ELECTRICITIES *of* NC

VALUE SUMMARY

2025

POWER SUPPLY BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Power Supply	Disallowed Capital Addition Project	$32,222	Duke Energy Nuclear Corporate Employees were relocated to the Catawba site in 2022, approximately 60 employees. A letter agreement dated Feb 1, 2022, details the ongoing support payment from Duke Energy Nuclear Corporate to the Catawba Plant for support of these employees. This support credit is ongoing as long as these corporate employees are working at the Catawba site.	Total Benefit = Support credit: (20,217.50 sq ft x $4.25/ sq ft = $85,924.38) x 0.375 (A1 allocation) = $32,222
Power Supply	Nuclear Fleet cost Arbitration with DEC	$199,586	Settlement Agreement and OFA amendment as a result of a negotiated settlement with DEC for the nuclear fleet cost allocation to the Catawba Nuclear Plant. Arbitration proceedings started in 2019 and completed in August 2021. Credits received on the Operating Statements for Jan - Dec 2025.	Total Benefit: Net sum of all nuclear cost allocation credits on Operating Statements page 13 for 2025 = $199,586
Power Supply	Transmission Peak Reduction	$2,761,657	NCMPA1 dispatches Agency, city and customer owned generators at the time of Duke's transmission peak. The reduction in load provides a savings on NCMPA1's transmission bill. The estimated amount of DG operated during the Transmission peaks multiplied by the avoided transmission service rate for 2025 yields the total benefit.	Total Benefit = (125 MW of DG x 11 months during 2025 x $2.0085/kW-mo. avoided cost of Transmission service expense) = $2,761,657
Power Supply	Power Purchase/Sale Agreement	$12,700,000	NCMPA1 entered into a new long-term PPA with Central Electric Power Coop (Columbia, SC) to sell 18% (150 MW) of NCMPA1's allocation of Catawba output, effective January 1, 2024.	Total Benefit = Net annual benefit = $254M/20 yr term = $12.7M
Power Supply	Asset Sale Agreement	$202,689,000	Additional Benefits were realized since the actual close of the asset sale in 2015. The asset sale proved more favorable than originally projected. These additional savings shown in the Jan 2025 Rate Committee meeting and FR rates updated in GDS analysis.	Total Benefit = (Using FR-10 in the GDS Analysis = $217,689,920 - $28,000,000 2024 true-up) = $189,689,920 waiting approval to use $15,000,000 2025 true-up value instead of 2024. Total Benefit = (Using FR-10 in the GDS Analysis = $217,689,920 - $15,000,000 2025 true-up) = $202,689,000
Power Supply	Surplus Sales Program	$23,400,000	Staff negotiated changes in NCMPA1's Interconnection Agreement with Duke in order to sell NCMPA1's surplus electricity directly into the wholesale markets rather than to Duke at lower prices. The value of the surplus energy program represents the additional margins gained through these sales.	Total Benefit = Sales revenue - Sales cost; Sales revenue = Energy price x Sales volume = $41.19/MWh x 1,018,701 MWh = $42M; Sales cost = Energy cost x Sales volume = $18.21/MWh x 1,018,701 MWh = $18.6M; Total Benefit = $42M - $18.6M = $23.4M
Power Supply	Supplemental Capacity and Energy	$19,618,661	Staff renegotiated NCMPA1's Interconnection Agreement (IA) with Duke to allow NCMPA1 to purchase supplemental capacity and energy from the market rather than from Duke. The savings result from the difference between 2025's actual supplemental and reserves power supply cost versus what would have been paid to Duke under the old IA.	Total Benefit = Duke cost - market cost = ($93,460,707 - $73,842,046) = $19,618,661
Power Supply	Hourly Trading Services	$787,640	Staff outsourced NCMPA1's hourly energy trading/scheduling functions rather than adding staff. The resultant annual savings are based on these factors: internal staff cost = 5 FTEs @ $200,000/FTE + 20% carrying charges on infrastructure cost of $225,000; outsourced cost = $257,360.	Total Benefit = Internal cost - Outsourced cost = ((5 FTEs x $200,000/FTE) + (0.2 x $225,000)) - $257,360 = $787,640
Power Supply	Market Transactions Checkout	$660,068	Staff identified billing errors during checkout and reconciliation of market transactions for NCMPA1.	Total Benefit = Bill corrections identified, DEC transmission error AC2 calculation wrong on P2P detail and TEA Duke transmission incorrect volume and price = $660,068.

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Power Supply	CEPS Compliance	$1,493,000	Lobbied NCUC to postpone swine requirement by one year, allowing the Power Agencies to avoid retiring RECs for 2023 compliance.	Total Benefit = Value of RECs that would have been retired in 2025 for 2024 compliance = $1,493,000
Power Supply	CEPS Compliance	$1,458,000	Ensured compliance on behalf of all 51 Power Agency members and 3 non-Power Agency members. Utilize ElectriCities staff to provide REPS compliance services to Power Agency cities instead of having each city perform the function on their own.	Total Benefit = 54 cities x 10% FTE x 2000 FTE hours x $135/hour = $1,458,000
Power Supply	CEPS Compliance	$821,437	SEPA REC Sales	Total Benefit = Net Sales Total = $821,437
Power Supply	QF Sellers Costs	$180,144	Monthly PURPA QF Sellers cost	Total Benefit = $556 per month x 27 contracts x 12 mo/yr = $180,144

SERVICES BENEFIT

Safety & Training	Accident Investigations	$10,800	If an independent consultant conducted an accident investigation, it would cost $135 per hour for 80 hours. Staff investigates accidents at no additional charge.	Total Benefit = Cost of investigations (assuming one/year) = (80 hr. x $135/hr.)= $10,800
Safety & Training	Apprenticeship Training Program	$964,100	Staff has a new Lineworker Career Development Apprenticeship Program to provide city electric employees training at a cost of $1,600 per student compared to the market price of $14,000. Currently there are 311 students enrolled in the program and the program has 4 level and it usually takes 4 years to complete.	Total Benefit = Market price of program - EC cost of program = $14,000 - $1,600 = $12,400/4 = $3,100 x 311 = $964,100
Safety & Training	Lineworker Audits	$59,400	If an independent consultant were to conduct 110 field audits of member cities' line workers, it would cost $135 per hour for about 4 hours per audit. This service is provided at no extra charge to member cities.	Total Benefit = (Time per audit x Consultant rate) x Number of audits = (4 hr. x $135/hr.) x 110 audits = $59,400
Safety & Training	Meter Technician Career Development Program	$26,190	If vendors maintained and administered the Meter Technician Career Development Program, the cost would be approximately $135 per hour for a 40 hour week of instruction for a total of $5400. Member cities instructors administer the entire program at a cost of $1035. A savings of $4,965.	Total Benefit = Savings per class x Number of classes= ($5,400 - $1035) x 6 = $26,190
Safety & Training	OSHA 300 Logs	$5,400	Staff tracks and compiles members' Annual OSHA 300 Logs at no additional charge to the members. If the members were to hire a consultant to perform this service, it would cost approximately $135 per hour for a total of 40 hours.	Total Benefit = Consulting time x Consultant rate = 40 hrs. x $135/hr. = $5,400
Safety & Training	OSHA Participation	$175,000	Staff participates in OSHA committees as a voting member and keeps the members informed of changes in the workplace involving tools and protective equipment for lineworkers at no additional charge. If a consultant were to provide this service, it would cost approximately $2,500 for each of the 70 members.	Total Benefit = Consulting cost x Number of cities= $2,500 x 70 = $175,000
Safety & Training	Safe Operating Practices	$504,000	Safety and training services provided by Staff resulted in a Lost Workday rate of 1.03% for member cities versus the APPA average of 4.75%. This represents 12 lost work day accidents at an average industry cost of $42,000/accident.	Total Benefit = Lost work day accidents x Cost/accident = 12 x $42,000 = $504,000

