



May 2022 Financial Presentation to the Board

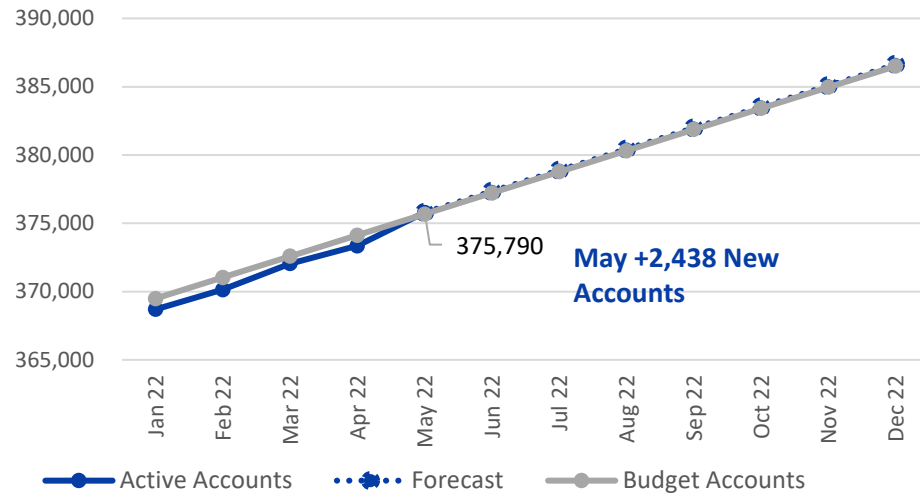
Randy Kruger | Chief Financial Officer

Finance at a Glance – May 2022

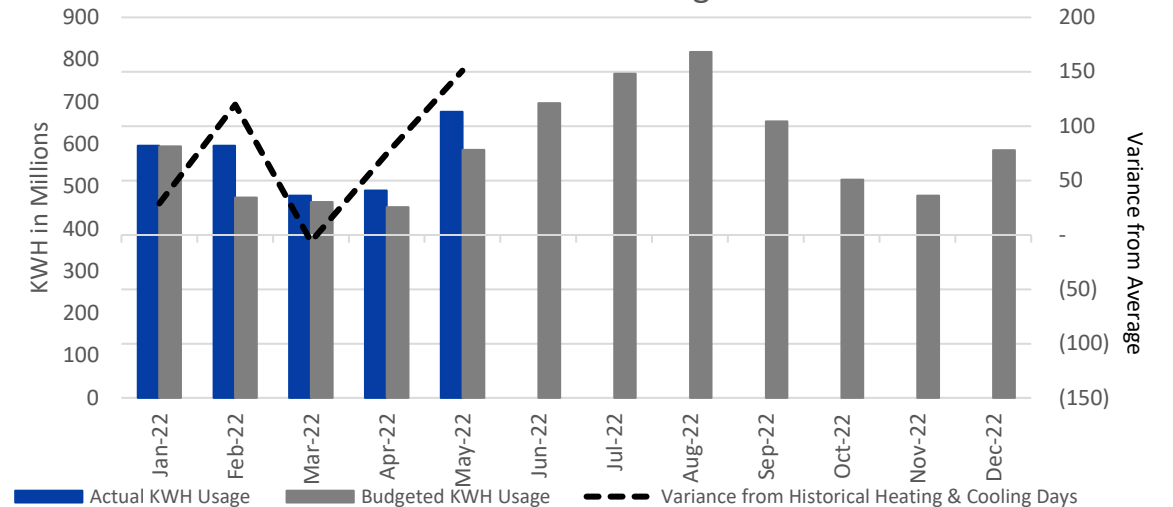
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)
MWH Sold	676,797	587,099	89,698	2,839,928	2,571,606	268,321
Gross Margins	\$ 30.8	\$ 27.9	\$ 2.9	\$ 136.2	\$ 128.2	\$ 8.0
Net Margins	\$ 7.1	\$ 4.9	\$ 2.2	\$ 13.7	\$ 11.6	\$ 2.1
EBIDA	\$ 19.0	\$ 14.9	\$ 4.1	\$ 78.3	\$ 61.5	\$ 16.8
Revenue O/(U)	\$ 1.7	\$ 3.4	\$ (1.7)	\$ (0.6)	\$ 9.2	\$ (9.8)
EBIDA(X)	\$ 20.7	\$ 18.4	\$ 2.3	\$ 77.7	\$ 70.8	\$ 6.9

	Liquidity Coverage (\$ in millions)
Cash & Marketable Securities	\$ 2.9
Short Term Facilities	505.0
Less: Short Term Borrowings	126.9
Available Liquidity	\$ 381.0
Liquidity Coverage (Days)	218

