



Operations Report

Eddie Dauterive | Chief Operations Officer

October 18, 2019

Safety

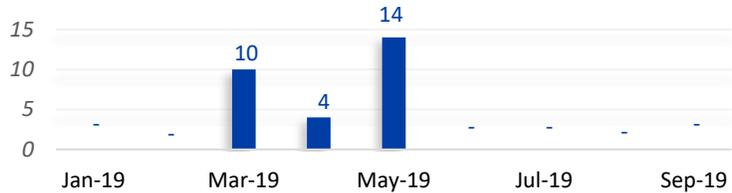
Personal Incidents

Total Reportable Injuries



Sep: 1
YTD: 11

Days Away - Restricted Duty



Sep: 0
YTD: 28

Days Away - Lost Time

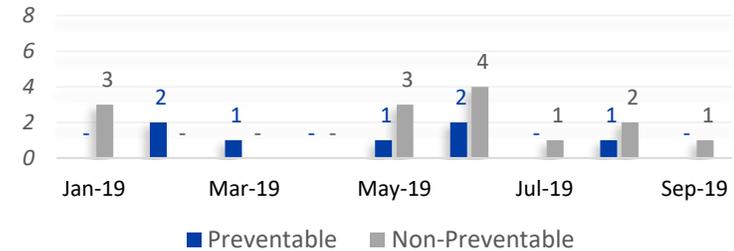


Sep: 0
YTD: 0

Restricted Duty is the ability to perform another activity without missing work.

Vehicle Incidents

Preventable & Non-Preventable Vehicle Accidents



Preventable:
Sep: 0
YTD: 7
Non-Preventable:
Sep: 1
YTD: 14

Incident Notes:

Personal Incident (1):

- Employee scraped and splintered an arm while descending a pole, requiring stitches

Vehicle Incident (1):

- Non-Preventable - Employee experienced a tire blowout (right-front) causing the vehicle to skid and strike an embankment

Miscellaneous Incident (0)

Lineman's Rodeo Update

- The team is competing in the 36th Annual International Lineman's Rodeo Event in Overland Park, Kansas, October 16-19
- Results of the rodeo will be announced in November
- 2018 results were exceptional where PEC earned 8 individual and team awards
- PEC received a kind letter of encouragement from Phil Wilson, General Manager of LCRA, regarding PEC's performance at the Texas Lineman's Rodeo



September 10, 2019

Julie Caruthers Parsley, CEO
Board of Directors
Pedernales Electric Cooperative
P.O. Box 1
Johnson City, TX 78636-0001

Dear Julie and Board members:

Congratulations on Team PEC's extraordinary success at the Texas Lineman's Rodeo, and please convey our very best wishes to the team for continued success as they head to the International Lineman's Rodeo in Kansas in October. All the team members have earned the respect of their colleagues here at LCRA.

These linemen's rodeos, as you know, are not mere games; they test the professional skills linemen use every day. They prove the mettle of the men and women who are serving our community in one of America's most demanding jobs. Through a strong commitment to safety, training and performance under difficult circumstances, PEC linemen have demonstrated their outstanding abilities, which reflects well upon the culture of excellence that is a hallmark of your organization.

I was particularly impressed that not only your journeymen team, but also your apprentice linemen, achieved such extraordinary results. PEC employees start with a commitment to success from the very beginning, which is the way it should be.

Please pass on the LCRA's congratulations to these hardworking linemen and everyone who supported them in this accomplishment. We wish them every success in October, and I am certain they will represent Texas with pride.

Sincerely,

A handwritten signature in blue ink, appearing to read "Phil Wilson", is written over a light blue circular stamp. The signature is fluid and cursive.

