



# Cooperative Update

Julie C. Parsley | Chief Executive 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

# 89<sup>th</sup> Legislative Session

- The 89<sup>th</sup> Texas Legislative session ended June 2
- Approximately 9,014 bills and joint resolutions were filed. Of those, 1,210 passed and so far, two were vetoed
  - Veto deadline is June 22
- Three bills passed related to distribution pole integrity
  - HB 144: Must submit pole management plan by May 1 annually
  - HB 145: Must submit wildfire mitigation plan
  - SB 1789: Requires PUC to establish T&D pole standards
- SB 6 passed related to ERCOT growth and large load development
- Pole attachments & eminent domain did not pass



# Texas Senate Confirms PUC Commissioners

- On May 21, the Texas Senate unanimously confirmed the appointments of Thomas Gleeson as chairman and Courtney Hjaltman as commissioner of the PUC
- Governor Abbott appointed Gleeson chairman in January 2024 and Hjaltman commissioner in June 2024
- Gleeson and Hjaltman joined the already confirmed Kathleen Jackson
- Two vacancies remain on the Commission



# 765-kV Permian Basin Project Beginning

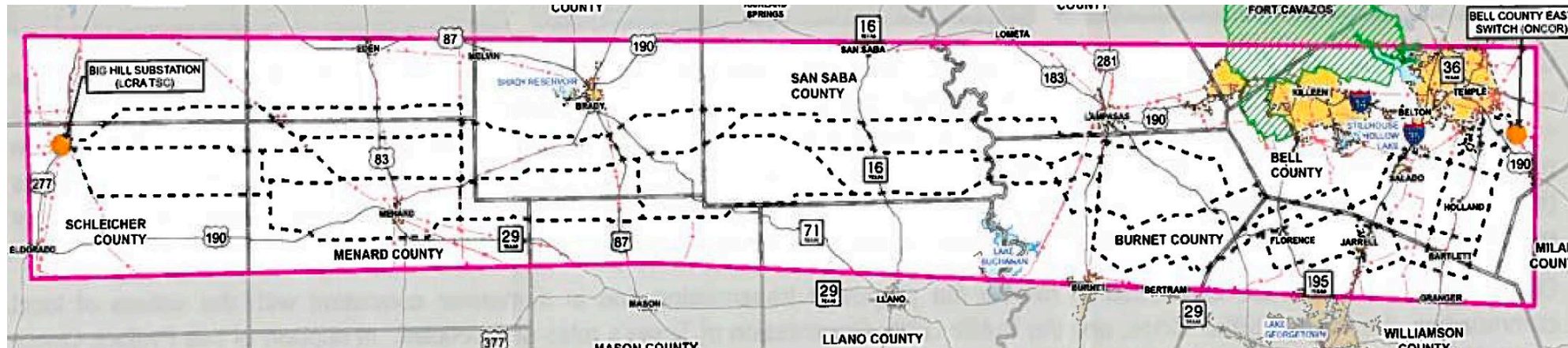
- As we discussed earlier this year, the PUC approved plans to build extra high voltage transmission lines in Texas to help meet the Permian Basin's growing power needs
  - Introducing 765-kV transmission lines
  - Currently, the largest lines in Texas are 345-kV
- These new lines can transport large volumes of electricity to underserved areas
- PEC will be monitoring impacts of new lines that impact our facilities and systems
- If members believe they may be affected by a project, they may want to participate at the PUC level





# Oncor/LCRA Project Runs Through PEC

- Oncor and LCRA announced plans to build a portion of the Permian Basin reliability plan that will run through PEC's service area
- It will take several years to be approved by the PUC and be built
- PEC will monitor the process closely and provide input to the extent the line impacts our facilities
- Oncor and LCRA are hosting three public meetings this month to collect input
- Information is available on Oncor and LCRA's websites



# Congratulations, Graduates!



**Tammy Molina**

Administrative  
Assistant

***Associate –  
Administrative  
Office***

***Management***

*McClennan Community College*



**Taggart Raffety**

Technology  
Portfolio  
Manager

***MBA***

*Texas A&M University -  
Kingsville*



**Ben Woods**

Electrical  
Distribution Design  
& Planning  
Manager

***MBA***

*Texas A&M University –  
Corpus Christi*

## PEC Tuition Reimbursement



- PEC has a generous tuition reimbursement program for employees
- We provide \$5,250 per calendar year for employees attending an accredited college, university, or technical school



# Operations Report

Nathan Fulmer | Chief Operations Officer -  
Distribution



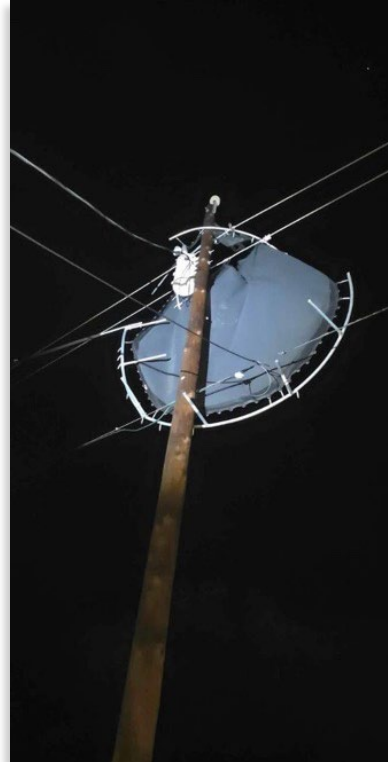
# Storm Season

## Extreme Weather - May 28, 2025

Severe weather hit Central Texas, bringing heavy flooding and high winds that reached up to 77 mph, as well as 2-3 inches of rain within half an hour.

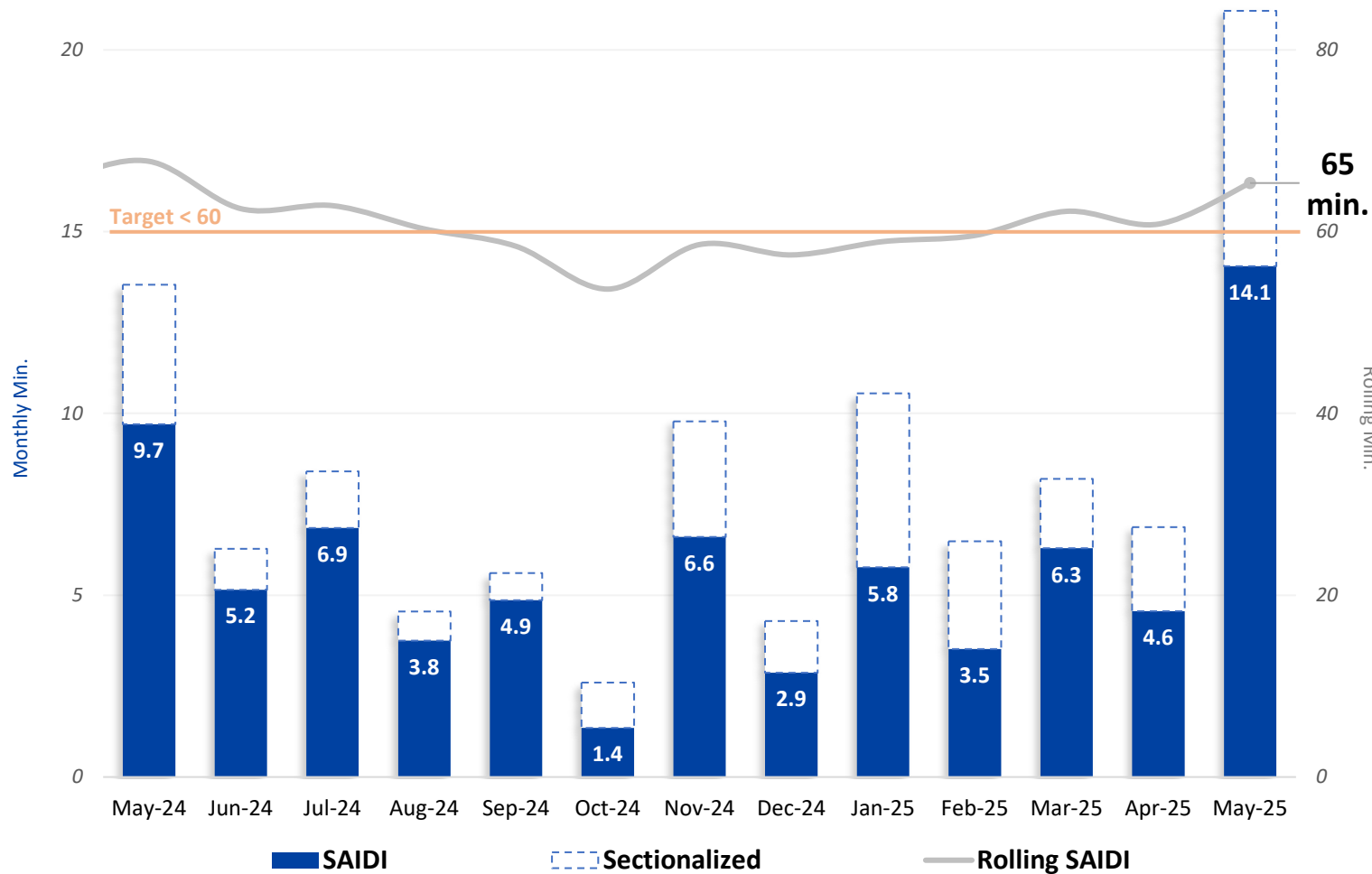
PEC recorded 7,500 member outages during the event.

