



# 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

# PUC & ERCOT Update

- June 1-2, ERCOT Board of Directors approved the proposed batch zero process
- June 17-18, PGRR 145 was presented for PUC approval, the final step in the approval process
- *To be updated prior to PEC Board Meeting on June 19, the next PUC Open Meetings are June 17 and 18*



- June 2<sup>nd</sup> meetings

# Data Center Directive

- On June 10, Governor Greg Abbott sent a letter to PUC Chair Thomas Gleeson and ERCOT CEO Pablo Vegas with direction to take immediate steps to protect residential ratepayers from the costs of data center expansion
- The PUC is to require data centers to fully fund the costs of electric infrastructure for their operations, preventing those costs from being passed on to residential ratepayers
- Governor Abbott requests a joint memorandum from the PUC and ERCOT by July 17, 2026, to identify available actions under existing authority and to recommend further legislative proposals



# PEC United Charities

- United Charities is PEC's employee-giving program
- More than \$355,000 dispersed to 268 non-profit organizations this year
- Funded through employee contributions
- PEC United Charities is an established program of over 40 years



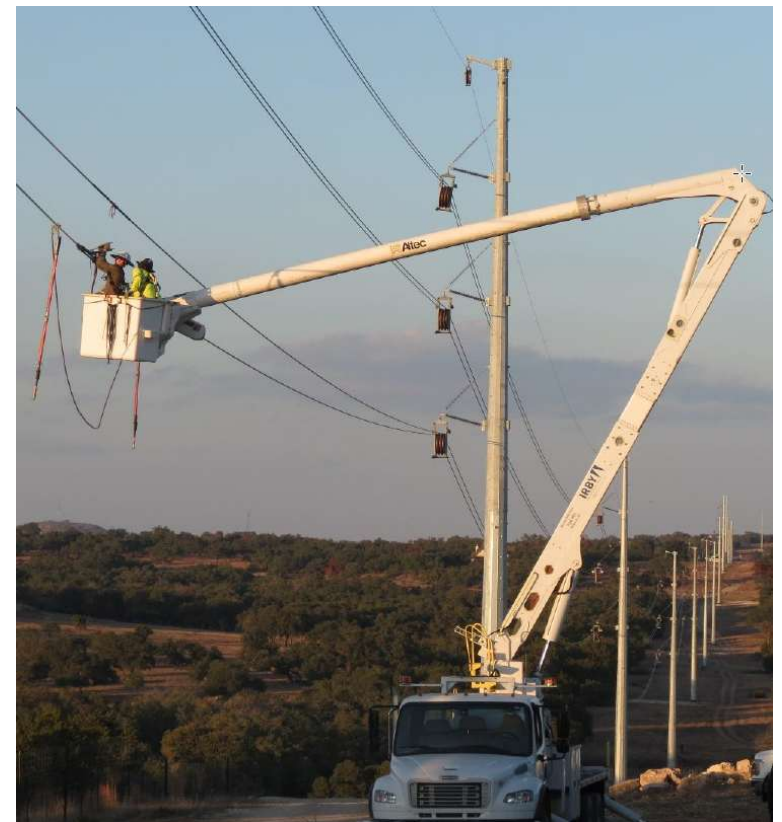


# June Quarterly Report

Jonathan Greene | Chief Operations Officer -  
Transmission

# T587 Blanco-Mountain Top Upgrade

- Construction completed in December 2025
- Transmission line rebuild and upgrade increases system capacity and improves system reliability



# Whitestone T1 and T2 Upgrade

- Construction completed in February 2026
- Transformer upgrades increase the load capacity and improve the reliability in Cedar Park
- Provides additional load-serving capability and contingency to neighboring substations including Blockhouse, Nameless, Buttercup, Spanish Oak, Avery Ranch, and Kent Street



# Old 81 Substation

- Construction completed in June 2026
- Substation addition improves reliability and redundancy in the Kyle area
- Offloads feeders and transformers from neighboring substations, including Kyle, Goforth and Lehigh



- **System Performance**

- Transmission system is performing well – through first half of 2026, system availability is high, and PEC has experienced no transmission operations causing a loss of load

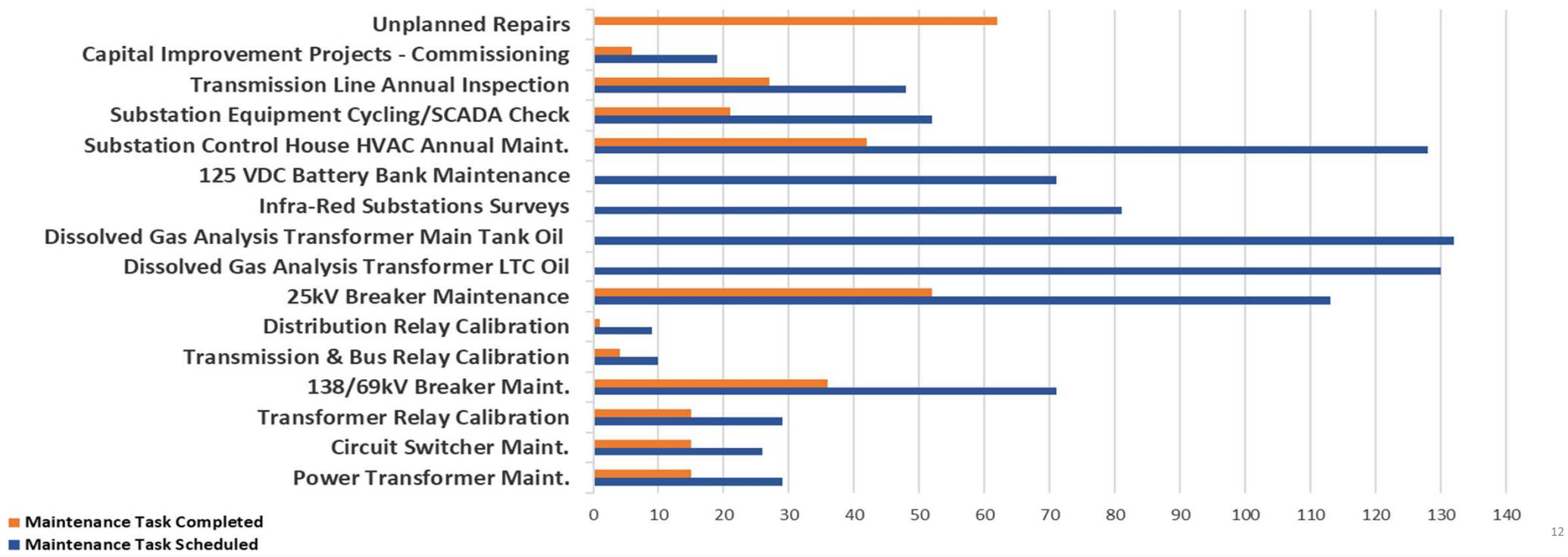
- **Summer Operations**

- Completed summer preparations, including all ERCOT and internal training
- ERCOT summer outage restrictions began May 15th
- Completed several capital projects to return system to normal operations to support summer loading
- TCC will continue to monitor the system for any necessary changes to PEC operations plans