Active Account Growth



Weather and kWh Usage

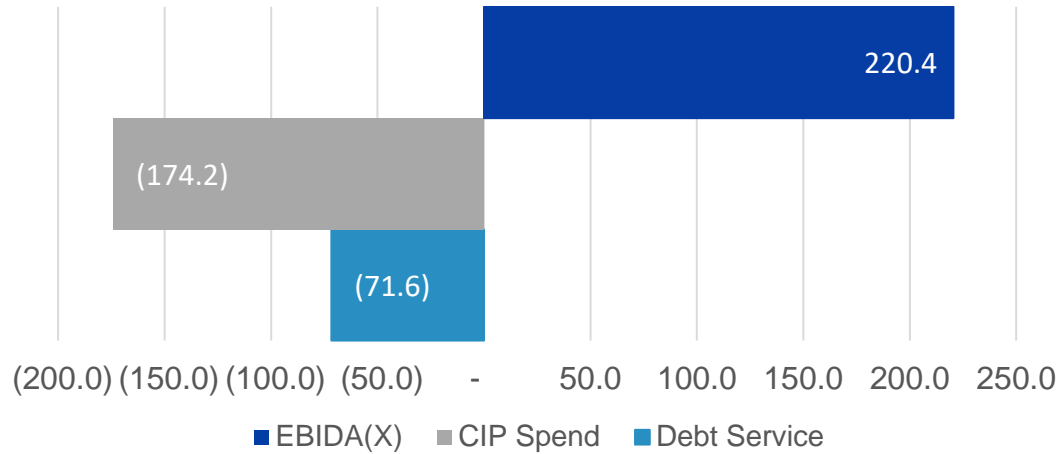


Financial Performance

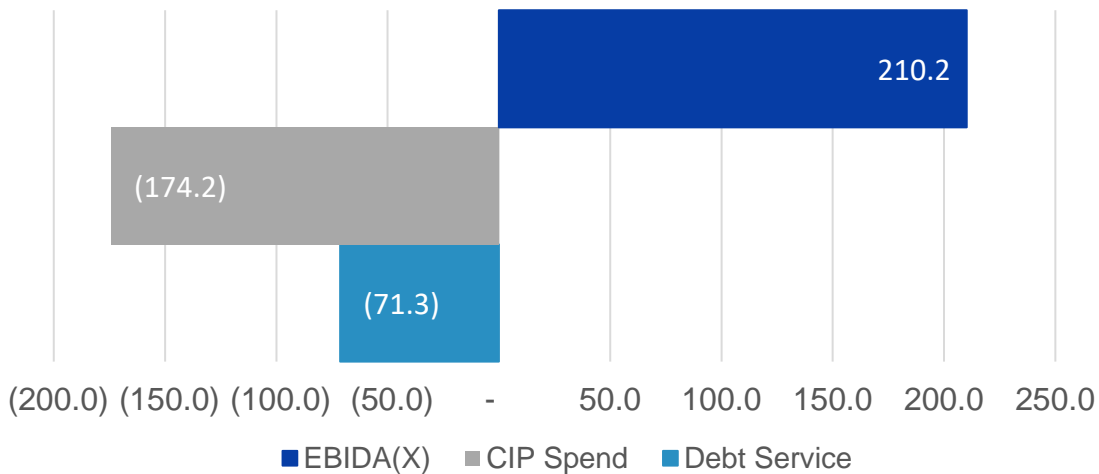
	MTD			YTD			Annual		2021 to 2022 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Forecast	Budget	
Gross Margins	\$ 30,781,558	\$ 27,850,861	\$ 24,447,780	\$ 136,220,608	\$ 128,178,354	\$ 122,498,494	\$ 341,146,652	\$ 332,824,766	11.20%
Operating Expenses Ex. Depreciation	11,885,031	13,681,890	12,785,049	58,381,057	67,747,175	69,136,384	158,158,633	165,745,081	-15.56%
Depreciation	8,148,950	6,391,252	5,812,749	46,121,598	31,956,261	28,961,950	103,164,249	76,695,026	
Interest Expense	3,750,045	3,592,730	3,519,806	18,494,308	17,963,649	15,088,206	43,621,778	43,103,481	
Other Income and Interest Expenses	(62,833)	(745,806)	(821,675)	(494,426)	(1,113,821)	(1,260,923)	(2,036,352)	(2,655,711)	
Net Margins	\$ 7,060,365	\$ 4,930,795	\$ 3,151,851	\$ 13,718,071	\$ 11,625,090	\$ 10,572,877	\$ 38,238,345	\$ 49,936,889	
EBIDA	\$ 18,959,360	\$ 14,914,777	\$ 12,484,406	\$ 78,333,977	\$ 61,545,000	\$ 54,623,033	\$ 185,024,372	\$ 169,735,396	43.41%
Over (Under) Collected Revenues	1,724,702	3,435,865	(5,452,429)	(620,105)	9,223,561	(166,270,016)	35,383,052	40,435,604	
EBIDA(X)	\$ 20,684,062	\$ 18,350,641	\$ 7,031,977	\$ 77,713,872	\$ 70,768,561	\$ (111,646,983)	\$ 220,407,423	\$ 210,171,001	
Total Long-Term Debt							\$ 1,023,187,462	\$ 1,040,538,177	
Debt Service							71,637,156	71,288,720	
Debt Service Coverage Ratio							2.58	2.38	
Equity as Percent of Assets							40.2%	40.3%	
Net Plant in Service							\$ 1,897,293,298	\$ 1,923,846,600	
Capital Improvement Spend							\$ 174,212,349	\$ 174,212,349	
Energy Sales kWh	676,796,992	587,098,573	503,038,436	2,839,927,501	2,571,606,192	2,502,204,235	7,359,541,179	7,091,219,870	13.50%
Energy Purchases kWh	723,802,342	626,061,866	540,494,035	3,064,685,330	2,742,188,037	2,676,957,568	7,817,934,377	7,571,421,437	14.48%
Active Accounts				375,790	375,677	355,711	386,618	386,505	5.64%

