



Cooperative Update

Julie C. Parsley | Chief Executive Officer
Jose Treviño | Vice President of Engineering
Randy Kruger | Chief Financial Officer
Don Ballard | General Counsel
JP Urban | EVP, External Relations



CEO Report

Julie C. Parsley | Chief Executive Officer

Legislative Update

- Texas Proposition 7, the Creation of State Energy Fund, was approved earlier this month
 - Creates the Texas Energy Fund, which is designed to support and finance the construction, maintenance, and modernization of electric generating facilities
- Third Special Session concluded Tuesday, November 7 shortly before noon
- That same day, Governor Greg Abbott called a Fourth Special Session to begin at 5:00 p.m.
 - Public schools and border security are the focus of this special session
 - No utility or wholesale power market issues at this time; staff continues to monitor



Regulatory Update

- During the November 2 Open Meeting, the Public Utility Commission (PUC) approved a two-year ERCOT budget with a system administration fee of \$0.63/MWh
 - Effective January 1, 2024
 - Current fee is \$0.555/MWh
- On November 30, the PUC is anticipated to make a final decision on a new Emergency Pricing Program
 - Designed to take effect when the market hits the high system-wide offer cap for 12 hours during a 24-hour period
 - Staff is closely monitoring



National

APPRENTICESHIP WEEK

NOVEMBER 13-19, 2023

PEC is deeply invested in developing the next generation of lineworkers!

- 107 apprentices currently enrolled in PEC's program, which is recognized by the Department of Labor
- 261 apprentices have completed PEC's program
- First apprentice class since opening Safety and Technical Training Center is set to graduate



Make your holiday merry and bright at PEC's Holiday Lights!

Shining brightly
Friday, November 24
through
Sunday, January 7



Check Giving Back Off Your List!

For about \$6 a year, you can power change in your community!

- PEC's Power of Change program helps fund all of PEC's charitable giving programs
 - Member Assistance Program
 - Community grants
 - Education foundation contributions
 - United Charities
 - Youth Tour
- Sign up today at pec.coop/change

POWER of  **CHANGE**



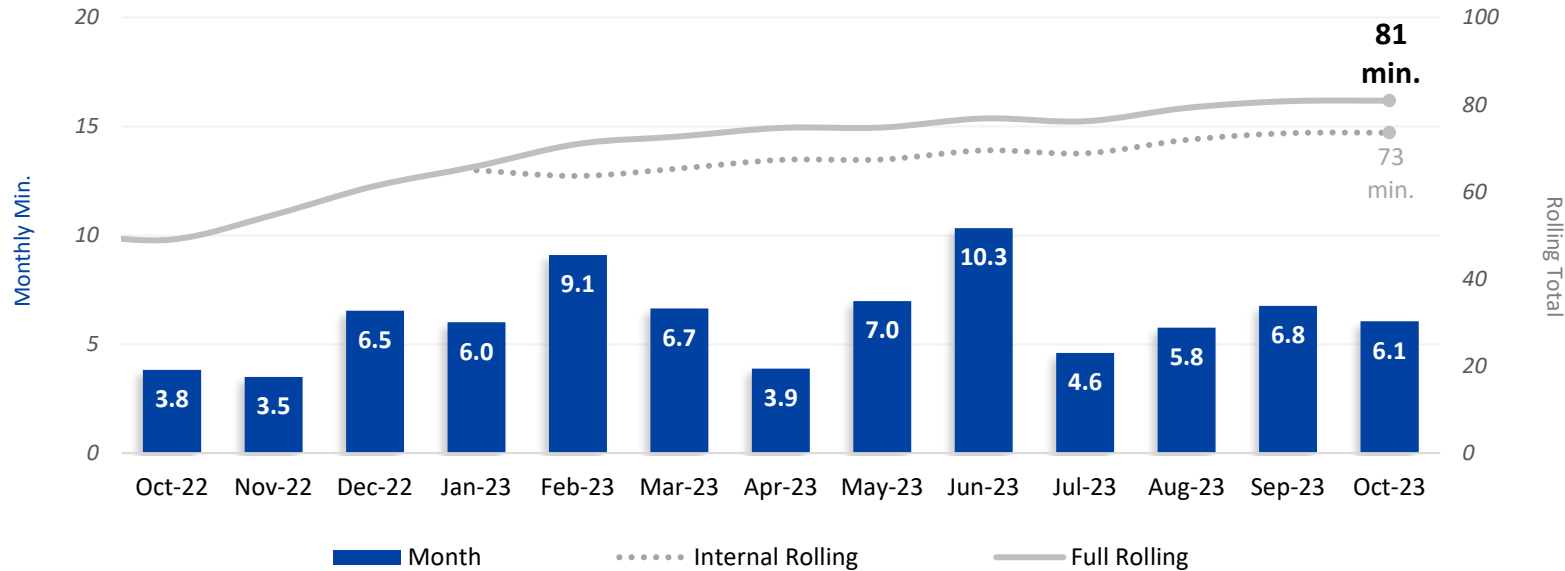


Operations Report

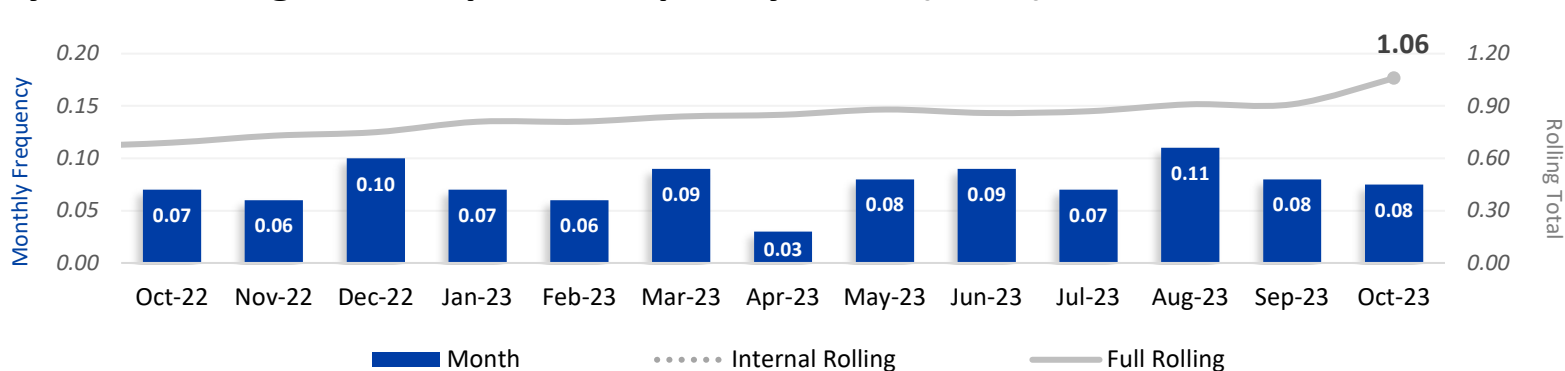
Jose Trevino | VP, Engineering

Reliability

System Average Interruption Duration Index (SAIDI)

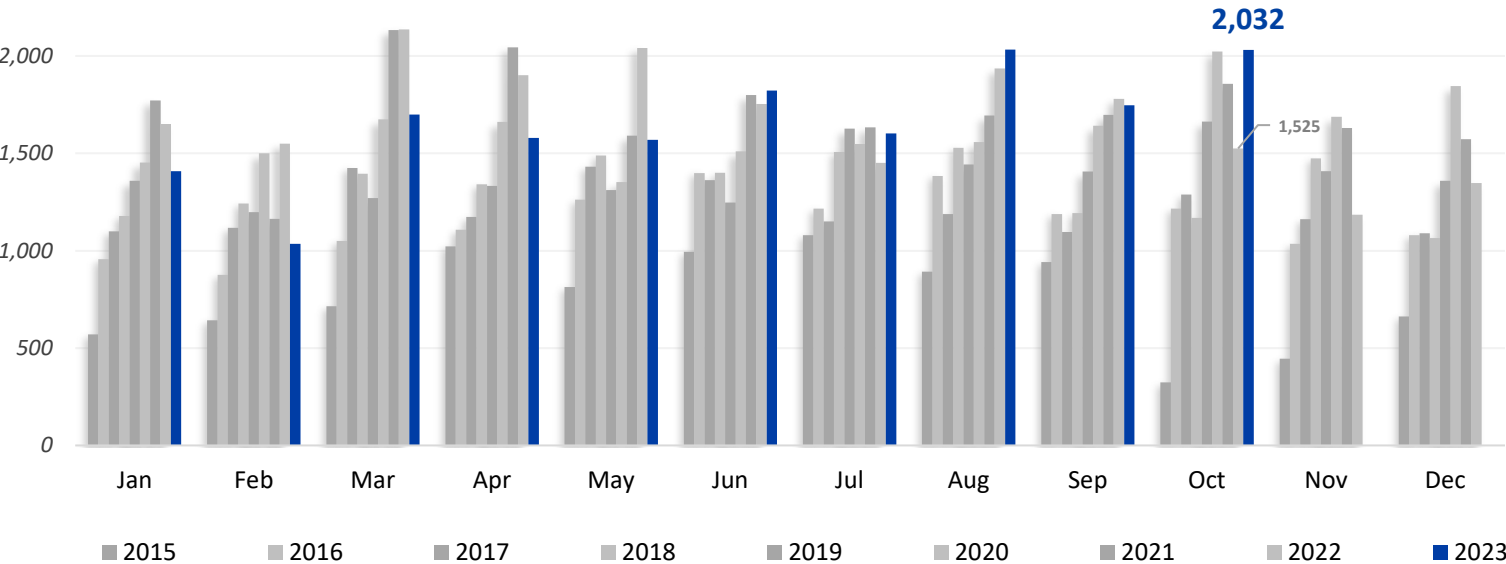


System Average Interruption Frequency Index (SAIFI)

