



# Cooperative Update

Julie C. Parsley | Chief Executive Officer  
Eddie Dauterive | Chief Operations Officer  
Randy Kruger | Chief Financial Officer  
Don Ballard | General Counsel  
JP Urban | EVP, External Relations



# CEO Report

Julie C. Parsley | Chief Executive Officer

# Legislative Update

- Fourth Special Session concluded Thursday, December 6
- No utility or wholesale power market issues discussed during latest session
- Focus remained on border security and public education reform
- No additional special sessions called at this time
- Speaker Phelan has requested input on interim charges by January 5



# Regulatory Update: PUC

- PUC Commissioner Will McAdams resigning from the Commission at the end this month
  - Appointed by Governor Abbott in April 2021
  - Two vacancies at the end of this month
- PUC adopts final ERCOT emergency pricing rules at November 30 public meeting
  - Provides pricing guardrails during energy emergencies
  - Pricing system activated when system-wide energy price has been at \$5,000 for 12 hours in a rolling 24-hour period
  - Reduces to \$2,000 and will remain in effect for 24 hours after activation or 24 hours after ERCOT exits emergency operations

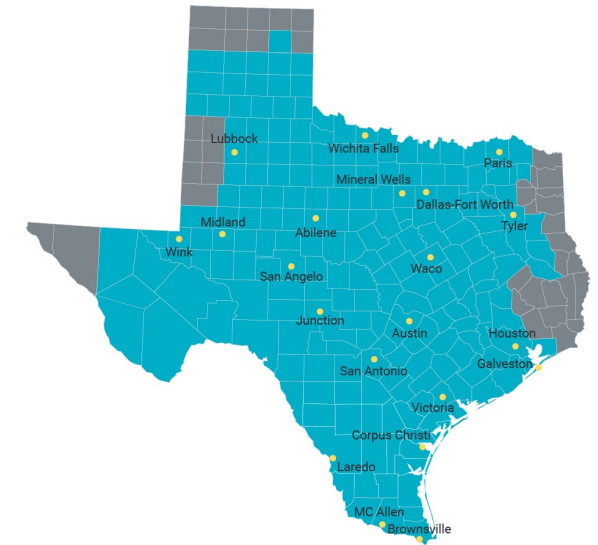


**Will McAdams**  
PUC Commissioner



# Regulatory Update: ERCOT

- February MORA (Monthly Outlook for Resource Adequacy):
  - Modeling indicates an elevated risk of ERCOT needing to declare an EEA during the 8 a.m. peak load hour (3.2%); the risk increases to 18.3% if weather conditions are similar to Winter Storm Elliott
  - The 8:00 p.m. secondary peak poses a lesser risk
- ERCOT continues winter preparedness efforts; deploying additional weatherization inspectors
- PEC's Eric Blakey; Director, Regulatory Affairs, elected to represent cooperative interests at ERCOT on:
  - Technical Advisory Committees (TAC)
  - Wholesale Market Subcommittee (WMS)



# 400,000 Meters and Climbing!

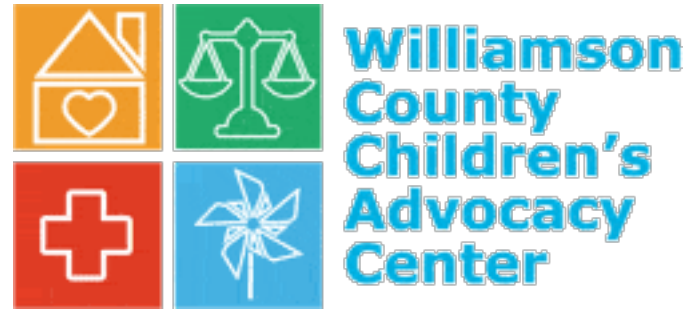
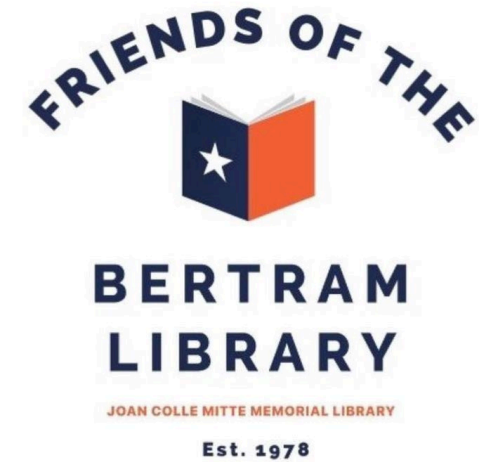


PEC's 400,000<sup>th</sup> Meter  
Buda Fire Station #1  
November 28, 2023

# Powering Change for 6 Local Nonprofits

## Congratulations to PEC's latest Community Grants recipients!

- \$24,500 will help power change for six nonprofits across PEC's service area
- Funded 100% through PEC's Power of Change Program and members' generosity
- Grants can be used toward capital improvements, plus technology and energy efficiency projects



# PEC Toy Drive Brightens the Holidays

- For the fifth year, PEC proudly partnered with local law enforcement agencies and community organizations to donate toys to families across the Hill Country
- PEC employees donated more than 750 toys to help make the holiday season merry and bright — a new record for employees' generosity!





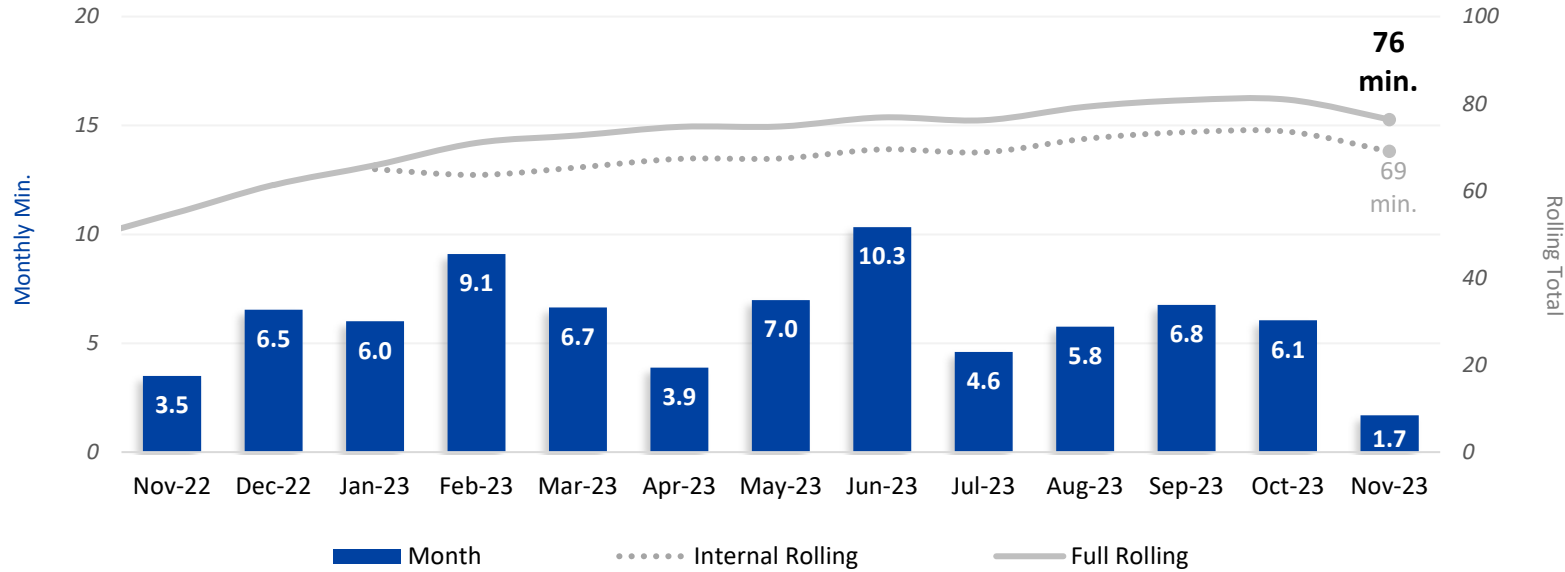


# Operations Report

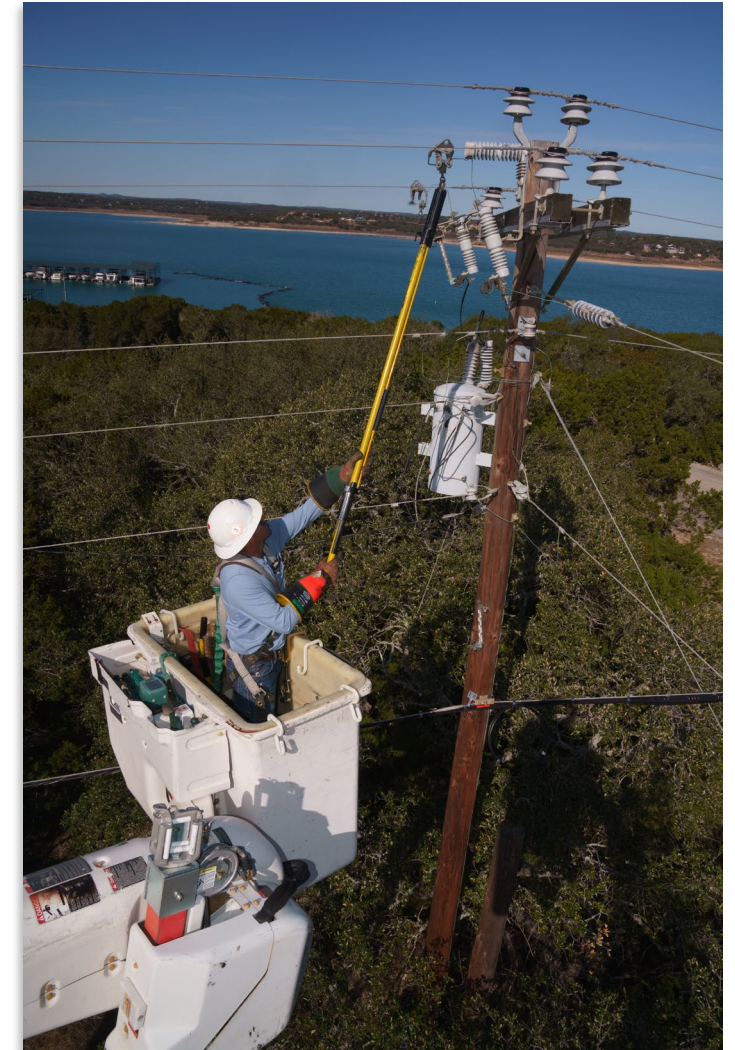
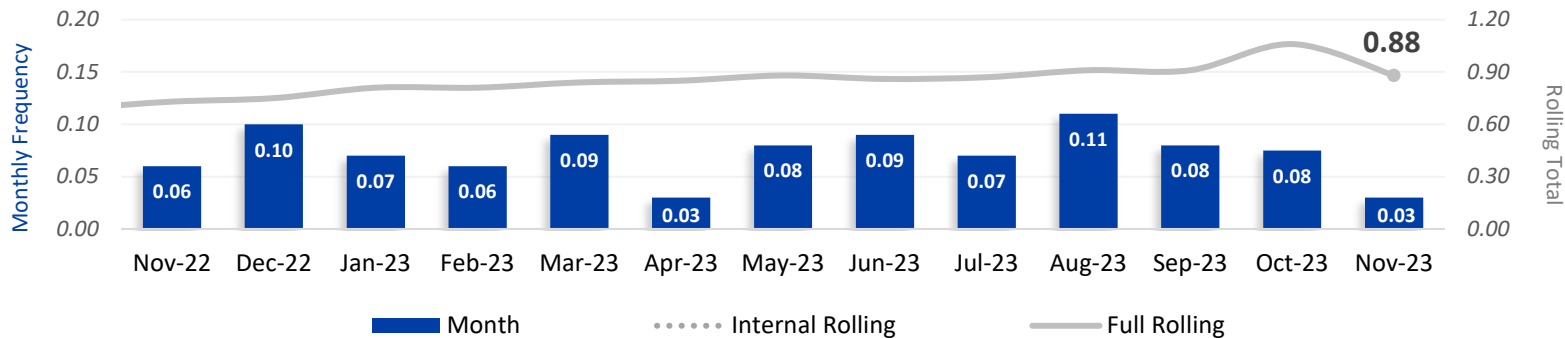
Eddie Dauterive | Chief Operations Officer