Financing Sources & Uses

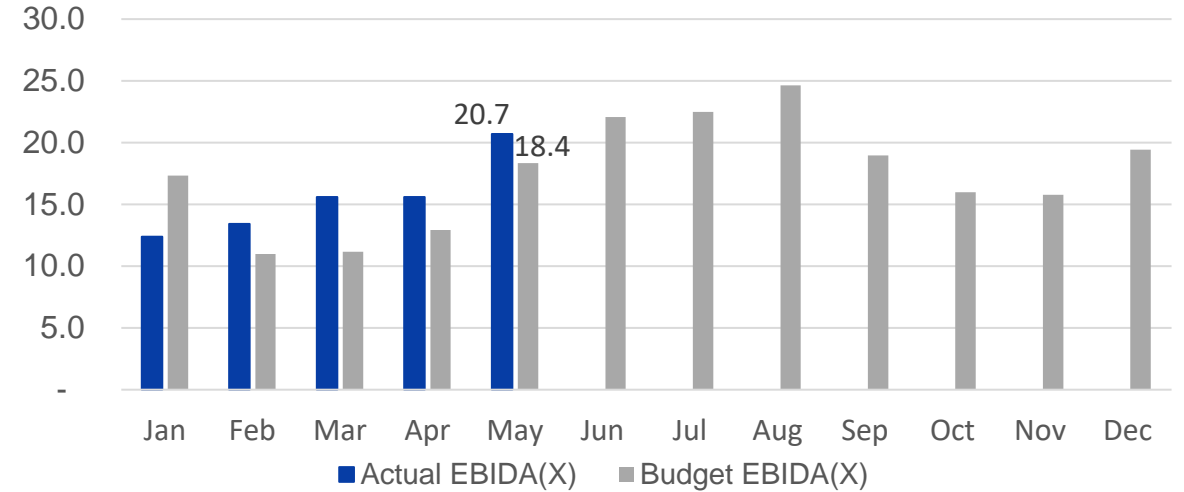
Annual Forecast



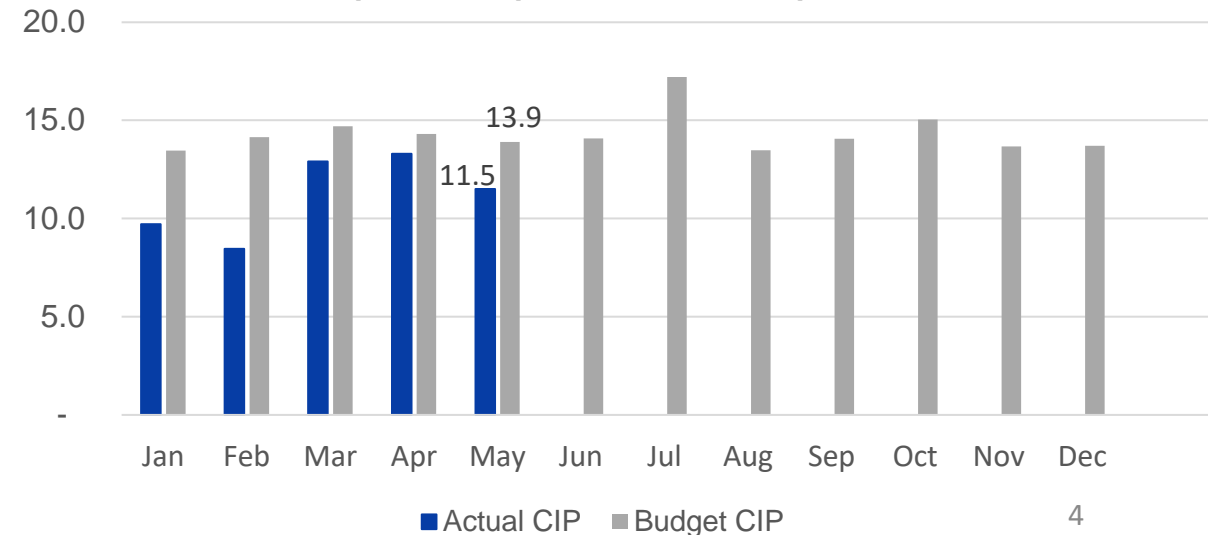
Annual Budget



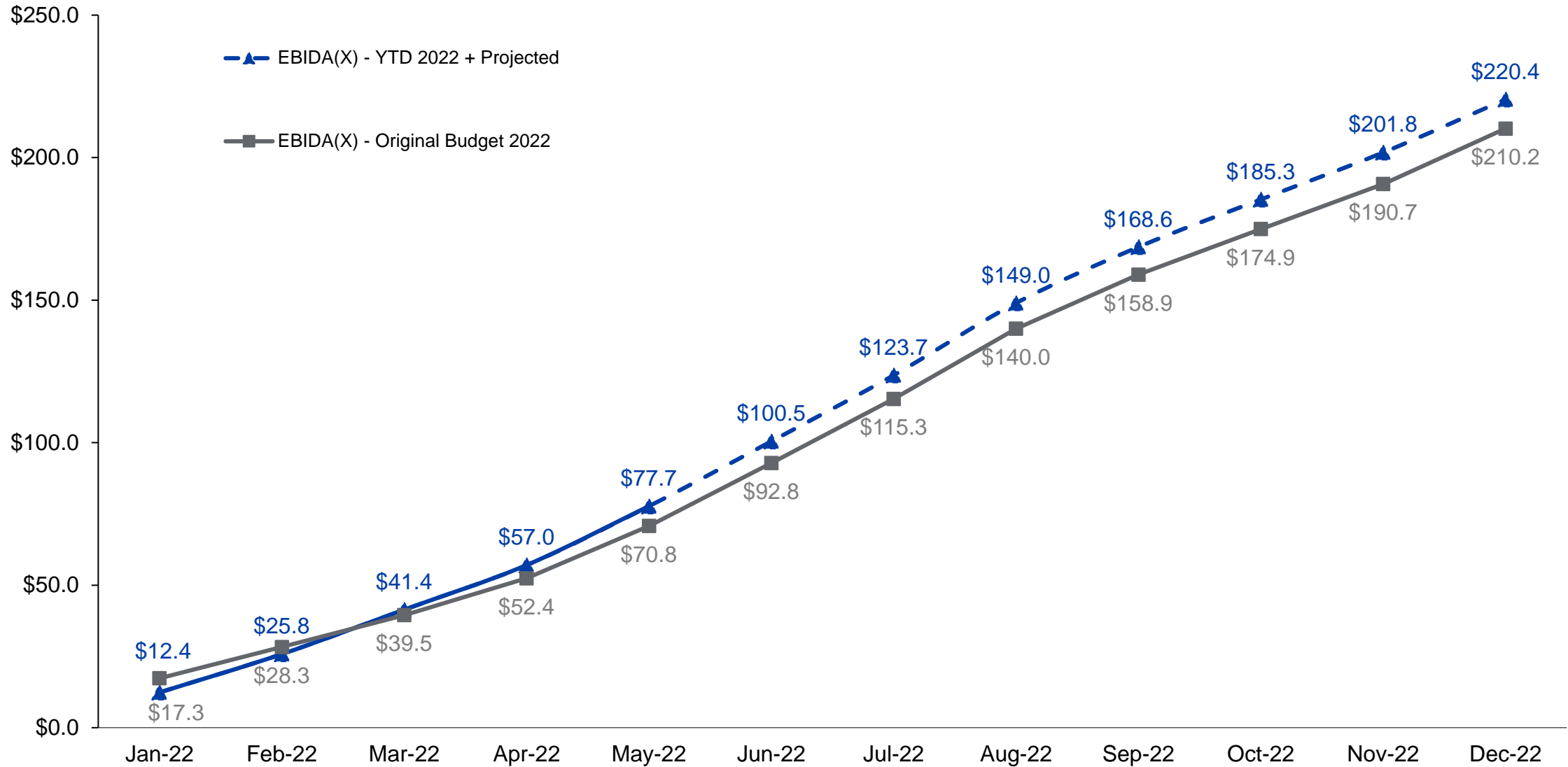
EBIDA(X) by Month



