

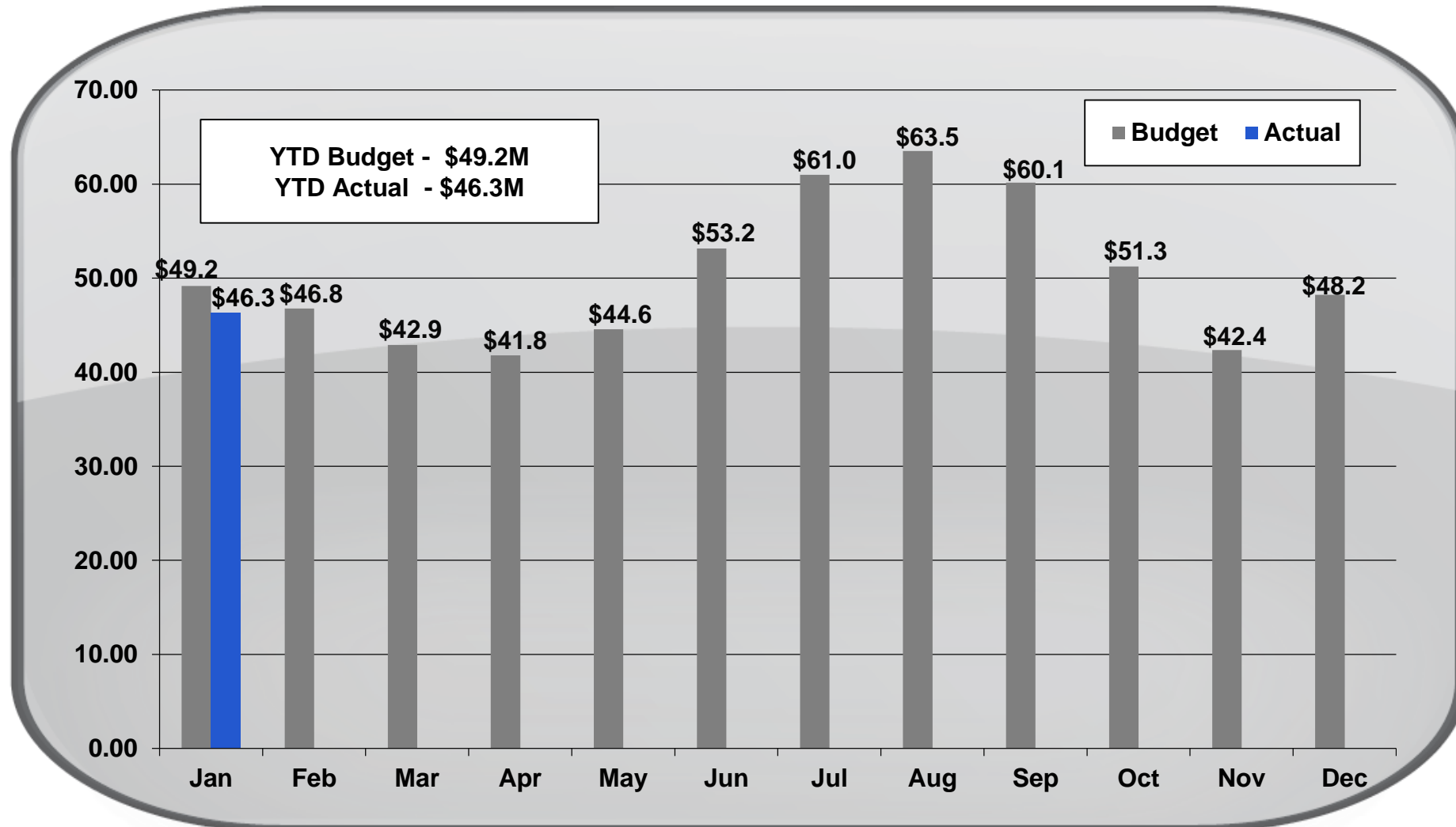


# Report on January Financials

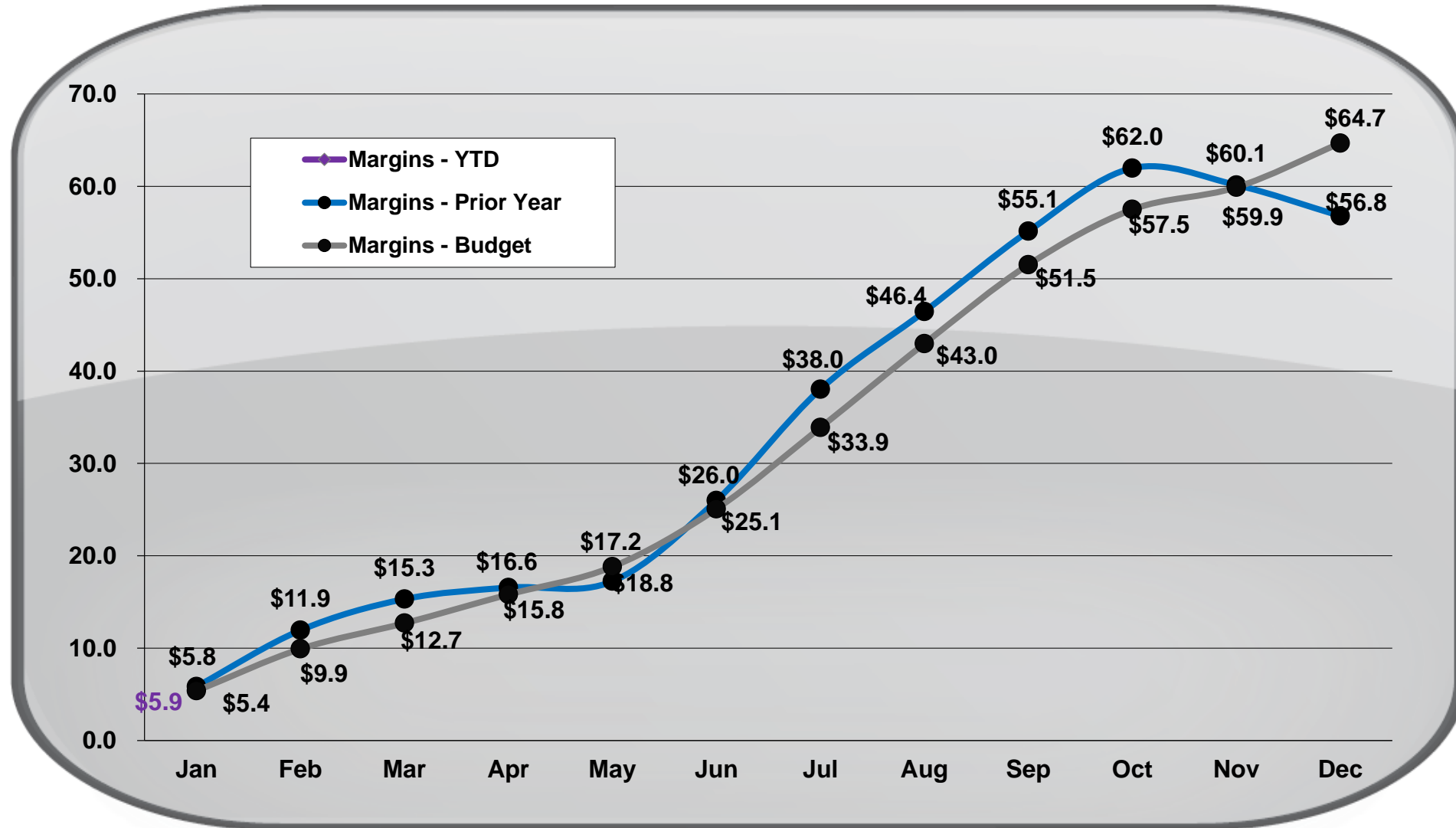
Tracy Golden, Chief Financial Officer

March 20, 2017

# Revenues – Actual vs Budget (in millions)

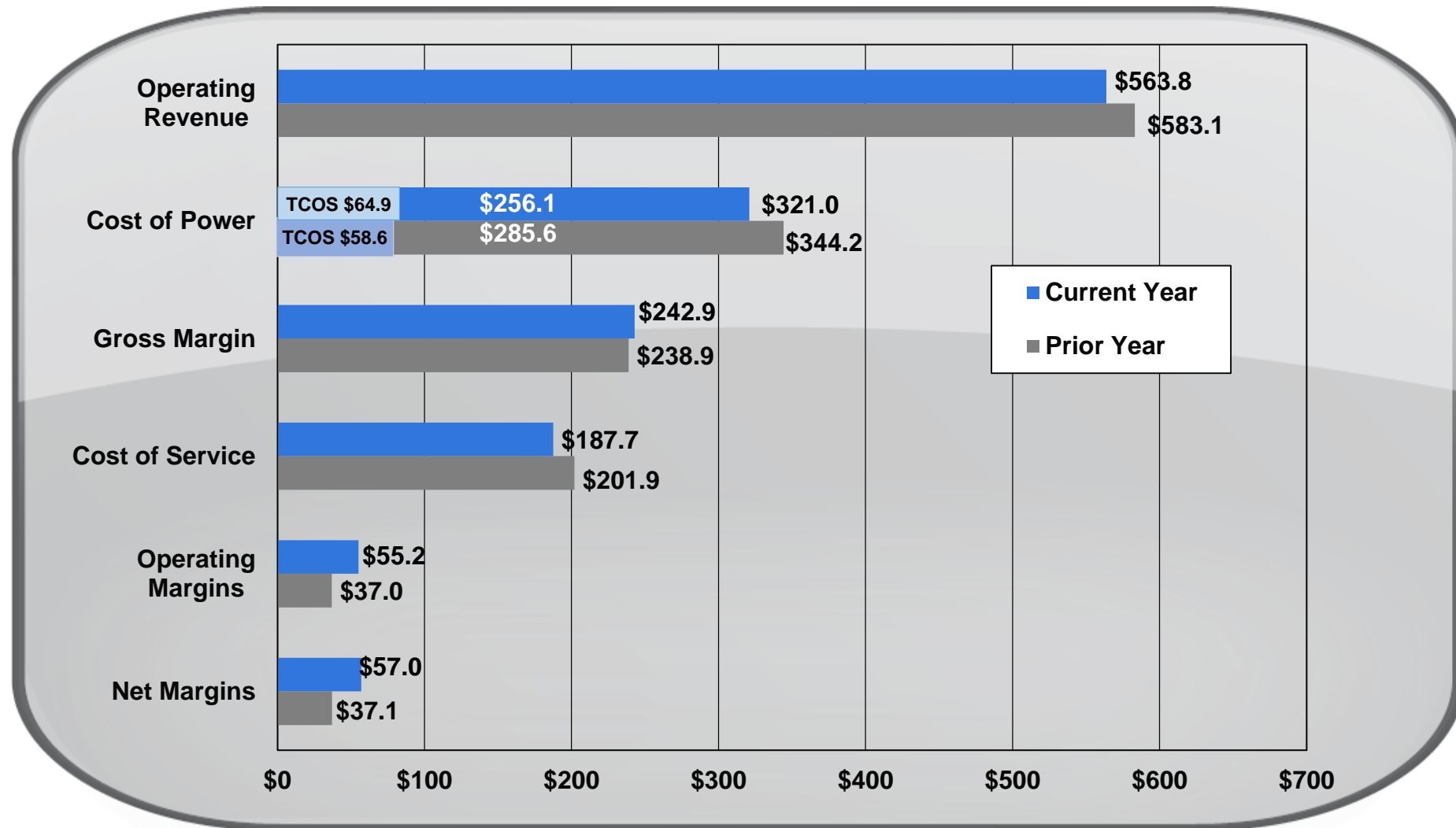


# Net Margins Year-to-Date (Actual vs Budget in millions)

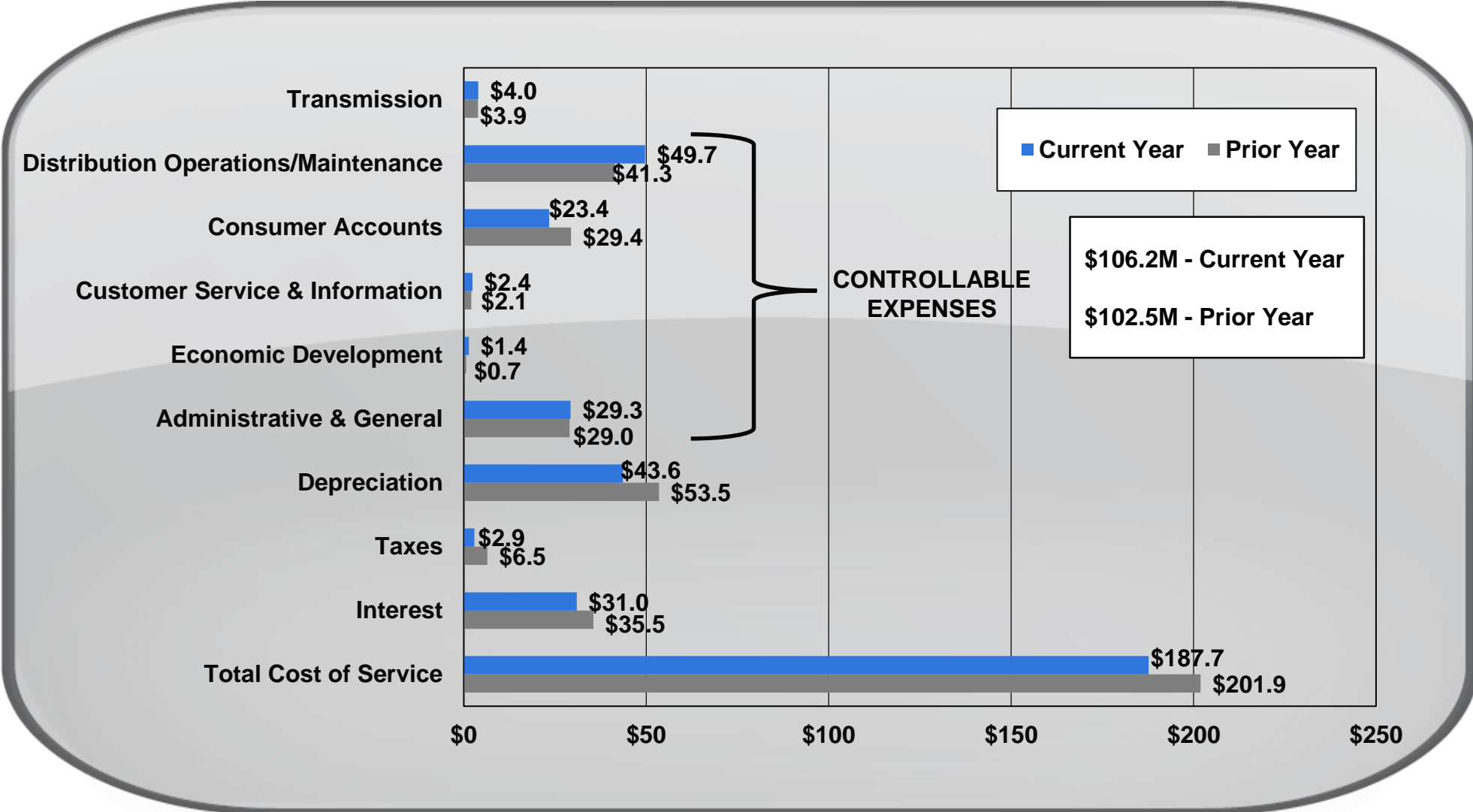


# Summary of Revenues, Expenses & Margins

(Rolling 12 Months through January (in millions))



# Cost of Service Rolling 12 Months through January (in millions)



# Controllable Expenses

	ACTUAL YTD JANUARY 2017	BUDGET YTD JANUARY 2017	VARIANCE
Distribution Operations/Maintenance	\$ 3,833,737	\$ 4,113,541	\$ (279,804)
Consumer Accounts	1,837,758	2,150,881	(313,123)
Customer Service & Information	154,790	310,830	(156,040)
Economic Development	150,990	194,512	(43,522)
Administrative & General	1,944,767	2,106,302	(161,535)
<b>TOTAL</b>	<b>\$ 7,922,042</b>	<b>\$ 8,876,065</b>	<b>\$ (954,023)</b>

<b>Annualized Controllable Expense per Consumer*</b>	<b>\$330.09</b>	<b>\$369.85</b>	<b>-\$39.75</b>
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## Controllable Expense per Consumer History:

2013	\$414.20
2014	\$405.14
2015	\$382.62
2016	\$377.14

*\*Note: Annualized meters = 2016 YE Meter Count (287,422) + 2017 Current Month Meter Count (288,562) / 2 = 287,992*

