



April 2022 Financial Presentation to the Board

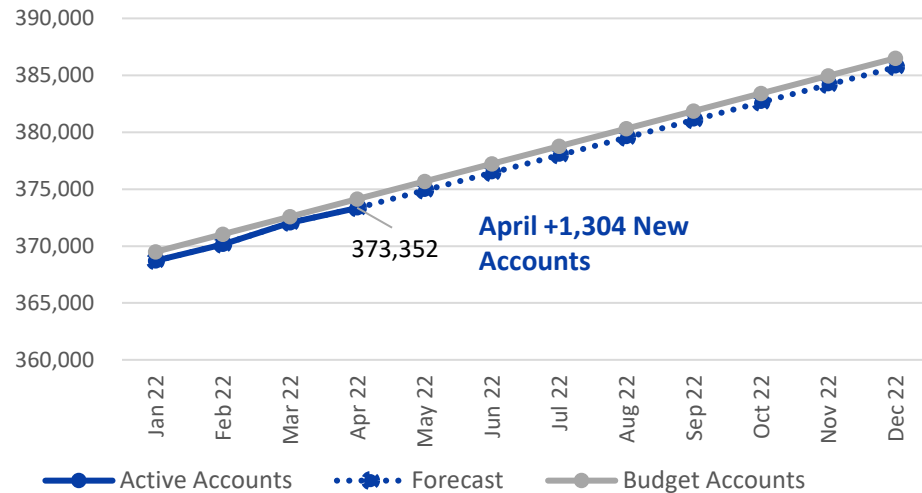
Randy Kruger | Chief Financial Officer

Finance at a Glance – April 2022

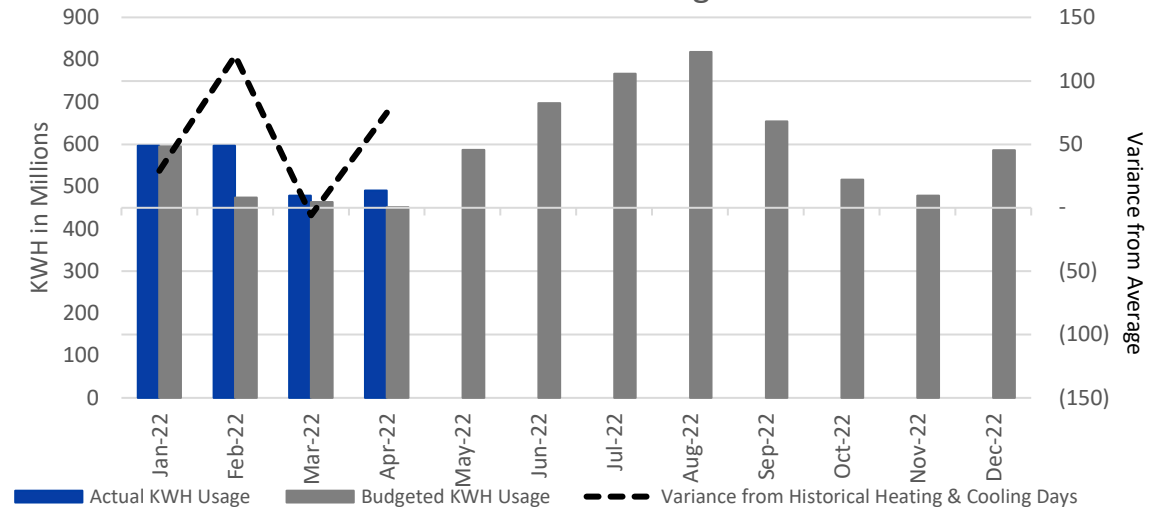
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
MWH Sold	490,736	451,274	39,462	2,163,131	1,984,508	178,623
Gross Margins	\$ 24.3	\$ 24.0	\$ 0.3	\$ 105.4	\$ 100.3	\$ 5.1
Net Margins	\$ (0.1)	\$ 0.5	\$ (0.6)	\$ 6.7	\$ 6.7	\$ (0.0)
EBIDA	\$ 11.8	\$ 10.5	\$ 1.3	\$ 59.4	\$ 46.6	\$ 12.7
Revenue O/(U)	\$ 3.8	\$ 2.4	\$ 1.4	\$ (2.3)	\$ 5.8	\$ (8.1)
EBIDA(X)	\$ 15.6	\$ 12.9	\$ 2.7	\$ 57.0	\$ 52.4	\$ 4.6

	Liquidity Coverage
Cash & Marketable Securities	\$ 8,544,661
Short Term Facilities	505,000,000
Less: Short Term Borrowings	126,960,917
Available Liquidity	\$ 386,583,744
Liquidity Coverage (Days)	222

