

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

Second Quarter Performance

Sales to Participants decreased \$7,878,000 (8.2%) compared to the second quarter of 2019 due to lower demand revenue and energy volumes. A 2% wholesale rate decrease effective July 1, 2019 was applied through the demand rate and contributed \$1,865,000 to the decrease. Billed demand decreased by 559 MW (24.4%) due to milder weather and Covid-19 effects experienced in the second quarter of 2020 and contributed \$975,000 to the decrease. Billed energy decreased by 159,387 MWh (12.5%) and contributed \$5,012,000 to the decrease due to milder weather and Covid-19 effects experienced in the second quarter of 2020.

Sales to utilities decreased \$3,929,000 (30.9%) compared to the second quarter of 2019. Average energy rates decreased by \$7.50/MWh (34.1%) and contributed \$4,345,000. Energy volumes increased by 28,701 MWh (5.0%) and offset the decrease by \$416,000.

McGuire Exchange entitlement decreased \$4,313,000 (47.6%) compared to the second quarter of 2019 primarily due to the 2019 annual energy pricing true-up charge of \$3,745,000 received in April 2020. A 2018 true-up credit of \$1,372,000 was received in April 2019.

Investment revenue available for operations decreased \$1,824,000 (42.1%) compared to the second quarter of 2019 primarily due to higher gains on sale of investments in the second quarter of 2019.

Operations and Maintenance costs increased \$4,039,000 (16.6%) compared to the second quarter of 2019 primarily due to higher operating costs related to the refueling outage at Catawba Unit 1 in the second quarter of 2020. There was no refueling outage in the second quarter of 2019.



Nuclear fuel costs decreased \$1,808,000 (16.0%) compared to the second quarter of 2019 primarily due to the Catawba Unit 1 refueling outage in the second quarter of 2020. There was no refueling outage in the second quarter of 2019.

McGuire Exchange entitlement decreased \$1,490,000 (21.1%) compared to the second quarter of 2019 primarily due to a higher annual energy pricing true-up adjustment in the second quarter of 2020. A true-up credit of \$3,622,000 was received in April 2020 relating to the 2019 annual energy pricing compared to a credit of \$2,218,000 received in April 2019 relating to the 2018 annual pricing true-up.

Purchased power costs decreased \$1,832,000 (19.4%) compared to the second quarter of 2019. Lower volumes and energy rates contributed \$1,154,000 and \$823,000, respectively, to the decrease.

Special Funds deposit into the Reserve and Contingency Fund increased \$1,340,000 (20.4%) compared to the second quarter of 2019. The increase is to provide funds for capital improvements at the Catawba Plant after full utilization of the Construction Fund balances.

Financing Status

As of June 30, 2020, NCMPA 1 had outstanding \$763,360,000 in bonds.

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

NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1

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

NCMPA1 Statement of Net Position

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>		<u>June 30, 2020</u>	<u>June 30, 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:			\$38,278	\$48,531	
Electric plant in service	\$2,019,183	\$1,912,051	3,010	3,370	
Construction work in progress	82,786	45,477	<u>41,288</u>	<u>51,901</u>	
Nuclear fuel	272,758	247,276			
Accumulated depreciation and amortization	(1,210,297)	(1,073,569)			
Total Electric Utility Plant, Net	<u>1,164,430</u>	<u>1,131,235</u>			
Non-Utility Property and Equipment, Net:			Liabilities		
Property and equipment	4,348	4,348	Non-Current Liabilities:		
Less accumulated depreciation	(3,414)	(3,371)	Long-Term Debt:		
Total Non-Utility Property and Equipment, Net	<u>934</u>	<u>977</u>	Bonds payable		
Total Capital Assets	<u>1,165,364</u>	<u>1,132,212</u>	Unamortized premium/(discount), net		
Restricted Assets:			Total Long-Term Debt		
Special Funds Invested:			Asset Retirement Obligation		
Construction fund	-	14,251	Total Non-Current Liabilities		
Bond fund	131,249	162,007	1,267,959		
Reserve and contingency fund	17,978	19,559	Current Liabilities:		
Total Special Funds Invested	<u>149,227</u>	<u>195,817</u>	Operating Liabilities:		
Trust for Decommissioning Costs	406,990	364,812	Accounts payable		
Total Restricted Assets	<u>556,217</u>	<u>560,629</u>	Accrued taxes		
Total Non-Current Assets	<u>1,721,581</u>	<u>1,692,841</u>	Total Operating Liabilities		
			20,963		
			Special Funds Liabilities:		
			Current maturities of bonds		
			49,265		
			Accrued interest on bonds		
			18,743		
			Total Special Funds Liabilities		
			68,008		
			Total Current Liabilities		
			88,971		
			Total Liabilities		
			1,356,930		
			<u>1,461,402</u>		
Current Assets			Deferred Inflows of Resources		
Funds Invested:			Collections to be expended		
Revenue fund	56,082	70,992	662,289		
Operating fund	70,448	91,362	<u>662,289</u>		
Supplemental fund	278,826	337,097			
Total Funds Invested	<u>405,356</u>	<u>499,451</u>			
Participant accounts receivable	35,780	37,573	Net Position		
Operating accounts receivable	4,926	6,515	Net Invested in capital assets		
Plant materials and renewable certificate inventory	68,132	68,590	876,209		
Total Current Assets	<u>514,194</u>	<u>612,129</u>	Unrestricted:		
Total Assets	<u>\$2,235,775</u>	<u>\$2,304,970</u>	(618,365)		
			Total Net Position		
			<u>\$257,844</u>		
			<u>\$337,995</u>		