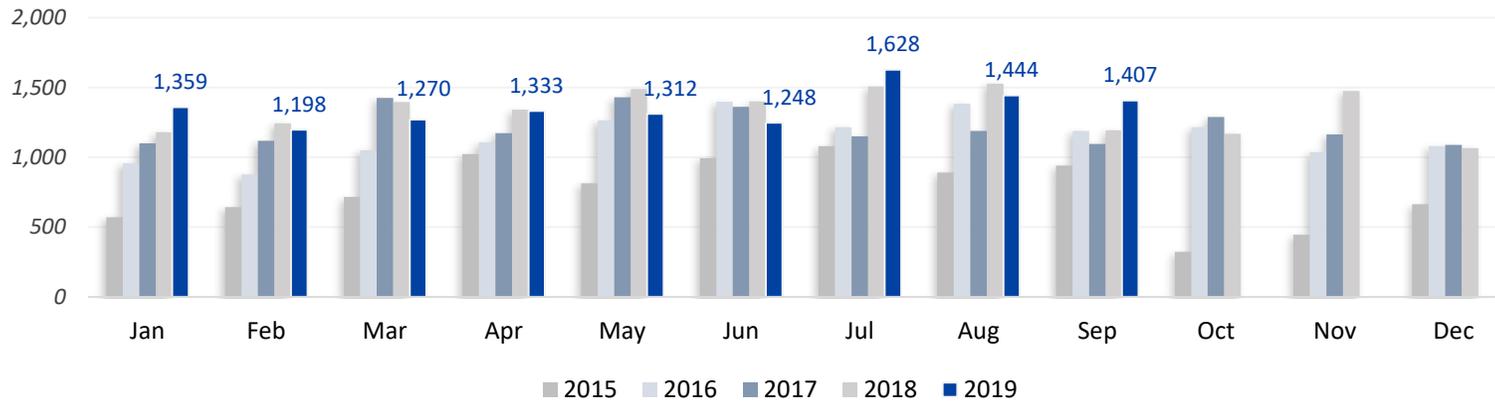
Phil Wilson
General Manager

System Growth

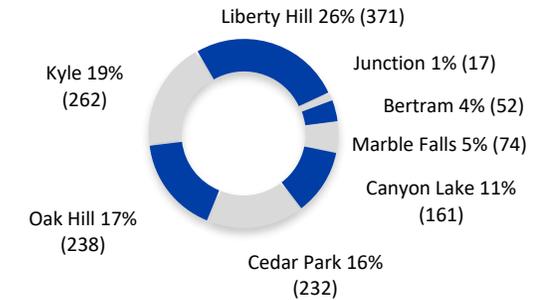
Annual Line Extension Comparison

2018 Total: 15,893

2019 YTD: 12,199

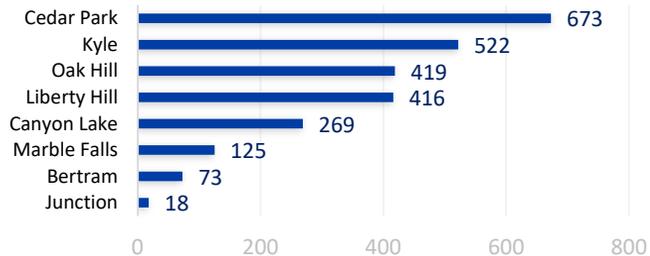


Line Extensions by District (1,407)



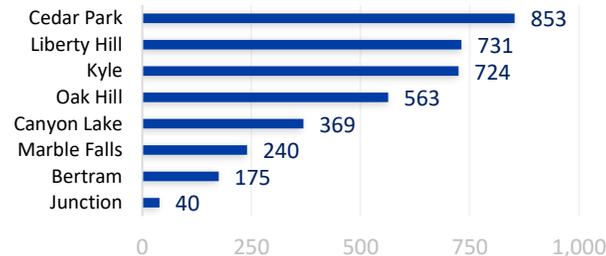
New Member Applications

(Sep. 2019: 2,515)



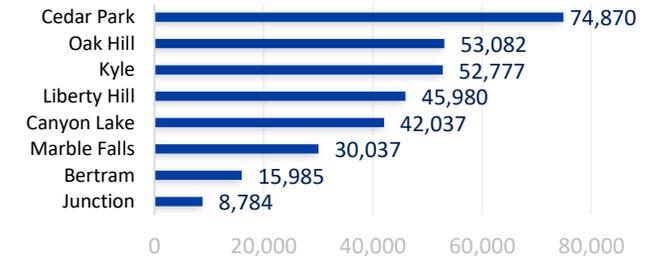
Meter Growth

(Sep. 2019: 1,260)



