



# Cooperative Update

Julie C. Parsley, Chief Executive Officer

February 21, 2020

Board Meeting | Open Session

# FitchRatings

## Reaffirmation of our AA- rating

- Driving factors include: improved operating costs, affordable rates, and restructuring of the capital credits processes
- Provides financial and lending institutions confidence regarding PEC's financial health, making the cooperative more attractive and favorable to lenders
- Demonstrates publicly and objectively our financial responsibility to the membership

# Ratings Scale

MOODY'S  
INVESTORS SERVICE

FitchRatings

S&P Global  
Ratings

## Rating Grade Description

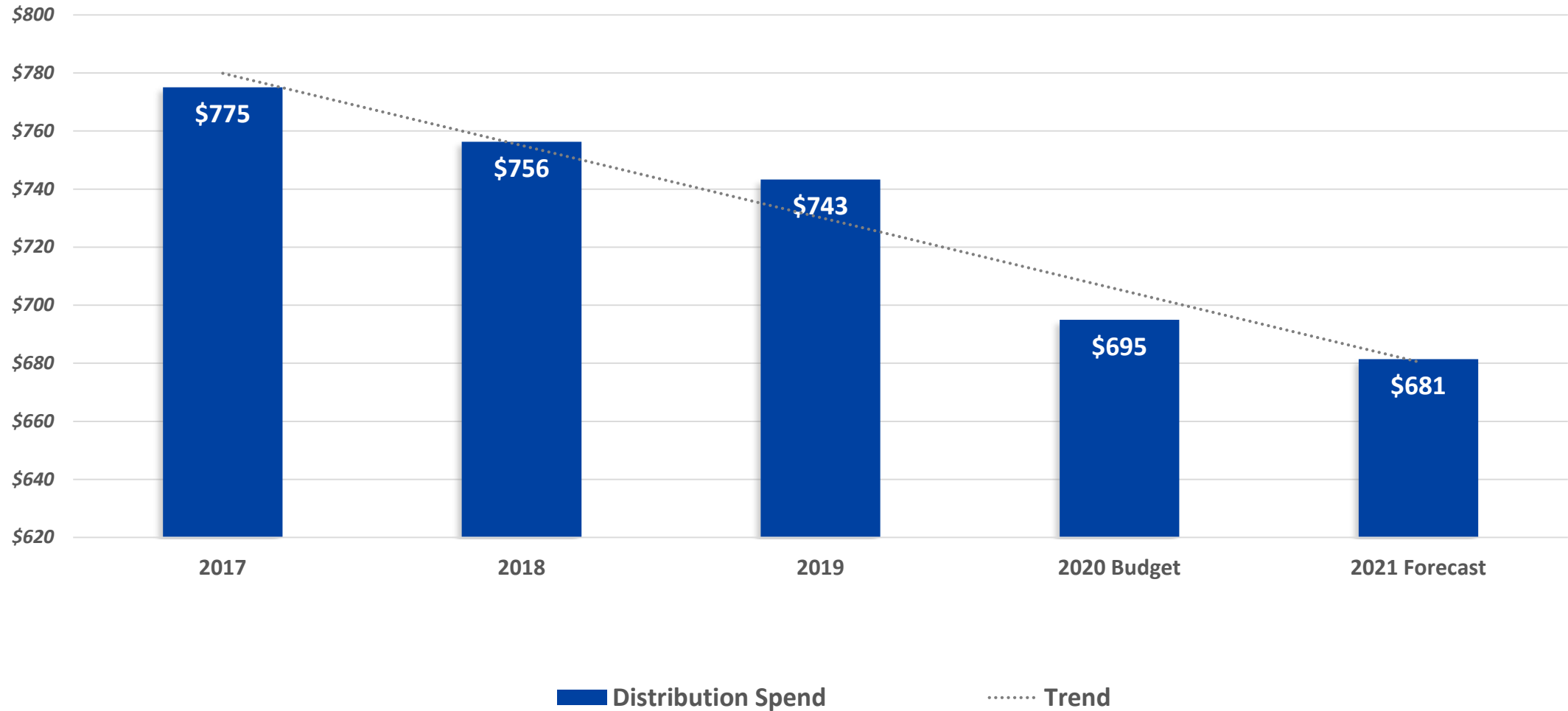
	Aaa	AAA	AAA	Highest credit quality, lowest level of credit risk
	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-	Very high credit quality with very low credit risk
	A1 A2 A3	A+ A A-	A+ A A-	High credit quality with low credit risk
	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-	Good credit quality with moderate credit risk
	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-	Speculative with substantial credit risk
	B1 B2 B3	B+ B B-	B+ B B-	Highly speculative with high credit risk
	Caa1 Caa2 Caa3 Ca C	CCC+ CCC CCC- CC C SD D	CCC+ CCC CCC- CC C RD D	Substantial credit risk to default

