

**OWEN ELECTRIC COOPERATIVE
REGULAR BOARD MEETING
January 26, 2023**

PRESENT The regular meeting of the Board of Directors of Owen Electric Cooperative, Inc., was held at the Headquarters Building in Owenton, Kentucky, on January 26, 2023. All Directors were present, along with: Mike Cobb, Teresa Hamilton, Mike Stafford, Jim Petreshock, Brian Jones, Drew Long, Tim Cammack, Christel Buffin, and Attorney James M. Crawford.

**CALL TO ORDER,
PLEDGE OF ALLEGIANCE
AND INVOCATION**

The meeting was called to order, and the Pledge of Allegiance and invocation were given by Charlie Richardson and Bob True, respectively.

ADOPTION OF

AGENDA Upon a motion by Rick Messingschlager, second by Hope Kinman, the Board voted unanimously to adopt the January 26, 2023, Board Meeting Agenda as presented.

MINUTES

APPROVED Upon a motion by Charlie Richardson, second by Eddie McCord, the December 15, 2022, Regular Board Meeting Minutes were approved as submitted.

SAFETY

MOMENT Mike Cobb gave the safety moment on the need to secure loads in vehicles.

MEMBER

CONCERNS The Board heard comments from a member regarding the coop's procedures pertaining to line extensions.

NEW MEMBERS

ACCEPTED The Directors then reviewed and accepted the listing of 378 New Members.

**REVIEW OF LISTING OF
TERMINATED ACCOUNTS**

The Directors then reviewed and accepted as information a listing of the terminated accounts for the month.

**REVIEW OF PRESIDENT'S CONSULTANT'S AND DIRECTORS'
EXPENSES**

The Directors then reviewed and accepted as information a listing of December expenses incurred by the President, Consultant and Directors.

**UNCOLLECTIBLE WRITE-OFFS AND
CAPITAL CREDIT PAYMENT**

The Board reviewed 76 member write-offs of \$14,632.06.

The Board reviewed payment of \$26,779.99 in Capital Credits.

Upon a motion by Hope Kinman, second by Alan Ahrman, the Board voted unanimously to approve the Uncollectible Write-Offs and Capital Credit Payments.

PRESIDENT/

CEO REPORT Mike Cobb presented the CEO Report for the month of January, 2023, in accordance with the summary attached hereto and made a part of these minutes.

Duke Energy's Proposed Rate Increase - Mike discussed with the Board Duke Energy's proposed rate increase. Duke is requesting a 21.2% residential rate increase.

Corinth Property - Mike discussed with the Board five (5) acres of land the Coop owns near Corinth at Exit 144 off I-75.

Employee Retention Application - Mike updated the Board on management's efforts in determining the coop's potential eligibility for employee retention tax credits provided in the CARES Act or any other COVID-19 related legislation. In that regard, the Coop has consulted Synergi Partners, Inc., a South Carolina corporation, as well as other service providers to determine eligibility and possibly prepare a tax credit package.

Employee Day - Mike discussed with the Board "Employee Day" scheduled for February 20, 2023.

Commitment to Zero Contacts - Mike discussed with the Board the Safety Department's program "Commitment to Zero Contacts 2.0".

ACCOUNTING

Teresa Hamilton presented the Accounting report for January 2022 through November 2022, in accordance with the summary attached hereto and made part of these minutes. Teresa advised that cost of power in 2022 averaged 81 cents of each dollar that members paid the Coop on their monthly bills.

MEMBER SERVICES

Mike Stafford presented the Member Services report for the month of December, 2022, in accordance with the summary attached hereto and made part of these minutes. Mike reported accounts billed for the month of December, 2022, of 65,494 compared to 65,601 for the same period last year. He reported energy audits through December 2022 of 361 compared to 370 for the same period in 2021.

HUMAN RESOURCES

Mike Cobb presented the Human Resources report for the month of January, 2023, in accordance with the summary attached hereto and made part of these minutes. Mike reported there was one (1) lost time accident on December 19, 2022. The coop has since gone 37 days as of January 26, 2023, without a recordable incident or lost time injury. He reported for the month of December, two (2) employees were isolated due to COVID. The mask mandate for all coop employees is optional, and management continues efforts to encourage

employees to get vaccinated for everyone's safety. Mike advised 79 coop employees have been vaccinated to date.

OPERATIONS

Brian Jones presented the Operations report for the month of January, 2023, in accordance with the summary attached hereto and made part of these minutes. Brian recognized Kenny Widener, a 34-year employee, who is retiring in February of 2023.

TECHNOLOGY

Jim Petreshock presented the Technology report for the month of January, 2023, in accordance with the summary attached hereto and made part of these minutes.

ENGINEERING

Drew Long and Tim Cammack presented the Engineering report for the month of January, 2023, in accordance with the summary attached hereto and made part of these minutes. Tim Cammack introduced new employee Ryanne Howard to the Board.

EKPC REPORT

Alan Ahrman advised no January EKPC Board Meeting.