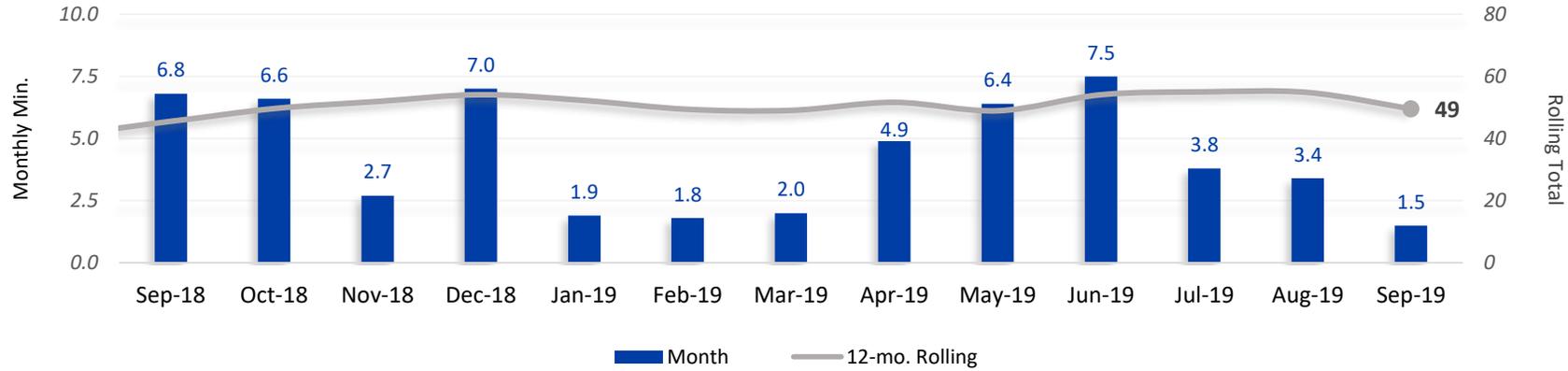
Meter Totals

(Sep. 2019: 323,552)



Reliability

SAIDI

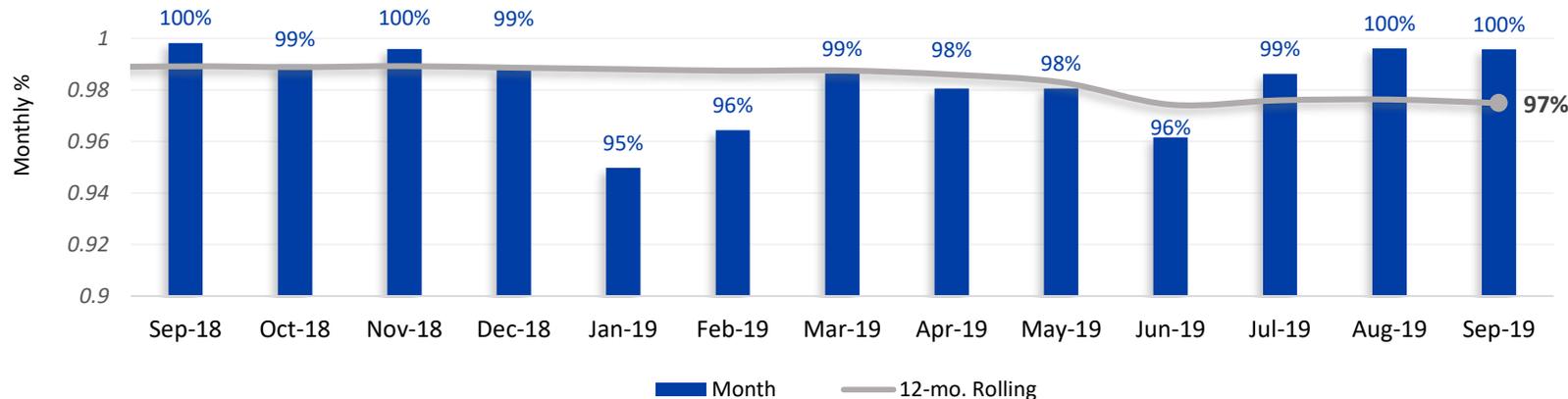


KPI Status

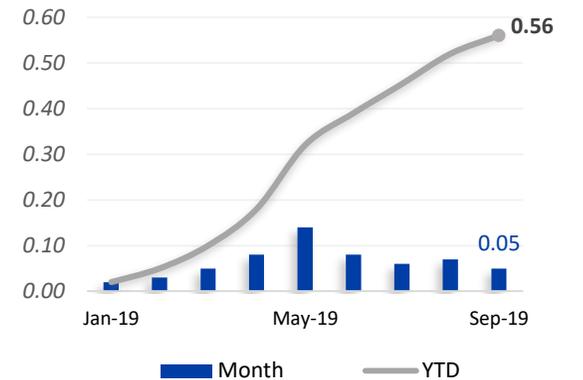


Estimated Time of Response (ETR)

