



# Cooperative Update

Julie C. Parsley | Chief Executive Officer

Jonathan Greene | Chief Operations Officer — Transmission

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

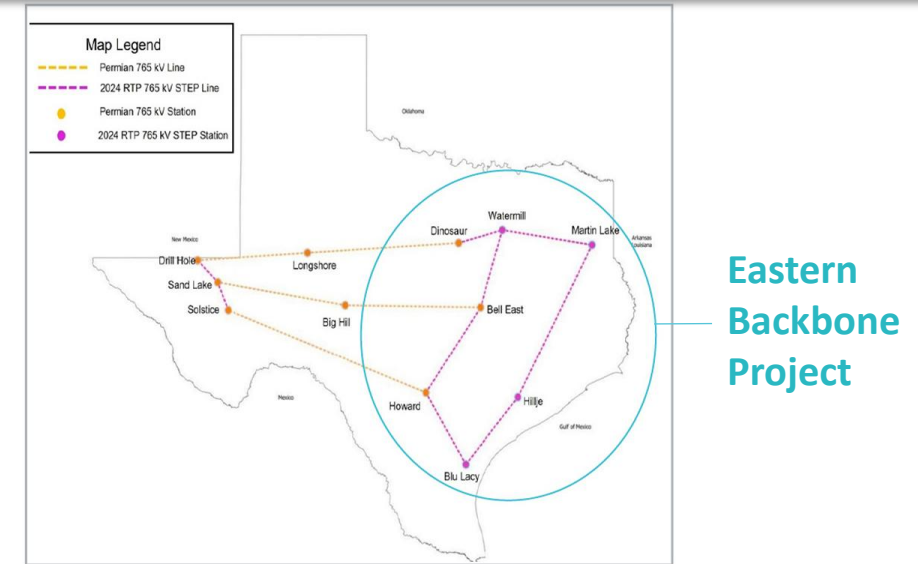
To be  
updated

- Real-Time Co-optimization Plus Batteries (RTC+B) now live:
  - Most substantial market design enhancement since 2010
  - Culmination of a multi-year initiative launched in 2019
- Reliability and Efficiency Gains:
  - Projected wholesale market savings > \$1 billion annually
  - Allows timely procurement of Ancillary Services – reduces ERCOT operator manual actions
  - Better congestion management – wider variety of resources dispatched in real time

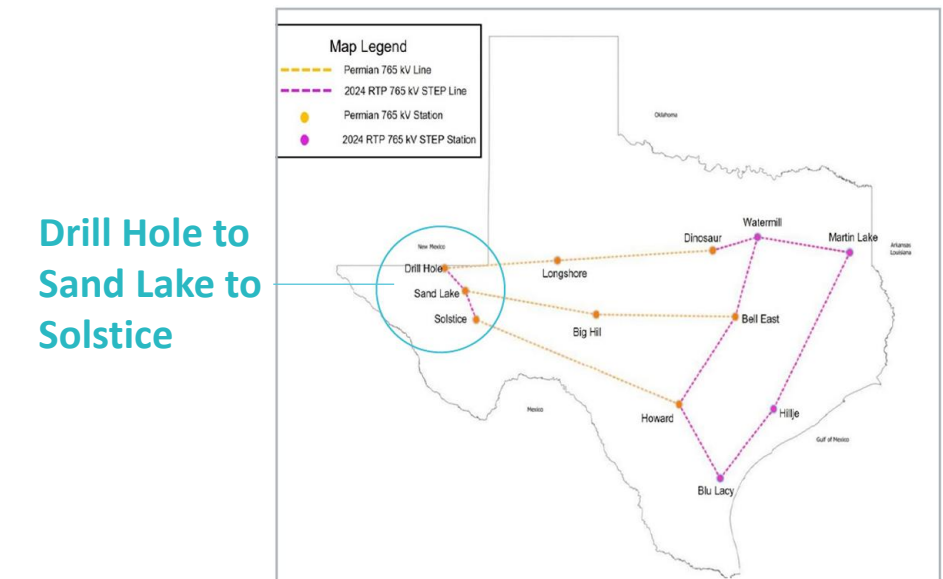


# ERCOT Update

- ERCOT Board greenlights \$10.2 billion in new transmission projects:
  - Eastern Backbone 765 kV Project
  - Drill Hole to Sand Lake to Solstice 765 kV Project
  - Oncor Connell 345/138 kV Switch and Connell to Rockhound 345-kV Double-Circuit Line Tier 1 Reliability Project
- ERCOT Posted the Preliminary Resource Adequacy Report following the Board Meeting:
  - A draft version of the Report on Capacity, Demand and Reserves is available for review and comment before the official release on December 19



Eastern Backbone 765 kV Project



Drill Hole to Sand Lake to Solstice 765 kV Project

# Toy Drive

To be  
updated

- Toy drive ended December 10
  - More information and additional photos to come





# GridEx Event

- GridEx is a two-day, nationwide, tabletop exercise that allows organizations that support the electric grid to collaborate and test their emergency preparedness plans and protocols
- It is the largest cyber and physical grid security exercise in North America with more than 370 organizations simultaneously exercising their resilience
- These exercises build on previous tabletop exercises and incident responses, as well as keep us compliant with NERC CIP standards



# Giving Is Easy With PEC's Power of Change

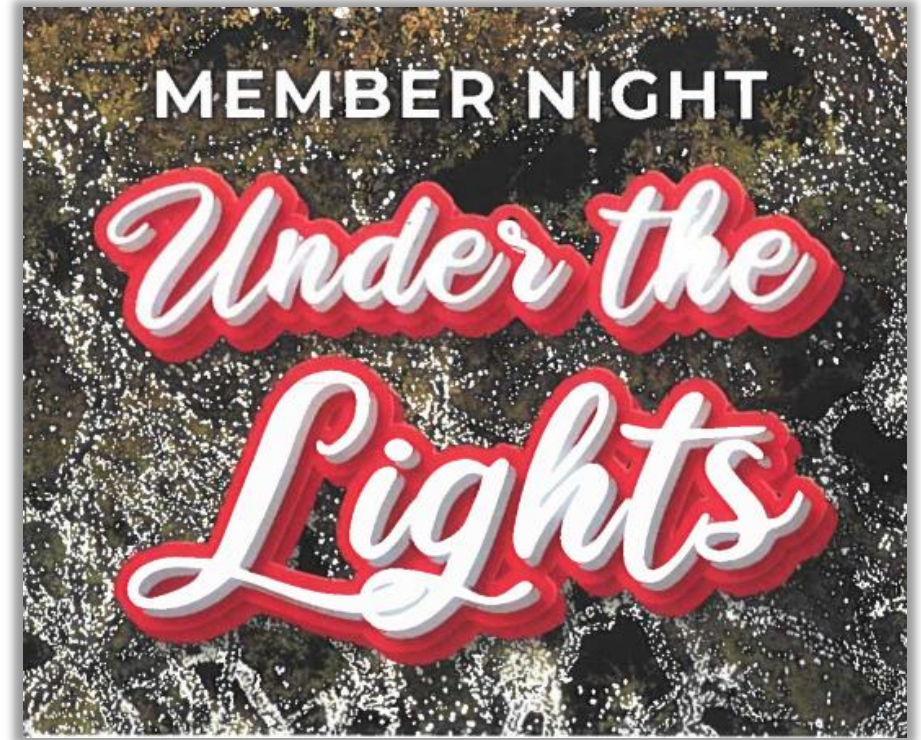
- PEC's Power of Change helps fund our charitable giving programs
  - Member Assistance Program
  - Community Grants
  - Education Foundation Contributions
  - United Charities
  - Youth Tour
  - Youth Engagement and Classroom Opportunities
- Sign up today at [myPEC.com/change!](https://myPEC.com/change!)



