



Cooperative Update

Julie C. Parsley | Chief Executive Officer

Eddie Dauterive | Chief Strategy Officer

Nathan Fulmer | Chief Operations Officer — Distribution

Randy Kruger | Chief Financial Officer

JP Urban | Chief Administrative Officer



CEO Report

Julie C. Parsley | Chief Executive Officer

Legislative Update: November 5 Election

Changes in PEC-area delegation

- U.S. Senate: Ted Cruz, R
- U.S. House
 - No changes in PEC's delegation
- Texas Senate
 - No change in PEC's delegation
 - Six Senators will be on ballot in 2026 if they choose to run again
 - Three new Senators elected to the Chamber for 2025
- Texas House
 - Two new members to PEC's delegation, no other changes
 - HD44: Alan Schoolcraft, R (McQueeney), replaced John Kuempel, R (Seguin)
 - HD53: Wesley Virdell, R (Brady), replaced Andrew Murr, R (Junction) who did not run again



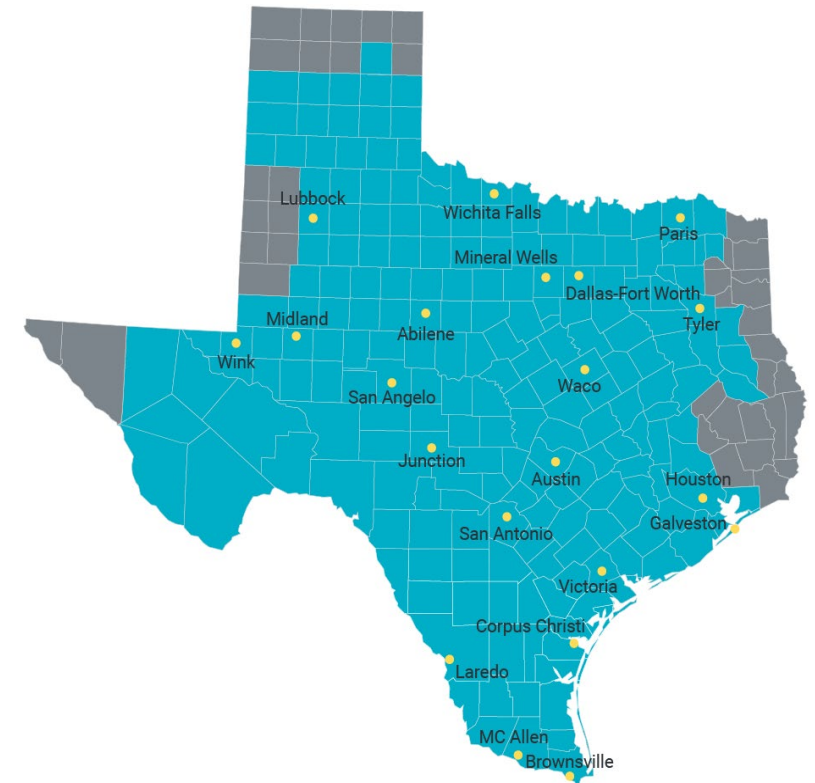
Regulatory Update: PUC

- During the October 24th Open Meeting, Commission staff outlined a process to identify and approve Transmission Service Providers (TSPs) to build projects for the Permian Basin Reliability Plan
 - ERCOT initially identified TSPs to build projects identified in the Plan
 - Staff recommended that if a TSP project is not contested, it moves to the next phase; if a TSP or project is contested, it will move to a separate, contested docket
 - ERCOT also submitted a report on TSP responsibilities, with deadlines to file disputes set for November 8th and December 4th



Regulatory Update: ERCOT

- New Public Utility Commission Rule 25.508 requires resiliency assessment meet requirements for frequency, duration and magnitude
 - For magnitude, expected highest level of load shed during a lost load event must be less than the maximum number of MWs of load shed that can be safely rotated
 - Each December 1, ERCOT must file the maximum number of MWs of load shed that can be safely rotated and a summary of the methodology used to calculate this value
 - ERCOT is working with the Transmission Operators to calculate the value and to ensure consistency



Member Appreciation Events

- PEC was proud to sponsor both the Cedar Park Fall Roundup and Booda Halloween Events
- PEC staff met with members and community leaders, cheered on armadillo races, and helped our youngest members have a spooktacular Halloween!
- Engaged with more than 6,500 members
- Planning for 2025 underway





Jerry Bible

Director, Substation
and Transmission
Maintenance
Johnson City



Michael Brinkman

Substation and
Transmission
Maintenance Manager
Johnson City

- Invited to present PEC's winter proposal during the October 28 ERCOT Transmission Service Provider (TSP) Winter Weather Preparedness Workshop
- PEC was the only TSP invited to speak and was recognized for our best in-class program
- Groups in attendance included market participants from across ERCOT, plus the PUC
- Mike outlined the steps PEC has taken to ensure reliability, including monthly inspections, what we look for, and how we respond to reports outside our parameters

PEC Continues to be recognized as a Top Workplace!

ENERGY & UTILITIES
INDUSTRY
TOP WORK PLACES 2024

TOP WORK PLACES 2024
EMPLOYEE WELL-BEING

TOP WORK PLACES 2024
PROFESSIONAL DEVELOPMENT

TOP WORK PLACES 2024
WOMAN-LED
INNOVATION Women

TOP WORK PLACES 2024
Austin American-Statesman
statesman.com

TOP WORK PLACES 2024
APPRECIATION
 nectar



November Special Report

Eddie Dauterive | Chief Strategy Officer

PEC's 5-Year Strategic Plan

PEC 2021-2026 Strategic Plan

Goal Categories	# of Objectives	# of Initiatives
1. Maximize Value to Our Membership	3	41
2. Achieve Operational Excellence	3	57
3. Protect the Financial Health of the Cooperative	3	43
4. Pursue Workforce Optimization	2	39
5. Advance Tactical Safety and Security	3	35



2021-2026 Strategic Plan



Pedernales Electric Cooperative

Status of 2021-2026 Objectives

1. Member Value

Member Engagement	Complete
Community Partnerships	Complete
Customer Service	Complete

2. Operational Excellence

System Maintenance	Complete
Control Center Tech.	Ongoing
Engineering Standards	Complete

3. Financial Health

Financial Management	Complete
Rate Stability	Complete
Capital Spending	Complete

4. Workforce Optimization

Technical Training	Complete
Workforce Development	Complete

5. Safety & Security

Safety Culture	Ongoing
Cyber Security	Ongoing
Work Environments	Complete

Pyramid of Strategic Terms



The Next Five Years

- Preparing the next iteration of PEC's Strategic Plan.
- The existing framework has proven to be well-defined and effective.
- PEC's Mission, Vision, and Values are clear.
- PEC's Strategic Program will coordinate the review of, and alterations to, the BOD Goals and BOD Objectives.

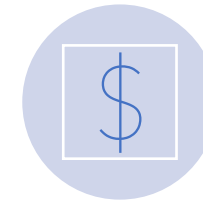
Areas of Focus for Strategy Planning:



**Distribution System
Resilience and
Growth**



**Transmission System
Management**



**Power Supply, Rate
Stability and Capital
Spending**



**Technology
Advancement**



**Business Continuity
Planning**



Succession Planning

Developing the 2027-2031 Strategic Plan

Next Steps and Schedule:

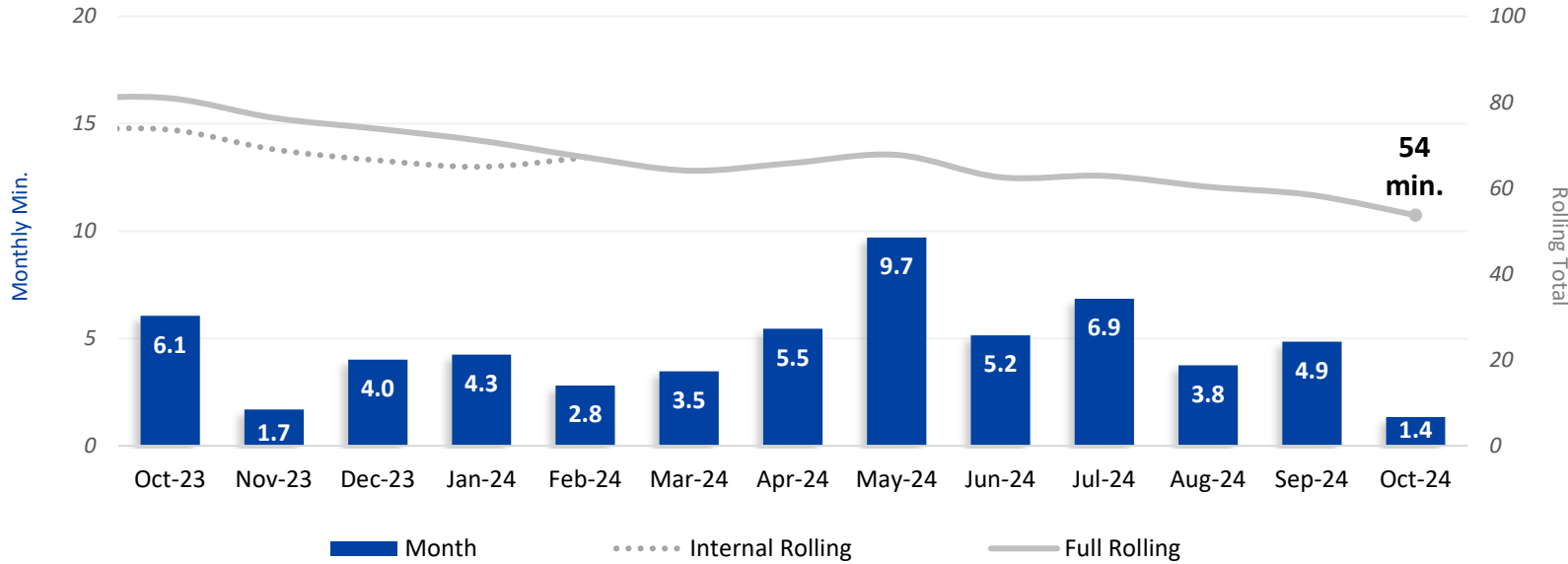
December 2024:	Draft 2025 Corporate Initiatives and KPI Plans
January 2025:	Final 2025 Corporate Initiatives and KPI Plans
February 2025:	Board of Directors Strategy Plan Review
March 2025:	Staff Workshop - staff develop Draft 2027-2031 Strategic Plan
April 2025:	Board of Directors Strategic Workshop
May 2025:	Draft Resolution for PEC's 2027-2031 Strategic Plan
June 2025:	Final Resolution for PEC's 2027-2031 Strategic Plan



