



Cooperative Update

Julie C. Parsley | Chief Executive Officer

Andrea Stover | General Counsel

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

TCOS Review – Project No. 58484

- SB6 mandates review of transmission cost allocation to distribution providers
- Evaluates 4CP methodology, alternatives, and cost causation alignment
- Initial comments filed: September 9, 2025

Wildfire Mitigation – Project No. 56789

- Implements HB 145 requiring utilities to file Wildfire Mitigation Plans
- Enhances coordination with emergency agencies and PUC oversight
- Comments due: September 24, 2025

Emergency Operations Plan Rule – Project No. 57928

- Updates §25.53 to streamline EOP submissions and clarify compliance
- Adds standardized executive summary, flood annex, and readiness statement
- Comments due: October 2, 2025



The PUC is 50!

The Public Utility Commission of Texas

- Founded in 1975 through the Public Utility Regulatory Act, the PUC has spent five decades protecting Texas consumers and guiding the evolution of utility services
- Today: Oversees electric, water, and limited telecom services for millions of Texans
- Pedernales Electric Cooperative proudly acknowledges the PUC's 50 years of leadership, collaboration, and commitment to public service
- We appreciate the many men and women of the agency today who serve Texans and make Texas great!



New ERCOT Board Members

On September 3, the ERCOT Board Selection Committee announced two new names to serve on ERCOT's 12-member Board of Directors

- **Christopher A. Krummel** is from the Houston area and brings more than 30 years of financial executive experience in the energy and construction industries
- **Kathleen S. McAllister** is from the Austin area and is a seasoned public company Board Director and Audit Committee Chair with 15 years of service as a CEO, CFO, and Board Director
- Both selections are effective as of September 3, and ERCOT's Board of Directors is now fully seated



Christopher Krummel



Kathleen McAllister

LCRA Visit - Timmerman Power Plant



Celebrating Our Junction Members!

- Annual Member Appreciation Dinner held September 9 at the Coke R. Stevenson Center
- More than 150 PEC members and staff joined together to enjoy a meal, hear about PEC's progress, and celebrate the Cooperative Difference!



Move Over / Slow Down Campaign

- Help keep our PEC Crew in Blue safe: Move Over or Slow Down!
- The Co-op launched a public awareness campaign just in time for back-to-school traffic
- Move Over or Slow Down law requires drivers to move over a lane or slow down to 20 miles per hour below the posted speed limit





September Quarterly Report

Andrea Stover | General Counsel

Human Resources Department

- Self-funded Insurance Compliance
 - ❑ HIPAA training for all responsible teams is complete
 - ❑ Monthly review of Claims processing and cost monitoring ongoing
- Open Enrollment
 - ❑ Runs from **October 7 – October 29** for 2026 Benefits
 - ❑ 10 Open enrollment sessions in each district – Movie Theme!
 - ❑ BCBS and Milliman will attend most of the sessions
- Annual Anti-harassment training for all employees kicks off this month
- Recruitment efforts at an all time high
 - ❑ In Q1-Q2 Processed 10,934 applications for employment at PEC
 - ❑ In Q1-Q2 onboarded 87 new employees
 - ❑ As of this month, PEC has 1,028 employees



Records Department - Shred Day is Back!

- **PEC Shred Day will be Wednesday October 15 from Noon to 2 PM**

- Noon to 2 PM at the PEC Marble Falls Office
- **What to bring?**
 - Up to 5 boxes
 - White and colored paper
 - Stapled or scotch taped paper
 - Envelopes with plastic windows
 - Internal desktop or laptop hard drives removed from computers
- **What to leave home?**
 - Anything with packing tape
 - Binders and hanging files
 - Cardboard, newspapers, magazines
 - Plastic, Styrofoam, and other materials
 - Electronics and batteries
 - External hard drives, computers, CDs, and DVDs





