

EQUITY MANAGEMENT PLAN POLICY
PEDERNALES ELECTRIC COOPERATIVE, INC.
BOARD ADOPTED: September 15, 2014
EFFECTIVE: January 1, 2015

PURPOSE:

This policy addresses the plan for future equity stabilization.

2. ANNUAL TARGET EQUITY RANGE:

Annually, Management should propose a budget that, in concert with the Board approved Capital Credits Policy and the Cooperative's financing needs related to construction, will provide for Equity, as a percent of Total Assets, to stay within an Annual Target Equity Range of 32% to 45%.

3. ANNUAL ASSESSMENT:

At least annually, Management will report an assessment of the financial position of the Cooperative and will outline any actions which are deemed necessary to keep the Equity within the Target Equity Range.

Policy Title:	Equity Management Plan Policy
Review Frequency:	Every three years
Last Reviewed:	January 1, 2015
Date Adopted:	January 1, 2015
Effective Date:	January 1, 2015
Amendment Dates:	
Approver:	PEC Board of Directors
Applies to:	All PEC Employees and Board of Directors
Administrator:	Finance - CFO
Superseding Effect	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.