



Statements of Income and Patronage Capital

	MTD			YTD		
	Actual JUNE 2017	Budget JUNE 2017	Actual JUNE 2016	Actual JUNE 2017	Budget JUNE 2017	Actual JUNE 2016
KWH Purchased (available for sale)	583,460,000	565,908,000	576,141,000	2,685,342,000	2,802,081,000	2,660,858,000
KWH Sold	558,321,000	530,281,000	554,629,000	2,567,344,000	2,620,207,000	2,502,949,000
OPERATING REVENUES:						
Sale of Electricity	\$ 54,229,000	\$ 50,914,000	\$ 53,816,000	\$ 266,801,000	\$ 264,501,000	\$ 256,071,000
LCRA Fuel Power Cost Recovery Factor	200,000	-	(2,631,000)	1,721,000	-	(2,050,000)
Other Revenue	2,265,000	2,248,000	2,346,000	13,211,000	13,840,000	13,337,000
Operating Revenues - Total	56,694,000	53,162,000	53,531,000	281,733,000	278,341,000	267,358,000
OPERATING & MAINTENANCE EXPENSES:						
Purchased Power	32,137,000	30,639,000	33,188,000	155,579,000	157,313,000	155,063,000
LCRA Fuel Power Cost Recovery Factor	200,000	-	(2,631,000)	1,721,000	-	(2,050,000)
Transmission Operations	60,000	82,000	49,000	284,000	394,000	288,000
Transmission Maintenance	262,000	296,000	240,000	2,045,000	1,763,000	1,032,000
Distribution Operations	3,476,000	3,114,000	2,917,000	16,775,000	17,181,000	15,225,000
Distribution Maintenance	1,945,000	1,218,000	1,310,000	8,094,000	7,358,000	7,718,000
Consumer Accounts	2,644,000	2,178,000	2,138,000	11,654,000	13,024,000	10,700,000
Customer Service & Information	302,000	382,000	146,000	1,477,000	2,072,000	845,000
Economic Development	124,000	141,000	96,000	727,000	948,000	416,000
Administrative & General	2,651,000	2,174,000	1,351,000	13,340,000	13,575,000	14,404,000
Depreciation & Amortization Expense	3,858,000	3,799,000	3,499,000	23,084,000	22,371,000	20,792,000
Tax Expense	109,000	84,000	95,000	469,000	431,000	1,969,000
Operating & Maintenance Expenses - Total	47,768,000	44,107,000	42,398,000	235,249,000	236,430,000	226,402,000
MARGIN BEFORE INTEREST	8,926,000	9,055,000	11,133,000	46,484,000	41,911,000	40,956,000
INTEREST EXPENSE:	2,667,000	2,801,000	2,509,000	16,255,000	16,926,000	15,382,000
MARGIN AFTER INTEREST	6,259,000	6,254,000	8,624,000	30,229,000	24,985,000	25,574,000
OTHER INCOME (EXPENSE):	141,000	3,000	124,000	863,000	268,000	408,000
NET MARGIN (LOSS)	\$ 6,400,000	\$ 6,257,000	\$ 8,748,000	\$ 31,092,000	\$ 25,253,000	\$ 25,982,000
COMPREHENSIVE INCOME	\$ 6,400,000		\$ 8,748,000	\$ 31,092,000		\$ 25,982,000
PATRONAGE CAPITAL - BEGINNING OF PERIOD	427,460,000		391,668,000	402,207,000		373,806,000
Patronage Capital Retired	(12,000)		(53,000)	11,000		(19,000)
Transfers to Other Equities	(12,000)		(65,000)	526,000		529,000
PATRONAGE CAPITAL - TOTAL	\$ 433,836,000		\$ 400,298,000	\$ 433,836,000		\$ 400,298,000



