



# Cooperative Update

Julie C. Parsley | Chief Executive Officer

Christian Powell | Chief Compliance 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

- Thursday, May 15, Midnight — the last day for House to vote out House Bills
- Two PUC Commissioners await confirmation in the Senate, two vacancies remain
- State Budget wrapping up this week
- SB 6 (Sen. King) — Large load legislation expected out of House committee this week
- June 2: Sine Die



# Regulatory Update: PUC

In April, Commissioners voted to move forward with constructing 765-kV transmission

- The projects were identified as part of the Permian Basin Reliability Plan
- The 765-kV plan includes approximately 400 more miles of new extra high voltage transmission lines
- The individual projects and specific paths will now begin the specific routing and approval process

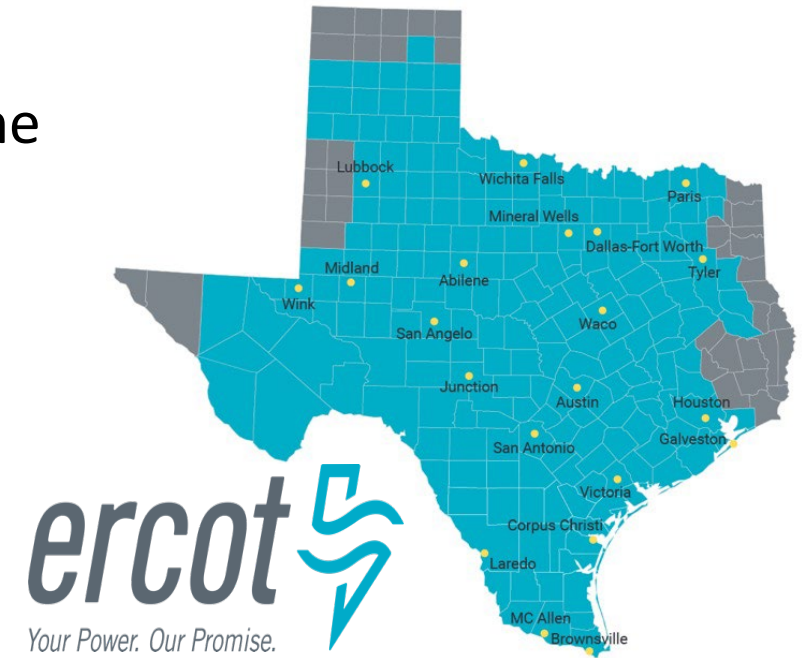




# Regulatory Update: ERCOT

In April, ERCOT held a Summer Weather Preparedness Workshop

- Participants discussed recent winter storm experiences and the importance of preparation with emphasis on collaboration, sharing best practices, and lessons learned
- Since the implementation of weather emergency preparedness, it was noted there have been improvements in system reliability and a decrease in outages during severe weather
- Texas is experiencing a neutral El Niño/La Niña phase, with possibility of returning to La Niña later in the year. Preliminary forecasts indicate the 2025 summer could be hotter than 2024, potentially rivaling 2011 and 2023 as one of the hottest summers on record



# Voting Open May 21 through June 13



## Vote your way May 21 – June 13



Vote through  
your PEC  
SmartHub  
account.



Watch your  
mailbox for  
election  
information.



Watch your  
email for  
election  
information.



Scan your  
unique QR  
code with your  
mobile phone.



# Member Appreciation: Founders Day 2025!





# Member Appreciation: Mayfest 2025!







# May Quarterly Report

## Christian Powell | Chief Compliance Officer

## Coverage Areas

- Electric Reliability Council of Texas (ERCOT)
- Public Utility Commission of Texas (PUC)
- North American Electric Reliability Corporation (NERC)
- **Texas Reliability Entity (Texas RE)**
- **Enterprise Risk Management (ERM)**
- Corporate Insurance
- Ethics
- Corporate Compliance & Policies
- Cyber & Physical Security
- State & Federal Environmental Compliance
- Utility Real Estate

## Fundamentals

- Connect business deliverables to compliance requirements
- Understand and communicate regulatory environment changes to the organization
- Develop policies, standards, and procedures
- Train, train, train
- Develop and monitor controls to minimize negative exposure
- Keep well organized records
- Keep PEC safe from legal or reputational risk
- Liaison with external regulatory agencies

# 2025 Major Project: Texas RE NERC Audit

## Texas RE NERC Audit of PEC

PEC Registered NERC Functions include:

- Distribution Provider (DP)
- Transmission Owner (TO)
- Transmission Planner (TP)
- Transmission Operator (TOP) as of March 1, 2024
  - PEC successfully passed a full Certification process with the Texas RE prior to go-live of Transmission Operations.

PEC's last audit with the Texas RE included the DP, TO, and TP Functions, and covered a period through November 2019.

### Audit Schedule

- 8/11/25 – 8/22/25: Includes materials review, interviews with Subject Matter Experts (SMEs), and tours of facilities.
- PEC will be responding to Requests for Information (RFIs) from now through the Audit.

NERC delegates many functions to Regional Entities. In ERCOT, the Regional Entity is the Texas RE.



- Manages Registration for NERC Certification
- Develops Regional Standards
- Coordinates Event Analysis and Reliability Improvement
- Executes a Compliance Monitoring and Enforcement Program

# 2025 Major CCO Initiative: Risk Management

## Enterprise Risk Management

- Align the efforts of the Cooperative to regard the most impactful risks when developing annual strategic initiatives
- Serve as the guide for the annual Board Audit Committee Internal Audit Topics
- Improve the likelihood of achieving strategic and business objectives
- Eliminate or reduce the impact of unplanned events
- Manage Inter-departmental Risk Review Committee that provides technical assistance with understanding the risks facing the organization, assessing exposure, and acting to effectively respond to preserve and maximize value for the members
- Assist with instilling and maintaining a risk-aware and risk-intelligent culture
- Encourage proactive versus reactive management providing a structured environment to evaluate risks Cooperative-wide at PEC



# Risk Matrix

Near Certainty	0.90	0.045	0.09	0.18	0.36	0.72
Highly Likely	0.70	0.035	0.07	0.14	0.28	0.56
Likely	0.50	0.025	0.05	0.1	0.2	0.4
Low Likelihood	0.30	0.015	0.03	0.06	0.12	0.24
Not Likely	0.10	0.005	0.01	0.02	0.04	0.08
		0.05	0.10	0.20	0.40	0.80
		Marginal	Significant	Serious	Very Serious	Catastrophic