# A Memorable Night Under the Lights!

To be  
updated

- Event:
  - Thursday, December 11 from 6:00-8:00 p.m.
  - More information and photos to come







# December Quarterly Report

Jonathan Greene | Chief Operating Officer -  
Transmission

# Graphite Mine T1 Upgrade

- Completed in November
- Transformer upgrade increases capacity for the substation
- Supports area load growth and improves reliability





# Cedar Valley T1 and T2 Upgrade

- Completed in December
- Transformer upgrades increase capacity for the substation
- Supports area load growth, increases contingencies, and improves reliability





# T323 Marshall Ford-Paleface Overhaul

- Construction began in August 2023, completed in October 2025
- This circuit was rebuilt to storm harden the corridor and improve system reliability
- This was a joint project with LCRA TSC





# T358 Cedar Valley-Friendship Storm Hardening

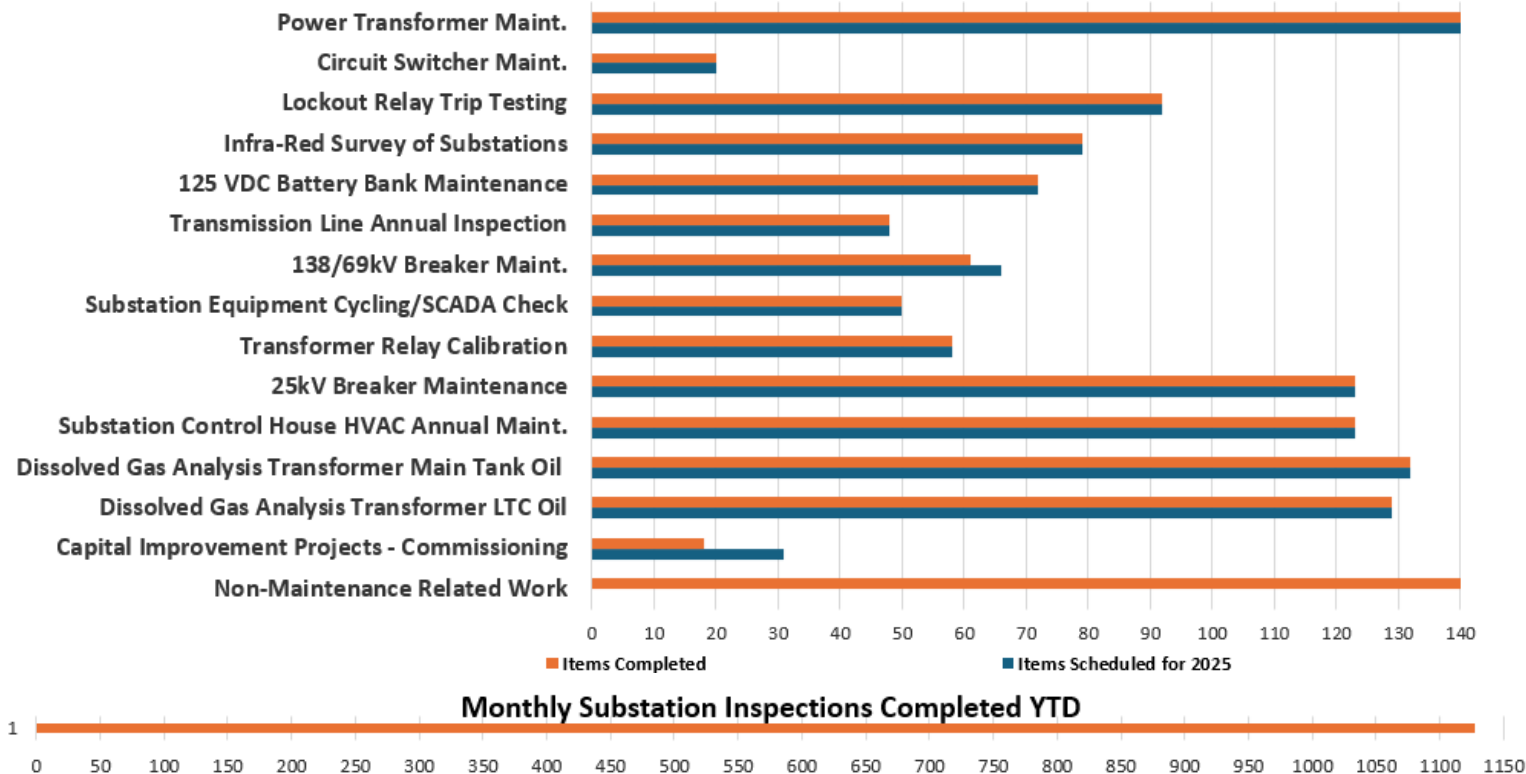
- Construction began in July and will complete in December
- This circuit was rebuilt to storm harden this corridor and improve system reliability



# System Maintenance

## 2025 Transmission Maintenance

- Equipment maintenance is completing as scheduled
- Completed **1,128** substation inspections, and **228** corrective repairs
- ERCOT Weatherization Inspections – **11** substation inspections were conducted with no findings
- 2025 NERC Audit – TRE & FERC staff toured Leander and Blockhouse substations with no findings



# System Performance

## System Performance

- Transmission system availability is high, performance metrics are comparable to 2024

## ITOA (*Integrated Tools for Operations Application*) Project Completion

- ITOA is an outage coordination app for use across PEC, with ERCOT, and with neighboring utilities
- Replaces internally-developed tool with industry leading tool used throughout North America
- Provides better visibility and functionality across departments in planning and scheduling capital projects and maintenance activities
- Transition to go-live in December after more than a year of selection and implementation
- Initial training completed for critical staff; training for other PEC users will be provided in early 2026

## Winter Operations

- Completed winter preparations, including all ERCOT and internal training
- Completed winter assessments within Planning, Operations, and Maintenance
- TCC staff will continue to monitor the system for any necessary changes to PEC operations plans



# Operations Report

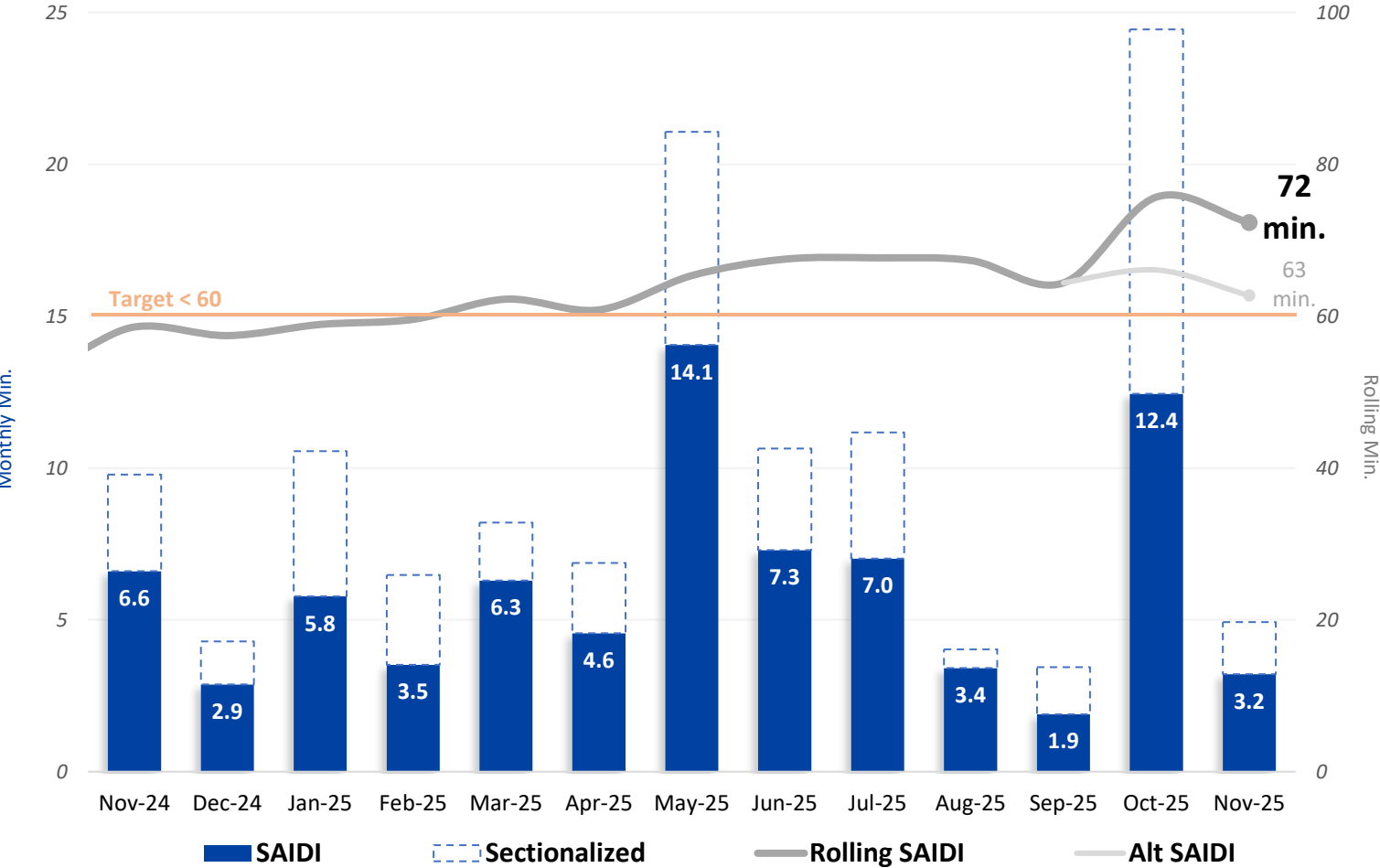
Nathan Fulmer | Chief Operations Officer -  
Distribution



