



Cooperative Update

Julie C. Parsley | Chief Executive Officer

Eddie Dauterive | Chief Strategy Officer

Nathan Fulmer | Chief Operations Officer — Distribution

Randy Kruger | Chief Financial Officer

JP Urban | Chief Administrative Officer



CEO Report

Julie C. Parsley | Chief Executive Officer

Regulatory Update: PUC

PUC scoping the roadmap for implementation of SB6 legislation
Rulemaking projects include:

- Rulemaking for Net Metering Arrangements Involving a Large Load Co-Located with an Existing Generation Resource
- Rulemaking to Establish Large Load Forecasting Criteria
- Rulemaking to Implement Large Load Interconnection Standards
- Rulemaking to Develop a Reliability Service to Competitively Procure Demand Reductions from Large Loads
- Evaluation of Transmission Cost Recovery



ERCOT Update

On July 28, the ERCOT Board Selection Committee announced William “Bill” Mohl to serve on ERCOT’s 12-member Board of Directors

- Has more than 40 years experience in electric and gas utilities in both public and private companies



Bill Mohl
ERCOT Board Director

ERCOT completed summer weatherization inspections at nine PEC substations and found no material non-compliance as a result of their review



TEC 85th Annual Meeting

- TEC Annual Meeting provided the opportunity to network with other cooperative leaders and hear a variety of reports, including:
 - PUC update from Chairman Thomas Gleeson
 - Government relations report from TEC staff



**Texas Electric
Cooperatives**

A Touchstone Energy® Cooperative 

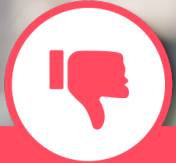
Texas Electric Cooperatives

Annual Meeting

August 3 – 6

Austin

Know How to Spot Utility Scams



PEC will never:

- ❌ Ask you to pay with a prepaid card or payment app such as Cash App, Venmo, or Zelle. PEC's official app is SmartHub, which you can use to access your account.
- ❌ Call from an out-of-state number.
- ❌ Instruct you not to call any PEC number to make a payment.
- ❌ Have a technician call you to say they are coming to disconnect your power.
- ❌ Request a cash payment at your home or business.
- ❌ Try to sell you products or services by phone or door-to-door, including solar panels, energy audits, and "important energy-saving initiatives."
- ❌ Partner with third-party home service companies.



PEC will:

- ✅ Make recorded courtesy calls and direct you to our secure payment line at 855-938-3589.
- ✅ Use a credit bureau called Collection Services for delinquent balances on closed accounts. You can reach Collection Services to verify calls at 800-286-2487.
- ✅ Send field agents to collect payments — never in cash — at residential and commercial locations.

WHO YOU SHOULD CALL:

- ▶ Confirm an identity: 888-554-4732
- ▶ Secure payment line: 855-938-3589
- ▶ Collection Services: 800-286-2487



PEC Employees Brighten Back-to-School

- Together, PEC's employees helped teachers and classrooms shine through our annual Fill the Bucket school supply drive
- More than 2,000 supplies were donated by PEC employees!
- Supplies have been donated to schools across our service territory





August Quarterly Report

Eddie Dauterive | Chief Strategy Officer

2021-2026 Strategic Plan

Board of Directors’ Goals and Objectives that outline long-term planning:

- Five Goal categories
- Fifteen Objectives within the categories

Completing the 2021-2026 Strategic Plan:

- Over the last five years, a total of **261 annual initiatives** were set to achieve the Goals and Objectives
- Accomplishments in those objectives are demonstrated through aligned KPI performance metrics
- 2025 KPI Period One: achieved 18 scores out of 19 individual metrics (13 platinum)

PEC 2021-2026 Strategic Plan

Goal Categories	# of Objectives	# of Initiatives
1. Maximize Value to Our Membership	3	44
2. Achieve Operational Excellence	4	70
3. Protect the Financial Health of the Cooperative	3	54
4. Pursue Workforce Optimization	2	48
5. Advance Tactical Safety and Security	3	45

Major Accomplishments

Notable completions through the 261 initiatives:

SMS Capability and Chat

Website Redesign and URL

Consolidated Contact Centers

Online Member Applications

AMI Deployment

LIDAR Vegetation Scanning

OMS Upgrades

Engineering Standards Guide

Rate Stability Practices

UI Budgeting Tools

On-boarding and Cross-boarding Tools

100% Utilization of the TTC

Continuous Journeyworker Education

TCC Construction, Operations, and Compliance

Transmission Cost of Service Development

Cyber Security Program

2026-2030 Strategic Plan Execution

PEC is moving into the next phase of strategic planning

Theme: Building Scale

A common theme discussed during leadership discussions that can be applied to many strategic objectives in financial decisions, technology utilization, and operational logistics.

Specific areas identified to apply this concept:

- Operational efficiencies
- Insurance strategies
- Rate-to-fee transfers
- Asset management
- Supply chain improvements
- Optimizing technology spend
- Debt service costs
- Enterprise systems

Theme: Business Continuity

Additional initiatives will be found through further theme-based discussions with PEC leadership.

Continuity can include:

- System resiliency
- Disaster recovery
- Incident response
- Succession planning

Planning Through 2025

Executing the 2026-2030 Strategic Plan

Theme-based and other critical initiatives will be evaluated through cost benefit analysis and tracked through PEC’s strategic program. These discussions will align with 2026 budget preparations that are underway. A summary of stages to execution follow:

May 2025:	Final Resolution for PEC’s 2026-2030 Plan
Jun. 2025:	Reviewed Building Scale initiatives
Jul. 2025:	Initiated utility systems and integration review
Aug. 2025:	Further Leadership engagement of strategic themes and budgeting review
Oct. 2025	Board review sessions for the 2026 budget
Nov. 2025:	Board preview of 2026 Corporate Initiatives and 2026 KPI Plan
Dec. 2025:	Board approval of 2026 Corporate Initiatives and 2026 KPI Plan