Active Account Growth



Weather and kWh Usage

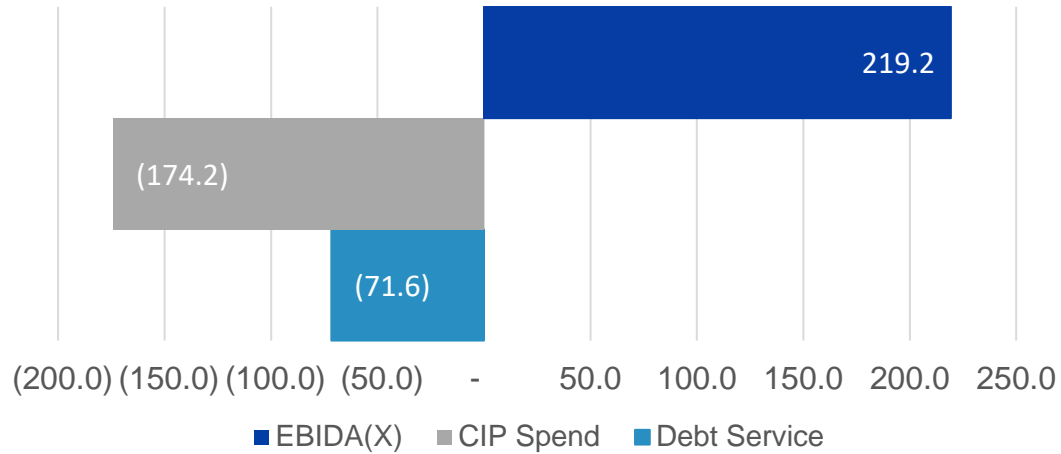


Financial Performance

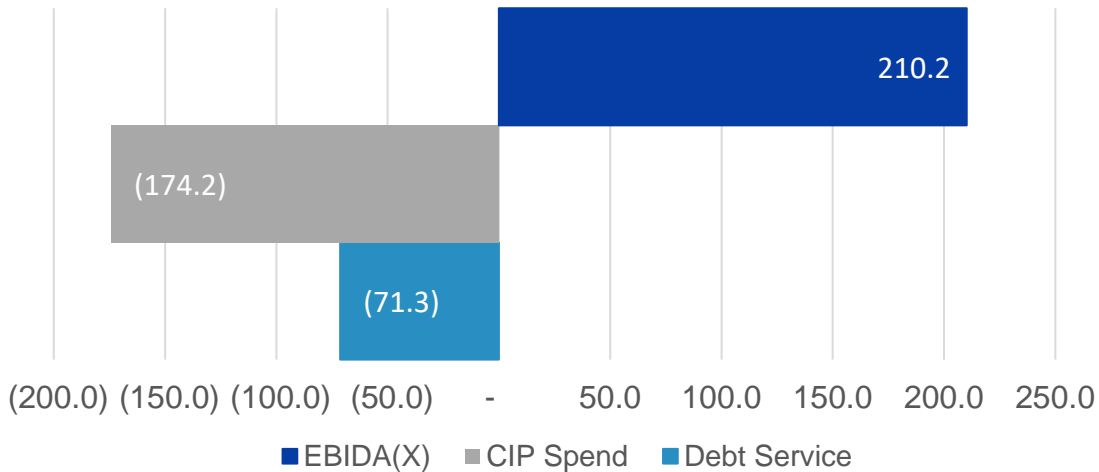
	MTD			YTD			Annual		2021 to 2022 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Forecast	Budget	
Gross Margins	\$ 24,301,690	\$ 23,975,484	\$ 21,949,283	\$ 105,439,050	\$ 100,327,493	\$ 98,050,712	\$ 338,185,930	\$ 332,824,766	7.54%
Operating Expenses Ex. Depreciation	12,829,456	13,489,663	13,165,794	46,496,029	54,065,284	56,351,335	158,425,468	165,745,081	-17.49%
Depreciation	8,140,269	6,391,252	5,821,819	37,972,648	25,565,009	23,149,201	89,102,666	76,695,026	
Interest Expense	3,704,863	3,592,730	3,509,038	14,744,263	14,370,919	11,568,400	43,462,696	43,103,481	
Other Income and Interest Expenses	(317,496)	(11,425)	(26,252)	(431,595)	(368,015)	(439,250)	(2,719,326)	(2,655,711)	
Net Margins	\$ (55,402)	\$ 513,263	\$ (521,116)	\$ 6,657,705	\$ 6,694,296	\$ 7,421,026	\$ 49,914,427	\$ 49,936,889	
EBIDA	\$ 11,789,730	\$ 10,497,245	\$ 8,809,741	\$ 59,374,616	\$ 46,630,223	\$ 42,138,627	\$ 182,479,788	\$ 169,735,396	40.90%
Over (Under) Collected Revenues	3,835,414	2,426,818	(17,403,920)	(2,344,807)	5,787,696	(160,817,587)	36,736,948	40,435,604	
EBIDA(X)	\$ 15,625,144	\$ 12,924,063	\$ (8,594,179)	\$ 57,029,809	\$ 52,417,920	\$ (118,678,960)	\$ 219,216,737	\$ 210,171,001	
Total Long-Term Debt							\$ 1,024,378,149	\$ 1,040,538,177	
Debt Service							71,637,156	71,288,720	
Debt Service Coverage Ratio							2.55	2.38	
Equity as Percent of Assets							40.5%	40.3%	
Net Plant in Service							\$ 1,911,354,881	\$ 1,923,846,600	
Capital Improvement Spend							\$ 174,212,349	\$ 174,212,349	
Energy Sales kWh	490,736,131	451,273,737	421,140,221	2,163,130,509	1,984,507,619	1,999,165,799	7,269,842,760	7,091,219,870	8.20%
Energy Purchases kWh	513,790,693	481,184,624	456,936,227	2,307,551,046	2,116,126,171	2,136,463,533	7,720,223,835	7,571,421,437	8.01%
Active Meters				373,352	374,132	355,305	385,725	386,505	5.08%

