



OPERATIONS REPORT

Eddie Dauterive, Chief Operations Officer

April 2018

SAFETY

Personal Injuries	March 2018	YTD
Recordable Injuries/Illnesses	0	2
Lost Time & Restricted Duty Cases	0	2
Non-Preventable Vehicle Accidents	3	6
Preventable Vehicle Accidents	0	1
Man-Hours Worked	108,230.5	301,842.0

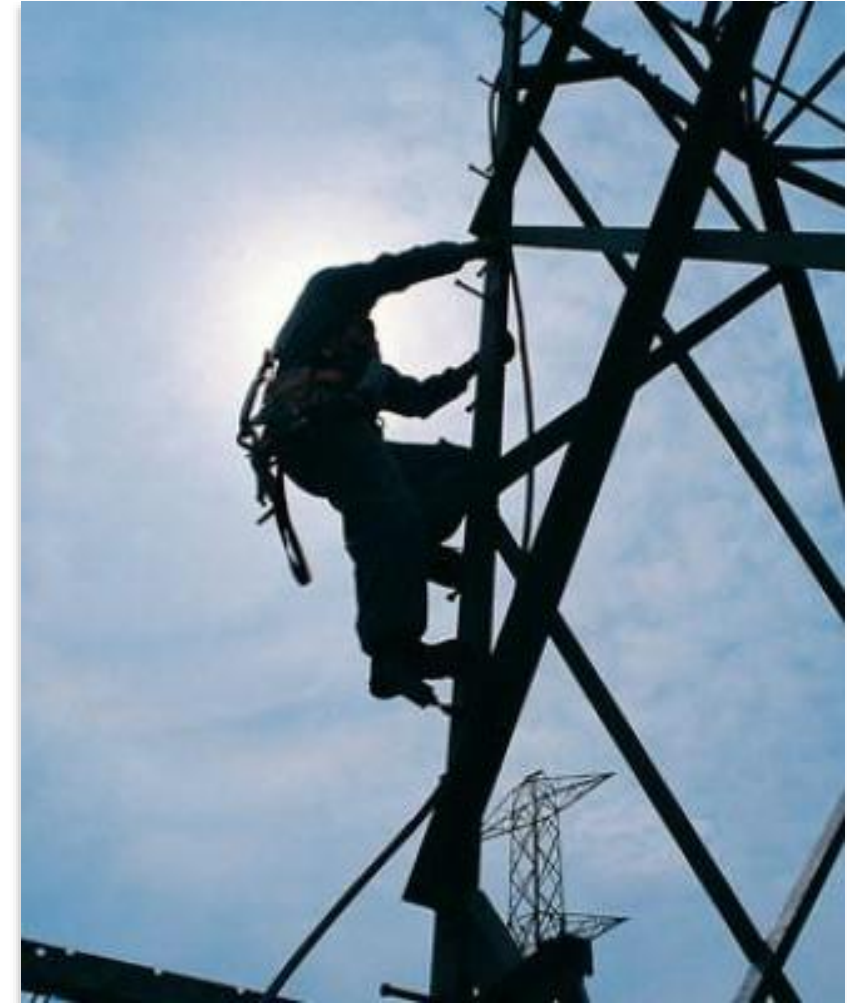
KPI Metrics	2018 KPI P1	Platinum KPI
TRIR - Total Recordable Incident Rate	1.59	≤ 1.0
DART - OSHA Days Away Restricted or Transferred	1.59	≤ 0.3
Preventable Vehicle Accidents	1	0

March Incident Descriptions

While stopped at traffic signal, PEC vehicle was struck by another vehicle changing lanes