SERVICES BENEFIT

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Safety & Training	Safety Awards	$6,480	If a consultant were to provide “No Lost Work Day Safety Award” meeting presentations to electric workers and management, the average cost would be approximately $135 per hour for 48 cities. Staff provides this service at no additional cost to the members.	Total Benefit = (Consulting time x Consultant rate) x Number of cities = (1 hr. x $135/hr.) x 48 = $6,480
Safety & Training	Safety Guidelines Manual	$175,000	Staff has found it more cost-effective to monitor regulations affecting the electric industry and report to each of our members on an annual basis at no additional charge. If the members were to do this individually, the cost would be $2,500 for each of the 70 members.	Total Benefit = Consulting cost x Number of cities = $2,500 x 70= $175,000
Safety & Training	Safety Investigations	$175,000	Staff has found it to be more cost-effective to monitor OSHA regulations and accident/near-miss investigations on behalf of our members and report to each of our members on an annual basis at no additional charge. If the members were to do this individually, the cost would be $2,500 for each of the 70 members.	Total Benefit = Consulting cost x Number of cities = $2,500 x 70 = $175,000
Safety & Training	Safety Meetings	$7,830	If a consultant were to provide instruction and/or material for members’ safety meetings. They require approximately one hour each for 58 meetings @ $135/hour. Staff conducts the meetings and at their work location at no additional cost to the members.	Total Benefit = (Time per meeting x Consultant rate) x Number of meetings = (1 hr. x $135/hr.) x 58 = $7,830
Safety & Training	Substation Career Development	$38,000	If vendors administered the Substation Career Development apprenticeship program to 25 electric department employees, it would cost approximately $2,400 each for a total of $60,000. Member cities instructors administer the ElectriCities apprenticeship program at $1,400 each for a total of $35,000.	Total Benefit = Savings per student x Number of students = ($2,400 - $1,400) x 38 = $38,000
Economic Development	Advertising	$3,988,200	Staff provides advertising services to all 51 members using both print and digital marketing. Print advertising costs are $35,000 per year and digital advertising costs are $43,200. These would be the same costs as if a city were to do this on their own. Thus the total benefit per city is $78,200.	Total Benefit = Number of cities x (Cost per ad x Ads per year) = 51 x 78,200 = $3,988,200
Economic Development	Business Recruitment	$1,275,000	Staff used subscription software platforms to provide market analyses and up to 18 different reports for business recruitment process at no direct cost to members.	Total Benefit = Number of cities x Avoided cost per analysis = 51 x $25,000 = $1,275,000
Economic Development	Economic Development Staff	$750,000	Staff includes a person with applicable skills to manage economic development activities for 30 members. Otherwise, each city would need at least 0.50 FTE at $50,000/FTE to provide this service. (Note: Monroe and High Point have ED staff)	Total Benefit = Number of cities x (City FTE x Cost per FTE) = 30 x (0.5 x $50,000) = $750,000
Economic Development	Prospect / Client Leads	$510,000	Staff pursues an average of over 200 inquiries/leads regarding new business opportunities in North Carolina each year. These come from trade shows, advertising, mission trips with Regional Partnerships, County EDCs and the Dept. of Commerce. Targeted listing includes company names, addresses, CEOs/owner/email/phone. It is assumed that members would otherwise purchase 1 list per quarter at $2,500 each.	Total Benefit = Number of cities x (Cost per quarterly listing x 4 quarters/year) = 51 x $2,500 x 4 = $510,000

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Economic Development	Retail / Commercial Development	$1,020,000	Proposals were made by Staff to retail/commercial establishments for recruitment purposes. Without such support, each city would pay for consultant reports of around $60,000 each and would need 0.50 FTE to manage the retail recruitment process.	Total Benefit = Number of cities x (Consulting cost x .50 FTE) = 34 x $30,000 = $1,020,000
Economic Development	Retail Strategies Program	$120,000	Program to develop retail strategic plans for six (6) communities at a savings of $20,000 for each community.	Total Benefit = Number of cities x savings per city = $20,000 x 6 = $120,000
Economic Development	Retail Strategies Program	$75,000	Program to help with years 2 and 3 of the retail recruitment program for six (6) communities at a savings of $12,500 for each community.	Total Benefit = Number of cities x savings per city = $12,500 x 6 = $75,000
Economic Development	Site Assist Program	$60,000	This program identifies new parcels of land for industrial parks	Total Benefit = Number of cities x savings per city = $10,000 x 6 = $60,000
Economic Development	Smart Communities Matching Grants	$125,000	Staff assisted with providing $5,000 matching grants for 25 cities.	Total Benefit = Number of grants x (Matching grant amount) = 25 x $5,000 = $125,000
Economic Development	Smart Sites / Shovel Ready Program	$150,000	Shovel-ready suite qualification program designed to support economic development opportunities for the members.	Total Benefit = Number of cities x (cost) = 6 x $25,000 = $150,000
Economic Development	Strategic Economic Development Plans	$344,000	Staff provides strategic economic development plans for the members at no additional charge versus each city paying an average cost of $20,000/plan and implementation costs of 12 work days for each member @ $1,200/work day.	Total Benefit = Number of cities x (Cost of plan + (Number of work days x Cost per work day)) = 10 x ($20,000 + (12 x $1,200)) = $344,000
Economic Development	Webinars	$15,300	Staff provides webinars for the members on retail / commercial / industrial development including IECC / SEDC webinars.	Total Benefit = Number of cities x 1 webinar per city x cost per project = 51 x 1 x $300 = $15,300

Member Communications	Bill Inserts	$107,811	Bill inserts on public power-related topics made available to all members free of charge.	Total Benefit = 522,182 bill inserts ordered by members x $0.20 per insert = $104,436 + ElectriCities (3) staff to create new/audit/update bill inserts (25/hrs. x $135 = $3.375) = $107,811
Member Communications	Collateral	$97,100	Understanding EC, Membership Directory, educational one-pagers, meeting resources	Total Benefit = Estimated ElectriCities (7) staff (460/hrs. x 135 = $62,100) + photography and printing costs ($35,000) = 97,100
Member Communications	Communications Committee Meetings	$320,760	Monthly Communications Committee virtual meetings	Total Benefit = Estimated ElectriCities (2) staff (3/hrs. @ 135 = $405 X 11 = 4,455) X 72 = $320,760
Member Communications	Conferences	$8,699,400	Annual Conference: Developed custom conference design including all physical/printed and digital elements, conference script, conference PowerPoints, conference speeches, program content, presentation content, on-site support, etc.	Total Benefit = Estimated ElectriCities (6) staff (895/hrs. @ $135 = $120,825) x 72 members = $8,699,400
Member Communications	Conferences	$6,901,200	Connections Summit: Applied conference design including all physical/printed and digital elements, conference script, conference PowerPoints, conference speeches, program content, presentation content, on-site support, etc.	Total Benefit = Estimated ElectriCities (6) staff (710/hrs. @ $135 = $95,850) x 72 members = $6,901,200
Member Communications	Custom Bill Inserts	$9,720	Custom bill inserts for members participating in 2025 Retail Customer Surveys (9 custom inserts created)	Total Benefit = Estimated ElectriCities (2) staff (8/hrs. @ $135 = $1,080 X 9 custom inserts = $9,720)