# 2019 Accounting Changes Improve Financial Forecast

	2023 Total Debt	2023 DSC	2023 TIER
2018 Forecast	\$968,000,000	1.92x	1.85x
2020 Forecast	\$951,800,000	2.11x	2.10x

- 2018 forecast numbers (used for the 2018 Fitch review) compared with the 2020 forecast numbers used for the 2020 Fitch review
- Shows positive effect of the 2019 accounting changes

# Annual Distribution Spend per Meter

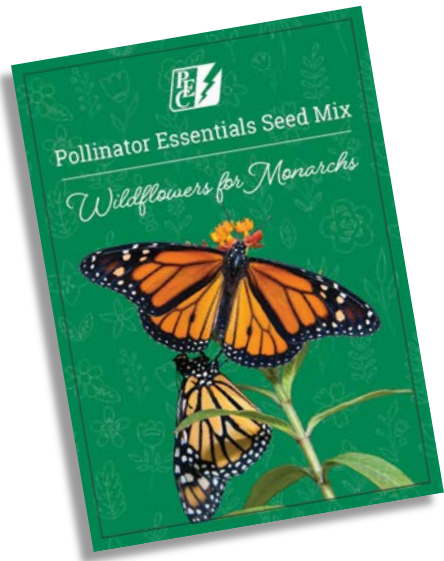




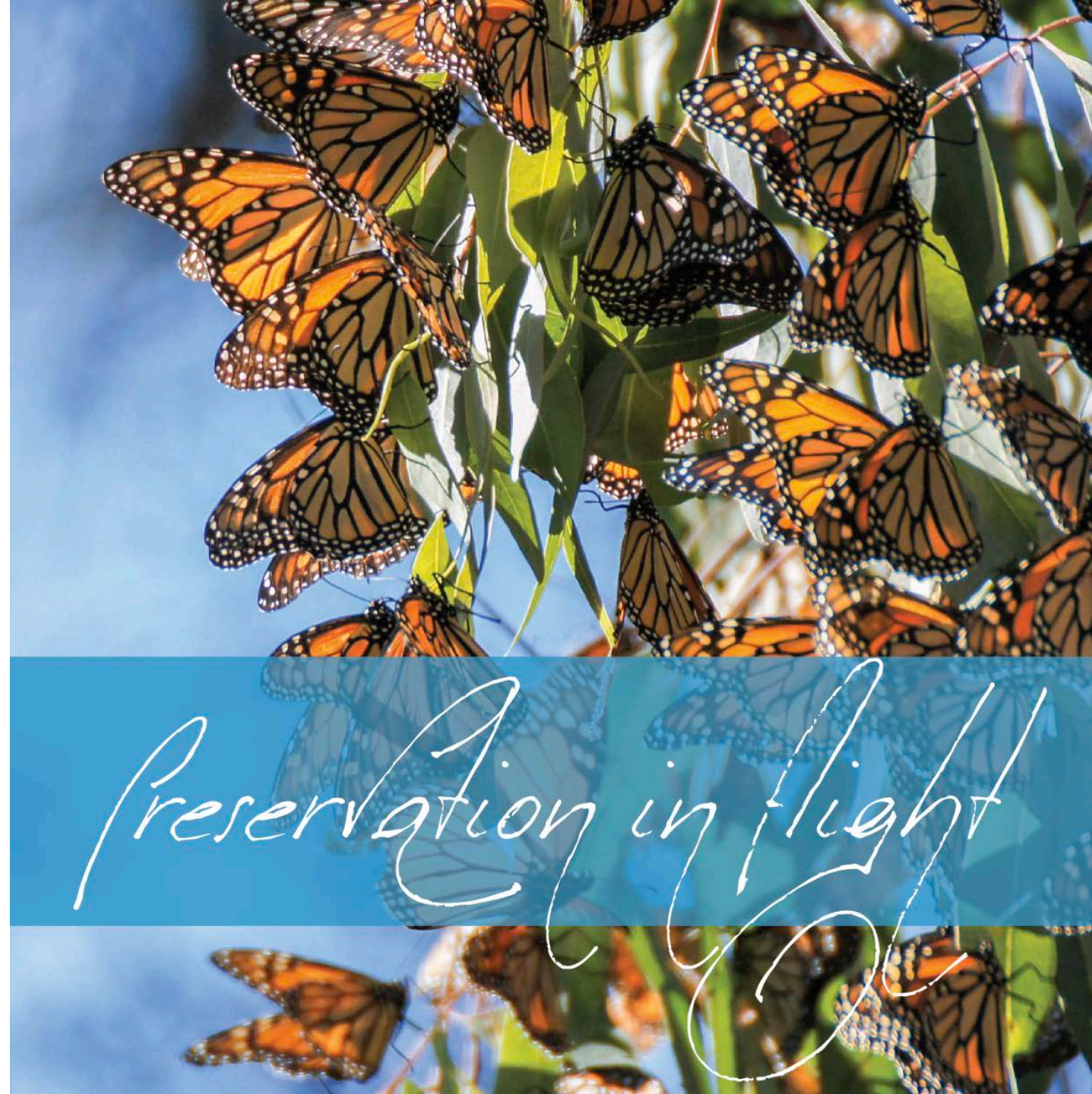
# Helping Preserve Wildlife

Monarch way station at headquarters; future locations

Easement planting practices

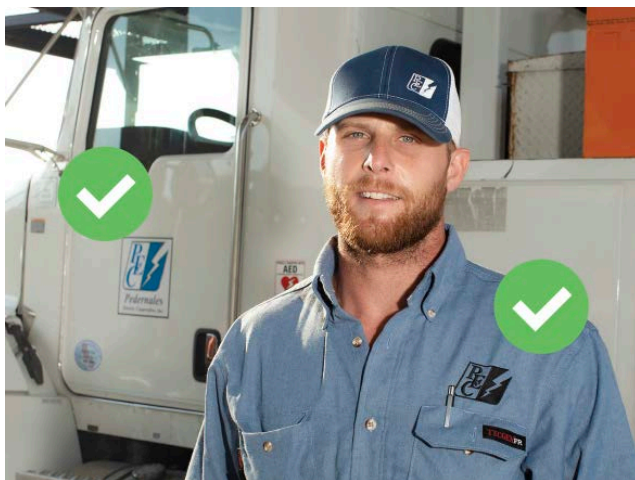


