

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
- Morgantown

NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1

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



Q3 2020

Third Quarter Performance

Sales to Participants decreased \$3,782,000 (3.2%) compared to the third quarter of 2019 due to lower demand revenue and energy volumes. Billed demand decreased by 338 MW (12.6%) and contributed \$737,000 to the decrease. Billed energy decreased by 88,684 MWh (5.8%) and contributed \$2,953,000 to the decrease due to milder weather and Covid-19 effects experienced in the third quarter of 2020.

Sales to Utilities decreased \$2,661,000 (27.2 %) compared to the third quarter of 2019. Average energy rates decreased by \$4.97/MW (23.1%) and contributed \$2,257,000. Energy volumes decreased by 24,399 MWh (5.4%) and contributed \$404,000 to the decrease.

Operations and Maintenance costs decreased \$7,675,000 (27.2%) compared to the third quarter of 2019 primarily due to higher operating costs related to the refueling outage at Catawba Unit 2 in the third quarter of 2019. There were no refueling outages at the Catawba Plant in the third quarter of 2020.

Purchased power costs decreased \$4,286,000 (35.3%) compared to the third quarter of 2019 primarily due to lower volumes resulting from mild weather conditions and Covid-19 impact in the third quarter of 2020.

Return of Working Capital increased

\$25,000,000 (33.3%) compared to the third quarter of 2019. A \$100,000,000 working capital refund to Participants was made in the third quarter of 2020 compared to \$75,000,000 made in the third quarter of 2019.

Debt service decreased \$74,295,000 (77.4%) compared to the third quarter of 2019 primarily due to the partial defeasance of \$68,900,000 of the 2012B, 2012C and 2015C bonds series in September 2019. There was no defeasance in the third quarter of 2020.

Special Funds deposit into the Reserve and Contingency Fund increased \$5,921,000 (93.7%) compared to the third quarter of 2019 primarily due to the timing of the 2020 fourth quarter deposits. The change in timing was to provide funds for capital improvements at the Catawba Plant after full utilization of the Construction Fund balances.

Financing Status

As of September 30, 2020, NCMPA1 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>September 30, 2020</u>	<u>September 30, 2019</u>		<u>September 30, 2020</u>	<u>September 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:			Total Deferred Outflows of Resources		
Electric plant in service	\$2,019,183	\$1,912,051	\$36,519	\$46,658	
Construction work in progress	91,969	54,038	2,879	3,361	
Nuclear fuel	266,640	280,405	<u>39,398</u>	<u>50,019</u>	
Accumulated depreciation and amortization	(1,232,028)	(1,094,201)			
Total Electric Utility Plant, Net	<u>1,145,764</u>	<u>1,152,293</u>			
Non-Utility Property and Equipment, Net:			Liabilities		
Property and equipment	4,348	4,348	Non-Current Liabilities:		
Less accumulated depreciation	(3,425)	(3,382)	Long-Term Debt:		
Total Non-Utility Property and Equipment, Net	<u>923</u>	<u>966</u>	Bonds payable		
Total Capital Assets	<u>1,146,687</u>	<u>1,153,259</u>	Unamortized premium/(discount), net		
Restricted Assets:			Total Long-Term Debt		
Special Funds Invested:			Asset Retirement Obligation		
Construction fund	-	10,379	Total Non-Current Liabilities		
Bond fund	134,006	160,947	Current Liabilities:		
Reserve and contingency fund	11,235	23,619	Operating Liabilities:		
Total Special Funds Invested	<u>145,241</u>	<u>194,945</u>	Accounts payable		
Trust for Decommissioning Costs	409,738	374,666	Accrued taxes		
Total Restricted Assets	<u>554,979</u>	<u>569,611</u>	Total Operating Liabilities		
Total Non-Current Assets	<u>1,701,666</u>	<u>1,722,870</u>	Special Funds Liabilities:		
			Current maturities of bonds		
			Accrued interest on bonds		
			Total Special Funds Liabilities		
			Total Current Liabilities		
			Total Liabilities		
			<u>1,348,513</u>	<u>1,382,352</u>	
Current Assets			Deferred Inflows of Resources		
Funds Invested:			Collections to be expended		
Revenue fund	67,434	64,991	Total Deferred Inflows of Resources		
Operating fund	87,393	66,036	672,433	640,525	
Supplemental fund	191,349	221,840	<u>672,433</u>	<u>640,525</u>	
Total Funds Invested	<u>346,176</u>	<u>352,867</u>			
Participant accounts receivable	35,673	38,248	Net Position		
Operating accounts receivable	15,040	5,496	Net Invested in capital assets		
Plant materials and renewable certificate inventory	68,678	71,603	Unrestricted:		
Total Current Assets	<u>465,567</u>	<u>468,214</u>	Total Net Position		
Total Assets	<u>\$2,167,233</u>	<u>\$2,191,084</u>	861,923	822,016	
			(676,238)	(603,790)	
			<u>\$185,685</u>	<u>\$218,226</u>	