SERVICES BENEFIT

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Member Communications	Customized City Projects	$56,700	Customized City Projects: Albemarle, New Bern, Statesville, Morganton, Washington, Apex	Total Benefit = Estimated ElectriCities (4) staff (420/hrs. @ $135 = $56,700)
Member Communications	Economic Development	$12,960	Developments Newsletter: Quarterly publication with industry news promoting the value of public power and the economic development wins of members	Total Benefit = Estimated ElectriCities (3) staff 96/hrs. @ $135 = $12,960
Member Communications	Economic Development	$6,750	Industry sector resources, web page resources/updates, trade booth collateral, awards/PR support	Total Benefit = Estimated ElectriCities (3) staff 50/hrs. @ $135 = $6,750
Member Communications	Job Postings	$2,700	Job postings on behalf of member communities to corporate website throughout the year, updates to posts/statuses, removing when filled, communications to HR and members	Total Benefit = Estimated ElectriCities (1) staff 20/hrs. @ $135) = $2,700
Member Communications	Member Communication	$103,680	Weekly Wire: Weekly digital newsletter promoting ElectriCities services, industry news, member highlights, and resources available to members	Total Benefit = Estimated ElectriCities (3) staff (16/hrs. @ $135 = $2,160 per issue) x 48 issues = $103,680
Member Communications	P4 Funds	$83,593	P4 Funds: Designed for Power Agency members, the Public Power Promotional Program (P4) provides funds for member promotion of their utility and community. The amount members receive depends on the number of customers served: •Less than 5,000 customers = up to $1,500 •5,000 to 10,000 customers = up to $2,000 •More than 10,000 customers = up to $2,500	Total Benefit = Estimated ElectriCities (2) staff 30/hrs. @ $135 = $8,100) + NCMPA1 Member Funds Provided + NCEMPA Member Funds Provided = ($75,493 + $8,100) = $83,593
Member Communications	Public Power Week Campaign	$745,335	Staff designed a Public Power Week themed campaign and produced themed promotional products that could be ordered and paid for by members.	Total Benefit = Estimated ElectriCities (3) staff graphic design and swag production (30/hrs. @ $135 = $4,050) + estimated ElectriCities (2) staff press releases, resolutions, and other member PR resources (24/hrs. @ $135 = $3,240) + estimated ElectriCities (1) staff website shopping page programmed (10/hrs. @ $135 = $1,350) + estimated ElectriCities (1) staff communications plan and social media collateral created (7/hrs. @ $135 = $940) = $9,580 x 72 members = $689,760 + city product orders of $55,575 = $745,335
Member Communications	Social Media	$1,399,680	Social Media content: Monthly social media messaging, graphics, observances, and resources provided for member use	Total Benefit = Estimated ElectriCities (2) staff (12/hrs. @ $135 = $1,620 month) x 12 months = $19,440 x 72 members = $1,399,680
Member Communications	Toolkits	$243,000	Mutual Aid toolkit (new), Energy Emergency Alerts resources (new), Hurricane & Outage Communications (refresh of toolkits and web resource pages)	Total Benefit = Estimated ElectriCities (3) staff (25/hrs. @ $135 = $3,375) = $3,375 x 72 members = $243,000
Member Communications	Toolkits	$288,000	Lineworker Appreciation Day Communications: Creation of 2025 PR toolkit	Total Benefit = Estimated ElectriCities (4) staff (40/hrs. @ $135 = $5,400) x 72 members = $388,800
Member Communications	Toolkits	$1,458,000	Public Power Awards of Excellence	Total Benefit = Estimated ElectriCities (5) staff (150/hrs. @ $135 = $20,250) = $20,250 x 72 members = $1,458,000

SERVICES BENEFIT

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Member Communications	Toolkits	$340,200	Sustainability webinar and messaging resources	Total Benefit = Estimated ElectriCities (2) staff (35/hrs. @ $135 = $4,725 x 72 members = $340,200
Member Communications	Website Maintenance	$20,250	Maintenance of ElectriCities.com website to include new page builds, page redesigns, content updates/adds, etc.	Total Benefit = Estimated ElectriCities (3) staff website updates (150/hrs. x $135 = $20,250)
VOPP Advertising	Advertising	$16,311,880	Corporate ads promoting the Value of Public Power: Digital, radio, broadcast, print	Total Benefit = EC staff time + vendor strategy/creative/ copywriting + cost of ad placements across platforms = $16,311,880
VOPP Advertising	Radio Ad Contests	$30,125	Creation, promotion, and deployment of radio ad contests	Total Benefit = Estimated ElectriCities (2) staff (75/hrs. @ 135 = $10,125) + $20,000 air time = $30,125
VOPP Resource	VOPP Dashboard	$388,800	Optimization and maintenance of VOPP dashboard resource	Total Benefit = Estimated ElectriCities (2) staff (40/hrs. @ 135 = $5,400) = 5,400 x 72 members = $388,800
VOPP Sponsorships	Sponsorships	$3,492,000	Event and virtual/digital sponsorships	Total Benefit = Estimated ElectriCities (3) staff (100/ hrs. @$135 = $13,500) + (Sponsorship cost = $35,000) = $48,500 x 72 members = $3,492,000
VOPP Member Engagement	Member Meetings	$23,760	1:1 meetings with members to promote VOPP resources and support local communications needs	Total Benefit = Estimated ElectriCities (3) staff. (16/hrs. per meeting @ $135 = $2,160 x 11 = $23,760)
Customer Programs	SECC Membership	$215,000	Annual membership for all members with 15,000 or fewer customers. Members receive access to SECC research, educational tools, webinars, etc.	Total Benefit = (Avoided Membership Price x Members Covered) = ($2,500 x 76) + ($5,000 x 5) = $215,000
Customer Programs	Retail Customer Survey	$201,000	ElectriCities organized a Retail Customer survey for members in 2025; Members participated at no additional cost. ElectriCities also conducted onsite reviews of the survey, which are estimated to have cost $5,000 each if done by the survey vendor.	Total Benefit = (Estimated Member Fee for Survey x XX participating members) + (avoided cost of onsite review x number of members) + (avoided cost of virtual review x number of members) ($19,000 x 9) + ($5,000 x 3) +($2,500 x 6) = 201,000
Business Development Services	C&I Energy Audits	$82,500	Staff performed energy audits for NCEMPA & NCMPA1 C&I customers. 33 power audits were provided. If outsourced, energy audits cost $2,500 each.	Total Benefit = (Number of energy audits x Outside audit cost) = 33 x $2,500 = $82,500
Business Development Services	Key Account Meetings & Listserv	$45,000	Staff provides peer networking for key account reps; asking and answering questions instead of paying consultants or contractors for assistance. It is estimated each member avoids at least $500 per year in consulting costs.	Total Benefit = Avoided consulting cost x Number of members = $500 x 90 = $45,000