Free pollinator seed packets at offices and partnering locations





# SPOT STOP SCAMS



Know what to expect from PEC over the phone and in person

If someone claims to work for PEC, call us immediately at 888-554-4732 to confirm their identity

**GIVE**  
THE  
**CHANGE**  
YOU  
WANT  
TO SEE



## Power of Change

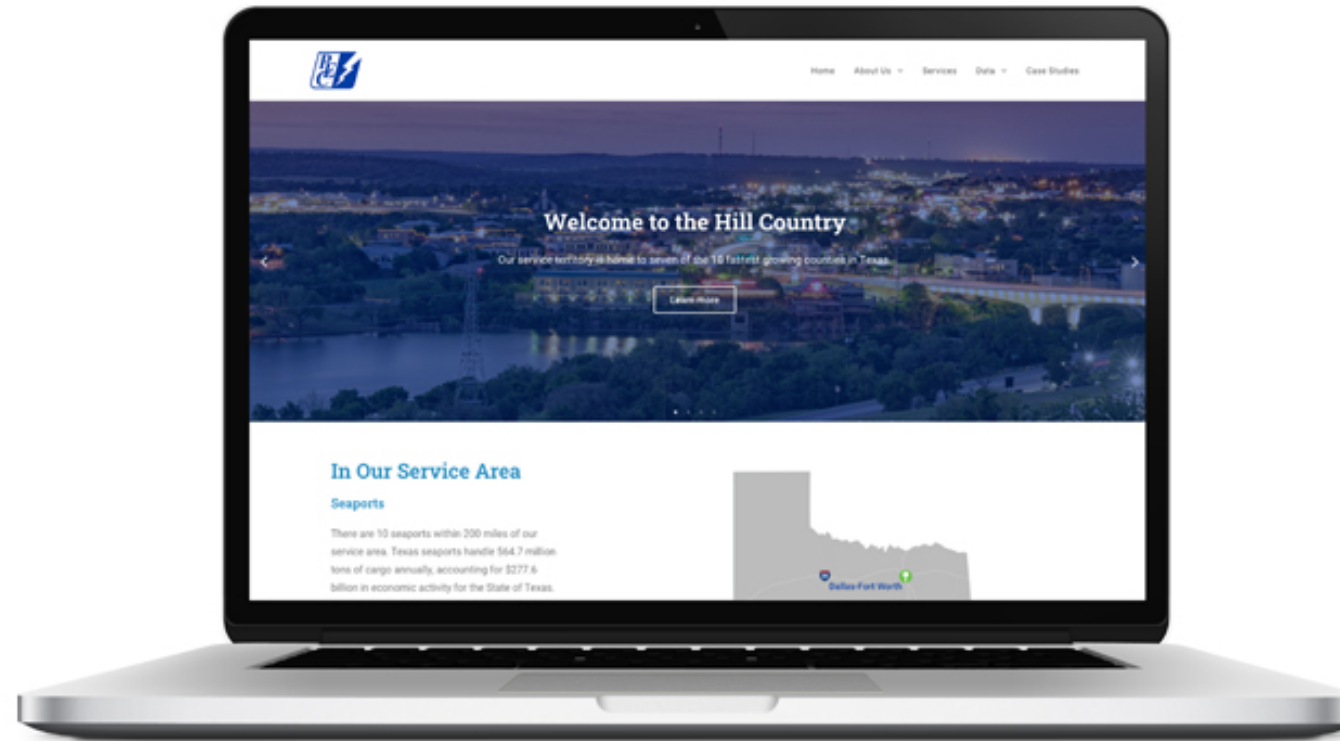
External push  
resulted in high  
enrollment in  
December (**250**) and  
January (**369**)



# New Commercial Website

New site designed to promote commercial development, aid in site selection, and illustrate to economic development professionals the advantages of partnering with PEC as their power provider.