# System Maintenance

## 2026 Transmission Maintenance

- Equipment maintenance is completing as scheduled
- Completed **433** substation inspections, and **62** corrective repairs
- ERCOT Summer Inspections – Anticipated to start mid-summer





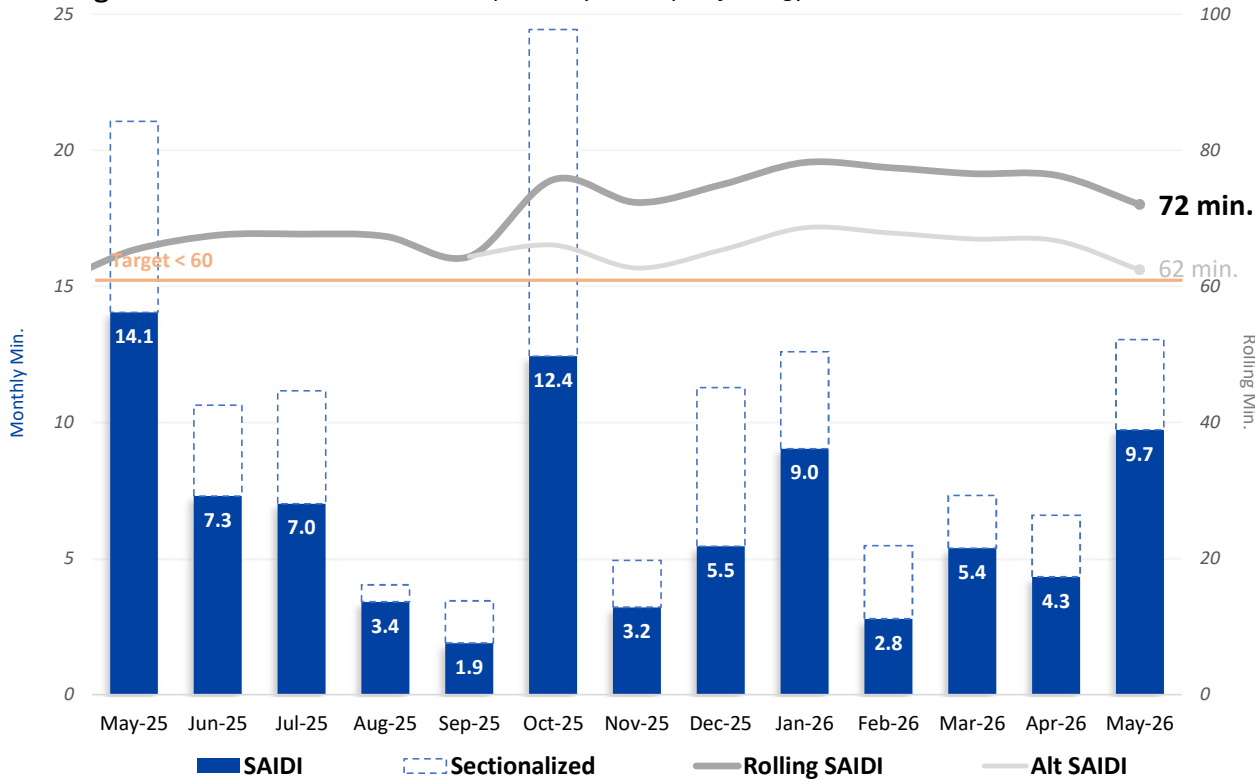
# Operations Report

Nathan Fulmer | Chief Operations Officer -  
Distribution

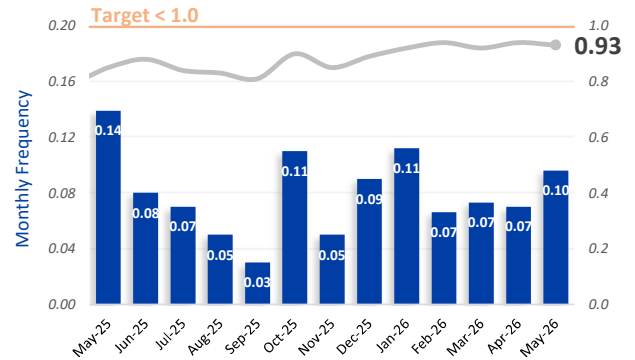
# Reliability

## SAIDI System Average Interruption Duration Index

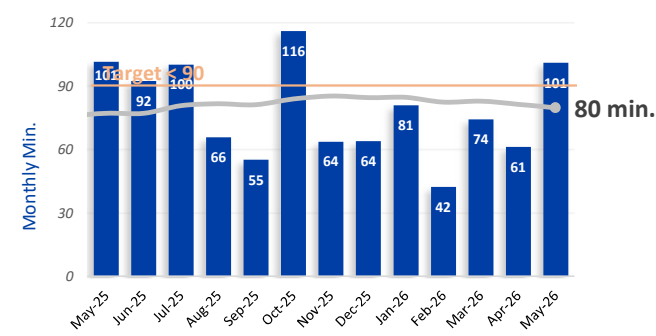
TX Avg SAIDI in 2024 = **153 min.** reported by the Dept. of Energy



## SAIFI System Average Interruption Frequency Index



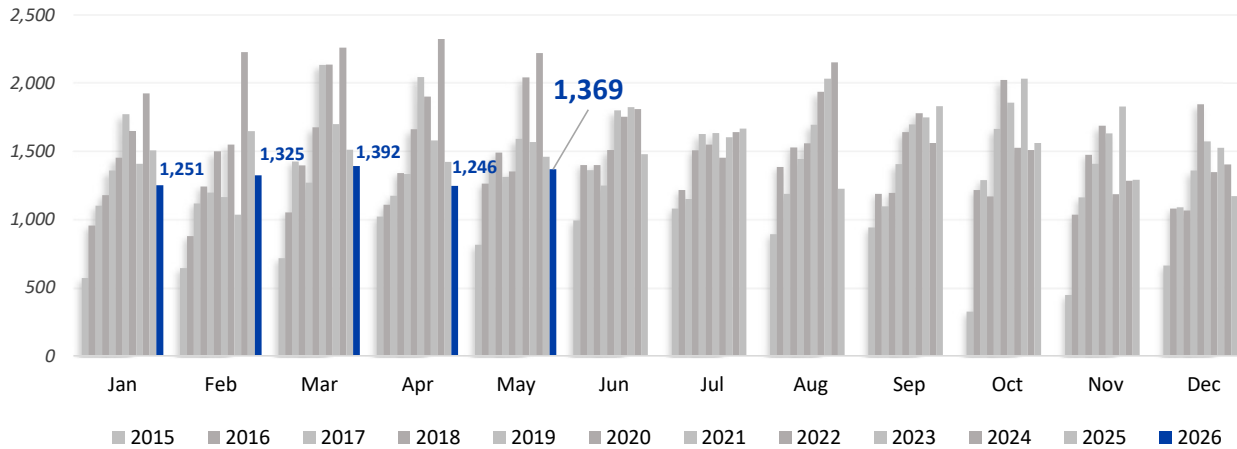
## CAIDI Customer Average Interruption Duration Index