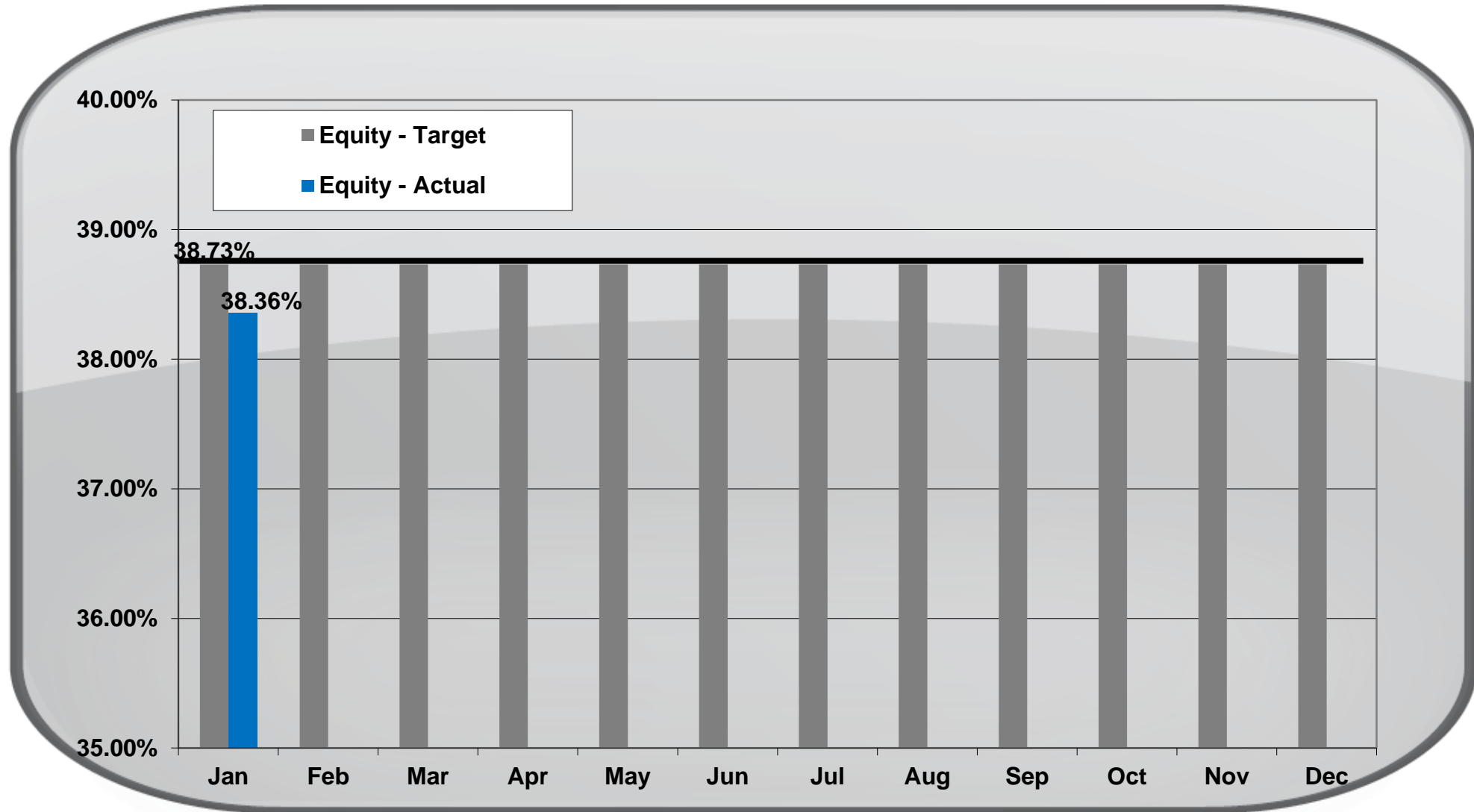


# Summary of Plant Additions

<u>Asset Additions by GL Account &amp; Period with Life</u>	<u>Jan 2017</u>	<u>YTD Total</u>
364.10 DP-Poles; Towers & Fixtures (Life 42 Yrs.)	1,828,202.41	1,828,202.41
365.10 DP-OH Conductors & Devices (Life 44 Yrs.)	2,091,900.53	2,091,900.53
366.10 DP-Underground Conduit (Life 54 Yrs.)	36.88	36.88
367.10 DP-URD Conductors & Devices (Life 38 Yrs.)	1,274,582.49	1,274,582.49
368.10 DP-Line Transformers (Life 35 Yrs.)	956,590.12	956,590.12
369.10 DP-Services (Life 39 Yrs.)	590,872.91	590,872.91
370.10 DP-Meters (Life 8 Yrs.)	35,333.43	35,333.43
370.20 DP-Meters AMR Collectors (Life 8 Yrs.)	2,994.95	2,994.95
370.30 DP-Meters CT & PT TRFS (Life 35 Yrs.)	17,212.93	17,212.93
373.20 DP-Light Watchman Fixture (Life 38 Yrs.)	5,915.03	5,915.03
390.10 GP-Structures & Improvement (Life 42 Yrs.)	17,570.40	17,570.40
391.10 GP-Office Furniture & Equipment (Life 12 Yrs.)	193,212.00	193,212.00
392.10 GP-Transportation Equipment (Life 8 Yrs.)	75,112.45	75,112.45
394.10 GP-Tools; Shop & Garage Equipment (Life 16 Yrs.)	3,469.00	3,469.00
398.10 GP-Misc. Equipment-Safety (Life 16 Yrs.)	4,306.00	4,306.00
<b>Total Additions</b>	<b>7,097,311.53</b>	<b>7,097,311.53</b>
<b>CWIP Net Change</b>	<u><b>1,936,307.93</b></u>	<u><b>1,936,307.93</b></u>
<b>Total Investment in Plant</b>	<u><b>9,033,619.79</b></u>	<u><b>9,033,619.79</b></u>



# Equity as a Percentage of Assets





# Investments in Cooperatives

	BEGINNING OF 2017	ADDITIONS AS OF 01-31-17	RETIREMENTS AS OF 01-31-2017	END OF 01-31-2017
National Rural Utility Cooperative Finance Corporation	\$4,053,247			\$4,053,247
Texas Electric Cooperative	\$2,869,204			\$2,869,204
CoBank	\$1,000			\$1,000
Guadalupe Valley Telephone Cooperative	\$67,510			\$67,510
Central Texas Electric Coop NRTC (Texas VI)	\$19,299			\$19,299
NRTC	\$83,340			\$83,340
Cooperative Response Center Inc.	\$10,000			\$10,000
NISC	\$182,338			\$182,328
<b>TOTAL</b>	<b>\$7,245,403</b>			<b>\$7,245,403</b>

# Inactive Accounts – 30 years or older

RANGE	NUMBER OF ACCOUNTS	DOLLARS
\$0.01 - \$0.99	7,791	\$4,244.33
