



Growth Statistics

| <u>YEAR/ MONTH</u> | <u>ACTIVE ACCOUNTS*</u> | <u>NET INCREASE</u> | <u>APPLICATIONS</u> | <u>TIME OF USE</u> | <u>INTER- CONNECT</u> | <u>RENEWABLE RIDER</u> |
|------------------------|-----------------------------|-------------------------|---------------------|------------------------|---------------------------|----------------------------|
| <u>2017</u> | | | | | | |
| January | 288,562 | 1,140 | 1,846 | 0 | 1,270 | 352 |
| February | 289,582 | 1,020 | 1,809 | 21 | 1,319 | 352 |
| March | 291,084 | 1,502 | 2,316 | 24 | 1,355 | 352 |
| April | 291,623 | 539 | 2,081 | 38 | 1,399 | 352 |
| May | 293,315 | 1,692 | 2,701 | 43 | 1,444 | 352 |
| June | 295,158 | 1,843 | 2,973 | 56 | 1,501 | 369 |
| July | 295,644 | 486 | 2,875 | 99 | 1,532 | 369 |
| August | 296,742 | 1,098 | 2,833 | 116 | 1,574 | 371 |
| September | 297,549 | 807 | 2,212 | 121 | 1,610 | 371 |
| October | 298,734 | 1,185 | 2,243 | 162 | 1,674 | 373 |
| November | 299,990 | 1,256 | 2,057 | 165 | 1,741 | 367 |
| December | 300,238 | 248 | 2,028 | 173 | 1,776 | 370 |
| <u>2018</u> | | | | | | |
| January | 301,508 | 1,270 | 1,942 | 174 | 1,847 | 377 |
| February | 302,653 | 1,145 | 1,969 | 200 | 1,898 | 378 |
| March | 303,585 | 932 | 2,242 | 201 | 1,968 | 376 |
| April | 305,173 | 1,588 | 2,545 | 197 | 2,031 | 378 |
| May | 306,852 | 1,679 | 2,794 | 202 | 2,091 | 383 |
| June | 308,085 | 1,233 | 3,007 | 204 | 2,161 | 387 |

* Active Accounts are meters and lights only.



