



Growth Statistics

<u>YEAR/ MONTH</u>	<u>ACTIVE ACCOUNTS*</u>	<u>NET INCREASE</u>	<u>APPLICATIONS</u>
<u>2015</u>			
January	265,418	590	1,790
February	266,057	639	1,964
March	266,628	571	2,141
April	267,329	701	2,141
May	268,190	861	2,358
June	269,032	842	2,863
July	270,400	1,368	3,077
August	271,174	774	3,069
September	272,427	1,253	1,891
October	273,423	996	2,433
November	274,329	906	1,672
December	275,282	953	2,041
<u>2016</u>			
January	275,877	595	1,569
February	276,890	1,013	1,822
March	277,667	777	2,134
April	278,855	1,188	2,006
May	279,934	1,079	2,320
June	281,291	1,357	2,830
July	282,018	727	2,761
August	283,562	1,544	3,007
September	284,881	1,319	2,226
October	285,751	870	2,060
November	286,995	1,244	1,942
December	287,422	427	1,932

* "Active Accounts" was formerly identified as "Number of Consumers." Active Accounts are meters and lights only.

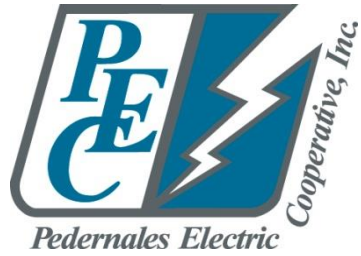
** Member count includes inactive memberships holding landlord accounts and pending connections.

Member counts in reports prior to March 2013 did not include such memberships.



Statements of Income

	MTD			YTD		
	Actual DECEMBER 2016	Budget DECEMBER 2016	Actual DECEMBER 2015	Actual DECEMBER 2016	Budget DECEMBER 2016	Actual DECEMBER 2015
KWH Purchased (available for sale)	488,632,000	460,617,000	446,049,000	5,878,792,000	5,977,516,000	5,843,316,000
KWH Sold	468,393,000	431,337,000	403,088,000	5,559,051,000	5,584,351,000	5,534,366,000
OPERATING REVENUES:						
Sale of Electricity	\$ 36,926,000	\$ 44,344,000	\$ 40,451,000	\$ 544,723,000	\$ 571,537,000	\$ 575,043,000
LCRA Fuel Power Cost Recovery Factor	660,000	-	(1,210,000)	(10,778,000)	-	(11,584,000)
Other Revenue	2,244,000	2,352,000	1,679,000	27,505,000	29,000,000	26,148,000
Operating Revenues - Total	\$ 39,830,000	\$ 46,696,000	\$ 40,920,000	\$ 561,450,000	\$ 600,537,000	\$ 589,607,000
OPERATING & MAINTENANCE EXPENSES:						
Purchased Power	\$ 27,094,000	\$ 27,721,000	\$ 26,421,000	\$ 334,356,000	\$ 356,351,000	\$ 361,594,000
LCRA Fuel Power Cost Recovery Factor	660,000	-	(1,210,000)	(10,778,000)	-	(11,584,000)
Transmission Operations	31,000	64,000	38,000	559,000	778,000	891,000
Transmission Maintenance	898,000	233,000	410,000	3,521,000	2,646,000	2,987,000
Distribution Operations	4,172,000	2,587,000	866,000	34,138,000	31,640,000	27,937,000
Distribution Maintenance	(174,000)	1,668,000	109,000	15,385,000	20,959,000	13,677,000
Consumer Accounts	2,723,000	2,218,000	3,766,000	23,763,000	27,270,000	29,375,000
Customer Service & Information	233,000	409,000	251,000	2,302,000	3,252,000	2,228,000
Economic Development	226,000	77,000	107,000	1,098,000	921,000	775,000
Administrative & General	3,750,000	1,945,000	4,302,000	29,425,000	23,999,000	29,336,000
Depreciation	4,208,000	5,905,000	5,936,000	43,048,000	53,742,000	54,533,000
Tax Expense	810,000	503,000	419,000	3,197,000	6,478,000	6,552,000
Operating & Maintenance Expenses - Total	\$ 44,631,000	\$ 43,330,000	\$ 41,415,000	\$ 480,014,000	\$ 528,036,000	\$ 518,301,000
MARGIN BEFORE INTEREST	\$ (4,801,000)	\$ 3,366,000	\$ (495,000)	\$ 81,436,000	\$ 72,501,000	\$ 71,306,000
INTEREST EXPENSE:	2,796,000	1,868,000	2,965,000	30,712,000	30,754,000	36,035,000
MARGIN AFTER INTEREST	\$ (7,597,000)	\$ 1,498,000	\$ (3,460,000)	\$ 50,724,000	\$ 41,747,000	\$ 35,271,000
OTHER INCOME (EXPENSE):	(60,000)	(54,000)	(355,000)	1,765,000	331,000	340,000
NET MARGIN (LOSS)	\$ (7,657,000)	\$ 1,444,000	\$ (3,815,000)	\$ 52,489,000	\$ 42,078,000	\$ 35,611,000