- 236 outages impacting ~7,500 members
- 0 transmission line events
- 23 feeder-level trip and recloses
- 15 SCADA-controlled recloser trip and recloses
- 1 SCADA-controlled recloser lock out
- 2 feeder-level lockouts (MF district)
- 237 total PEC resources in the field
- Peak outages occurred at 3 a.m. and by noon, nearly all members were restored

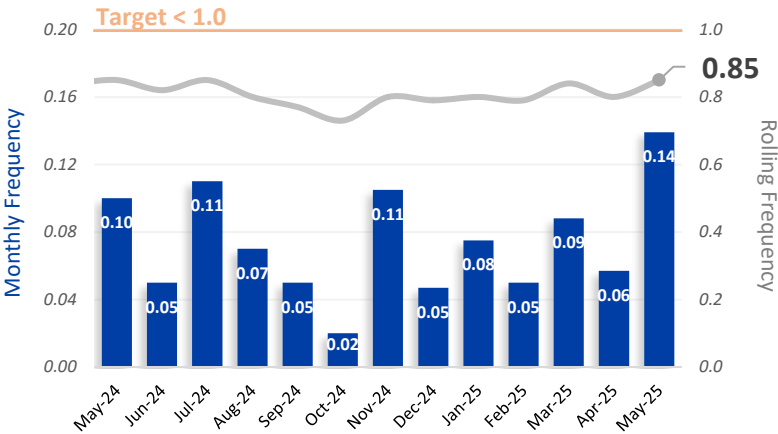


**PEC's operational preparedness and system resiliency was demonstrated throughout this event and highlighted the importance of advanced resource staging, coordination with the control center, strong construction standards, sectionalizing large outages, targeted vegetation control, and proactive system maintenance.**

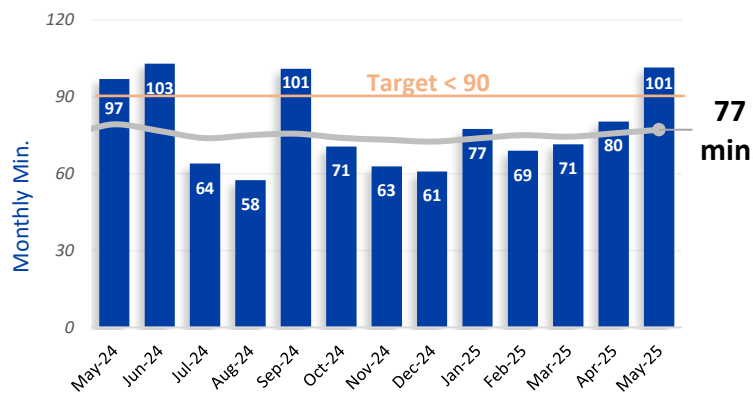
SAIDI System Average Interruption Duration Index



SAIFI System Average Interruption Frequency Index



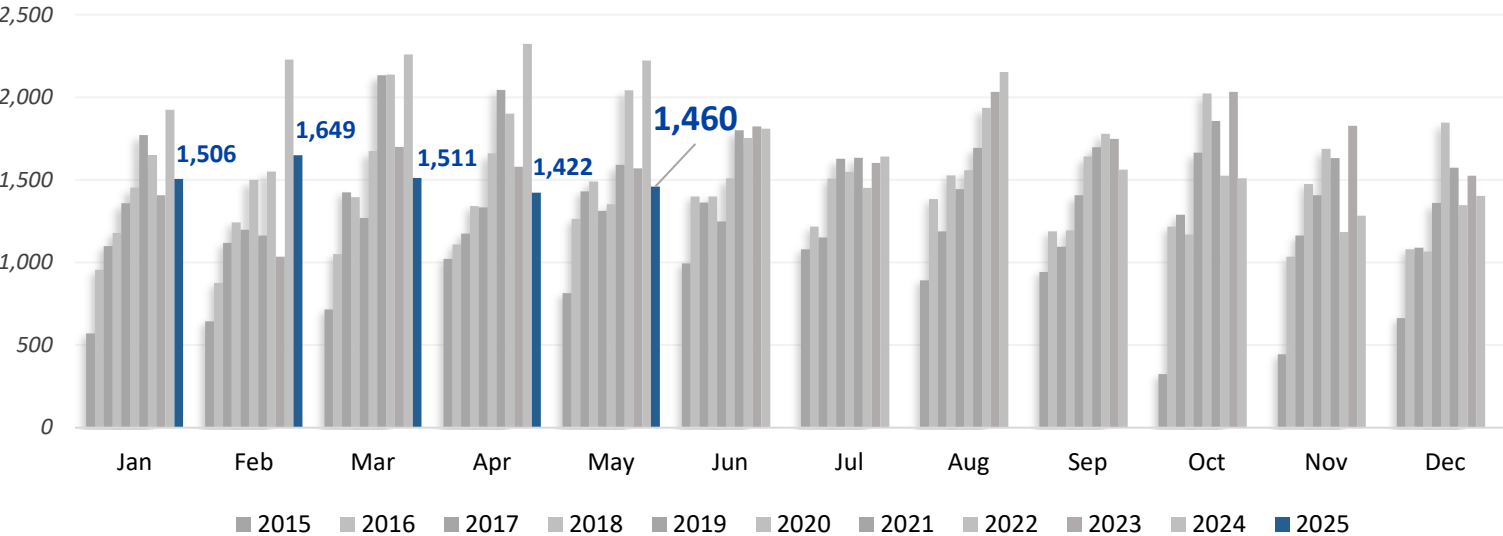
CAIDI Customer Average Interruption Duration Index