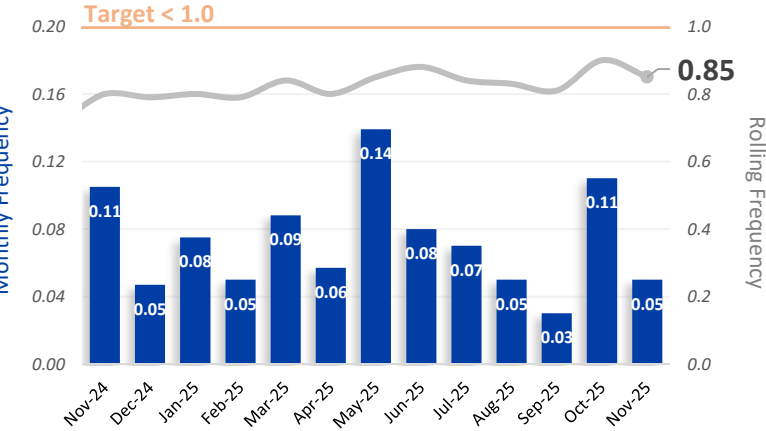
# Reliability

## SAIDI System Average Interruption Duration Index

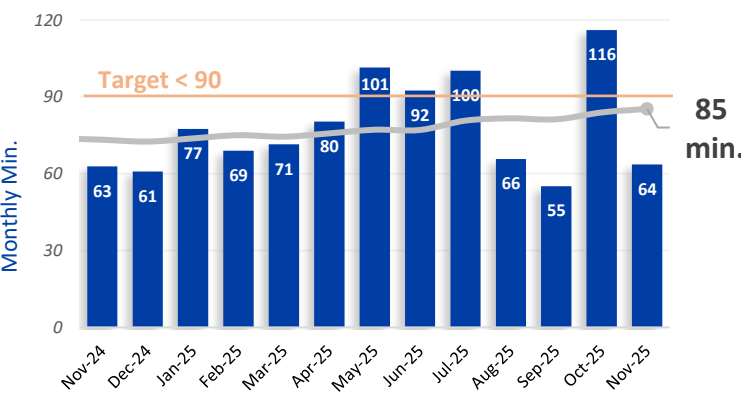
TX Avg SAIDI in 2023 = **150.3 min.** reported by the Dept. of Energy



## SAIFI System Average Interruption Frequency Index



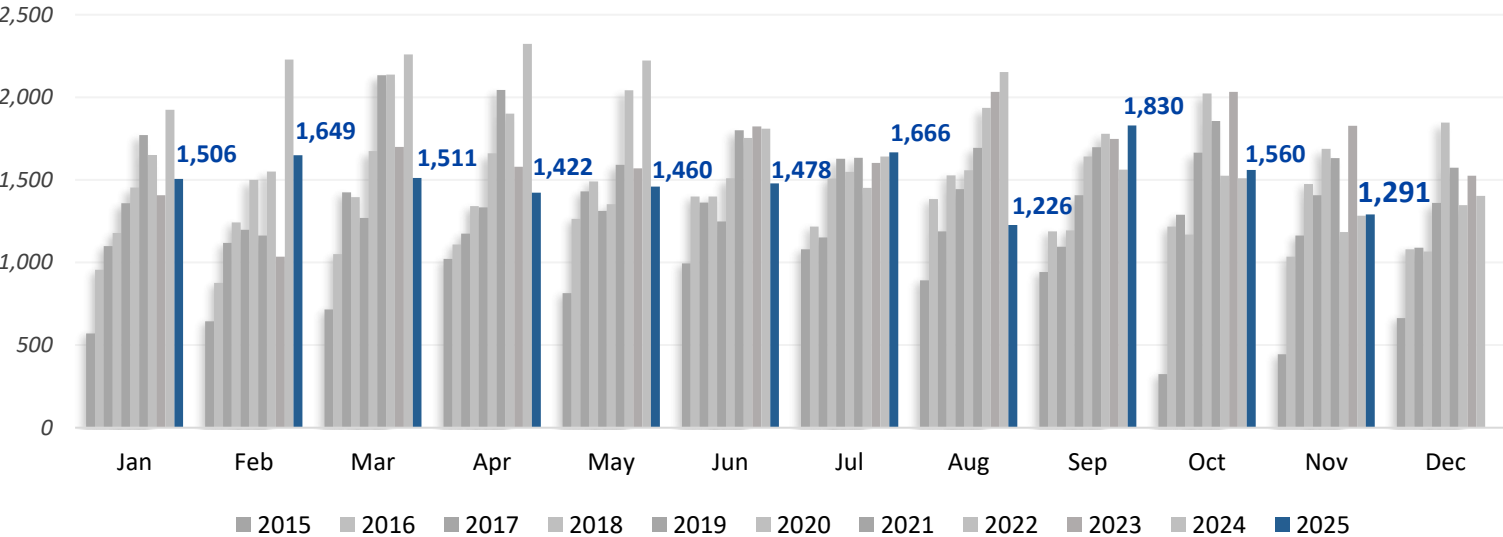
## CAIDI Customer Average Interruption Duration Index



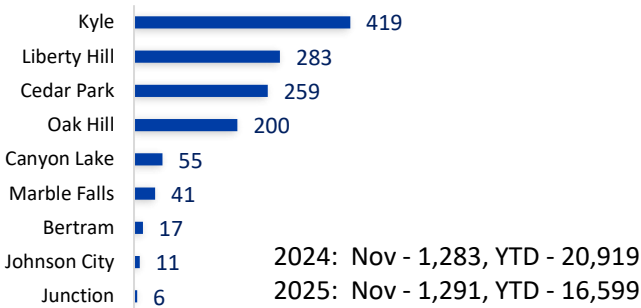
# System Growth

## Line Extensions Completed

2023: 19,886    2024: 22,323    2025 YTD: 16,599



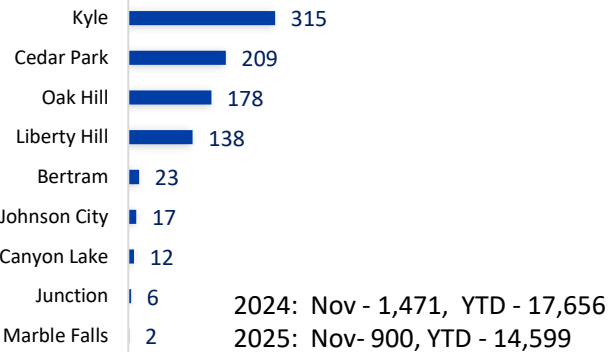
## Line Extensions by District



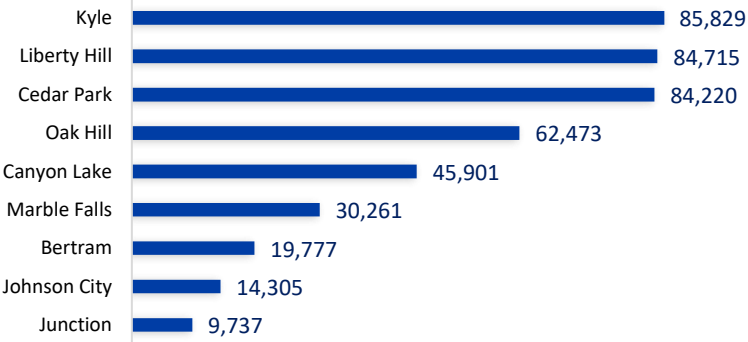
## Miles of Distribution Line:

Overhead:	17,841	(69%)
Underground:	8,138	(31%)
Total:	25,979	

## Meter Growth (900)

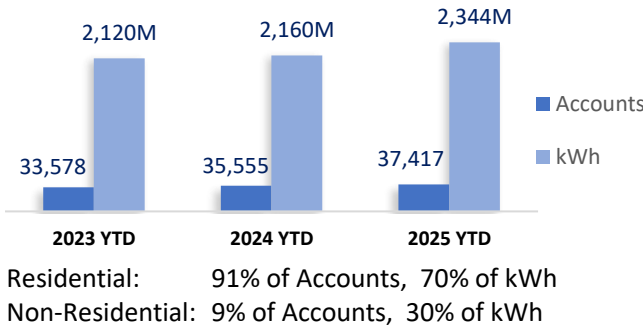


## Meter Totals (437,218)



## Residential & Commercial

### Non-Residential Accounts and Consumption YTD



# Safety & Technical Training Update

## Department Highlights

### Training and Classes

- Hosted five days of continued education focused on grounding and bonding practices to mitigate hazardous induced voltages, attended by 101 Journey workers and Year 4 apprentices.

