



Cooperative Update

Julie C. Parsley | Chief Executive Officer

Jonathan Greene | Chief Operations Officer — Transmission

Nathan Fulmer | Chief Operations Officer — Distribution

Randy Kruger | Chief Financial Officer

JP Urban | Chief Administrative Officer



CEO Report

Julie C. Parsley | Chief Executive Officer

Legislative Update

- March 14: Deadline for bill filing
 - Senate bills filed: 3,100
 - House bills filed: 5,800
- Senate passed SB 6 (King/Schwertner) relating to electricity planning and infrastructure costs for large loads
 - Received for consideration by the House
 - Addresses anticipated increase in the demand for electricity in Texas over the next five years
- Senate passed State budget (SB 1, Huffman) March 25
 - Received for consideration by the House
 - Expected to be heard on the House floor April 10
 - Includes \$5B for Texas Energy Fund
- June 2: Sine Die



Regulatory Update

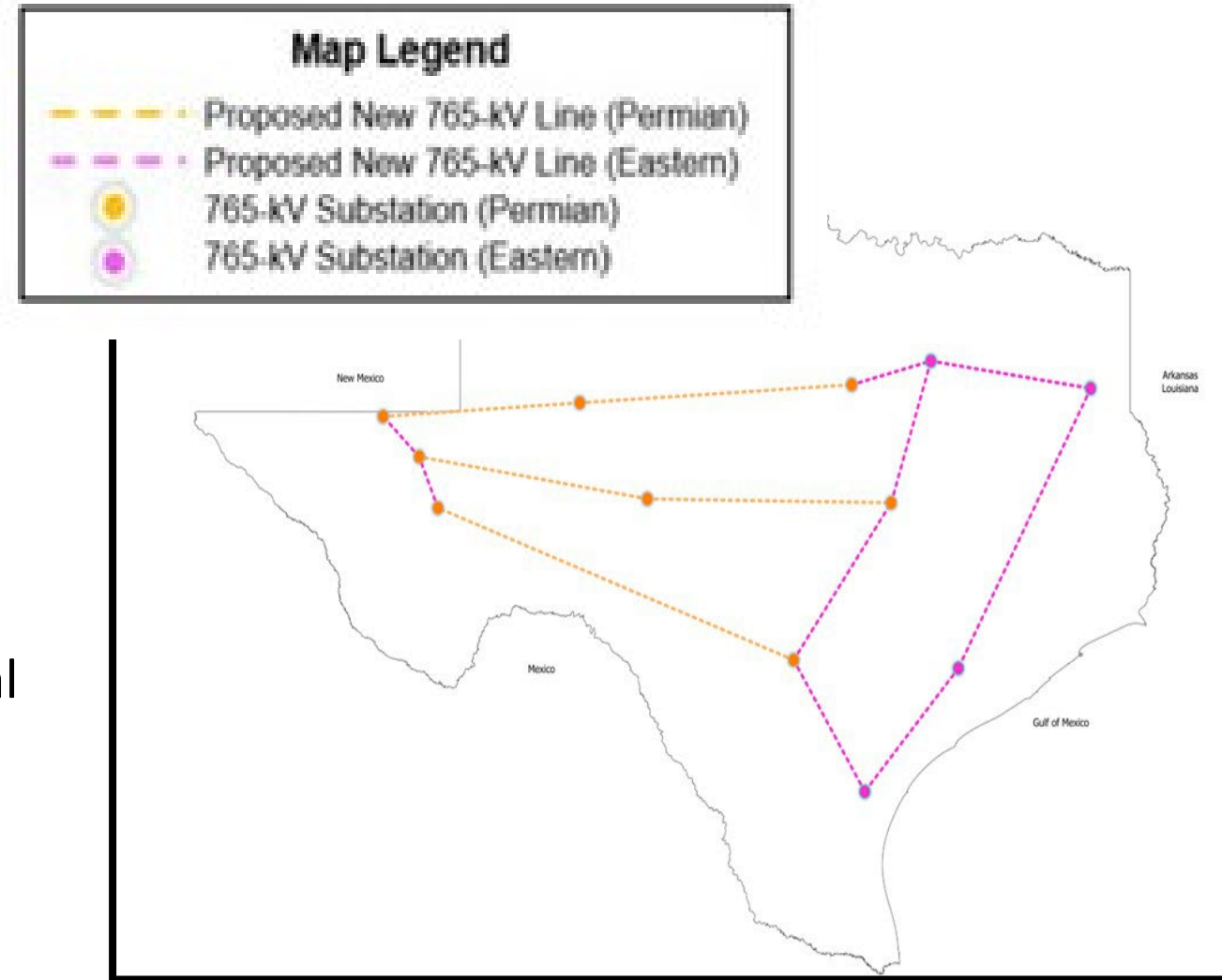
- A significant increase in demand is forecasted by ERCOT due to potential new large loads coming to the region
- ERCOT's latest projections show the possibility of ~108 GW of large load could be interconnected in ERCOT by 2030
- The all-time record peak demand in ERCOT was 85.5 GW (August 10, 2023)



Regulatory Update

Consideration of 765-kV transmission in ERCOT:

- Based on the significant forecasted load growth, ERCOT is encouraging the PUC to allow transmission operators to build 765-kV transmission infrastructure
- This will enable power to flow through long-distance transmission from resource-rich regions to load
- The PUC is currently considering the proposal and set a May 1 deadline to determine whether to authorize 765-kV in this current planning cycle



2025 Election Update

March 24

- Nomination application deadline

April 17

- Approval of candidates on ballot

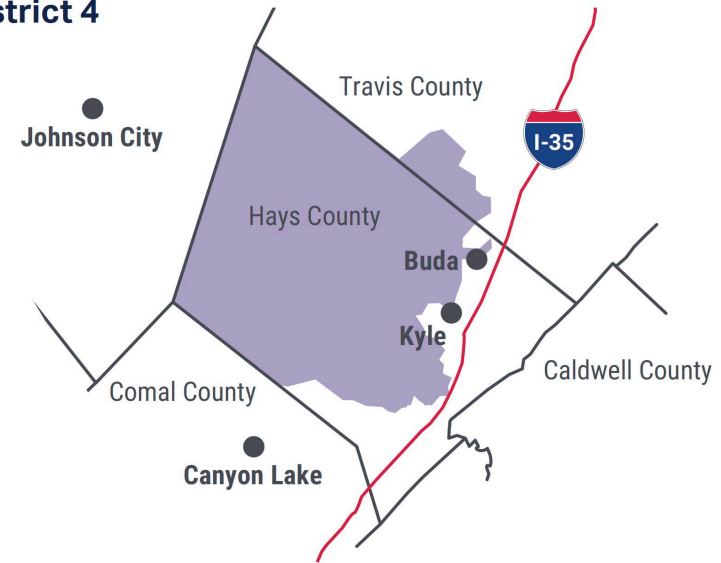
May 21 – June 13

- Voting Period

June 20

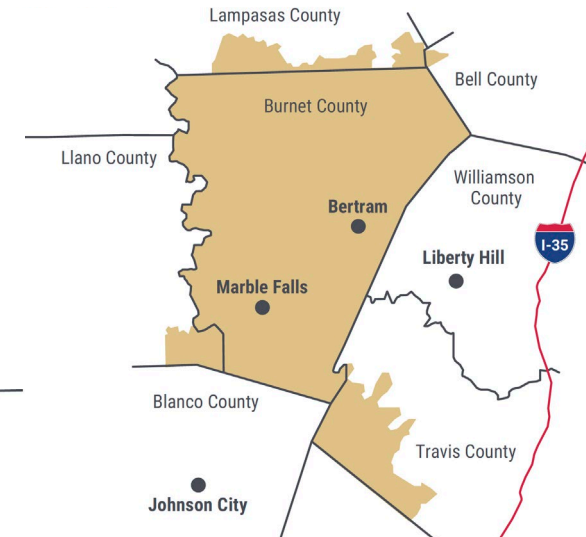
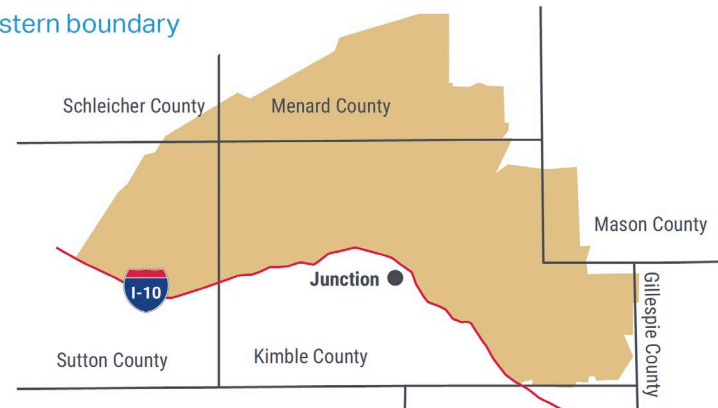
- Annual Meeting with Directors seated

District 4



District 5

Western boundary



Meet Our 2025 Youth Tour Delegates!

