



2022 Year in Review

Julie C. Parsley | Chief Executive Officer



2022 Growing Stronger

Growing Stronger

Record-breaking growth across the cooperative:

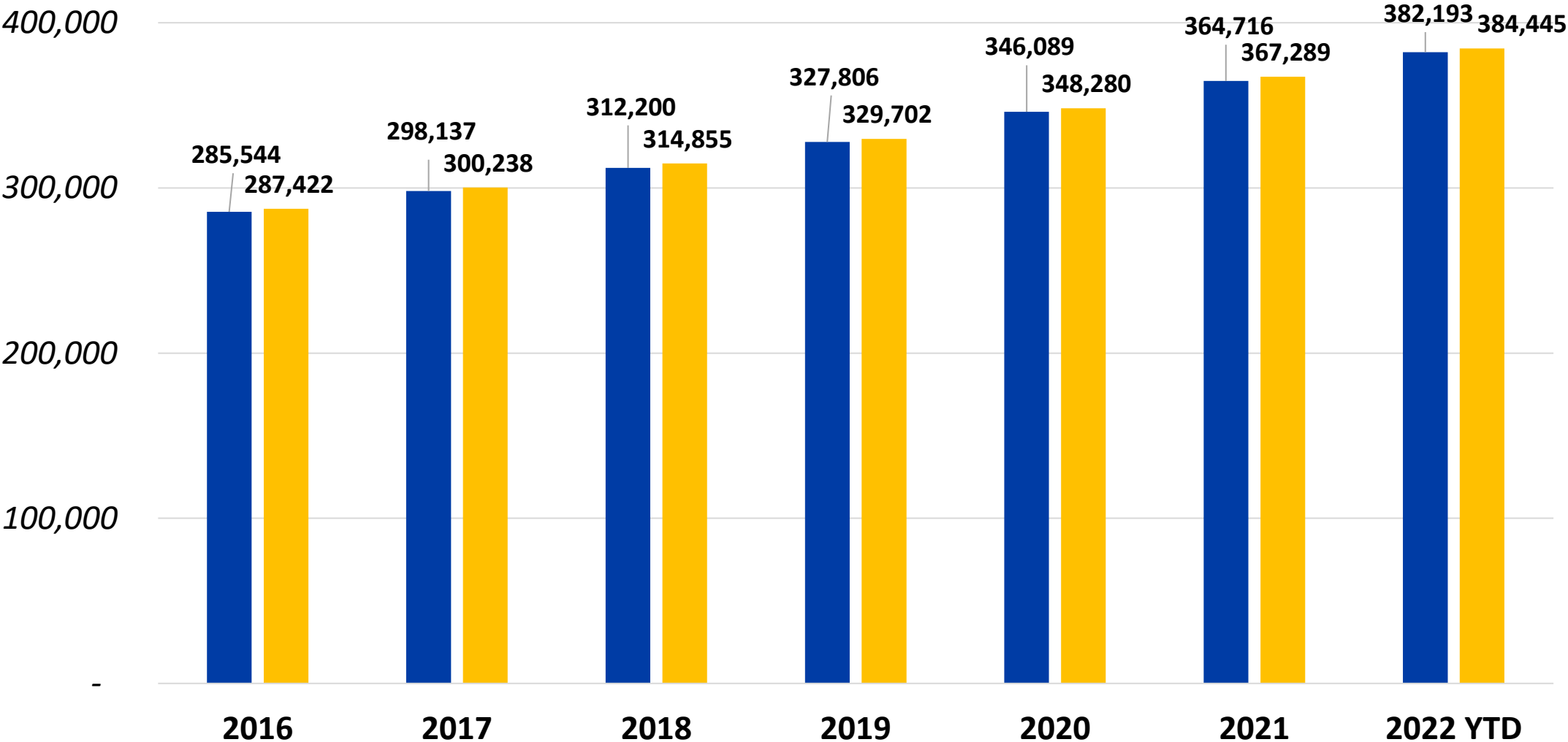
- **384,445** active accounts*
- **382,193 meters**; added **17,477 meters***
- Anticipate ending 2022 with **386,000** accounts and **384,000** meters
- **36,756** member applications processed*
- Completed **18,914** line extensions*; **20,600** expected by EOY
- Added **515** miles of line*; more than **24,300 miles total**



