



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for November 1, 2021, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorneys Report
6. Sunflower EPC Report
7. KEC Report
 - a. Residential Rate Review
8. General Managers Report
9. Old Business
10. New Business
 - a. Cost of Service Study, Financial Forecast, and Rate Analysis – Justin Proctor, Guernsey
 - b. Rate implementation Schedule
 - c. 2022 LSEC Budget
11. Safety Report
12. Executive Session – is requested, partner discussion
13. Adjourn

Upcoming Events:

| | | |
|--------------------------------------|----------------------|-------------------------|
| KEC District Meeting | Hays, KS | November 4 |
| Sunflower EPC Board | Hays, KS | November 22 |
| Thanksgiving Holiday – Office Closed | | November 25-26 |
| KEC Board Meeting | Wichita, KS | December 1-2 |
| LSEC Board Meeting | Dighton | December 6 |
| Sunflower Board meeting | Kansas City, MO | December 9-10 (Virtual) |
| LSEC Christmas Party | St. Theresa, Dighton | December 18 |

Document Index

| # | item | Board Packet | Supplemental information |
|----|-----------------------------------------------------------------------------------------------------|--------------|--------------------------|
| 2 | Minutes | y | |
| 3 | Check Register(s) | y | |
| | Payroll | y | |
| 6 | Sunflower Report | y | |
| 7 | KEC Report | y | |
| | KEC Residential Rate Survey – Dec 2020 | y | |
| 8 | GM Report | y | |
| | <u>NRECA Board Report</u> | | y |
| | <u>Financials</u> | | |
| | September Form 7 | y | |
| | Statistical Report | y | |
| | Non-operating margins | y | |
| | <u>Operations</u> | | y |
| | <u>IT-Compliance</u> | | y |
| | <u>IT / Cybersecurity</u> | | y |
| | <u>Engineering</u> | | y |
| | Outage statistics | | y |
| | Transformer losses | | y |
| | <u>Member Service</u> | | y |
| | <u>Warehouse</u> | | y |
| 9 | Old Business | | |
| | | | |
| 10 | New Business | | |
| a | Cost of Service Study, Financial Forecast, and Rate Analysis presentation, Justin Proctor, Guernsey | y | |
| | Revenue Requirement Development Summary | | y |
| | Financial Forecast | | y |
| b | Rate Implementation Schedule | y | |
| | KS Statute 66-104d | | y |
| c | 2022 LSEC Budget | y | |
| | | | |
| 11 | Safety Report | | |
| | Safety Program Monthly Report | y | |
| | Safety Meeting minutes | y | |
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**MINUTES OF THE REGULAR OCTOBER 2021
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, October 4, 2021, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:56 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Eric Doll, Richard Sorem, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney. Chad Griffith was absent.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on September 13, 2021. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as corrected.*

CASH DISBURSEMENTS

President Jennison called for questions regarding the check list for the month.

There were no questions regarding the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper had no current items to report.

REPORT OF SUNFLOWER DELEGATE

A copy of the Sunflower report was included in the board packet and emailed to the trustees.

Trustee Seib added that the board discussed on fuel and prices in the event of another weather event. The fires and floods have damaged rails affecting coal deliveries.

Manager McLeon advised that Sunflower has had a good financial year and may pay back up to \$20 million to members. An analysis of how to legally pay back this amount under the tax structure is being conducted. Manager McLeon has also met with the Ness City Hospital and discussed testing of its generators.

KEC REPORT

Trustee Hoss reported the next KEC meeting is October 12 & 13.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The monthly average power cost was 10.98 cents compared to 9.95 cents last year. ASAI is 99.96% with the winter storm and the August wind event being the two largest outages.
- The revenue requirements portion of the COSS has been completed and projects an overall increase in revenue of \$1,040,149 or 6.44% is the minimum required to meet financial metrics over the 3-4 years. This amounts to an increase of 1.07% increase per year since January 2016.
- Guernsey is now working on the rate class adjustments and the 202 budget will be reviewed in November. It is expected to have public meetings in December/January for an implementation in March or April 2022.
- The salary review and employee evaluations have been completed.
- There have been several new oil load connects. Transformers are hard to obtain at this time, so some are being reused without being sent in for rebuild. These are being flagged so they can be replaced when transformers are more available.
- There were two accidents with one person catching a neutral and another hitting a meter pole. The neutral was raised to provide better clearance.
- Concrete was to be poured at the north yard, but the contractor pushed the time back to next week.
- The new digital radios have been ordered and cost estimates for steel poles on critical junctions on the 34.5 kV line are being sought.
- Total operating revenue is up \$259,814 over the 10-year average. OPTIER is 1.39 and TIER is 1.41.

- The cash on hand is \$7.1 million.
- The year-to-date operating margins are \$14,568 with retail services having a loss of \$7,798 for the month and \$96,669 for the year. There is about \$95,000 in inventory for jobs to be completed and billed.
- Year-to-date interest earned is \$106,461.
- The military care packages are in progress.

RECEIPT OF MANAGER'S REPORT

The board received the Manager's report as indicated herein, and there were no follow-up questions.

SAFETY REPORT

A safety report was included in the board packet.

The July 23, KEC audit is completed, and half of the items have been completed. Some items are waiting on materials to be delivered.

The emergency action plan is nearly complete.

The spill prevention plan is being updated.

OLD BUSINESS

1. Strategic Plan Update

- OSHA Sharp is 90% completed.
- The COSS is about halfway completed.
- There are many items on the strategic plan that have been ordered and are waiting delivery.

NEW BUSINESS

1. Special Capital Credit Retirement

- *A motion to approve the special retirement of estate capital credits in the amount of \$14,382.58 as presented to the board was made, duly seconded, and carried.*

2. Policy 113

- A request to change the months for retirements of estates to June and December from April and October as these months are less busy for office staff was made.
- *A motion to adopt the changes to board Policy 113 to change the months that estate capital credit requests are made to June and December was made, duly seconded, and carried.*

3. General Capital Credit Retirement

- LSEC has unretired capital credits in the amount of \$9,582,564. The formula based on the depreciation cycle provides for a retirement of \$390,749.73 on an average of 24.5 year depreciation cycle. Board policy requires retiring the capital credits on a FIFO schedule which would retire years 1988, 1993, 1994, 1995, 1997 and a small portion of 1998.
- Traditionally the retirements have been mailed as a check to members except for when the amount was less than \$5.00 at which time it was applied to the member's power bill. With the increase in costs of processing and mailing it is requested to apply the capital credit to the member's power bill unless the member opts to receive a check.
- During discussion Manager McLeon informed the board the capital credits would be paid out of cash on hand.
- *A motion to approve the recommended retirement of capital credits in 2021 in the amount of \$390,749.73 based upon the formula was made, duly seconded, and carried.*
- *A motion to pay the capital credits on a First in First out schedule and to have the capital credits applied to the member's bill unless the member opts to have a check was made, duly seconded, and carried.*

4. Annual meeting

A motion to set the date of the 2022 Annual Meeting date as July 19, 2022 was made, duly seconded and carried.

5. 2022 Youth Tour

There is little confidence that the Washington trip will take place but there is more certainty of the Steamboat trip. Staff recommends that four \$1,500 scholarships be available in lieu of the Washington trip and sending two students to Steamboat Springs. If the Youth Leadership camp is cancelled staff recommends those funds be applied to additional scholarships.

A motion to approve staff recommendation of sending two students to Steamboat Springs or to apply those funds to scholarships if cancelled, and to offer four \$1,500 scholarships in lieu of the Washington DC trip was made, duly seconded, and carried.

EXECUTIVE SESSION

A motion to enter executive session to discuss personnel was made, duly seconded, and carried at 7:59 p.m. The board came out of executive session at 8:20 p..m.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded, and carried at 8:22 p.m., on Monday, October 4, 2021.

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Accounts Payable Check Register

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09/03/2021 To 10/04/2021

Bank Account: 2 - FIRST STATE BANK

| Check / Tran Date | Pmt Type | Vendor | Vendor Name | Reference | Amount |
|----------------------|-------------|--------|----------------------------------|---------------------------------------|-----------|
| 2511 09/03/2021 | WIRE | 1290 | WEX BANK | Monthly Invoice | 256.33 |
| 2516 09/07/2021 | WIRE | 384 | UPS | Postage | 16.29 |
| 2529 09/07/2021 | WIRE | 62 | NRECA GROUP BENEFITS TRUST | NRECA Gr 1 - Sep Group Ins | 2,490.11 |
| 2530 09/07/2021 | WIRE | 180 | NRECA | NRECA Gr 1 Adm Fee-Sep Gr Ins Adm Fee | 206.96 |
| 2512 09/08/2021 | WIRE | 168 | ONLINE INFORMATION SERVICES, INC | Online Utility Exchange | 54.30 |
| 2513 09/08/2021 | WIRE | 468 | U.S. BANK | Monthly Invoice | 2,741.47 |
| 2528 09/08/2021 | WIRE | 1224 | NRECA RETIREMENT & SECURITY | NRECA RS-GROUP INS | 44,594.10 |
| 2514 09/09/2021 | WIRE | 1267 | AFLAC | Monthly Invoice | 465.84 |
| 2515 09/10/2021 | WIRE | 18 | CITY OF DIGHTON | Monthly Invoice | 2,296.56 |
| 2525 09/10/2021 | WIRE | 265 | HASLER - POSTAGE ACH | Postage | 250.00 |
| 47479 09/10/2021 | CHK | 1 | NESS COUNTY BANK BUILDING | Rent for Coops to Vote Event | 150.00 |
| 47480 09/10/2021 | CHK | 14 | OFFICE SOLUTIONS, INC | Samsung copier contract | 59.68 |
| 47481 09/10/2021 | CHK | 37 | JETMORE REPUBLICAN | Advertising | 24.00 |
| 47482 09/10/2021 | CHK | 40 | KANSAS ELECTRIC COOPERATIVES | Dues | 6,695.11 |
| 47483 09/10/2021 | CHK | 45 | BUMPER TO BUMPER OF DIGHTON | Monthly Invoice | 344.58 |
| 47484 09/10/2021 | CHK | 55 | NESS COUNTY NEWS | Advertising | 193.60 |
| 47485 09/10/2021 | CHK | 96 | STEPHENS LUMBER - DIGHTON | Monthly Invoice | 93.86 |
| 47486 09/10/2021 | CHK | 104 | HOME OIL CO | Monthly Fuel Invoice | 835.44 |
| 47487 09/10/2021 | CHK | 105 | CITY OF NESS CITY | Postage and Paystation for August | 616.46 |
| 47488 09/10/2021 | CHK | 107 | CINTAS CORPORATION #449 | Monthly Invoice | 237.90 |
| 47489 09/10/2021 | CHK | 117 | NESS CITY FARM & FEED | Monthly Invoice | 27.03 |
| 47490 09/10/2021 | CHK | 126 | CARRIE BORELL | Per Diem-MIC Conference | 213.50 |
| 47491 09/10/2021 | CHK | 147 | DIGHTON HIGH SCHOOL | Sports Ad | 100.00 |
| 47492 09/10/2021 | CHK | 164 | FAIRBANK EQUIPMENT INC. | Monthly Invoice | 246.12 |
| 47493 09/10/2021 | CHK | 169 | AMERICAN ELECTRIC-GARDEN CITY | Monthly Invoice | 3,991.93 |
| 47494 09/10/2021 | CHK | 184 | JOHNSTONE SUPPLY | Monthly Invoice | 2,651.26 |

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Accounts Payable Check Register

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09/03/2021 To 10/04/2021

Bank Account: 2 - FIRST STATE BANK

| Check / Tran Date | Pmt Type | Vendor | Vendor Name | Reference | Amount |
|----------------------|-------------|--------|------------------------------|--------------------------|-----------|
| 47495 09/10/2021 | CHK | 187 | S&W SUPPLY DIVISION | Monthly Invoice | 130.01 |
| 47496 09/10/2021 | CHK | 238 | ILLINOIS MUTUAL | Premiums | 153.20 |
| 47497 09/10/2021 | CHK | 243 | WELL WATCH LLC | Truck # 144 & 117 | 3,418.08 |
| 47498 09/10/2021 | CHK | 306 | BORDER STATES INDUSTRIES INC | Monthly Invoice | 81,640.63 |
| 47499 09/10/2021 | CHK | 387 | WESTERN FUEL & SUPPLY | Monthly Invoice | 414.58 |
| 47500 09/10/2021 | CHK | 394 | DELLON SHELTON | Per Diem-Hot Line School | 192.50 |
| 47501 09/10/2021 | CHK | 406 | RICHARD MCLEON | Meeting Expense-Mileage | 695.52 |
| 47502 09/10/2021 | CHK | 427 | DIGHTON HERALD LLC | Advertising | 200.00 |
| 47503 09/10/2021 | CHK | 498 | BLAKE MCVICKER | Per Diem-Hotline School | 192.50 |
| 47504 09/10/2021 | CHK | 499 | DIRKS ENTERPRISES LLC | North Yard Improvements | 26,000.00 |
| 47505 09/10/2021 | CHK | 500 | DODGE CITY DAILY GLOBE | Advertising | 80.00 |
| 47506 09/10/2021 | CHK | 654 | LANE COUNTY PUBLIC WORKS | 1 load to dump | 8.00 |
| 47507 09/10/2021 | CHK | 773 | BRETZ, INC. | Monthly Invoice | 58.54 |
| 47508 09/10/2021 | CHK | 790 | SOLOMON CORPORATION | 3 phase Padmount | 16,492.00 |
| 47509 09/10/2021 | CHK | 803 | ALTEC INDUSTRIES, INC | Truck #200 | 2,449.77 |
| 47510 09/10/2021 | CHK | 903 | NISC | Monthly Invoice | 9,752.88 |
| 47511 09/10/2021 | CHK | 1016 | KANSAS ONE-CALL SYSTEM INC | Locate Fee | 96.00 |
| 47512 09/10/2021 | CHK | 1030 | THE SCOTT COUNTY RECORD | Advertising | 64.30 |
| 47513 09/10/2021 | CHK | 1172 | WESTERN SUPPLY COMPANY | Monthly Invoice | 3,801.36 |
| 47514 09/10/2021 | CHK | 1225 | CINTAS CORPORATION | Monthly Invoice-Dighton | 104.40 |
| 47515 09/10/2021 | CHK | 1251 | TECHLINE, LTD | Monthly Invoice | 25,125.08 |
| 47516 09/10/2021 | CHK | 1287 | COLLINS STEEL | Monthly Invoice | 48.94 |
| 47517 09/10/2021 | CHK | 1303 | LANE COUNTY IMPLEMENT, INC | Monthly Invoice | 390.60 |
| 2517 09/13/2021 | WIRE | 124 | GOLDEN BELT TELEPHONE | Monthly Invoice | 189.05 |
| 2518 09/13/2021 | WIRE | 1160 | S&T TELEPHONE COOP ASSN. | Monthly Invoice | 842.86 |
| 47518 09/16/2021 | CHK | 1 | WESTERN KS WORLD | Advertising | 15.00 |

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

| Check / Tran Date | Pmt Type | Vendor | Vendor Name | Reference | Amount |
|----------------------|-------------|--------|------------------------------|------------------------------------|-----------|
| 47519 09/16/2021 | CHK | 20 | BASIN ELECTRIC POWER COOP | Dispatch fee for August | 2,128.88 |
| 47520 09/16/2021 | CHK | 30 | HAROLD HOSS | September Board Meeting | 383.60 |
| 47521 09/16/2021 | CHK | 48 | JOY PECK | Land Lease-Substation | 75.00 |
| 47522 09/16/2021 | CHK | 51 | MONA L PECK | Land Lease-Substation | 75.00 |
| 47523 09/16/2021 | CHK | 60 | PAUL SEIB JR | September Board Meeting | 386.96 |
| 47524 09/16/2021 | CHK | 63 | RICHARD JENNISON | September Baord Meeting | 364.56 |
| 47525 09/16/2021 | CHK | 105 | CITY OF NESS CITY | Monthly Invoice | 25.09 |
| 47526 09/16/2021 | CHK | 107 | CINTAS CORPORATION #449 | Monthly Invoice | 93.83 |
| 47527 09/16/2021 | CHK | 126 | CARRIE BORELL | KEC IT Summitt | 152.50 |
| 47528 09/16/2021 | CHK | 172 | TYNDALE COMPANY, INC. | Clothing Allowance-Michael Pollock | 956.43 |
| 47529 09/16/2021 | CHK | 179 | RAD ROEHL | September Board Meeting | 360.08 |
| 47530 09/16/2021 | CHK | 202 | CHAD GRIFFITH | Septmeber Board Meeting | 393.00 |
| 47531 09/16/2021 | CHK | 248 | CENTRAL PUMP & SUPPLY | Monthly Invoice | 19.80 |
| 47532 09/16/2021 | CHK | 304 | STECKLINE COMMUNICATIONS INC | Advertising | 200.00 |
| 47533 09/16/2021 | CHK | 359 | WEBBER-GROSS WELDING, LLC | Wire rack for #700 | 130.02 |
| 47534 09/16/2021 | CHK | 406 | RICHARD MCLEON | Meeting Expense-Mileage | 114.80 |
| 47535 09/16/2021 | CHK | 450 | RANDALL G EVANS | September Board Meeting | 350.56 |
| 47536 09/16/2021 | CHK | 481 | CARTMILL FLORAL & CREATIONS | Cookies for Board Meeting | 70.31 |
| 47537 09/16/2021 | CHK | 745 | GOVE COUNTY ADVOCATE | Advertising | 229.25 |
| 47538 09/16/2021 | CHK | 903 | NISC | IT Room Materials | 17,954.81 |
| 47539 09/16/2021 | CHK | 1228 | BENJAMIN L MANN | KLSA Meeting in Wichihita | 152.50 |
| 47540 09/16/2021 | CHK | 1248 | COMPLIANCE ONE | Drug and Alcohol Testing | 423.50 |
| 47541 09/16/2021 | CHK | 1263 | RICHARD SOREM | September Board Meeting | 398.16 |
| 47542 09/16/2021 | CHK | 1300 | CRAIG RAMSEY | Septmeber Board Meeting | 378.00 |
| 2519 09/20/2021 | WIRE | 274 | VERIZON WIRELESS | Monthly Invoice | 663.81 |
| 2520 09/20/2021 | WIRE | 1229 | SCHABEN SANITATION | Monthly Invoice | 491.43 |

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

| Check / Tran Date | Pmt Type | Vendor | Vendor Name | Reference | Amount |
|----------------------|-------------|--------|----------------------------------|------------------------------------|-----------|
| 2521 09/24/2021 | WIRE | 1239 | CULLIGAN OF DODGE CITY | Monthly Invoice | 99.82 |
| 2522 09/24/2021 | WIRE | 101 | ATMOS ENERGY | Monthly Invoice | 50.10 |
| 2526 09/27/2021 | WIRE | 263 | KS DEPT OF REVENUE - SALES TAX | Sales Tax | 23,213.49 |
| 2527 09/27/2021 | WIRE | 264 | KS DEPT OF REVENUE - USE TAX | Use Tax | 38.08 |
| 47543 09/27/2021 | CHK | 18 | CITY OF DIGHTON | Move Pole at North Lot | 1,312.16 |
| 47544 09/27/2021 | CHK | 25 | LANE-SCOTT ELECTRIC COOPERATIVE, | Payroll Transfer | 55,000.00 |
| 47545 09/27/2021 | CHK | 79 | POSTMASTER | Postage-Newsletter | 99.43 |
| 47546 09/27/2021 | CHK | 105 | CITY OF NESS CITY | Franchise Fee | 7,721.98 |
| 47547 09/27/2021 | CHK | 107 | CINTAS CORPORATION #449 | Monthly Invoice | 27.13 |
| 47548 09/27/2021 | CHK | 135 | CITY OF BAZINE | Franchise Fee | 2,099.28 |
| 47549 09/27/2021 | CHK | 160 | SHULL OIL COMPANY | Monthly Fuel Invoice | 5,850.99 |
| 47550 09/27/2021 | CHK | 172 | TYNDALE COMPANY, INC. | Clothing Allowance-Kasey and Kevin | 828.55 |
| 47551 09/27/2021 | CHK | 198 | OTIS ELEVATOR COMPANY | Maintenance Service | 142.89 |
| 47552 09/27/2021 | CHK | 259 | FIRE ALARM SPECIALIST, INC | Annual Testing and Maintenance | 120.00 |
| 47553 09/27/2021 | CHK | 311 | ELDRIDGE FENCING INC | Gate Openers | 219.76 |
| 47554 09/27/2021 | CHK | 361 | ANN M JENNINGS | Mileage-K96 Meeting | 28.18 |
| 47555 09/27/2021 | CHK | 373 | KANSASLAND TIRE CO. INC OF HAYS | Tires-#135 | 858.47 |
| 47556 09/27/2021 | CHK | 467 | DIGHTON CHIROPRACTIC | Wellness Program-Dr. Bennett | 200.00 |
| 47557 09/27/2021 | CHK | 790 | SOLOMON CORPORATION | Monthly Invoice | 18.57 |
| 2523 09/28/2021 | WIRE | 1290 | WEX BANK | Monthly Invoice | 490.23 |
| 2524 09/28/2021 | WIRE | 1187 | MIDWEST ENERGY | Monthly Invoice | 71.76 |
| 47558 09/30/2021 | CHK | 5 | CHEVRON U.S.A., INC - JIBS | Previousl Unclaimed Cap Cr | 3,785.16 |
| 2531 10/04/2021 | WIRE | 44 | NEX-TECH WIRELESS, LLC | Monthly Invoice | 263.04 |
| 2532 10/04/2021 | WIRE | 274 | VERIZON WIRELESS | Monthly Invoice | 314.24 |
| 47559 10/04/2021 | CHK | 1 | HEALY BOOSTER CLUB | Donation | 50.00 |
| 47560 10/04/2021 | CHK | 25 | LANE-SCOTT ELECTRIC COOPERATIVE, | Payroll Transfer | 46,000.00 |

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

| Check / Tran Date | Pmt Type | Vendor | Vendor Name | Reference | Amount |
|----------------------|-------------|--------|---------------------------------|------------------------------------|-----------|
| 47561 10/04/2021 | CHK | 40 | KANSAS ELECTRIC COOPERATIVES | Monthly Invoice | 2,172.70 |
| 47562 10/04/2021 | CHK | 57 | LOPP MOTORS, INC. | Monthly Invoice | 268.44 |
| 47563 10/04/2021 | CHK | 73 | STANION WHOLESALE ELEC CO INC | Monthly Invoice | 30,565.81 |
| 47564 10/04/2021 | CHK | 107 | CINTAS CORPORATION #449 | Monthly Invoice-Digton | 306.34 |
| 47565 10/04/2021 | CHK | 164 | FAIRBANK EQUIPMENT INC. | Monthly Invoice | 963.33 |
| 47566 10/04/2021 | CHK | 172 | TYNDALE COMPANY, INC. | Clothing Allowance-Kasey Jenkinson | 322.40 |
| 47567 10/04/2021 | CHK | 182 | G.E.M.S. INC | Monthly Invoice | 860.17 |
| 47568 10/04/2021 | CHK | 184 | JOHNSTONE SUPPLY | Monthly Invoice | 1,989.47 |
| 47569 10/04/2021 | CHK | 186 | BRIDGEWELL RESOURCES LLC | Monthly Invoice-Poles | 16,639.56 |
| 47570 10/04/2021 | CHK | 306 | BORDER STATES INDUSTRIES INC | Monthly Invoice | 14,937.23 |
| 47571 10/04/2021 | CHK | 373 | KANSASLAND TIRE CO. INC OF HAYS | Monthly Invoice | 923.48 |
| 47572 10/04/2021 | CHK | 380 | GRAINGER | Monthly Invoice | 413.28 |
| 47573 10/04/2021 | CHK | 383 | HUXFORD POLE AND TIMBER CO INC | Poles | 15,655.74 |
| 47574 10/04/2021 | CHK | 479 | CASE BECKMAN | Lawn Care | 415.00 |
| 47575 10/04/2021 | CHK | 481 | CARTMILL FLORAL & CREATIONS | Cookies for Board Meeting | 70.31 |
| 47576 10/04/2021 | CHK | 506 | K&J FOODS | Monthly Invoice | 193.14 |
| 47577 10/04/2021 | CHK | 1197 | GARDEN CITY WHOLESALE SUPPLY | Monthly Invoice | 899.58 |
| 47578 10/04/2021 | CHK | 1225 | CINTAS CORPORATION | Monthly Invoice-Dighton | 156.07 |
| 47579 10/04/2021 | CHK | 1232 | KANSAS REC MANAGERS ASSOCIATIO | Kansas Accounting Association Dues | 120.00 |
| 47580 10/04/2021 | CHK | 1243 | TRI-CENTRAL OFFICE SUP-HAYS | Office Supplies | 447.88 |
| 47581 10/04/2021 | CHK | 1244 | PROTECTIVE EQUIPMENT TESTING | Monthly Invoice | 211.00 |
| 47582 10/04/2021 | CHK | 1251 | TECHLINE, LTD | Monthly Invoice | 6,771.56 |
| 47583 10/04/2021 | CHK | 1285 | TIFCO INDUSTRIES | Monthly Invoice | 139.60 |

Total Payments for Bank Account - 2 : (127) 513,725.51

Total Voids for Bank Account - 2 : (0) 0.00

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Accounts Payable Check Register

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09/03/2021 To 10/04/2021

Bank Account: 2 - FIRST STATE BANK

| Check / Tran Date | Pmt Type | Vendor | Vendor Name | Reference | Amount |
|------------------------------|-------------|--------|-------------|-----------|------------------|
| Total for Bank Account - 2 : | | | | | (127) 513,725.51 |
| Grand Total for Payments : | | | | | (127) 513,725.51 |
| Grand Total for Voids : | | | | | (0) 0.00 |
| Grand Total : | | | | | (127) 513,725.51 |

10/15/2021 9:13:47 am

Payroll/Labor Check Register

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Pay Date: 09/01/2021 To 09/30/2021

| Empl | Name | Pay Date | Dir Dep/Check | Gross Pay | Other Pay | Hours | Advances | Deductions/ ER Taxes | Txbl Benefits/ ER PTO | Taxes/ ER Benefits | Net Pay | Type |
|------|--------------------|------------|---------------|-----------|-----------|--------|----------|-------------------------|--------------------------|-----------------------|------------------------------------------|----------------|
| 5 | KATHERINE E LEWIS | 09/14/2021 | 5730 | 5,072.81 | 0.00 | 88.00 | 0.00 | 606.02 383.73 | 41.46 0.00 | 1,576.49 2,818.23 | 2,890.30 985.00 175.00 1,730.30 | DD DD DD |
| 5 | KATHERINE E LEWIS | 09/29/2021 | 5752 | 5,072.81 | 0.00 | 88.00 | 0.00 | 606.02 383.72 | 41.46 0.00 | 1,576.48 2,818.23 | 2,890.31 985.00 175.00 1,730.31 | DD DD DD |
| 21 | CARRIE M BORELL | 09/14/2021 | 5731 | 2,550.24 | 0.00 | 88.00 | 0.00 | 349.23 188.98 | 11.88 0.00 | 440.30 2,172.32 | 1,760.71 | DD |
| 21 | CARRIE M BORELL | 09/29/2021 | 5753 | 2,593.71 | 0.00 | 89.00 | 0.00 | 349.23 192.30 | 11.88 0.00 | 451.12 2,172.32 | 1,793.36 | DD |
| 22 | REBECCA L CAMPBELL | 09/14/2021 | 5732 | 2,288.00 | 0.00 | 88.00 | 0.00 | 394.78 164.91 | 5.96 0.00 | 414.67 2,065.51 | 1,478.55 450.00 1,028.55 | DD DD |
| 22 | REBECCA L CAMPBELL | 09/29/2021 | 5754 | 2,288.00 | 0.00 | 88.00 | 0.00 | 394.78 164.91 | 5.96 0.00 | 414.67 2,065.51 | 1,478.55 450.00 1,028.55 | DD DD |
| 26 | RICHARD A MCLEON | 09/14/2021 | 5733 | 9,583.33 | 0.00 | 88.00 | 0.00 | 350.07 140.89 | 132.91 0.00 | 2,244.65 3,498.04 | 6,988.61 | DD |
| 26 | RICHARD A MCLEON | 09/29/2021 | 5755 | 9,583.33 | 0.00 | 88.00 | 0.00 | 350.07 140.67 | 118.33 0.00 | 2,240.10 3,498.04 | 6,993.16 | DD |
| 34 | KALO M MANN | 09/14/2021 | 5734 | 3,769.08 | 0.00 | 98.00 | 0.00 | 561.92 291.07 | 98.03 0.00 | 859.57 1,978.81 | 2,347.59 | DD |
| 34 | KALO M MANN | 09/29/2021 | 5756 | 3,624.86 | 0.00 | 93.50 | 0.00 | 561.92 280.04 | 98.03 0.00 | 823.01 1,978.81 | 2,239.93 | DD |
| 35 | NATHAN A BURNS | 09/14/2021 | 5735 | 3,173.28 | 0.00 | 88.00 | 0.00 | 354.25 241.99 | 18.95 0.00 | 832.72 1,651.40 | 1,986.31 | DD |
| 35 | NATHAN A BURNS | 09/29/2021 | 5757 | 3,239.63 | 0.00 | 88.00 | 0.00 | 354.25 247.07 | 18.95 0.00 | 856.18 1,651.40 | 2,029.20 | DD |
| 50 | KASEY R JENKINSON | 09/14/2021 | 5736 | 4,049.65 | 0.00 | 91.00 | 0.00 | 731.32 304.01 | 16.13 0.00 | 871.77 2,703.57 | 2,446.56 | DD |
| 50 | KASEY R JENKINSON | 09/29/2021 | 5758 | 4,741.19 | 0.00 | 102.00 | 0.00 | 731.32 356.91 | 16.13 0.00 | 1,101.97 2,703.57 | 2,907.90 | DD |
| 55 | BENJAMIN L MANN | 09/14/2021 | 5737 | 3,852.64 | 0.00 | 88.00 | 0.00 | 654.27 293.72 | 15.88 0.00 | 838.61 1,928.50 | 2,359.76 | DD |
| 55 | BENJAMIN L MANN | 09/29/2021 | 5759 | 4,137.21 | 0.00 | 93.00 | 0.00 | 654.27 315.50 | 15.88 0.00 | 934.63 1,928.50 | 2,548.31 | DD |
| 74 | DAL S HAWKINSON | 09/14/2021 | 5738 | 3,718.88 | 0.00 | 88.00 | 0.00 | 538.60 277.90 | 5.67 0.00 | 801.02 2,648.72 | 2,379.26 | DD |

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Payroll/Labor Check Register