KEC REP. Rick Messingschlager discussed the January 17, 2023, Kentucky Electric Cooperative (KEC) board meeting in accordance with the summary and minutes of said meeting prepared by KEC staff, a copy of which is attached hereto and made a part of these minutes.

ATTY. REP. James M. Crawford reported there was no new litigation for the month.

2/23/2023 BOARD

MEETING On Motion by Rick Messingschlager, second by Charlie Richardson, the Board voted unanimously to start the February 23, 2023, regular monthly board meeting at noon.

TRAINING/MEETINGS

Mike Cobb reminded the Board of the following training/meetings:

Directors Conference - February 4-7, 2023

OEC Regular Board Meeting - February 23, 2023 (to begin at noon)

Power Xchange - March 3-8, 2023

OEC Regular Board Meeting - March 30, 2023

Legislative Conference - April 16-19, 2023

Audit Committee Meeting - April 20, 2023

OEC Regular Board Meeting - April 27, 2023

OEC Regular Board Meeting - May 25, 2023

Membership Appreciation Days - June 8-9, 2023
Annual Business Meeting - June 9, 2023

OEC Regular Board Meeting - June 29, 2023

CoBank Directors Conference - July 24-26, 2023

OEC Regular Board Meeting - July 27, 2023

KEC Annual Meeting - August 7-8, 2023

OEC Regular Board Meeting - August 31, 2023

OEC Regular Board Meeting - September 28, 2023

NRECA Regional Meeting - October 11-13, 2023

OEC Regular Board Meeting - October 26, 2023

OEC Regular Board Meeting - November 16, 2023

OEC Regular Board Meeting - December 21, 2023

**CONFERENCE
REPORTS** None.


OLD BUSINESS
 None.

NEW BUSINESS
 None.

**EXECUTIVE
SESSION** On motion of Alan Ahrman, second by Charlie Richardson, the Board voted unanimously to enter into Executive Session at 1:10 p.m. to discuss pending litigation and other confidential matters reference PJM and EKPC.

On motion of Rick Messingschlager, second by Charlie Richardson, the Board voted unanimously to exit Executive Session at 2:10 p.m.

ADJOURN Upon a motion Hope Kinman, second by Charlie Richardson, the Board voted unanimously to adjourn the meeting.



Chairman



Secretary



Regular Board Meeting January 26, 2023



- Directors Present/Absent
- Call to Order/Pledge of Allegiance/Invocation



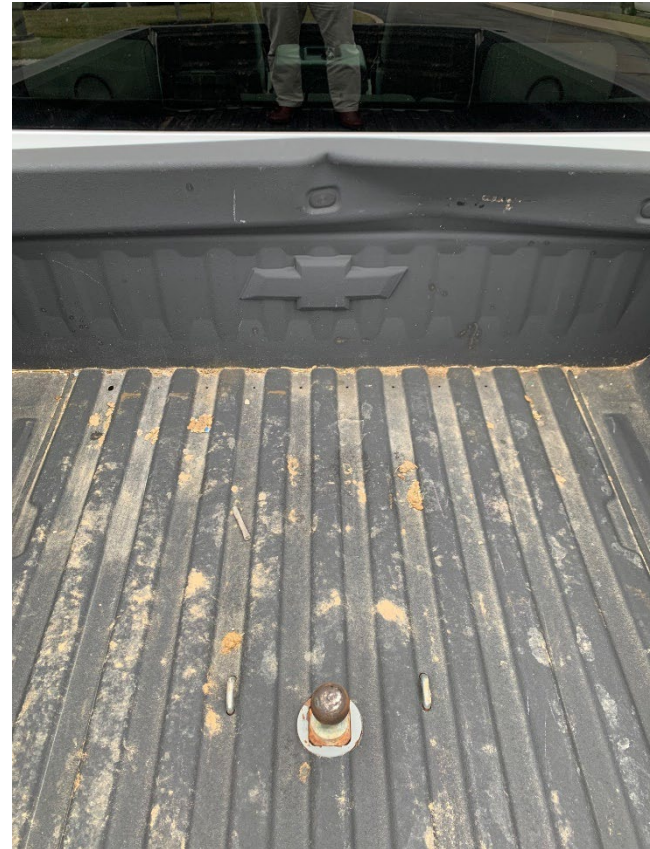
Agenda & Minutes

- Adoption of Agenda (Tab 3)
- Approval of Minutes of Previous Meeting (Tab 4)

Safety Moment

Mike Cobb

When you don't secure your load



Review/Discuss Member Compliments and/or Concerns

Review Agenda

- Review New Members: 378
- *(Listing on Board Table & in Board Paq)*
- Review Listing of Terminated Accounts:
- 176 Members at \$21,613.04
(Listing on Board Table & in Board Paq)

Review of President's, Directors' and Consultant Expenses

- Approve Uncollectible Member Write-offs:
76 Members at \$14,632.06
(Listing on Board Table and in Board Paq)
- Approve Payment of Capital Credits: \$26,779.99
(Tab 11)
- Approval of Consent Agenda Items
 - Motion _____
 - Second _____