[commercial.pec.coop](http://commercial.pec.coop)



# Employee Recognition

## David Mead

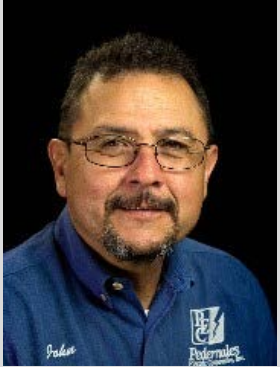
Member Relations Control  
Center Specialist

*"I wanted to thank him for his professionalism and helpfulness, but especially for his kindness... I wanted to let management know that David did a great job and is clearly very knowledgeable."*

– PEC member



# Employee Recognition



**John Ramon**

Journeyworker, Cedar Park

*"I was sooo thankful for their prompt professional and empathetic [help with] my outage that left me in the dark with no heat... I called [John] my hero and angel since I have no help and live alone these days."*

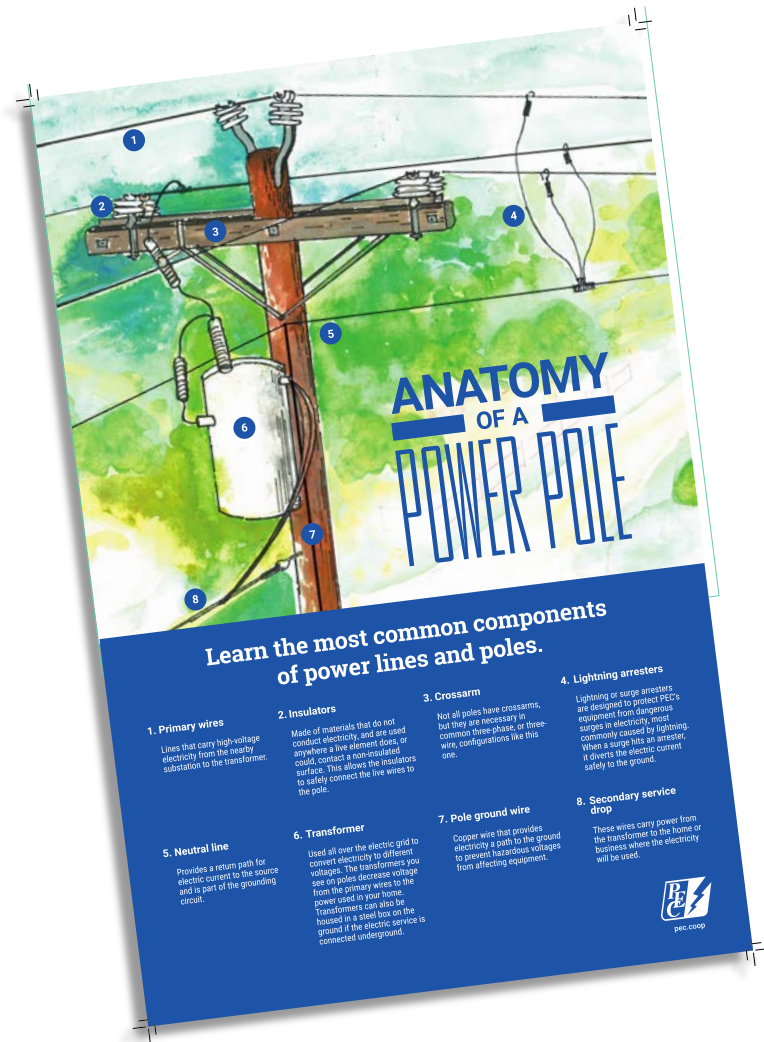
*– PEC member*



**Chance Runnels**

Lineworker Apprentice, Cedar Park

# Employee Recognition



*“My dad is the sort of person who is interested in just about everything. He liked liked the watercolor painting of the “Anatomy of a Power Pole” a lot and was joking about getting it framed. So I did! Under the Christmas tree, sure enough, it was there.”*

*– Daughter of PEC member,  
Buda, TX*



**D'Ann Ross**  
Graphics Designer, Sr.



# Canyon Lake Office Reopening



Reopening to the  
public Monday,  
March 2