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Pay Date: 09/01/2021 To 09/30/2021

| Empl | Name | Pay Date | Dir Dep/Check | Gross Pay | Other Pay | Hours | Advances | Deductions/ ER Taxes | Txbl Benefits/ ER PTO | Taxes/ ER Benefits | Net Pay | Type |
|------|--------------------|------------|---------------|-----------|-----------|--------|----------|-------------------------|--------------------------|-----------------------|----------|------|
| 74 | DAL S HAWKINSON | 09/29/2021 | 5760 | 3,993.57 | 0.00 | 93.00 | 0.00 | 538.60 | 5.67 | 898.13 | 2,556.84 | DD |
| 84 | MICHAEL S POLLOCK | 09/14/2021 | | 3,461.40 | 0.00 | 90.00 | 0.00 | 298.92 | 0.00 | 2,648.72 | | |
| | | | 5739 | | | | | 720.96 | 6.29 | 645.88 | 2,094.56 | |
| | | | | | | | | 258.25 | 0.00 | 2,512.73 | 100.00 | DD |
| | | | | | | | | | | | 25.00 | DD |
| | | | | | | | | | | | 25.00 | DD |
| | | | | | | | | | | | 25.00 | DD |
| | | | | | | | | | | | 1,919.56 | DD |
| 84 | MICHAEL S POLLOCK | 09/29/2021 | | 3,668.19 | 0.00 | 94.50 | 0.00 | 720.96 | 6.29 | 698.30 | 2,248.93 | |
| | | | 5761 | | | | | 274.07 | 0.00 | 2,512.73 | 100.00 | DD |
| | | | | | | | | | | | 25.00 | DD |
| | | | | | | | | | | | 25.00 | DD |
| | | | | | | | | | | | 25.00 | DD |
| | | | | | | | | | | | 2,073.93 | DD |
| 85 | CHAD A RUPP | 09/14/2021 | 5740 | 3,718.88 | 0.00 | 88.00 | 0.00 | 518.56 | 46.22 | 774.96 | 2,425.36 | DD |
| | | | | | | | | 281.00 | 0.00 | 2,648.72 | | |
| 85 | CHAD A RUPP | 09/29/2021 | 5762 | 4,094.88 | 0.00 | 95.50 | 0.00 | 518.56 | 46.22 | 870.29 | 2,706.03 | DD |
| | | | | | | | | 309.78 | 0.00 | 2,648.72 | | |
| 89 | CHRIS R TERHUNE | 09/14/2021 | 5741 | 4,732.73 | 0.00 | 105.00 | 0.00 | 576.17 | 14.82 | 1,472.91 | 2,683.65 | DD |
| | | | | | | | | 356.16 | 0.00 | 2,648.72 | | |
| 89 | CHRIS R TERHUNE | 09/29/2021 | 5763 | 3,877.36 | 0.00 | 90.50 | 0.00 | 576.17 | 14.82 | 1,153.45 | 2,147.74 | DD |
| | | | | | | | | 290.74 | 0.00 | 2,648.72 | | |
| 93 | MYRON E SEIB | 09/14/2021 | 5742 | 4,041.73 | 0.00 | 94.00 | 0.00 | 657.55 | 26.89 | 753.89 | 2,630.29 | DD |
| | | | | | | | | 304.22 | 0.00 | 2,648.72 | | |
| 93 | MYRON E SEIB | 09/29/2021 | 5764 | 3,940.75 | 0.00 | 91.50 | 0.00 | 657.55 | 26.89 | 728.30 | 2,554.90 | DD |
| | | | | | | | | 296.50 | 0.00 | 2,648.72 | | |
| 99 | KEVIN A BRADSTREET | 09/14/2021 | 5743 | 4,272.68 | 0.00 | 98.00 | 0.00 | 450.86 | 17.64 | 1,248.53 | 2,573.29 | DD |
| | | | | | | | | 326.54 | 0.00 | 1,516.11 | | |
| 99 | KEVIN A BRADSTREET | 09/29/2021 | 5765 | 4,216.67 | 0.00 | 98.00 | 0.00 | 450.86 | 17.64 | 1,227.61 | 2,538.20 | DD |
| | | | | | | | | 322.25 | 0.00 | 1,516.11 | | |
| 108 | MARK R MCCULLOCH | 09/14/2021 | 5744 | 3,624.00 | 0.00 | 97.00 | 0.00 | 955.30 | 21.93 | 887.08 | 1,781.62 | DD |
| | | | | | | | | 276.69 | 0.00 | 1,657.64 | | |
| 108 | MARK R MCCULLOCH | 09/29/2021 | 5766 | 3,724.71 | 0.00 | 101.00 | 0.00 | 955.30 | 21.93 | 922.70 | 1,846.71 | DD |
| | | | | | | | | 284.41 | 0.00 | 1,657.64 | | |
| 117 | LEIGHTON J AYERS | 09/14/2021 | | 4,204.87 | 0.00 | 94.00 | 0.00 | 381.05 | 12.05 | 935.99 | 2,887.83 | |
| | | | 5745 | | | | | 315.57 | 0.00 | 2,537.16 | 150.00 | DD |
| | | | | | | | | | | | 2,737.83 | DD |
| 117 | LEIGHTON J AYERS | 09/29/2021 | | 4,773.65 | 0.00 | 105.00 | 0.00 | 381.05 | 12.05 | 1,135.68 | 3,256.92 | |
| | | | 5767 | | | | | 359.09 | 0.00 | 2,537.16 | 150.00 | DD |
| | | | | | | | | | | | 3,106.92 | DD |

10/15/2021 9:13:47 am

Payroll/Labor Check Register

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Pay Date: 09/01/2021 To 09/30/2021

| Empl | Name | Pay Date | Dir Dep/Check | Gross Pay | Other Pay | Hours | Advances | Deductions/ ER Taxes | Txbl Benefits/ ER PTO | Taxes/ ER Benefits | Net Pay | Type |
|---------------------|--------------------|------------|---------------|---------------|-----------|----------|----------|-------------------------|--------------------------|-----------------------|---------------|------|
| 129 | STACEY L FOOS | 09/14/2021 | 5746 | 70.97 | 0.00 | 4.50 | 0.00 | 0.00 | 0.00 | 5.43 | 65.54 | DD |
| | | | | | | | | 6.27 | 0.00 | 0.00 | | |
| 129 | STACEY L FOOS | 09/29/2021 | 5768 | 118.28 | 0.00 | 7.50 | 0.00 | 0.00 | 0.00 | 9.04 | 109.24 | DD |
| | | | | | | | | 10.46 | 0.00 | 0.00 | | |
| 130 | ANN MARIE JENNINGS | 09/14/2021 | 5747 | 2,126.96 | 0.00 | 88.00 | 0.00 | 279.13 | 8.07 | 397.13 | 1,450.70 | DD |
| | | | | | | | | 151.52 | 0.00 | 1,721.16 | | |
| 130 | ANN MARIE JENNINGS | 09/29/2021 | 5769 | 2,126.96 | 0.00 | 88.00 | 0.00 | 279.13 | 8.07 | 397.13 | 1,450.70 | DD |
| | | | | | | | | 151.52 | 0.00 | 1,721.16 | | |
| 131 | DIANA KUHLMAN | 09/14/2021 | 5748 | 2,099.68 | 0.00 | 88.00 | 0.00 | 377.21 | 10.75 | 333.71 | 1,388.76 | DD |
| | | | | | | | | 156.69 | 0.00 | 1,348.73 | | |
| 131 | DIANA KUHLMAN | 09/29/2021 | 5770 | 2,099.68 | 0.00 | 88.00 | 0.00 | 377.21 | 10.75 | 333.70 | 1,388.77 | DD |
| | | | | | | | | 156.68 | 0.00 | 1,348.73 | | |
| 132 | DELLON SHELTON | 09/14/2021 | 5749 | 3,457.74 | 0.00 | 111.00 | 0.00 | 152.19 | 1.70 | 991.95 | 2,313.60 | DD |
| | | | | | | | | 262.44 | 0.00 | 1,013.83 | | |
| 132 | DELLON SHELTON | 09/29/2021 | 5771 | 2,464.00 | 0.00 | 88.00 | 0.00 | 152.19 | 1.70 | 640.64 | 1,671.17 | DD |
| | | | | | | | | 186.40 | 0.00 | 1,013.83 | | |
| 134 | SCOTT A BRIAND | 09/14/2021 | 5750 | 1,672.00 | 0.00 | 88.00 | 0.00 | 94.33 | 3.00 | 237.71 | 1,339.96 | DD |
| | | | | | | | | 121.11 | 0.00 | 1,155.07 | | |
| 134 | SCOTT A BRIAND | 09/29/2021 | 5772 | 1,672.00 | 0.00 | 88.00 | 0.00 | 94.33 | 3.00 | 237.72 | 1,339.95 | DD |
| | | | | | | | | 121.12 | 0.00 | 1,155.07 | | |
| 135 | BLAKE MCVICKER | 09/14/2021 | 5751 | 3,839.68 | 0.00 | 99.00 | 0.00 | 259.99 | 3.18 | 1,028.64 | 2,551.05 | DD |
| | | | | | | | | 291.76 | 0.00 | 1,126.49 | | |
| 135 | BLAKE MCVICKER | 09/29/2021 | 5773 | 3,496.88 | 0.00 | 91.50 | 0.00 | 259.99 | 3.18 | 907.47 | 2,329.42 | DD |
| | | | | | | | | 265.54 | 0.00 | 1,126.49 | | |
| Grand Total: | | | | \$ 158,929.55 | \$ 0.00 | 3,899.00 | \$ 0.00 | \$ 19,927.52 | \$ 1,024.24 | \$ 37,151.93 | \$ 101,850.10 | |
| | | | | | | | | \$ 10,804.02 | \$ 0.00 | \$ 88,000.36 | | |



SUNFLOWER ELECTRIC POWER CORPORATION SPECIAL BOARD MEETING – SEPTEMBER 28, 2021

Hedging Products for January/February

The extreme February 2021 weather conditions and correlating historically high prices led to consideration of hedging approaches for January and February 2022. Sunflower and ACES staff provided additional information on the winter hedging products presented at the September Board meeting.

- The Weather Derivative Energy Call Option could not be executed in time and was removed from consideration
- The Fixed Energy Block Product is structured around the amount of energy needed beyond what could be provided by the Holcomb unit and Sunflower's Power Purchase Agreements during an extreme weather event. Blocks from 100 MW to 200 MW were studied with 150 MW remaining the recommended block. Since August, the price has increased \$51.00/MWh to \$56.25/MWh, but the benefit of the hedge also increased. Sunflower and ACES staff analyses show a positive NET RISK BENEFIT (Risk Reduction – Opportunity Loss) of \$1.09/MWh. The risk reduction is greater than the opportunity loss, making this a favorable product.
- The Natural Gas Financial Hedge Product is structured around the estimated fuel consumption by our natural gas units during an extreme weather event. Since August, the price has increased from \$4.13/MMBtu to \$5.44/MMBtu. Sunflower and ACES staff analyses show a decreased NET RISK BENEFIT (Risk Reduction – Opportunity Loss) of (\$0.34/MWh). The opportunity loss is greater than the risk reduction, a scenario that is usually not recommended. However, during extreme pricing conditions this would still be considered a favorable product.

The combined products would provide a positive Net Risk Benefit and equate to an estimated \$800,000 or 1.2 mill/kWh increase.

Board action: The Sunflower Board approved acquiring final pricing and securing agreements for a Fixed Energy Block of 150 MW and a Natural Gas Hedge.

Project Stellar

A data center hosting facility with specialties in cryptocurrency, bitcoin, and other applications has shown interest in locating in Kansas. The entity is a USA-based company with current locations in Texas, Nebraska, South Dakota. The initial buildout would be 20-30 MW facility—with growth from 100 to 500 MWs—at a 90-95% load factor (a 100 MW facility is expected to employ 15-20 people). A larger load would require additional capacity.

Low energy pricing is the key driver for this company. Project Stellar is also seeking one acre for every 10 MW, plus one acre for an office. Fiber and water are not concerns. The company prefers to locate near a substation and be outside residential areas due to the noise factor of the facility. Project Stellar is willing to invest 100% of the cost of facility upgrades.

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Staff will develop demand and energy incentives for the Board to consider for Project Stellar.

SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING – OCTOBER 20, 2021

CURRENT ACTIVITIES

January Board Dinner—Sunflower Leadership Pipeline

The Board of Directors is invited to a dinner to recognize the 2020 and 2021 Sunflower Leadership Pipeline participants. The program offers staff who are interested in managerial or executive positions the opportunity to apply for and engage in training that is focused on leadership competencies. The dinner will be held at the Smoky Hill Country Club at 6 p.m. on Tuesday, Jan. 18.

FERC Order 2222

Sunflower and the Members have been engaged in SPP workshops on FERC Order 2222, also referred to as the 2x4 Order, which addresses the use of Distributed Energy Resources (DERs) behind and in front of distribution meters.

December Board Meeting

The December Strategy Session and monthly Board of Directors meetings are scheduled for Dec. 9 –10. Both sessions will be held at the InterContinental Hotel, Kansas City, MO. As of Aug. 2, masks are required indoors, unless sitting to eat or drink.

Current topics on the agenda for the planned December strategy session include time-of-use rates/vehicle charging opportunities—PSE/Rich Macke; vehicle charging/business case scenarios—Burns & McDonnell; and a joint strategic initiative between Sunflower and Members, Wholesale to Retail.

ICARE

Resource Planning:

Conclusions from the 2020-21 Integrated Resource Planning (IRP) study were presented to the Board in August. Based on the study, ongoing work has included studying the impacts if generation assets were to be retired; analyzing continued O&M costs for existing generation resources; and evaluating hedging strategies around owned-generation assets.

Results showed the challenges, benefits, and opportunities associated with various generation fleet configurations. ACES is completing several updates to the IRP modeling runs that will be summarized during the November Board meeting. The results, along with any additional requested information, will be provided to the Board to make decisions about Sunflower's future generation portfolio.

Data Center Predevelopment Consideration:

Predevelopment measures were discussed for data centers, which would be a good load addition because they range between 20 MW – 500 MW with a 95% load factor. A 2020 report (BBRE) stated total data center inventory was forecast to grow by 13.8% in 2021. Sunflower staff have identified areas in the service territory that could best support a hyperscale data center, with Caldwell and Great Bend being the most suitable, particularly Caldwell. In June 2020 a three-year option was secured for property in Caldwell. To improve competitiveness of the site, our consultant has suggested Sunflower pursue ways to decrease the amount of time to provide needed electric infrastructure and consider some form of cost sharing for the investment required. Staff developed four options with varying costs and timelines for provided electric infrastructure. Option 2—an 18-month from NTP with right of way at a cost of \$2.3M (plus money spent to date)—was recommended by staff and will be discussed further at the November Board meeting.

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Project Stellar:

Please refer to the Sept. 28 Special Board Meeting Report on page 1 for background details. Staff developed an option for pricing that includes the WHM rate with additional credits. Sunflower staff will work with the four Members to analyze the estimated cost for transmission upgrades that would be needed at possible service locations.

Board action: The Sunflower Board approved the capacity and energy pricing with additional credits as presented for Project Stellar.

Renewable Energy Program:

Sunflower's Renewable Energy Program is being developed as a way for end-users, primarily residential customers, to participate in renewable resources at a lower cost and without the hassles connected to distributed energy installations. Tier 1 of the program would make wind energy available for \$0.0025/kWh; solar energy would be available for \$0.0035/kWh. For example, if an average residential customer wanted to cover their full usage with renewable energy it would equate to approximately 1,000 kWh x \$0.0035 = \$3.50/month. Staff used market pricing for renewable energy credits (RECs) to determine costs, and since solar RECs are worth more than wind, they are priced higher. RECs will be retired under the name of the purchaser, and REC certificates will be provided as verification.

In comparison, the average cost in Kansas for a 6-kW rooftop solar system costs approximately \$14,00, and 7,788 kWh of annual use results in approximately \$780 savings per year. The payback period is 19 years.

The average initial cost to participate in community solar is approximately \$6,750, and if 7,750 kWh were used annually, it would result in approximately \$488 savings per year. The payback period is 14 years.

Sunflower staff met with each Member to discuss the program. Some questions that arose included whether larger customers can participate in Tier 1 (yes, but we would need to change the language in rider); how the \$0.0025/kWh and \$0.0035/kWh charges on Tier 1 were determined (staff used market pricing for RECs to determine cost); why solar RECs are worth more than wind RECs (in line with pricing Evergy has for similar program); whether the premium on Tier 1 is accounted as revenue (income collected for Tier 1 will go to offset the ECA, just as the RECs that we sell and on which we earn revenue); and the kind of agreement needed between Sunflower, Member, and the customer (Sunflower will develop a simple agreement that can be used and distribute to Members).

Sunflower's communication staff will schedule a call with Member communication staff to discuss public relations efforts for the program. Staff will also develop a survey for Members to disseminate to get feedback from their members regarding community solar.

PRESIDENT'S REPORT

Operations

H1 has been restricted to half load to conserve fuel for the winter months. This restriction will last through October. In November, the unit will be taken offline to clear the cooling tower and circulating water system of naturally accumulating debris.

The field work has been completed on the SWEEP Project, and staff are completing work to close the project. The project came in above the estimate due to an increase in material costs and the need for more foundation work.

Power Supply & Delivery

Several issues remain outstanding that could impact the total costs of Storm Uri. To proactively prepare for a severe winter weather event, as directed by the Sunflower Board, staff took the

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following measures: executed a 150 MW 7X24 Fixed Energy Block for January and February 2022 at 10:35 a.m. on Sept. 29 for \$61.25/MWh from Morgan Stanley; executed a financial natural gas purchase of 10 contracts in January and February at 2:20 p.m. on Sept. 30 for \$6.65/MMBtu from Exelon (please see page 1 for more details). Staff also reviewed the impact that recent gas price and market energy price increases had on the ECA projections for the Members next year.

National Helium is party to a three-party retail electric service agreement with Sunflower and Southern Pioneer, a contract that expires on Dec. 31, 2021. National Helium would like to extend the contract for another five years under similar terms.

Board action: The Sunflower Board approved the contract extension with National Helium for five years as presented.

The City of Dighton is party to a two-party agreement with Lane-Scott. The agreement expires on Dec. 31, 2024. Sunflower and Lane Scott made a proposal to the City that would change pricing prior to expiration of the existing contract and extend the term of the contract.

Board action: The Sunflower Board approved the contract extension with the City of Dighton for ten years as presented.

Transmission Policy and NERC Compliance

Sunflower staff continue to work at SPP drafting adjustments requested by FERC on the C2 waiver. Specifically, FERC stated that in the first filing, the SPP Board had too much discretion regarding qualifying projects. In the new language, qualifying projects must be in a zone where wind exports are 70% or higher and have more than 50% of the benefits going to the region. The new language will be presented to the SPP RSC and SPP Board and, if approved, will move on to FERC.

Corporate Services

The Great Bend Service Center is located on 10.2 acres in Great Bend. The purchase of this facility and property from Wheatland and the plans to remodel the facility allow Sunflower to avoid costlier alternatives, such as new construction, will centralize Transmission Operations and Maintenance (TOM) staff, and will allow for proper housing of critical material and equipment. Staff sought Board approval to purchase and remodel the GBSC property/facility.

Board action: The Sunflower Board approved the Great Bend Service Center Project as presented with a total cost estimate of \$1,986,411.

Financials

Overall Member loads were down 4.89% from budget for the month and down 2.31% year to date. Large industrial loads were down 18.38% from budget for the month and 4.40% from budget year to date. Year-to-date operating expenses were down 12.8% from budget, a large portion due to the \$10 million Paycheck Protection Plan (PPP) loan forgiveness. Storm Uri caused an increase in the ECA of \$276.22/MWh over budget for the month of February and was the primary contributor to the increase in the year-to-date average Member rate of \$88.19/MWh.

Audit proposals from KPMG and BKD were presented. Staff recommend the acceptance of BKD's audit proposal due to the significant reduction in audit service fees. An audit engagement letter will be presented to the Board for approval during the November Board meeting.

Board action: The Sunflower Board approved the audit proposal from BKD and directed Sunflower staff to pursue a letter of engagement with BKD.

The Member Equity and Patronage topic was revisited. Due to the strong earnings year and the winter weather event, several options for special actions have been considered. Staff updated the Board on the 2020 tax return filing and presented Member allocations based on First In,

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First Out and Last In, First Out approaches. The Board directed staff to make a regular allocation in January based on FIFO 70/30 Sunflower/Mid-Kansas split. The special retirement will be reviewed again at a future meeting.

Touchstone Energy Cooperative Meetings

The 2021 National Touchstone Energy virtual business meeting and election meeting are scheduled for Wednesday, Dec. 1.

The Sunflower Board selected Jerry Gallagher as delegate for the 2021 Touchstone Energy virtual business meeting and election meeting.



KEC Board Meeting Summary

Oct. 13, 2021, in Wichita

To: KEC Trustees,
Alternate Trustees
and Member System
Managers

From: Shana Read,
Director of Education
and Training

Upcoming KEC Meetings

Nov. 1, 3, 4, and 5
KEC District
Meetings

Dec. 1-2, 2021
KEC Board Meeting
Marriott, Wichita

Jan. 22-24, 2022
KEC Annual Meeting
Hotel Topeka,
Topeka

March 2-3, 2022
Hilton Garden Inn,
Salina

May 11-12, 2022
Marriott, Wichita

July 30-Aug. 1, 2022
KEC Summer
Meeting
Overland Park
Marriott

In official action, the KEC Board of Trustees

1. Ratified updates to the KEC Committee Assignments.
2. As recommended by the Budget and Operations Committee, approved the 2022 salary and benefits budget for KEC.
3. Updated the eligibility requirements for employee contributions to the NRECA 401(k) plan. The action reduces the waiting period for an employee to begin contributing into the plan.
4. Approved the slate of KEC Board of Trustee meetings for 2022.
5. As recommended by the Communications Committee, approved a proposal to reduce the number of pages of the *Kansas Country Living* magazine to 24 pages, to forgo national advertising, and to authorize KEC staff to enter a multi-year contract with Quad Graphics in October 2021 for printing and mailing services for the magazine to assure order placement of production paper needed starting with the March 2022 issue of *Kansas Country Living*.
6. As recommended by the joint Legislative and Regulatory Review and Tax Committees, approved the Advocacy Framework.
7. As recommended by the joint Legislative and Regulatory Review and Tax Committees, approved a proposal from the DG Working Group that KEC continue to defend the autonomy of cooperatives and their ability to set their own electric rates.

KEC Board Meeting Summary

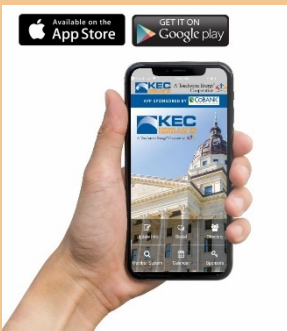
President Terry Hobbs appointed Mike Morton, Bluestem; John Blackwell, Midwest Energy; Angie Erickson, Twin Valley; and Pat Morse, Victory; as the Nominating Committee for the KEC Officer elections in 2021.

Oct. 5-6, 2022
Marriott, Wichita

December 7-8, 2022
Marriott, Wichita

KEC App

[View the
instructions for
the KEC App](#)



The KEC standing committees met as hybrid meetings prior to the board meeting to review the departmental activities and preliminary budgets for 2022. The KEC Trustees heard department reports from KEC Staff and committee reports from the following: The **Budget & Operations Committee** reviewed the 2022 salary and benefits budget for KEC. The **Communications Committee** received activity reports and reviewed proposed budget items from the Communications Department. There was detailed discussion about challenges with supply chain issues and a review of proposals to move *Kansas Country Living* to a new printer, reduce the number of pages, and to forgo national advertising. The **Executive Committee** met to discuss options for the KEC 2022 Summer Meeting. The **Legislative Committee** and the **Regulatory Review and Tax Committee** met jointly to receive an update on the Advocacy Framework, as well as the DG Working Group. The committees considered potential legislative issues for 2022, heard updates on a variety of national and state programs, and received a KCRE report. The **LCS&C Committee** reviewed the proposed budget and department activities. There was discussion on unannounced field observations, on-site regulatory compliance visits, a review of the Aug. 12 Safety Summit, and the open instructor position at KEC.

During the hybrid KEC Board Meeting, the Board also heard a report from Pat Morse, Kansas representative to the NRECA Board.

Prior to the KEC Board Meeting, Louis Finkel, NRECA's Senior Vice President of Government Relations, gave a virtual presentation on the Federal Clean Energy Plan and other political initiatives.

Kansas Touchstone Energy Meeting

All KEC member-cooperatives are invited to attend the hybrid Kansas Touchstone Energy annual meeting on Oct. 22. If you would like to attend in person at Butler's headquarters in El Dorado, or if you'd like to attend virtually, please contact [Shana Read](#) at 785-228-4620 for details.

KEC's Co-op Attorney CLE

Cooperative attorneys, staff, and trustees are invited to attend the annual KCE Co-op Attorney CLE. The training will be held at KEPCo's headquarters on Oct. 29. To learn more about the topics, schedule, and CLE credit, please contact [Carol Dorr](#) at 785-228-4614 or [Leslie Kaufman](#) at 785-228-4628.



Average Residential Electric Revenue For RECs and IOUs in Kansas For the Year Ending December 31, 2020

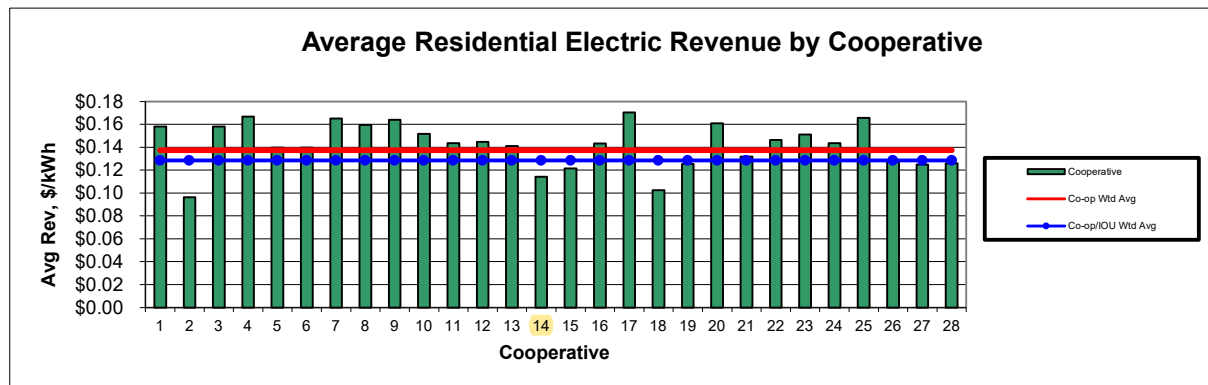
Notice: For internal use only by member systems of Kansas Electric Cooperatives, Inc.
No further reproduction or distribution of the data is allowed without KEC's express written permission.

| Cooperative | Residential Consumers | Residential MWh Sold | Residential Revenue, \$ | Avg Mo. Revenue/Consumer, \$ | Avg Mo. kWh/Consumer | Avg Revenue \$/ kWh | Diff from Co-op Avg, % | Diff from Co-op/IOU Avg, % |
|---------------------|-----------------------|----------------------|-------------------------|------------------------------|----------------------|---------------------|------------------------|----------------------------|
| 14 Rivers | 8,482 | 99,833 | 15,778,570 | 155.02 | 981 | 0.1581 | 15.1% | 23.1% |
| 2 Alfalfa | 2,901 | 52,916 | 5,102,863 | 146.58 | 1,520 | 0.0964 | -29.8% | -24.9% |
| 3 Ark Valley | 3,669 | 45,468 | 7,184,692 | 163.18 | 1,033 | 0.1580 | 15.1% | 23.1% |
| 4 Bluestem | 5,645 | 70,075 | 11,674,997 | 172.35 | 1,034 | 0.1666 | 21.3% | 29.8% |
| 5 Brown-Atchison | 2,801 | 30,743 | 4,289,935 | 127.63 | 915 | 0.1395 | 1.6% | 8.6% |
| 6 Butler | 6,716 | 100,177 | 13,985,886 | 173.54 | 1,243 | 0.1396 | 1.7% | 8.7% |
| 7 Caney Valley | 3,545 | 31,206 | 5,152,903 | 121.13 | 734 | 0.1651 | 20.2% | 28.6% |
| 8 CMS | 1,961 | 23,370 | 3,726,752 | 158.37 | 993 | 0.1595 | 16.2% | 24.2% |
| 9 Doniphan | 1,399 | 14,749 | 2,415,921 | 143.91 | 879 | 0.1638 | 19.3% | 27.6% |
| 10 DSO | 7,158 | 88,287 | 13,384,333 | 155.82 | 1,028 | 0.1516 | 10.4% | 18.1% |
| 11 Flint Hills | 4,177 | 51,350 | 7,369,031 | 147.02 | 1,024 | 0.1435 | 4.5% | 11.8% |
| 12 FreeState | 16,993 | 216,695 | 31,307,415 | 153.53 | 1,063 | 0.1445 | 5.2% | 12.5% |
| 13 Heartland | 8,584 | 108,036 | 15,232,106 | 147.87 | 1,049 | 0.1410 | 2.7% | 9.8% |
| 14 Lane-Scott | 2,231 | 24,225 | 2,763,689 | 103.23 | 905 | 0.1141 | -16.9% | -11.1% |
| 15 Midwest Energy | 29,742 | 310,652 | 37,748,258 | 105.77 | 870 | 0.1215 | -11.5% | -5.4% |
| 16 Nemaha-Marshall | 3,351 | 38,096 | 5,459,837 | 135.78 | 947 | 0.1433 | 4.4% | 11.6% |
| 17 Ninnescan | 2,086 | 16,600 | 2,827,906 | 112.97 | 663 | 0.1704 | 24.1% | 32.7% |
| 18 Pioneer | 5,006 | 62,565 | 6,411,501 | 106.73 | 1,042 | 0.1025 | -25.3% | -20.2% |
| 19 Prairie Land | 13,737 | 132,718 | 16,631,499 | 100.89 | 805 | 0.1253 | -8.7% | -2.4% |
| 20 Rolling Hills | 5,996 | 65,792 | 10,572,802 | 146.94 | 914 | 0.1607 | 17.0% | 25.2% |
| 21 Sedgwick County | 5,920 | 91,837 | 12,091,296 | 170.20 | 1,293 | 0.1317 | -4.1% | 2.6% |
| 22 Southern Pioneer | 12,503 | 115,410 | 16,898,548 | 112.63 | 769 | 0.1464 | 6.6% | 14.0% |
| 23 Sumner-Cowley | 3,286 | 47,625 | 7,195,701 | 182.48 | 1,208 | 0.1511 | 10.1% | 17.7% |
| 24 Tri-County | 13,054 | 145,938 | 20,958,105 | 133.79 | 932 | 0.1436 | 4.6% | 11.8% |
| 25 Twin Valley | 2,131 | 24,788 | 4,108,217 | 160.65 | 969 | 0.1657 | 20.7% | 29.0% |
| 26 Victory | 13,740 | 140,005 | 17,862,867 | 108.34 | 849 | 0.1276 | -7.1% | -0.6% |
| 27 Western | 5,842 | 57,971 | 7,229,222 | 103.12 | 827 | 0.1247 | -9.2% | -2.9% |
| 28 Wheatland | 20,579 | 208,640 | 26,244,411 | 106.28 | 845 | 0.1258 | -8.4% | -2.0% |
| Total | 213,235 | 2,415,767 | 331,609,263 | | | | | |
| Weighted Average | | | | 129.59 | 944 | 0.1373 | | |
| Median | | | | 145.25 | 958 | 0.1436 | | |

Note: Southern Pioneer is not a cooperative, but a wholly-owned subsidiary of Pioneer and operated as a not-for-profit utility.

| Investor-Owned Utilities | Residential Consumers | Residential MWh Sold | Residential Revenue, \$ | Avg Mo. Revenue/Consumer, \$ | Avg Mo. kWh/Consumer | Avg Revenue \$/ kWh |
|----------------------------|-----------------------|----------------------|-------------------------|------------------------------|----------------------|---------------------|
| Empire Dist. (KS Only) | 8,183 | 103,380 | 12,002,985 | 122.23 | 1,053 | 0.1161 |
| Eversource Kansas Central | 335,259 | 3,403,898 | 426,464,311 | 106.00 | 846 | 0.1253 |
| Eversource Kansas South | 293,297 | 3,087,234 | 384,442,445 | 109.23 | 877 | 0.1245 |
| Eversource Metro (KS Only) | 236,259 | 2,821,787 | 364,201,203 | 128.46 | 995 | 0.1291 |
| Total | 872,998 | 9,416,299 | 1,187,110,944 | | | |
| Weighted Average | | | | 113.32 | 899 | 0.1261 |

| | | | | | | |
|-----------------------|-----------|------------|---------------|--------|-----|--------|
| Co-op/IOU Total | 1,086,233 | 11,832,066 | 1,518,720,207 | | | |
| Co-op/IOU Wtd Average | | | | 116.51 | 908 | 0.1284 |



Source: 2020 RUS/CFC Form 7
2020 FERC Form No. 1
2020 KCC Annual Report

Prepared by:



Management Consulting Services

8. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Sep 2021

| | current month (\$/kWh) | year to date (\$/kWh) | ytd 2020 avg. (\$/kWh) | |
|-----------------------------------|------------------------|-----------------------|------------------------|--------|
| Residential | 0.1306 | 0.1277 | 10.1% | 0.1148 |
| Residential - Seasonal | 0.2064 | 0.2039 | 6.2% | 0.1911 |
| Irrigation | 0.0997 | 0.0913 | 6.3% | 0.0856 |
| C&I 1000kVa or less | 0.1241 | 0.1162 | 9.2% | 0.1055 |
| C&I over 1000 kVA | 0.1266 | 0.1136 | 14.7% | 0.0970 |
| Public Street and Lighting | 0.1433 | 0.1337 | 6.4% | 0.1252 |
| Other Sales to Public Authorities | 0.1532 | 0.1424 | -1.6% | 0.1447 |
| Sales for Resale - Other | 0.0856 | 0.1031 | 32.2% | 0.0699 |
| Total Sales price per kWh: | 0.1098 | 0.1153 | 12.7% | 0.1007 |

| September 2021 | | | |
|----------------|--------|------------------------------------------------------------------------------------------|--|
| SAIDI | 3.55 | Interruption DURATION / average for every member (hrs) | |
| SAIFI | 2.26 | Interruption FREQUENCY / Average # of Interruptions per customer | |
| CAIDI | 1.57 | Customer Average Interruption Duration Index - IF you are out, how long to expect (hrs). | |
| ASAI | 99.96% | Service Availability | |

B. Administration

- 1) Pole Inspections. We completed the first week of 34.5kV pole testing with 234 poles tested. There were 9 rejects and 59 tagged for re-test in 5 years. The testers (Utility Asset Management) left to finish jobs in CO and NE and should be back on Lane-Scott in mid-November.

