



2021 Budget Review

Randy Kruger | Chief Financial Officer

Claudine Bhandari | Interim Controller

Historical and Forecasted Financial Data

10 Year Trend

	Historical				Forecast	Future Years Budget					2020 to 2021	2020 to 2025
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	% Change	CAGR
Gross Margins	242,181,014	250,434,574	271,975,182	281,558,959	287,869,049	301,348,924	316,207,505	329,299,331	343,345,155	358,306,119	4.68%	4.47%
Operating Expenses Ex. Depreciation	113,573,083	112,925,528	124,602,438	131,735,836	143,034,541	156,415,310	163,335,061	169,255,493	175,184,117	181,005,230	9.35%	4.82%
Depreciation	43,048,303	48,966,498	53,392,308	57,620,272	69,755,557	75,584,352	81,380,950	86,936,623	91,981,066	97,016,545		
Interest Expense	30,712,362	31,883,719	34,622,609	37,314,287	36,922,569	35,234,791	36,707,946	38,615,103	41,190,074	43,005,312		
Other Income and Interest Expenses	(1,950,464)	(4,035,382)	(1,137,972)	(3,298,913)	(2,794,364)	(2,583,510)	(2,583,510)	(2,583,510)	(2,583,510)	(2,583,510)		
Net Margins	\$56,797,730	\$60,694,210	\$60,495,798	\$58,187,477	\$40,950,746	\$36,697,981	\$37,367,058	\$37,075,621	\$37,573,407	\$39,862,542		
EBIDA	\$130,558,395	\$141,544,428	\$148,510,716	\$153,122,036	\$147,628,872	\$147,517,124	\$155,455,953	\$162,627,348	\$170,744,548	\$179,884,399	-0.08%	4.03%
Total Long-Term Debt	719,885,787	773,625,059	781,844,130	793,219,163	811,278,730	872,535,087	940,182,916	1,022,134,920	1,077,950,399	1,119,180,458		
New Debt Issued	95,000,000	93,000,000	51,500,000	56,700,000	75,000,000	92,467,182	99,956,969	116,372,831	94,134,068	83,131,509		
Debt Service	61,538,985	73,989,003	80,252,786	81,399,342	84,779,156	65,476,063	68,047,493	72,066,338	78,539,071	83,937,171		
Debt Service Coverage Ratio	2.30	1.91	1.85	1.88	1.74	2.25	2.28	2.26	2.17	2.14		
Equity as Percent of Assets	37.8%	38.9%	40.4%	40.6%	40.9%	40.4%	39.7%	38.8%	38.4%	38.6%		
Net Plant in Service	\$1,363,168,020	\$1,462,664,646	\$1,549,196,172	\$1,647,409,726	\$1,726,097,945	\$1,827,204,814	\$1,927,206,843	\$2,037,747,771	\$2,120,387,431	\$2,181,459,916		
Capital Improvement Spend	\$158,978,475	\$159,959,917	\$148,806,804	\$161,544,049	\$148,443,776	\$176,691,221	\$181,382,979	\$197,477,551	\$174,620,726	\$158,089,030		
Energy Sales kWh	5,559,050,744	5,686,980,680	6,309,810,351	6,490,605,760	6,515,434,802	6,599,284,771	6,760,235,751	6,925,552,135	7,116,880,973	7,263,344,862	1.29%	2.20%
Year-End Meter Count	287,422	300,238	314,855	329,702	347,723	364,673	381,089	397,191	412,848	428,206	4.87%	4.25%
Meter Growth	11,297	12,816	14,617	14,847	18,021	16,950	16,416	16,102	15,658	15,358		

Departmental Budgets

Executive Level	Historical		Forecast	Future Years				
	2018	2019	2020	2021	2022	2023	2024	2025
Board of Directors	591,215	509,794	504,674	559,895	571,094	582,515	594,165	606,050
Chief Executive Office	1,316,311	1,370,800	1,128,989	1,302,867	1,357,764	1,412,260	1,451,311	1,500,683
Chief Financial Office	2,924,700	3,303,978	3,587,604	3,457,261	3,621,640	3,798,111	3,895,709	4,040,795
Chief Operations Office	77,691,337	84,324,931	90,605,422	99,073,014	102,872,682	106,161,480	110,053,390	113,190,967
General Counsel	10,006,126	10,793,391	10,743,705	12,494,165	13,276,259	14,171,003	14,118,887	14,606,729
Information Technology	16,948,311	18,428,127	19,662,067	22,097,719	23,128,935	23,456,862	24,127,706	24,810,893
Public Affairs	4,718,542	4,675,470	4,891,650	5,584,705	5,794,892	5,964,619	6,145,492	6,329,656
Co-op Wide costs	1,228,695	1,181,210	4,262,351	2,713,219	3,021,674	3,408,858	3,880,471	4,249,573
Total Operating Expenses	115,425,237	124,587,701	135,386,463	147,282,846	153,644,940	158,955,709	164,267,132	169,335,346