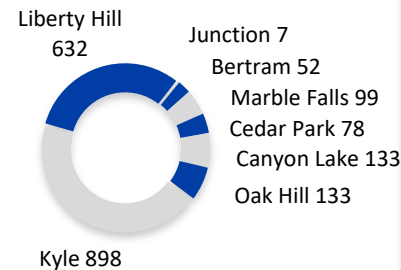


System Growth

Line Extensions Completed 2019: 16,640 2020: 19,458 2021: 20,592 2022: 20,262 2023 YTD: 16,532



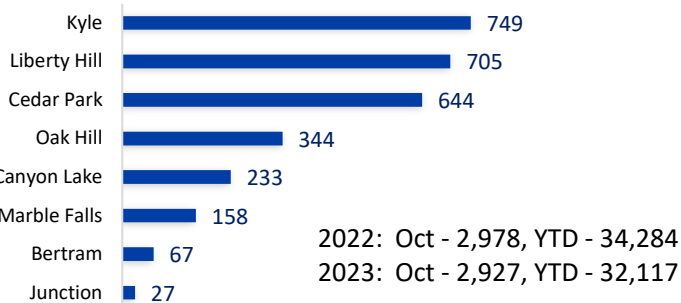
Line Extensions
Per District (2,032)



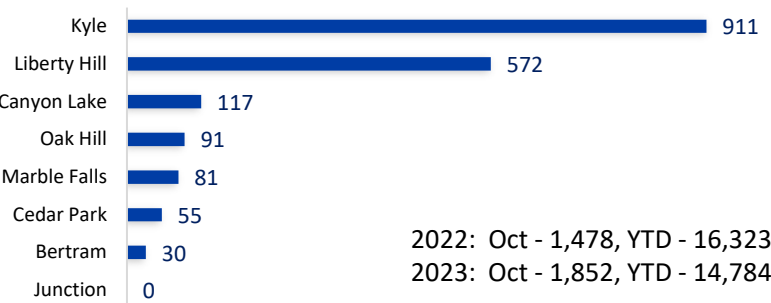
Miles of Distribution Line:

Overhead: 17,700 (71%)
Underground: 7,191 (29%)
Total: 24,891

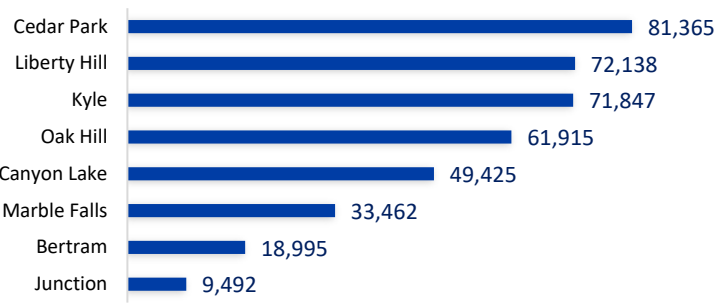
Member Applications (2,927)



Meter Growth (1,852)



Meter Totals (398,639)



AMI Deployment

Deliveries and Exchange Schedule (as of November 1)

Estimated completion dates dependent on continued fulfillment of meter delivery.

Meters exchanged since
deployments restarted:

80,416

Total RF meters installed
coop-wide:

222,547

Projected full completion:

End of 2nd Qtr 2024

Projected district completions:

CP: Oct. 23

MF: Apr. 24

KY: Dec. 23

BT: May. 24

OH: Feb. 24

CL: Jul. 24

Cedar Park Exchanges:

- Placed: 44,318
- Remaining: 21

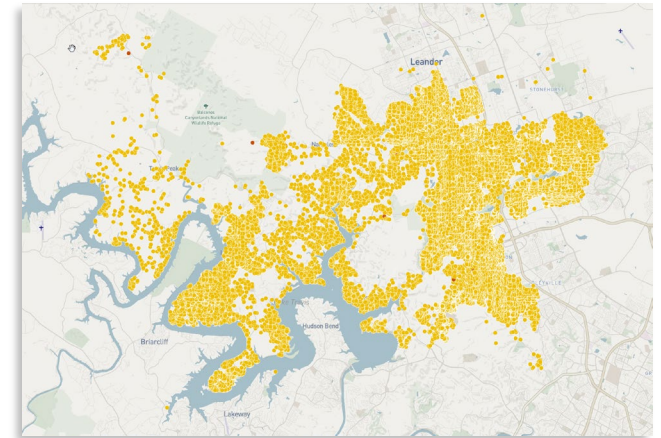
Kyle Exchanges:

- Placed: 25,067
- Remaining: 27,595

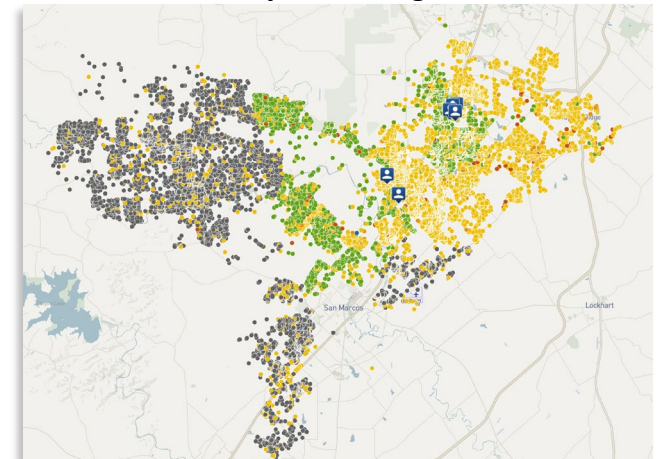
Correspondence Completed (in Oct.):

- Letters: 8,839
- Emails: 7,426
- Calls: 13,315
- Texts: 13,376

Cedar Park Completions



Kyle Planning





October 2023 Financial Report

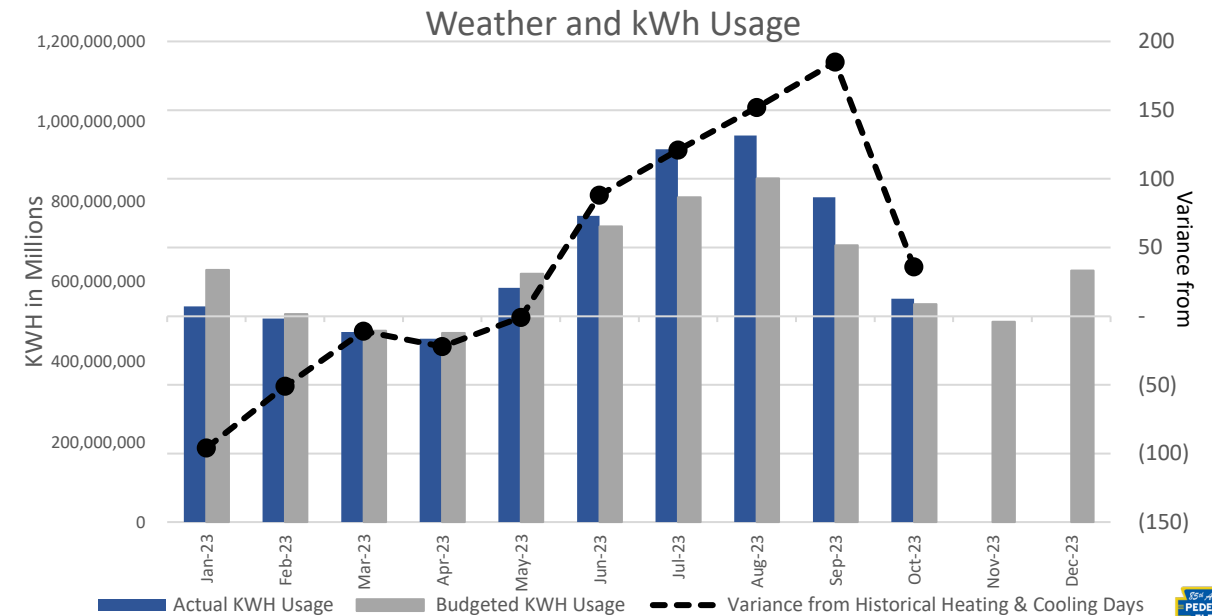
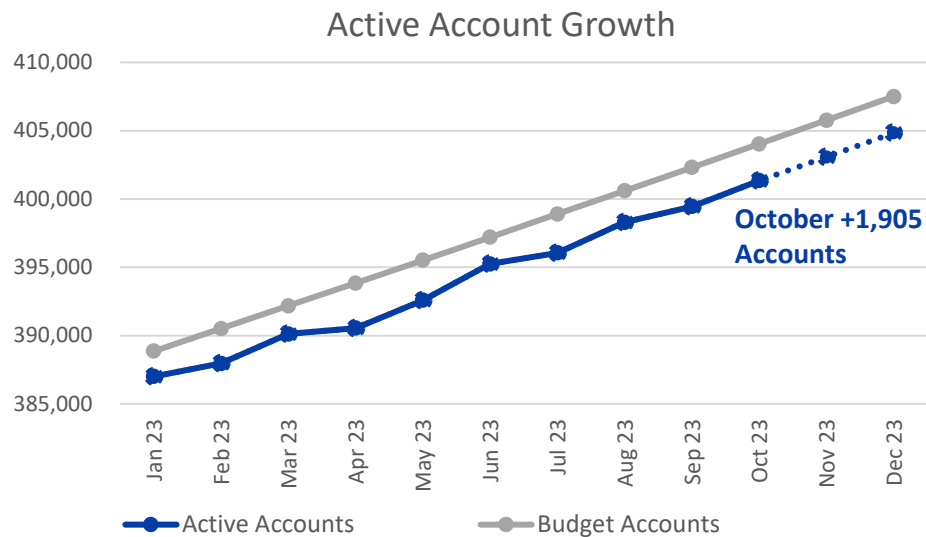
Randy Kruger | Chief Financial Officer