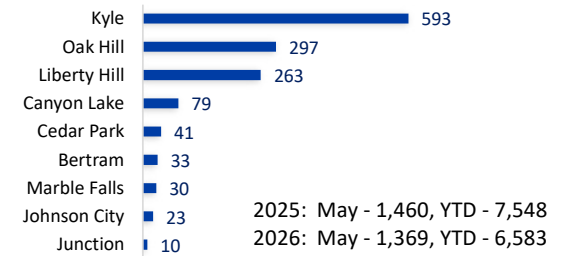
# System Growth

## Line Extensions Completed

2023: 19,886 2024: 22,323 2025: 17,770 2026: 6,583



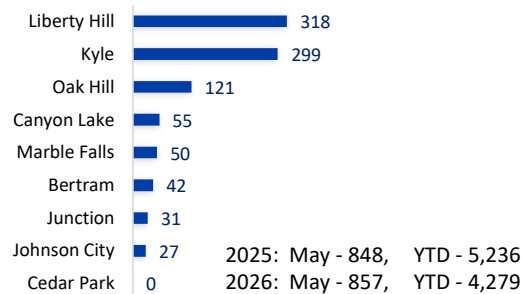
## Line Extensions by District (1,369)



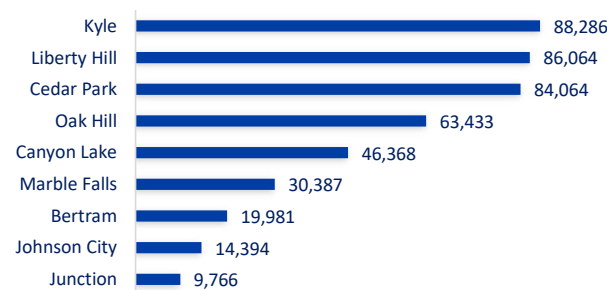
## Miles of Distribution Line:

|               |               |       |
|---------------|---------------|-------|
| Overhead:     | 17,878        | (68%) |
| Underground:  | 8,333         | (32%) |
| <b>Total:</b> | <b>26,211</b> |       |

## Net Meter Growth (857)

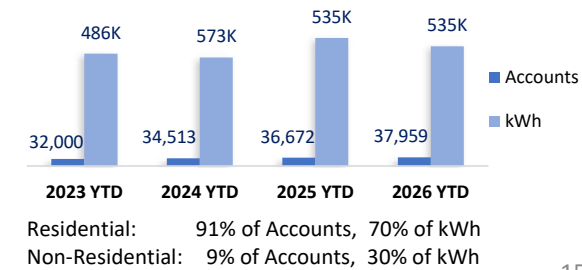


## Meter Totals (442,743)



## Residential & Commercial

### Non-Residential Accounts and Consumption YTD



## Department Highlights

### Facilities

- Repaired water leak at Junction office with significant savings from in-house completion
- HVAC upgrades and repairs:
  - Kyle
  - HQ Annex
  - HQ Yellow Houses
  - Marble Falls
  - Technical Training Center



### Fleet

- Responded to, and recovered, immobilized equipment during recent storms

## Project Spotlight

### Liberty Hill Yard Expansion

- Expand materials yard into adjacent 13-acre property
- Improvements include:
  - Base stabilization
  - Fencing
  - Additional entrance off Seward Junction Loop
  - Detention pond
  - Perimeter lighting
- Expected completion in July 2026





# May 2026 Financial Report

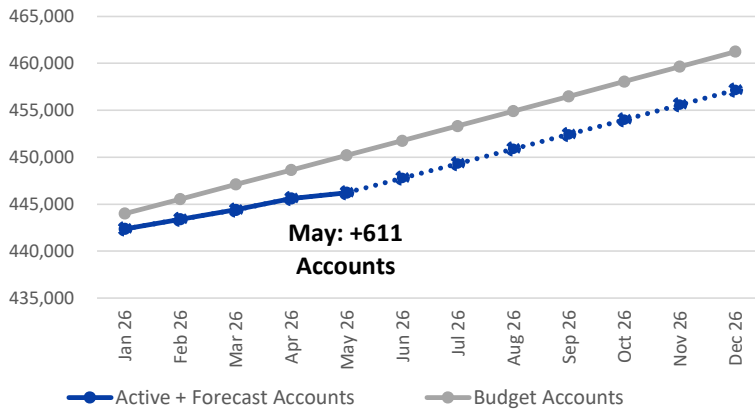
Randy Kruger | Chief Financial Officer

# Finance at a Glance – May 2026

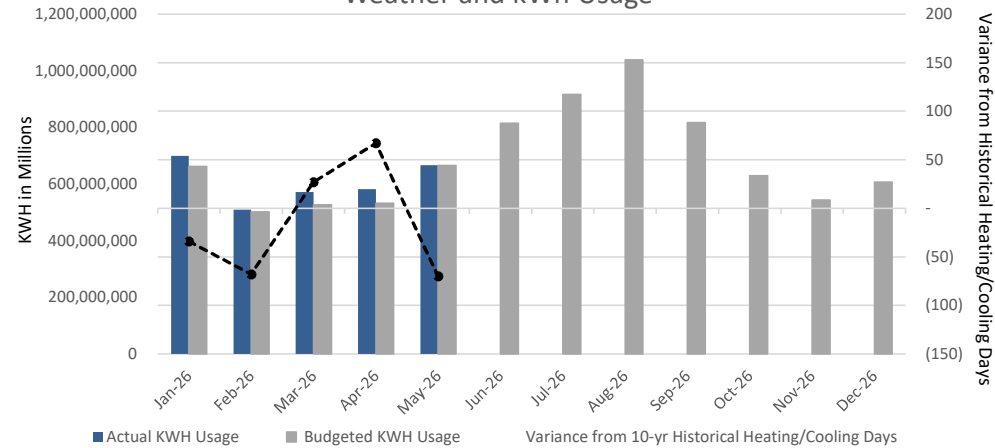
|                      | MTD (\$ in millions) |         |          | YTD (\$ in millions) |           |            |
|----------------------|----------------------|---------|----------|----------------------|-----------|------------|
|                      | Actual               | Budget  | Variance | Actual               | Budget    | Variance   |
| <b>MWH Sold</b>      | 666,603              | 665,414 | 1,189    | 3,031,050            | 2,889,469 | \$ 141,580 |
| <b>Gross Margins</b> | \$ 36.3              | \$ 34.4 | \$ 1.9   | \$ 169.5             | \$ 165.6  | \$ 3.9     |
| <b>Net Margins</b>   | \$ 6.1               | \$ 4.8  | \$ 1.3   | \$ 31.4              | \$ 16.9   | \$ 14.5    |
| <b>EBIDA</b>         | \$ 18.2              | \$ 16.8 | \$ 1.4   | \$ 90.8              | \$ 75.8   | \$ 15.0    |
| <b>Revenue O/(U)</b> | \$ 6.0               | \$ 3.2  | \$ 2.8   | \$ (2.4)             | \$ (7.1)  | \$ 4.7     |
| <b>EBIDA(X)</b>      | \$ 24.2              | \$ 20.0 | \$ 4.2   | \$ 88.4              | \$ 68.7   | \$ 19.7    |

|                                  | Liquidity Coverage |
|----------------------------------|--------------------|
| Cash & Marketable Securities     | \$ 75,734,667      |
| Short Term Facilities            | 605,000,000        |
| Less: Short Term Borrowings      | -                  |
| Available Liquidity              | \$ 680,734,667     |
| <b>Liquidity Coverage (Days)</b> | <b>308</b>         |