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Business Development Services	Key Accounts Events	$46,237	Hosted Key Accounts events for NCMPA1 and NCEMPA members. 6 events were hosted or assisted in 2025	Total Benefit = Amount spent on events + Avoided member staff time for planning = $33,251 (for 2 fall events) + ($9157 for 2 spring events) + ($3829 for 2 local events)= $46,237
Business Development Services	Lighting Rebate Program	$33,259	Provided lighting rebates to members and their customers. Total of 12 lighting projects were funded and $33,259 rewarded in rebates.	Total Benefit = Total rebates provided = $33,259
Business Development Services	Member/customer training	$2,160	Staff provides training through webinars and workshops for technical and energy efficiency topics. The estimated difference between market price (or outsourced city cost) of this service and the cost charged to the cities by Staff is $135/person. There were 16 attendees logged for 4 workshops in 2025.	Total Benefit = (Estimated savings for EC training/ attendee) x Number of attendees = $135/person x 16 attendees = $2,160
Business Development Services	Power Quality & Infrared Scanning Audits	$52,500	Staff performed/assisted 3 Power Quality Audits and 0 Infrared Scanning Audit and 3 PQ equipment loan	Total Benefit = (0 Infrared Study at an outside cost of $2,000 + 3 Power Quality Study at an outside cost of $15,000 + 3 equipment loan outs at a cost of $2,500) = $52,500
Business Development Services	Questline Newsletter	$50,000	Provided bi-monthly newsletter for participant C&I customers	Total Benefit = price of contract = $50,000
Retail Services	Customer Service Meetings & Listserve	$45,000	Staff provides peer networking for customer service managers; asking and answering questions instead of paying consultants or contractors for assistance. It is estimated each member avoids at least $500 per year in consulting costs.	Total Benefit = Avoided consulting cost x Number of members = $500 x 90 = $45,000
Residential Energy Services	Apogee's Weather Insights	$116,000	By negotiating a statewide license agreement for this online energy auditing tool, Staff was able to provide the tool at an annual license cost of $30,000 versus having each city pay $6,500 and avoid $10,000 maintenance cost.	Total Benefit = (Number of cities x Cost/city) - Group cost-maintenance cost = (24 x $6,500) - $30,000 - $10,000 = $116,000
Residential Energy Services	Energy Forecast online Energy Audit/ Information	$152,500	Contract with vendor allows NC members to use the service under ElectriCities umbrella.	Total Benefit = (27 of members using the service x $7,500 cost if members had to purchase it separately) - (cost of ElectriCities contract) = $202,500 - $50,000 = $152,500
Residential Energy Services	Energy Kits	$35,289	Provided members energy kits at $13.50 per kit	Total Benefit = 2,614 kits distributed x $13.50/kit = $35,289
Residential Energy Services	Residential Energy Audits	$72,375	Staff performed 193 energy audits for Power Agency Participants' residential customers in 2025. Market rate of an audit is $375/audit.	Total Benefit = Number of audits x Outside audit cost = 193 x $375 = $72,375
Residential Energy Services	Training	$13,230	Staff provides training for technical and energy efficiency topics. The estimated difference between market price (or outsourced city cost) of this service and the cost charged to the cities by Staff is $135/person. There were 98 attendees logged for 12 classes in 2025.	Total Benefit = (Estimated savings for EC training/ attendee) x Number of attendees = $135/person x 98 attendees = $13,230

SERVICES BENEFIT

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Utility Business Services	Customer Service Best Practices	$12,150	Staff provides peer networking to improve members' policies, procedures and legal compliance and to reduce research and legal costs. Direct savings due to lower cost for developing and maintaining appropriate procedures is at least $100 per member per year.	Total Benefit = Avoided consulting cost x Number of members = $135 x 90 = $12,150
Utility Business Services	Efficiency Grant	$-	Energy efficiency grants provided for Agency 1 commercial/ industrial clients. This was added to the lighting program for 2026. no separate activity in 2025.	Total Benefit = cumulative grant payout = $0
Utility Business Services	Load Management Analysis/Distributed Generation Review	$16,500	Staff performed load management analysis/distributed generation review for NCEMPA member and/or their retail customer. This includes analysis of retail/wholesale cost savings associated with the project and calculations of realized savings to existing customers.	Total Benefit = number of analyses x $750 per analysis = 22 x $750 = $16,500
Utility Business Services	Training Classes for Member Staff	$48,600	Staff provides training through webinars and workshops for customer service, marketing and technical/regulatory compliance. The estimated difference between market price (or outsourced city cost) of this service and the cost charged to the cities by Staff is $135/person. There were 169 attendees logged in 2025. The estimated savings difference has since increased to $200/person since classes were free.	Total Benefit = (Estimated savings for EC training/ attendee) x Number of attendees = $200/person x 243 attendees = $48,600
Utility Business Services	ElectriCities Annual Meeting	$243,250	The annual meeting hosted by Staff provides training, peer networking, legislative clout and opportunities to discuss utility business in an efficient manner. The registration fees are typically about $350/person less than the industry standard (e.g., APPA). Benefit includes $350 difference per paying attendee plus sponsor revenues .	Total Benefit = (Individual APPA fee - Conference fee) x Attendees + Sponsorship Revenues = $37,600 + $176,500 = $214,100 Total Benefit = (Individual APPA fee - Conference fee) x Attendees + Sponsorship Revenues = $68,950 + $174,300 = 243,250
Utility Business Services	Connections Summit	$128,300	Connections Summit provided training for members staff on a variety of subjects at a minimal cost. Sponsorships help defray the cost. Conference registration is about $425 less than similar conferences. Revenue from sponsors also helps with costs.	Total Benefit = (Individual APPA fee - Conference fee) x Attendees + Sponsorship Revenues = $37,200 + $86,800= $124,000 Total Benefit = (Individual APPA fee - Conference fee) x Attendees + Sponsorship Revenues = $28,900 + $99,400= $128,300
Distribution Services	Padmount Transformers	$17,500	Members developed specs and staff developed RFP for padmount transformers, hardware, poles, elbows in 2023. Discussions were held with members, suppliers, manufacturers, Duke Energy and nationally through APPA. The shared information and combined efforts did bring benefits in identifying new vendors for some padmount transformers. The work continued in 2025 with result that most members were better off going through Sourcewell or a similar business for purchases	Total Benefit = $250/ NC member = $250 x 70 = $ 17,500
Distribution Services	System Betterment Funding	$250,000	The Power Agencies provided $5,000 in funding to all 51 power agency members to spend on a system betterment project.	Total Benefit = $5,000 x 50 members used their funding = $250,000