### Assessments

- Completed 12 apprentice assessments as part of the apprenticeship program.
- Finalized and posted 2026 assessment schedules which includes a total of 38 weeks of training for lineworker apprentices.
- Audit Success: The technical training team received high marks from Northwest Line College during their annual audit, excelling in both classroom settings and education delivery.



**Neil Dodson**  
Regional  
Operations  
Supervisor  
*Oak Hill*

## Employee Spotlight

Partnering with Technical Services to install equipment critical for sectionalization, Neil's line crew has helped to lower SAIDI in the Oak Hill district by **47%** (6 minutes) and have moved 3 feeders off the Top 10 Worst Performing Feeders List.

### Equipment installed

- |                        |             |
|------------------------|-------------|
| • 683 Fault Indicators | • 19 ABS    |
| • 23 MVIs Removed      | • 9 SBD     |
| • 69 CMRs              | • 21 Vipers |

### 2024 Outages

- 660 outages
- 65,748 members
- 11.96 SAIDI min.

### 2025 Outages

- 538 outages (122 fewer)
- 35,518 members affected (30,230 fewer)
- 5.97 SAIDI min.

# Night Work Exercises

## Pilot Training for Night Restorations:

- On Nov. 5, Year 3 Apprentices worked a 3pm -11pm shift for evening training on a broken-arm and down-pole scenario.
- Preparing to continue this at all levels:
  - Y1: Night climbing, transformer change-out
  - Y2: Night EPZ grounding, building transformer banks
  - Y3: Night hot-work
  - Y4: Night switching







# November 2025 Financial Report

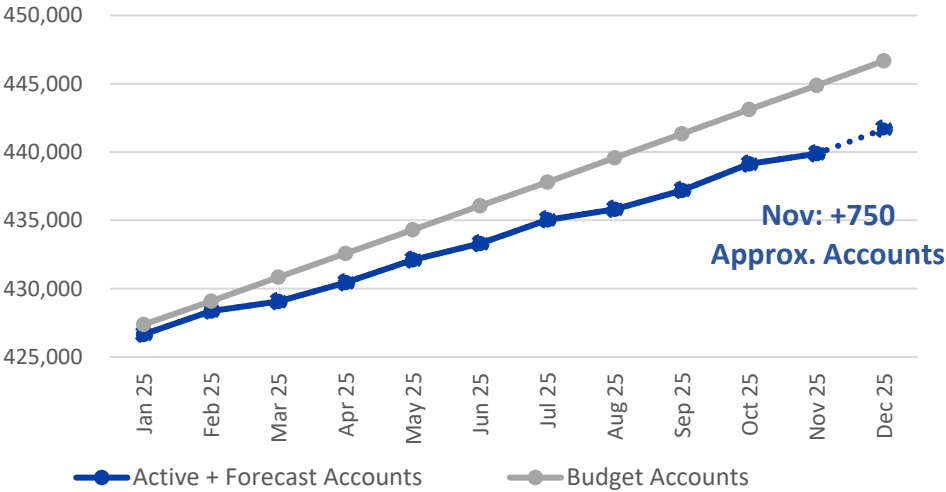
Randy Kruger | Chief Financial Officer

# Finance at a Glance – November 2025

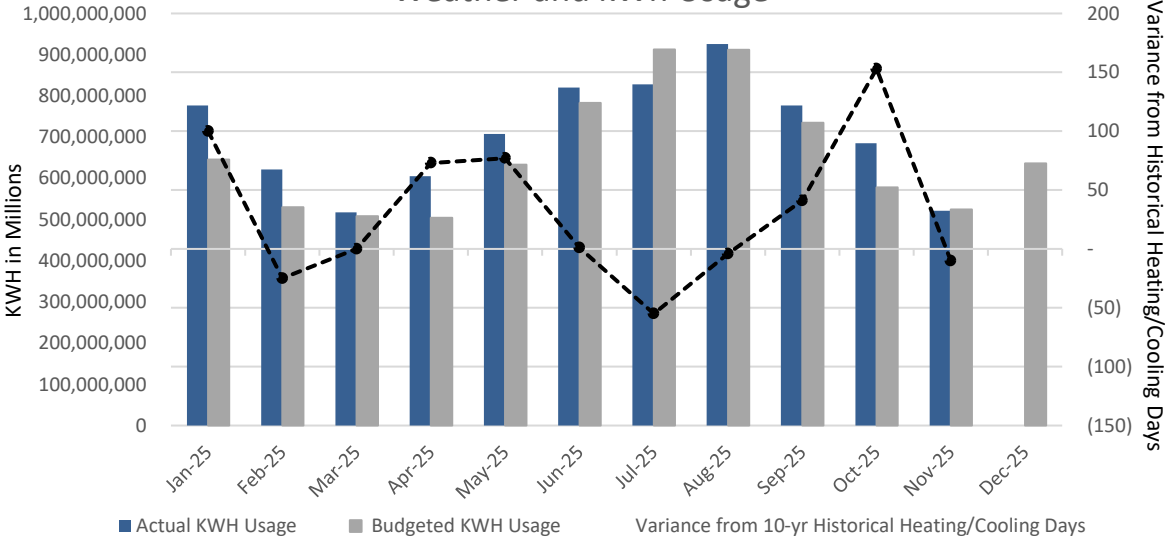
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	521,111	524,047	(2,936)	7,785,764	7,265,882	519,882
Gross Margins	\$ 30.6	\$ 30.9	\$ (0.3)	\$ 376.5	\$ 368.7	\$ 7.8
Net Margins	\$ 2.2	\$ 3.4	\$ (1.2)	\$ 78.7	\$ 67.8	\$ 10.9
EBIDA	\$ 13.8	\$ 15.3	\$ (1.5)	\$ 203.4	\$ 194.8	\$ 8.6
Revenue O/(U)	\$ 2.3	\$ 2.3	\$ (0.0)	\$ 35.4	\$ (1.1)	\$ 36.5
EBIDA(X)	\$ 16.0	\$ 17.7	\$ (1.7)	\$ 238.8	\$ 193.7	\$ 45.1

	Liquidity Coverage
Cash & Marketable Securities	\$ 176,463,769
Short Term Facilities	605,000,000
Less: Short Term Borrowings	181,512,114
Available Liquidity	\$ 599,951,655
Liquidity Coverage (Days)	253