Active Account Growth

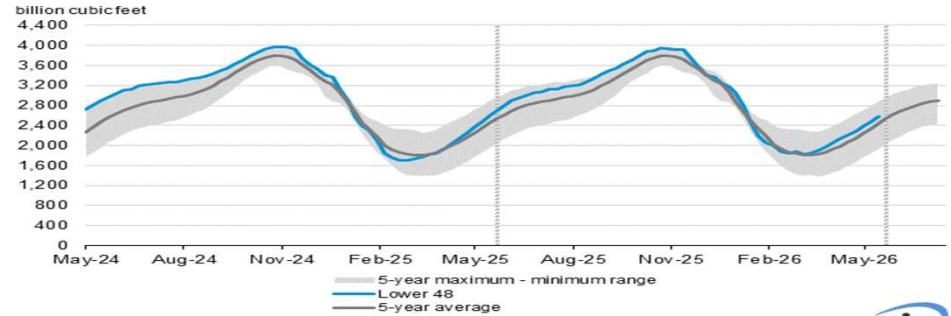


Weather and kWh Usage



# Power Market Fundamentals

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

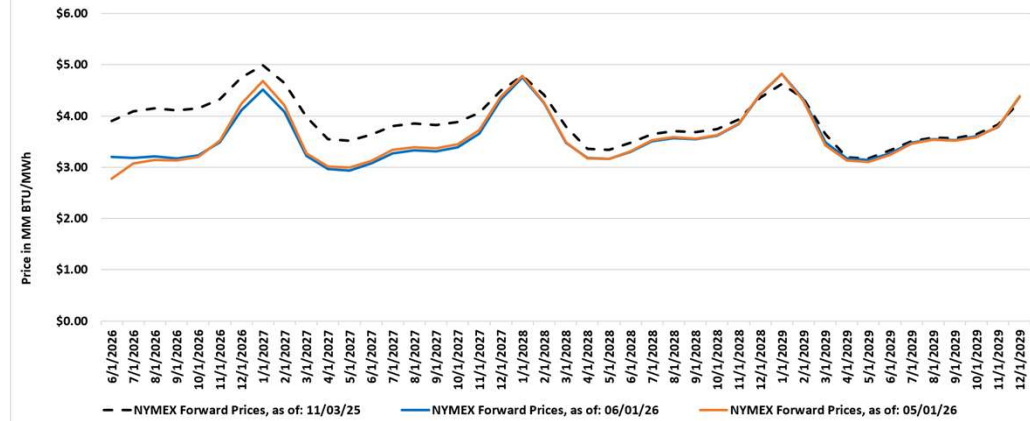


Data source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2021 through 2025. The dashed vertical lines indicate current and year-ago weekly periods.