Impact



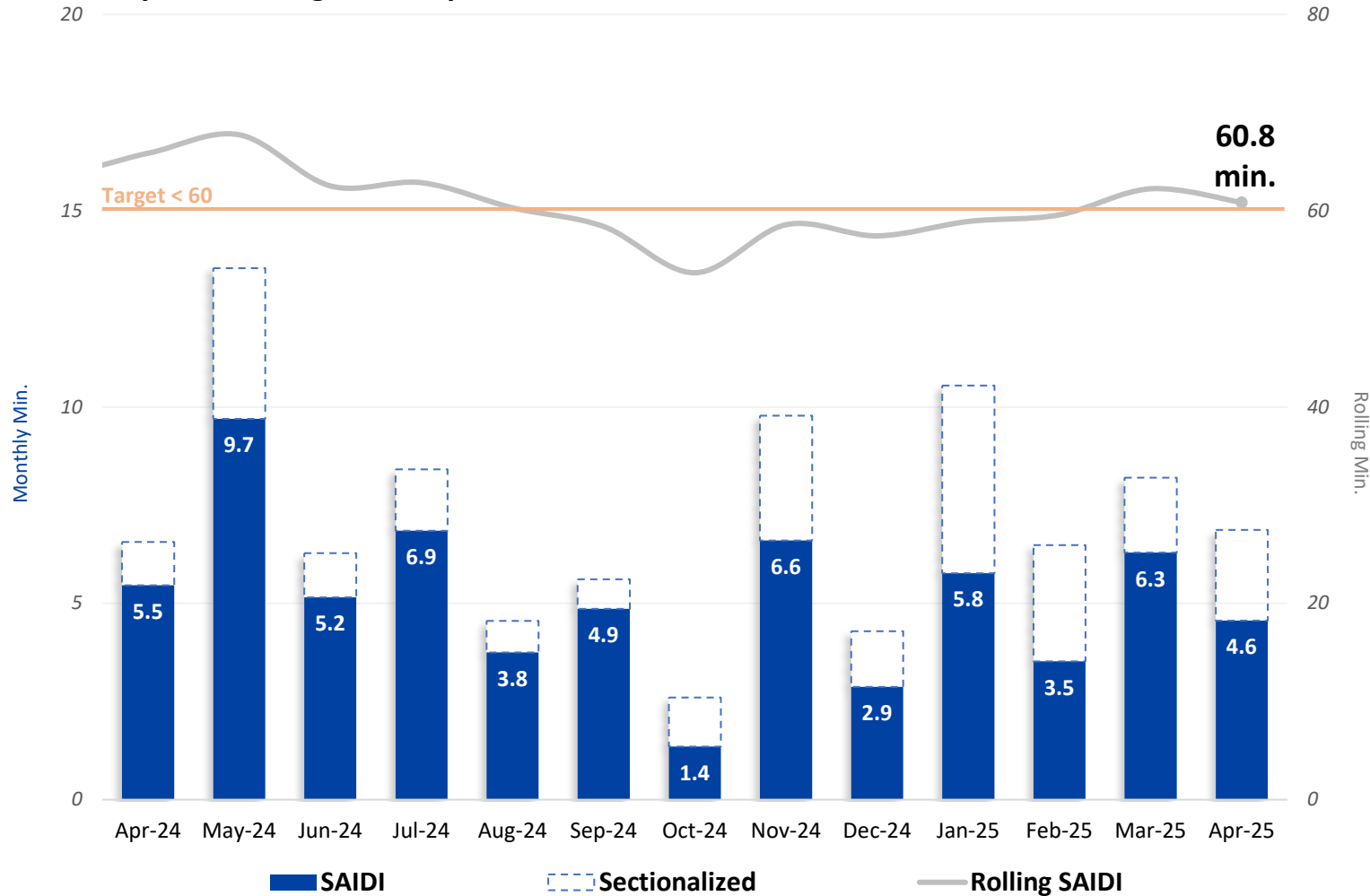


# Operations Report

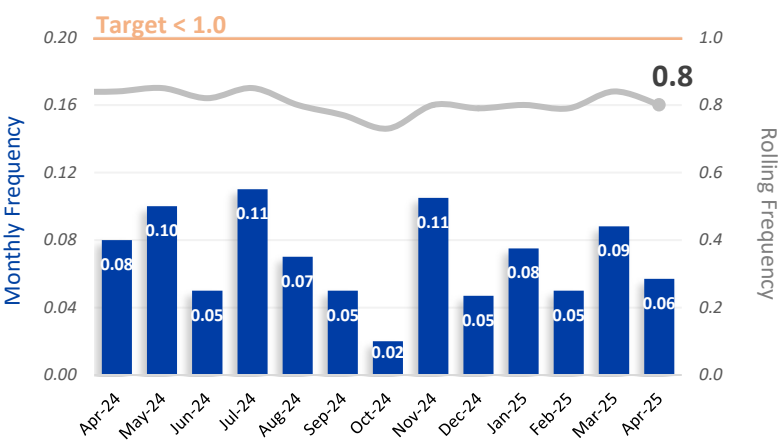
Nathan Fulmer | Chief Operations Officer -  
Distribution

# Reliability

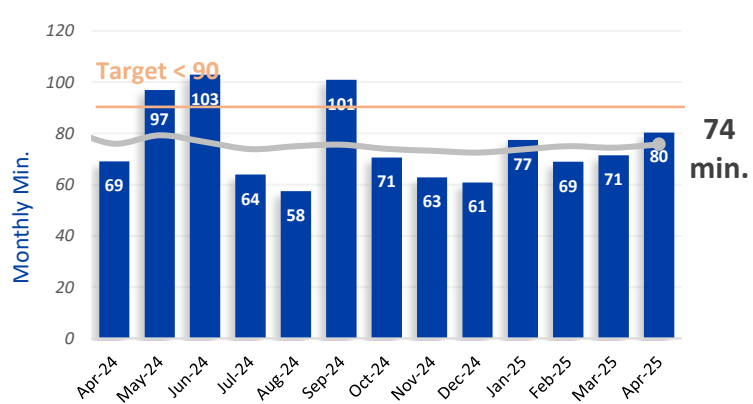
SAIDI System Average Interruption Duration Index



SAIFI System Average Interruption Frequency Index



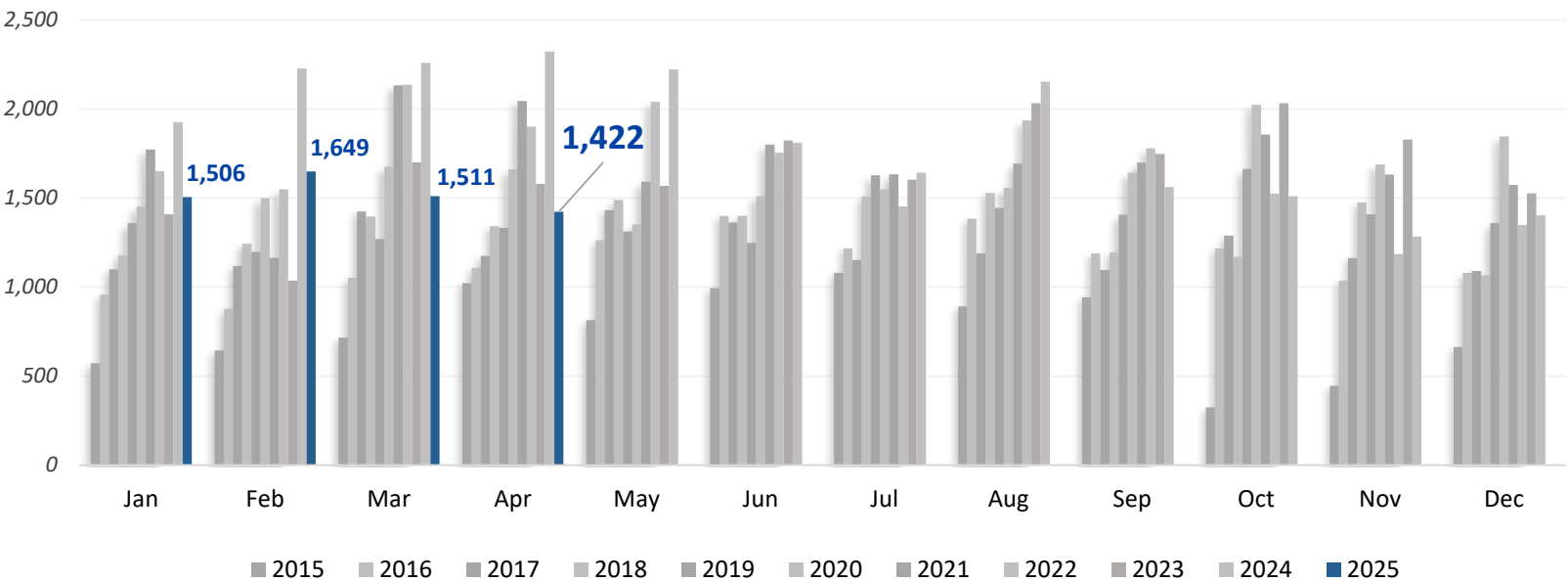
CAIDI Customer Average Interruption Duration Index



# System Growth

## Line Extensions Completed

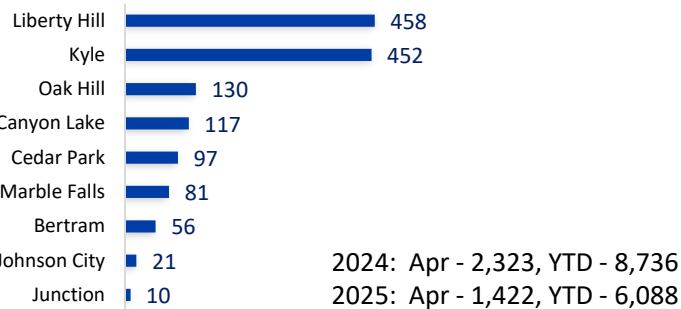
2021: 20,592    2022: 20,262    2023: 19,886    2024: 22,323    2025 YTD: 6,088