President/CEO Report

January 26, 2023

Board Meeting



President's Report Topics

- Duke Energy's Proposed Rate Increase Highlights
- Employee Retention Tax Credit – UPDATE
- Corinth Property Discussion
- Commitment to Zero Contacts 2.0 (Safety Program)
- Employee Day (February 20, 2023)
- Other Topics / Discussion

Duke Energy Kentucky:

Rate review at a glance



Customer group	Average rate increase percentage
Residential	21.2%
Service at Distribution Voltage	15.8%
Service at Transmission Voltage	10.1%

■ Typical 1,000-kWh residential bill would increase by approximately \$25 per month

In December 2022, Duke Energy Kentucky made a request for our state regulator, the Kentucky Public Service Commission, to perform a public review of our electric rates. We also asked for permission to increase base rates. The primary reasons for this rate request are our ongoing investments to facilitate a clean, secure energy future, strengthen the electric grid, reduce power outages and enhance value to the company’s nearly 150,000 electric customers in Northern Kentucky.

Clean energy transition, increase in net rate base main drivers of request

As we continue to advance an orderly transition toward a reliable, clean energy future, we are taking steps to reduce, and eventually eliminate, our reliance on coal-fired generation and move toward low- or zero-carbon generation resources.

With the energy transition, we are proposing to align the depreciable life of two of our Kentucky generating assets, East Bend Station and Woodsdale Generating Station, with the likely end of their service lives.

Another primary driver is the return on and of our rate base. Since our last electric rate case was approved in April 2020, the company has made more than \$300 million in investments to strengthen the electricity generation and delivery systems across Northern Kentucky. These data-driven investments were designed to improve the system’s reliability and resiliency for customers and support load growth.

New customer benefits proposed

In response to customer feedback, we’re proposing various ways to provide customers more value, choices and convenience when it comes to their electric service and personal sustainability goals. These include:

- Two electric vehicle (EV) charging programs that include new tariffs for EV charging infrastructure and a make-ready credit for customers wishing to install a new EV charging station.
- A new, voluntary community-based solar program called Clean Energy Connection for customers wishing to invest in renewable energy resources to meet sustainability goals.
- Mitigating the effect of fluctuating fuel costs through a mechanism to reduce volatility and offer customers more rate predictability.

- Met with Synergi Partners to Discuss Program and Scope of their Services
 - Identify and determine eligibility for Employee Retention Tax Credits provided for in the Coronavirus Aid Relief and Economic Stimulus Act (“CARES Act”) or any other COVID-19 related legislation which may be available
 - Gather applicable Client Data (i.e. payroll data, employer healthcare costs, operational impacts, etc.) and calculate credits
 - Prepare and deliver ‘Tax Credit Package’ that includes eligibility analysis, applicable supporting schedules, and a calculation of credits based on applicable law
 - Provide internal, external and IRS audit support (as required)

Services

Update: Staff is continuing to review (due diligence)

Discussions continue with Auditors and CEO's and Accounting Professionals from other Coops

We have until April 2024 to apply.

Corinth Property Discussion

OWEN
ELECTRIC
COOPERATIVE
INC

5.0487 ACRES

SUSAN
COX
KENTUCKY
LLC



Commitment to Zero Contacts 2.0 (Safety Program)



1. Commitment to Zero Action Items

- ☐ **A. Return to “normal” frequency of Safety meetings.**
- ☐ **B. Frequently cover “Life Saving Rules” with workforce**
- ☐ **C. Develop a list of key life-saving rules with workforce**
- ☐ **D. Promote Safety discussions, open dialog vs. reading and dismissing.**
- ☐ **E. Focus discussion on PPE including dielectric boots, glove, and sleeve use.**
- ☐ **F. Discuss making a change to the definition of “visible opening” to include cutout barrels.**
- ☐ **G. Ensure crews are staffed to meet standards for qualified observers and traffic control.**
- ☐ **H. Look at other options for performing job briefings. Reevaluate SOSPEs.**
- ☐ **I. Focus discussion about “working it hot”.**
- ☐ **J. Cover a discussion about O/H and U/G LOTO procedures.**



