

Powerline Press

NEWSLETTER



A Supplement of Oklahoma Living Published by Lake Region Electric Cooperative for its members. **January 2024**

LREC Has Questions

Lake Region Electric Cooperative Wants to Know What You Think

Lake Region will be participating in a survey conducted every couple of years to measure the quality of service provided and ensure we can reliably serve you (our members) in the future.

This survey will ask several questions about your satisfaction with Lake Region and your energy usage. This survey will help give Lake Region our **American Customer Satisfaction Index (ACSI)** score. The ACSI score is a widely recognized economic indicator that measures the satisfaction of consumers across various sectors of the U.S. economy. The ACSI survey assesses customer satisfaction with the goods and services provided by different companies and industries. ACSI data helps Lake Region make strategic decisions, and monitoring the ACSI scores allows Lake Region to track changes in members satisfaction over time.



In this random survey of members, you may be sent an email invitation to participate in the survey online. The email will come from Lake Region Electric Cooperative (surveys@cooperativesurvey.com) with the subject: **Lake Region Electric Cooperative Wants to Know What You Think**. The online survey should only take 15 minutes or less to complete. Thank you for your participation. 111503

CONCERN FOR Community

Lake Region is deeply involved in the communities we serve. This spirit was seen with all our employees who helped during the Tahlequah and Hulbert Christmas parades. This year's float shared the the magic of a snowy wonderland. We are proud of our family-like atmosphere that shines brightest during the holidays. Our cooperative thrives because our employees genuinely care for our community success. One of the co-op's guiding principles is Concern for Communities.



POWER WITH A PURPOSE

A candid conversation with Joe Wilkinson, Associated Electric Cooperative's Chief Member Relations Officer

For 25 years, Joe Wilkinson has worked for cooperative members at Associated Electric Cooperative Inc, (AECI) the power generation cooperative for electric cooperatives in Missouri and parts of Iowa and Oklahoma (including LREC). Recently, he sat down for a wide-ranging conversation that touched on his member-focused role, the state of electric reliability and the enduring wisdom of the cooperative business model.



What is your role in the cooperative system?

Joe: My team plays a dual role in the cooperative system. Firstly, we ensure effective communication with various stakeholders, including member systems, business partners, and the media. This involves disseminating information about Associated and its activities to foster understanding. Secondly, we provide programs, services, and products to assist our system cooperatives.

Personally, a significant part of my role involves engaging with our cooperatives to grasp their needs, challenges, and future objectives. By staying connected with them, I can advocate for their concerns within Associated, ensuring their voices are considered in decision-making. This proactive listening also enables us to tailor our services to better support cooperatives, making their tasks more manageable.

A cooperative is unique from other business types. How do you explain that difference?

Joe: The biggest factor for cooperatives is that we are owned by those we serve. The people who ultimately receive the electricity we generate, the members at the end of the line, own their cooperatives. And that holds true throughout our three-tiered system: Associated is owned by its six transmission cooperative member-owners, who in turn are owned by their member distribution cooperatives and those distribution cooperatives are owned by their members at the end of the line.

At each tier, their boards of directors are democratically elected. Unlike an investor-owned company that may have to decide between keeping rates stable or raising them to increase returns for shareholders, a co-op doesn't have that conflict of interest. In the co-op model, the shareholders and people using the service: the member. As Associated makes recommendations about power generation and rates, for example, the board members evaluating that

information and making decisions are also cooperative members and owners.

Can you cite an example where Associated's cooperative business model really benefits its members?

Joe: Looking at our generation portfolio, the Associated board has invested in a balanced mix of sources for decades. That started at the beginning with hydropower, then coal power plants were added, followed by natural gas and, more recently, wind power. They made the decision not to put all the eggs in one basket but use a mix of resources that have different operating characteristics. With pressure to retire fossil fuel plants and replace them with renewables, the board has listened to the member systems, making reliability and generation balance a priority.

Another key board decision has been to remain independent of regional transmission organizations, or RTOs, that manage the electric grid for member utilities in a geographic area. By keeping independent, we can buy, sell and transmit power with multiple RTOs, so that has been advantageous both for reliability reasons and for the economic benefit of the system.

That independence really paid off during winter storms Uri in 2021 and Elliott in 2022. We set all-time system peaks in both of those weather events. While many around us resorted to rolling blackouts, Associated kept the lights on — and that's what members expect. Our reliability track record stems from our balanced generation portfolio and our independence to manage our generating assets to maximize reliability for members.

How does the future look for rural energy reliability?

Joe: Associated and its member-owners are well-positioned. A recent forecast by the government agency responsible for the country's electric grid reliability showed about two-thirds of the nation with an elevated risk for reliability problems. But if you look at the map that visualizes that forecast, the middle of the country where Associated serves is clear. That doesn't mean we can never experience reliability problems. But it does mean the cooperative business model and member-ownership works well for the people we serve.