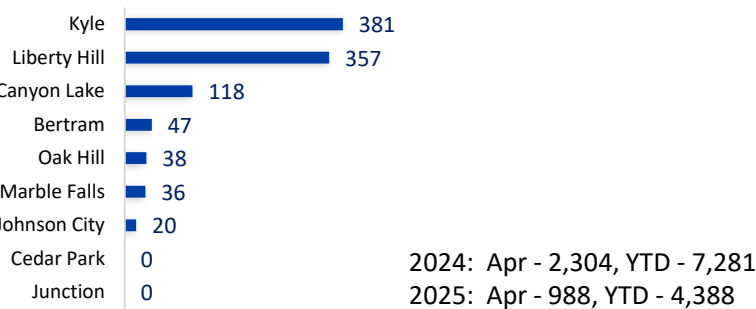
## Miles of Distribution Line:

Overhead:	17,807	(69%)
Underground:	7,899	(31%)
Total:	25,706	

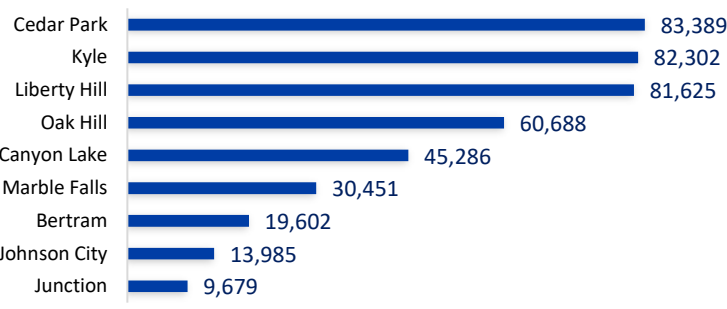
## Line Extensions (1,422)



## Meter Growth (988)



## Meter Totals (427,007)





# PEC Internal Rodeo





### 3. Operations Report

# PEC Internal Rodeo





# PEC Internal Rodeo

## Lineman Rodeo Program Events



*These events bring employees together, build teamwork and technical skills, and bolster PEC's safety culture.*

## Safety & Technical Training Program

### Apprentice Development

- Required participation
- Climbing skills and pole-top rescue
- Dedication to the curriculum
- Assessing and strengthening gaps

### Journeyworker Proficiency

- Measuring extensive skillsets
- Emergency aid and situational awareness
- Mentorship and teamwork



# PEC Internal Rodeo

## Internal Rodeo Event

April 16, Rebecca Creek Training Yard

16 Journeyman Teams and 126 Apprentices competed

### Top Four Journeyman Teams:

#### Team 1:

- Darren Donhauser (JC)
- David Hernandez (CL)
- Michael Thyberg (CL)

#### Team 3:

- Crispen Davis (CL)
- Chris Gerchman (JC)
- Chon Menchaca (CL)

#### Senior Team:

- Jason Fric (KY)
- Juan Hernandez (KY)
- Kris Saladino (JC)

#### Team 2:

- Zachary Mcfee (CL)
- Zackery Gough (CL)
- Nick Morris (Tech. Training)

#### Team 4:

- Caleb Brodock (CL)
- Thomas Logan (CL)
- Heath Finton (CL)

### Apprentices:

- Justin Carbajal (CP)
- Taylor Boon (CP)
- Chayton Boyd (CP)
- Maverick Michael (CP)
- Patrick McElroy (BT)
- Daniel Campos (KY)
- James McCune (JC)
- Collin Dickinson (LH)
- Nathan Buckingham (CP)
- Trey Reese (OH)
- Jordan Marsh (MF)
- Westin Hill (JN)
- Benjamin Kent (CL)





# April 2025 Financial Report

Randy Kruger | Chief Financial Officer

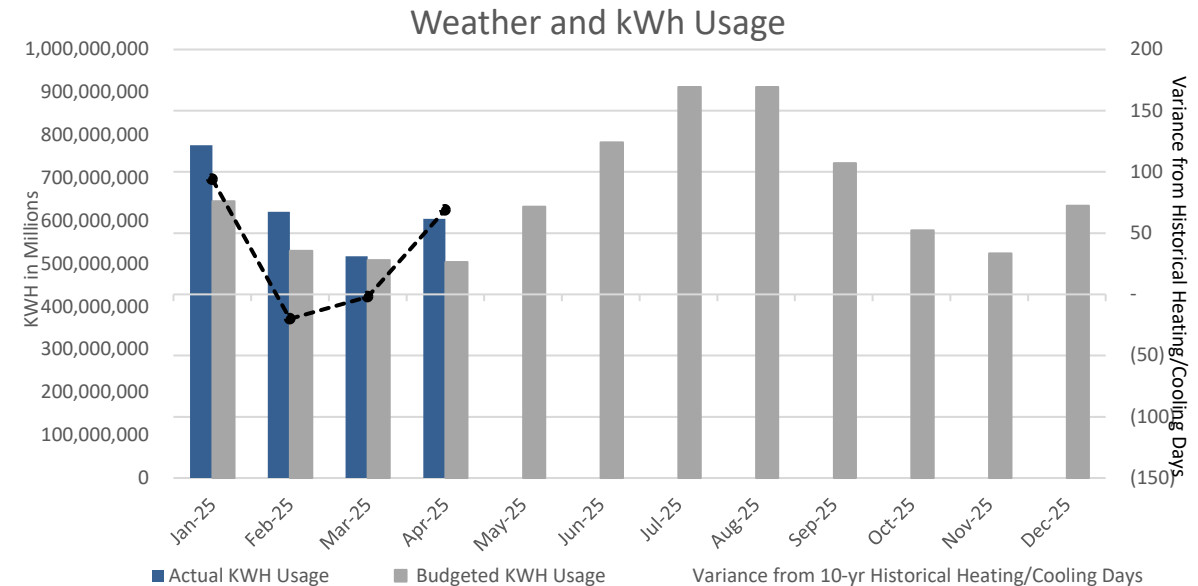
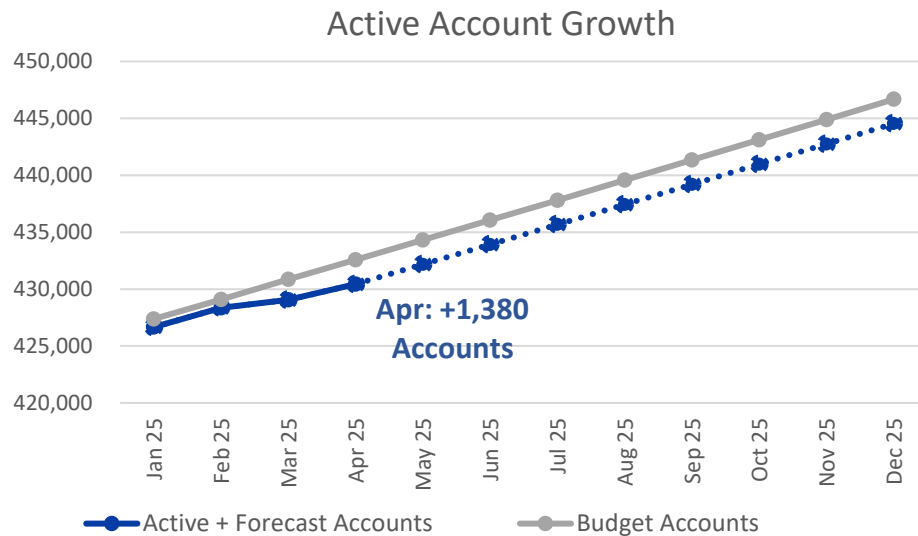


## 4. Financial Report

# Finance at a Glance – April 2025

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>MWH Sold</b>	605,068	504,162	100,906	2,520,956	2,188,196	332,760
<b>Gross Margins</b>	\$ 29.3	\$ 30.3	\$ (1.0)	\$ 124.3	\$ 122.2	\$ 2.1
<b>Net Margins</b>	\$ 2.2	\$ 2.6	\$ (0.4)	\$ 17.8	\$ 13.7	\$ 4.1
<b>EBIDA</b>	\$ 13.4	\$ 14.2	\$ (0.8)	\$ 62.5	\$ 58.9	\$ 3.6
<b>Revenue O/(U)</b>	\$ 6.9	\$ 1.3	\$ 5.6	\$ 7.3	\$ (9.7)	\$ 17.0
<b>EBIDA(X)</b>	\$ 20.4	\$ 15.5	\$ 4.9	\$ 69.8	\$ 49.2	\$ 20.6