% of Outages with ETR Provided



SAIFI Trending (YTD)



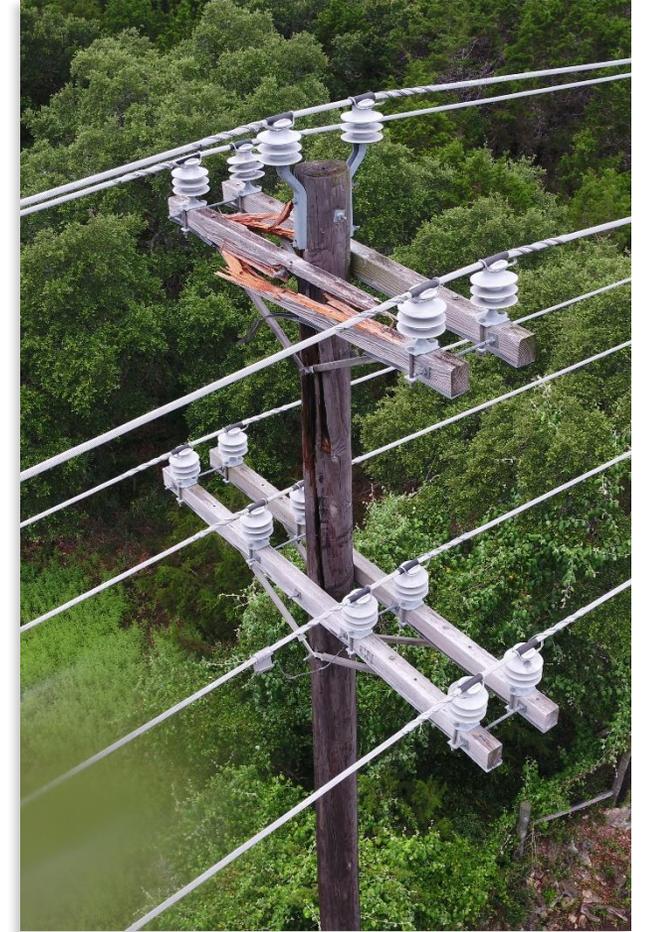
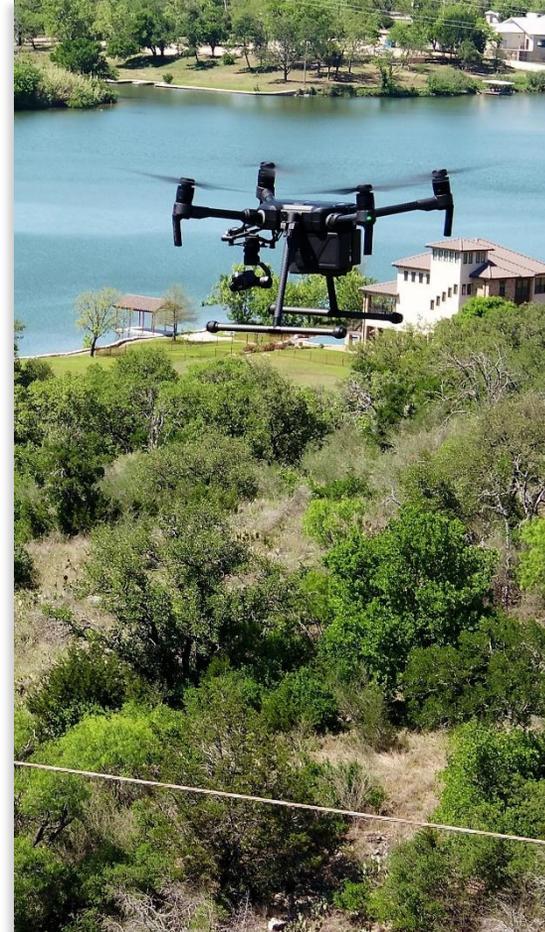
Drone Program Expansion into District Operations

Program initiation:

- Expand use of drone equipment by district operations personnel, currently being utilized by Support Services with very positive results
- Requirements:
 - 2 FTE to manage program
 - 2 drones per district (two types)
 - Compliance and management software

Program focus:

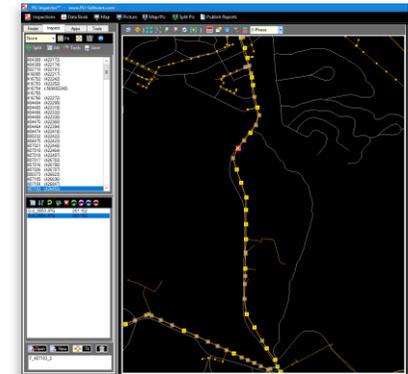
- Improve system reliability
- Assist construction & general maintenance inspections with enhanced data
- Support outage restoration and member issues



District Drone Program

Proactive support with inspections:

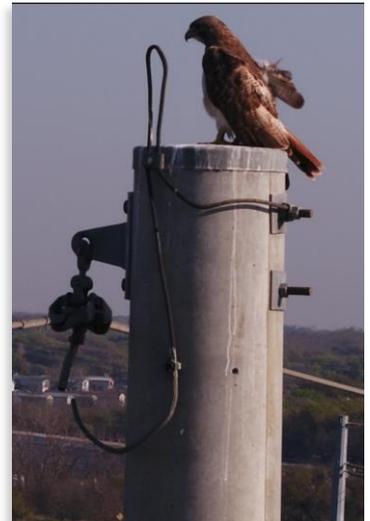
- Targeted system and worst performing feeder inspections
- Construction inspections:
 - Quality assurance and control
 - Contractor audits
 - Planning surveys
- Routine maintenance inspections
- Data-driven inspections:
 - Outage data
 - Monitored device telemetry
 - AMI metering 'Blink Maps'
- Direct impact on Key Performance Indicators for SAIDI and Worst Performing Feeders



District Drone Program

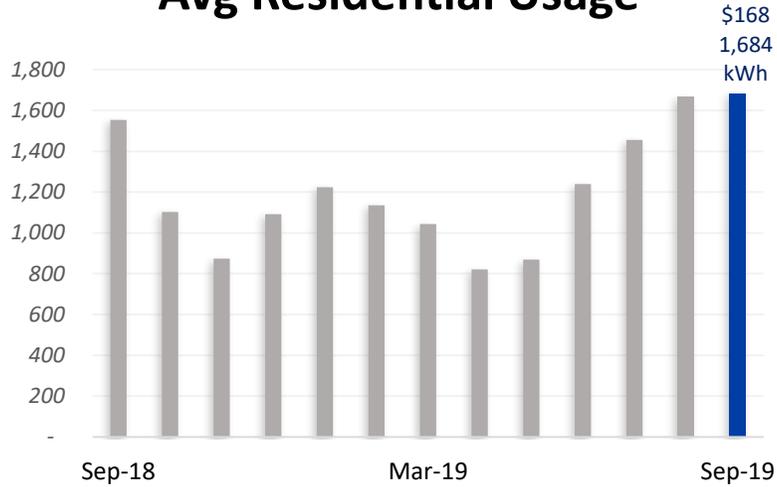
Response support with outages and member issues:

- Identify hard-to-see or difficult-to-access failures
- Inspect unsafe locations; around wildfires or challenging topography
- Improve response time for patrolling lines
- Mutual-aid support
- Increase member support for districts to quickly address:
 - Specific member complaints
 - Nuisance operations



