



Growth Statistics

| <u>YEAR/ MONTH</u> | <u>ACTIVE ACCOUNTS*</u> | <u>NET INCREASE</u> | <u>APPLICATIONS</u> | <u>TIME OF USE</u> | <u>INTER- CONNECT</u> | <u>RENEWABLE RIDER</u> |
|------------------------|-----------------------------|-------------------------|---------------------|------------------------|---------------------------|----------------------------|
| <u>2017</u> | | | | | | |
| January | 288,562 | 1,140 | 1,846 | 0 | 1,270 | 352 |
| February | 289,582 | 1,020 | 1,809 | 21 | 1,319 | 352 |
| March | 291,084 | 1,502 | 2,316 | 24 | 1,355 | 352 |
| April | 291,623 | 539 | 2,081 | 38 | 1,399 | 352 |
| May | 293,315 | 1,692 | 2,701 | 43 | 1,444 | 352 |
| June | 295,158 | 1,843 | 2,973 | 56 | 1,501 | 369 |
| July | 295,644 | 486 | 2,875 | 99 | 1,532 | 369 |
| August | 296,742 | 1,098 | 2,833 | 116 | 1,574 | 371 |
| September | 297,549 | 807 | 2,212 | 121 | 1,610 | 371 |
| October | 298,734 | 1,185 | 2,243 | 162 | 1,674 | 373 |
| November | 299,990 | 1,256 | 2,057 | 165 | 1,741 | 367 |
| December | 300,238 | 248 | 2,028 | 173 | 1,776 | 370 |
| <u>2018</u> | | | | | | |
| January | 301,508 | 1,270 | 1,942 | 174 | 1,847 | 377 |
| February | 302,653 | 1,145 | 1,969 | 200 | 1,898 | 378 |
| March | 303,585 | 932 | 2,242 | 201 | 1,968 | 376 |
| April | 305,173 | 1,588 | 2,545 | 197 | 2,031 | 378 |
| May | 306,852 | 1,679 | 2,794 | 202 | 2,091 | 383 |

* Active Accounts are meters and lights only.