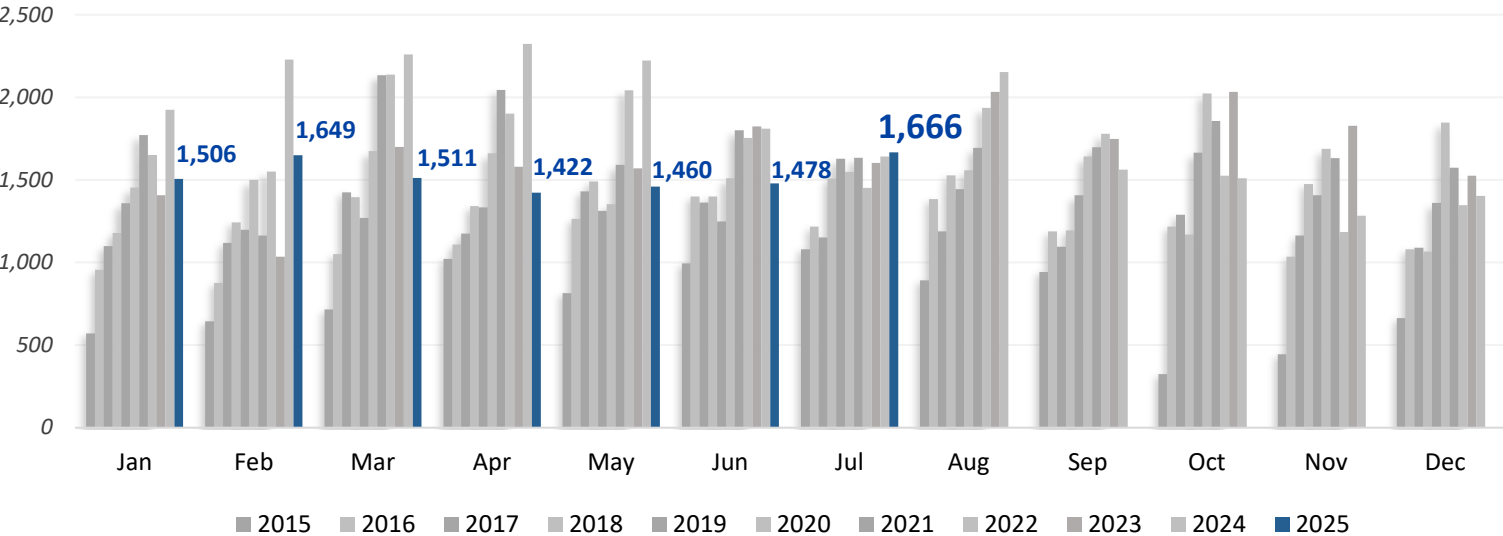
Operations Report

Nathan Fulmer | Chief Operations Officer -
Distribution

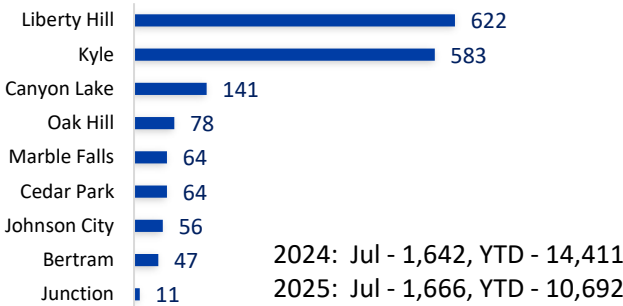
System Growth

Line Extensions Completed

2023: 19,886 2024: 22,323 2025 YTD: 10,692



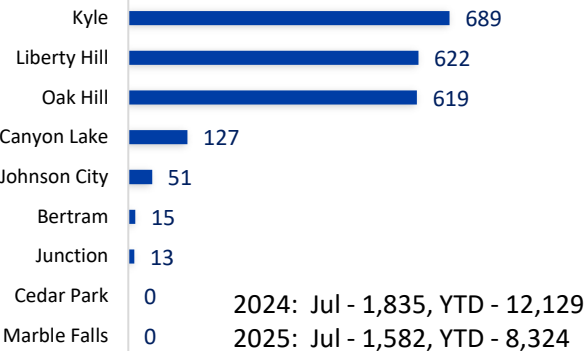
Line Extensions by District



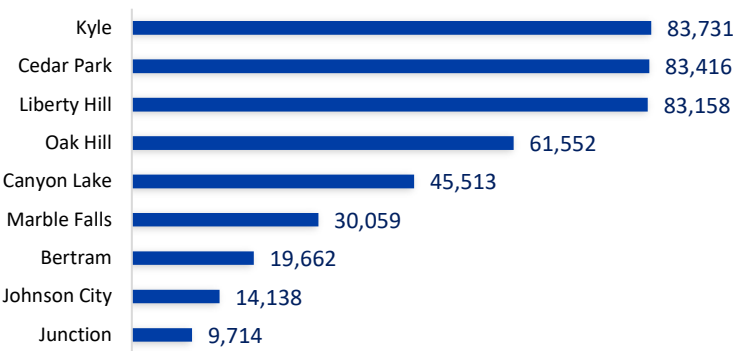
Miles of Distribution Line:

Overhead:	17,826	(69%)
Underground:	8,010	(31%)
Total:	25,836	

Meter Growth (1,582)

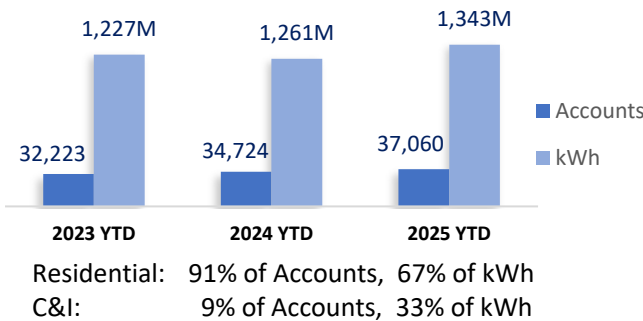


Meter Totals (430,943)



Commercial & Industrial

Accounts and Demand YTD



Safety + Technical Training Update

Department Highlights

1. Training and Classes

- Completed a Year-4 class of six students, all six intend to continue their education with upcoming training sessions on Advanced Transformers and Confined Space Entry in August.

2. Field Assessments

- Completed two Level Two-to-Three, three Level Three-to-Four, and one Level Four-to-Journeyworker. Also completed two pre-employment assessments.

3. Texas Lineman's Rodeo

- The team oversaw participation, which resulted in favorable outcomes for the apprenticeship division.

4. Community Engagement

- The team also assisted External Relations with Education Exploration by hosting High School Career and Technical Education (CTE) teachers for a facility tour, fostering community engagement and promoting future talent.

Apprentice Spotlight



**Cameron “Woody”
Wall**

Lineworker
Apprentice 4
Johnson City

Woody demonstrated exceptional dedication during his Year 4 class, achieving a perfect score on all tests, completing all required competencies, and delivering an outstanding presentation on the use of Insulating Protective Equipment (IPE) and Personal Protective Equipment (PPE).

His presentation emphasized the vital roles these protective devices play, where PPE safeguards the worker, and IPE protects equipment, both are essential for ensuring safety in electrical work.



July 2025 Financial Report

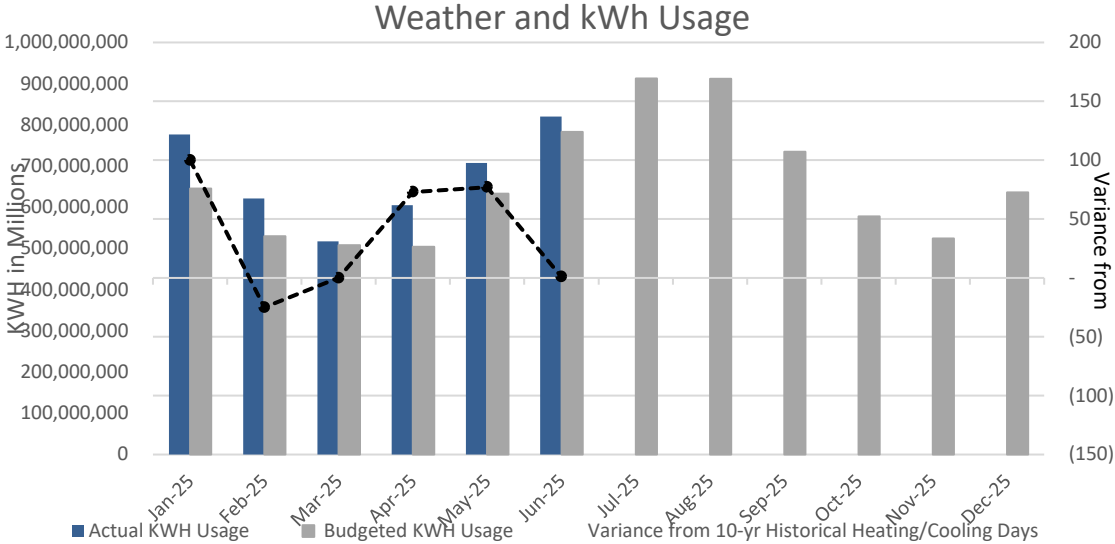
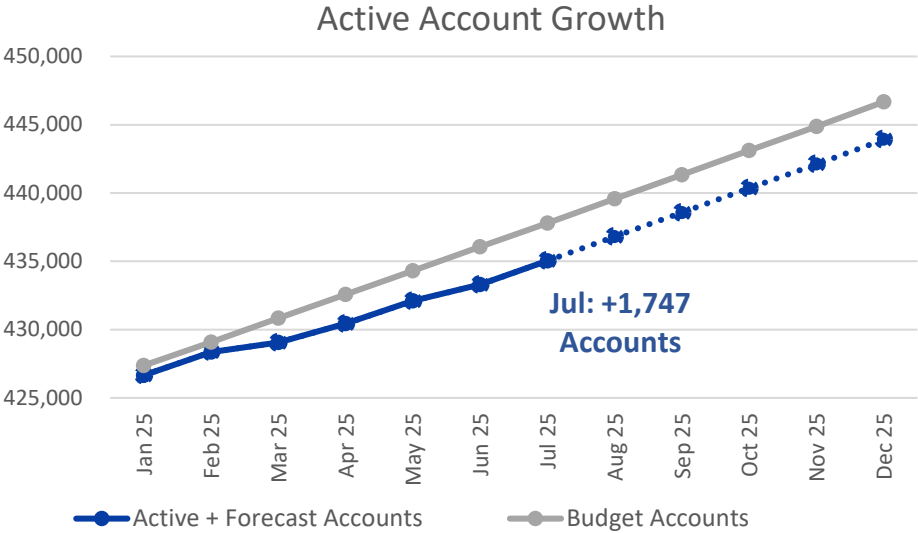
Randy Kruger | Chief Financial Officer

