797	542,236	
			<u>656,797</u>	<u>542,236</u>	
			Net Position		
			Net Invested in capital assets		
			863,707	758,019	
			Unrestricted:		
			(607,095)	(439,921)	
			<u>\$256,612</u>	<u>\$318,098</u>	

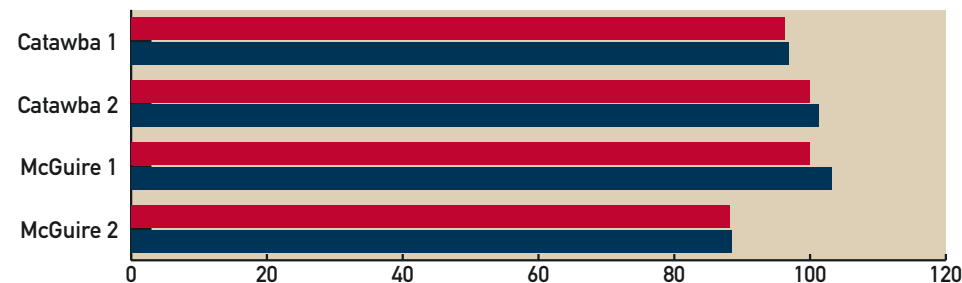
NCMPA1 Statements of Revenues and Expenses

Per Bond Resolution and Other Agreements (Unaudited) (\$000's)

Revenues	Quarter Ended March 31		Year-to-Date March 31	
	2020	2019	2020	2019
Sales of electricity to Participants	\$84,078	\$87,033	\$84,078	\$87,033
Sales of electricity to utilities	13,781	23,329	13,781	23,329
McGuire exchange entitlement	10,073	10,378	10,073	10,378
Investment revenue available for operations	2,708	3,076	2,708	3,076
Other revenues	(349)	349	(349)	349
Total Revenues	110,989	124,165	110,989	124,165
Expenses				
Operation and maintenance	24,675	23,162	24,675	23,162
Nuclear fuel	11,134	11,200	11,134	11,200
McGuire exchange entitlement	9,274	9,426	9,274	9,426
Interconnection services:				
Purchased power	8,121	9,355	8,121	9,355
Transmission and distribution	4,787	4,620	4,787	4,620
Other	613	907	613	907
Total Interconnection Services	13,521	14,882	13,521	14,882
Administrative and general - Duke	7,217	7,466	7,217	7,466
Administrative and general - Agency	3,142	3,160	3,142	3,160
Excise taxes	551	555	551	555
Property tax	5,841	5,674	5,841	5,674
Debt service	21,720	21,295	21,720	21,295
Special funds deposits:				
Decommissioning fund	1,131	900	1,131	900
Reserve and contingency fund	28,219	6,579	28,219	6,579
Total Special Funds Deposits	29,350	7,479	29,350	7,479
Total Expenses	126,425	104,299	126,425	104,299
Net position (decrease)	(15,436)	19,866	(15,436)	19,866
Net position, beginning of quarter	272,048	298,232	272,048	298,232
Net position, end of quarter	\$256,612	\$318,098	\$256,612	\$318,098

NCMPA1 Plant Status

NOTE: 2020 Year-to-date (through March)

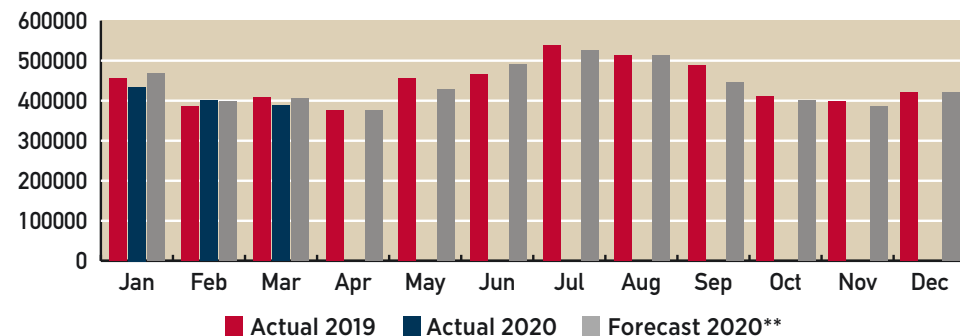


■ **Availability Factor** - The ratio of actual time a unit was available to produce power (regardless of whether it did) to the total time in the period.

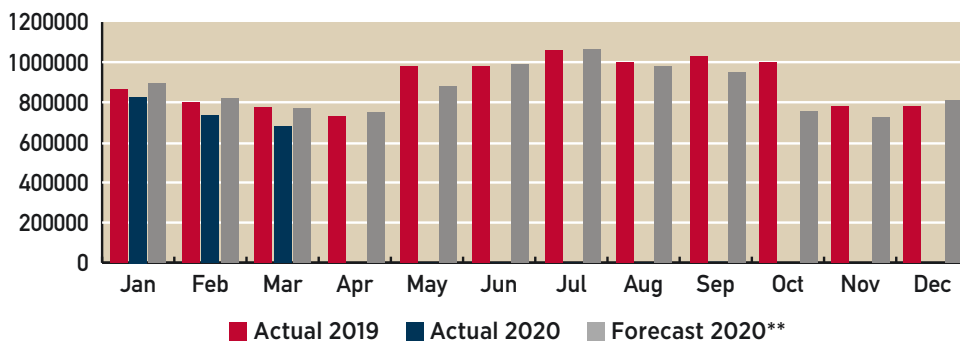
■ **Capacity Factor** - The ratio of actual output to maximum net dependable capability.

There was a forced outage for Catawba Unit 1 on February 12th due to an exciter brush failure. Repairs were successfully completed and the unit was returned online on February 17th. There was a scheduled refueling outage for McGuire Unit 2 that started on March 21st. The unit was returned online April 13th.

NCMPA1 Participant Energy Usage* (in MWh)



NCMPA1 Participant OP Demand* (in kW)



NOTE: * NCMPA1 Energy and OP Demand are at the Power Agency to City Billing Point and includes the SEPA allocation. Actual data are not weather normalized.

** The Forecast Year 2020 data is from the NCMPA1 Winter 2019 Load Forecast.