Statements of Income and Patronage Capital

Pedernales Electric

| | MTD | | | YTD | | |
|--|-----------------------|---------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | Actual MAY 2018 | Budget MAY 2018 | Actual MAY 2017 | Actual MAY 2018 | Budget MAY 2018 | Actual MAY 2017 |
| KWH Purchased (available for sale) | 587,165,000 | 427,856,000 | 478,338,000 | 2,459,897,000 | 2,388,273,000 | 2,101,882,000 |
| KWH Sold | 551,047,000 | 399,844,000 | 459,162,000 | 2,319,613,000 | 2,205,207,000 | 2,009,023,000 |
| OPERATING REVENUES: | | | | | | |
| Sale of Electricity | \$ 53,276,000 | \$ 42,534,000 | \$ 44,713,000 | \$ 228,299,000 | \$ 228,855,000 | \$ 199,892,000 |
| LCRA FPCRF (Over)Under | 2,437,000 | - | 1,589,000 | 5,427,000 | - | 1,522,000 |
| Power Cost Adjustment (Over)Under | 14,000 | - | 1,650,000 | 3,399,000 | - | 2,566,000 |
| TCOS (Over)Under | (886,000) | - | 1,569,000 | 2,637,000 | - | 6,108,000 |
| Other Revenue | 1,158,000 | 1,161,000 | 1,094,000 | 5,718,000 | 5,737,000 | 5,250,000 |
| Transmission Revenue (Lease) | 441,000 | 442,000 | 442,000 | 2,208,000 | 2,212,000 | 2,261,000 |
| Transmission Revenue (Access) | 683,000 | 687,000 | 687,000 | 3,432,000 | 3,435,000 | 3,435,000 |
| Operating Revenues - Total | 57,123,000 | 44,824,000 | 51,744,000 | 251,120,000 | 240,239,000 | 221,034,000 |
| OPERATING & MAINTENANCE EXPENSES: | | | | | | |
| Purchased Power | 31,639,000 | 25,459,000 | 27,316,000 | 141,034,000 | 138,326,000 | 123,442,000 |
| LCRA Fuel Power Cost Recovery Factor | 2,437,000 | - | 1,589,000 | 5,427,000 | - | 1,522,000 |
| Transmission Operations | 175,000 | 149,000 | 43,000 | 811,000 | 747,000 | 224,000 |
| Transmission Maintenance | 315,000 | 353,000 | 282,000 | 1,325,000 | 1,560,000 | 1,782,000 |
| Distribution Operations | 2,919,000 | 3,403,000 | 2,820,000 | 15,182,000 | 16,310,000 | 13,299,000 |
| Distribution Maintenance | 981,000 | 1,305,000 | 1,538,000 | 7,080,000 | 6,682,000 | 6,150,000 |
| Consumer Accounts | 2,160,000 | 2,201,000 | 2,017,000 | 9,554,000 | 10,692,000 | 9,011,000 |
| Customer Service & Information | 413,000 | 317,000 | 346,000 | 1,409,000 | 1,502,000 | 1,175,000 |
| Economic Development | 125,000 | 141,000 | 127,000 | 741,000 | 746,000 | 604,000 |
| Administrative & General | 2,286,000 | 2,295,000 | 2,044,000 | 10,106,000 | 10,941,000 | 10,690,000 |
| Depreciation & Amortization Expense | 4,469,000 | 4,371,000 | 3,861,000 | 22,142,000 | 21,857,000 | 19,225,000 |
| Tax Expense | 93,000 | 70,000 | 72,000 | 400,000 | 373,000 | 360,000 |
| Operating & Maintenance Expenses - Total | 48,012,000 | 40,064,000 | 42,055,000 | 215,211,000 | 209,736,000 | 187,484,000 |
| MARGIN BEFORE INTEREST | 9,111,000 | 4,760,000 | 9,689,000 | 35,909,000 | 30,503,000 | 33,550,000 |
| INTEREST EXPENSE: | 2,889,000 | 2,915,000 | 2,673,000 | 14,272,000 | 14,530,000 | 13,588,000 |
| MARGIN AFTER INTEREST | 6,222,000 | 1,845,000 | 7,016,000 | 21,637,000 | 15,973,000 | 19,962,000 |
| OTHER INCOME (EXPENSE): | 414,000 | 308,000 | 438,000 | 1,047,000 | 378,000 | 722,000 |
| NET MARGIN (LOSS) | \$ 6,636,000 | \$ 2,153,000 | \$ 7,454,000 | \$ 22,684,000 | \$ 16,351,000 | \$ 20,684,000 |
| COMPREHENSIVE INCOME | | | | | | |
| PATRONAGE CAPITAL - BEGINNING OF PERIOD | \$ 6,636,000 | | \$ 7,454,000 | \$ 22,684,000 | | \$ 20,684,000 |
| Patronage Capital Retired | 453,056,000 | | 416,063,000 | 436,438,000 | | 402,207,000 |
| Transfers to Other Equities | (22,000) | | (41,000) | 17,000 | | 23,000 |
| PATRONAGE CAPITAL - TOTAL | (22,000) | | (24,000) | 509,000 | | 538,000 |
| | \$ 459,648,000 | | \$ 423,452,000 | \$ 459,648,000 | | \$ 423,452,000 |