# Reliability

### System Average Interruption Duration Index (SAIDI)

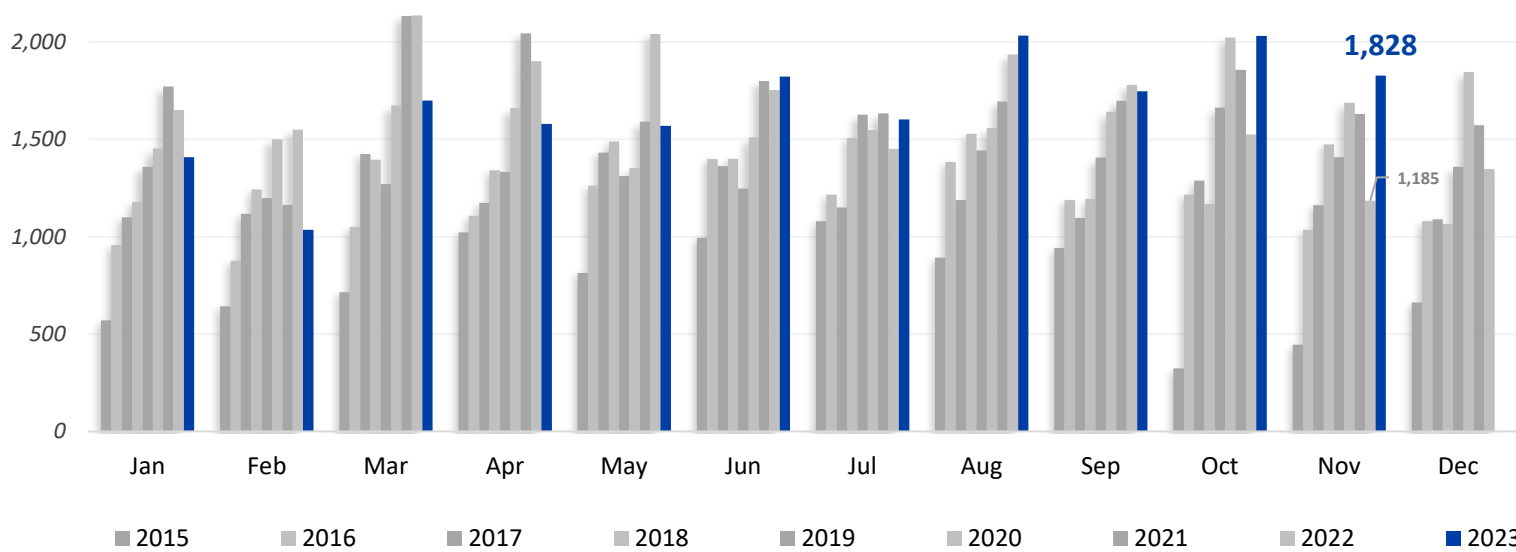


### System Average Interruption Frequency Index (SAIFI)

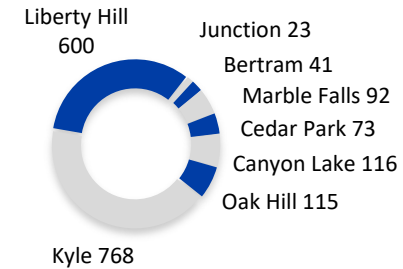


# System Growth

## Line Extensions Completed 2019: 16,640 2020: 19,458 2021: 20,592 2022: 20,262 2023 YTD: 18,360



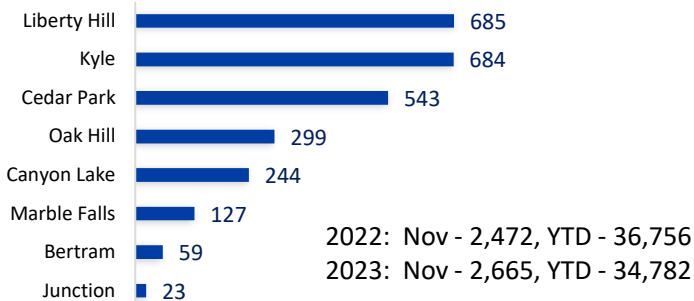
## Line Extensions Per District (18,360)



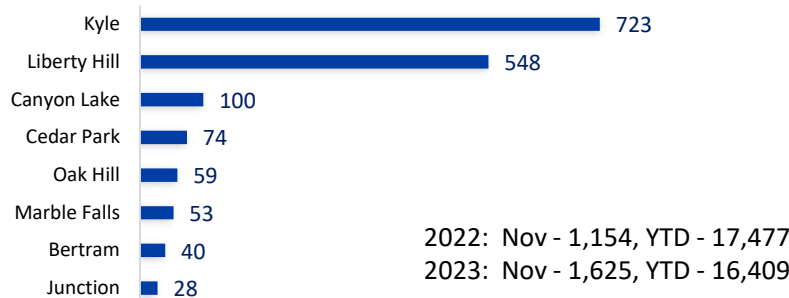
## Miles of Distribution Line:

Overhead: 17,705 (71%)  
 Underground: 7,224 (29%)  
 Total: 24,929

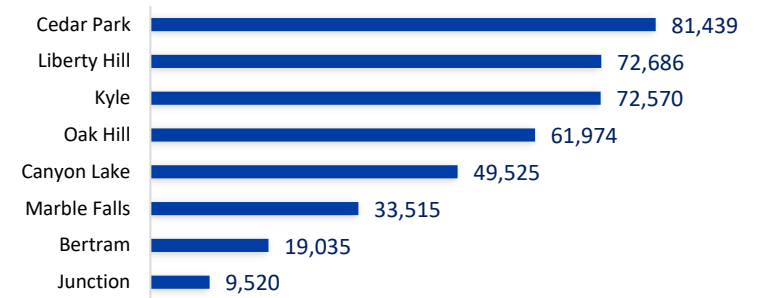
## Member Applications (2,665)



## Meter Growth (1,625)



## Meter Totals (400,264)



# AMI Deployment

## Deliveries and Exchange Schedule (as of December 1)

Estimated completion dates dependent on continued fulfillment of meter delivery.

Meters exchanged since  
deployments restarted:

**98,987**

Total RF meters installed  
coop-wide:

**242,150**

Projected full completion:

**End of 2<sup>nd</sup> Qtr 2024**

Projected district completions:

CP: Oct. 23	MF: Apr. 24
KY: Dec. 23	BT: May. 24
OH: Feb. 24	CL: Jul. 24

**Cedar Park Exchanges:**

- Placed: 44,339
- Remaining: 0

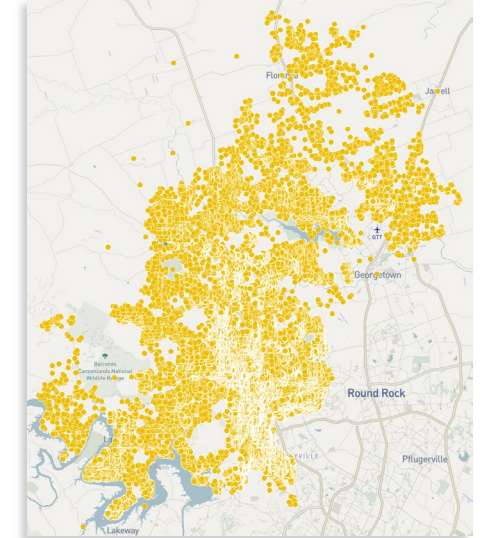
**Kyle Exchanges:**

- Placed: 41,760
- Remaining: 10,902

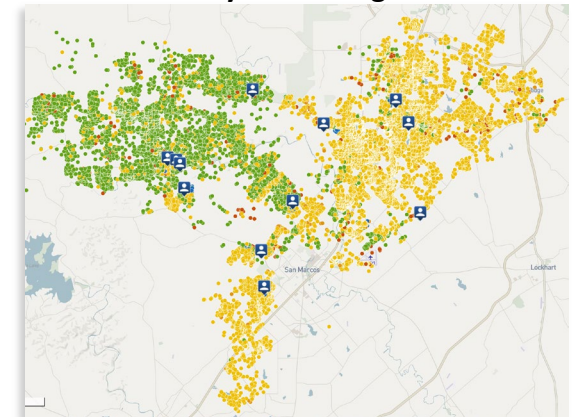
**Correspondence Completed (in Nov.):**

- Letters: 20,352
- Emails: 16,878
- Calls: 14,536
- Texts: 14,212

**Liberty Hill & Cedar Park Completions**



**Kyle Planning**

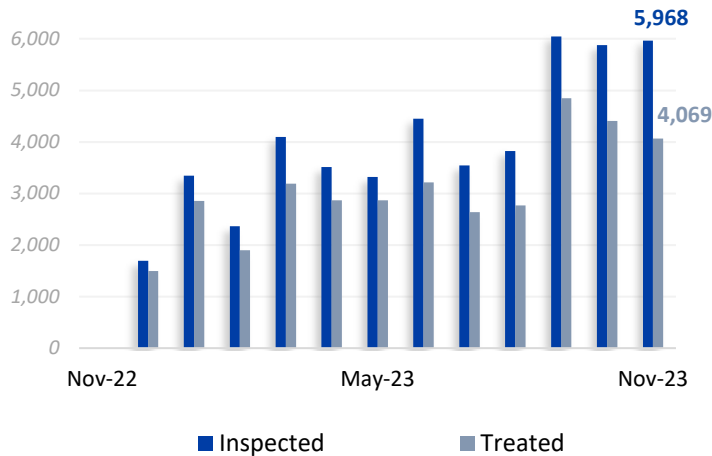


# Distribution Maintenance

## Pole Testing & Treatment (PTT)

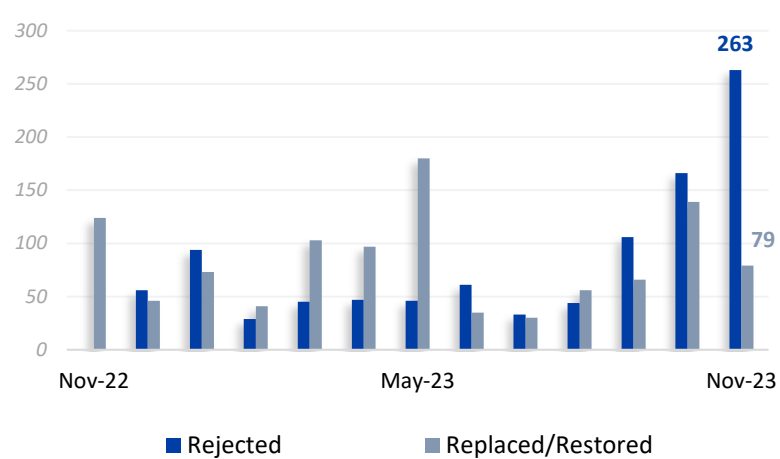
### Poles Inspected & Treated

2022 YTD: Inspections - 35,341 Treated - 27,934  
 2023 YTD: Inspections - 46,351 Treated - 35,629



### Poles Rejected & Replaced/Restored

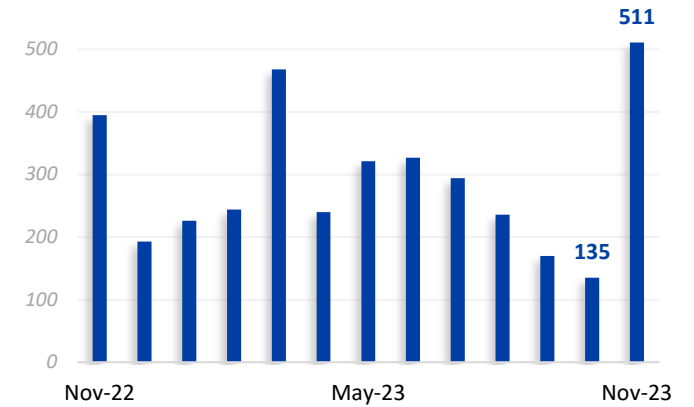
2022 YTD: Rejected - 603, Restored - 637  
 2023 YTD: Rejected - 934, Restored - 899



## Underground Equipment

### URD Pad Restorations

2022 YTD: Restorations - 2,510  
 2023 YTD: Restorations - 3,172



## Vegetation Management

LiDAR Assessment Audits Completed:

Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
C&D WUI 3 Phase	50	239	453	841	134	46	15	10	8	6	49
C&D WUI 1 Phase	333	330	1,241	761	1,389	1,011	579	988	876	1,257	696
C&D Other 3 Phase	48	28	109	121	207	250	141	193	179	164	140
C&D Other 1 Phase	362	161	95	233	860	604	523	754	517	640	552
All C&D	793	758	1,898	1,956	2,590	1,911	1,258	1,945	1,580	2,067	1,437





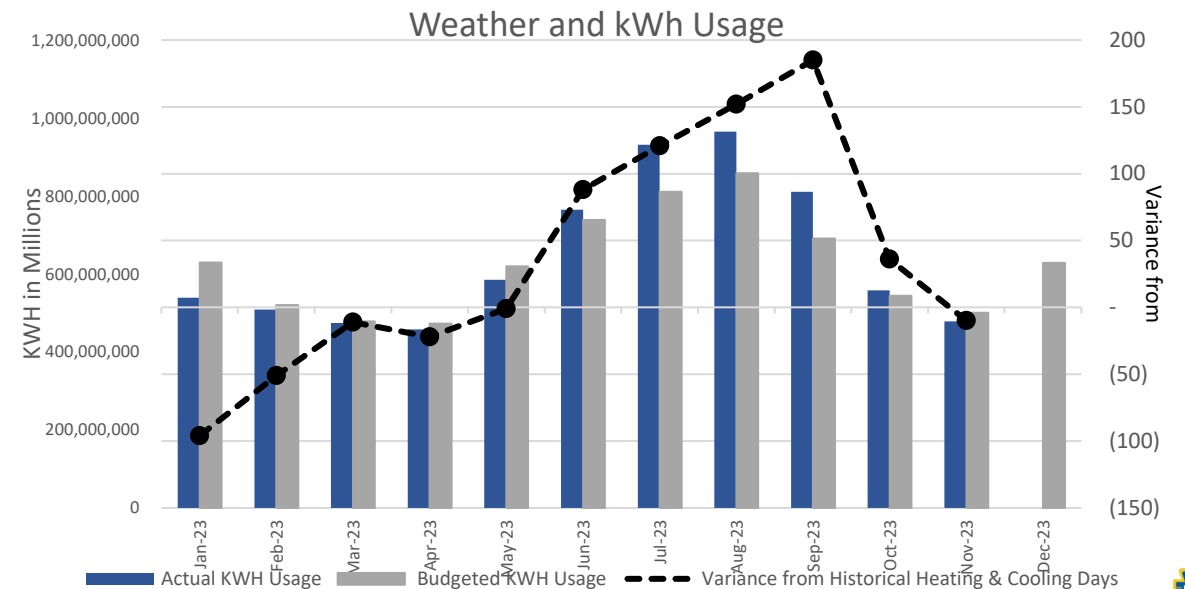
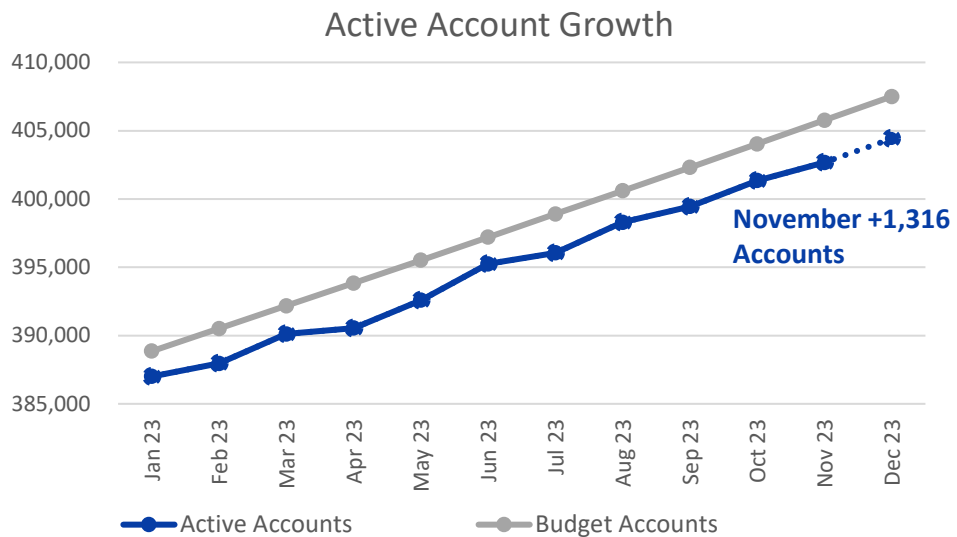
# November 2023 Financial Report

Randy Kruger | Chief Financial Officer

# Finance at a Glance – November 2023

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>MWH Sold</b>	478,620	500,290	(21,669)	7,074,018	6,863,641	210,377
<b>Gross Margins</b>	\$ 26.5	\$ 26.2	\$ 0.3	\$ 345.6	\$ 324.7	\$ 20.9
<b>Net Margins</b>	\$ 0.9	\$ (0.4)	\$ 1.3	\$ 64.8	\$ 21.2	\$ 43.6
<b>EBIDA</b>	\$ 12.2	\$ 11.9	\$ 0.3	\$ 185.3	\$ 162.5	\$ 22.8
<b>Revenue O/(U)</b>	\$ 1.4	\$ (4.6)	\$ 6.0	\$ 2.7	\$ 7.5	\$ (4.8)
<b>EBIDA(X)</b>	\$ 13.6	\$ 7.4	\$ 6.2	\$ 188.1	\$ 170.0	\$ 18.1

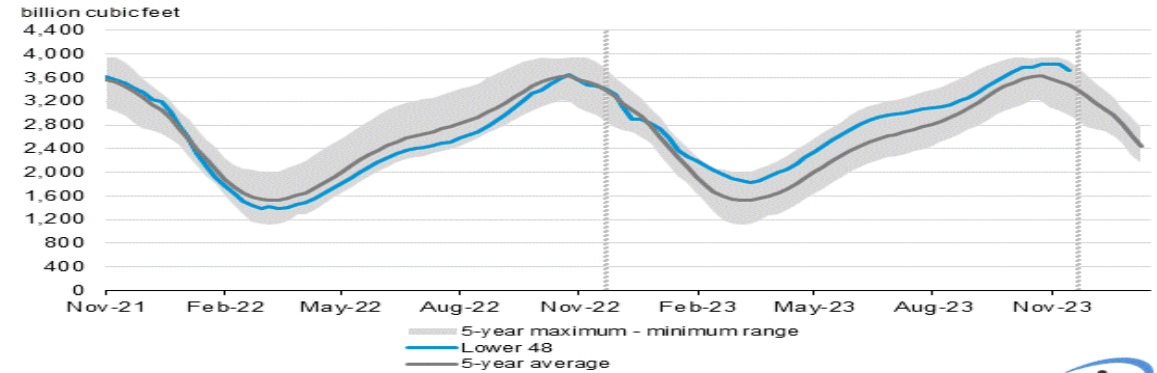
	Liquidity Coverage
Cash & Marketable Securities	\$ 16,658,602
Short Term Facilities	505,000,000
Less: Short Term Borrowings	84,402,639
Available Liquidity	\$ 437,255,963
<b>Liquidity Coverage (Days)</b>	<b>225</b>