Finance at a Glance – July 2025

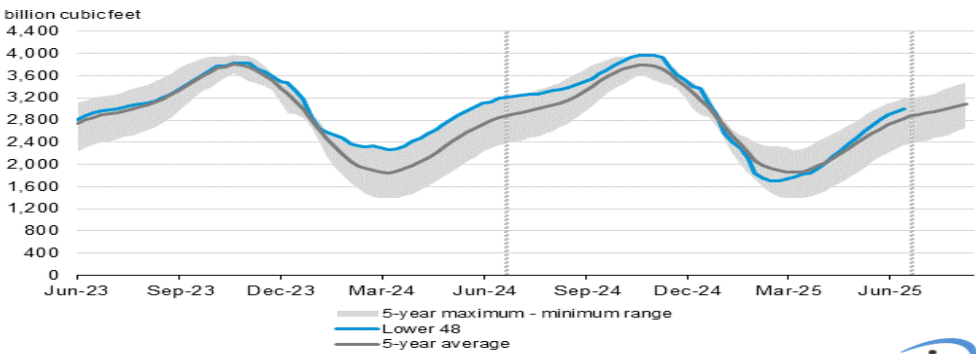
TBU

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	820,375	783,152	37,223	4,048,583	3,604,347	444,237
Gross Margins	\$ 38.0	\$ 36.1	\$ 1.9	\$ 199.2	\$ 190.8	\$ 8.4
Net Margins	\$ 8.1	\$ 8.6	\$ (0.5)	\$ 36.3	\$ 26.9	\$ 9.4
EBIDA	\$ 19.2	\$ 20.2	\$ (1.0)	\$ 103.5	\$ 95.4	\$ 8.1
					\$ -	
Revenue O/(U)	\$ 7.0	\$ 4.3	\$ 2.7	\$ 21.9	\$ 1.4	\$ 20.5
EBIDA(X)	\$ 26.3	\$ 24.5	\$ 1.8	\$ 125.4	\$ 96.8	\$ 28.6

	Liquidity Coverage
Cash & Marketable Securities	\$ 25,813,958
Short Term Facilities	605,000,000
Less: Short Term Borrowings	159,276,257
Available Liquidity	\$ 471,537,701
Liquidity Coverage (Days)	198

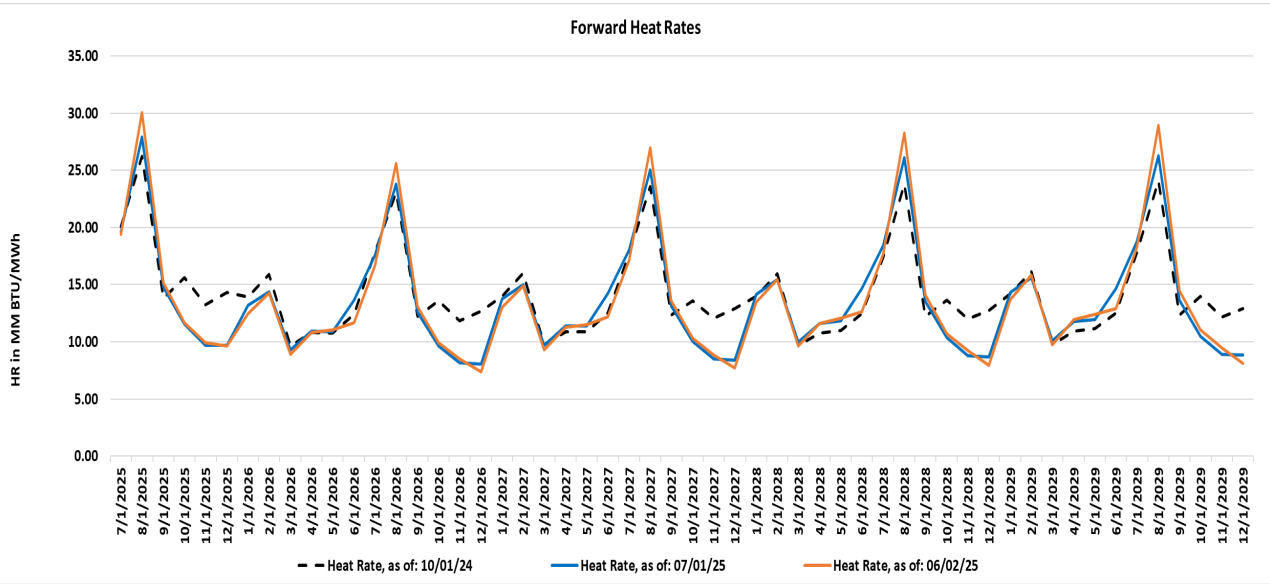
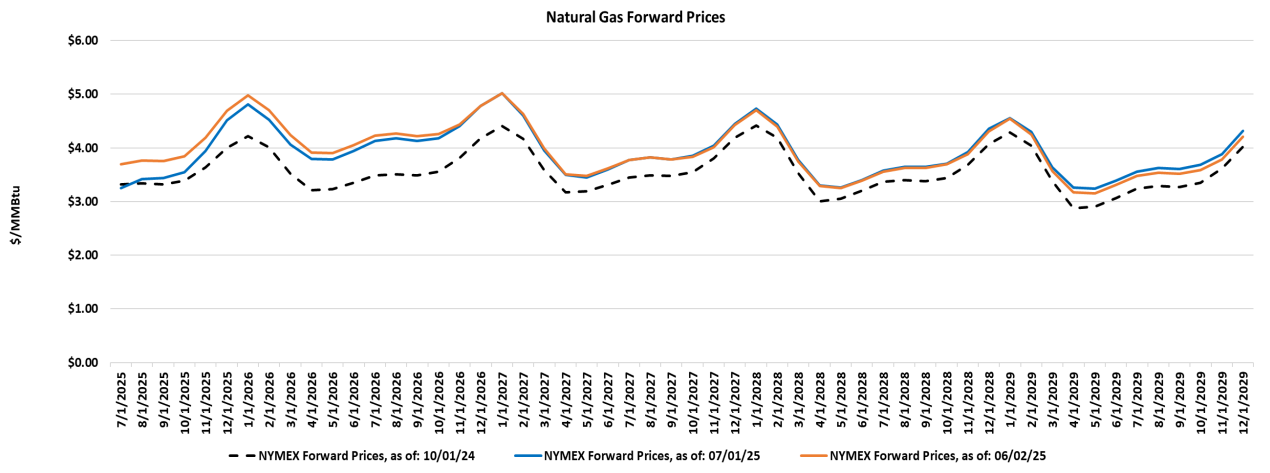
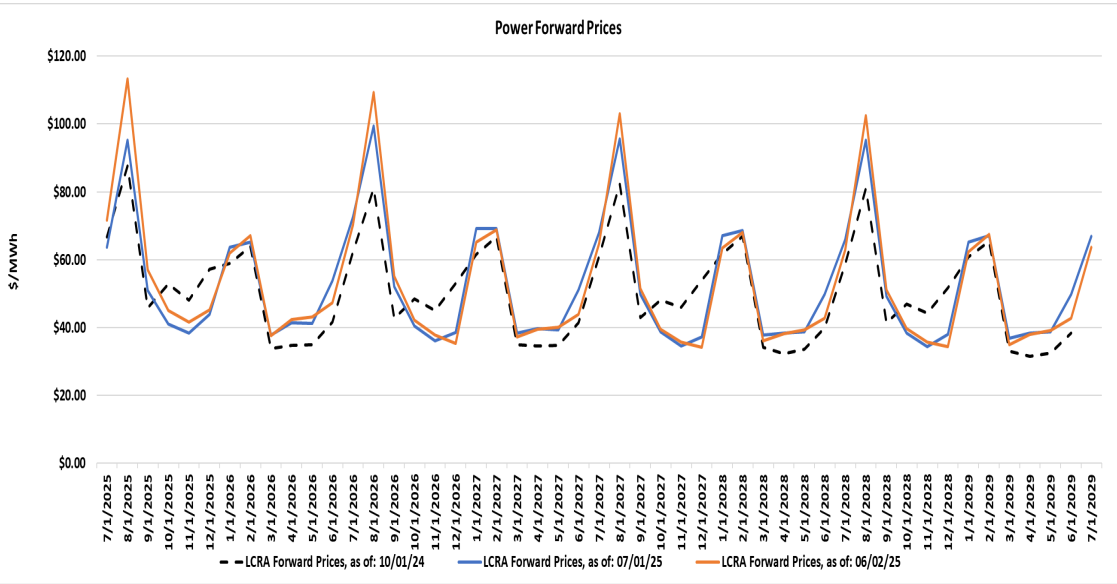


