



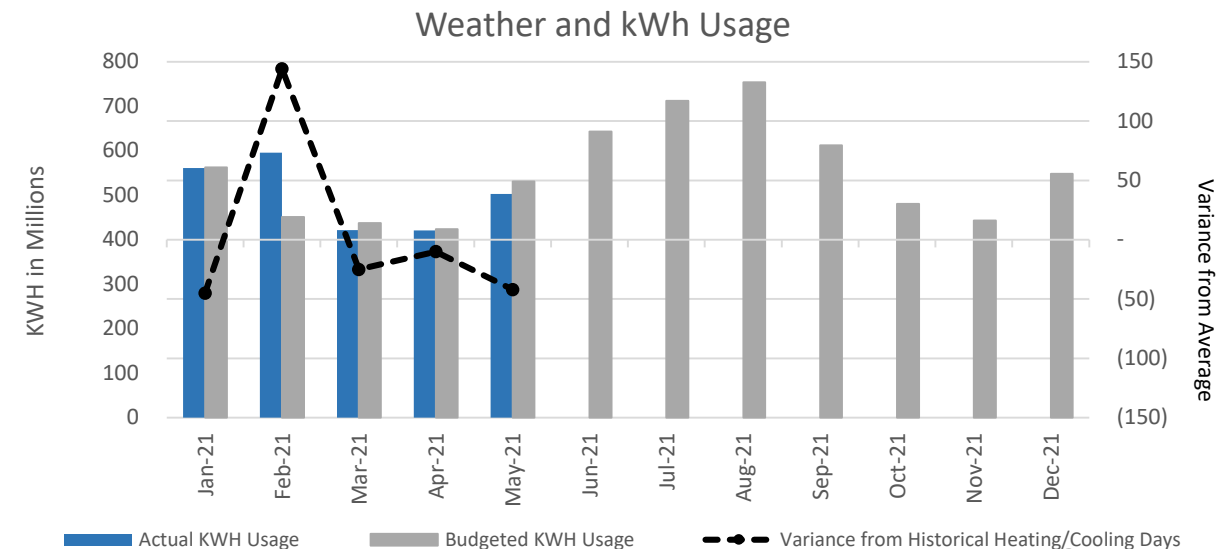
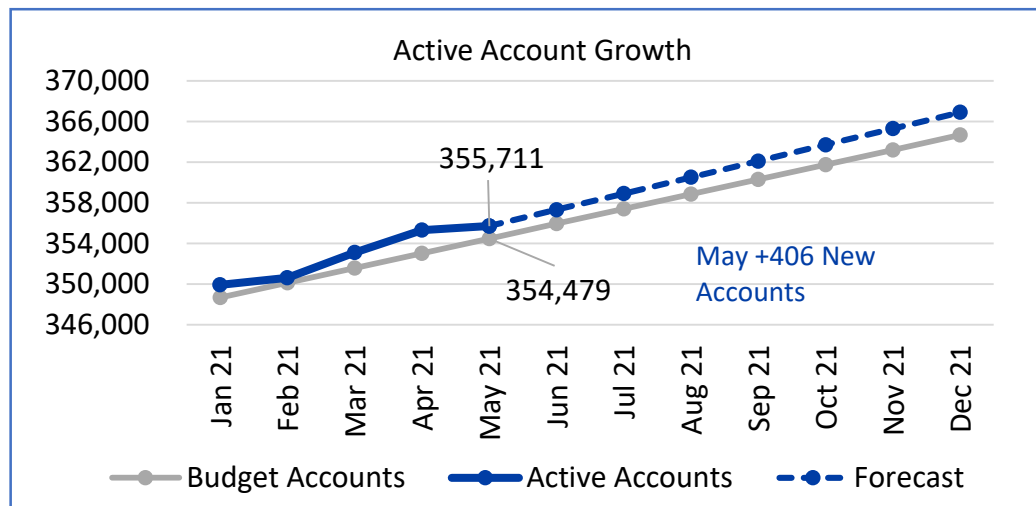
May 2021 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

Finance at a Glance – May 2021

	MTD			YTD		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
KWH Sold	503,038,436	530,840,443	(27,802,007)	2,502,204,235	2,405,620,447	96,583,788
Gross Margins	\$ 24,447,780	\$ 24,743,177	\$ (295,397)	\$ 122,498,494	\$ 117,232,370	\$ 5,266,124
Net Margins	\$ 3,151,852	\$ 1,805,417	\$ 1,346,435	\$ 10,572,878	\$ 5,966,362	\$ 4,606,516
EBIDA	\$ 12,484,407	\$ 11,052,262	\$ 1,432,145	\$ 54,623,034	\$ 52,120,981	\$ 2,502,053