Statements of Income and Patronage Capital

| | MTD | | | YTD | | |
|-----------------------------------------------------|-----------------------|---------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | Actual JUNE 2018 | Budget JUNE 2018 | Actual JUNE 2017 | Actual JUNE 2018 | Budget JUNE 2018 | Actual JUNE 2017 |
| KWH Purchased (available for sale) | 687,615,000 | 520,200,000 | 583,460,000 | 3,147,513,000 | 2,908,473,000 | 2,685,342,000 |
| KWH Sold | 652,334,000 | 492,596,000 | 558,321,000 | 2,971,947,000 | 2,697,803,000 | 2,567,344,000 |
| OPERATING REVENUES: | | | | | | |
| Sale of Electricity | \$ 60,730,000 | \$ 48,923,000 | \$ 53,130,000 | \$ 289,029,000 | \$ 277,778,000 | \$ 253,021,000 |
| LCRA FPCR (Over)Under | 282,000 | - | 200,000 | 5,710,000 | - | 1,721,000 |
| Power Cost Adjustment (Over)Under | 533,000 | - | 779,000 | 3,932,000 | - | 3,345,000 |
| TCOS (Over)Under | (2,058,000) | - | (481,000) | 579,000 | - | 5,627,000 |
| Other Revenue | 1,180,000 | 1,161,000 | 1,135,000 | 6,898,000 | 6,897,000 | 6,385,000 |
| Transmission Revenue (Lease) | 441,000 | 442,000 | 442,000 | 2,649,000 | 2,654,000 | 2,703,000 |
| Transmission Revenue (Access) | 683,000 | 687,000 | 687,000 | 4,115,000 | 4,122,000 | 4,122,000 |
| Operating Revenues - Total | 61,791,000 | 51,213,000 | 55,892,000 | 312,912,000 | 291,451,000 | 276,924,000 |
| OPERATING & MAINTENANCE EXPENSES: | | | | | | |
| Purchased Power | 36,568,000 | 29,616,000 | 32,137,000 | 177,602,000 | 167,942,000 | 155,579,000 |
| LCRA Fuel Power Cost Recovery Factor | 282,000 | - | 200,000 | 5,710,000 | - | 1,721,000 |
| Transmission Operations | 157,000 | 156,000 | 60,000 | 968,000 | 903,000 | 284,000 |
| Transmission Maintenance | 262,000 | 414,000 | 262,000 | 1,587,000 | 1,974,000 | 2,045,000 |
| Distribution Operations | 3,469,000 | 3,466,000 | 3,476,000 | 18,652,000 | 19,776,000 | 16,775,000 |
| Distribution Maintenance | 782,000 | 1,483,000 | 1,945,000 | 7,862,000 | 8,165,000 | 8,094,000 |
| Consumer Accounts | 2,145,000 | 2,113,000 | 2,643,000 | 11,699,000 | 12,806,000 | 11,654,000 |
| Customer Service & Information | 292,000 | 292,000 | 302,000 | 1,701,000 | 1,795,000 | 1,477,000 |
| Economic Development | 94,000 | 143,000 | 124,000 | 836,000 | 889,000 | 727,000 |
| Administrative & General | 2,005,000 | 2,336,000 | 2,650,000 | 12,111,000 | 13,277,000 | 13,340,000 |
| Depreciation & Amortization Expense | 4,407,000 | 4,371,000 | 3,858,000 | 26,548,000 | 26,229,000 | 23,084,000 |
| Tax Expense | 105,000 | 80,000 | 109,000 | 505,000 | 454,000 | 469,000 |
| Operating & Maintenance Expenses - Total | 50,568,000 | 44,470,000 | 47,766,000 | 265,781,000 | 254,210,000 | 235,249,000 |
| MARGIN BEFORE INTEREST | 11,223,000 | 6,743,000 | 8,126,000 | 47,131,000 | 37,241,000 | 41,675,000 |
| INTEREST EXPENSE: | 2,942,000 | 2,924,000 | 2,667,000 | 17,214,000 | 17,454,000 | 16,255,000 |
| MARGIN AFTER INTEREST | 8,281,000 | 3,819,000 | 5,459,000 | 29,917,000 | 19,787,000 | 25,420,000 |
| OTHER INCOME (EXPENSE): | 171,000 | 6,000 | 141,000 | 1,218,000 | 384,000 | 863,000 |
| NET MARGIN (LOSS) | \$ 8,452,000 | \$ 3,825,000 | \$ 5,600,000 | \$ 31,135,000 | \$ 20,171,000 | \$ 26,283,000 |
| COMPREHENSIVE INCOME | \$ 8,452,000 | | \$ 5,600,000 | \$ 31,135,000 | | \$ 26,283,000 |
| PATRONAGE CAPITAL - BEGINNING OF PERIOD | 459,648,000 | | 423,452,000 | 436,438,000 | | 402,207,000 |
| Patronage Capital Retired | (11,000) | | (12,000) | 6,000 | | 11,000 |
| Transfers to Other Equities | (11,000) | | (12,000) | 499,000 | | 527,000 |
| PATRONAGE CAPITAL - TOTAL | \$ 468,078,000 | | \$ 429,028,000 | \$ 468,078,000 | | \$ 429,028,000 |