**As of November 30, 2022*

Growing Stronger

Total Meters and Accounts

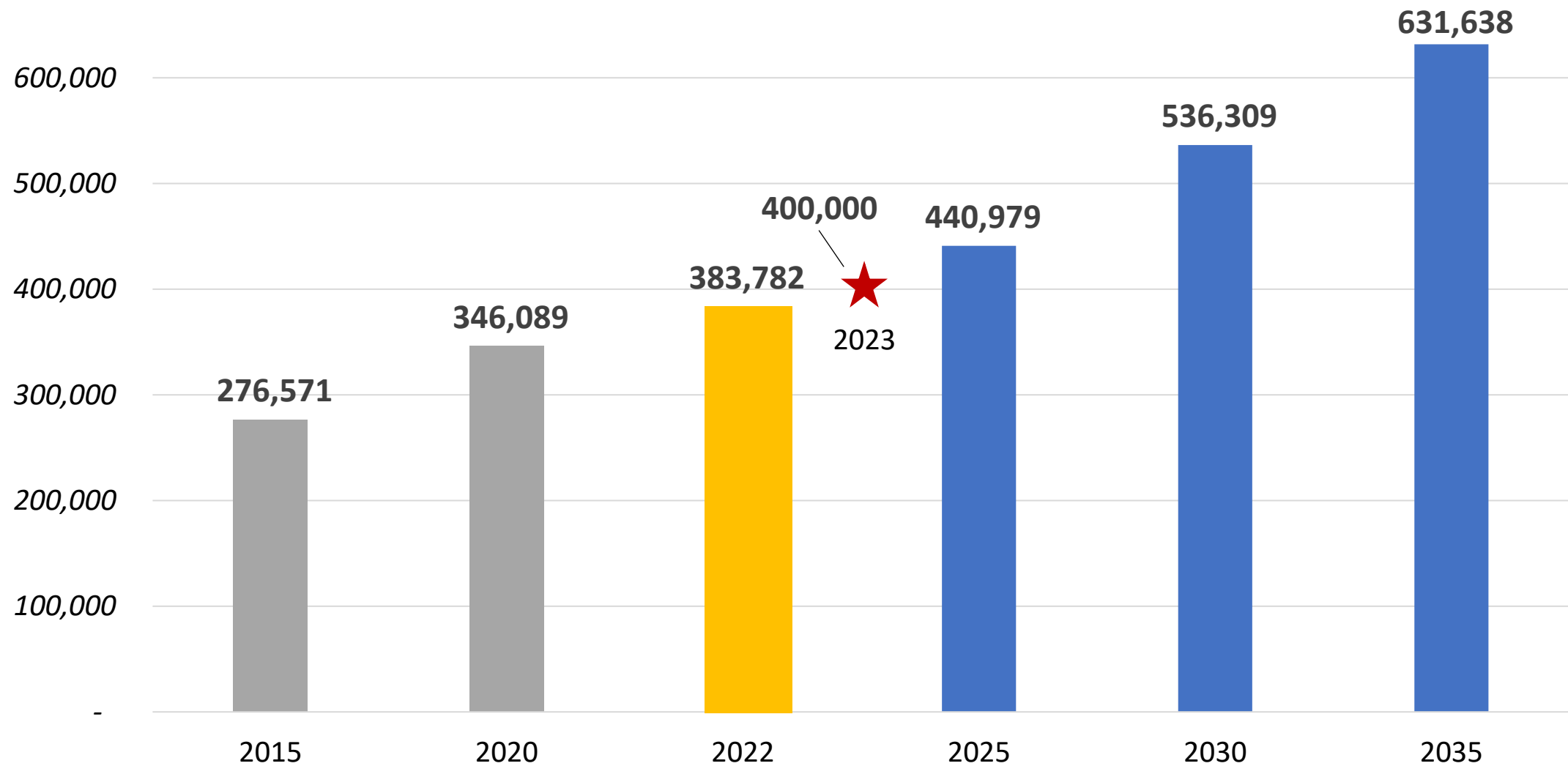


■ Total Meters ■ Total Accounts

* As of November 30, 2022

Growing Stronger

Forecasting PEC Meters





Building the Future

Building the Future

- Inspected **15 distribution main feeder lines** using UAV/drone program*
- Inspected more than **35,341 wood poles***
- Nearly **700 poles** replaced or restored*
- **2,510 URD equipment locations** inspected and restored
- Pruned **395 miles** of line*
- Upgraded **15 substations**
- Worked on **15 transmission projects**
- **15** apprentice lineworkers promoted