	Liquidity Coverage
Cash & Marketable Securities	\$ 7,010,029
Short Term Facilities	485,000,000
Less: Short Term Borrowings	163,968,229
Available Liquidity	\$ 328,041,800
Liquidity Coverage (Days)	210

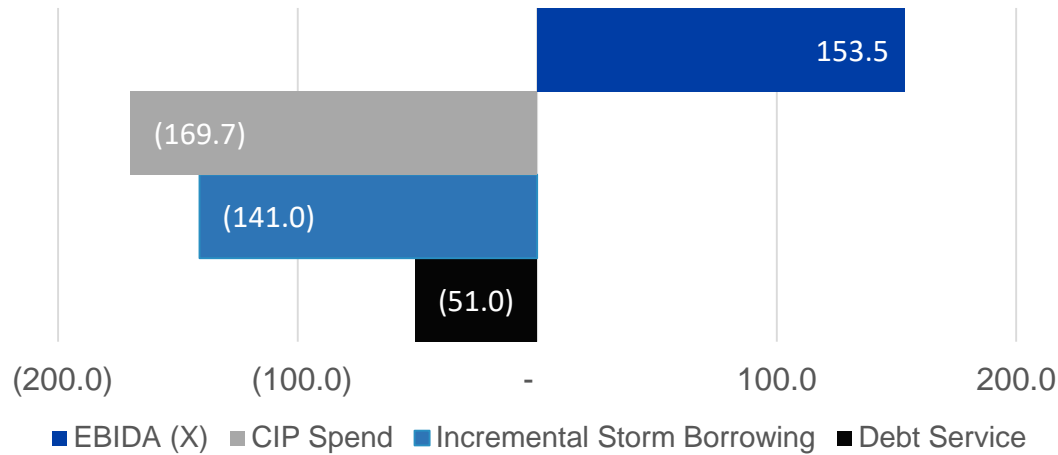


Financial Performance

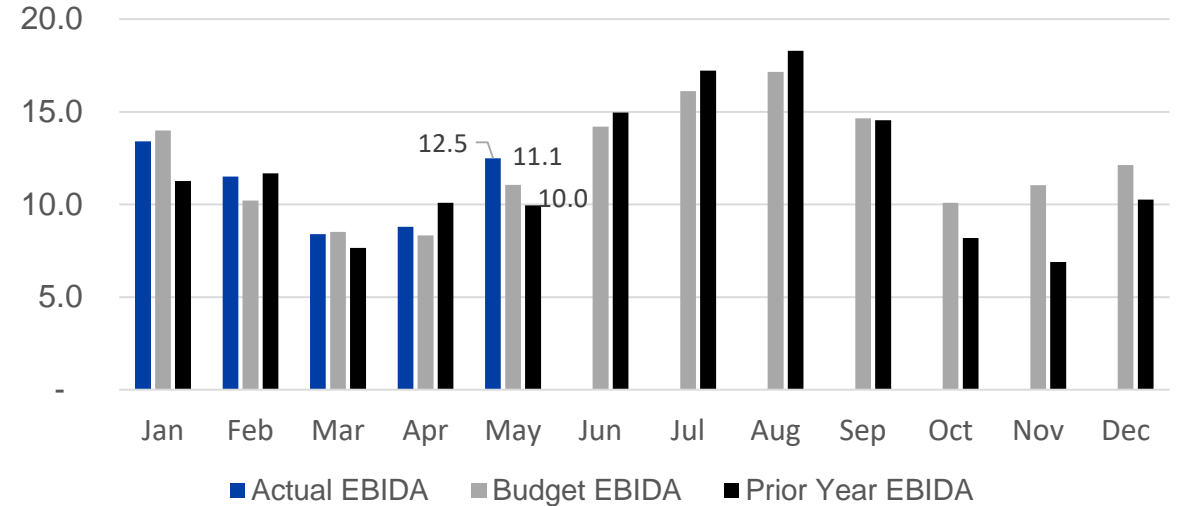
	MTD			YTD			Annual		2020 to 2021 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Forecast	Budget	
Operating Revenues	\$58,931,291	\$56,363,251	\$53,610,000	\$431,928,719	\$265,185,357	\$244,113,022	\$854,963,269	\$680,170,944	
Purchased Power	34,483,511	31,620,074	29,897,438	309,430,225	147,952,987	133,387,927	553,338,405	378,822,020	
Gross Margins	\$ 24,447,780	\$ 24,743,177	\$ 23,712,562	\$ 122,498,494	\$ 117,232,370	\$ 110,725,095	\$ 301,624,864	\$ 301,348,924	10.63%
Operating Expenses Ex. Depreciation	12,785,049	13,693,471	13,772,555	69,136,384	65,312,468	60,367,821	155,698,549	156,415,310	14.53%
Depreciation	5,812,749	6,299,113	5,726,679	28,961,950	31,495,561	29,385,372	72,702,373	75,584,352	
Interest Expense	3,519,806	2,947,732	3,182,142	15,088,206	14,659,058	15,728,416	37,546,404	35,234,791	
Other Income (Expense)	821,676	2,556	157,419	1,260,924	201,079	806,283	(2,796,963)	2,583,510	
Net Margins	\$ 3,151,852	\$ 1,805,417	\$ 1,188,605	\$ 10,572,878	\$ 5,966,362	\$ 6,049,769	\$ 38,474,501	\$ 36,697,981	
EBIDA(X)	\$ 12,484,407	\$11,052,262	\$10,097,426	\$ 54,623,034	\$ 52,120,981	\$51,163,557	\$153,525,589	\$147,517,124	
Total Long-Term Debt							\$ 1,043,090,905	\$ 872,535,087	
Debt Service							50,982,127	65,476,063	
Debt Service Coverage Ratio							2.92	2.25	
Equity as Percent of Assets							38.8%	40.6%	
Net Plant in Service							\$1,821,415,793	\$1,827,204,814	
Capital Improvement Spend							\$169,653,937	\$176,691,221	
Energy Sales kWh	503,038,436	530,840,443	554,827,601	2,502,204,235	2,405,620,447	2,355,984,883	6,803,278,016	6,599,284,771	6.21%
Energy Purchases kWh	540,494,035	565,791,169	573,204,402	2,676,957,568	2,564,033,753	2,499,114,132	7,176,225,729	7,039,889,561	7.12%
Active Meters				355,711	354,479	336,728	368,511	364,673	5.64%