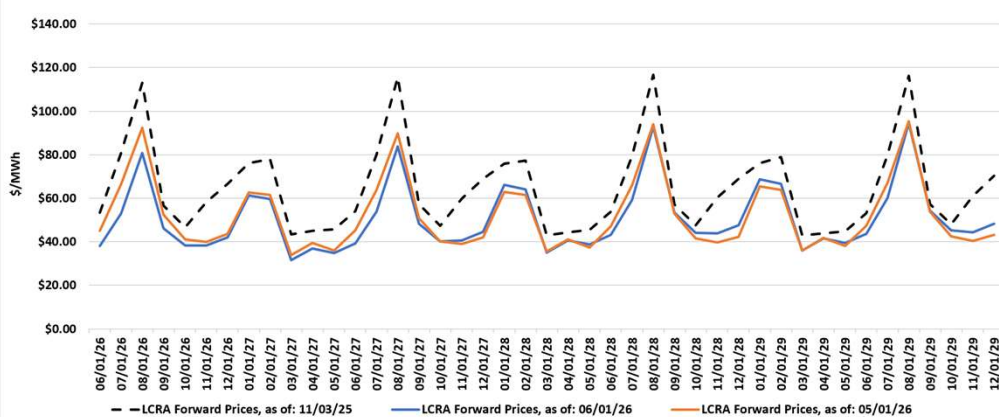
As of June 4, 2026



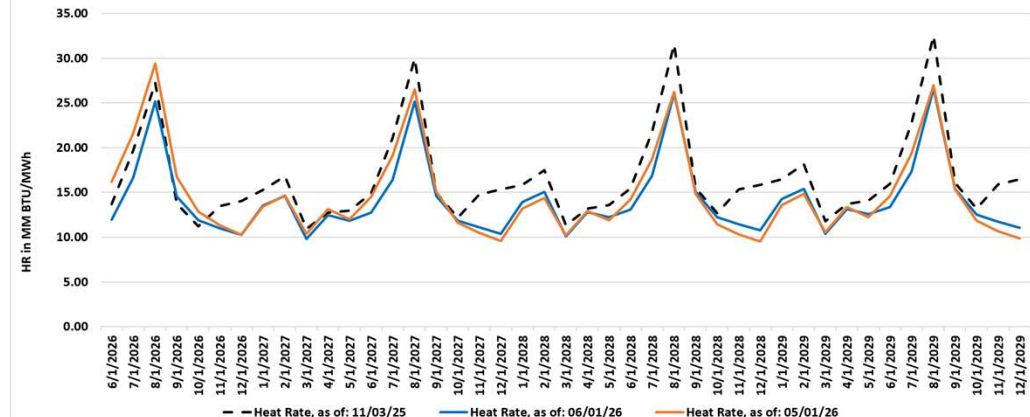
Forward Gas Prices



Power Forward Prices, ATC



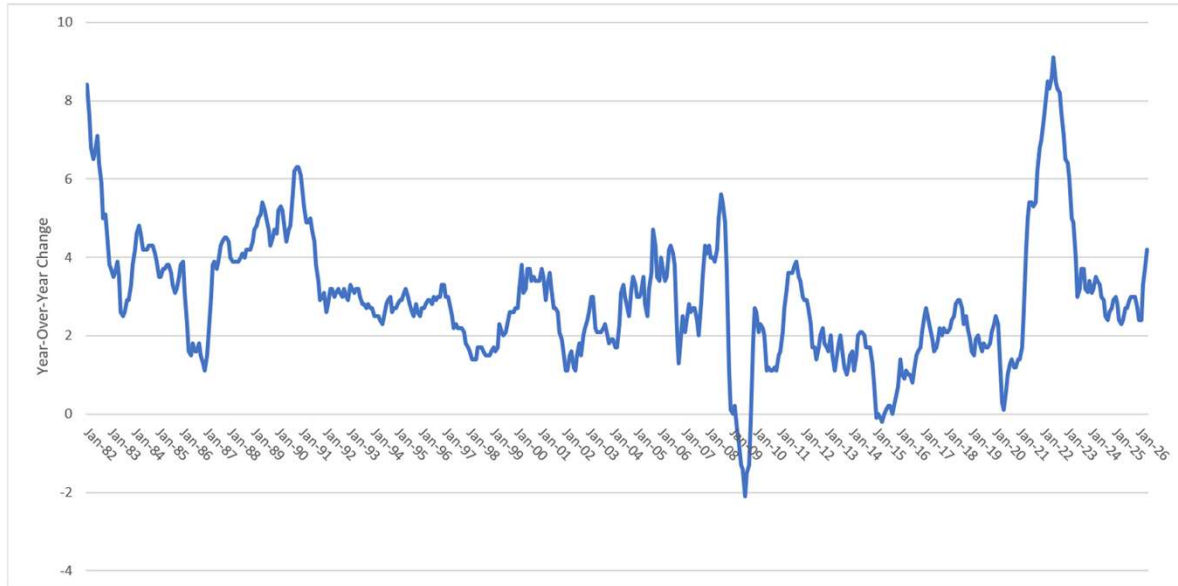
Forward Heat Rates



# Inflation

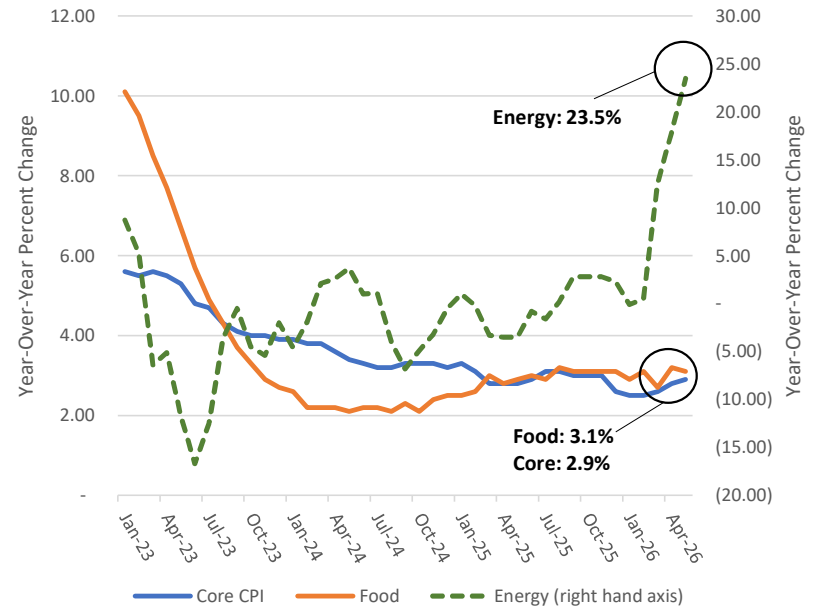
Overall CPI increased to 4.2% YoY from 3.8% YoY in April; Core CPI increased to 2.9% YoY from 2.8% YoY in April. Energy prices were up 23.5% YoY driven by fuel oil (+58.9%), gasoline (+40.5%), electricity (+5.9%), and utility gas service (+3.0%)

**CPI Jan 1982 to May 2026**



Source: U.S. Bureau of Labor Statistics

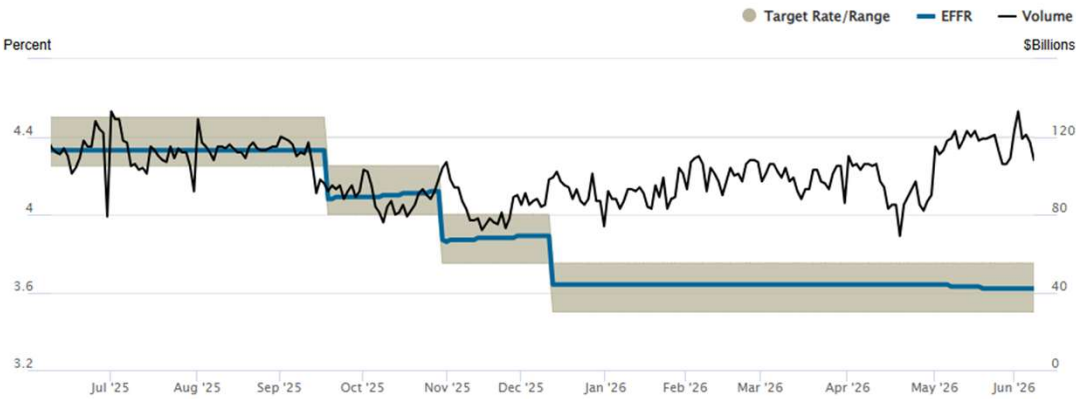
**Core CPI, Food and Energy  
Jan 2023 to May 2026**



Source: U.S. Bureau of Labor Statistics

# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York 6/9/2026

## 10-Year Note



Source: *The Wall Street Journal* 6/9/2026



# CAO Report

JP Urban I Chief Administrative Officer

# Member Relations Report

## May Member Relations Metrics

- Agent Utilization: 76.28%
- Calls handled: 19,765
- Chats handled: 1,477
- Applications for existing service:
  - Online: 3,855 (36%)
  - Phone: 6,954 (64%)
- Member experience satisfaction rating: 4.5 out of 5
- Member experience first contact resolution: 87.5%
- 92.59% of members say they would enjoy working with the same agent again



Meet A Lineworker

Wednesday, June 10, 2026

Mammen Family Public Library, Bulverde

Save the Date - Solar Car Derby

Tuesday, June 23, 2026, 10 a.m. to noon

Cedar Park Recreation Center

- Youth Tour
  - June 14-21



# Appreciation and Look Ahead

# Employee Shoutouts\*

To be updated



**Gracie Granado**  
Member Relations  
Analyst  
Oak Hill



**Tori Lugo**  
Member Relations  
Agent  
Oak Hill



**Justin Ford**  
Journeyworker  
Cedar Park



**Ashley  
Montgomery**  
Energy Services  
Analyst, Associate  
Marble Falls

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



# Appendix Pages



# Appendix - Operations Report

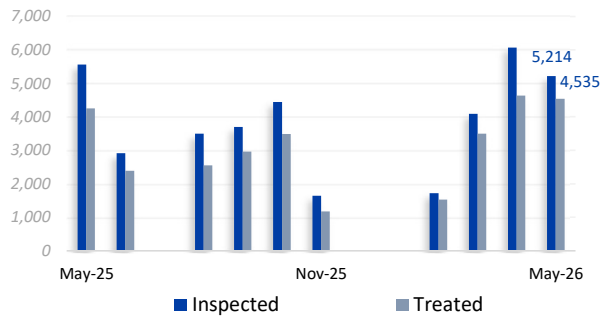
Nathan Fulmer | Chief Operations Officer - Distribution