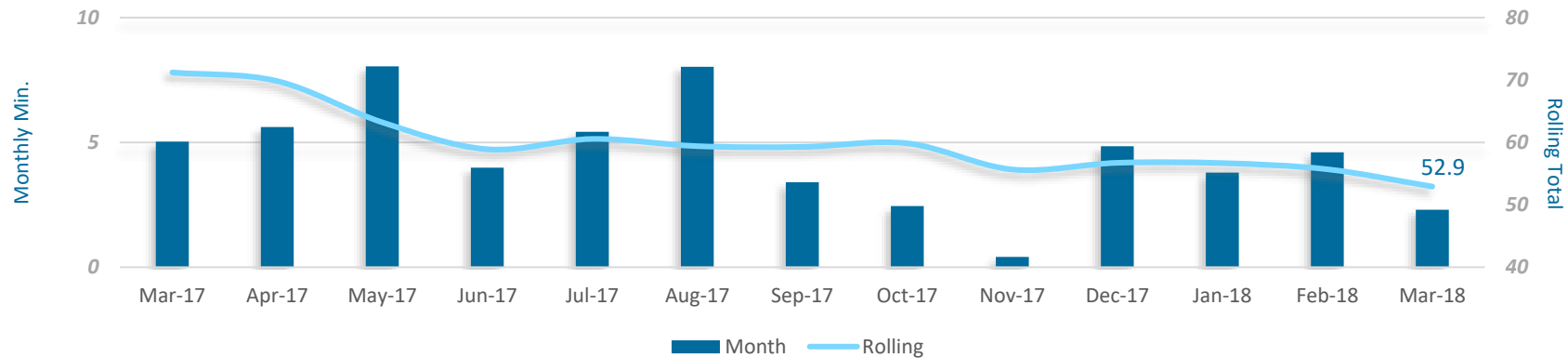
While parked at job site, PEC vehicle was sideswiped by another vehicle