Balance Sheet

| | MAY 2018 | DECEMBER 2017 | \$ VARIANCE | % CHANGE | MAY 2017 |
|---|--------------------------------|--------------------------------|-----------------------------|---------------------|--------------------------------|
| ASSETS | | | | | |
| UTILITY PLANT: | | | | | |
| In Service: | | | | | |
| Transmission | \$ 101,651,000 | \$ 101,597,000 | \$ 54,000 | 0.05% | \$ 100,303,000 |
| Distribution | 1,424,615,000 | 1,405,045,000 | 19,570,000 | 1.39% | 1,362,765,000 |
| General & Electric | 158,866,000 | 157,635,000 | 1,231,000 | 0.78% | 152,092,000 |
| Utility Plant - In service | <u>1,685,132,000</u> | <u>1,664,277,000</u> | <u>20,855,000</u> | <u>1.25%</u> | <u>1,615,160,000</u> |
| Long-Term Capital Projects | 106,445,000 | 86,570,000 | 19,875,000 | 22.96% | 81,584,000 |
| Utility Plant - Total | <u>1,791,577,000</u> | <u>1,750,847,000</u> | <u>40,730,000</u> | <u>2.33%</u> | <u>1,696,744,000</u> |
| Accumulated Depreciation | (296,555,000) | (288,182,000) | (8,373,000) | 2.91% | (296,001,000) |
| Utility Plant - Net | <u>1,495,022,000</u> | <u>1,462,665,000</u> | <u>32,357,000</u> | <u>2.21%</u> | <u>1,400,743,000</u> |
| LONG TERM INVESTMENTS: | | | | | |
| Capital Term Certificates & Other | 13,003,000 | 12,883,000 | 120,000 | 0.93% | 12,139,000 |
| CURRENT ASSETS: | | | | | |
| Cash | 1,578,000 | 21,931,000 | (20,353,000) | (92.80%) | 1,717,000 |
| Accounts Receivable: | | | | | |
| Members | 21,766,000 | 21,367,000 | 399,000 | 1.87% | 20,517,000 |
| Other | 3,059,000 | 3,765,000 | (706,000) | (18.75%) | 2,132,000 |
| LCRA Fuel Power Cost Recovery Factor | - | 1,162,000 | (1,162,000) | (100.00%) | 1,143,000 |
| Allowance for Uncollectible Accts | (425,000) | (538,000) | 113,000 | (21.00%) | (812,000) |
| Accrued Unbilled Revenue | 29,278,000 | 26,364,000 | 2,914,000 | 11.05% | 23,921,000 |
| Materials & Supplies | 22,583,000 | 21,008,000 | 1,575,000 | 7.50% | 24,281,000 |
| Prepayments & Other | 4,771,000 | 2,794,000 | 1,977,000 | 70.76% | 3,192,000 |
| Current Assets - Total | <u>82,610,000</u> | <u>97,853,000</u> | <u>(15,243,000)</u> | <u>(15.58%)</u> | <u>76,091,000</u> |
| DEFERRED CHARGES & OTHER ASSETS: | | | | | |
| Regulatory Assets | 66,288,000 | 66,346,000 | (58,000) | (0.09%) | 70,260,000 |
| LCRA Fuel Power Cost Under-Recovery Balance | 4,266,000 | - | 4,266,000 | 100.00% | - |
| Transmission Cost of Service Under-Recovery Balance | 4,458,000 | 1,821,000 | 2,637,000 | 144.81% | - |
| Other Deferred Charges | 639,000 | 744,000 | (105,000) | (14.11%) | 912,000 |
| Deferred Charges & Other Assets - Total | <u>75,651,000</u> | <u>68,911,000</u> | <u>6,740,000</u> | <u>9.78%</u> | <u>71,172,000</u> |
| TOTAL ASSETS | <u>\$ 1,666,286,000</u> | <u>\$ 1,642,312,000</u> | <u>\$ 23,974,000</u> | <u>1.46%</u> | <u>\$ 1,560,145,000</u> |



Balance Sheet

| | MAY 2018 | DECEMBER 2017 | \$ VARIANCE | % CHANGE | MAY 2017 |
|--|-------------------------|-------------------------|----------------------|--------------|-------------------------|
| EQUITY & LIABILITIES | | | | | |
| EQUITY: | | | | | |
| Membership Certificates | \$ 12,413,000 | \$ 12,165,000 | 248,000 | 2.04% | \$ 11,829,000 |
| Permanent Equity | 189,325,000 | 189,835,000 | (510,000) | (0.27%) | 171,191,000 |
| Patronage Capital | 459,648,000 | 436,438,000 | 23,210,000 | 5.32% | 423,452,000 |
| Equity - Total | 661,386,000 | 638,438,000 | 22,948,000 | 3.59% | 606,472,000 |
| LONG-TERM DEBT: | | | | | |
| 02 Issue - \$450M - 2032 | 297,427,000 | 297,316,000 | 111,000 | 0.04% | 310,251,000 |
| 08 Issue - \$300M - 2043 | 199,420,000 | 202,024,000 | (2,604,000) | (1.29%) | 204,579,000 |
| 15 Issue - \$25M - 2045 | 23,465,000 | 23,715,000 | (250,000) | (1.05%) | 23,959,000 |
| 15 Issue - \$78M - 2020 | 25,803,000 | 34,171,000 | (8,368,000) | (24.49%) | 42,425,000 |
| 16 Issue - \$15M - 2021 | 6,750,000 | 7,500,000 | (750,000) | (10.00%) | 9,750,000 |
| 16 Issue - \$80M - 2046 | 76,187,000 | 76,979,000 | (792,000) | (1.03%) | 77,756,000 |
| 17 Issue - \$13M - 2022 | 9,100,000 | 9,750,000 | (650,000) | (6.67%) | - |
| 17 Issue - \$80M - 2047 | 77,915,000 | 78,624,000 | (709,000) | (0.90%) | - |
| Long-Term Debt - Total | 716,067,000 | 730,079,000 | (14,012,000) | (1.92%) | 668,720,000 |
| CURRENT LIABILITIES: | | | | | |
| Lines of Credit | 23,300,000 | - | 23,300,000 | 100.00% | 30,000,000 |
| Current Maturities of LTD | 43,938,000 | 43,546,000 | 392,000 | 0.90% | 38,478,000 |
| Accounts Payable | 43,537,000 | 51,436,000 | (7,899,000) | (15.36%) | 38,237,000 |
| Consumer Deposits | 6,460,000 | 6,262,000 | 198,000 | 3.16% | 6,075,000 |
| Accrued Taxes | 5,983,000 | 10,273,000 | (4,290,000) | (41.76%) | 5,092,000 |
| Accrued Interest | 954,000 | 3,790,000 | (2,836,000) | (74.83%) | 918,000 |
| Other Current Liabilities | 19,951,000 | 12,775,000 | 7,176,000 | 56.17% | 13,370,000 |
| Current Liabilities - Total | 144,123,000 | 128,082,000 | 16,041,000 | 12.52% | 132,170,000 |
| DEFERRED CREDITS & OTHER | | | | | |
| NONCURRENT LIABILITIES | | | | | |
| Postretirement Benefits Obligation | 119,655,000 | 116,102,000 | 3,553,000 | 3.06% | 109,905,000 |
| LCRA Fuel Power Cost Over-Recovery Balance | - | 1,162,000 | (1,162,000) | (100.00%) | 1,143,000 |
| Power Cost Adjustment Over-Recovery Balance | 8,298,000 | 11,697,000 | (3,399,000) | (29.06%) | 13,119,000 |
| Transmission Cost of Service Over-Recovery Balance | - | - | - | 0.00% | (3,488,000) |
| Other Deferred Credits | 16,757,000 | 16,752,000 | 5,000 | 0.03% | 32,104,000 |
| Deferred Credits - Total | 144,710,000 | 145,713,000 | (1,003,000) | (0.69%) | 152,783,000 |
| TOTAL EQUITY & LIABILITIES | \$ 1,666,286,000 | \$ 1,642,312,000 | \$ 23,974,000 | 1.46% | \$ 1,560,145,000 |
| Equity as a Percent of Assets | 39.69% | 38.87% | | | 38.87% |



