



Cooperative Update

Julie C. Parsley | Chief Executive Officer

Eddie Dauterive | Chief Strategy Officer

Nathan Fulmer | Chief Operations Officer — Distribution

Randy Kruger | Chief Financial Officer

JP Urban | Chief Administrative Officer



CEO Report

Julie C. Parsley | Chief Executive Officer

PEC Prepared for Winter Challenges

- ERCOT issued a Weather Watch for January 24–27, due to Winter Storm Fern, expecting sub-freezing temperatures and high electricity demand
- PEC began taking action to prepare as early as January 19, including joining statewide emergency calls
- Staff were ready for the event going into the weekend through daily check-ins, 24-hour scheduling, and engagement with material vendors and contractor support

IN-DEPTH WINTER STORM COMPARISON
WINTER STORM 2021 VS ICE STORM 2023 VS WINTER STORM 2026

	2021	2023	2026
BELOW FREEZING:	144 HRS	66 HRS	50 HOURS
PRECIP:	6.5" SNOW	0.69" ICE	0.05" ICE 0.6" SLEET
COLDEST LOWS:	7°	29°	18°
COLDEST HIGHS:	25°	32°	28°

PEC Prepared for Winter Challenges

- Maintenance, construction, contract, and vegetation crews were ready:
 - 98% PEC crew availability into the weekend
 - 130 PEC teams in the field
- Contact and control centers were fully staffed and prepared to respond
- Fleet and Facilities teams quickly responded to icy conditions and fortified vehicles



PEC Prepared for Winter Challenges

- The system peak for the event reached 2,189 MW, PEC's record demand of 2,260 MW occurred on February 21, 2025
- ERCOT did not need to call for conservation
- Winter Storm Fern was another excellent demonstration of the system's resiliency and staff's readiness



PUC & ERCOT Update

- ERCOT is reviewing its current Large Load Interconnection (LLI) process
- Currently, LLI requests are studied individually, this resulted in the need to restudy some LLI requests one or more times due to outdated study assumptions
- ERCOT is engaging with stakeholders on the development of a new Batch Study process before presenting the necessary protocol changes to the ERCOT Board in June 2026





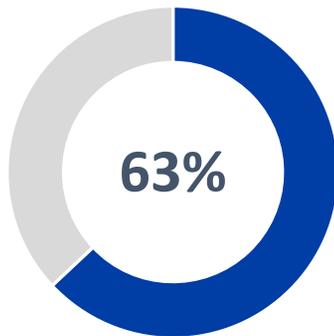
February Quarterly Report

Eddie Dauterive | Chief Strategy Officer

Pulse Survey

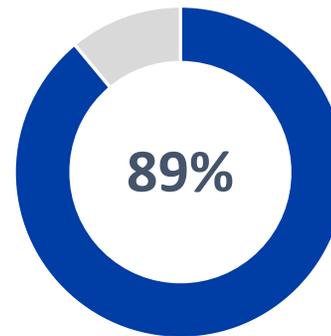
The Pulse Survey was completed in November to measure employee engagement with the Cooperative. Survey questions measured the employee experience and gathered feedback on PEC's working environment.

Participation



Global survey average = 65%

Engagement



Global survey average = 74%

More survey information:

- Detailed results are summarized and available through PEC Wired
- A Stronger Together podcast with leadership discussion of feedback and next steps will be shared

2026 Planning

Each year, leadership sets annual planning for long-term strategic goals that are reviewed alongside calendar budgeting preparation and Cooperative availability of resources. Strategic discussions around efficiencies and optimization have led to many projects in these areas, examples:

Efficiency Improvements

Warehousing Technology
Outage Prediction System
Member Payment Incentives
Line Loss Reduction

Long-Term Planning

Business Case Processes
Large Load Project Intake System
Design & Planning Portal
Enterprise System Roadmap

Regulatory Compliance

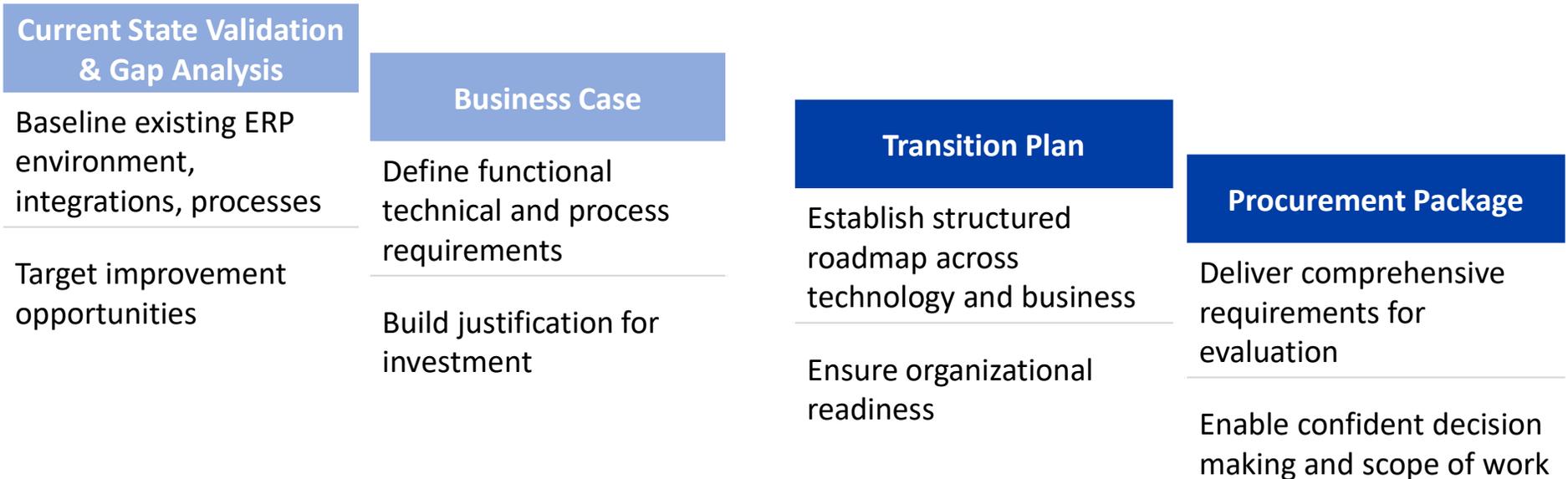
Transmission Cost of Service
Wildfire Mitigation Plan
Emergency Operations Plan
Pole Inspection Program

Our 2026-2030 Strategic Plan provides the guidance to initiate these improvements, as well as the framework for performance measurements of these programs for continued progression.