We are reaching out to IES for a construction bid to replace the 9 red-tagged poles before year-end.

- 2) City of Dighton. The recent activities with the city took an interesting turn. After three meetings with the City Council, we found out that the current Council plans to take the Sunflower contract, but they want a third-party, legal review of the contract. The Council has additionally asked KMEA to review the contract and identify areas where the City should have concerns.

I have informed the Council that in the current volatile economy (and market) the rates in the contract probably have a shelf-life. Waiting for another legal review may extend the acceptance beyond Sunflowers' willingness to keep the offer on the table.

A bigger question is the Tuesday election that will likely see a significant and probably unfavorable shift in the make-up of the City Council. It appears that LSEC and Sunflower have been caught in the political fight between the two factions with one opposed to us and the other lying to us. We have left the Wholesale Power Contract in the city's court and informed them to contact us if they have any questions or are ready to execute or reject the offer. Sunflower has really outperformed on this one.

- 3) The Credit Card records are available for the Boards review.

C. Operations Report

- 1) New Construction continues to be steady.
- 2) Accidents. Scott Bond Trucking was moving a trailer house out of Healy and caught the secondary, crossing the alley to Dan Sharps rental. The trailer house ripped the secondary out of the house along with conduit and breaker boxes.
- 3) Construction Work Plan. New concrete continues the yard in Dighton. We also have the equipment for the install of the metering on the "low-side" of the three substations serving Dighton. We expect to begin installation next month.

D. Operating Margins

- 1) September Income Statement.
 - a. Total Operating Revenue is up \$376,792 over the 10-year average for September.
 - b. Operating Margins are \$199,472 with \$547,380 year to date. This produces a OPTIER of 1.55.
 - c. Total Margins are \$277,110 for the current month with \$639,587 year to date. This gives a 1.64 TIER.
 - d. Billing Past Due (current – Oct 26, 2021)
 - i. 30 day – \$ 3,330.00
 - ii. 60 day – 1,615.58
 - iii. 90 day – 8,926.16
- 2) Balance Sheet.
 - a. Cash Balances remain strong at \$6,683,491.
 - b. Equity as a percent of Capitalization is up at 39.22%
 - c. General Funds level is steady at 18.65%
 - d. Current Ratio is stable at 1.72.
 - e. Total Long-term debt is \$35,670,865 down \$3,032,197 (7.8%) from a high of \$38,703,062 in March 2021.

E. Non-Operating Margins

- 1) Our year-to-date Non-Operating margins [Form 7, Part A, Lines 22(b) + Line 25(b) + Line 27(b)] is a \$92,207 gain.
- 2) Retail Services.
 - a. A \$8,898.53 gain in September but a YTD loss of \$87,679.86.
 - b. Resale Hours (YTD). Billable hours represent 71.79% of total hours.
 - c. We currently have \$103,784 in Inventory which has been paid and is waiting for delivery and install. This will offset losses and produce an average net margin of \$31,750.
 - d. Outstanding Balances. (As of Oct 26, 2021)
 - i. 30-60 day - \$ 3,407.57
 - ii. 60-90 day - \$ 5,054.19
 - iii. Over 90 day - \$ 4,737.63

- 3) Interest earned (YTD) – \$152,302
- 4) Other capital Credits and patronage Dividends (YTD) – \$44,305

F. Member Services

- 1) Capital Credit General Retirement: Letters were mailed to over 500 active members, giving them the option to receive a check or credit their account. Credit to the account is the default if we don't hear anything from them. The deadline to call the office is Nov. 5th.
- 2) Christmas Gift Certificates: We are offering people the opportunity to purchase the gift of electricity as Christmas gifts. The recipient must be a Lane-Scott Electric member, and their account will be credited for the purchased gift certificate amount.
- 3) Overhead Line Safety Demonstrations: November 16th – Dighton 6-8pm, November 17th Ness City at J&S Electric 6-8pm. Wheatland Electric is going to bring their trailer and help with the demo. We are inviting 1st Responders including Fire, Police, EMT's and Emergency Mgt.
 - 1) Paperless Billing Campaign is underway. Significant increases in postal rates stimulated a campaign to incentivize members to "go paperless". We are offering:
 - a. A \$50.00 drawing for all members who switch through December and a
 - b. A \$15.00 bill credit on next month's billing to new members.
 - 2) Giving Thanks Giveaway: We are offering a helping hand to a few members by giving away 3 \$100 local grocery store certificates. Entries or nominations can be made by mail, on our website, or by calling the office. Deadline Nov. 17th.

G. Warehouse /Retail Report

- 1) Material wait time continues to be a major concern. This has affected everything from conductor and transformers to trucks and Generac's. Scott has done a great job of managing our inventory with a line inventory turn to 0.937 and Resale Material Inventory to 0.692. The line inventory turn is extended due to us stocking up where we can.
- 2) Generac. Two generators were installed in October and an additional two were ordered. Requests for quotes on Generac generators seen a significant increase this month, with four being done, one still waiting, and another wanting us to rebid. There will be another price increase by Generac on the 25th of October. Mark is in the process of completing his recertification training online. Lead times are still an issue, with the average being around 28 weeks.
- 3) We are promoting another furnace filter sale November – December for 25% off furnace filters at the retail store. The discount is also being given by filters needed during Mark's season checks.

Respectfully submitted,

Richard McLeon, MBA
General Manager

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | BORROWER DESIGNATION KS0042 |
| | PERIOD ENDED September 2021 |
| | BORROWER NAME The Lane-Scott Electric Cooperative, Inc. |
| INSTRUCTIONS - See help in the online application. | |

This information is analyzed and used to determine the submitter’s financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

Richard McLeon
 10/21/2021
 DATE

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

| PART A. STATEMENT OF OPERATIONS | | | | |
|--------------------------------------------------------|------------------|------------------|---------------|------------|
| ITEM | YEAR-TO-DATE | | | THIS MONTH |
| | LAST YEAR (a) | THIS YEAR (b) | BUDGET (c) | |
| 1. Operating Revenue and Patronage Capital | 12,609,082 | 14,256,031 | 12,790,111 | 1,896,619 |
| 2. Power Production Expense | | | | |
| 3. Cost of Purchased Power | 7,264,886 | 8,707,919 | 7,725,796 | 1,119,625 |
| 4. Transmission Expense | 1,592 | | | |
| 5. Regional Market Expense | | | | |
| 6. Distribution Expense - Operation | 1,071,509 | 655,972 | 764,795 | 101,565 |
| 7. Distribution Expense - Maintenance | 632,129 | 810,223 | 524,998 | 78,804 |
| 8. Customer Accounts Expense | 148,662 | 135,999 | 135,305 | 19,589 |
| 9. Customer Service and Informational Expense | 31,337 | 47,173 | 28,084 | 5,014 |
| 10. Sales Expense | 46,967 | 35,034 | 35,682 | 6,181 |
| 11. Administrative and General Expense | 961,097 | 920,213 | 892,433 | 99,502 |
| 12. Total Operation & Maintenance Expense (2 thru 11) | 10,158,179 | 11,312,533 | 10,107,093 | 1,430,280 |
| 13. Depreciation and Amortization Expense | 1,231,551 | 1,380,375 | 1,297,397 | 154,171 |
| 14. Tax Expense - Property & Gross Receipts | | | | |
| 15. Tax Expense - Other | | | | |
| 16. Interest on Long-Term Debt | 1,001,987 | 999,413 | 928,813 | 111,861 |
| 17. Interest Charged to Construction - Credit | | | | |
| 18. Interest Expense - Other | 1,486 | 109 | 1,885 | 12 |
| 19. Other Deductions | 6,808 | 16,221 | 9,450 | 823 |
| 20. Total Cost of Electric Service (12 thru 19) | 12,400,011 | 13,708,651 | 12,344,638 | 1,697,147 |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 209,071 | 547,380 | 445,473 | 199,472 |
| 22. Non Operating Margins - Interest | 189,535 | 152,302 | 195,823 | 45,841 |
| 23. Allowance for Funds Used During Construction | | | | |
| 24. Income (Loss) from Equity Investments | | | | |
| 25. Non Operating Margins - Other | (58,099) | (104,400) | 20,625 | 9,089 |
| 26. Generation and Transmission Capital Credits | | | | |
| 27. Other Capital Credits and Patronage Dividends | 43,756 | 44,305 | 50,000 | 22,708 |
| 28. Extraordinary Items | | | | |
| 29. Patronage Capital or Margins (21 thru 28) | 384,263 | 639,587 | 711,921 | 277,110 |

| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | | | BORROWER DESIGNATION KS0042 | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------------------------------------------------------------|------------------|------------------|
| INSTRUCTIONS - See help in the online application. | | | PERIOD ENDED September 2021 | | |
| PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT | | | | | |
| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 44 | 43 | 5. Miles Transmission | | |
| 2. Services Retired | 49 | 38 | 6. Miles Distribution – Overhead | 2,036.59 | 2,035.37 |
| 3. Total Services in Place | 6,034 | 6,047 | 7. Miles Distribution - Underground | 7.53 | 7.66 |
| 4. Idle Services (Exclude Seasonals) | 244 | 248 | 8. Total Miles Energized (5 + 6 + 7) | 2,044.12 | 2,043.03 |
| PART C. BALANCE SHEET | | | | | |
| ASSETS AND OTHER DEBITS | | | LIABILITIES AND OTHER CREDITS | | |
| 1. Total Utility Plant in Service | 58,473,900 | | 30. Memberships | 0 | |
| 2. Construction Work in Progress | 306,090 | | 31. Patronage Capital | 21,708,074 | |
| 3. Total Utility Plant (1 + 2) | 58,779,990 | | 32. Operating Margins - Prior Years | 0 | |
| 4. Accum. Provision for Depreciation and Amort. | 19,019,259 | | 33. Operating Margins - Current Year | 547,380 | |
| 5. Net Utility Plant (3 - 4) | 39,760,731 | | 34. Non-Operating Margins | 633,507 | |
| 6. Non-Utility Property (Net) | 0 | | 35. Other Margins and Equities | 129,289 | |
| 7. Investments in Subsidiary Companies | 230,144 | | 36. Total Margins & Equities (30 thru 35) | 23,018,250 | |
| 8. Invest. in Assoc. Org. - Patronage Capital | 10,935,588 | | 37. Long-Term Debt - RUS (Net) | 0 | |
| 9. Invest. in Assoc. Org. - Other - General Funds | 445,461 | | 38. Long-Term Debt - FFB - RUS Guaranteed | 33,258,342 | |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds | 221,958 | | 39. Long-Term Debt - Other - RUS Guaranteed | 0 | |
| 11. Investments in Economic Development Projects | 0 | | 40. Long-Term Debt Other (Net) | 6,749,773 | |
| 12. Other Investments | 5,501 | | 41. Long-Term Debt - RUS - Econ. Devel. (Net) | 0 | |
| 13. Special Funds | 0 | | 42. Payments – Unapplied | 4,337,250 | |
| 14. Total Other Property & Investments (6 thru 13) | 11,838,652 | | 43. Total Long-Term Debt (37 thru 41 - 42) | 35,670,865 | |
| 15. Cash - General Funds | 113,004 | | 44. Obligations Under Capital Leases - Noncurrent | 0 | |
| 16. Cash - Construction Funds - Trustee | 100 | | 45. Accumulated Operating Provisions and Asset Retirement Obligations | 0 | |
| 17. Special Deposits | 25 | | 46. Total Other Noncurrent Liabilities (44 + 45) | 0 | |
| 18. Temporary Investments | 6,062,893 | | 47. Notes Payable | 0 | |
| 19. Notes Receivable (Net) | 0 | | 48. Accounts Payable | 1,240,339 | |
| 20. Accounts Receivable - Sales of Energy (Net) | 1,833,974 | | 49. Consumers Deposits | 106,237 | |
| 21. Accounts Receivable - Other (Net) | 301,991 | | 50. Current Maturities Long-Term Debt | 2,274,613 | |
| 22. Renewable Energy Credits | 0 | | 51. Current Maturities Long-Term Debt - Economic Development | 0 | |
| 23. Materials and Supplies - Electric & Other | 425,344 | | 52. Current Maturities Capital Leases | 0 | |
| 24. Prepayments | 29,672 | | 53. Other Current and Accrued Liabilities | 1,240,891 | |
| 25. Other Current and Accrued Assets | 50,011 | | 54. Total Current & Accrued Liabilities (47 thru 53) | 4,862,080 | |
| 26. Total Current and Accrued Assets (15 thru 25) | 8,817,014 | | 55. Regulatory Liabilities | 0 | |
| 27. Regulatory Assets | 0 | | 56. Other Deferred Credits | 0 | |
| 28. Other Deferred Debits | 3,134,798 | | 57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56) | 63,551,195 | |
| 29. Total Assets and Other Debits (5+14+26 thru 28) | 63,551,195 | | | | |
| | | | | | |

2021-Line 25 - Non-Operating Margins

| | | January | February | March | April | May | June | July | August | September | October | November | December | TOTAL | |
|-------------------------|----------|---------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|-------------|---------|----------|----------|----------------|-------|
| Rev.-Electrician & Mat. | 415.1 | \$21,979.30 | \$33,725.96 | \$36,603.65 | \$62,555.37 | \$30,506.42 | \$39,172.37 | \$36,754.36 | \$43,398.07 | \$50,905.59 | | | | \$355,601.09 | 415.1 |
| Exp.-Electrician & Mat. | 416.1/11 | \$37,455.59 | \$33,719.44 | \$58,676.34 | \$53,497.52 | \$46,608.94 | \$40,092.82 | \$41,190.87 | \$47,974.50 | \$45,079.74 | | | | \$404,295.76 | 416.1 |
| | | (\$15,476.29) | \$6.52 | (\$22,072.69) | \$9,057.85 | (\$16,102.52) | (\$920.45) | (\$4,436.51) | (\$4,576.43) | \$5,825.85 | \$0.00 | \$0.00 | \$0.00 | (\$48,694.67) | |
| Rev.-Appliance Repair | 415.2 | \$18,124.45 | \$16,600.50 | \$10,552.30 | \$20,556.46 | \$15,359.94 | \$17,982.14 | \$17,238.50 | \$19,202.59 | \$21,829.52 | | | | \$157,446.40 | 415.2 |
| Exp.-Appliance Repair | 416.2/21 | \$21,949.19 | \$25,502.80 | \$21,943.61 | \$24,239.04 | \$20,640.74 | \$24,282.83 | \$21,500.39 | \$22,813.30 | \$19,682.71 | | | | \$202,554.61 | 416.2 |
| | | (\$3,824.74) | (\$8,902.30) | (\$11,391.31) | (\$3,682.58) | (\$5,280.80) | (\$6,300.69) | (\$4,261.89) | (\$3,610.71) | \$2,146.81 | \$0.00 | \$0.00 | \$0.00 | (\$45,108.21) | |
| Rev.-Member Damages | 415.3 | \$3,088.75 | \$0.00 | \$1,386.50 | \$444.50 | \$0.00 | \$1,372.50 | \$204.39 | \$0.00 | \$2,015.00 | | | | \$8,511.64 | 415.3 |
| Exp.-Member Damages | 416.3 | \$893.06 | \$0.00 | \$605.60 | \$0.00 | \$605.11 | \$401.57 | \$142.91 | (\$205.47) | \$1,167.48 | | | | \$3,610.26 | 416.3 |
| | | \$2,195.69 | \$0.00 | \$780.90 | \$444.50 | (\$605.11) | \$970.93 | \$61.48 | \$205.47 | \$847.52 | \$0.00 | \$0.00 | \$0.00 | \$4,901.38 | |
| Finance Charges | 415.5 | \$117.64 | \$87.85 | \$133.25 | \$142.52 | \$84.02 | \$99.59 | \$203.84 | \$183.58 | \$169.35 | | | | \$1,221.64 | 415.5 |
| MARGIN-Retail | | (\$16,987.70) | (\$8,807.93) | (\$32,549.85) | \$5,962.29 | (\$21,904.41) | (\$6,150.62) | (\$8,433.08) | (\$7,798.09) | \$8,989.53 | \$0.00 | \$0.00 | \$0.00 | (\$87,679.86) | |
| Misc. Income | 421.0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | | | \$0.00 | 421.0 |
| Gain on Disposal | 421.1 | \$0.00 | \$0.00 | \$50.00 | \$0.00 | \$4,000.00 | \$0.00 | \$0.00 | \$0.00 | \$100.00 | | | | \$4,150.00 | 421.1 |
| Loss on Disposal | 421.2 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$20,224.72) | \$0.00 | \$0.00 | (\$645.60) | \$0.00 | | | | (\$20,870.32) | 421.2 |
| NET NON-OP MARGIN | | (\$16,987.70) | (\$8,807.93) | (\$32,499.85) | \$5,962.29 | (\$38,129.13) | (\$6,150.62) | (\$8,433.08) | (\$8,443.69) | \$9,089.53 | \$0.00 | \$0.00 | \$0.00 | (\$104,400.18) | |

| | Current Month | | | | YTD Total | | | |
|---------|---------------|----------------|-------------|--------------------|--------------|----------------|-------------|--------------------|
| | Billed Hours | Unbilled Hours | Hourly Rate | Total Unbilled Rev | Billed Hours | Unbilled Hours | Hourly Rate | Total Unbilled Rev |
| Kalo | 107 | 84.5 | \$ 85.00 | \$ 7,182.50 | 1200 | 497.5 | \$ 85.00 | \$ 42,287.50 |
| Michael | 146 | 38.5 | \$ 85.00 | \$ 3,272.50 | 1247.25 | 450.25 | \$ 85.00 | \$ 38,271.25 |
| Mark | 152 | 46 | \$ 85.00 | \$ 3,910.00 | 1291.5 | 406 | \$ 85.00 | \$ 34,510.00 |
| Eli | 25 | 0 | \$ 35.00 | \$ - | 77 | 0 | \$ 35.00 | \$ - |
| | 430 | 169 | | \$ 14,365.00 | 3815.75 | 1353.75 | | \$ 115,068.75 |

71.79%

73.81%

LANE-SCOTT ELECTRIC ENERGY SALES STATISTICS FOR SEPTEMBER 2021

| CLASS OF SERVICE | NO. RECEIVING SERVICE | | kWh SOLD | | AMOUNT BILLED | | Y.T.D AVERAGE | | SALE PRICE PER kWh Y.T.D. |
|-------------------------------|-----------------------|------------|------------|-------------|---------------|--------------|---------------|-------------|---------------------------|
| | Y.T.D. AVG. | THIS MONTH | THIS MONTH | Y.T.D. | THIS MONTH | Y.T.D. | kWh USED | AMOUNT | |
| Residential Sales | 2,228 | 2,224 | 2,281,676 | 19,137,649 | \$298,026 | \$2,401,355 | 954 | \$119.76 | 12.55 |
| Residential Sales-Seasonal | 50 | 51 | 11,063 | 96,217 | \$2,443 | \$20,868 | | | |
| Irrigation Sales | 332 | 333 | 841,990 | 7,666,865 | \$83,920 | \$713,571 | | | |
| Small Commercial | 1,851 | 1,851 | 4,061,673 | 36,480,623 | \$503,949 | \$4,238,164 | 2,190 | \$254.44 | 11.62 |
| Large Commercial | 178 | 178 | 2,871,813 | 25,294,389 | \$385,683 | \$3,205,508 | 15,799 | \$2,002.19 | 12.67 |
| Public Street Lighting | 13 | 13 | 35,946 | 323,514 | \$5,150 | \$43,263 | | | |
| Public Building Sales | 49 | 49 | 30,474 | 285,214 | \$4,669 | \$40,091 | | | |
| Non-Domestic | 1,058 | 1,063 | 172,432 | 1,519,564 | \$35,423 | \$303,746 | | | |
| City of Dighton | 1 | 1 | 926,162 | 7,531,208 | \$79,257 | \$740,341 | 836,801 | \$82,260.11 | 9.83 |
| Idle Services on rate 90 | 37 | 33 | 0 | 0 | \$0 | \$2,268 | | | |
| Large Industrial | 3 | 3 | 2,500,530 | 24,891,590 | \$294,207 | \$2,489,084 | 921,911 | \$92,188.30 | 10.00 |
| Irrigation Horsepower Charges | 0 | 0 | 0 | 0 | \$0 | \$267,015 | | | |
| Total Energy Sales | 5,799 | 5,799 | 13,733,759 | 123,226,833 | \$1,692,727 | \$14,465,274 | | | 11.74 |
| Other Electric Revenue | | | | | \$203,892 | (\$209,243) | | | |
| Total | | | | | \$1,896,619 | \$14,256,031 | | | |

SUBSTATION DATA

| Substation | (NCP)KW | kWh Purchased | Cost Per kWh | kWh Sold | Line Loss | Load Factor-P | Load Factor-S |
|----------------------------|---------|---------------|--------------|------------|-----------|---------------|---------------|
| Beeler-Sub 3 | 6,766 | 3,625,804 | | 3,358,426 | 7.37% | 72.03% | 66.72% |
| Dighton-Sub 1 - 7200 | 2,474 | 1,186,844 | | 1,106,789 | 6.75% | 64.48% | 60.13% |
| Dighton-Sub 2 - 14400 | 4,270 | 2,157,989 | | 2,120,734 | 1.73% | 67.93% | 66.76% |
| Manning-Sub 4 | 6,431 | 3,201,946 | | 3,071,333 | 4.08% | 66.92% | 64.19% |
| LS Seaboard-Sub 5 | 246 | 116,515 | | 109,656 | 5.89% | 63.66% | 59.91% |
| Twin Springs Lo 7.6-Sub 7 | 341 | 135,861 | | 125,926 | 7.31% | 53.55% | 49.64% |
| Twin Springs Hi 14.1-Sub 8 | 343 | 143,822 | | 140,163 | 2.54% | 56.36% | 54.92% |
| City of Dighton | 2,444 | 847,238 | 8.2000 | 847,238 | 0.00% | 46.59% | 46.59% |
| City of Dighton - WAPA | 136 | 78,924 | 3.3200 | 78,924 | 0.00% | 78.00% | 78.00% |
| Alexander 115 | 2,194 | 947,007 | | 880,416 | 7.03% | 58.02% | 53.94% |
| Ness City 115 | 5,310 | 1,960,989 | | 1,894,154 | 3.41% | 49.64% | 47.95% |
| Total | 30,955 | 14,402,939 | 7.1900 | 13,733,759 | 4.65% | 62.54% | 59.63% |

RUS/CFC LOAN FUND TRANSACTIONS

MISC.

OTHER STATISTICS

| | | | | Y.T.D | M.T.D. |
|---------------------------------|---------------|-------------------------------|-------------|----------------------------|-------------|
| Gross Obligation to RUS | \$ 54,111,889 | General Fund Balance | \$112,735 | Miles Energized | 2043.03 |
| Pymts Applied Against Principal | \$ 19,997,242 | MMDA Investments | \$173,170 | Density | 2.84 |
| Net Obligation to RUS | \$ 34,114,647 | Cash Available at Month End | \$285,905 | kWh Purchased | 130,916,468 |
| CFC Line of Credit | \$ - | | | kWh Sold (Inc. Office Use) | 13,739,472 |
| CoBank Line of Credit | \$ - | CFC Investments - CP, SN, MTN | \$5,889,723 | Percent of Line Loss | 5.83% |
| CFC Note #9004-RUS refinance | \$ 5,599,127 | CFC CTC's | \$221,958 | Idle Services | 248 |
| CFC Note #9006-RS Prepymt | \$ 331,264 | | | Oper. Revenue Per kWh Sold | 11.56 |
| CoBank Note-Feb 21 Winter Event | \$ 2,237,690 | | | Expense Per kWh Sold | 11.12 |
| | | | | Income Per Mile | 928.34 |
| | | | | Expense Per Mile | 830.70 |

ACCOUNT AGING

| | Current | 30-89 Days | 90 Plus |
|--------------------------------|-------------|------------|---------|
| Irrigation Accounts Receivable | \$71,840 | | |
| Electric Accounts Receivable | \$1,591,479 | \$29,619 | \$8,368 |
| Retail Accounts Receivable | \$70,424 | \$8,462 | \$4,738 |

LANE-SCOTT ELECTRIC COOPERATIVE

2020 Test Year Cost of Service & Rate Analysis

November 1, 2021
Justin Proctor – Managing Consultant

AGENDA

BOARD MEETING

- Cost of Service Process
- Development of the Revenue Requirement
- Financial Forecast Modeling
- Allocating Costs
- Cost of Service Study Results
- Rate Designs & Billing Comparisons

IMPORTANCE

COST OF SERVICE STUDY PROCESS

- Defensible
- Meets state requirements, but more important is defensible to members
- Reproducible results
- If a consistent methodology used over time, studies track changes.
- Financially Sound
 - Balances the needs of the cooperative against member impact
- Non-Discriminatory and Fair
- Cutting corners by adopting rates not based on cost of service may put ALL cooperatives at risk of increased regulation
- Lane Scott's COSS has been prepared in accordance with regulatory standards

PRIMARY ROLE OF THE BOARD

COST OF SERVICE STUDY PROCESS



Cooperative Boards
must balance the
needs of:

Members
and the
Cooperative

COST OF SERVICE PROCESS

COST OF SERVICE STUDY PROCESS

1. Define System Revenue Requirement

Do we need a rate increase and, if so, how much?

2. Define Class Revenue Requirement

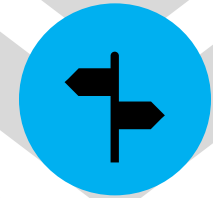
How are each of the rate classes performing?

3. Define Customer Revenue Requirement

How do we recover our costs through rates and from whom?

4. Coordinate Rate Design & Line Extension

5. Monitor & Analyze System Performance





STEP ONE: DEFINE THE SYSTEM REVENUE REQUIREMENT

DO WE NEED A RATE INCREASE...AND IF SO, HOW MUCH?

OPERATING EXPENSES

N O R M A L Y E A R

- Select a “Test Year”
 - Twelve months ending December 31, 2020
- Create a “Normalized Year” or “Rate Year”
 - Typically called “Adjusted Test Year”
 - Developed by making adjustments to the chosen test year
- Primary Concerns in making adjustments to test year:
 - Proper matching of expenses and billing units
 - Cost, billing units and resulting unit rates are forward looking
 - Unit rates reflect “normal” conditions
- Data can be supported if it is:
 - Known, measurable and continuing in nature

TEST YEAR ADJUSTMENTS

NORMAL YEAR

- Revenue
 - Match direct purchases w/ power cost
 - Remove Unbilled Revenue & Over/Under
 - Does not include recovery of winter storm costs
- Power Cost
 - Does NOT include winter storm costs
- Expenses
 - Payroll & Benefits
 - Add 1 staff, annualize 2021 benefit statements
 - Interest on LTD
 - Add 2021 CoBank Note: \$3M
 - Other
 - Employee & Board Training not incurred in 2020 due to Covid
 - Miscellaneous legal expenses (Bylaws, Tariff update) - amortized
 - Long Range Work Plan - amortized

1. Operating Revenues

| | |
|------------------|-------------------|
| Base Revenue | \$ (98,196) |
| ECA Revenue | (91,161) |
| PTA | 65,259 |
| Unbilled Revenue | 264,930 |
| ECA Over/Under | (40,321) |
| Other | 0 |
| Total | <u>\$ 100,510</u> |

2.

Operating Expenses

| | |
|---------------------|-------------------|
| Purchased Power | \$ 38,754 |
| Payroll | 92,035 |
| Benefits | 58,628 |
| Payroll Tax | 7,506 |
| Liability Insurance | 2,009 |
| Bad Debts | 774 |
| PUC Assessment | 0 |
| Outside Services | 44,167 |
| Depreciation | (74,251) |
| Property Tax | 82,441 |
| Franchise Tax | 0 |
| Total | <u>\$ 252,066</u> |

3.