Cash Flow Statement

| | YTD | |
|--|----------------------------|----------------------------|
| | MAY 2018 | MAY 2017 |
| OPERATING ACTIVITIES: | | |
| Net Margins | \$ 22,684,000 | \$ 20,684,000 |
| Adjustments to Reconcile Net Margins to Net Cash | | |
| Provided by (Used in) Operating Activities: | | |
| Depreciation & Amortization Expense | 22,142,000 | 19,225,000 |
| Provision for Uncollectible Accounts | (69,000) | (46,000) |
| Capital Credits | 431,000 | 296,000 |
| Deferred Charges for Post-Retirement Plans | 3,969,000 | 3,644,000 |
| Payments on Post-Retirement Benefits | (416,000) | (749,000) |
| Payments to Defined Benefit Plan | - | - |
| Changes in assets and liabilities: | | |
| Accounts Receivable - Net | 1,425,000 | (2,657,000) |
| Accrued Unbilled Revenue | (2,914,000) | 163,000 |
| Materials & Supplies | (1,575,000) | (1,858,000) |
| Prepayments & Other Current Assets | (1,977,000) | (860,000) |
| Deferred Charges & Other Assets | (6,741,000) | (405,000) |
| Accrued & Accounts Payable | (7,898,000) | (14,519,000) |
| Consumer Deposits | 198,000 | 184,000 |
| Accrued Taxes | (4,290,000) | (3,949,000) |
| Accrued Interest | (2,836,000) | (2,948,000) |
| Other Current Liabilities | 7,176,000 | 1,872,000 |
| Other Deferred Credits & Liabilities | (4,557,000) | (10,098,000) |
| Net Cash Provided by (Used in) Operating Activities | <u>24,752,000</u> | <u>7,979,000</u> |
| INVESTING ACTIVITIES: | | |
| Net Additions to Property, Plant & Equipment | (54,499,000) | (56,800,000) |
| Capital Credit Retirements from Associated Organizations | (551,000) | (256,000) |
| Net Cash Provided by (Used in) Investing Activities | <u>(55,050,000)</u> | <u>(57,056,000)</u> |
| FINANCING ACTIVITIES: | | |
| Net Borrowings - Line of Credit | 23,300,000 | 30,000,000 |
| Proceeds from issuance of Long-Term Debt | - | - |
| Payments on Long-Term Debt | (13,620,000) | (12,688,000) |
| Retirement of Patronage Capital | 17,000 | 23,000 |
| Increase in Memberships - Net | 248,000 | 215,000 |
| Net Cash Provided by (Used in) Financing Activities | <u>\$ 9,945,000</u> | <u>\$ 17,550,000</u> |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | |
| CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD | \$ (20,353,000) | \$ (31,527,000) |
| CASH AND CASH EQUIVALENTS - END OF PERIOD | <u>\$ 21,931,000</u> | <u>\$ 33,244,000</u> |
| | <u><u>\$ 1,578,000</u></u> | <u><u>\$ 1,717,000</u></u> |