PEC is preparing for a 24-week assessment that will lay the foundation for potential future ERP transitions:

Phase 1: Business assessment of current state and build business cases for future state

Phase 2: Build a transition plan and procurement package for any new solutions or support





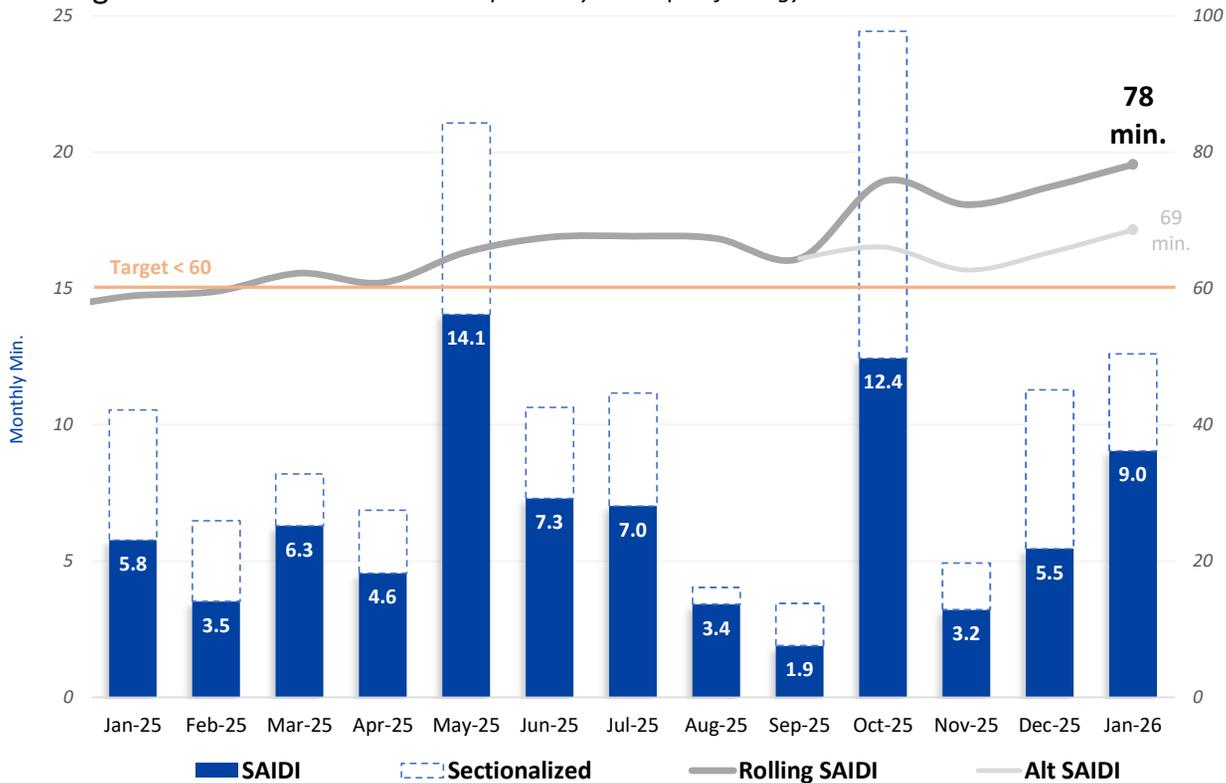
Operations Report

Nathan Fulmer | Chief Operations Officer -
Distribution

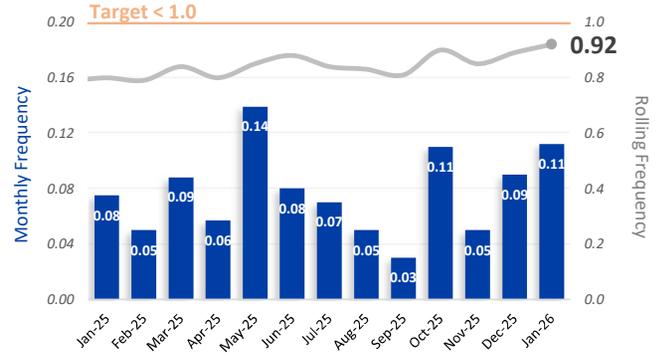
Reliability

SAIDI System Average Interruption Duration Index

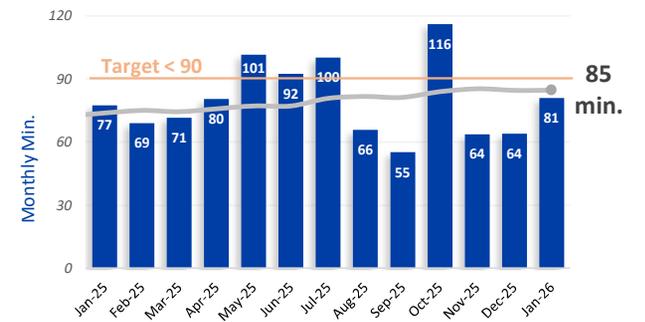
TX Avg SAIDI in 2024 = **153 min.** reported by the Dept. of Energy