Interest on Long-Term Debt & Other Deductions

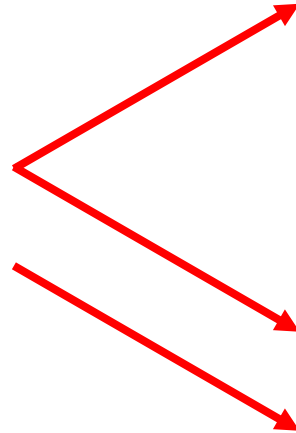
| | |
|----------------------------|--------------------|
| Interest on Long-Term Debt | \$ (14,370) |
| Interest - Other | |
| Total | <u>\$ (14,370)</u> |

INCOME STATEMENT

ADJUSTED TEST YEAR

Rates must cover Expenses

Operating Margin



TIER (Times Interest Earned Ratio) - A measure of the cooperative's ability to make interest payments

$$\frac{\text{Operating Margins (A-21) + Interest (A-16)} + \text{Cash Received from Retirement of Patronage Capital by G\&Ts and by Lenders (1-2(a)c)}}{\text{Interest (A-16)}}$$

DSC (Debt Service Coverage) - A measure of the cooperative's ability to make principal and interest payments

$$\frac{\text{Operating Margins (A-21) + Non-Op Margins, Interest (A-22)} + \text{Interest Expense (A-16) + Deprecation (A-13)} + \text{Cash from Retirement of Patronage Capital by G\&Ts and Lenders (1-2(a)c)}}{\text{Principal (N-12) + Interest (A-16)}}$$

| | Test Year 12/31/2020 (a) | Adjustments (b) | Adjusted Test Year (c) |
|----------------------------------------|--------------------------------|--------------------|------------------------------|
| Operating Revenues | | | |
| Base Revenue | \$ 17,465,993 | \$ (98,196) | \$ 17,367,797 |
| ECA | (1,366,703) | (91,161) | (1,457,864) |
| PTA | 179,807 | 65,259 | 245,066 |
| Unbilled Revenue | (264,930) | 264,930 | 0 |
| ECA Over/Under | 40,321 | (40,321) | 0 |
| Other | 82,810 | 0 | 82,810 |
| Total | \$ 16,137,299 | \$ 100,510 | \$ 16,237,809 |
| Operating Expenses | | | |
| Purchased Power | \$ 9,219,252 | \$ 38,754 | \$ 9,258,006 |
| Transmission O&M | 2,133 | 0 | 2,133 |
| Distribution-Operations | 1,474,902 | (685,955) | 788,947 |
| Distribution-Maintenance | 931,974 | 44,617 | 976,591 |
| Consumer Accounting | 211,622 | 10,317 | 221,939 |
| Customer Service | 47,090 | 1,108 | 48,198 |
| Sales | 61,443 | 4,041 | 65,484 |
| Administrative & General | 1,286,157 | 21,971 | 1,308,128 |
| Depreciation | 1,650,032 | (74,251) | 1,575,781 |
| Tax | 0 | 891,461 | 891,461 |
| Total | \$ 14,884,605 | \$ 252,063 | \$ 15,136,668 |
| Return | \$ 1,252,694 | \$ (151,553) | \$ 1,101,141 |
| Interest & Other Deductions | | | |
| Interest L-T Debt | \$ 1,337,470 | \$ (14,370) | \$ 1,323,100 |
| Interest-Other | 1,971 | | 1,971 |
| Other Deductions | 40,819 | | 40,819 |
| Total | \$ 1,380,260 | \$ (14,370) | \$ 1,365,890 |
| Operating Margin | \$ (127,566) | \$ (137,183) | \$ (264,749) |
| Non-Operating Margins | | | |
| Interest Income | \$ 240,315 | \$ | \$ 240,315 |
| Other Margins | (65,313) | | (65,313) |
| G&T Capital Credits | 392,903 | | 392,903 |
| Other Capital Credits | 47,965 | | 47,965 |
| Total | \$ 615,870 | \$ 0 | \$ 615,870 |
| Net Margins | \$ 488,304 | \$ (137,183) | \$ 351,121 |
| Operating TIER | 0.90 | | 0.80 |
| Net TIER | 1.37 | | 1.27 |
| DSC | 1.25 | | 1.17 |
| DSC (CFC) | 1.26 | | 1.18 |
| Rate of Return | 3.04% | | 2.674% |
| Rate Base | \$ 41,250,806 | \$ (75,488) | \$ 41,175,318 |
| Principal Payments | 1,443,725 | (552) | 1,443,173 |
| Cash Payments-G&T & Lenders | 397,713 | | 397,713 |

FORECASTING THE REVENUE REQUIREMENT

KEY DRIVERS

1. OPERATING EXPENSES

Rates must produce sufficient levels of cash to cover operating expenses and provide sufficient margin to realize financial objectives.

5. PAY CAPITAL CREDITS

Rates must produce sufficient levels of cash to cover capital credit payments to members based on the Board's desired rotation cycle while also maintaining equity objectives.



4. MAINTAIN CASH GENERAL FUNDS

Rates must produce sufficient levels of cash to maintain or build general funds reserves and maintain liquidity objectives.

2. PLANT ADDITIONS ~ EQUITY OBJECTIVE

Rates must produce sufficient levels of cash to pay for capital expenditures. CAPEX cash requirements is dependent upon the Board's desired equity objective, capital credits refund objectives and current equity level.

3. MEET LENDER REQUIREMENTS

Rates must produce sufficient levels of cash to maintain key operating ratios as prescribed in the Cooperative's debt covenants.

CASH GENERAL FUNDS

THE REVENUE REQUIREMENT

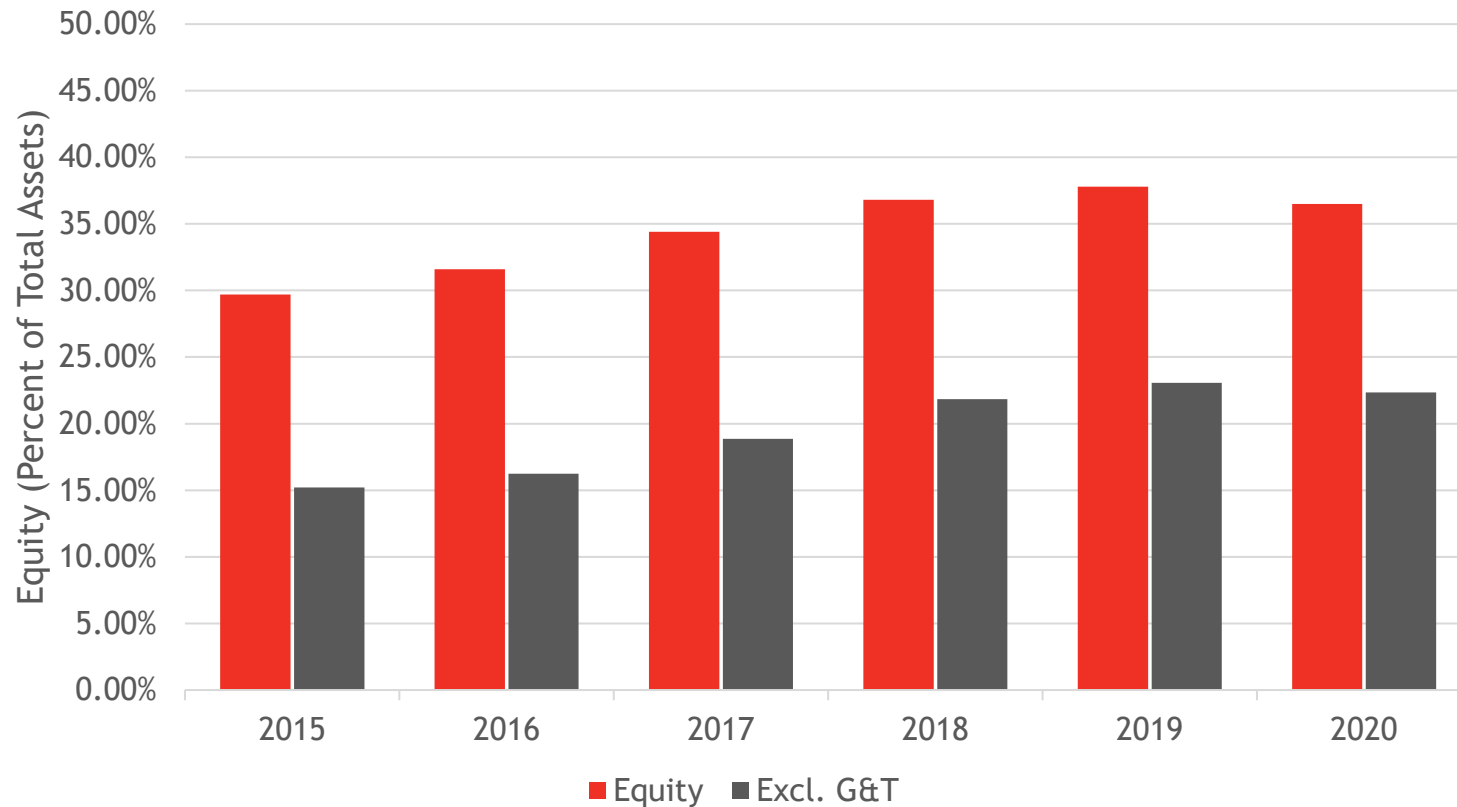
| | |
|--------------------|----------------------|
| Purchased Power | \$ 9,258,006 |
| Payroll | 2,147,872 |
| Benefits | 1,263,854 |
| Payroll Taxes | 159,392 |
| Property Tax | 891,461 |
| Interest | 1,323,100 |
| Principal Payments | 1,443,173 |
| Total | <u>\$ 16,486,859</u> |
| Plant Balance | <u>\$ 58,392,568</u> |

| Desired General Funds: | <u>Days</u> | <u>Ratio to Plant</u> | <u>Amount</u> |
|----------------------------------------------------|-------------|-----------------------|---------------|
| | 1 | 0.08% | \$45,169 |
| | 30 | 2.32% | \$1,355,084 |
| | 45 | 3.48% | \$2,032,626 |
| | 60 | 4.64% | \$2,710,169 |
| | 90 | 6.96% | \$4,065,253 |
| Estimated General Funds as of December 31, 2020 | 144.81 | 11.20% | \$6,541,098 |

- Cash-General Funds Level
 - Funds immediately available for disbursement without restriction
 - Usually determined by cash required to meet the key expenses for some period of time
- Sources of Cash
 - Operating Margin, G&T Capital Credits, Line Extension Contributions, Borrow
- Uses of Cash
 - Expenses, LTD & Interest, Plant
- Other Possible Uses of Cash
 - Build equity - finance CAPEX
 - Retire capital credits
 - Build cash reserves by increasing Cash-General Funds level
 - Pay principal on short-term borrowing

EQUITY

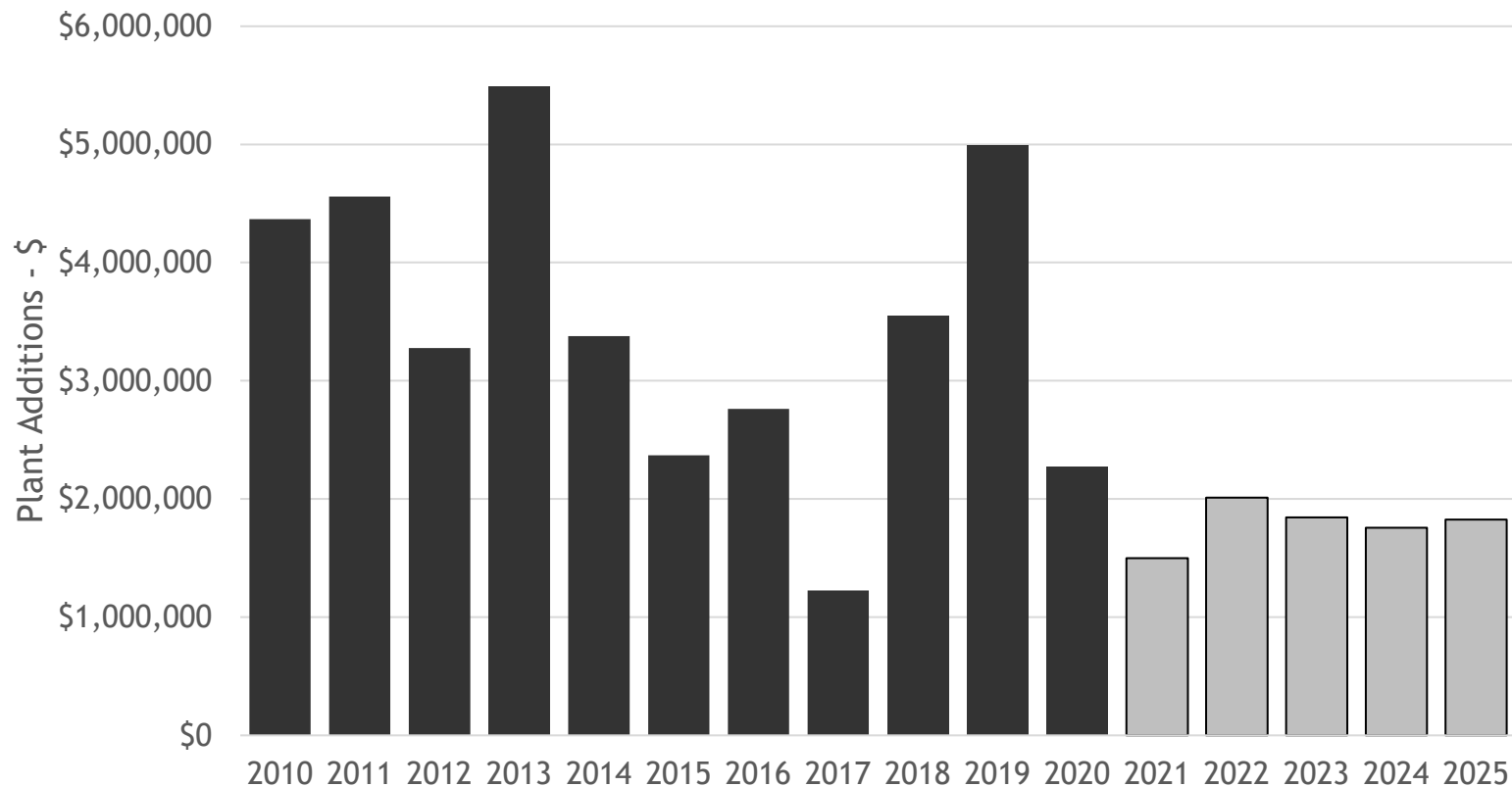
THE REVENUE REQUIREMENT



- Equity: Members' ownership of their system
- Usually expressed as:
 - % of Assets or % of Capitalization
- Establishing the correct balance of equity to debt is a key financial objective
- Key Consideration: Which member pays for CAPEX?
 - Today's member = higher rates
 - Tomorrow's member = lower rates, share cost of the asset over its useful life
 - Must strike balance

PLANT ADDITIONS

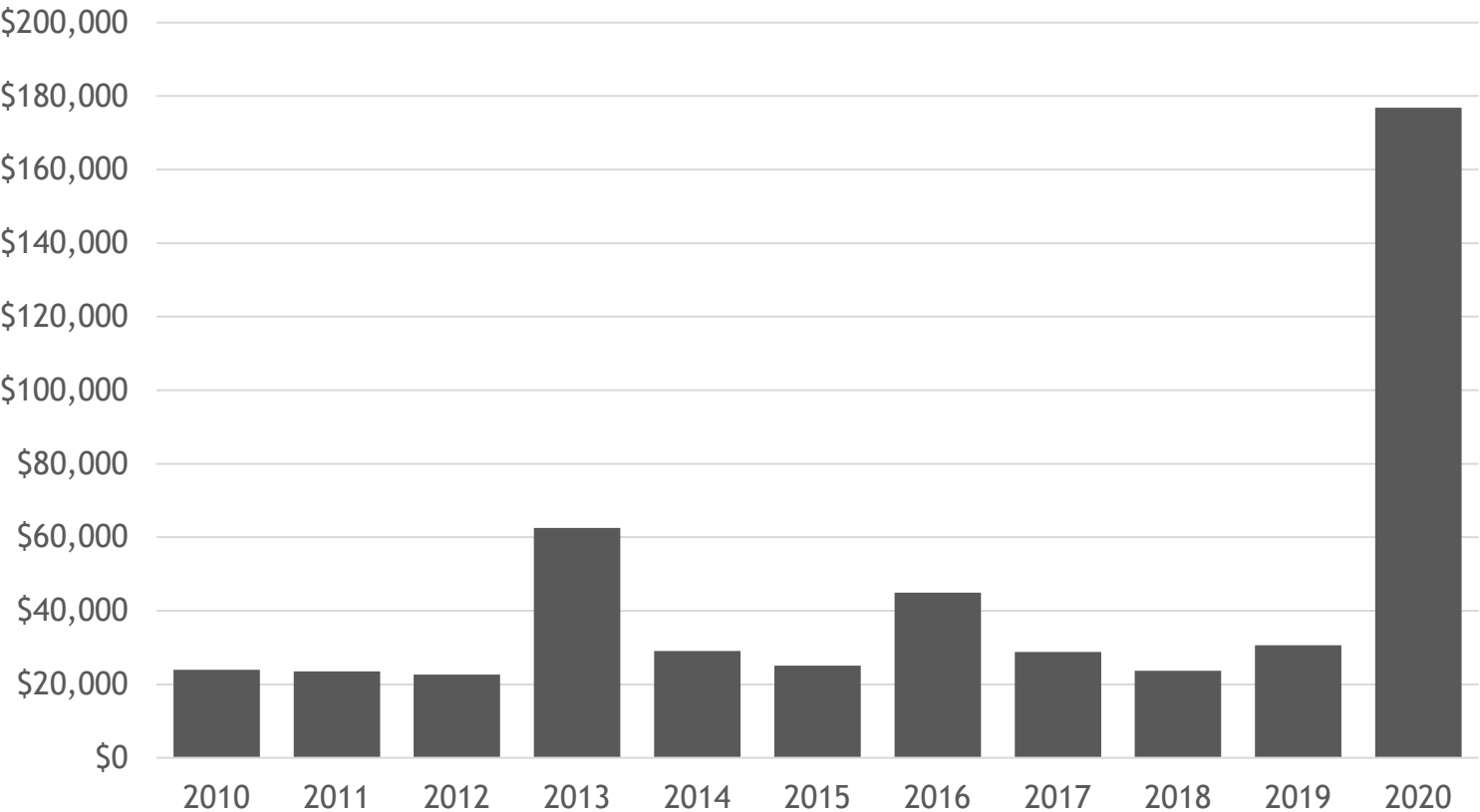
THE REVENUE REQUIREMENT



- Paying for anticipated plant additions
 - Contributions from members based on cooperative line extension policy
 - Cash
 - Debt
- Borrowing source
 - Many cooperatives adopt a balance between
 - cash - generated by higher rates and paid by existing members through rates and/or reduced capital credit refunds
 - debt - paid by future members through increased interest expense and reduced capital credits allocations

CAPITAL CREDITS

THE REVENUE REQUIREMENT



- Margins assigned to members.
 - Must be allocated and may be refunded using a variety of methods.
- Importance
 - Must balance LTD against borrowing from past and current members (retained capital credits) as a source of cash
 - The capital credit objective is the determination of the amount of cash refunded to members – not the amount allocated to them from margins

| Years | Est. Annual \$ |
|-------|----------------|
| 35 | \$320,000 |
| 30 | \$375,000 |
| 25 | \$447,000 |
| 20 | \$560,000 |

REVENUE REQUIREMENT

ONE YEAR FINANCIAL FORECAST

| Cash Requirement | |
|--------------------------------------------------------------|---------------|
| Plant Additions | \$ 1,787,451 |
| Desired Percent Cash Financed | 55.00% |
| Cash Requirement for Plant | \$ 983,098 |
| Capital Credit Retirements | \$ 375,000 |
| Principal Payments | 1,443,173 |
| Cash to Attain Desired Level | (901,694) |
| Cash Requirement for Capital Credits & Debt | \$ 916,479 |
| Total Cash Requirement | \$ 1,899,577 |
| Operating Margins (Adjusted) | \$ (264,749) |
| Plus: Depreciation & Other Non-Cash Expenses | 1,575,781 |
| Other Income/Capital Credits Cash | 638,028 |
| Net Cash from Operations | \$ 1,949,060 |
| -Annual Additional Cash Required - 0.30% | \$ (49,484) |
| Proposed Rate Change - 6.47% | \$ 1,050,000 |
| Equity Excluding Est G&T Patronage Capital Retirement Amount | \$ 11,186,711 |
| Retirement Cycle - Years | 29.83 |

| Development of Cash-General Fund Level | | | |
|----------------------------------------|-------------|-------------|--|
| Total Utility Plant in Service | \$ | 58,392,568 | |
| Cash-General Funds | \$ | 115,401 | |
| Special Deposits | | 125 | |
| Temporary Investments | | 5,974,610 | |
| Other Investments & Special Funds | | 450,962 | |
| Total | \$ | 6,541,098 | |
| Estimated Days of Cash | 144.81 Days | | |
| Cash as % of Plant | 11.20% | | |
| Desired Cash Level | \$ | 2,032,626 | |
| Estimated Days of Cash | 45.00 Days | | |
| Cash as % of Plant | 3.48% | | |
| Desired Total Increase in Cash Level | \$ | (4,508,472) | |
| Years to Increase | | 5 | |
| Desired Annual Cash Increase | \$ | (901,694) | |

| | Adjusted Test Year (c) |
|---------------------|------------------------------|
| Operating Revenue | 16,237,809 |
| Purchased Power | 9,258,006 |
| Gross Margin | 6,979,803 |
| O&M | 1,767,671 |
| Accounting & Cust | 335,621 |
| Administrative & G | 1,308,128 |
| Depreciation | 1,575,781 |
| Tax | 891,461 |
| Total | 5,878,662 |
| Return | 1,101,141 |
| Interest L-T Debt | 1,323,100 |
| Other | 42,790 |
| Total | 1,365,890 |
| Operating Margin | (264,749) |
| Interest Income & I | 175,002 |
| G&T and Other Ca | 440,868 |
| Total | 615,870 |
| Net Margins | 351,121 |
| Operating TIER | 0.80 |
| Net TIER | 1.27 |
| DSC | 1.17 |
| Rate of Return | 2.67% |

INCOME STATEMENT

WITH RATE CHANGE

| | Test Year 12/31/2020 (a) | Adjustments (b) | Adjusted Test Year (c) | Rate Change (d) | Adjusted Test Year w/ Rate Change (e) |
|---------------------------------|--------------------------------|---------------------|------------------------------|-----------------------|------------------------------------------------|
| Operating Revenues | \$ 16,137,299 | \$ 100,510 | \$ 16,237,809 | \$ 1,050,000 | \$ 17,287,809 |
| Purchased Power | 9,219,252 | 38,754 | 9,258,006 | 0 | 9,258,006 |
| Gross Margin | <u>\$ 6,918,047</u> | <u>\$ 61,756</u> | <u>\$ 6,979,803</u> | <u>\$ 1,050,000</u> | <u>\$ 8,029,803</u> |
| O&M | \$ 2,409,009 | \$ (641,338) | \$ 1,767,671 | \$ 0 | \$ 1,767,671 |
| Accounting & Customer Service | 320,155 | 15,466 | 335,621 | 0 | 335,621 |
| Administrative & General | 1,286,157 | 21,971 | 1,308,128 | 0 | 1,308,128 |
| Depreciation | 1,650,032 | (74,251) | 1,575,781 | 0 | 1,575,781 |
| Tax | 0 | 891,461 | 891,461 | 0 | 891,461 |
| Total | <u>\$ 5,665,353</u> | <u>\$ 213,309</u> | <u>\$ 5,878,662</u> | <u>\$ 0</u> | <u>\$ 5,878,662</u> |
| Return | <u>\$ 1,252,694</u> | <u>\$ (151,553)</u> | <u>\$ 1,101,141</u> | <u>\$ 1,050,000</u> | <u>\$ 2,151,141</u> |
| Interest L-T Debt | \$ 1,337,470 | \$ (14,370) | \$ 1,323,100 | \$ 0 | \$ 1,323,100 |
| Other | 42,790 | 0 | 42,790 | 0 | 42,790 |
| Total | <u>\$ 1,380,260</u> | <u>\$ (14,370)</u> | <u>\$ 1,365,890</u> | <u>\$ 0</u> | <u>\$ 1,365,890</u> |
| Operating Margin | <u>\$ (127,566)</u> | <u>\$ (137,183)</u> | <u>\$ (264,749)</u> | <u>\$ 1,050,000</u> | <u>\$ 785,251</u> |
| Interest Income & Other Margins | \$ 175,002 | \$ 0 | \$ 175,002 | \$ 0 | \$ 175,002 |
| G&T and Other Capital Credits | 440,868 | 0 | 440,868 | 0 | 440,868 |
| Total | <u>\$ 615,870</u> | <u>\$ 0</u> | <u>\$ 615,870</u> | <u>\$ 0</u> | <u>\$ 615,870</u> |
| Net Margins | <u>\$ 488,304</u> | <u>\$ (137,183)</u> | <u>\$ 351,121</u> | <u>\$ 1,050,000</u> | <u>\$ 1,401,121</u> |
| Operating TIER | 0.90 | | 0.80 | | 1.59 |
| Net TIER | 1.37 | | 1.27 | | 2.06 |
| DSC | 1.25 | | 1.17 | | 1.55 |
| Rate of Return | 3.04% | | 2.67% | | 5.22% |
| Percent Change | | | | | 6.47% |



TEN-YEAR FINANCIAL FORECAST

TESTING THE REVENUE REQUIREMENT

TESTING THE REVENUE REQUIREMENT

FINANCIAL FORECASTING

- Does our revenue requirement align with projected operating expenses and/or financial objectives?
 - What is driving the forecast?
- Does the return target meet objectives for:
 - Cash/general funds
 - Capital credit retirements to members
 - Plant growth rate
 - Minimum TIER and DSC Coverage Ratios
- What rate increase is required?
- How long until the next rate increase?

FINANCIAL FORECAST

BASE CASE ASSUMPTIONS

CASH REVENUE REQUIREMENT:

| | |
|-----------------------------|----------------------------------------------|
| Modified TIER | 1.65 minimum in forecasted years |
| Modified DSC | 1.50 minimum in forecasted years |
| Plant Additions: | CWP: \$1.5M – \$2.0M per year |
| Cash General Funds: | Ratio to Plant ~ \$2.5M |
| Capital Credit Retirements: | \$375K/yr. (limit to 25% Prior Year Margins) |

SALES & REVENUE:

| <u>Revenue from Rates:</u> | <u>Customer Count</u> | <u>kWh Sales per Month</u> |
|------------------------------|---------------------------------------------|-------------------------------------------|
| From 2020 Actual: | | |
| Residential: | LF - declining 0.57% per year (-12 Cons/Yr) | 885 kWh/mo. escalating to 893 kWh/mo |
| Residential Seasonal: | LF – growing 0.90% per year (+10 Cons/Yr) | @153/mo. |
| Irrigation | LF – Flat (+1 Cons/Yr) | @2,155 avg. |
| Commercial < 1,000 | LF – growing 0.60% per year (+12 Cons/Yr) | @2,287 avg. |
| Commercial > 1,000 | LF – No Change | @28,544 kWh/mo. growing to 32,516 kWh/mo. |
| Others | LF – No Change | |
| Applied 2020 Avg \$/kWh Sold | | |
| Other Revenue | \$124K per Year | |
| Non-Operating Margins | \$250K | |
| G&T & Other Capital Credits | \$400M | |

EXPENSES:

| | | |
|-------------------------------|------------------------------------------------------------------------|----------------------------|
| 2020 Expenses: | Actual | |
| 2021 Expenses and thereafter: | O&M – 3.0% annual increase | A&G– 2.5% annual increase* |
| | Depreciation – ratio to Plant | Tax – ratio to Plant |
| | Consumer Accounts – 2.50% annual increase | |
| | Purchased Power COSS – 2020 ADJ TY average cost with no future changes | |

*Additional Staff: 1 in 2022/2024/2026

FINANCIAL FORECAST

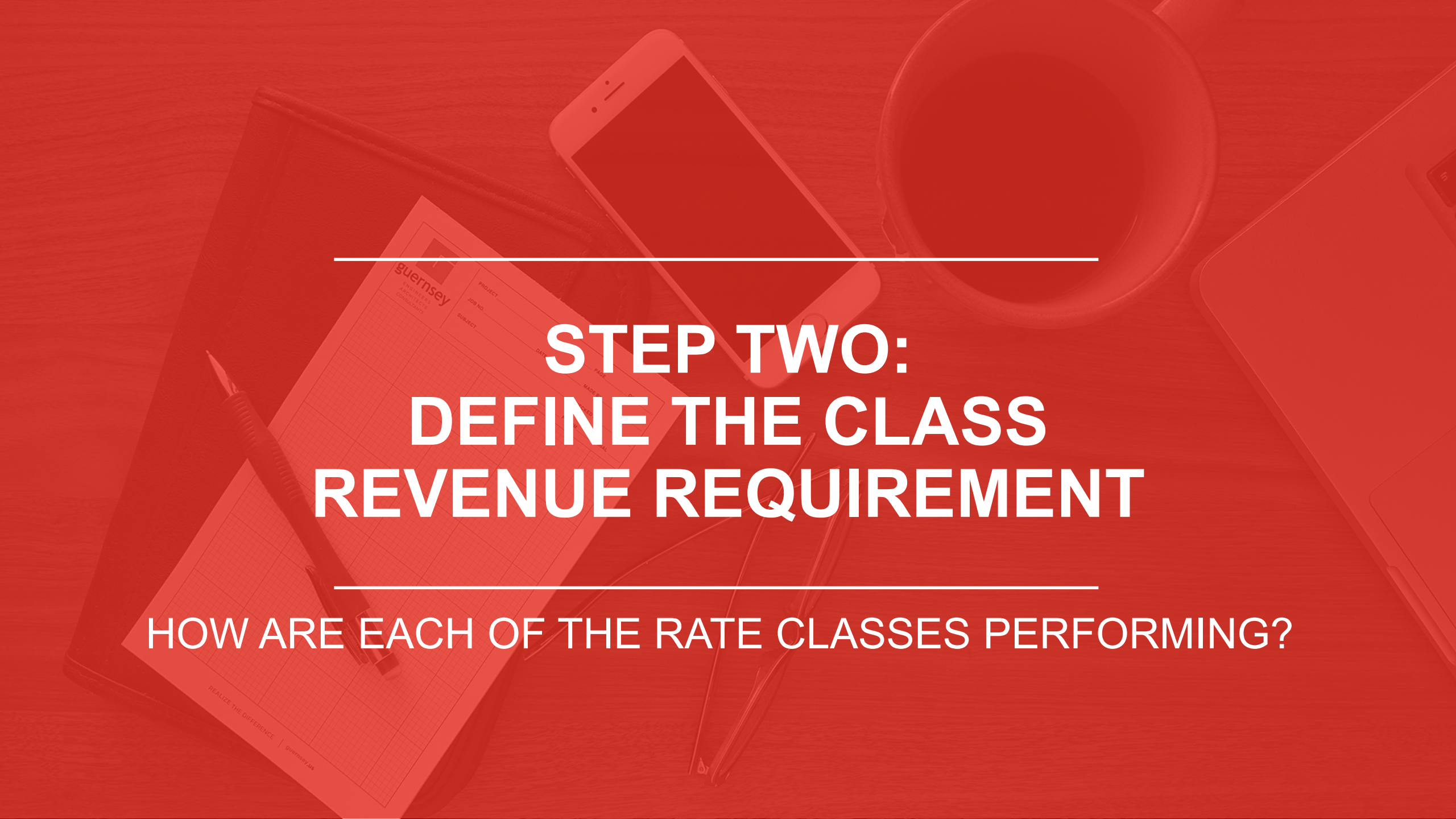
BASE CASE

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| → Equity as Percent of Total Assets | 36.553 | 37.974 | 39.910 | 41.703 | 43.243 | 44.258 | 45.391 | 46.618 | 47.967 | 49.389 | 50.835 |
| Equity as Percent of Capitalization | 35.279 | 36.622 | 38.486 | 40.205 | 41.685 | 42.679 | 43.784 | 44.981 | 46.294 | 47.678 | 49.084 |
| Debt Service | | 1.12362 | 1.66162 | 1.66204 | 1.66250 | 1.66040 | 1.65732 | 1.65448 | 1.65186 | 1.64935 | 1.64872 |
| → Times Interest Earned Ratio | 1.36509 | 1.38754 | 2.00394 | 2.03720 | 2.06855 | 2.12279 | 2.18512 | 2.25402 | 2.32982 | 2.41487 | 2.45963 |
| Average Revenue per kWh Sold | 10.19840 | 10.38022 | 10.92638 | 10.95288 | 11.01553 | 11.08395 | 11.21429 | 11.30139 | 11.38411 | 11.46644 | 11.52280 |
| Percent Increase in Average Revenue | -3.718 | 1.782 | 5.261 | 0.242 | 0.571 | 0.621 | 1.175 | 0.776 | 0.731 | 0.723 | 0.491 |
| Total Utility Plant per kWh Sold | 36.90278 | 37.58435 | 37.65860 | 38.11517 | 38.45153 | 38.97061 | 39.50583 | 40.02732 | 40.51697 | 40.99359 | 41.49338 |
| Net General Funds to Total Utility Plant | 10.43906 | 7.49720 | 5.85308 | 4.26443 | 3.25000 | 3.25000 | 3.19999 | 3.15000 | 3.04999 | 3.00000 | 2.94999 |
| Accum Depreciation to Total Utility | 30.70245 | 31.77972 | 32.74685 | 33.81675 | 34.94379 | 35.97751 | 37.02542 | 38.08669 | 39.16060 | 40.24644 | 41.34357 |
| Operations & Maint Cost per Consumer | 416.63 | 305.66 | 313.64 | 322.55 | 331.26 | 340.78 | 350.83 | 361.04 | 371.37 | 381.92 | 393.18 |
| Admin & General Cost per Consumer | 222.44 | 226.20 | 242.20 | 247.87 | 264.62 | 270.91 | 288.82 | 295.78 | 302.76 | 309.86 | 317.44 |
| Plant Revenue Ratio | 8.44061 | 8.44167 | 7.53476 | 7.58628 | 7.55937 | 7.56009 | 7.47523 | 7.45142 | 7.42851 | 7.40445 | 7.41947 |
| Rate of Return on Rate Base | 2.87502 | 2.60002 | 4.17537 | 4.06462 | 3.96954 | 3.98424 | 4.06054 | 4.13326 | 4.20154 | 4.27146 | 4.23046 |
| Rate Base (RBF times Net Utility Plant) | 42,083,202 | 42,004,390 | 42,334,097 | 42,455,447 | 42,454,213 | 42,621,123 | 42,751,231 | 42,844,537 | 42,901,040 | 42,920,741 | 42,903,639 |
| Rate Base Factor (RBF) Percent | 104.00000 | 104.00000 | 104.00000 | 104.00000 | 104.00000 | 104.00000 | 104.00000 | 104.00000 | 104.00000 | 104.00000 | 104.00000 |
| → % Inc. Over Present Retail Rates Req | | 0.00000 | 5.33153 | 5.60985 | 6.23808 | 6.92425 | 8.21196 | 9.08073 | 9.90471 | 10.72499 | 11.29144 |
| → Modified Debt Service Coverage | | 0.98816 | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 |
| → Modified TIER | 1.03546 | 1.06895 | 1.67238 | 1.69419 | 1.71423 | 1.76118 | 1.81878 | 1.88159 | 1.94983 | 2.02590 | 2.06050 |