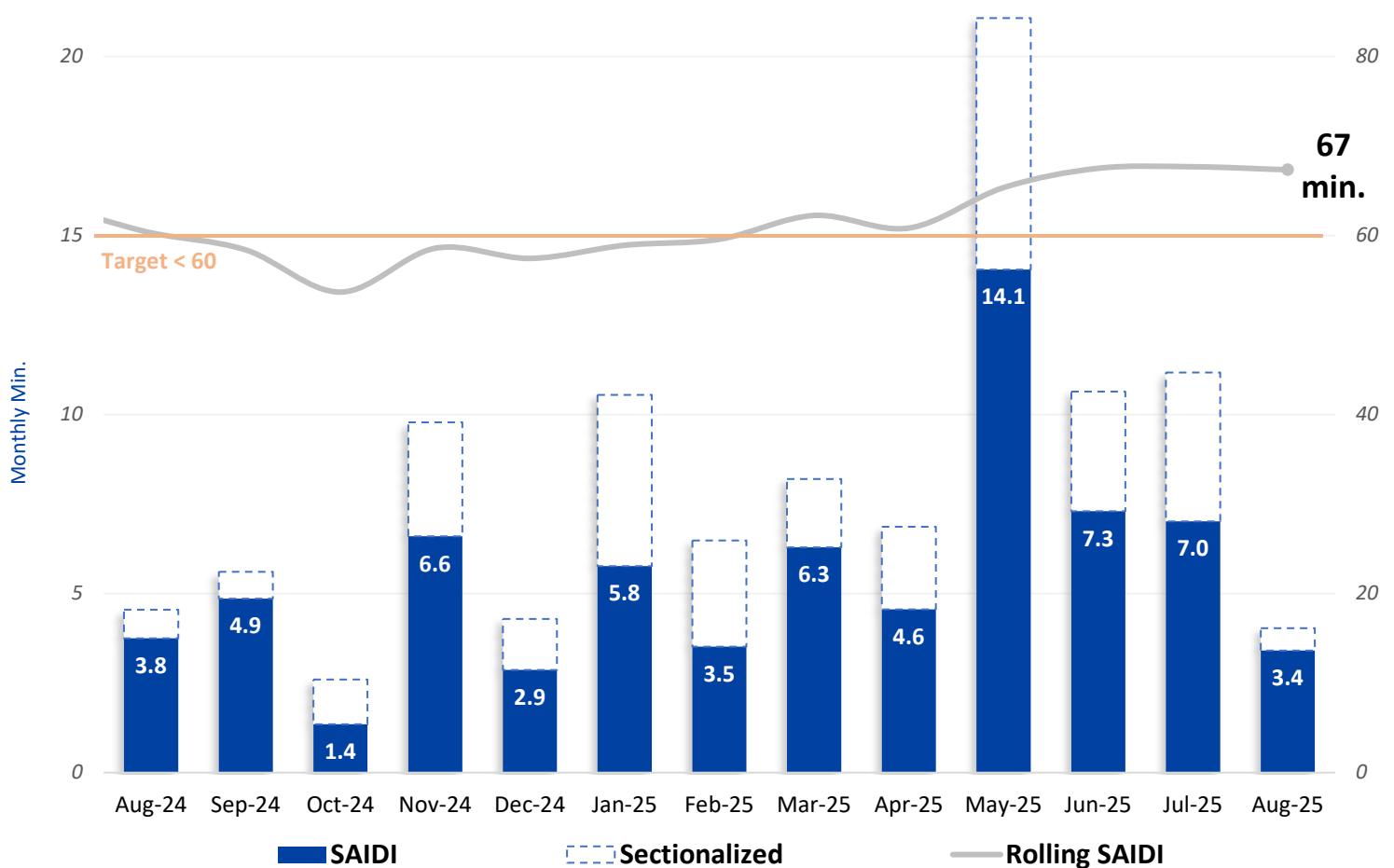
Operations Report

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

Target < 1.0



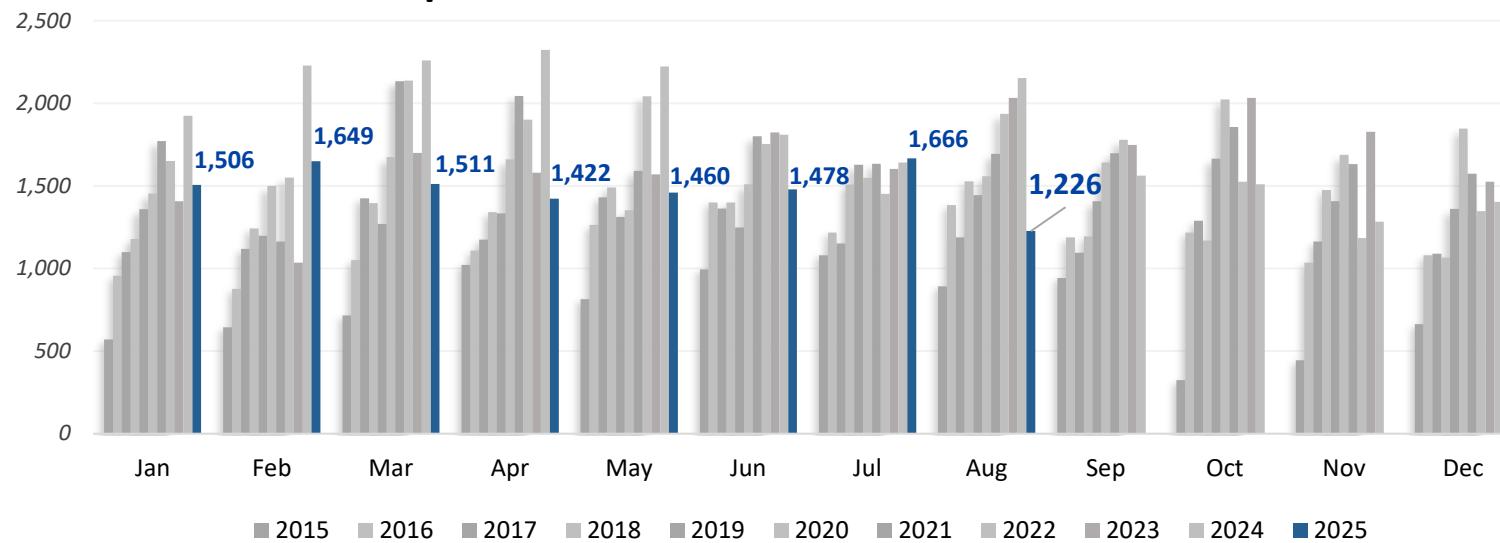
CAIDI Customer Average Interruption Duration Index

Target < 90

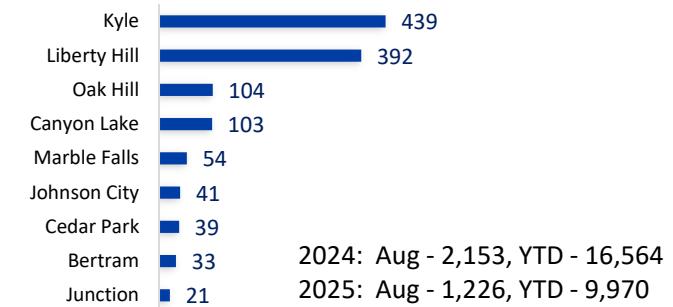


System Growth

Line Extensions Completed



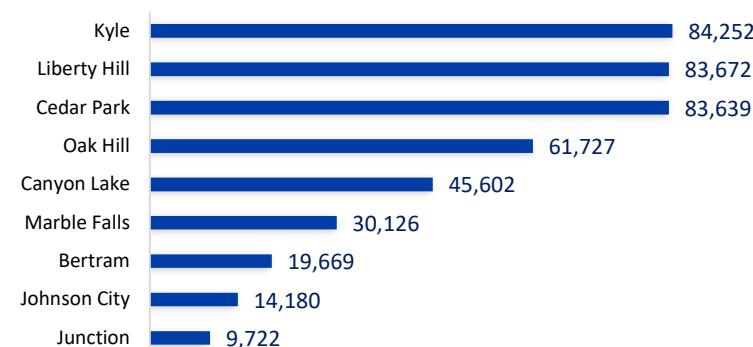
Line Extensions by District



Meter Growth (1,646)

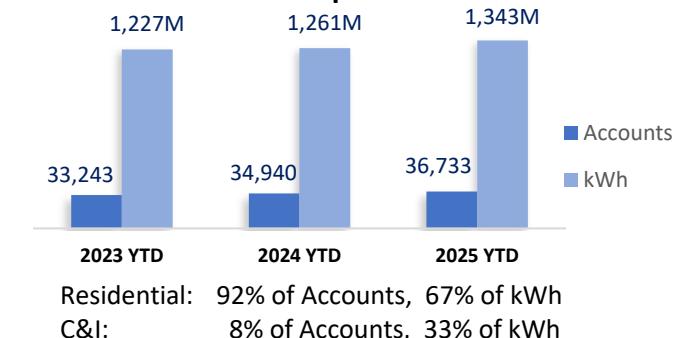


Meter Totals (432,589)



Commercial & Industrial

Accounts and Consumption YTD



Traveling Construction Crew Pilot

Current Practice

- District staff are responsible for completing line construction CIP projects and utilize contracted crews, as necessary
- To maintain contractor availability, steady workload is provided, and crews are given additional smaller projects in between large projects

Opportunity

- Create PEC traveling crews to cross district areas and replace a portion of construction support
- A dedicated District ROM will efficiently allocate workload across all of PEC's system, and work to reduce small projects to contractors
- Will allow newer PEC linemen the opportunity to gain experience completing large CIP projects

Pilot Plan

- Activated a six-month pilot program through 2025 to evaluate feasibility, productivity, and financial impact
- PEC crews will utilize existing equipment and staff that volunteer for additional experience



Safety & Technical Training Update

Department Highlights

Training and Classes

- Seven sessions each of continued education in two areas:
 - Transformer maintenance and troubleshooting
 - Confined space safety protocols and emergency response
- A 2-week long, Year-4 class for advanced technical training
- Apprentice hands-on practice session in transformer training

Assessments

- Several field assessments of on-site safety and procedures
- Two pre-employment assessments, including one focused on rescue operations

Program Engagement

- Participated in an Apprenticeship Oversight Committee meeting to discuss ongoing projects and training initiatives
- Attended the Substation Build Meeting to coordinate construction and maintenance strategies



JSSO submitted by
Cory Thompson,
Utility Safety Advisor
Marble Falls

Safety Spotlight

JSSO (Job Site Safety Observation) for Marble Falls crew supervised by Marshall Verette.

Their task was to change out a single-phase pole and transformer, move the communication lines, and hang secondary services.

After Crew Lead Dustin Tabbert held a JSA (Job Safety Analysis), Colton Davidson and Josh Gee, both apprentices, did an excellent job with cover-up while working from the bucket trucks and were coached on efficiently completing tasks.

All crew members on the ground were wearing proper PPE, worked as a team, and provided support for Josh and Colton.