Financing Sources & Uses

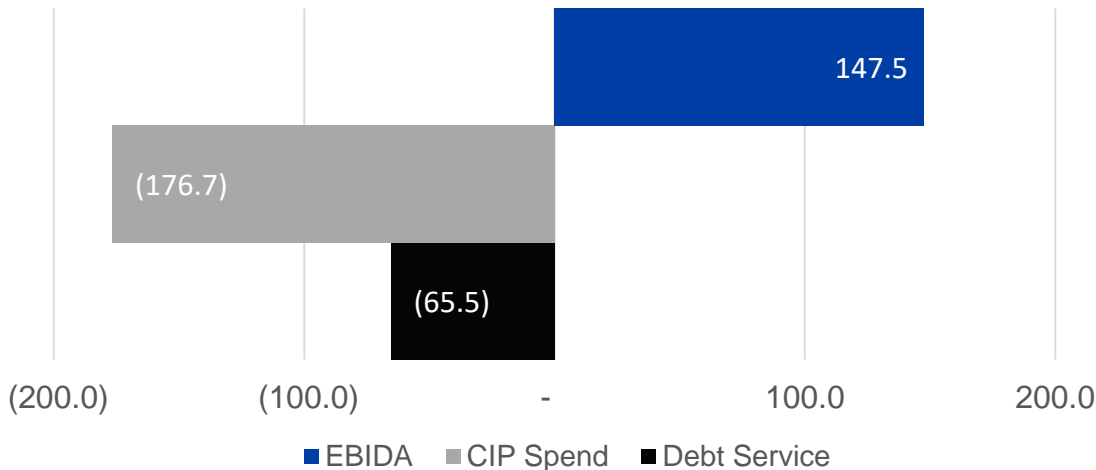
Annual Forecast