- PEC has selected 10 students from nearly 100 applicants to represent the Cooperative in Washington, D.C., where they will meet with lawmakers, visit historical sites, and learn about U.S. history and government
- PEC's 2025 delegates will join other Texas delegates and students from across the country selected to represent their electric cooperative
- The trip will take place June 15-23



Back row from left to right: Neha Reddy, Sophia Vitela, Arjun Bhardwaj, Yash Lalwani, and Gage Trudeau. Front row from left to right: Gabriela Correa, Avery Auditore, Nikhitha Nimma, Vanessa Valle, and Addison Allen.

USA Today National Top Workplace



**PEC is a USA Today
2025 National
Top Workplace!**



March Quarterly Report

Jonathan Greene | Chief Operations Officer -
Transmission

System Performance

System Performance beginning calendar year 2025 –

- Transmission System is performing well – system availability is high, trending similar to 2024

Upcoming Training –

- TCC Operations staff will attend ERCOT Operations Training Seminars in March and April
- Topics include:
 - Summer Weather Outlook and Weatherization
 - Black-start Restoration and EEA Load Shed Process
 - ERCOT Outage Coordination Overview
 - ERCOT Compliance: NERC, Market Rules and Operations
 - Reliability Risks of the Evolving Bulk Power System

Capital Projects

Recent Capital Projects to Serve Load Growth

Yarrington Substation (Kyle)

- Energized in January 2025

Dripping Spring T1 & T2 Upgrade

- Energized in January 2025
- Upgrade transformers from 37.3 to 46.7 MVA

Sattler Re-Insulation (Canyon Lake)

- Energized January 2025
- Needed to prepare for voltage conversion for increased capacity



Yarrington Substation

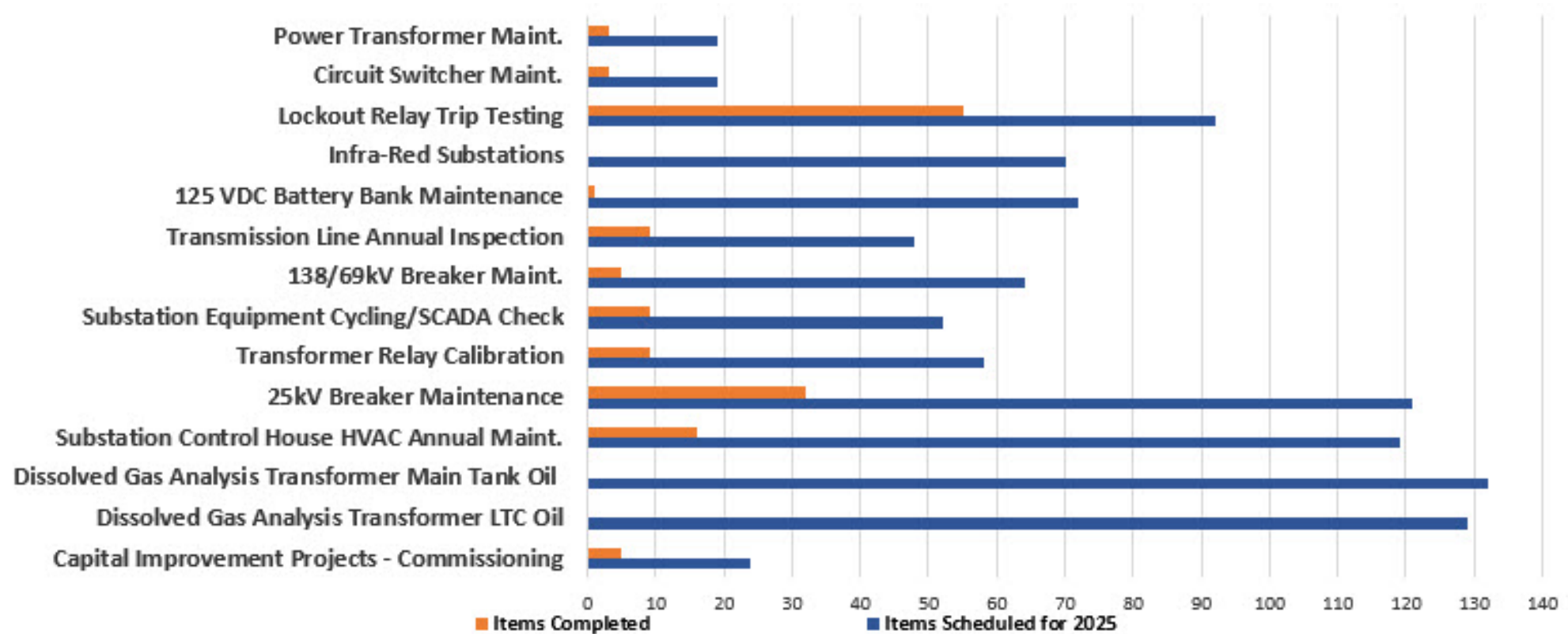


Dripping Springs Substation

System Maintenance

Transmission System Maintenance for calendar year 2025

- System maintenance plan is progressing as planned



T330 Cranes Mill – Devils Hill 138kV Line

T330 Restoration Effort

- Failed insulator tripped T330 offline de-energizing Devils Hill & Bergheim substations
- Both substations were quickly back fed from other substations to restore load
- Failed insulator location was difficult to access due to muddy conditions & terrain
- Crews utilized PEC's 6-wheel drive recovery vehicle to pull bucket truck to structure location
- Joint effort involving Transmission Maintenance, Fleet Maintenance, and Substation Maintenance
- Crews worked through the night to make repairs and return T330 to service within 9 hours