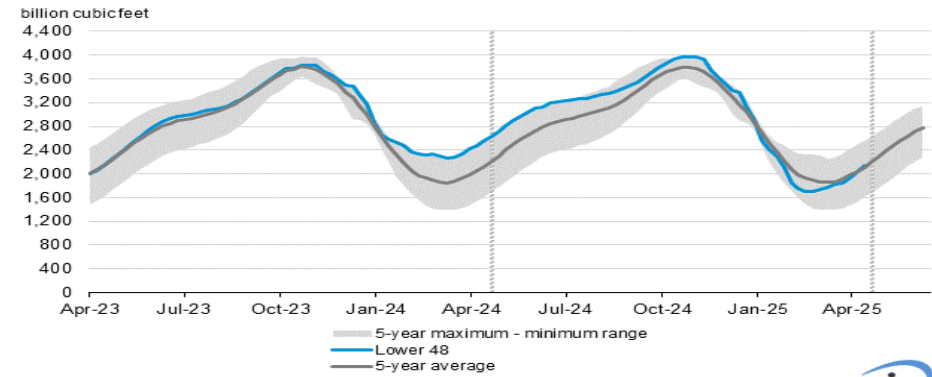
	Liquidity Coverage
Cash & Marketable Securities	\$ 20,181,577
Short Term Facilities	605,000,000
Less: Short Term Borrowings	149,415,319
Available Liquidity	\$ 475,766,258
<b>Liquidity Coverage (Days)</b>	<b>200</b>



## 4. Financial Report

# Power Market Fundamentals

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

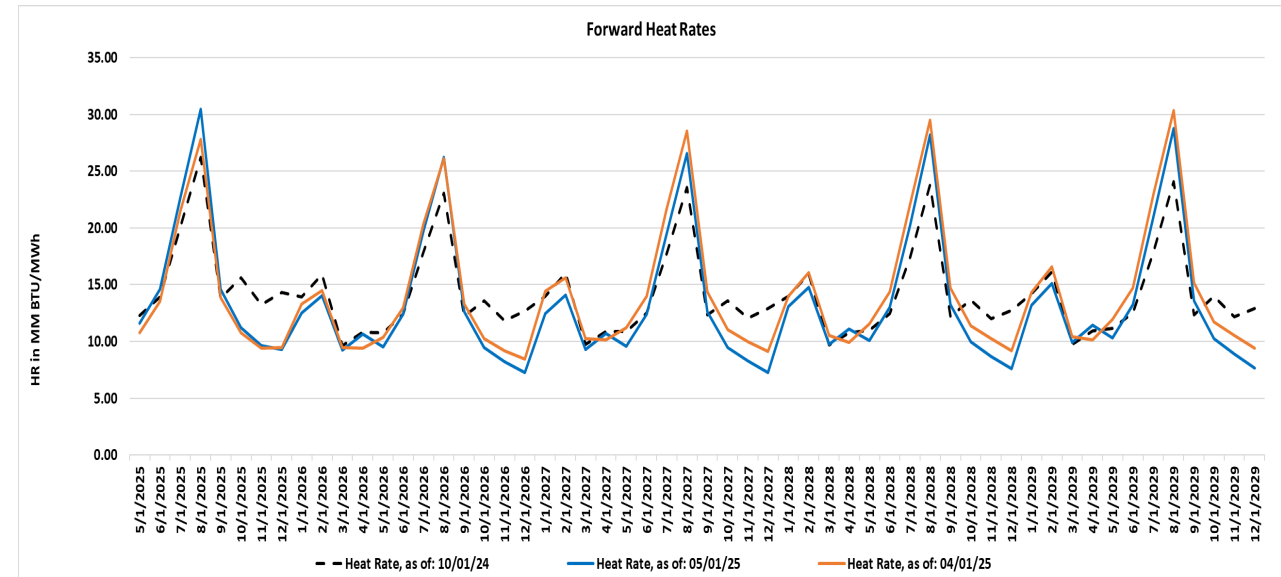
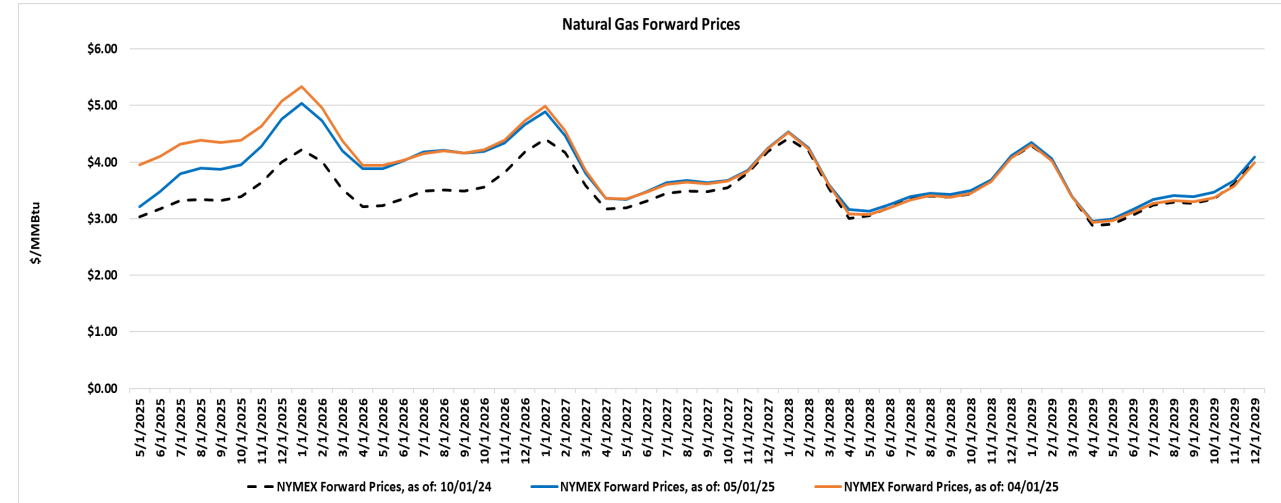
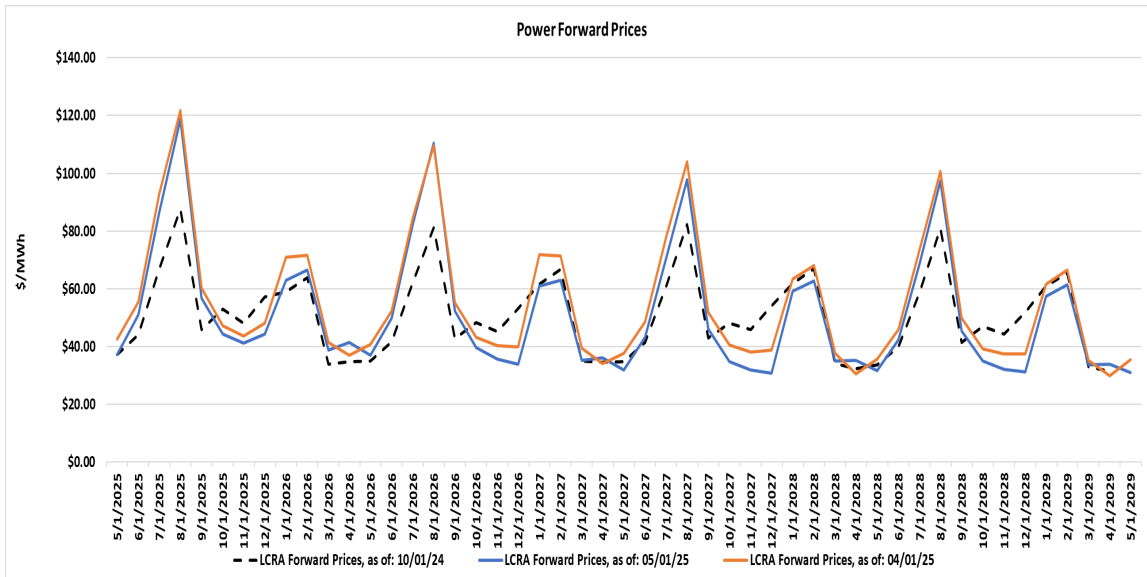