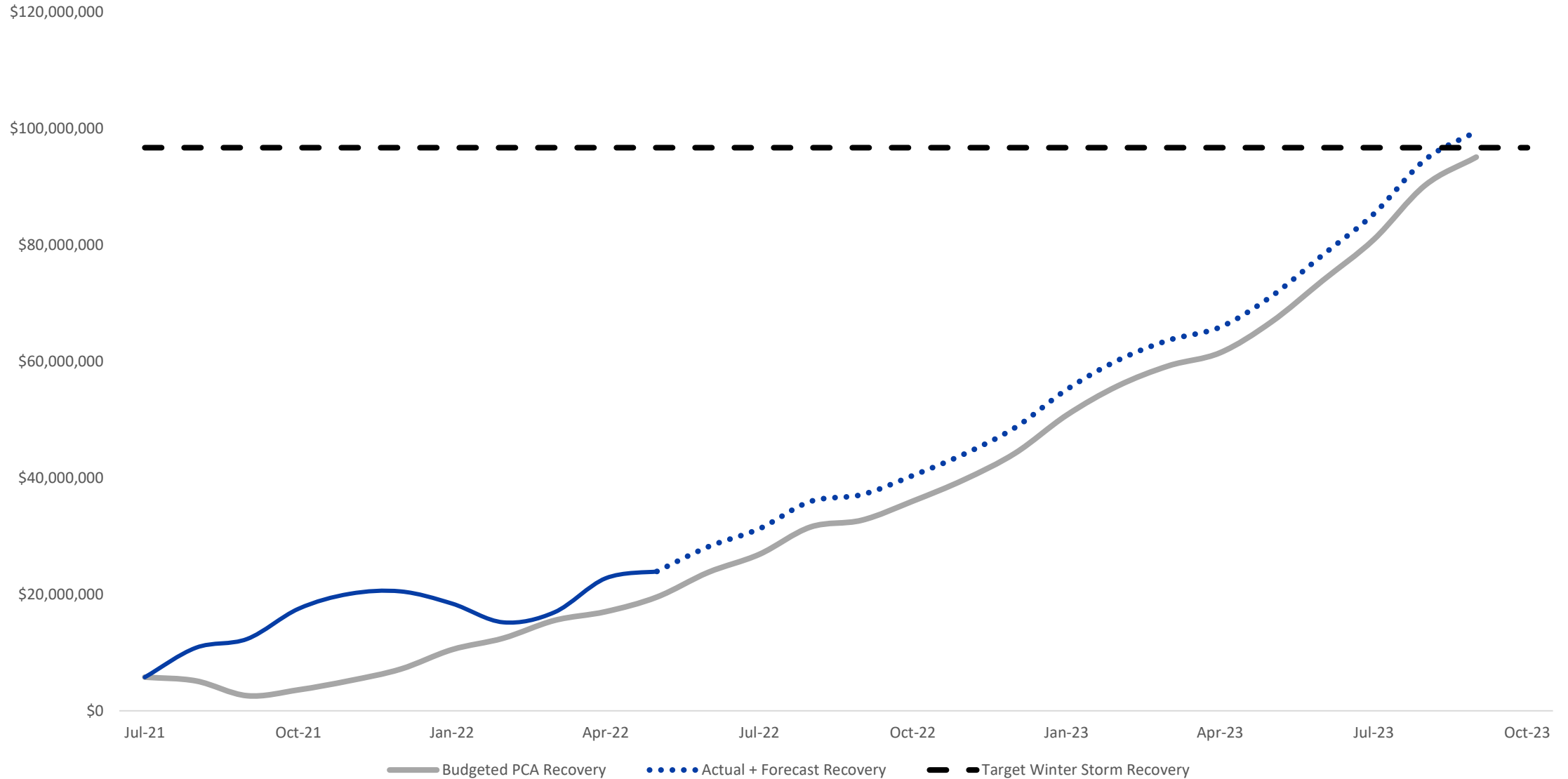
Capital Improvement Spend



EBIDA(X) Year to Date (in millions)

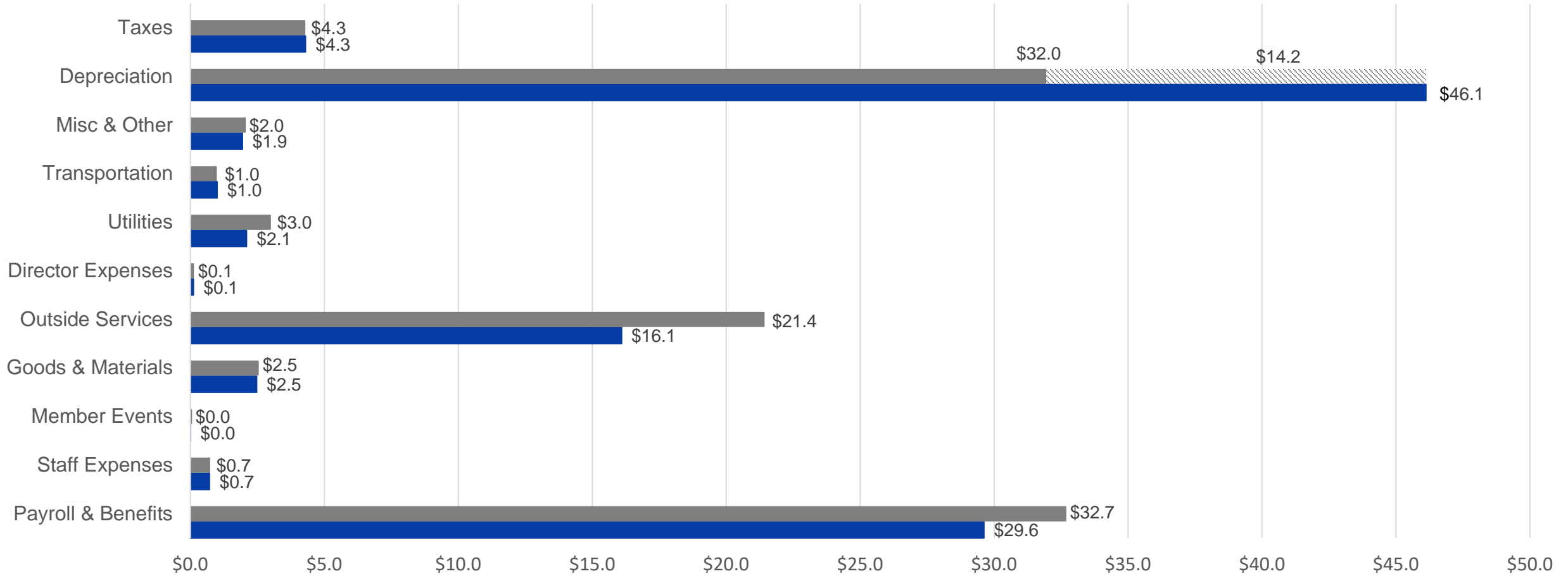


Base Power Over/(Under) Recovery



Cost of Service (in millions)