3. Financial Report

Finance at a Glance – October 2023

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	558,100	544,014	14,085	6,595,398	6,363,351	232,046
Gross Margins	\$ 34.3	\$ 27.7	\$ 6.6	\$ 319.0	\$ 298.5	\$ 20.5
Net Margins	\$ 7.5	\$ 0.9	\$ 6.6	\$ 63.9	\$ 21.6	\$ 42.3
EBIDA	\$ 18.4	\$ 13.2	\$ 5.2	\$ 173.1	\$ 150.6	\$ 22.5
Revenue O/(U)	\$ (2.1)	\$ (3.7)	\$ 1.6	\$ 1.4	\$ 12.1	\$ (10.7)
EBIDA(X)	\$ 16.3	\$ 9.4	\$ 6.9	\$ 174.5	\$ 162.7	\$ 11.8

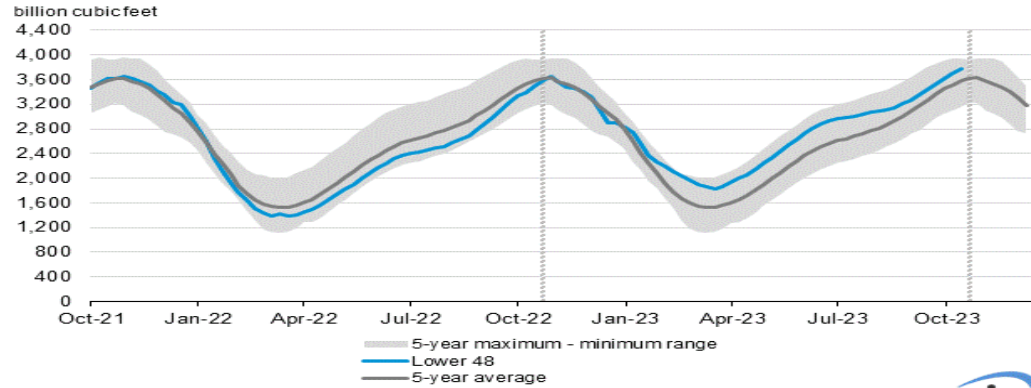
	Liquidity Coverage
Cash & Marketable Securities	\$ 17,023,736
Short Term Facilities	505,000,000
Less: Short Term Borrowings	64,844,000
Available Liquidity	\$ 457,179,736
Liquidity Coverage (Days)	235



3. Financial Report

Power Market Fundamentals

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



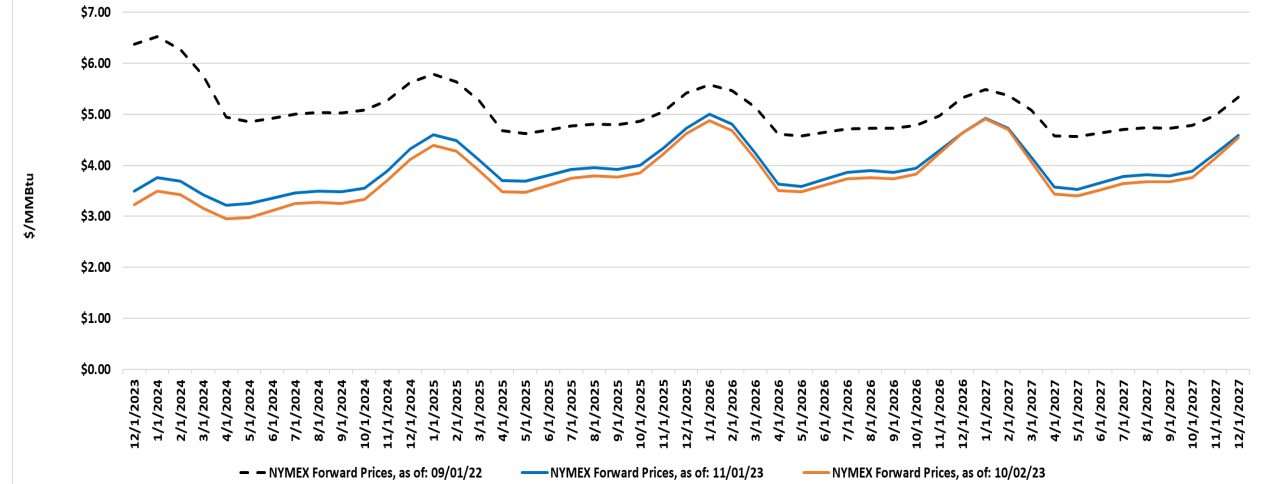
Data source: U.S. Energy Information Administration

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2018 through 2022. The dashed vertical lines indicate current and year-ago weekly periods.