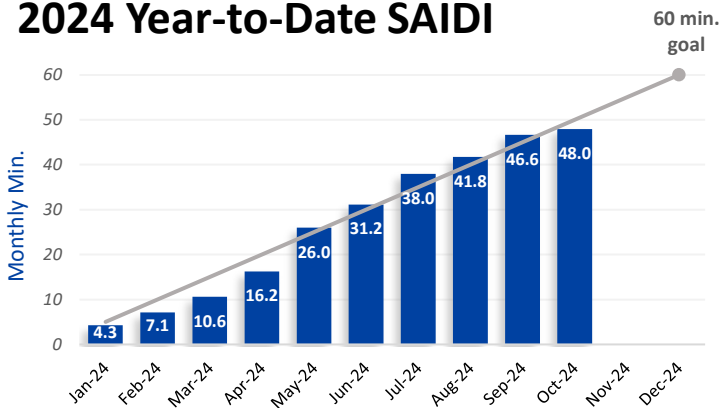
Operations Report

Nathan Fulmer | Chief Operations Officer -
Distribution

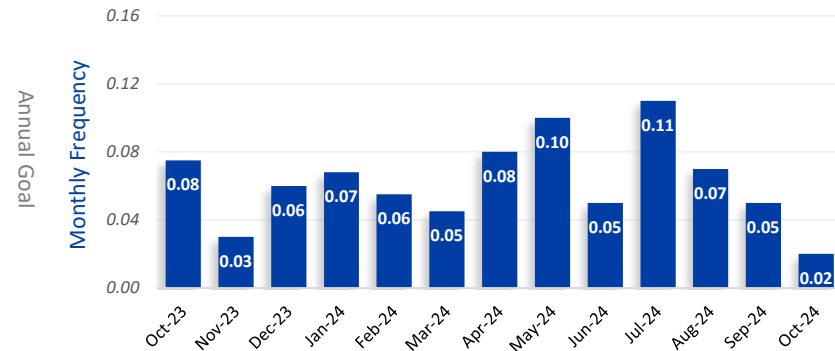
SAIDI System Average Interruption Duration Index



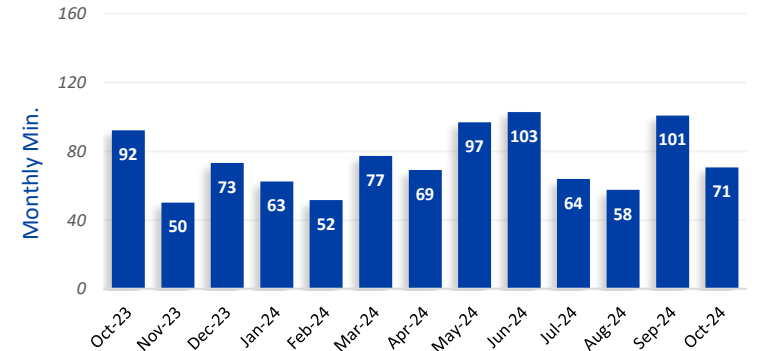
2024 Year-to-Date SAIDI



SAIFI System Average Interruption Frequency Index



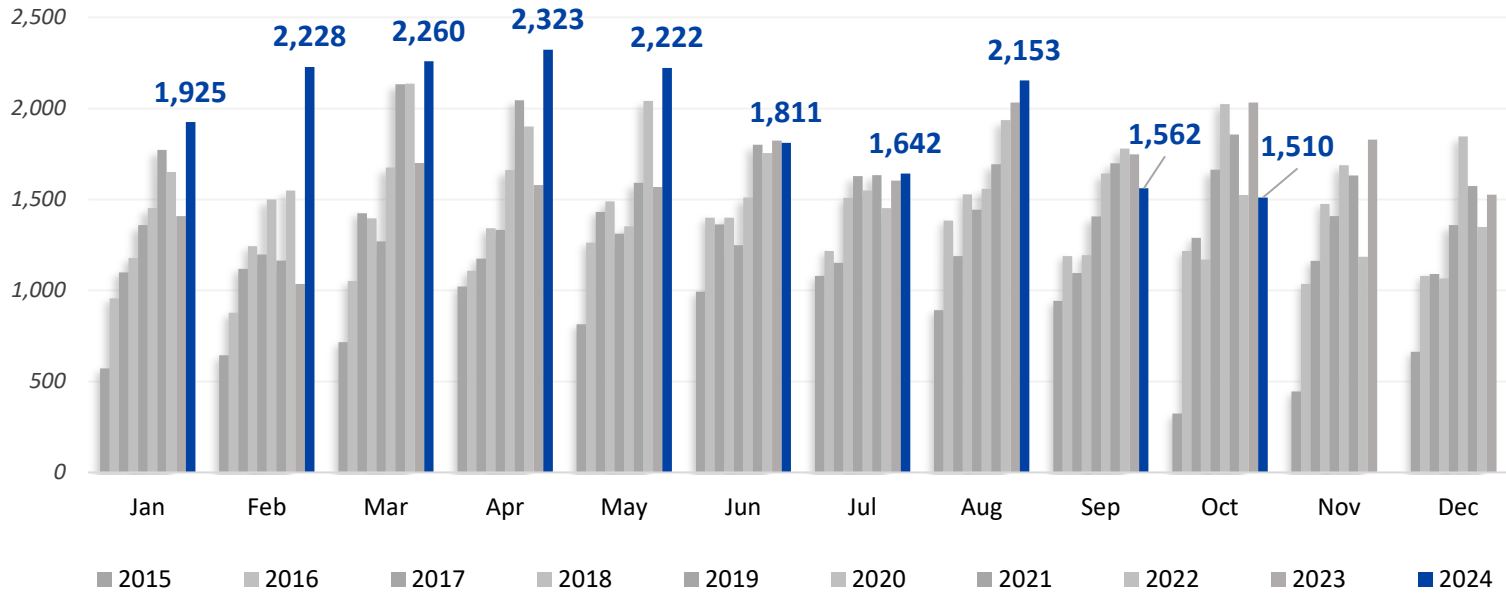
CAIDI Customer Average Interruption Duration Index



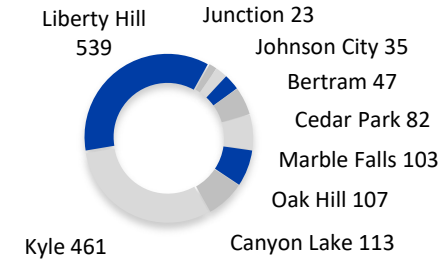
System Growth

Line Extensions Completed

2020: 19,458 2021: 20,592 2022: 20,262 2023: 19,886 2024 YTD: 19,636



Line Extensions Per District (1,510)

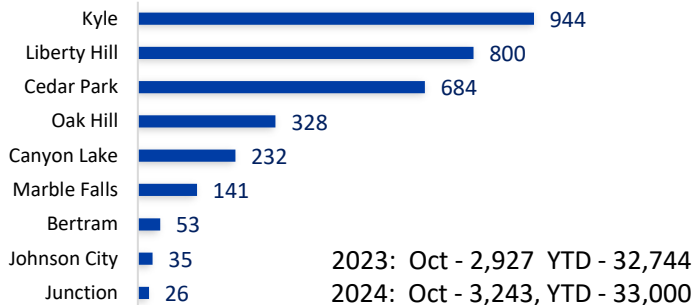


Miles of Distribution Line:

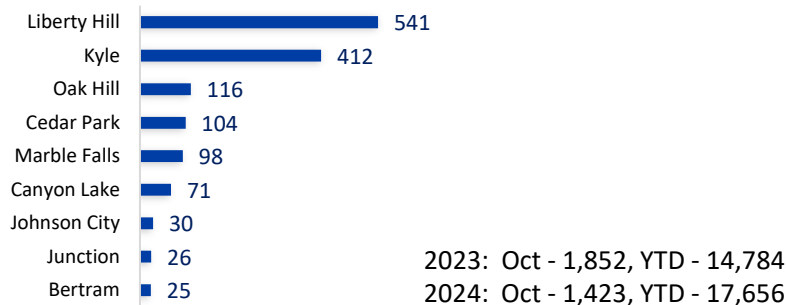
Overhead: 17,780 (70%)
 Underground: 7,676 (30%)
 Total: 25,456