### 3. Financial Report

# Power Market Fundamentals

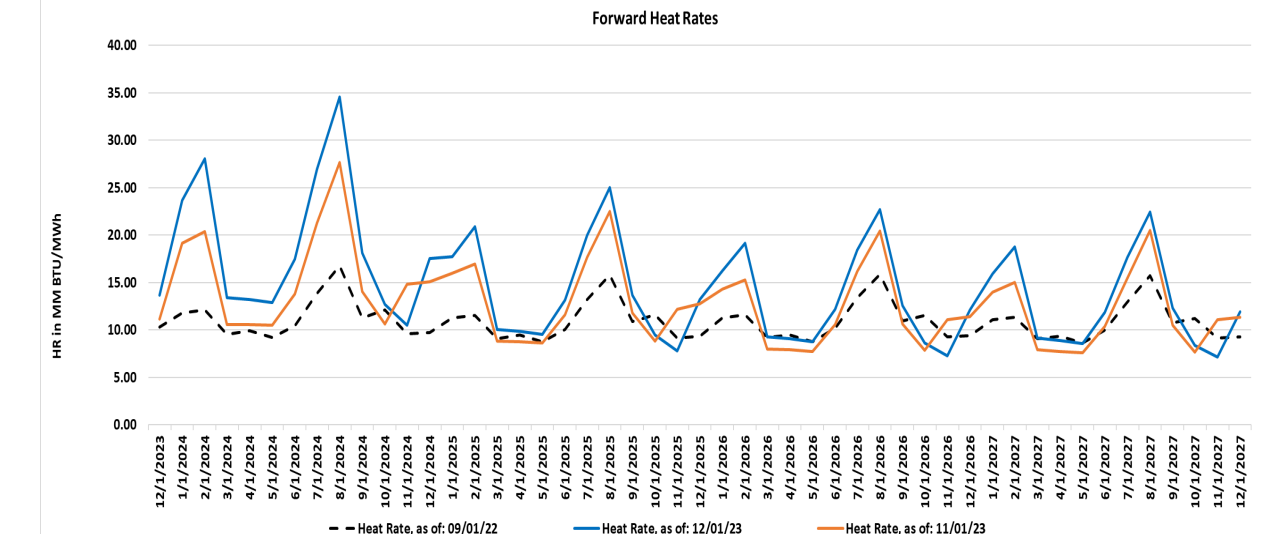
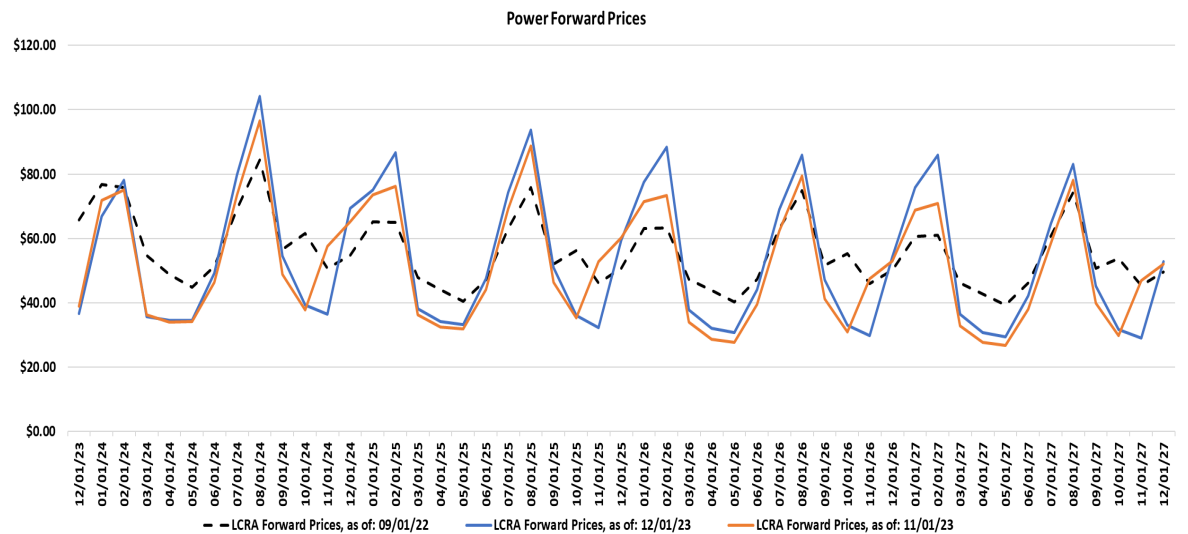
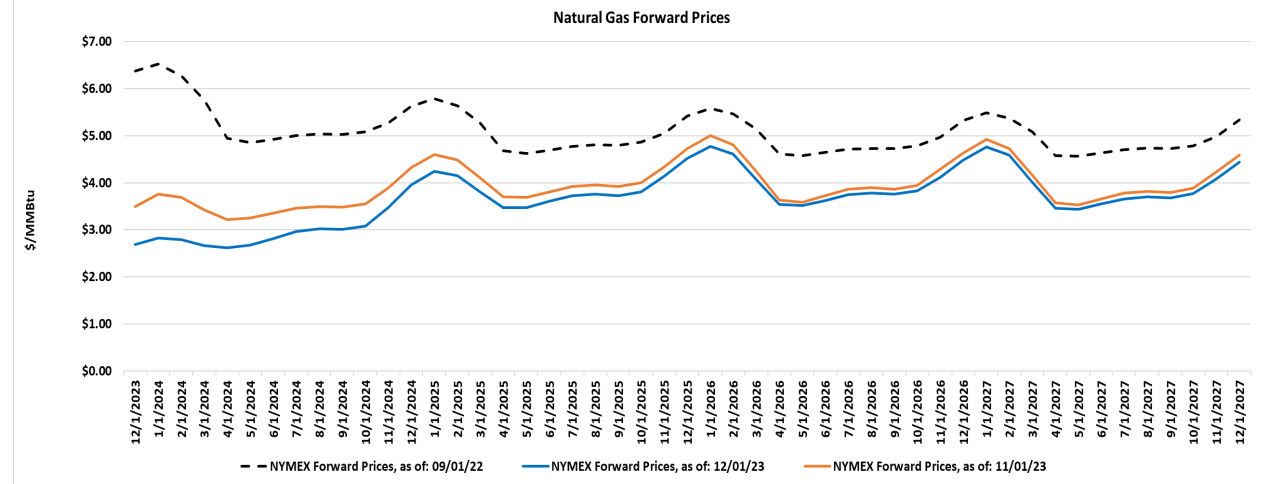
Working gas in underground storage compared with the 5-year maximum and minimum



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 2018 through 2022. The dashed vertical lines indicate current and year-ago weekly periods.



As of December 1

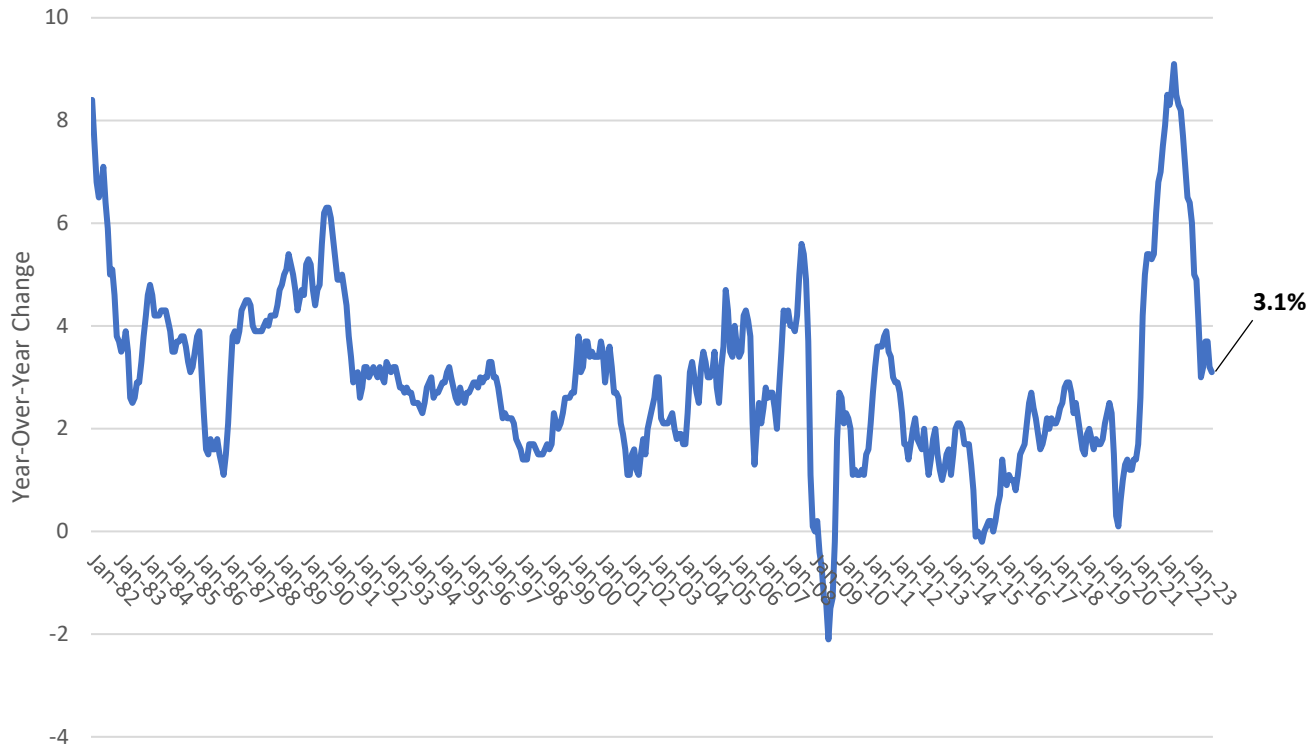




# Inflation

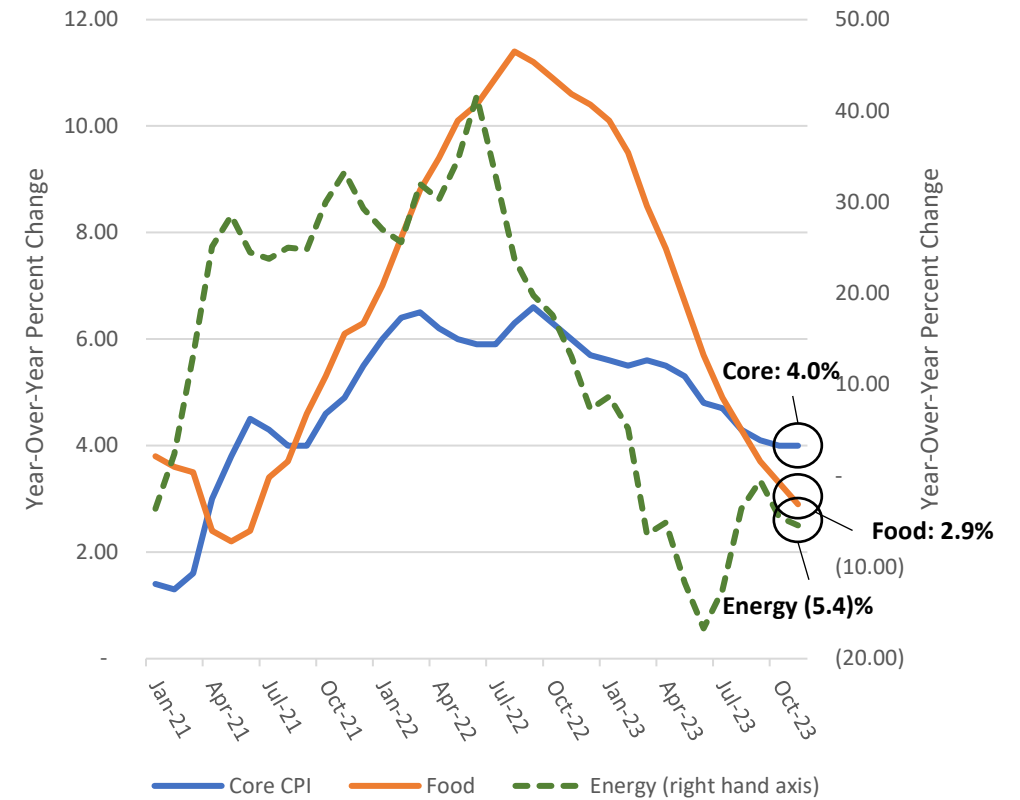
Overall CPI decreased to 3.1%; Core CPI steadied at 4.0% YoY. Energy prices remain down 5.4% YoY driven by fuel oil (-24.8%), utility gas services (-10.4%), and gasoline (-8.9%); partially offset by sustained increases to electricity prices (+3.4%).

