



# Growth Statistics

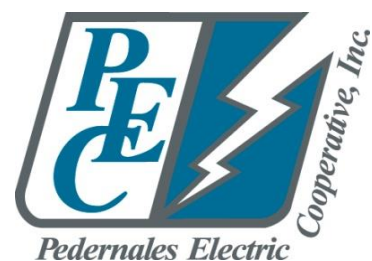
| <u>YEAR/<br/>MONTH</u> | <u>ACTIVE<br/>ACCOUNTS*</u> | <u>NET<br/>INCREASE</u> | <u>APPLICATIONS</u> |
|------------------------|-----------------------------|-------------------------|---------------------|
| <b><u>2016</u></b>     |                             |                         |                     |
| January                | 275,877                     | 595                     | 1,569               |
| February               | 276,890                     | 1,013                   | 1,822               |
| March                  | 277,667                     | 777                     | 2,134               |
| April                  | 278,855                     | 1,188                   | 2,006               |
| May                    | 279,934                     | 1,079                   | 2,320               |
| June                   | 281,291                     | 1,357                   | 2,830               |
| July                   | 282,018                     | 727                     | 2,761               |
| August                 | 283,562                     | 1,544                   | 3,007               |
| September              | 284,881                     | 1,319                   | 2,226               |
| October                | 285,751                     | 870                     | 2,060               |
| November               | 286,995                     | 1,244                   | 1,942               |
| December               | 287,422                     | 427                     | 1,932               |
| <b><u>2017</u></b>     |                             |                         |                     |
| January                | 288,562                     | 1,140                   | 1,846               |
| February               | 289,582                     | 1,020                   | 1,809               |
| March                  | 291,084                     | 1,502                   | 2,316               |
| April                  | 291,623                     | 539                     | 2,081               |
| May                    | 293,315                     | 1,692                   | 2,701               |
| June                   | 295,158                     | 1,843                   | 2,973               |

\*Active Accounts are meters and lights only.



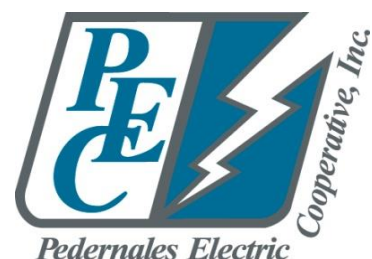
# Statements of Income and Patronage Capital

|  | MTD                   |                     |                       | YTD                   |                      |                       |
|--|-----------------------|---------------------|-----------------------|-----------------------|----------------------|-----------------------|
|  | Actual<br>JUNE 2017   | Budget<br>JUNE 2017 | Actual<br>JUNE 2016   | Actual<br>JUNE 2017   | Budget<br>JUNE 2017  | Actual<br>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         |
| <b>OPERATING REVENUES:</b>                     |                       |                     |                       |                       |                      |                       |
| 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           |
| <b>OPERATING &amp; MAINTENANCE EXPENSES:</b>   |                       |                     |                       |                       |                      |                       |
| 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           |
| <b>MARGIN BEFORE INTEREST</b>                  | <b>8,926,000</b>      | <b>9,055,000</b>    | <b>11,133,000</b>     | <b>46,484,000</b>     | <b>41,911,000</b>    | <b>40,956,000</b>     |
| <b>INTEREST EXPENSE:</b>                       | <b>2,667,000</b>      | <b>2,801,000</b>    | <b>2,509,000</b>      | <b>16,255,000</b>     | <b>16,926,000</b>    | <b>15,382,000</b>     |
| <b>MARGIN AFTER INTEREST</b>                   | <b>6,259,000</b>      | <b>6,254,000</b>    | <b>8,624,000</b>      | <b>30,229,000</b>     | <b>24,985,000</b>    | <b>25,574,000</b>     |
| <b>OTHER INCOME (EXPENSE):</b>                 | <b>141,000</b>        | <b>3,000</b>        | <b>124,000</b>        | <b>863,000</b>        | <b>268,000</b>       | <b>408,000</b>        |
| <b>NET MARGIN (LOSS)</b>                       | <b>\$ 6,400,000</b>   | <b>\$ 6,257,000</b> | <b>\$ 8,748,000</b>   | <b>\$ 31,092,000</b>  | <b>\$ 25,253,000</b> | <b>\$ 25,982,000</b>  |
| <b>COMPREHENSIVE INCOME</b>                    | <b>\$ 6,400,000</b>   |                     | <b>\$ 8,748,000</b>   | <b>\$ 31,092,000</b>  |                      | <b>\$ 25,982,000</b>  |
| <b>PATRONAGE CAPITAL - BEGINNING OF PERIOD</b> | <b>427,460,000</b>    |                     | <b>391,668,000</b>    | <b>402,207,000</b>    |                      | <b>373,806,000</b>    |
| Patronage Capital Retired                      | (12,000)              |                     | (53,000)              | 11,000                |                      | (19,000)              |
| Transfers to Other Equities                    | (12,000)              |                     | (65,000)              | 526,000               |                      | 529,000               |
| <b>PATRONAGE CAPITAL - TOTAL</b>               | <b>\$ 433,836,000</b> |                     | <b>\$ 400,298,000</b> | <b>\$ 433,836,000</b> |                      | <b>\$ 400,298,000</b> |