FINANCIAL FORECAST

BASE CASE

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Accrual Basis | | | | | | | | | | | |
| Revenue from Present Rates | 16,137,299 | 16,351,120 | 16,680,722 | 16,792,141 | 16,930,235 | 17,038,042 | 17,136,171 | 17,237,193 | 17,349,509 | 17,464,614 | 17,567,335 |
| Add'l Revenue Required | 0 | 0 | 880,577 | 932,710 | 1,045,661 | 1,168,042 | 1,393,209 | 1,549,648 | 1,701,233 | 1,854,300 | 1,963,675 |
| Total Required Revenue | 16,137,299 | 16,351,120 | 17,561,300 | 17,724,851 | 17,975,897 | 18,206,085 | 18,529,380 | 18,786,842 | 19,050,742 | 19,318,915 | 19,531,011 |
| Cost of Power | 9,219,252 | 9,337,868 | 9,528,361 | 9,594,249 | 9,675,232 | 9,739,041 | 9,797,152 | 9,857,105 | 9,923,329 | 9,991,157 | 10,051,810 |
| Gross Margin | 6,918,047 | 7,013,251 | 8,032,938 | 8,130,601 | 8,300,664 | 8,467,043 | 8,732,228 | 8,929,736 | 9,127,412 | 9,327,757 | 9,479,200 |
| Operations and Maint Expense | 2,409,009 | 1,767,671 | 1,820,701 | 1,875,322 | 1,931,582 | 1,989,529 | 2,049,215 | 2,110,691 | 2,174,012 | 2,239,232 | 2,306,409 |
| Consumer Accounts and Sales | 320,155 | 335,621 | 344,012 | 352,612 | 361,427 | 370,463 | 379,725 | 389,218 | 398,948 | 408,922 | 419,145 |
| Admin and Gen and Other Deductions | 1,286,157 | 1,308,128 | 1,406,000 | 1,441,150 | 1,543,000 | 1,581,575 | 1,687,000 | 1,729,175 | 1,772,404 | 1,816,714 | 1,862,132 |
| Depreciation and Amort Expense | 1,650,032 | 1,575,781 | 1,694,737 | 1,727,070 | 1,756,939 | 1,792,326 | 1,827,713 | 1,863,100 | 1,898,486 | 1,933,873 | 1,969,260 |
| Tax Expense | 0 | 891,136 | 957,090 | 966,004 | 979,686 | 992,231 | 1,009,851 | 1,023,882 | 1,038,265 | 1,052,880 | 1,064,440 |
| Amort Deferred Debits (Non Cash) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amort Deferred Credits (Non Cash) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Expense | 1,337,470 | 1,255,545 | 1,206,425 | 1,166,131 | 1,128,921 | 1,106,147 | 1,091,899 | 1,074,025 | 1,052,655 | 1,028,352 | 1,002,191 |
| Interest - Other | 42,790 | 42,790 | 42,790 | 42,790 | 42,790 | 42,790 | 42,790 | 42,790 | 42,790 | 42,790 | 42,790 |
| Total Operating Expenses | 16,264,865 | 16,514,541 | 17,000,118 | 17,165,330 | 17,419,578 | 17,614,104 | 17,885,346 | 18,089,988 | 18,300,891 | 18,513,922 | 18,718,178 |
| Operating Margin | -127,566 | -163,421 | 561,181 | 559,521 | 556,318 | 591,981 | 644,034 | 696,854 | 749,850 | 804,992 | 812,832 |
| Nonoperating Margins | 175,002 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| G&T and Other Capital Credits | 440,868 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Net Margin | 488,304 | 486,578 | 1,211,181 | 1,209,521 | 1,206,318 | 1,241,981 | 1,294,034 | 1,346,854 | 1,399,850 | 1,454,992 | 1,462,832 |



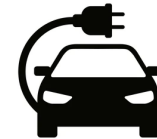
STEP TWO: DEFINE THE CLASS REVENUE REQUIREMENT

HOW ARE EACH OF THE RATE CLASSES PERFORMING?

SEPARATE INTO RATE CLASSES

CUSTOMERS WITH LIKE CHARACTERISTICS

- A Rate or Customer Class is usually defined by the:
 - Existing rate schedule
 - Proposed rate schedule
- Customers are grouped if they:
 - Use energy in similar ways
 - Cause similar types of costs
- Goal: Reflect costs of “average consumer”



FUNCTIONALIZE & CLASSIFY COSTS

STEPS IN DEVELOPING

Functionalization:

- Purchased Power
 - Capacity
 - Energy
- Transmission
- Distribution
- Substation
- Overhead
- Underground
- Customer Service, Accounting and A&G

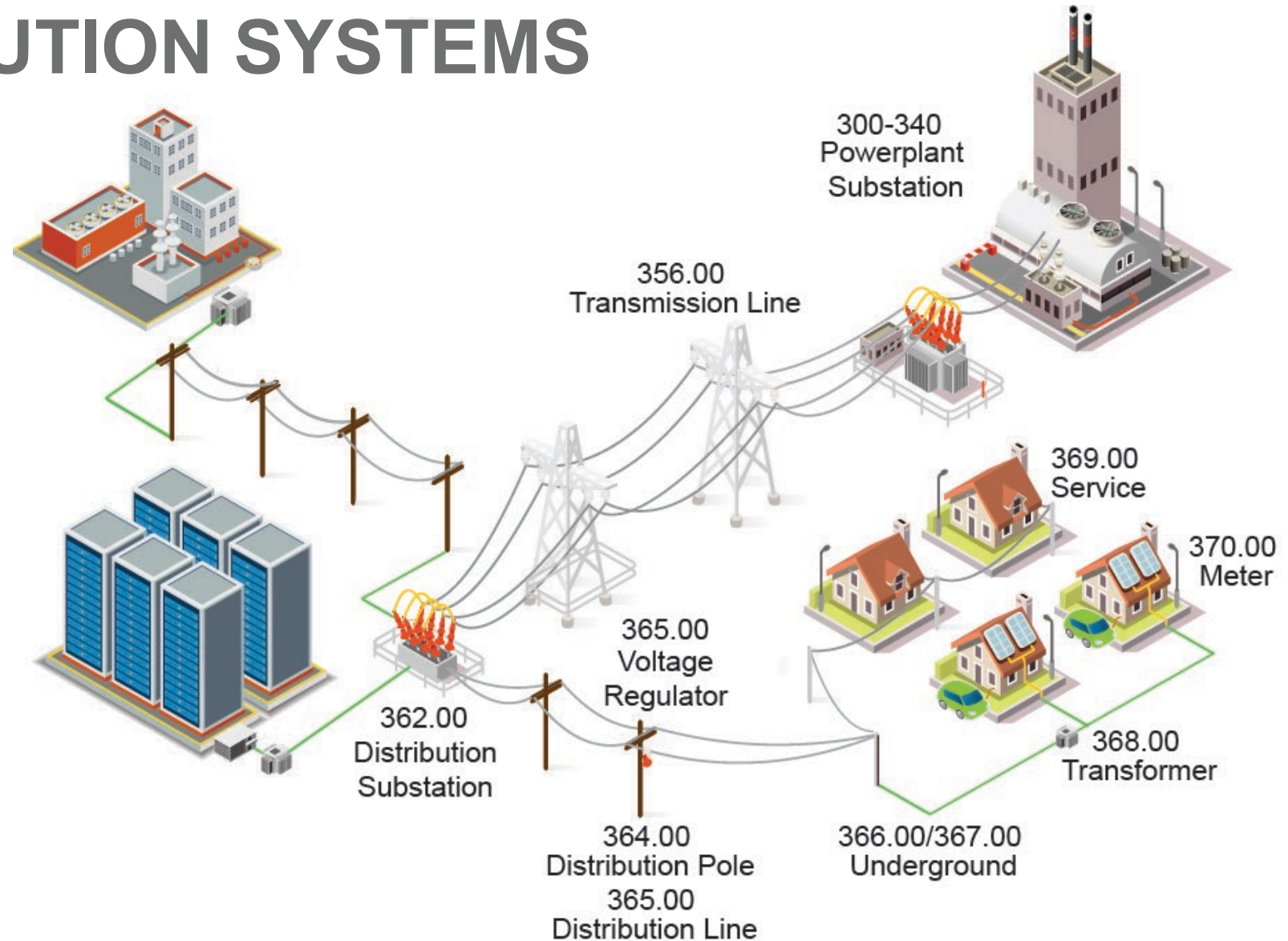
Classify

- Purchased Power
 - Fixed - Capacity (demand)
 - Variable (energy)
- Distribution Wires
 - Fixed – Capacity (demand)
 - Customer
 - Direct
- Concept:
 - System is designed to serve customer load
 - Load is defined in terms of:
 - Peak demand
 - Energy requirement
 - Number of customers served

TYPICAL DISTRIBUTION SYSTEMS

ALLOCATING PLANT

- Allocate plant investment to each rate class
 - Based upon their use of the system and the facilities required to serve them
 - Use Load Data (Sum of Delivery Point NCP)
- Expenses follow the plant allocation
- Identify Minimum System Cost



COST ALLOCATION SUMMARY

EXISTING RATES

| Account | Total | RESIDENTIAL | GS SMALL | GS LARGE | Irri No Ctrl | LRG IND | Dighton | Lighting |
|-----------------------------|------------|-------------|------------|-----------|--------------|-----------|----------|------------|
| Rate Base | 41,175,318 | 10,002,165 | 17,592,745 | 6,407,195 | 2,822,706 | 3,668,252 | 520,929 | 161,323 |
| Operating Revenues | 16,237,809 | 2,857,069 | 5,320,573 | 3,737,988 | 1,107,798 | 2,526,907 | 599,116 | 88,354 |
| Operating Expenses | 15,136,668 | 3,093,597 | 5,164,531 | 2,868,612 | 1,102,492 | 2,131,396 | 597,526 | 178,509 |
| Return | 1,101,141 | -236,528 | 156,041 | 869,376 | 5,306 | 395,510 | 1,590 | -90,155 |
| Rate of Return | 2.674 % | -2.365 % | 0.887 % | 13.569 % | 0.188 % | 10.782 % | 0.305 % | -55.885 % |
| Relative ROR | 1.000 | -0.884 | 0.332 | 5.074 | 0.070 | 4.032 | 0.114 | -20.897 |
| Interest | 1,365,890 | 332,026 | 581,812 | 212,285 | 93,346 | 121,995 | 16,606 | 7,817 |
| Operating Margins | -264,749 | -568,555 | -425,771 | 657,090 | -88,039 | 273,514 | -15,015 | -97,972 |
| Margin as % Revenue | -1.630 % | -19.900 % | -8.002 % | 17.579 % | -7.947 % | 10.824 % | -2.506 % | -110.885 % |
| Operating TIER | 0.806 | -0.712 | 0.268 | 4.095 | 0.057 | 3.242 | 0.096 | -11.532 |
| Revenue Deficiencies | | | | | | | | |
| Uniform ROR = 5.224346 | 1,050,000 | 759,076 | 763,064 | -534,641 | 142,161 | -203,868 | 25,624 | 98,583 |
| Deficiency % Rev | 6.466 % | 26.568 % | 14.342 % | -14.303 % | 12.833 % | -8.068 % | 4.277 % | 111.577 % |
| Uniform % Mar = 4.542225 | 1,050,000 | 731,558 | 699,203 | -510,490 | 144,942 | -166,290 | 44,238 | 106,838 |
| Deficiency % Rev | 6.466 % | 25.605 % | 13.141 % | -13.657 % | 13.084 % | -6.581 % | 7.384 % | 120.920 % |

COMPONENTS OF EXPENSES

POWER COST AND SYSTEM WIRES

Lane-Scott Distribution Wires

- Distribution Wires Capacity-Related
 - Transmission
 - Substation
 - Backbone
 - General Demand
- Distribution Wires Customer-Related
 - Distribution Wires Customer
 - Metering
 - Meter Reading
 - Billing and Records
 - Customer Services
 - Revenue

Power Supply

- Purchased Power Capacity
 - Purchased Power Demand-Related
 - Delivery
- Purchased Power Energy

UNBUNDLED COSTS

WITH UNIFORM RATE OF RETURN

| Accounts | Total | RESIDENTIAL | GS SMALL | GS LARGE | Irri No Ctrl | LRG IND |
|------------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Average Consumers | 5,664 | 2,293 | 2,946 | 186 | 233 | 3 |
| kWh Sold | 156,634,570 | 24,364,315 | 49,177,949 | 33,586,026 | 9,174,142 | 30,836,580 |
| Metered kW | | 0 | 0 | 109,440 | 0 | 74,871 |
| Billing kW/HP | | 0 | 0 | 124,888 | 7,564 | 75,277 |
| PUR PWR DEMAND | 4,998,856 | 957,950 | 1,305,688 | 1,109,641 | 461,092 | 832,305 |
| Monthly Cost per Cons | 73.55 | 34.81 | 36.93 | 497.15 | 164.91 | 23,119.58 |
| Average Cost per kWh | 0.031914 | 0.039318 | 0.026550 | 0.033039 | 0.050260 | 0.026991 |
| Cost per Metered kW | | 0.00 | 0.00 | 10.14 | 0.00 | 11.12 |
| Cost per Billing kW/HP | | 0.00 | 0.00 | 8.89 | 60.96 | 11.06 |
| PUR PWR ENERGY | 4,259,150 | 669,727 | 1,351,804 | 922,235 | 252,179 | 829,080 |
| Monthly Cost per Cons | 62.66 | 24.34 | 38.24 | 413.19 | 90.19 | 23,030.01 |
| Average Cost per kWh | 0.027192 | 0.027488 | 0.027488 | 0.027459 | 0.027488 | 0.026886 |
| Cost per Metered kW | | 0.00 | 0.00 | 8.43 | 0.00 | 11.07 |
| Cost per Billing kW/HP | | 0.00 | 0.00 | 7.38 | 33.34 | 11.01 |
| WIRES DEMAND | 5,277,559 | 1,052,382 | 2,075,624 | 1,030,976 | 397,359 | 643,516 |
| Monthly Cost per Cons | 77.65 | 38.25 | 58.71 | 461.91 | 142.12 | 17,875.44 |
| Average Cost per kWh | 0.033693 | 0.043194 | 0.042206 | 0.030697 | 0.043313 | 0.020869 |
| Cost per Metered kW | | 0.00 | 0.00 | 9.42 | 0.00 | 8.59 |
| Cost per Billing kW/HP | | 0.00 | 0.00 | 8.26 | 52.53 | 8.55 |
| TOTAL CUSTOMER | 2,752,244 | 936,087 | 1,350,522 | 140,495 | 139,330 | 18,138 |
| Monthly Cost per Cons | 40.49 | 34.02 | 38.20 | 62.95 | 49.83 | 503.84 |
| Average Cost per kWh | 0.017571 | 0.038420 | 0.027462 | 0.004183 | 0.015187 | 0.000588 |
| Cost per Metered kW | | 0.00 | 0.00 | 1.28 | 0.00 | 0.24 |
| Cost per Billing kW/HP | | 0.00 | 0.00 | 1.12 | 18.42 | 0.24 |

Power Cost is considered a pass-thru

- Does not contribute to the Cooperatives margins

Lane-Scott's fixed costs:

- Based capacity requirements
- Based on average Customer Cost



STEP THREE: DETERMINE THE INDIVIDUAL REVENUE REQUIREMENT

HOW COSTS ARE RECOVERED FROM INDIVIDUAL MEMBERS

PROPOSED RATES

SUMMARY OF RATE CHANGE

| | Average Consumers | kWh Sold | Adjusted Revenue | Proposed Revenue | | |
|-------------------|----------------------|-------------|---------------------|------------------|-----------|---------|
| | | | | Proposed | Prop. \$ | % Prop. |
| Residential Total | 3,366 | 26,321,936 | 3,211,057 | 3,531,511 | 320,453 | 9.98% |
| Irrigation | 233 | 9,174,142 | 1,103,083 | 1,179,745 | 76,661 | 6.95% |
| GS Small Total | 1,874 | 47,220,328 | 4,906,665 | 5,245,191 | 338,525 | 6.90% |
| GS Large Total | 185 | 33,586,026 | 3,730,154 | 3,904,951 | 174,797 | 4.69% |
| City of Dighton | 3 | 8,753,416 | 599,106 | 618,850 | 19,744 | 3.30% |
| Large Industrial | 3 | 30,836,580 | 2,523,161 | 2,623,012 | 99,852 | 3.96% |
| Lighting | 13 | 742,142 | 88,798 | 97,576 | 8,778 | 9.89% |
| Total | 5,677 | 156,634,570 | 16,162,025 | 17,200,836 | 1,038,811 | 6.43% |

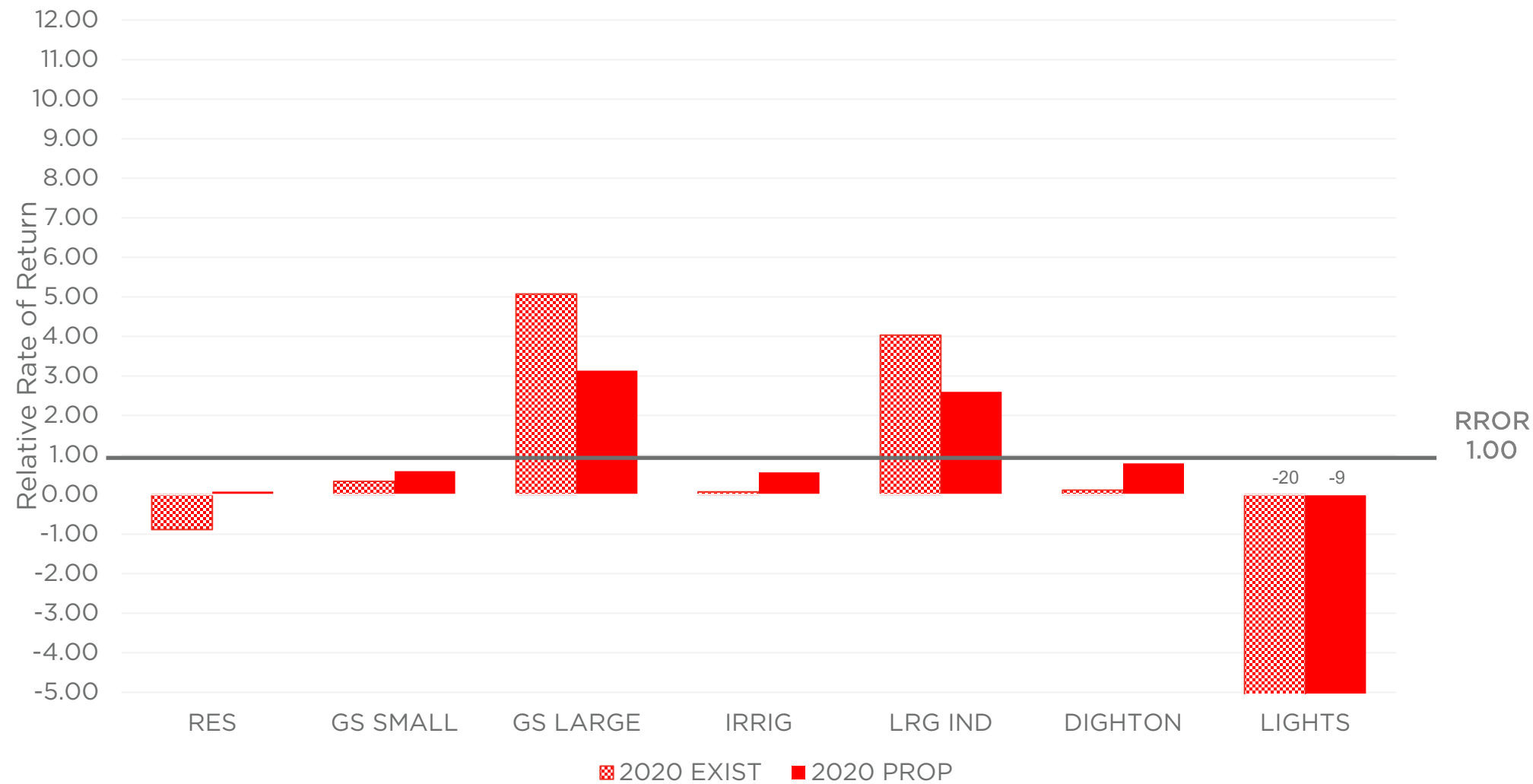
PROPOSED RATES

SUMMARY OF RATE CHANGE

| | Average Consumers | kWh Sold | Adjusted Revenue | Proposed Revenue | | |
|-------------------------------|----------------------|-------------|---------------------|------------------|-----------|---------|
| | | | | Proposed | Prop. \$ | % Prop. |
| Residential | 2,219 | 24,095,010 | 2,788,363 | 3,057,755 | 269,392 | 9.66% |
| Residential Space Heat | 13 | 69,970 | 9,764 | 10,713 | 949 | 9.71% |
| Residential - Religious Org. | 8 | 65,552 | 8,164 | 8,887 | 723 | 8.86% |
| Seasonal | 53 | 133,783 | 27,841 | 30,629 | 2,789 | 10.02% |
| Non-Domestic | 1,060 | 1,954,628 | 373,376 | 419,814 | 46,438 | 12.44% |
| Irrigation - No Control | 233 | 9,174,142 | 1,103,083 | 1,179,745 | 76,661 | 6.95% |
| General Service Small | 607 | 7,040,467 | 835,107 | 897,422 | 62,316 | 7.46% |
| GS Small - Farm | 87 | 1,381,008 | 153,250 | 164,308 | 11,058 | 7.22% |
| GS Small - Govt | 145 | 1,208,423 | 156,279 | 168,446 | 12,166 | 7.78% |
| GS Small - Oil Well | 998 | 37,346,260 | 3,727,796 | 3,978,045 | 250,248 | 6.71% |
| GS Small - School | 9 | 41,850 | 6,648 | 7,213 | 565 | 8.50% |
| GS Small - Religious Org. | 28 | 202,320 | 27,586 | 29,757 | 2,172 | 7.87% |
| General Service Large | 83 | 13,825,180 | 1,618,093 | 1,697,539 | 79,446 | 4.91% |
| GSL >50 KVA | 26 | 4,018,320 | 591,172 | 624,644 | 33,471 | 5.66% |
| GSL - Govt | 8 | 436,953 | 65,798 | 70,196 | 4,398 | 6.68% |
| GSL - Oil Well (PM) | 3 | 1,160,420 | 95,332 | 98,335 | 3,003 | 3.15% |
| GSL - Oil Well | 41 | 8,380,602 | 743,789 | 771,410 | 27,621 | 3.71% |
| GSL - Oil Well >50 KVA | 13 | 4,154,752 | 409,818 | 425,712 | 15,894 | 3.88% |
| GSL - School | 6 | 1,430,088 | 164,684 | 172,298 | 7,614 | 4.62% |
| GSL - Religious Org. | 6 | 179,711 | 41,467 | 44,817 | 3,350 | 8.08% |
| City of Dighton | 3 | 8,753,416 | 599,106 | 618,850 | 19,744 | 3.30% |
| Large Industrial | 1 | 8,831,580 | 696,288 | 720,842 | 24,555 | 3.53% |
| Large Industrial (PM) | 2 | 22,005,000 | 1,826,873 | 1,902,170 | 75,297 | 4.12% |
| Fairgrounds & Athletic Fields | 7 | 2,993 | 1,664 | 1,829 | 165 | 9.92% |
| Idle Service | 5 | 0 | 1,886 | 1,884 | (2) | -0.12% |
| Village Street Lights | 13 | 742,142 | 88,798 | 97,576 | 8,778 | 9.89% |
| Total | 5,677 | 156,634,570 | 16,162,025 | 17,200,836 | 1,038,811 | 6.43% |
| Other Revenue | | | 82,810 | 82,810 | 0 | 0.00% |
| Total Revenue | | | 16,244,835 | 17,283,646 | 1,038,811 | 6.39% |

RELATIVE RATE OF RETURN

EXISTING VS PROPOSED



RATE CRITERIA

EVALUATING RATES

- Fair / non-discriminatory
- Minimal customer impact
- Competitive
- Proper pricing signal
- Understandable
- Encourage proper usage

SUMMARY OF RATES – DRAFT FOR DISCUSSION

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

| | Existing | Proposed | Change |
|-------------------------------------------|--------------|--------------|--------------|
| Power Cost, per kWh Sold | \$0.058922 | \$0.058922 | \$0.000000 |
| PCRF Base Cost, per kWh Sold | \$0.069750 | \$0.069750 | \$0.000000 |
| PCRF Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 |
| Property Tax, per kWh Sold | \$0.014875 | \$0.013662 | (\$0.001213) |
| <i>Residential</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.096320 | \$0.102970 | \$0.006650 |
| Heat Pump Charge, per Heat Pump | \$2.00 | \$2.00 | \$0.00 |
| Heat Pump Credit, per Heat Pump kWh | (\$0.030000) | (\$0.030000) | \$0.000000 |
| <i>Residential Space Heating</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | | | |
| April-November | | | |
| All kWh | \$0.096320 | \$0.102970 | \$0.006650 |
| December-March | | | |
| First 800 kWh per month | \$0.096320 | \$0.102970 | \$0.006650 |
| Next ### kWh per month | \$0.066320 | \$0.072970 | \$0.006650 |
| Over ### kWh per month | \$0.096320 | \$0.102970 | \$0.006650 |
| <i>Residential - Religious Org</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.096320 | \$0.102970 | \$0.006650 |
| <i>Seasonal</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.096320 | \$0.102970 | \$0.006650 |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

| | Existing | Proposed | Change |
|-------------------------------------|--------------|--------------|--------------|
| Power Cost, per kWh Sold | \$0.058922 | \$0.058922 | \$0.000000 |
| PCRF Base Cost, per kWh Sold | \$0.069750 | \$0.069750 | \$0.000000 |
| PCRF Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 |
| Property Tax, per kWh Sold | \$0.014875 | \$0.013662 | (\$0.001213) |
| <i>Non-Domestic</i> | | | |
| Customer Charge | \$15.00 | \$18.00 | \$3.00 |
| Energy Charge, per kWh | \$0.101480 | \$0.105630 | \$0.004150 |
| <i>Irrigation</i> | | | |
| Customer Charge | \$0.00 | \$0.00 | \$0.00 |
| Annual HP, per Billing HP | \$35.00 | \$40.00 | \$5.00 |
| Energy Charge, per kWh | \$0.095560 | \$0.099830 | \$0.004270 |
| <i>General Service Small</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 |
| <i>GS Small - Farm</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 |
| <i>GS Small - Government</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 |
| <i>GS Small - Oil Well</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

| | Existing | Proposed | Change |
|----------------------------------------|--------------|--------------|--------------|
| Power Cost, per kWh Sold | \$0.058922 | \$0.058922 | \$0.000000 |
| PCRF Base Cost, per kWh Sold | \$0.069750 | \$0.069750 | \$0.000000 |
| PCRF Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 |
| Property Tax, per kWh Sold | \$0.014875 | \$0.013662 | (\$0.001213) |
| <i>GS Small - School</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 |
| <i>GS Small - Religious Org</i> | | | |
| Customer Charge | \$25.00 | \$28.00 | \$3.00 |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 |
| <i>General Service Large</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |
| <i>GS Large - >50 kVA</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |
| <i>GS Large - Government</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

| | Existing | Proposed | Change |
|----------------------------------------------|--------------|--------------|--------------|
| Power Cost, per kWh Sold | \$0.058922 | \$0.058922 | \$0.000000 |
| PCRF Base Cost, per kWh Sold | \$0.069750 | \$0.069750 | \$0.000000 |
| PCRF Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 |
| Property Tax, per kWh Sold | \$0.014875 | \$0.013662 | (\$0.001213) |
| <i>GS Large - Oil Well (Primary)</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |
| Primary Discount | 2.00% | 2.00% | 0.00% |
| <i>GS Large - Oil Well</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |
| <i>GS Large - Oil Well > 50kVA</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |
| <i>GS Large - School</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |
| <i>GS Large - Religious Org</i> | | | |
| Customer Charge | \$50.00 | \$65.00 | \$15.00 |
| Annual kW, per Billing kW | \$12.00 | \$13.00 | \$1.00 |
| Energy Charge, per kWh | \$0.072520 | \$0.073090 | \$0.000570 |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