Financing Sources & Uses

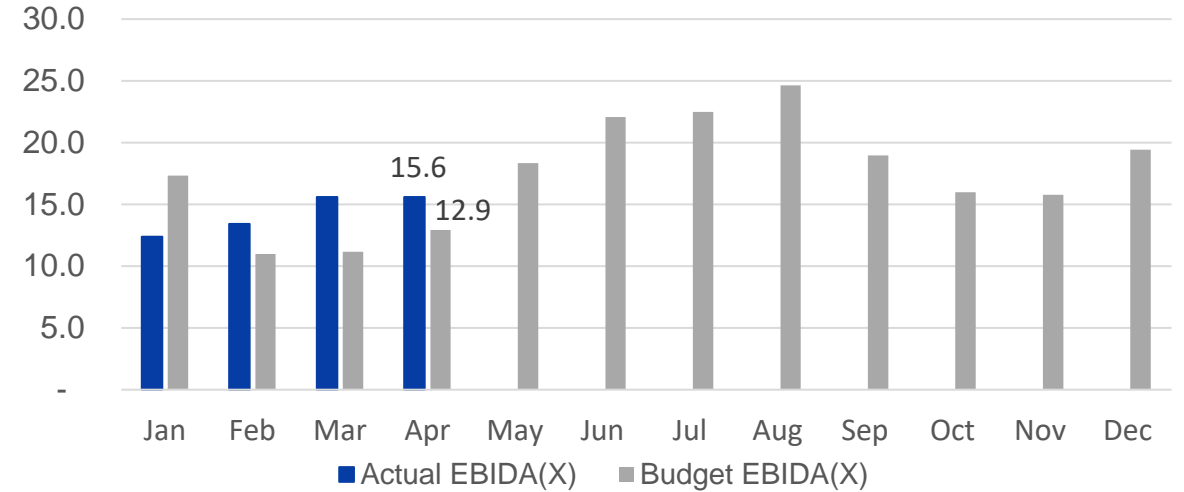
Annual Forecast



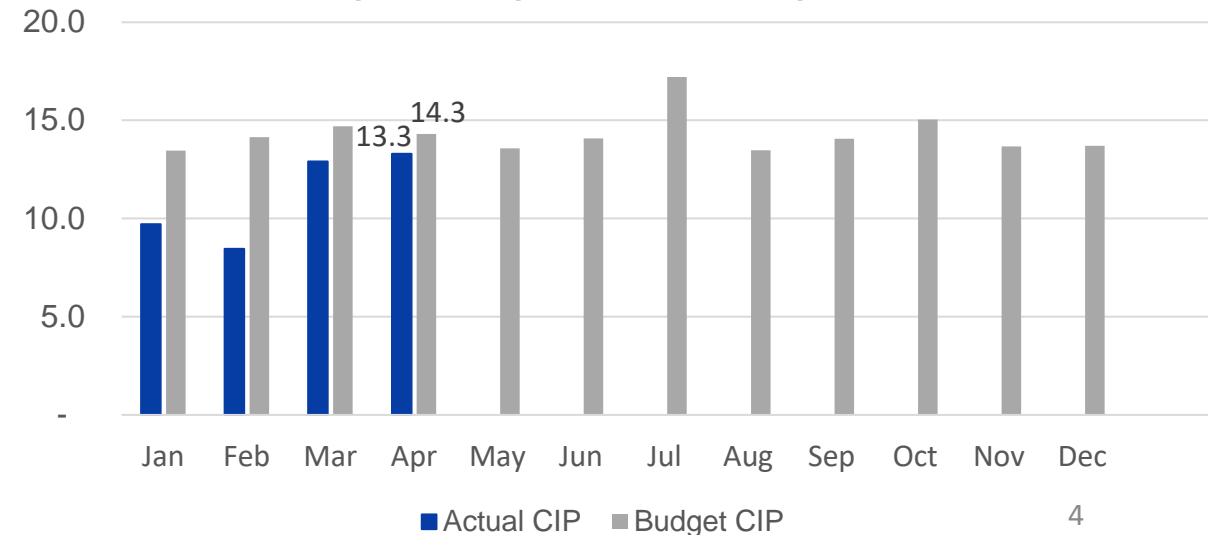
Annual Budget



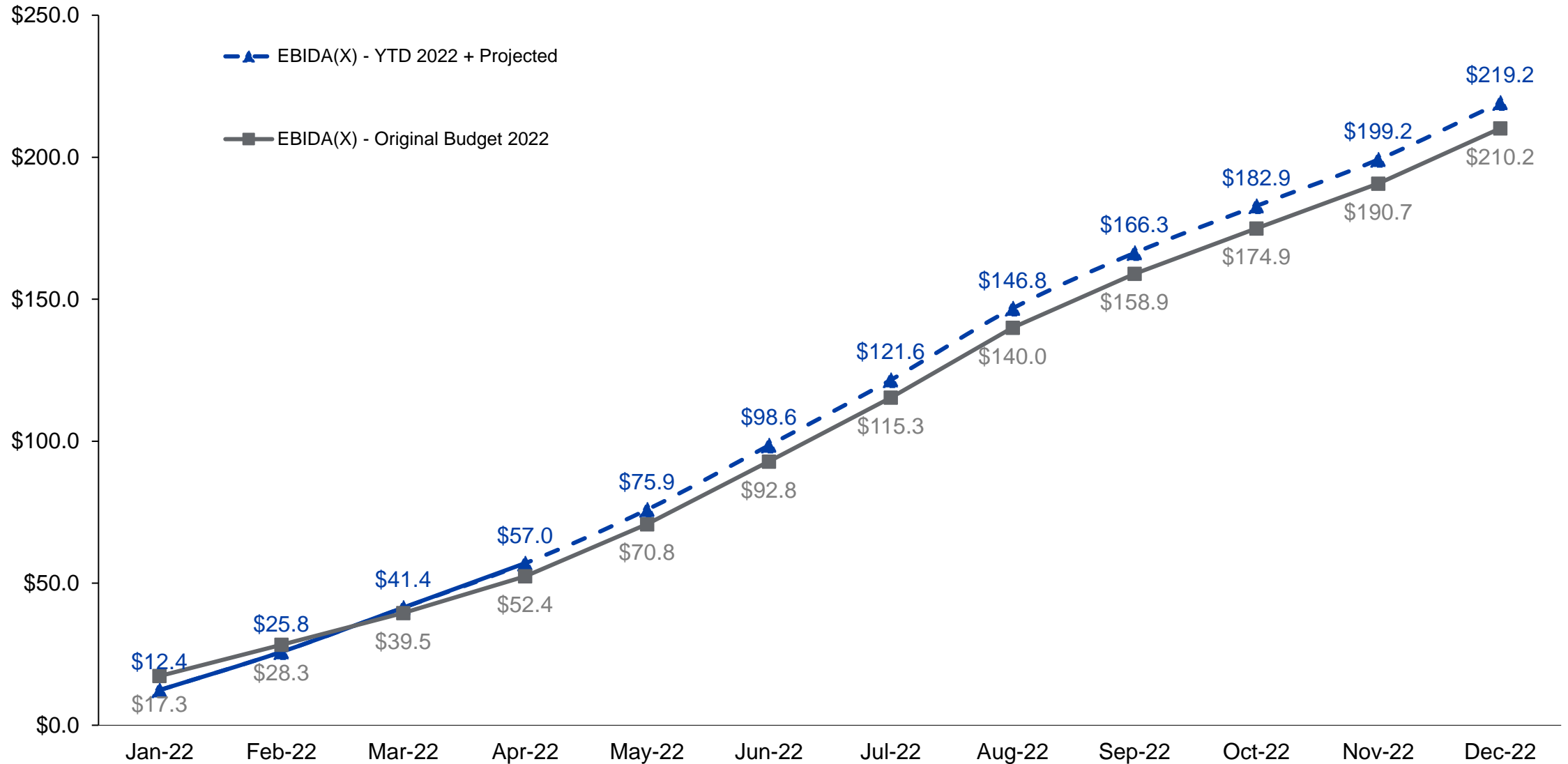
EBIDA(X) by Month



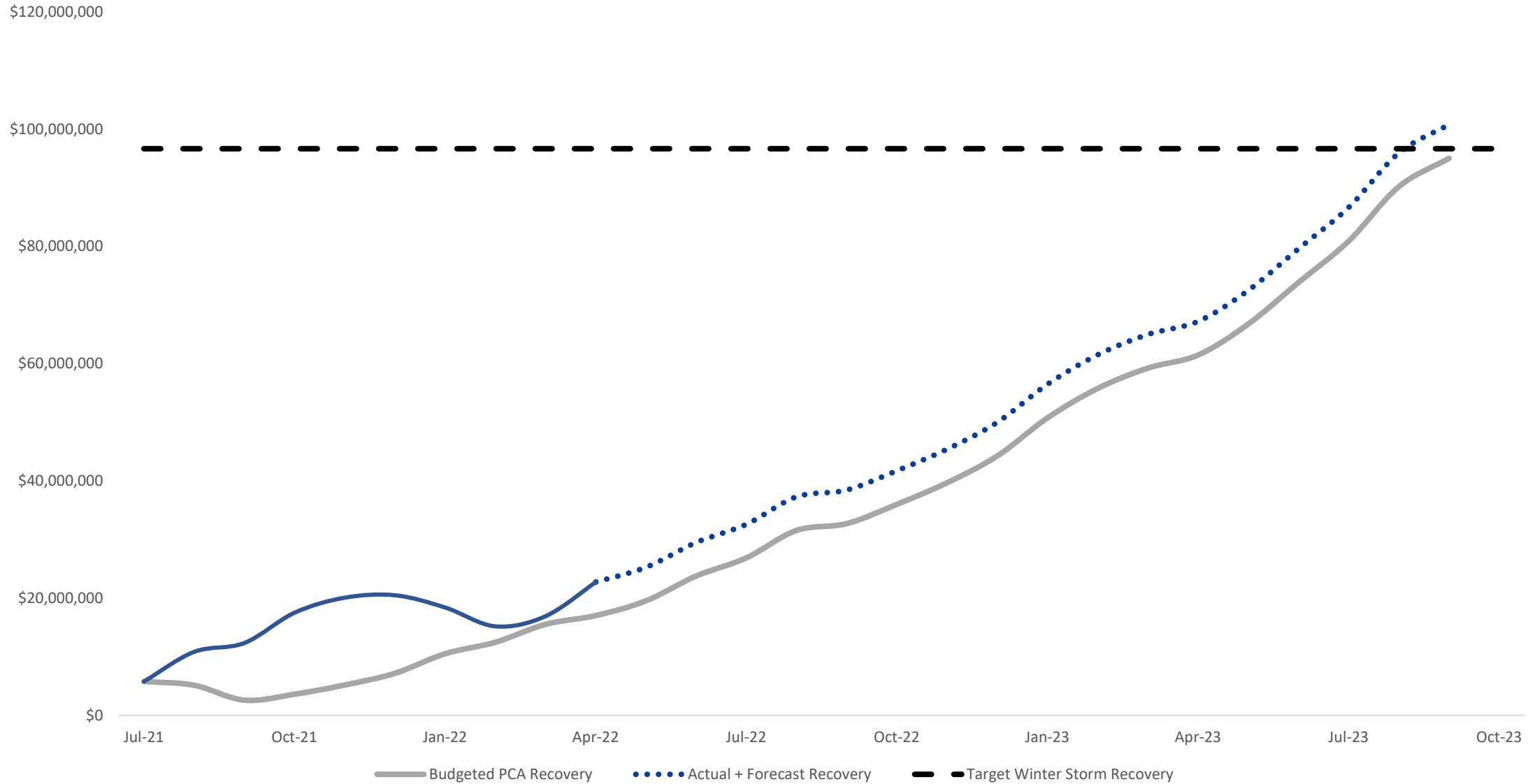
Capital Improvement Spend



EBIDA(X) Year to Date (in millions)