SAIFI System Average Interruption Frequency Index



CAIDI Customer Average Interruption Duration Index

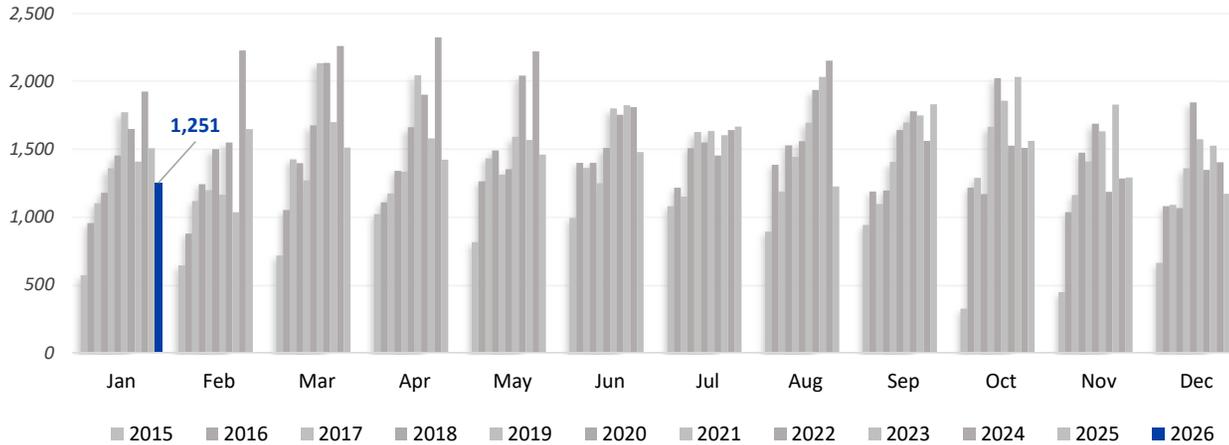


System Growth

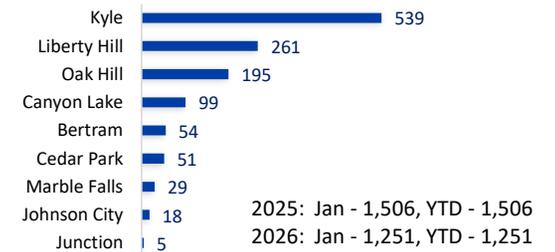
To be updated from Finance

Line Extensions Completed

2023: 19,886 2024: 22,323 2025: 17,770 2026: 1,251



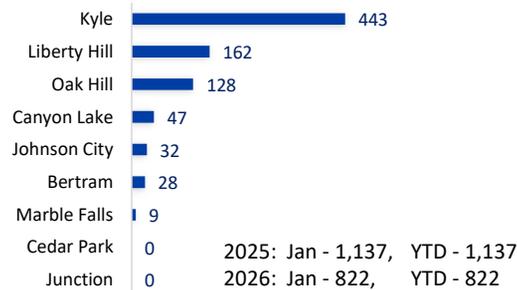
Line Extensions by District



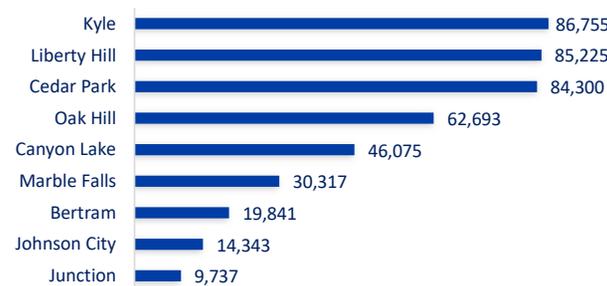
Miles of Distribution Line:

Overhead:	17,859	(69%)
Underground:	8,201	(31%)
Total:	26,060	

Meter Growth (822)

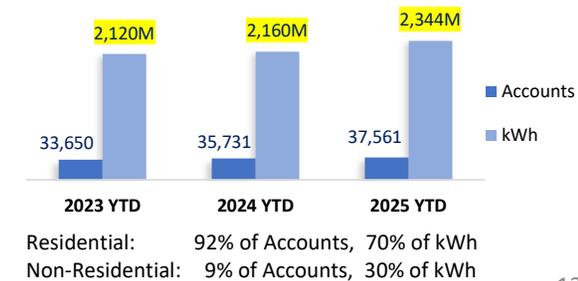


Meter Totals (439,286)



Residential & Commercial

Non-Residential Accounts and Consumption YTD



Junction Improvements

Site Improvements:

- Civil site work grating
- Yard base
- Storm water runoff
- Underground utility infrastructure

Fencing:

- New primary entrance gate
- Perimeter fence replacement

Facilities:

- Fleet building with truck wash
- 50' Warehouse expansion for materials
- 25' Warehouse expansion for officing



Safety & Technical Training Update

Department Highlights

Program Update

- Conducted the Apprenticeship Oversight Committee (AOC) meeting to discuss program updates and enhancements.
- Upgraded the training facility by replacing poles in the front yard to enhance safety and aesthetics.
- Finished the build-out in the training yard, with additional space and resources for apprentices.

Assessments

- Completed two pre-employment assessments to evaluate candidates for the Apprenticeship Program.
- Successfully conducted two assessments for Year 3 and Year 4 apprentices, ensuring competency and skill development.

Apprentice Spotlight



Nathan Buckingham
Apprentice 2
Cedar Park

Nathan is highlighted this month for his outstanding contributions and dedication to the apprenticeship program.

Demonstrating exceptional commitment, Nathan is consistently the first to arrive for class and the last to leave.

His hard work paid off as he achieved perfect scores in his four exams and excelled in climbing and building transformer banks.