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Distribution Services	Utility Director Meetings & Listserve	$45,000	Staff provides peer networking for utility directors; asking and answering questions instead of paying consultants or contractors for assistance. It is estimated each member avoids at least $500 per year in consulting costs.	Total Benefit = Avoided consulting cost x Number of members = $500 x 90 = $45,000
Distribution Services	State Wide Service Contracts	$40,000	Contracts are in place with vendors to provide technical assistance or services to members. The use of Staff to put together a service contract, bid and execute an agreement avoids paying a contractor or consultant.	Total Benefit = Avoided vendor cost/use x Number of uses = $500 x 80 = $40,000
Distribution Services	Electric System Construction Manual	$108,000	Standardized Construction Practices allow for training programs to teach the same practices to all members. This shortens the learning curve, allows for better emergency response and assures acceptable practices are taught. Construction drawings developed and approved by Public Power employees allow for standardized training and construction practices. Staff provided manuals at no additional cost to members, where members would otherwise have to hire a consultant. The Operations Standards Team (OST) also developed and maintains the Utility Director Best Practices Manual and System Losses Best Practices Manual.	Total Benefit = Consultant cost per member x Number of members = $1,200 x 90 = $108,000
Utility Services	Catawba Site Representation Services	$113,000	Staff provides contract administration services to PMPA and NCEMC as they relate to their Catawba ownership interest. Staff bills PMPA and NCEMC for these services, reducing NCMPA1's cost of contract administration by sharing these services with the other Catawba Owners.	Total Benefit = Sum of PMPA + NCEMC invoices from NCMPA1 = $113,000
Utility Services	Operational Expertise	$67,600	Staff provided SCADA support, hosting services and project management to Fremont, Pineville, Cornelius and Huntersville during 2025.	Total Benefit = Number of Cities using SCADA services x City FTE usage x City FTE cost = (4 x 25% x $67,600) = $67,600
Utility Services	Operational Expertise	$540,800	Staff provides NCEMPA Members with operations expertise and assistance in areas of common interest such as NERC compliance coordination, EPA related to generators, delivery point facilities and other operational issues with Duke. It is estimated that it would cost each city about 0.25 FTE in staff to provide equivalent services.	Total Benefit = Number of cities x City FTE usage x City FTE cost = 32 x 25% x $67,600 = $540,800
Utility Services	Operational Expertise	$321,100	Staff provides NCMPA1 Participants with operations expertise and assistance in areas of common interest such as compliance coordination, EPA related to generators, delivery point facilities and other operational issues with Duke. It is estimated that it would cost each city about 0.25 FTE in staff to provide equivalent services.	Total Benefit = Number of cities x City FTE usage x City FTE cost = 19 x 25% x $67,600 = $321,100
Utility Services	Economic Development Rates / Retail Rate Assistance	$85,000	As NCMPA1 Members receive inquiries regarding economic development opportunities, Staff collects customer data and works with the Participant to develop economic development rates to provide the prospective customer. Staff develops and performs rate analysis.	Total Benefit = Number of studies x External study cost = 34 x $2,500/study = $45,000
Utility Services	Economic Development Rates/ Retail Rate Assistance	$125,000	As NCEMPA Members receive inquiries regarding economic development opportunities, Staff collects customer data and works with the Participant to develop economic development rates to provide the prospective customer. Staff develops and performs rate analysis.	Total Benefit = Number of studies x External study cost = 50 x $2,500/study = $120,000

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Utility Services	EIA Report Assistance	$52,250	Staff assisted each NCMPA1 Participant with gathering data and filling out forms for the annual EIA report. Each city would otherwise need at least 0.05 FTE to gather and ensure accuracy of the data. This helps to avoid possible non-compliance penalties.	Total Benefit = Number of cities x City FTE usage x City FTE cost = 19 x 0.05 x $55,000 = $52,250 or Total Benefit = Number of cities x Savings/city = 19 x $2,750 = $52,250
Utility Services	EIA Report Assistance	$88,000	Staff coordinates data collection and city reports for filing with EIA for NCEMPA Members at no additional charge. It is estimated that a vendor would charge $2,750/city/year.	Total Benefit = Number of cities x Savings/city = 32 x $2,750 = $88,000
Utility Services	Retail Billing Program	$447,312	Staff provides billing services for 297 of NCEMPA's retail customers in 24 cities, resulting in savings of $18,638/city/year versus estimates of what the cities would have paid if such services were outsourced.	Total Benefit = Number of cities x Savings/city = 24 x $18,638 = $447,312
Utility Services	Retail Billing Services	$279,570	Staff provides billing and data management services to NCMPA1 Participants whose billing systems and/or staff resources for certain types of retail C/I customers are limited. Without Staff support, each city would spend about $18,638 per year on this service.	Total Benefit = Number of cities using EC service x External service cost = 15 cities x $18,638/city = $279,570
Utility Services	Retail Rate Studies	$170,000	Staff develops and performs retail rate studies for NCMPA1 Participants, including identifying and recommending necessary and efficient changes in retail rate levels and billing structures. Without Staff assistance, each Participant that receives the service would need to hire outside consultants.	Total Benefit = Number of studies x External study cost = 17 x $10,000/study = $170,000
Utility Services	Retail Rate Studies	$180,000	Staff develops and performs retail rate studies for NCEMPA Members, including identifying and recommending necessary and efficient changes in retail rate levels and billing structures.	Total Benefit = Number of studies x External study cost = 18 x $10,000/study = $180,000
Compliance	Load Forecasting	$45,000	Staff developed an application used in the long term load forecasting process. The vendor charges $35,000 for the use of the application and $10,000 per year maintenance fee.	Total Benefit = (Avoided application cost + yearly maintenance fee) = ($35,000 + $10,000) = $45,000
Compliance	NERC Compliance	$310,232	Staff provides NERC/SERC reliability compliance services for 5 cities in NCEMPA, and 1 non Power Agency city. It is estimated that each city would require 1.98 FTE (a combination of their own employees and consultants) to maintain compliance in order to avoid potential penalties of up to $1,000,000 per occurrence per day.	Total Benefit = (0.33 FTE/city) x (6 cities) = 1.98 FTEs. Assume 70% of FTEs are provided by city employees (1.39 FTE) at $50/hour and 30% by consultants (0.59 FTE) at $135/hour. Total Benefit = (1.39 FTE x $50/hour x 2,080 hours/year) + (0.59 FTE x $135/hour x 2,080 hours/year) = $310,232
Member Infrastructure Support	Customer Information System	$2,030	Annual CIS software maintenance savings from consolidation of licensing	Total Benefit = (Savings of 4% x $29,000 per member license fee) x 1.75 members) = $2030 (includes minus Albemarle)
Member Infrastructure Support	Hosted Customer Information/Billing and Financial Systems	$23,625	Staff provides utility software research and evaluation consultation, vetting product functionality, technical design and integration capabilities aiding members in product comparison and selection for those seeking to acquire CIS, Financial and other utility applications.	Total Benefit = 175 hours of services x $135/hour = $23,625

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Member Infrastructure Support	Hosted Customer Information/Billing and Financial Systems	$78,750	Staff provides Tier 1 and 2 application support for hosted NorthStar CIS members, being the first call for user CIS issues, responding to questions, investigating problems & working with the vendor to resolve the most complex application issues.	Total Benefit = 900 hours of services x $135/hour = $121,500 (was 900 for 2 customers for full year- Benson =.75 year plus Morganton full year = 787.5 hours X $100 per year = 78,750
Member Infrastructure Support	Hosted Customer Information/Billing and Financial Systems	$70,875	Staff recommends industry best practices and process improvements for back office operations e.g., CIS software utilization, customer service policies and procedures, third party software integration and workflow automation.	Total Benefit = 600 hours of services provided annually x Estimated average contract services rate of $135/ hour = $81,000/ 81k/2 * 1.75= 70,875
Member Infrastructure Support	Hosted Customer Information/Billing and Financial Systems	$70,875	Staff provides professional services including project management, vendor management, technical support, implementation assistance , QA testing, training and more for new system implementations, upgrades, enhancements, add on products and integration.	Total Benefit = 600 hours of services provided annually x Estimated average contract services rate of $135/ hour = $81,000; $82,000/ 81k/2 * 1.75= 70,875
Member Infrastructure Support	Hosted Customer Information/Billing and Financial Systems	$4,135	Staff provide user training and education for Member Customer Service, Finance, IT and operations staff on CIS/Billing/Financial applications, offering new staff training, webinars, user group meetings and vendor conferences.	Total Benefit = 17.5 support hours provided annually x Estimated average contract services rate of $135/ hour = 17.5 k for Morganton full year*135 =2363; Benson .75 year*2363=1772; 2363 +1772=4135
Member Infrastructure Support	Hosted Customer Information/Billing and Financial Systems	$43,740	Staff provides report writing services, including requirements definition, development and quality assurance for ad hoc and other custom reporting needs. Staff provides data and report writing services to assist with submission of EIA and Member Participation Reporting.	Total Benefit = 324 hours of services * $135/hour = $43,740
Member Infrastructure Support	Hosted Customer Information/Billing and Financial Systems	$168,885	Design and management of a high availability production environment for the hosted applications and a test environment. Services include network and system administration, database administration, security, data storage, web services, VPN connections and desktop/peripheral support.	Total Benefit = 1251 hours of services provided annually x Estimated average sr. system administrator contract rate of $135/ hour = $168,885
Member Infrastructure Support	Surplus Sales Application Support	$1,014,600	Approximately 30 hours per month are required to support NCMPA1's energy trading system, or 30*12 months = 360 hours at an average rate of $135/hr. If a third party were to use comparable energy trading software like IB WebTrader to provide power trading services, it would cost each city $8,500/month or $102,000/year.	Total Benefit = (($8,500/month - (30hours/month x $135/hr.)) x (12 months) x 19 cities = $1,014,600