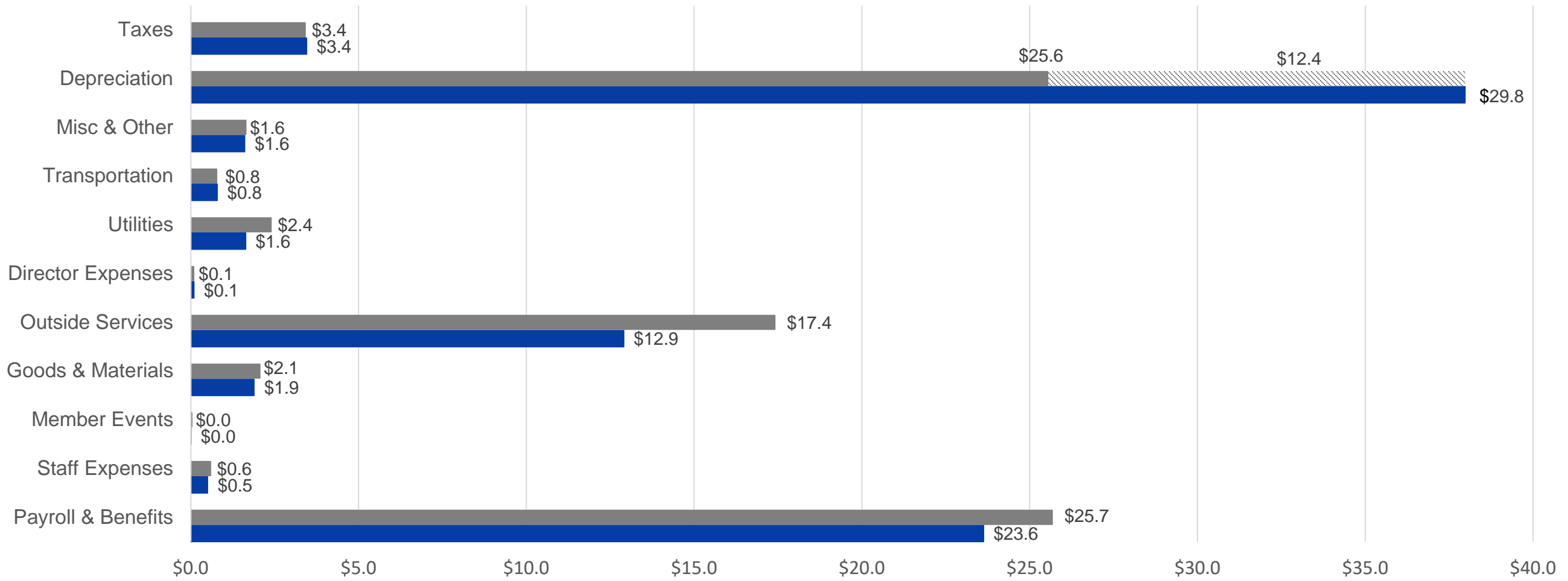


Base Power Over/(Under) Recovery



Cost of Service (in millions)