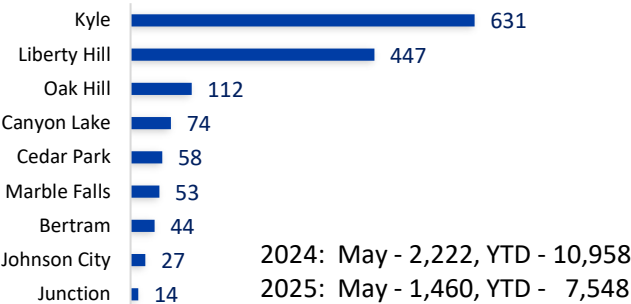
# System Growth

## Line Extensions Completed

2023: 19,886    2024: 22,323    2025 YTD: 7,548



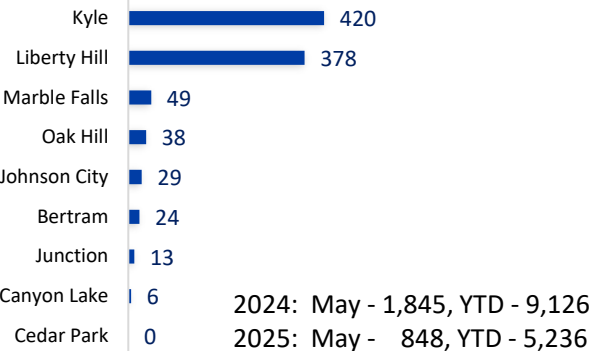
## Line Extensions by District



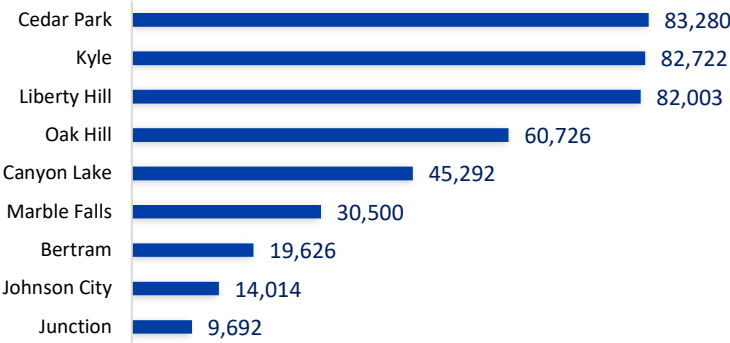
## Miles of Distribution Line:

Overhead:	17,809	(69%)
Underground:	7,935	(31%)
Total:	25,745	

## Meter Growth (848)

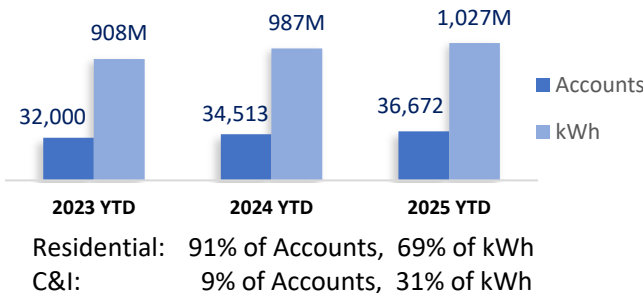


## Meter Totals (427,855)



## Commercial & Industrial

### Accounts and Demand YTD



# Safety + Technical Training Update

## Department Highlights

### 1. Training and Classes

- Successfully completed the Y2 LAP class, enhancing team skills and knowledge.

### 2. Field Assessments

- Conducted 11 field assessments to support project evaluations and progress.

### 3. Pre-employment Assessments

- Completed three pre-employment assessments to streamline candidate selection and onboarding.

### 4. Team Development

- Held the first apprentice rodeo team practice, fostering skill development and teamwork among apprentices.

### 5. Refresher Training

- Conducted a Professional Technical Educator (PTE) refresher session to update team knowledge and reinforce instructional standards.

## Apprentice Spotlight



**Brandon Spack**

Lineworker  
Apprentice 1  
*Bertram*

Brandon Spack, a Lineworker Apprentice 1 from the Bertram district, has demonstrated impressive skills and confidence through his training and hands-on experience. With expertise in tree climbing, maintenance, and fire line trenching in California, he inspires his fellow apprentices by overcoming fears of working at heights and showing dedication to safety.

Brandon's commitment makes him a valued team member and a role model for growth and teamwork.



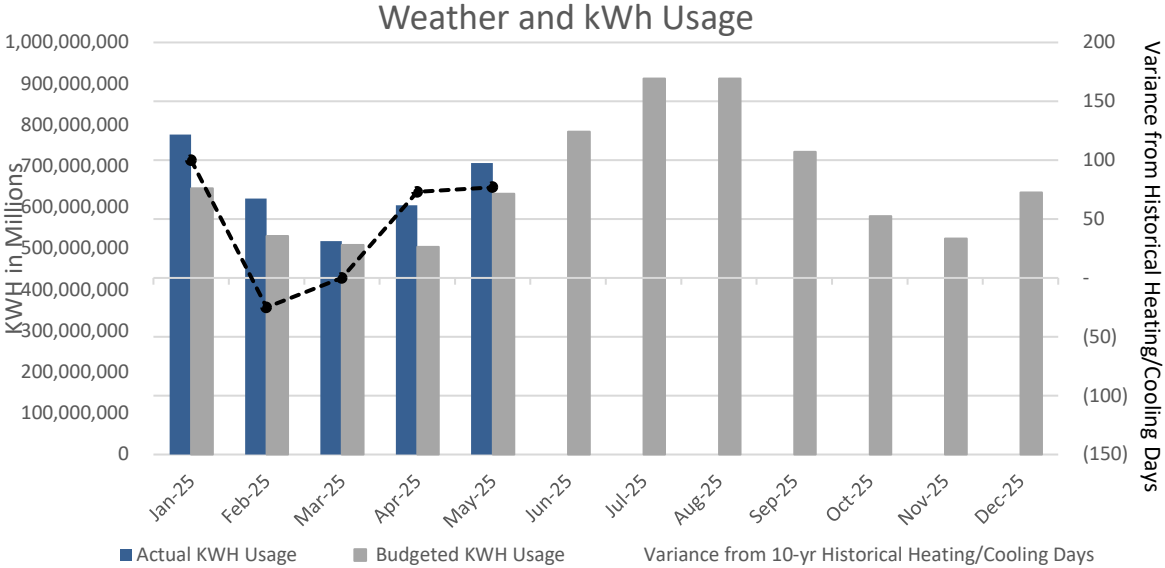
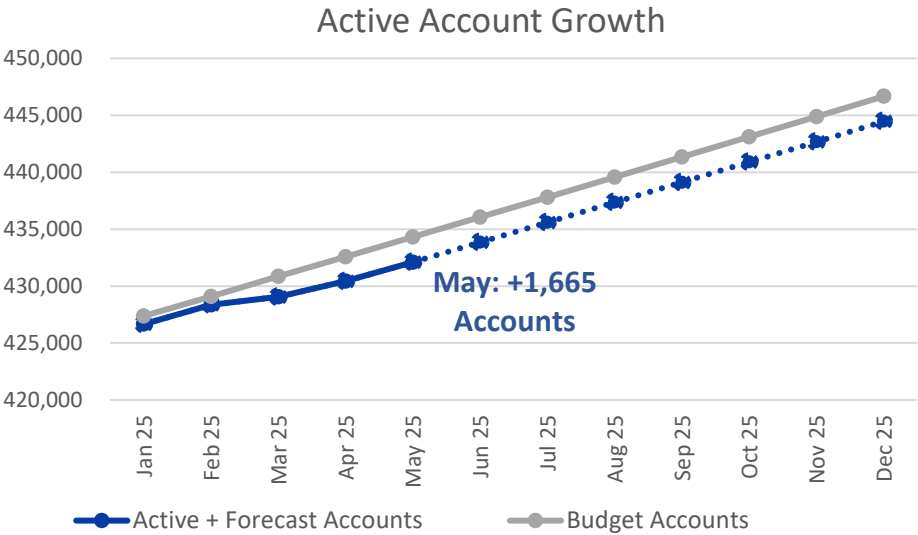
# May 2025 Financial Report

Randy Kruger | Chief Financial Officer

# Finance at a Glance – May 2025

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	707,252	632,999	74,253	3,228,208	2,821,195	407,013
Gross Margins	\$ 36.9	\$ 32.5	\$ 4.4	\$ 161.2	\$ 154.7	\$ 6.5
Net Margins	\$ 10.4	\$ 4.7	\$ 5.7	\$ 28.2	\$ 18.4	\$ 9.8
EBIDA	\$ 21.7	\$ 16.3	\$ 5.4	\$ 84.3	\$ 75.2	\$ 9.1
Revenue O/(U)	\$ 7.6	\$ 6.7	\$ 0.9	\$ 14.8	\$ (3.0)	\$ 17.8
EBIDA(X)	\$ 29.3	\$ 23.0	\$ 6.3	\$ 99.1	\$ 72.3	\$ 26.8