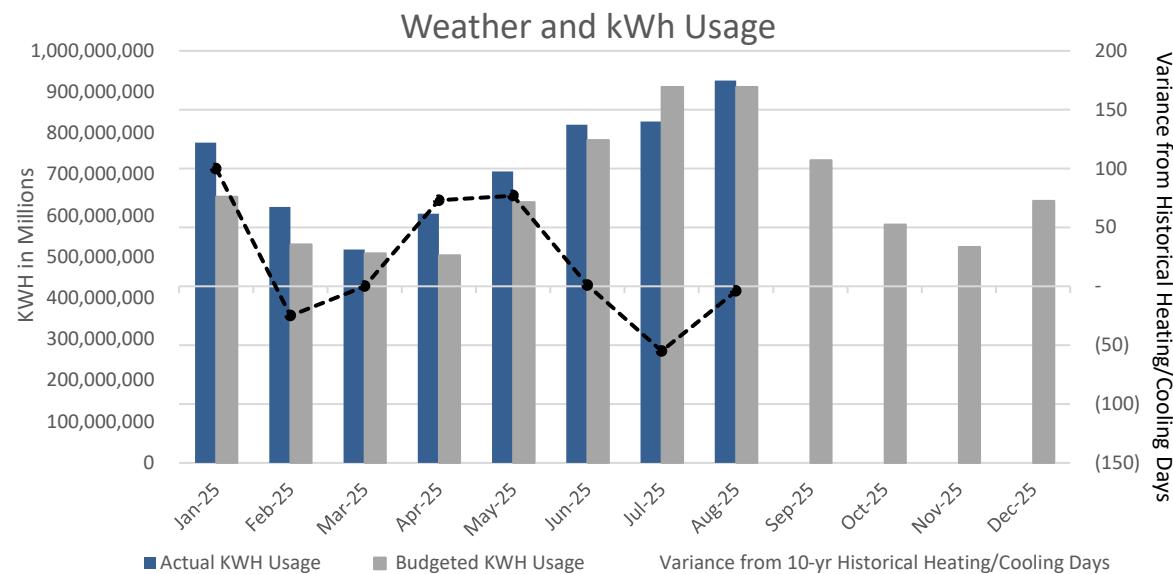
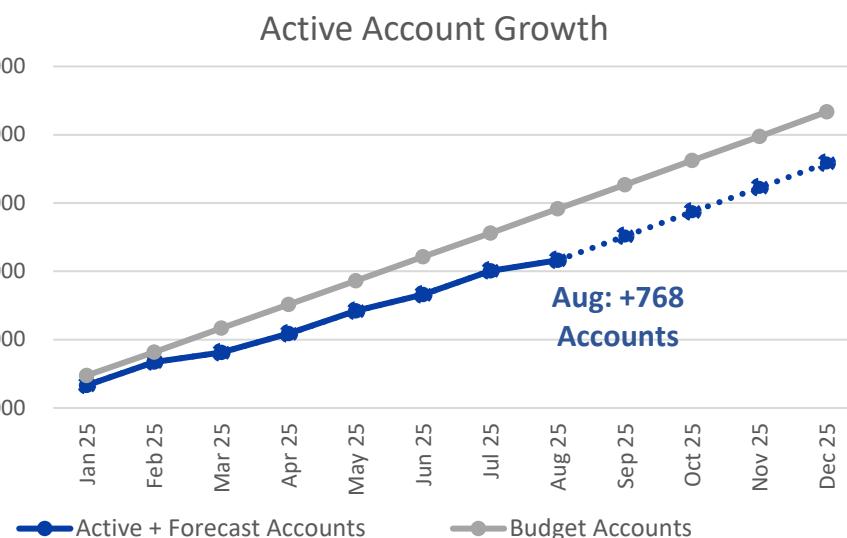
August 2025 Financial Report

Randy Kruger | Chief Financial Officer

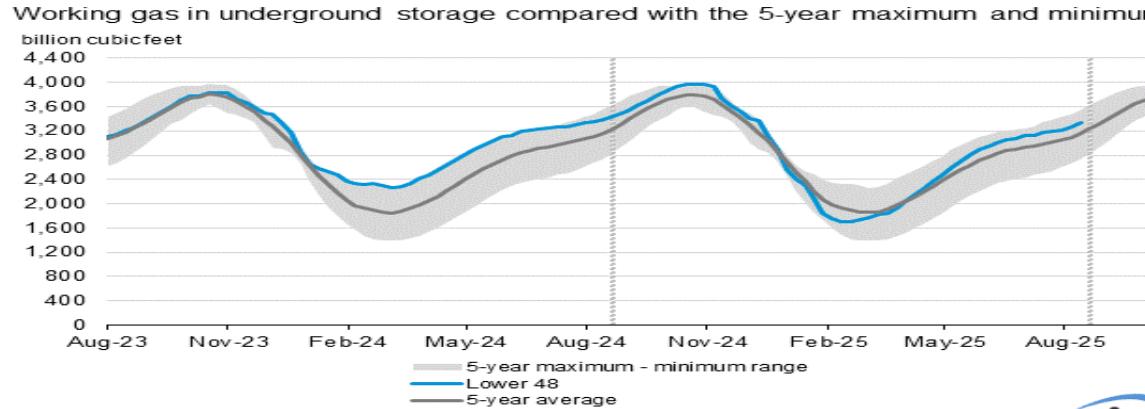
Finance at a Glance – August 2025

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	927,571	912,177	15,394	5,804,467	5,429,122	375,345
Gross Margins	\$ 38.5	\$ 39.1	\$ (0.6)	\$ 273.5	\$ 269.2	\$ 4.3
Net Margins	\$ 11.9	\$ 11.8	\$ 0.1	\$ 57.8	\$ 51.0	\$ 6.8
EBIDA	\$ 23.7	\$ 23.5	\$ 0.2	\$ 148.0	\$ 142.7	\$ 5.3
Revenue O/(U)	\$ (0.3)	\$ (5.6)	\$ 5.3	\$ 21.7	\$ (5.1)	\$ 26.8
EBIDA(X)	\$ 23.4	\$ 17.9	\$ 5.5	\$ 169.8	\$ 137.6	\$ 32.2

	Liquidity Coverage
Cash & Marketable Securities	\$ 15,736,475
Short Term Facilities	605,000,000
Less: Short Term Borrowings	163,282,799
Available Liquidity	\$ 457,453,676
Liquidity Coverage (Days)	193