YTD Actual vs Budget through May 2022



CIP Spend

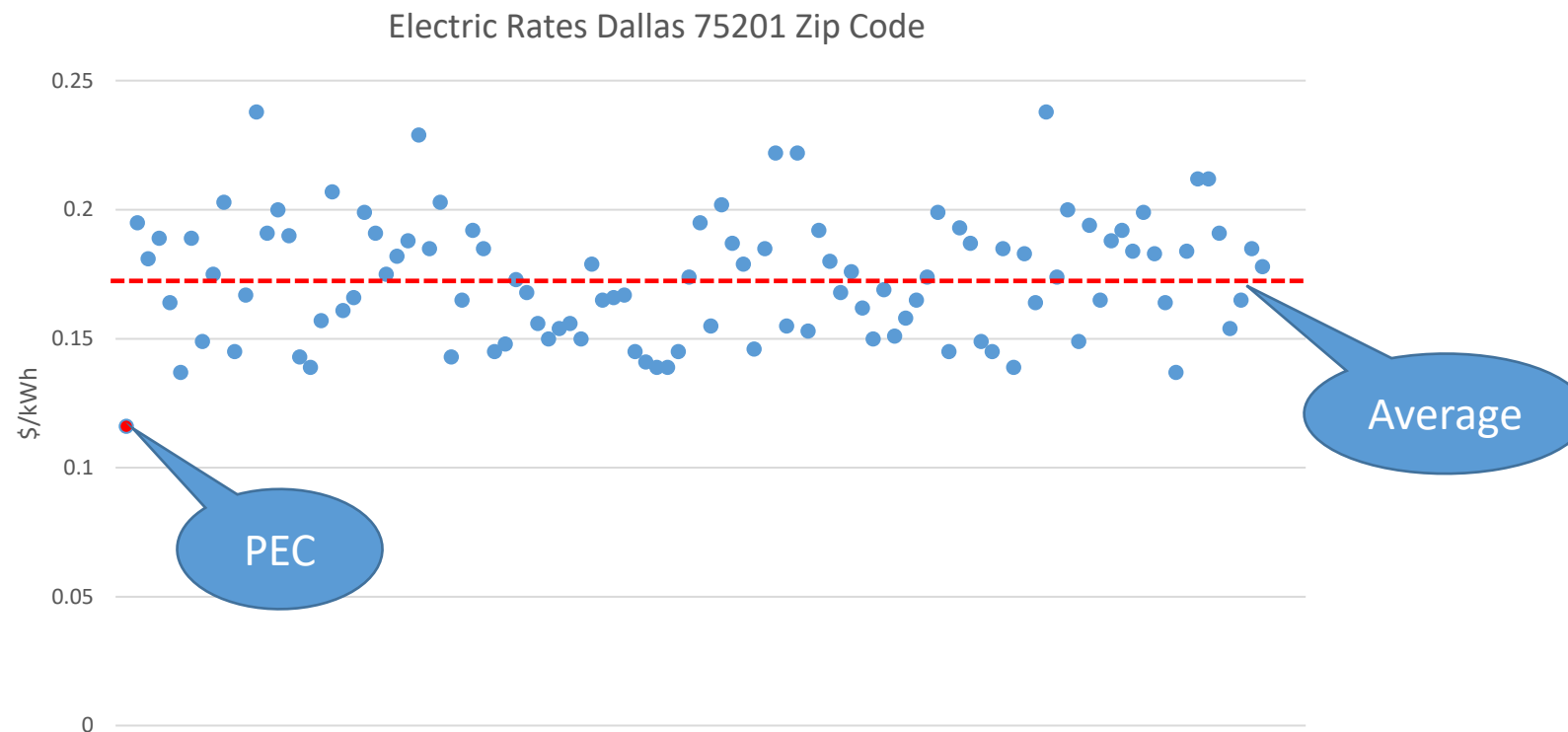
Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Amended Annual Budget
<u>Distribution</u>					
100	New Lines (Line Extensions for new primary, secondary and service lines)	\$ 3,125,687	\$ 3,791,667	\$ 665,980	\$ 9,100,000
200	Tie Lines (new construction between existing lines)	1,557,010	3,068,062	1,511,052	7,052,396
300	Conversions or Line Changes	5,987,004	7,022,113	1,035,108	19,623,189
600	Miscellaneous Distribution Equipment	20,798,577	20,174,115	(624,462)	48,417,876
700	Other Distribution Items	95,461	41,667	(53,794)	100,000
Distribution Total		\$ 31,563,739	\$ 34,097,623	\$ 2,533,884	\$ 84,293,462
<u>Substation</u>					
400	New Substations, Switching Stations and Meter Points	\$ (115,519)	\$ 1,471,667	\$ 1,587,186	\$ 6,820,000
500	Substations, Switching Stations and Meter Point changes	3,862,812	4,177,917	315,104	9,758,111
Substation Total		\$ 3,747,293	\$ 5,649,583	\$ 1,902,290	\$ 16,578,111
<u>Transmission</u>					
800	New Transmission Lines	\$ 1,033,998	\$ 1,481,250	\$ 447,252	\$ 3,777,000
1000	Line and Station Changes	6,012,565	7,191,183	1,178,618	17,762,000
Transmission Total		\$ 7,046,563	\$ 8,672,433	\$ 1,625,870	\$ 21,539,000
<u>General Plant</u>					
2000	Facilities	\$ 7,196,120	\$ 13,064,583	\$ 5,868,464	\$ 32,825,000
3000	Information Technology	1,892,951	6,136,245	4,243,294	12,013,000
4000	Tools & Equipment	85,197	328,155	242,958	433,155
5000	Vehicles	1,087,708	2,721,092	1,633,384	6,530,621
Total General Plant		\$ 10,261,975	\$ 22,250,075	\$ 11,988,101	\$ 51,801,776
Accrued WIP (unidentified projects)		\$ 3,287,971	\$ -	\$ (3,287,971)	\$ -
Total Capital Improvement Plan Spend		\$ 55,907,541	\$ 70,669,715	\$ 14,762,174	\$ 174,212,349

The Dallas Morning News

June 2, 2022

'We're in trouble': Electric rates in Texas have surged over 70% as summer kicks in

"[Electric rates are] over 70% higher than a year ago for residential customers in Texas' competitive market, according to the latest rate plans offered on the state's Power to Choose website"