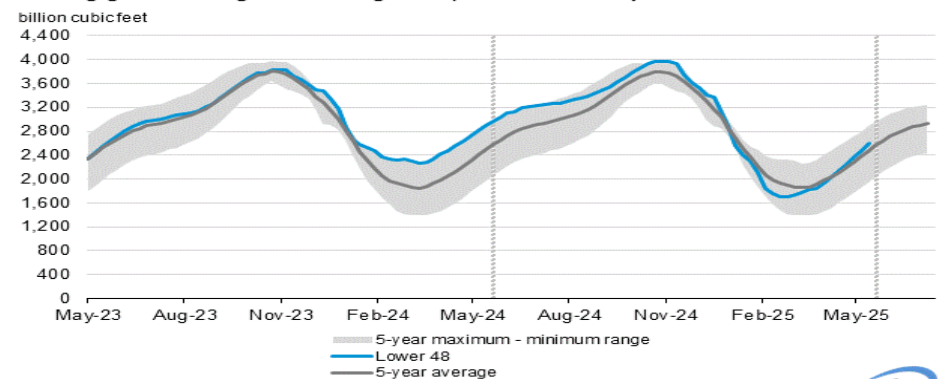
	Liquidity Coverage
Cash & Marketable Securities	\$ 29,322,477
Short Term Facilities	605,000,000
Less: Short Term Borrowings	164,225,576
Available Liquidity	\$ 470,096,901
Liquidity Coverage (Days)	198





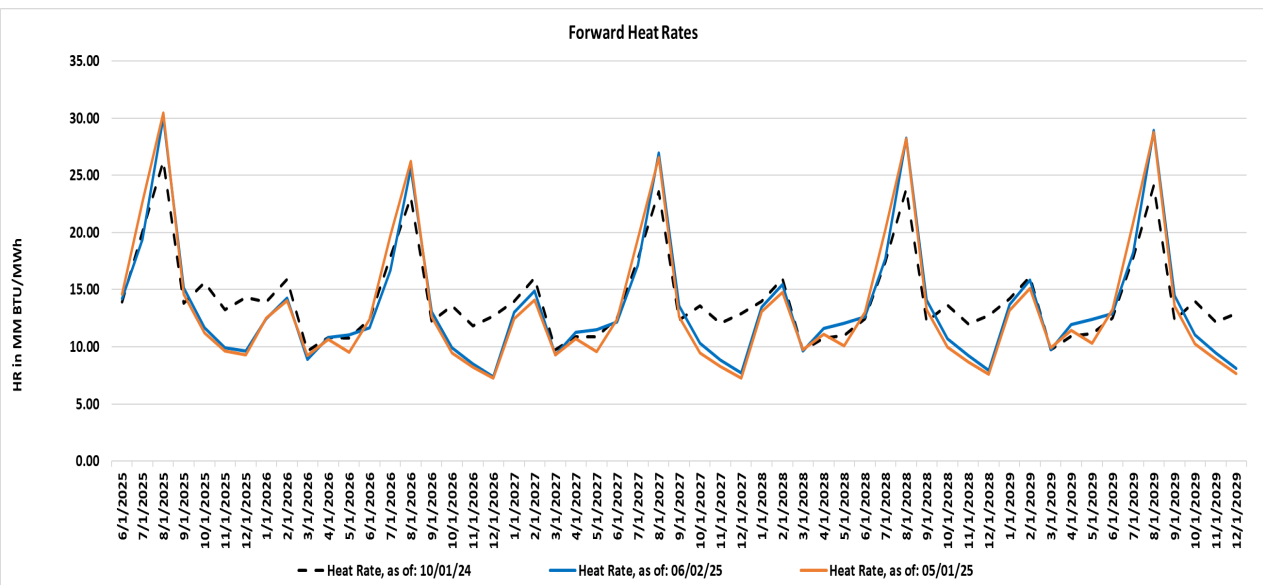
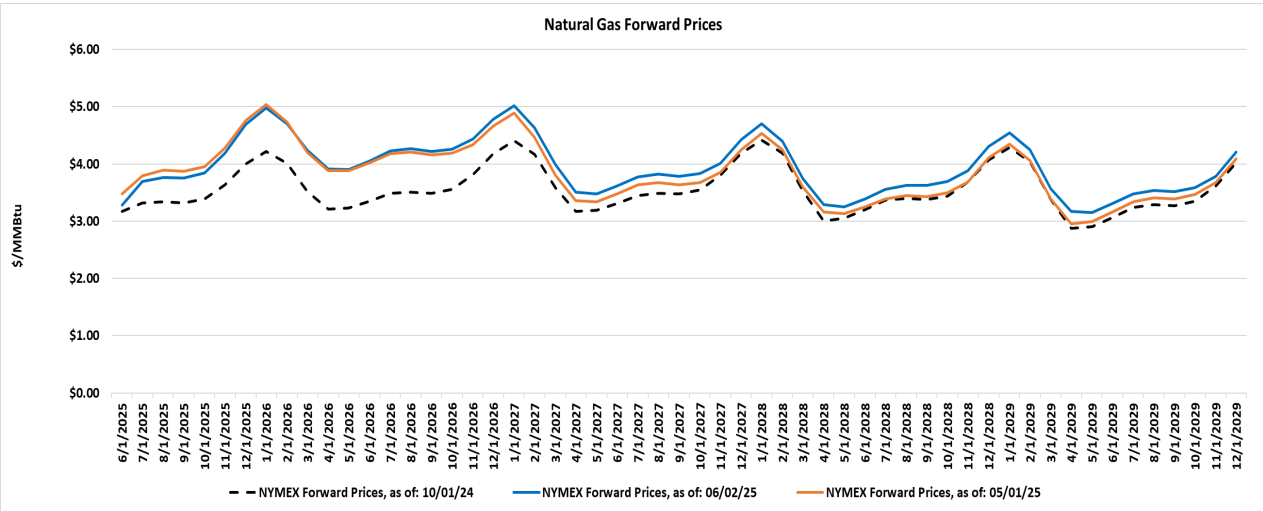
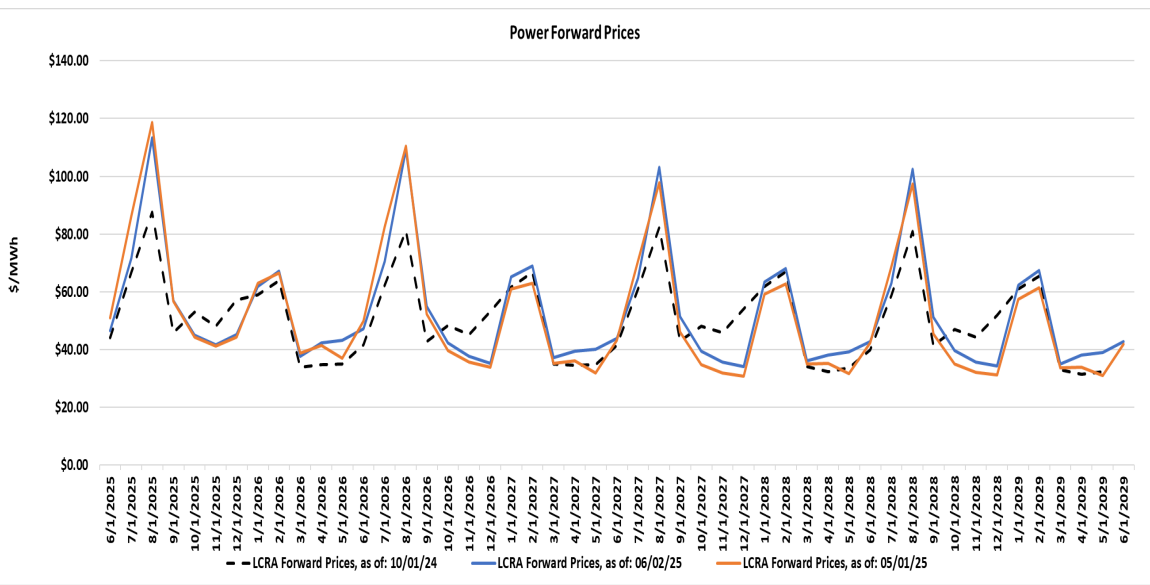
# Power Market Fundamentals

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.