PEC vehicle struck by another vehicle that failed to yield at an intersection



OPERATIONS - RELIABILITY

SAIDI

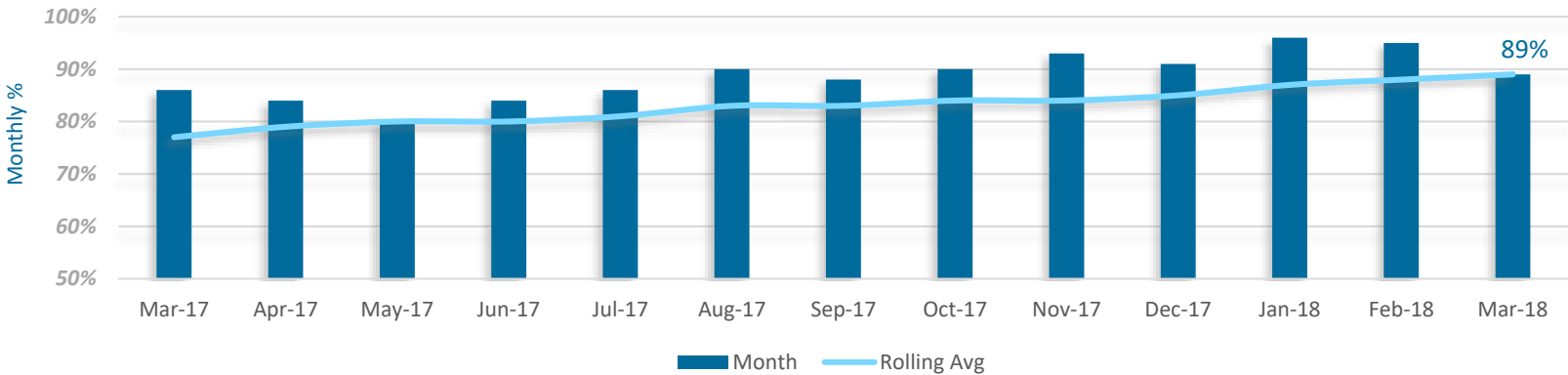


KPI Status

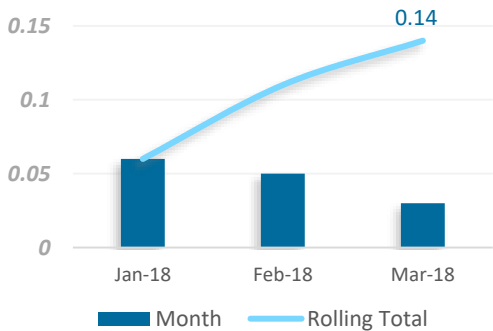
SAIDI:
52.9
Gold

ARCOS:
89%
Platinum

ARCOS Availability

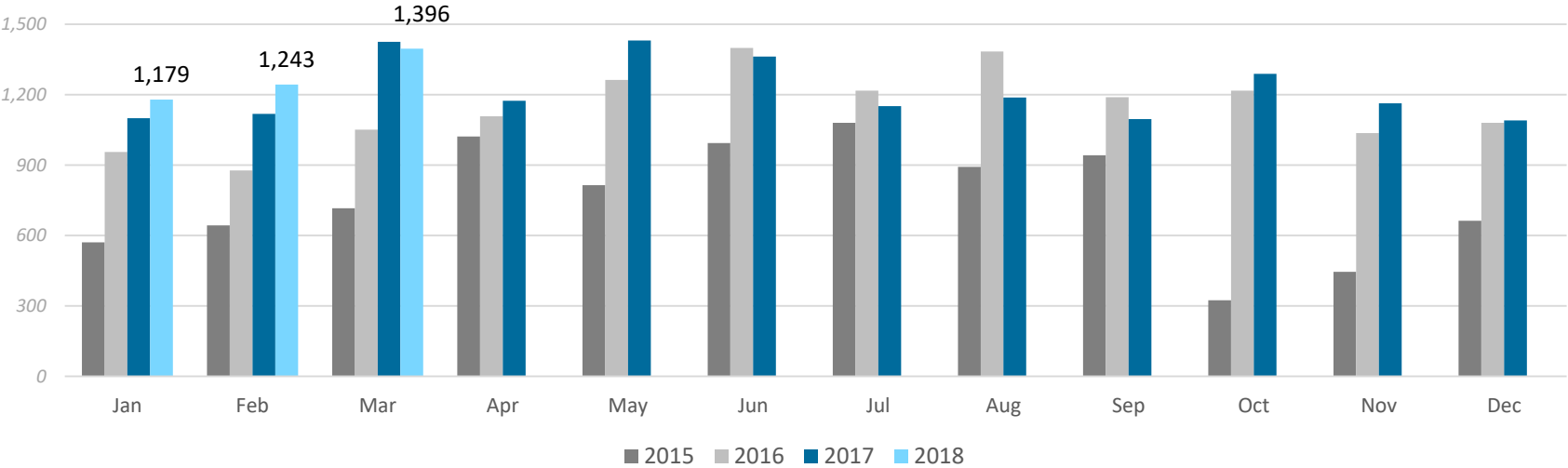


SAIFI



OPERATIONS - SYSTEM GROWTH

Annual Line Extension Comparison



Miles of Line

March Total:

18,139

Constructed YTD:

54.2

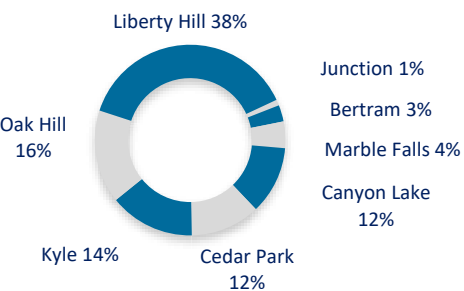
UG to OH Construction Ratio:

2.5 : 1

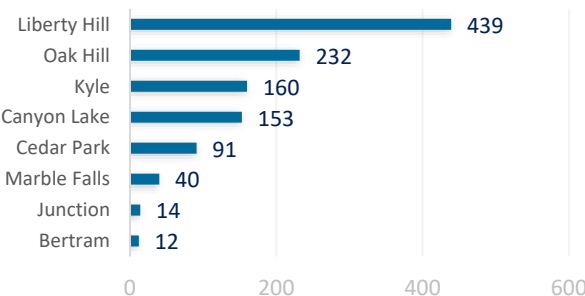
UG to OH System Ratio:

1 : 5

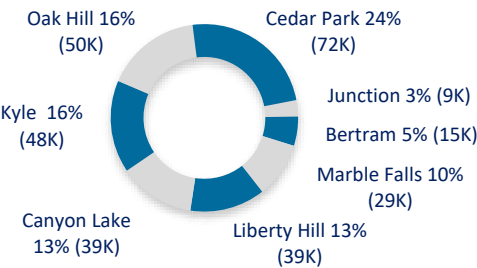
March Line Extensions by District (1,396)



March Meter Growth by District



March Meters by District



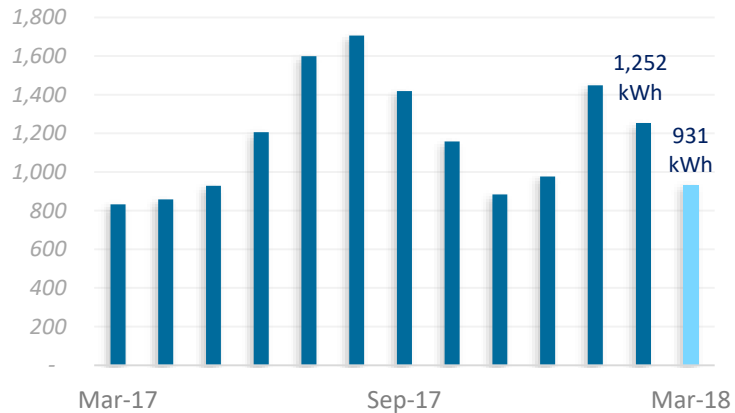
PEC INTERNAL LINEMAN'S RODEO

Journeyman Teams – Advancing to TLRA		Apprentices – Advancing to TLRA		Visiting Cooperatives
Canyon Lake – 1 st Place	A. J. Mann Clayton Riedel Michael Thyberg	Canyon Lake Canyon Lake Liberty Hill	Nick Morris Darren Donhauser Dustin Harper	Bartlett Electric Cooperative <i>Journeyman Team 4th Place</i> <i>Judging</i>
Oak Hill – 2 nd Place	Justin Donovan Benji Juarez Reno Malay	Canyon Lake Oak Hill Cedar Park	Caleb Brodock John Hage Evan Bradfield	Nueces Electric Cooperative <i>Apprentice Competitor</i> <i>Judging</i>
Canyon Lake – 3 rd Place	Chris Gerchman Javier Soto Randy Williams	Junction Kyle Canyon Lake	Neil Dodson Patrick Marley Garrit Afman	Bluebonnet Electric Cooperative <i>Judging</i>



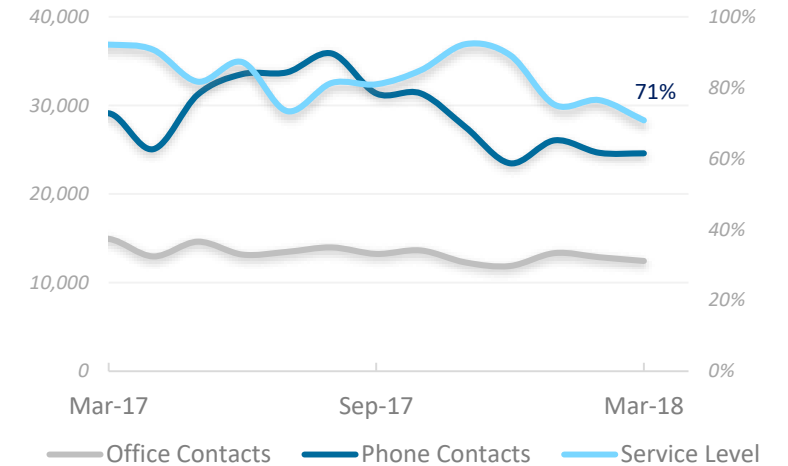
MEMBER SERVICES

Avg Residential Usage

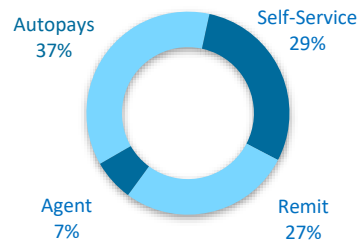


- Continued fair weather and fewer usage concerns helped lower contact volumes
- Contact metrics and processes being analyzed for improvements, continuing to analyze coverage issues and process improvements for responsiveness

