



# 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

# Regulatory Update: PUC

PUC is scoping the roadmap for implementation of SB6 legislation

Rulemaking projects that include:

- Rulemaking for Net Metering Arrangements Involving Large Load Co-Located with an Existing Generation Resource
- Rulemaking to Establish Large Load Forecasting Criteria
- Rulemaking to Implement Large Load Interconnection Standards
- Rulemaking to Develop a Reliability Service to Competitively Procure Demand Reductions from Large Loads
- Evaluation of Transmission Cost Recovery



# ERCOT Update

On July 28, the ERCOT Board Selection Committee announced William “Bill” Mohl to serve on ERCOT’s 12-member Board of Directors

- Has more than 40 years experience in electric and gas utilities in both public and private companies



**Bill Mohl**  
ERCOT  
Board Director

ERCOT completed summer weatherization inspections at nine PEC substations and found no material non-compliance as a result of their review



# TEC 85<sup>th</sup> Annual Meeting

- TEC Annual Meeting provided the opportunity to network with other cooperative leaders and hear a variety of reports, including:
  - PUC update from Chairman Thomas Gleeson
  - Government relations report from TEC staff
  - Interaction with other cooperatives and their directors and staff



**Texas Electric  
Cooperatives**

A Touchstone Energy® Cooperative 

**Texas Electric Cooperatives**  
**Annual Meeting**  
**August 3 – 6**  
**Austin**

# Know How to Spot Utility Scams



## PEC will never:

- ✗ Ask you to pay with a prepaid card or payment app such as Cash App, Venmo, or Zelle. PEC's official app is SmartHub, which you can use to access your account.
- ✗ Call from an out-of-state number.
- ✗ Instruct you not to call any PEC number to make a payment.
- ✗ Have a technician call you to say they are coming to disconnect your power.
- ✗ Request a cash payment at your home or business.
- ✗ Try to sell you products or services by phone or door-to-door, including solar panels, energy audits, and "important energy-saving initiatives."
- ✗ Partner with third-party home service companies.



## PEC will:

- ✓ Make recorded courtesy calls and direct you to our secure payment line at 855-938-3589.
- ✓ Use a credit bureau called Collection Services for delinquent balances on closed accounts. You can reach Collection Services to verify calls at 800-286-2487.
- ✓ Send field agents to collect payments — never in cash — at residential and commercial locations.

### WHO YOU SHOULD CALL:

- Confirm an identity: 888-554-4732
- Secure payment line: 855-938-3589
- Collection Services: 800-286-2487



# PEC Employees Brighten Back-to-School

- Together, PEC's employees helped teachers and classrooms shine through our annual Fill the Bucket school supply drive
- Over 2,600 supplies were donated by PEC employees!
- Supplies have been donated to schools across our service territory





# August Quarterly Report

## Eddie Dauterive | Chief Strategy Officer

# 2021-2026 Strategic Plan

Board of Directors' Goals and Objectives  
that outline long-term planning:

- Five Goal categories
- Fifteen Objectives within the categories

Completing the 2021-2026 Strategic Plan:

- Over the last five years, a total of **261 annual initiatives** were set to achieve the Goals and Objectives
- Accomplishments in those objectives are demonstrated through aligned KPI performance metrics
- 2025 KPI Period One: achieved 18 scores out of 19 individual metrics (13 platinum)

## PEC 2021-2026 Strategic Plan

Goal Categories	# of Objectives	# of Initiatives
1. Maximize Value to Our Membership	3	44
2. Achieve Operational Excellence	4	70
3. Protect the Financial Health of the Cooperative	3	54
4. Pursue Workforce Optimization	2	48
5. Advance Tactical Safety and Security	3	45

# 2021-2026 Strategic Plan

## Major Accomplishments

Notable completions through the 261 initiatives:

**SMS Capability and Chat**

**Website Redesign and URL**

**Consolidated Contact Centers**

**Online Member Applications**

**AMI Deployment**

**LIDAR Vegetation Scanning**

**OMS Upgrades**

**Engineering Standards Guide**

**Rate Stability Practices**

**UI Budgeting Tools**

**On-boarding and Cross-boarding Tools**

**100% Utilization of the TTC**

**Continuous Journeyworker Education**

**TCC Construction, Operations, and Compliance**

**Transmission Cost of Service Development**

**Cyber Security Program**

# 2026-2030 Strategic Plan Execution

PEC is moving into the next phase of strategic planning

## Theme: Building Scale

A common theme discussed during leadership discussions that can be applied to many strategic objectives in financial decisions, technology utilization, and operational logistics.

Specific areas identified to apply this concept:

- Operational efficiencies
- Insurance strategies
- Rate-to-fee transfers
- Asset management
- Supply chain improvements
- Optimizing technology spend
- Debt service costs
- Enterprise systems

## Theme: Business Continuity

Additional initiatives will be found through further theme-based discussions with PEC leadership.

Continuity can include:

- System resiliency
- Disaster recovery
- Incident response
- Succession planning

# Planning Through 2025

## Executing the 2026-2030 Strategic Plan

Theme-based and other critical initiatives will be evaluated through cost benefit analysis and tracked through PEC's strategic program. These discussions will align with 2026 budget preparations that are underway. A summary of stages to execution follow:

- May 2025:** Final Resolution for PEC's 2026-2030 Plan
- Jun. 2025:** Reviewed Building Scale initiatives
- Jul. 2025:** Initiated utility systems and integration review
- Aug. 2025:** Further Leadership engagement of strategic themes and budgeting review
- Oct. 2025** Board review sessions for the 2026 budget
- Nov. 2025:** Board preview of 2026 Corporate Initiatives and 2026 KPI Plan
- Dec. 2025:** Board approval of 2026 Corporate Initiatives and 2026 KPI Plan