Active Account Growth

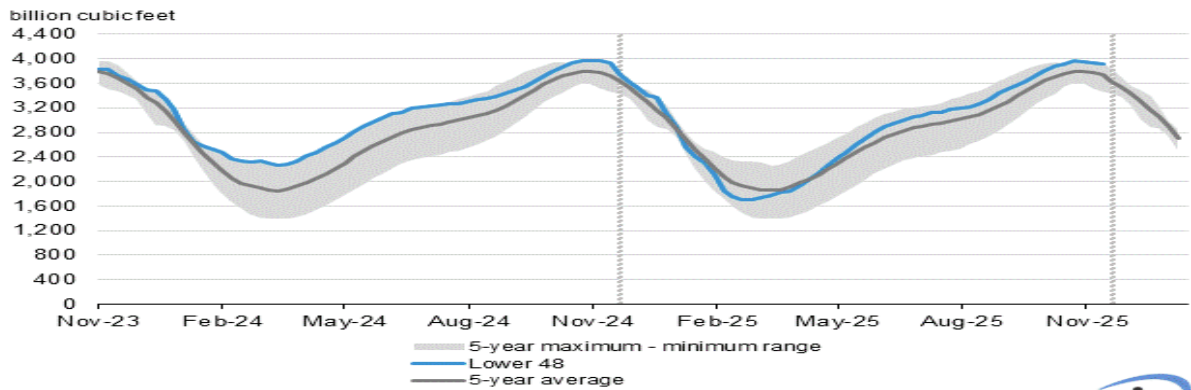


Weather and kWh Usage



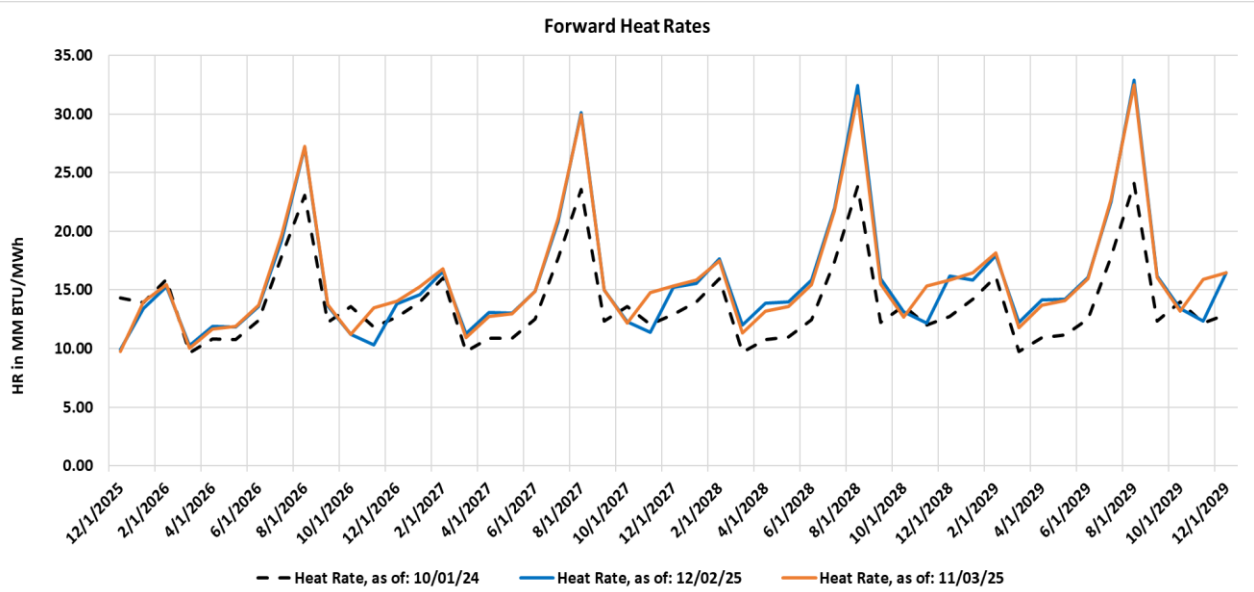
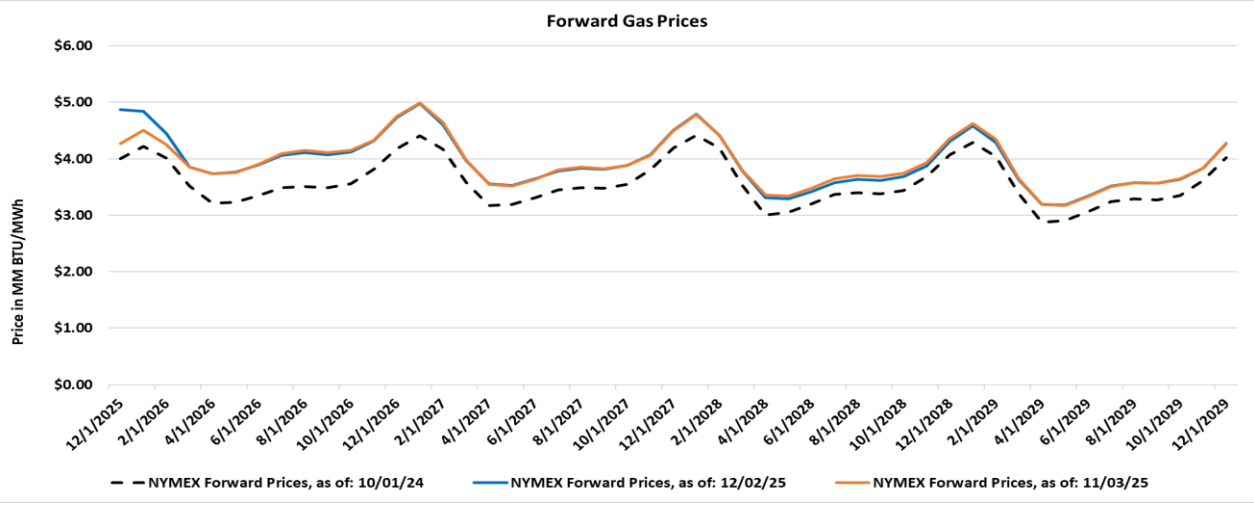
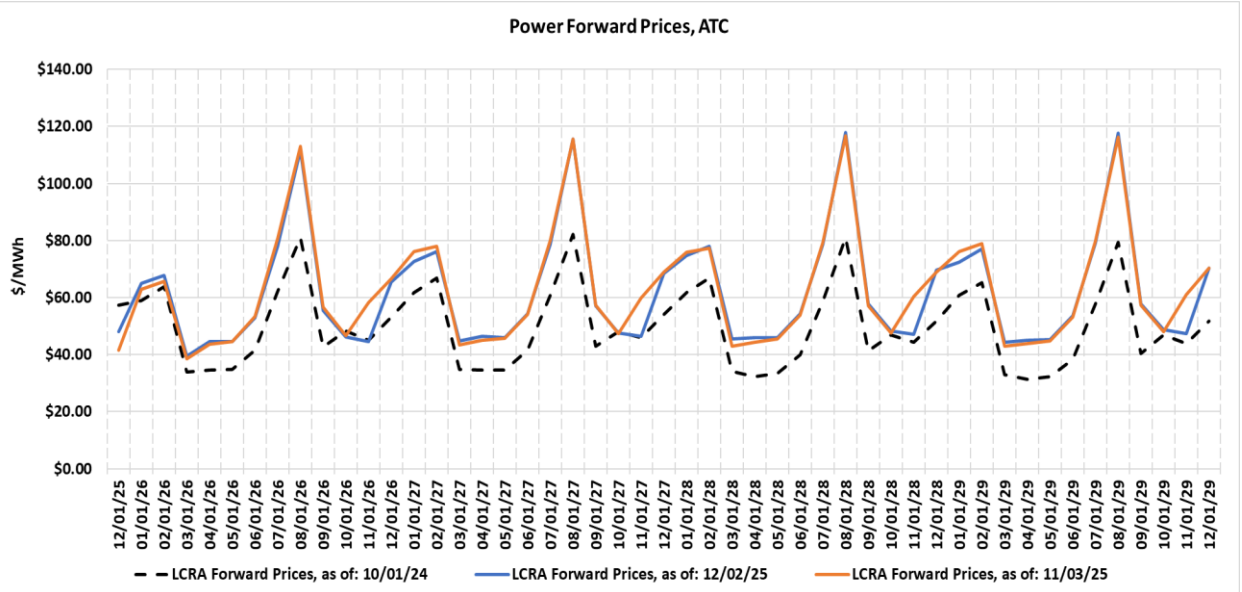
# Power Market Fundamentals

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



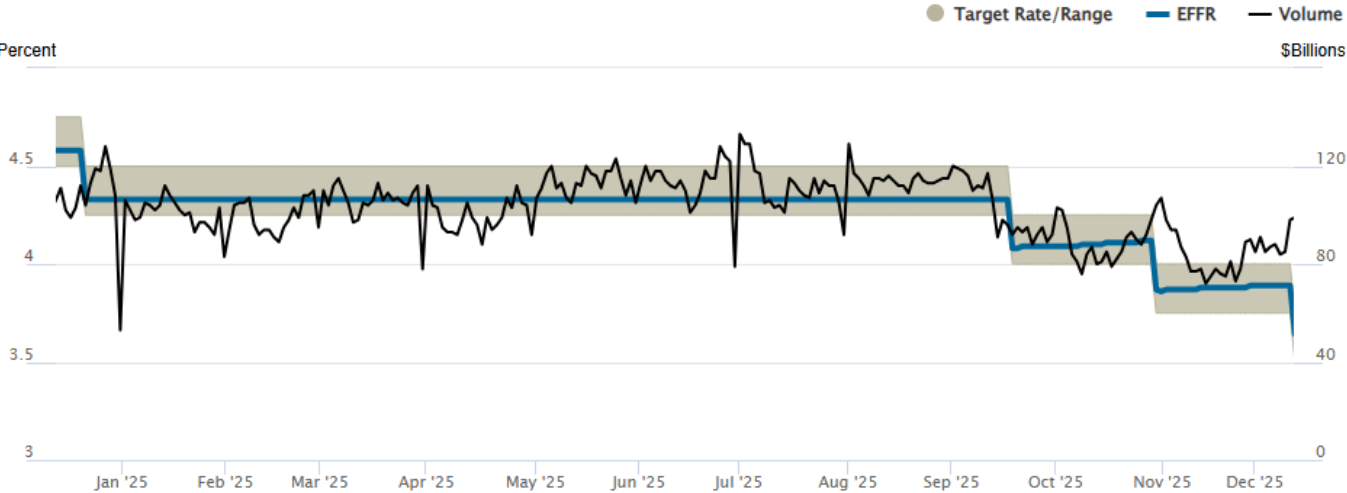
Data source: U.S. Energy Information Administration  
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2020 through 2024. The dashed vertical lines indicate current and year-ago weekly periods.