T330 Cranes Mill – Devils Hill 138kV Line



Failed Insulator & PEC's Recovery Vehicle

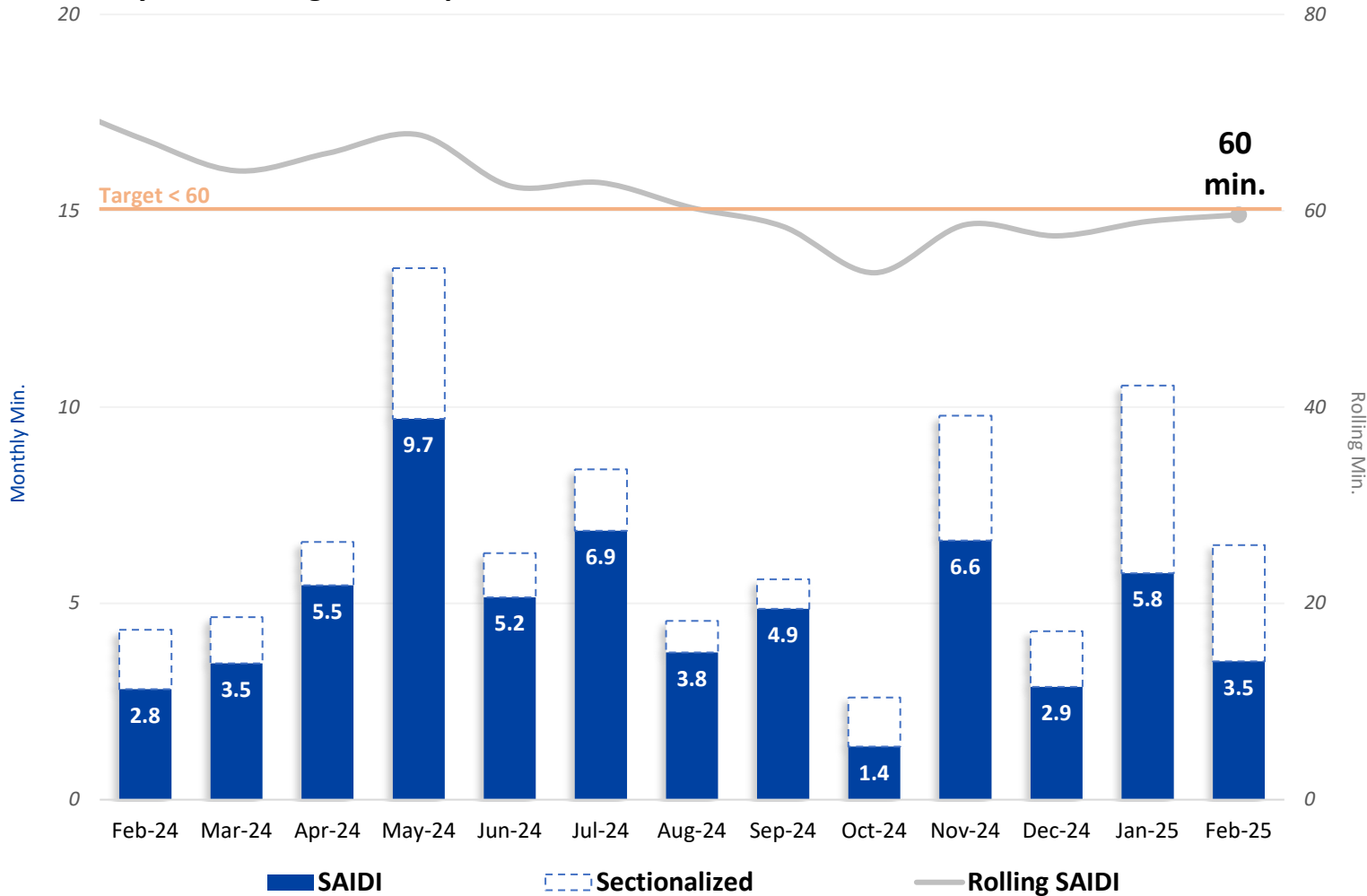


Operations Report

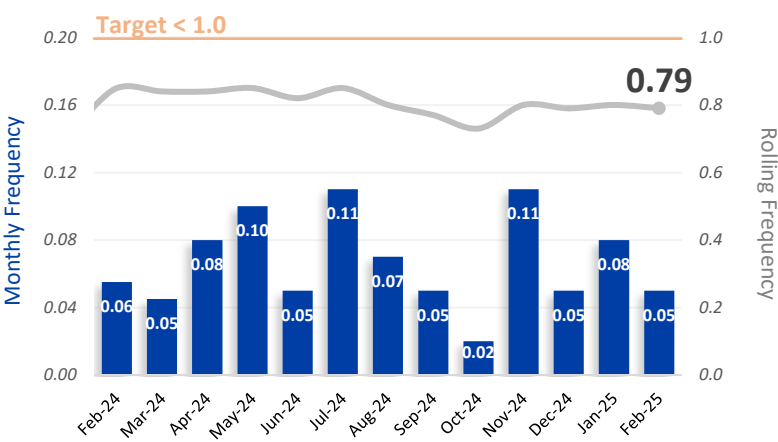
Nathan Fulmer | Chief Operations Officer -
Distribution

Reliability

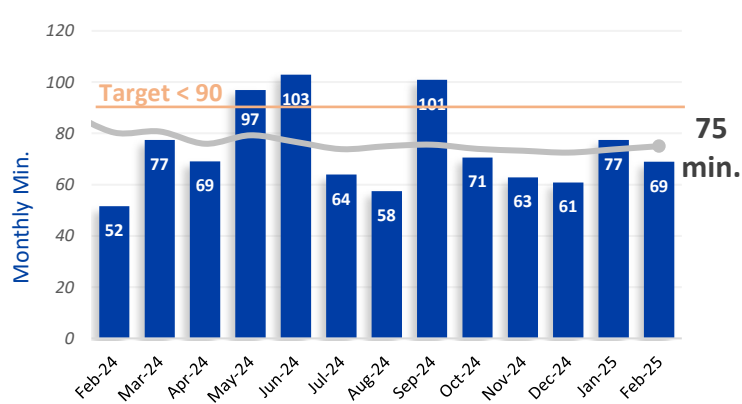
SAIDI System Average Interruption Duration Index



SAIFI System Average Interruption Frequency Index

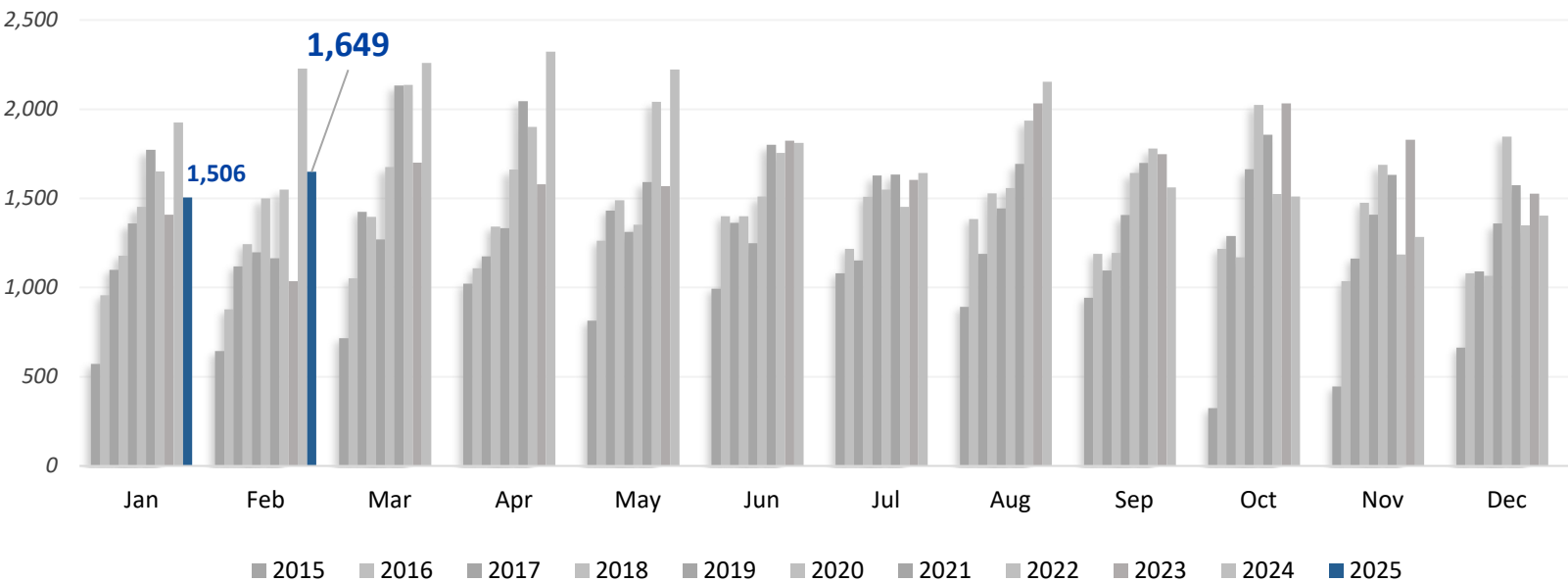


CAIDI Customer Average Interruption Duration Index



System Growth

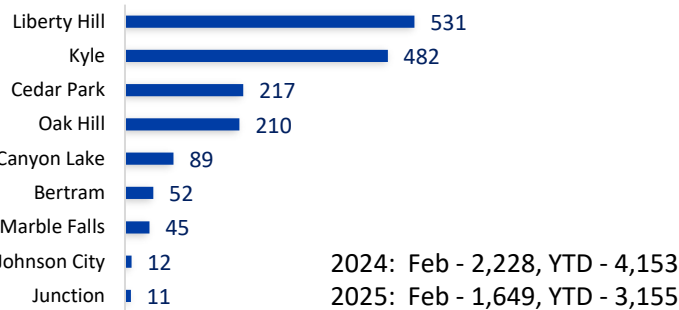
Line Extensions Completed



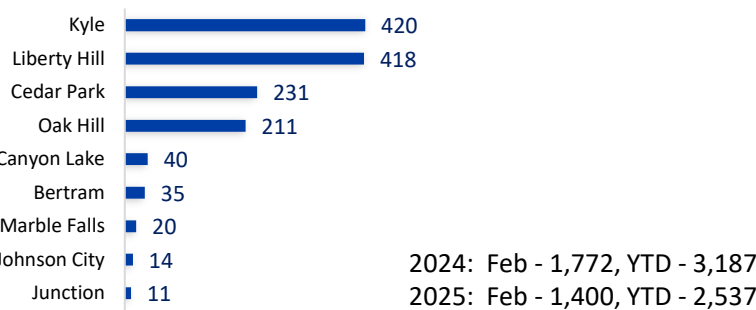
Miles of Distribution Line:

Overhead:	17,809	(69%)
Underground:	7,833	(31%)
Total:	25,642	

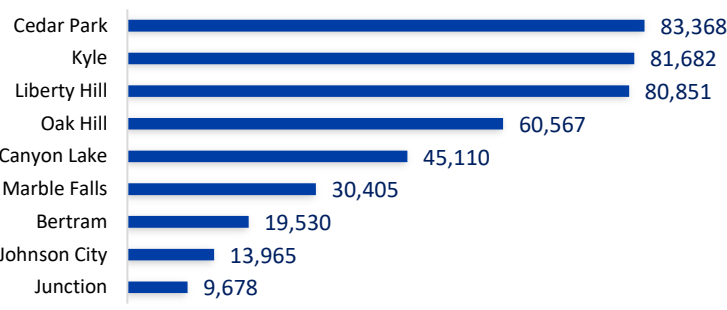
Line Extensions (1,649)



Meter Growth (1,400)



Meter Totals (425,156)