Data source: U.S. Energy Information Administration

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



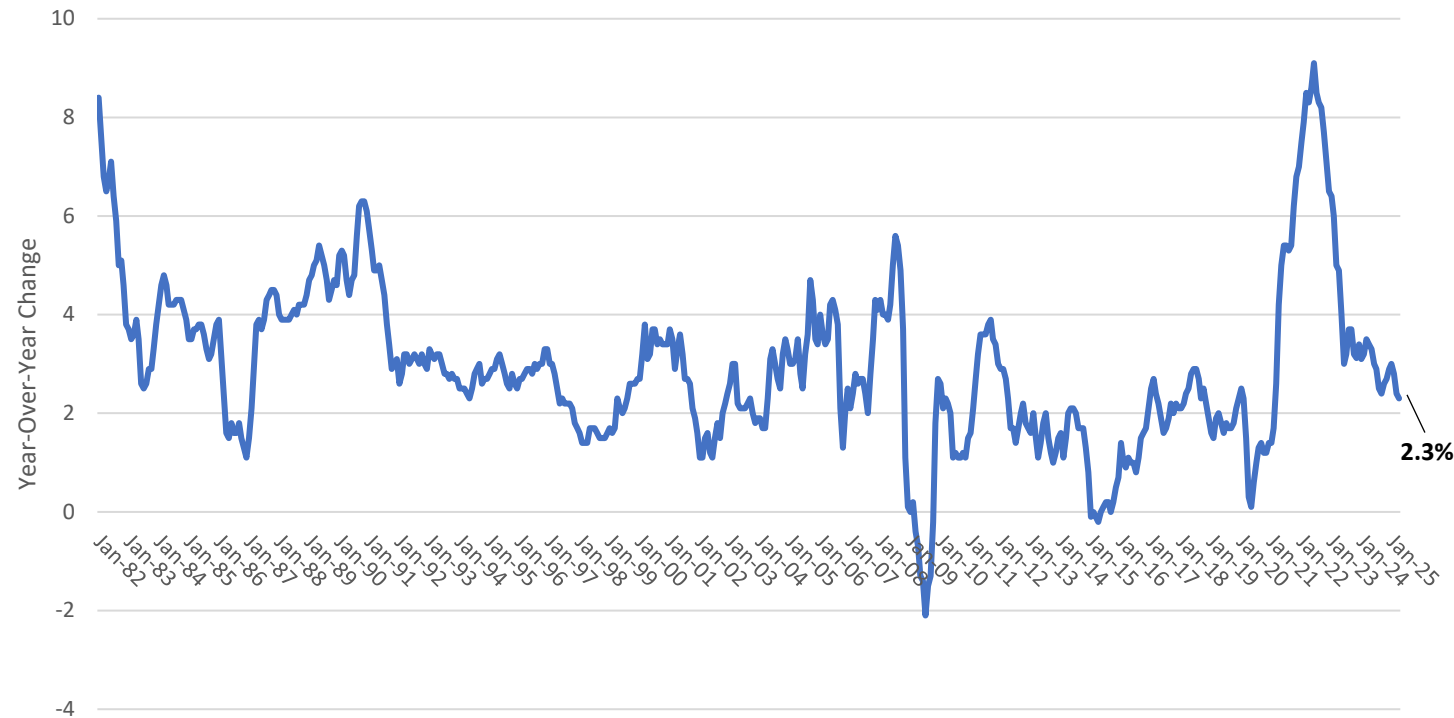
As of May 02, 2025



# Inflation

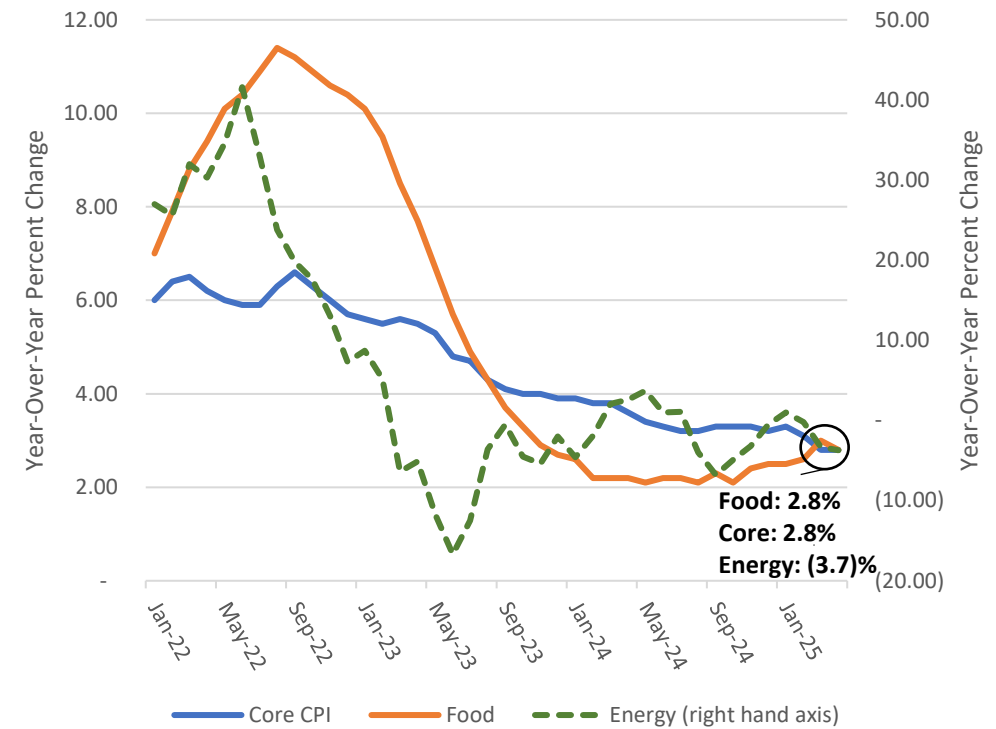
Overall CPI decreased to 2.3% YoY from 2.4% YoY in March; Core CPI remained at 2.8% YoY from the previous month. Energy prices were down -3.7% YoY driven by gasoline (-11.8%) and fuel oil (-9.6%); partially offset by utility gas service (+15.7%) and sustained increases to electricity prices (+3.6%).

CPI Jan 1982 to Apr 2025



Source: U.S. Bureau of Labor Statistics

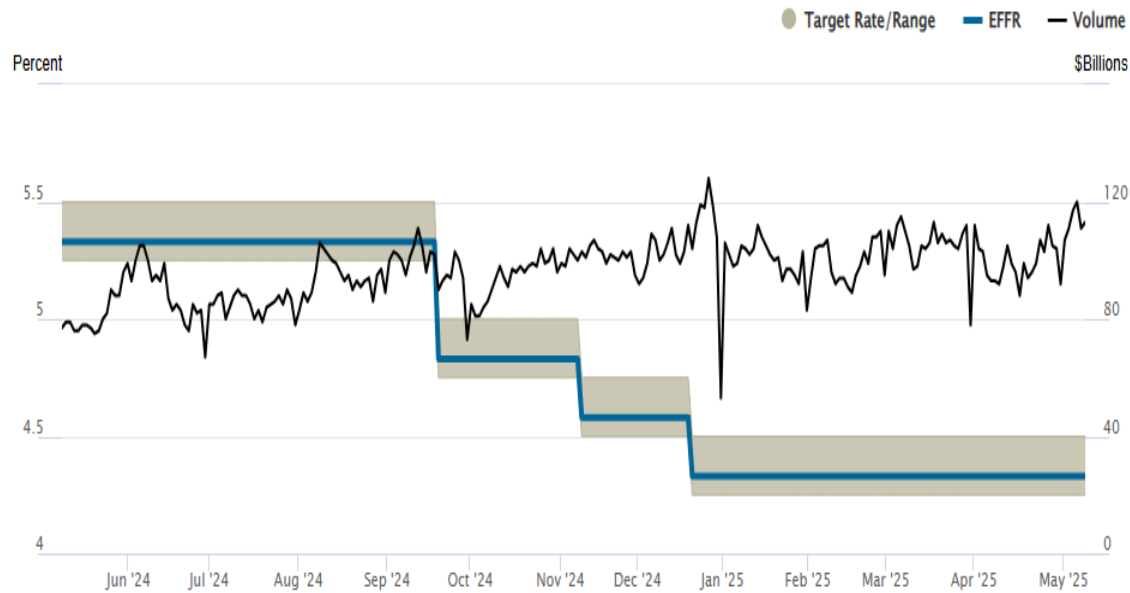
Core CPI, Food and Energy  
Jan 2022 to Apr 2025