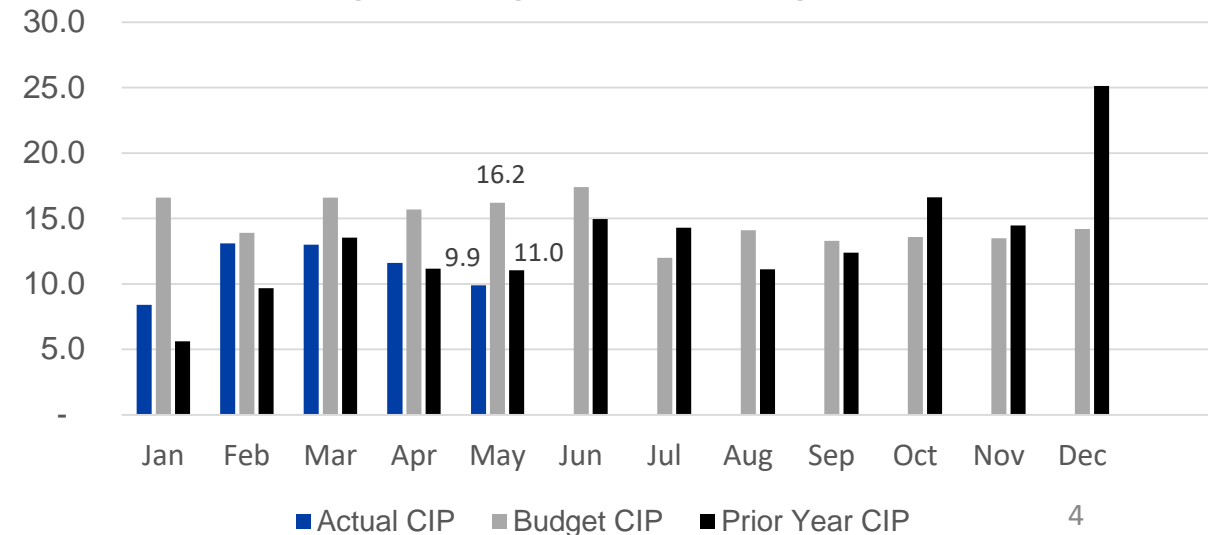
EBIDA by Month



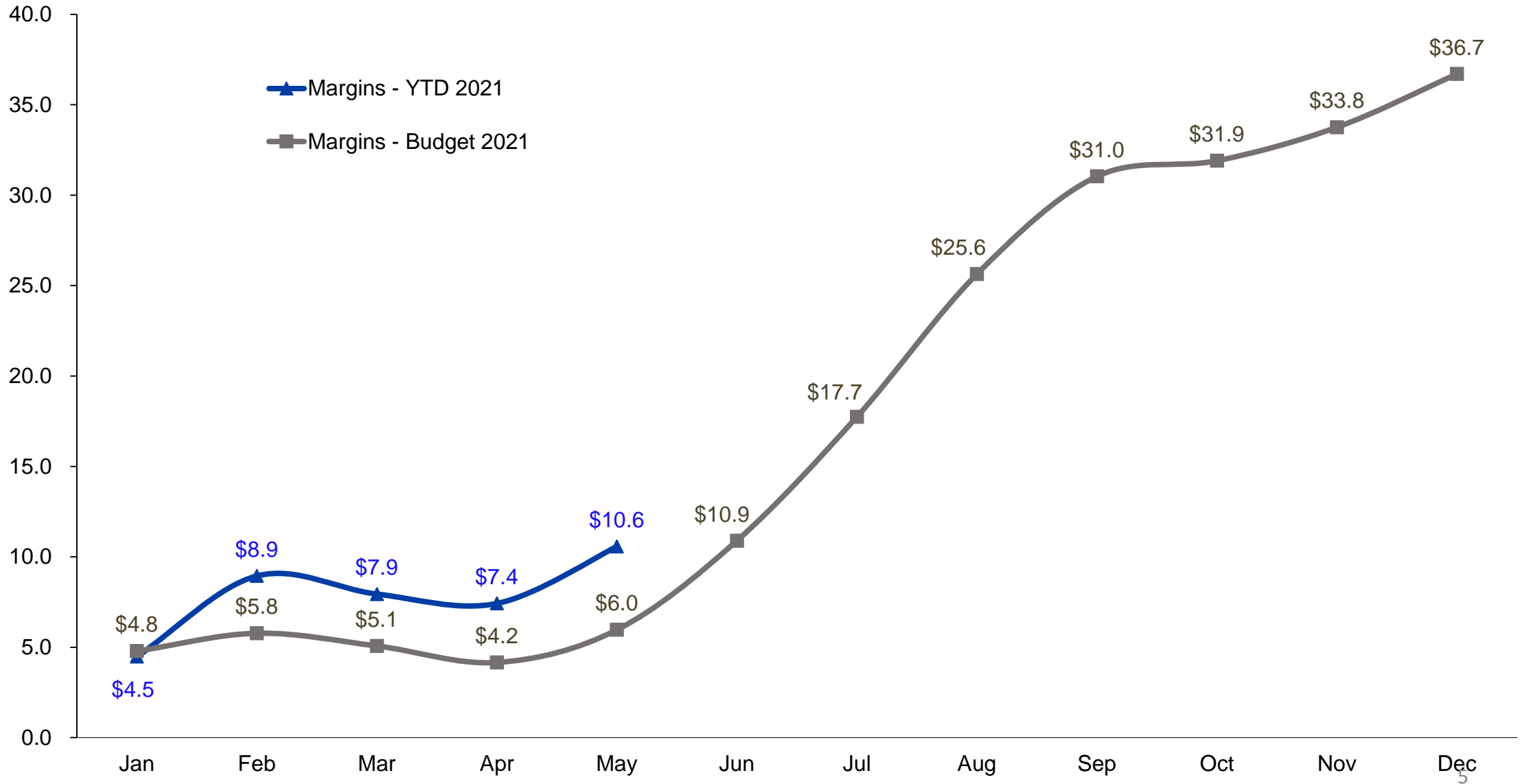
Annual Budget