Balance Sheet

| | JUNE 2018 | DECEMBER 2017 | \$ VARIANCE | % CHANGE | JUNE 2017 |
|-----------------------------------------------------|-------------------------|-------------------------|----------------------|--------------|-------------------------|
| ASSETS | | | | | |
| UTILITY PLANT: | | | | | |
| In Service: | | | | | |
| Transmission | \$ 101,651,000 | \$ 101,597,000 | \$ 54,000 | 0.05% | \$ 100,314,000 |
| Distribution | 1,430,473,000 | 1,405,045,000 | 25,428,000 | 1.81% | 1,363,629,000 |
| General & Electric | 157,648,000 | 157,635,000 | 13,000 | 0.01% | 149,921,000 |
| Utility Plant - In service | 1,689,772,000 | 1,664,277,000 | 25,495,000 | 1.53% | 1,613,864,000 |
| Long-Term Capital Projects | 114,265,000 | 86,570,000 | 27,695,000 | 31.99% | 93,937,000 |
| Utility Plant - Total | 1,804,037,000 | 1,750,847,000 | 53,190,000 | 3.04% | 1,707,801,000 |
| Accumulated Depreciation | (297,313,000) | (288,182,000) | (9,131,000) | 3.17% | (296,690,000) |
| Utility Plant - Net | 1,506,724,000 | 1,462,665,000 | 44,059,000 | 3.01% | 1,411,111,000 |
| LONG TERM INVESTMENTS: | | | | | |
| Capital Term Certificates & Other | 13,003,000 | 12,883,000 | 120,000 | 0.93% | 12,139,000 |
| CURRENT ASSETS: | | | | | |
| Cash | 2,239,000 | 21,931,000 | (19,692,000) | (89.79%) | 2,628,000 |
| Accounts Receivable: | | | | | |
| Members | 34,562,000 | 21,367,000 | 13,195,000 | 61.75% | 27,404,000 |
| Other | 3,279,000 | 3,765,000 | (486,000) | (12.91%) | 2,549,000 |
| LCRA Fuel Power Cost Recovery Factor | - | 1,162,000 | (1,162,000) | (100.00%) | 943,000 |
| Allowance for Uncollectible Accts | (478,000) | (538,000) | 60,000 | (11.15%) | (810,000) |
| Accrued Unbilled Revenue | 31,188,000 | 26,364,000 | 4,824,000 | 18.30% | 29,033,000 |
| Materials & Supplies | 18,661,000 | 21,008,000 | (2,347,000) | (11.17%) | 21,910,000 |
| Prepayments & Other | 4,001,000 | 2,794,000 | 1,207,000 | 43.20% | 2,696,000 |
| Current Assets - Total | 93,452,000 | 97,853,000 | (4,401,000) | (4.50%) | 86,353,000 |
| DEFERRED CHARGES & OTHER ASSETS: | | | | | |
| Regulatory Assets | 67,080,000 | 66,346,000 | 734,000 | 1.11% | 70,251,000 |
| LCRA Fuel Power Cost Under-Recovery Balance | 4,548,000 | - | 4,548,000 | 100.00% | - |
| Transmission Cost of Service Under-Recovery Balance | 2,400,000 | 1,821,000 | 579,000 | 31.80% | - |
| Other Deferred Charges | 1,134,000 | 744,000 | 390,000 | 52.42% | 837,000 |
| Deferred Charges & Other Assets - Total | 75,162,000 | 68,911,000 | 6,251,000 | 9.07% | 71,088,000 |
| TOTAL ASSETS | \$ 1,688,341,000 | \$ 1,642,312,000 | \$ 46,029,000 | 2.80% | \$ 1,580,691,000 |



Balance Sheet

| | JUNE 2018 | DECEMBER 2017 | \$ VARIANCE | % CHANGE | JUNE 2017 |
|------------------------------------------------------------|-------------------------|-------------------------|----------------------|--------------|-------------------------|
| EQUITY & LIABILITIES | | | | | |
| EQUITY: | | | | | |
| Membership Certificates | \$ 12,469,000 | \$ 12,165,000 | 304,000 | 2.50% | \$ 11,876,000 |
| Permanent Equity | 189,337,000 | 189,835,000 | (498,000) | (0.26%) | 171,203,000 |
| Patronage Capital | 468,078,000 | 436,438,000 | 31,640,000 | 7.25% | 429,028,000 |
| Equity - Total | 669,884,000 | 638,438,000 | 31,446,000 | 4.93% | 612,107,000 |
| LONG-TERM DEBT: | | | | | |
| 02 Issue - \$450M - 2032 | 297,449,000 | 297,316,000 | 133,000 | 0.04% | 310,273,000 |
| 08 Issue - \$300M - 2043 | 199,420,000 | 202,024,000 | (2,604,000) | (1.29%) | 204,579,000 |
| 15 Issue - \$25M - 2045 | 23,465,000 | 23,715,000 | (250,000) | (1.05%) | 23,959,000 |
| 15 Issue - \$78M - 2020 | 25,803,000 | 34,171,000 | (8,368,000) | (24.49%) | 42,425,000 |
| 16 Issue - \$15M - 2021 | 6,000,000 | 7,500,000 | (1,500,000) | (20.00%) | 9,000,000 |
| 16 Issue - \$80M - 2046 | 76,187,000 | 76,979,000 | (792,000) | (1.03%) | 77,756,000 |
| 17 Issue - \$13M - 2022 | 8,450,000 | 9,750,000 | (1,300,000) | (13.33%) | - |
| 17 Issue - \$80M - 2047 | 77,915,000 | 78,624,000 | (709,000) | (0.90%) | - |
| Long-Term Debt - Total | 714,689,000 | 730,079,000 | (15,390,000) | (2.11%) | 667,992,000 |
| CURRENT LIABILITIES: | | | | | |
| Lines of Credit | 25,300,000 | - | 25,300,000 | 100.00% | 31,000,000 |
| Current Maturities of LTD | 43,938,000 | 43,546,000 | 392,000 | 0.90% | 38,478,000 |
| Accounts Payable | 55,279,000 | 51,436,000 | 3,843,000 | 7.47% | 48,376,000 |
| Consumer Deposits | 6,464,000 | 6,262,000 | 202,000 | 3.23% | 6,096,000 |
| Accrued Taxes | 8,357,000 | 10,273,000 | (1,916,000) | (18.65%) | 7,174,000 |
| Accrued Interest | 3,785,000 | 3,790,000 | (5,000) | (0.13%) | 3,691,000 |
| Other Current Liabilities | 18,043,000 | 12,775,000 | 5,268,000 | 41.24% | 12,946,000 |
| Current Liabilities - Total | 161,166,000 | 128,082,000 | 33,084,000 | 25.83% | 147,761,000 |
| DEFERRED CREDITS & OTHER NONCURRENT LIABILITIES | | | | | |
| Postretirement Benefits Obligation | 120,270,000 | 116,102,000 | 4,168,000 | 3.59% | 110,468,000 |
| LCRA Fuel Power Cost Over-Recovery Balance | - | 1,162,000 | (1,162,000) | (100.00%) | 943,000 |
| Power Cost Adjustment Over-Recovery Balance | 7,765,000 | 11,697,000 | (3,932,000) | (33.62%) | 12,340,000 |
| Transmission Cost of Service Over-Recovery Balance | - | - | - | 0.00% | (3,006,000) |
| Other Deferred Credits | 14,567,000 | 16,752,000 | (2,185,000) | (13.04%) | 32,086,000 |
| Deferred Credits - Total | 142,602,000 | 145,713,000 | (3,111,000) | (2.14%) | 152,831,000 |
| TOTAL EQUITY & LIABILITIES | \$ 1,688,341,000 | \$ 1,642,312,000 | \$ 46,029,000 | 2.80% | \$ 1,580,691,000 |
| Equity as a Percent of Assets | 39.68% | 38.87% | | | 38.72% |