Working gas in underground storage compared with the 5-year maximum and minimum

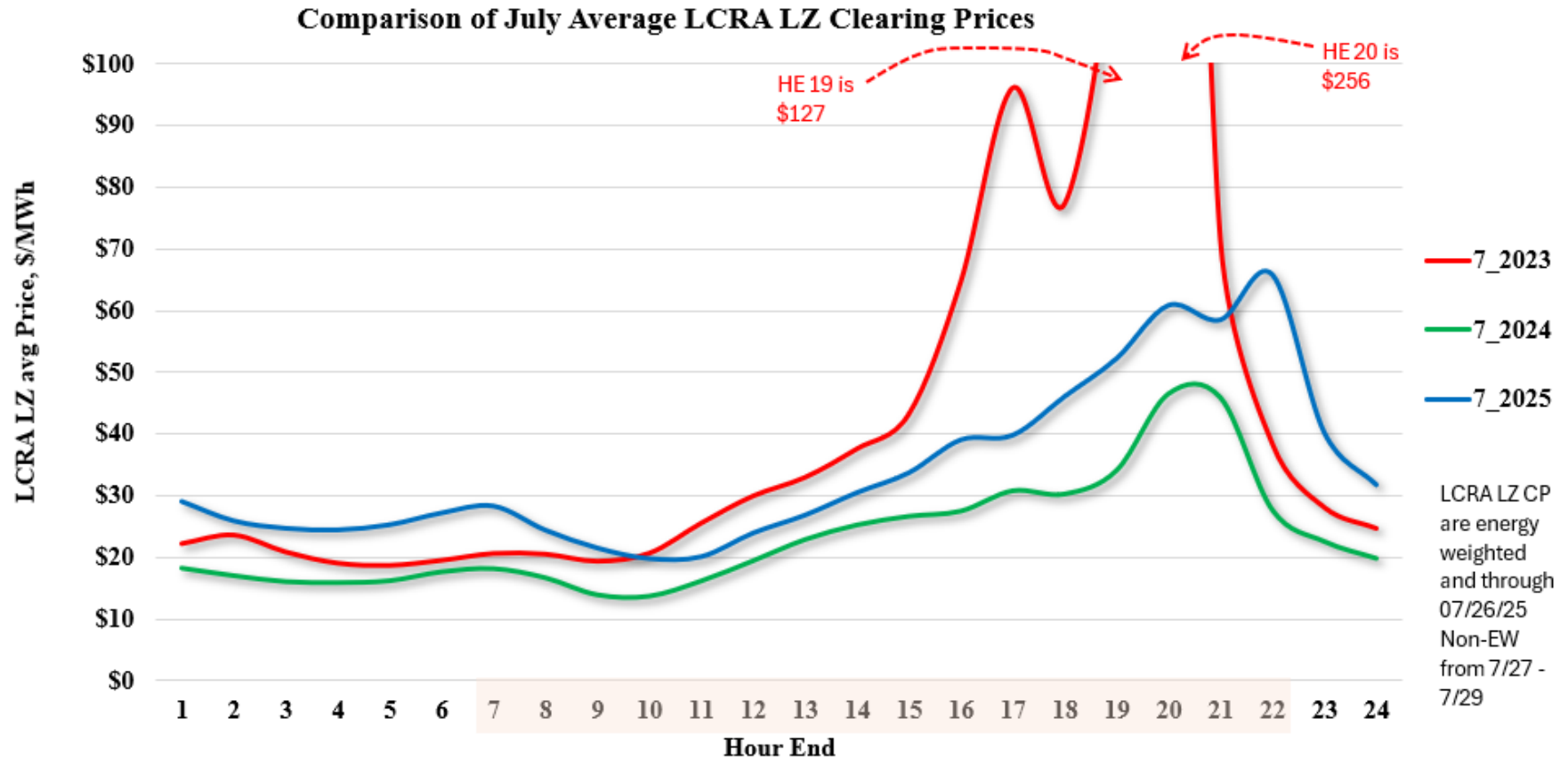


Data source: U.S. Energy Information Administration
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2020 through 2024. The dashed vertical lines indicate current and year-ago weekly periods.