Capital Improvement Spend

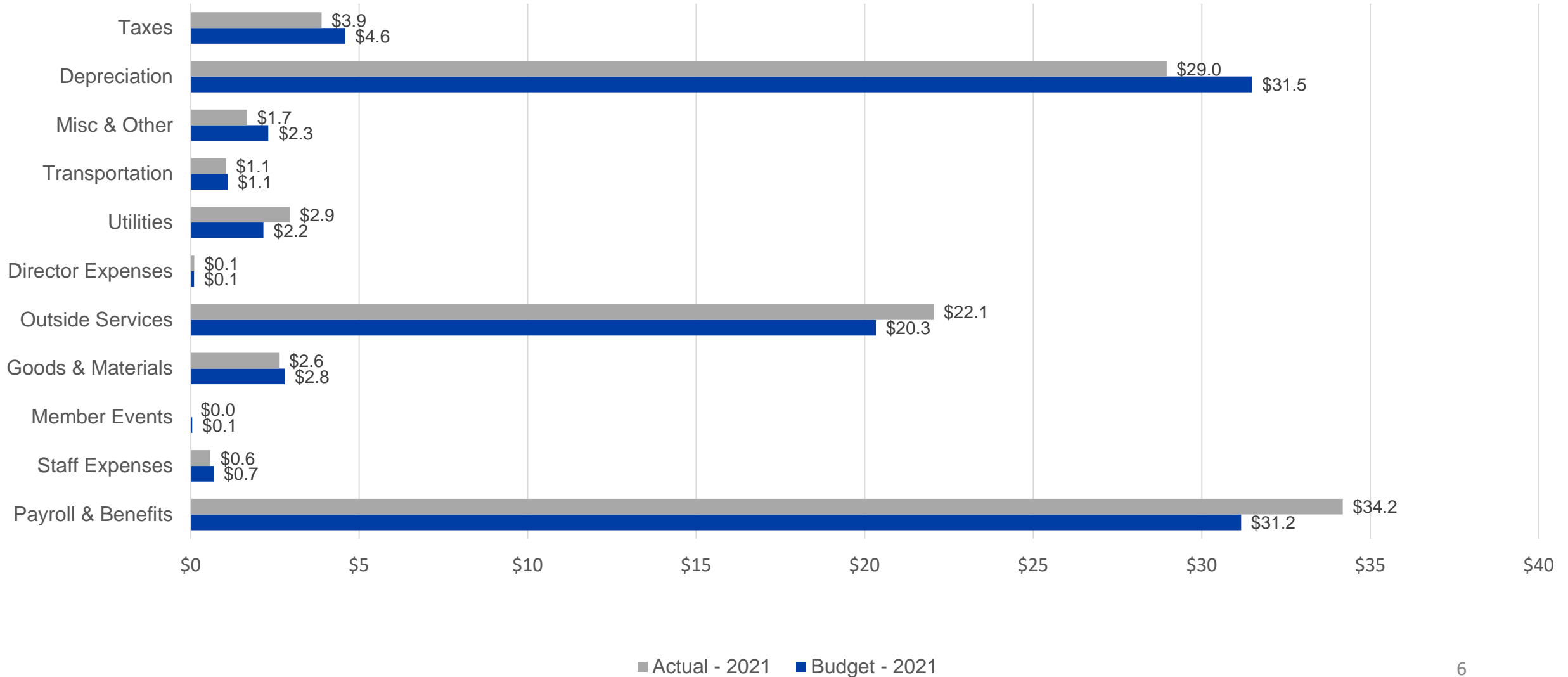


Net Margins Year to Date (in millions)