CPI Jan 1982 to November 2023



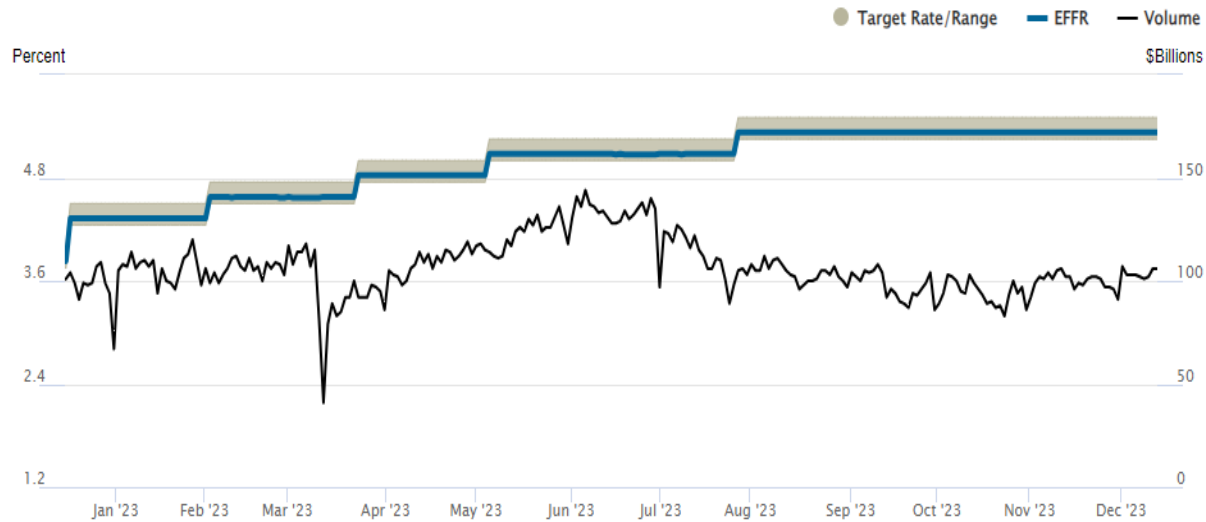
Source: U.S. Bureau of Labor Statistics

Core CPI, Food and Energy Jan 2021 to November 2023



Source: U.S. Bureau of Labor Statistics

## Federal Funds Rate



Source: Federal Reserve Bank of New York 12/14/2023

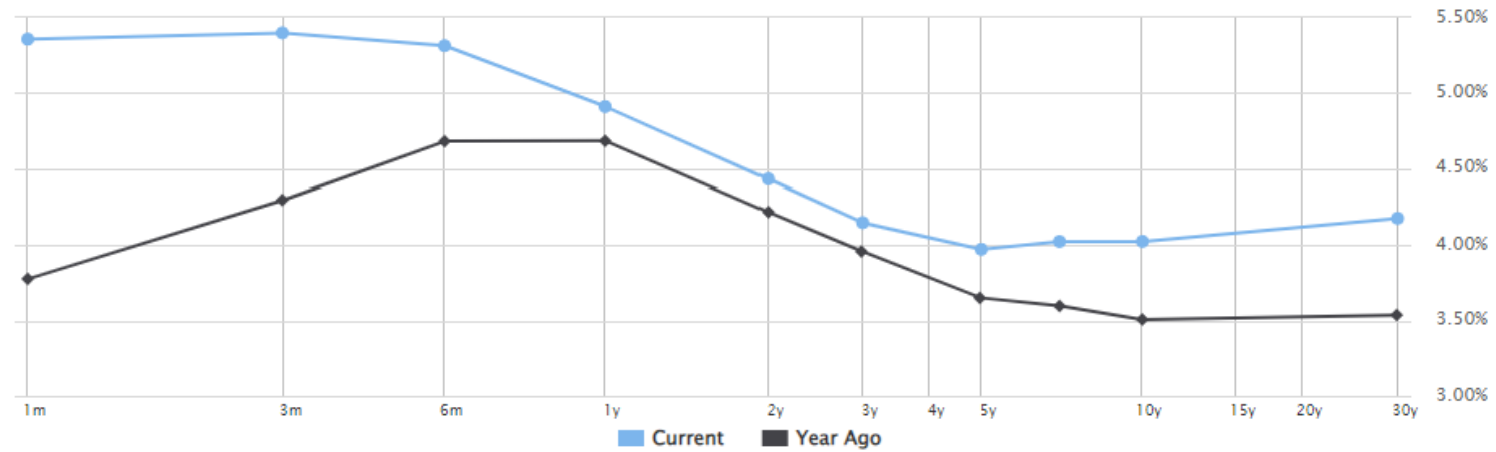
## 10-Year Note



Source: *The Wall Street Journal* 12/14/2023

# Financing Strategy Update

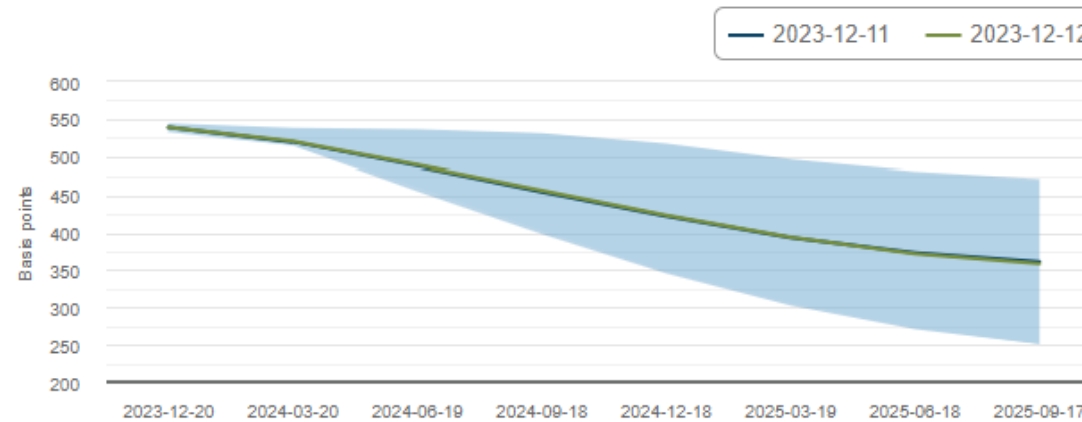
Yield Curve



Source: *The Wall Street Journal* 12/13/23

## The Expected Three-Month Average SOFR Path

Current target range: 525 - 550 basis points



Source: Federal Reserve Bank of Atlanta



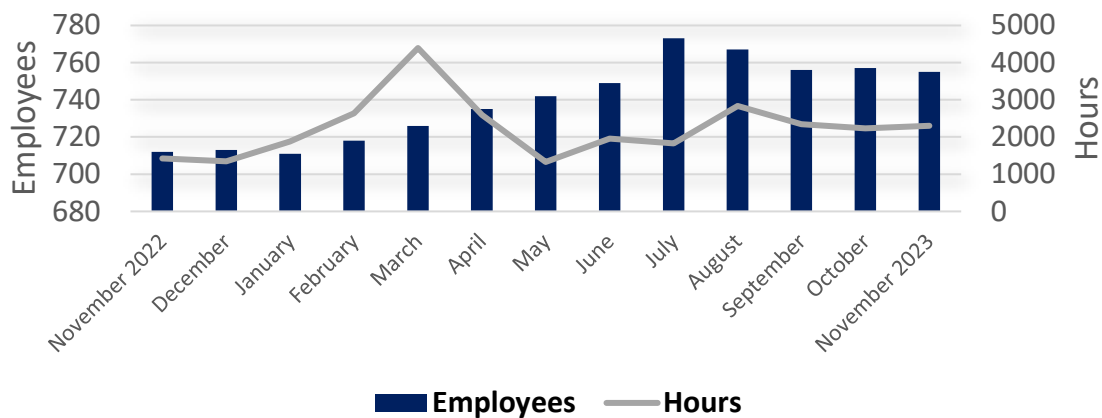
# Workforce and Governance Report

Don Ballard | General Counsel

# November Employee Development

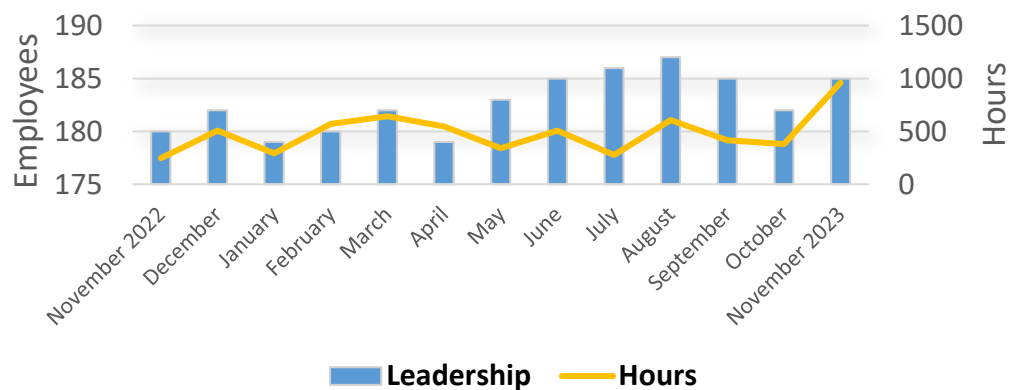
## Employee Training

Hours for employees and leadership overall by month



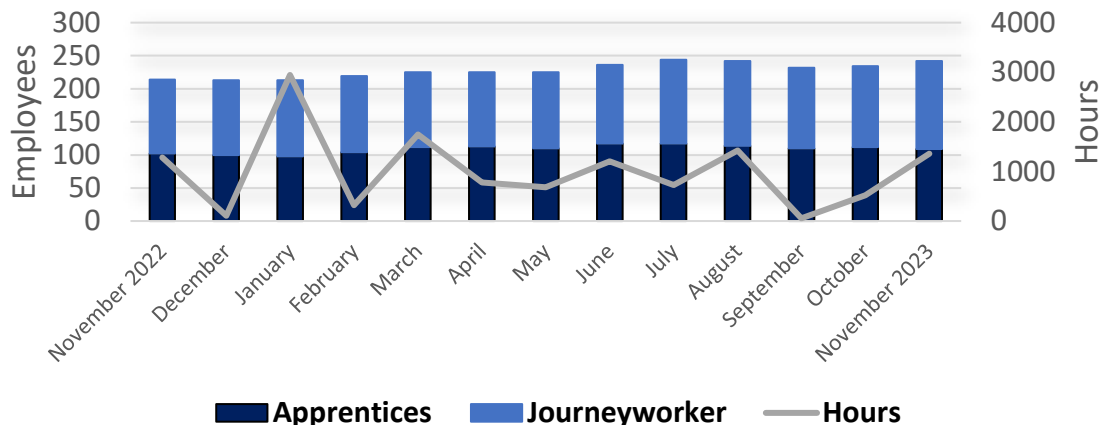
## Leadership Training

Hours for employees and leadership overall by month



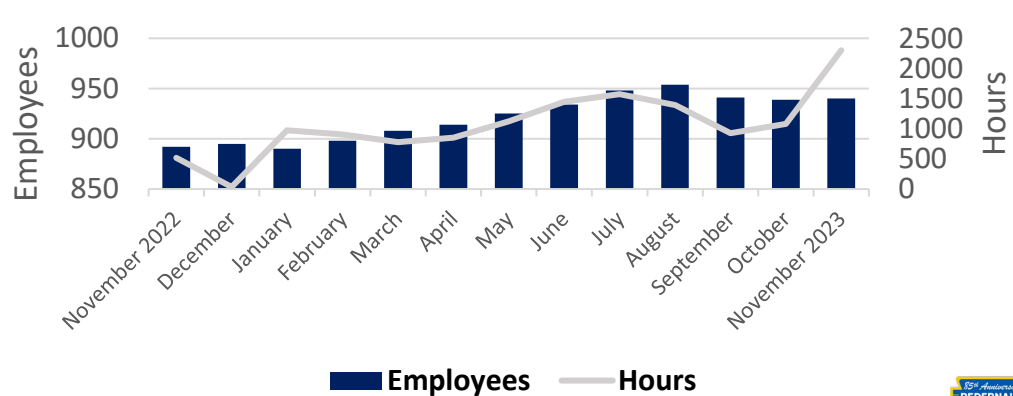
## Apprentices & Journeyworker Training Hours

Hours trained for Apprentices & Journeyworkers per month



## Safety Training Hours

Safety training hours per month



# Employee Development Spotlight



**Jake McElroy**  
Lineworker  
Apprentice 3  
Bertram

We are proud to recognize Jake! He excelled in the Year 3 class from the first day by completing all comps with little to no help, and he also helped other apprentices who were struggling

Jake made a 98 on his practice exam — the highest in the class. He made a perfect score on his final exam

## Department Highlights

- Safety incentive award winners announced for November
- Open enrollment process complete for all employees
- Safety dashboard roll out successfully finished

# Incentive Program Increases Reporting

- New program to incentivize reporting observations and hazards
- Reporting has increased 100% since debuting
- Thank you for reporting and congratulations to:
  - Steven Chambers
  - Scott Lindquist
  - Noah Valdez
  - Raymond Ward
  - Jeremy Morse