Power Market Fundamentals

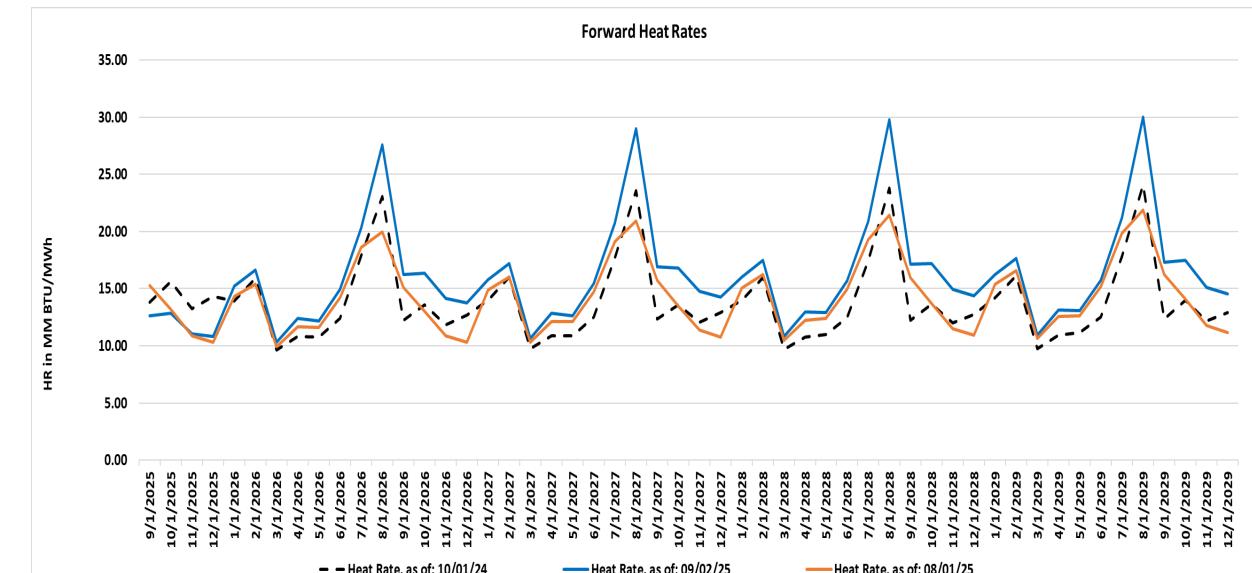
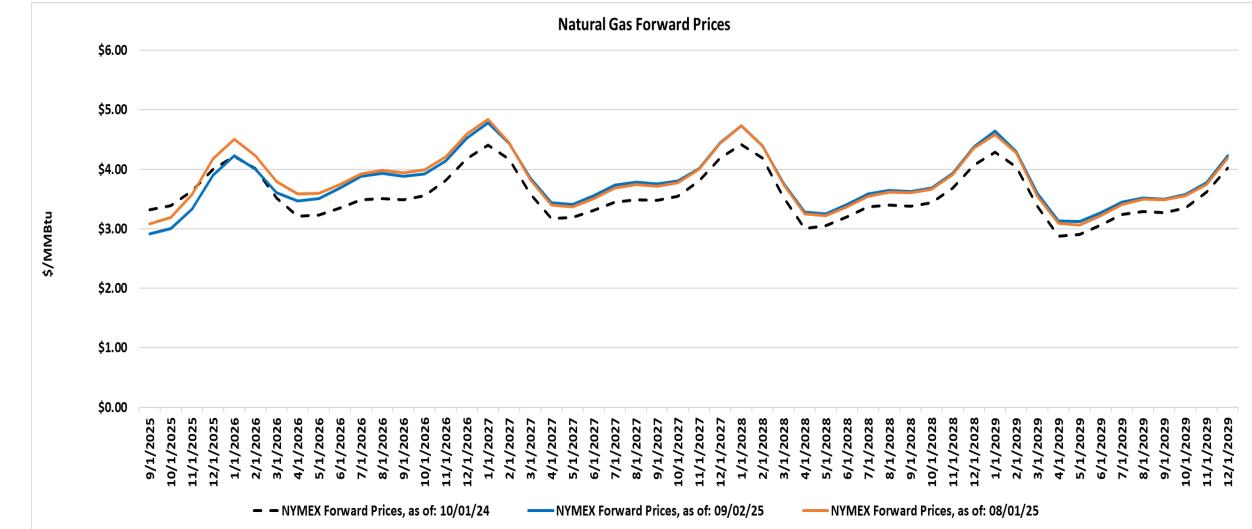
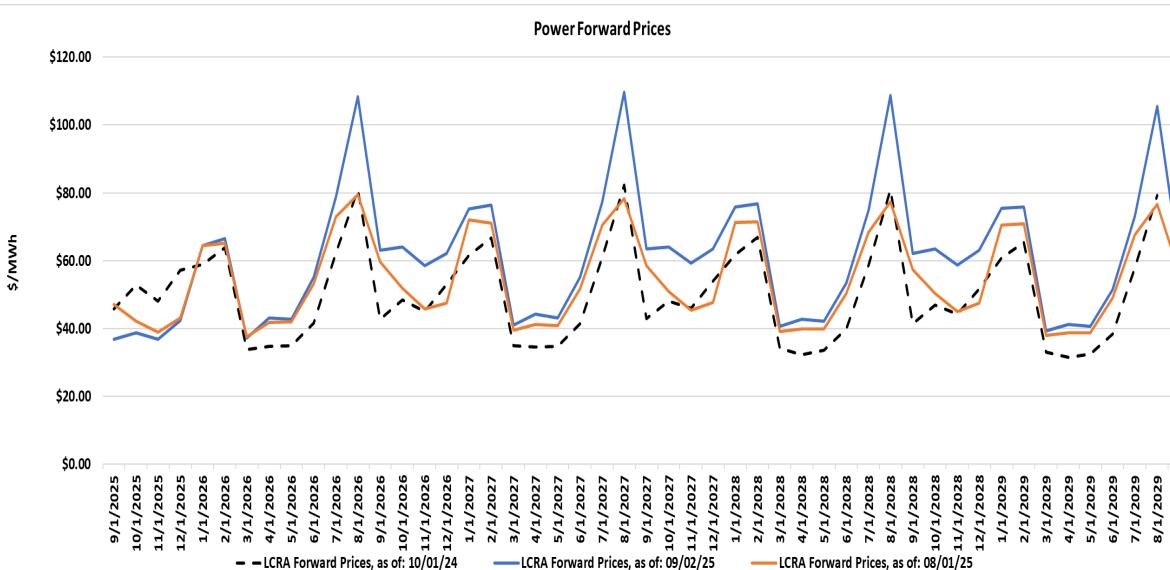


Data source: U.S. Energy Information Administration

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.