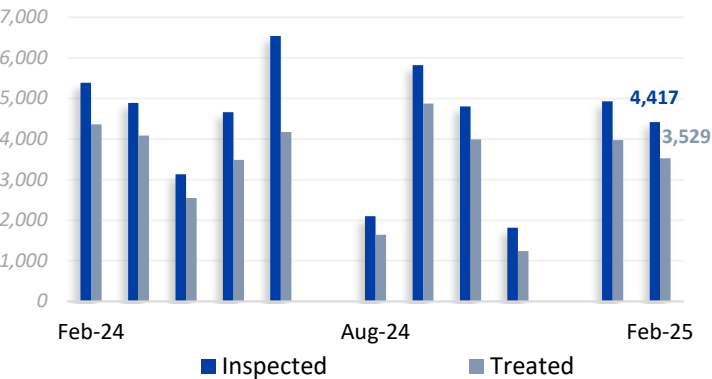


Maintenance & Technical Services

Pole Testing & Treatment (PTT)

Poles Inspected & Treated

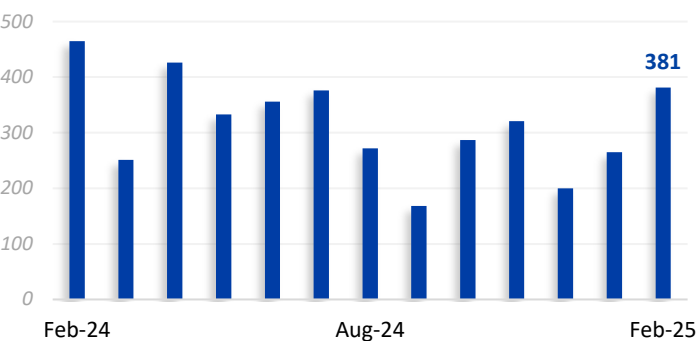
2024 YTD: Inspections - 9,503 Treated - 7,783
2025 YTD: Inspections - 9,345 Treated - 7,506



Underground Equipment

Pad Restorations

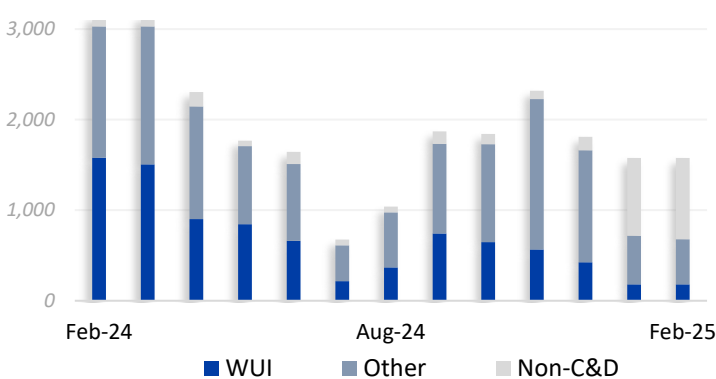
2024 YTD: 954
2025 YTD: 646



Vegetation Management

Span Clearings

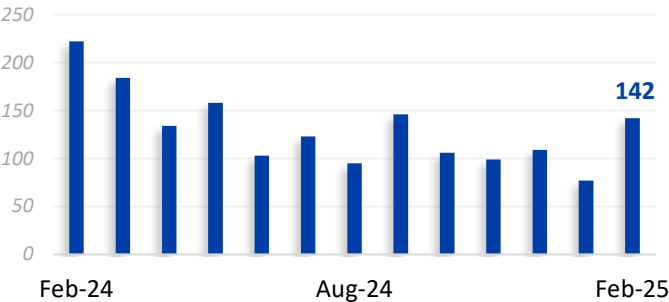
2024 YTD: WUI Spans - 2,880 Other C&D - 2,095 Non-C&D - 164
2025 YTD: WUI Spans - 362 Other C&D - 1,076 Non-C&D - 1,720



Technical Services

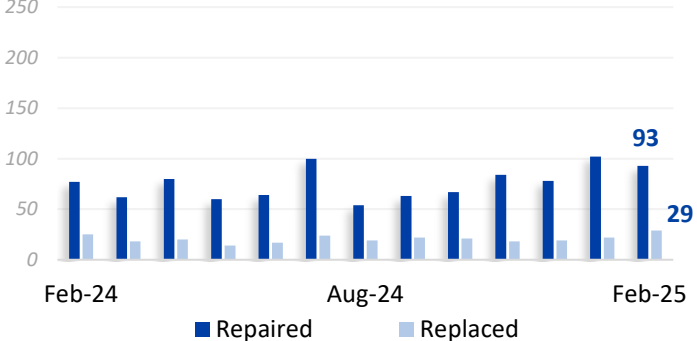
Equipment Inspections

2024 YTD: 468
2025 YTD: 219



Equipment Repaired or Replaced

2024 YTD: Repaired - 131 Replaced - 45
2025 YTD: Repaired - 195 Replaced - 51



Planning Engineering Projects

Project	Completion	Percent Complete
Load Projection Study	Feb 2025	100%
2025 CIP Project Maps	Feb 2025	93%
Capacitor Settings	Mar 2025	90%
4CP Study	Apr 2025	0%
Summer Contingency	May 2025	0%
UFLS Study	Jul 2025	0%
CIP (1 st Draft) Study	Jul 2025	0%
CIP (Final Draft) Study	Aug 2025	0%
Mock UFLS Study	Dec 2025	0%
20-Year Plan Study	Dec 2025	0%
Winter Contingency	Dec 2025	0%

Large Project Updates

Johnson City - Haley Road

Laydown yard and truck canopies completed with electrical, security cameras, and signage. Designing the remaining land for base and infrastructure.

Junction

Contract awarded and work began in late December. Civil work is underway. Project completion forecasted for November 2025.

Marble Falls

Perimeter fence work is complete. Fuel island project awarded, and contract has been executed. Work to begin within 3-weeks and completion is forecasted by the end of June 2025.

Liberty Hill Parking

Parking area with fence completed on March 3rd.

Kyle Parking

Expanding office parking lot into existing yard. Compacted base and fence is complete. Asphalt and striping was completed March 20.



Safety + Technical Training Update

Department Highlights

1. Assessment Process Review

- Engaged with operations Districts to gather feedback and insights about our assessment approach to improve the process and skills retention.
- Enhanced assessment criteria and condensed timeline.
- Implemented a new entire class review and completion of all 10 assessment topics prior to promotion.

2. Safety Committee Meeting

- Successfully hosted a meeting for the safety committee, focusing on promoting safety standards and adding signage on height clearances requirements for PEC vehicles.

3. Standard Operating Procedure (SOP) Development

- Initiated the SOP process related to the Easy Spot pole setter to ensure proper operational guidelines and safety protocols are established on EZ Spot UR.

4. Replaced all poles in the climbing pit

- Replaced all poles in the climbing pit with new DCOI-treated poles, which are more durable than non-treated poles and are better suited for extensive climbing as compared to creosote treated poles.
- DCOI-treated poles will enhance employee safety and focus on training.

Apprentice Spotlight



Daniel Hill
Lineworker
Apprentice 4
Kyle

Daniel Hill has demonstrated remarkable diligence and a proactive approach to safety standards. His attention to detail led him to discover inconsistencies regarding the types of stickers permitted on hard hats, an issue that could have had significant implications for our workplace safety practices. By raising awareness among his peers and the faculty, Daniel has not only improved our safety protocols but has also encouraged a culture of vigilance and responsibility.

In recognition of his contributions, Daniel received an award for Outstanding Safety Awareness and Initiative, reflecting our appreciation for his commitment to maintaining a safe working environment. His enthusiasm for learning and his willingness to take the initiative exemplify the values we strive to instill in our apprentices.