  - Harold Buerschinger



# PEC Staff Participates in GridEx

- More than 20 PEC employees participated virtually and in-person during the seventh biennial grid security and resilience exercise November 14-15
- Largest grid security event in North America
- Provided opportunity for business units from across the cooperative to collaborate and problem-solve coordinated cyber and physical security threats







# Community and Member Engagement

JP Urban EVP, External Relations



**It's a whole new PEC website!**

# PEC Hosts Nonprofit Workshop

- More than 70 nonprofit and chamber of commerce professionals joined PEC staff for a nonprofit learning summit
- Guest speaker Bob Harris led the group in discussions on several topics, including nonprofit governance and board relations, smarter practices, and strategic planning





# Appreciation and Look Ahead

# Employee Kudos\*



**Melody Horton**

Pole Contacts  
Manager  
*Johnson City*

**Ryane Bell**

Member Relations  
Agent  
*Marble Falls*

**Javier Soto**

Journeyworker  
*Canyon Lake*

**Pete Zepeda**

Journeyworker  
*Oak Hill*

**Rosie Vasquez**

Member Relations  
Analyst  
*Junction*

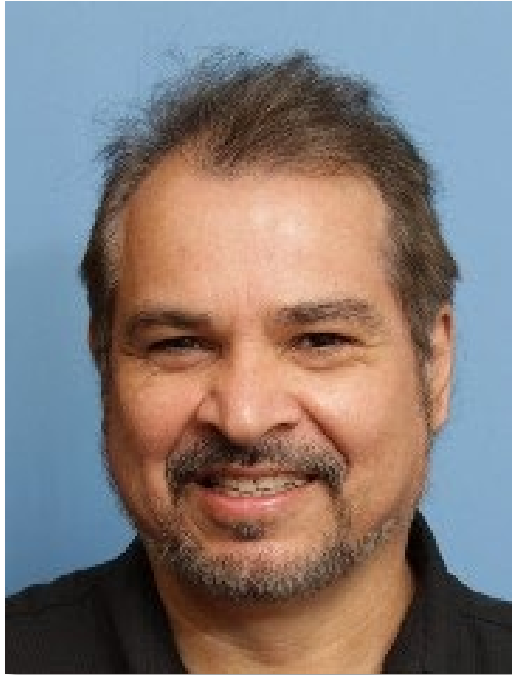
\*These were selected from the hundreds of kudos PEC receives each month

# Employee Kudos



“...of all the things I have ever done,  
nothing has ever given me as much  
satisfaction as bringing power to  
the Hill Country of Texas.”

A handwritten signature in black ink, which appears to be "Lyndon B. Johnson". The signature is written in a cursive style and is located below the quote.



**Lee Dixon**  
Social Media  
Specialist

Happy  
Holidays



— AND A —  
JOYFUL NEW YEAR





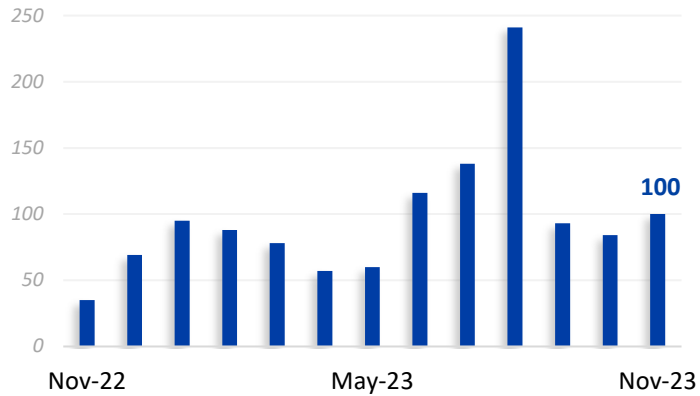
# Appendix Pages From Operations and Financials Reports

# Distribution Maintenance

## Technical Services

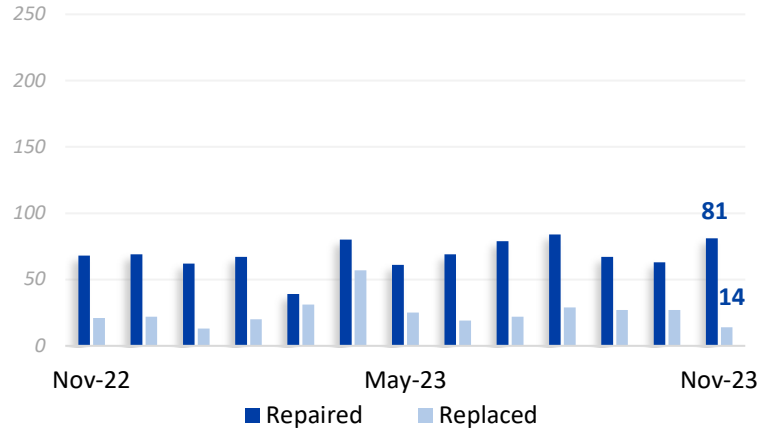
### Equipment Inspections

2022 YTD: 1,207  
2023 YTD: 1,150



### Equipment Repaired & Replaced

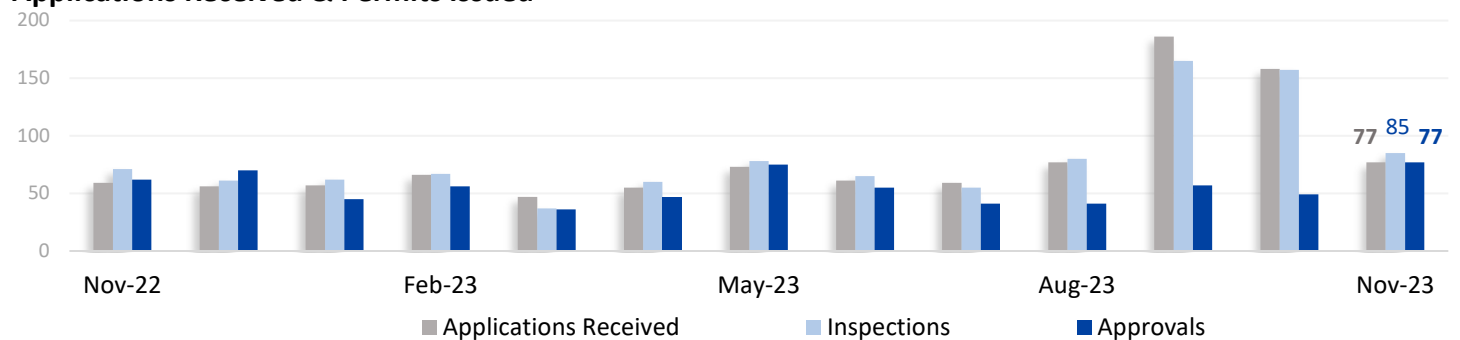
2022 YTD: Repaired - 757, Replaced - 253  
2023 YTD: Repaired - 752, Replaced - 284