As of July 4, 2025

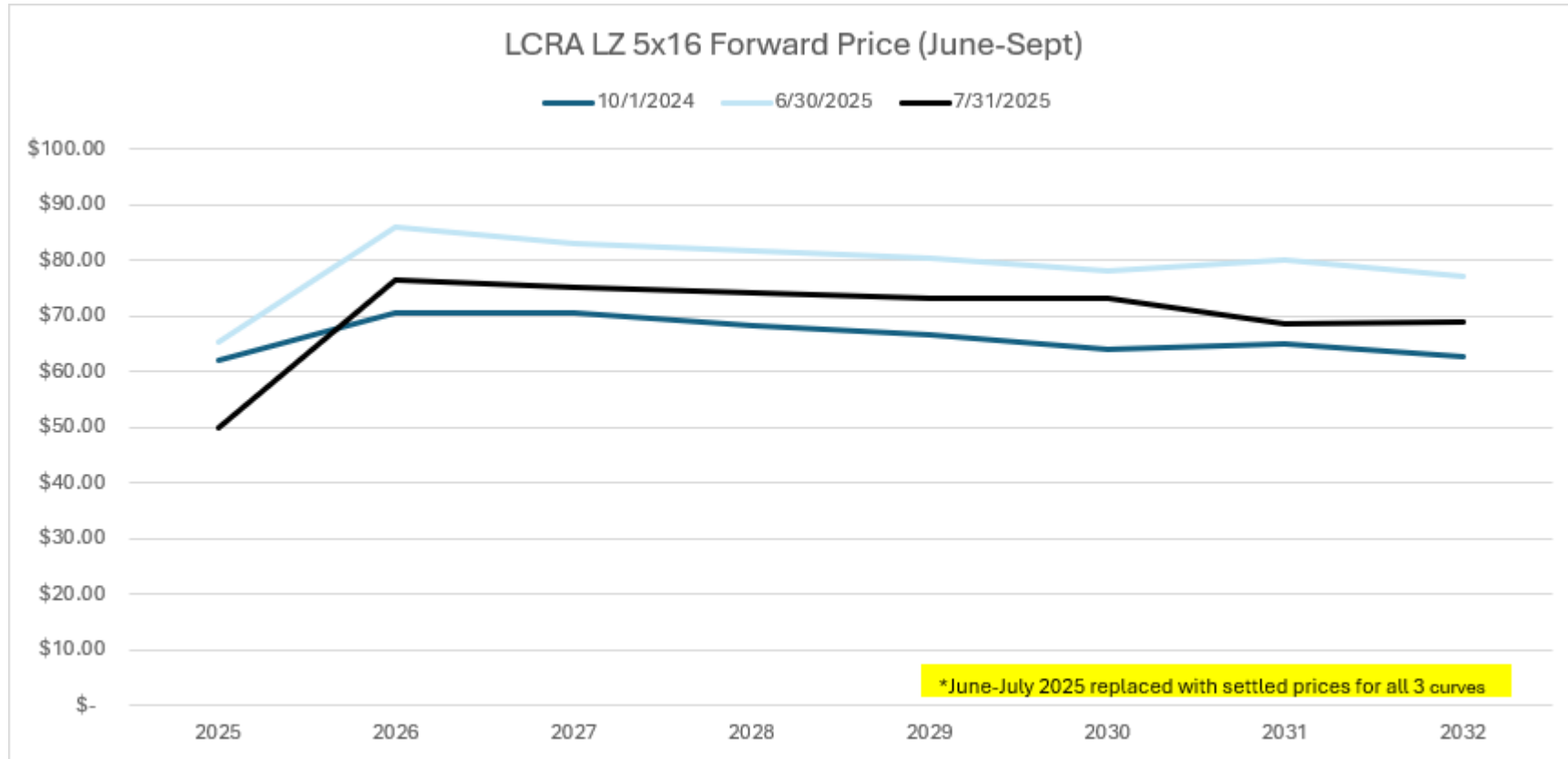


Historical July Settled Prices 2023 to 2025



- 9 GW of batteries and 14 GW solar additions 2023 to July 2025 while peak demand has remained relatively flat
- Peak prices shifting out of periods of solar irradiance
- 2025: 8:00 a.m. to noon is cheaper than overnight hours

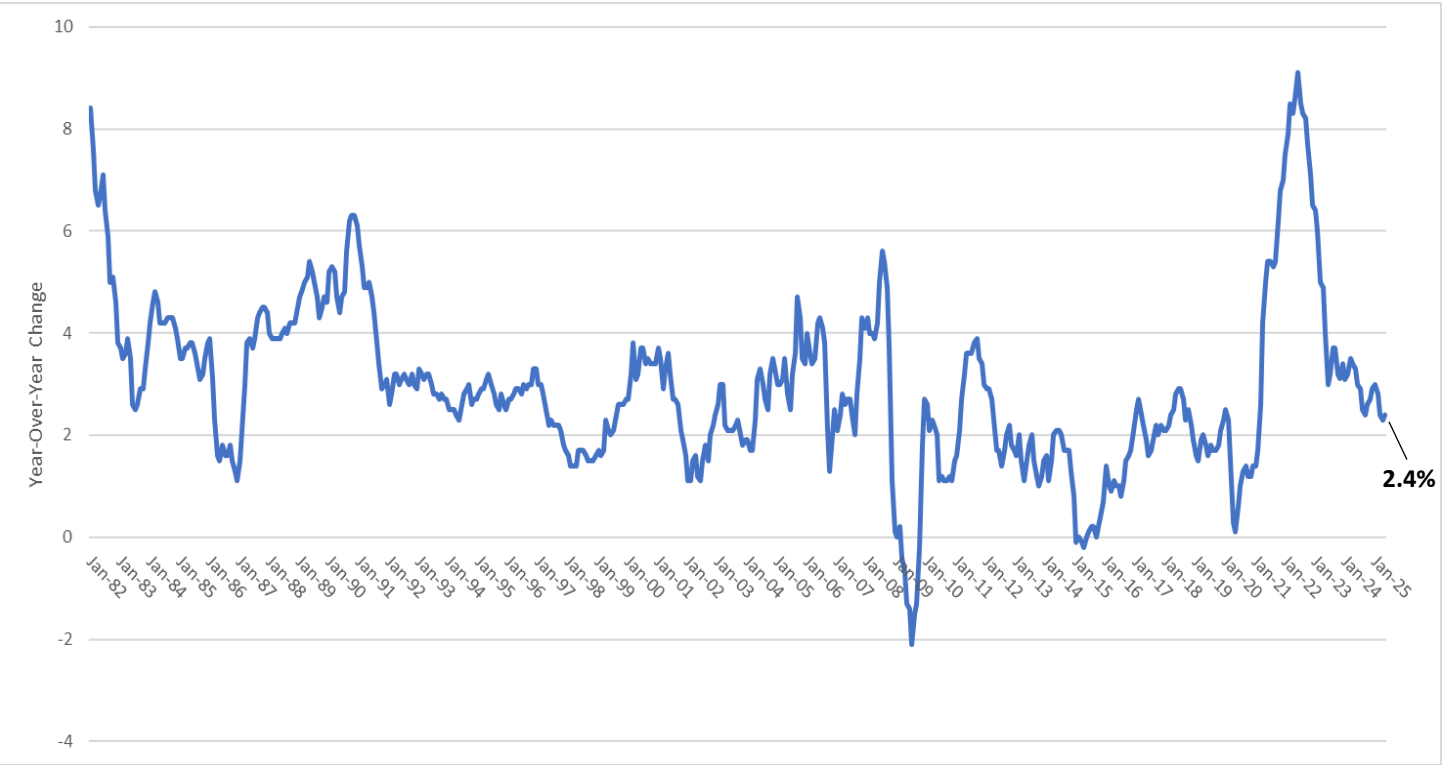
Summer Forward Prices



- Lower than expected July 2025 settled prices put downward pressure on the forward curve
- ERCOT's Capacity Demand and Reserve Report showing generation deficits starting in 2028 giving some support to forward prices
- Forward prices will influence outlook for PEC base energy rate

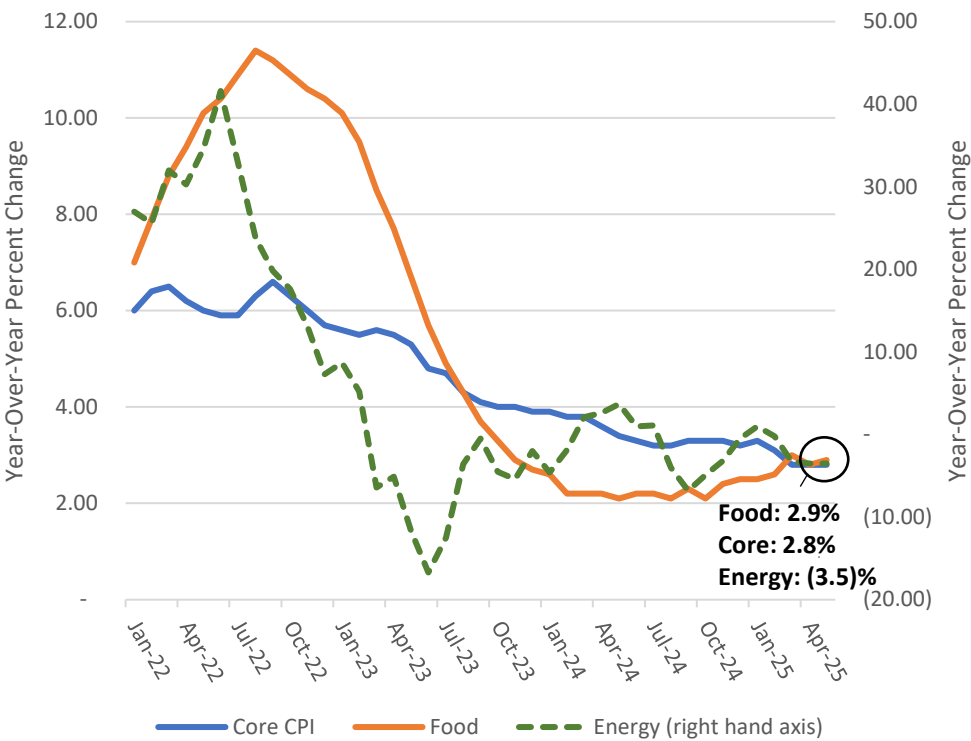
Overall CPI increased to 2.4% YoY from 2.3% YoY in April; Core CPI remained at 2.8% YoY from the previous month. Energy prices were down -3.5% YoY driven by gasoline (-12.0%) and fuel oil (-8.6%); partially offset by utility gas service (+15.3%) and sustained increases to electricity prices (+4.5%).