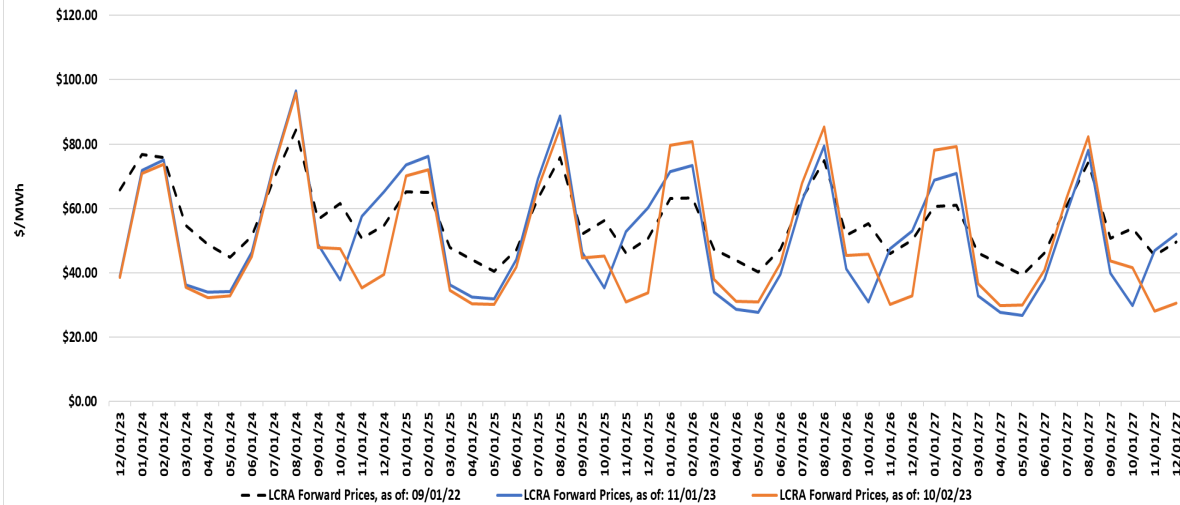
As of October 27



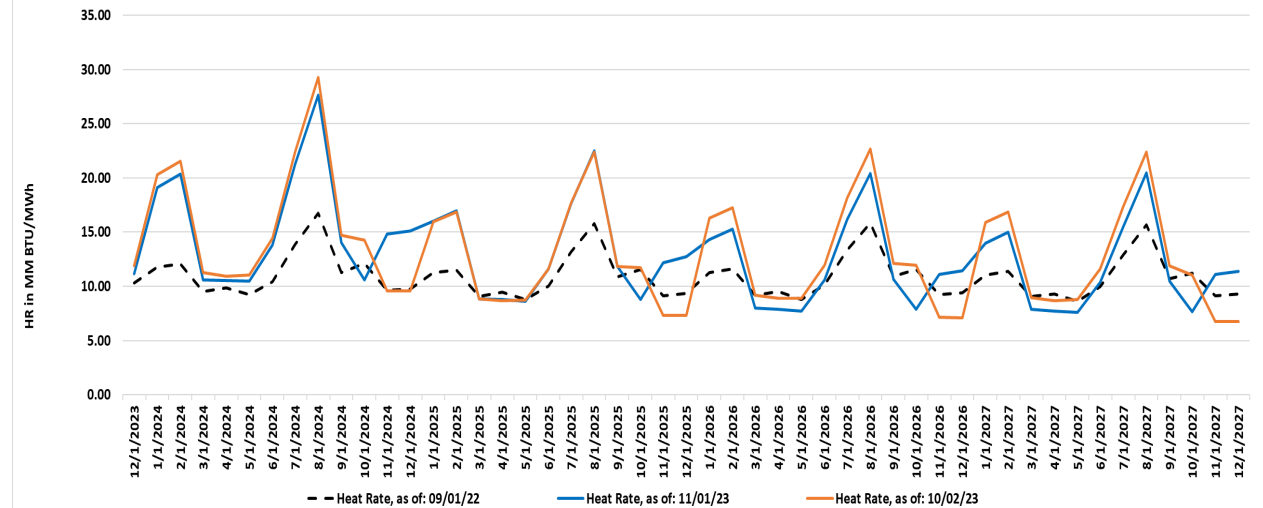
Natural Gas Forward Prices



Power Forward Prices



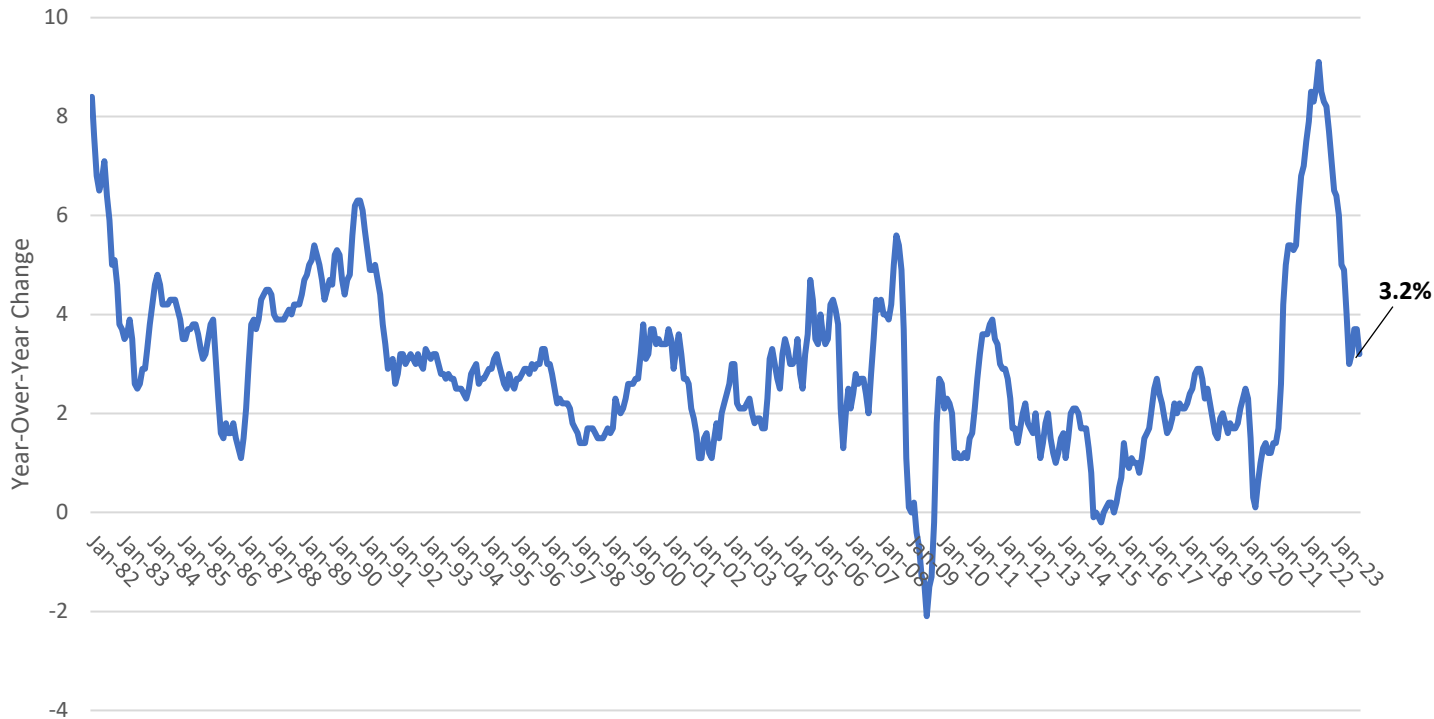
Forward Heat Rates



Inflation

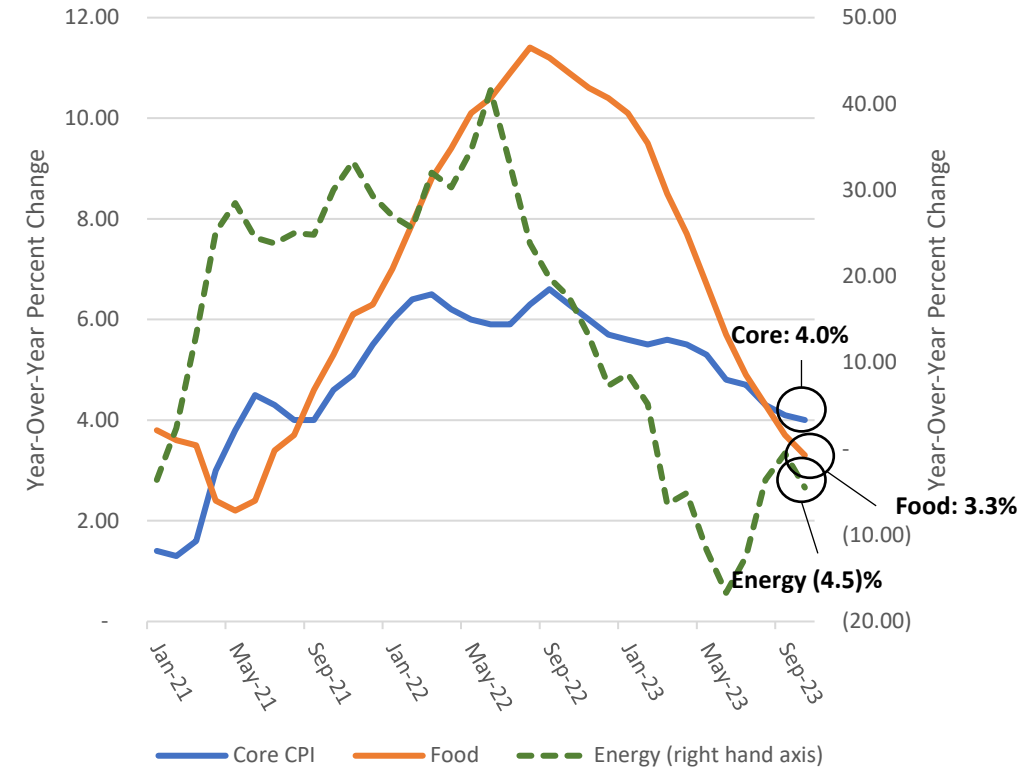
Overall CPI decreased to 3.2%; Core CPI has decreased to a two-year low at 4.0% YoY. Energy prices remain down 4.5% YoY driven by fuel oil (-21.4%), utility gas services (-15.8%), and gasoline (-5.3%); partially offset by sustained increases to electricity prices (+2.4%).