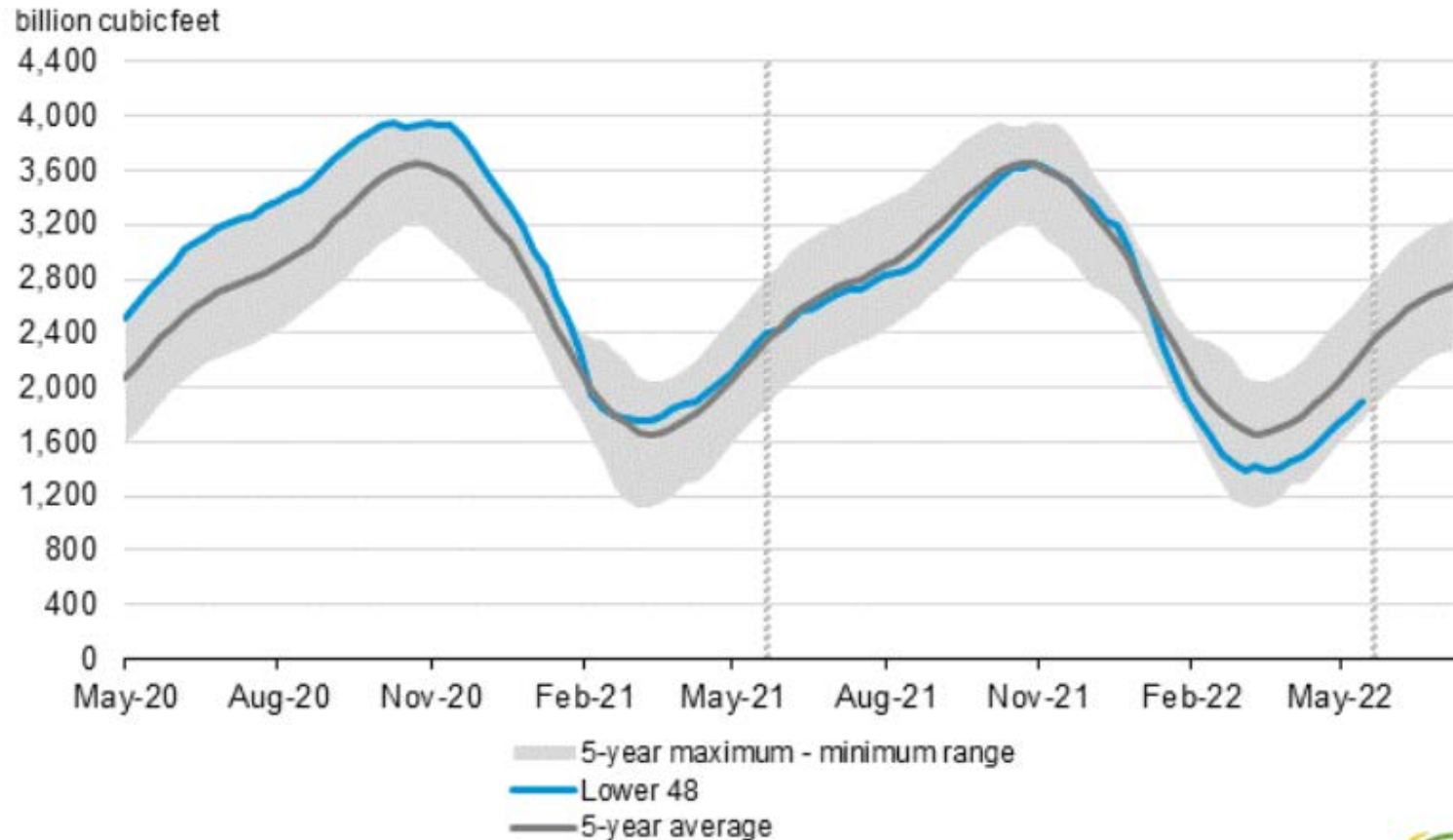


Source: powertochoose.org, June 3, 2022

Gas Storage

- Working gas in storage remains below 5-year average and near 5-year minimum

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



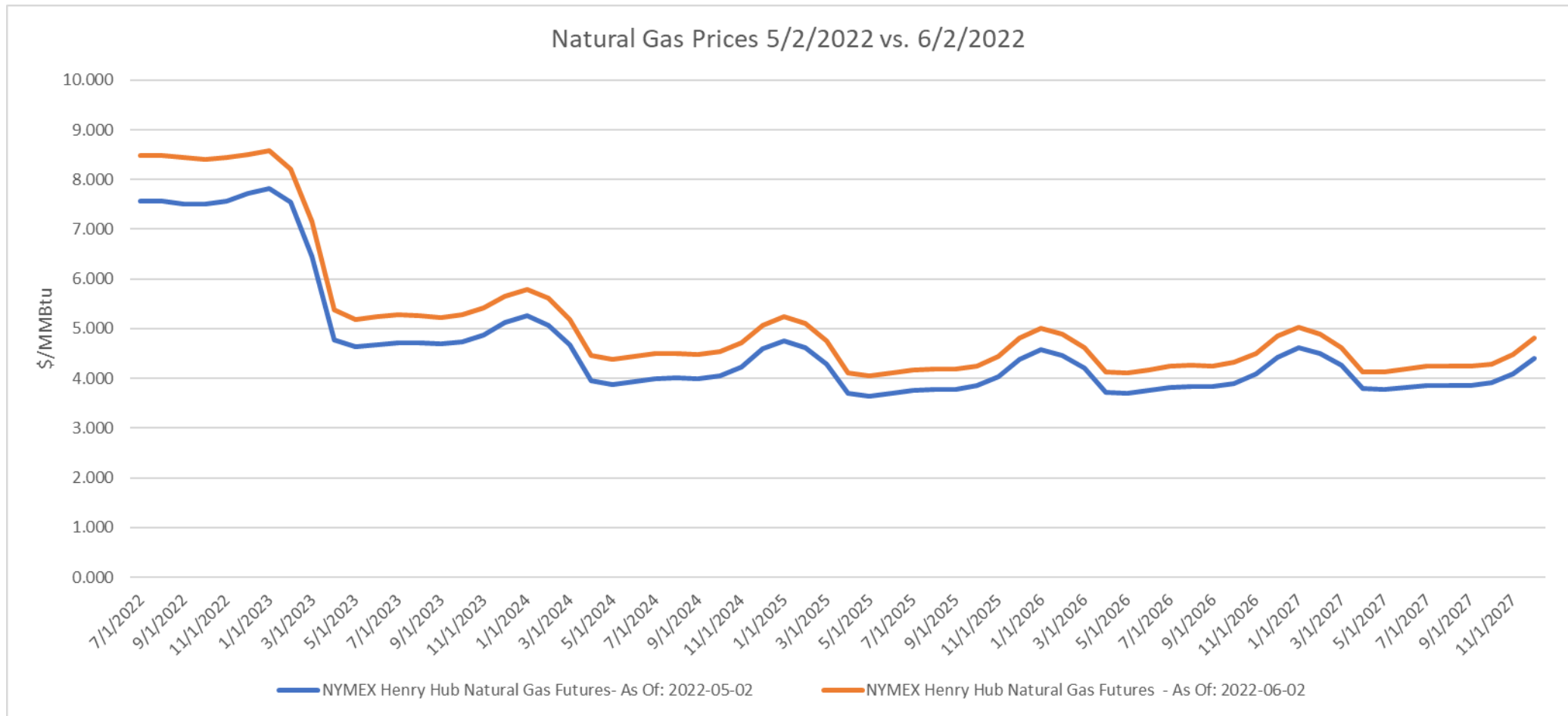
Source: U.S. Energy Information Administration



Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2017 through 2021. The dashed vertical lines indicate current and year-ago weekly periods.