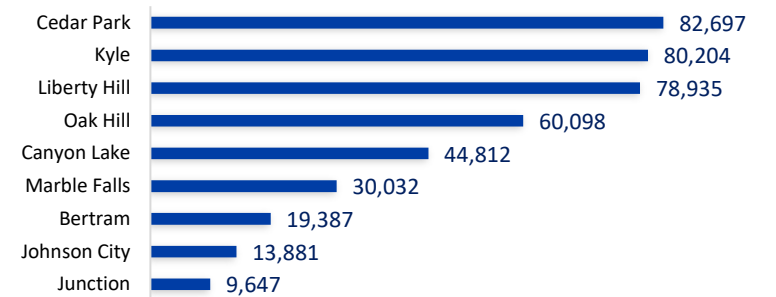
Member Applications (3,243)



Meter Growth (1,423)



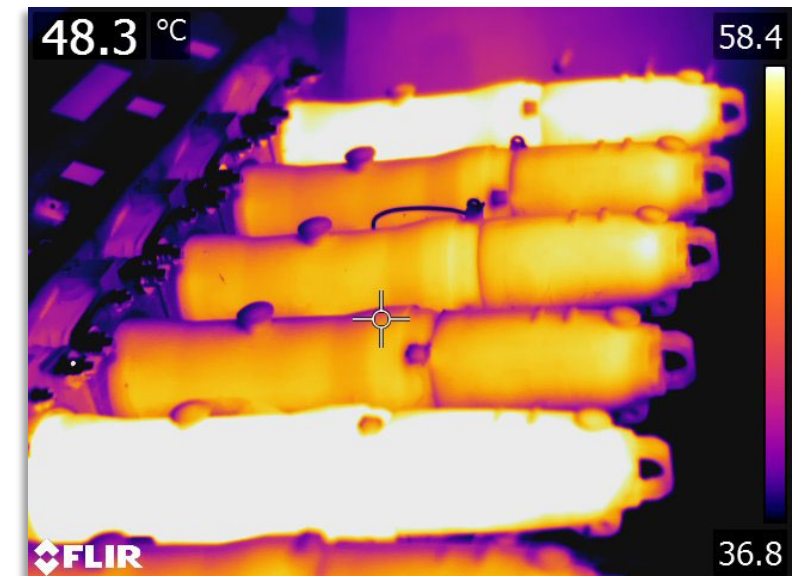
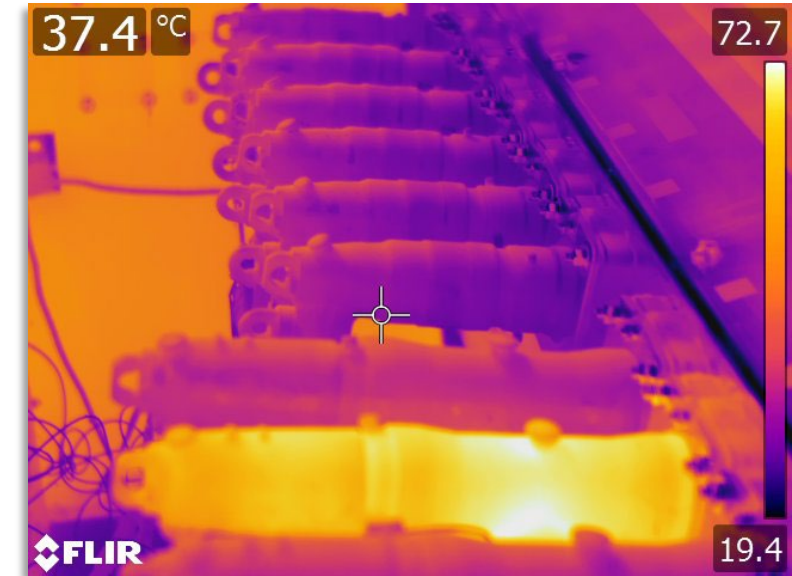
Meter Totals (419,693)



Switchgear Inspection - Forward Looking Infrared (FLIR)

Proactive maintenance and coordination across teams prevented a costly outage:

- Potential “Thermal Runaway” issue was discovered during a switchgear inspection in the Leander area.
- This occurs when equipment temperatures rise uncontrollably and will lead to potential fire, faults, or severely damaged equipment.
- Can be caused by several issues such as overloaded circuits, loose connections, or aging equipment.
- A fault will destroy the protective t-body equipment that surrounds and insulates the cable connections and can lead to large member outages for repair.
- Using this FLIR imaging, teams identified the hot spots and have moved to replace the connecting studs with stronger material and all of the 600 Amp T-bodies.



Safety + Technical Training Update

Department Highlights

- Completed 12 assessments
- Offered two CPR classes
- Attended and supported International Lineman's Rodeo
- Inspected fleet's fire extinguishers
- Provided safety training for field and office staff:
 - Fire prevention and emergency evacuations
 - Silica hazards
 - Fire extinguisher use
 - Emergency action plans

Safety Spotlight



Marshall Swoda
Regional Operations
Supervisor
Liberty Hill

Marshall leads the Liberty Hill maintenance crew, and he and his team consistently demonstrate exceptional safety practices, professionalism, and pride in their work. During multiple job site safety observations, his crew has been the epitome of a cohesive unit under his highly competent leadership. Marshall has an undeniably strong rapport with his team — his dedication and positive attitude set a high standard and exemplify how PEC leads the way.



October 2024 Financial Report

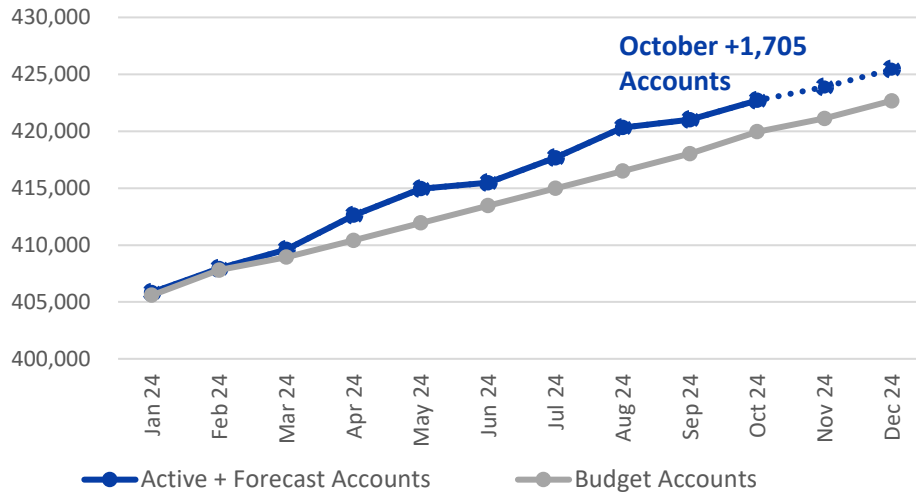
Randy Kruger | Chief Financial Officer

Finance at a Glance – October 2024

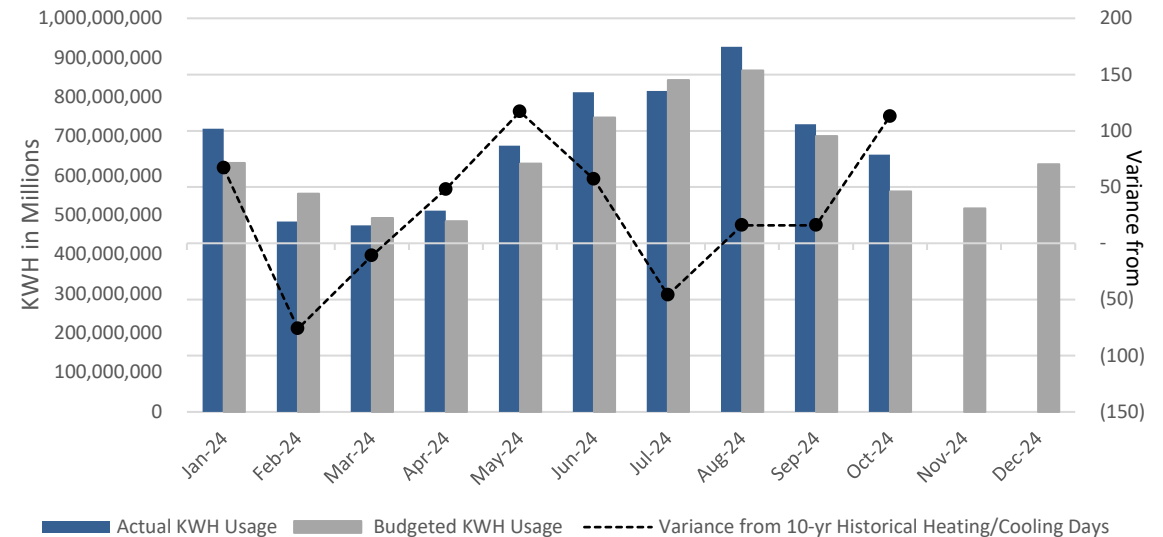
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	653,659	560,573	93,086	6,806,302	6,517,701	288,601
Gross Margins	\$ 31.6	\$ 29.5	\$ 2.1	\$ 315.5	\$ 311.9	\$ 3.6
Net Margins	\$ 5.3	\$ (0.5)	\$ 5.8	\$ 55.8	\$ 40.8	\$ 15.0
EBIDA	\$ 16.5	\$ 14.1	\$ 2.4	\$ 172.9	\$ 167.1	\$ 5.8
Revenue O/(U)	\$ 8.7	\$ 1.8	\$ 6.9	\$ 15.9	\$ 13.7	\$ 2.2
EBIDA(X)	\$ 25.2	\$ 15.9	\$ 9.3	\$ 188.9	\$ 180.8	\$ 8.1