Employee Day

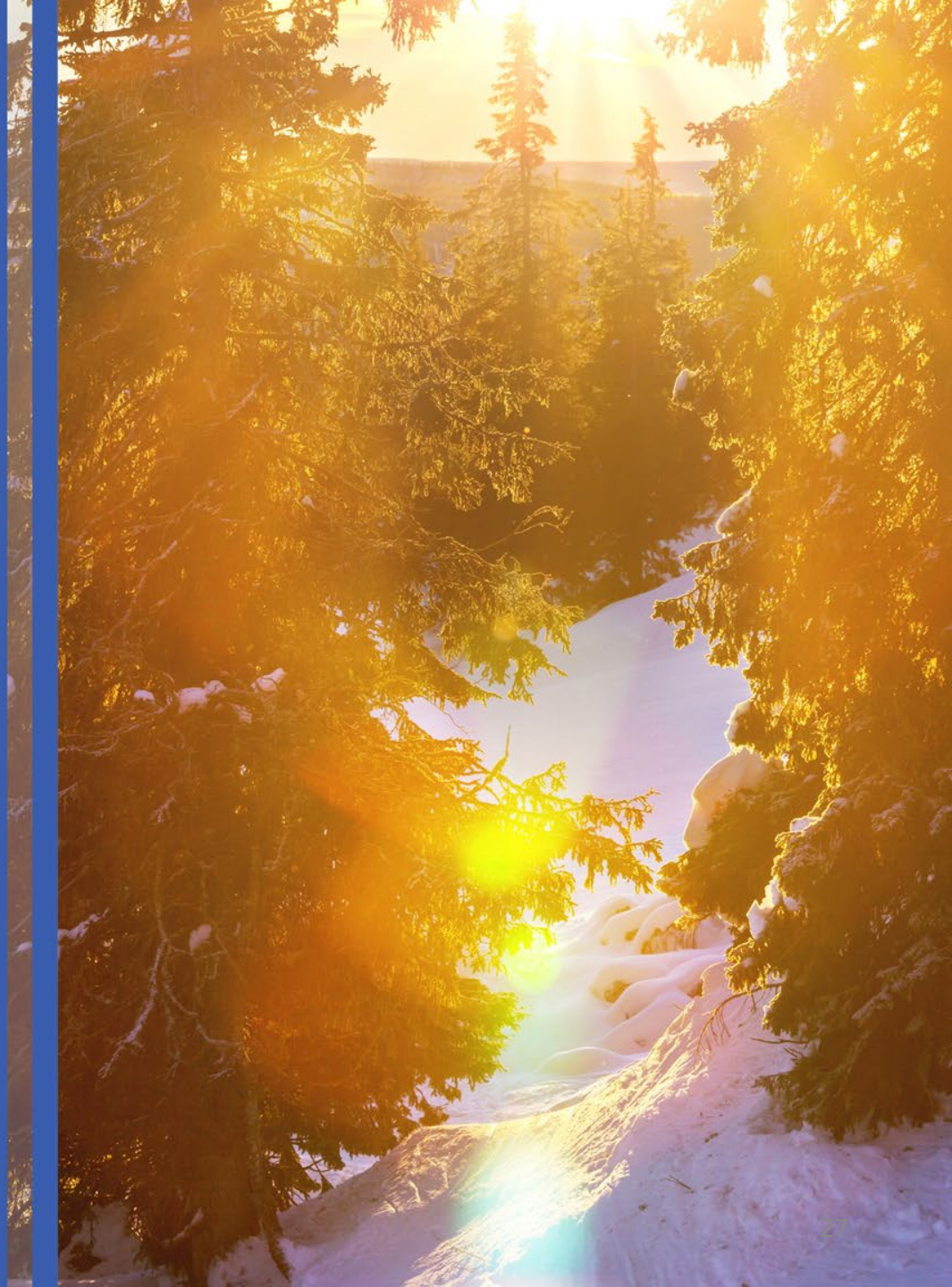
- Employee Day Scheduled for February 20th
 - Departmental Updates
 - Service Excellence
 - Generation & Transmission Update
 - Motivational Speaker
 - Drug Free Workplace
 - Medical Marijuana
 - Speed *up*-Dating
 - Member Owned Solar / EV Charging / Gov't / Business Relations / IT Security Efforts / Supply Chain Challenges / AMI Conversion Status / Q&A

Accounting Updates

Board Meeting
November Financials
January 26, 2023



A Touchstone Energy Cooperative 



- 1/24 Initial Closing for December 2022 (preliminary numbers)
- 2/16 Year End Closing for 2022
- Week of March 6th External Auditors on-site
- 4/20 Proposed Audit Committee meeting





