

## 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% 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

**Mayor Jack Edwards, Pineville, Chairman**

**Thurman Ross, Jr., Cornelius, Vice Chairman**

**Michael Peoples, Gastonia, Secretary-Treasurer**

## NCMPA1 Participant Cities

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

## NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1

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



# Q2 2023

## SECOND QUARTER PERFORMANCE

Sales to Participants decreased \$14,419,000 (15.1%) compared to the second quarter of 2022 primarily due to a 13% rate decrease effective July 1, 2022, that contributed \$9,864,000 to the overall decrease. Milder weather experienced in the second quarter of 2023 relative to the same period of 2022 contributed \$4,555,000. Billed demand and energy sales decreased 390MW (17.0%) and 101,747MWh (7.9%), respectively, and contributed \$1,255,000 and \$3,300,000, respectively, to the decrease.

Sales to utilities decreased \$15,435,000 (54.7%) compared to the second quarter of 2022. Average energy rates decreased by \$38.80/MWh (58.8%) and contributed \$16,568,000. Energy volumes increased by 41,608 MWh (9.7%) and offset the decrease by \$1,133,000.

McGuire Exchange entitlement revenue decreased \$2,166,000 (26.0%) compared to the second quarter of 2022 primarily due to lower entitlement sales resulting from the refueling outage at Catawba Unit 1 in the second quarter of 2023. There were no refueling outages in the second quarter of 2022. A higher annual energy pricing true-up charge in the second quarter of 2023 compared to second quarter of 2022 further contributed to the decrease by \$557,000. The 2022 annual energy pricing true-up charged received in April 2023 was \$1,538,000 compared to the 2021 true-up charge of \$981,000 received in April 2022.

Investment revenue increased \$2,367,000 (235.5%) compared to the second quarter of 2022 due to higher interest rates on short term investments.

Operations and Maintenance increased \$11,549,000 (57.4%) compared to the second quarter of 2022 primarily due to higher operating costs related to the refueling outage at Catawba Unit 1 in the second quarter of 2023. There were no refueling outages in the second quarter of 2022.

Nuclear fuel costs decreased \$2,682,000 (23.7%) compared to the second quarter of

2022 primarily due to lower nuclear fuel burn resulting from the refueling outage at Catawba Unit 1 in the second quarter of 2023. There were no refueling outages in the second quarter of 2022.

McGuire Exchange entitlement increased \$1,569,000 (25.5%) compared to the second quarter of 2022 primarily due to lower entitlement purchases in the second quarter of 2022 resulting from the 37-day McGuire Unit 1 refueling outage. There were only 3 days of McGuire Unit 2 refueling outage in the second quarter of 2023.

Purchased power costs decreased \$6,577,000 (45.4%) compared to the second quarter of 2022 primarily due to lower volumes and energy rates which contributed \$2,846,000 and \$2,203,000, respectively, to the decrease.

Special Funds deposit into the Reserved for Future Costs Fund increased \$3,150,000 (100%) compared to the second quarter of 2022. The increase is due to the cessation of Reserved for Future Costs deposits for rate planning purposes during the second quarter of 2022.

Special Funds deposit into the Reserve and Contingency Fund increased \$3,897,000 (29.1%) compared to the second quarter of 2022. Higher deposits in the second quarter of 2023 were required to meet the higher capital improvements at the Catawba station.

## FINANCIAL STATUS

As of June 30, 2023, NCMPA 1 had outstanding \$587,855,000 in bonds.

The weighted average interest cost of the NCMPA1 outstanding debt at the end of the quarter was 5.134%.

To date, NCMPA1 has had \$2,553,197,000 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)