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Legal	Government Relations	$54,057,317	The ElectriCities Government Relations staff protects the interests of all NC Public Power communities at the NC General Assembly including municipalities ability to grow their electric load and charge reasonable fees for use of their infrastructure. Staff also mitigates the harm of potentially costly mandates such as renewable energy and recent changes to how sales of electricity are taxed.	Total Benefit = $54,057,317.08 represents the total distribution amount public power cities and towns received from the NC Department of Revenue for the Electric Franchise/Natural Gas Excise tax for the 2015-2016 fiscal year that ended on June 30, 2016. Under tax reform legislation passed in the 2013 General Assembly, effective on July 1, 2014, the gross receipts franchise tax on sales of electricity and the reimbursement of a portion of that tax to cities was repealed. However, cities that were served by investor owned utilities were protected by a “hold harmless” provision in the law that provided that those cities would receive the same amount of money despite the repeal of the gross receipts franchise tax. Power Agency cities were initially left out of the “hold harmless” provision. Staff and our contract lobbyists successfully lobbied legislators and legislative staff on behalf of the Power Agency cities so that Power Agency cities are also protected by the “hold harmless” provision. Value held constant since 2015.
Legal	Government Relations	$15,330,000	ElectriCities contract lobbyists provide additional manpower to the ElectriCities Government Relations staff. They are an extension of the internal government affairs team and expand our lobbying footprint at the federal and state levels.	Total Benefit = (Three Contract lobbyist rate = $17,500 x 12 months = $210,000 x 73 members) = $15,330,000
Legal	Government Relations	$474,500	ElectriCities Government Relations staff identify and sponsor a number of events and newsletters to bolster reputation and name recognition for public power and ElectriCities member communities.	Total Benefit = NC Society DC $1500, NC State Energy Conference $1000 + NC Chamber Legislative Reception $3000 + NC Free Legislative Luncheon and Breakfast $1000 = ($6500) in Sponsorships x 73 members) = $474,500
Technology Services	Retail Billing Assessments	$508,466	Provided Retail Billing Assessments to members as requested. Benefits typically include correcting metering or billing inaccuracies, process improvements, and mitigating future billing errors. Total benefits include one time benefits and previous year annual benefits, reduced 25% each year.	Total Benefit = 2025 one time benefits which includes cost to perform assessments + 2025 annual benefits + 2024 annual benefits x 75% + 2023 Annual Benefits x 50% + 2022 Annual Benefits *.25 = $79,769 +$0 +$27,373 *0.75+$720,051*0.5+$192,566*0.25 = $508,466
Technology Services	Utility Billing & Financials - EC Discount	$143,847	ElectriCities members receive 15% off licensing costs for Tyler Technologies Incode and Tyler cloud hosting solutions.	Total Benefit = Average annual SaaS Discount ($8000) x (17 Members on Tyler all year + partial licenses for 2 members migrated midyear) = $8000 x (17+.56+.42)= $143,847
Technology Services	Utility Billing & Financials - Implementation Consulting	$8,021	ElectriCities’ involvement in Tyler Tech implementations helped ensure expectations are met and issues are resolved, reducing the risk associated with these projects for our members.	Total Benefit = EC Staff Consulting Hours x $135/hour + $2000 for Best Practices Guide x # Members Utilizing Guide for Implementations = $135/hour *44.6 hours+$2000*1 = $8,021

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Technology Services	CIS/ERP Enhancements	$85,167	Developed specifications and drove development of new system enhancements to benefit members and ensure roll-out of benefits to all affected members.	Benefit value of each enhancement x number of members benefitting + staff hours spent developing new enhancements x hourly rate = $15,000*3+$1200x4 [multispeak metersync]+$2000*13 [customer portal enhancements]+$7544 [multispeak remote connect/disconnect for 3 utilities with value based on meter counts] +13.5 hours x $135 [Payments, Prepay, TOU billing, Net billing, revenue report] = $85,167
Technology Services	Technology Referrals	$16,000	Organized quotes and completed analyses, reference checks, and vendor vetting, etc. on technology solutions. This work saved the members interested in upgrading their CIS, FIN, GIS, OMS, and other systems a lot of time.	Total Benefit = (# Members Assisted x Average Referral Value) = 8 referrals x $2000 = $16,000
Technology Services	Technology Training	$4,565	Provided training and demos on new technology and/or hosted user groups	Total Benefit = Educational hours & coordination time x Hourly Rate + Facilities Rental Rate x # Events = 19*135+$1000*2 = $4565
Technology Services	Emerging Technologies	$22,906	ElectriCities assisted members with projects related to emerging technologies. These services included a smart thermostat pilot, drone services, GIS consulting, and more.	Total Benefit = (Avoided service and device fees for Smart Thermostat Pilot = $17,077) + Staff hours x Hourly Rate =$17,077 + 36.25 hours x $135 +4.25 *$220 (higher hourly rate for independent members) =$22,906
Technology Services	AMI Selection & Consulting	$18,000	ElectriCities assisted members with the analysis of smart grid business cases, vendor evaluating, and RFP assistance, thereby avoiding consultant fees estimated to be $2,000/member.	Total Benefit = Avoided Consultant Fees x Number of Members Assisted = $2,000 x 9 = $18,000
Technology Services	Smart Grid - EC Discount	$134,429	ElectriCities members receive 5% off Nexgrid products through ElectriCities MSA. Members also receive a $0.50/device/year discount on support services.	Total Benefit = Total spent on Nexgrid products in 2025 x 5% + support savings + support services=$54,999(hardware savings)+ $79,430 (PSSA savings) = $134,429
Technology Services	Smart Grid - Member LM-Only Shared License	$18,376	ElectriCities negotiated with Nexgrid to allow our members to share a server if they are implementing load management only projects, saving our members licensing costs.	Total Benefit = Avoided Hosting & Licensing Costs x Number of Members Using Shared Service = $9188*2=$18,376
Technology Services	Smart Grid - Project Management and Coordination	$30,507	ElectriCities assisted our members with smart grid projects. Our involvement helps ensure expectations are met and issues are resolved,, reducing the risk associated with these projects for our members.	Total Benefit = Staff Hours x labor rate = 220.5 hrs x $135 (PA members) + 3.3 hrs x $220 (non-PA members) = $30,507. We served 14 different members in 2025.
Technology Services	PowerTRX Reliability (formerly eReliability Tracker)	$16,300	Funded APPA reliability tracker subscriptions for members.	Total Benefit = Sum of APPA invoices + staff hours developing, testing, and migrating members to new platform x hourly rate =47 seats x $55 + 31 member licenses x $290 + 35 hours *$135 = $16,300
Technology Services	Grant Application Services	$8,370	JARVIS Grant Application (still waiting for a decision from USDOE)	Total Benefit = Consultant Costs + EC Staff/Contractor Hours * Hourly Rate + Grant Award Amount = $0+ 62*$135 + $0) = $8370
Technology Services	Load Management Audits	$13,500	Provided a full load management switch audit and/or consulted on audits provided by 3rd party. Provided business assessment & recommendations.	Total Benefit = $1500 per study x # Members Impacted = $1500*9 = $13,500