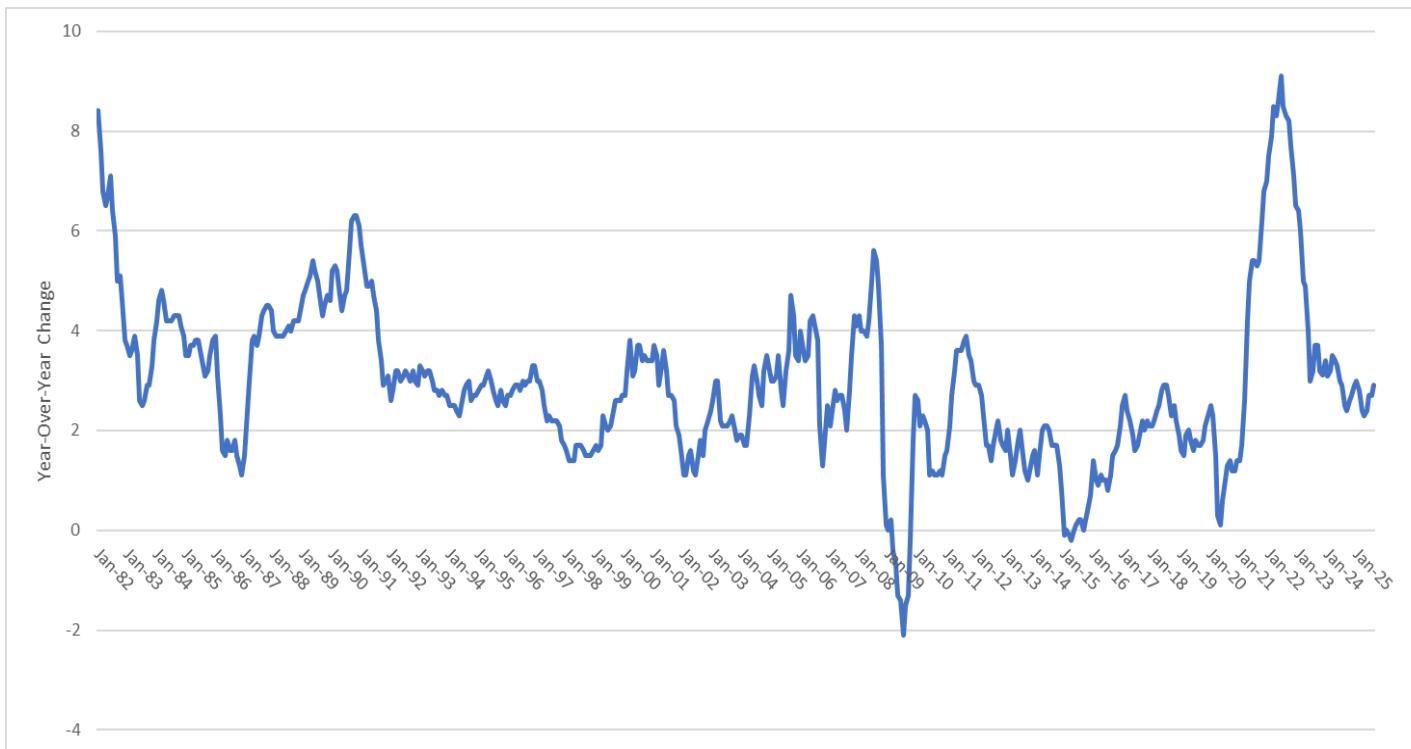
As of September 5, 2025



Inflation

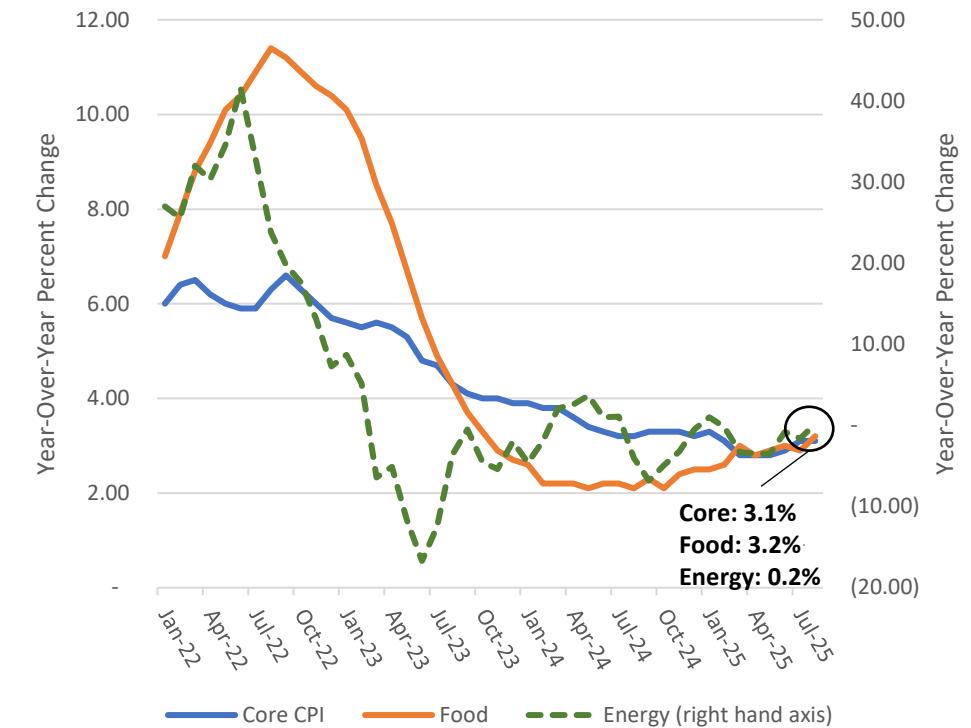
Overall CPI increased to 2.9% YoY from 2.7% YoY in July; Core CPI remained at 3.1% YoY from 3.1% YoY in July. Energy prices were up -0.2% YoY driven by utility gas service (+13.8%) and sustained increases to electricity prices (+6.2%); partially offset by gasoline (-6.6%) and fuel oil (-0.5%)

CPI Jan 1982 to Aug 2025



Source: U.S. Bureau of Labor Statistics

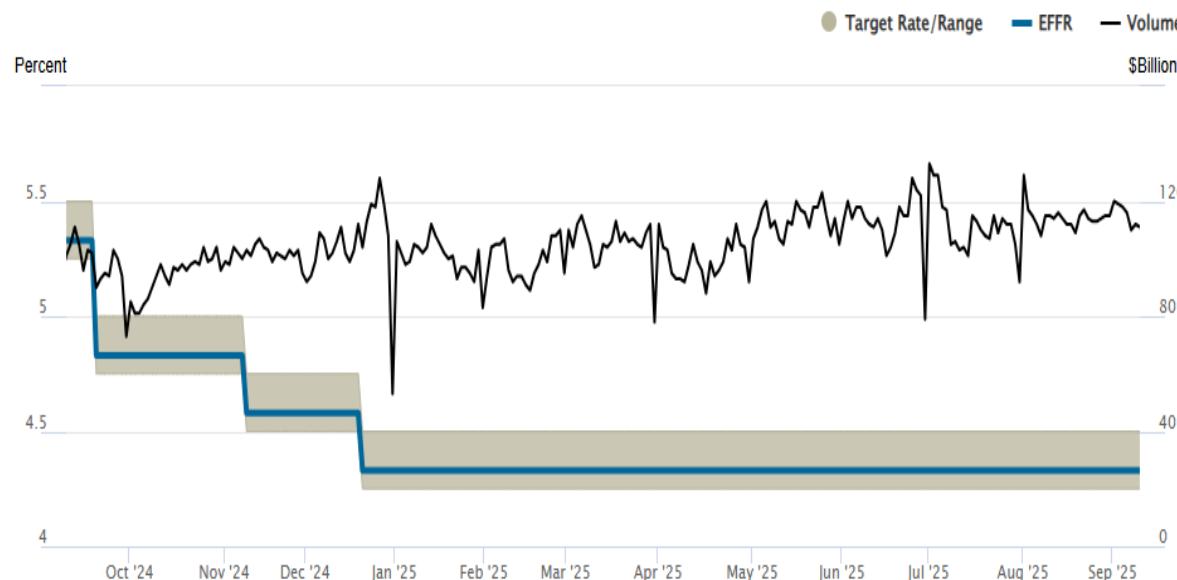
Core CPI, Food and Energy
Jan 2022 to Aug 2025