**As of November 30, 2022*

Building the Future

Engineering launched a **member growth study** for future planning with on-going trend updates **forecasted through the next 20 years**

- Provides areas where future substations would be needed
- District feeder and substation maps with projected loads, subdivisions, and needed projects
- Summer and winter load forecasts of expected growth detailing each feeder, substation bank, and transferred loads
- Electric vehicle (EV) study



Building the Future

Construction is on schedule for completing our Transmission Control Center in Q2 2023, which brings many benefits:

- **Improved reliability** through better management of transmission outages
- More **influence** over transmission built in our service area
- **More direction** over transmission maintenance and planning



Building the Future

- Debuted new Career Lines program to help employees across cooperative **further develop and plan for their respective career paths**
- Expanded recruiting efforts in trade programs, schools, and local communities to **attract top talent**
- Introduced **expanded engagement and training programs** for managers



Training the Next Generation

For more than a decade, PEC has invested in the next generation of lineworkers!

- **99 apprentices** currently enrolled in program
- **233 apprentices** have completed PEC's program
- Created in 2012; Safety and Technical Training Center opened in 2020
- PEC's program is recognized by U.S. Department of Labor



An aerial photograph of a two-lane road with double yellow lines, curving through a lush green landscape. A white utility truck with a telescopic boom is parked on the right shoulder. The boom is extended, and a worker is visible in a bucket at the end, working on a power line. Several orange traffic cones are placed along the road to mark the work area. A road sign on the right reads "RIGHT LANE MUST TURN RIGHT". The text "ONLY" is painted on the road surface near the truck. A large blue banner with white text is overlaid across the bottom half of the image.

Managing Responsibly

Managing Responsibly

- Implemented new Utilities International platform **on time and below budget** with input from key internal stakeholders
 - New ability to balance labor, plan capital projects by type of cost and priority, forecast cash and debt needs, expand OPEX planning, and provide robust and real-time dashboards for reporting
- Automated accounts payable processes
 - Manually **processed more than 40,000 invoices** previously
 - Accounts Payable, Procurement, IT, and Program Management **worked together to automate 90% of invoices received**
 - Successful pilot complete; will roll out to all vendors in 2023



Managing Responsibly

- In January, PEC issued **\$150M in bonds** with delayed funding feature
 - Allowed to lock in interest rates but not incur interest expense until January 2023 when bonds fund
 - Hedged against 2.5% increase in rates, **saving PEC \$3.5M in interest expense annually over the next five years and \$43.4M over the life of the bonds**



Managing Responsibly

- Fitch Ratings **affirmed PEC's AA-rating** and revised outlook to stable
 - Provides PEC with continued access to low-cost financing to fund future system growth and guard against unforeseen financial impacts
- Successfully managed supply chain shortfalls and locked in competitive pricing with **proactive contracts and addition of third material alliance partner**

AA-
FitchRatings

A woman with short, wavy brown hair and glasses is smiling. She is wearing a bright pink polo shirt. On the left side of the shirt, the name 'Sanjeanette' is embroidered. On the right side, 'Pedernales Electric' is embroidered with a small lightning bolt logo. In the background, a large, stylized 'PE' logo is visible, with the 'P' and 'E' in a serif font and a lightning bolt integrated into the 'E'.

Focusing on Members

Focusing on Members

- Performed more than **300 energy audits**
- **1,874 interconnect inspections**
- Proactively worked with members on more than **14,582 payment arrangements**
- Answered more than **274,800 member calls**



**As of November 30, 2022*

Focusing on Members

- Deployed SMS texting program for members and employees
 - Provides emergency notifications and outage reporting
- Launched new online application; accepted **2,207 applications**
- Implemented successful paperless and auto-pay campaigns, enrolling nearly **41,000 members**



**As of November 30, 2022*

BOYS & GIRLS CLUB OF THE HIGHLAND LAKES

Serving Communities



Serving Communities

- Shared virtual Read Across America event with **250 local educators and donated books to local school libraries**
- **\$100,000** in support for graduating high school seniors and adults pursuing higher education
- **\$23,000** in support for local education foundations
- Welcomed back annual **Youth Tour** program
- Doubled participation in Camp Save-A-Watt to nearly **400 campers**