Source: U.S. Bureau of Labor Statistics

# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York 05/09/2025

## 10-Year Note



Source: *The Wall Street Journal* 05/13/2025





# CAO Report

JP Urban | Chief Administrative Officer

# Member Relations Report

## April Member Relations Metrics

- Calls Handled: 22,078
- Chats Handled: 1,364
- Applications for Existing Service
  - Online 2,449 (25%)
  - By Phone 7,255 (75%)
- Member Experience Satisfaction Rating: 4.57 out of 5
- Member Experience First Contact Resolution: 90.79%
- Would member enjoy working with same agent again?: 92.67%





# 2025 Scholarship Recipients

- \$100,000 in scholarships presented to 25 students on May 1
- Since 1999, more than \$1.6M given to nearly 900 PEC-area students to help advance their education goals
- Received nearly 500 applications
- PEC Scholarships are funded 100% through unclaimed property returned by the State





# Community Relations Across the Co-op

- Together with Operations, launched new Interactive Distribution Demonstration
  - Debuted at Vandergrift HS
- Brightened students' day before STAAR science testing
  - Junction and Blanco ISDs
  - Provided snacks, pencils, and stress balls for kids; tacos for teachers
- Completed new ag mechanics partnership with Wimberley FFA
  - BBQ pit for rodeo team







# Appreciation and Look Ahead



# Employee Shoutouts\*



**Christina Meniz**  
Member Relations  
Analyst  
*Marble Falls*



**Jill Halford**  
Member Relations  
Analyst  
*Junction*



**Hailey Stanton**  
Member Relations  
Agent  
*Oak Hill*



**Garrit Afman  
& Team**  
Journeyworker  
*Canyon Lake*

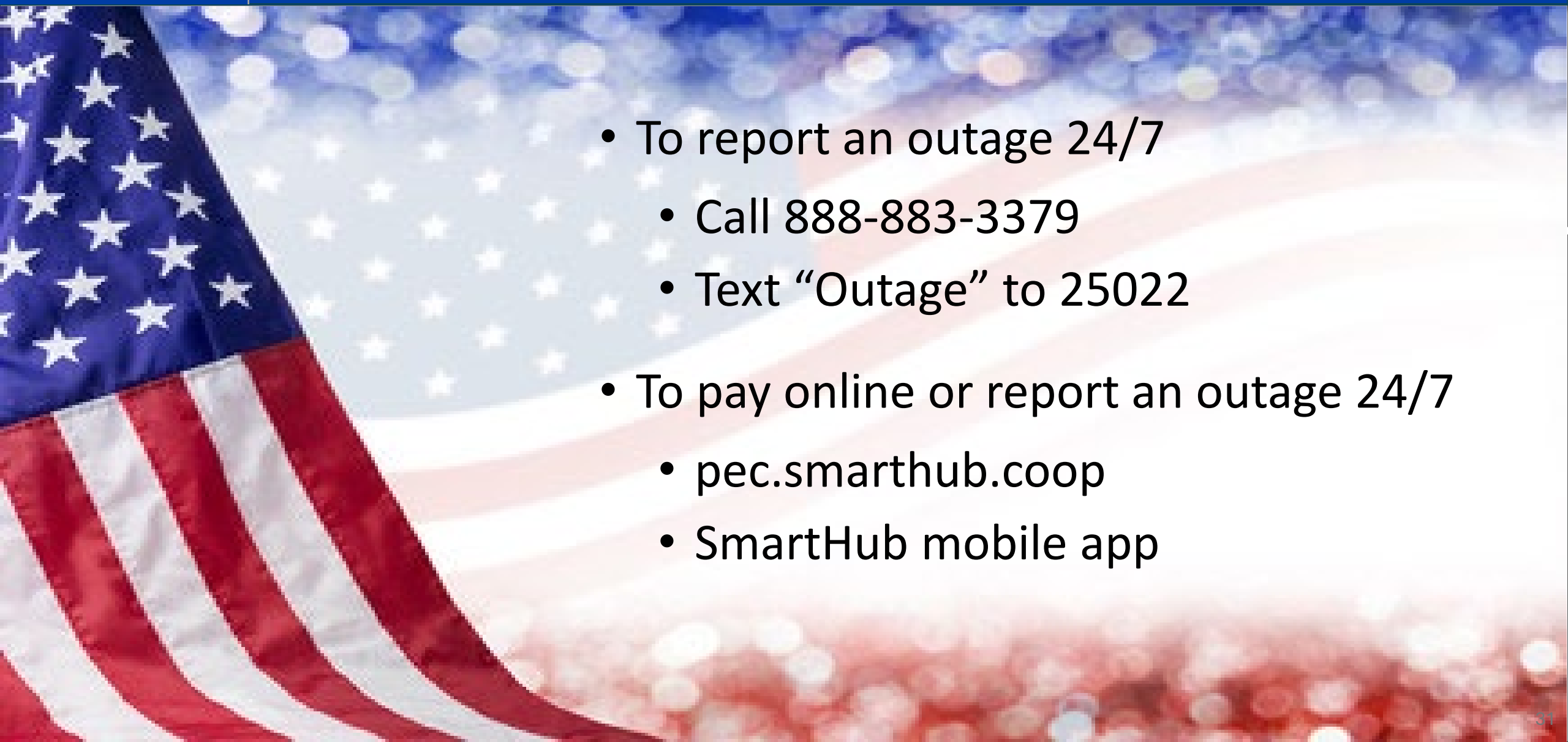


**Jimmy Rios  
& Team**  
Regional Operations  
Supervisor  
*Cedar Park*

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



# Offices Closed May 26 for Memorial Day

- 
- To report an outage 24/7
    - Call 888-883-3379
    - Text “Outage” to 25022
  - To pay online or report an outage 24/7
    - [pec.smarthub.coop](http://pec.smarthub.coop)
    - SmartHub mobile app





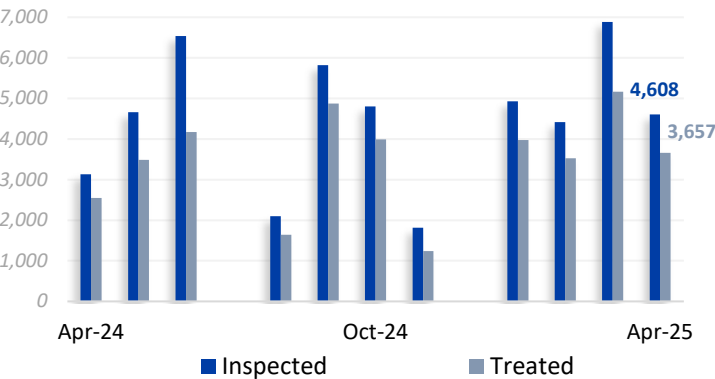
# Appendix Pages

# Maintenance & Technical Services

## Pole Testing & Treatment (PTT)

### Poles Inspected & Treated

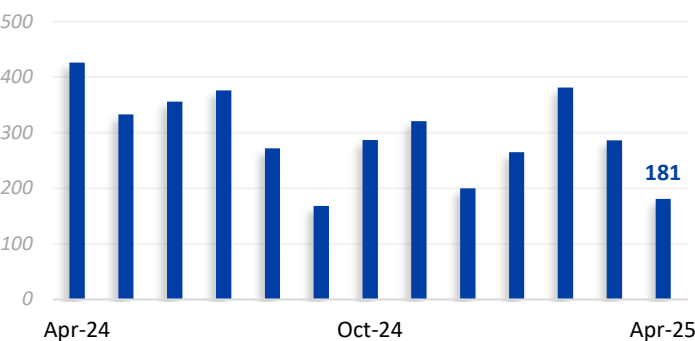
2024 YTD: Inspections - 17,530    Treated - 14,422  
2025 YTD: Inspections - 20,840    Treated - 16,331