Balance Sheet

	DECEMBER 2016	DECEMBER 2015	\$ VARIANCE	% CHANGE
ASSETS				
UTILITY PLANT:				
In Service:				
Transmission	\$ 100,303,000	\$ 102,538,000	\$ (2,235,000)	(2.18%)
Distribution	1,344,293,000	1,258,670,000	85,623,000	6.80%
General & Electric	146,848,000	126,600,000	20,248,000	15.99%
Utility Plant - In service	1,591,444,000	1,487,808,000	103,636,000	6.97%
Long-Term Capital Projects	58,035,000	61,833,000	(3,798,000)	(6.14%)
Utility Plant - Total	1,649,479,000	1,549,641,000	99,838,000	6.44%
Accumulated Depreciation	(286,311,000)	(293,746,000)	7,435,000	(2.53%)
Utility Plant - Net	1,363,168,000	1,255,895,000	107,273,000	8.54%
LONG TERM INVESTMENTS:				
Capital Term Certificates & Other	12,179,000	11,741,000	438,000	3.73%
CURRENT ASSETS:				
Cash and Cash Equivalents	33,244,000	75,000	33,169,000	44,225.33%
Accounts Receivable:				
Members	15,940,000	22,259,000	(6,319,000)	(28.39%)
Other	5,510,000	13,964,000	(8,454,000)	(60.54%)
Allowance for Uncollectible Accts	(1,046,000)	(1,599,000)	553,000	(34.58%)
Accrued Unbilled Revenue	19,775,000	23,070,000	(3,295,000)	(14.28%)
Materials & Supplies	22,423,000	27,576,000	(5,153,000)	(18.69%)
Prepayments & Other	2,332,000	1,717,000	615,000	35.82%
Current Assets - Total	98,178,000	87,062,000	11,116,000	12.77%
DEFERRED CHARGES & OTHER ASSETS:				
Regulatory Assets	69,924,000	70,550,000	(626,000)	(0.89%)
Other Deferred Charges	964,000	1,057,000	(93,000)	(8.80%)
Deferred Charges & Other Assets - Total	70,888,000	71,607,000	(719,000)	(1.00%)
TOTAL ASSETS	\$ 1,544,413,000	\$ 1,426,305,000	\$ 118,108,000	8.28%