Balance Sheet

	JUNE 2017	DECEMBER 2016	\$ VARIANCE	% CHANGE	JUNE 2016
ASSETS					
UTILITY PLANT:					
In Service:					
Transmission	\$ 100,314,000	\$ 100,303,000	\$ 11,000	0.01%	\$ 102,582,000
Distribution	1,363,629,000	1,344,293,000	19,336,000	1.44%	1,277,510,000
General & Electric	149,921,000	146,848,000	3,073,000	2.09%	130,314,000
Utility Plant - In service	1,613,864,000	1,591,444,000	22,420,000	1.41%	1,510,406,000
Long-Term Capital Projects	93,937,000	58,035,000	35,902,000	61.86%	91,194,000
Utility Plant - Total	1,707,801,000	1,649,479,000	58,322,000	3.54%	1,601,600,000
Accumulated Depreciation	(296,690,000)	(286,311,000)	(10,379,000)	3.63%	(300,640,000)
Utility Plant - Net	1,411,111,000	1,363,168,000	47,943,000	3.52%	1,300,960,000
LONG TERM INVESTMENTS:					
Capital Term Certificates & Other	12,139,000	12,179,000	(40,000)	(0.33%)	11,606,000
CURRENT ASSETS:					
Cash	2,503,000	33,244,000	(30,741,000)	(92.47%)	7,442,000
Accounts Receivable:					
Members	27,404,000	15,940,000	11,464,000	71.92%	26,116,000
Other	3,618,000	5,510,000	(1,892,000)	(34.34%)	12,785,000
Allowance for Uncollectible Accts	(810,000)	(1,046,000)	236,000	(22.56%)	(924,000)
Accrued Unbilled Revenue	29,033,000	24,084,000	4,949,000	20.55%	28,126,000
Materials & Supplies	21,910,000	22,423,000	(513,000)	(2.29%)	25,911,000
Prepayments & Other	2,696,000	2,332,000	364,000	15.61%	3,302,000
Current Assets - Total	86,354,000	102,487,000	(16,133,000)	(15.74%)	102,758,000
DEFERRED CHARGES & OTHER ASSETS:					
Regulatory Assets	70,251,000	69,924,000	327,000	0.47%	68,009,000
Other Deferred Charges	837,000	964,000	(127,000)	(13.17%)	4,081,000
Deferred Charges & Other Assets - Total	71,088,000	70,888,000	200,000	0.28%	72,090,000
TOTAL ASSETS	\$ 1,580,692,000	\$ 1,548,722,000	\$ 31,970,000	2.06%	\$ 1,487,414,000



Balance Sheet

	JUNE 2017	DECEMBER 2016	\$ VARIANCE	% CHANGE	JUNE 2016
EQUITY & LIABILITIES					
EQUITY:					
Membership Certificates	\$ 11,876,000	\$ 11,614,000	262,000	2.26%	\$ 11,344,000
Permanent Equity	171,203,000	171,730,000	(527,000)	(0.31%)	151,489,000
Patronage Capital	433,836,000	402,207,000	31,629,000	7.86%	400,298,000
Equity - Total	616,915,000	585,551,000	31,364,000	5.36%	563,131,000
LONG-TERM DEBT:					
02 Issue - \$450M - 2032	310,273,000	310,141,000	132,000	0.04%	325,480,000
08 Issue - \$300M - 2043	204,579,000	207,086,000	(2,507,000)	(1.21%)	209,545,000
15 Issue - \$78M - 2020	23,959,000	24,198,000	(239,000)	(0.99%)	24,433,000
15 Issue - \$25M - 2045	42,425,000	50,567,000	(8,142,000)	(16.10%)	58,598,000
16 Issue - \$15M - 2021	9,000,000	11,250,000	(2,250,000)	(20.00%)	-
16 Issue - \$80M - 2046	77,756,000	78,518,000	(762,000)	(0.97%)	-
Long-Term Debt - Total	667,992,000	681,760,000	(13,768,000)	(2.02%)	618,056,000
CURRENT LIABILITIES:					
Lines of Credit	31,000,000	-	31,000,000	100.00%	40,000,000
Current Maturities of LTD	38,478,000	38,126,000	352,000	0.92%	32,645,000
Accounts Payable	48,376,000	52,756,000	(4,380,000)	(8.30%)	47,881,000
Consumer Deposits	6,096,000	5,891,000	205,000	3.48%	5,794,000
Accrued Taxes	7,175,000	9,041,000	(1,866,000)	(20.64%)	6,282,000
Accrued Interest	3,691,000	3,866,000	(175,000)	(4.53%)	3,570,000
Other Current Liabilities	12,946,000	11,498,000	1,448,000	12.59%	12,073,000
Current Liabilities - Total	147,762,000	121,178,000	26,584,000	21.94%	148,245,000
DEFERRED CREDITS & OTHER NONCURRENT LIABILITIES					
Postretirement Benefits Obligation	110,468,000	107,009,000	3,459,000	3.23%	110,526,000
Other Deferred Credits	37,555,000	53,224,000	(15,669,000)	(29.44%)	47,456,000
Deferred Credits - Total	148,023,000	160,233,000	(12,210,000)	(7.62%)	157,982,000
TOTAL EQUITY & LIABILITIES	\$ 1,580,692,000	\$ 1,548,722,000	\$ 31,970,000	2.06%	\$ 1,487,414,000
Equity as a Percent of Assets	39.03%	37.81%			37.86%
Equity Capitalization	46.62%	44.85%			46.39%