YTD Actual vs Budget through April 2022



■ Actual - 2022
 ■ Budget - 2022
 ▨ Accounting Estimate Change

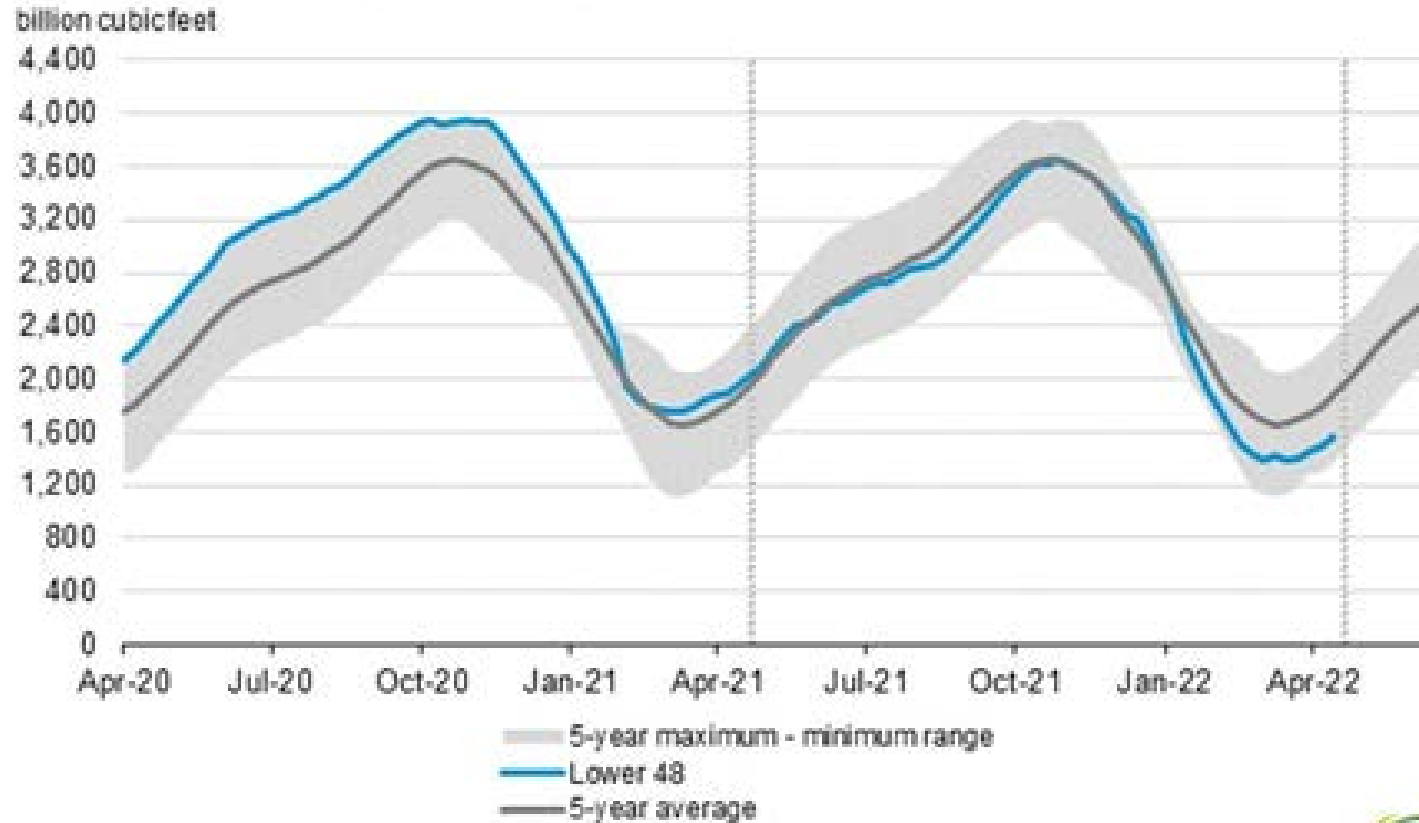
CIP Spend

2022 Capital Improvement Plan YTD Spend

Construction Category & Description	YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Amended Annual Budget
<u>Distribution</u>				
100 New Lines (Line Extensions for new primary, secondary and service lines)	\$ 865,472	\$ 3,033,333	\$ 2,167,862	\$ 9,100,000
200 Tie Lines (new construction between existing lines)	791,430	2,447,116	1,655,686	7,052,396
300 Conversions or Line Changes	4,694,673	5,731,168	1,036,495	19,623,189
600 Miscellaneous Distribution Equipment	17,701,754	16,139,292	(1,562,462)	48,417,876
700 Other Distribution Items	76,222	33,333	(42,889)	100,000
Distribution Total	\$ 24,129,551	\$ 27,384,243	\$ 3,254,692	\$ 84,293,462
<u>Substation</u>				
400 New Substations, Switching Stations and Meter Points	\$ (208,239)	\$ 1,213,333	\$ 1,421,572	\$ 6,820,000
500 Substations, Switching Stations and Meter Point changes	2,823,591	3,536,000	712,409	9,758,111
Substation Total	\$ 2,615,353	\$ 4,749,333	\$ 2,133,980	\$ 16,578,111
<u>Transmission</u>				
800 New Transmission Lines	\$ 984,200	\$ 1,185,000	\$ 200,800	\$ 3,777,000
1000 Line and Station Changes	4,377,776	5,681,067	1,303,291	17,762,000
Transmission Total	\$ 5,361,975	\$ 6,866,067	\$ 1,504,091	\$ 21,539,000
<u>General Plant</u>				
2000 Facilities	\$ 4,647,662	\$ 10,241,667	\$ 5,594,005	\$ 32,825,000
3000 Information Technology	1,640,613	5,041,996	3,401,383	12,013,000
4000 Tools & Equipment	62,382	313,155	250,773	433,155
5000 Vehicles	1,057,556	2,176,874	1,119,318	6,530,621
Total General Plant	\$ 7,408,213	\$ 17,773,691	\$ 10,365,478	\$ 51,801,776
Accrued WIP (unidentified projects)	\$ 4,854,974	\$ -	\$ (4,854,974)	\$ -
Total Capital Improvement Plan Spend	\$ 44,370,066	\$ 56,773,334	\$ 12,403,268	\$ 174,212,349

Gas Storage

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



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 2017 through 2021. The dashed vertical lines indicate current and year-ago weekly periods.



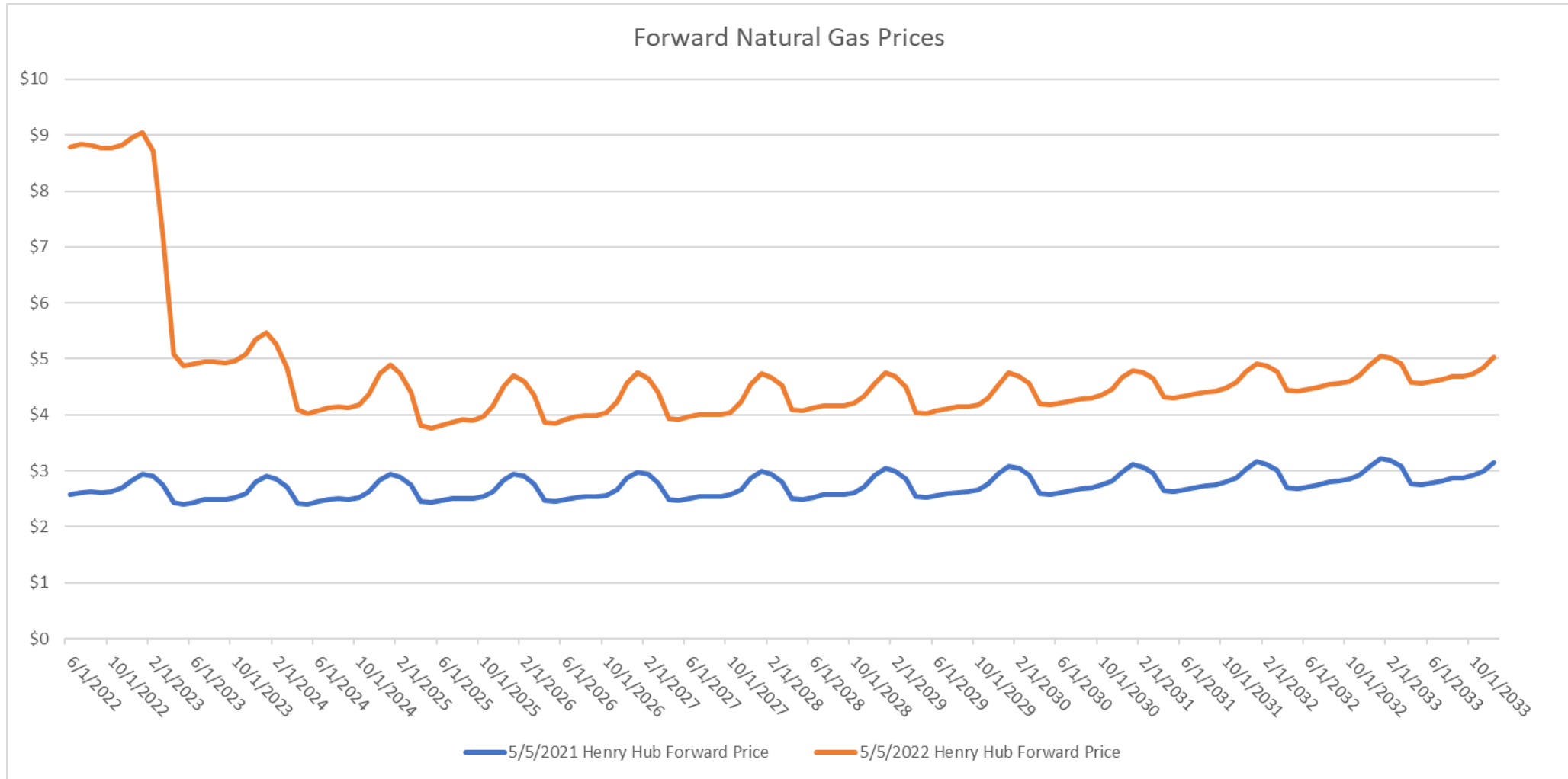
- Working gas in storage below 5-year average and near 5-year minimum