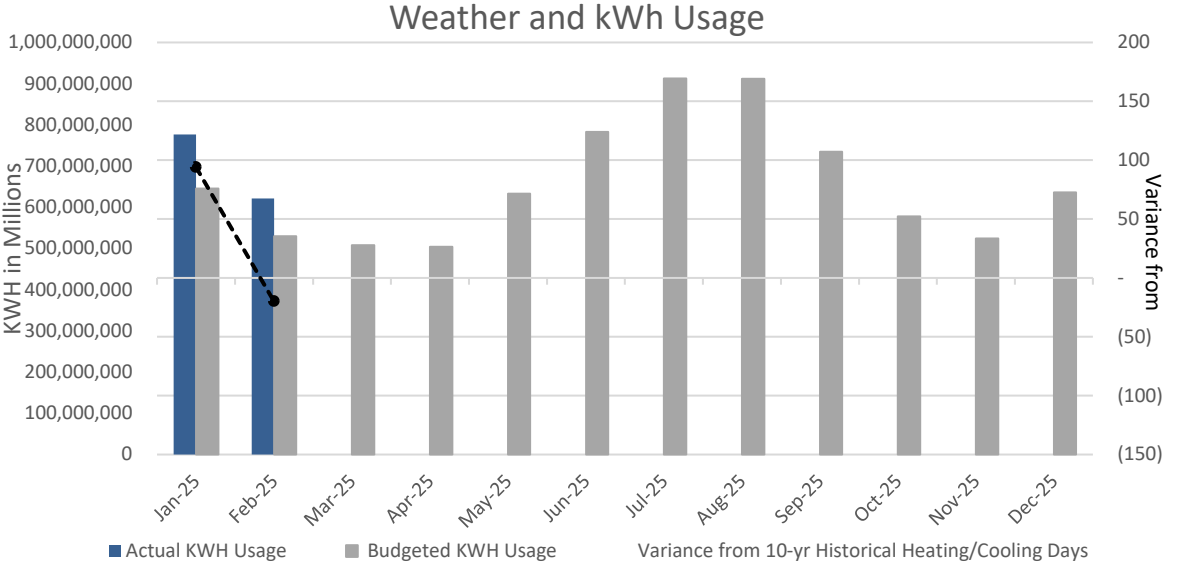
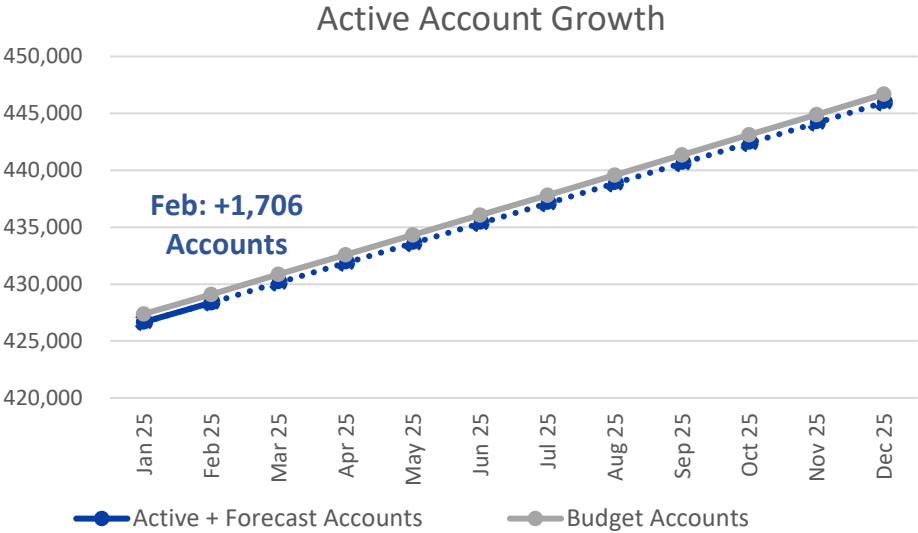
February 2025 Financial Report

Randy Kruger | Chief Financial Officer

Finance at a Glance – February 2025

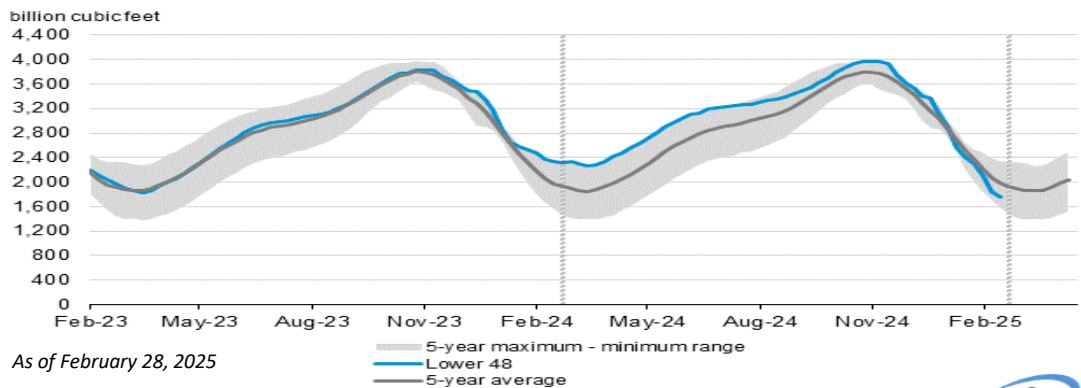
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	621,346	529,978	91,368	1,398,221	1,175,763	222,458
Gross Margins	\$ 34.1	\$ 29.6	\$ 4.5	\$ 68.3	\$ 61.6	\$ 6.7
Net Margins	\$ 8.8	\$ 3.1	\$ 5.7	\$ 17.2	\$ 7.8	\$ 9.4
EBIDA	\$ 20.0	\$ 14.3	\$ 5.7	\$ 39.5	\$ 30.2	\$ 9.3
Revenue O/(U)	\$ (9.7)	\$ (7.2)	\$ (2.5)	\$ (5.4)	\$ (15.9)	\$ 10.5
EBIDA(X)	\$ 10.4	\$ 7.1	\$ 3.3	\$ 34.1	\$ 14.3	\$ 19.8

	Liquidity Coverage
Cash & Marketable Securities	\$ 24,755,680
Short Term Facilities	605,000,000
Less: Short Term Borrowings	159,757,306
Available Liquidity	\$ 469,998,374
Liquidity Coverage (Days)	198

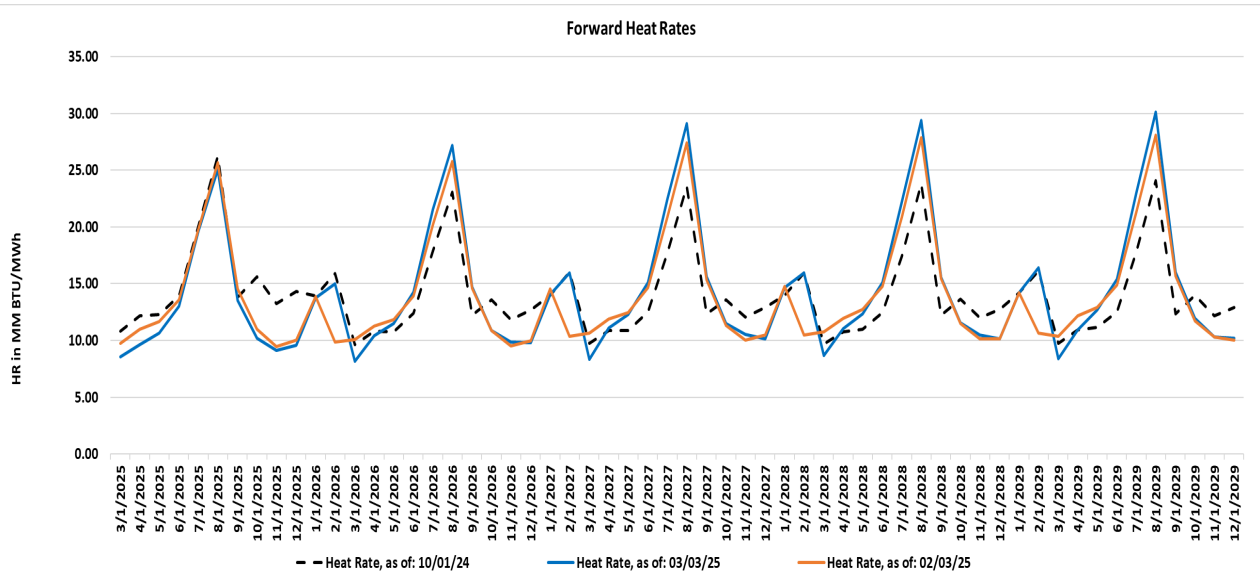
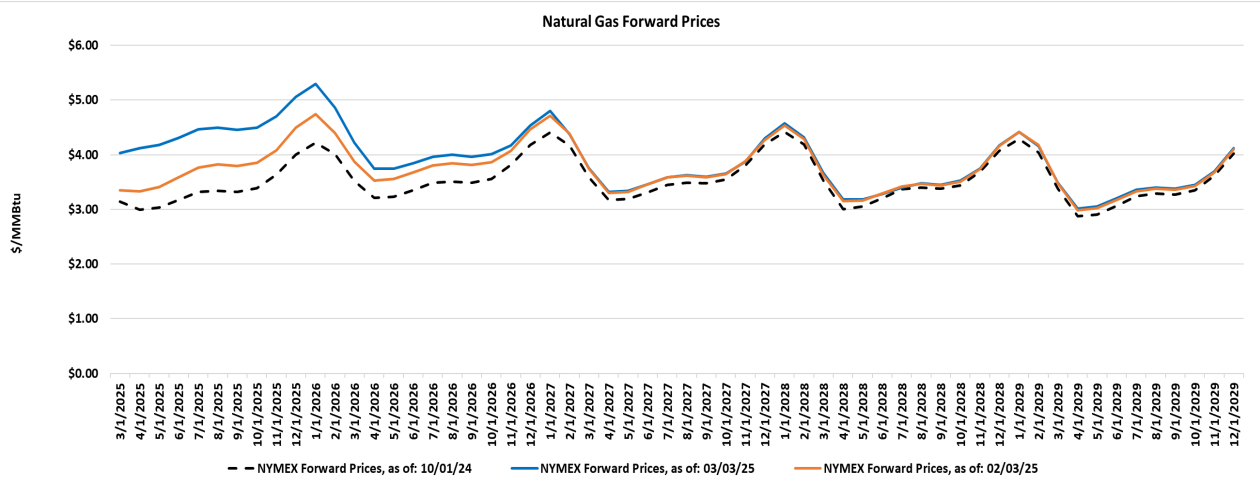
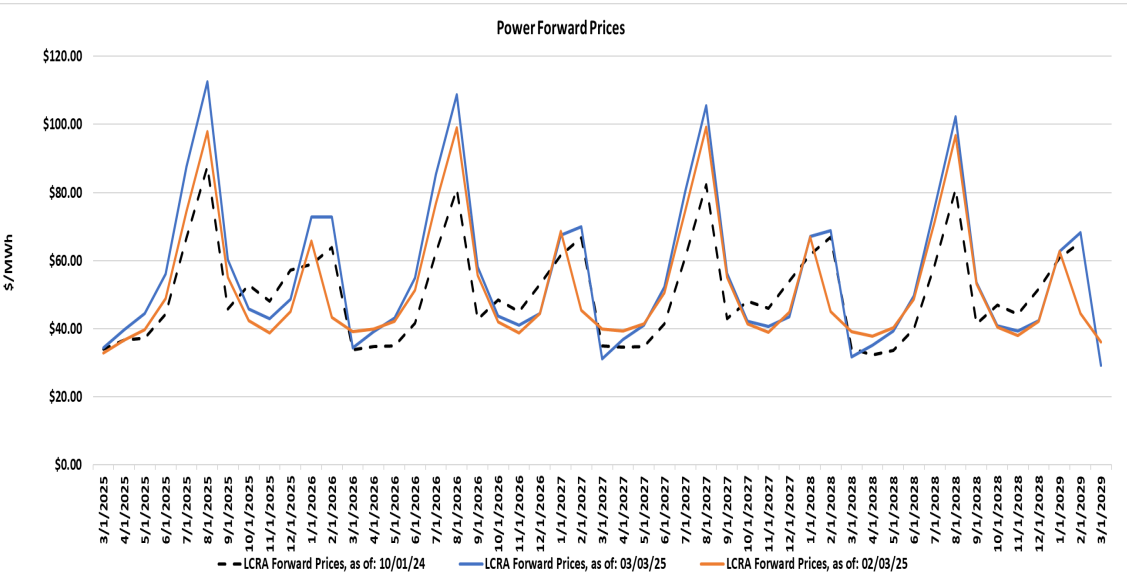