As of Dec 4, 2025



# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York 12/12/2025

## 2-Year Note



Source: *The Wall Street Journal* 12/12/2025





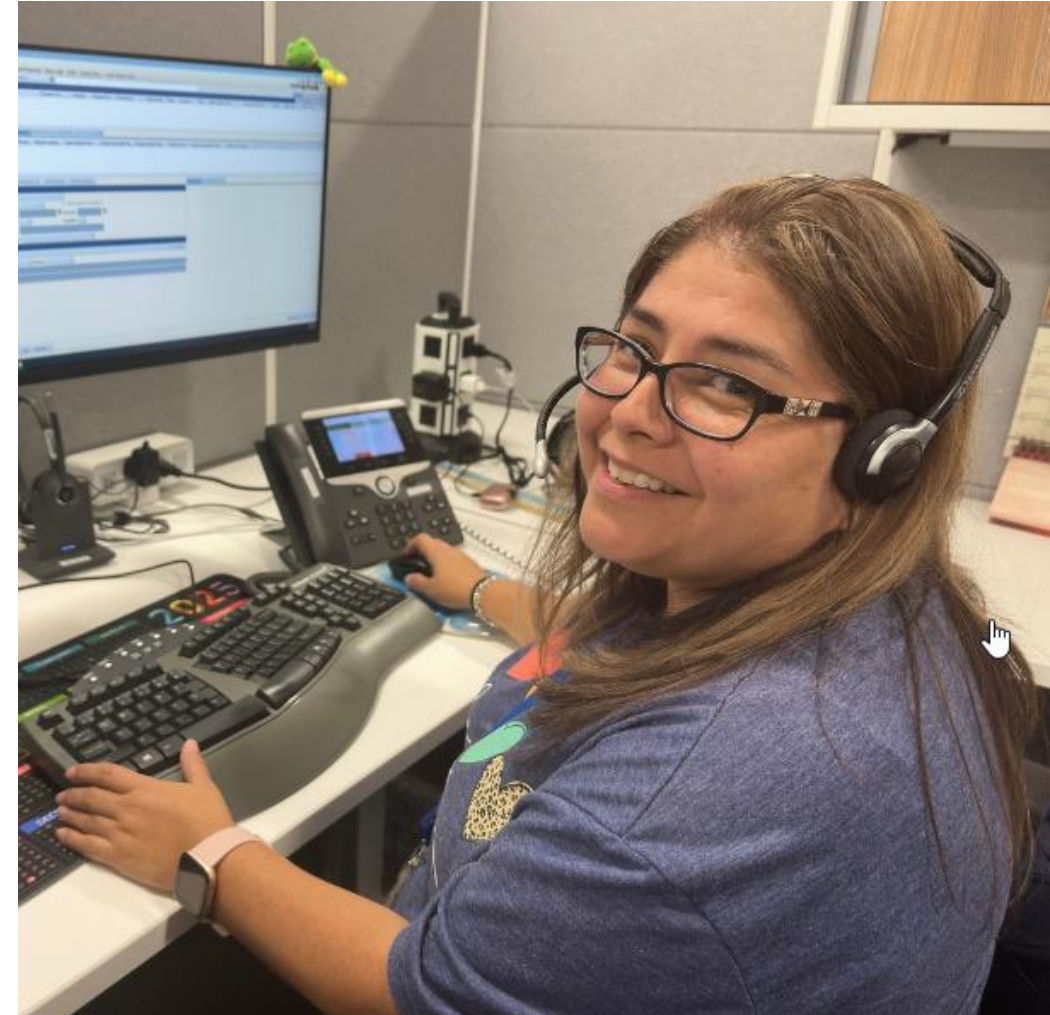
# CAO Report

JP Urban | Chief Administrative Officer

# Member Relations Report

## November Member Relations Metrics

- Calls handled: 16,256
- Chats handled: 1,074
- Applications for existing service
  - Online: 1,922 (29%)
  - Phone: 4,642 (71%)
- Member experience satisfaction rating: 4.61 out of 5
- Member experience first contact resolution: 84.25%
- 92.62% of members say they would enjoy working with the same agent again



# Community Grants

To be  
updated

- Community Grants applications are currently being scored

## System Enhancements

- New application portal is open for establishing distributed generation accounts.
- Will modernize the member and installer experience with enhanced transparency and notification features throughout the process.
- Tiered application workflows are correlated to project sizes and fees structures:
  - Tier 1: < 50 KW
  - Tier 2: 50 KW - 1 MW
  - Tier 3: 1 MW - 10 MW

### DG Application Volumes:

- 2023: 2,635
- 2024: 2,355
- 2025 YTD: 1,610

### Implementation Status:

- Tier 1 - 2: Active
- Tier 3: EOY 2025

# Distributed Generation - Efficiencies

Goal: Improve satisfaction through transparency, expediency, and a modern digital experience:

- **60% reduction in manual processing steps**  
Achieved through workflow automation, integrated data exchange, and digital approvals.
- **Application turnaround time reduced from 2 - 4 weeks to just 2 - 4 days**  
Enabling faster member interconnections and improved operational throughput.
- **Real-time project visibility and automated email notifications**  
Keep members and installers informed, reducing inquiries.
- **Built-in safety and validation checks**  
Ensure compliance with PEC interconnection standards and reduce unnecessary field visits.
- **eSignatures and document automation**  
Create streamlined approvals and enhanced audit readiness.
- **System integration between CPR and internal platforms**  
Automates service order updates and application status updates, reducing duplication.



# PEC Hosts Inaugural Job Shadow Day







# Appreciation and Look Ahead

# Employee Shoutouts\*



**Terran Wilson**  
Member Relations  
Agent  
*Oak Hill*



**Marcos Marichalar**  
Field Construction  
Coordinator  
*Johnson City*



**Carly Welch**  
Member Relations  
Agent 2  
*Marble Falls*



**Priscilla Chapa**  
Member Relations  
Analyst  
*Oak Hill*



**Heather Peterman**  
Member Relations  
Analyst  
*Marble Falls*

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

# PEC Offices Close December 24-25, January 1

*Happy Holidays!*

- Text “Outage” to 25022
- Report outages 24/7 online or by calling 888-883-3379
- Make a payment 24/7 online or with the SmartHub app







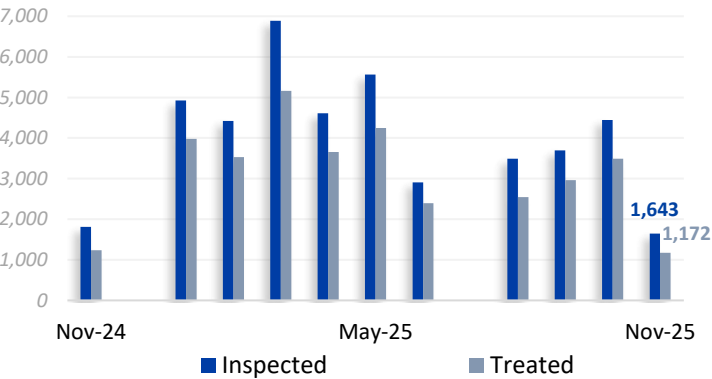
# Appendix Pages

# Maintenance & Technical Services

## Pole Testing & Treatment (PTT)

### Poles Inspected & Treated

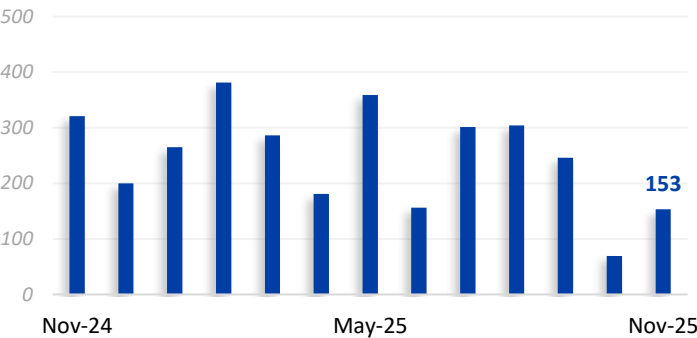
2024 YTD: Inspections - 43,271    Treated - 33,916  
2025 YTD: Inspections - 42,589    Treated - 33,144