Cash Flow Statement

	YTD	
	JUNE 2017	JUNE 2016
OPERATING ACTIVITIES:		
Net Margins	\$ 31,092,000	\$ 25,982,000
Adjustments to Reconcile Net Margins to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation & Amortization Expense	23,084,000	20,925,000
Provision for Uncollectible Accounts	(58,000)	(386,000)
Capital Credits	296,000	208,000
Deferred Charges for Post-Retirement Plans	4,373,000	4,228,000
Payments on Post-Retirement Benefits	(884,000)	-
Changes in assets and liabilities:		
Accounts Receivable - Net	(9,750,000)	(2,967,000)
Accrued Unbilled Revenue	(4,950,000)	(5,056,000)
Materials & Supplies	513,000	1,665,000
Prepayments & Other Current Assets	(364,000)	(1,585,000)
Deferred Charges & Other Assets	(355,000)	2,540,000
Accrued & Accounts Payable	(4,380,000)	(6,001,000)
Consumer Deposits	205,000	78,000
Accrued Taxes	(1,867,000)	(1,349,000)
Accrued Interest	(175,000)	234,000
Other Current Liabilities	1,448,000	2,579,000
Other Deferred Credits & Liabilities	(15,544,000)	(2,225,000)
Net Cash Provided by (Used in) Operating Activities	<u>22,684,000</u>	<u>38,870,000</u>
INVESTING ACTIVITIES:		
Net Additions to Property, Plant & Equipment	(71,026,000)	(65,857,000)
Capital Credit Retirements from Associated Organizations	(256,000)	(73,000)
Net Cash Provided by (Used in) Investing Activities	<u>(71,282,000)</u>	<u>(65,930,000)</u>
FINANCING ACTIVITIES:		
Net Borrowings - Line of Credit	31,000,000	40,000,000
Payments on Long-Term Debt	(13,416,000)	(6,300,000)
Retirement of Patronage Capital	11,000	510,000
Increase in Memberships - Net	262,000	217,000
Net Cash Provided by (Used in) Financing Activities	<u>\$ 17,857,000</u>	<u>\$ 34,427,000</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	\$ 33,244,000	\$ 7,367,000
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 2,503,000</u>	<u>\$ 7,442,000</u>



JUNE 2017 Key Indicators & Ratios

	MTD		YTD	
	JUNE 2017	JUNE 2016	JUNE 2017	JUNE 2016
Net Margins	\$ 6,400,000	\$ 8,748,000	\$ 31,092,000	\$ 25,982,000
Margin as a % of Total Operating Revenue	11.29%	16.34%	11.04%	9.72%
Total Operating Revenue per total mile of line	\$ 2,561	\$ 2,455	\$ 12,725	\$ 12,260
Members connected	7,596	6,506	34,941	30,010
Total Miles of Line:				
Transmission	304.28	304.28	304.28	304.28
Distribution Overhead	16,969.03	16,880.78	16,969.03	16,880.78
Distribution Underground	4,866.10	4,621.50	4,866.10	4,621.50
Total Miles energized	22,139.41	21,806.56	22,139.41	21,806.56
Total Active Accounts			295,158	281,291
Total Memberships			246,490	236,059
Meters per mile			13.33	12.90
Full time employees			726	704
Average bill				
Residential	\$ 131	\$ 133	\$ 665	\$ 697
Small Power	\$ 228	\$ 237	\$ 1,229	\$ 1,284
Large Power/Industrial	\$ 6,205	\$ 6,540	\$ 33,385	\$ 35,719
Public	\$ 2,108	\$ 2,268	\$ 10,595	\$ 10,705
Revenue per kWh				
Residential	\$ 0.1026	\$ 0.1049	\$ 0.1063	\$ 0.1097
Small Power	\$ 0.0978	\$ 0.1040	\$ 0.1001	\$ 0.1043
Large Power/Industrial	\$ 0.0745	\$ 0.0741	\$ 0.0751	\$ 0.0771
Public	\$ 0.0733	\$ 0.0748	\$ 0.0742	\$ 0.0772
Average kWh usage				
Residential	1,273	1,265	6,251	6,353
Small Power	2,329	2,280	12,274	12,312
Large Power/Industrial	83,238	88,280	444,582	463,031
Public	28,742	30,310	142,842	138,714
Electrical bad debt write-off	\$ 25,403	\$ 49,922	\$ 357,438	\$ 423,911
Power bill invoices paid	\$ 32,031,939	\$ 33,214,056	\$ 154,284,813	\$ 155,231,539
Power bill invoices kWh	583,952,567	576,567,138	2,687,859,667	2,663,383,695
Cost per kWh	\$ 0.0549	\$ 0.0576	\$ 0.0574	\$ 0.0583
kWh Purchased (available for sale)	583,460,153	576,140,764	2,685,341,990	2,660,858,005
kWh Sold	558,321,146	554,629,075	2,567,343,713	2,502,948,715
kWh PEC system use	364,773	426,374	2,025,263	2,525,690
kWh Line loss YTD			117,998,277	157,909,290
kWh Line loss % YTD			4.39%	5.93%
Equity as a % of total assets	39.03%	37.86%	39.03%	37.86%
% Cost of Power to Sale of Electricity Revenue	59.26%	61.67%	58.31%	60.55%
LTD as a % of Total Utility Plant	41.37%	40.63%	41.37%	40.63%