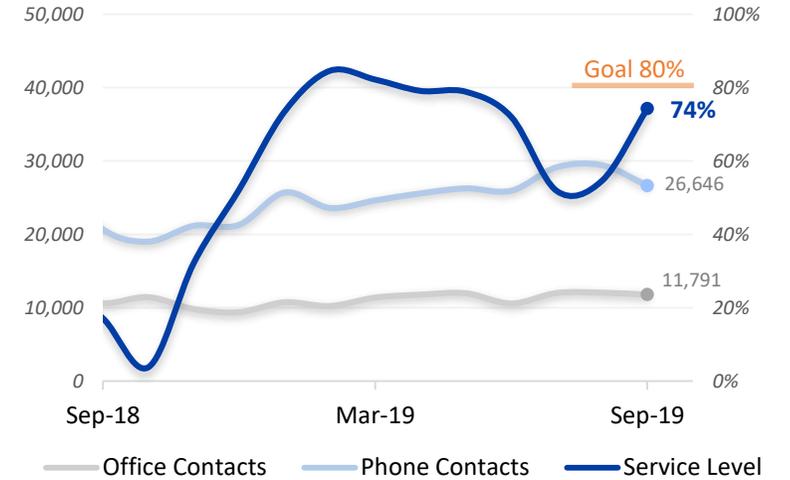
Member Relations

Avg Residential Usage



- September usage and average billing remained high through a record-hot month
- A new group of Member Relations Agents in training are helping response times improve
- Aged balances are in very good condition compared to last summer

Service Level

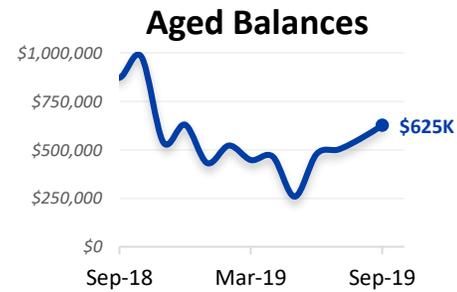
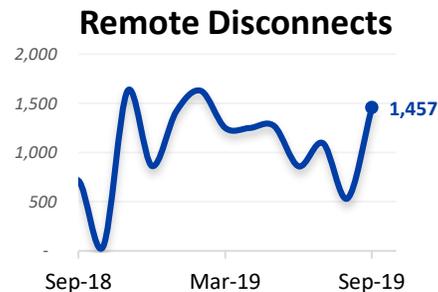


Payment Types

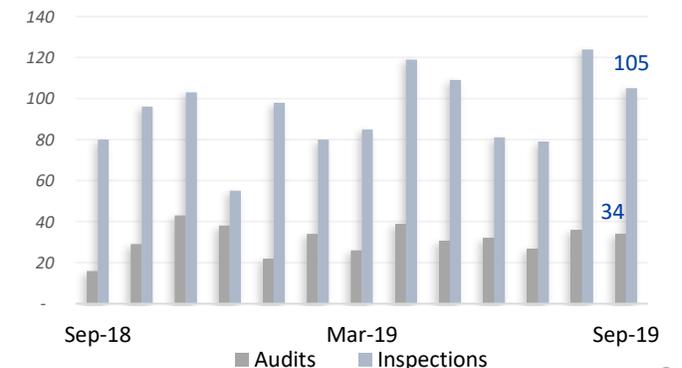
Type	Sep. Totals	
Autopay	137K	42%
Self-Service	95K	29%
Mail	39K	12%
Wire	37K	11%
Agents	18K	5%