	Liquidity Coverage
Cash & Marketable Securities	\$ 33,935,409
Short Term Facilities	505,000,000
Less: Short Term Borrowings	124,957,961
Available Liquidity	\$ 413,977,448
Liquidity Coverage (Days)	197

Active Account Growth

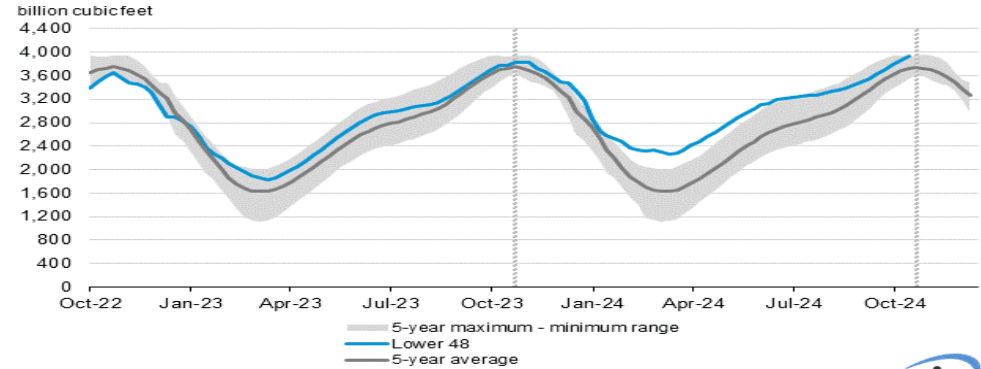


Weather and kWh Usage



Power Market Fundamentals

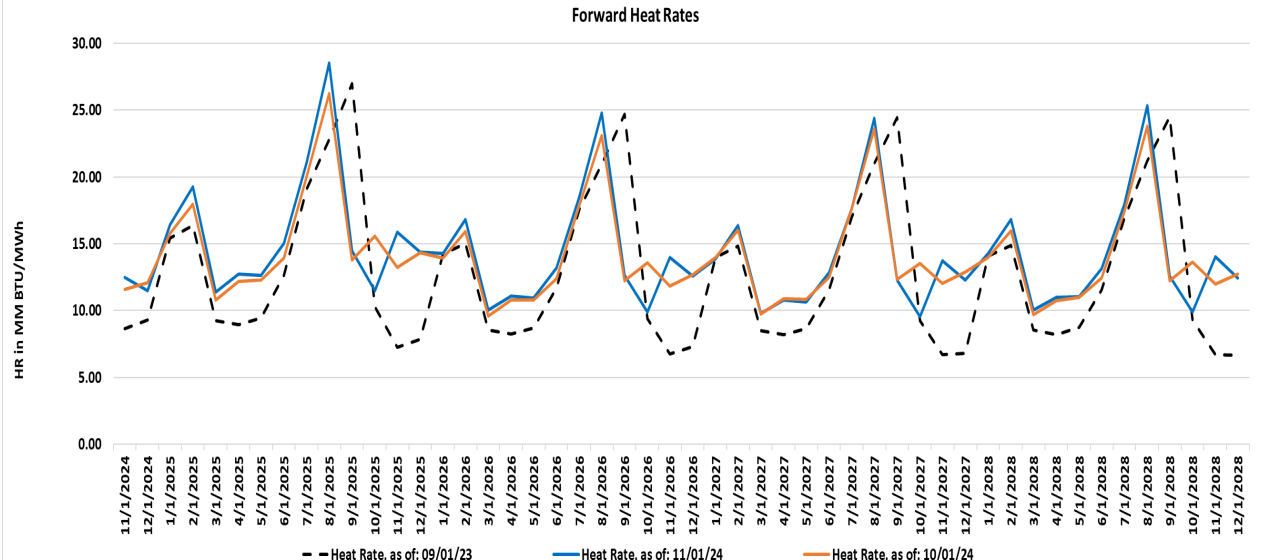
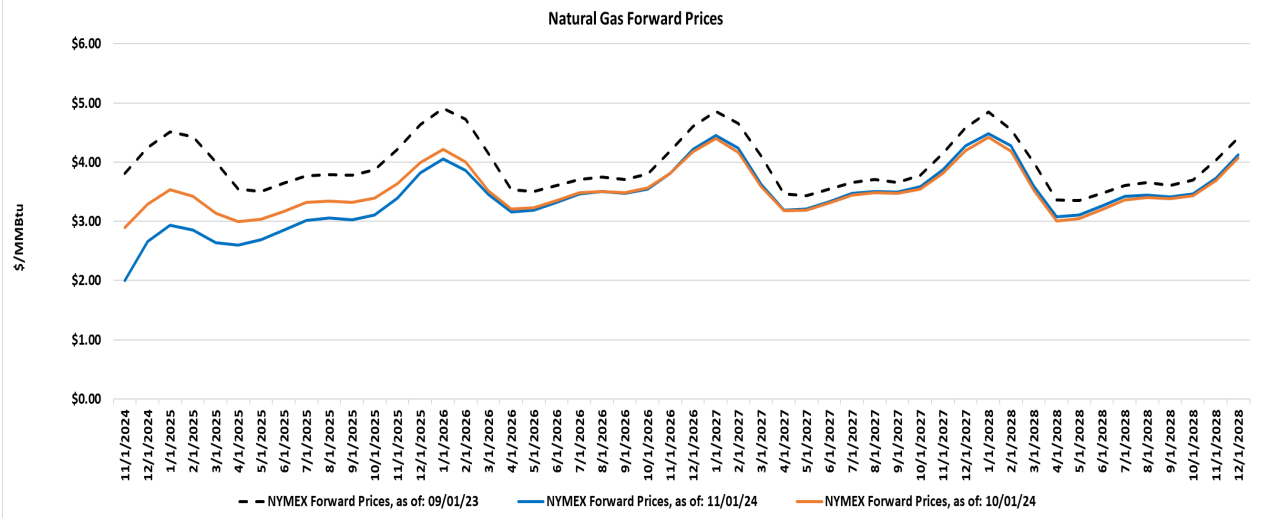
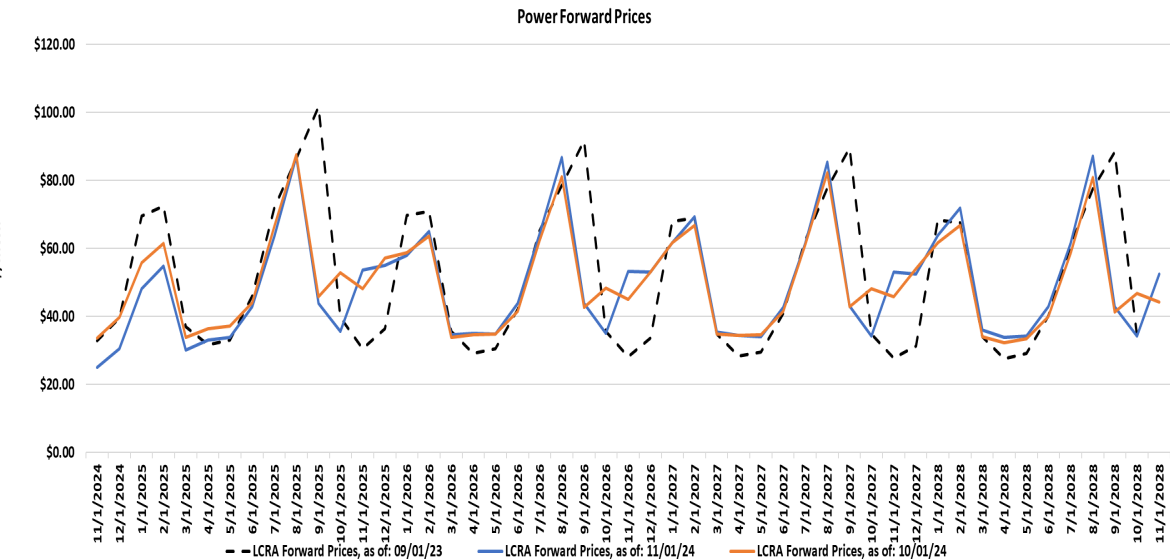
Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2019 through 2023. The dashed vertical lines indicate current and year-ago weekly periods.