Power Market Fundamentals

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



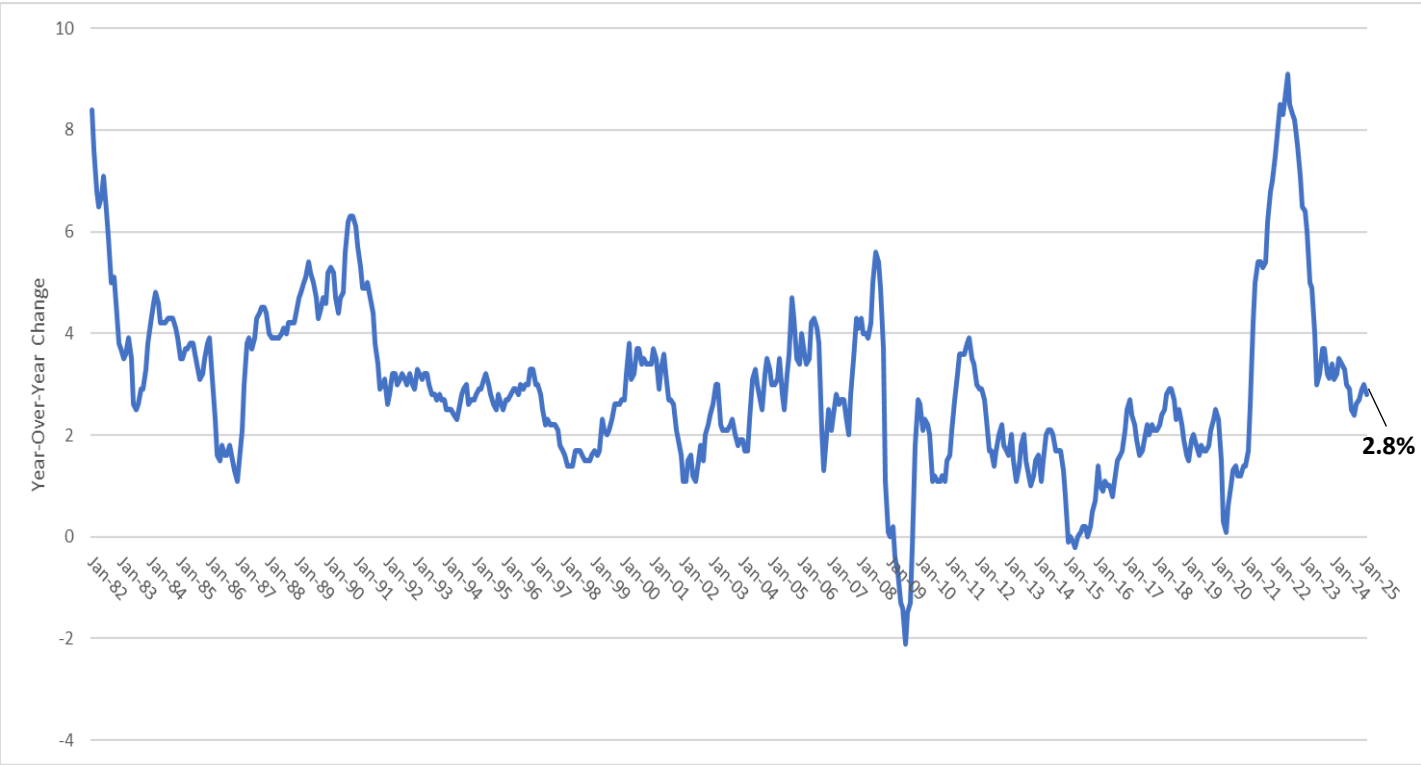
Data source: U.S. Energy Information Administration
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2020 through 2024. The dashed vertical lines indicate current and year-ago weekly periods.



Inflation

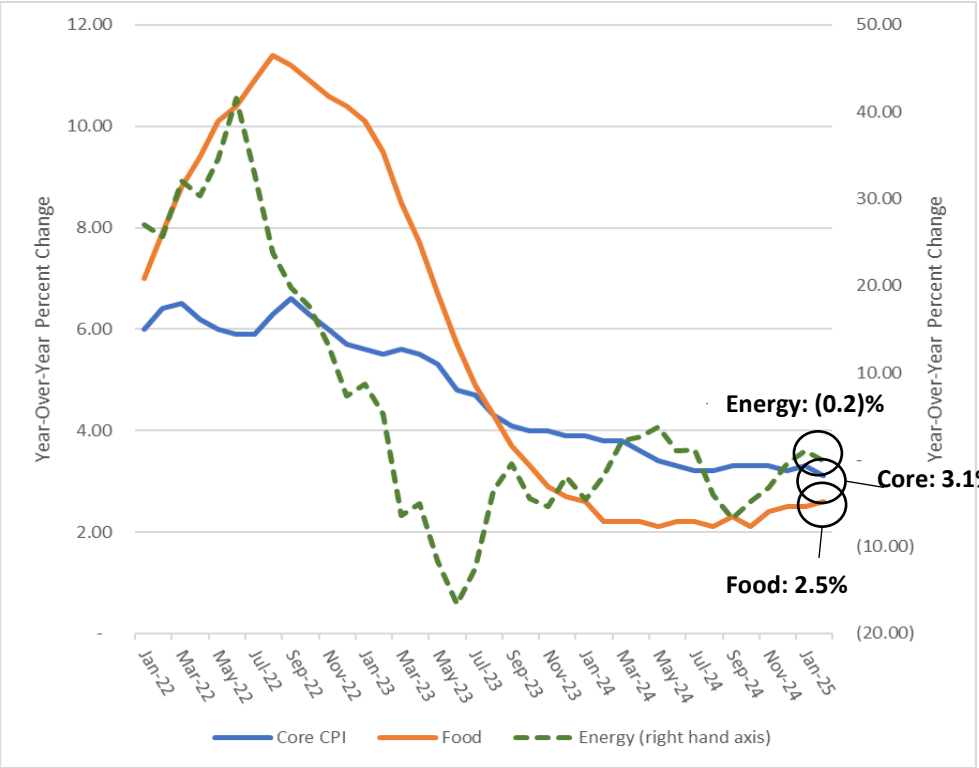
Overall CPI decreased to 2.8% YoY from 3.0% YoY in January; Core CPI decreased to 3.1% YoY from 3.3% YoY in January. Energy prices down -0.2% YoY driven by fuel oil (-5.1%) and gasoline (-3.1%); partially offset by utility gas service (+6.0%) and sustained increased to electricity prices (+3.3%).