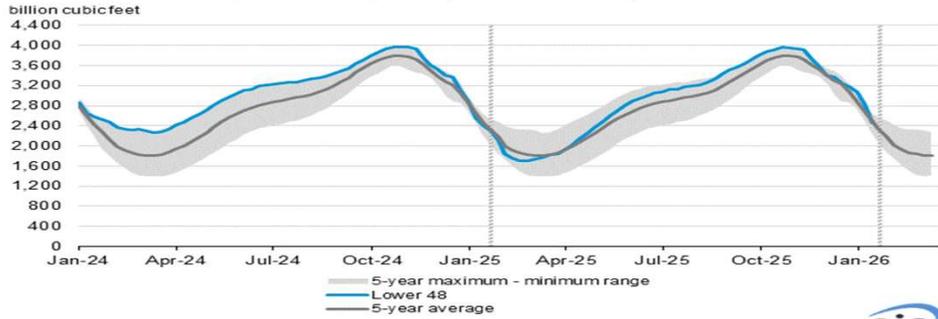


January 2026 Financial Report

Randy Kruger | Chief Financial Officer

Power Market Fundamentals

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

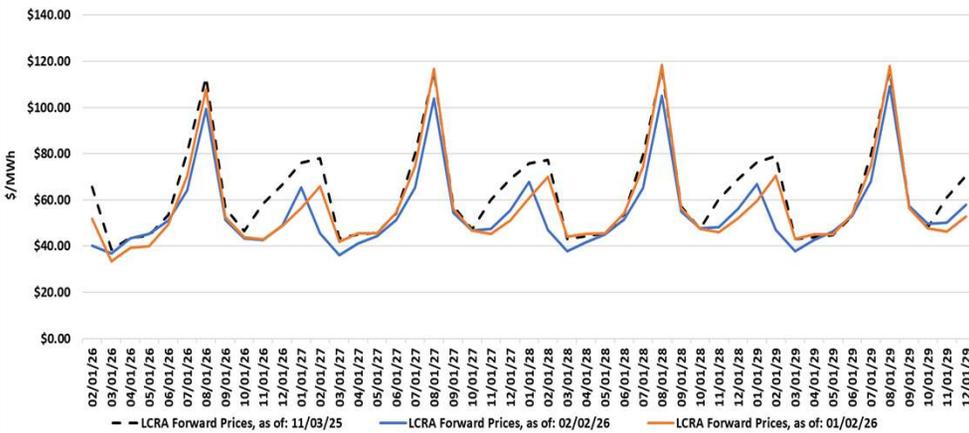


Data source: U.S. Energy Information Administration
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2021 through 2025. The dashed vertical lines indicate current and year-ago weekly periods.