Balance Sheet

	DECEMBER 2016	DECEMBER 2015	\$ VARIANCE	% CHANGE
EQUITY & LIABILITIES				
EQUITY:				
Membership Certificates	\$ 11,614,000	\$ 11,127,000	\$ 487,000	4.38%
Permanent Equity	171,730,000	152,018,000	19,712,000	12.97%
Patronage Capital	397,898,000	373,806,000	24,092,000	6.45%
Equity - Total	581,242,000	536,951,000	44,291,000	8.25%
 LONG-TERM DEBT:				
02 Issue - \$450M - 2032	310,141,000	322,231,000	(12,090,000)	(3.75%)
08 Issue - \$300M - 2043	207,086,000	211,958,000	(4,872,000)	(2.30%)
15 Issue - \$78M - 2020	50,567,000	66,519,000	(15,952,000)	(23.98%)
15 Issue - \$25M - 2045	24,198,000	24,663,000	(465,000)	(1.89%)
16 Issue - \$15M - 2021	11,250,000	-	11,250,000	100%
16 Issue - \$80M - 2046	78,518,000	-	78,518,000	100%
Long-Term Debt - Total	681,760,000	625,371,000	56,389,000	9.02%
 CURRENT LIABILITIES:				
Current Maturities of LTD	38,126,000	28,381,000	9,745,000	34.34%
Accounts Payable	52,756,000	53,883,000	(1,127,000)	(2.09%)
Consumer Deposits	5,891,000	5,716,000	175,000	3.06%
Accrued Taxes	9,041,000	7,631,000	1,410,000	18.48%
Accrued Interest	3,866,000	3,336,000	530,000	15.89%
Other Current Liabilities	11,498,000	9,493,000	2,005,000	21.12%
Current Liabilities - Total	121,178,000	108,440,000	12,738,000	11.75%
 DEFERRED CREDITS & OTHER NONCURRENT LIABILITIES				
Postretirement Benefits Obligation	107,009,000	105,754,000	1,255,000	1.19%
Other Deferred Credits	53,224,000	49,789,000	3,435,000	6.90%
Deferred Credits - Total	160,233,000	155,543,000	4,690,000	3.02%
 TOTAL EQUITY & LIABILITIES	\$ 1,544,413,000	\$ 1,426,305,000	\$ 118,108,000	8.28%
 Equity as a Percent of Assets	37.64%	37.56%		
 Equity Capitalization	44.67%	44.97%		



Cash Flow Statement

	YTD	
	DECEMBER 2016	DECEMBER 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margins	\$ 52,489,000	\$ 35,611,000
Adjustments to Reconcile Net Margins to Net Cash Provided by Operating Activities:		
Depreciation & Amortization Charged to Expense	43,298,000	55,219,000
Provision for Uncollectible Accounts	135,000	1,771,000
Capital Credits	1,233,000	(1,016,000)
Deferred Charges for Post-Retirement Plans	12,824,000	(6,089,000)
Payments on Post-Retirement Benefits	(1,968,000)	(1,820,000)
Payments to Defined Benefit Plan	(9,600,000)	(10,200,000)
Changes in assets and liabilities:		
Accounts Receivable - Net	14,085,000	(11,225,000)
Accrued Unbilled Revenue	3,295,000	2,405,000
Materials & Supplies	5,153,000	(142,000)
Prepayments & Other Current Assets	(615,000)	621,000
Deferred Charges & Other Assets	626,000	(11,303,252)
Accrued & Accounts Payable	(1,127,000)	(1,853,000)
Consumer Deposits	175,000	152,000
Accrued Taxes	1,410,000	(647,000)
Accrued Interest	530,000	(1,002,000)
Other Current Liabilities	2,005,000	(21,506,000)
Other Deferred Credits & Liabilities	3,543,000	39,451,000
Net Cash Provided by (Used in) Operating Activities	\$ 127,491,000	\$ 68,426,748
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-Term Investments	\$ -	\$ 14,000,000
Net Additions to Property, Plant & Equipment	(150,321,000)	(112,354,000)
Capital Credit Retirements from Associated Organizations	(1,671,000)	710,000
Net Cash Provided by (Used in) Investing Activities	\$ (151,992,000)	\$ (97,644,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Borrowings - Line of Credit	\$ -	\$ -
Proceeds from issuance of Long-Term Debt	95,000,000	25,000,000
Payments on Long-Term Debt	(29,131,000)	(24,974,748)
Retirement of Patronage Capital	(8,686,000)	(7,919,000)
Increase in Memberships - Net	487,000	393,000
Net Cash Provided by (Used in) Financing Activities	\$ 57,670,000	\$ (7,500,748)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 33,169,000	\$ (36,718,000)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	75,000	36,793,000
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 33,244,000	\$ 75,000



