



2021 Amended Budget

Janelle Smith | Financial Planning & Analysis Manager

Financial Performance

	Approved	Amended 2021	Change
Gross Margins	\$301,348,924	\$305,023,428	\$3,674,504
Operating Expenses Ex. Depreciation	156,415,310	157,217,972	802,661
Depreciation	75,584,352	70,815,938	(4,768,414)
Interest Expense	35,234,791	38,519,274	3,284,483
Other Income and Interest Expenses	(2,583,510)	(3,053,448)	(469,938)
Net Margins	\$36,697,981	\$41,523,692	\$4,825,711
EBIDA	\$147,517,124	\$150,858,904	\$3,341,781
Total Long-Term Debt	872,535,087	1,025,136,356	152,601,270
Debt Service	65,476,063	50,937,127	(14,538,935)
Debt Service Coverage Ratio	2.25	2.96	0.71
Equity as Percent of Assets	40.6%	39.3%	-1.3%
Capital Improvement Spend	\$176,691,221	\$168,802,086	(\$7,889,135)
Energy Sales kWh	6,599,284,771	6,679,855,230	80,570,459
Energy Purchases kWh	7,039,889,561	7,123,992,994	84,103,433
Year-End Meter Count	364,673	367,945	3,272
Account Growth	16,950	19,665	2,715

- Gross Margins– Revenues include non-cash changes in regulatory assets, driven by winter storm, collected outside of 2021
- Depreciation – non-cash item related to the timing and expected amounts of capital spend
- Interest Expense – non-cash increase offset by \$14.5M cash outflow decrease in P&I payment savings driven by defeasance
- Capital Spend– decreased due to timing changes partly in response to the increased cost from winter storm
- Account Growth – revised upward to reflect higher levels of growth in service territory

Major Changes

Category	Spend Change	Income Statement Impact	Capital Spend Impact	Cash Sources (Uses)
PEC Winter Storm Actions and Reductions	Revenues	157,900,000		19,100,000
	Cost of Power*	154,200,000		(154,200,000)
	Storm Restoration Costs	6,100,000	2,600,000	(8,700,000)
	Spend Reductions/Deferrals	(2,400,000)	(14,100,000)	17,100,000
	Capital Credits			12,000,000
	Commercial Paper Issued at Year-End			115,000,000
	Net change from Winter Storm Items	-	(11,500,000)	300,000
Non-Storm Major Amended Budget Changes	Depreciation	(4,800,000)		-
	Capital Credits Received	500,000		500,000
	Operating Expense Reductions	(2,900,000)		2,900,000
	CIP		3,600,000	(3,600,000)
	Pension & Post-Retirement Benefit Funding			500,000
	Net change from Amended Budget Items	8,200,000	3,600,000	300,000
Financial Restructuring	Interest expense	3,300,000		-
	Debt service (P&I)			14,500,000
	Net change from Financial Restructuring	(3,300,000)	-	14,500,000
Total Impact		4,900,000	(7,900,000)	15,100,000

	EBIDA	Net Margins	Capital Spend
Before	147,500,000	36,700,000	176,700,000
After	150,900,000	41,500,000	168,800,000

*Offset by book revenue entry equal to additional COP

- Income Statement – Net Margin increases by \$4.9M from original budget largely due to gross margin increase and intentional reduced spending
- Cash Flow – Commercial paper issued to pay for additional storm costs. The winter storm surcharge, which will be collected from members over the next two years, is necessary to pay down this additional debt.

Gross Margins

	Approved	Amended 2021	Change
Operating Revenues			
Sale of Electricity	642,534,909	650,000,561	7,465,652
Power Cost Adjustment (O/U)	1,689,817	140,486,570	138,796,753
Revenue from Rate Actions	-	11,484,618	11,484,618
Other Revenues	35,946,217	36,102,478	156,261
Total Revenue	680,170,944	838,074,228	157,903,284
Purchased Power	378,822,020	533,050,800	154,228,780
Gross Margin	301,348,924	305,023,428	3,674,504

Power cost adjustment shows activity of non-cash transactions for power costs to be recovered in future periods

Operating Expenses

	Approved	Amended 2021	Change
Operating Expenses			
Payroll & Benefits	73,193,443	75,657,611	2,464,168
Staff Expenses	2,686,819	1,922,596	(764,222)
Member Events	117,074	59,273	(57,801)
Goods & Materials	6,683,310	6,159,494	(523,816)
Outside Services	49,089,281	50,157,135	1,067,853
Director Expenses	281,628	290,555	8,927
Utilities	5,313,405	6,033,050	719,645
Transportation	2,644,137	2,582,310	(61,827)
Miscellaneous & Other Expense	5,225,317	4,109,371	(1,115,946)
Depreciation	75,584,352	70,815,938	(4,768,414)
Tax Expense	11,089,416	10,246,576	(842,840)
Donations	91,480	-	(91,480)
Total Operating Expenses	231,999,662	228,033,910	(3,965,753)

Additional operating expenses from the winter storm of \$3.5M in payroll and \$2.5M in outside services offset by intentional spend reductions resulting in a year-end combined overage of only \$3.5M for both categories

Capital Improvement Plan

Bucket	Approved	Amended 2021	Change
Utility Plant			
Conversions/Upgrades	17,502,314	14,524,396	(2,977,918)
Line Extensions	26,670,000	25,170,000	(1,500,000)
Meters	17,504,949	18,478,270	973,321
Substations	20,276,888	18,806,808	(1,470,080)
Transmission	28,784,500	24,389,500	(4,395,000)
Other Equipment	10,263,812	7,514,588	(2,749,224)
Poles	11,083,473	12,401,129	1,317,656
Ties Lines	6,037,658	6,791,176	753,518
Transformers	2,062,042	2,416,096	354,054
Underground Equipment	2,062,042	2,195,637	133,596
Total Per Year for UP	142,247,677	132,687,600	(9,560,077)
General Plant			
Facilities	17,830,079	22,850,034	5,019,955
Vehicle Purchases	4,705,917	4,705,917	-
Information Technology	11,462,520	8,087,520	(3,375,000)
Tools and Equipment	445,028	471,015	25,987
Total General Plant	34,443,544	36,114,486	1,670,942
Total Capital Improvement Plan	176,691,221	168,802,086	(7,889,135)

- Capital improvement spend timing changes partly in response to the winter storm
- \$2.6M in additional CIP spend resulting from winter storm damage and necessary repairs



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