| | Existing | Proposed | Change |
|------------------------------------------|--------------|--------------|--------------|
| Power Cost, per kWh Sold | \$0.058922 | \$0.058922 | \$0.000000 |
| PCRF Base Cost, per kWh Sold | \$0.069750 | \$0.069750 | \$0.000000 |
| PCRF Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 |
| Property Tax, per kWh Sold | \$0.014875 | \$0.013662 | (\$0.001213) |
| City of Dighton | | | |
| Customer Charge | \$35.00 | \$150.00 | \$115.00 |
| Annual kW, per Billing kW | | | |
| Demand kW (Oct-May) | \$10.92 | \$11.72 | \$0.80 |
| Demand kW (Jun-Sep) | \$16.27 | \$17.07 | \$0.80 |
| Energy Charge, per kWh | \$0.009576 | \$0.010030 | \$0.000454 |
| Large Industrial | | | |
| Customer Charge | \$100.00 | \$100.00 | \$0.00 |
| Demand Charge, per Billing kW | \$12.00 | \$12.80 | \$0.80 |
| Energy Charge, per kWh | | | |
| First 250 kWh per billing kW | \$0.067790 | \$0.070850 | \$0.003060 |
| Next 250 kWh per billing kW | \$0.058790 | \$0.058350 | (\$0.000440) |
| Over 500 kWh per billing kW | \$0.049790 | \$0.045850 | (\$0.003940) |
| Large Industrial Primary | | | |
| Customer Charge | \$100.00 | \$100.00 | \$0.00 |
| Demand Charge, per Billing kW | \$12.00 | \$12.80 | \$0.80 |
| Energy Charge, per kWh | | | |
| First 250 kWh per billing kW | \$0.067790 | \$0.070850 | \$0.003060 |
| Next 250 kWh per billing kW | \$0.058790 | \$0.058350 | (\$0.000440) |
| Over 500 kWh per billing kW | \$0.049790 | \$0.045850 | (\$0.003940) |
| Primary Discount | 2.00% | 2.00% | 0.00% |
| Fairgrounds and Athletic Lighting | | | |
| Customer Charge | \$15.00 | \$17.50 | \$2.50 |
| Energy Charge, per kWh | \$0.139620 | \$0.124500 | (\$0.015120) |
| Idle Service | | | |
| Customer Charge | \$31.50 | \$31.50 | \$0.00 |
| Energy Charge, per kWh | \$0.000000 | \$0.000000 | \$0.000000 |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
RESIDENTIAL

| <u>kWh Usage</u> | <u>Heat Pump kWh</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|-------------------------------------|----------------------|----------------------|----------------------|---------------|-----------------------|
| Customer Charge | | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | | \$0.096320 | \$0.102970 | \$0.006650 | 6.90% |
| PCRf Factor, per kWh | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | 1.487% | 1.366% | -0.121% | -8.15% |
| Heat Pump Charge, per Heat Pump | | \$2.00 | \$2.00 | \$0.00 | 0.00% |
| Heat Pump Credit, per Heat Pump kWh | | (\$0.030000) | (\$0.030000) | \$0.000000 | 0.00% |
| <hr/> | | | | | |
| Without Heat Pump | | | | | |
| 50 | | \$29.72 | \$33.06 | \$3.34 | 11.24% |
| 100 | | \$34.06 | \$37.74 | \$3.68 | 10.80% |
| 250 | | \$47.10 | \$51.77 | \$4.67 | 9.92% |
| 500 | | \$68.83 | \$75.16 | \$6.33 | 9.20% |
| 750 | | \$90.57 | \$98.54 | \$7.97 | 8.80% |
| 1,000 | | \$112.30 | \$121.93 | \$9.63 | 8.58% |
| 1,500 | | \$155.76 | \$168.71 | \$12.95 | 8.31% |
| 2,500 | | \$242.68 | \$262.25 | \$19.57 | 8.06% |
| 902 | Average | \$103.78 | \$112.76 | \$8.98 | 8.65% |
| <hr/> | | | | | |
| With Heat Pump | | | | | |
| 1,000 | 433 | \$101.31 | \$110.94 | \$9.63 | 9.51% |
| 1,500 | 433 | \$144.77 | \$157.72 | \$12.95 | 8.95% |
| 2,000 | 433 | \$188.23 | \$204.49 | \$16.26 | 8.64% |
| 2,500 | 433 | \$231.69 | \$251.26 | \$19.57 | 8.45% |
| 3,000 | 433 | \$275.16 | \$298.04 | \$22.88 | 8.32% |
| 3,500 | 433 | \$318.62 | \$344.81 | \$26.19 | 8.22% |
| 4,000 | 433 | \$362.08 | \$391.59 | \$29.51 | 8.15% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
COMPARISON OF EXISTING AND PROPOSED RATES
RESIDENTIAL SPACE HEATING

| kWh Usage | Existing Rate | Proposed Rate | Change | Percent Change |
|----------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| April-November | | | | |
| All kWh | \$0.096320 | \$0.102970 | \$0.006650 | 6.90% |
| December-March | | | | |
| First 800 kWh | \$0.096320 | \$0.102970 | \$0.006650 | 6.90% |
| Next 5000 kWh | \$0.066320 | \$0.072970 | \$0.006650 | 10.03% |
| Over 5800 kWh | \$0.096320 | \$0.102970 | \$0.006650 | 6.90% |
| PCR Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.4875% | 1.3662% | -0.1213% | -8.15% |
| <hr/> | | | | |
| 50 | \$29.72 | \$33.06 | \$3.34 | 11.25% |
| 100 | \$34.06 | \$37.74 | \$3.67 | 10.78% |
| 250 | \$47.10 | \$51.77 | \$4.67 | 9.91% |
| 500 | \$68.83 | \$75.16 | \$6.32 | 9.19% |
| 750 | \$90.57 | \$98.54 | \$7.98 | 8.81% |
| 1,000 | \$106.21 | \$115.85 | \$9.64 | 9.08% |
| 1,500 | \$134.45 | \$147.42 | \$12.97 | 9.65% |
| 2,500 | \$190.93 | \$210.56 | \$19.63 | 10.28% |
| 441 Average | \$63.71 | \$69.64 | \$5.93 | 9.31% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
RESIDENTIAL - RELIGIOUS ORG

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.096320 | \$0.102970 | \$0.006650 | 6.90% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.4875% | 1.3662% | -0.1213% | -8.15% |
| <hr/> | | | | |
| 50 | \$29.72 | \$33.06 | \$3.34 | 11.24% |
| 100 | \$34.06 | \$37.74 | \$3.68 | 10.80% |
| 250 | \$47.10 | \$51.77 | \$4.67 | 9.92% |
| 500 | \$68.83 | \$75.16 | \$6.33 | 9.20% |
| 750 | \$90.57 | \$98.54 | \$7.97 | 8.80% |
| 1,000 | \$112.30 | \$121.93 | \$9.63 | 8.58% |
| 1,500 | \$155.76 | \$168.71 | \$12.95 | 8.31% |
| 2,500 | \$242.68 | \$262.25 | \$19.57 | 8.06% |
| 683 Average | \$84.74 | \$92.28 | \$7.54 | 8.90% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
SEASONAL

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.096320 | \$0.102970 | \$0.006650 | 6.90% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.4875% | 1.3662% | -0.1213% | -8.15% |
| <hr/> | | | | |
| 50 | \$29.72 | \$33.06 | \$3.34 | 11.24% |
| 100 | \$34.06 | \$37.74 | \$3.68 | 10.80% |
| 250 | \$47.10 | \$51.77 | \$4.67 | 9.92% |
| 500 | \$68.83 | \$75.16 | \$6.33 | 9.20% |
| 750 | \$90.57 | \$98.54 | \$7.97 | 8.80% |
| 1,000 | \$112.30 | \$121.93 | \$9.63 | 8.58% |
| 1,500 | \$155.76 | \$168.71 | \$12.95 | 8.31% |
| 2,500 | \$242.68 | \$262.25 | \$19.57 | 8.06% |
| 208 Average | \$43.45 | \$47.84 | \$4.39 | 10.10% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
NON-DOMESTIC

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$15.00 | \$18.00 | \$3.00 | 20.00% |
| Energy Charge, per kWh | \$0.101480 | \$0.105630 | \$0.004150 | 4.09% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 50 | \$19.83 | \$23.06 | \$3.23 | 16.29% |
| 100 | \$24.44 | \$27.87 | \$3.43 | 14.03% |
| 250 | \$38.26 | \$42.31 | \$4.05 | 10.59% |
| 500 | \$61.30 | \$66.37 | \$5.07 | 8.27% |
| 750 | \$84.34 | \$90.43 | \$6.09 | 7.22% |
| 1,000 | \$107.38 | \$114.49 | \$7.11 | 6.62% |
| 1,500 | \$153.47 | \$162.61 | \$9.14 | 5.96% |
| 2,500 | \$245.63 | \$258.86 | \$13.23 | 5.39% |
| 153 Average | \$29.32 | \$32.97 | \$3.65 | 12.45% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
IRRIGATION

| HP | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|------------------------------------|----|-------|------------------|------------------|------------|-------------------|
| Customer Charge | | | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| Horse Power Charge, per Billing HP | | | \$35.00 | \$40.00 | \$5.00 | 14.29% |
| Energy Charge, per kWh | | | \$0.095560 | \$0.099830 | \$0.004270 | 4.47% |
| PCRf Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | -0.121% | -8.15% |
| 6.70 | 5 | 365 | \$269.52 | \$304.74 | \$35.22 | 13.07% |
| 6.70 | 5 | 1,095 | \$332.41 | \$370.71 | \$38.30 | 11.52% |
| 6.70 | 5 | 1,825 | \$395.30 | \$436.68 | \$41.38 | 10.47% |
| 6.70 | 5 | 2,555 | \$458.20 | \$502.64 | \$44.44 | 9.70% |
| 6.70 | 5 | 3,285 | \$521.09 | \$568.61 | \$47.52 | 9.12% |
| 20.11 | 15 | 1,095 | \$808.56 | \$914.23 | \$105.67 | 13.07% |
| 20.11 | 15 | 3,285 | \$997.24 | \$1,112.13 | \$114.89 | 11.52% |
| 20.11 | 15 | 5,475 | \$1,185.91 | \$1,310.03 | \$124.12 | 10.47% |
| 20.11 | 15 | 7,665 | \$1,374.59 | \$1,507.93 | \$133.34 | 9.70% |
| 20.11 | 15 | 9,855 | \$1,563.26 | \$1,705.83 | \$142.57 | 9.12% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
IRRIGATION

| HP | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|------------------------------------|-----|--------|------------------|------------------|------------|-------------------|
| Customer Charge | | | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| Horse Power Charge, per Billing HP | | | \$35.00 | \$40.00 | \$5.00 | 14.29% |
| Energy Charge, per kWh | | | \$0.095560 | \$0.099830 | \$0.004270 | 4.47% |
| PCRf Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | | | |
| 67.02 | 50 | 3,650 | \$2,695.20 | \$3,047.43 | \$352.23 | 13.07% |
| 67.02 | 50 | 10,950 | \$3,324.12 | \$3,707.10 | \$382.98 | 11.52% |
| 67.02 | 50 | 18,250 | \$3,953.04 | \$4,366.77 | \$413.73 | 10.47% |
| 67.02 | 50 | 25,550 | \$4,581.96 | \$5,026.44 | \$444.48 | 9.70% |
| 67.02 | 50 | 32,850 | \$5,210.88 | \$5,686.11 | \$475.23 | 9.12% |
| <hr/> | | | | | | |
| 134.05 | 100 | 7,300 | \$5,390.40 | \$6,094.86 | \$704.46 | 13.07% |
| 134.05 | 100 | 21,900 | \$6,648.24 | \$7,414.20 | \$765.96 | 11.52% |
| 134.05 | 100 | 36,500 | \$7,906.08 | \$8,733.54 | \$827.46 | 10.47% |
| 134.05 | 100 | 51,100 | \$9,163.92 | \$10,052.88 | \$888.96 | 9.70% |
| 134.05 | 100 | 65,700 | \$10,421.76 | \$11,372.22 | \$950.46 | 9.12% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
IRRIGATION

| HP | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|------------------------------------|----|--------|------------------|------------------|------------|-------------------|
| Customer Charge | | | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| Horse Power Charge, per Billing HP | | | \$35.00 | \$40.00 | \$5.00 | 14.29% |
| Energy Charge, per kWh | | | \$0.095560 | \$0.099830 | \$0.004270 | 4.47% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | | | |
| 38.00 | | 72,613 | \$7,605.64 | \$8,102.50 | \$496.86 | 6.53% |
| 34.00 | | 25,097 | \$3,369.89 | \$3,646.49 | \$276.60 | 8.21% |
| 10.00 | | 2,034 | \$530.44 | \$589.27 | \$58.83 | 11.09% |
| 10.00 | | 1,948 | \$523.03 | \$581.50 | \$58.47 | 11.18% |
| 10.00 | | 1,973 | \$525.19 | \$583.76 | \$58.57 | 11.15% |
| 10.00 | | 121 | \$365.63 | \$416.40 | \$50.77 | 13.89% |
| 26.00 | | 0 | \$923.54 | \$1,054.21 | \$130.67 | 14.15% |
| 31.00 | | 23,410 | \$3,117.99 | \$3,372.41 | \$254.42 | 8.16% |
| 30.00 | | 16,022 | \$2,445.97 | \$2,664.24 | \$218.27 | 8.92% |
| 10.00 | | 0 | \$355.21 | \$405.46 | \$50.25 | 14.15% |
| 28.00 | | 23,745 | \$3,040.29 | \$3,281.04 | \$240.75 | 7.92% |
| 48.00 | | 48,838 | \$5,912.55 | \$6,359.52 | \$446.97 | 7.56% |
| 36.00 | | 17,963 | \$2,826.32 | \$3,082.92 | \$256.60 | 9.08% |
| 26.00 | | 12,596 | \$2,008.72 | \$2,192.46 | \$183.74 | 9.15% |
| 18.00 | | 35,830 | \$3,726.25 | \$3,967.65 | \$241.40 | 6.48% |
| 10.00 | | 0 | \$355.21 | \$405.46 | \$50.25 | 14.15% |
| 10.00 | | 430 | \$392.25 | \$444.32 | \$52.07 | 13.27% |
| 21.00 | | 14,973 | \$2,035.91 | \$2,204.52 | \$168.61 | 8.28% |
| 30.00 | | 30,340 | \$3,679.51 | \$3,958.10 | \$278.59 | 7.57% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GENERAL SERVICE SMALL

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 | 5.67% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 50 | \$30.00 | \$33.30 | \$3.30 | 11.00% |
| 100 | \$34.63 | \$38.21 | \$3.58 | 10.34% |
| 250 | \$48.52 | \$52.96 | \$4.44 | 9.15% |
| 500 | \$71.66 | \$77.54 | \$5.88 | 8.21% |
| 750 | \$94.81 | \$102.12 | \$7.31 | 7.71% |
| 1,000 | \$117.95 | \$126.70 | \$8.75 | 7.42% |
| 1,500 | \$164.24 | \$175.85 | \$11.61 | 7.07% |
| 2,500 | \$256.82 | \$274.17 | \$17.35 | 6.76% |
| 966 Average | \$114.80 | \$123.35 | \$8.55 | 7.45% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS SMALL - FARM

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|----------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 | 5.67% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 50 | \$30.00 | \$33.30 | \$3.30 | 11.00% |
| 100 | \$34.63 | \$38.21 | \$3.58 | 10.34% |
| 250 | \$48.52 | \$52.96 | \$4.44 | 9.15% |
| 500 | \$71.66 | \$77.54 | \$5.88 | 8.21% |
| 750 | \$94.81 | \$102.12 | \$7.31 | 7.71% |
| 1,000 | \$117.95 | \$126.70 | \$8.75 | 7.42% |
| 1,500 | \$164.24 | \$175.85 | \$11.61 | 7.07% |
| 2,500 | \$256.82 | \$274.17 | \$17.35 | 6.76% |
| 1,337 Average | \$149.11 | \$159.79 | \$10.68 | 7.16% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS SMALL - GOVERNMENT

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 | 5.67% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 50 | \$30.00 | \$33.30 | \$3.30 | 11.00% |
| 100 | \$34.63 | \$38.21 | \$3.58 | 10.34% |
| 250 | \$48.52 | \$52.96 | \$4.44 | 9.15% |
| 500 | \$71.66 | \$77.54 | \$5.88 | 8.21% |
| 750 | \$94.81 | \$102.12 | \$7.31 | 7.71% |
| 1,000 | \$117.95 | \$126.70 | \$8.75 | 7.42% |
| 1,500 | \$164.24 | \$175.85 | \$11.61 | 7.07% |
| 2,500 | \$256.82 | \$274.17 | \$17.35 | 6.76% |
| 694 Average | \$89.60 | \$96.59 | \$6.99 | 7.80% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS SMALL - OIL WELL

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|----------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 | 5.67% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 250 | \$48.52 | \$52.96 | \$4.44 | 9.15% |
| 500 | \$71.66 | \$77.54 | \$5.88 | 8.21% |
| 750 | \$94.81 | \$102.12 | \$7.31 | 7.71% |
| 1,000 | \$117.95 | \$126.70 | \$8.75 | 7.42% |
| 1,500 | \$164.24 | \$175.85 | \$11.61 | 7.07% |
| 2,000 | \$210.53 | \$225.01 | \$14.48 | 6.88% |
| 3,000 | \$303.10 | \$323.32 | \$20.22 | 6.67% |
| 5,000 | \$488.26 | \$519.95 | \$31.69 | 6.49% |
| 3,110 Average | \$313.33 | \$334.18 | \$20.85 | 6.65% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS SMALL - SCHOOL

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 | 5.67% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 50 | \$30.00 | \$33.30 | \$3.30 | 11.00% |
| 100 | \$34.63 | \$38.21 | \$3.58 | 10.34% |
| 250 | \$48.52 | \$52.96 | \$4.44 | 9.15% |
| 500 | \$71.66 | \$77.54 | \$5.88 | 8.21% |
| 750 | \$94.81 | \$102.12 | \$7.31 | 7.71% |
| 1,000 | \$117.95 | \$126.70 | \$8.75 | 7.42% |
| 1,500 | \$164.24 | \$175.85 | \$11.61 | 7.07% |
| 2,500 | \$256.82 | \$274.17 | \$17.35 | 6.76% |
| 388 Average | \$61.25 | \$66.48 | \$5.23 | 8.54% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS SMALL - RELIGIOUS ORG

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$25.00 | \$28.00 | \$3.00 | 12.00% |
| Energy Charge, per kWh | \$0.101890 | \$0.107670 | \$0.005780 | 5.67% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 50 | \$30.00 | \$33.30 | \$3.30 | 11.00% |
| 100 | \$34.63 | \$38.21 | \$3.58 | 10.34% |
| 250 | \$48.52 | \$52.96 | \$4.44 | 9.15% |
| 500 | \$71.66 | \$77.54 | \$5.88 | 8.21% |
| 750 | \$94.81 | \$102.12 | \$7.31 | 7.71% |
| 1,000 | \$117.95 | \$126.70 | \$8.75 | 7.42% |
| 1,500 | \$164.24 | \$175.85 | \$11.61 | 7.07% |
| 2,500 | \$256.82 | \$274.17 | \$17.35 | 6.76% |
| 621 Average | \$82.87 | \$89.45 | \$6.58 | 7.94% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GENERAL SERVICE LARGE

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|--------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRf Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 50 | 3,650 | \$888.78 | \$955.67 | \$66.89 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,347.01 | \$1,417.47 | \$70.46 | 5.23% |
| 50.00% | 50 | 18,250 | \$1,805.23 | \$1,879.27 | \$74.04 | 4.10% |
| 70.00% | 50 | 25,550 | \$2,263.46 | \$2,341.08 | \$77.62 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,721.69 | \$2,802.88 | \$81.19 | 2.98% |
| 10.00% | 100 | 7,300 | \$1,726.82 | \$1,845.45 | \$118.63 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,643.27 | \$2,769.05 | \$125.78 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,559.72 | \$3,692.66 | \$132.94 | 3.73% |
| 70.00% | 100 | 51,100 | \$4,476.18 | \$4,616.26 | \$140.08 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,392.63 | \$5,539.87 | \$147.24 | 2.73% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GENERAL SERVICE LARGE

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 200 | 14,600 | \$3,402.90 | \$3,625.01 | \$222.11 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,235.80 | \$5,472.22 | \$236.42 | 4.52% |
| 50.00% | 200 | 73,000 | \$7,068.71 | \$7,319.43 | \$250.72 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,901.61 | \$9,166.64 | \$265.03 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,734.52 | \$11,013.85 | \$279.33 | 2.60% |
| 10.00% | 250 | 18,250 | \$4,240.93 | \$4,514.79 | \$273.86 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,532.06 | \$6,823.80 | \$291.74 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,823.20 | \$9,132.82 | \$309.62 | 3.51% |
| 70.00% | 250 | 127,750 | \$11,114.33 | \$11,441.83 | \$327.50 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,405.46 | \$13,750.84 | \$345.38 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,431.12 | \$8,963.70 | \$532.58 | 6.32% |
| 30.00% | 500 | 109,500 | \$13,013.39 | \$13,581.72 | \$568.33 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,595.65 | \$18,199.74 | \$604.09 | 3.43% |
| 70.00% | 500 | 255,500 | \$22,177.91 | \$22,817.76 | \$639.85 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,760.17 | \$27,435.78 | \$675.61 | 2.52% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GENERAL SERVICE LARGE

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-------|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| From LP Data Billing Units | | | | | | |
| 26% | 140 | 26,880 | \$3,440.09 | \$3,608.03 | \$167.94 | 4.88% |
| 14% | 652 | 67,680 | \$12,239.81 | \$12,939.56 | \$699.75 | 5.72% |
| 15% | 141 | 15,845 | \$2,759.47 | \$2,923.00 | \$163.53 | 5.93% |
| 14% | 457 | 47,880 | \$8,626.41 | \$9,121.98 | \$495.57 | 5.74% |
| 4% | 369 | 11,680 | \$5,281.55 | \$5,671.39 | \$389.84 | 7.38% |
| 22% | 763 | 124,416 | \$17,156.27 | \$17,994.98 | \$838.71 | 4.89% |
| 20% | 456 | 66,800 | \$9,798.20 | \$10,301.74 | \$503.54 | 5.14% |
| 35% | 252 | 65,000 | \$7,202.38 | \$7,501.35 | \$298.97 | 4.15% |
| 65% | 92 | 44,101 | \$3,944.41 | \$4,073.48 | \$129.07 | 3.27% |
| 61% | 231 | 102,145 | \$9,278.98 | \$9,575.22 | \$296.24 | 3.19% |
| 57% | 358 | 148,701 | \$13,744.84 | \$14,190.51 | \$445.67 | 3.24% |
| 57% | 429 | 177,920 | \$16,444.82 | \$16,975.85 | \$531.03 | 3.23% |
| 33% | 1,974 | 476,320 | \$53,989.07 | \$56,209.70 | \$2,220.63 | 4.11% |
| 51% | 299 | 110,755 | \$10,647.33 | \$11,015.71 | \$368.38 | 3.46% |
| 36% | 199 | 52,640 | \$5,783.14 | \$6,023.27 | \$240.13 | 4.15% |
| 10% | 128 | 9,600 | \$2,208.29 | \$2,355.71 | \$147.42 | 6.68% |
| 31% | 273 | 62,120 | \$7,271.50 | \$7,589.56 | \$318.06 | 4.37% |
| 31% | 269 | 60,520 | \$7,128.08 | \$7,441.83 | \$313.75 | 4.40% |
| 15% | 305 | 32,680 | \$5,815.80 | \$6,151.62 | \$335.82 | 5.77% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - >50 KVA

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|--------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRf Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 50 | 3,650 | \$888.78 | \$955.67 | \$66.89 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,347.01 | \$1,417.47 | \$70.46 | 5.23% |
| 50.00% | 50 | 18,250 | \$1,805.23 | \$1,879.27 | \$74.04 | 4.10% |
| 70.00% | 50 | 25,550 | \$2,263.46 | \$2,341.08 | \$77.62 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,721.69 | \$2,802.88 | \$81.19 | 2.98% |
| 10.00% | 100 | 7,300 | \$1,726.82 | \$1,845.45 | \$118.63 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,643.27 | \$2,769.05 | \$125.78 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,559.72 | \$3,692.66 | \$132.94 | 3.73% |
| 70.00% | 100 | 51,100 | \$4,476.18 | \$4,616.26 | \$140.08 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,392.63 | \$5,539.87 | \$147.24 | 2.73% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - >50 KVA

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 200 | 14,600 | \$3,402.90 | \$3,625.01 | \$222.11 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,235.80 | \$5,472.22 | \$236.42 | 4.52% |
| 50.00% | 200 | 73,000 | \$7,068.71 | \$7,319.43 | \$250.72 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,901.61 | \$9,166.64 | \$265.03 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,734.52 | \$11,013.85 | \$279.33 | 2.60% |
| 10.00% | 250 | 18,250 | \$4,240.93 | \$4,514.79 | \$273.86 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,532.06 | \$6,823.80 | \$291.74 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,823.20 | \$9,132.82 | \$309.62 | 3.51% |
| 70.00% | 250 | 127,750 | \$11,114.33 | \$11,441.83 | \$327.50 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,405.46 | \$13,750.84 | \$345.38 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,431.12 | \$8,963.70 | \$532.58 | 6.32% |
| 30.00% | 500 | 109,500 | \$13,013.39 | \$13,581.72 | \$568.33 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,595.65 | \$18,199.74 | \$604.09 | 3.43% |
| 70.00% | 500 | 255,500 | \$22,177.91 | \$22,817.76 | \$639.85 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,760.17 | \$27,435.78 | \$675.61 | 2.52% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - >50 KVA

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-----------------------------------|-------|-----------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| From LP Data Billing Units | | | | | | |
| 11% | 1,235 | 97,040 | \$21,188.30 | \$22,485.36 | \$1,297.06 | 6.12% |
| 17% | 101 | 12,760 | \$2,075.88 | \$2,197.71 | \$121.83 | 5.87% |
| 8% | 902 | 54,480 | \$14,452.33 | \$15,395.10 | \$942.77 | 6.52% |
| 21% | 1,346 | 204,640 | \$29,286.94 | \$30,747.00 | \$1,460.06 | 4.99% |
| 7% | 1,135 | 62,112 | \$17,769.59 | \$18,948.94 | \$1,179.35 | 6.64% |
| 59% | 3,424 | 1,464,760 | \$133,692.00 | \$137,845.43 | \$4,153.43 | 3.11% |
| 65% | 572 | 269,440 | \$23,931.73 | \$24,650.51 | \$718.78 | 3.00% |
| 6% | 1,229 | 50,200 | \$18,167.50 | \$19,435.00 | \$1,267.50 | 6.98% |
| 4% | 409 | 11,040 | \$5,729.85 | \$6,159.46 | \$429.61 | 7.50% |
| 12% | 1,175 | 100,640 | \$20,672.12 | \$21,910.06 | \$1,237.94 | 5.99% |
| 0% | 12 | 0 | \$198.35 | \$225.60 | \$27.25 | 13.74% |
| 10% | 1,100 | 76,960 | \$18,273.30 | \$19,424.78 | \$1,151.48 | 6.30% |
| 7% | 935 | 48,560 | \$14,485.05 | \$15,458.09 | \$973.04 | 6.72% |
| 2% | 1,443 | 16,480 | \$18,652.93 | \$20,117.38 | \$1,464.45 | 7.85% |
| 11% | 439 | 36,320 | \$7,677.42 | \$8,149.01 | \$471.59 | 6.14% |
| 9% | 90 | 6,080 | \$1,533.33 | \$1,641.77 | \$108.44 | 7.07% |
| 0% | 0 | 0 | \$50.74 | \$65.89 | \$15.15 | 29.86% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - GOVERNMENT

| <u>Load Factor</u> | <u>kW</u> | <u>kWh</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|-------------------------------|-----------|------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 50 | 3,650 | \$888.78 | \$955.67 | \$66.89 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,347.01 | \$1,417.47 | \$70.46 | 5.23% |
| 50.00% | 50 | 18,250 | \$1,805.23 | \$1,879.27 | \$74.04 | 4.10% |
| 70.00% | 50 | 25,550 | \$2,263.46 | \$2,341.08 | \$77.62 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,721.69 | \$2,802.88 | \$81.19 | 2.98% |
| 10.00% | 100 | 7,300 | \$1,726.82 | \$1,845.45 | \$118.63 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,643.27 | \$2,769.05 | \$125.78 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,559.72 | \$3,692.66 | \$132.94 | 3.73% |
| 70.00% | 100 | 51,100 | \$4,476.18 | \$4,616.26 | \$140.08 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,392.63 | \$5,539.87 | \$147.24 | 2.73% |
| 10.00% | 200 | 14,600 | \$3,402.90 | \$3,625.01 | \$222.11 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,235.80 | \$5,472.22 | \$236.42 | 4.52% |
| 50.00% | 200 | 73,000 | \$7,068.71 | \$7,319.43 | \$250.72 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,901.61 | \$9,166.64 | \$265.03 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,734.52 | \$11,013.85 | \$279.33 | 2.60% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - GOVERNMENT

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----------|------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 250 | 18,250 | \$4,240.93 | \$4,514.79 | \$273.86 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,532.06 | \$6,823.80 | \$291.74 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,823.20 | \$9,132.82 | \$309.62 | 3.51% |
| 70.00% | 250 | 127,750 | \$11,114.33 | \$11,441.83 | \$327.50 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,405.46 | \$13,750.84 | \$345.38 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,431.12 | \$8,963.70 | \$532.58 | 6.32% |
| 30.00% | 500 | 109,500 | \$13,013.39 | \$13,581.72 | \$568.33 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,595.65 | \$18,199.74 | \$604.09 | 3.43% |
| 70.00% | 500 | 255,500 | \$22,177.91 | \$22,817.76 | \$639.85 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,760.17 | \$27,435.78 | \$675.61 | 2.52% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - GOVERNMENT

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-----------------------------------|-----|--------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| From LP Data Billing Units | | | | | | |
| 15% | 325 | 35,633 | \$6,249.60 | \$6,607.25 | \$357.65 | 5.72% |
| 14% | 297 | 30,594 | \$5,585.85 | \$5,912.53 | \$326.68 | 5.85% |
| 6% | 79 | 3,234 | \$1,220.47 | \$1,316.51 | \$96.04 | 7.87% |
| 28% | 182 | 37,690 | \$4,636.59 | \$4,852.32 | \$215.73 | 4.65% |
| 11% | 32 | 2,600 | \$603.05 | \$651.39 | \$48.34 | 8.02% |
| 21% | 284 | 43,415 | \$6,240.11 | \$6,560.72 | \$320.61 | 5.14% |
| 38% | 171 | 47,160 | \$5,096.46 | \$5,305.79 | \$209.33 | 4.11% |
| 30% | 84 | 18,109 | \$2,209.72 | \$2,317.60 | \$107.88 | 4.88% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.**COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL (PRIMARY)**

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----------|------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| Primary Discount | | | 2.00% | 2.00% | 0.00% | 0.00% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 50 | 3,650 | \$870.49 | \$936.03 | \$65.54 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,318.13 | \$1,387.16 | \$69.03 | 5.24% |
| 50.00% | 50 | 18,250 | \$1,765.76 | \$1,838.30 | \$72.54 | 4.11% |
| 70.00% | 50 | 25,550 | \$2,213.40 | \$2,289.43 | \$76.03 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,661.04 | \$2,740.56 | \$79.52 | 2.99% |
| 10.00% | 100 | 7,300 | \$1,691.23 | \$1,807.48 | \$116.25 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,586.51 | \$2,709.74 | \$123.23 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,481.78 | \$3,612.00 | \$130.22 | 3.74% |
| 70.00% | 100 | 51,100 | \$4,377.06 | \$4,514.27 | \$137.21 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,272.34 | \$5,416.53 | \$144.19 | 2.73% |
| 10.00% | 200 | 14,600 | \$3,332.72 | \$3,550.37 | \$217.65 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,123.27 | \$5,354.89 | \$231.62 | 4.52% |
| 50.00% | 200 | 73,000 | \$6,913.83 | \$7,159.42 | \$245.59 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,704.38 | \$8,963.94 | \$259.56 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,494.93 | \$10,768.47 | \$273.54 | 2.61% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL (PRIMARY)