The major challenge to reliability for us is a regulatory environment that does not prioritize reliability but caters to a host of other agendas. We prioritize reliability and are working to maintain it. Although we were one of the first to speak out on the issue, many other utilities, trade organizations, political representatives and others now advocate for making reliability a key part of policymaking. We are hopeful the education process is opening eyes to the problem of transitioning too quickly to a future dependent on intermittent, renewable generation at the expense of reliable electricity.

What is Associated doing to make sure power generation keeps pace with member needs?

Joe: We study our member loads and analyze trends, which show significant load growth on the Associated system. That's a good thing because it means our regional economy is picking up, with businesses expanding, new homes being built and so on. But it also means we need to make sure our power supply keeps pace. Associated develops an integrated resource plan every year that looks to the future, what our member load requirements will be. The technologies need to be proven and dispatchable, not intermittent, so that we can count on them. As a result, we are working to bring new natural gas generation online in 2026 to 2027. These will be peaking units designed to serve member load when it is at its highest.

A new technology we are watching closely is small modular nuclear reactors, or SMRs. We are affiliated with two different organizations developing the first units, which won't be online for seven years at the earliest, so we can learn about them. We want to see how well they operate and what the costs will be. It's a very new technology that really is just coming off the drawing boards.

We've heard some say Associated is against renewable (intermittent) power supply for the future. Is that true?

Joe: No — that is absolutely false. We began taking power from our first wind farm in 2007, the first utility in the state to bring wind power into its portfolio. Since then, we've added power from seven more wind farms in three states, the most recent in 2020. Wind accounts for nameplate capacity of 1,240 megawatts in our generation mix; however, its intermittent operating characteristics means it cannot be counted on all the time. We are good at forecasting when the wind will blow and when it will not.

It's the same with solar. As a winter peaking system, we know that we generally cannot count on solar to generate power when we need it most. That's why we invested in wind over solar — wind fits our system profile better. As I mentioned earlier, we evaluate renewable technologies as we plan for the future, but the costs, technology and timing need to be beneficial for our member.

How do you gauge member satisfaction? How satisfied are Associated's members?

Joe: The best way is from members giving direct feedback to their distribution cooperatives, which is often shared with us. The other gauge is a comprehensive systemwide survey of members we conduct every two years. About 12,000 surveys are completed by members at the end of the line, so it is a statistically significant sample. We ask a number of questions across many facets of the utility business, but the key takeaway is that our members like their cooperative, trust them and like how they are being served. Member trust is what it is all about and that translates to some of the best satisfaction ratings in the country.

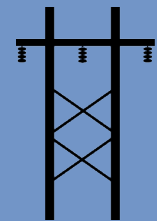
What is the one thing you wish everyone knew about Associated?

Joe: It's not really important to know who Associated is — the important relationship for a member is with their local cooperative - LREC. But I would want them to know that Associated's employees have the same dedication to serving them as their local cooperative. All of us at Associated love the fact we have jobs with a true purpose, powering farms, businesses, homes and communities. We generate power with a purpose — serving our member systems reliably and affordably — and we take pride in that.

Three Tiered System



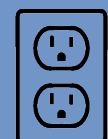
AECI
Generation
Cooperative



KAMO
Transmission
Cooperative



LREC
Distribution
Cooperative



LREC Members

NO MORE CONTRACTS FOR RESIDENTIAL INTERNET!

Risk-Free Connection

As pioneers in the local fiber internet industry, we have always strived to put our customers first. When we first began building our fiber network and serving customers, we required new customers to sign a residential 2-year contract for the free installation. While this was a standard industry business practice at the time, many of our customers didn't like it. We are happy to announce that we have listened and responded to your desires.

LRTC officially scrapped our contract term commitments for residential accounts. We understand that nobody wants to be tied to a contract. That is why LRTC has decided to erase it from your fiber internet experience. You can now try Lake Region fiber internet risk-free. Call us today and sign up for residential fiber internet and no need to sign a contract. We have worked hard to earn your loyalty and trust. We have always believed in earning our customers' loyalty, not enforcing it.

If you are a homeowner, and have recently signed a contract with LRTC, these contracts will be voided and no need to stress about an early termination fee.

Renters are still subject to a quick credit check and may be required to pay an installation fee of \$250.



918-772-2526 /  
LakeRegionFiber.com



Available in live service areas only. Installation costs zero money down for homeowners. Renters must pass a credit check. \$10/mo optional Wi-Fi router fee & \$6 additional mesh router. Internet speeds up to 2.5 Gig for wired connections. *2.5 Gig internet packages require a consultation with Lake Region tech support.

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Hidden Account Number

Look for your account number hidden in this issue of the *Powerline Press*. If you find your number, Lake Region Electric will credit your next bill. To claim your credit, notify LREC's Hulbert office by phone during the month of publication.

The amount increases by \$10 with each issue your prize goes unclaimed to a maximum of \$50.

Cooperative bylaws are available upon request at Lake Region Electric Cooperative's office in Hulbert.

Larry MattesEditor/Communications