Statement of Operations

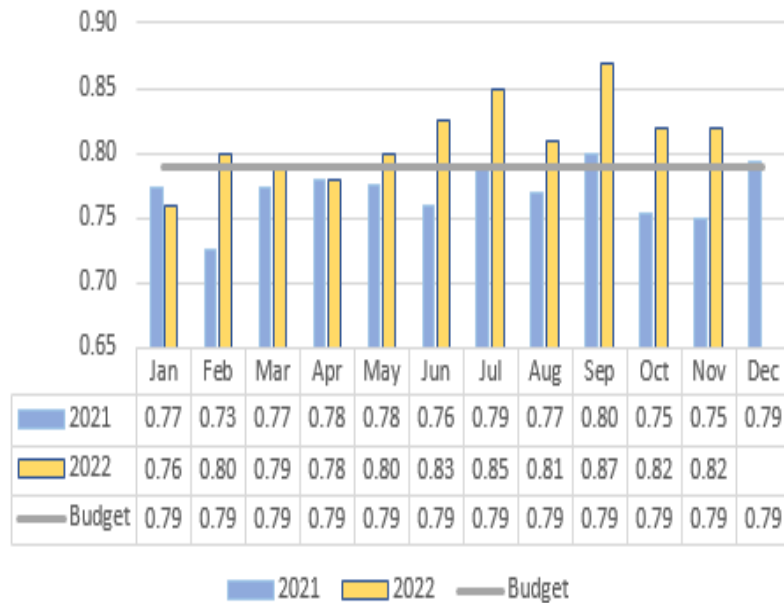
Variances from Last Year and Budget

**August 2021 included the PPP Loan Forgiveness of \$1.98M

YTD- Nov 2022

	<u>THIS YEAR</u>	<u>LAST YEAR</u>	<u>VARIANCE</u>		<u>THIS YEAR</u>	<u>BUDGET</u>	<u>VARIANCE</u>
Operating Revenue	205,095,420	166,274,850	38,820,570		205,095,420	187,638,496	17,456,923
Less: Cost of Purchased Power	166,844,866	128,484,904	38,359,963		166,844,866	148,368,943	18,475,924
Net Revenue	38,250,553	37,789,946	460,607		38,250,553	39,269,554	(1,019,000)
Controllable Cost	19,877,367	19,330,109	547,258		19,877,367	19,864,961	12,406
Depreciation and Amortization Expense	10,728,794	10,712,398	16,396		10,728,794	10,829,850	(101,056)
Interest on Long Term Debt	2,870,860	2,728,907	141,953		2,870,860	2,912,889	(42,029)
Interest Expense - Line of Credit	9,534	2,035	7,499		9,534	2,750	6,784
Other Deductions	57,576	55,456	2,120		57,576	49,250	8,326
Total Expenses (less Power Cost)	33,544,130	32,828,905	715,225		33,544,130	33,659,699	(115,569)
Members' Margins	4,706,423	4,961,041	(254,618)		4,706,423	5,609,855	(903,431)
Non-Operating Margins - Interest/Other	425,083	2,118,953	(1,693,869)		425,083	66,000	359,083
Generation & Transmission Capital Credits	-	-	-		-	-	-
Other Capital Credits & Patronage Dividend	289,310	200,000	89,309		289,310	127,417	161,893
Net Margins	5,420,816	7,279,994	(1,859,178)		5,420,816	5,803,271	(382,455)

Power cost to Revenue



- *Efficiency rating for November 66%, average for 2022 YTD. The higher the efficiency percentage, the more Owen Electric is able to recover the demand charges through kwh sales.*
- *Average power cost to revenue .81 YTD*
- *Average power cost to revenue .77 PY*



*Distribution Equity is based on Policy 319
Benchmarks are based on debt covenants*

KEY METRICS	YTD	Rolling 12 Month	Benchmark
T.I.E.R (TIMES INTEREST EARNED)	2.888	2.455	1.25
O.T.I.E.R (OPERATING)	2.639	-	1.10
DSC (DEBT SERVICE COVERAGE)	3.495		1.35
ODSC (OPERATING)	-	3.071	1.35
MDSC (Modified Debt Service Coverage)		2.496	1.35
DISTRIBUTION EQUITY	-	30.39%	20%-35%
TOTAL EQUITY	-	52.03%	>27%
CURRENT RATIO		1.277	> 1.0
DAYS of CASH on HAND	128		100



Temporary Investments - Board Policy 318

<u>Note Number</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Term in Days</u>	<u>Interest Earnings</u>
CFC Select Notes	\$ 2,000,000.00	2.80%	12/14/2022	180	\$ 27,616.44
CFC Medium Term Notes	\$ 2,000,000.00	3.04%	6/15/2023	356	\$ 59,300.82
CFC Medium Term Notes	\$ 3,000,000.00	3.83%	10/2/2023	426	\$ 134,102.47
CFC Medium Term Notes	\$ 1,477,000.00	4.77%	12/15/2023	393	\$ 76,911.08
CFC Medium Term Notes	\$ 3,000,000.00	3.89%	8/2/2024	731	\$ 233,719.73
Commerical Paper Investments		2.35% - 3.2%		30 or less	\$ 14,282.38

November 2022
Thank you



Signed financials are included in Board Paq

Construction Work Plan is fully funded by:

- Jobs completed through 12/2021
 - Special Equipment purchased through 9/30/22
- Meters totaling \$5,195,944 for 2022

Loan Already Approved by the Board and recorded by the County Clerks' Offices

AW8 Loan Activity:

Original Amount	\$ 37,500,000					
Less 2021 Advance @ 1.888%	\$ (12,000,000)					
Less 2022 Advance @ 3.184%	\$ (8,000,000)					
Amount Available	\$ 17,500,000					

- Current LOC Rate 6.25% - Interest Expense for January expected to be \$30,736.19 (will be close to paying off the power bill and then the next power bill will be due, one of the indicators for the need of funds)
- Current RUS/FFB Rate @ 3.71 borrowing \$7.5M would equate to \$23,187.50 monthly. (It is cheaper for the Cooperative to borrow money than for the members)
- Current Investment Rate with CFC (for monies not needed for operations immediately)
 - Select Notes 3.79% - 4.25% (monthly investments)
 - Commercial Paper Rates 3.125% - 3.695% (daily investments)