# Maintenance & Technical Services

## Pole Testing & Treatment (PTT)

### Poles Inspected & Treated

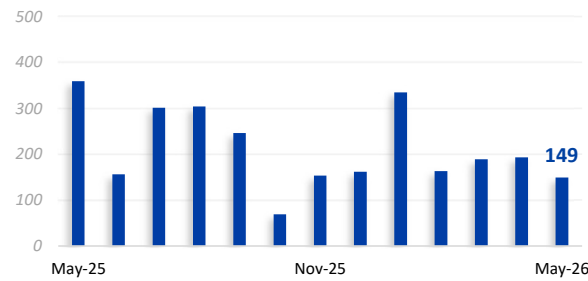
2025 YTD: Inspections - 26,404 Treated - 20,582  
 2026 YTD: Inspections - 17,097 Treated - 14,194



## Underground Equipment

### Pad Restorations

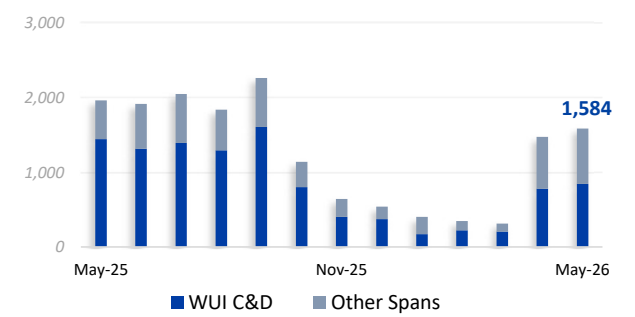
2025 YTD: 1,472  
 2026 YTD: 1,029



## Vegetation Management

### Span Clearings

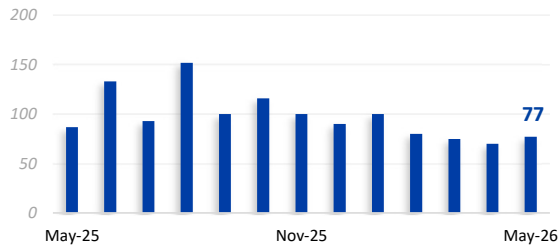
2025 YTD: Encroachments Completed - 9,021  
 2026 YTD: Encroachments Completed - 4,132



## Technical Services

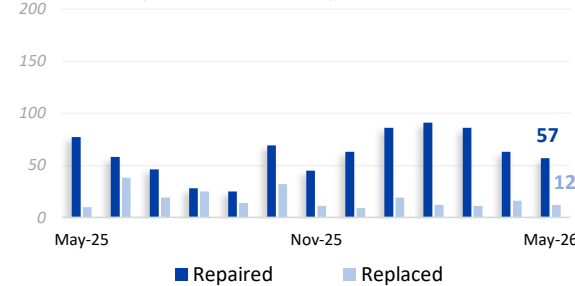
### Equipment Inspections

2025 YTD: 518  
 2026 YTD: 402



### Equipment Repaired or Replaced

2025 YTD: Repaired - 453 Replaced - 109  
 2026 YTD: Repaired - 383 Replaced - 70



# Planning Engineering Projects

| Project                           | Completion | Percent Complete |
|-----------------------------------|------------|------------------|
| 20-Year Plan Study                | Feb 2026   | 100%             |
| 2026 CIP Project Maps             | Feb 2026   | 95%              |
| Load Projection Study             | Mar 2026   | 100%             |
| Capacitor Settings                | Mar 2026   | 100%             |
| 4CP Study                         | Apr 2026   | 100%             |
| Summer Contingency                | May 2026   | 95%              |
| UFLS Study                        | Jul 2026   |                  |
| CIP (1 <sup>st</sup> Draft) Study | Jul 2026   | 50%              |
| CIP (Final Draft) Study           | Jul 2026   | 0%               |
| Mock UFLS Study                   | Dec 2026   | 0%               |
| Winter Contingency                | Dec 2026   | 0%               |

# Facilities Projects

## Large Project Updates

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### Liberty Hill Materials Yard Expansion

Construction entering final phase with full completion expected in July 2026.

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### Liberty Hill Warehouse Expansion

Design and construct +/- 15k sq. ft. warehouse and convert existing warehouse and training area to space for staffing. Design adjustments are being made to incorporate permit requirements.

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### Bertram Yard Expansion

Expand materials yard into adjacent property, grade and stabilize base, and install perimeter fencing, lighting, and new gate along Hwy. 29. Construction is underway with expected completion in Q3 2026.

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### Generator Refresh

Replacement of end-of-life back-up generators at Kyle, Cedar Park, Bertram, Canyon Lake, and Haley Rd. Construction has begun in Bertram and Haley Rd. with completion expected in Q3. Canyon Lake preparation work to begin in June.

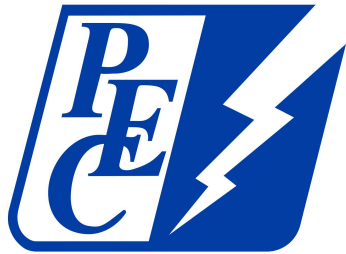
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### Spring Branch Fencing

Upgrade fencing along 281 frontage and install concrete drive with motorized vehicle gate. RFP to be released in June 2026.

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# Appendix - Financial Report