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| Primary Discount | | | 2.00% | 2.00% | 0.00% | 0.00% |
| PCRf Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 250 | 18,250 | \$4,153.46 | \$4,421.82 | \$268.36 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,391.66 | \$6,677.47 | \$285.81 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,629.85 | \$8,933.13 | \$303.28 | 3.51% |
| 70.00% | 250 | 127,750 | \$10,868.04 | \$11,188.78 | \$320.74 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,106.23 | \$13,444.44 | \$338.21 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,257.18 | \$8,779.05 | \$521.87 | 6.32% |
| 30.00% | 500 | 109,500 | \$12,733.57 | \$13,290.35 | \$556.78 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,209.95 | \$17,801.66 | \$591.71 | 3.44% |
| 70.00% | 500 | 255,500 | \$21,686.33 | \$22,312.97 | \$626.64 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,162.72 | \$26,824.28 | \$661.56 | 2.53% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL (PRIMARY)

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-----------------------------------|-------|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| Primary Discount | | | 2.00% | 2.00% | 0.00% | 0.00% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| From LP Data Billing Units | | | | | | |
| 51% | 378 | 139,700 | \$13,130.14 | \$13,582.02 | \$451.88 | 3.44% |
| 94% | 1,111 | 765,840 | \$60,274.49 | \$61,743.49 | \$1,469.00 | 2.44% |
| 77% | 452 | 254,880 | \$21,080.64 | \$21,660.43 | \$579.79 | 2.75% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL

| <u>Load Factor</u> | <u>kW</u> | <u>kWh</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|-------------------------------|-----------|------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 50 | 3,650 | \$888.78 | \$955.67 | \$66.89 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,347.01 | \$1,417.47 | \$70.46 | 5.23% |
| 50.00% | 50 | 18,250 | \$1,805.23 | \$1,879.27 | \$74.04 | 4.10% |
| 70.00% | 50 | 25,550 | \$2,263.46 | \$2,341.08 | \$77.62 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,721.69 | \$2,802.88 | \$81.19 | 2.98% |
| 10.00% | 100 | 7,300 | \$1,726.82 | \$1,845.45 | \$118.63 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,643.27 | \$2,769.05 | \$125.78 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,559.72 | \$3,692.66 | \$132.94 | 3.73% |
| 70.00% | 100 | 51,100 | \$4,476.18 | \$4,616.26 | \$140.08 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,392.63 | \$5,539.87 | \$147.24 | 2.73% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----------|------------|----------------------|----------------------|---------------|-----------------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 200 | 14,600 | \$3,402.90 | \$3,625.01 | \$222.11 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,235.80 | \$5,472.22 | \$236.42 | 4.52% |
| 50.00% | 200 | 73,000 | \$7,068.71 | \$7,319.43 | \$250.72 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,901.61 | \$9,166.64 | \$265.03 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,734.52 | \$11,013.85 | \$279.33 | 2.60% |
| 10.00% | 250 | 18,250 | \$4,240.93 | \$4,514.79 | \$273.86 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,532.06 | \$6,823.80 | \$291.74 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,823.20 | \$9,132.82 | \$309.62 | 3.51% |
| 70.00% | 250 | 127,750 | \$11,114.33 | \$11,441.83 | \$327.50 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,405.46 | \$13,750.84 | \$345.38 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,431.12 | \$8,963.70 | \$532.58 | 6.32% |
| 30.00% | 500 | 109,500 | \$13,013.39 | \$13,581.72 | \$568.33 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,595.65 | \$18,199.74 | \$604.09 | 3.43% |
| 70.00% | 500 | 255,500 | \$22,177.91 | \$22,817.76 | \$639.85 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,760.17 | \$27,435.78 | \$675.61 | 2.52% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-------|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| From LP Data Billing Units | | | | | | |
| 83% | 311 | 189,037 | \$15,701.81 | \$16,120.07 | \$418.26 | 2.66% |
| 38% | 253 | 70,159 | \$7,535.35 | \$7,837.59 | \$302.24 | 4.01% |
| 94% | 418 | 285,348 | \$23,049.44 | \$23,621.71 | \$572.27 | 2.48% |
| 96% | 390 | 272,280 | \$21,893.64 | \$22,431.98 | \$538.34 | 2.46% |
| 0% | 0 | 0 | \$50.74 | \$65.89 | \$15.15 | 29.86% |
| 64% | 317 | 148,965 | \$13,264.52 | \$13,669.57 | \$405.05 | 3.05% |
| 86% | 546 | 342,880 | \$28,220.10 | \$28,948.48 | \$728.38 | 2.58% |
| 91% | 318 | 212,463 | \$17,264.10 | \$17,701.37 | \$437.27 | 2.53% |
| 85% | 260 | 161,589 | \$13,360.94 | \$13,715.07 | \$354.13 | 2.65% |
| 91% | 84 | 55,227 | \$4,535.38 | \$4,661.09 | \$125.71 | 2.77% |
| 95% | 105 | 72,395 | \$5,871.82 | \$6,027.18 | \$155.36 | 2.65% |
| 65% | 361 | 172,755 | \$15,296.01 | \$15,756.85 | \$460.84 | 3.01% |
| 88% | 132 | 85,053 | \$7,000.67 | \$7,189.65 | \$188.98 | 2.70% |
| 83% | 311 | 188,256 | \$15,651.20 | \$16,068.95 | \$417.75 | 2.67% |
| 6% | 51 | 2,080 | \$807.53 | \$875.06 | \$67.53 | 8.36% |
| 56% | 698 | 286,368 | \$26,525.88 | \$27,378.60 | \$852.72 | 3.21% |
| 41% | 1,524 | 456,672 | \$47,274.94 | \$49,036.30 | \$1,761.36 | 3.73% |
| 0% | 6 | 0 | \$123.21 | \$144.29 | \$21.08 | 17.11% |
| 79% | 143 | 81,888 | \$6,929.39 | \$7,127.27 | \$197.88 | 2.86% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL > 50KVA

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRf Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 50 | 3,650 | \$888.78 | \$955.67 | \$66.89 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,347.01 | \$1,417.47 | \$70.46 | 5.23% |
| 50.00% | 50 | 18,250 | \$1,805.23 | \$1,879.27 | \$74.04 | 4.10% |
| 70.00% | 50 | 25,550 | \$2,263.46 | \$2,341.08 | \$77.62 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,721.69 | \$2,802.88 | \$81.19 | 2.98% |
| 10.00% | 100 | 7,300 | \$1,726.82 | \$1,845.45 | \$118.63 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,643.27 | \$2,769.05 | \$125.78 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,559.72 | \$3,692.66 | \$132.94 | 3.73% |
| 70.00% | 100 | 51,100 | \$4,476.18 | \$4,616.26 | \$140.08 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,392.63 | \$5,539.87 | \$147.24 | 2.73% |
| 10.00% | 200 | 14,600 | \$3,402.90 | \$3,625.01 | \$222.11 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,235.80 | \$5,472.22 | \$236.42 | 4.52% |
| 50.00% | 200 | 73,000 | \$7,068.71 | \$7,319.43 | \$250.72 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,901.61 | \$9,166.64 | \$265.03 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,734.52 | \$11,013.85 | \$279.33 | 2.60% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL > 50KVA

| <u>Load Factor</u> | <u>kW</u> | <u>kWh</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|-------------------------------|-----------|------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 250 | 18,250 | \$4,240.93 | \$4,514.79 | \$273.86 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,532.06 | \$6,823.80 | \$291.74 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,823.20 | \$9,132.82 | \$309.62 | 3.51% |
| 70.00% | 250 | 127,750 | \$11,114.33 | \$11,441.83 | \$327.50 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,405.46 | \$13,750.84 | \$345.38 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,431.12 | \$8,963.70 | \$532.58 | 6.32% |
| 30.00% | 500 | 109,500 | \$13,013.39 | \$13,581.72 | \$568.33 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,595.65 | \$18,199.74 | \$604.09 | 3.43% |
| 70.00% | 500 | 255,500 | \$22,177.91 | \$22,817.76 | \$639.85 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,760.17 | \$27,435.78 | \$675.61 | 2.52% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - OIL WELL > 50KVA

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-----------------------------------|-------|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| From LP Data Billing Units | | | | | | |
| 98% | 419 | 300,672 | \$24,028.76 | \$24,609.96 | \$581.20 | 2.42% |
| 86% | 898 | 565,152 | \$46,457.16 | \$47,645.94 | \$1,188.78 | 2.56% |
| 78% | 505 | 287,360 | \$24,234.29 | \$24,894.39 | \$660.10 | 2.72% |
| 38% | 505 | 138,720 | \$14,911.60 | \$15,499.51 | \$587.91 | 3.94% |
| 86% | 520 | 327,738 | \$26,959.20 | \$27,654.69 | \$695.49 | 2.58% |
| 41% | 1,665 | 497,088 | \$51,531.97 | \$53,454.25 | \$1,922.28 | 3.73% |
| 26% | 778 | 147,456 | \$18,785.19 | \$19,650.17 | \$864.98 | 4.60% |
| 45% | 409 | 135,648 | \$13,549.88 | \$14,040.39 | \$490.51 | 3.62% |
| 7% | 22 | 1,056 | \$382.52 | \$419.96 | \$37.44 | 9.79% |
| 67% | 150 | 73,152 | \$6,468.71 | \$6,669.51 | \$200.80 | 3.10% |
| 0% | 0 | 0 | \$50.74 | \$65.89 | \$15.15 | 29.86% |
| 70% | 95 | 48,096 | \$4,222.58 | \$4,355.86 | \$133.28 | 3.16% |
| 4% | 13 | 384 | \$231.95 | \$260.17 | \$28.22 | 12.17% |
| 70% | 332 | 168,480 | \$14,667.67 | \$15,096.88 | \$429.21 | 2.93% |
| 37% | 2,605 | 703,920 | \$75,963.73 | \$78,926.56 | \$2,962.83 | 3.90% |
| 12% | 1,540 | 135,456 | \$27,312.93 | \$28,933.43 | \$1,620.50 | 5.93% |
| 43% | 186 | 58,070 | \$5,960.43 | \$6,189.80 | \$229.37 | 3.85% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - SCHOOL

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCR Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 50 | 3,650 | \$888.78 | \$955.67 | \$66.89 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,347.01 | \$1,417.47 | \$70.46 | 5.23% |
| 50.00% | 50 | 18,250 | \$1,805.23 | \$1,879.27 | \$74.04 | 4.10% |
| 70.00% | 50 | 25,550 | \$2,263.46 | \$2,341.08 | \$77.62 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,721.69 | \$2,802.88 | \$81.19 | 2.98% |
| 10.00% | 100 | 7,300 | \$1,726.82 | \$1,845.45 | \$118.63 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,643.27 | \$2,769.05 | \$125.78 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,559.72 | \$3,692.66 | \$132.94 | 3.73% |
| 70.00% | 100 | 51,100 | \$4,476.18 | \$4,616.26 | \$140.08 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,392.63 | \$5,539.87 | \$147.24 | 2.73% |
| 10.00% | 200 | 14,600 | \$3,402.90 | \$3,625.01 | \$222.11 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,235.80 | \$5,472.22 | \$236.42 | 4.52% |
| 50.00% | 200 | 73,000 | \$7,068.71 | \$7,319.43 | \$250.72 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,901.61 | \$9,166.64 | \$265.03 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,734.52 | \$11,013.85 | \$279.33 | 2.60% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - SCHOOL

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|---------|------------------|------------------|------------|-------------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 250 | 18,250 | \$4,240.93 | \$4,514.79 | \$273.86 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,532.06 | \$6,823.80 | \$291.74 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,823.20 | \$9,132.82 | \$309.62 | 3.51% |
| 70.00% | 250 | 127,750 | \$11,114.33 | \$11,441.83 | \$327.50 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,405.46 | \$13,750.84 | \$345.38 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,431.12 | \$8,963.70 | \$532.58 | 6.32% |
| 30.00% | 500 | 109,500 | \$13,013.39 | \$13,581.72 | \$568.33 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,595.65 | \$18,199.74 | \$604.09 | 3.43% |
| 70.00% | 500 | 255,500 | \$22,177.91 | \$22,817.76 | \$639.85 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,760.17 | \$27,435.78 | \$675.61 | 2.52% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - SCHOOL

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-----------------------------------|-----|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| From LP Data Billing Units | | | | | | |
| 25% | 401 | 73,520 | \$9,544.11 | \$9,995.49 | \$451.38 | 4.73% |
| 23% | 606 | 99,560 | \$13,674.89 | \$14,343.81 | \$668.92 | 4.89% |
| 35% | 288 | 73,920 | \$8,194.27 | \$8,533.04 | \$338.77 | 4.13% |
| 38% | 693 | 194,520 | \$20,695.24 | \$21,497.61 | \$802.37 | 3.88% |
| 26% | 220 | 41,960 | \$5,361.92 | \$5,617.27 | \$255.35 | 4.76% |
| 30% | 531 | 117,312 | \$13,882.26 | \$14,485.47 | \$603.21 | 4.35% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - RELIGIOUS ORG

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|--------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| 10.00% | 50 | 3,650 | \$888.78 | \$955.67 | \$66.89 | 7.53% |
| 30.00% | 50 | 10,950 | \$1,347.01 | \$1,417.47 | \$70.46 | 5.23% |
| 50.00% | 50 | 18,250 | \$1,805.23 | \$1,879.27 | \$74.04 | 4.10% |
| 70.00% | 50 | 25,550 | \$2,263.46 | \$2,341.08 | \$77.62 | 3.43% |
| 90.00% | 50 | 32,850 | \$2,721.69 | \$2,802.88 | \$81.19 | 2.98% |
| 10.00% | 100 | 7,300 | \$1,726.82 | \$1,845.45 | \$118.63 | 6.87% |
| 30.00% | 100 | 21,900 | \$2,643.27 | \$2,769.05 | \$125.78 | 4.76% |
| 50.00% | 100 | 36,500 | \$3,559.72 | \$3,692.66 | \$132.94 | 3.73% |
| 70.00% | 100 | 51,100 | \$4,476.18 | \$4,616.26 | \$140.08 | 3.13% |
| 90.00% | 100 | 65,700 | \$5,392.63 | \$5,539.87 | \$147.24 | 2.73% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - RELIGIOUS ORG

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|-----|---------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCR Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| 10.00% | 200 | 14,600 | \$3,402.90 | \$3,625.01 | \$222.11 | 6.53% |
| 30.00% | 200 | 43,800 | \$5,235.80 | \$5,472.22 | \$236.42 | 4.52% |
| 50.00% | 200 | 73,000 | \$7,068.71 | \$7,319.43 | \$250.72 | 3.55% |
| 70.00% | 200 | 102,200 | \$8,901.61 | \$9,166.64 | \$265.03 | 2.98% |
| 90.00% | 200 | 131,400 | \$10,734.52 | \$11,013.85 | \$279.33 | 2.60% |
| 10.00% | 250 | 18,250 | \$4,240.93 | \$4,514.79 | \$273.86 | 6.46% |
| 30.00% | 250 | 54,750 | \$6,532.06 | \$6,823.80 | \$291.74 | 4.47% |
| 50.00% | 250 | 91,250 | \$8,823.20 | \$9,132.82 | \$309.62 | 3.51% |
| 70.00% | 250 | 127,750 | \$11,114.33 | \$11,441.83 | \$327.50 | 2.95% |
| 90.00% | 250 | 164,250 | \$13,405.46 | \$13,750.84 | \$345.38 | 2.58% |
| 10.00% | 500 | 36,500 | \$8,431.12 | \$8,963.70 | \$532.58 | 6.32% |
| 30.00% | 500 | 109,500 | \$13,013.39 | \$13,581.72 | \$568.33 | 4.37% |
| 50.00% | 500 | 182,500 | \$17,595.65 | \$18,199.74 | \$604.09 | 3.43% |
| 70.00% | 500 | 255,500 | \$22,177.91 | \$22,817.76 | \$639.85 | 2.89% |
| 90.00% | 500 | 328,500 | \$26,760.17 | \$27,435.78 | \$675.61 | 2.52% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
GS LARGE - RELIGIOUS ORG

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-----------------------------------|-----|--------|---------------|---------------|------------|----------------|
| Customer Charge | | | \$50.00 | \$65.00 | \$15.00 | 30.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$13.00 | \$1.00 | 8.33% |
| Energy Charge, per kWh | | | \$0.072520 | \$0.073090 | \$0.000570 | 0.79% |
| PCRf Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| From LP Data Billing Units | | | | | | |
| 7% | 339 | 17,800 | \$5,293.65 | \$5,655.97 | \$362.32 | 6.84% |
| 19% | 388 | 54,000 | \$8,164.16 | \$8,593.29 | \$429.13 | 5.26% |
| 8% | 106 | 6,440 | \$1,742.98 | \$1,866.95 | \$123.97 | 7.11% |
| 5% | 110 | 4,295 | \$1,654.62 | \$1,781.33 | \$126.71 | 7.66% |
| 18% | 139 | 18,100 | \$2,881.90 | \$3,044.96 | \$163.06 | 5.66% |
| 18% | 71 | 9,178 | \$1,492.50 | \$1,583.16 | \$90.66 | 6.07% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
COMPARISON OF EXISTING AND PROPOSED RATES
CITY OF DIGHTON

| Load Factor | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|---------------|---------------|------------|----------------|
| Customer Charge | \$35.00 | \$150.00 | \$115.00 | 328.57% |
| Demand Charge, per Billing kW | | | | |
| Demand kW (Oct-May) | \$10.92 | \$11.72 | \$0.80 | 7.33% |
| Demand kW (Jun-Sep) | \$16.27 | \$17.07 | \$0.80 | 4.92% |
| Energy Charge, per kWh | \$0.009576 | \$0.010030 | \$0.000454 | 4.74% |
| PCRF Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |

| | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| Consumers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 36 |
| kWh | 502,924 | 475,461 | 439,212 | 390,507 | 514,428 | 870,935 | 997,695 | 931,843 | 647,780 | 622,790 | 580,860 | 650,060 | 7,624,495 |
| Billed Demand | 776 | 719 | 627 | 498 | 1,213 | 2,188 | 2,258 | 2,233 | 1,688 | 1,266 | 798 | 914 | 15,178 |
| Existing Dighton ECA | 0.018970 | 0.017140 | 0.021130 | 0.021750 | 0.018600 | 0.017130 | 0.021760 | 0.021180 | 0.016600 | 0.014680 | 0.013790 | 0.021270 | |
| Proposed Dighton ECA | 0.018970 | 0.017140 | 0.021130 | 0.021750 | 0.018600 | 0.017130 | 0.021760 | 0.021180 | 0.016600 | 0.014680 | 0.013790 | 0.021270 | |
| Existing | | | | | | | | | | | | | |
| Customer | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 1,260 |
| Energy | 4,816 | 4,553 | 4,206 | 3,739 | 4,926 | 8,340 | 9,554 | 8,923 | 6,203 | 5,964 | 5,562 | 6,225 | 73,012 |
| Demand | 8,474 | 7,851 | 6,847 | 5,438 | 13,246 | 35,599 | 36,738 | 36,331 | 27,464 | 13,825 | 8,714 | 9,981 | 210,507 |
| ECA | 9,540 | 8,149 | 9,281 | 8,494 | 9,568 | 14,919 | 21,710 | 19,736 | 10,753 | 9,143 | 8,010 | 13,827 | 143,130 |
| Power Cost | 11,724 | 12,985 | 13,140 | 12,883 | 15,076 | 15,281 | 15,797 | 15,359 | 14,875 | 14,729 | 14,379 | 14,968 | 171,197 |
| Total | 34,660 | 33,644 | 33,578 | 30,660 | 42,922 | 74,244 | 83,903 | 80,454 | 59,400 | 43,765 | 36,771 | 45,105 | 599,106 |
| Proposed | | | | | | | | | | | | | |
| Customer | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 5,400 |
| Energy | 5,044 | 4,769 | 4,405 | 3,917 | 5,160 | 8,735 | 10,007 | 9,346 | 6,497 | 6,247 | 5,826 | 6,520 | 76,474 |
| Demand | 9,095 | 8,427 | 7,348 | 5,837 | 14,216 | 37,349 | 38,544 | 38,117 | 28,814 | 14,838 | 9,353 | 10,712 | 222,650 |
| ECA | 9,540 | 8,149 | 9,281 | 8,494 | 9,568 | 14,919 | 21,710 | 19,736 | 10,753 | 9,143 | 8,010 | 13,827 | 143,130 |
| Power Cost | 11,724 | 12,985 | 13,140 | 12,883 | 15,076 | 15,281 | 15,797 | 15,359 | 14,875 | 14,729 | 14,379 | 14,968 | 171,197 |
| Total | 35,854 | 34,780 | 34,624 | 31,580 | 44,471 | 76,734 | 86,508 | 83,009 | 61,390 | 45,406 | 38,018 | 46,476 | 618,850 |
| Change | | | | | | | | | | | | | |
| Customer | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 4,140 |
| Energy | 228 | 216 | 199 | 177 | 234 | 395 | 453 | 423 | 294 | 283 | 264 | 295 | 3,462 |
| Demand | 621 | 575 | 502 | 398 | 970 | 1,750 | 1,806 | 1,786 | 1,350 | 1,013 | 638 | 731 | 12,142 |
| ECA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,194 | 1,136 | 1,046 | 921 | 1,549 | 2,491 | 2,604 | 2,554 | 1,989 | 1,641 | 1,247 | 1,371 | 19,744 |
| % Change | | | | | | | | | | | | | |
| Customer | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% | 328.57% |
| Energy | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% |
| Demand | 7.33% | 7.33% | 7.33% | 7.33% | 7.33% | 4.92% | 4.92% | 4.92% | 4.92% | 7.33% | 7.33% | 7.33% | 5.77% |
| ECA | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Power Cost | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total | 3.45% | 3.38% | 3.12% | 3.00% | 3.61% | 3.35% | 3.10% | 3.18% | 3.35% | 3.75% | 3.39% | 3.04% | 3.30% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
LARGE INDUSTRIAL

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-------------------------------|--------|-----------|---------------|---------------|--------------|----------------|
| Customer Charge | | | \$100.00 | \$100.00 | \$0.00 | 0.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$12.80 | \$0.80 | 6.67% |
| Energy Charge, per kWh | | | | | | |
| First 250 kWh per billing kW | | | \$0.067790 | \$0.070850 | \$0.003060 | 4.51% |
| Next 250 kWh per billing kW | | | \$0.058790 | \$0.058350 | (\$0.000440) | -0.75% |
| Over 500 kWh per billing kW | | | \$0.049790 | \$0.045850 | (\$0.003940) | -7.91% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| 10.00% | 500 | 36,500 | \$8,306.65 | \$8,814.94 | \$508.29 | 6.12% |
| 30.00% | 500 | 109,500 | \$12,538.49 | \$13,267.20 | \$728.71 | 5.81% |
| 50.00% | 500 | 182,500 | \$16,245.13 | \$16,990.90 | \$745.77 | 4.59% |
| 70.00% | 500 | 255,500 | \$19,759.96 | \$20,448.51 | \$688.55 | 3.48% |
| 90.00% | 500 | 328,500 | \$22,658.25 | \$23,050.84 | \$392.59 | 1.73% |
| 10.00% | 1,000 | 73,000 | \$16,511.82 | \$17,528.51 | \$1,016.69 | 6.16% |
| 30.00% | 1,000 | 219,000 | \$24,975.49 | \$26,433.04 | \$1,457.55 | 5.84% |
| 50.00% | 1,000 | 365,000 | \$32,388.77 | \$33,880.43 | \$1,491.66 | 4.61% |
| 70.00% | 1,000 | 511,000 | \$39,418.42 | \$40,795.65 | \$1,377.23 | 3.49% |
| 90.00% | 1,000 | 657,000 | \$45,215.01 | \$46,000.32 | \$785.31 | 1.74% |
| 10.00% | 1,500 | 109,500 | \$24,716.99 | \$26,242.08 | \$1,525.09 | 6.17% |
| 30.00% | 1,500 | 328,500 | \$37,412.50 | \$39,598.88 | \$2,186.38 | 5.84% |
| 50.00% | 1,500 | 547,500 | \$48,532.41 | \$50,769.97 | \$2,237.56 | 4.61% |
| 70.00% | 1,500 | 766,500 | \$59,076.89 | \$61,142.80 | \$2,065.91 | 3.50% |
| 90.00% | 1,500 | 985,500 | \$67,771.76 | \$68,949.80 | \$1,178.04 | 1.74% |
| 10.00% | 2,000 | 146,000 | \$32,922.15 | \$34,955.65 | \$2,033.50 | 6.18% |
| 30.00% | 2,000 | 438,000 | \$49,849.50 | \$52,764.71 | \$2,915.21 | 5.85% |
| 50.00% | 2,000 | 730,000 | \$64,676.05 | \$67,659.50 | \$2,983.45 | 4.61% |
| 70.00% | 2,000 | 1,022,000 | \$78,735.36 | \$81,489.94 | \$2,754.58 | 3.50% |
| 90.00% | 2,000 | 1,314,000 | \$90,328.52 | \$91,899.28 | \$1,570.76 | 1.74% |
| From LP Data Billing Units | | | | | | |
| 65% | 18,489 | 8,831,580 | \$693,758.57 | \$718,314.66 | \$24,556.09 | 3.54% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
COMPARISON OF EXISTING AND PROPOSED RATES
LARGE INDUSTRIAL PRIMARY

| Load Factor | kW | kWh | Existing Rate | Proposed Rate | Change | Percent Change |
|-----------------------------------|-----------|------------|----------------------|----------------------|---------------|-----------------------|
| Customer Charge | | | \$100.00 | \$100.00 | \$0.00 | 0.00% |
| Demand Charge, per Billing kW | | | \$12.00 | \$12.80 | \$0.80 | 6.67% |
| Energy Charge, per kWh | | | | | | |
| First 250 kWh per billing kW | | | \$0.067790 | \$0.070850 | \$0.003060 | 4.51% |
| Next 250 kWh per billing kW | | | \$0.058790 | \$0.058350 | (\$0.000440) | -0.75% |
| Over 500 kWh per billing kW | | | \$0.049790 | \$0.045850 | (\$0.003940) | -7.91% |
| Primary Discount | | | 2.00% | 2.00% | \$0.000000 | 0.00% |
| PCRF Factor, per kWh | | | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | | | 1.487% | 1.366% | 1.366% | 0.00% |
| <hr/> | | | | | | |
| 10.00% | 500 | 36,500 | \$8,137.17 | \$8,635.22 | \$498.05 | 6.12% |
| 30.00% | 500 | 109,500 | \$12,270.03 | \$12,984.04 | \$714.01 | 5.82% |
| 50.00% | 500 | 182,500 | \$15,888.05 | \$16,618.67 | \$730.62 | 4.60% |
| 70.00% | 500 | 255,500 | \$19,318.03 | \$19,992.47 | \$674.44 | 3.49% |
| 90.00% | 500 | 328,500 | \$22,143.63 | \$22,527.86 | \$384.23 | 1.74% |
| 10.00% | 1,000 | 73,000 | \$16,172.85 | \$17,169.07 | \$996.22 | 6.16% |
| 30.00% | 1,000 | 219,000 | \$24,438.57 | \$25,866.72 | \$1,428.15 | 5.84% |
| 50.00% | 1,000 | 365,000 | \$31,674.60 | \$33,135.98 | \$1,461.38 | 4.61% |
| 70.00% | 1,000 | 511,000 | \$38,534.57 | \$39,883.57 | \$1,349.00 | 3.50% |
| 90.00% | 1,000 | 657,000 | \$44,185.77 | \$44,954.35 | \$768.58 | 1.74% |
| 10.00% | 1,500 | 109,500 | \$24,208.53 | \$25,702.91 | \$1,494.38 | 6.17% |
| 30.00% | 1,500 | 328,500 | \$36,607.12 | \$38,749.39 | \$2,142.27 | 5.85% |
| 50.00% | 1,500 | 547,500 | \$47,461.16 | \$49,653.28 | \$2,192.12 | 4.62% |
| 70.00% | 1,500 | 766,500 | \$57,751.11 | \$59,774.67 | \$2,023.56 | 3.50% |
| 90.00% | 1,500 | 985,500 | \$66,227.90 | \$67,380.85 | \$1,152.95 | 1.74% |
| 10.00% | 2,000 | 146,000 | \$32,244.21 | \$34,236.76 | \$1,992.55 | 6.18% |
| 30.00% | 2,000 | 438,000 | \$48,775.66 | \$51,632.07 | \$2,856.41 | 5.86% |
| 50.00% | 2,000 | 730,000 | \$63,247.72 | \$66,170.59 | \$2,922.87 | 4.62% |
| 70.00% | 2,000 | 1,022,000 | \$76,967.65 | \$79,665.77 | \$2,698.12 | 3.51% |
| 90.00% | 2,000 | 1,314,000 | \$88,270.04 | \$89,807.34 | \$1,537.30 | 1.74% |
| <hr/> | | | | | | |
| From LP Data Billing Units | | | | | | |
| 60% | 39,654 | 17,303,400 | \$1,376,232.87 | \$1,428,591.90 | \$52,359.03 | 3.80% |
| 38% | 17,134 | 4,701,600 | \$459,548.05 | \$482,459.48 | \$22,911.43 | 4.99% |
| | 56,788 | 22,005,000 | \$1,835,780.92 | \$1,911,051.38 | \$75,270.46 | 4.10% |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

COMPARISON OF EXISTING AND PROPOSED RATES
FAIRGROUNDS AND ATHLETIC LIGHTING

| <u>kWh Usage</u> | <u>Existing Rate</u> | <u>Proposed Rate</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------|--------------------------|--------------------------|---------------|---------------------------|
| Customer Charge | \$15.00 | \$17.50 | \$2.50 | 16.67% |
| Energy Charge, per kWh | \$0.139620 | \$0.124500 | (\$0.015120) | -10.83% |
| PCRf Factor, per kWh | (\$0.010828) | (\$0.010828) | \$0.000000 | 0.00% |
| PTA Factor | 1.487% | 1.366% | -0.121% | -8.15% |
| <hr/> | | | | |
| 50 | \$21.77 | \$23.51 | \$1.74 | 7.99% |
| 100 | \$28.31 | \$29.28 | \$0.97 | 3.43% |
| 250 | \$47.94 | \$46.58 | (\$1.36) | -2.84% |
| 500 | \$80.66 | \$75.43 | (\$5.23) | -6.48% |
| 750 | \$113.37 | \$104.27 | (\$9.10) | -8.03% |
| 1,000 | \$146.09 | \$133.11 | (\$12.98) | -8.88% |
| 3,000 | \$407.83 | \$363.86 | (\$43.97) | -10.78% |
| 5,000 | \$669.57 | \$594.60 | (\$74.97) | -11.20% |
| 36 Average | \$19.93 | \$21.89 | \$1.96 | 9.83% |



THANK YOU

GUERNSEY

5555 N GRAND BOULEVARD

OKLAHOMA CITY, OKLAHOMA 73112

405.416.8100

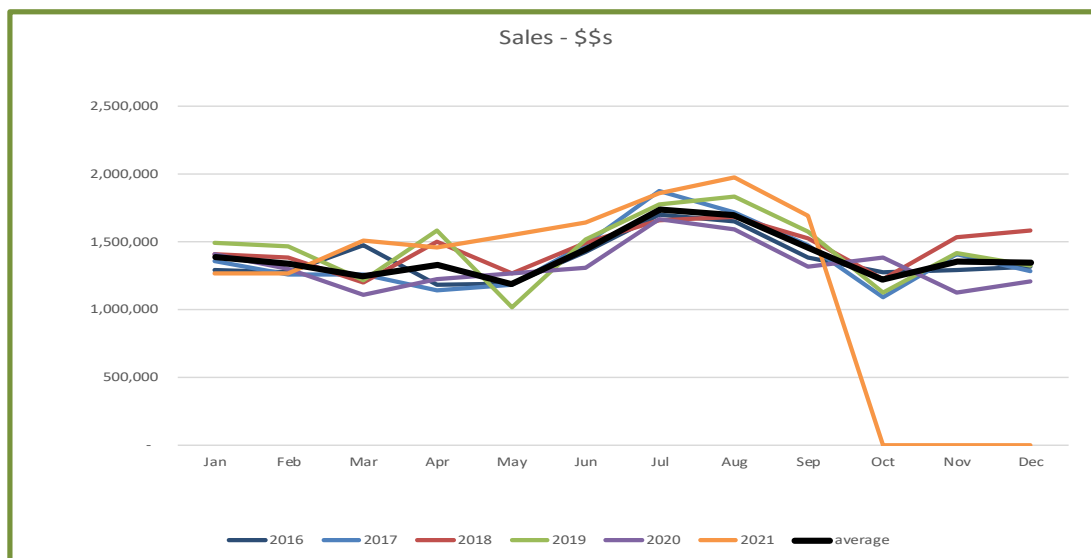
 | **guernsey**
www.guernsey.us

10. b. Rate Implementation Schedule.