Cost of Service (in millions)

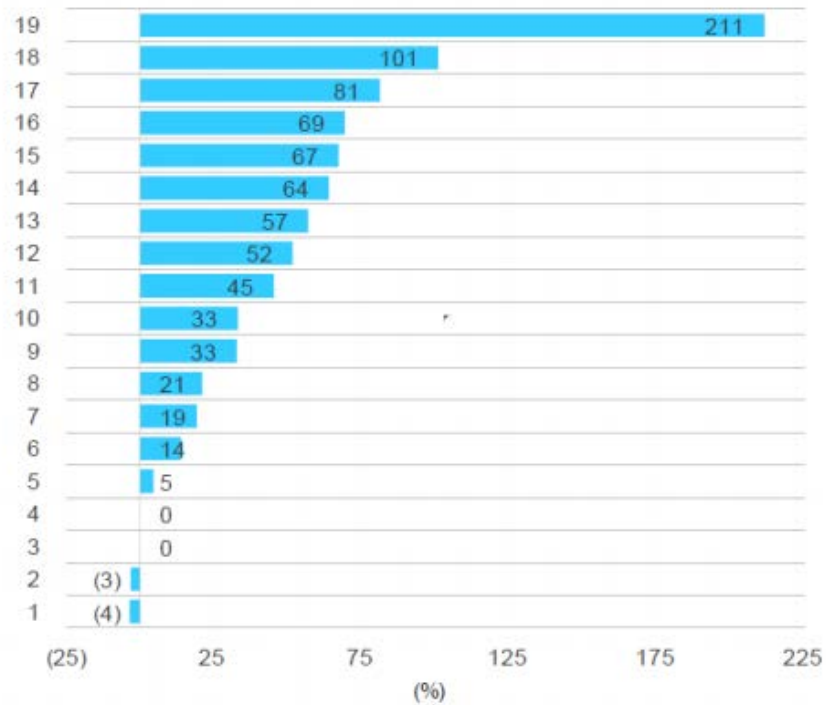
YTD Actual vs Budget through May 2021



Winter Storm Costs

Winter Storm Costs for 19 Fitch Rated Utilities

Winter Storm Costs as % of 2020 Operating Expenditures



Source: Fitch Ratings and Various Issuer Public and Confidential Disclosures.

PEC Winter Storm Costs

Cost Component	Amount
Storm Restoration Costs	10.0
Additional Power Costs	170.0
ERCOT Settlement Recovery	(20.0)
Net Additional Storm Costs	160.0

Credit Ratings

Fitch Rating Scale

Rating	Description	
AAA	Highest Credit Quality	Investment Grade**
AA	Very High Credit Quality	
A	High Credit Quality	
BBB	Good Credit Quality	
BB	Speculative	Non-Investment Grade**
B	Highly Speculative	
CCC	Substantial Credit Risk	
CC	Very High Levels of Credit Risk	
C	Near Default	
RD	Restricted Default	
D	Default	