Service Level



Payment Types



- Continue to see steady increases in autopay and eSaver enrollments
- **Two-thirds** of all payments now utilize efficient autopay and self-service options

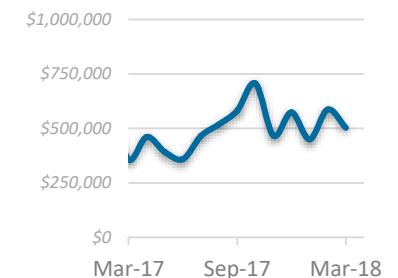
Collections

613
Remote Meters Set

1,183
Remote Disconnects

- Efficient activity with **11** days of restricted collections
- Aged balances remain in standard range following high-use month

Aged Balances



SOLAR COMMUNITY

Operations

- All sites except Junction are operational
- Junction site to receive new transformer and be online by mid-April
- Current total production capability of 10MW
- April production totals have been very favorable



Recovery Actions

- The Power Purchase Agreement allows for liquidated damages due to lost production beyond the contractual Guaranteed Commercial Operation Date
- PEC is seeking up to **\$205K** (\$500/day per 1MW) to offset production losses and fund further development costs for lost MW capacity

BATTERY PROJECT

Update

- EPC Contract in final stage of negotiations, outside counsel being utilized by PEC, expect signatures by middle of this month
- TCEQ was pleased with our paperwork submittals and issued PEC the Final NTP that allows us to draw against the \$1.5MM
- Younicos and PEC engineering and technical team meet weekly to finalize PEC preferred specifications for continuity
- Fractal, PEC's storage consultant has been reviewing technical exhibits along with PEC to insure all basis are covered
- Looking to issue NTP shortly after contract execution, mid to end of this month



ENGINEERING

Transmission Projects

- **Hwy 32 - Wimberley** line rebuild and upgrade (*Kyle District*)
 - Order/Settlement Route approved by PUC
 - Schneider Engineering has been contracted to complete Engineering work
 - Survey/Easement Acquisition in progress
- **Wirtz - Paleface** structure replacements (*Marble Falls District*)
 - 75 structures are being replaced
 - Scheduled February – August 2018
 - Pole replacements on Wirtz to Flatrock section in progress
- **Blanco - Devil's Hill** distribution under-build re-conductor (*Canyon Lake*)
 - Rebuild 1.75 miles of line
 - Pole bids have been evaluated and pole contract has been signed
 - Construction scheduled August – November 2018
- **Wirtz– Mountain Top** Line Upgrade (*Marble Falls*)
 - Rebuild 25 miles of 69kV line and convert to 138kV
 - Engineering in progress
 - Construction scheduled February – December 2019



ENGINEERING

Substation Projects

- **Sherwood Shores** (*Marble Falls*) - Complete 4/19/2018
- **Manchaca** (*Oak Hill*) - Complete 6/1/2018
- **Turnersville T1** (*Kyle*) - Complete 5/31/2018
- **Pipeline** (*Liberty Hill*) - Complete 4/30/2018