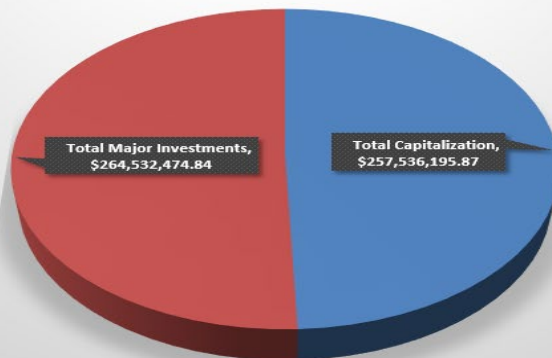
Looking forward:

- Meter purchases are slowing down estimate \$550,000 for 2023
- FAC should be leveling out after the Elliott Factor has worked through approximately six (6) months

Investments Versus Capital

		<i>Balance Sheet</i>			
Capital				Debt to Equity Ratio	0.65
Total Margins and Equity		\$ 155,669,691.65	30%	A good debt equity is anything lower than 1.0	
Total Long Term Debt		\$ 101,866,504.22	20%		
Total Capitalization		\$ 257,536,195.87	49%	A debt equity that is <u>too high</u> limits the ability to	
Investments				borrow more at competitive interest rates in an	
Net Utility Plant		\$ 168,965,139.60	32%	emergency.	
Investments in Assoc. Org		\$ 95,567,335.24	18%	A debt equity that is <u>too low</u> limits returns of	
Total Major Investments		\$ 264,532,474.84	51%	patronage capital to members or increases the	
				Cooperative's takeover risks.	
Total for Pie Chart		\$ 522,068,670.71			

*Balance Sheet
Investments Versus Capital*





JANUARY 2023 MEMBER SERVICES REPORT

-MIKE STAFFORD-



December 2022 Statistics

Member Account Activity	Current Month 2022	Last Month 2022	Same Period Last Year 2021
Bank Deposits	\$13,725,320.83	\$12,443,103.38	\$10,744,960.27
Accounts Billed	65,494	65,601	64,688
Total Billing (Excluding Taxes)	\$14,666,733.22	\$11,933,155.23	\$11,443,586.86
Delinquent Notices Mailed	7,483	7,861	7,868
Total Delinquent Amount	\$1,255,525.55	\$1,198,776.56	\$1,243,689.76
Total Penalty Amount	\$62,291.81	\$62,771.76	\$59,443.79
Number of Arrangements	1,215	1,288	882
Total Amount of Arrangements	\$221,740.47	\$224,829.06	\$140,420.32
Return Check Amount	\$13,112.46	\$25,468.43	\$10,114.68
Number of Return Checks	81	74	73
Office Pymts (Walk-in & Drive-thru)	2,943	3,024	2,809
Cutoff Tickets	1,460	1,343	1,300
Actual Cutoffs	341	314	306
New Accounts Set Up	529	565	628
Service Orders	2,160	2,466	2,430

Calls Answered by Member Services Reps	8,883	7,978	7,336
Telelink Calls	29,226	24,464	27,013
Member Services Collection Program	\$5,368.27	\$7,895.23	\$8,911.95
Total Collections by Member Services	\$977,988.53		