## Underground Equipment

### Pad Restorations

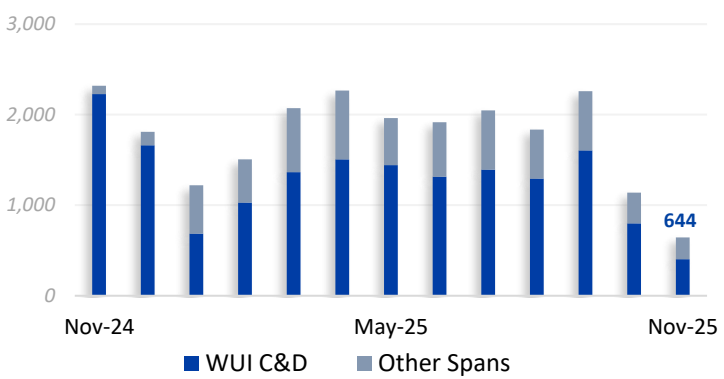
2024 YTD: 3,744  
2025 YTD: 2,701



## Vegetation Management

### Span Clearings

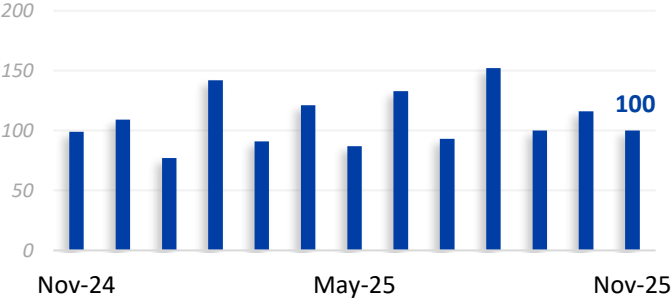
2024 YTD: Encroachments Completed - 21,750  
2025 YTD: Encroachments Completed - 18,864



## Technical Services

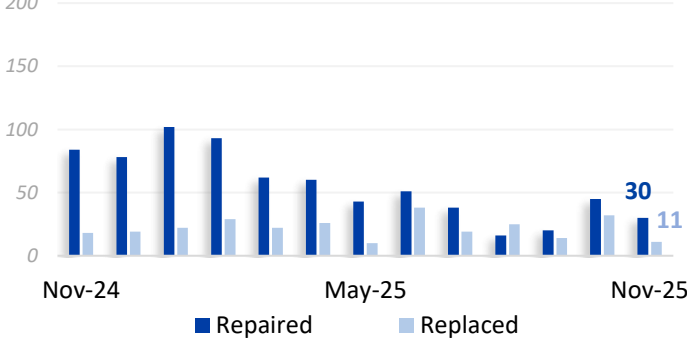
### Equipment Inspections

2024 YTD: 1,616  
2025 YTD: 1,212



### Equipment Repaired or Replaced

2024 YTD: Repaired - 765    Replaced - 226  
2025 YTD: Repaired - 560    Replaced - 248



# 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	100%
CIP (Final Draft) Study	Aug 2025	100%
Mock UFLS Study	Dec 2025	0%
20-Year Plan Study	Dec 2025	70%
Winter Contingency	Dec 2025	100%

## Large Project Updates

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

Construction underway with expected completion EOY 2025.

### Junction Warehouse Expansion and Fleet Building

Construction complete, contractor working on final punch list items with move in expected in December ember 2025.

### Liberty Hill Materials Yard Expansion

Construction underway with expected completion January 2026.

### Liberty Hill Warehouse Expansion

Design and construct +/- 15k sf. warehouse and convert existing warehouse and training area to staff space. Design consultant chosen, contract pending review and approval.

### Bertram Yard Expansion

Expand material yard into adjacent property. Grade and stabilize base. Install perimeter fencing, lighting, and new gate along Hwy 29. Construction expected to begin in Q2 2026.

### Generator Refresh

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, replacements began in Q4 2025 with completion in 2026.