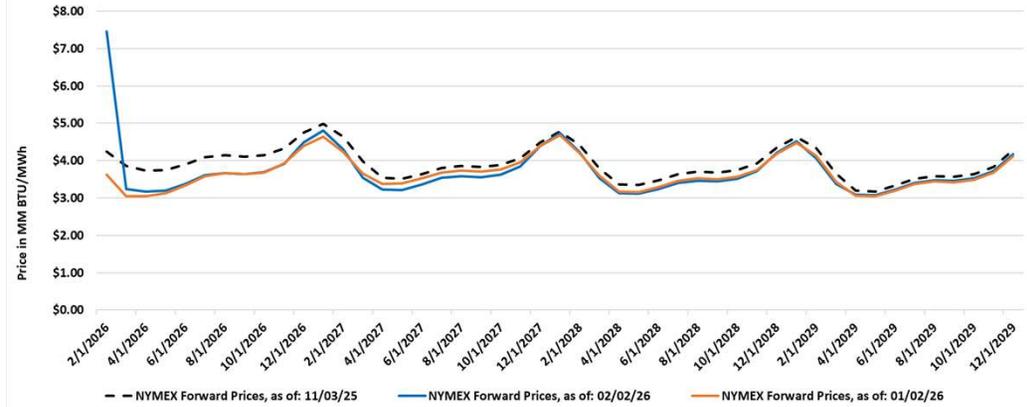


As of Feb 5, 2026

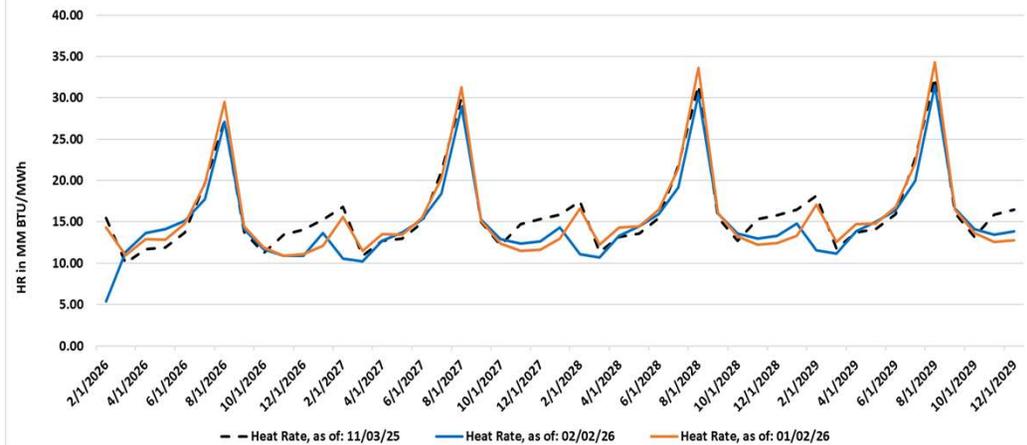
Power Forward Prices, ATC



Forward Gas Prices



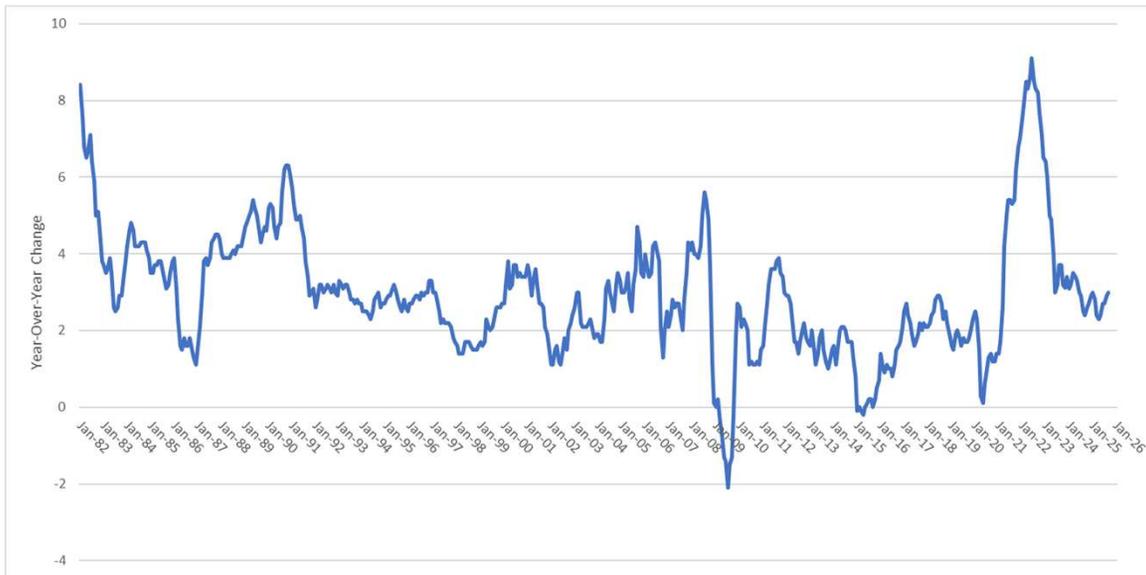
Forward Heat Rates



Inflation

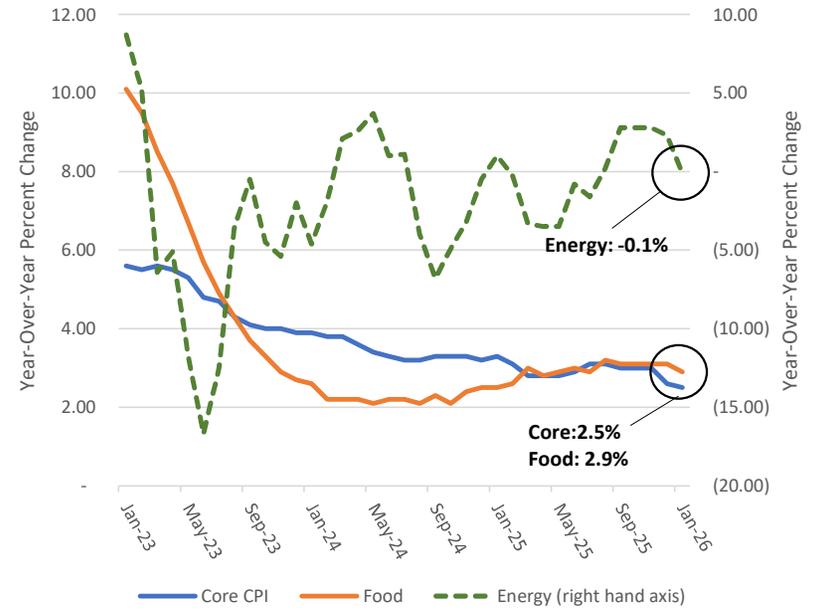
Overall CPI decreased to 2.4% YoY from 2.7% YoY in December; Core CPI decreased to 2.5% YoY from 2.6% YoY in December. Energy prices were down -0.1% YoY driven by gasoline (-7.5%) and fuel oil (-4.2%); partially offset by electricity (+6.3%) and utility gas service (+9.8%)

CPI Jan 1982 to Jan 2026



Source: U.S. Bureau of Labor Statistics

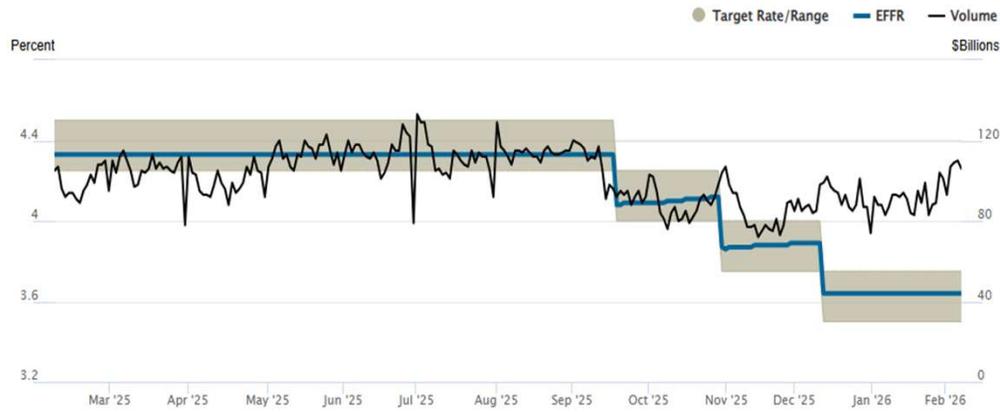
**Core CPI, Food and Energy
Jan 2023 to Jan 2026**



Source: U.S. Bureau of Labor Statistics

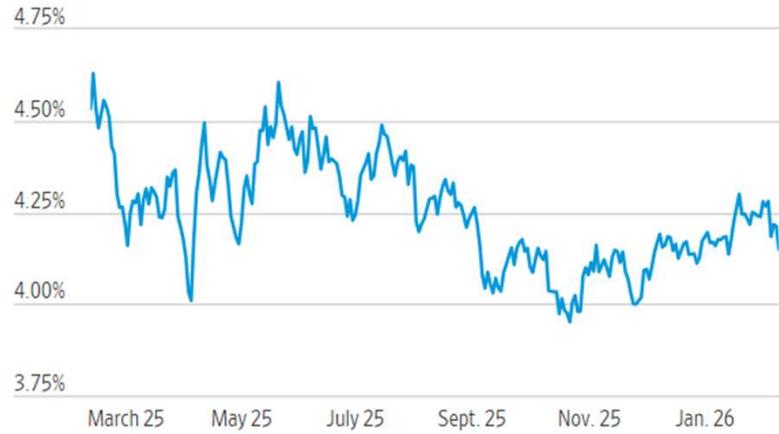
Interest Rates

Federal Funds Rate



Source: Federal Reserve Bank of New York 2/10/2025

10-Year Note



Source: *The Wall Street Journal* 2/10/2025



CAO Report

JP Urban | Chief Administrative Officer

Eight Students Heading to Washington, D.C.



Congratulations to Our Delegates!