Natural gas has gone parabolic



- On April 18 natural gas trades above \$8 for the first time since 2008

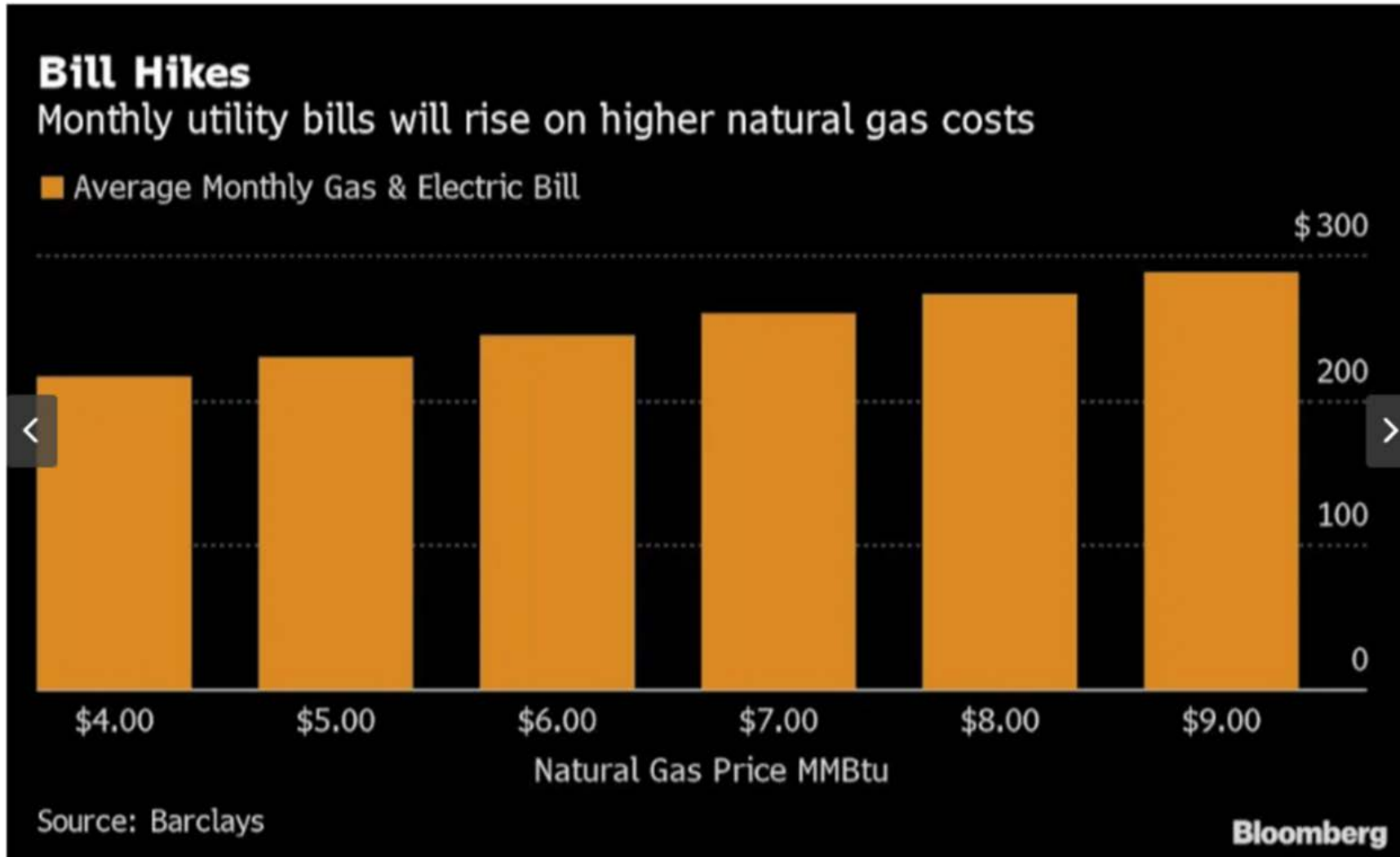
Forward Natural Gas Prices



- Forward gas prices are up significantly over the past year, especially in the prompt 12 months