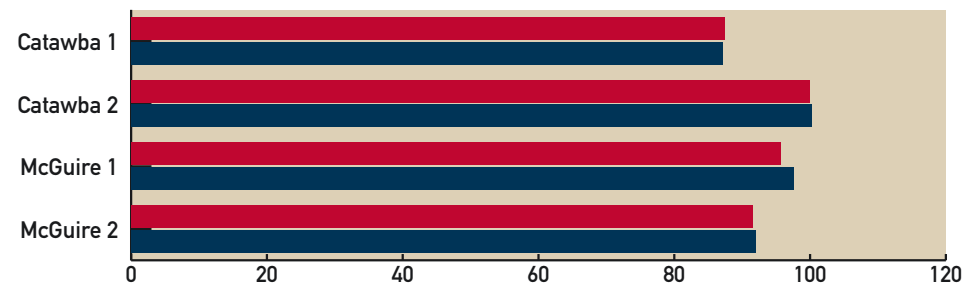
NCMPA1 Statements of Revenues and Expenses

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

Revenues	Quarter Ended September 30		Year-to-Date September 30	
	2020	2019	2020	2019
Sales of electricity to Participants	\$113,746	\$117,528	\$285,995	\$300,610
Sales of electricity to utilities	7,126	9,788	29,713	45,852
McGuire exchange entitlement	10,292	9,380	25,107	28,813
Investment revenue available for operations	2,623	3,110	7,843	10,522
Other revenues	353	351	1,056	1,049
Total Revenues	134,140	140,157	349,714	386,846
Expenses				
Operation and maintenance	20,580	28,255	73,599	75,722
Nuclear fuel	11,198	10,517	31,852	33,045
McGuire exchange entitlement	9,208	9,997	24,037	26,468
Interconnection services:				
Purchased power	7,863	12,149	23,615	30,967
Transmission and distribution	3,901	3,125	13,035	11,997
Other	568	453	1,791	2,067
Total Interconnection Services	12,332	15,727	38,441	45,031
Administrative and general - Duke	8,040	7,904	22,494	22,889
Administrative and general - Agency	3,423	3,129	9,585	9,320
Excise taxes	589	491	1,648	1,613
Property tax	5,840	5,674	17,522	17,022
Return of Working Capital	100,000	75,000	100,000	75,000
Debt service	21,721	96,016	65,131	138,568
Special funds deposits:				
Decommissioning fund	1,132	900	3,394	2,700
Reserve and contingency fund	12,237	6,316	48,375	19,474
Total Special Funds Deposits	13,369	7,216	51,769	22,174
Total Expenses	206,300	259,926	436,078	466,852
Net position (decrease)	(72,160)	(119,769)	(86,364)	(80,006)
Net position, beginning of quarter	257,845	337,995	272,049	298,232
Net position, end of quarter	\$185,685	\$218,226	\$185,685	\$218,226

NCMPA1 Plant Status

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



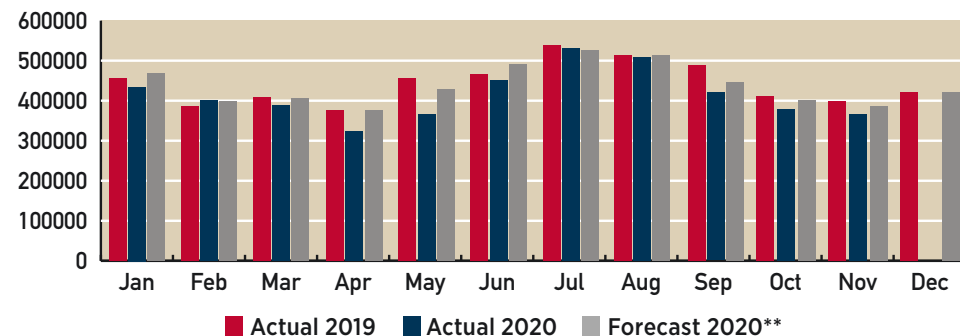
■ **Availability Factor** - The ratio of actual time a unit was available to produce power (regardless of whether it did) to the total time in the period.

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

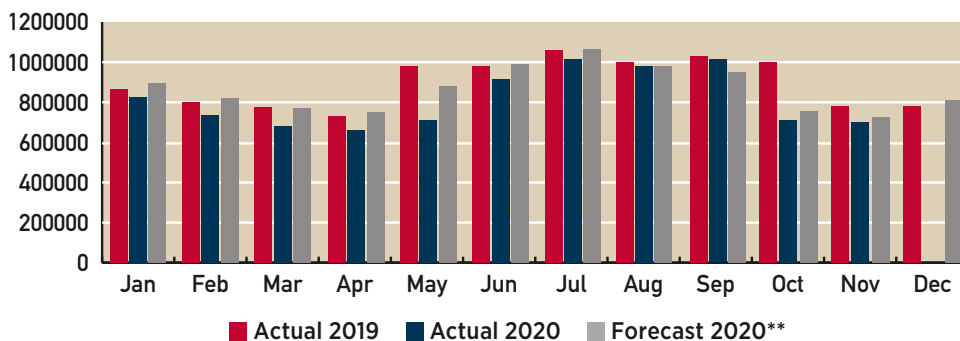
There was a forced outage for Catawba Unit 1 on September 8th. The unit was returned online September 9th.

There was a scheduled refueling outage for McGuire Unit 1 that started on September 19th. The unit returned online October 21st.

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.