Source: U.S. Bureau of Labor Statistics

Interest Rates

Federal Funds Rate



Source: Federal Reserve Bank of New York 09/11/2025

10-Year Note



Source: *The Wall Street Journal* 09/11/2025



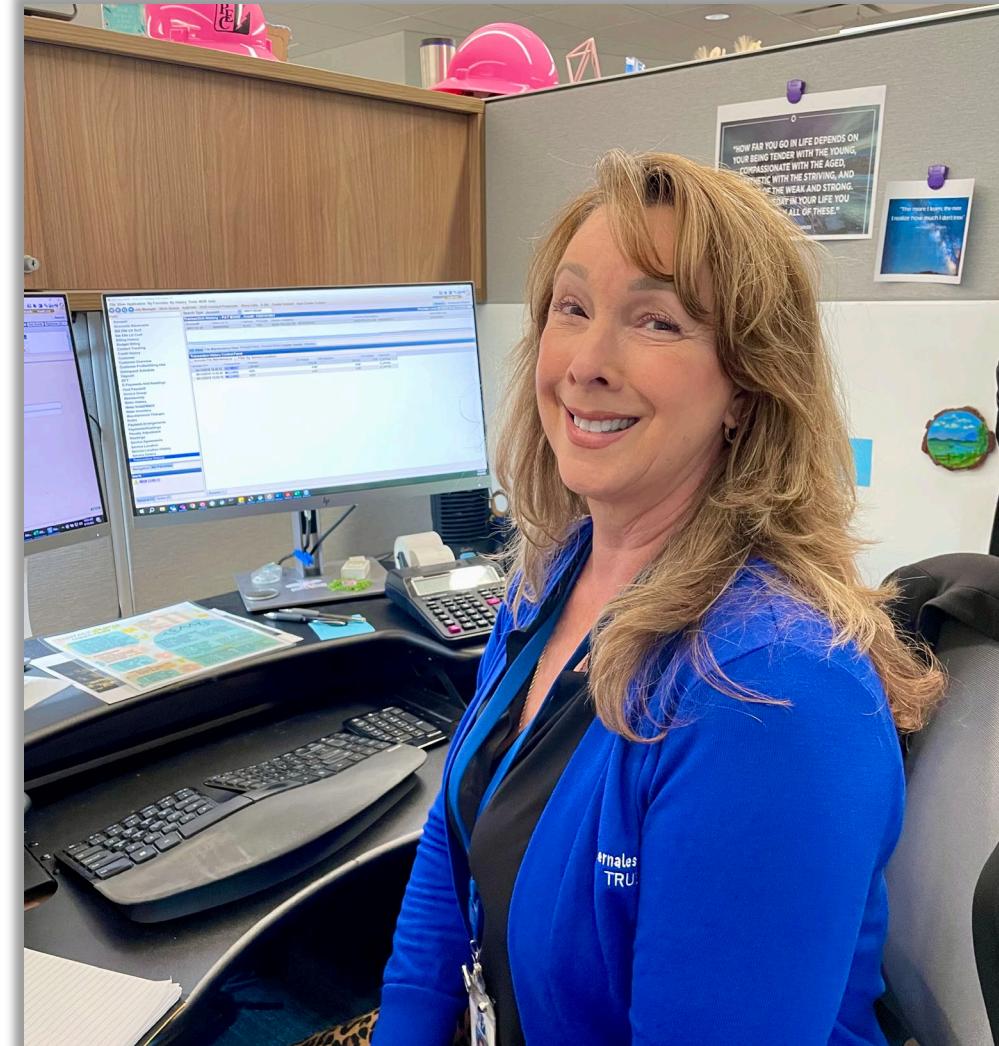
CAO Report

JP Urban | Chief Administrative Officer

Member Relations Report

August Member Relations Metrics

- Calls handled: 20,657
- Chats handled: 1,758
- Applications for existing service
 - Online: 3,392 (34.55%)
 - Phone: 6,426 (65.45%)
- Member experience satisfaction rating: 4.35 out of 5
- Member experience first contact resolution: 84.8%
- 92.31% of members say they would enjoy working with the same agent again



Power Connection

- The Community Relations team hosted its fifth and final Power Connection event for 2025 on Wednesday, September 17.
- Nearly 50 elected officials representing over 25 cities and counties throughout the PEC service area learned about PEC and the power restoration process during emergency operations.
- The Power Connection events allowed PEC to collaborate with our community leaders to ensure coordinated responses, foster public trust, and strengthen partnerships.



Paperless & Autopay Programs

**SAVE TIME.
SAVE MONEY.
SAVE TREES.**

Ditch the paper and boost your savings! Switch to paperless and enroll in autopay to **save \$30 per year**.





Appreciation and Look Ahead

Employee Shoutouts*



Trent Vecera
Journeyworker
Canyon Lake



Junior Padilla
Journeyworker
Marble Falls



Pam Bryant
Member Relations
Analyst
Marble Falls



Joy Watson
Member Relations
Agent 2
Marble Falls



Vanessa Inocencio
Member Relations
Analyst, Senior
Marble Falls

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



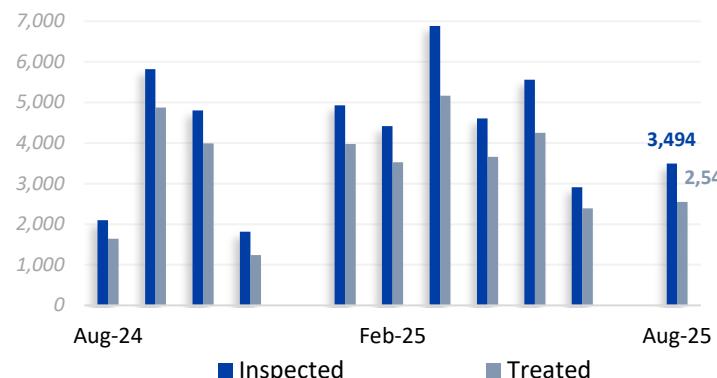
Appendix Pages

Maintenance & Technical Services

Pole Testing & Treatment (PTT)

Poles Inspected & Treated

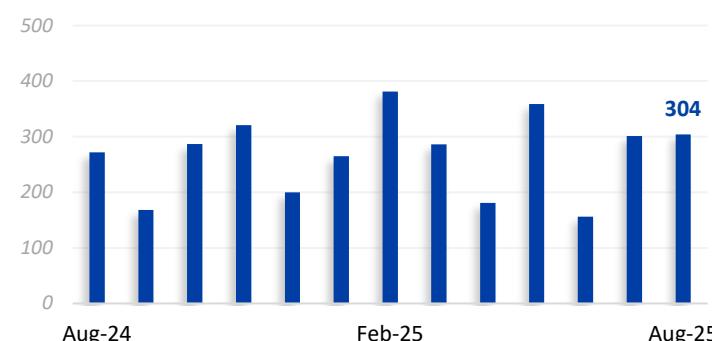
2024 YTD: Inspections - 30,830 Treated - 23,720
2025 YTD: Inspections - 32,809 Treated - 25,523



Underground Equipment

Pad Restorations

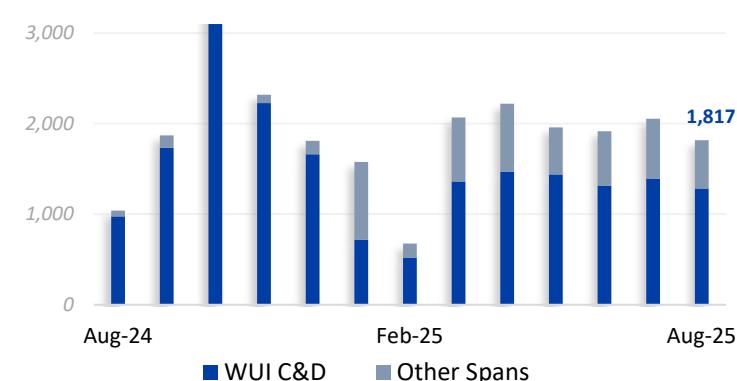
2024 YTD: 2,968
2025 YTD: 2,333



Vegetation Management

Span Clearings

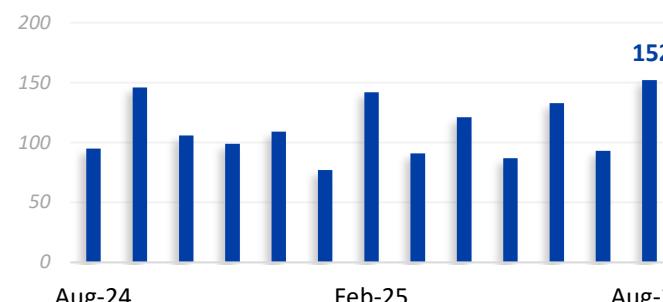
2024 YTD: Encroachments Completed - 15,716
2025 YTD: Encroachments Completed - 14,288