# Appendix to November 2025 Financial Presentation to the Board

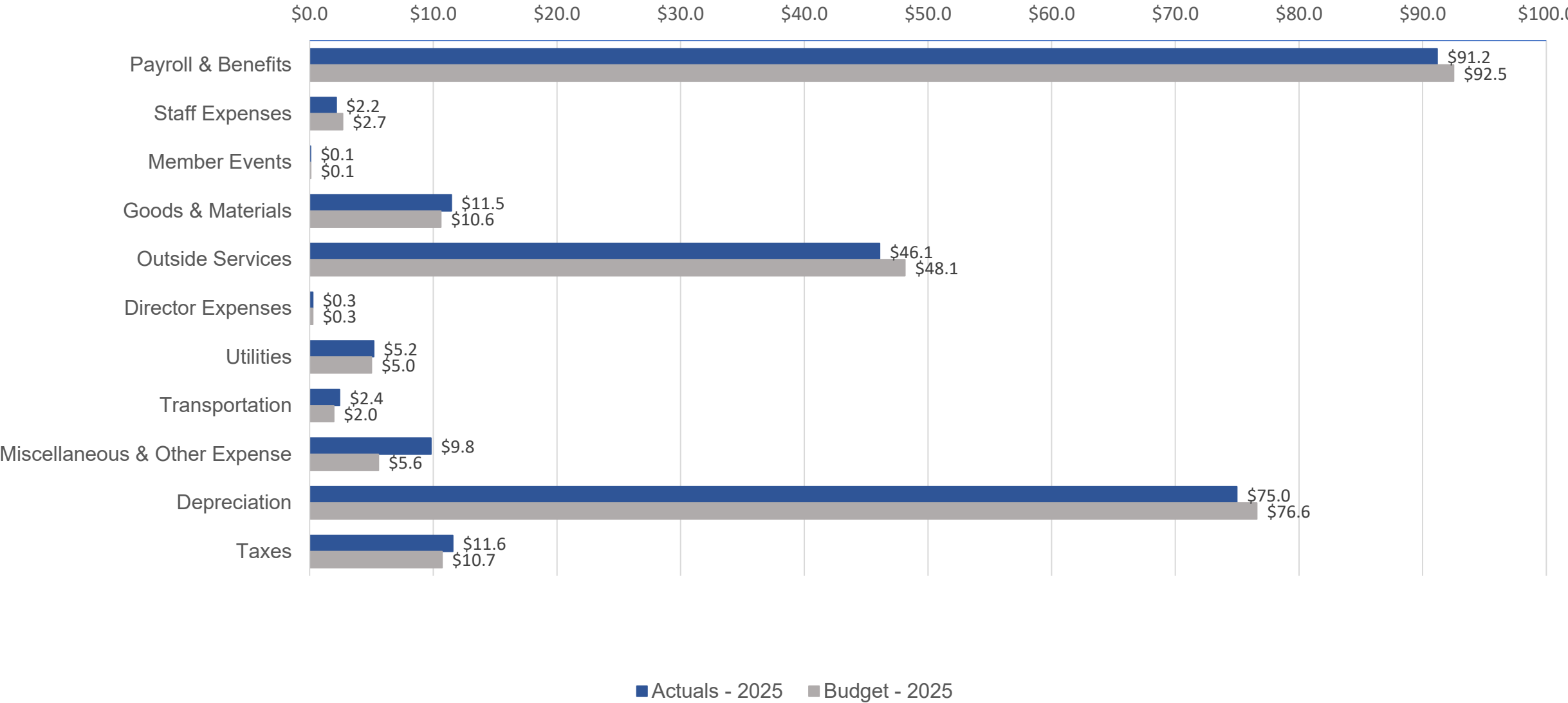
Randy Kruger | Chief Financial Officer

# Financial Performance

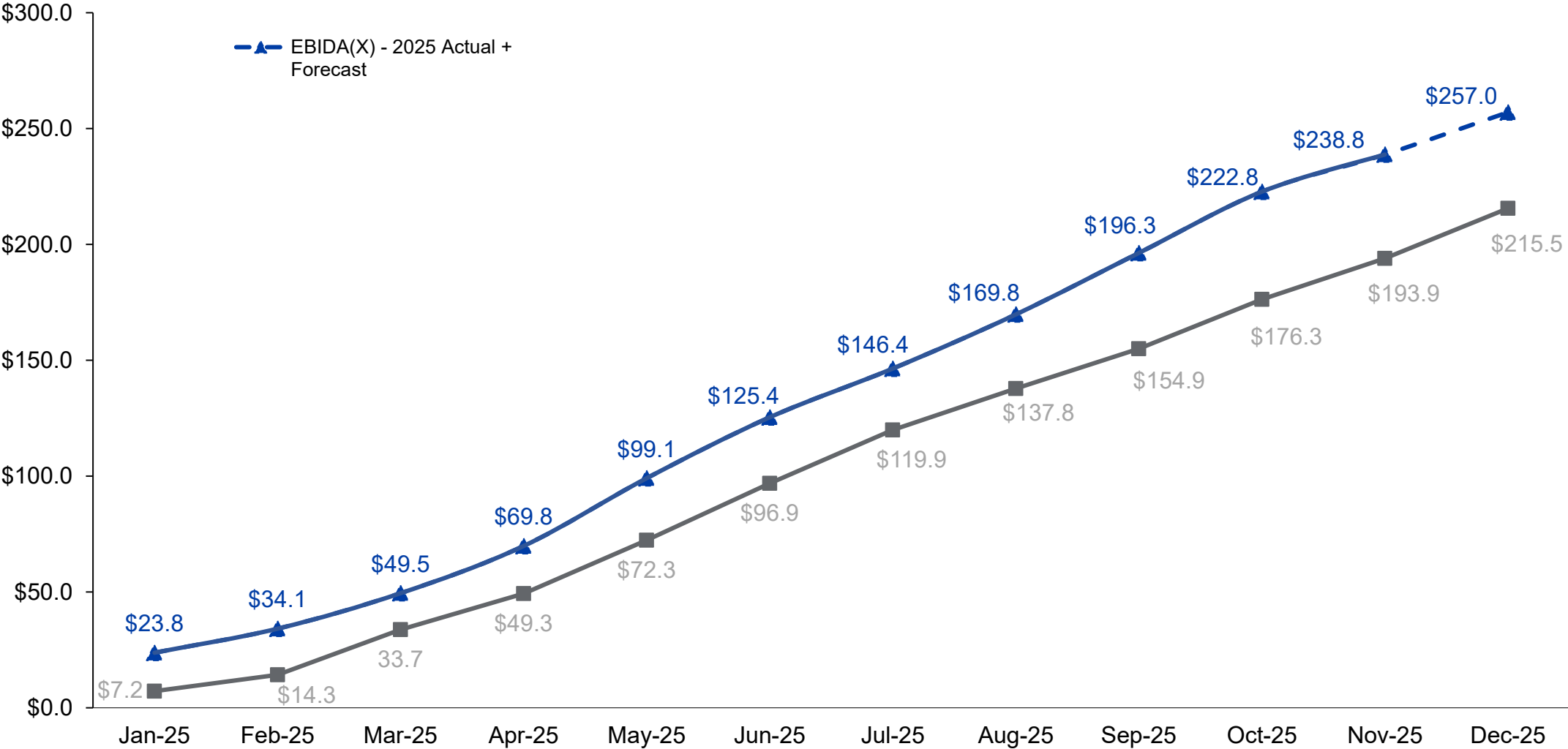
	MTD			YTD			Annual	2024 to 2025 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
Gross Margins	\$ 30,637,081	\$ 30,876,036	\$ 26,725,617	\$ 376,471,484	\$ 368,656,823	\$ 342,260,513	\$ 400,301,897	10.00%
Operating Expenses Ex. Depreciation	19,611,464	15,629,877	16,134,695	180,213,186	177,528,172	164,566,499	193,600,990	9.51%
Depreciation	6,950,119	7,143,704	6,492,215	74,976,454	76,588,049	80,299,496	83,735,262	
Interest Expense	4,612,018	4,763,896	4,451,630	49,692,648	50,476,380	47,792,934	55,458,822	
Other Income	(2,743,794)	(92,000)	(191,361)	(7,096,375)	(3,714,000)	(6,036,400)	(3,873,000)	
Net Margins	\$ 2,207,274	\$ 3,430,559	\$ (161,562)	\$ 78,685,571	\$ 67,778,222	\$ 55,637,984	\$ 71,379,824	
EBIDA	\$ 13,769,411	\$ 15,338,159	\$ 10,782,283	\$ 203,354,673	\$ 194,842,651	\$ 183,730,414	\$ 210,573,907	10.68%
Over (Under) Collected Revenues	2,269,425	2,334,557	7,511,105	35,439,963	(1,102,427)	23,446,495	4,966,279	
EBIDA(X)	\$ 16,038,836	\$ 17,672,716	\$ 18,293,388	\$ 238,794,636	\$ 193,740,224	\$ 207,176,909	\$ 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	521,111,249	524,047,098	500,526,410	7,785,763,523	7,265,882,425	7,306,720,004	7,910,451,206	6.56%
Energy Purchases kWh	555,199,416	557,538,991	532,474,904	8,145,228,635	7,730,196,138	7,773,106,387	8,415,380,400	4.79%
Active Accounts				439,215	444,884	422,929	446,678	3.85%

# Cost of Service (in millions)

## YTD Actuals vs Budget through November 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><u>Distribution</u></b>						
200 Tie Lines (new construction between existing lines)	9,486,858	90,170	9,577,028	13,812,550	4,235,522	14,793,728
300 Conversions or Line Changes	18,297,442	8,662,466	26,959,908	23,144,766	(3,815,142)	25,001,608
600 Miscellaneous Distribution Equipment	45,272,728	-	45,272,728	49,779,715	4,506,987	54,370,706
700 Other Distribution Items	971,779	-	971,779	358,683	(613,095)	391,422
<b>Distribution Total</b>	<b>\$ 74,028,806</b>	<b>\$ 8,752,636</b>	<b>\$ 82,781,442</b>	<b>\$ 87,095,715</b>	<b>\$ 4,314,272</b>	<b>\$ 94,557,465</b>
<b><u>Substation</u></b>						
400 New Substations, Switching Stations and Meter Points	7,914,774	5,392,148	13,306,922	17,569,647	4,262,725	20,969,733
500 Substations, Switching Stations and Meter Point changes	9,075,525	28,498,371	37,573,896	40,817,887	3,243,991	43,621,140
<b>Substation Total</b>	<b>\$ 16,990,299</b>	<b>\$ 33,890,519</b>	<b>\$ 50,880,818</b>	<b>\$ 58,387,534</b>	<b>\$ 7,506,716</b>	<b>\$ 64,590,873</b>
<b><u>Transmission</u></b>						
800 New Transmission Lines	294,208	13,830	308,038	833,477	525,439	1,125,657
1000 Line and Station Changes	5,080,093	27,257,763	32,337,855	43,391,083	11,053,227	49,195,185
<b>Transmission Total</b>	<b>\$ 5,374,301</b>	<b>\$ 27,271,593</b>	<b>\$ 32,645,894</b>	<b>\$ 44,224,560</b>	<b>\$ 11,578,666</b>	<b>\$ 50,320,843</b>
<b><u>General Plant</u></b>						
2000 Facilities	7,871,882	6,889,617	14,761,499	16,825,229	2,063,731	17,789,898
3000 Information Technology	1,785,495	-	1,785,495	6,539,349	4,753,854	7,017,520
4000 Tools & Equipment	545,321	-	545,321	458,333	(86,988)	500,000
5000 Vehicles	7,082,511	-	7,082,511	4,583,333	(2,499,178)	5,000,000
<b>Total General Plant</b>	<b>\$ 17,285,209</b>	<b>\$ 6,889,617</b>	<b>\$ 24,174,826</b>	<b>\$ 28,406,245</b>	<b>\$ 4,231,419</b>	<b>\$ 30,307,418</b>
<b>Accrued WIP &amp; Prepaid Aid</b>	<b>\$ (12,436,391)</b>	<b>\$ -</b>	<b>\$ (12,436,391)</b>	<b>\$ -</b>	<b>\$ 12,436,391</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>	<b>\$ 101,242,224</b>	<b>\$ 76,804,365</b>	<b>\$ 178,046,589</b>	<b>\$ 218,114,053</b>	<b>\$ 40,067,464</b>	<b>\$ 239,776,599</b>



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