The Cost-of-Service Study a revenue requirement shortfall of \$901,694 per year to meet financial covenants and recommends a cumulative 6.466% rate increase.

Timing the implementation of any rate adjustment is critical to preserving the goodwill of the members. We should consider a traditionally low usage month along with a projected low ECA month from Sunflower.

The graph below tracks sales revenues from January 2016 through September 2021. It identifies February, March, October, and May as our lowest revenue months.



The October Sunflower Board meeting included a presentation on projected aggregate ECA expenses for 2022. Unfortunately, natural gas prices have increased by almost 300% since June 2020 (\$1.80 to 5.381 at Henry Hub) and are driving up ECA projections by 7%. The table below identifies March and Nov. as having the least ECA adder.

Sunflower projected ECA adder - 2022

| | | | | | |
|-----|---------|-----|---------|-----|---------|
| Jan | 0.00695 | May | 0.00729 | Sep | 0.00544 |
| Feb | 0.00616 | Jun | 0.00602 | Oct | 0.00471 |
| Mar | 0.00325 | Jul | 0.00748 | Nov | 0.00397 |
| Apr | 0.00802 | Aug | 0.00913 | Dec | 0.00422 |

Therefore, Staff recommends that the Cooperative implement any rate adjustment in March 2022 (February usage).

Kansas Statute 66-104d does not require a cooperative that has elected to be exempt from KCC jurisdiction to hold public meetings, but the statute requires:

(h) (1) If a cooperative is exempt under this section, not less than 10 days' notice of the time and place of any meeting of the board of trustees at which rate changes are to be discussed and voted on shall be given to all members of the cooperative and such meeting shall be open to all members.

There is some legal discussion about whether or not any new rates must be approved before the applicable billing period. Some say that it must be approved before it is billed, while some hold that it must be approved before the applicable billing period for the new rates. Remember that this must be an Open Meeting.

If the Board contends that it can be approved in February and applied in March, we can do that. The February Board meeting is February 7th so there would be 7 days of usage at the time of approval.

If the Board contends otherwise, because of the way our billing cycle and Board meeting schedule falls, the Board would need to approve any rate adjustment in January 2022 to be applicable with February 1, 2022 usage. Assuming the former, the projected schedule would be:

| | | |
|----------|-------|------------------------------------------------------------------|
| January | 3 | LSEC Board meeting |
| | 3 | December usage billing |
| | 10-14 | Public Meetings (not necessary, but I think they area good idea) |
| | 22-24 | KEC Annual Meeting |
| | 25-27 | Publish Notice of February Board meeting |
| February | 1 | Rate adjustment effective |
| | 1 | January usage billing |
| | 7 | LSEC Board of Trustees meeting – Open meeting per KS 66-104d |
| March | 1 | February usage billing |
| | 5-9 | NRECA Annual Meeting – Nashville, TN |
| | 14 | LSEC Board Meeting |

If the Board is of the opinion that it should approve any rate adjustment before the billing period, then a separate Special (open) Meeting the last week of January and pushing the public notice earlier may be necessary. It is unlikely that the rate sheets will be ready by the January 3rd regular meeting.

The deadline for Notice in the Kansas Country Living magazine is around December 10th for January publication.

Staff seeks guidance from the Board regarding:

- 1. Should any adjustment be approved before the applicable billing period?**
- 2. What will be the effective date of the new rates? Staff recommends March 2022.**
- 3. If a Special Board meeting in January 2020 is necessary, what day do you wish?**

CONFIDENTIAL

2022 Financial, Donation, CWP, and Capital Budgets

presented to the Board of Trustees

November 1, 2021



prepared by: Richard McLeon, MBA
General Manager

Executive Summary

This Budget was prepared assuming that the Cooperative will adopt the additional revenue requirements identified in the 2021 Cost-of-Service Study and continue operating in generally the same manner as in previous years. While we are hopeful that the economy will stabilize and we can return to normal operations, this budget is very conservative on expenses and focuses the crew on the CWP, plant maintenance, and Information Technology.

Financial Budget

The 2022 Financial Budget balances at \$59,772,104. This is a decrease of \$129,693 (0.22%) from 2021. Operating Revenues are projected to increase \$281,571 (0.15%) to \$18,790,591.

The Financial Budget projects revenues of \$18,790,591, a year-end Operating Margin of \$466,280, and a year-end Patronage Capital or Margin of \$1,177,587.

Critical Financial Ratios produced by this budget are: TIER - 1.98, OTIER - 1.39, ODSC - 2.96, Equity -39.81.

Capital Budget

\$ 571,388

Notable items include:

| | | |
|---|----------------------------------------------|-----------|
| 1 | Access Control Entry Locks and Cameras | \$ 60,000 |
| 2 | Line Construction (outside the existing CWP) | 120,000 |
| 3 | Pole Inspections | 100,000 |

note: The Arcing Demonstration trailer has been removed as costs have escalated to over \$50,000.

Construction Work Plan Budget

\$ 1,973,437

Donation Budget

The requested Donation Budget is \$6,085 which Ann Marie has roughly broken out according to the County Breakout of: Ness 36%, Lane 46%, Scott 8%, Hodgeman, 5%, Rush 5%.

Cash Flow Summary

This Budget reduces Cash by \$2,544,825 to \$4,256,959 which is well above our General Funds required balance of \$2,400,000.

Staff Involved in the creation of this Budget are:

*Kathy Lewis
Ann Marie Jennings
Mark McCulloch
Michael Pollock
Kalo Mann*

*Benjamin Mann
Kasey Jenkinson
Carrie Borrell
Chris Turhune
Dal Hawkinson*

Nate Burns

2022 Budget Assumptions

The 2022 Budget was assembled using the following assumptions:

- 1 The Board of Trustees will adjust rates to meet the additional revenue requirement identified in the 2021 COSS.
- 2 The Budget was prepared assuming that the weather and the Cooperative will continue operations in essentially same manner as in previous years. The 2022 Budget focuses on the 2021-2023 Construction Work Plan, utility plant maintenance, and various IT and Cyber improvements.
- 3 Sunflower Capital Credit allocations and distributions were provided by Sunflower.
- 4 Employee expenses will be consistent with those presented in the Wage and Salary Plan.
- 5 The Financial Forecast provided the basis of the 2022 Budget.
- 6 Non-furniture items costing under \$2,500 each are expensed.
- 7 Supply chain disruptions may extend much of the capitol and construction budget items.
- 8 Inflation continues to be an unknown factor and will impact costs. We will adjust as needed.

Capital Budget items.

Capital budget items are conditional expenditures based on cash flow and availability. All capital expenditures have to be approved by me prior to being ordered.

Work Plan Budget.

The Work Plan Budget is extracted from the Construction Work Plan. Additional items not completed in 2021 may carry-forward.

Future Budget Items

Long-Range Plan. Our current LRP ends in 2022. However, we are currently under a CWP so a LRP is not budgeted for 2022.

Vehicles. We have been notified that we cannot get any vehicle deliveries in 2022. Therefore, we have secured a production spot for a service bucket replacement in the fall of 2023 and two for 2024. If we do not need the vehicles, we can release the spots at no charge.

Donations & Sponsorships

County Breakout: Ness 27%, Lane 43%, Scott 16%, Hodgeman 9%, and

| | |
|-----------------------------------------------------|----------|
| Pheasants Forever | 250.00 |
| SCAAC: Scott County Indoor Arena Signage | 200.00 |
| Lane Co. Lions Club Flag Donation | 350.00 |
| Utica May Day Sponsor | 250.00 |
| Dighton Electrathon Team | 500.00 |
| Dighton Kid Wind Program | 250.00 |
| Dighton Eco Devo Summer Kickoff Sponsorship | 200.00 |
| Lane Co. 4-H Council | 100.00 |
| Wildwest Catbackers | 100.00 |
| Lane County Livestock Auction | 150.00 |
| Ness County Livestock Auction | 200.00 |
| Hodgeman County Livestock Auction | 250.00 |
| Lane County Amusement Association / Annual Mtg Don. | 100.00 |
| Lane County Rodeo Sponsor | 100.00 |
| McCracken Rodeo Sponsor | 260.00 |
| Sacred Heart PTO Softball Sponsor | 25.00 |
| Hodgeman County Fire Department Donation | 50.00 |
| Bazine American Legion | 100.00 |
| Ness City After Prom | 50.00 |
| Western Plain After Prom | 50.00 |
| Lane County Historical Society | 25.00 |
| Ness Fair BBQ Contest Donation | 50.00 |
| Ness Co. Fair Sponsorship (Banner) | 100.00 |
| Brownell Labor Day Donation | 50.00 |
| Ness City Fun Run | 100.00 |
| Sacred Heart School Fall Festival Donation | 100.00 |
| Octoberfest Prize Donation - Ransom | 50.00 |
| Memorial Donations (based on 3 per year) | 150.00 |
| Ness City Relay for Life | 50.00 |
| Coop Cares Golf Tournament - Wheatland Electric | 550.00 |
| Knights of Columbus - Tootsie Roll Drive | 100.00 |
| KCRE Golf Tournament Hole Sponsor | 175.00 |
| Healy Booster Club | 50.00 |
| NRECA International Foundation | 1,000.00 |

TOTAL: \$ 6,085.00

Capital Budget items

These are extraordinary expenses that will be capitalized and depreciated.

| | carry-over | 2020 Budget |
|----------------------------------------------|------------|-------------|
| 1 Corporate | | |
| a Board room wall mount screens/pc upgrade | yes | 10,000 |
| b Electric Pipe Bender | | 5,500 |
| 2 Technology | | |
| a Access Control Entry Lock and Cameras | yes | 60,000 |
| b Mosaic NISC Reporting Dashboard | | 3,000 |
| c Computers/Laptops | yes | 7,000 |
| d Nex-Tech Business Phone Cloud Solution | | 9,600 |
| e Operations Suite | | 24,000 |
| f AppSuite Annual Meeting Implementation Fee | yes | 1,300 |
| 3 Financial and Human Resources | | |
| a Retail Credit Card Machine Set Up | | 3,500 |
| b Document Scanner | yes | 2,000 |
| 4 Member Services | | |
| 5 Operations | | |
| a Forklift | | 50,000 |
| b Line Construction (outside CWP) | | 120,000 |
| c Shop Tools and Equipment | yes | 10,000 |
| d Snow blade for bobcat | | 5,000 |
| e Slide-in sprayer for Substations | | 2,500 |
| f Walk-in Gates for pole yard and north lot | | 5,000 |
| g Tree Trimming | yes | 100,000 |
| h Pole Testing | yes | 100,000 |
| 6 Engineering | | |
| a 2S AMI meters - 196 meters | | 41,988 |
| b Spare AMI Collector | | 11,000 |
| | | |
| | | \$ 571,388 |

Construction Work Plan Budget items

These items are scheduled for 2022.

| <i>WO number</i> | <i>location</i> | <i>description</i> | 2021 Budget |
|----------------------|--------------------------|-------------------------------------|--------------|
| 101 | Utica | Underground | 42,000 |
| 102 | | Overhead | 245,000 |
| 300-01 | | autotransformer for substation | 15,000 |
| 601 | | transformers and meters | 166,600 |
| 603 | | Electronic reclosers | 19,167 |
| | | arrestors | 1,900 |
| | | Fuse Cutouts | 5,120 |
| 604 | | regulators | 24,600 |
| 606 | | Pole Replacements | 558,800 |
| | | misc. Hardware | 10,000 |
| 606 | | Conductor replacement - Copper weld | 160,000 |
| 615 | | Digital Radio system | 450,000 |
| 702 | | Security Lights | 9,250 |
| 1104 | | Pole Replacements - transmission | 216,000 |
| 1300-01 | Server Room construction | 50,000 | |
| | | | \$ 1,973,437 |

2022 Budget Workbook

| PART A. STATEMENT OF OPERATIONS | | | | | |
|-------------------------------------------------------|------------|------------|---------------|------------|----------|
| Item | 2019 | 2020 | 2021 pro-rata | 2022 | % change |
| 1 Operating Revenue and Patronage Capital | 17,827,108 | 16,137,299 | 18,509,017 | 18,790,591 | 1.52% |
| 2 Power Production Expense | - | - | - | - | |
| 3 Cost of Purchased Power | 10,467,955 | 9,219,252 | 11,309,762 | 10,695,346 | -5.43% |
| 4 Transmission Expense | 6,366 | 2,133 | - | - | |
| 5 Regional Market Expense | - | - | - | - | |
| net revenue: | 7,352,787 | 6,915,914 | 7,199,255 | 8,095,245 | 12.45% |
| 6 Distribution Expense - Operation | 1,308,661 | 1,474,902 | 933,595 | 1,315,702 | 40.93% |
| 7 Distribution Expense - Maintenance | 687,659 | 931,974 | 1,071,202 | 1,004,999 | -6.18% |
| 8 Customer Accounts Expense | 221,835 | 211,622 | 181,326 | 227,391 | 25.40% |
| 9 Customer Service and Informational Expense | 30,105 | 47,090 | 61,203 | 50,599 | -17.33% |
| 10 Sales Expense | 55,317 | 61,443 | 45,461 | 66,022 | 45.23% |
| 11 Administrative and General Expense | 1,411,038 | 1,286,157 | 1,207,764 | 1,362,750 | 12.83% |
| total controllable expenses: | 3,714,615 | 4,013,188 | 3,500,551 | 4,027,463 | 15.05% |
| 12 Total Operation & Maintenance Expense (2 thru 11) | 14,188,936 | 13,234,573 | 14,810,313 | 14,722,809 | -0.59% |
| 13 Depreciation and Amortization Expense | 1,599,510 | 1,650,032 | 1,867,473 | 1,694,737 | -9.25% |
| 14 Tax Expense - Property & Gross Receipts | - | - | - | - | |
| 15 Tax Expense - Other | - | - | - | - | |
| 16 Interest on Long-Term Debt | 1,316,760 | 1,337,470 | 1,339,505 | 1,206,425 | -9.94% |
| 17 Interest Charged to Construction - Credit | - | - | - | - | |
| 18 Interest Expense - Other | 3,355 | 1,971 | 167 | - | -100.00% |
| 19 Other Deductions | 14,349 | 40,819 | 33,288 | 43,250 | 29.92% |
| 20 Total Cost of Electric Service (12 thru 19) | 17,122,910 | 16,264,865 | 18,050,747 | 17,667,221 | -2.12% |
| 21 Patronage Capital & Operating Margins (1 minus 20) | 704,198 | (127,566) | 458,269 | 466,280 | 1.75% |
| 22 Non Operating Margins - Interest | 256,085 | 240,315 | 203,267 | 200,000 | -1.61% |
| 23 Allowance for Funds Used During Construction | - | - | - | - | |
| 24 Income (Loss) from Equity Investments | - | - | - | - | |
| 25 Non Operating Margins - Other | 40,353 | (65,313) | (114,515) | 27,500 | -124.01% |
| 26 Generation and Transmission Capital Credits | 983,794 | 392,903 | 300,000 | 400,000 | 33.33% |
| 27 Other Capital Credits and Patronage Dividends | 60,703 | 47,965 | 98,566 | 83,807 | -14.97% |
| 28 Extraordinary Items | - | - | - | - | |
| 29 Patronage Capital or Margins (21 thru 28) | 2,045,133 | 488,304 | 945,587 | 1,177,587 | 24.53% |

2022 Budget Workbook

| RUS Form 7 PART C. BALANCE SHEET | | | |
|--------------------------------------------------------------|-------------------|---------------------------------------------------------------------------|-------------------|
| Projected Year End 2022 | | | |
| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
| 1 Total Utility Plant in Service | 60,526,331 | 30 Memberships | - |
| 2 Construction Work in Progress | - | 31 Patronage Capital | 22,973,670 |
| 3 Total Utility Plant (1 + 2) | 60,526,331 | 32 Operating Margins - Prior Years | - |
| 4 Accum. Provision for Depreciation and Amort. | 19,820,468 | 33 Operating Margins - Current Year | 466,280 |
| 5 Net Utility Plant (3 - 4) | 40,705,863 | 34 Non-Operating Margins | 227,500 |
| 6 Non-Utility Property (Net) | - | 35 Other Margins and Equities | 127,028 |
| 7 Investments in Subsidiary Companies | 244,067 | 36 Total Margins & Equities (30 thru 35) | 23,794,478 |
| 8 Invest. in Assoc. Org. - Patronage Capital | 11,572,109 | 37 Long-Term Debt - RUS (Net) | - |
| 9 Invest. in Assoc. Org. - Other - General Funds | - | 38 Long-Term Debt - FFB - RUS Guaranteed | 34,151,058 |
| 10 Invest. in Assoc. Org. - Other - Nongeneral Funds | 221,958 | 39 Long-Term Debt - Other - RUS Guaranteed | - |
| 11 Investments in Economic Development Projects | - | 40 Long-Term Debt Other (Net) | 5,179,368 |
| 12 Other Investments | - | 41 Long-Term Debt - RUS - Econ. Devel. (Net) | - |
| 13 Special Funds | - | 42 Payments – Unapplied | 4,015,919 |
| 14 Total Other Property & Investments (6 thru 13) | 12,038,134 | 43 Total Long-Term Debt (37 thru 41 - 42) | 35,314,507 |
| 15 Cash - General Funds | 4,500,913 | 44 Obligations Under Capital Leases - Noncurrent | - |
| 16 Cash - Construction Funds - Trustee | 100 | 45 Accumulated Operating Provisions and Asset Retirement Obligations | - |
| 17 Special Deposits | 25 | 46 Total Other Noncurrent Liabilities (44 + 45) | - |
| 18 Temporary Investments | 818,253 | 47 Notes Payable | - |
| 19 Notes Receivable (Net) | - | 48 Accounts Payable | - |
| 20 Accounts Receivable - Sales of Energy (Net) | 1,258,000 | 49 Consumers Deposits | - |
| 21 Accounts Receivable - Other (Net) | 132,000 | 50 Current Maturities Long-Term Debt | 1,482,978 |
| 22 Renewable Energy Credits | - | 51 Current Maturities Long-Term Debt - Economic Development | - |
| 23 Materials and Supplies - Electric & Other | 309,816 | 52 Current Maturities Capital Leases | - |
| 24 Prepayments | 5,000 | 53 Other Current and Accrued Liabilities | (880,957) |
| 25 Other Current and Accrued Assets | 4,000 | 54 Total Current & Accrued Liabilities (47 thru 53) | 602,021 |
| 26 Total Current and Accrued Assets (15 thru 25) | 7,028,107 | 55 Regulatory Liabilities | - |
| 27 Regulatory Assets | - | 56 Other Deferred Credits | - |
| 28 Other Deferred Debits | - | | |
| 29 Total Assets and Other Debits (5+14+26 thru 28) | 59,772,104 | 57 Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56) | 59,711,006 |

Financial Ratios - 2022 Budget Statement and Year End 2022 Balance Sheet

Equity - % of Assets 39.81%

| | |
|-------------------------|------------|
| Margin + Equities - C36 | 23,794,478 |
| Total Assets - C29 | 59,772,104 |

Distribution Equity 25.36%

| | |
|-------------------------|------------|
| Margin + Equities - C36 | 23,794,478 |
| Total Assets - C29 | 59,772,104 |
| Patronage Capital - C8 | 11,572,109 |

TIER 1.98

| | |
|--------------------------|-----------|
| Net Income - A29 | 1,177,587 |
| Interest on LT Debt- A16 | 1,206,425 |

Operating DSC 2.96

| | |
|------------------------------------------|-----------|
| Operating Income - A21 | 466,280 |
| Depreciation - A13 | 1,694,737 |
| Interest on LT Debt- A16 | 1,206,425 |
| Patron. Refund from G&T, other - A26+A27 | 400,000 |
| | 83,807 |
| Prin. & Int. Pymts - N, d Total | 1,300,000 |
| Interest on LT Debt- A16 | 1,206,425 |
| LT Debt - other Variance - C40 | 5,179,368 |
| | 6,385,793 |

General Funds Level 15.42%

| | |
|--------------------------------|------------|
| Non Utility Property - C6 | - |
| Invest in Assoc, Other GF - C9 | - |
| Other Invest. - C12 | - |
| Special Funds - C13 | - |
| Cash Gen. Funds - C15 | 4,500,913 |
| Temporary Investments - C18 | 818,253 |
| Prepayments Unapplied - C42 | 4,015,919 |
| Total Utility Plant - C3 | 60,526,331 |

Operating TIER 1.39

| | |
|--------------------------|-----------|
| Operating Income - A21 | 466,280 |
| Interest on LT Debt- A16 | 1,206,425 |

2022 Cash Budget and Work plan Summary

Accrual Basis

| <i>item</i> | 2020 | YE 2021 (estimated) | 2022 Budget |
|-------------------------------------------------------------------------------------|-------------|------------------------|-------------|
| 1 Operating Revenue | 16,137,299 | 18,509,017 | 18,790,591 |
| <i>less</i> Operating Expenses | | | |
| 3 Cost of Power | 9,219,252 | 11,309,762 | 10,695,346 |
| Transmission Expense | 2,133 | - | - |
| 6 Operations | 1,474,902 | 933,595 | 1,315,702 |
| 7 Maintenance | 931,974 | 1,071,202 | 1,004,999 |
| 8 Consumer Accounting | 211,622 | 181,326 | 227,391 |
| 9 Customer Service & Information | 47,090 | 61,203 | 50,599 |
| 10 Sales Expense | 61,443 | 45,461 | 66,022 |
| 11 Administration & General | 1,286,157 | 1,207,764 | 1,362,750 |
| 13 Depreciation | 1,650,032 | 1,867,473 | 1,694,737 |
| 16 Long-TermDebt Interest Expense | 1,337,470 | 1,339,505 | 1,206,425 |
| 18 Other Interest Expense | 1,971 | 167 | - |
| 19 Other Deductions | 40,819 | 33,288 | 43,250 |
| 20 Total Operating Expense | 16,264,865 | 18,050,747 | 18,324,311 |
| Controllable Expenses | 4,013,188 | 3,500,551 | 4,027,463 |
| 21 Operating Margins | (127,566) | 458,269 | 466,280 |
| Adds: | | | |
| 22 Non-Operating Margins - Interest Income | 240,315 | 203,267 | 200,000 |
| 25 Non-Operating Margins - Other | (65,313) | (114,515) | 27,500 |
| 26 G&T Capital Credits | 392,903 | 300,000 | 400,000 |
| 27 Other Capital Credits & Patronage Dividends | 47,965 | 98,566 | 83,807 |
| 29 Net Margins | 488,304 | 945,587 | 1,177,587 |
| ADD: Depreciation | 1,650,032 | 1,867,473 | 1,694,737 |
| Cash Investments on Hand January 1st | 1,472,490 | 3,363,873 | 6,500,000 |
| F7,I Capital Credits paid to LSEC | 14,530 | 14,750 | 14,750 |
| LESS: Capital Credit Allocations from G&T, etc. | (392,903) | (300,000) | (400,000) |
| F7, N Principal Payments on Long-term debt | (1,296,364) | (1,046,722) | (1,250,000) |
| F7,I LSEC Patronage Capital Retirements | (30,645) | (61,448) | (425,000) |
| New Capitalized Items: | (766,986) | (295,834) | (571,388) |
| Net Cash Available before Distribution Plant Additions | 1,138,458 | 4,487,679 | 6,740,686 |
| Less: Work Plan Budget | 3,270,318 | 1,690,249 | 1,973,437 |
| Less: Capital Budget | 408,000 | 812,683 | 571,388 |
| Add: Cash advance from CWP Loans YTD | 3,100,863 | 1,690,249 | - |
| Net Cash Available After Plant Additions | 969,003 | 4,487,679 | 4,195,861 |
| | | | |
| Additional Cash Required from LT Loans for min. General Fund Balance of \$2.4 MM | 1,261,542 | - | - |
| | | | |
| QAD Estimated Rate of Return on Rate Base: | -0.79% | 2.48% | 2.48% |
| | | | |

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF OCTOBER 2021

1. KEC On-Site Regulatory Visit:
 - South Shop – Replaced face shield, battery charger signage, discarded skidding tongs, and fire extinguisher area identified and marked.
 - Morton – Fire extinguisher area identified and marked, breaker boxes identified and marked, and battery charger signage.
 - Salt Shed – breaker boxes identified and marked, and cardboard removed away from gas heater.
 - Meter Room – breaker box identified and marked.
 - Retail Building – breaker boxes identified and marked, and fire extinguisher area identified and marked.
 - Outside Storage Area – removed transformer that was leaking.
 - Documentation Review – PCB documentation updated.
 - Ness Pole Yard/Outside Storage Area – wire conductors removed from transformer, disposed of traffic control device.
2. Ann Jennings's member safety awareness publishes to either KCL newsletter, social media, and/or the Lane Scott Electric website concerning:
 - Discuss Electrical Safety with Kids
 - Farm Safety/Overhead Line Safety
 - Fire Prevention Week
 - Halloween Safety
3. Diana Kuhlman submitted reports:
 - KEC Loss Control, Safety and Compliance System Monthly Statistical Report.
 - Compliance One drug and alcohol monthly roster report.
4. In House October safety meeting topics: Safety summary, Lane County Health Department employee hearing test, and speaker Officer Todd Hilman on active shooter training. October safety minutes are included in the board packet.

SAFETY PROJECTS IN PROGRESS AS OF OCTOBER 2021

1. Safety Amp software programming and training to implement our safety program reporting, data storage, and documentation.
2. RESAP/Self-Assessment/Annual Supervisor Inspection improvements **in progress**:
 - Truck #173 – upper boom chipped (Working with Brady at Altec to fix.)
3. RESAP/Self-Assessment/Annual Supervisor Inspection improvements in **work plan**:
 - Bazine Substation – center switch beside regulators needs changed out.
 - Dighton City West Substation – needs switch bypass on north side of substation.
 - Ness City Substation – arrestors blown and need replaced.
 - Ransom Substation – arrestors blown and needs replaced.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
October 21, 2021

Chris Terhune called the meeting to order at 9:05am.

Minutes were read: Dal Hawkinson made a motion to approve the September 28th minutes and Kevin Bradstreet seconded. Minutes were read and approved as printed.

Present: Richard McLeon, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Myron Seib, Kevin Bradstreet, Dellon Shelton, Blake McVicker, Nate Burns, Scott Briand, Kalo Mann, Michael Pollock, Kathy Lewis, Carrie Borell, Rebecca Campbell, Ann Marie Jennings, and Diana Kuhlman

Absent: Leighton Ayers and Mark McCulloch

Guest: Trooper Todd and Trooper Mike

Truck report of inspections:

| | | |
|-----|------------------|----|
| 105 | Dellon Shelton | OK |
| 110 | Myron Seib | OK |
| 112 | Chad Rupp | OK |
| 117 | Chris Terhune | OK |
| 123 | Mark McCulloch | OK |
| 132 | Kevin Bradstreet | OK |
| 135 | Nate Burns | OK |
| 136 | Dellon Shelton | OK |
| 143 | Michael Pollock | OK |
| 144 | Kalo Mann | OK |
| 145 | Chris Terhune | OK |
| 150 | Kasey Jenkinson | OK |
| 173 | Chad Rupp | OK |
| 174 | Dal Hawkinson | OK |
| 191 | Michael Pollock | OK |
| 193 | Myron Seib | OK |
| 200 | Ben Mann | OK |
| 304 | Myron Seib | OK |
| 305 | Myron Seib | OK |

Trailer and Equipment report of inspections:

| | | |
|-----|---------------|----|
| 502 | Myron Seib | OK |
| 507 | Myron Seib | OK |
| 515 | Myron Seib | OK |
| 504 | Chris Terhune | OK |
| 505 | Chris Terhune | OK |
| 508 | Chris Terhune | OK |
| 509 | Chris Terhune | OK |
| 513 | Chris Terhune | OK |
| 516 | Chris Terhune | OK |
| 700 | Chris Terhune | OK |
| 701 | Chris Terhune | OK |
| 702 | Chris Terhune | OK |
| 512 | Scott Briand | OK |
| 514 | Scott Briand | OK |

Warehouse, building, and pole yard inspections:

| | | |
|-----------------------------------|---------------|----|
| Ness City Warehouse | Myron Seib | OK |
| Ness Pole Yard & Transformer Dock | Myron Seib | OK |
| Warehouse | Scott Briand | OK |
| Pole Yard & Transformer Dock | Scott Briand | OK |
| Office | Diana Kuhlman | OK |

Personal Tools: All Passed

Gloves Monthly Test Results: Report not back.

Substation and Regulator Report: Will be checking the batteries on the electronic reclosures before cold weather begins.

PCB Report: None to Report

Line Clearance: Shields, Healy – Dan Sharp rental, Ness County – Matthew's lease on 4-mile road, and McCracken

Accident and Near Misses: Kasey Jenkinson reported the trash truck hit transformer pole breaking A5, secondary, and transformer pole. Ben Mann reported Bond Trucking hit secondary and the side of a house in Healy.

Old Business:

- ◆ Dal Hawkinson: Collectors are working.
- ◆ Chris Terhune: Troy Cartmill is pouring concrete on the north lot.
- ◆ Carrie Borell: Nex-Tech device transition will be final on October 25th. Duplicate outage reported in AppSuite is being researched by NISC to check to see if it is a programming issue. Security system is in progress. The retail switch will be changed out and programming will be done this month to allow port availability for the security system and new wireless network access to that building.

New Business:

- ◆ Richard McLeon: Discussed budget items, cost of service study, and tariff review. The Lane Scott Rules and Regulation Book project to update information. Line extension fee adjustments and light rates are being reviewed.
- ◆ Chris Terhune: Reported Ness hotarms have been sent off. Attended Safety Coordinators Round Table meeting. Discussed KDOT tie down demonstrations and other guest speaker suggestions. Risk involved on shared utility on poles. Safety Summit will be every six months – February 3rd and August 19th.
 - Reported on insurance documentation requirements for poles that have been hit.
 - Hit poles need law enforcement called and a case number assigned.
 - Document evidence with pictures and scene detailed information.
 - Poles required to be kept for 1 year for injuries involved.
 - Poles required to be kept for 2 years for any fatalities involved.
 - After insurance pays the poles may be disposed of.
 - Scott Briand and Chris Terhune will work on the tagging process and getting waterproof tags.
- ◆ Ann Jennings: Overhead line demonstrations will be done at Dighton on November 16 and at Ness on November 17 from 6-8pm for first responders. Wheatland Electric will be donating their trailer for use.
- ◆ Nate Burns reported on the contractor will be starting the Scott Park trenching November 1st.
- ◆ Reviewed safety summary.
- ◆ Trooper Tod and Trooper Mike active shooter training.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Secretary