DECEMBER 2016

Key Indicators & Ratios

	MTD		YTD	
	DECEMBER 2016	DECEMBER 2015	DECEMBER 2016	DECEMBER 2015
Net Margins	\$ (7,657,000)	\$ (3,815,000)	\$ 52,489,000	\$ 35,611,000
Margin as a % of Total Operating Revenue	-19.22%	-9.32%	9.35%	6.04%
Total Operating Revenue per total mile of line	\$ 1,810	\$ 1,893	\$ 25,520	\$ 27,280
Members connected	4,862	4,848	62,724	61,881
Total Miles of Line:				
Transmission	304.28	304.28	304.28	304.28
Distribution Overhead	16,927.22	16,847.23	16,927.22	16,847.23
Distribution Underground	4,768.86	4,461.89	4,768.86	4,461.89
Total Miles energized	22,000.36	21,613.40	22,000.36	21,613.40
Total Active Accounts			287,422	275,282
Total Memberships			240,932	231,641
Meters per mile			13.06	12.74
Full time employees			723	697
Average bill				
Residential	\$ 95	\$ 108	\$ 1,507	\$ 1,751
Small Power	\$ 171	\$ 200	\$ 2,654	\$ 2,933
Large Power/Industrial	\$ 4,515	\$ 5,809	\$ 71,936	\$ 85,149
Public	\$ 1,490	\$ 1,481	\$ 21,175	\$ 24,054
Revenue per kWh				
Residential	\$ 0.0910	\$ 0.1066	\$ 0.1040	\$ 0.1122
Small Power	\$ 0.0850	\$ 0.1022	\$ 0.0979	\$ 0.1061
Large Power/Industrial	\$ 0.0630	\$ 0.0743	\$ 0.0755	\$ 0.0836
Public	\$ 0.0588	\$ 0.0755	\$ 0.0599	\$ 0.0831
Average kWh usage				
Residential	1,042	1,013	14,499	15,598
Small Power	2,015	1,956	27,104	27,636
Large Power/Industrial	71,658	78,177	952,621	1,018,542
Public	25,344	19,605	353,347	289,623
Electrical bad debt write-off	\$ 65,312	\$ 52,745	\$ 887,133	\$ 808,701
Power bill invoices paid	\$ 27,034,494	\$ 27,037,435	\$ 330,181,750	\$ 361,677,249
Power bill invoices kWh	489,076,751	446,444,310	5,884,087,975	5,876,305,558
Cost per kWh	\$ 0.0553	\$ 0.0606	\$ 0.0561	\$ 0.0615
kWh Purchased (available for sale)	488,631,878	446,048,550	5,878,791,688	5,843,315,972
kWh Sold	468,393,315	403,088,112	5,559,050,744	5,534,366,130
kWh PEC system use	444,873	395,760	5,296,287	5,315,795
kWh Line loss	20,238,563	42,960,438	319,740,944	308,949,842
kWh Line loss % (12 month rolling average)			5.35%	5.20%
Equity as a % of total assets	37.64%	37.56%	37.64%	37.56%
% Cost of Power to Sale of Electricity Revenue	73.37%	65.32%	61.38%	62.88%
LTD as a % of Total Utility Plant	43.64%	42.40%	43.64%	42.40%



Explanation of Significant Variances Between 2015 - 2016

	Actual 2015	Actual 2016	
DISTRIBUTION OPERATIONS			DISTRIBUTION OPERATIONS
			3,400,000 Accelerated Deferred Expense for GIS Inventory
			1,000,000 Telecommunications
			900,000 Transportation Overhead Costs
			900,000 Trans & Dist Outside Services - OH
			1,000 Other
	27,937,000	34,138,000	6,201,000
DISTRIBUTION MAINTENANCE			DISTRIBUTION MAINTENANCE
			1,600,000 Vegetation Management/ROW Maint
			108,000 Other
	13,677,000	15,385,000	1,708,000
CONSUMER ACCOUNTS			CONSUMER ACCOUNTS
			(1,500,000) Bad Debt Expense
			(1,200,000) Payroll-Labor
			(1,000,000) Merchant Services
			(1,000,000) Telecommunications
			(800,000) Contract/Temp Labor
			(112,000) Other
	29,375,000	23,763,000	(5,612,000)
TAX EXPENSE			TAX EXPENSE
			(4,000,000) Franchise Tax included in rates starting in 2016
			645,000 Other
	6,552,000	3,197,000	(3,355,000)
INTEREST EXPENSE			INTEREST EXPENSE
			(4,900,000) Refinanced Bond debt (lower rates in Dec 2015)
			(744,000) Interest Charged to Construction
			321,000 Other
	36,035,000	30,712,000	(5,323,000)