CPI Jan 1982 to October 2023



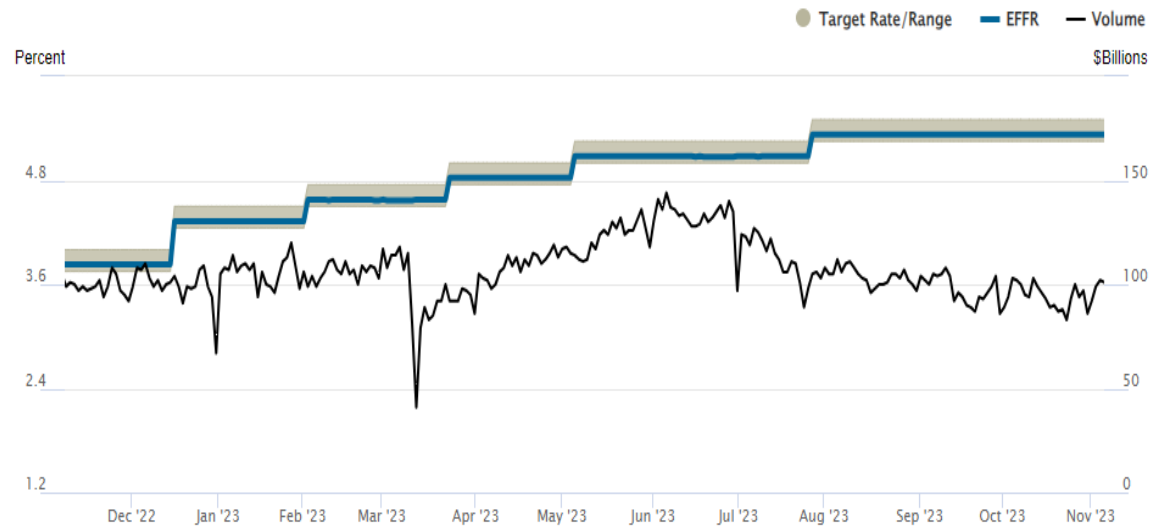
Source: U.S. Bureau of Labor Statistics

**Core CPI, Food and Energy
Jan 2021 to October 2023**



Source: U.S. Bureau of Labor Statistics

Federal Funds Rate



Source: Federal Reserve Bank of New York 11/07/2023

10-Year Note



Source: *The Wall Street Journal* 11/07/2023



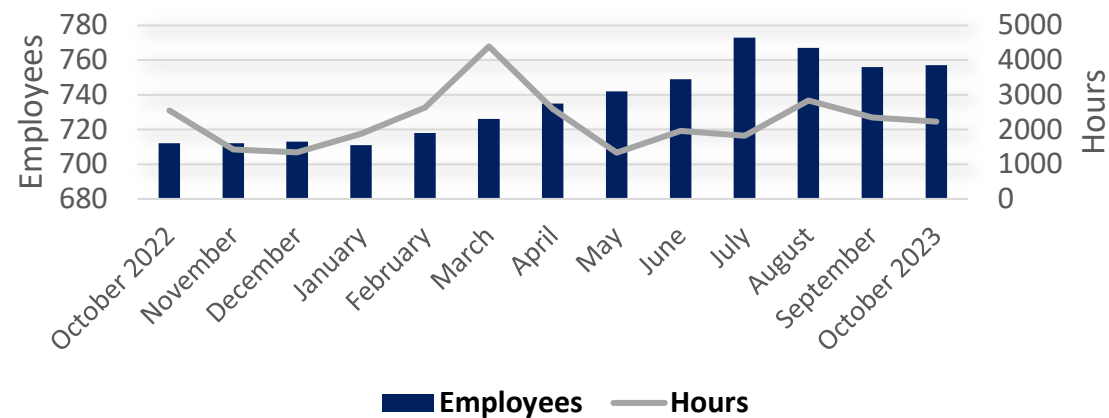
Workforce and Governance Report

Don Ballard | General Counsel

October Employee Development

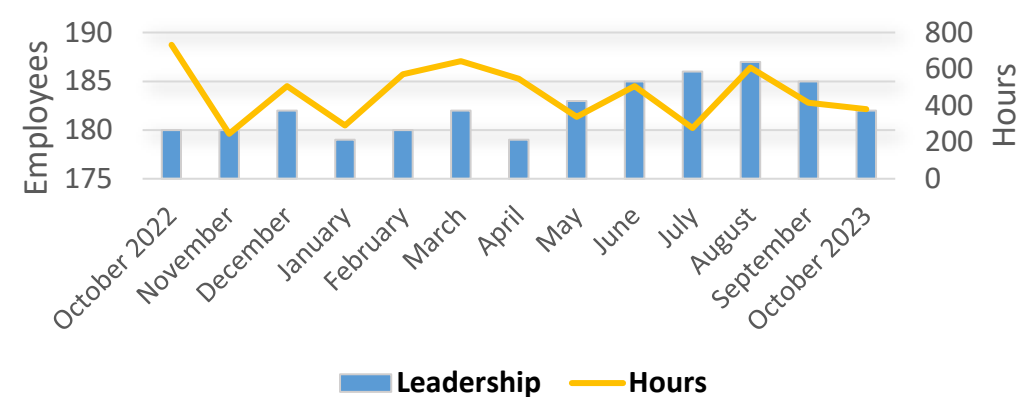
Employee Training

Hours for employees and leadership overall by month



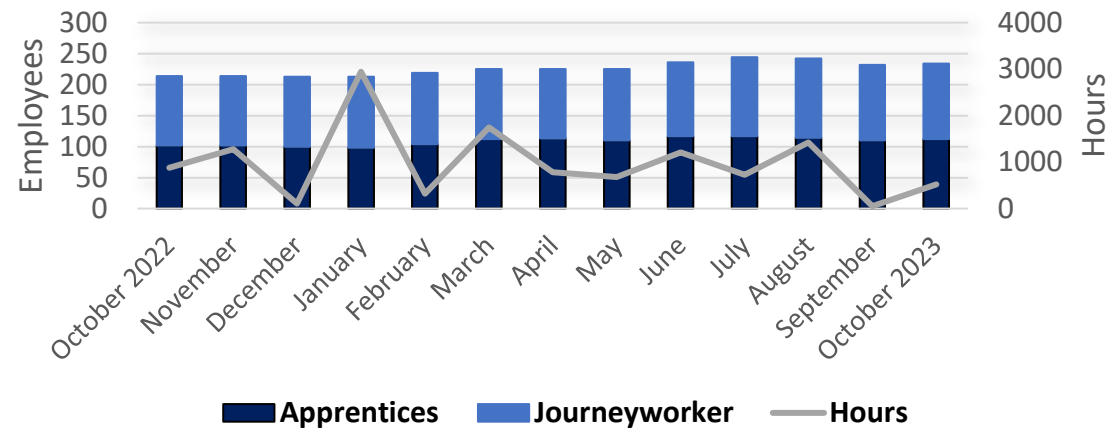
Leadership Training

Hours for employees and leadership overall by month



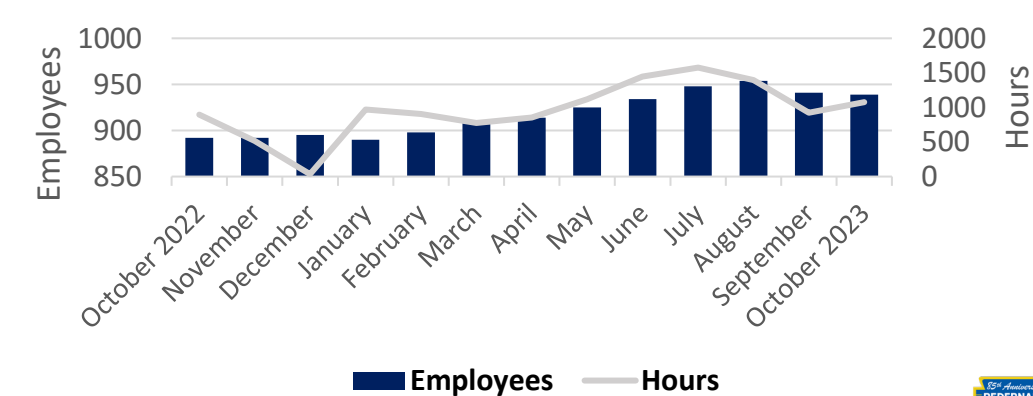
Apprentices & Journeyworker Training Hours

Hours trained for Apprentices & Journeyworkers per month



Safety Training Hours

Safety training hours per month



Employee Development Spotlight



Garrett Hackmaster
Lineworker
Apprentice 1A
Canyon Lake

Over the three-week climbing school, Garrett made 100s on all his exams and passed all competencies for the Year 1 LAP. In the beginning, Garrett struggled with the initial climbing and skills required, but he overcame the adversity with a great attitude and a willingness to persevere.

He ultimately excelled at all the physical competencies, finishing first amongst his peers for all the required tasks.

Department Highlights

- New job briefing boards installed throughout co-op
- New safety vest and vehicle striping projects complete — more than 250 vehicles included
- Safety and Technical Training Center hosted senior leadership team
- Safety incentive award winners announced

PEC Staff Recognizes Ethics Week

ASK ETHICS!

“Be Curious, Not Judgmental”

The theme of *“Be curious, not judgmental”* was a challenge to employees to question their preconceived notions of ethics and compliance and to remind them of the power they have, through their decision making, to impact our culture.

- ✓ Provide employees with ethics and compliance training
- ✓ Show employees a video where kids asked PEC employees questions about ethics and compliance
- ✓ Conduct presentations at various PEC offices and have ethics and compliance conversations
- ✓ Give handouts, goodies, treats, and more



Community and Member Engagement

JP Urban EVP, External Relations



**Capture the magic
with PEC's
Holiday Lights
Photo Contest!**

Submit your best photo
of PEC's holiday lights on
social media for the
chance to win! Complete
details online at
pec.coop.

PEC Accepting Youth Tour Applications!



- PEC will send 10 delegates to Washington, D.C., to participate in Youth Tour program next summer
- Trip of a lifetime for those interested in learning more about government
 - Meet political representatives and learn more about local and national government
 - Tour historical sites
 - Meet 1,500 other teens from across the country
- **Apply online by January 4 at pec.coop/youth-tour**

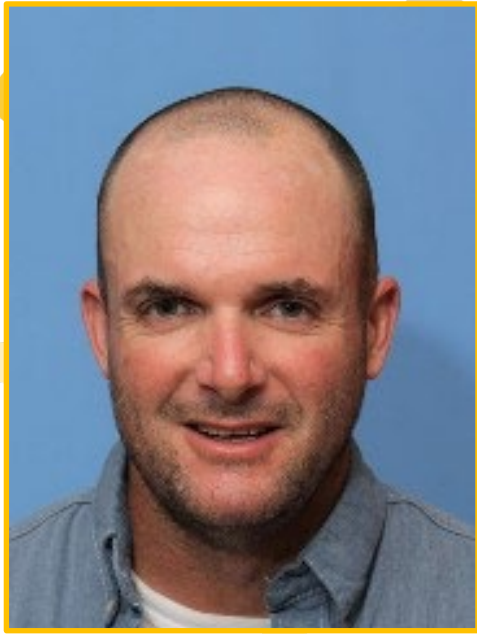


Appreciation and Look Ahead

Employee Kudos*



Keith Baty
Journeyworker
Liberty Hill



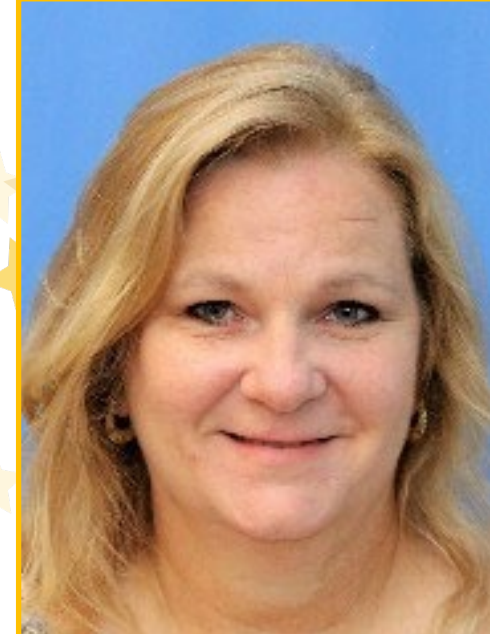
Evan Parks
Journeyworker
Liberty Hill



Bee Reno
Web Support and
Correspondence
Specialist
Marble Falls/HQ



Jacob Taylor
Vegetation
Maintenance
Specialist 1
Marble Falls



**Michelle
Blindert**
Member Relations
Agent
Marble Falls

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

HAPPY
THANKSGIVING!