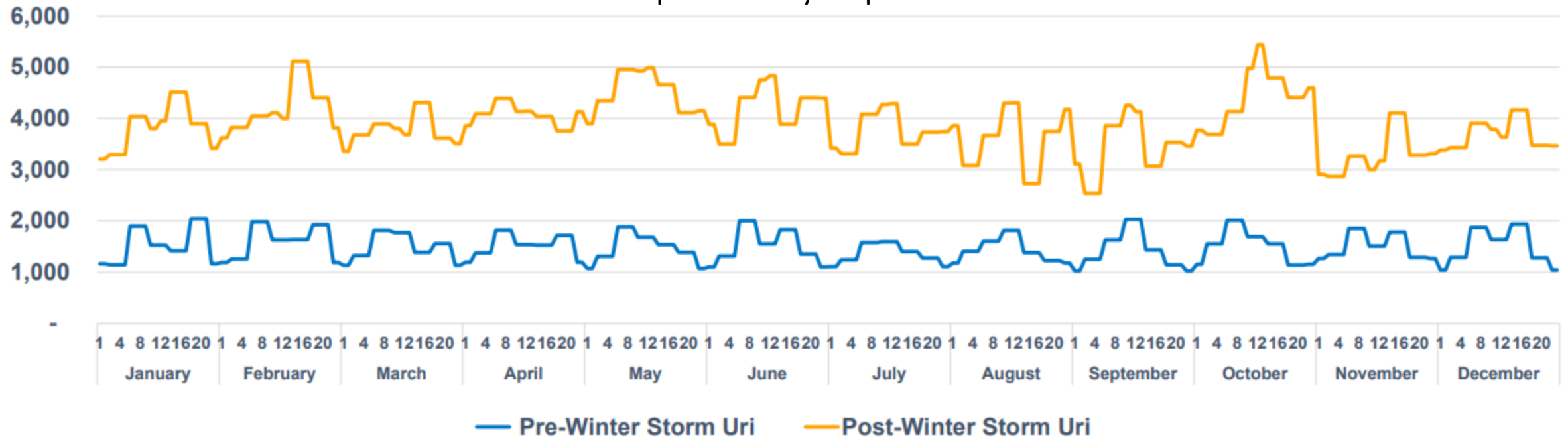
May 4 Bloomberg Headline

- U.S. Utility Bills Could Jump 40% on Energy Rally, Barclays Says



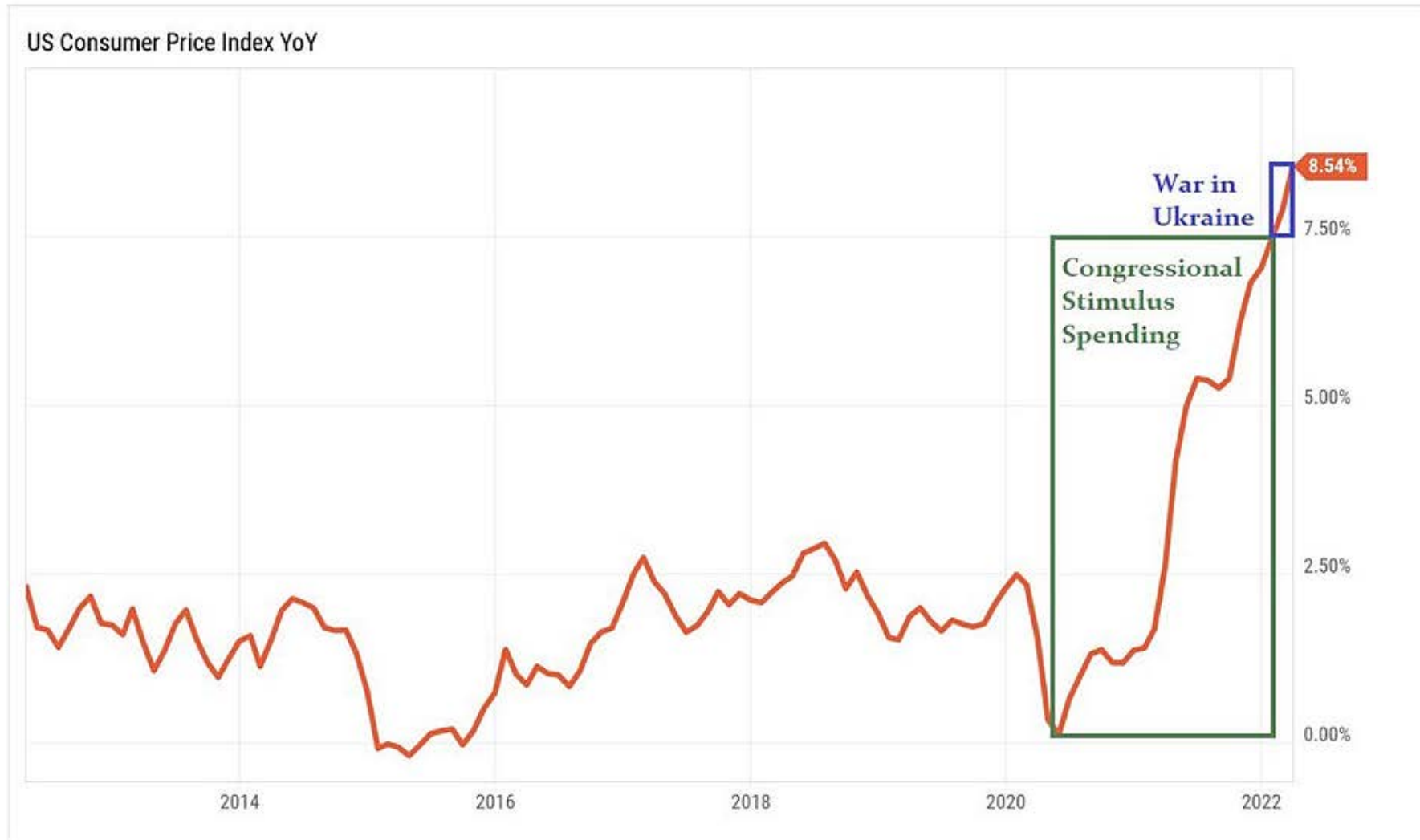
Ancillary Service Costs are Increasing

Non-Spin Ancillary Requirement



- Post-Winter Storm Uri, ERCOT increased ancillary reserve targets
- Load pays for those costs via its ancillary obligation

Consumer Prices



- CPI changes at levels not seen since the early 1980s

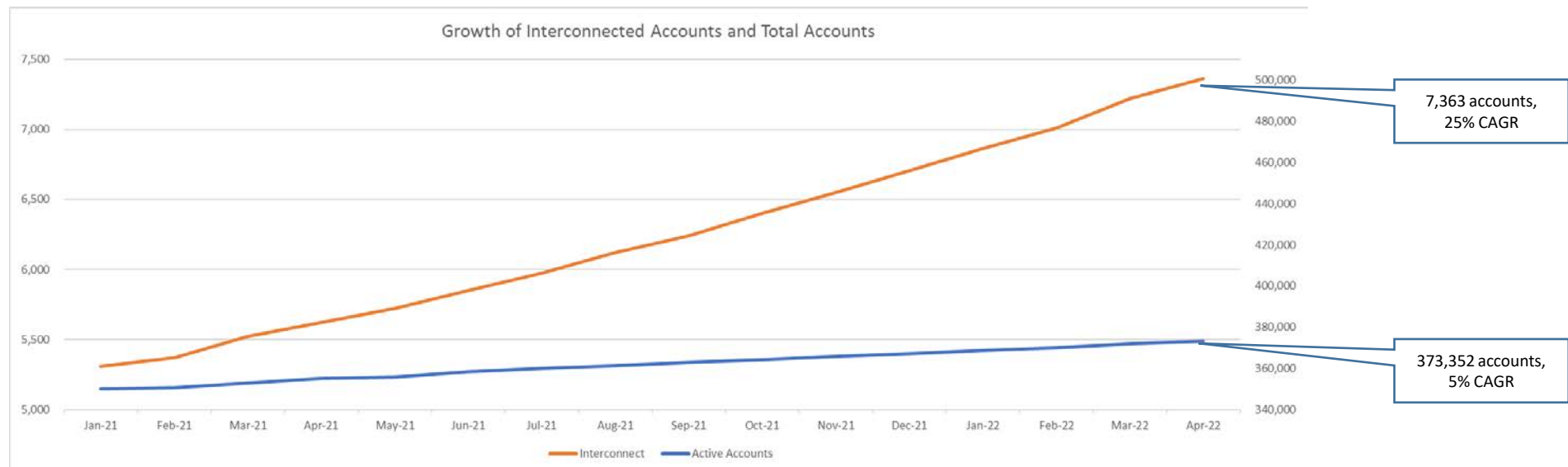
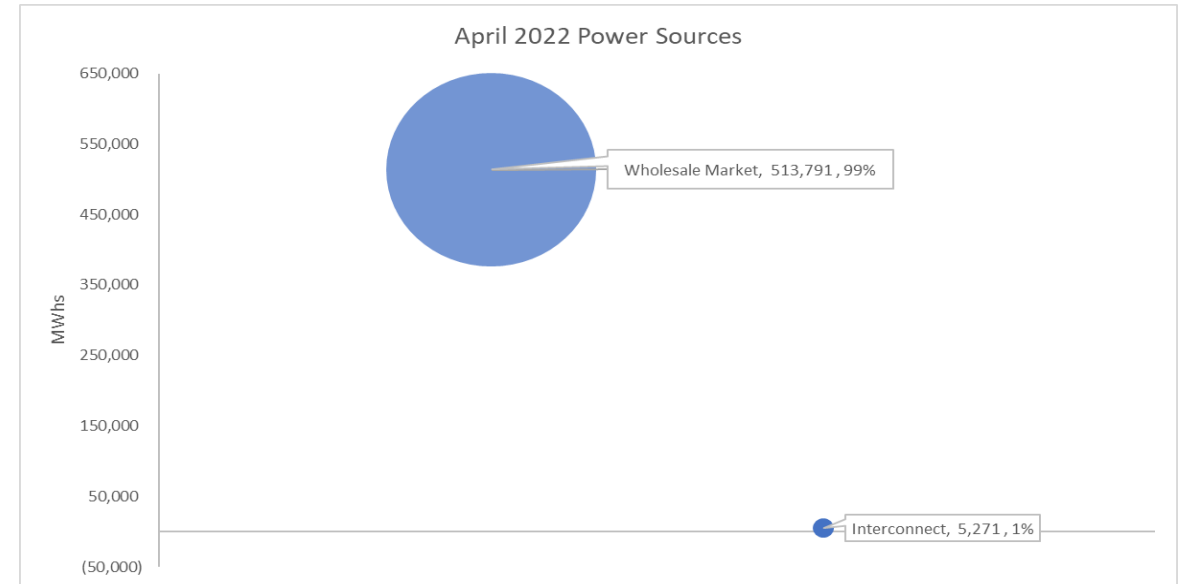
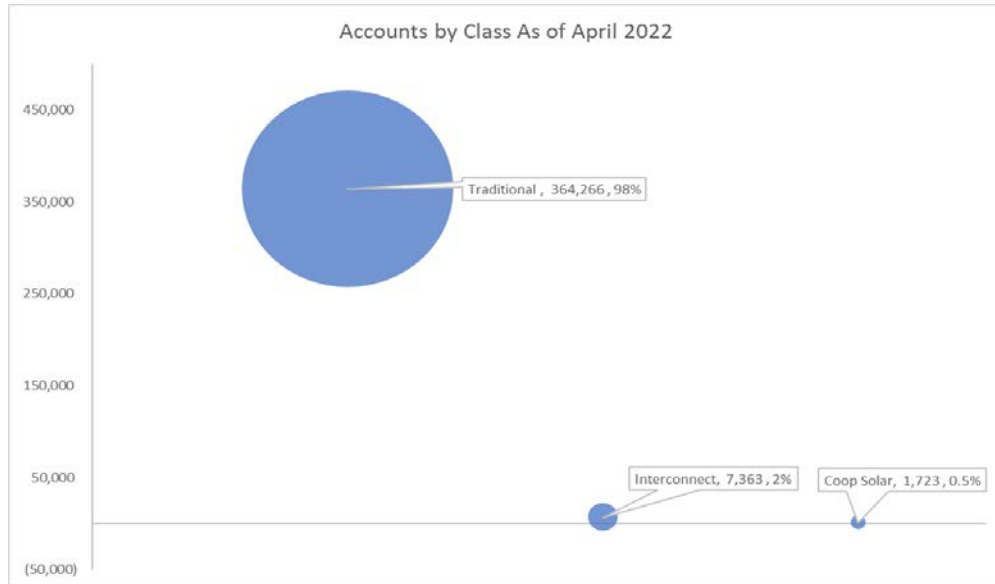
Interest Rates