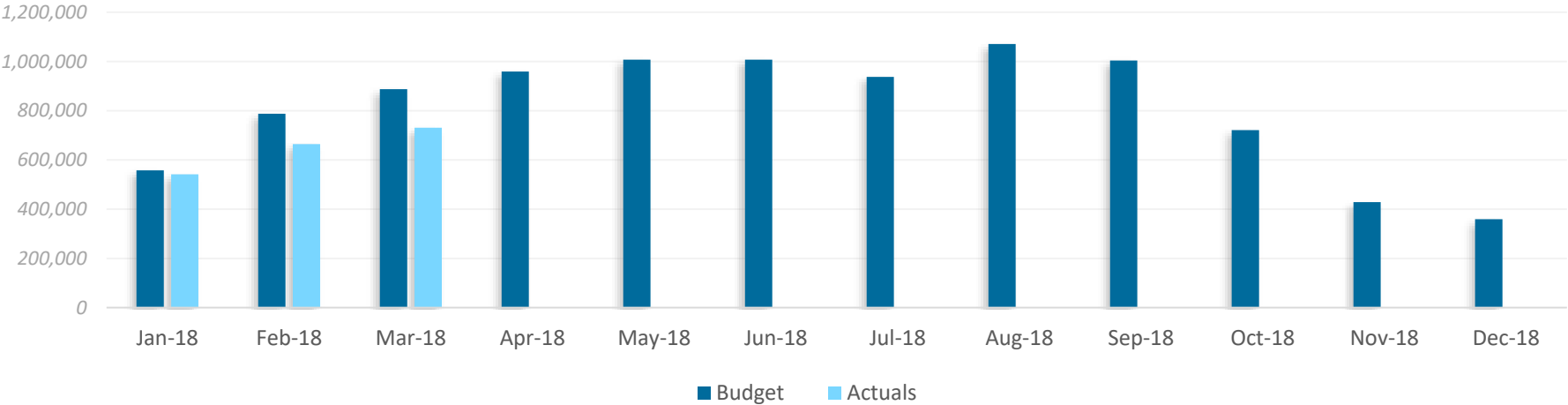


Other Projects

- Automated Metering Infrastructure (AMI) - *Evaluating RFPs*
- Geographical Information System (GIS) upgrade - *Go-Live Completion Target - 5/1/18*
- Contractor onboarding - *Staggering vendor implementations over next few months*

VEGETATION & POLE MANAGEMENT

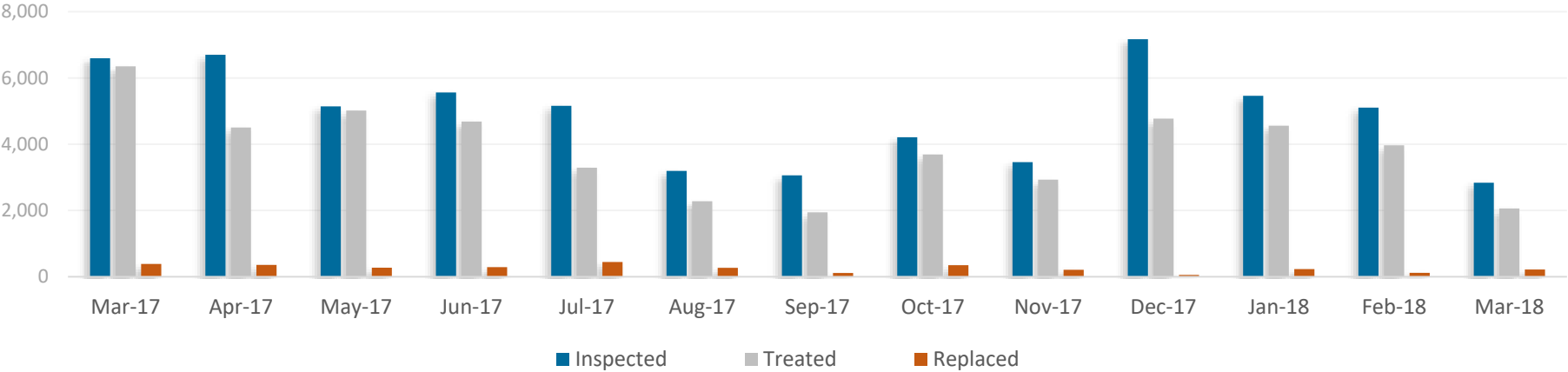
Vegetation Management



2018 Totals
2,384
Miles Planned
16%
Miles Completed
20%
Budget Completed

2018 Totals
13,401
Poles Inspected
10,582
Poles Treated
635
Poles Replaced

Pole Maintenance



LINE EXTENSION POLICY REVIEW

Resources

- Cross-functional team assembled; Engineering, Legal, Operations, Finance and Markets
- Will consult with Burns & McDonnell in alignment with the current cost of service study
- Goal is to explore options with the Board by June 2018

Areas to Explore for Solutions

- Member credit options or on-bill financing
- Platted subdivisions with incomplete infrastructure and guidelines for PEC system expansion
- Contribution in aid of construction calculation



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