Appendix of Additional Materials

Utility Industry News and Events



**Gulf Coast Power Association
Empowering Women
Leadership Conference**

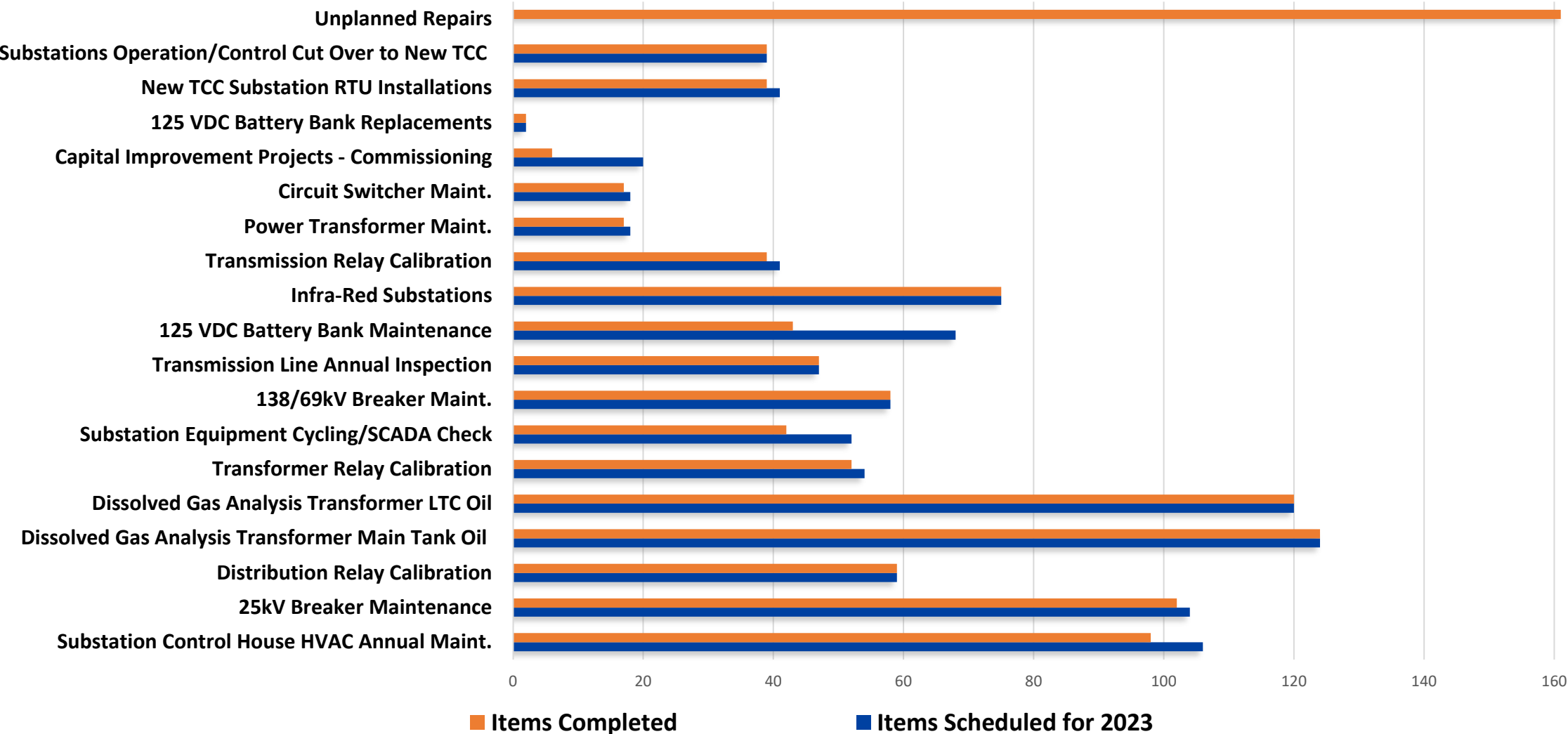
Austin, Texas

October 30



Substation & Transmission Maintenance

2023 Itemized Maintenance By Equipment



Planning Engineering Projects

Overall Status

Project	Completion Date	Percent Complete
Load Projections Study	Jan 2023	100%
2023 CIP Project Maps	Feb 2023	100%
Capacitor Settings	Mar 2023	100%
4CP Study	Apr 2023	100%
Summer Contingency	May 2023	100%
20 Year Plan	Jun 2023	100%
UFLS Study	Jun 2023	100%
CIP (1st draft) Study	Jul 2023	100%
CIP Final Study	Sep 2023	90%
Mock UFLS Study	Dec 2023	0%
Winter Contingency	Dec 2023	0%
2 Year System Protection Coordination Review	Dec 2023	75%
PEC System Arc Flash Study	Feb 2024	50%

Substation Engineering Projects

District	Phase		Start Date	Completion Date	Percent Complete
Cedar Park	Construction	Upgrade bus to double-bus double-breaker	Apr-21	Apr-23	100%
Oak Hill	Construction	Upgrade line protection relay panels	Apr-21	May-24	81%
Junction	Construction	Upgrade transformer and add line breakers	May-21	Oct-23	89%
All Districts	Construction	Upgrade circuit switches and relay protection on three mobile substations	Nov-21	Jun-23	72%
Liberty Hill	Construction	Construct new substation	Dec-21	Dec-23	88%
Liberty Hill	Construction	Add third power transformer	Apr-22	Aug-23	90%
Kyle	Construction	Add third power transformer	May-22	Jul-23	90%
Bertram	Construction	Upgrade power transformer	Jun-22	Sep-23	89%
Cedar Park	Construction	Make improvements to ground grid for reliability	Aug-22	Apr-23	100%
All Districts	Engineering	Develop transmission protection philosophy for protective settings	Jan-23	Sep-23	81%
All Districts	Engineering	Develop configuration for engineering to have access to RTU settings	Nov-22	Dec-23	25%
Oak Hill	Engineering	Upgrade two power transformers	Feb-23	Jan-25	32%
Liberty Hill	Engineering	Upgrade power transformer	Feb-23	May-24	50%
Cedar Park	Engineering	Add third power transformer	Feb-23	Nov-24	30%
Kyle	Engineering	Construct new substation	Feb-23	Nov-24	38%
Liberty Hill	Engineering	Construct new substation	Feb-23	Nov-24	37%
Oak Hill	Engineering	Add feeder breaker and feeder	Mar-23	Nov-23	88%
Oak Hill	Engineering	Add feeder	Mar-23	Nov-23	88%
Bertram	Engineering	Add circuit switcher on power transformer	Mar-23	Dec-23	34%
Kyle/Canyon	Engineering	Add substation capacitor	May-23	May-24	41%
Liberty Hill	Engineering	Add substation capacitor	May-23	May-24	41%
Liberty Hill	Engineering	Add second power transformer	Aug-23	Dec-24	10%

Transmission Projects

Overall Status

District	Phase	Description	Completion Date	Percent Complete
Canyon Lake	Complete	Increase clearance to meet USACE requirements	Dec 2022	100%
Marble Falls and Cedar Park	Complete	Reconductor (Phase 1)	Feb 2023	100%
Oak Hill	Complete	Harden transmission line to meet severe weather requirements	Mar 2023	100%
Kyle	Complete	Harden transmission line to meet severe weather requirements	May 2023	100%
Junction	Procurement	Extend tap to new substation bay	Dec 2023	30%
Liberty Hill	Construction	Harden transmission line to meet severe weather requirements	Dec 2023	65%
Liberty Hill	Construction	Add Fiber to existing transmission line	Dec 2023	50%
Liberty Hill	Procurement	Developer funded transmission line relocation	May 2024	30%
Liberty Hill	Construction	Harden transmission line to meet severe weather requirements	May 2024	60%
Marble Falls and Cedar Park	Construction	Overhaul (Phase 2)	May 2024	55%
Kyle	Procurement	Transmission line overhaul	Jan 2025	30%
Oak Hill	Procurement	Harden transmission line to meet severe weather requirements	May 2025	40%
Cedar Park	Procurement	Harden transmission line to meet severe weather requirements	May 2025	40%

Large Project Updates

Cedar Park

Construction for additional bathrooms complete, certificate of occupancy received from the City of Cedar Park. Bathrooms are fully operational.

Johnson City

Developing a master plan for the Haley Rd site. Drainage design in progress for district yard. Contract awarded for 7,000 sq. ft. facilities storage building; permit application submitted to the city. To start in November.

Junction

Fuel Island, generator, oil containment pad, power upgrade to complete. Fuel Island is operational. Architect & engineers engaged for site work, fencing, new entrance, Fleet building, and warehouse expansion.

Oak Hill Contact Center

Construction will complete in November. Warehouse furniture installing in November. Office furniture installing in December, targeted completion in January 2024.

Marble Falls

Parameter fence contract released, starting in November. Phase 1 furniture for Contact Center installed, phase 2 on order.

Oak Hill Fuel Island

Canopy complete, fuel equipment being installed. Completion in December.



Facility Management Metrics

PEC Facilities staff complete approx. 442 orders/mo.

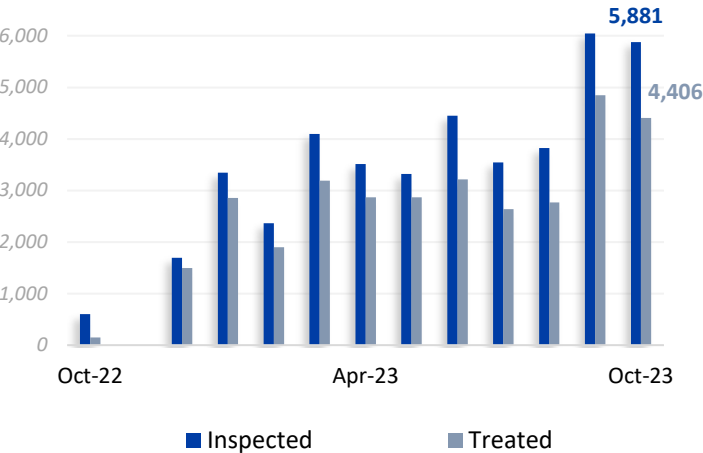
	Goal	2023 YTD	2022
Avg Response Time	< 1 day	.25 days	.54 days
Completed On-Time	> 90%	84%	79%
Proactive Work Orders	> 80%	95%	85%
Satisfaction Rating	> 95%	97.5%	100%

Distribution Maintenance

Pole Testing & Treatment (PTT)