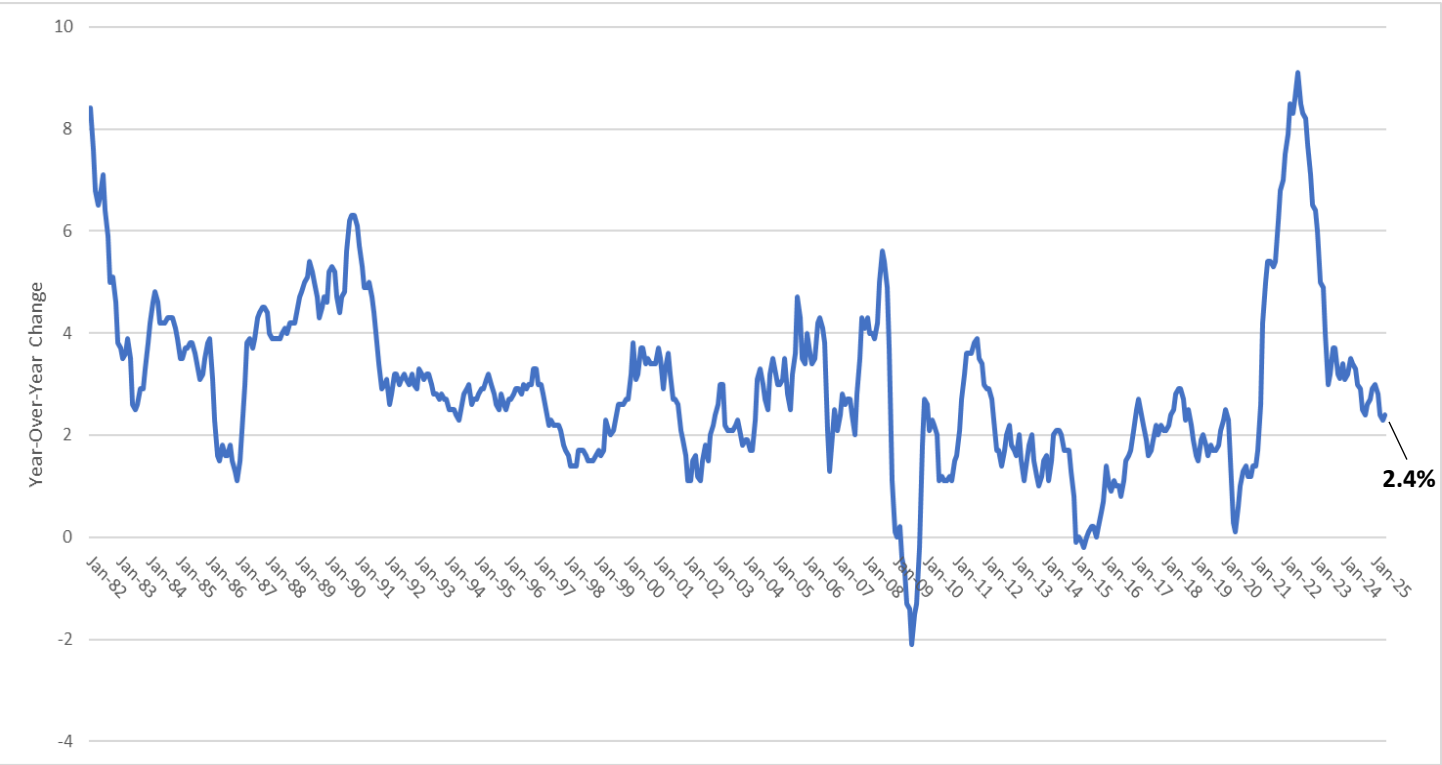
As of June 05, 2025



# Inflation

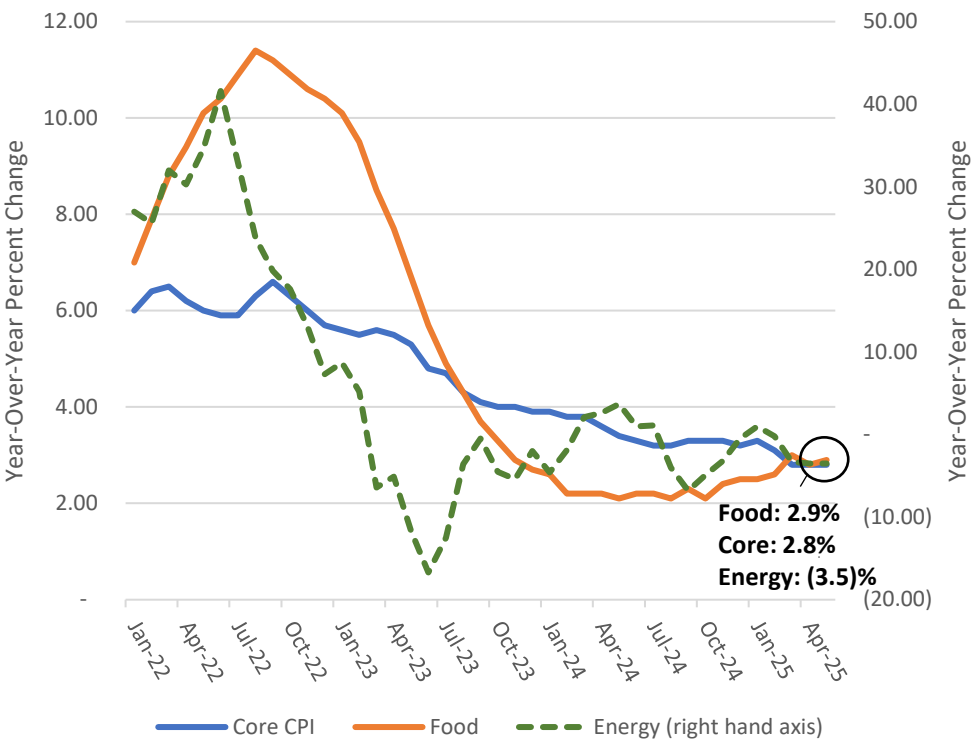
Overall CPI increased to 2.4% YoY from 2.3% YoY in April; Core CPI remained at 2.8% YoY from the previous month. Energy prices were down -3.5% YoY driven by gasoline (-12.0%) and fuel oil (-8.6%); partially offset by utility gas service (+15.3%) and sustained increases to electricity prices (+4.5%).

CPI Jan 1982 to May 2025



Source: U.S. Bureau of Labor Statistics

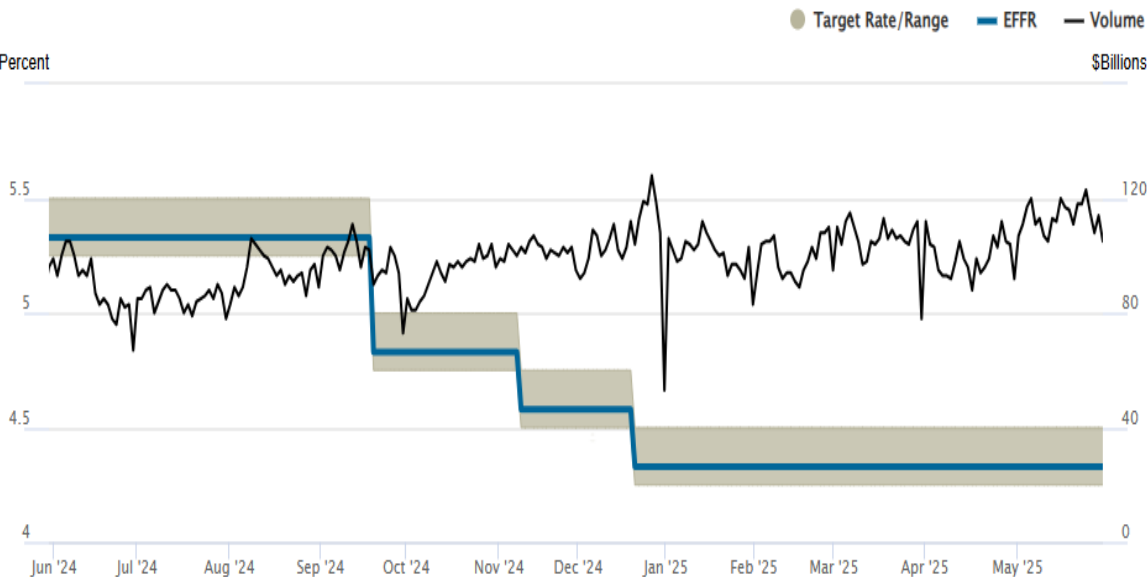
Core CPI, Food and Energy  
Jan 2022 to May 2025