Pedernales Electric Coop
CIP Trends
9 Year Trend from 2017 to 2025

Bucket	Historical			Amended 2020	Forecast	Final Proposed Budget				
	2017	2018	2019			2021	2022	2023	2024	2025
Utility Plant										
Conversions/Upgrades	18,600,661	14,172,785	17,812,271	17,938,119	11,265,220	17,502,314	17,909,145	18,233,037	18,665,180	19,040,522
Line Extensions	27,047,630	33,817,253	28,885,874	22,501,587	22,501,587	26,670,000	27,203,400	27,747,468	28,302,417	28,868,466
Meters	13,038,426	12,928,651	12,884,081	12,608,251	12,608,251	17,504,949	17,974,350	2,693,552	2,806,224	2,913,814
Substations	10,460,758	17,280,002	24,064,632	21,387,785	21,272,785	20,276,888	13,293,344	34,935,173	27,692,956	28,626,400
Transmission	1,818,514	11,317,534	21,028,197	20,578,490	20,578,490	33,034,500	46,271,000	52,233,080	33,765,242	16,246,486
Battery	-	-	1,073,126	880,000	880,000	-	-	-	-	-
Other Equipment	12,589,204	9,744,279	11,563,018	10,186,929	10,186,929	10,263,812	10,502,388	9,745,001	9,420,631	9,610,072
Poles	27,869,756	22,186,880	15,134,452	13,618,802	13,618,802	11,083,473	10,242,159	10,485,693	10,104,620	9,631,677
Ties Lines	3,749,575	3,286,749	3,311,198	5,718,709	4,697,709	6,037,658	6,178,000	6,289,730	6,438,804	6,568,283
Transformers	2,281,015	2,781,340	2,274,030	2,297,504	2,297,504	2,062,042	2,109,973	2,148,132	2,199,045	2,243,266
Underground Equipment	3,302,203	2,431,985	3,334,955	3,455,595	3,455,595	2,062,042	2,109,973	2,148,132	2,199,045	2,243,266
Total Per Year for UP	120,757,742	129,947,458	141,365,833	131,171,771	123,362,872	146,497,677	153,793,731	166,658,997	141,594,165	125,992,252
General Plant										
Facilities	23,450,878	9,832,968	8,010,791	16,904,255	13,969,255	13,580,079	6,536,680	9,093,414	14,350,282	14,857,288
Vehicle Purchases	10,081,728	5,569,099	6,096,925	7,106,075	7,106,075	4,705,917	9,000,000	8,500,000	8,000,000	10,000,000
Information Technology	5,449,988	2,892,243	5,796,324	6,350,000	3,909,014	11,462,520	11,598,638	12,762,130	10,204,009	6,757,775
Tools and Equipment	207,524	559,876	280,849	346,565	96,565	445,028	453,930	463,010	472,269	481,715
Total General Plant	39,190,118	18,854,185	20,184,889	30,706,895	25,080,909	30,193,544	27,589,248	30,818,554	33,026,560	32,096,778
Total Fixed Assets	159,947,861	148,801,643	161,550,721	161,878,666	148,443,781	176,691,221	181,382,979	197,477,550	174,620,725	158,089,030

Community Giving

FINAL, 11/20/20

Initiative	2019 Actual	2020 Budget	2020 thru Sept	2021 Budget	Funding Sources	
Community Grants Program	\$55,000	\$50,000	\$25,310	50,000	Power of Change - Max of \$50K	
Educational Support Program	\$24,000	\$24,000	\$24,000	\$24,000	Rates	
Scholarship Program	\$120,000	\$100,000	\$102,500	\$100,000	Unclaimed Property	1)
Employee Giving Corporate Matching Program (United Charities)	\$100,000	\$100,000	\$0	\$100,000	Rates - Matched up to \$100K	2)
Member Assistance Program (MAP)	\$56,424	\$137,000	\$40,089	\$143,925	Rates (\$0.50/member)	3)
Rebates Program	\$601,667	\$600,000	\$312,707	\$220,000	For 2021 Budget: Rates - \$110K and Unclaimed Property - \$110K	4)
Total	\$957,091	\$1,011,000	\$504,606	\$637,925		

- 1) Since 2019 was the 20th anniversary of PEC's Scholarship Program, the Scholarship Fund Board wanted to give an additional \$20K scholarships. In 2020, paid out \$7.5K from the 2019 budget. The Budget for 2020 is \$100K and have paid out \$95K YTD. The remaining \$5K will be paid out in 2021.
- 2) Typically done in either November or December, so no costs to date as of September
- 3) In 2020, \$14K has been funded from COVID donations; the remaining \$26K is true expense to PEC.
- 4) For 2021 budget, unable to fund rebate program at previous levels due to decreased funds from Unclaimed Property. Former Members are able to claim these funds more readily due to advanced technology.