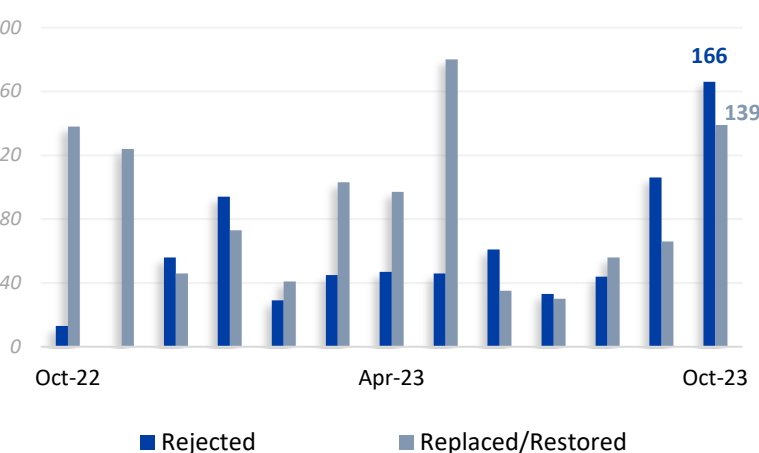
Poles Inspected & Treated

2022 YTD: Inspections - 35,341 Treated - 27,934
2023 YTD: Inspections - 40,383 Treated - 31,560



Poles Rejected & Replaced/Restored

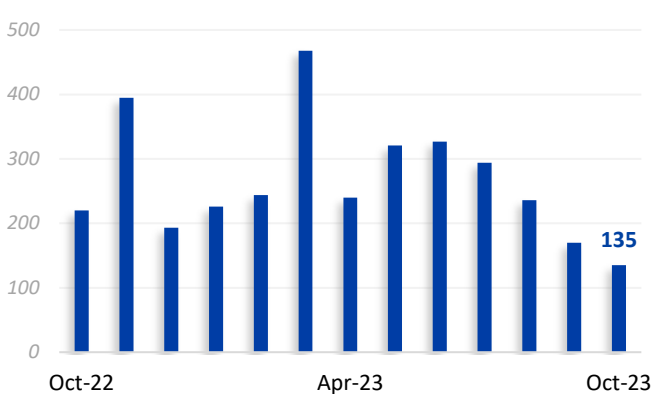
2022 YTD: Rejected - 603, Restored - 513
2023 YTD: Rejected - 671, Restored - 820



Underground Equipment

URD Pad Restorations

2022 YTD: Restorations - 2,115
2023 YTD: Restorations - 2,661



Vegetation Management

LiDAR Assessment Audits Completed:

Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
C&D WUI 3 Phase	50	239	453	841	134	46	15	10	8	6
C&D WUI 1 Phase	333	330	1,241	761	1,389	1,011	579	988	876	1,257
C&D Other 3 Phase	48	28	109	121	207	250	141	193	179	164
C&D Other 1 Phase	362	161	95	233	860	604	523	754	517	640
All C&D	793	758	1,898	1,956	2,590	1,911	1,258	1,945	1,580	2,067

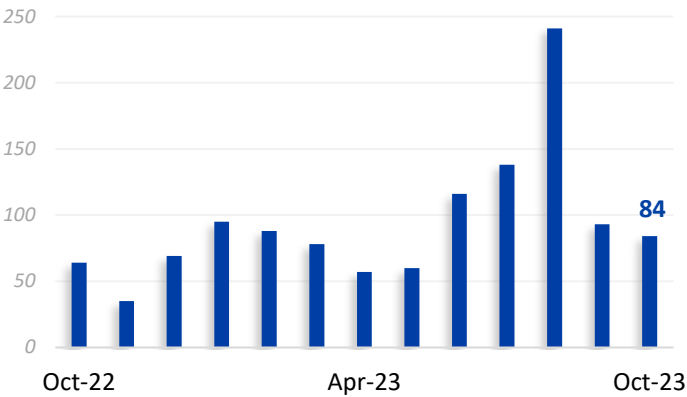


Distribution Maintenance

Technical Services

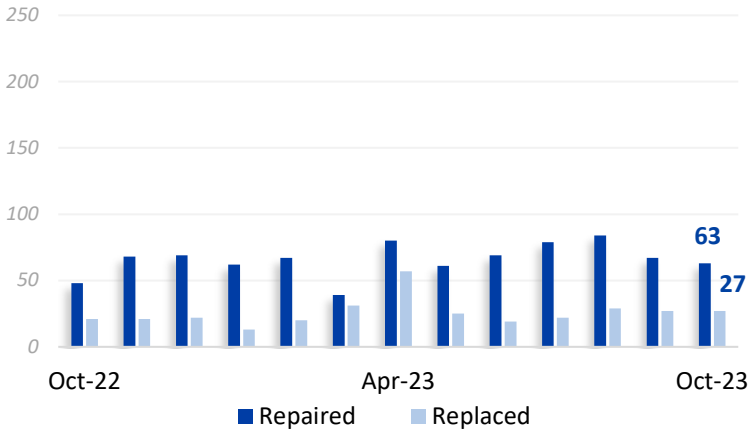
Equipment Inspections

2022 YTD: 1,172
2023 YTD: 1,050



Equipment Repaired & Replaced

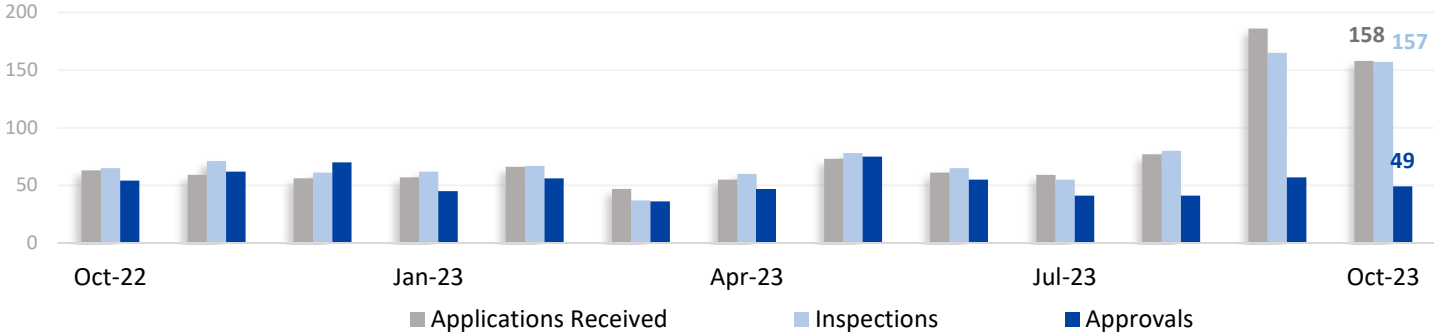
2022 YTD: Repaired - 689, Replaced - 232
2023 YTD: Repaired - 671, Replaced - 270