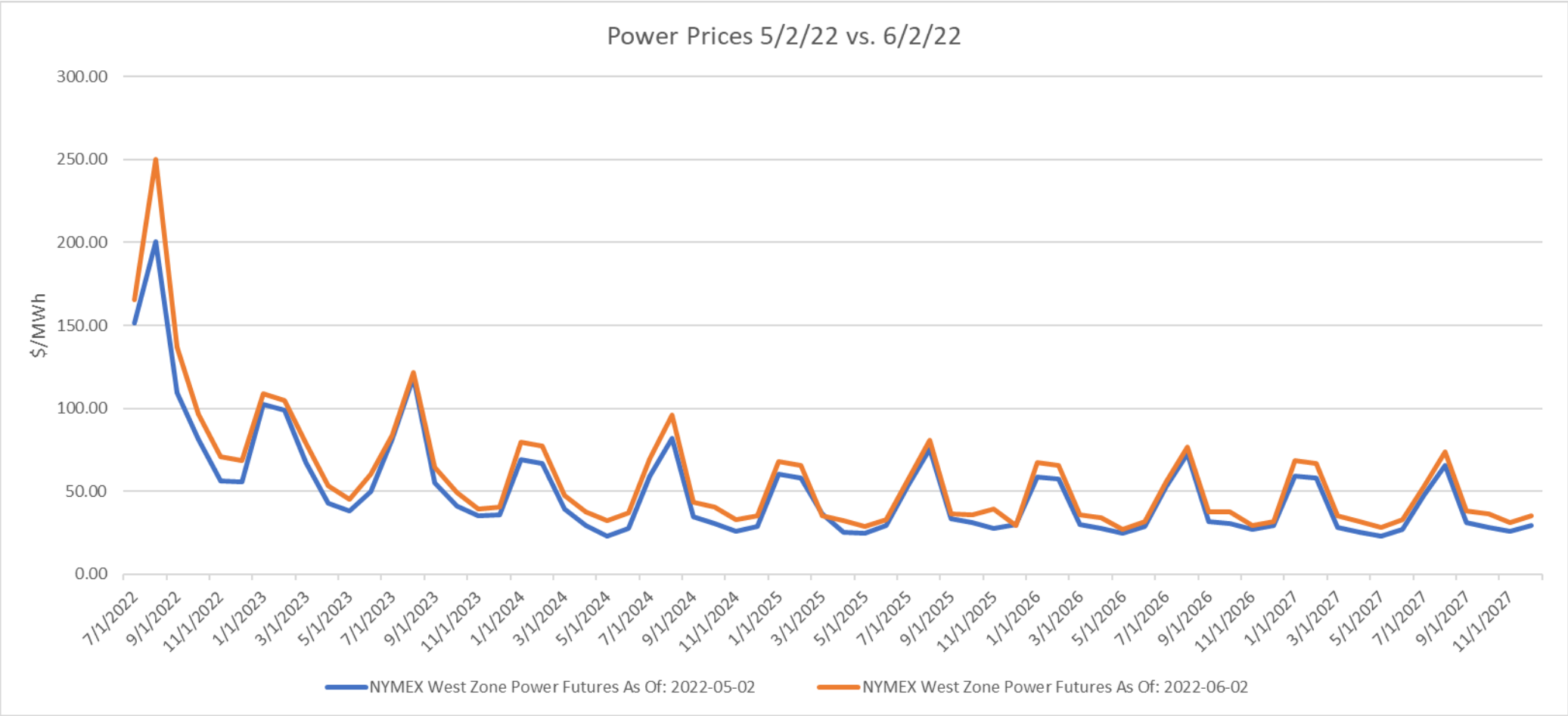
Forward Natural Gas Prices

Natural gas prices are up since last month



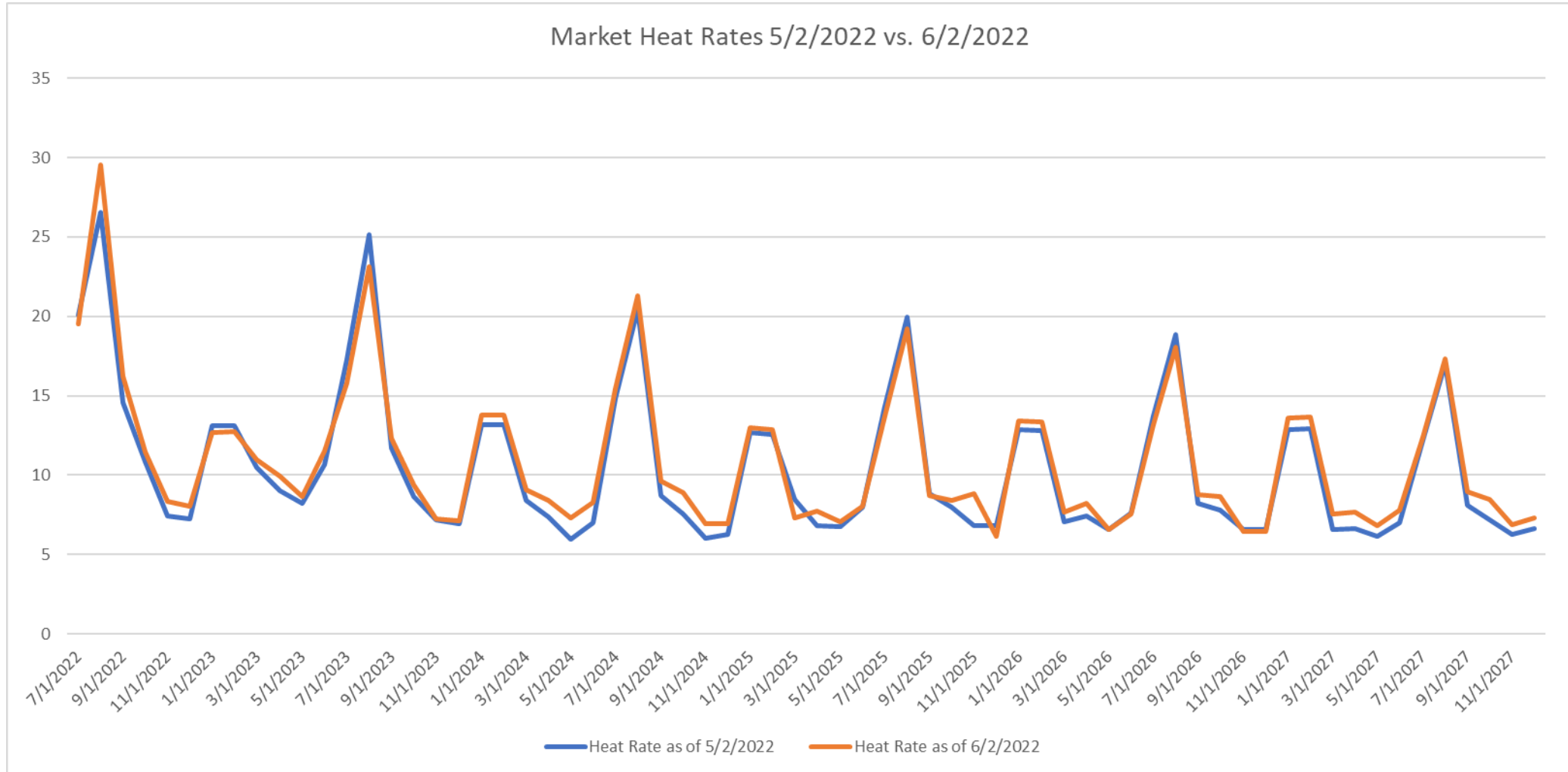
Forward Power Prices

Forward power prices have followed



Market Heat Rates

Market heat rates are up slightly this summer and relatively stable further out



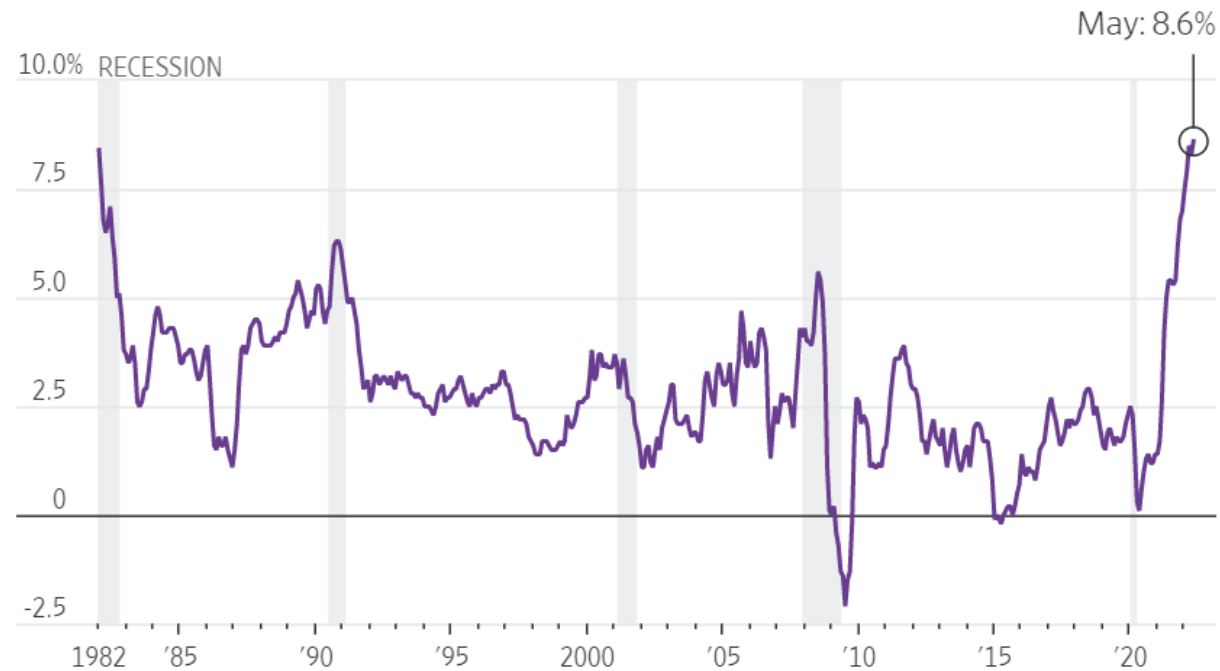
THE WALL STREET JOURNAL.

June 10, 2022

U.S. Inflation Hit a New Four-Decade High in May