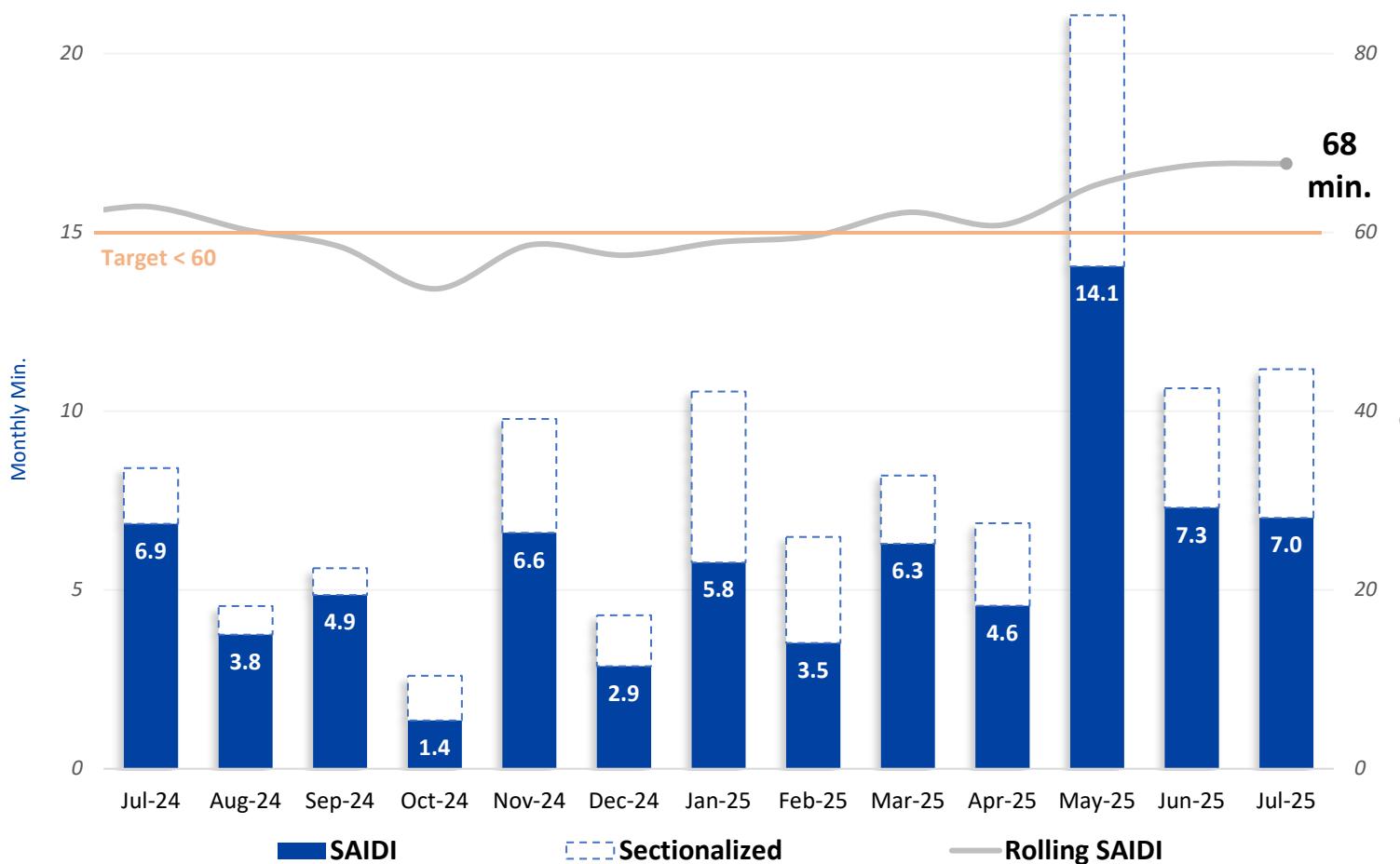
# Operations Report

Nathan Fulmer | Chief Operations Officer -  
Distribution

# Reliability

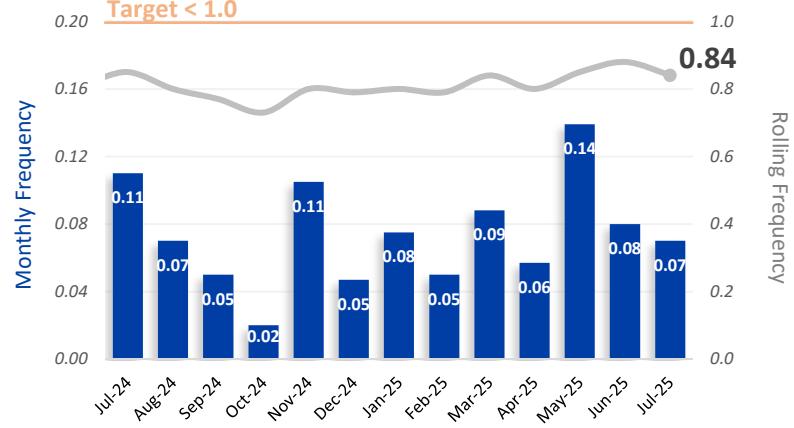
## SAIDI System Average Interruption Duration Index

TX Avg SAIDI in 2023 = **150.3 min.** reported by the Dept. of Energy



## SAIFI System Average Interruption Frequency Index

Target < 1.0



## CAIDI Customer Average Interruption Duration Index

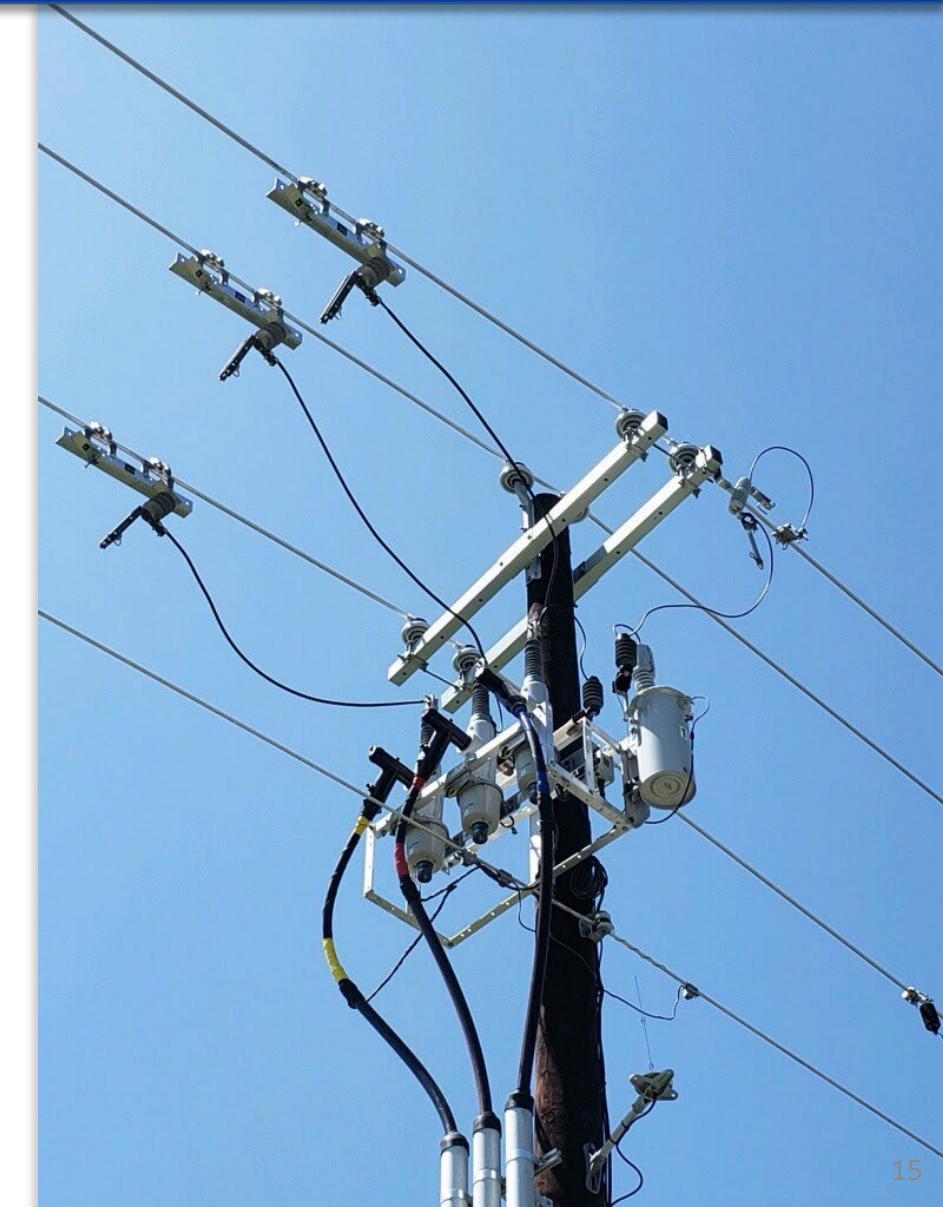
Target < 90



# Required One-Shot Settings

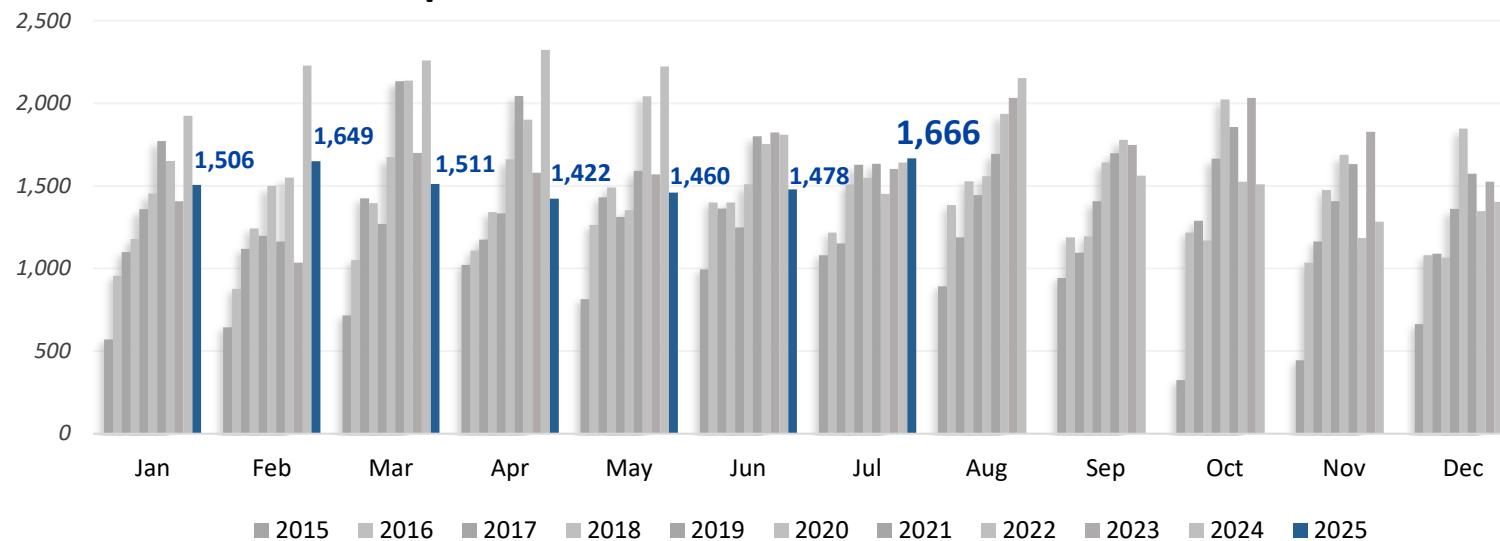
Recloser safety settings, “One-Shots” and “Hot-Line Tags,” are used daily across the cooperative to protect workers and equipment during normal operations, as well as in PEC’s Wildfire Mitigation and Prevention Program:

- A recloser is a switch designed to detect and interrupt transient faults.
- Up to 80% of faults are transient, such as lightning, surges, or foreign objects contacting lines, and these transient faults can be resolved by a simple automated reclose operation.
- With these one-shot safety settings activated, the recloser will not automatically re-energize.
- PEC operates **458** SCADA-controlled reclosers that can be remotely set to one-shot as well as roughly **4,260** other types of reclosers to be manually set to one-shot when crews are working on, or near, energized lines in accordance with PEC’s Safety Manual.
- While SAIDI minutes are added when set to one-shot, it is a necessary trade-off for crew safety and system protection.

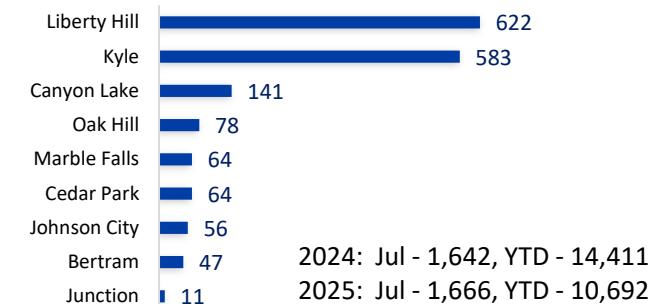


# System Growth

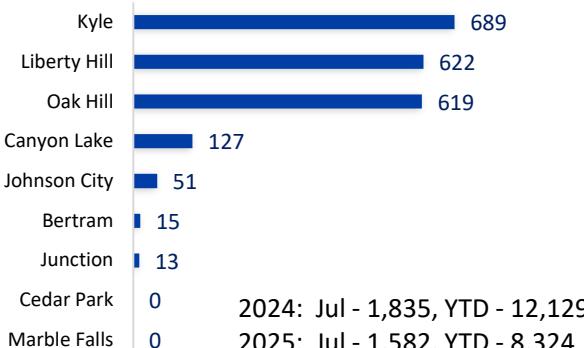
## Line Extensions Completed



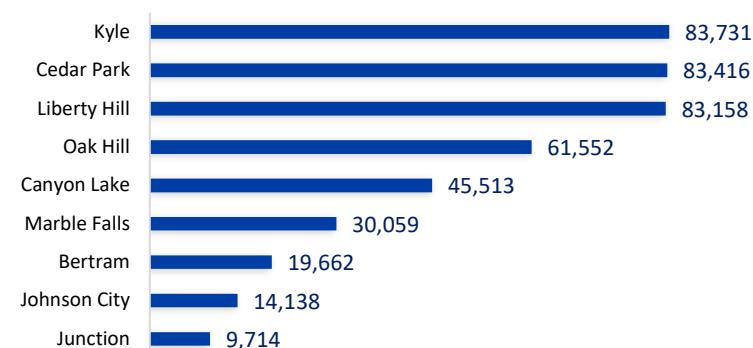
## Line Extensions by District



## Meter Growth (1,582)



## Meter Totals (430,943)



## Commercial & Industrial

### Accounts and Consumption YTD



# Safety + Technical Training Update

## Department Highlights

### 1. Training and Classes

- Completed a Year-4 class of six students, all six intend to continue their education with upcoming training sessions on Advanced Transformers and Confined Space Entry in August.

### 2. Field Assessments

- Completed two Level Two-to-Three, three Level Three-to-Four, and one Level Four-to-Journeyworker. Also completed two pre-employment assessments.

### 3. Texas Lineman's Rodeo

- The team oversaw participation, which resulted in favorable outcomes for the apprenticeship division.

### 4. Community Engagement

- The team also assisted External Relations with Education Exploration by hosting High School Career and Technical Education (CTE) teachers for a facility tour, fostering community engagement and promoting future talent.

## Apprentice Spotlight



**Cameron "Woody" Wall**  
Lineworker  
Apprentice 4  
*Johnson City*

Woody demonstrated exceptional dedication during his Year-4 class, achieving a perfect score on all tests, completing all required competencies, and delivering an outstanding presentation on the use of Insulating Protective Equipment (IPE) and Personal Protective Equipment (PPE).

His presentation emphasized the vital roles these protective devices play, where PPE safeguards the worker, and IPE protects equipment, both are essential for ensuring safety in electrical work.



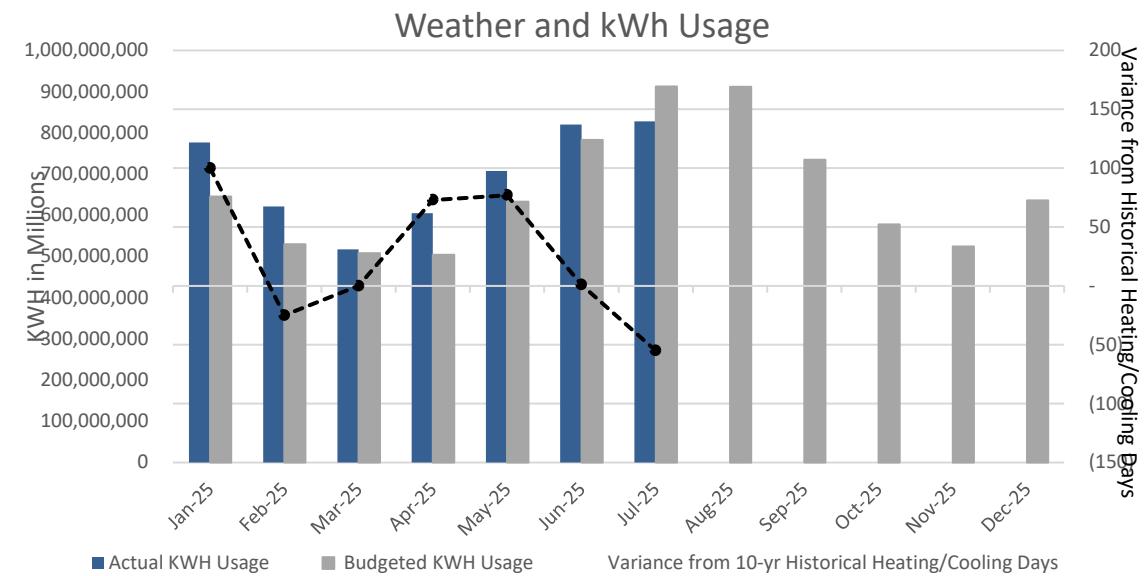
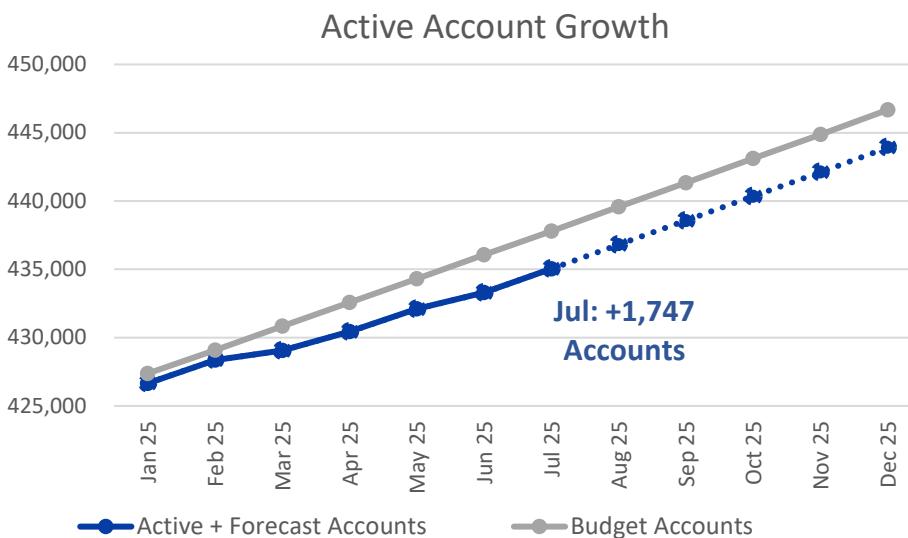
# July 2025 Financial Report