Collections

7 days of restricted activity due to weather



Energy Services



Engineering

Quarterly Update of Long-Term Projects

Nov-19

Resolution: Purchase PEC part of Spanish Oak Substation from LCRA

Resolution: Purchase PEC part of Ridgmar Substation from LCRA

Resolution: Purchase PEC part of Esperanza Substation from LCRA

Resolution: Purchase PEC Section of Florence property

Draft Resolution: Whitestone to Leander Easement Acquisition

Draft Resolution: Purchase Hero Way substation property

Draft Resolution: Purchase Darden Hills substation property

Dec-19

Resolution: Whitestone to Leander Easement Acquisition

Resolution: Purchase Hero Way substation property

Resolution: Purchase Darden Hills substation property

Resolution: (Draft in August) Whitestone to Leander Pole Contract

Engineering

Quarterly Update of Long-Term Projects

Jan-20

Draft Resolution: Bertram to Bertram to Andice Easement Acquisition

Draft Resolution: Burnet to Bertram to Andice Pole Contract

Feb-20

Resolution: Bertram to Bertram to Andice Easement Acquisition

Resolution: Burnet to Bertram to Andice Pole Contract

Mar-20

Draft Resolution: Wirtz to Flat Rock to Paleface Pole Contract

Apr-20

Resolution: Wirtz to Flat Rock to Paleface Pole Contract

Engineering

Quarterly Update of Long-Term Projects

Jun-20

Draft Resolution: Whitestone to Leander Construction Contract

Jul-20

Resolution: Whitestone to Leander Construction Contract

Draft Resolution: Burnet to Bertram to Andice Construction Contract

Aug-20

Resolution: Burnet to Bertram to Andice Construction Contract

Sep-20

Draft Resolution: Wirtz to Flat Rock to Paleface Construction Contract

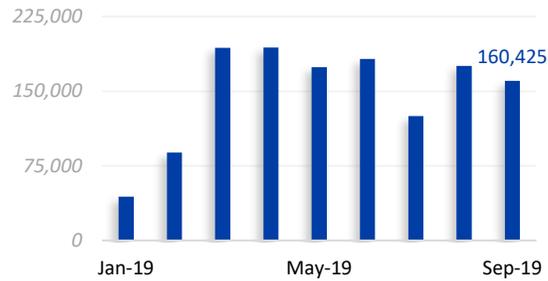
Oct-20

Resolution: Wirtz to Flat Rock to Paleface Construction Contract

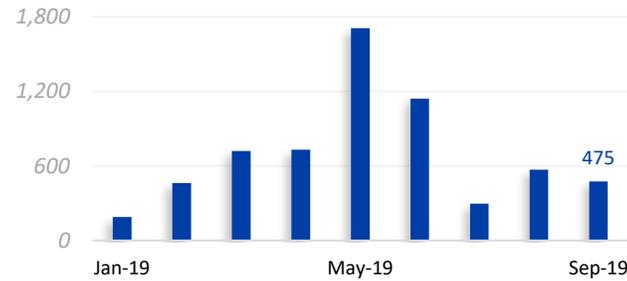
System Maintenance

Vegetation Management

Vegetation Cleared (Ft.)



Tree Removals



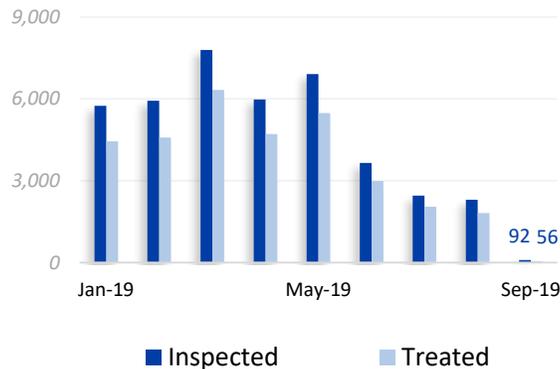
Notes:

- 160,425 ft. cleared equal to approx. 30 miles

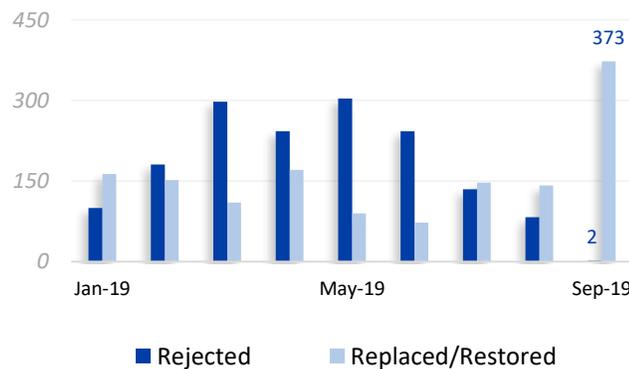


Pole Testing & Treatment (PTT)

Poles Inspected & Treated



Poles Rejected & Replaced/Restored



Notes:

- 2019 scheduled distribution pole inspections were completed in September.
- Drier weather conditions and pole restorations contributed to September's increase of Replaced/Restored poles.



Facilities Update

Office:

Activities:

Bertram

Front-office security improvements are complete and the office has been re-opened.

Bulverde

A full-price sales contract has been received and is scheduled to close in mid-October.

Canyon Lake

The front-office security improvements are in the planning phase and construction will start before the end of the year.

Cedar Park

The Anderson Mill access road appraisal has been submitted to TXDOT for review.

Johnson City

HQ 1st floor construction is in progress. The Finance area is substantially complete and staff are expected to transition to the space in the fall. The new generator for the Moursund building's Control Room has been installed.

Leander

Multiple parties have shown interested in land parcels and those leads will continue to be discussed to dispose of unwanted sections. Conceptual site plans are being developed for an administrative building at that site.

Marble Falls

(Former district office)

Property is being prepared for use by the Safety and Training department.

Oak Hill

The warehouse construction was finished in July and final permits are being completed.



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