Source: U.S. Bureau of Labor Statistics

# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York 06/02/2025

## 10-Year Note



Source: *The Wall Street Journal* 06/11/2025



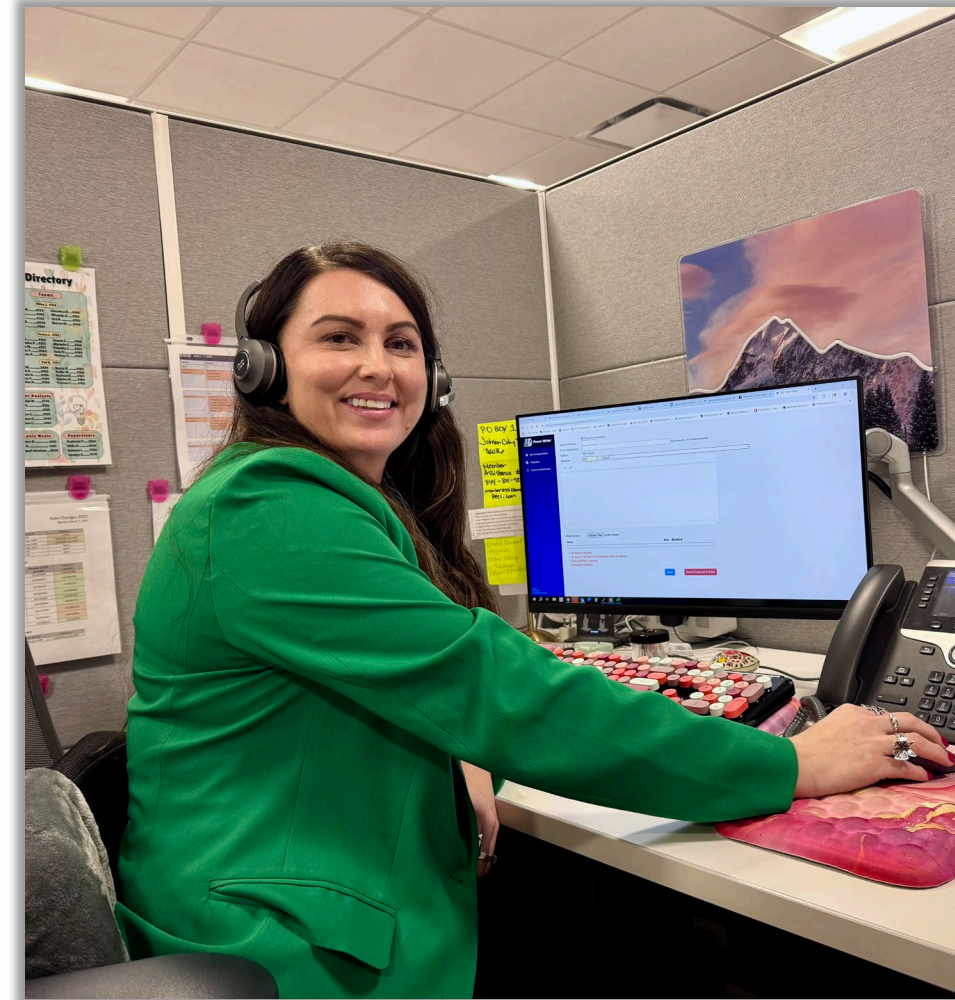
# CAO Report

JP Urban | Chief Administrative Officer

# Member Relations Report

## May Member Relations Metrics

- Calls handled: 21,944
- Chats handled: 1,413
- Applications for existing service
  - Online: 3,249 (30%)
  - Phone: 7,618 (70%)
- Member experience satisfaction rating: 4.61 out of 5
- Member experience first contact resolution: 92.35%
- 92% of members say they would enjoy working with the same agent again





# Member Appreciation

- PEC sponsored the Old Town Leander Festival on Saturday, June 7
- Provided tents for shade, mobile device charging stations, and glow sticks





# Community Transformer Award

- PEC is seeking nominations for its new Community Transformer Award, which will recognize individuals who are making remarkable contributions in their community
- Nominations are open through July 8 and may be submitted online through the PEC website
- Nominees must be a PEC member in good standing serving a community in or around the Cooperative's service area
- Winners will be recognized at the October 2025 Board meeting and will have a tree planted in their honor





# Appreciation and Look Ahead

# Employee Shoutouts\*



**Angel Granados**

Electrical Distribution  
Designer, Senior  
*Cedar Park*



**Michelle Colarusso**

Member Relations  
Agent  
*Oak Hill*



**Brian Symens**

Journeyworker  
*Liberty Hill*



**Tyler Simpson**

Lineworker Apprentice 2  
*Liberty Hill*

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

# Offices Closed July 4 for Independence Day

- To report an outage 24/7:
  - Text “Outage” to 25022
  - SmartHub app
  - Call 888-883-3379
- To make a payment 24/7:
  - SmartHub app
  - Call 855-938-3589





# Appendix Pages

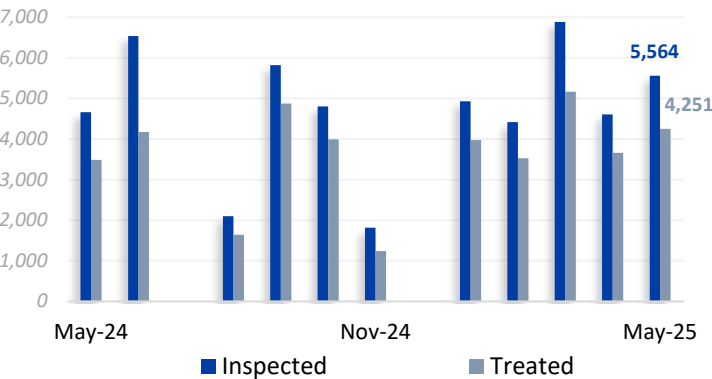


# Maintenance & Technical Services

## Pole Testing & Treatment (PTT)

### Poles Inspected & Treated

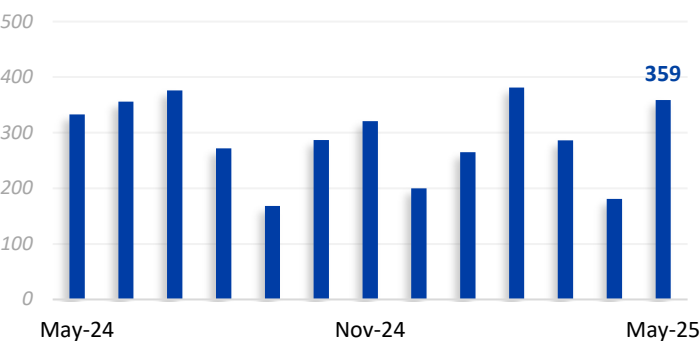
2024 YTD: Inspections - 22,195    Treated - 17,906  
2025 YTD: Inspections - 26,404    Treated - 20,582