CPI Jan 1982 to Jul 2025



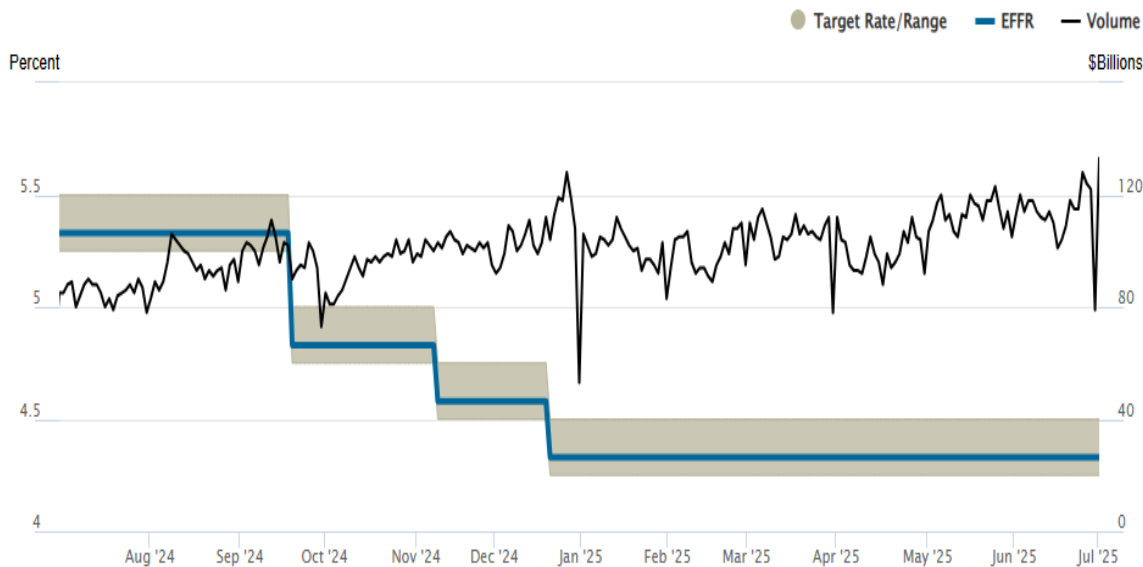
Source: U.S. Bureau of Labor Statistics

Core CPI, Food and Energy
Jan 2022 to Jul 2025



Source: U.S. Bureau of Labor Statistics

Federal Funds Rate



Source: Federal Reserve Bank of New York 07/02/2025

10-Year Note



Source: The Wall Street Journal 07/10/2025



CAO Report

JP Urban | Chief Administrative Officer

Member Relations Report

May Member Relations Metrics

- Calls handled: 22,163
- Chats handled: 1,727
- Applications for existing service
 - Online: 3,965 (35%)
 - Phone: 7,415 (65%)
- Member experience satisfaction rating: 4.64 out of 5
- Member experience first contact resolution: 92.09%
- 94.92% of members say they would enjoy working with the same agent again



Nominate a Power Player

- Power Player is a new youth-focused program to recognize local high school athletes who excel in and out of the game
- Nominations open through September 19 at myPEC.com/power-player
- Power Players will be recognized at an upcoming pep rally or game
- Part of the Co-op's Pathway to PEC program



Kids Enjoy Eggsellent STEM Event

- More than 200 families joined PEC at recent Camp Save-A-Watt Meet-a-Lineworker events!
 - Our youngest members put physics to the test with an egg drop challenge
 - Tried on lineworker gear and practiced using tools
 - Egg drops will continue at schools and throughout the community this year





Appreciation and Look Ahead

Employee Shoutouts*



Steve Courtney
Vegetation
Maintenance
Specialist 2
Kyle



Jeremy Nutt
Electrical
Distribution
Designer
Cedar Park



Dobie New
Journeyworker
Liberty Hill



Rosie Vasquez
Member Relations
Analyst
Junction



Jackie Durham
Member Relations
Agent 2
Marble Falls

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

Offices Closed September 1 for Labor Day



Report an Outage 24/7

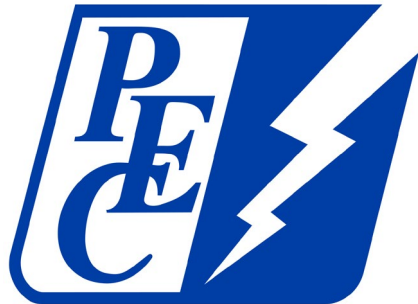
- Text “Outage” to 25022
- Call 888-883-3379

Pay Online 24/7

- pec.smarthub.coop
- SmartHub mobile app



Appendix Pages



Appendix to July 2025 Distribution Operations Presentation to the Board

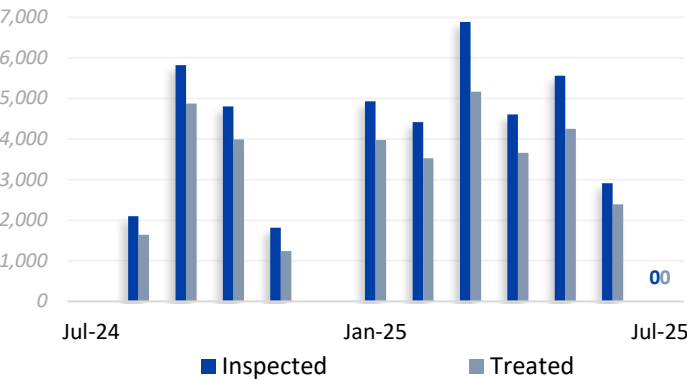
Nathan Fulmer | Chief Operations Officer - Distribution

Maintenance & Technical Services

Pole Testing & Treatment (PTT)

Poles Inspected & Treated

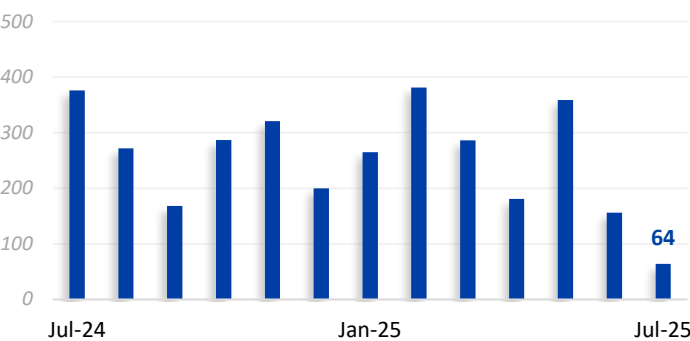
2024 YTD: Inspections - 28,731 Treated - 22,082
2025 YTD: Inspections - 29,315 Treated - 22,975



Underground Equipment

Pad Restorations

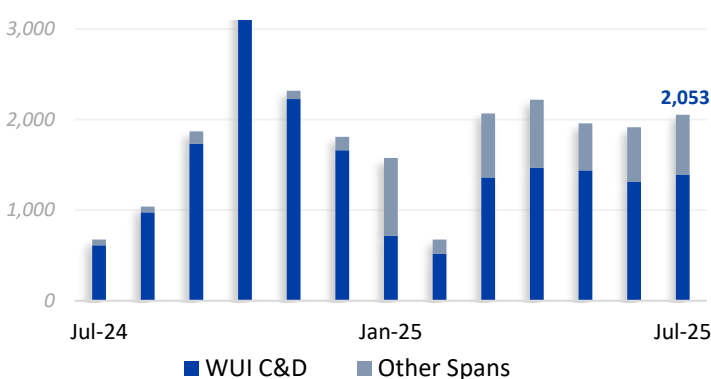
2024 YTD: 2,696
2025 YTD:



Vegetation Management

Span Clearings

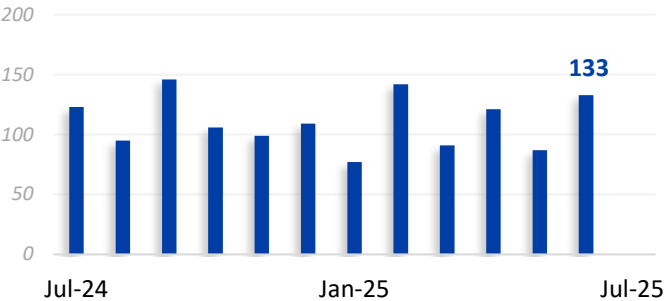
2024 YTD: Encroachments Completed - 14,676
2025 YTD: Encroachments Completed - 12,471



Technical Services

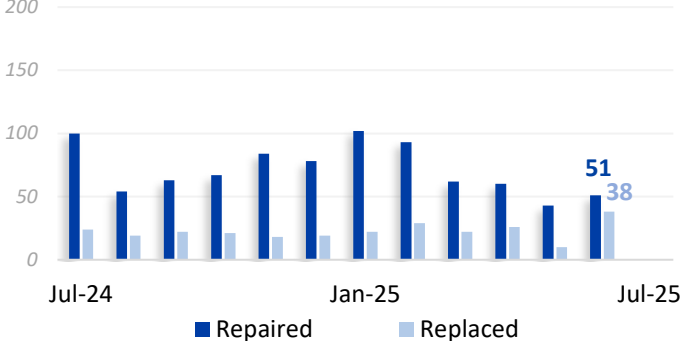
Equipment Inspections

2024 YTD: 1,170
2025 YTD:



Equipment Repaired or Replaced

2024 YTD: Repaired - 497 Replaced - 146
2025 YTD: Repaired - Replaced -



Planning Engineering Projects

Project	Completion	Percent Complete
Load Projection Study	Feb 2025	100%
2025 CIP Project Maps	Feb 2025	100%
Capacitor Settings	Mar 2025	100%
4CP Study	Apr 2025	100%
Summer Contingency	May 2025	100%
UFLS Study	Jul 2025	100%
CIP (1 st Draft) Study	Jul 2025	90%
CIP (Final Draft) Study	Aug 2025	10%
Mock UFLS Study	Dec 2025	0%
20-Year Plan Study	Dec 2025	20%
Winter Contingency	Dec 2025	0%

Large Project Updates

Johnson City - Haley Road Phase II yard expansion

RFP responses received June 18 and currently under review for GC award. Completion forecasted for Nov. - Dec. timeframe.

Junction

Site electrical, fencing, and Fleet Building construction are underway. Warehouse office space expansion began in mid-June. Project completion forecasted for Nov. 2025.

Headquarters Facility Generator Replacement

Facility back-up generator replaced to support 100% functionality in the event of power outages. Legacy generator inventoried for future use. Work complete on June 30.

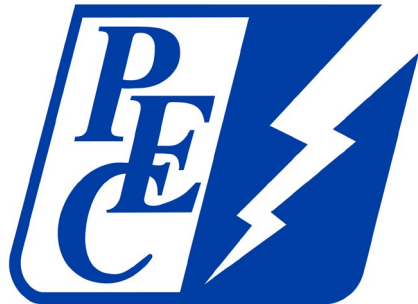
Liberty Hill Materials Yard Expansion

RFP responses received on Jun. 26 and are currently under evaluation for GC award. Project completion forecasted for end of year, 2025.

Kyle Yard Base Stabilization

Yard base stabilization effort began on Jun. 22 with an estimated 30-day completion timeline. Phase I completed Jul. 1.