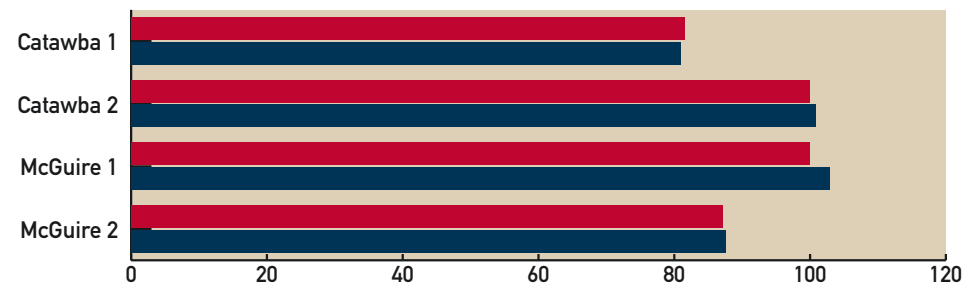
NCMPA1 Statements of Revenues and Expenses

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

Revenues	Quarter Ended June 30		Year-to-Date June 30	
	2020	2019	2020	2019
Sales of electricity to Participants	\$88,171	\$96,049	\$172,249	\$183,082
Sales of electricity to utilities	8,806	12,735	22,587	36,064
McGuire exchange entitlement	4,742	9,055	14,815	19,433
Investment revenue available for operations	2,512	4,336	5,220	7,412
Other revenues	354	349	703	698
Total Revenues	104,585	122,524	215,574	246,689
Expenses				
Operation and maintenance	28,344	24,305	53,019	47,467
Nuclear fuel	9,520	11,328	20,654	22,528
McGuire exchange entitlement	5,555	7,045	14,829	16,471
Interconnection services:				
Purchased power	7,631	9,463	15,752	18,818
Transmission and distribution	4,347	4,252	9,134	8,872
Other	610	707	1,223	1,614
Total Interconnection Services	12,588	14,422	26,109	29,304
Administrative and general - Duke	7,237	7,519	14,454	14,985
Administrative and general - Agency	3,020	3,031	6,162	6,191
Excise taxes	508	567	1,059	1,122
Property tax	5,841	5,674	11,682	11,348
Debt service	21,690	21,257	43,410	42,552
Special funds deposits:				
Decommissioning fund	1,131	900	2,262	1,800
Reserve and contingency fund	7,919	6,579	36,138	13,158
Total Special Funds Deposits	9,050	7,479	38,400	14,958
Total Expenses	103,353	102,627	229,778	206,926
Net position (decrease)	1,232	19,897	(14,204)	39,763
Net position, beginning of quarter	256,612	318,098	272,048	298,232
Net position, end of quarter	\$257,844	\$337,995	\$257,844	\$337,995

NCMPA1 Plant Status

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



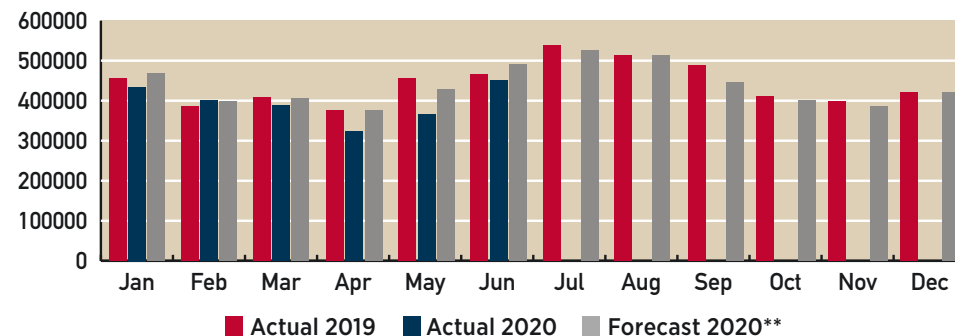
■ **Availability Factor** - The ratio of actual time a unit was available to produce power (regardless of whether it did) to the total time in the period.

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

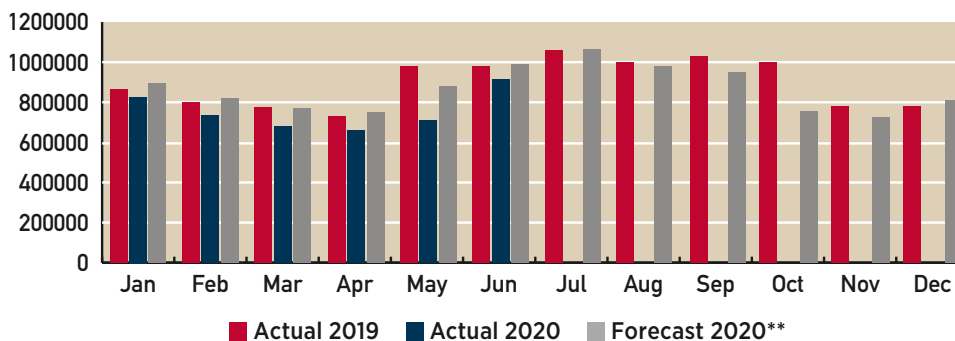
There was a scheduled refueling outage for McGuire Unit 2 that started on March 21st. The unit returned online April 13th.

There was a scheduled refueling outage for Catawba Unit 1 that started on May 2nd. The unit returned online June 1st.

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.