## Randy Kruger | Chief Financial Officer

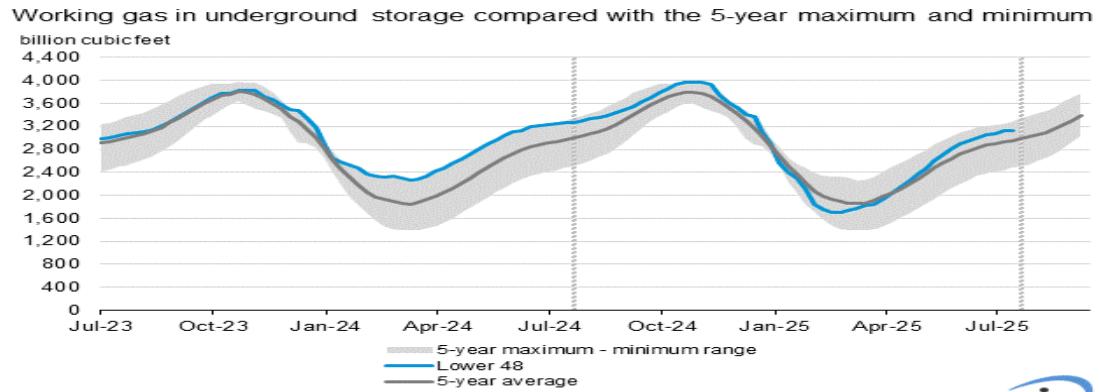
# Finance at a Glance – July 2025

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	828,313	912,598	(84,285)	4,876,896	4,516,945	359,951
Gross Margins	\$ 35.9	\$ 39.4	\$ (3.5)	\$ 235.0	\$ 230.1	\$ 4.9
Net Margins	\$ 9.6	\$ 12.2	\$ (2.6)	\$ 45.9	\$ 39.2	\$ 6.7
EBIDA	\$ 20.8	\$ 23.9	\$ (3.1)	\$ 124.3	\$ 119.3	\$ 5.0
Revenue O/(U)	\$ 0.2	\$ (0.9)	\$ 1.1	\$ 22.1	\$ 0.5	\$ 21.6
EBIDA(X)	\$ 21.0	\$ 23.0	\$ (2.0)	\$ 146.4	\$ 119.8	\$ 26.6

	Liquidity Coverage
Cash & Marketable Securities	\$ 29,481,855
Short Term Facilities	605,000,000
Less: Short Term Borrowings	164,215,688
Available Liquidity	\$ 470,266,167
<b>Liquidity Coverage (Days)</b>	<b>198</b>



# Power Market Fundamentals

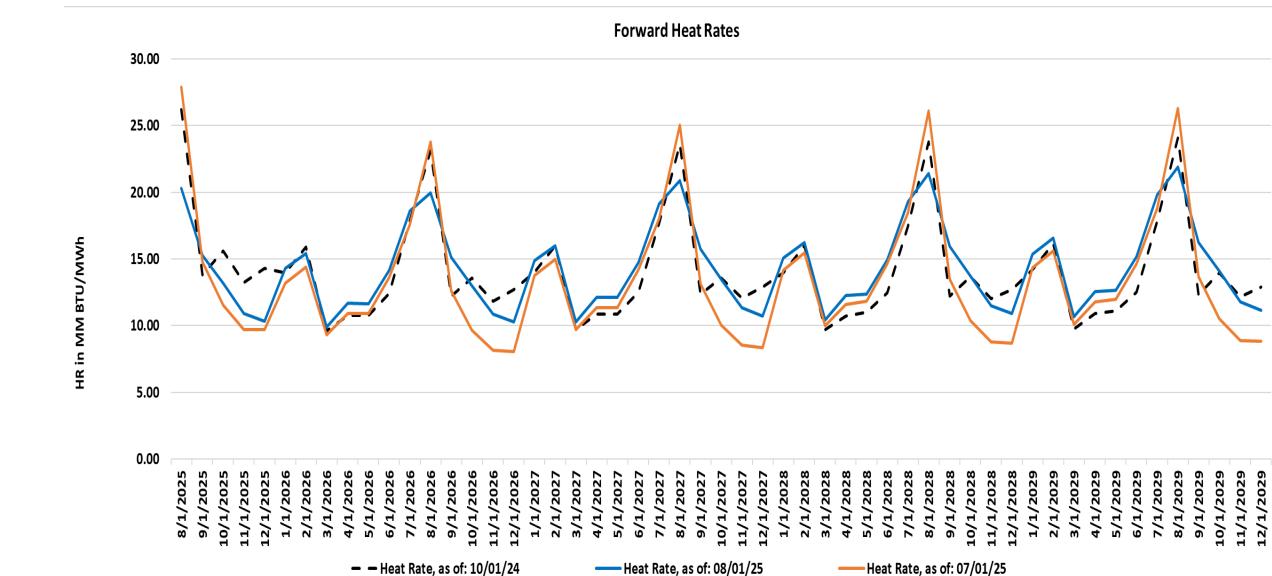
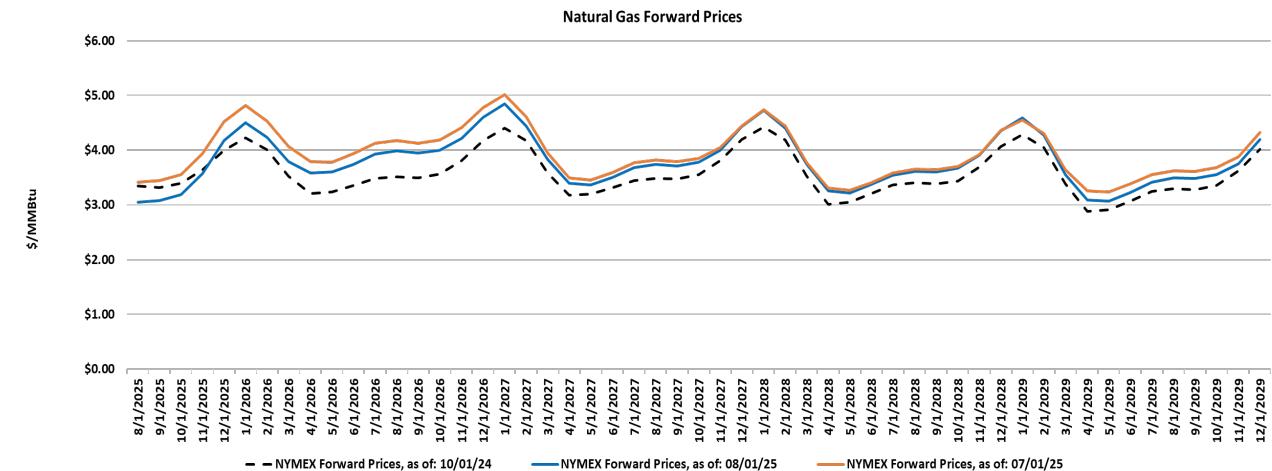
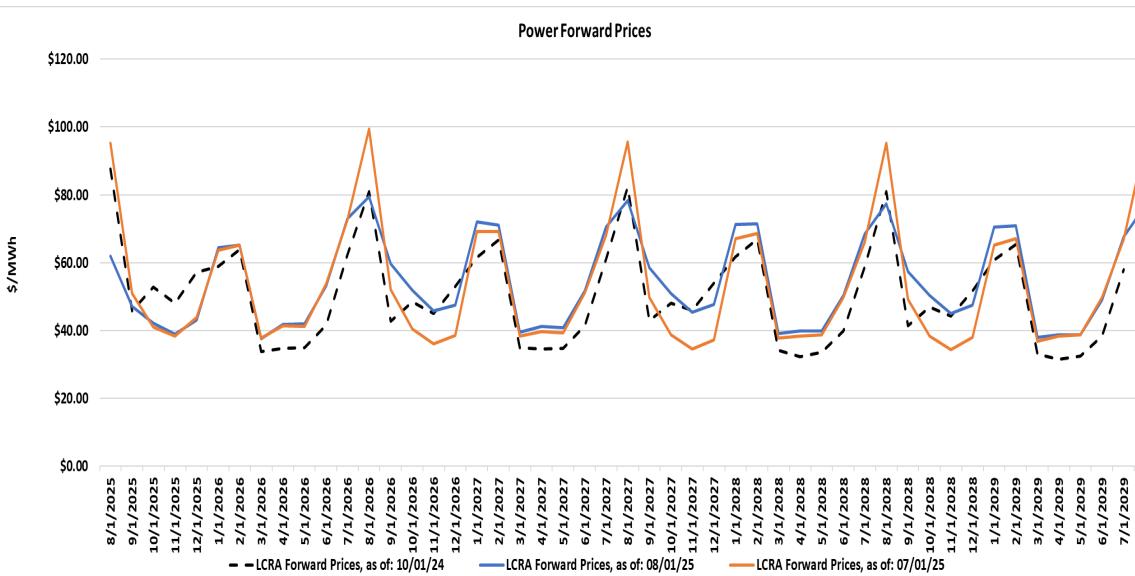