Serving Communities



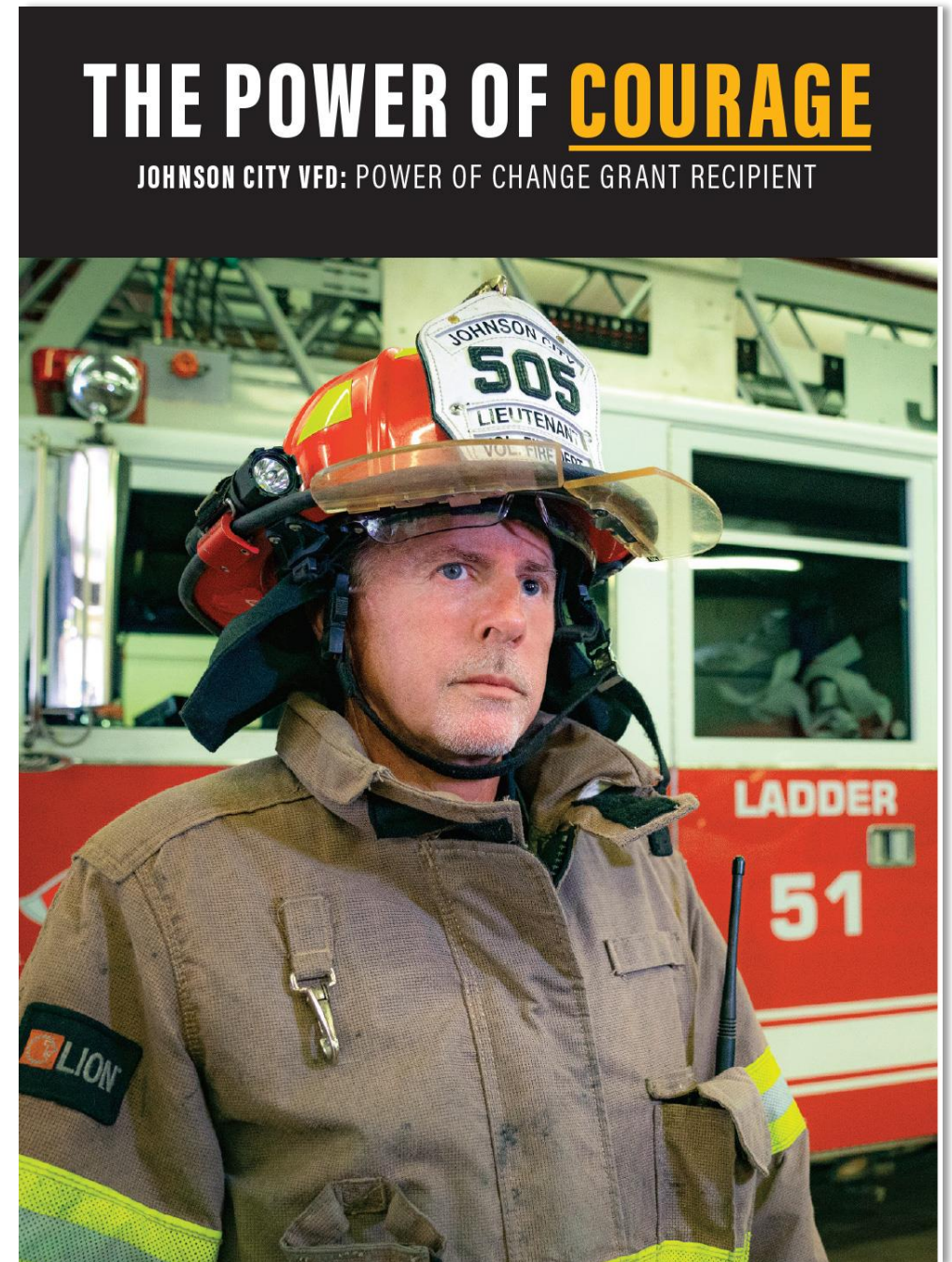
- United Charities gave more than **\$236,000 to 242 nonprofits**
- Through Power of Change, **14 nonprofits** received **more than \$64,000** in grants

POWER of CHANGE

ROUND UP YOUR BILL FOR CHARITY

**23,000 members
and growing!**

- New logo, marketing campaign, and enrollment website launched in June
- Nearly **5,000 members** enrolled this year alone — **6.2% of membership** participating
- Power of Change **now funds majority of PEC charitable giving**





Celebrating Successes

INTERNATIONAL
LINEMAN'S
RODEO
1ST PLACE OVERALL
OVERALL WORLD CHAMPION APPRENTICE
PROVIDER
NEW ZEALAND
BEHAVIOR

PEC PROUD!