## Pole Contacts

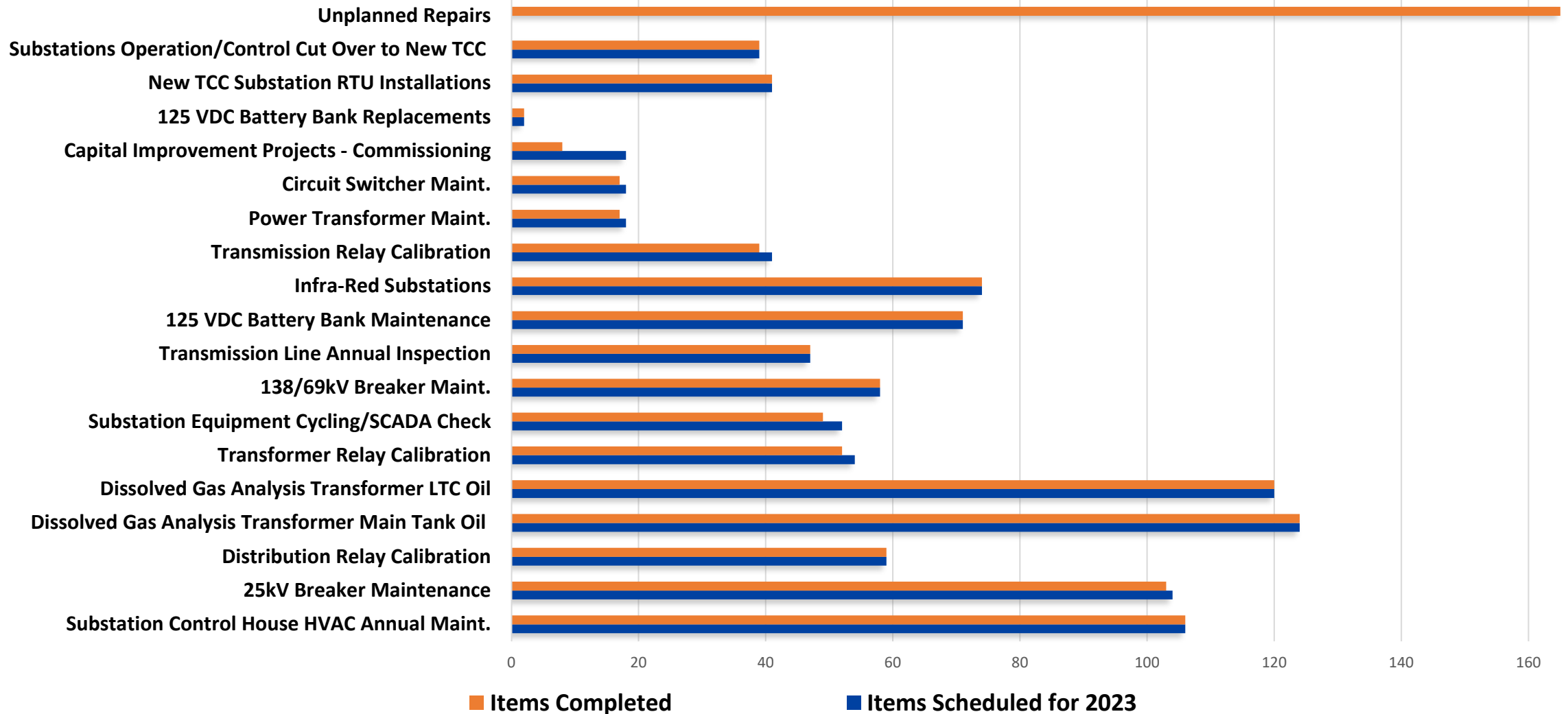
### Applications Received & Permits Issued

2022 YTD: Received - 692, Inspected - 727, Approved - 628  
2023 YTD: Received - 916, Inspected - 911, Approved - 578



# Substation & Transmission Maintenance

## 2023 Itemized Maintenance By Equipment



# Planning Engineering Projects

## Overall Status

Project	Completion Date	Percent Complete
Load Projections Study	Jan 2023	100%
2023 CIP Project Maps	Feb 2023	100%
Capacitor Settings	Mar 2023	100%
4CP Study	Apr 2023	100%
Summer Contingency	May 2023	100%
20 Year Plan	Jun 2023	100%
UFLS Study	Jun 2023	100%
CIP (1st draft) Study	Jul 2023	100%
CIP Final Study	Sep 2023	99%
Winter Contingency	Dec 2023	80%
Mock UFLS Study	Jan 2024	10%
2 Year System Protection Coordination Review	Jan 2024	85%
PEC System Arc Flash Study	Feb 2024	60%

# Substation Engineering Projects

District	Phase		Start Date	Completion Date	Percent Complete
Cedar Park	Construction	Upgrade bus to double-bus double-breaker	Apr-21	Apr-23	100%
Oak Hill	Construction	Upgrade line protection relay panels	Apr-21	May-24	86%
Junction	Construction	Upgrade transformer and add line breakers	May-21	Jan-24	96%
All Districts	Construction	Upgrade circuit switches and relay protection on three mobile substations	Nov-21	Jun-24	78%
Liberty Hill	Construction	Construct new substation	Dec-21	Jan-24	96%
Liberty Hill	Construction	Add third power transformer	Apr-22	Jan-24	91%
Kyle	Construction	Add third power transformer	May-22	Jan-24	91%
Bertram	Construction	Upgrade power transformer	Jun-22	Oct-23	100%
Cedar Park	Engineering	Make improvements to ground grid for reliability	Aug-22	Oct-23	100%
All Districts	Engineering	Develop transmission protection philosophy for protective settings	Jan-23	Jan-24	92%
All Districts	Engineering	Develop configuration for engineering to have access to RTU settings	Nov-22	Jan-24	25%
Oak Hill	Engineering	Upgrade two power transformers	Feb-23	Feb-25	41%
Liberty Hill	Construction	Upgrade power transformer	Feb-23	May-24	64%
Cedar Park	Engineering	Add third power transformer	Feb-23	Jun-24	38%
Kyle	Engineering	Construct new substation	Feb-23	Dec-24	44%
Liberty Hill	Engineering	Construct new substation	Feb-23	Dec-24	44%
Oak Hill	Construction	Add feeder breaker and feeder	Mar-23	Nov-23	100%
Oak Hill	Construction	Add feeder	Mar-23	Nov-23	100%
Bertram	Engineering	Add circuit switcher on power transformer	Mar-23	Dec-23	44%
Kyle	Engineering	Construct new substation	Apr-23	Oct-25	25%
Kyle/Canyon	Engineering	Add substation capacitor	May-23	May-24	57%
Liberty Hill	Engineering	Add substation capacitor	May-23	May-24	57%
Liberty Hill	Engineering	Add second power transformer	Aug-23	Jun-24	37%

# Transmission Projects

## Overall Status

District	Phase	Description	Completion Date	Percent Complete
Canyon Lake	Complete	Increase clearance to meet USACE requirements	Dec 2022	100%
Marble Falls and Cedar Park	Complete	Reconductor (Phase 1)	Feb 2023	100%
Oak Hill	Complete	Harden transmission line to meet severe weather requirements	Mar 2023	100%
Kyle	Complete	Harden transmission line to meet severe weather requirements	May 2023	100%
Junction	Procurement	Extend tap to new substation bay	Feb 2024	30%
Liberty Hill	Construction	Harden transmission line to meet severe weather requirements	Dec 2023	75%
Liberty Hill	Construction	Add Fiber to existing transmission line	Dec 2023	85%
Liberty Hill	Procurement	Developer funded transmission line relocation	May 2024	40%
Liberty Hill	Construction	Harden transmission line to meet severe weather requirements	May 2024	60%
Marble Falls and Cedar Park	Construction	Overhaul (Phase 2)	May 2024	55%
Kyle	Procurement	Transmission line overhaul	Jan 2025	35%
Oak Hill	Procurement	Harden transmission line to meet severe weather requirements	May 2025	45%
Cedar Park	Procurement	Harden transmission line to meet severe weather requirements	May 2025	45%

## Large Project Updates

### Cedar Park

Construction for additional bathrooms complete, certificate of occupancy received from the City of Cedar Park. Bathrooms are fully operational.

### Johnson City

Developing a master plan for the Haley Rd site. Drainage design in progress for district yard. Contract awarded for 7,000 sq. ft. facilities storage building; permit application submitted to the city. Start in November.

### Junction

Fuel Island, generator, oil containment pad, power upgrade to complete. Fuel Island is operational. Architect & engineers engaged for site work, fencing, new entrance, Fleet building, and warehouse expansion.

### Oak Hill Contact Center

Office construction is substantially complete. Warehouse furniture complete. Office furniture installing Dec-Jan Targeted completion in January 2024.

### Marble Falls

Parameter fence contract released, start Nov-Dec. Phase 1 furniture for Contact Center installed. Phase 2 on order.

### Oak Hill Fuel Island

Canopy complete, fuel equipment being installed. Completion in December.



## Facility Management Metrics

PEC Facilities staff complete approx. 442 orders/mo.

	<i>Goal</i>	<b>2023 YTD</b>	<b>2022</b>
<b>Avg Response Time</b>	< 1 day	.23 days	.54 days
<b>Completed On-Time</b>	> 90%	86%	79%
<b>Proactive Work Orders</b>	> 80%	96%	85%
<b>Satisfaction Rating</b>	> 95%	98.5%	100%