MAY 2018

Key Indicators & Ratios

| | MTD | | YTD | |
|--|---------------|---------------|----------------|----------------|
| | MAY 2018 | MAY 2017 | MAY 2018 | MAY 2017 |
| Net Margins | \$ 6,636,000 | \$ 7,454,000 | \$ 22,684,000 | \$ 20,684,000 |
| Margin as a % of Total Operating Revenue | 11.62% | 14.41% | 9.03% | 9.36% |
| Total Operating Revenue per total mile of line | \$ 2,531 | \$ 2,337 | \$ 11,128 | \$ 9,984 |
| Members connected | 7,780 | 6,988 | 30,729 | 27,345 |
| Total Miles of Line: | | | | |
| Transmission | 304.28 | 304.28 | 304.28 | 304.28 |
| Distribution Overhead | 17,120.42 | 16,969.03 | 17,120.42 | 16,969.03 |
| Distribution Underground | 5,141.81 | 4,866.10 | 5,141.81 | 4,866.10 |
| Total Miles energized | 22,566.51 | 22,139.41 | 22,566.51 | 22,139.41 |
| Total Active Accounts | | | 306,852 | 293,315 |
| Total Memberships | | | 256,783 | 245,399 |
| Meters per mile | | | 13.60 | 13.25 |
| Full time employees | | | 723 | 735 |
| Average bill | | | | |
| Residential | \$ 103 | \$ 106 | \$ 584 | \$ 536 |
| Small Power | \$ 201 | \$ 203 | \$ 1,036 | \$ 1,006 |
| Large Power/Industrial | \$ 6,181 | \$ 5,691 | \$ 28,957 | \$ 27,387 |
| Public | \$ 1,772 | \$ 1,718 | \$ 8,765 | \$ 8,487 |
| Revenue per kWh | | | | |
| Residential | \$ 0.1096 | \$ 0.1079 | \$ 0.1055 | \$ 0.1072 |
| Small Power | \$ 0.1018 | \$ 0.1005 | \$ 0.1002 | \$ 0.1007 |
| Large Power/Industrial | \$ 0.0756 | \$ 0.0760 | \$ 0.0752 | \$ 0.0752 |
| Public | \$ 0.0763 | \$ 0.0750 | \$ 0.0752 | \$ 0.0744 |
| Average kWh usage | | | | |
| Residential | 941 | 979 | 5,533 | 5,000 |
| Small Power | 1,972 | 2,022 | 10,341 | 9,991 |
| Large Power/Industrial | 81,811 | 74,898 | 385,184 | 364,088 |
| Public | 23,230 | 22,901 | 116,627 | 114,099 |
| Electrical bad debt write-off | \$ 41,724 | \$ 26,778 | \$ 329,470 | \$ 332,036 |
| Power bill invoices paid | \$ 31,660,082 | \$ 27,193,766 | \$ 141,065,610 | \$ 122,252,874 |
| Power bill invoices kWh | 587,533,691 | 478,703,195 | 2,462,244,616 | 2,103,907,100 |
| Cost per kWh | \$ 0.0539 | \$ 0.0568 | \$ 0.0573 | \$ 0.0581 |
| kWh Purchased (available for sale) | 587,164,804 | 478,338,422 | 2,459,897,427 | 2,101,881,837 |
| kWh Sold | 551,047,340 | 459,162,056 | 2,319,612,988 | 2,009,022,567 |
| kWh PEC system use | 368,887 | 364,773 | 2,347,189 | 2,025,263 |
| kWh Line loss YTD | | | 140,284,439 | 92,859,270 |
| kWh Line loss % YTD | | | 5.70% | 4.42% |
| Equity as a % of total assets | 39.69% | 38.87% | 39.69% | 38.87% |
| % Cost of Power to Sale of Electricity Revenue | 59.39% | 61.09% | 61.78% | 61.75% |
| LTD as a % of Total Utility Plant | 42.42% | 44.19% | 42.42% | 44.19% |