Corporate Bond Yields

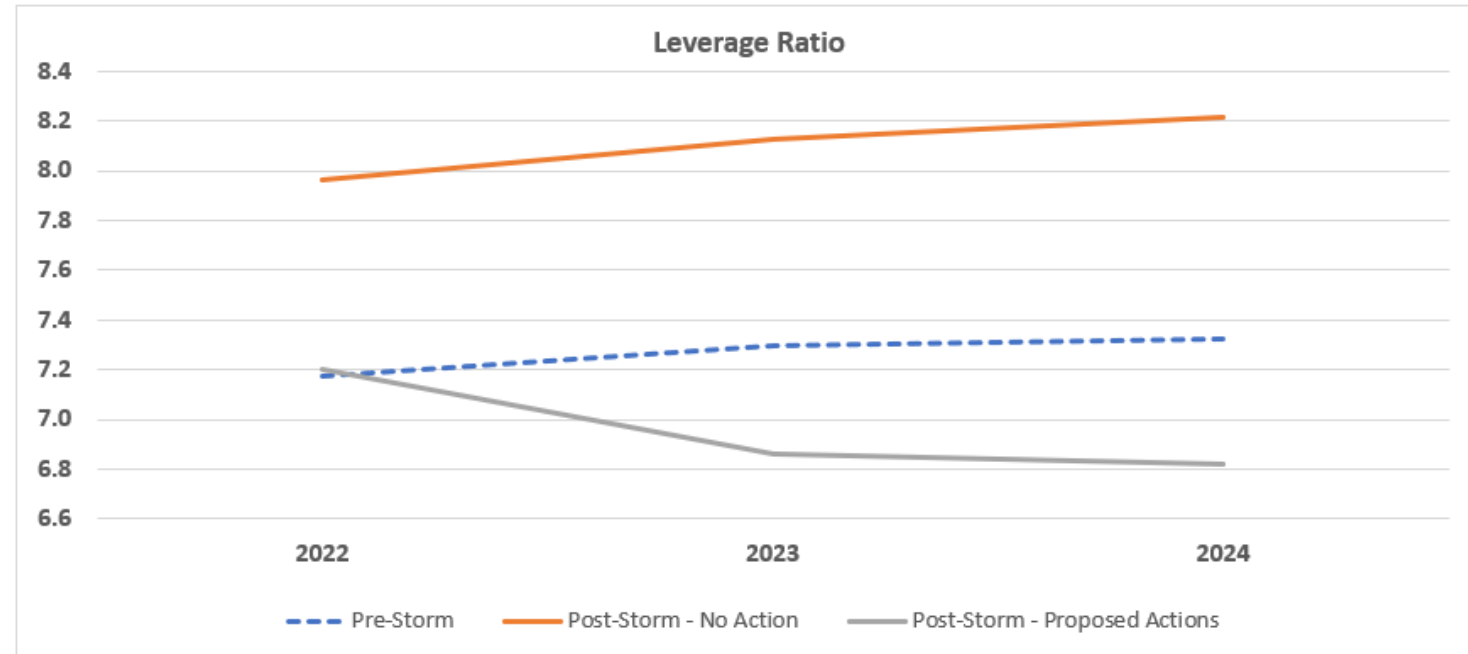


Rate Actions and Leverage Ratios

Proposed Actions	Duration
7 mills Storm Recovery Rate, 24 months	Q4 2021 - Q3 2023
1 mill Distribution	Q4 2021 +

Debt Balance (<i>Dollars in Millions</i>)	2021	2022	2023	2024
Pre-Storm	910	983	1,070	1,131
Post-Storm - No Action	1,063	1,145	1,245	1,338
Post-Storm - Proposed Action	1,043	1,009	975	989

Leverage	2021	2022	2023	2024
Pre-Storm	7.13	7.17	7.30	7.32
Post-Storm - No Action	8.91	7.97	8.12	8.21
Post-Storm - Proposed Actions	7.67	7.20	6.86	6.82