Data source: U.S. Energy Information Administration

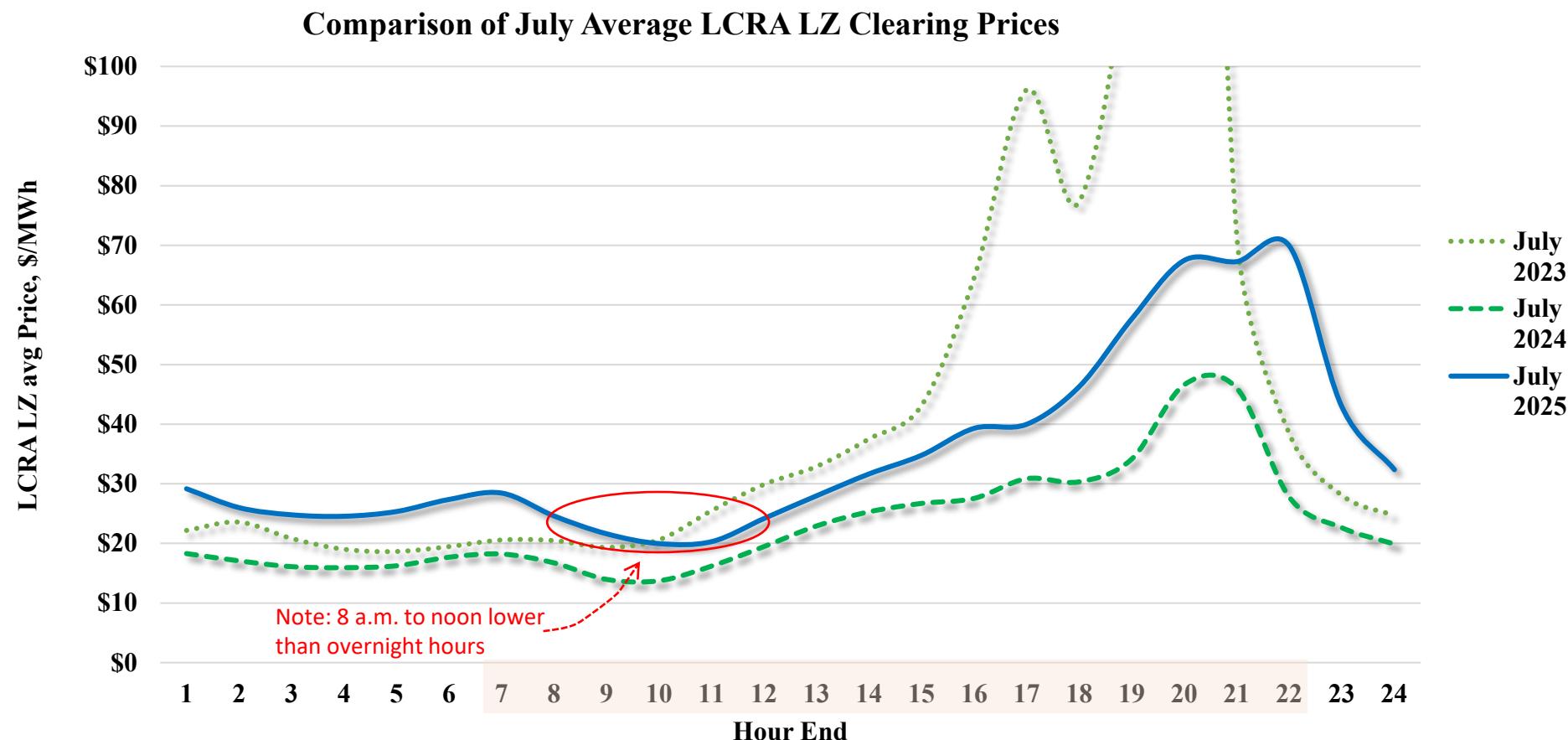
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2020 through 2024. The dashed vertical lines indicate current and year-ago weekly periods.



As of August 1, 2025



# Historical July Settled Prices 2023 to 2025

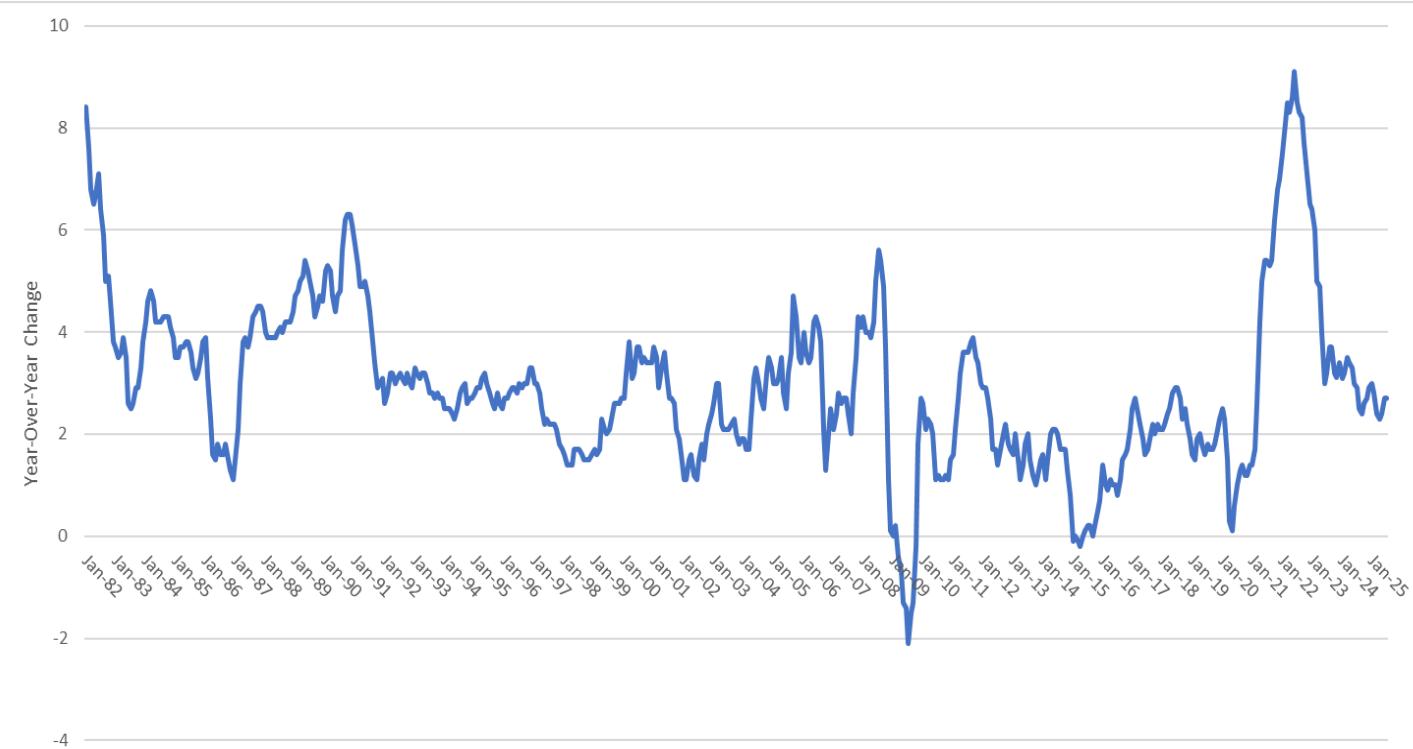


- 9 GW of batteries and 14 GW solar additions 2023 to July 2025 while peak demand has remained relatively flat
- Peak prices shifting out of periods of solar irradiance
- 2025 8:00 a.m. to noon cheaper than overnight hours