Cash Flow Statement

| | YTD | |
|----------------------------------------------------------|----------------------------|----------------------------|
| | JUNE 2018 | JUNE 2017 |
| OPERATING ACTIVITIES: | | |
| Net Margins | \$ 31,135,000 | \$ 26,283,000 |
| Adjustments to Reconcile Net Margins to Net Cash | | |
| Provided by (Used in) Operating Activities: | | |
| Depreciation & Amortization Expense | 26,548,000 | 23,084,000 |
| Provision for Uncollectible Accounts | (142,000) | (58,000) |
| Capital Credits | 431,000 | 296,000 |
| Deferred Charges for Post-Retirement Plans | 4,762,000 | 4,373,000 |
| Payments on Post-Retirement Benefits | (595,000) | (884,000) |
| Payments to Defined Benefit Plan | - | - |
| Changes in assets and liabilities: | | |
| Accounts Receivable - Net | (11,466,000) | (9,750,000) |
| Accrued Unbilled Revenue | (4,824,000) | (4,950,000) |
| Materials & Supplies | 2,347,000 | 513,000 |
| Prepayments & Other Current Assets | (1,207,000) | (364,000) |
| Deferred Charges & Other Assets | (6,252,000) | (356,000) |
| Accrued & Accounts Payable | 3,844,000 | (4,380,000) |
| Consumer Deposits | 202,000 | 205,000 |
| Accrued Taxes | (1,917,000) | (1,867,000) |
| Accrued Interest | (5,000) | (175,000) |
| Other Current Liabilities | 5,270,000 | 1,448,000 |
| Other Deferred Credits & Liabilities | (7,277,000) | (10,609,000) |
| Net Cash Provided by (Used in) Operating Activities | <u>40,854,000</u> | <u>22,809,000</u> |
| INVESTING ACTIVITIES: | | |
| Net Additions to Property, Plant & Equipment | (70,607,000) | (71,026,000) |
| Capital Credit Retirements from Associated Organizations | (551,000) | (256,000) |
| Net Cash Provided by (Used in) Investing Activities | <u>(71,158,000)</u> | <u>(71,282,000)</u> |
| FINANCING ACTIVITIES: | | |
| Net Borrowings - Line of Credit | 25,300,000 | 31,000,000 |
| Proceeds from issuance of Long-Term Debt | - | - |
| Payments on Long-Term Debt | (14,998,000) | (13,416,000) |
| Retirement of Patronage Capital | 6,000 | 11,000 |
| Increase in Memberships - Net | 304,000 | 262,000 |
| Net Cash Provided by (Used in) Financing Activities | <u>\$ 10,612,000</u> | <u>\$ 17,857,000</u> |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$ (19,692,000) | \$ (30,616,000) |
| CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD | \$ 21,931,000 | \$ 33,244,000 |
| CASH AND CASH EQUIVALENTS - END OF PERIOD | \$ <u>2,239,000</u> | \$ <u>2,628,000</u> |