Technical Services

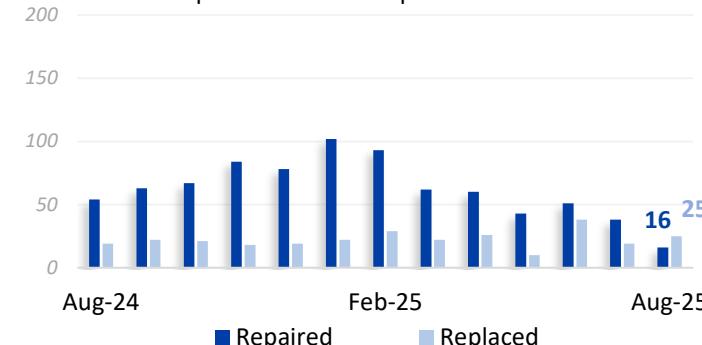
Equipment Inspections

2024 YTD: 1,265
2025 YTD: 896



Equipment Repaired or Replaced

2024 YTD: Repaired - 551 Replaced - 165
2025 YTD: Repaired - 465 Replaced - 191



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 st Draft) Study	Jul 2025	100% 
CIP (Final Draft) Study	Aug 2025	80% 
Mock UFLS Study	Dec 2025	0% 
20-Year Plan Study	Dec 2025	40% 
Winter Contingency	Dec 2025	0% 

Facilities

Large Project Updates

Johnson City - Haley Road Phase II Yard Expansion

Construction underway with expected completion EOY 2025.

Junction

Facility construction continues with mechanical, electrical, and plumbing infrastructure install underway. Fleet building completion expected by end of September and warehouse by mid-November.

Liberty Hill Materials Yard Expansion

RFP responses reviewed, final negotiations with GC are underway. Award and construction expected in early-September. Completion forecasted for EOY 2025.

Kyle Yard Base Stabilization

Small section of yard being re-done by GC. Mid-September for full project completion.

Marble Falls Fuel Island – Project completed and released to normal operations.

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. Actual replacement to begin in Q4 2025 with completion in 2026.