CPI Jan 1982 to February 2025



Source: U.S. Bureau of Labor Statistics

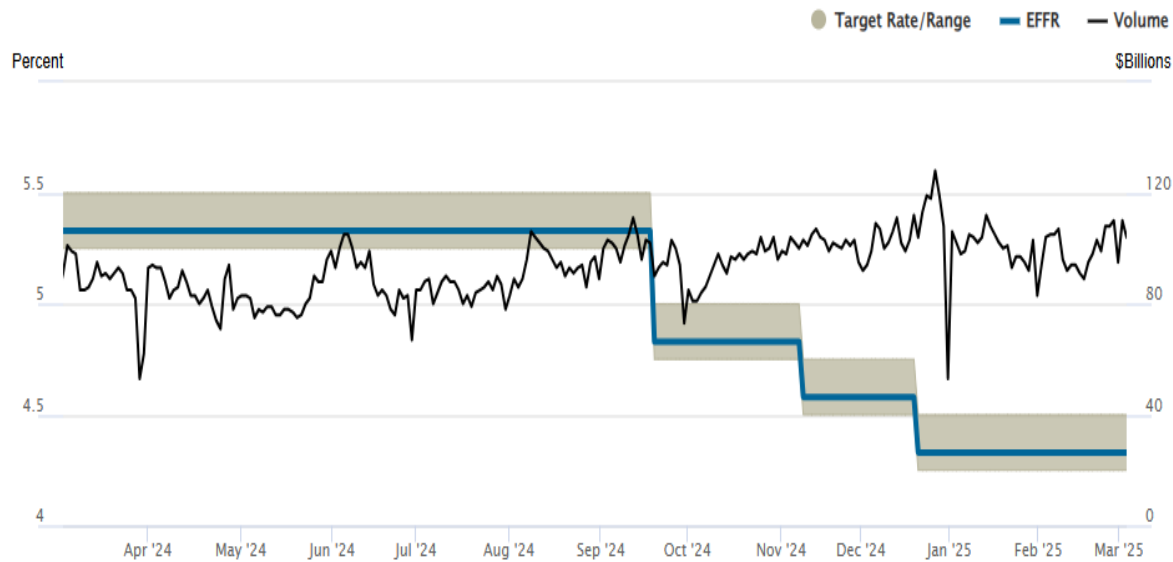
Core CPI, Food and Energy
Jan 2022 to Feb 2025



Source: U.S. Bureau of Labor Statistics

Interest Rates

Federal Funds Rate



Source: Federal Reserve Bank of New York 03/05/2025

10-Year Note



Source: The Wall Street Journal 03/05/2025



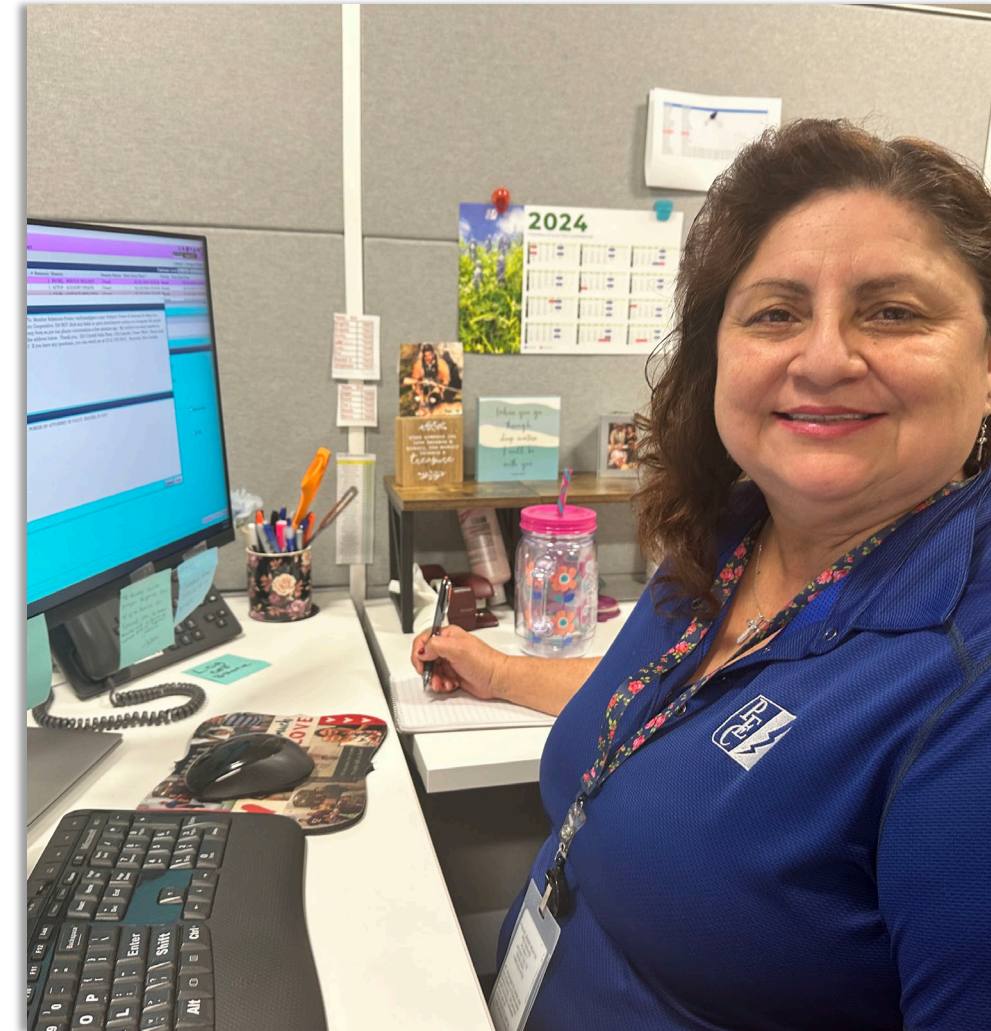
CAO Report

JP Urban | Chief Administrative Officer

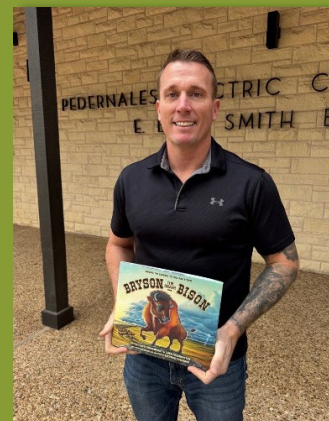
Member Relations Report

February Member Relations Metrics

- Calls Handled: 20,650
- Chats Handled: 1,223
- Member Experience Satisfaction Rating: 4.51 out of 5
- Member Experience First Contact Resolution: 83.92%
- Would member enjoy working with same agent again?: 87.94%
- Online applications vs. manual applications for existing service:
 - Online 2,001 (25%)
 - Manual 5,963 (75%)



Literary Expedition Celebrates Read Across America



Dakota Meyer



Ali Ross



Angel Tavera



Emma Faye
Rudkin



Sierra
Emerson

Ready As One

Pedernales Electric
Cooperative

Burnet County Office of
Emergency Management

Burnet County Sheriff's Office

PRESENT

READY AS ONE

SATURDAY, MARCH 29 • 10 A.M.-2 P.M.

Marble Falls High School
2101 Mustang Dr. • Marble Falls, Texas

Join the first-ever Emergency Preparedness and Community Resource Fair! This family-friendly event will help you get connected with essential services in your community and provide emergency preparedness information in a fun, engaging way.

