

## 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



# Q2 2021

## Second Quarter Performance

Sales to Participants increased \$4,552,000 (5.2%) compared to the second quarter of 2020. Billed demand and energy increased 333 MW (17.3%) and 110,354 MWh (9.9%) and contributed \$779,000 and \$3,538,000 to the increase, respectively, primarily due to a stronger economic recovery from Covid-19 effects in the second quarter of 2021. Hotter weather experienced in the second quarter of 2021 further contributed to the increase.

Sales to utilities increased \$3,738,000 (42.4%) compared to the second quarter of 2020. Average energy rates increased by \$10.0/MW (68.8%) and contributed \$6,061,000 to the increase. Energy volumes decreased by 95,056 MWh (15.6%) and offset the increase by \$2,323,000.

Investment revenue decreased \$1,327,000 (52.8%) compared to the second quarter of 2020 primarily due to lower interest rates in the second quarter of 2021 resulting from the economic effects of COVID-19. In addition, lower balances in the Supplemental Fund resulting from the \$100,000,000 working capital refund to Participants made in the third quarter of 2020 further contributed to the decrease.

Operation and maintenance costs increased \$5,359,000 (18.9%) compared to the second quarter of 2020. There were higher refueling outage costs at Catawba Unit 2 in 2021 compared to the costs related to the Catawba unit 1 outage in 2020 due to additional maintenance activities performed in 2021.

McGuire exchange entitlement increased

\$1,556,000 (28.0%) compared to the second quarter of 2020 primarily due to the annual energy pricing true-up credit. A credit of \$2,527,000 was received in April 2021 compared to a true-up credit of \$3,745,000 received in April 2020.

Special Funds deposit into the Reserved for Future Costs Fund increased \$7,480,000 (100%) compared to the second quarter of 2020. The increase is to provide funds to meet projected decommissioning costs in the Decommissioning Fund. The increase was based on the 2018 site specific funding requirements.

Special Funds deposit into the Reserve and Contingency Fund increased \$2,952,000 (37.3%) compared to the second quarter of 2020 due to the timing of the deposits. The scheduled April 2020 deposit was deposited earlier in February 2020. Higher deposits were required in the first quarter of 2020 to meet the higher capital improvements at the Catawba station after full utilization of the Construction Fund balances.

## FINANCIAL STATUS

As of June 30, 2021, NCMPA1 had outstanding \$714,095,000 in bonds.

The weighted average interest cost of the NCMPA1 outstanding debt at the end of the quarter was 5.01%.

To date, NCMPA1 has had \$2,426,957,000 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>June 30, 2021</u>	<u>June 30, 2020</u>		<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets</b>			<b>Deferred Outflows of Resources</b>		
<b>Non-Current Assets</b>			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	\$2,049,715	\$2,019,183	\$31,795	\$38,278	
Construction work in progress	74,599	82,786	2,551	3,010	
Nuclear fuel	238,341	272,758	<u>34,346</u>	<u>41,288</u>	
Accumulated depreciation & amortization	(1,198,955)	(1,210,297)			
Total Electric Utility Plant, Net	<u>1,163,700</u>	<u>1,164,430</u>			
Non-Utility Property and Equipment, Net:			<b>Liabilities</b>		
Property and equipment	3,817	4,348	Non-Current Liabilities:		
Less accumulated depreciation	(2,926)	(3,414)	Long-Term Debt:		
Total Non-Utility Property & Equipment, Net	<u>891</u>	<u>934</u>	Bonds payable		
Total Capital Assets	<u>1,164,591</u>	<u>1,165,364</u>	Unamortized premium/(discount), net		
			Total Long-Term Debt		
Restricted Assets:			Asset Retirement Obligation		
Special Funds Invested:			Total Non-Current Liabilities		
Bond fund	127,837	131,249	Current Liabilities:		
Reserve and contingency fund	<u>6,406</u>	<u>17,978</u>	Operating Liabilities:		
Total Special Funds Invested	<u>134,243</u>	<u>149,227</u>	Accounts payable		
Trust for Decommissioning Costs	<u>397,799</u>	<u>406,990</u>	Accrued taxes		
Total Restricted Assets	<u>532,042</u>	<u>556,217</u>	Total Operating Liabilities		
Total Non-Current Assets	<u>1,696,633</u>	<u>1,721,581</u>	Special Funds Liabilities:		
			Current maturities of bonds		
Current Assets			Accrued interest on bonds		
Funds Invested:			Total Special Funds Liabilities		
Revenue fund	46,920	56,082	Total Current Liabilities		
Operating fund	87,509	70,448	Total Liabilities		
Supplemental fund	<u>225,244</u>	<u>278,826</u>	Collections to be expended		
Total Funds Invested	<u>359,673</u>	<u>405,356</u>	Total Deferred Inflows of Resources		
Participant accounts receivable	37,115	35,780	<u>683,047</u>	<u>662,289</u>	
Operating accounts receivable	7,251	4,926			
Plant materials and renewable certificate inventory	<u>70,132</u>	<u>68,132</u>	<b>Net Position</b>		
Total Current Assets	<u>474,171</u>	<u>514,194</u>	Net invested in capital assets		
Total Assets	<u>\$2,170,804</u>	<u>\$2,235,775</u>	Unrestricted:		
			Total Net Position		
			<u>\$197,583</u>	<u>\$257,844</u>	