10-Year Note



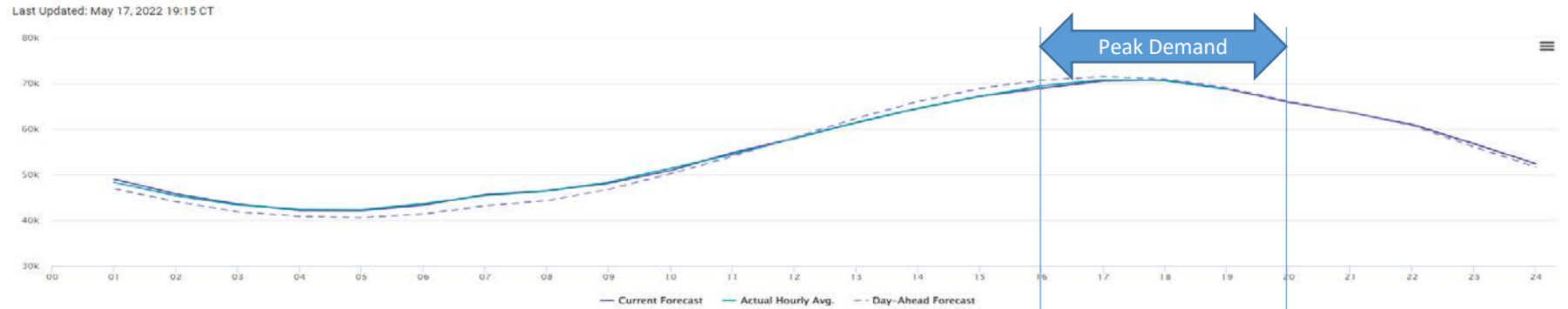
- 10-yr yield up nearly 150bps since the beginning of the year.

Residential Supply on PEC System

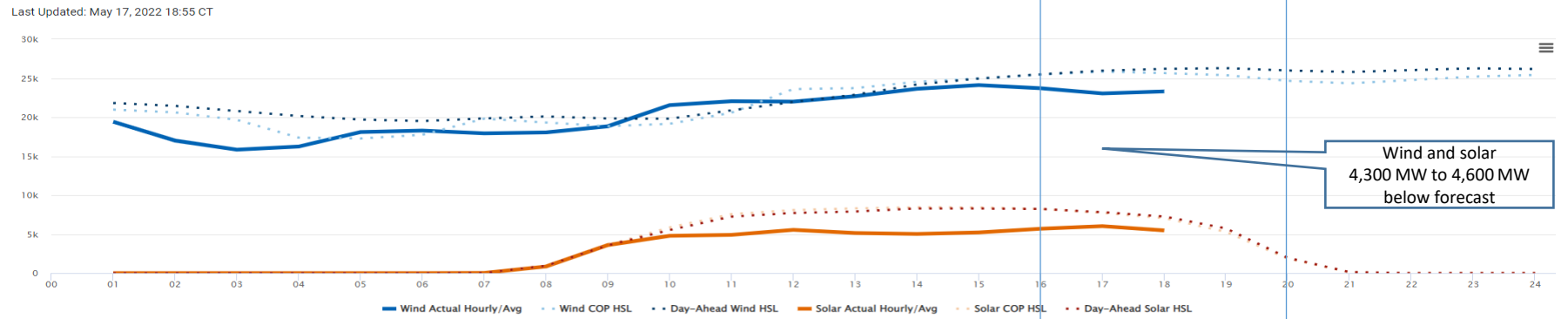


ERCOT Supply & Demand

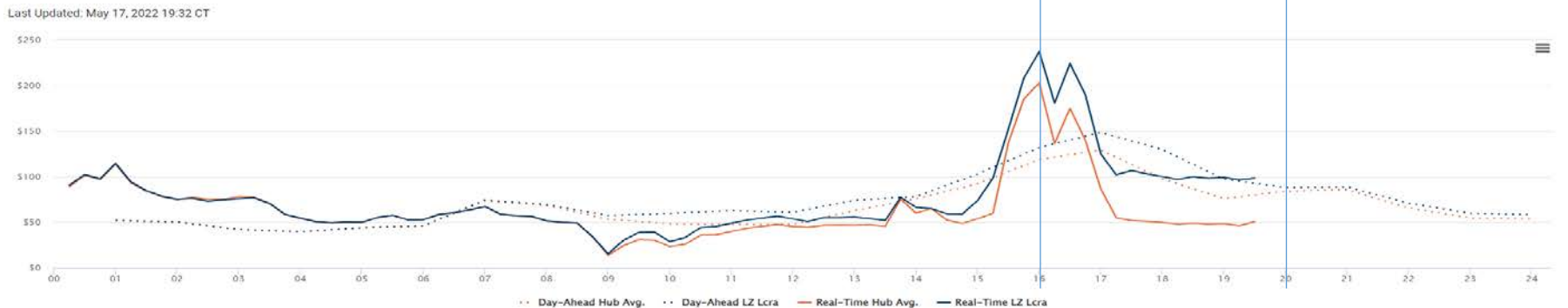
System Demand



Solar and Wind



Prices





PROUD