# Inflation

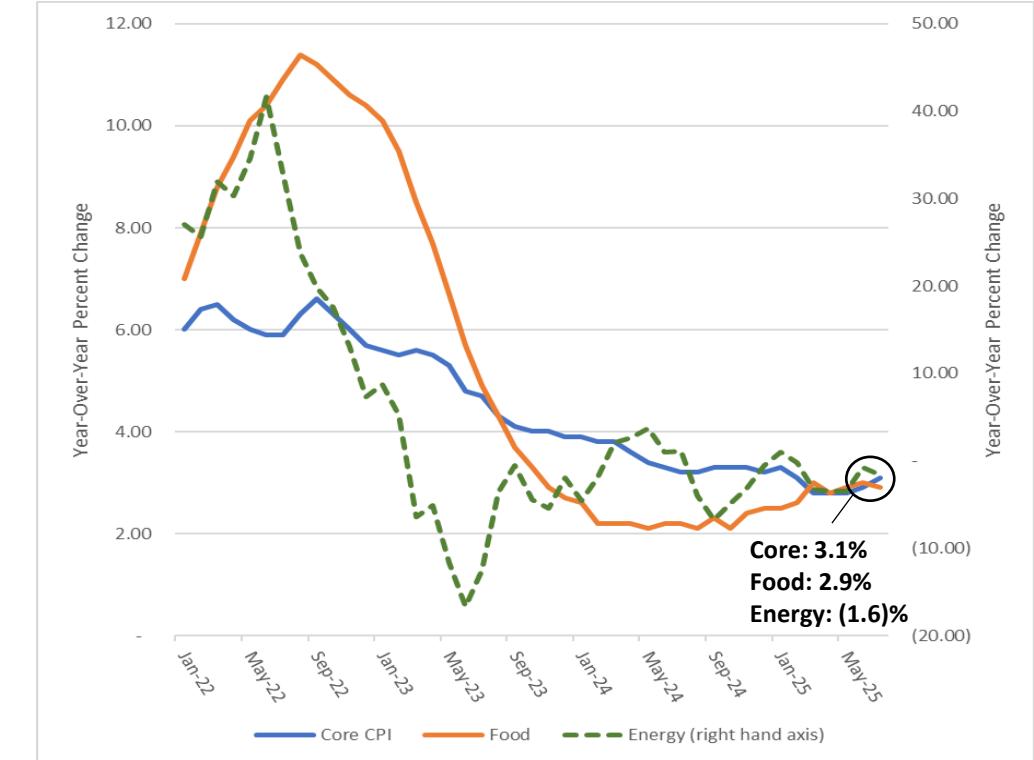
Overall CPI unchanged at 2.7% YoY from 2.7% YoY in June; Core CPI increased to 3.1% YoY from 2.9% YoY in June. Energy prices were down -1.6% YoY driven by gasoline (-9.5%) and fuel oil (-2.9%); partially offset by utility gas service (+13.8%) and sustained increases to electricity prices (+5.5%).

**CPI Jan 1982 to Jul 2025**



Source: U.S. Bureau of Labor Statistics

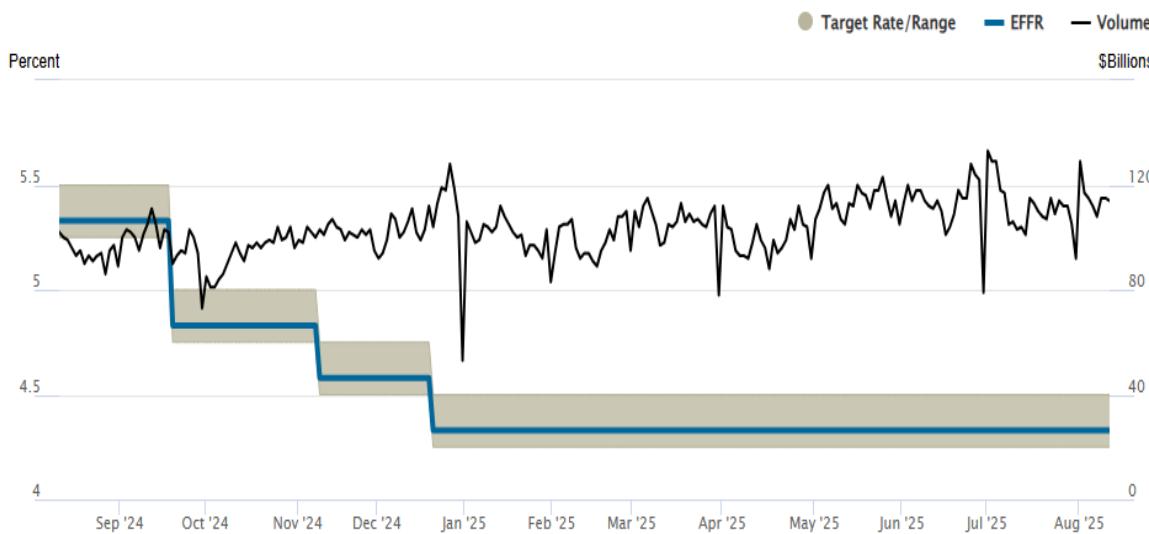
**Core CPI, Food and Energy**  
**Jan 2022 to Jul 2025**



Source: U.S. Bureau of Labor Statistics

# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York 08/13/2025

## 10-Year Note



Source: *The Wall Street Journal* 08/13/2025



# CAO Report

## JP Urban | Chief Administrative Officer

# Member Relations Report

## August Member Relations Metrics

- Calls handled: 22,163
- Chats handled: 1,727
- Applications for existing service
  - Online: 3,965 (35%)
  - Phone: 7,415 (65%)
- Member experience satisfaction rating: 4.64 out of 5
- Member experience first contact resolution: 92.09%
- 94.92% of members say they would enjoy working with the same agent again



# Nominate a Power Player

- Power Player is a new youth-focused program to recognize local high school athletes who excel in and out of the game
- Nominations open through September 19 at [myPEC.com/power-player](http://myPEC.com/power-player)
- Power Players will be recognized at an upcoming pep rally or game
- Part of the Co-op's Pathway to PEC program



# Kids Enjoy Eggcellent STEM Event

- More than 200 families joined PEC at recent Camp Save-A-Watt Meet-a-Lineworker events!
  - Our youngest members put physics to the test with an egg drop challenge
  - Tried on lineworker gear and practiced using tools
  - Egg drops will continue at schools and throughout the community this year