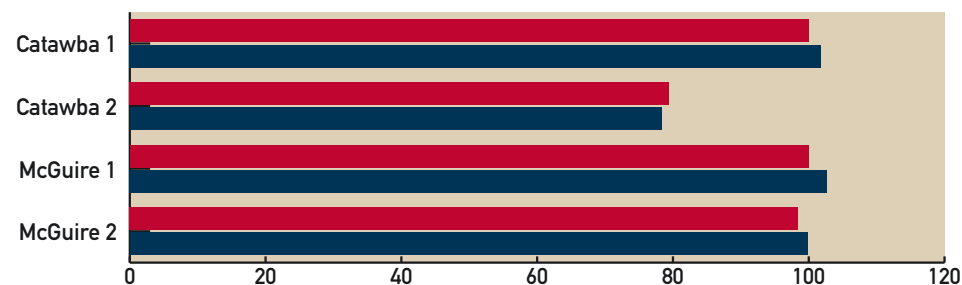
## NCMPA1 Statements of Revenues and Expenses

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

Revenues	Quarter Ended June 30		Year-to-Date June 30	
	2021	2020	2021	2020
Sales of electricity to Participants	\$92,723	\$88,171	\$178,850	\$172,249
Sales of electricity to utilities	12,544	8,806	28,447	22,587
McGuire exchange entitlement	5,548	4,742	15,137	14,815
Investment revenue available for operations	1,185	2,512	2,419	5,220
Other revenues	354	354	707	703
<b>Total Revenues</b>	<b>112,354</b>	<b>104,585</b>	<b>225,560</b>	<b>215,574</b>
<b>Expenses</b>				
Operation and maintenance	33,703	28,344	58,570	53,019
Nuclear fuel	9,010	9,520	19,575	20,654
McGuire exchange entitlement	7,111	5,555	16,474	14,829
Interconnection services:				
Purchased power	7,916	7,631	15,115	15,752
Transmission and distribution	4,490	4,347	8,999	9,134
Other	578	610	1,335	1,223
<b>Total Interconnection Services</b>	<b>12,984</b>	<b>12,588</b>	<b>25,449</b>	<b>26,109</b>
Administrative and general - Duke	8,164	7,237	15,645	14,454
Administrative and general - Agency	3,205	3,020	6,243	6,162
Excise taxes	519	508	1,119	1,059
Property tax	6,034	5,841	12,068	11,682
Debt service	21,504	21,690	43,034	43,410
Special funds deposits:				
Decommissioning fund	1,131	1,131	2,263	2,262
Reserved for future costs fund	7,480	-	14,959	-
Reserve and contingency fund	10,871	7,919	26,386	36,138
<b>Total Special Funds Deposits</b>	<b>19,482</b>	<b>9,050</b>	<b>43,608</b>	<b>38,400</b>
<b>Total Expenses</b>	<b>121,716</b>	<b>103,353</b>	<b>241,785</b>	<b>229,778</b>
Net Position (decrease)	(9,362)	1,232	(16,225)	(14,204)
Net Position, beginning of quarter	206,945	256,612	213,808	272,048
<b>Net Position, end of quarter</b>	<b>\$197,583</b>	<b>\$257,844</b>	<b>\$197,583</b>	<b>\$257,844</b>

## NCMPA1 Plant Status

NOTE: 2021 Year-to-date (through June)

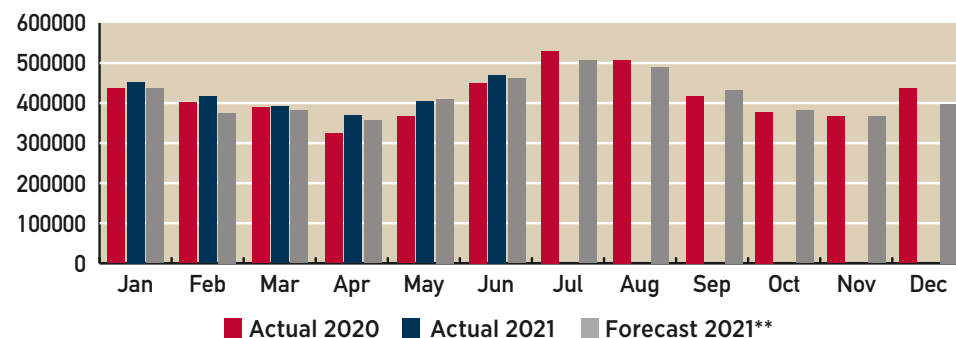


■ **Availability Factor** - The ratio of actual time a unit was available to produce power (regardless of whether it did) to the total time in the period.

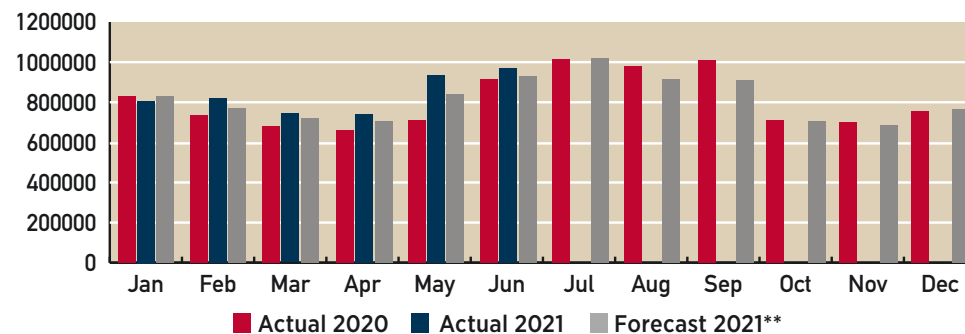
■ **Capacity Factor** - The ratio of actual output to maximum net dependable capability.

The Catawba Unit 2 refueling outage started on March 27th, and the unit was returned online on May 3rd. The total duration was 37 days.

## 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 2021 data is from the NCMPA1 Winter 2020 Load Forecast.