## Underground Equipment

### Pad Restorations

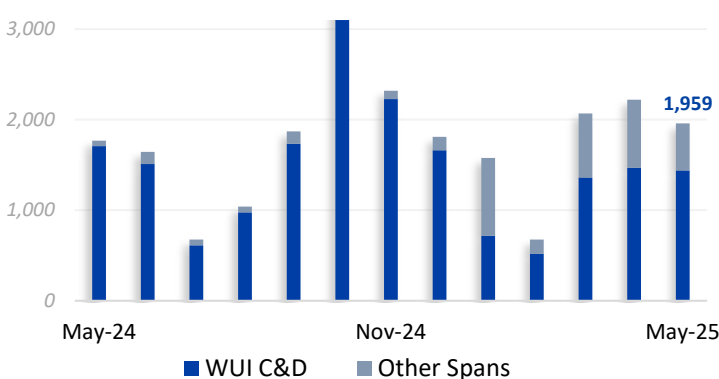
2024 YTD: 1,964  
2025 YTD: 1,472



## Vegetation Management

### Span Clearings

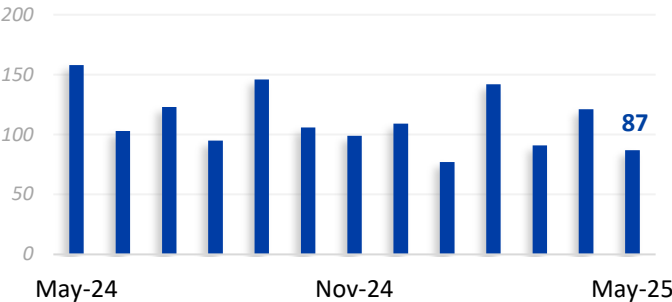
2024 YTD: Encroachments Completed - 12,355  
2025 YTD: Encroachments Completed - 8,500



## Technical Services

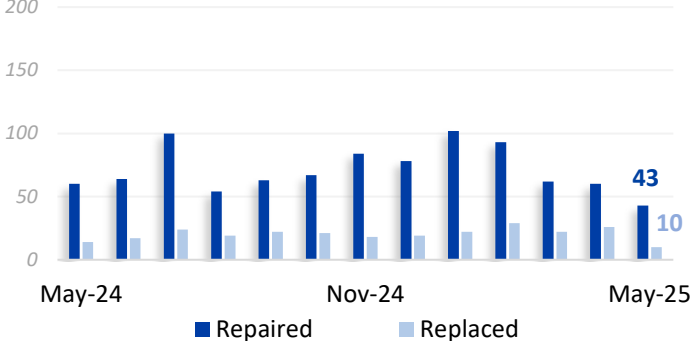
### Equipment Inspections

2024 YTD: 944  
2025 YTD: 518



### Equipment Repaired or Replaced

2024 YTD: Repaired - 333    Replaced - 97  
2025 YTD: Repaired - 360    Replaced - 109



# 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	50%
UFLS Study	Jul 2025	0%
CIP (1 <sup>st</sup> Draft) Study	Jul 2025	10%
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

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

RFP released in May, bids have been received and are under review. Completion forecasted for November-December timeframe.

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### Junction

Site electrical, fencing, and fleet building framing are underway. Warehouse expansion beginning mid-June. Project completion forecasted for November 2025.

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### Marble Falls

Concrete work completed, tank and canopy installation in progress. Project completion forecasted for end of July 2025.

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### Liberty Hill Parking and Adjacent Property Development

RFP released June 3, re-bid meeting scheduled for June 10. Bids are expected by the end of June with award in July. Project completion by end of 2025.

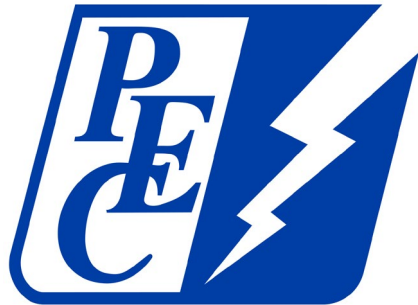
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### Kyle Parking and Yard Base Stabilization

Yard stabilization effort will begin in late June with 30-day completion estimate.

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# Appendix to May 2025 Financial Presentation to the Board