SERVICES BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Technology Services	Strategic Technology Roadmap	$80,000	Completed full update to the Strategic Technology Roadmap in 2025. Deliverables included white paper, classification tables for all foundational technologies, technology impact assessment for each category of SEP, RP3, and each strategic priority, and implementation sequencing table with prerequisites.	Total Benefit = Avoided consultant costs (most conservative quote received)
Technology Services	Misc. Information Requests	$3,375	Responded misc. analyses, reports, and data upon requested and funded subscription to MSDS (discontinued for 2025 and beyond).	Total Benefit = Labor Hours x Hourly Rate = 25 hours x $135 = $3375. We provided data requests to 27 members in 2025
Benchmarking	RP3 Support	$15,000	Provided robust documentation, referrals, application review, and best practices for optimal scoring.	Total benefit = $1000 x # Members assisted = $1000 x 15 = $15,000.
Benchmarking	Reliability Indicators	$67,000	Provide 2025 statewide reliability indicators to members, which benchmark every municipal NC utility against nearby co-ops and IOUs.	Total benefit = Labor cost to build the report ($1000) x number of members receiving the report = $1000 x 67 = $67,000
Benchmarking	Performance Indicators	$136,000	Staff researched and compiled a report of industry Performance Indicators and trends for the members, resulting in savings to the members due to avoided use of member staff resources. This report was expanded this year and converted to PowerBI for more compelling insights.	Total benefit = Labor cost to build the report x number of members receiving the report = $8000*17 = $136,000
Renewable Services	Resource Mix Program	$102,000	Provided detailed information on energy resource mix and CO2 output for all Power Agency members. It is estimated that this would have cost each member $2,000 to calculate on their own or engage with a consultant to complete.	Total Benefit = (Estimated cost to perform analysis x 51 members) = ($2,000 x 51) = $102,000
Value of Public Power	Economic Benefit Studies	$21,030	Economic Benefit Studies are billable for all members	Total Benefit = Amount Invoiced

FINANCE BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Finance	Bond Refunding	$1,077,250	In 2016, Staff refunded Series 2009 bonds for NCMPA1 and replaced them with lower cost bonds. This provides significant reductions in financing costs for the Agency every year through 2030.	Total Benefit = Reduced financing costs = $1,077,250
Finance	Bond Refunding/ Defeasance	$10,836,338	In 2019, Staff defeased and refunded portions of Series 2009A, 2009C, 2010A, 2010B, 2012B, 2012C, 2015A and 2015C bonds for NCMPA1 and replaced them with lower cost bonds. This provides significant reductions in financing costs for the Agency every year through 2032.	Total Benefit = Reduced financing costs = $10,836,338
Finance	Capital Additions	$1,426,311	In 2009, Staff secured the ability to finance $68,650,000 of capital additions for NCMPA1 using Build America Bonds instead of traditional financing. In 2014, $3,125,000 of bonds were repurchased leaving $65,525,000 outstanding. After the repurchase, this results in savings of $517,000/year during the life of the bonds.	Total Benefit = $1,426,311
Finance	Decommissioning deposits	$53,183,000	Change due to funds to AGPIP.	Total Benefit = $53,183,000
Finance	Interest on Margin Account	$147,000	In 2018, Staff worked with ADM to begin earning interest on the margin account for Surplus Sales.	Total Benefit = Interest on margin account = $147,000
Finance	Investment Portfolios	$16,160,000	In accordance with state law and bond resolutions, Staff prudently invests the Power Agencies' funds in safe, diversified instruments in a manner that emphasizes safety of principal and liquidity and maximizes return on investment. Permitted investments include U.S. Treasury notes and bonds, federal agency notes, obligations of the State of North Carolina, prime quality commercial paper, certificates of deposit, bankers' acceptances, repurchase agreements, money market funds and mortgage-backed securities guaranteed by federal agencies. Investment revenues are used to offset expenses and reduce wholesale electricity rates.	Total Benefit = Investment revenues = $16,160,000

CONTRACT ADMINISTRATION BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Contract Administration	NEIL Insurance Distribution Credit	$1,282,060	Staff reviews the insurance requirements and premiums for NCMPA1 as Owner of the Catawba Nuclear Station. Each year Nuclear Electric Insurance Limited (NEIL) calculates a potential credit distribution based on claims experience and investment performance. The credits in 2025 are for NEIL Primary Property Insurance, NEIL Excess Property Insurance, Catawba NEIL extra expense replacement power and McGuire extra expense replacement power.	Total Benefit = Sum total of 2025 NEIL credits. NEIL Primary Property and Excess Property credit = $663,704. Catawba and McGuire NEIL Extra Expense replacement power credit = $618,356. Total NEIL insurance refunds = $1,282,060
Contract Administration	Operating and Fueling Agreement, Interconnection Agreement, and Transmission billing statements	$950,000	Staff continuously reviews all provisions of the Operating and Fueling Agreement, the Interconnection Agreement, and Transmission invoices (e.g., billing, contract interpretation, cost allocations, etc.) as these contracts are implemented to ensure that NCMPA1's power supply costs are as low as possible. It is estimated that each member would require 0.5 FTE of internal staff or consultants to provide similar services.	Total Benefit = ((0.5 FTE x $100,000/FTE) x 19 members) = $950,000
Contract Administration	DOE Settlement - Spent Nuclear Fuel	$3,245,922	The 18th Annual Submission to DOE for reimbursement was filed on January 31, 2025. This is a reimbursement of costs incurred as a result of the DOE not accepting spent nuclear fuel when required and Catawba having to make accommodations to store the fuel on site.	Total Benefit = Credit reimbursement from DOE received on the Operating Statement per Michael Jones $3,245,922
Contract Administration	Transmission Ancillary Service	$240,097	FERC Order 904 (Compensation for Reactive Power Within the Standard Power Factor Range) requires that transmission providers no longer charge customers for the provision of reactive power within the standard power factor range (or deadband) by generating facilities under OATT Ancillary Schedule 2, Reactive Supply and Voltage Control. EC staff monitored this issue from inception to the Order and implementation phase, and supported the Order.	The FERC Order went into effect June 1, 2025, so benefits only accrued for 7 months for this 2025 Value Proposition. DEC's Schedule 2 Annual Revenue Requirement was $40,152,000, so monthly Rev. Req't was $3,346,000. A1's calculated load ratio shares changes monthly but is typically around 3.79-3.81%. A1 receives a credit for reactive power generated from Catawba + Gross Receipts Tax Credit. The net savings is the Schedule 2 charge that A1 would have incurred, minus the credit for reactive power and the gross receipts tax. Using actual values for the monthly load ratio share, the net savings is estimated to be $240,097 for the period June - Dec. 2025.
Contract Administration	Transmission Service - Energy Imbalance	$385,388	A concerted effort has been made over the last 1-2 years to reduce Energy Imbalance charges from DEC on the Network Transmission Service bill, including identifying the reasons for the imbalances and implementing changes and improvements to our processes.	It is difficult to identify the exact savings from this effort, since the reasons for excessive Energy Imbalance changes are different each month, and the net cost for Energy Imbalance may be a credit or charge, and varies by the hour each month. The calculation of $385,388 in savings for 2025 represents a 25% reduction in Energy Imbalance charges relative to calendar year 2024, and was calculated based on the total of the absolute values of the monthly Energy Imbalance charges and comparing 2024 with 2025.
Contract Administration	Transmission Service - Generator Imbalance	$159,017	Electricities staff discovered an error in the DEC June 2025 network transmission bill related to an Energy Imbalance issue which occurred on 6/30/25, and after correction resulted in a credit to NCMPA1 of $159,017.29.	The details of the calculation appear in the DEC files 101 and 105 in the June 2025 bill, which were corrected and re-issued by DEC on July 8, 2025.