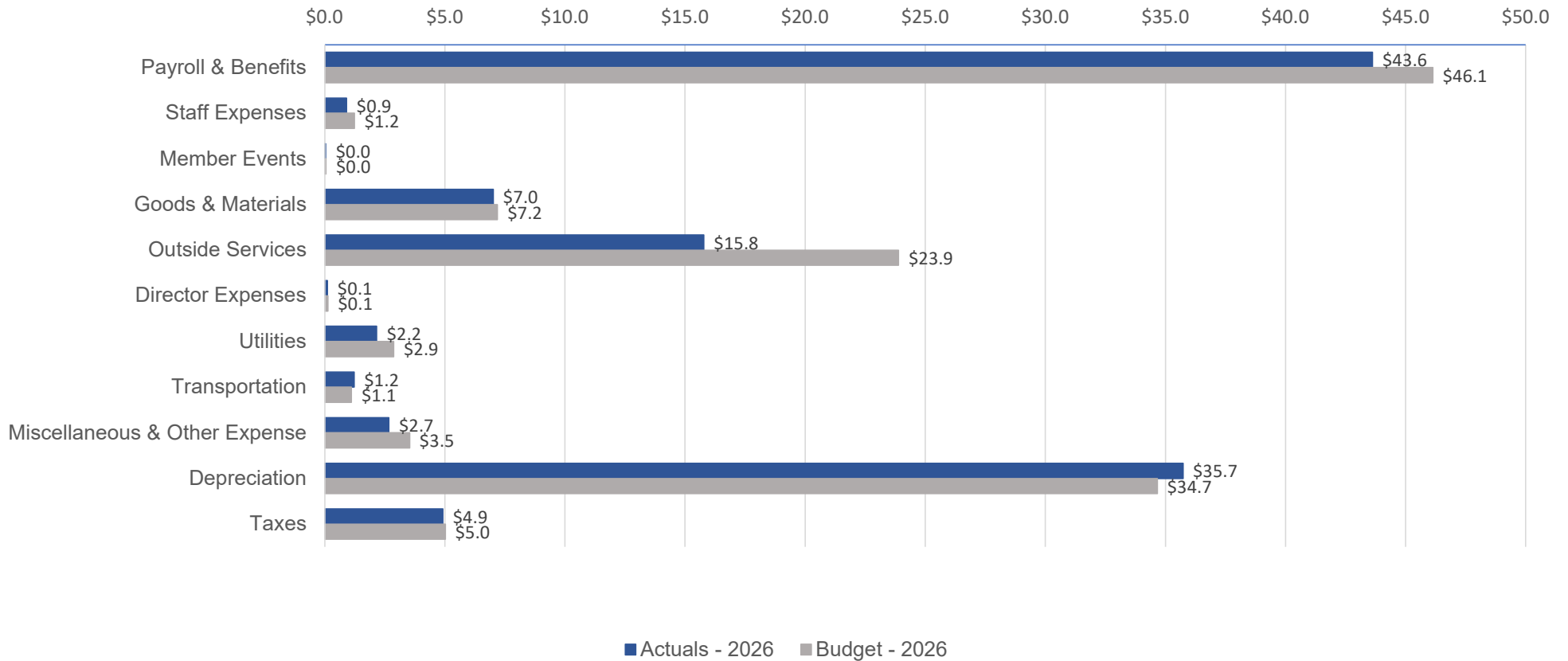
Randy Kruger | Chief Financial Officer

# Financial Performance

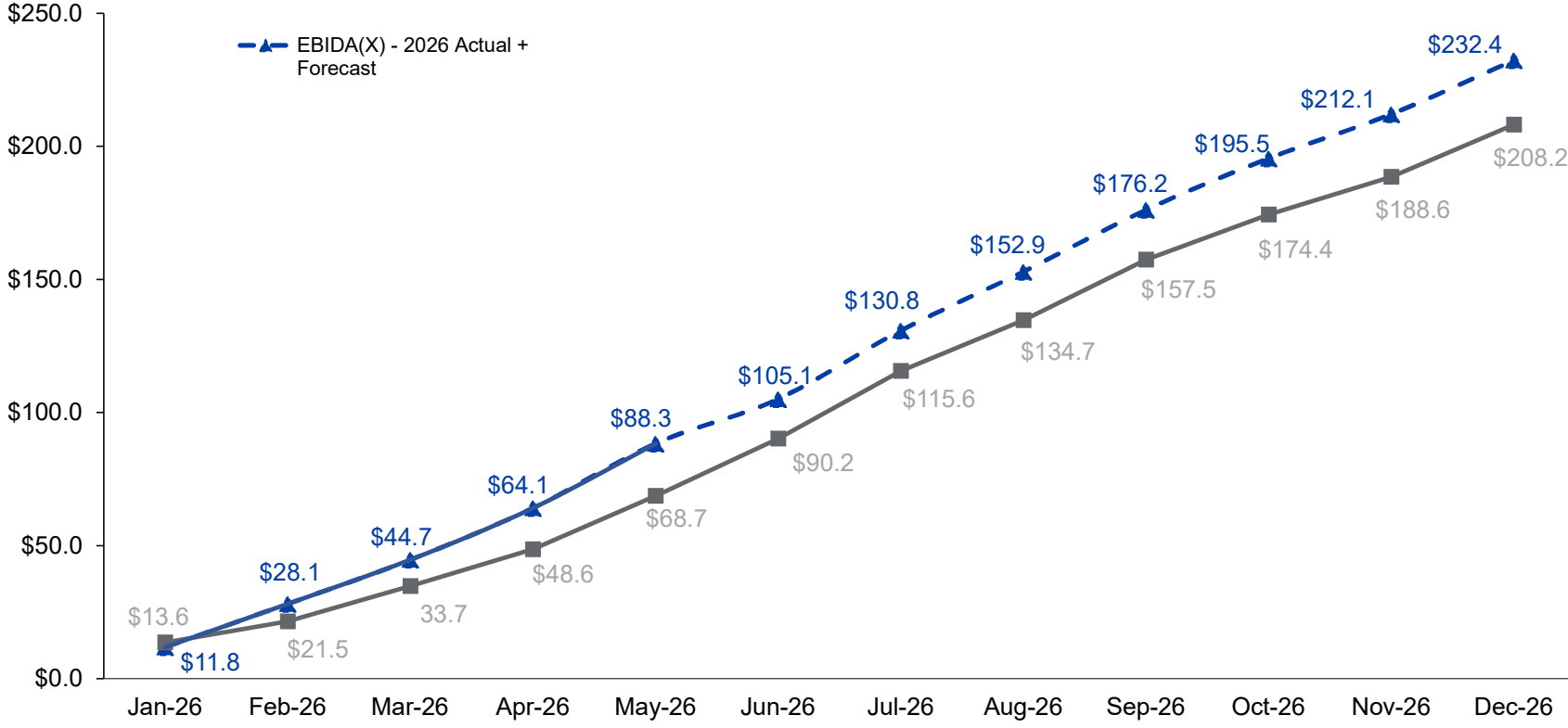
|                                     | MTD                  |                      |                      | YTD                   |                       |                       | Annual                | 2025 to 2026<br>% Change |
|-------------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|
|                                     | Actual               | Budget               | Prior Year           | Actual                | Budget                | Prior Year            | Budget                |                          |
| <b>Gross Margins</b>                | <b>\$ 36,341,439</b> | <b>\$ 34,369,369</b> | <b>\$ 36,915,769</b> | <b>\$ 169,533,478</b> | <b>\$ 165,569,868</b> | <b>\$ 161,208,717</b> | <b>\$ 423,682,060</b> | 5.16%                    |
| Operating Expenses Ex. Depreciation | 16,968,007           | 17,719,615           | 15,594,969           | 78,450,404            | 91,142,410            | 78,072,588            | 218,995,290           | 0.48%                    |
| Depreciation                        | 7,177,424            | 7,159,285            | 6,765,769            | 35,735,369            | 34,661,732            | 33,594,508            | 85,396,529            |                          |
| Interest Expense                    | 4,962,468            | 4,840,019            | 4,526,508            | 23,639,783            | 24,218,677            | 22,428,473            | 58,430,758            |                          |
| Other Income                        | 1,154,019            | (170,333)            | (385,684)            | 317,669               | (1,371,672)           | (1,116,804)           | 4,982,148             |                          |
| <b>Net Margins</b>                  | <b>\$ 6,079,521</b>  | <b>\$ 4,820,783</b>  | <b>\$ 10,414,207</b> | <b>\$ 31,390,253</b>  | <b>\$ 16,918,721</b>  | <b>\$ 28,229,952</b>  | <b>\$ 65,841,632</b>  |                          |
| <b>EBIDA</b>                        | <b>\$ 18,219,413</b> | <b>\$ 16,820,087</b> | <b>\$ 21,706,484</b> | <b>\$ 90,765,405</b>  | <b>\$ 75,799,130</b>  | <b>\$ 84,252,933</b>  | <b>\$ 209,668,918</b> | 7.73%                    |
| Over (Under) Collected Revenues     | 5,981,450            | 3,218,209            | 7,557,793            | (2,412,841)           | (7,122,106)           | 14,841,721            | (1,461,948)           |                          |
| <b>EBIDA(X)</b>                     | <b>\$ 24,200,863</b> | <b>\$ 20,038,296</b> | <b>\$ 29,264,277</b> | <b>\$ 88,352,564</b>  | <b>\$ 68,677,024</b>  | <b>\$ 99,094,654</b>  | <b>\$ 208,206,970</b> |                          |
| Total Long-Term Debt                |                      |                      |                      |                       |                       |                       | 1,408,138,575         |                          |
| Debt Service                        |                      |                      |                      |                       |                       |                       | 94,910,333            |                          |
| Debt Service Coverage Ratio         |                      |                      |                      |                       |                       |                       | 2.15                  |                          |
| Equity as Percent of Assets         |                      |                      |                      |                       |                       |                       | 38.3%                 |                          |
| Net Plant in Service                |                      |                      |                      |                       |                       |                       | \$2,465,539,944       |                          |
| Capital Improvement Spend           |                      |                      |                      |                       |                       |                       | \$260,319,172         |                          |
| Energy Sales kWh                    | 666,603,347          | 665,414,025          | 707,252,055          | 3,031,049,635         | 2,889,469,288         | 3,228,207,997         | 8,292,263,992         | -6.11%                   |
| Energy Purchases kWh                | 703,789,018          | 703,090,225          | 744,626,757          | 3,205,767,180         | 3,053,260,677         | 3,337,296,268         | 8,728,727,464         | -3.94%                   |
| Active Accounts                     |                      |                      |                      | 446,220               | 450,187               | 432,102               | 461,238               | 3.27%                    |