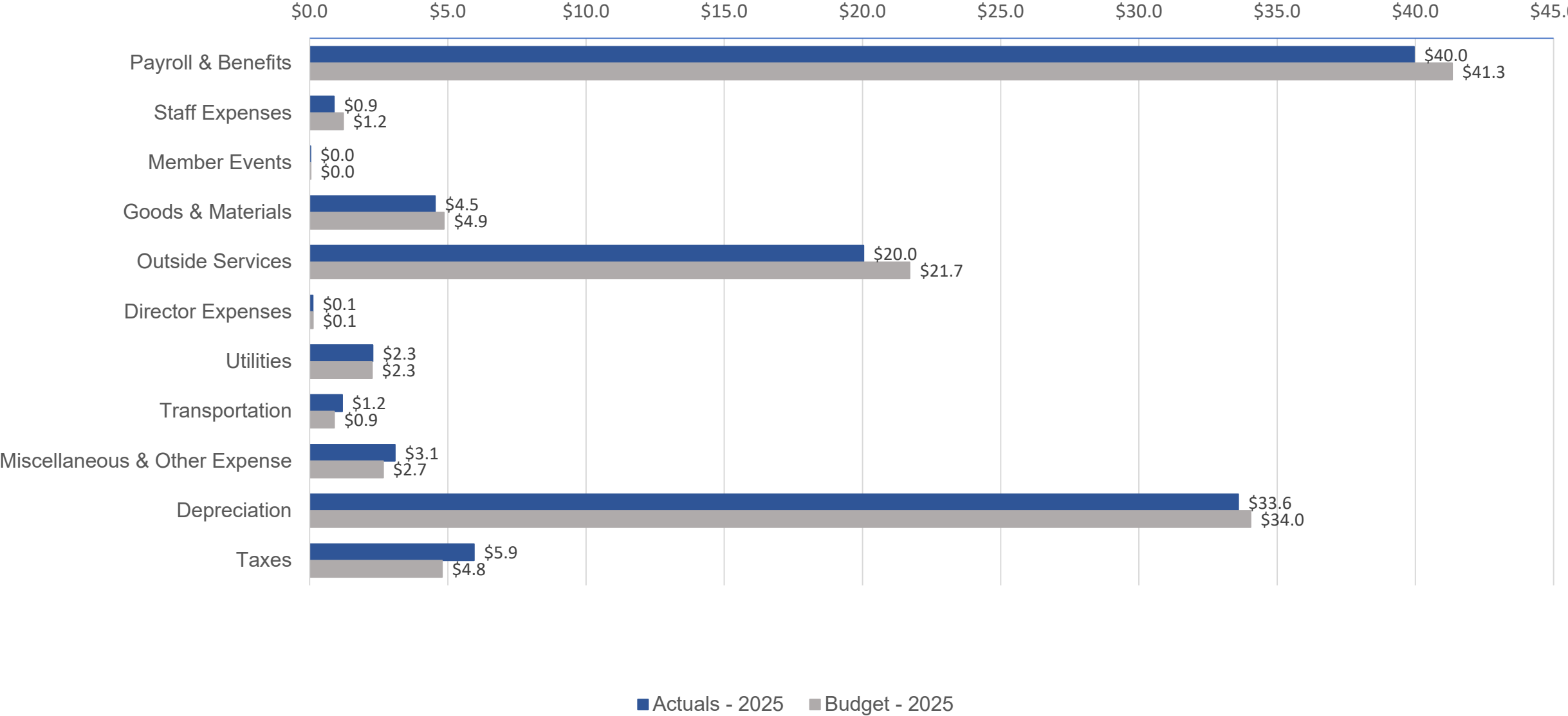
Randy Kruger | Chief Financial Officer

# Financial Performance

	MTD			YTD			Annual
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget
<b>Gross Margins</b>	<b>\$ 36,915,769</b>	<b>\$ 32,493,727</b>	<b>\$ 29,838,524</b>	<b>\$ 161,208,717</b>	<b>\$ 154,693,283</b>	<b>\$ 143,556,673</b>	<b>\$ 400,301,897</b>
Operating Expenses Ex. Depreciation	15,594,969	16,279,756	16,480,586	78,072,588	79,897,186	74,818,192	193,600,990
Depreciation	6,765,769	7,001,677	8,066,053	33,594,508	34,041,811	40,049,065	83,735,262
Interest Expense	4,526,508	4,617,783	4,363,869	22,428,473	22,840,165	21,111,271	55,458,822
Other Income	(385,684)	(90,000)	(216,592)	(1,116,804)	(450,000)	(2,612,464)	(3,873,000)
<b>Net Margins</b>	<b>\$ 10,414,207</b>	<b>\$ 4,684,511</b>	<b>\$ 1,144,608</b>	<b>\$ 28,229,952</b>	<b>\$ 18,364,121</b>	<b>\$ 10,190,609</b>	<b>\$ 71,379,824</b>
<b>EBIDA</b>	<b>\$ 21,706,484</b>	<b>\$ 16,303,971</b>	<b>\$ 13,574,530</b>	<b>\$ 84,252,933</b>	<b>\$ 75,246,097</b>	<b>\$ 71,350,945</b>	<b>\$ 210,573,907</b>
Over (Under) Collected Revenues	7,557,793	6,717,056	4,657,912	14,841,721	(2,980,591)	(1,973,977)	4,966,279
<b>EBIDA(X)</b>	<b>\$ 29,264,277</b>	<b>\$ 23,021,027</b>	<b>\$ 18,232,442</b>	<b>\$ 99,094,654</b>	<b>\$ 72,265,506</b>	<b>\$ 69,376,968</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	707,252,055	632,998,990	673,257,808	3,228,207,997	2,821,194,518	2,838,596,657	7,910,451,206
Energy Purchases kWh	744,626,757	673,454,629	720,061,827	3,337,296,268	3,001,494,199	3,049,128,508	8,415,380,400
Active Accounts				432,102	434,311	414,961	446,678

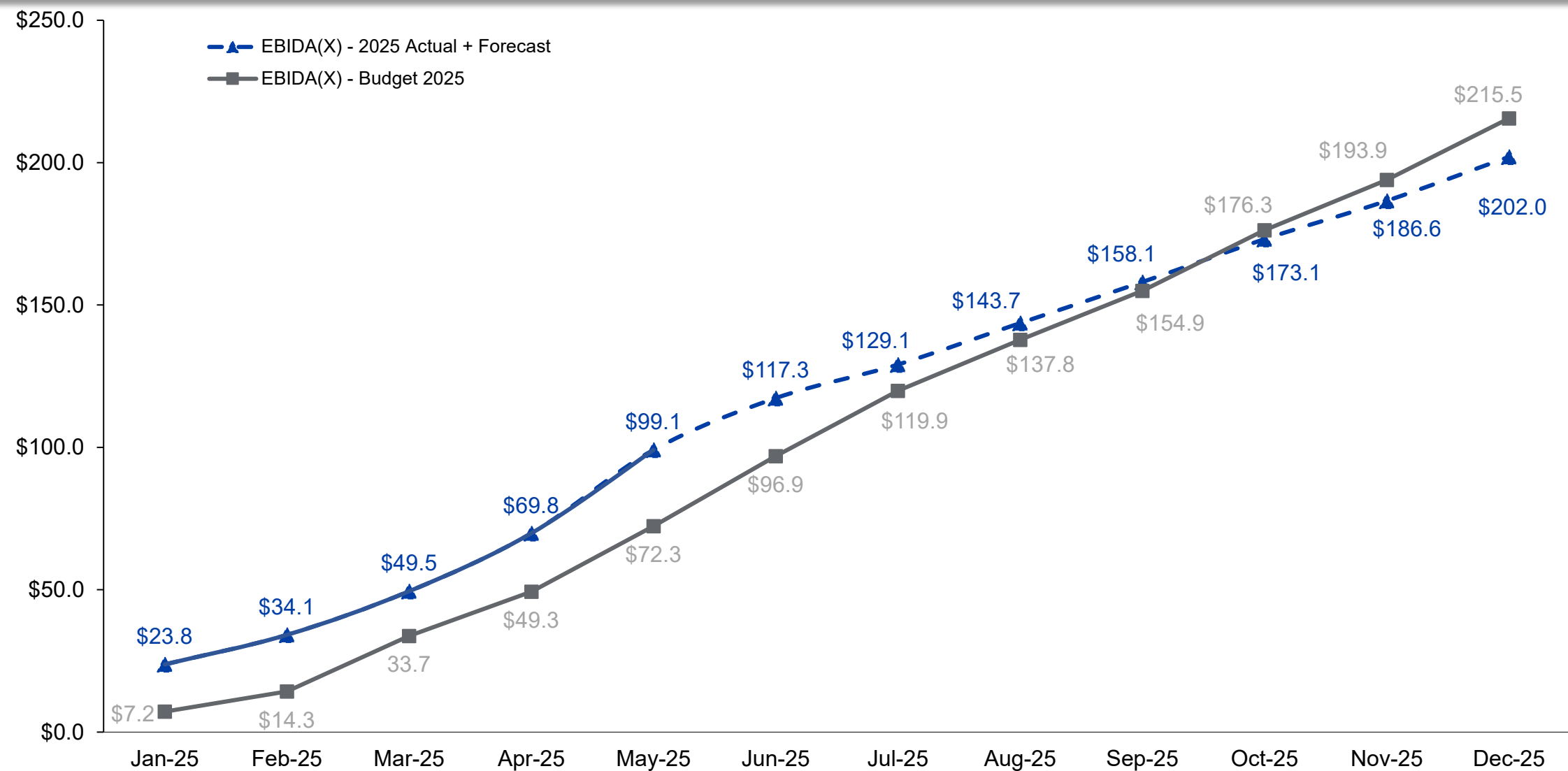
# Cost of Service (in millions)

## YTD Actuals vs. Budget through May 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)	3,482,030	7,733,997	4,251,967	14,793,728
300 Conversions or Line Changes	12,092,826	11,468,066	(624,760)	25,001,608
600 Miscellaneous Distribution Equipment	15,967,285	22,760,160	6,792,875	54,370,706
700 Other Distribution Items	302,591	162,617	(139,974)	391,422
<b>Distribution Total</b>	<b>\$ 31,844,732</b>	<b>\$ 42,124,840</b>	<b>\$ 10,280,108</b>	<b>\$ 94,557,465</b>
<b><u>Substation</u></b>				
400 New Substations, Switching Stations and Meter Points	6,963,358	8,216,466	1,253,109	20,969,733
500 Substations, Switching Stations and Meter Point changes	13,229,289	19,196,410	5,967,121	42,471,140
<b>Substation Total</b>	<b>\$ 20,192,647</b>	<b>\$ 27,412,876</b>	<b>\$ 7,220,230</b>	<b>\$ 63,440,873</b>
<b><u>Transmission</u></b>				
800 New Transmission Lines	175,225	170,494	(4,732)	1,125,657
1000 Line and Station Changes	9,257,683	17,736,836	8,479,153	49,195,185
<b>Transmission Total</b>	<b>\$ 9,432,908</b>	<b>\$ 17,907,329</b>	<b>\$ 8,474,421</b>	<b>\$ 50,320,843</b>
<b><u>General Plant</u></b>				
2000 Facilities	6,053,844	10,010,714	3,956,869	17,789,898
3000 Information Technology	321,270	3,470,775	3,149,505	7,017,520
4000 Tools & Equipment	225,863	208,333	(17,529)	500,000
5000 Vehicles	2,710,352	2,083,333	(627,019)	5,000,000
<b>Total General Plant</b>	<b>\$ 9,311,329</b>	<b>\$ 15,773,156</b>	<b>\$ 6,461,826</b>	<b>\$ 30,307,418</b>
<b>Accrued WIP &amp; Prepaid Aid</b>	<b>\$ (3,566,939)</b>	<b>\$ -</b>	<b>\$ 3,566,939</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>	<b>\$ 67,214,678</b>	<b>\$ 103,218,201</b>	<b>\$ 36,003,523</b>	<b>\$ 238,626,599</b>