# Appendix to November 2023 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer



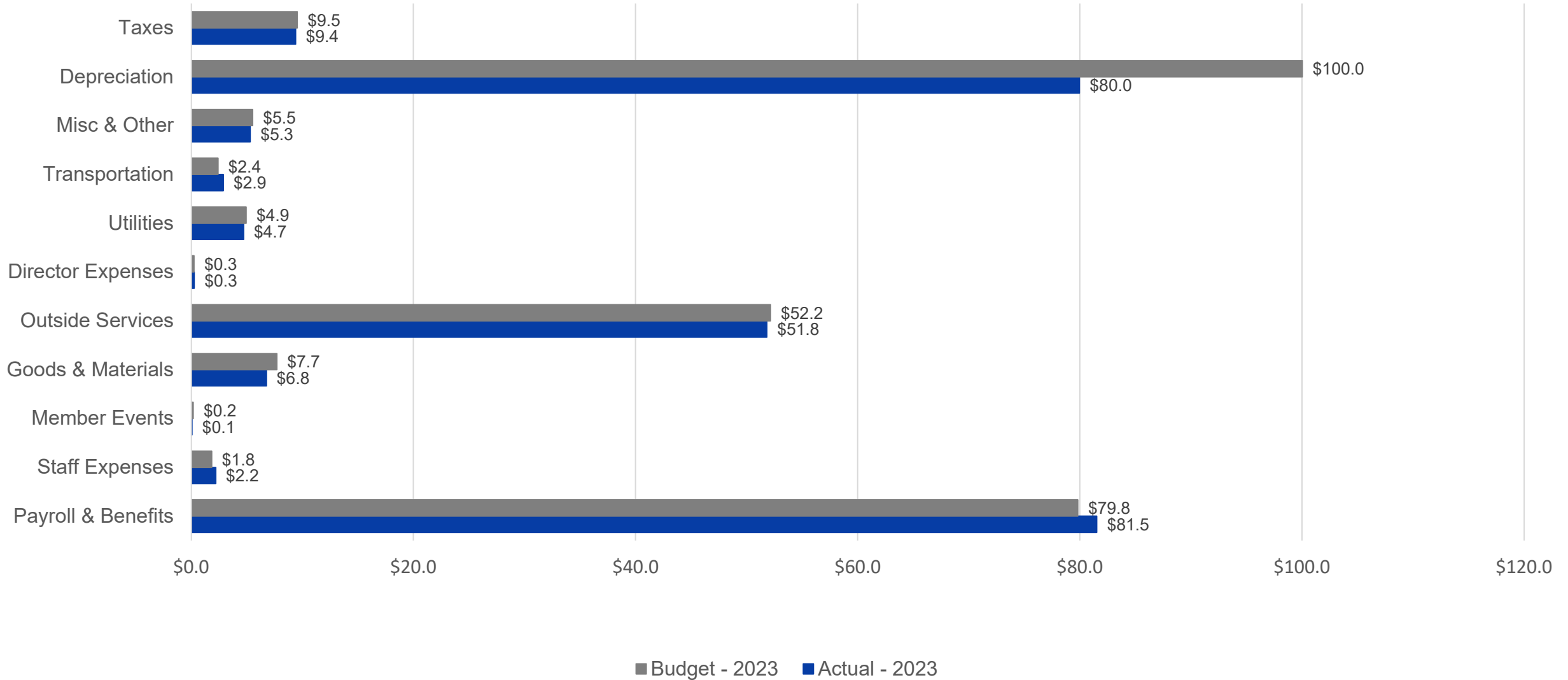
### 3. Financial Report

# Financial Performance

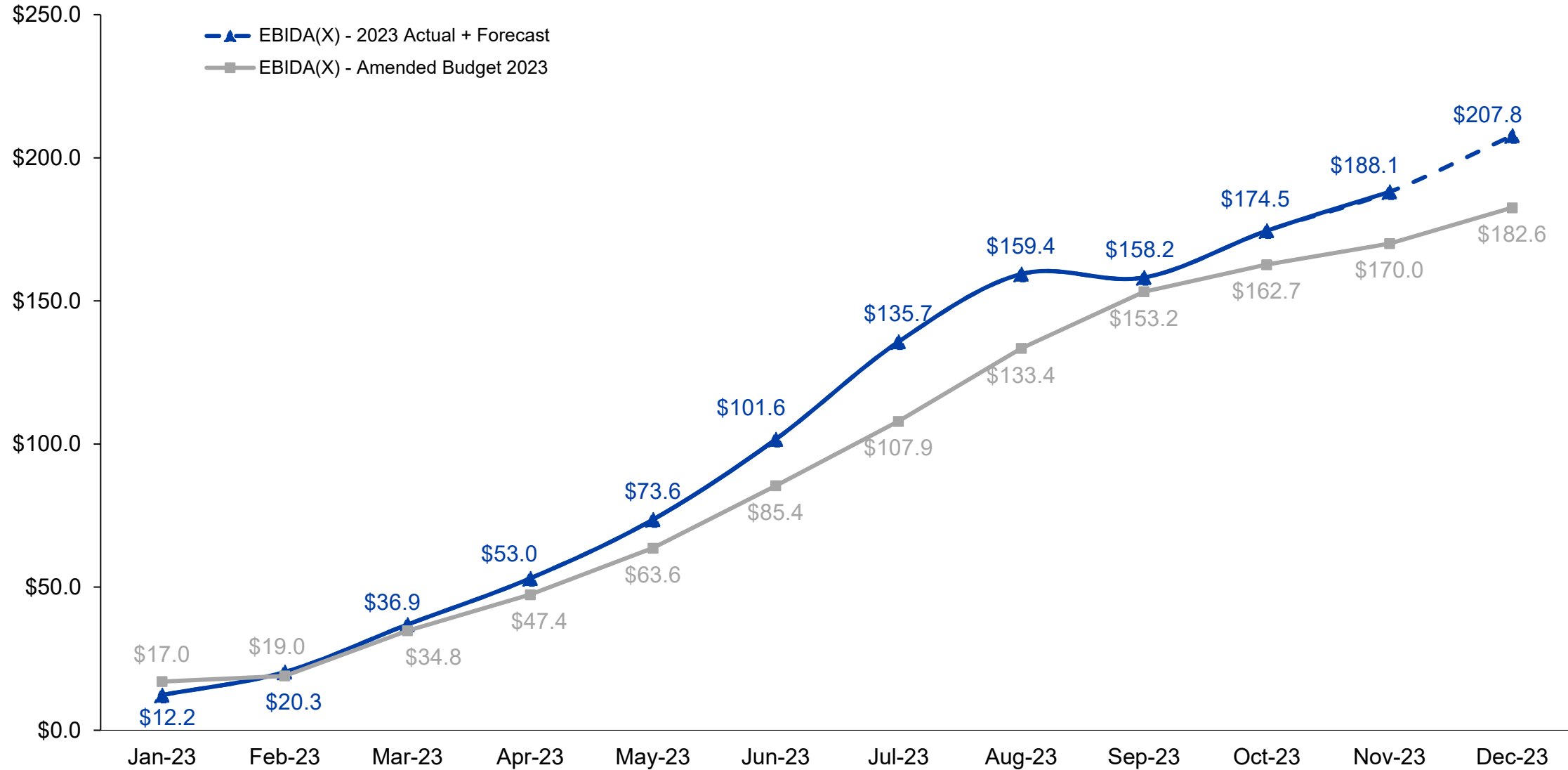
	MTD			YTD			Annual	2022 to 2023 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
<b>Gross Margins</b>	<b>\$ 26,538,078</b>	<b>\$ 26,221,190</b>	<b>\$ 25,241,290</b>	<b>\$ 345,570,538</b>	<b>\$ 324,696,704</b>	<b>\$ 320,162,739</b>	<b>\$ 352,088,225</b>	7.94%
Operating Expenses Ex. Depreciation	14,519,960	14,290,216	13,810,508	164,936,414	164,380,926	138,078,953	178,635,500	19.45%
Depreciation	7,293,627	8,537,539	7,664,360	79,961,777	100,029,118	94,279,022	108,552,698	
Interest Expense	3,997,681	3,800,662	3,901,683	40,600,189	41,335,236	41,593,180	45,173,483	
Other Income	(193,844)	(12,200)	(54,089)	(4,712,610)	(2,220,374)	(6,006,416)	(5,371,928)	
<b>Net Margins</b>	<b>\$ 920,654</b>	<b>\$ (395,027)</b>	<b>\$ (81,172)</b>	<b>\$ 64,784,768</b>	<b>\$ 21,171,798</b>	<b>\$ 52,218,000</b>	<b>\$ 25,098,473</b>	
<b>EBIDA</b>	<b>\$ 12,211,962</b>	<b>\$ 11,943,174</b>	<b>\$ 11,484,871</b>	<b>\$ 185,346,734</b>	<b>\$ 162,536,152</b>	<b>\$ 188,090,202</b>	<b>\$ 178,824,653</b>	-1.46%
Over (Under) Collected Revenues	1,383,673	(4,590,944)	223,541	2,744,209	7,498,320	23,734,764	3,749,120	
<b>EBIDA(X)</b>	<b>\$ 13,595,635</b>	<b>\$ 7,352,230</b>	<b>\$ 11,708,412</b>	<b>\$ 188,090,943</b>	<b>\$ 170,034,472</b>	<b>\$ 211,824,966</b>	<b>\$ 182,573,772</b>	
Total Long-Term Debt							\$ 1,114,322,192	
Debt Service							65,690,519	
Debt Service Coverage Ratio							2.96	
Equity as Percent of Assets							39.6%	
Net Plant in Service							\$ 1,985,228,388	
Capital Improvement Spend							\$ 209,863,100	
Energy Sales kWh	478,620,276	500,289,584	505,076,877	7,074,018,139	6,863,641,075	7,016,792,853	7,500,307,799	0.82%
Energy Purchases kWh	512,988,196	535,537,133	542,587,375	7,565,057,134	7,339,645,464	7,437,622,041	8,019,713,349	1.71%
Active Accounts				402,675	405,765	384,445	407,506	4.74%

# Cost of Service (in millions)

## YTD Actuals vs Amended Budget through November 2023



# EBIDA(X) Year to Date (in millions)



# CIP Spend

## 2023 Capital Improvement Plan YTD Spend

Construction Category & Description	YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
<b>Distribution</b>				
100 New Lines (Line Extensions for new primary, secondary and service lines)	\$ 21,723,627	\$ -	\$ (21,723,627)	\$ -
200 Tie Lines (new construction between existing lines)	6,894,035	8,892,324	1,998,290	9,608,071
300 Conversions or Line Changes	20,460,081	25,203,097	4,743,016	27,514,015
600 Miscellaneous Distribution Equipment	51,792,703	54,377,594	2,584,891	58,775,582
700 Other Distribution Items	281,490	476,667	195,177	520,000
<b>Distribution Total</b>	<b>\$ 101,151,936</b>	<b>\$ 88,949,682</b>	<b>\$ (12,202,253)</b>	<b>\$ 96,417,668</b>
<b>Substation</b>				
400 New Substations, Switching Stations and Meter Points	\$ 13,977,043	\$ 19,290,705	\$ 5,313,662	\$ 20,798,652
500 Substations, Switching Stations and Meter Point changes	28,668,531	29,649,560	981,030	30,256,760
<b>Substation Total</b>	<b>\$ 42,645,573</b>	<b>\$ 48,940,265</b>	<b>\$ 6,294,692</b>	<b>\$ 51,055,412</b>
<b>Transmission</b>				
800 New Transmission Lines	\$ 1,337,396	\$ 3,184,624	\$ 1,847,228	\$ 3,330,593
1000 Line and Station Changes	14,595,821	16,376,591	1,780,770	19,698,276
<b>Transmission Total</b>	<b>\$ 15,933,217</b>	<b>\$ 19,561,216</b>	<b>\$ 3,627,999</b>	<b>\$ 23,028,869</b>
<b>General Plant</b>				
2000 Facilities	\$ 9,588,929	\$ 27,276,654	\$ 17,687,725	\$ 29,346,563
3000 Information Technology	3,415,387	7,271,453	3,856,065	7,776,588
4000 Tools & Equipment	348,890	408,416	59,526	438,000
5000 Vehicles	5,306,048	7,791,667	2,485,619	8,500,000
<b>Total General Plant</b>	<b>\$ 18,659,254</b>	<b>\$ 42,748,189</b>	<b>\$ 24,088,935</b>	<b>\$ 46,061,151</b>
<b>Accrued WIP</b>	<b>\$ 2,160,248</b>	<b>\$ -</b>	<b>\$ (2,160,248)</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>	<b>\$ 180,550,228</b>	<b>\$ 200,199,353</b>	<b>\$ 19,649,124</b>	<b>\$ 216,563,100</b>



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