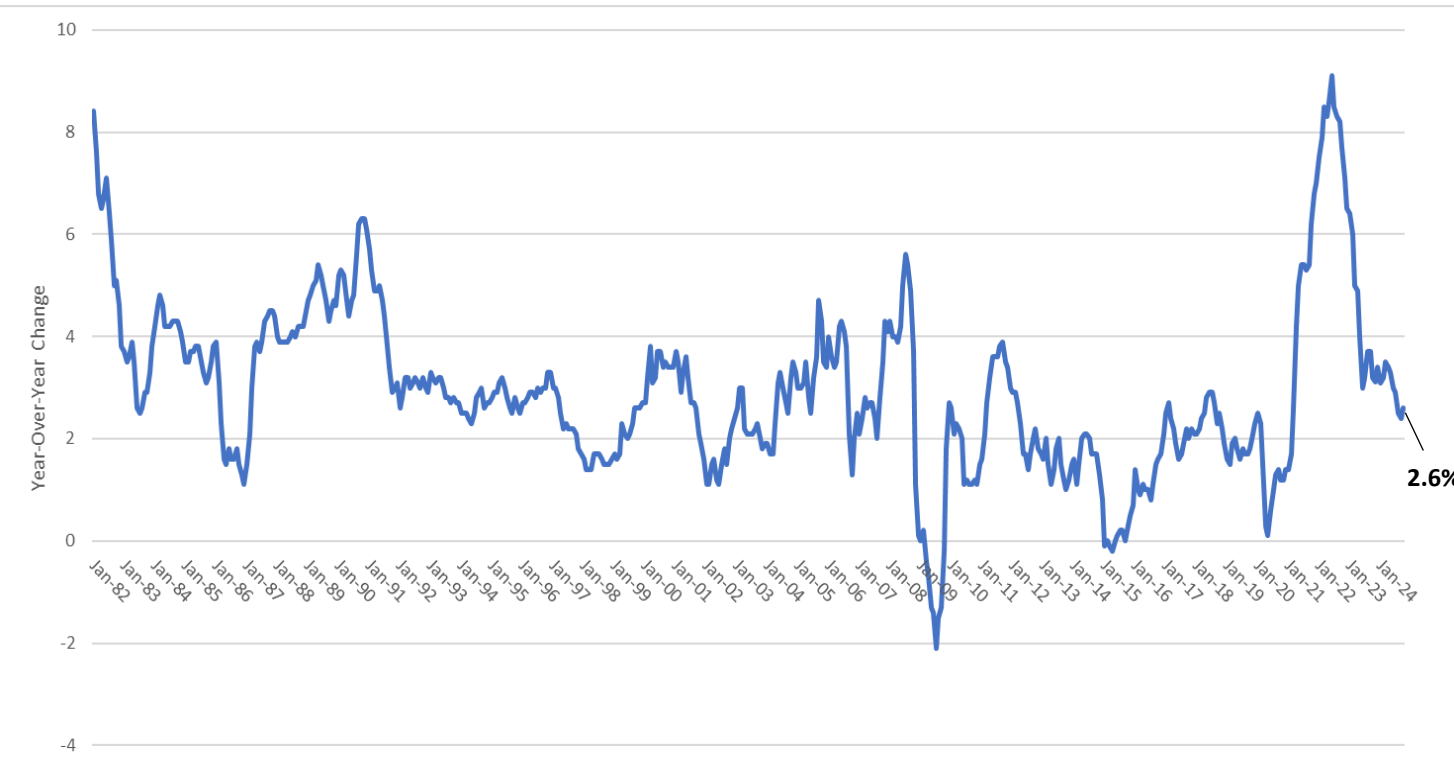
As of November 7, 2024



Inflation

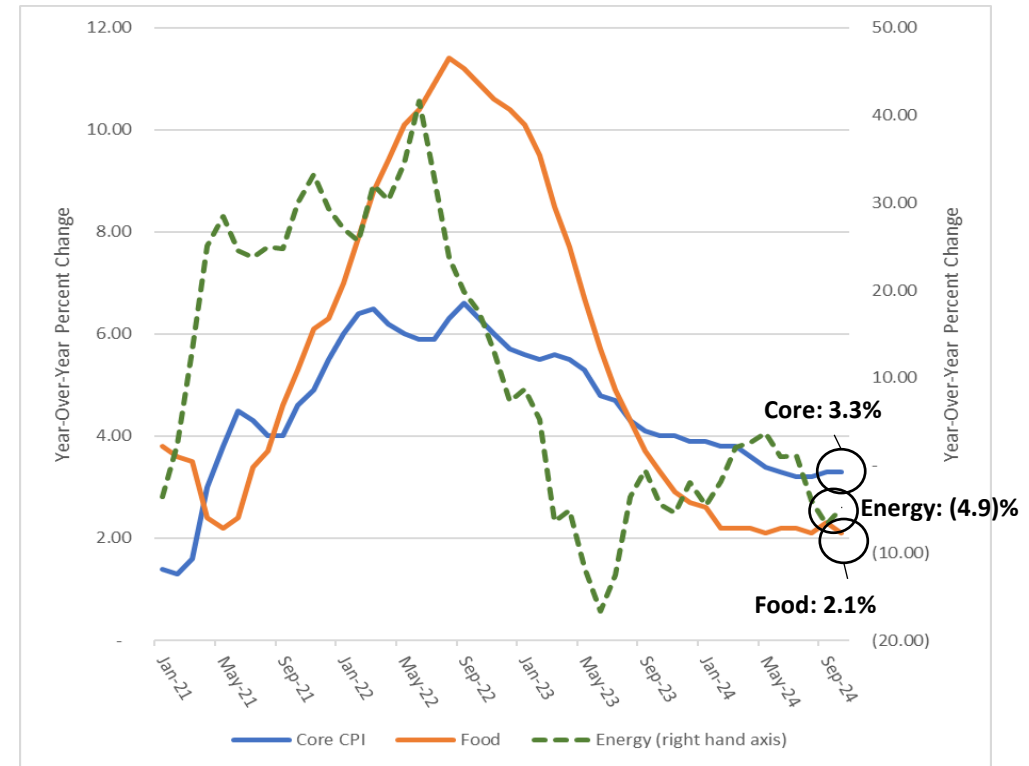
Overall CPI increased to 2.6% YoY from 2.4% YoY in September; Core CPI remained unchanged from September holding at 3.3% YoY. Energy prices are down 4.9% YoY driven by fuel oil (-20.8%), gasoline (-12.4%); partially offset by sustained increases to electricity prices (+4.5%) and utility gas service (+2.0%)

CPI Jan 1982 to October 2024



Source: U.S. Bureau of Labor Statistics

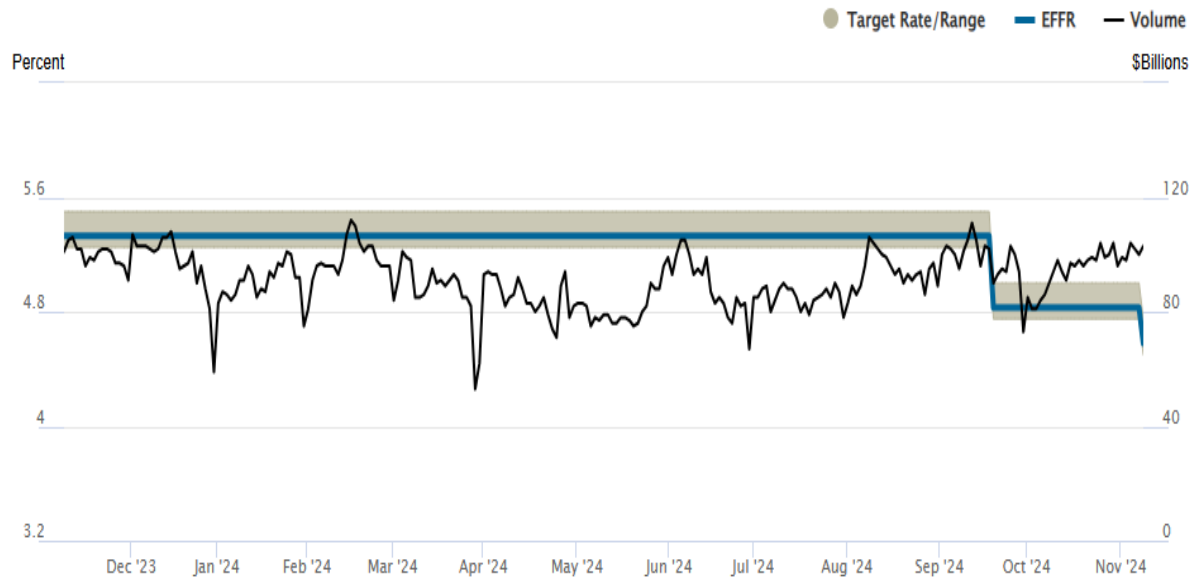
Core CPI, Food and Energy Jan 2021 to October 2024



Source: U.S. Bureau of Labor Statistics

Interest Rates

Federal Funds Rate



Source: Federal Reserve Bank of New York 11/12/2024

10-Year Note



Source: *The Wall Street Journal* 11/12/2024



Community and Member Engagement

JP Urban I Chief Administrative Officer

PEC Awards 9 Community Grants

- \$38,500 in PEC Community Grants will soon be awarded to nine area nonprofit organizations
- Hearty congratulations to this round of recipients!

Organization	Location	Grant Request	Amount Funded
Hill Country Family Services	Boerne	LifeSmart app for active shooter threats	\$5,000
Junction Community After School Program	Junction	New HVAC system	\$5,000
Hats Off for Veterans	Kyle	New computer equipment	\$5,000
Bamberger Ranch Preserve	Johnson City	Construction of new green house	\$5,000
Project MEND	San Antonio	New computer equipment	\$5,000
Highland Lakes Crisis Network	Marble Falls	New AC for shelters	\$5,000
Bulverde Food Pantry	Bulverde	Two new freezers for pantry	\$1,100
The Williamson Museum	Georgetown	New lighting	\$2,400
Candlelight Ranch	Marble Falls	Rainwater barrel	\$5,000

PEC Meets with South Hays County Cities

- On November 7, PEC's External Relations team hosted a What We Do and Why luncheon in partnership with the Kyle Planning Department
- More than 30 guests attended, including city staff from:

Buda	Woodcreek
Kyle	Mountain City
San Marcos	Creedmoor
Wimberley	Niederwald

- Opportunity for PEC and city engineering to connect and learn more about PEC's planning and development processes





Make your holiday merry and bright at PEC's Holiday Lights!