	June 30, 2023	June 30, 2022
<b>Assets</b>		
<b>Non-Current Assets</b>		
Capital Assets:		
Electric Utility Plant, Net:		
Electric plant in service	\$2,098,103	\$2,063,293
Construction work in progress	94,611	54,836
Nuclear fuel	268,987	238,497
Accumulated depreciation & amortization	(1,272,618)	(1,220,515)
Total Electric Utility Plant, Net	<u>1,189,083</u>	<u>1,136,111</u>
Non-Utility Property and Equipment, Net:		
Property and equipment	3,814	3,814
Less accumulated depreciation	(3,009)	(2,966)
Total Non-Utility Property & Equipment, Net	<u>805</u>	<u>848</u>
Total Capital Assets	<u>1,189,888</u>	<u>1,136,959</u>
Restricted Assets:		
Special Funds Invested:		
Construction fund		
Bond fund	124,821	121,098
Reserve and contingency fund	11,327	18,427
Total Special Funds Invested	<u>136,148</u>	<u>139,525</u>
Trust for Decommissioning Costs	408,626	395,987
Total Restricted Assets	<u>544,774</u>	<u>535,512</u>
Total Non-Current Assets	<u>1,734,662</u>	<u>1,672,471</u>
Current Assets		
Funds Invested:		
Revenue fund	50,439	25,668
Operating fund	68,075	84,062
Supplemental fund	305,685	252,126
Total Funds Invested	<u>424,199</u>	<u>361,856</u>
Participant accounts receivable	31,933	38,563
Operating accounts receivable	11,399	45,296
Plant materials and renewable certificate inventory	73,477	72,228
Total Current Assets	<u>541,008</u>	<u>517,943</u>
Total Assets	<u>\$2,275,670</u>	<u>\$2,190,414</u>

	June 30, 2023	June 30, 2022
<b>Deferred Outflows of Resources</b>		
Costs of advance refundings of debt	\$20,956	\$26,152
Unamortized debt issuance costs	1,817	2,169
Total Deferred Outflows of Resources	<u>22,773</u>	<u>28,321</u>
<b>Liabilities</b>		
<b>Non-Current Liabilities:</b>		
Long-Term Debt:		
Bonds payable	538,370	587,855
Unamortized premium/(discount), net	39,154	49,365
Total Long-Term Debt	<u>577,524</u>	<u>637,220</u>
Asset Retirement Obligation	568,603	537,483
Total Non-Current Liabilities	<u>1,146,127</u>	<u>1,174,703</u>
<b>Current Liabilities:</b>		
Operating Liabilities:		
Accounts payable	15,588	3,415
Accrued taxes	12,570	12,423
Total Operating Liabilities	<u>28,158</u>	<u>15,838</u>
Special Funds Liabilities:		
Current maturities of bonds	49,485	47,620
Accrued interest on bonds	14,845	15,961
Total Special Funds Liabilities	<u>64,330</u>	<u>63,581</u>
Total Current Liabilities	<u>92,488</u>	<u>79,419</u>
Total Liabilities	<u>1,238,615</u>	<u>1,254,122</u>
<b>Deferred Inflows of Resources</b>		
Collections to be expended	803,135	724,263
Total Deferred Inflows of Resources	<u>803,135</u>	<u>724,263</u>
<b>Net Position</b>		
Net invested in capital assets	779,293	694,042
Restricted for debt service	43,607	46,984
Unrestricted:	(566,207)	(500,676)
Total Net Position	<u>\$256,693</u>	<u>\$240,350</u>

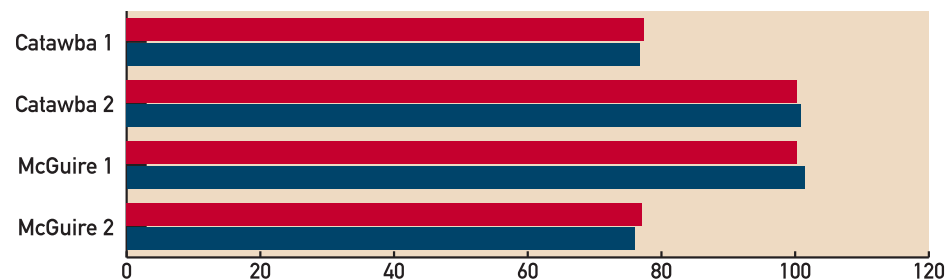
# NCMPA1 Statements of Revenues and Expenses