## Underground Equipment

### Pad Restorations

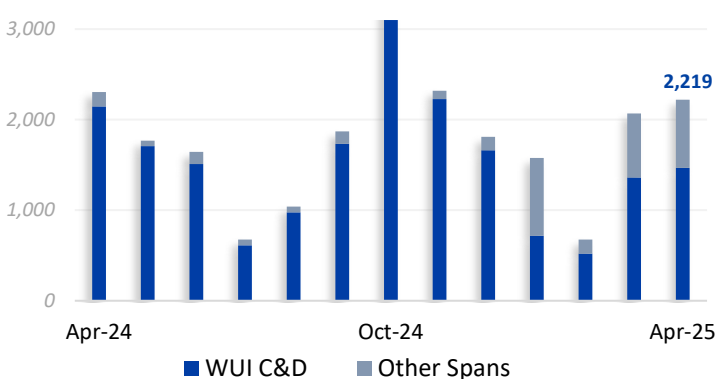
2024 YTD: 1,631  
2025 YTD: 1,113



## Vegetation Management

### Span Clearings

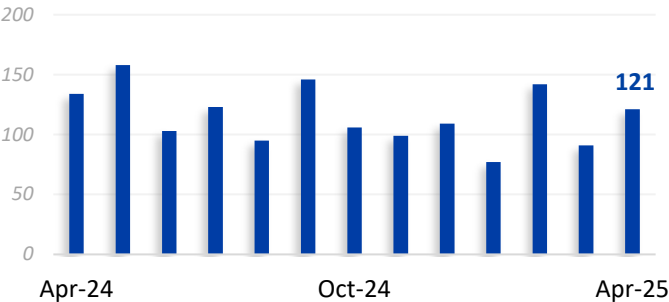
2024 YTD: Encroachments Completed - 10,587  
2025 YTD: Encroachments Completed - 6,543



## Technical Services

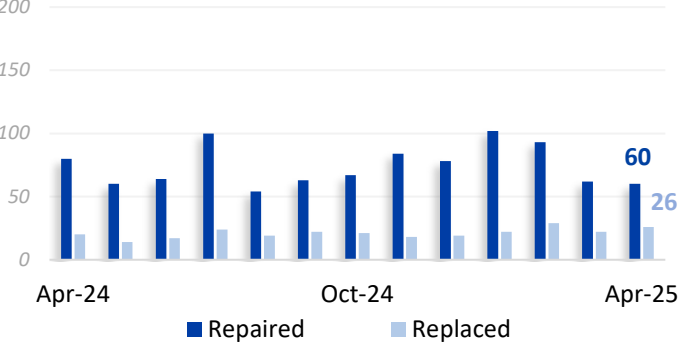
### Equipment Inspections

2024 YTD: 786  
2025 YTD: 431



### Equipment Repaired or Replaced

2024 YTD: Repaired - 273    Replaced - 83  
2025 YTD: Repaired - 317    Replaced - 99





# Planning Engineering Projects

Project	Completion	Percent Complete
Load Projection Study	Feb 2025	100%
2025 CIP Project Maps	Feb 2025	100%
Capacitor Settings	Mar 2025	95%
4CP Study	Apr 2025	75%
Summer Contingency	May 2025	10%
UFLS Study	Jul 2025	0%
CIP (1 <sup>st</sup> Draft) Study	Jul 2025	5%
CIP (Final Draft) Study	Aug 2025	0%
Mock UFLS Study	Dec 2025	0%
20-Year Plan Study	Dec 2025	0%
Winter Contingency	Dec 2025	0%

## Large Project Updates

### Johnson City - Haley Road Yard Expansion – Phase 2

Design work is complete. Permit application is submitted with RFP release expected by May 12. Completion forecasted for Nov. - Dec. timeframe.

### Junction

Yard civil and detention work is 95% complete. Foundations for fleet, warehouse and generator pad are installed. Vertical construction for fleet building to start mid-May. Project completion forecasted for Nov. 2025.

### Marble Falls

Concrete work completed the week of May 5. Tank and canopy install scheduled for late May. Project completion end of Jul. 2025.

### Liberty Hill Parking and Adjacent Property Development

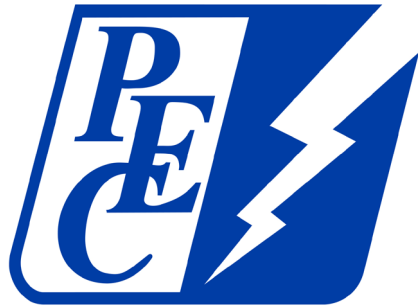
The parking area and fence completed in Mar. Design work for the yard expansion is complete with permit applications submitted in Apr. RFP package preparation is underway with award forecasted for Jul. Project completion by end-of-year.

### Kyle Parking and Yard Base Stabilization

Parking lot expansion is complete. Award for the yard base stabilization effort is underway with construction forecasted for Jun. 2025.







# Appendix to April 2025 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

## 4. Financial Report

# Financial Performance

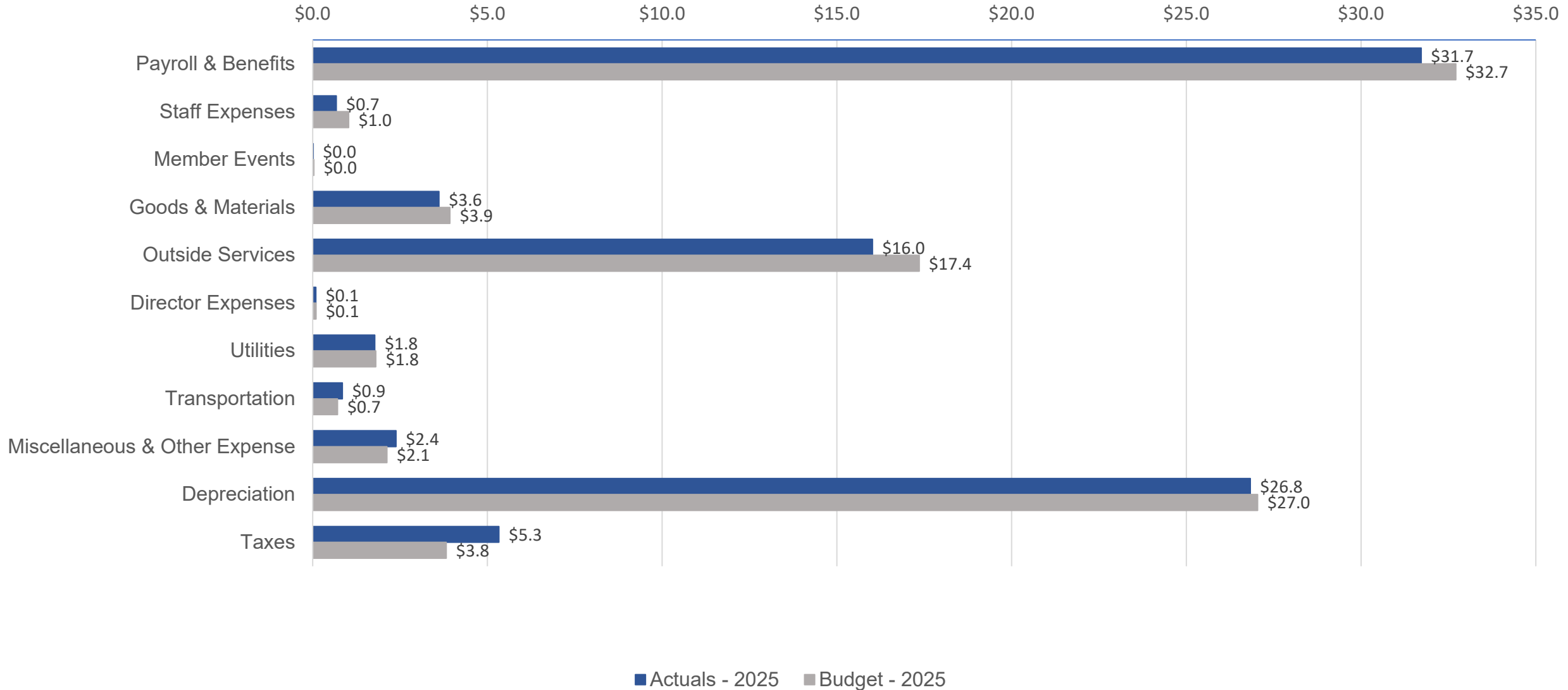
	MTD			YTD			Annual
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget
<b>Gross Margins</b>	\$ 29,259,548	\$ 30,295,105	\$ 28,613,137	\$ 124,292,948	\$ 122,199,556	\$ 113,718,150	\$ 400,301,897
Operating Expenses Ex. Depreciation	16,064,483	16,166,547	15,760,379	62,477,618	63,617,430	58,337,606	193,600,990
Depreciation	6,756,607	6,992,382	8,055,045	26,828,739	27,040,133	31,983,012	83,735,262
Interest Expense	4,458,236	4,593,418	4,297,899	17,901,966	18,222,382	16,747,402	55,458,822
Other Income	(245,425)	(90,000)	(2,055,871)	(728,773)	(360,000)	(2,395,868)	(3,873,000)
<b>Net Margins</b>	\$ 2,225,647	\$ 2,632,758	\$ 2,555,685	\$ 17,813,398	\$ 13,679,611	\$ 9,045,998	\$ 71,379,824
<b>EBIDA</b>	\$ 13,440,490	\$ 14,218,558	\$ 14,908,629	\$ 62,544,103	\$ 58,942,126	\$ 57,776,412	\$ 210,573,907
Over (Under) Collected Revenues	6,921,129	1,325,864	(62,132)	7,283,928	(9,697,648)	(6,631,889)	4,966,279
<b>EBIDA(X)</b>	\$ 20,361,619	\$ 15,544,422	\$ 14,846,497	\$ 69,828,031	\$ 49,244,478	\$ 51,144,523	\$ 215,540,186
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	605,067,968	504,162,319	505,216,412	2,520,955,942	2,188,195,528	2,181,899,641	7,910,451,206
Energy Purchases kWh	614,271,531	536,388,973	542,913,903	2,592,669,511	2,328,039,570	2,327,631,075	8,415,380,400
Active Accounts				430,437	432,575	412,621	446,678