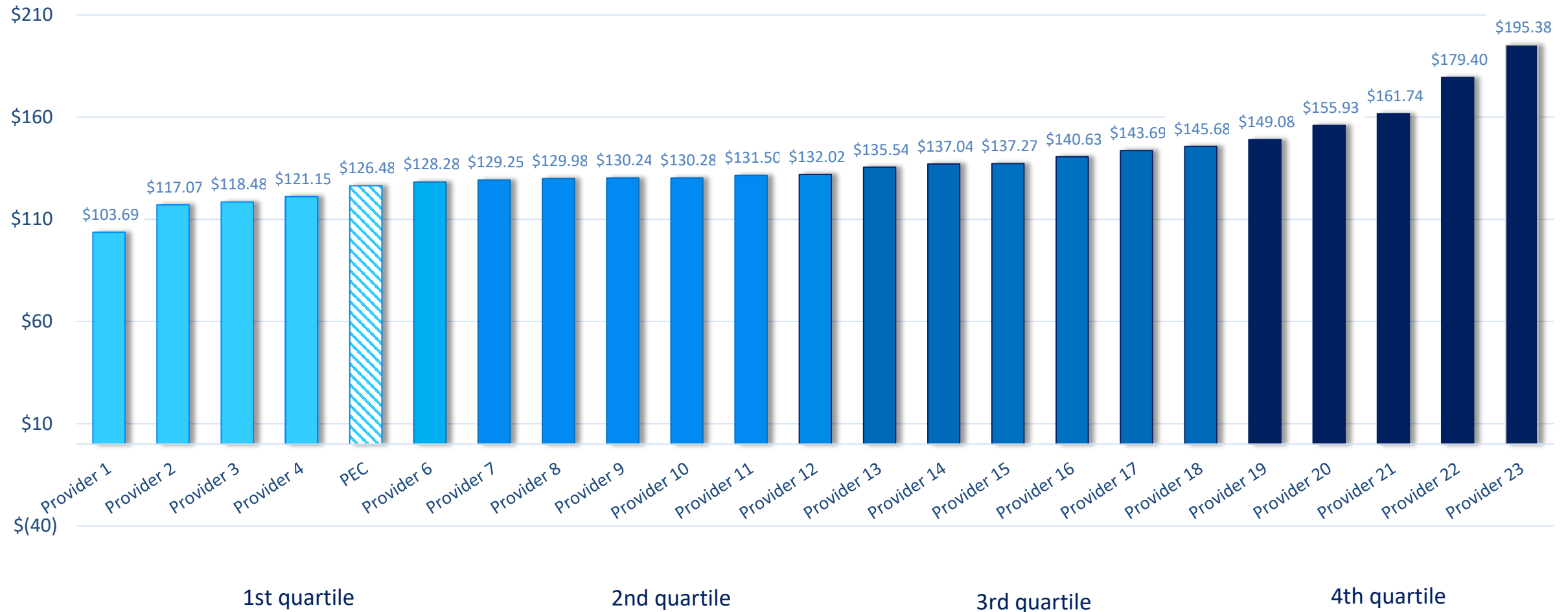


Additional Actions

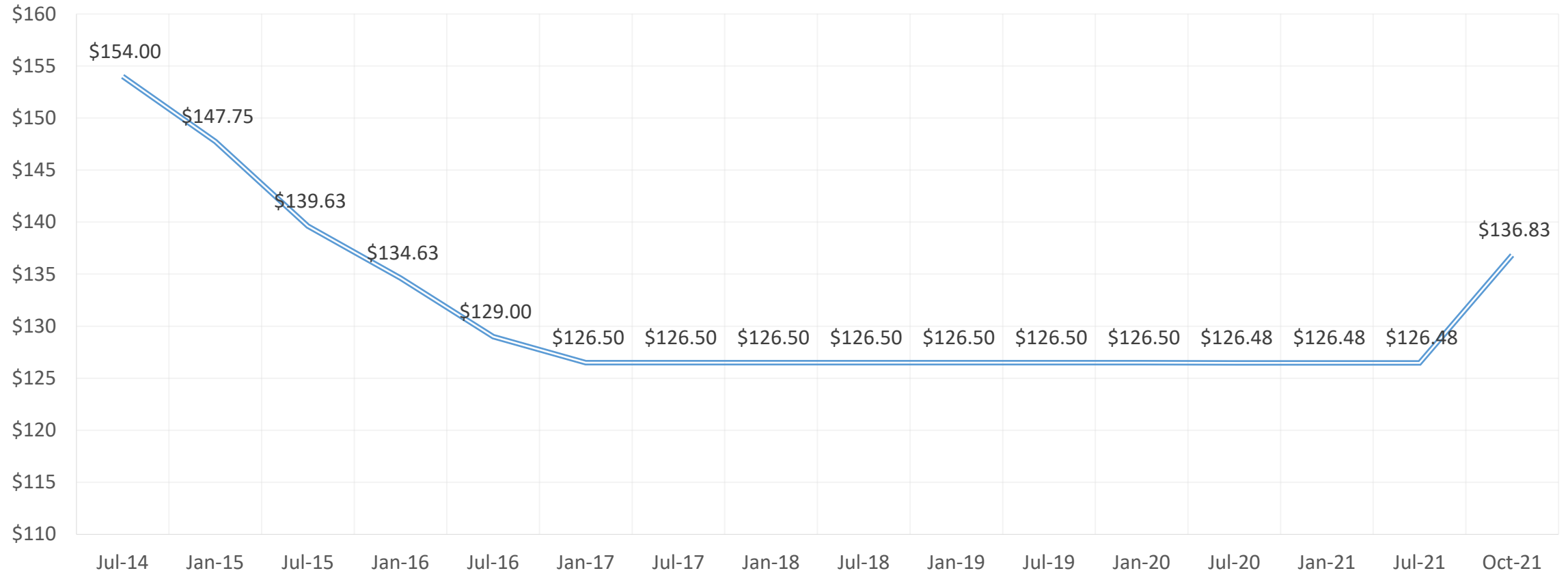
- Rate actions increase cash flow \$110 million over 3 years
- Financial leverage will need to be decreased below pre-storm levels. To achieve this and pay off storm costs other actions were taken in order to minimize the need for larger rate actions

Action Item	Total Actions
Line Extensions	60.9
General CIP Reductions	67.7
OPEX Reductions	18.4
Reimbursements	5.9
Net Impact	152.9

Residential Bill Comparison – June 2021



Residential Cost for 1,250 kWh/month





PROUD