Shining brightly
Friday, November 29
through
Sunday, January 5



Capture the magic with PEC's Holiday Lights Photo Contest!

Submit your best photo of PEC's holiday lights on social media for the chance to win! Complete details online at myPEC.com.



Appreciation and Look Ahead

Employee Shoutouts



**Cassandra
Padilla**

Member Relations
Agent
Oak Hill

**Jennifer
Roberts**

Member Relations
Agent
Marble Falls

**Enrique
Gonzales**

Member Relations
Analyst
Oak Hill

David Landry

Member Relations
Field Technician
Railyard

David Ramirez

Member Relations
Field Technician
Railyard

**These were selected from the hundreds of shoutouts PEC receives each month*



Happy Thanksgiving!

- Report outages 24/7 online or by calling 888-883-3379
- Text “Outage” to 25022
- Make a payment 24/7 online, using the SmartHub mobile app, or by calling 844-886-9798



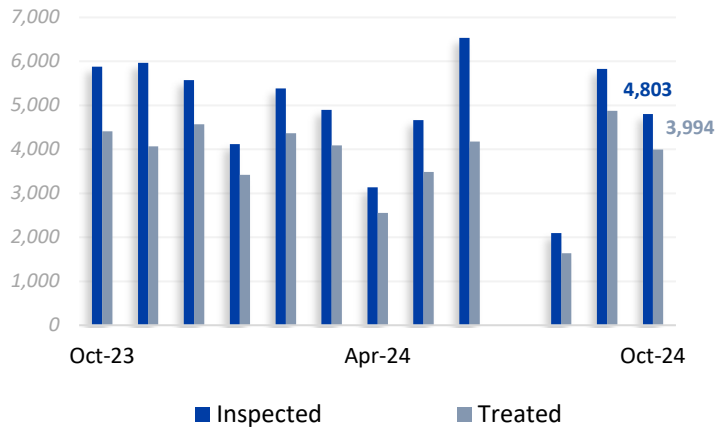
Appendix Pages

Distribution Maintenance

Pole Testing & Treatment (PTT)

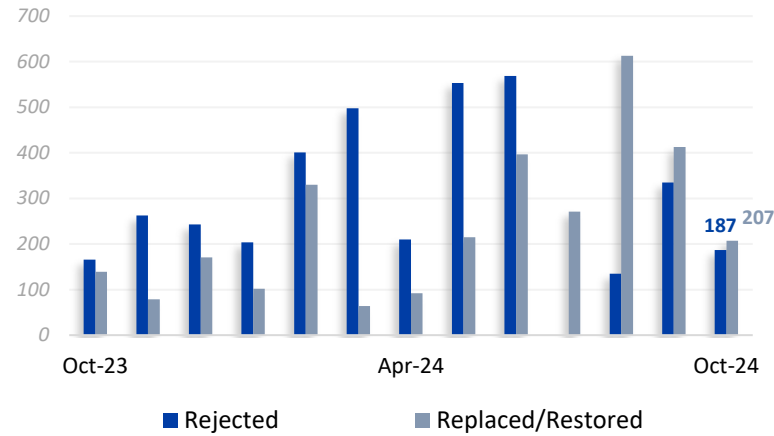
Poles Inspected & Treated

2023 YTD: Inspections - 40,383 Treated - 31,560
 2024 YTD: Inspections - 41,457 Treated - 32,590



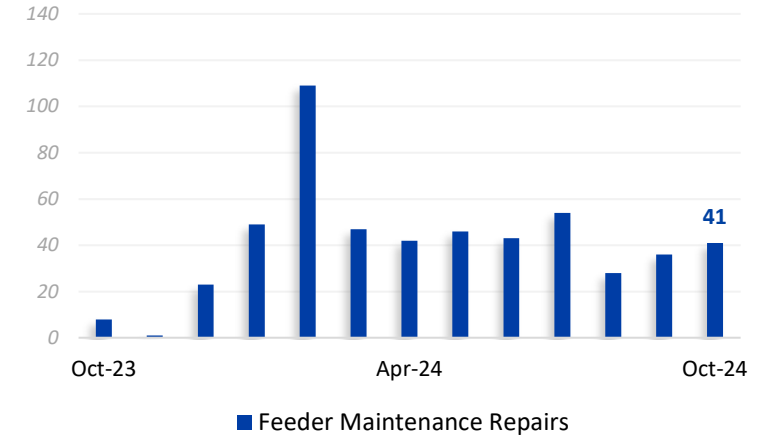
Poles Rejected & Replaced/Restored

2023 YTD: Rejected - 671 Restored - 820
 2024 YTD: Rejected - 3,092 Restored - 2,704



UAV Inspection Maintenance Items

2023 YTD: Repairs Completed - 223
 2024 YTD: Repairs Completed - 495



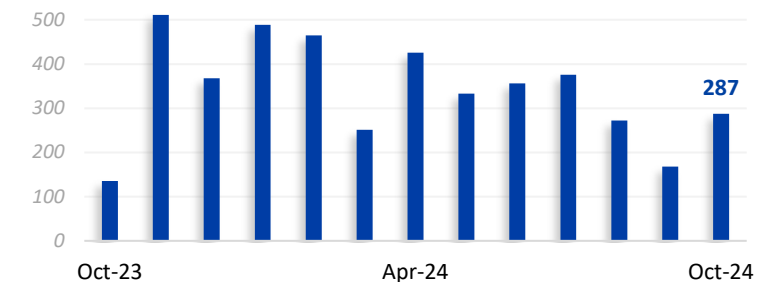
Vegetation Management

LiDAR Assessment Audits Completed:

Type	Oct '23	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct '24
C&D WUI Ph 3	6	49	131	269	217	218	147	101	114	48	60	159	103
C&D WUI Ph 1	1,257	696	681	1,031	1,363	1,288	754	743	548	170	307	585	546
C&D Other Ph 3	164	140	91	125	286	321	207	121	135	91	152	168	140
C&D Other Ph 1	640	552	522	520	1,164	1,204	1,037	744	712	304	456	820	940
All C&D	2,067	1,437	1,425	1,945	3,030	3,034	2,148	1,711	1,510	613	976	1,732	1,730

Underground Equipment

2022 YTD: Pad Restorations - 2,661
 2023 YTD: Pad Restorations - 3,423

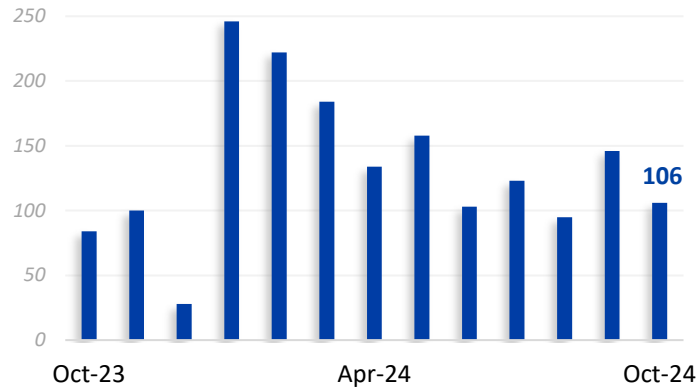


Distribution Maintenance

Technical Services

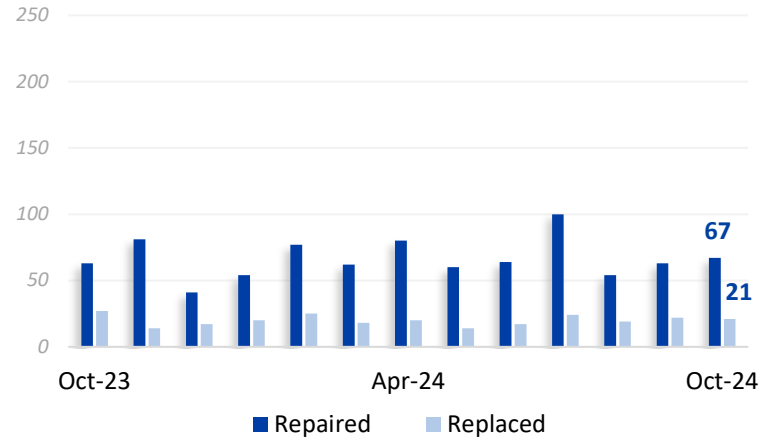
Equipment Inspections

2023 YTD: 1,050
2024 YTD: 1,512



Equipment Repaired & Replaced

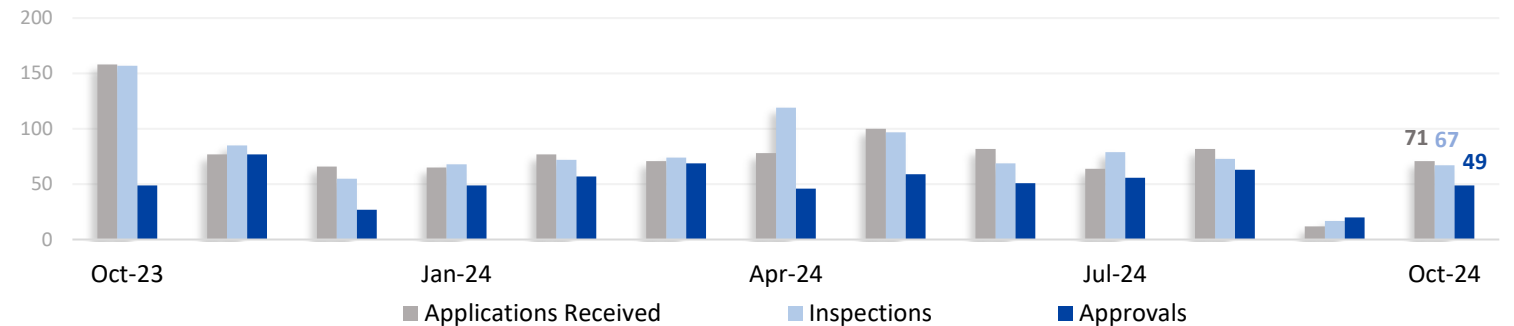
2023 YTD: Repaired - 671 Replaced - 270
2024 YTD: Repaired - 660 Replaced - 200