# Appreciation and Look Ahead

# Employee Shoutouts\*



**Steve Courtney**

Vegetation  
Maintenance  
Specialist 2  
*Kyle*

**Jeremy Nutt**

Electrical  
Distribution  
Designer  
*Cedar Park*

**Dobie New**

Journeyworker  
*Liberty Hill*

**Rosie Vasquez**

Member Relations  
Analyst  
*Junction*

**Jackie Durham**

Member Relations  
Agent 2  
*Marble Falls*

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

# Offices Closed September 1 for Labor Day



## Report an Outage 24/7

- Text “Outage” to 25022
- Call 888-883-3379

## Pay Online 24/7

- [pec.smarthub.coop](http://pec.smarthub.coop)
- SmartHub mobile app



# Appendix Pages



# Appendix to July 2025 Distribution Operations Presentation to the Board

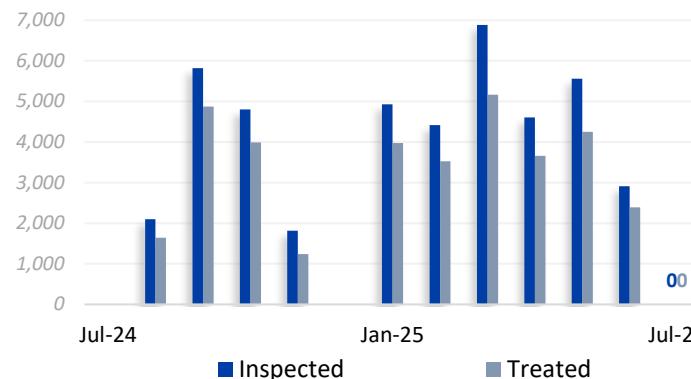
**Nathan Fulmer | Chief Operations Officer - Distribution**

# Maintenance & Technical Services

## Pole Testing & Treatment (PTT)

### Poles Inspected & Treated

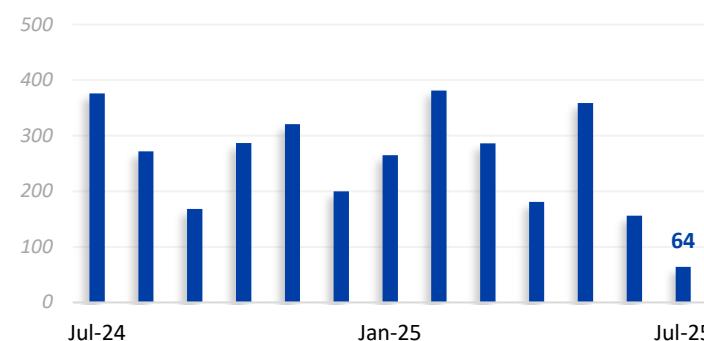
2024 YTD: Inspections - 28,731   Treated - 22,082  
2025 YTD: Inspections - 29,315   Treated - 22,975



## Underground Equipment

### Pad Restorations

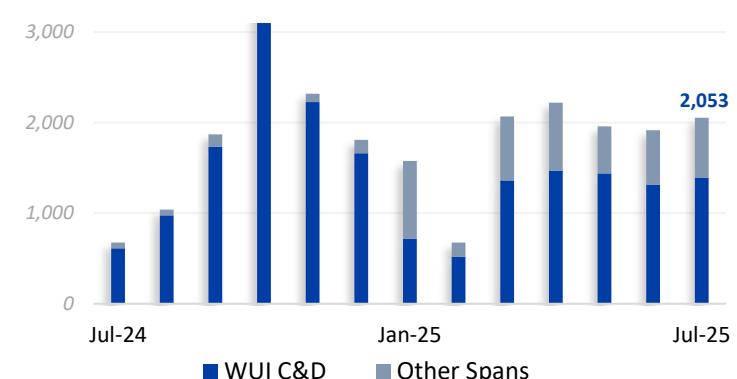
2024 YTD: 2,696  
2025 YTD: 1,929



## Vegetation Management

### Span Clearings

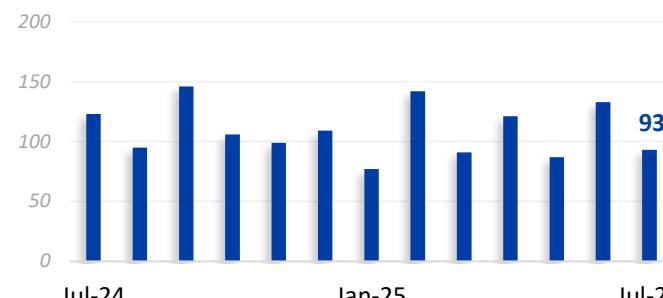
2024 YTD: Encroachments Completed - 14,676  
2025 YTD: Encroachments Completed - 12,471



## Technical Services

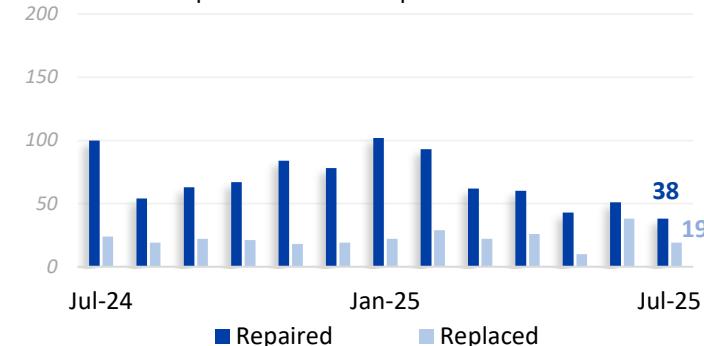
### Equipment Inspections

2024 YTD: 1,170  
2025 YTD: 744



### Equipment Repaired or Replaced

2024 YTD: Repaired - 497   Replaced - 146  
2025 YTD: Repaired - 449   Replaced - 166



# Planning Engineering Projects

Project	Completion	Percent Complete
Load Projection Study	Feb 2025	100%
2025 CIP Project Maps	Feb 2025	100%
Capacitor Settings	Mar 2025	100%
4CP Study	Apr 2025	100%
Summer Contingency	May 2025	100%
UFLS Study	Jul 2025	100%
CIP (1 <sup>st</sup> Draft) Study	Jul 2025	90%
CIP (Final Draft) Study	Aug 2025	10%
Mock UFLS Study	Dec 2025	0%
20-Year Plan Study	Dec 2025	20%
Winter Contingency	Dec 2025	0%

# Facilities

## Large Project Updates

### Johnson City - Haley Road Phase II Yard Expansion

General Contractor selected with agreement preparation underway. Construction to start in August with December 2025 completion



### Junction District

Facility construction continues with mechanical, electrical, and plumbing infrastructure install underway. Fleet building completion expected by end of April and the warehouse by mid-November.



### Liberty Hill Materials Yard Expansion

RFP responses reviewed final negotiations with GC is underway. Award expected by mid-August and construction start in early September. Completion forecasted for EOY 2025.

### Kyle Yard Base Stabilization

All phases complete with punch list underway. Expect final completion by mid-August.



### Marble Falls Fuel Island

Completion and release to Operations by mid-August

### Generator Refreshing

Replacement of end-of-life back-up generators at Kyle, Cedar Park, Bertram, Canyon Lake, and Haley Rd is underway. Currently evaluating proposals for design work. Actual replacement to begin in Q4 of 2025 with completion in 2026.