JUNE 2018 Key Indicators & Ratios

| | MTD | | YTD | |
|------------------------------------------------|---------------|---------------|----------------|----------------|
| | JUNE 2018 | JUNE 2017 | JUNE 2018 | JUNE 2017 |
| Net Margins | \$ 8,452,000 | \$ 5,600,000 | \$ 31,135,000 | \$ 26,283,000 |
| Margin as a % of Total Operating Revenue | 13.68% | 10.02% | 9.95% | 9.49% |
| Total Operating Revenue per total mile of line | \$ 2,735 | \$ 2,525 | \$ 13,849 | \$ 12,508 |
| Members connected | 8,299 | 7,596 | 39,028 | 34,941 |
| Total Miles of Line: | | | | |
| Transmission | 304.28 | 304.28 | 304.28 | 304.28 |
| Distribution Overhead | 17,130.81 | 16,969.03 | 17,130.81 | 16,969.03 |
| Distribution Underground | 5,158.74 | 4,866.10 | 5,158.74 | 4,866.10 |
| Total Miles energized | 22,593.83 | 22,139.41 | 22,593.83 | 22,139.41 |
| Total Active Accounts | | | 308,085 | 295,158 |
| Total Memberships | | | 257,738 | 246,490 |
| Meters per mile | | | 13.64 | 13.33 |
| Full time employees | | | 719 | 726 |
| Average bill | | | | |
| Residential | \$ 155 | \$ 131 | \$ 737 | \$ 665 |
| Small Power | \$ 255 | \$ 228 | \$ 1,289 | \$ 1,229 |
| Large Power/Industrial | \$ 6,969 | \$ 6,205 | \$ 35,784 | \$ 33,385 |
| Public | \$ 2,413 | \$ 2,108 | \$ 11,178 | \$ 10,595 |
| Revenue per kWh | | | | |
| Residential | \$ 0.1005 | \$ 0.1026 | \$ 0.1044 | \$ 0.1063 |
| Small Power | \$ 0.0963 | \$ 0.0978 | \$ 0.0994 | \$ 0.1001 |
| Large Power/Industrial | \$ 0.0753 | \$ 0.0745 | \$ 0.0752 | \$ 0.0751 |
| Public | \$ 0.0742 | \$ 0.0733 | \$ 0.0749 | \$ 0.0742 |
| Average kWh usage | | | | |
| Residential | 1,547 | 1,273 | 7,057 | 6,251 |
| Small Power | 2,645 | 2,329 | 12,961 | 12,274 |
| Large Power/Industrial | 92,563 | 83,238 | 475,862 | 444,582 |
| Public | 32,530 | 28,742 | 149,157 | 142,842 |
| Electrical bad debt write-off | \$ 36,930 | \$ 25,403 | \$ 366,401 | \$ 357,438 |
| Power bill invoices paid | \$ 36,590,315 | \$ 32,031,939 | \$ 177,655,925 | \$ 154,284,813 |
| Power bill invoices kWh | 688,074,172 | 583,952,567 | 3,150,318,788 | 2,687,859,667 |
| Cost per kWh | \$ 0.0532 | \$ 0.0549 | \$ 0.0564 | \$ 0.0574 |
| kWh Purchased (available for sale) | 687,615,281 | 583,460,153 | 3,147,512,708 | 2,685,341,990 |
| kWh Sold | 652,334,385 | 558,321,146 | 2,971,947,373 | 2,567,343,713 |
| kWh PEC system use | 458,891 | 492,414 | 2,806,080 | 2,517,677 |
| kWh Line loss YTD | | | 175,565,335 | 117,998,277 |
| kWh Line loss % YTD | | | 5.58% | 4.39% |
| Equity as a % of total assets | 39.68% | 38.87% | 39.68% | 38.87% |
| % Cost of Power to Sale of Electricity Revenue | 60.21% | 60.49% | 61.45% | 61.49% |
| LTD as a % of Total Utility Plant | 42.05% | 44.19% | 42.05% | 44.19% |