Increase of 8.6% in CPI driven by sharp rise in energy, food prices

Consumer-price index, change from a year earlier



Source: Labor Department

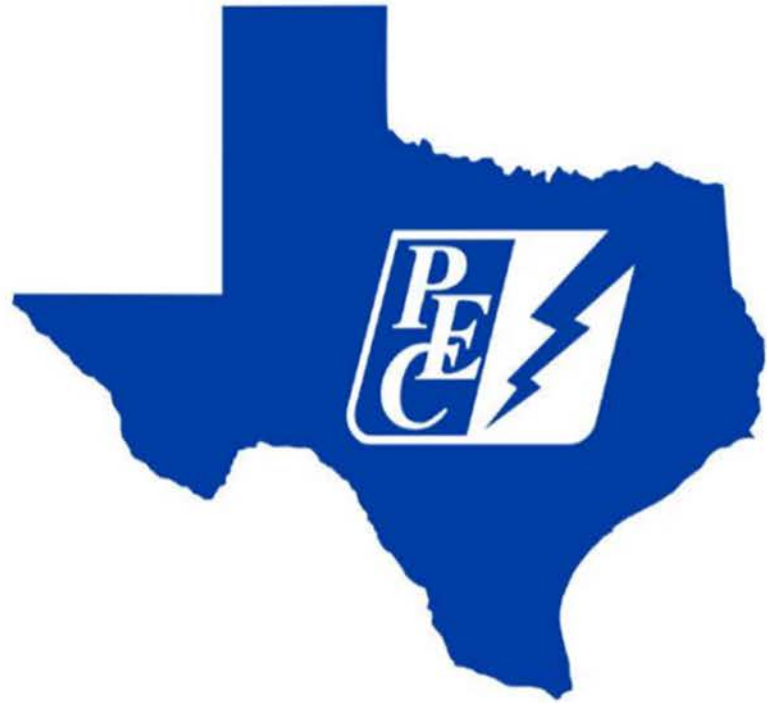
Prices for energy jumped 34.6% from a year earlier, while the cost of groceries rose 11.9% on the year. Shelter costs, an indicator of broad inflation pressures, also accelerated.

Interest Rates

- 10-year Treasury Yield over 3.3% as of June 13, 2022

10-Year Note





PROUD