Online Activity Summary



984 EMAIL INQUIRIES

22,164 WEBSITE VISITORS
48,215 PAGE LOADS



469 NEW FACEBOOK FANS
65 NEW FACEBOOK POSTS
9,571 TOTAL FANS

1 NEW FOLLOWER
872 TOTAL FOLLOWERS



15 NEW TWITTER FOLLOWERS
65 NEW TWEETS
2,539 TOTAL FOLLOWERS

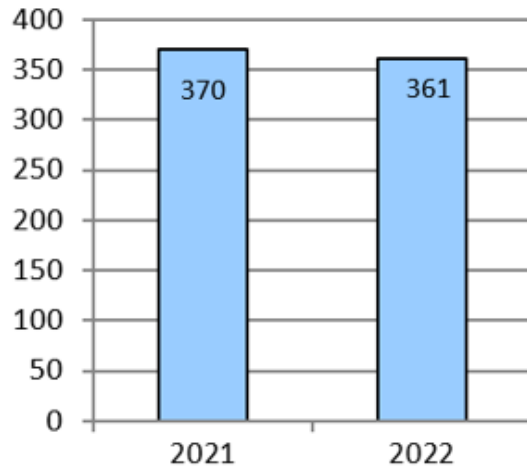
0 NEW FOLLOWERS
94 TOTAL FOLLOWERS



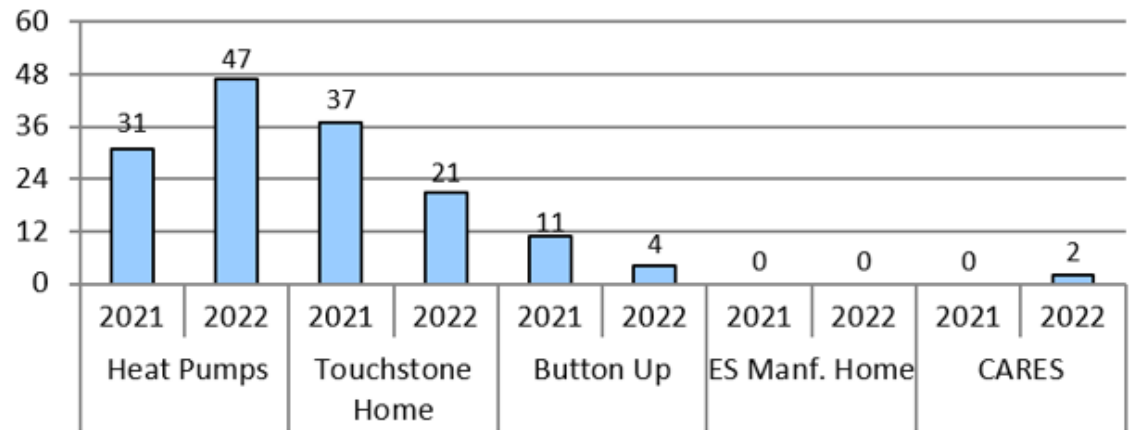


Energy Efficiency Update

**Energy Audits
(Year to Date)**



**Summary of Residential Energy Efficiency Incentives
Paid
(Year to Date)**



Direct Load Control (Simple Saver DSM Program)

	Monthly Activity		Program Total	
	Installations	Removals		
HVAC	0	-7	HVAC	2,698
Water Heater	0	-3	Water Heater	1,649
Thermostat	11	-79	Thermostat	702
Totals	11	-89	Totals	5,049



2022 WINTERCARE DONATIONS

MONTH	MEMBER CONTRIBUTIONS	CO-OP MATCH
JANUARY	\$1,115.81	\$1,115.81
FEBRUARY	\$643.88	\$643.88
MARCH	\$560.93	\$560.93
APRIL	\$487.66	\$487.66
MAY	\$360.13	\$360.13
JUNE	\$435.52	\$435.52
JULY	\$331.58	\$331.58
AUGUST	\$393.04	\$393.04
SEPTEMBER	\$832.62	\$832.62
OCTOBER	\$585.73	\$585.73
NOVEMBER	\$734.84	\$734.84
DECEMBER	\$1,235.48	\$1,235.48

2022 TOTAL WINTERCARE DONATIONS:

\$15,434.44

LG&E-KU closing all walk-in business offices by 2024



Customers are being informed that all walk-in business offices are closing by the end of 2024. (WAVE 3 News)

By [Dustin Vogt](#)

Published: Jan. 9, 2023 at 10:07 AM EST | Updated: 2 hours ago

- Will impact all 26 business offices, 70 employees
- 42% reduction in walk-in services in the last 10 years
- They site staffing challenges, customers embracing self-service channels


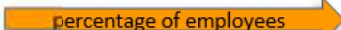




House Bill 66










- Sponsored by Rep. Lisa Willner (Democrat, Louisville) and Rep. Randy Bridges (Republican, Paducah)
- Introduced in Committee on 01/03/23
- Proposes restricting residential nonpayment disconnects during periods of forecasted extreme temperatures:
 - 32 degrees December – March
 - 95 degrees June – August
 - Delays resumption of disconnections for 72 hours
- Waives late fees & reconnection fees for someone producing certificate of need
- Prohibits nonpayment disconnects on accounts with 10% partial payments; allows partial payment for reconnection of service



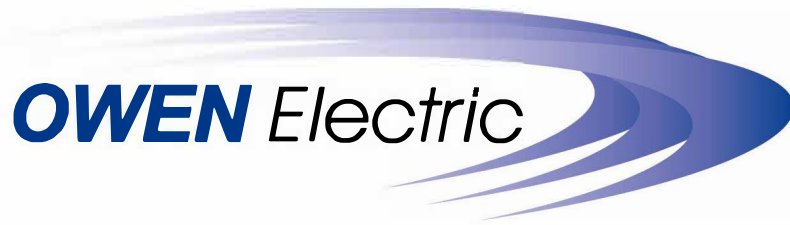
Human Resources Board Report

January 26, 2023

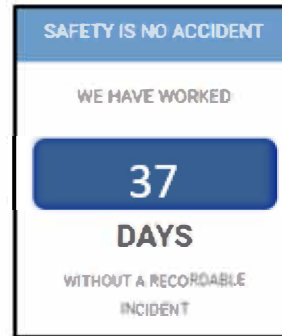
Leading Indicators		Safety Culture Score 2019 = 90%
Crew Visits		2
Safety Suggestions	 percentage of employees	0
Near Miss Reports		0
Hazards Reported		0
Risk Assessments		0
Corrective Actions		0

Lagging Indicators		Actuals	
Recordable Injury Rate	 Threshold= 1.54/ Target=.76	0.84	
D.A.R.T. Rate	<div>4th Quarter</div>  	 Threshold=.77 / Target=.38	0.93
Severity Rate		 Threshold=33.92 / Target=16.96	0.93
OSHA Recordables		1	
Actual Days Off Work		1	
OEC Vehicle Accidents		1	
Other Incidents		0	

Note: All Stretch Goals Are 0.00



SAFETY Report



As of 01/26/2023



SAFETY Report

We continue to be focused on being proactive in hazard awareness by making corrections to affect the situations that can cause a negative impact to our Safety Indicators (physical alterations to equipment and additional training).