Pole Contacts

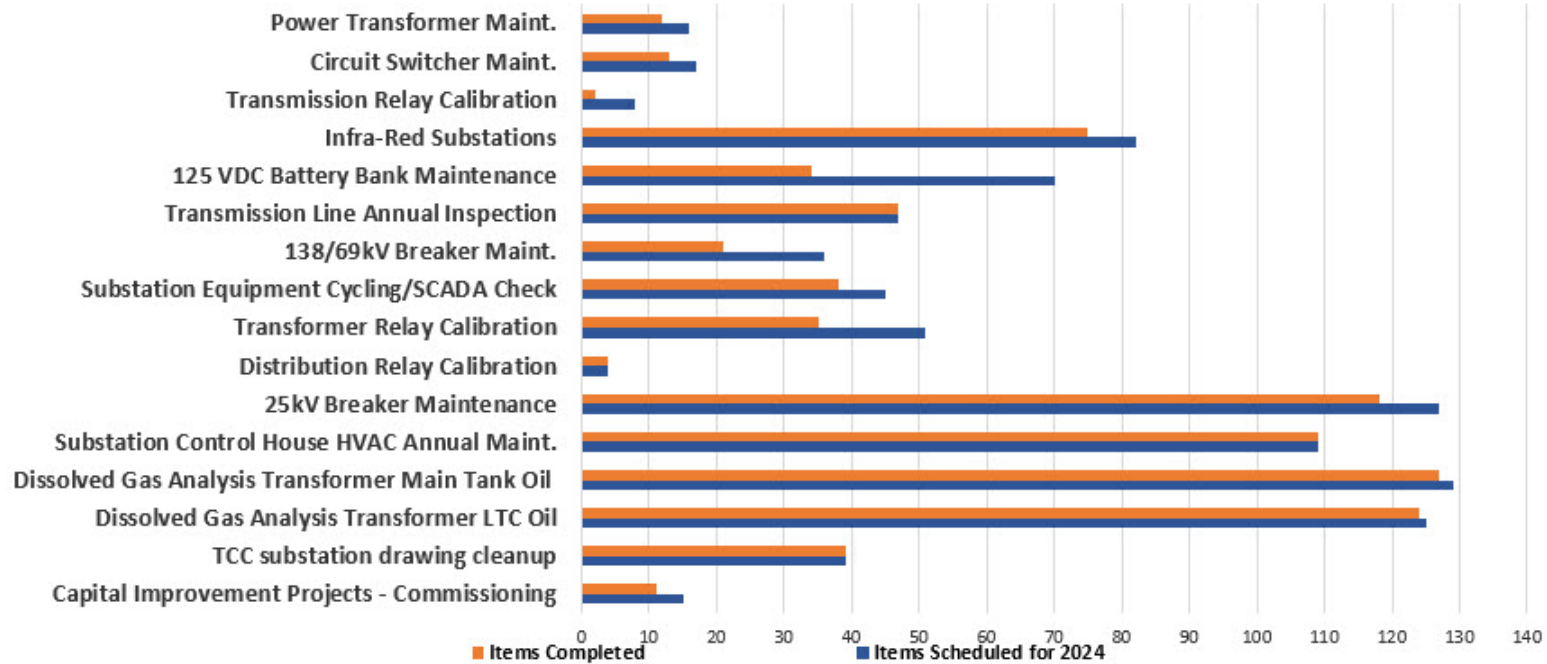
Applications Received & Permits Issued

2023 YTD: Received - 839 Inspected - 826 Approved - 501
2024 YTD: Received - 702 Inspected - 735 Approved - 519



Substation & Transmission Maintenance

2024 Itemized Maintenance By Equipment



2024 Monthly Substation Inspections Completed



2024 Non-scheduled Work Items Completed



2024 Unplanned Repairs Completed



Planning Engineering Projects

Project	Completion	Percent Complete
2024 CIP Project Maps	Feb 2024	100%
PEC System Arc Flash	Feb 2024	100%
Load Projections Study	Mar 2024	100%
Capacitor Settings	Mar 2024	100%
4CP Study	Apr 2024	100%
Summer Contingency	May 2024	100%
UFLS Study	Jul 2024	100%
CIP (1st draft) Study	Jul 2024	100%
2 Year System Protection Coordination Review	Jul 2024	90%
CIP (Final) Study	Aug 2024	100%
Mock UFLS Study	Dec 2024	0%
Winter Contingency	Dec 2024	0%

Large Project Updates

Liberty Hill Fuel Island

Permit complete and construction started. Expected completion November 2024.



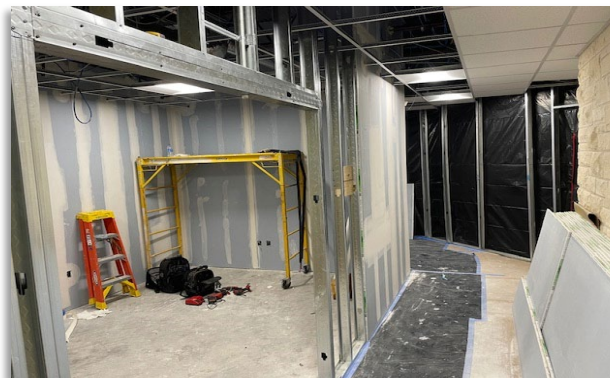
Johnson City - Haley Road

Haley Road laydown yard and truck canopies complete. Completing electrical, security cameras, and signage.



Junction

Site work, fencing, new entrance, Fleet building, and warehouse expansion bid package being completed. Initial bids came in over budget and now evaluating new bids.



Marble Falls

Perimeter fence and new gate complete. Fuel Island in design submitted for permit.

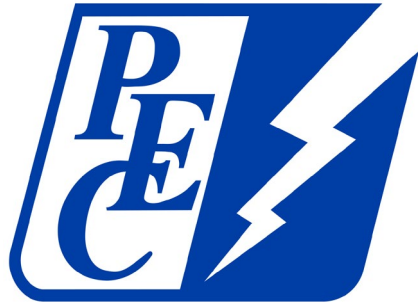
Johnson City - HQ

Phase 2 of the 2nd floor remodel in progress.

Facility Management Metrics

PEC Facilities staff completed 2090 work orders YTD.

	<i>Goal</i>	2024	2023
Avg Response Time	< 1 day	.11 days	.21 days
Completed On-Time	> 90%	76%	84%
Proactive Work Orders	> 80%	95%	96%
Satisfaction Rating	> 95%	94.1%	97.3%