- **Maxwell Davila**, Lake Travis HS
- **Anna Edwards**, Cedar Park HS
- **Gabriella Fory**, Canyon Lake HS
- **Ava Gray**, One Day Academy
- **Thomas Jansta**, Leander HS
- **Kandice Richardson**, Lago Vista HS
- **Saisha Siram**, Westwood HS
- **John Alan Whittle**, Marble Falls HS



Member Relations Report

January Member Relations Metrics

- Agent Utilization: 76.93% *
- Calls handled: 19,003
- Chats handled: 1,339
- Applications for existing service
 - Online: 2,166 (26%)
 - Phone: 6,054 (74%)
- Member experience satisfaction rating: 4.57 out of 5
- Member experience first contact resolution: 90.06%
- 92.31% of members say they would enjoy working with the same agent again



Carolyn Bannowsky: 45 Years Shining





Appreciation and Look Ahead

Employee Shoutouts*



Michelle Colarusso
Member Relations
Agent 2
Oak Hill

Ida Horton
Member Relations
Agent 2
Marble Falls

Randa Jacoby
Distribution
Planner2
Junction

Jordan Marsh
Lineworker
Apprentice 2
Marble Falls

Dakota Smith
Journeyworker
Marble Falls

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

Horseshoe Bay Shares Appreciation

To be
updated
2/18/26

- Photos and details to come February 18



Appendix Pages



Appendix - Operations Report

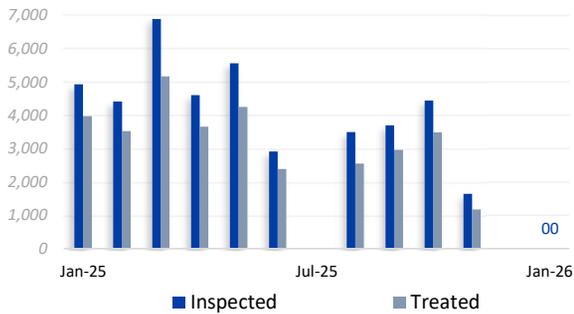
Nathan Fulmer | Chief Operations Officer - Distribution

Maintenance & Technical Services

Pole Testing & Treatment (PTT)

Poles Inspected & Treated

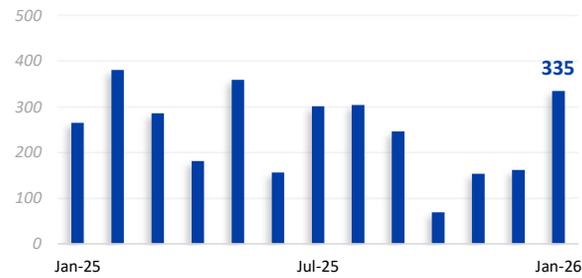
2025 YTD: Inspections - 4,928 Treated - 3,977
 2026 YTD: Inspections - 0 Treated - 0



Underground Equipment

Pad Restorations

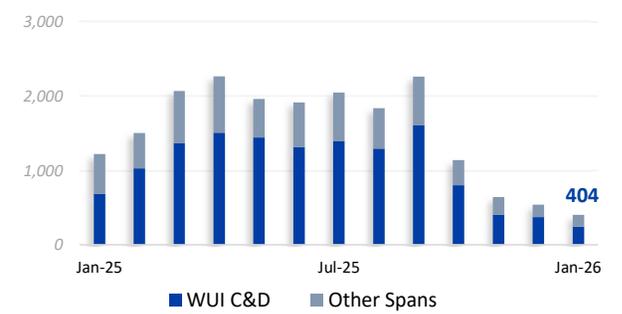
2025 YTD: 265
 2026 YTD: 335



Vegetation Management

Span Clearings

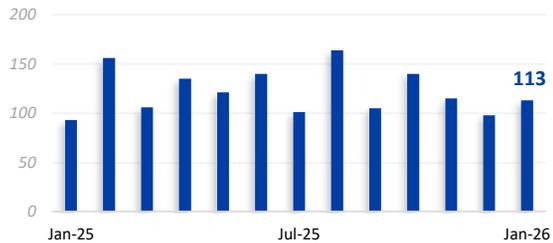
2025 YTD: Encroachments Completed - 1,219
 2026 YTD: Encroachments Completed - 404



Technical Services

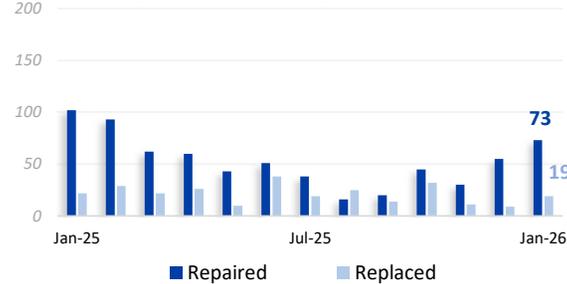
Equipment Inspections

2025 YTD: 93
 2026 YTD: 113



Equipment Repaired or Replaced

2025 YTD: Repaired - 102 Replaced - 22
 2026 YTD: Repaired - 73 Replaced - 19



Planning Engineering Projects

Project	Completion	Percent Complete
20-Year Plan Study	Feb 2026	95%
2025 CIP Project Maps	Feb 2026	70%
Load Projection Study	Mar 2026	90%
Capacitor Settings	Mar 2026	10%
4CP Study	Apr 2026	0%
Summer Contingency	May 2026	0%
UFLS Study	Jul 2026	0%
CIP (1 st Draft) Study	Jul 2026	0%
CIP (Final Draft) Study	Jul 2026	0%
Mock UFLS Study	Dec 2026	0%
Winter Contingency	Dec 2026	0%

Large Project Updates

Johnson City - Haley Road Phase II Yard Expansion

Project pending security cameras and wi-fi installation. Expected February 2026 completion.

Liberty Hill Materials Yard Expansion

Construction underway with expected completion in March 2026.

Liberty Hill Warehouse Expansion

Design and construct +/- 15k sf. warehouse and convert existing warehouse and training area to staff space. Design consultant chosen, contract pending review and approval.

Bertram Yard Expansion

Expand materials yard into adjacent property. Grade and stabilize base. Install perimeter fencing, lighting, and new gate along Hwy. 29. Construction expected to begin in Q2 2026.

Generator Refresh

Replacement of end-of-life back-up generators at Kyle, Cedar Park, Bertram, Canyon Lake, and Haley Rd is underway. Design work is near completion, generators purchased, and construction to begin in Q2 2026 after RFP.