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

Revenues	Quarter Ended June 30		Year-to-Date June 30	
	2023	2022	2023	2022
Sales of electricity to participants	\$81,023	\$95,442	\$156,571	\$182,429
Sales of electricity to utilities	12,765	28,200	40,924	53,026
McGuire exchange entitlement	6,176	8,342	15,744	17,844
Investment revenue available for operations	3,372	1,005	6,255	1,936
Other revenues	358	347	717	698
<b>Total Revenues</b>	<b>103,694</b>	<b>133,336</b>	<b>220,211</b>	<b>255,933</b>
<b>Expenses</b>				
Operation and maintenance	31,652	20,103	55,246	41,879
Nuclear fuel	8,649	11,331	19,453	22,632
McGuire exchange entitlement	7,724	6,155	15,095	14,998
Interconnection services:				
Purchased power	7,901	14,478	14,716	21,029
Transmission and distribution	3,746	4,305	7,927	8,913
Other	624	898	1,554	1,542
<b>Total Interconnection Services</b>	<b>12,270</b>	<b>19,681</b>	<b>24,196</b>	<b>31,484</b>
Administrative and general - Duke	7,308	7,096	14,035	14,266
Administrative and general - Agency	3,879	3,144	7,923	6,672
Excise taxes	513	613	1,111	1,305
Property tax	6,285	6,211	12,570	12,423
Debt service	19,794	19,886	39,609	39,796
Special funds deposits:				
Reserved for future costs fund	3,150	-	6,300	833
Reserve and contingency fund	17,275	13,378	42,383	32,472
<b>Total Special Funds Deposits</b>	<b>20,425</b>	<b>13,378</b>	<b>48,683</b>	<b>33,305</b>
<b>Total Expenses</b>	<b>118,500</b>	<b>107,598</b>	<b>237,922</b>	<b>218,760</b>
Net Position (decrease)	(14,806)	25,738	(17,711)	37,173
Net Position, beginning of quarter	271,499	214,612	274,404	203,177
<b>Net Position, end of quarter</b>	<b>\$256,693</b>	<b>\$240,350</b>	<b>\$256,693</b>	<b>\$240,350</b>

## NCMPA1 Station Status

NOTE: 2023 Year-to-date (through June)



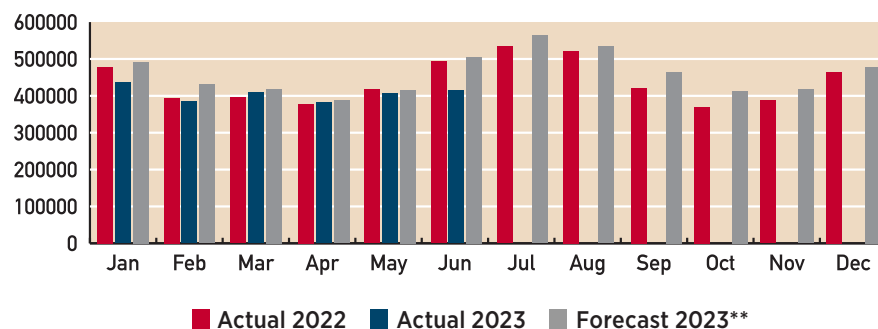
■ **Availability Factor** - The ratio of actual time a unit was available to produce power (regardless of whether it did) to the total time in the period.

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

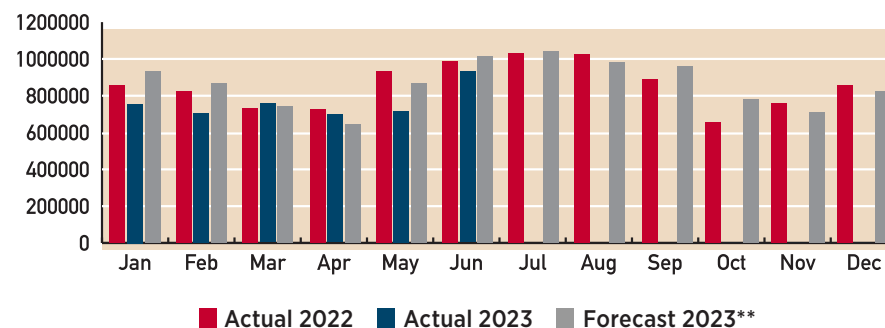
McGuire Unit 2 started a refueling outage on February 18th. The unit was placed online on April 4th for an outage duration of 45 days.

Catawba Unit 1 started a refueling outage on April 19th. The unit was placed online on May 28th for an outage duration of 39 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, DG and PPP generation. Actual data are not weather normalized.

\*\* The Forecast Year 2023 data is from the NCMPA1 December 2022 Load Forecast.