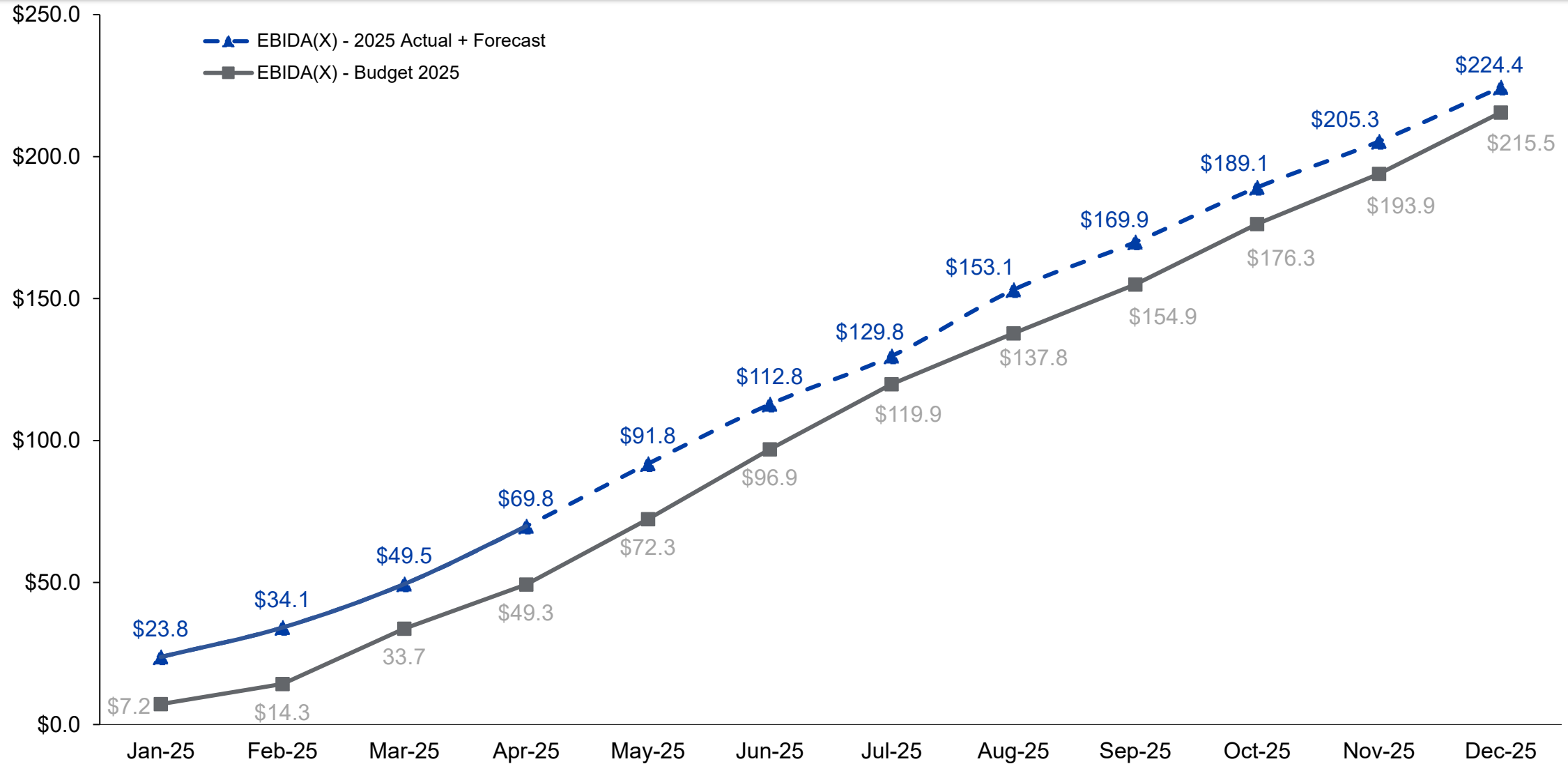
#### 4. Financial Report

# Cost of Service (in millions)

## YTD Actuals vs Budget through April 2025



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



# CIP Spend

Construction Category & Description	YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
<b><u>Distribution</u></b>				
200 Tie Lines (new construction between existing lines)	2,791,801	6,625,221	3,833,421	14,793,728
300 Conversions or Line Changes	8,871,159	9,299,273	428,114	25,001,608
600 Miscellaneous Distribution Equipment	12,296,378	18,160,019	5,863,641	54,370,706
700 Other Distribution Items	288,687	129,988	(158,700)	391,422
<b>Distribution Total</b>	<b>\$ 24,248,025</b>	<b>\$ 34,214,501</b>	<b>\$ 9,966,476</b>	<b>\$ 94,557,465</b>
<b><u>Substation</u></b>				
400 New Substations, Switching Stations and Meter Points	4,760,558	7,609,472	2,848,914	20,969,733
500 Substations, Switching Stations and Meter Point changes	9,270,806	16,425,818	7,155,012	42,471,140
<b>Substation Total</b>	<b>\$ 14,031,364</b>	<b>\$ 24,035,289</b>	<b>\$ 10,003,926</b>	<b>\$ 63,440,873</b>
<b><u>Transmission</u></b>				
800 New Transmission Lines	(774,262)	162,547	936,809	1,125,657
1000 Line and Station Changes	4,863,758	13,832,510	8,968,752	49,195,185
<b>Transmission Total</b>	<b>\$ 4,089,496</b>	<b>\$ 13,995,057</b>	<b>\$ 9,905,561</b>	<b>\$ 50,320,843</b>
<b><u>General Plant</u></b>				
2000 Facilities	909,163	8,007,372	7,098,209	17,789,898
3000 Information Technology	258,094	2,789,312	2,531,218	7,017,520
4000 Tools & Equipment	127,746	166,667	38,920	500,000
5000 Vehicles	2,530,458	1,666,667	(863,791)	5,000,000
<b>Total General Plant</b>	<b>\$ 3,825,461</b>	<b>\$ 12,630,017</b>	<b>\$ 8,804,557</b>	<b>\$ 30,307,418</b>
<b>Accrued WIP &amp; Prepaid Aid</b>	<b>\$ (4,830,030)</b>	<b>\$ -</b>	<b>\$ 4,830,030</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>	<b>\$ 41,364,316</b>	<b>\$ 84,874,864</b>	<b>\$ 43,510,549</b>	<b>\$ 238,626,599</b>





[myPEC.com](http://myPEC.com)