Appendix - Financial Report

Randy Kruger | Chief Financial Officer

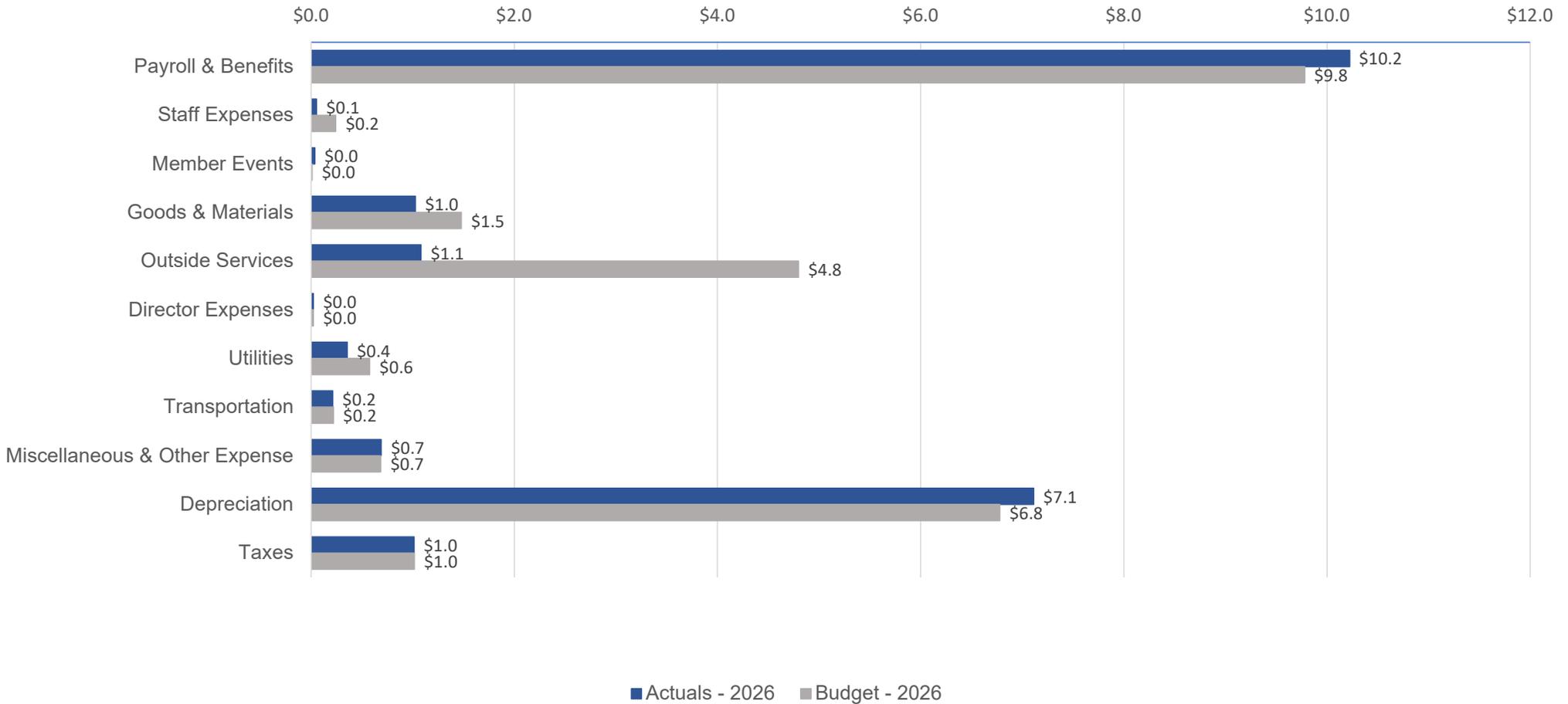
4. Financial Report

Financial Performance

	MTD			YTD			Annual	2025 to 2026 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
Gross Margins	\$ 35,626,870	\$ 35,149,884	\$ 34,262,188	\$ 35,626,870	\$ 35,149,884	\$ 34,262,188	\$ 423,682,060	3.98%
Operating Expenses Ex. Depreciation	14,709,571	18,825,764	14,908,427	14,709,571	18,825,764	14,908,427	218,995,290	-1.33%
Depreciation	7,112,792	6,779,720	6,672,366	7,112,792	6,779,720	6,672,366	85,396,529	
Interest Expense	4,586,960	4,871,043	4,331,094	4,586,960	4,871,043	4,331,094	58,430,758	
Other Income	(87,575)	(421,638)	(139,918)	(87,575)	(421,638)	(139,918)	(4,982,148)	
Net Margins	\$ 9,305,122	\$ 5,094,995	\$ 8,490,219	\$ 9,305,122	\$ 5,094,995	\$ 8,490,219	\$ 65,841,632	
EBIDA	\$ 21,004,874	\$ 16,745,758	\$ 19,493,679	\$ 21,004,874	\$ 16,745,758	\$ 19,493,679	\$ 209,668,918	7.75%
Over (Under) Collected Revenues	(9,167,153)	(3,139,880)	4,281,757	(9,167,153)	(3,139,880)	4,281,757	(1,461,948)	
EBIDA(X)	\$ 11,837,721	\$ 13,605,878	\$ 23,775,436	\$ 11,837,721	\$ 13,605,878	\$ 23,775,436	\$ 208,206,970	
Total Long-Term Debt							\$ 1,408,138,575	
Debt Service							94,910,333	
Debt Service Coverage Ratio							2.15	
Equity as Percent of Assets							38.3%	
Net Plant in Service							\$ 2,465,539,944	
Capital Improvement Spend							\$ 260,319,172	
Energy Sales kWh	699,894,871	662,383,008	776,875,883	699,894,871	662,383,008	776,875,883	8,292,263,992	-9.91%
Energy Purchases kWh	744,678,081	699,075,931	798,600,740	744,678,081	699,075,931	798,600,740	8,728,727,464	-6.75%
Active Accounts				442,373	444,008	426,658	461,238	3.68%