CONTRACT ADMINISTRATION BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Contract Administration	Transmission Service - Generator Imbalance	$661,937	ElectriCities staff discovered an error in the DEC February 2025 network transmission bill which overcharged NCMPA1 for Generator Imbalance service, due to a miscalculation on DEC's part because they had data missing for 2/28/2025 HE 6-24.	The exact calculation of the $661,936.68 credit was provided in the DEC March 2025 bill, and includes the net of Generator Imbalance Purchases and GI Sales in Bands 1, 2 and 3. Most of the credited amount was due to GI Sales in Band 3.
Contract Administration	Transmission Service -Generator Imbalance	$4,027	ElectriCities staff discovered an error of $661,936.68 (see item above) on the DEC February 2025 network transmission invoice (related to Generator Imbalance), and DEC credited this amount on the March 2025 invoice. However, it was ElectriCities' position that DEC should have paid NCMPA1 for 1 to 2 months of interest at the FERC interest rate on the credited amount, which DEC had failed to do. When ElectriCities brought this to DEC's attention, they initially claimed that the $661,936.68 credit already included interest, but after repeated questioning eventually agreed that interest was still owed, and paid the interest, as well as the interest on the interest amount.	The calculation detail appears in the Report 106 file for the DEC April 2025 invoice, and also appears in Report 101 under Miscellaneous Adjustments. FERC interest rate was approximately 8.5%/yr.
Contract Administration	Merger Agreement	$2,703,633	The Merger Agreement of 2011 with DEP allowed for NCEMPA to construct 20MW of DG at Greenville (GRE-WIN) and receive power supply benefits each month when the units operate. The savings are passed to the Members on the Wholesale Power billing statement as a DG Credit (Rider 6A). The savings are a summation of the DG credits provided to the Members.	Total Benefit = Sum of Rider 6A Jan - Dec 2025 actuals = $2,703,633
Contract Administration	FRPPA Amendment - Coal Ash Settlement	$4,046,207	The FRPPA Amendment - Coal Ash Settlement of 2017 with DEP allowed for NCEMPA to contract 18MW of DG at Greenville (P&G) and receive power supply benefits each month when the units operate. The savings are passed to the Members on the Wholesale Power billing statement as a DG credit (Rider 6B). The savings are a summation of the DG credits provided to the Members.	Total Benefit = Sum of Rider 6B Jan - Dec 2025 actuals = $4,046,207
Contract Administration	Full Requirements Power Purchase Agreement (FRPPA), Transmission Billing Statements	$960,000	Staff continuously reviews all provisions of the FRPPA and Transmission invoices (e.g., billing, contract interpretation, cost allocations, etc.) as these contracts are implemented to ensure that NCEMPA's power supply costs are as low as possible. It is estimated that each member would require 0.3 FTE of internal staff or consultants to provide similar services.	Total Benefit = ((0.3 FTE x $100,000/FTE) x 32 members) = $960,000
Contract Administration	FRPPA settlement - ROE Reduction	$7,200,000	Settlement with Duke Energy Progress completed in May 2021 to reduce the Return on Equity percentage in the full requirements formula rate from 11% to 9.85%. Benefits of this settlement were received in a reduction to the annual capacity rate in the 2021 annual true-up process and going forward are reflected in a lower capacity rate. This reduction is worth approximately $7.2M/year per GDS Analysis.	Total Benefit = (Settlement received as a lower capacity rate) = $7,200,000
Contract Administration	FRPPA settlement of challenge issues	$452,150	Settlement of 2022 challenge items from the review of the formula rate true-up and credit received on August 2024 FRPPA invoice.	Capacity Audit True-Up ($395,843.58) + Interest Expense ($56,306.38) = Total Benefit = $452,149

CONTRACT ADMINISTRATION BENEFIT

VALUE CATEGORY	VALUE AREA	2025 YEAR END BENEFITS	DETAILS	CALCULATIONS
Contract Administration	FRPPA - 10th Amended Agreement	$17,032,680	The 10th Amended FRPPA was negotiated with Duke Energy Progress. Its effective date is 1/1/23 and it allows for an additional 25MW of qualified resources to be constructed behind the delivery point. In addition, it allows for qualified resources to be operated at their full nameplate/inverter rating of 38MW.	Maximum Total 2025 Benefit = Value associated with qualified resource capacity (25MW) and additional qualified resource capability (38MW) to peak shave the month coincident peaks. FR-9 Demand rate of $22.20/kW-mo for Jan-June 2025; FR-10 Demand Rate of $22.86 for Jul-Dec. 2025. Average demand rate = $22.53/kW-mo Total benefit = (38 + 25 MW) x $22.53/kW-mo x 12 mo = $17,032,680
Contract Administration	Transmission Ancillary Service	$731,468	FERC Order 904 (Compensation for Reactive Power Within the Standard Power Factor Range) requires that transmission providers no longer charge customers for the provision of reactive power within the standard power factor range (or deadband) by generating facilities under OATT Ancillary Schedule 2, Reactive Supply and Voltage Control. EC staff monitored this issue from inception to order to implementation phase, and supported the Order.	The FERC Order went into effect June 1, 2025, so the benefits only accrued for 7 months for this 2025 Value Proposition. Total Benefit = avoided payments for June - Dec 2025 for DEP Ancillary Schedule 2. Rate for Ancillary Sch. 2 = $88.80/MW. Actual values for adjusted transmission MW over that 7 month period (8237.249 MW) multiplied by $88.80/MW = $731,467

LOAD & DEMAND SIDE MANAGEMENT (DSM) BENEFIT

DSM	DSM/Load Management	$71,188,210	Staff monitors system conditions, sends out load management notifications, and operates load management systems to obtain savings for the NCEMPA Members.	Total 2025 Benefit = Jan - $6490516; Feb - $6378611; Mar - $6378611; Apr - $6042895; May - $6490516; Jun - $6714327; Jul - $6681916; Aug - $6681916; Sep - $6566711; Oct - $6378611; Nov - $6451505; Dec - $6681916. Total of all 12 months $77,938,051; Less Rider 6A ($2,703,633) and 6B ($4,046,207) credits = $71,188,210
DSM	DSM/Load Management	$861,900	Staff monitors system conditions, sends out load management notifications, and operates load management systems to obtain savings for the NCMPA1 and NCEMPA Members. It is estimated that it would cost each city about 0.25 FTE in staff to provide the equivalent services.	Total Benefit = Number of Cities x City FTE usage x City FTE cost = 51 x 25% x $67,600 = $861,900
DSM	DSM/Load Management	$27,000	Staff assisted Members in Apex, Belhaven, Hertford, Laurinburg, Lumberton, Red Springs, Southport, and Tarboro with engineering and project support related to load management device audits, installation and troubleshooting.	Total Benefit = Total hours spent supporting load management in these cities x average hourly rate of an engineering consultant = 200 hrs. x $135/hr. = $27,000

TOTAL: $591,174,519