Appendix to July 2025 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

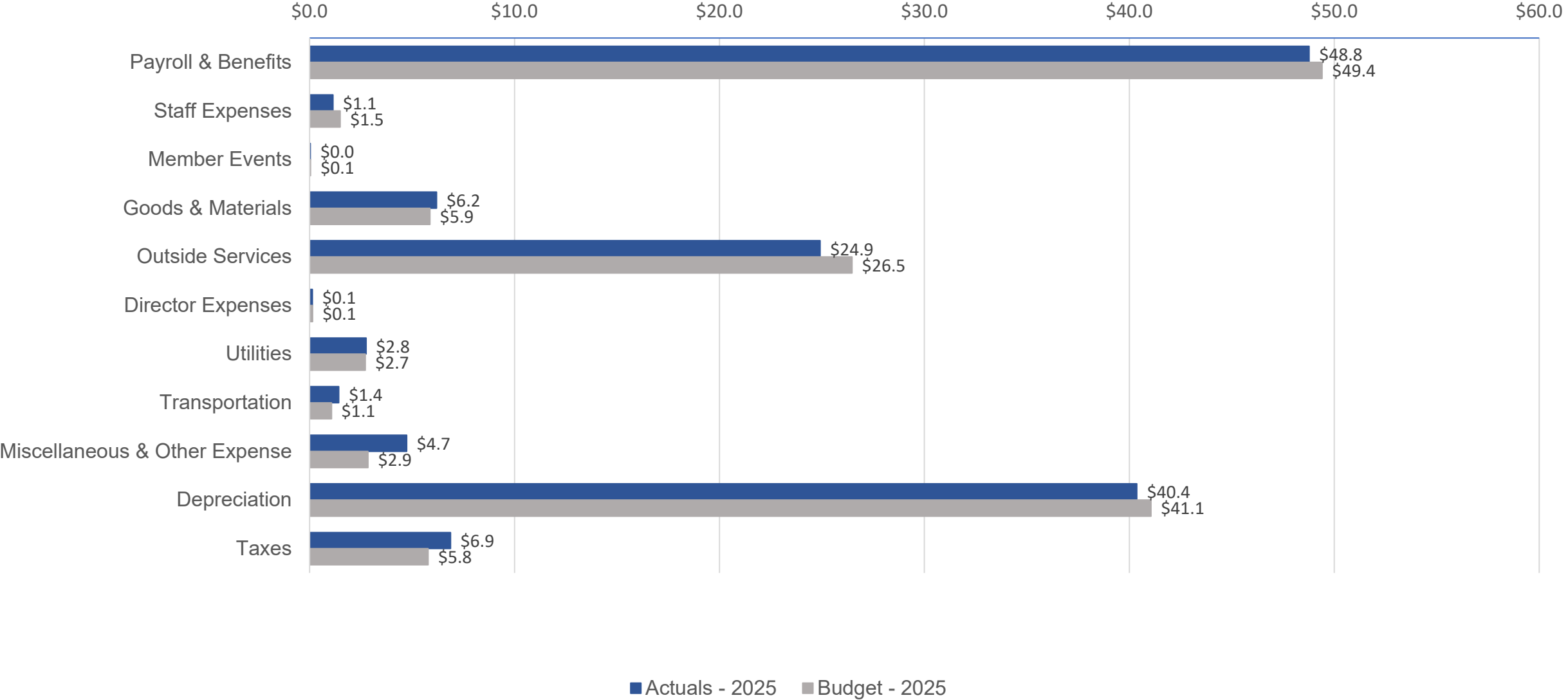
Financial Performance

	MTD			YTD			Annual
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget
Gross Margins	\$ 37,979,994	\$ 36,063,340	\$ 33,736,470	\$ 199,188,711	\$ 190,756,623	\$ 177,293,143	\$ 400,301,897
Operating Expenses Ex. Depreciation	18,931,214	15,968,789	15,752,782	97,003,802	95,865,976	90,570,975	193,600,990
Depreciation	6,771,855	7,010,515	8,095,445	40,366,363	41,052,326	48,144,510	83,735,262
Interest Expense	4,410,710	4,598,953	4,396,370	26,839,183	27,439,117	25,507,642	55,458,822
Other Income	(188,107)	(90,000)	(366,731)	(1,304,908)	(540,000)	(2,979,197)	(3,873,000)
Net Margins	\$ 8,054,322	\$ 8,575,083	\$ 5,858,604	\$ 36,284,271	\$ 26,939,204	\$ 16,049,213	\$ 71,379,824
EBIDA	\$ 19,236,887	\$ 20,184,551	\$ 18,350,419	\$ 103,489,817	\$ 95,430,647	\$ 89,701,365	\$ 210,573,907
Over (Under) Collected Revenues	7,048,553	4,338,075	3,176,200	21,890,276	1,357,484	1,202,224	4,966,279
EBIDA(X)	\$ 26,285,440	\$ 24,522,626	\$ 21,526,619	\$ 125,380,093	\$ 96,788,131	\$ 90,903,589	\$ 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	820,375,347	783,152,299	807,886,923	4,048,583,344	3,604,346,817	3,658,388,632	7,910,451,206
Energy Purchases kWh	856,132,488	833,189,101	864,050,185	4,192,356,705	3,834,683,301	3,912,715,114	8,415,380,400
Active Accounts				433,295	436,057	415,482	446,678

Cost of Service (in millions)

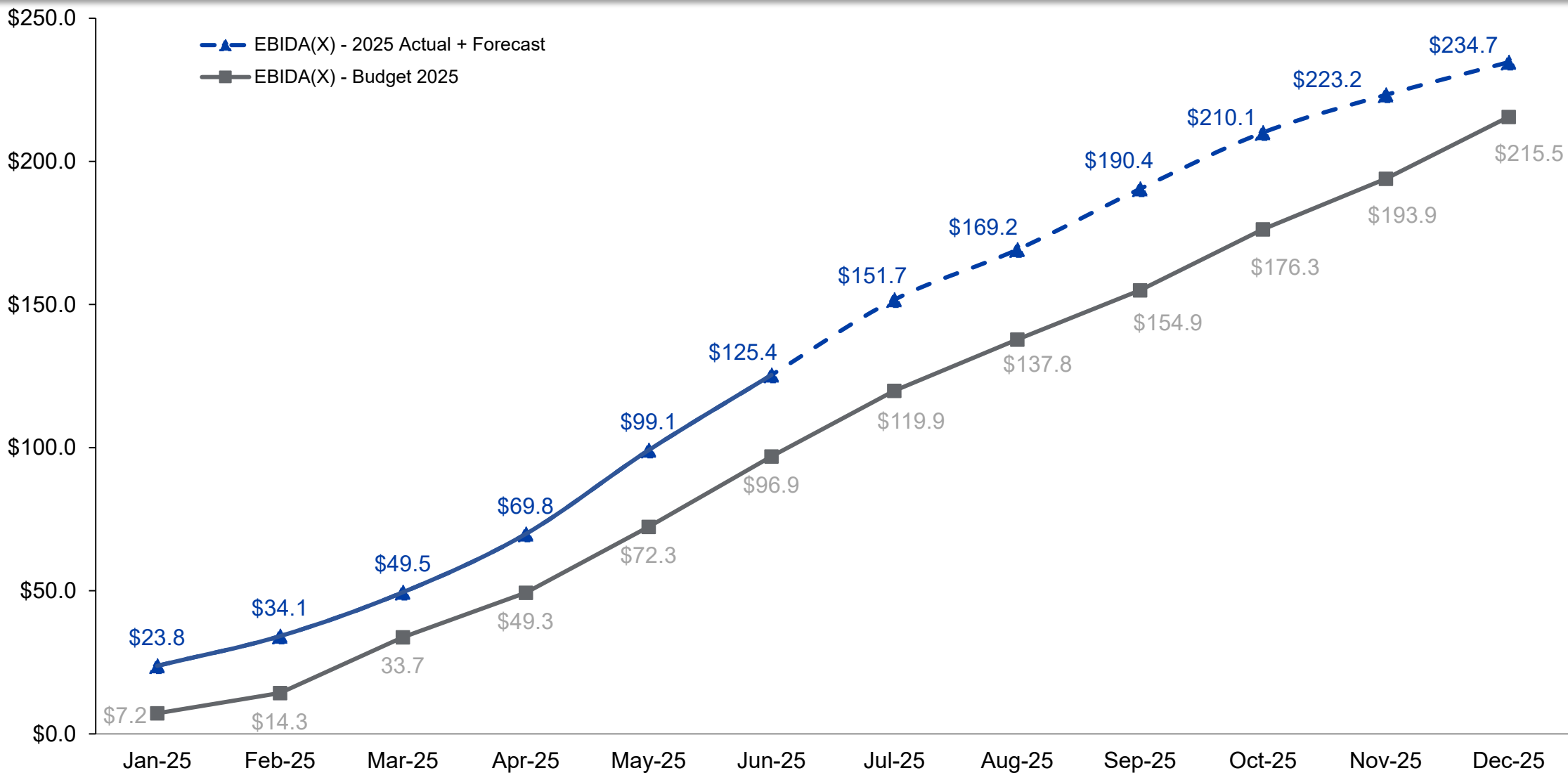
YTD Actuals vs Budget through July 2025

TBU



EBIDA(X) Year to Date (in millions)

TBU



CIP Spend

Construction Category & Description		Non MultiYear YTD Actuals	Brd Appr MultiYear YTD Actuals	Total YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
Distribution							
200	Tie Lines (new construction between existing lines)	4,350,602	71,513	4,422,115	8,832,904	4,410,789	14,793,728
300	Conversions or Line Changes	9,857,653	5,049,952	14,907,605	13,608,845	(1,298,760)	25,001,608
600	Miscellaneous Distribution Equipment	21,547,950	-	21,547,950	27,247,942	5,699,992	54,370,706
700	Other Distribution Items	457,644	-	457,644	195,198	(262,446)	391,422
Distribution Total		\$ 36,213,849	\$ 5,121,465	\$ 41,335,314	\$ 49,884,889	\$ 8,549,575	\$ 94,557,465
Substation							
400	New Substations, Switching Stations and Meter Points	4,532,506	3,051,858	7,584,364	10,212,943	2,628,579	20,969,733
500	Substations, Switching Stations and Meter Point changes	4,839,445	11,929,676	16,769,121	22,191,249	5,422,128	42,471,140
Substation Total		\$ 9,371,951	\$ 14,981,534	\$ 24,353,485	\$ 32,404,192	\$ 8,050,707	\$ 63,440,873
Transmission							
800	New Transmission Lines	175,767	-	175,767	178,258	2,491	1,125,657
1000	Line and Station Changes	2,279,105	8,285,147	10,564,252	20,914,088	10,349,837	49,195,185
Transmission Total		\$ 2,454,872	\$ 8,285,147	\$ 10,740,019	\$ 21,092,346	\$ 10,352,328	\$ 50,320,843
General Plant							
2000	Facilities	3,569,913	3,089,832	6,659,745	12,012,580	5,352,836	17,789,898
3000	Information Technology	341,789	-	341,789	4,151,994	3,810,205	7,017,520
4000	Tools & Equipment	237,638	-	237,638	250,000	12,362	500,000
5000	Vehicles	3,069,608	-	3,069,608	2,500,000	(569,608)	5,000,000
Total General Plant		\$ 7,218,947	\$ 3,089,832	\$ 10,308,779	\$ 18,914,574	\$ 8,605,795	\$ 30,307,418
Accrued WIP & Prepaid Aid		\$ (6,755,440)	\$ -	\$ (6,755,440)	\$ -	\$ 6,755,440	\$ -
Total Capital Improvement Plan Spend		\$ 48,504,178	\$ 31,477,978	\$ 79,982,156	\$ 122,296,001	\$ 42,313,845	\$ 238,626,599