\$1.00 - \$2.99	14,087	\$26,967.87
\$3.00 - \$4.99	9,653	\$38,056.75
\$5.00 - \$9.99	9,898	\$72,616.41
<b>Totals</b>	41,429	\$141,885.36

# Capital Credits Policy 4.11, 4.12, 4.14.1, and 4.14

**4.11. Method of payment.** The Cooperative will retire Capital Credits to Members either by cash, check or by bill credits, whichever the Board of Directors determines will be most effective and in the Cooperative's best interest. **Former Members may be notified in writing of the retirement of their Capital Credits prior to issuance of a check to confirm the location of the former Member.**

**4.12. Minimum Amount.** The Cooperative shall not retire and pay capital credits in an amount less than ten dollars (\$10.00), **unless the retirement and payment is for all remaining Capital Credits allocated to a former Member. This section shall not apply to discounted distributions for the most recent years retired as part of the general distribution strategy.**



**4.14.Unclaimed Capital Credits.** When a Member/former Member fails to cash or claim a Retired Capital Credits check, the Cooperative shall send a notice to the Member's or former Member's most current address listed on the Cooperative's records calling this failure to the Member's attention. **If the Member or former Member has not contacted the Cooperative after 45 days from the date of the first notice, a second notice will be sent; provided, however, the first notice was not returned to the Cooperative as non-deliverable without a forwarding address.**

**4.14.1.** Former Members may be notified of a retirement prior to the issuance of a check in order to confirm the new location of the former Member. If there is no response from the former Member, the failure to respond to the notice of retirement will be treated the same as the failure to cash or claim a check for the purposes of the Cooperative's Unclaimed Property responsibilities. **If the notice is returned to the Cooperative as non-deliverable without a forwarding address, the second notice is not required and no further action is necessary.**





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