Appendix to October 2024 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

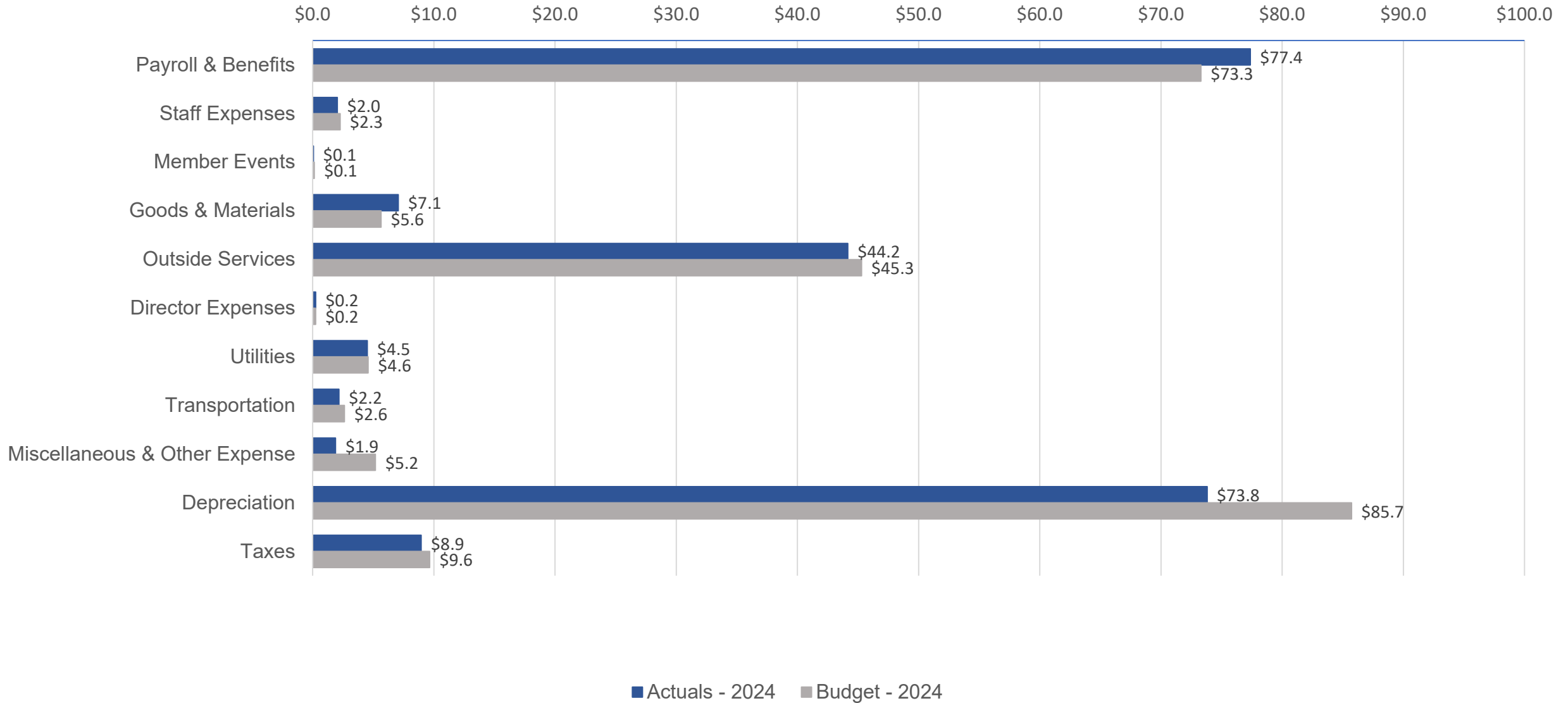
4. Financial Report

Financial Performance

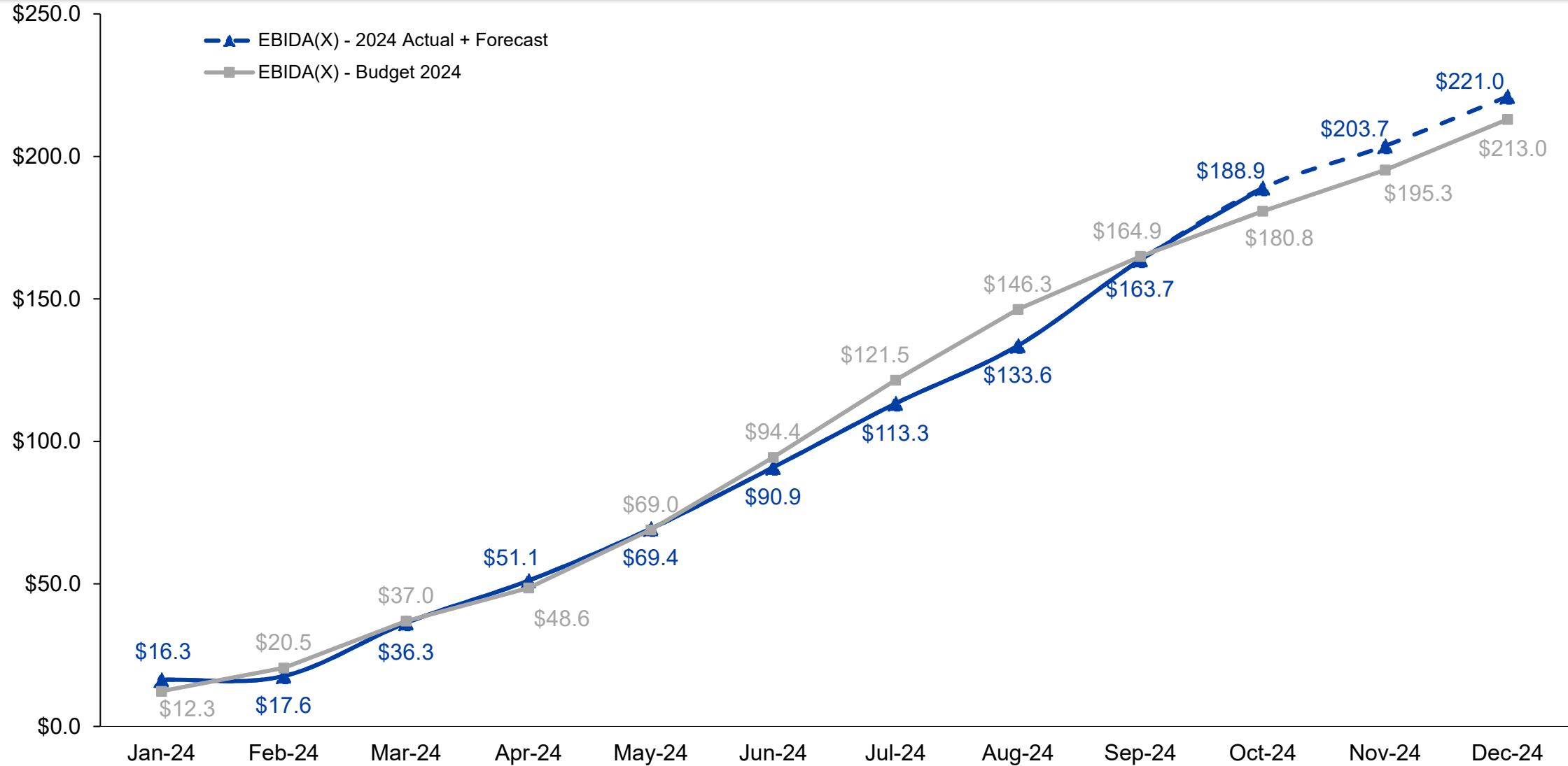
	MTD			YTD			Annual	2023 to 2024 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
Gross Margins	\$ 31,633,025	\$ 29,494,326	\$ 34,266,962	\$ 315,534,895	\$ 311,879,203	\$ 319,032,461	\$ 367,871,381	-1.10%
Operating Expenses Ex. Depreciation	15,284,995	15,409,934	15,882,066	148,431,803	148,877,358	150,416,454	176,911,233	-1.32%
Depreciation	6,553,740	10,512,865	7,164,840	73,807,281	85,724,382	72,668,150	97,994,832	
Interest Expense	4,605,050	4,095,088	3,793,446	43,341,304	40,558,461	36,602,508	48,863,252	
Other Income	(131,985)	(17,000)	(44,965)	(5,845,039)	(4,095,750)	(4,518,765)	(3,996,000)	
Net Margins	\$ 5,321,225	\$ (506,561)	\$ 7,471,575	\$ 55,799,546	\$ 40,814,752	\$ 63,864,114	\$ 48,098,064	
EBIDA	\$ 16,480,015	\$ 14,101,392	\$ 18,429,861	\$ 172,948,131	\$ 167,097,595	\$ 173,134,772	\$ 194,956,148	-0.11%
Over (Under) Collected Revenues	8,737,832	1,760,334	(2,113,835)	15,935,390	13,708,651	1,360,536	18,064,732	
EBIDA(X)	\$ 25,217,847	\$ 15,861,726	\$ 16,316,026	\$ 188,883,521	\$ 180,806,246	\$ 174,495,308	\$ 213,020,880	
Total Long-Term Debt							\$ 1,206,954,034	
Debt Service							77,884,327	
Debt Service Coverage Ratio							2.80	
Equity as Percent of Assets							38.7%	
Net Plant in Service							\$ 2,122,214,034	
Capital Improvement Spend							\$ 217,170,576	
Energy Sales kWh	653,658,686	560,573,131	558,099,704	6,806,302,180	6,517,701,322	6,595,397,863	7,664,375,440	3.20%
Energy Purchases kWh	695,381,581	595,728,937	604,248,800	7,240,747,000	6,926,695,149	7,052,008,646	8,153,590,900	2.68%
Active Accounts				422,716	419,962	401,359	422,675	5.32%

Cost of Service (in millions)

YTD Actuals vs Budget through October 2024



EBIDA(X) Year to Date (in millions)



CIP Spend

Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
Distribution					
100	New Lines (Line Extensions for new primary, secondary and service lines)	\$ 4,306,170	\$ -	\$ (4,306,170)	\$ -
200	Tie Lines (new construction between existing lines)	6,466,722	7,160,984	694,261	8,631,846
300	Conversions or Line Changes	16,522,735	16,905,071	382,335	20,252,150
600	Miscellaneous Distribution Equipment	61,275,908	46,797,520	(14,478,387)	53,547,799
700	Other Distribution Items	406,017	392,237	(13,780)	471,515
Distribution Total		\$ 88,977,552	\$ 71,255,812	\$ (17,721,740)	\$ 82,903,310
Substation					
400	New Substations, Switching Stations and Meter Points	\$ 21,332,699	\$ 26,870,825	\$ 5,538,126	\$ 29,615,812
500	Substations, Switching Stations and Meter Point changes	20,549,036	26,990,774	6,441,738	35,631,645
Substation Total		\$ 41,881,736	\$ 53,861,599	\$ 11,979,863	\$ 65,247,457
Transmission					
800	New Transmission Lines	\$ 1,018,844	\$ 525,962	\$ (492,882)	\$ 563,462
1000	Line and Station Changes	29,548,354	26,431,512	(3,116,842)	32,698,127
Transmission Total		\$ 30,567,198	\$ 26,957,474	\$ (3,609,724)	\$ 33,261,589
General Plant					
2000	Facilities	\$ 4,574,430	\$ 17,891,791	\$ 13,317,361	\$ 21,461,276
3000	Information Technology	2,566,515	4,596,371	2,029,856	5,536,944
4000	Tools & Equipment	678,591	676,667	(1,924)	760,000
5000	Vehicles	6,798,478	6,666,667	(131,811)	8,000,000
Total General Plant		\$ 14,618,014	\$ 29,831,495	\$ 15,213,481	\$ 35,758,220
Accrued WIP		\$ 4,021,042	\$ -	\$ (4,021,042)	\$ -
Total Capital Improvement Plan Spend		\$ 180,065,542	\$ 181,906,380	\$ 1,840,838	\$ 217,170,576



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