## Balance Sheet

|   | JUNE 2017               | DECEMBER 2016           | \$ VARIANCE          | % CHANGE     | JUNE 2016               |
|---|-------------------------|-------------------------|----------------------|--------------|-------------------------|
| <b>ASSETS</b>                               |                         |                         |                      |              |                         |
| <b>UTILITY PLANT:</b>                       |                         |                         |                      |              |                         |
| 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           |
| <b>LONG TERM INVESTMENTS:</b>               |                         |                         |                      |              |                         |
| Capital Term Certificates & Other           | 12,139,000              | 12,179,000              | (40,000)             | (0.33%)      | 11,606,000              |
| <b>CURRENT ASSETS:</b>                      |                         |                         |                      |              |                         |
| 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             |
| <b>DEFERRED CHARGES &amp; OTHER ASSETS:</b> |                         |                         |                      |              |                         |
| 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              |
| <b>TOTAL ASSETS</b>                         | <b>\$ 1,580,692,000</b> | <b>\$ 1,548,722,000</b> | <b>\$ 31,970,000</b> | <b>2.06%</b> | <b>\$ 1,487,414,000</b> |



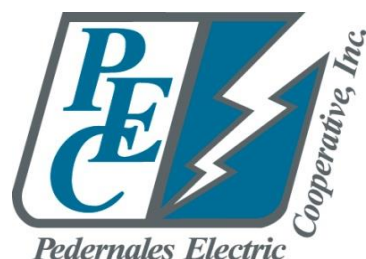
## Balance Sheet

|  | JUNE 2017               | DECEMBER 2016           | \$ VARIANCE          | % CHANGE     | JUNE 2016               |
|--|-------------------------|-------------------------|----------------------|--------------|-------------------------|
| <b>EQUITY &amp; LIABILITIES</b>                                |                         |                         |                      |              |                         |
| <b>EQUITY:</b>   |                         |                         |                      |              |                         |
| 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             |
| <b>LONG-TERM DEBT:</b>   |                         |                         |                      |              |                         |
| 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             |
| <b>CURRENT LIABILITIES:</b>                                    |                         |                         |                      |              |                         |
| 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             |
| <b>DEFERRED CREDITS &amp; OTHER<br/>NONCURRENT LIABILITIES</b> |                         |                         |                      |              |                         |
| 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             |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                          | <b>\$ 1,580,692,000</b> | <b>\$ 1,548,722,000</b> | <b>\$ 31,970,000</b> | <b>2.06%</b> | <b>\$ 1,487,414,000</b> |
| <b>Equity as a Percent of Assets</b>                           | <b>39.03%</b>           | <b>37.81%</b>           |                      |              | <b>37.86%</b>           |
| <b>Equity Capitalization</b>                                   | <b>46.62%</b>           | <b>44.85%</b>           |                      |              | <b>46.39%</b>           |



# Cash Flow Statement

|  | YTD             |               |
|--|-----------------|---------------|
|  | JUNE 2017       | JUNE 2016     |
| <b>OPERATING ACTIVITIES:</b>                             |                 |               |
| 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      | 22,684,000      | 38,870,000    |
| <b>INVESTING ACTIVITIES:</b>                             |                 |               |
| 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      | (71,282,000)    | (65,930,000)  |
| <b>FINANCING ACTIVITIES:</b>                             |                 |               |
| 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      | \$ 17,857,000   | \$ 34,427,000 |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  | \$ (30,741,000) | \$ 7,367,000  |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>   | \$ 33,244,000   | \$ 75,000     |
| <b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>         | \$ 2,503,000    | \$ 7,442,000  |



# 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%         |