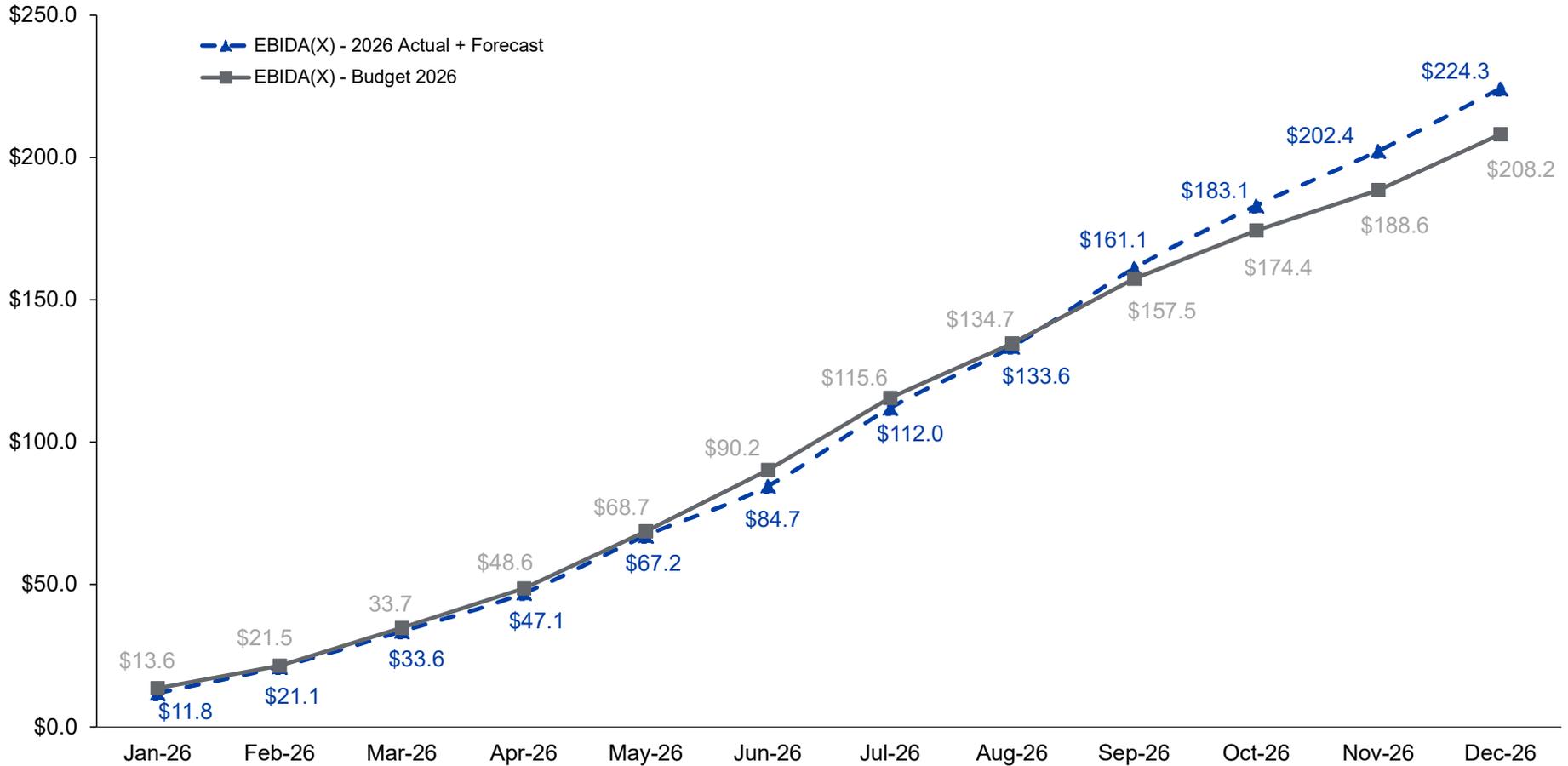
Cost of Service (in millions)

YTD Actuals vs Budget through January 2026



4. Financial Report

EBIDA(X) Year to Date (in millions)



4. Financial
Report

CIP Spend

Construction Category & Description	Non MultiYear YTD Actuals	Brd Appr MultiYear YTD Actuals	Total YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
Distribution						
200 Tie Lines (new construction between existing lines)	(374,839)	-	(374,839)	1,909,001	2,283,840	18,564,728
300 Conversions or Line Changes	661,169	80,142	741,311	4,118,210	3,376,900	41,957,603
600 Miscellaneous Distribution Equipment	1,890,632	-	1,890,632	3,985,347	2,094,714	46,926,561
700 Other Distribution Items	(133,531)	-	(133,531)	44,608	178,139	540,908
Distribution Total	\$ 2,043,432	\$ 80,142	\$ 2,123,573	\$ 10,057,167	\$ 7,933,593	\$ 107,989,801
Substation						
400 New Substations, Switching Stations and Meter Points	8,731	15,198	23,929	2,885,494	2,861,565	30,909,244
500 Substations, Switching Stations and Meter Point changes	261,122	776,804	1,037,927	4,698,418	3,660,492	34,895,033
Substation Total	\$ 269,853	\$ 792,002	\$ 1,061,855	\$ 7,583,912	\$ 6,522,057	\$ 65,804,277
Transmission						
800 New Transmission Lines	62,990	29,630	92,620	144,102	51,482	4,443,228
1000 Line and Station Changes	160,964	379,195	540,159	2,011,351	1,471,192	48,883,575
Transmission Total	\$ 223,954	\$ 408,825	\$ 632,779	\$ 2,155,453	\$ 1,522,674	\$ 53,326,803
General Plant						
2000 Facilities	(484,004)	25,566	(458,438)	1,509,166	1,967,604	18,122,693
3000 Information Technology	85,922	-	85,922	629,327	543,405	6,786,598
4000 Tools & Equipment	18,776	-	18,776	50,000	31,224	600,000
5000 Vehicles	923,083	-	923,083	640,750	(282,333)	7,689,000
Total General Plant	\$ 543,777	\$ 25,566	\$ 569,344	\$ 2,829,244	\$ 2,259,900	\$ 33,198,291
Accrued WIP & Prepaid Aid	\$ (3,632,363)	\$ -	\$ (3,632,363)	\$ -	\$ 3,632,363	\$ -
Total Capital Improvement Plan Spend	\$ (551,347)	\$ 1,306,535	\$ 755,188	\$ 22,625,776	\$ 21,870,588	\$ 260,319,171

Fleet Spend Current & Prior Year Orders	YTD Actuals	Prior Year Orders	Net YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
5000 Vehicles	923,083	634,093	288,990	640,750	351,760	7,689,000



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