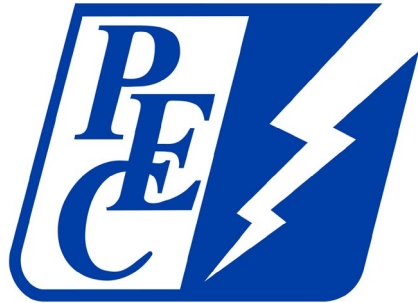


Pole Contacts

Applications Received & Permits Issued

2022 YTD: Received - 633, Inspected - 656, Approved - 566
2023 YTD: Received - 839, Inspected - 826, Approved - 501





Appendix to October 2023 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

3. Financial Report

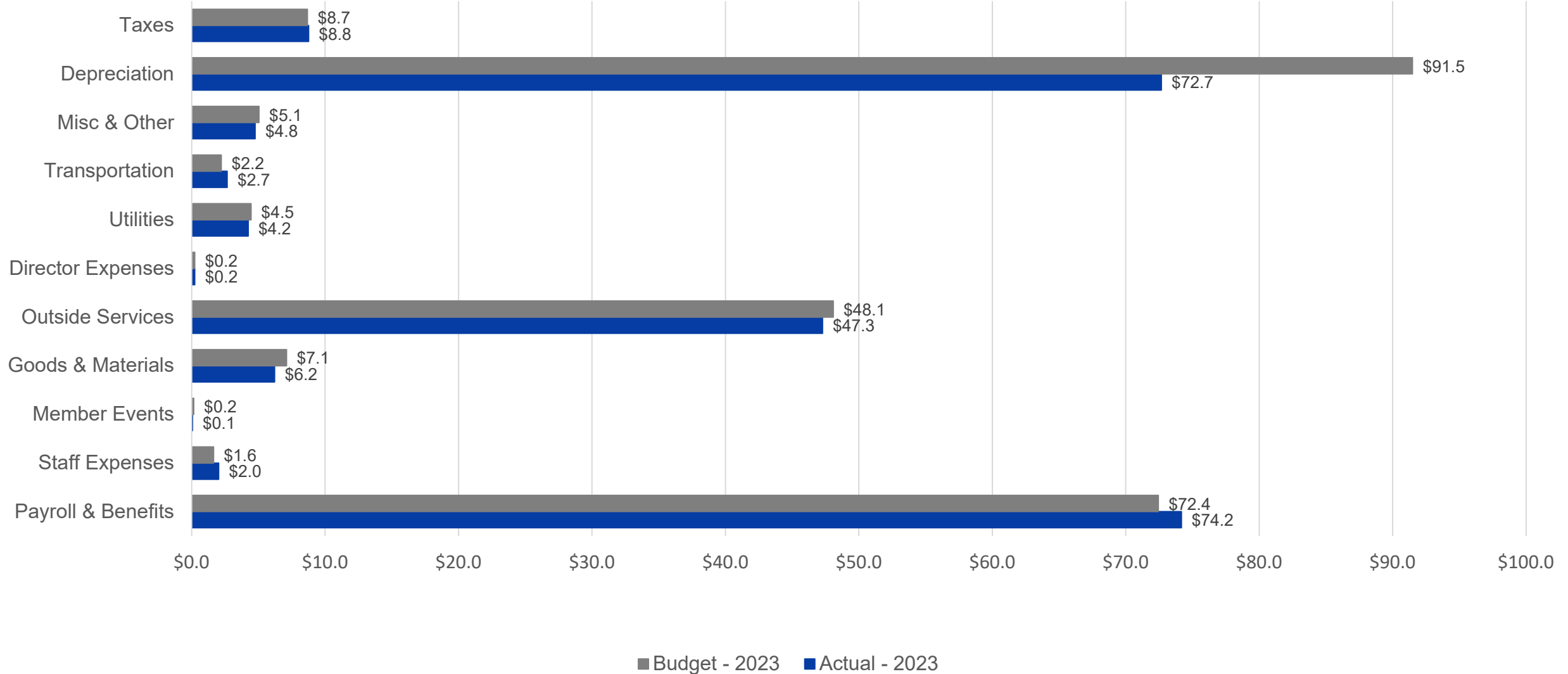
Financial Performance

	MTD			YTD			Annual	2022 to 2023 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
Gross Margins	\$ 34,266,962	\$ 27,673,899	\$ 28,058,762	\$ 319,032,461	\$ 298,475,512	\$ 294,921,449	\$ 352,088,225	8.18%
Operating Expenses Ex. Depreciation	15,882,066	14,502,441	12,099,465	150,416,454	150,090,711	124,268,446	178,635,500	21.04%
Depreciation	7,164,840	8,519,414	7,586,100	72,668,150	91,491,579	86,614,662	108,552,698	
Interest Expense	3,793,446	3,759,050	3,894,080	36,602,508	37,534,574	37,691,497	45,173,483	
Other Income	(44,965)	(12,200)	(20,216)	(4,518,765)	(2,208,174)	(5,952,328)	(5,371,928)	
Net Margins	\$ 7,471,575	\$ 905,194	\$ 4,499,333	\$ 63,864,114	\$ 21,566,822	\$ 52,299,172	\$ 25,098,473	
EBIDA	\$ 18,429,861	\$ 13,183,658	\$ 15,979,513	\$ 173,134,772	\$ 150,592,975	\$ 176,605,331	\$ 178,824,653	-1.97%
Over (Under) Collected Revenues	(2,113,835)	(3,739,891)	(6,746,217)	1,360,536	12,089,264	23,511,223	3,749,120	
EBIDA(X)	\$ 16,316,026	\$ 9,443,767	\$ 9,233,296	\$ 174,495,308	\$ 162,682,239	\$ 200,116,554	\$ 182,573,772	
Total Long-Term Debt							\$ 1,114,322,192	
Debt Service							65,690,519	
Debt Service Coverage Ratio							2.96	
Equity as Percent of Assets							39.6%	
Net Plant in Service							\$ 1,985,228,388	
Capital Improvement Spend							\$ 209,863,100	
Energy Sales kWh	558,099,704	544,014,488	518,257,317	6,595,397,863	6,363,351,492	6,511,715,976	7,500,307,799	1.29%
Energy Purchases kWh	604,248,800	581,660,465	550,712,227	7,052,008,646	6,804,108,331	6,895,040,643	8,019,713,349	2.28%
Active Accounts				401,359	404,036	383,409	407,506	4.68%

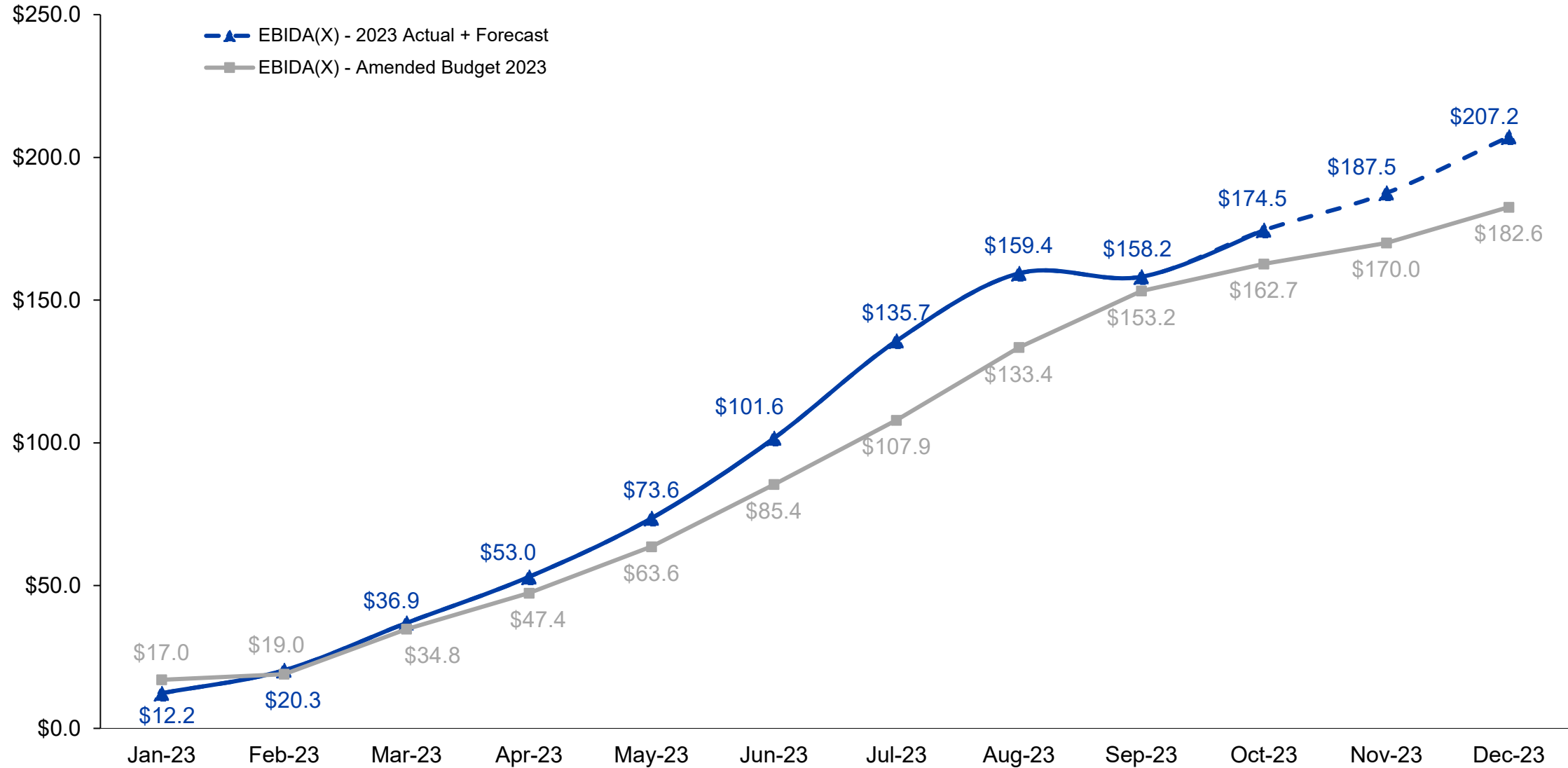
3. Financial Report

Cost of Service (in millions)

YTD Actuals vs Amended Budget through October 2023



EBIDA(X) Year to Date (in millions)



3. Financial Report

CIP Spend

Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
<u>Distribution</u>					
100	New Lines (Line Extensions for new primary, secondary and service lines)	\$ 17,505,429	\$ -	\$ (17,505,429)	\$ -
200	Tie Lines (new construction between existing lines)	5,908,785	8,176,578	2,267,793	9,608,071
300	Conversions or Line Changes	18,634,784	22,888,306	4,253,522	27,514,015
600	Miscellaneous Distribution Equipment	46,491,035	49,969,026	3,477,991	58,775,582
700	Other Distribution Items	229,412	433,333	203,921	520,000
Distribution Total		\$ 88,769,446	\$ 81,467,244	\$ (7,302,203)	\$ 96,417,668
<u>Substation</u>					
400	New Substations, Switching Stations and Meter Points	\$ 13,007,201	\$ 19,198,111	\$ 6,190,909	\$ 20,798,652
500	Substations, Switching Stations and Meter Point changes	26,489,223	23,393,015	(3,096,208)	24,856,760
Substation Total		\$ 39,496,425	\$ 42,591,126	\$ 3,094,701	\$ 45,655,412
<u>Transmission</u>					
800	New Transmission Lines	\$ 852,103	\$ 1,738,542	\$ 886,439	\$ 2,030,593
1000	Line and Station Changes	12,740,461	12,992,134	251,672	19,698,276
Transmission Total		\$ 13,592,564	\$ 14,730,676	\$ 1,138,112	\$ 21,728,869
<u>General Plant</u>					
2000	Facilities	\$ 8,385,771	\$ 25,204,233	\$ 16,818,462	\$ 29,346,563
3000	Information Technology	2,004,069	6,766,273	4,762,203	7,776,588
4000	Tools & Equipment	348,890	378,832	29,942	438,000
5000	Vehicles	2,922,344	7,083,333	4,160,989	8,500,000
Total General Plant		\$ 13,661,074	\$ 39,432,671	\$ 25,771,597	\$ 46,061,151
Accrued WIP		\$ 6,680,505	\$ -	\$ (6,680,505)	\$ -
Total Capital Improvement Plan Spend		\$ 162,200,014	\$ 178,221,716	\$ 16,021,702	\$ 209,863,100



pec.coop