# Cost of Service (in millions)

## YTD Actuals vs Budget through May 2026



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



# CIP Spend

| Construction Category & Description                         | Non MultiYear<br>YTD Actuals | Brd Appr<br>MultiYear<br>YTD Actuals | Total<br>YTD Actuals | YTD<br>Budget         | Variance<br>(Over)/Under<br>Budget | Annual Budget         |
|---|------------------------------|--------------------------------------|----------------------|-----------------------|------------------------------------|-----------------------|
| <b>Distribution</b>   |                              |                                      |                      |                       |                                    |                       |
| 200 Tie Lines (new construction between existing lines)     | 3,108,596                    | 135,462                              | 3,244,058            | 8,665,117             | 5,421,059                          | 18,564,728            |
| 300 Conversions or Line Changes                             | 6,589,315                    | 3,516,433                            | 10,105,748           | 18,738,401            | 8,632,653                          | 41,957,603            |
| 600 Miscellaneous Distribution Equipment                    | 20,031,654                   | -                                    | 20,031,654           | 19,426,489            | (605,165)                          | 46,926,561            |
| 700 Other Distribution Items                                | 421,617                      | -                                    | 421,617              | 222,782               | (198,836)                          | 540,908               |
| <b>Distribution Total</b>                                   | <b>\$ 30,151,182</b>         | <b>\$ 3,651,895</b>                  | <b>\$ 33,803,077</b> | <b>\$ 47,052,789</b>  | <b>\$ 13,249,712</b>               | <b>\$ 107,989,801</b> |
| <b>Substation</b>   |                              |                                      |                      |                       |                                    |                       |
| 400 New Substations, Switching Stations and Meter Points    | 161,032                      | 4,362,222                            | 4,523,254            | 16,188,164            | 11,664,910                         | 30,909,244            |
| 500 Substations, Switching Stations and Meter Point changes | 2,776,380                    | 14,107,491                           | 16,883,871           | 16,451,622            | (432,248)                          | 38,045,033            |
| <b>Substation Total</b>                                     | <b>\$ 2,937,412</b>          | <b>\$ 18,469,712</b>                 | <b>\$ 21,407,124</b> | <b>\$ 32,639,786</b>  | <b>\$ 11,232,662</b>               | <b>\$ 68,954,277</b>  |
| <b>Transmission</b>   |                              |                                      |                      |                       |                                    |                       |
| 800 New Transmission Lines                                  | 1,855,234                    | 29,630                               | 1,884,864            | 2,593,659             | 708,795                            | 4,443,228             |
| 1000 Line and Station Changes                               | 1,615,171                    | 12,804,344                           | 14,419,515           | 19,158,456            | 4,738,941                          | 48,883,575            |
| <b>Transmission Total</b>                                   | <b>\$ 3,470,405</b>          | <b>\$ 12,833,974</b>                 | <b>\$ 16,304,379</b> | <b>\$ 21,752,115</b>  | <b>\$ 5,447,736</b>                | <b>\$ 53,326,803</b>  |
| <b>General Plant</b>  |                              |                                      |                      |                       |                                    |                       |
| 2000 Facilities   | 506,154                      | 1,979,324                            | 2,485,478            | 7,551,009             | 5,065,531                          | 18,122,693            |
| 3000 Information Technology                                 | 1,104,437                    | -                                    | 1,104,437            | 2,283,252             | 1,178,815                          | 6,786,598             |
| 4000 Tools & Equipment                                      | 207,924                      | -                                    | 207,924              | 250,000               | 42,076                             | 600,000               |
| 5000 Vehicles   | 3,836,188                    | -                                    | 3,836,188            | 3,203,750             | (632,438)                          | 7,689,000             |
| <b>Total General Plant</b>                                  | <b>\$ 5,654,703</b>          | <b>\$ 1,979,324</b>                  | <b>\$ 7,634,027</b>  | <b>\$ 13,288,011</b>  | <b>\$ 5,653,984</b>                | <b>\$ 33,198,291</b>  |
| <b>Accrued WIP &amp; Prepaid Aid</b>                        | <b>\$ 3,095,964</b>          | <b>\$ -</b>                          | <b>\$ 3,095,964</b>  | <b>\$ -</b>           | <b>\$ (3,095,964)</b>              | <b>\$ -</b>           |
| <b>Total Capital Improvement Plan Spend</b>                 | <b>\$ 45,309,667</b>         | <b>\$ 36,934,905</b>                 | <b>\$ 82,244,572</b> | <b>\$ 114,732,701</b> | <b>\$ 32,488,129</b>               | <b>\$ 263,469,171</b> |

| Fleet Spend Current & Prior Year Orders | YTD Actuals | Prior Year Orders | Net YTD Actuals | YTD Budget | Variance<br>(Over)/Under<br>Budget | Annual Budget |
|---|-------------|-------------------|-----------------|------------|------------------------------------|---------------|
| 5000 Vehicles                           | 3,836,188   | 951,132           | 2,885,056       | 3,203,750  | 318,694                            | 7,689,000     |



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