Appendix to August 2025 Financial Presentation to the Board

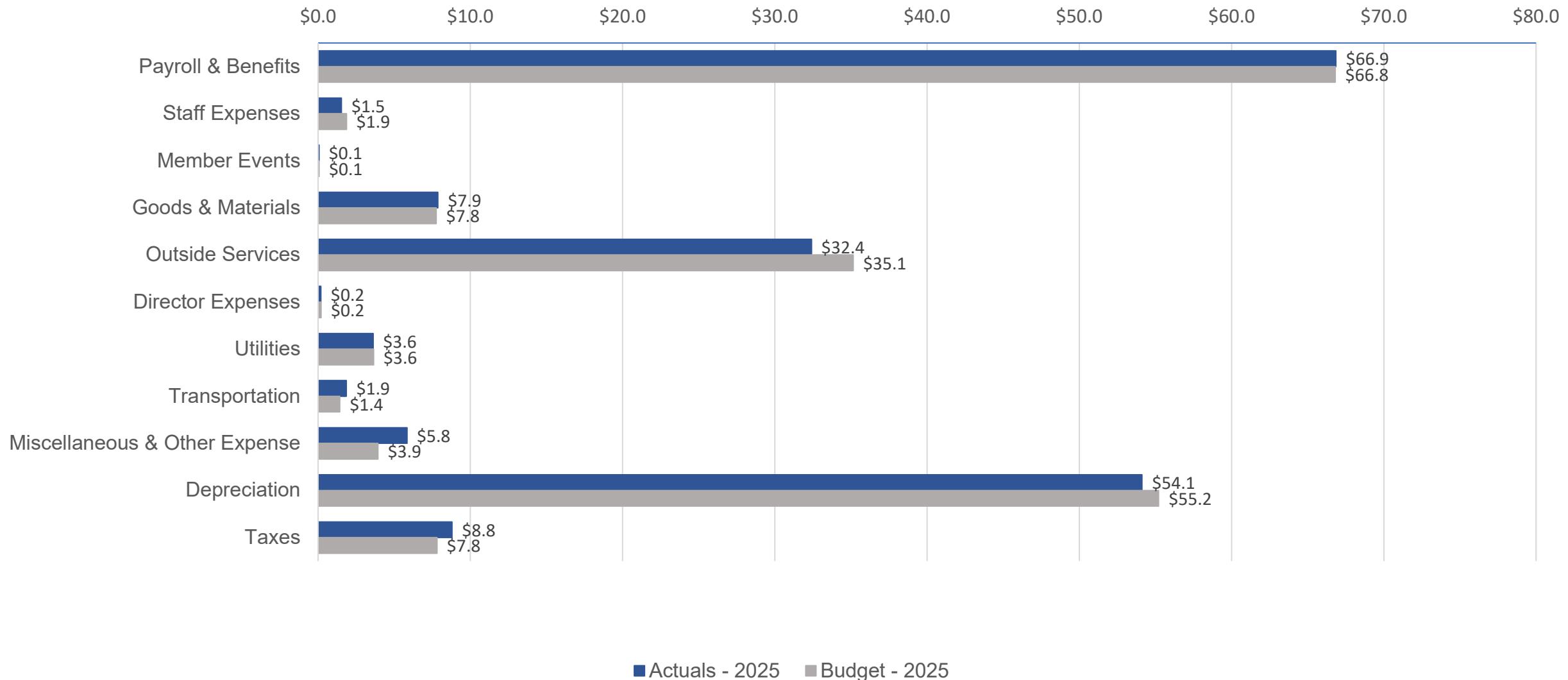
Randy Kruger | Chief Financial Officer

Financial Performance

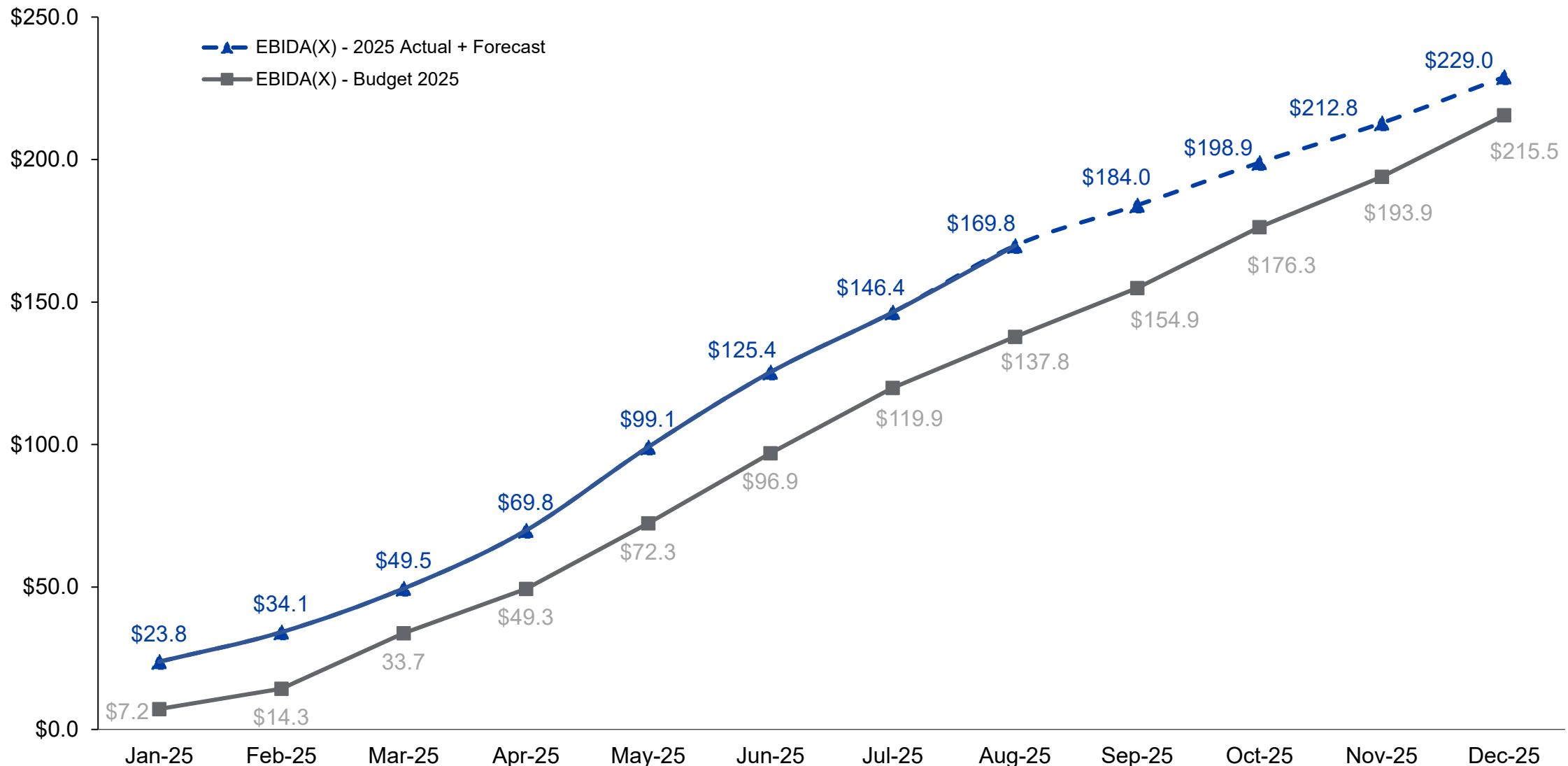
	MTD			YTD			Annual	2024 to 2025 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
	\$ 38,508,057	\$ 39,060,709	\$ 38,161,916	\$ 273,549,715	\$ 269,173,084	\$ 250,607,621	\$ 400,301,897	
Gross Margins								9.15%
Operating Expenses Ex. Depreciation	15,031,594	15,696,920	15,198,325	129,037,716	128,669,999	118,223,767	193,600,990	9.15%
Depreciation	6,952,583	7,081,164	6,259,105	54,116,940	55,211,285	60,625,817	83,735,262	
Interest Expense	4,849,188	4,553,668	4,346,713	36,125,980	36,535,205	34,285,940	55,458,822	
Other Income	(228,829)	(90,000)	(371,309)	(3,528,911)	(2,245,000)	(5,033,443)	(3,873,000)	
Net Margins	\$ 11,903,521	\$ 11,818,957	\$ 12,729,082	\$ 57,797,990	\$ 51,001,595	\$ 42,505,540	\$ 71,379,824	
EBIDA	\$ 23,705,292	\$ 23,453,789	\$ 23,334,900	\$ 148,040,910	\$ 142,748,085	\$ 137,417,297	\$ 210,573,907	7.73%
Over (Under) Collected Revenues	(344,644)	(5,585,624)	(3,031,826)	21,723,759	(5,123,305)	(3,807,432)	4,966,279	
EBIDA(X)	\$ 23,360,648	\$ 17,868,165	\$ 20,303,074	\$ 169,764,669	\$ 137,624,780	\$ 133,609,865	\$ 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	927,570,617	912,176,822	922,932,337	5,804,466,936	5,429,121,794	5,392,995,889	7,910,451,206	7.63%
Energy Purchases kWh	977,281,484	970,465,733	987,093,409	6,045,829,690	5,776,043,065	5,767,910,042	8,415,380,400	4.82%
Active Accounts				435,810	439,568	420,322	446,678	3.68%

Cost of Service (in millions)

YTD Actuals vs Budget through August 2025



EBIDA(X) Year to Date (in millions)



CIP Spend

Construction Category & Description	Non MultiYear	Brd Appr	Total	YTD	Variance (Over)/Under	Annual Budget
	YTD Actuals	MultiYear				
<u>Distribution</u>						
200 Tie Lines (new construction between existing lines)	5,463,036	76,605	5,539,641	10,894,243	5,354,602	14,793,728
300 Conversions or Line Changes	13,406,743	6,515,758	19,922,501	17,487,860	(2,434,641)	25,001,608
600 Miscellaneous Distribution Equipment	31,450,885	-	31,450,885	36,177,387	4,726,502	54,370,706
700 Other Distribution Items	523,017	-	523,017	260,692	(262,325)	391,422
Distribution Total	\$ 50,843,681	\$ 6,592,363	\$ 57,436,044	\$ 64,820,182	\$ 7,384,138	\$ 94,557,465
<u>Substation</u>						
400 New Substations, Switching Stations and Meter Points	4,757,875	3,719,554	8,477,429	12,817,910	4,340,481	20,969,733
500 Substations, Switching Stations and Meter Point changes	5,966,073	17,784,156	23,750,229	28,910,835	5,160,606	42,471,140
Substation Total	\$ 10,723,949	\$ 21,503,710	\$ 32,227,659	\$ 41,728,745	\$ 9,501,087	\$ 63,440,873
<u>Transmission</u>						
800 New Transmission Lines	180,065	-	180,065	217,425	37,360	1,125,657
1000 Line and Station Changes	2,503,894	19,587,455	22,091,349	27,437,060	5,345,712	49,195,185
Transmission Total	\$ 2,683,958	\$ 19,587,455	\$ 22,271,413	\$ 27,654,485	\$ 5,383,071	\$ 50,320,843
<u>General Plant</u>						
2000 Facilities	4,829,914	4,429,373	9,259,287	13,941,561	4,682,274	17,789,898
3000 Information Technology	494,167	-	494,167	5,107,821	4,613,654	7,017,520
4000 Tools & Equipment	338,064	-	338,064	333,333	(4,731)	500,000
5000 Vehicles	4,494,169	-	4,494,169	3,333,333	(1,160,835)	5,000,000
Total General Plant	\$ 10,156,314	\$ 4,429,373	\$ 14,585,687	\$ 22,716,049	\$ 8,130,362	\$ 30,307,418
Accrued WIP & Prepaid Aid	\$ (8,720,001)	\$ -	\$ (8,720,001)	\$ -	\$ 8,720,001	\$ -
Total Capital Improvement Plan Spend	\$ 65,687,901	\$ 52,112,901	\$ 117,800,802	\$ 156,919,460	\$ 39,118,658	\$ 238,626,599



pec.coop