# Appendix to July 2025 Financial Presentation to the Board

**Randy Kruger | Chief Financial Officer**

# Financial Performance

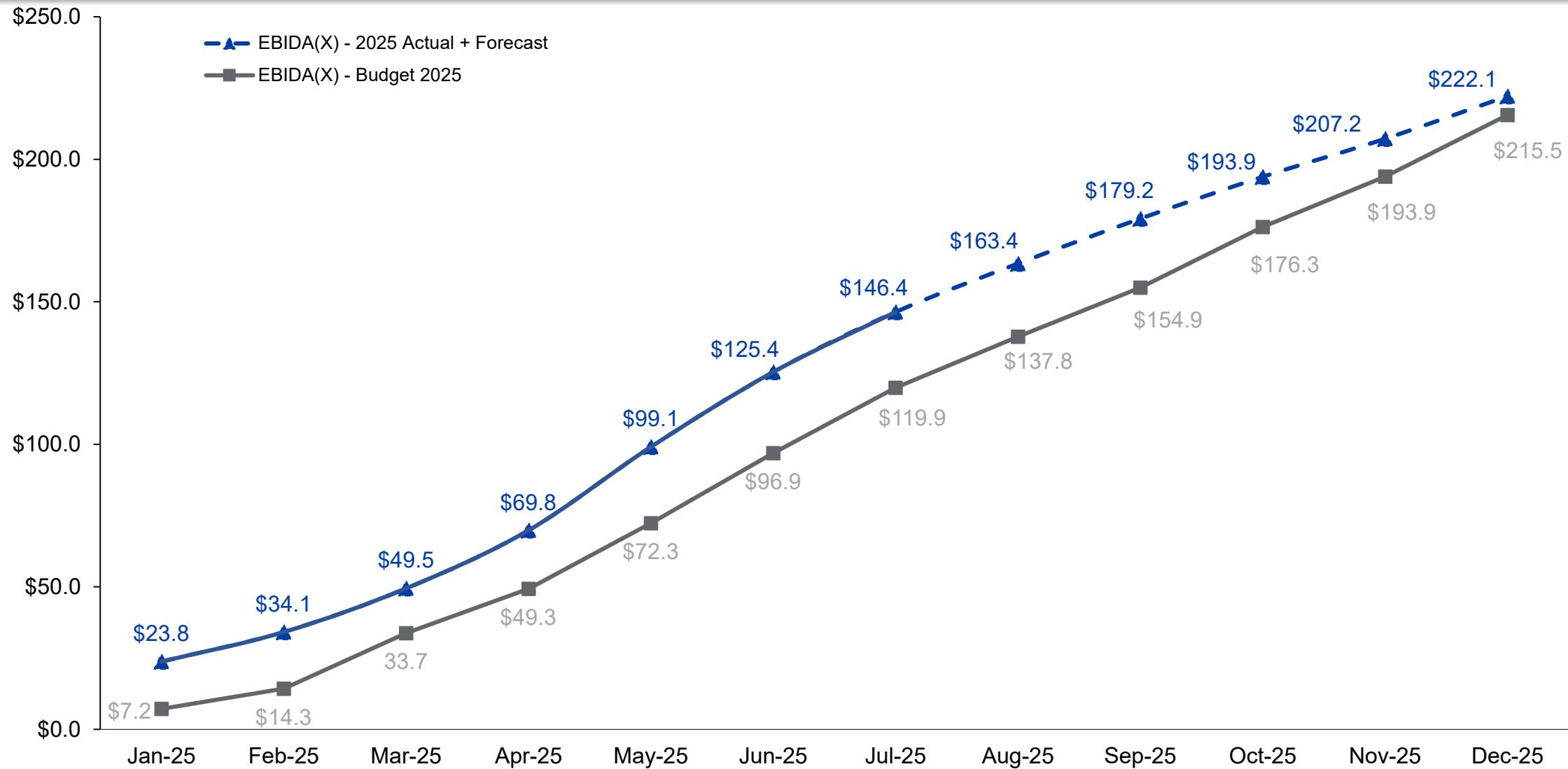
	MTD			YTD			Annual	2024 to 2025 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
	\$ 35,852,947	\$ 39,355,753	\$ 35,152,563	\$ 235,041,658	\$ 230,112,376	\$ 212,445,706	\$ 400,301,897	
<b>Gross Margins</b>								10.64%
Operating Expenses Ex. Depreciation	17,002,320	17,107,103	12,454,467	114,006,121	112,973,079	103,025,444	193,600,990	10.66%
Depreciation	6,797,994	7,077,796	6,222,202	47,164,357	48,130,121	54,366,712	83,735,262	
Interest Expense	4,437,608	4,542,420	4,431,584	31,276,791	31,981,537	29,939,226	55,458,822	
Other Income	(1,995,179)	(1,615,000)	(1,682,935)	(3,300,086)	(2,155,000)	(4,662,134)	(3,873,000)	
<b>Net Margins</b>	<b>\$ 9,610,204</b>	<b>\$ 12,243,434</b>	<b>\$ 13,727,245</b>	<b>\$ 45,894,475</b>	<b>\$ 39,182,639</b>	<b>\$ 29,776,458</b>	<b>\$ 71,379,824</b>	
<b>EBIDA</b>	<b>\$ 20,845,806</b>	<b>\$ 23,863,650</b>	<b>\$ 24,381,031</b>	<b>\$ 124,335,623</b>	<b>\$ 119,294,297</b>	<b>\$ 114,082,396</b>	<b>\$ 210,573,907</b>	8.99%
Over (Under) Collected Revenues	178,128	(895,166)	(1,977,829)	22,068,403	462,318	(775,606)	4,966,279	
<b>EBIDA(X)</b>	<b>\$ 21,023,934</b>	<b>\$ 22,968,484</b>	<b>\$ 22,403,202</b>	<b>\$ 146,404,026</b>	<b>\$ 119,756,615</b>	<b>\$ 113,306,790</b>	<b>\$ 215,540,186</b>	
Total Long-Term Debt							\$ 1,351,315,034	
Debt Service							84,882,554	
Debt Service Coverage Ratio							2.49	
Equity as Percent of Assets							38.5%	
Net Plant in Service							\$ 2,292,525,089	
Capital Improvement Spend							\$ 238,626,599	
Energy Sales kWh	828,312,975	912,598,155	811,181,484	4,876,896,319	4,516,944,972	4,469,927,912	7,910,451,206	9.10%
Energy Purchases kWh	872,154,557	970,894,031	867,573,780	5,063,768,745	4,805,577,332	4,780,671,564	8,415,380,400	5.92%
Active Accounts				435,042	437,806	417,671	446,678	4.16%

# Cost of Service (in millions)

## YTD Actuals vs Budget through July 2025



# EBIDA(X) Year to Date (in millions)



# CIP Spend

Construction Category & Description	Non MultiYear YTD Actuals	Brd Appr MultiYear YTD Actuals	Total YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
<b>Distribution</b>						
200 Tie Lines (new construction between existing lines)	4,758,131	73,902	4,832,033	9,901,403	5,069,370	14,793,728
300 Conversions or Line Changes	12,060,964	5,755,175	17,816,139	15,566,780	(2,249,359)	25,001,608
600 Miscellaneous Distribution Equipment	27,489,079	-	27,489,079	31,783,978	4,294,899	54,370,706
700 Other Distribution Items	457,561	-	457,561	228,050	(229,511)	391,422
<b>Distribution Total</b>	<b>\$ 44,765,734</b>	<b>\$ 5,829,077</b>	<b>\$ 50,594,811</b>	<b>\$ 57,480,210</b>	<b>\$ 6,885,399</b>	<b>\$ 94,557,465</b>
<b>Substation</b>						
400 New Substations, Switching Stations and Meter Points	4,780,850	3,552,741	8,333,591	10,319,037	1,985,446	20,969,733
500 Substations, Switching Stations and Meter Point changes	5,567,181	14,936,034	20,503,215	25,554,430	5,051,215	42,471,140
<b>Substation Total</b>	<b>\$ 10,348,030</b>	<b>\$ 18,488,776</b>	<b>\$ 28,836,806</b>	<b>\$ 35,873,467</b>	<b>\$ 7,036,661</b>	<b>\$ 63,440,873</b>
<b>Transmission</b>						
800 New Transmission Lines	178,015	-	178,015	179,925	1,910	1,125,657
1000 Line and Station Changes	2,335,577	16,068,790	18,404,367	23,799,494	5,395,126	49,195,185
<b>Transmission Total</b>	<b>\$ 2,513,592</b>	<b>\$ 16,068,790</b>	<b>\$ 18,582,382</b>	<b>\$ 23,979,418</b>	<b>\$ 5,397,036</b>	<b>\$ 50,320,843</b>
<b>General Plant</b>						
2000 Facilities	5,070,403	4,423,729	9,494,131	12,978,871	3,484,740	17,789,898
3000 Information Technology	286,852	-	286,852	4,630,521	4,343,670	7,017,520
4000 Tools & Equipment	279,333	-	279,333	291,667	12,334	500,000
5000 Vehicles	3,587,484	-	3,587,484	2,916,667	(670,817)	5,000,000
<b>Total General Plant</b>	<b>\$ 9,224,071</b>	<b>\$ 4,423,729</b>	<b>\$ 13,647,800</b>	<b>\$ 20,817,726</b>	<b>\$ 7,169,926</b>	<b>\$ 30,307,418</b>
<b>Accrued WIP &amp; Prepaid Aid</b>	<b>\$ (14,124,223)</b>	<b>\$ -</b>	<b>\$ (14,124,223)</b>	<b>\$ -</b>	<b>\$ 14,124,223</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>	<b>\$ 52,727,204</b>	<b>\$ 44,810,372</b>	<b>\$ 97,537,576</b>	<b>\$ 138,150,821</b>	<b>\$ 40,613,245</b>	<b>\$ 238,626,599</b>