We're PEC Proud to be named a
Top Workplace by the
San Antonio Express-News and
to be recognized **NATIONALLY**
as a **Top Workplace for Cultural
Excellence by a Woman-Led
Business**



Awards and Successes

- **NRECA Spotlight on Excellence Awards**
 - Best Special Publication
 - Best Individual Ad
- **Bonfire Procurement Award**
- Vegetation Maintenance program **recognized in T&D World magazine**



International Lineman's Rodeo



1st Place Overall Apprentice
Best-of-the-Best

1st Place Apprentice REA Division

1st Place Apprentice Written Test

1st Place Journeyworker Hurtman Rescue

2nd Place Overall Apprentice
Best-of-the-Best

2nd Place Apprentice REA Division

2nd Place Apprentice Written Test

3rd Place Apprentice REA Division
3rd Place in Journeyworker
REA Division

5th Place Journeyworker
Hurtman Rescue

2022 Employee Kudos



David Mead, Member Relations, *Headquarters*
Priscilla Chapa, Member Relations, *Canyon Lake*
Blythe Nodecker, Member Relations, *Cedar Park*
Chris Scott, Journeyworker, *Bertram*
Boyd Edwards, Regional Operations Supervisor, *Bertram*
Garrit Afman, Journeyworker, *Canyon Lake*
Michael Burkhardt, Lineworker, *Canyon Lake*
Allen Kristoff, Electrical Distribution Designer, *Kyle*
Scott Lindquist, Vegetation Maintenance, *Headquarters*
Edgar Craig, Journeyworker, *Bertram*
Rosie Vasquez, Member Relations, *Junction*
John Hert, Lineworker, *Marble Falls*
Jeff Niemeyer, Electrical Distribution Designer, *Oak Hill*
Theresa Goodnight, Member Relations, *Dripping Springs*
Sandra Garza, Member Relations, *Marble Falls*
Brian Snively, Journeyworker, *Kyle*
Delores Tracy, Member Relations, *Oak Hill*
Dobie New, Journeyworker, *Liberty Hill*
Cris Hernandez, Member Relations, *Kyle*
Art Lopez, Member Relations, *Marble Falls*
Melissa Griswold, Member Relations, *Headquarters*
Amber Bales, Distribution Planner, *Marble Falls*
Clay Riedel, Journeyworker, *Canyon Lake*
Kayleigh Childress, Member Relations, *Junction*
Lee Dixon, Social Media Specialist, *Headquarters*
Luther Schumann, Mechanic, *Johnson City*
Jay Sanchez, John Croft, Jason Sumner, Matt Gilger, Shelly Flowers, Michael Graham, and Pat Lehoski, IT Department, *Johnson City*

2022 Employee Kudos



Pete Zepeda, Journeyworker, *Oak Hill*
Lori Hartsfield, Distribution Planner, *Cedar Park*
Debbie Martinez, Member Relations, *Dripping Springs*
Kimberly Thigpen, Member Relations, *Marble Falls*
Patrick Marley, Journeyworker, *Kyle*
Jessica Martinez, Member Relations, *Dripping Springs*
Spencer Ray, Journeyworker, *Marble Falls*
Delia Garza, Member Relations, *Kyle*
Sam Castro, Journeyworker, *Oak Hill*
Austin Hernandez, Lineworker, *Oak Hill*
Pam Bryant, Member Relations, *Bertram*
Monica Harper, Member Relations, *Dripping Springs*
Nick Wall, Journeyworker, *Marble Falls*
Patricia Alexander, Member Relations, *Bertram*
Samantha Torres, Member Relations, *Cedar Park*
Jacob Simons, Lineworker, *Liberty Hill*
David Mendez, Member Relations Field Technician, *Kyle*
Rachel Christian, Member Relations, *Marble Falls*
Christi Adams, Member Relations, *Junction*
James Turner, Senior Energy Service Advisor, *Cedar Park*
Debra Ulbricht, Distribution Planner, *Liberty Hill*