WHAT TO EXPECT:

- Meet first responders
- Meet PEC lineworkers
- Community support
- Housing and job assistance
- Kona Ice and other food trucks
- Summer programming for children
- Help those in need by donating blood
- Food donation drive
- A visit with PEC's Wattson Raccoon
- Fun for all ages

**WHEN WE PREPARE TOGETHER,
WE'RE SAFER TOGETHER!**



Appreciation and Look Ahead

Employee Shoutouts



Jose Urbina
Journeyworker
Kyle



Paula Norris
Member Relations
Analyst
Marble Falls



Daniel Palacios
Journeyworker
Marble Falls



Dawn Rothermel
Regional Service Order
Coordinator
Liberty Hill



**Florisbel
Macedo**
Member Relations
Agent
Marble Falls

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

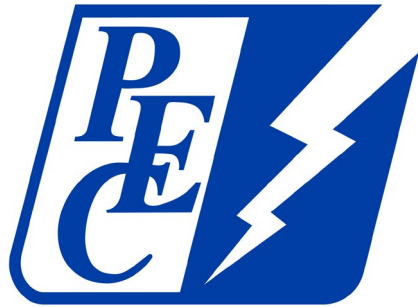
Offices Closed April 18 for Good Friday

- To report an outage 24/7
 - Call 888-883-3379
 - Text “Outage” to 25022
- To pay online or report an outage 24/7
 - pec.smarthub.coop
 - SmartHub mobile app





Appendix Pages



Appendix to February 2025 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

4. Financial Report

Financial Performance

	MTD			YTD			Annual	2024 to 2025 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
Gross Margins	\$ 34,086,334	\$ 29,623,393	\$ 25,843,357	\$ 68,348,522	\$ 61,592,574	\$ 58,537,036	\$ 400,301,897	16.76%
Operating Expenses Ex. Depreciation	14,332,537	15,399,677	13,612,021	29,240,962	31,565,593	27,052,474	193,600,990	8.09%
Depreciation	6,677,675	6,682,584	7,974,412	13,350,041	13,364,818	15,933,138	83,735,262	
Interest Expense	4,596,251	4,545,694	4,178,306	8,927,345	9,007,876	8,228,803	55,458,822	
Other Income	(276,288)	(90,000)	(216,812)	(416,205)	(180,000)	(269,881)	(3,873,000)	
Net Margins	\$ 8,756,159	\$ 3,085,438	\$ 295,430	\$ 17,246,379	\$ 7,834,287	\$ 7,592,502	\$ 71,379,824	
EBIDA	\$ 20,030,085	\$ 14,313,716	\$ 12,448,148	\$ 39,523,765	\$ 30,206,981	\$ 31,754,443	\$ 210,573,907	24.47%
Over (Under) Collected Revenues	(9,657,211)	(7,235,377)	(11,126,236)	(5,375,452)	(15,934,191)	(14,128,648)	4,966,279	
EBIDA(X)	\$ 10,372,874	\$ 7,078,339	\$ 1,321,912	\$ 34,148,313	\$ 14,272,790	\$ 17,625,795	\$ 215,540,186	
Total Long-Term Debt							\$ 1,351,315,034	
Debt Service							84,882,554	
Debt Service Coverage Ratio							2.49	
Equity as Percent of Assets							38.5%	
Net Plant in Service							\$ 2,292,525,089	
Capital Improvement Spend							\$ 238,626,599	
Energy Sales kWh	621,345,569	529,977,761	478,446,933	1,398,221,452	1,175,763,469	1,184,779,943	7,910,451,206	18.02%
Energy Purchases kWh	639,635,454	563,855,977	513,859,344	1,437,096,454	1,250,898,548	1,279,258,656	8,415,380,400	12.34%
Active Accounts				428,364	429,088	407,951	446,678	5.00%

4. Financial Report

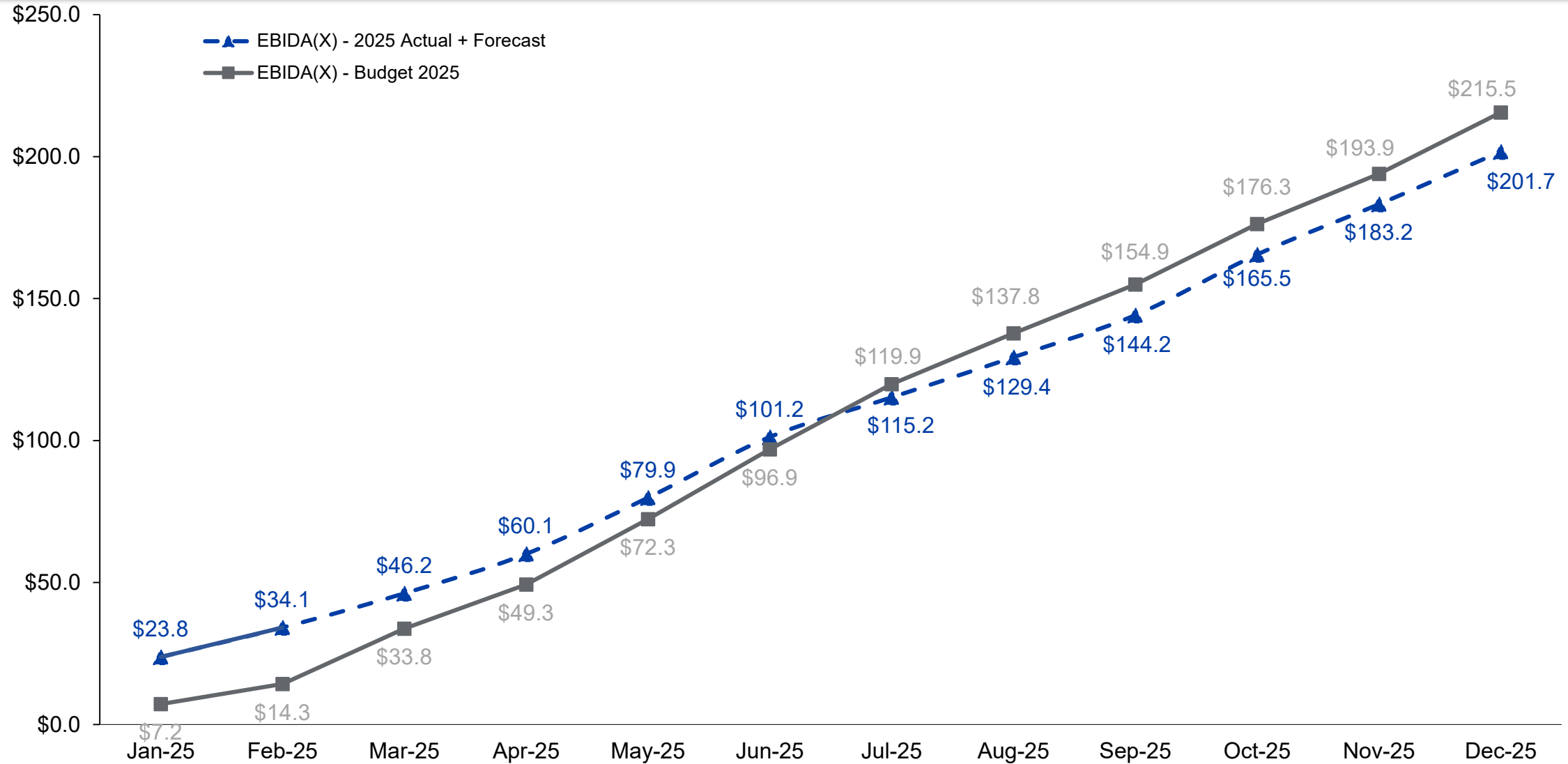
Cost of Service (in millions)

YTD Actuals vs Budget through February 2025



■ Actuals - 2025 ■ Budget - 2025

EBIDA(X) Year to Date (in millions)



4. Financial Report

CIP Spend

Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
<u>Distribution</u>					
100	New Lines (Line Extensions for new primary, secondary and service lines)*	\$ (18,507,969)	\$ -	\$ 18,507,969	\$ -
200	Tie Lines (new construction between existing lines)	1,012,801	3,700,869	2,688,068	14,793,728
300	Conversions or Line Changes	3,780,297	4,817,117	1,036,820	25,001,608
600	Miscellaneous Distribution Equipment	4,248,121	8,958,551	4,710,430	54,370,706
700	Other Distribution Items	63,875	64,850	975	391,422
Distribution Total		\$ (9,402,876)	\$ 17,541,387	\$ 26,944,263	\$ 94,557,465
<u>Substation</u>					
400	New Substations, Switching Stations and Meter Points	\$ 3,323,492	\$ 4,303,028	\$ 979,536	\$ 20,969,733
500	Substations, Switching Stations and Meter Point changes	(727,961)	8,773,894	9,501,855	42,471,140
Substation Total		\$ 2,595,530	\$ 13,076,922	\$ 10,481,392	\$ 63,440,873
<u>Transmission</u>					
800	New Transmission Lines	\$ (396,636)	\$ 71,779	\$ 468,415	\$ 1,125,657
1000	Line and Station Changes	3,187,116	5,528,826	2,341,710	49,195,185
Transmission Total		\$ 2,790,480	\$ 5,600,605	\$ 2,810,125	\$ 50,320,843
<u>General Plant</u>					
2000	Facilities	\$ (612,364)	\$ 4,003,769	\$ 4,616,133	\$ 17,789,898
3000	Information Technology	188,201	1,426,896	1,238,695	7,017,520
4000	Tools & Equipment	3,407	83,333	79,926	500,000
5000	Vehicles	2,203,363	833,333	(1,370,030)	5,000,000
Total General Plant		\$ 1,782,607	\$ 6,347,332	\$ 4,564,725	\$ 30,307,418
Accrued WIP		\$ 2,916,768	\$ -	\$ (2,916,768)	\$ -
Total Capital Improvement Plan Spend		\$ 682,510	\$ 42,566,246	\$ 41,883,736	\$ 238,626,599

* Due to timing of payments received for work not yet performed



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