*We have worked 15,866 hours (12/01/22 thru 12/31/22).

We currently have 123 employees

Note: The calculations reflect realtime data so that we can see a better picture of where we stand within our current quarter.

OEC employees continue to work hard while controlling workplace hazards very well. Communication between departments about safe practices remains essential and it is evident that it is taking place.

The focus during crew visits continue to be about best practices for covering energized parts and area with different potential.

The evaluations of the Commitment to ZERO 2.0 surveys were presented to management with recommended action items. The Safety Team is in the process of prioritizing the items and implementation will begin shortly. The results will be driven by the lineman and facilitated by the Steering Team.

The 2023 Safety Plan is available on The Circuit's [Safety](#) Page and includes the proposed training for the year!

Medical Plan Update

The Medical plan update with the December totals are not complete at this time. The plan did switch Administrators and are in the process of having all the information switch over to the new group, Ameriben. Owen currently covers 137 participants under the KREC Medical Group.

A large, light blue silhouette graphic in the background depicting a utility pole with two workers on it. One worker is on the left side of the pole, and the other is on the right side, both wearing hard hats and safety gear. The pole has cross-arms with insulators at the top.

Operations Board Report

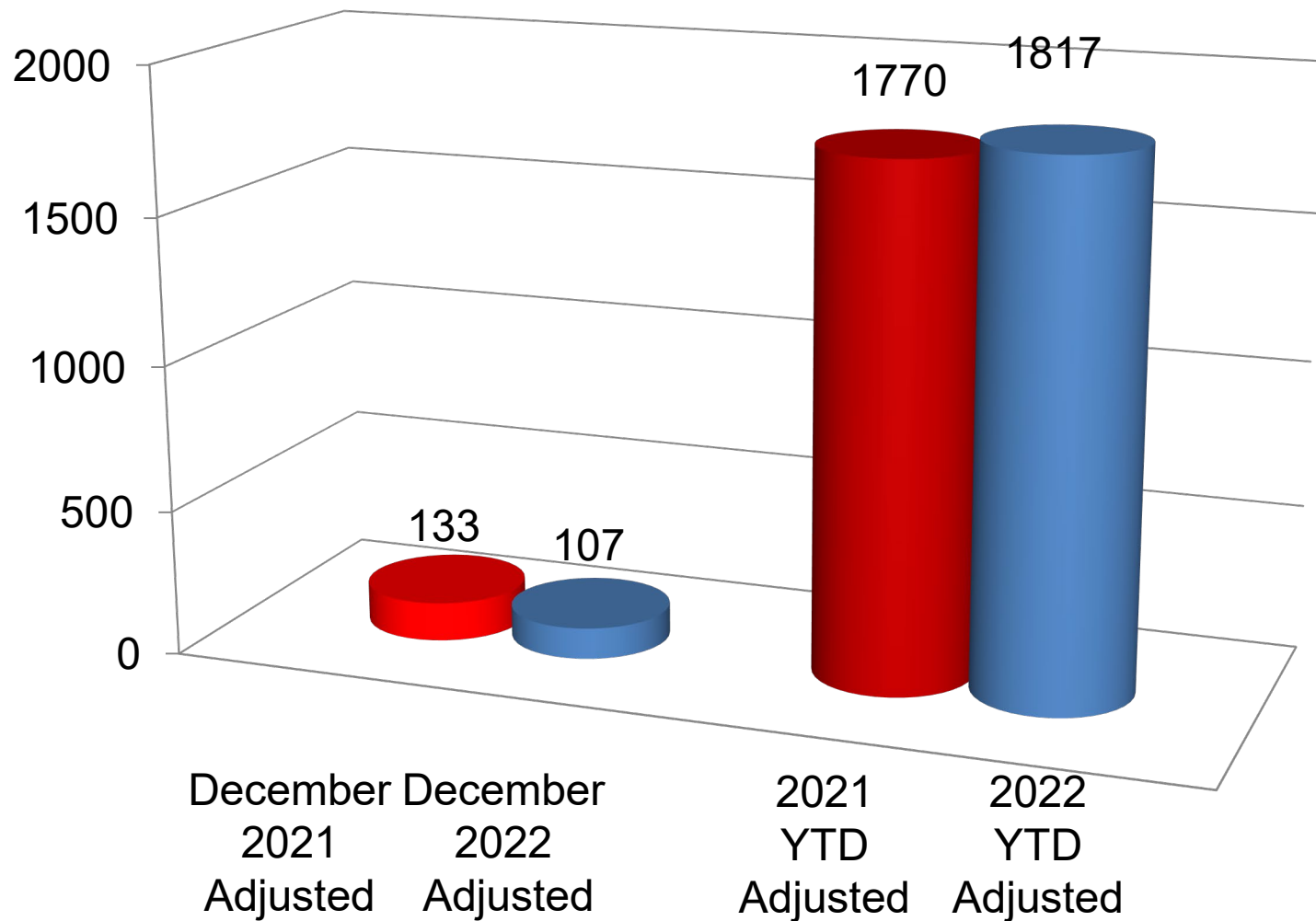
January 2023

Right-of-Way

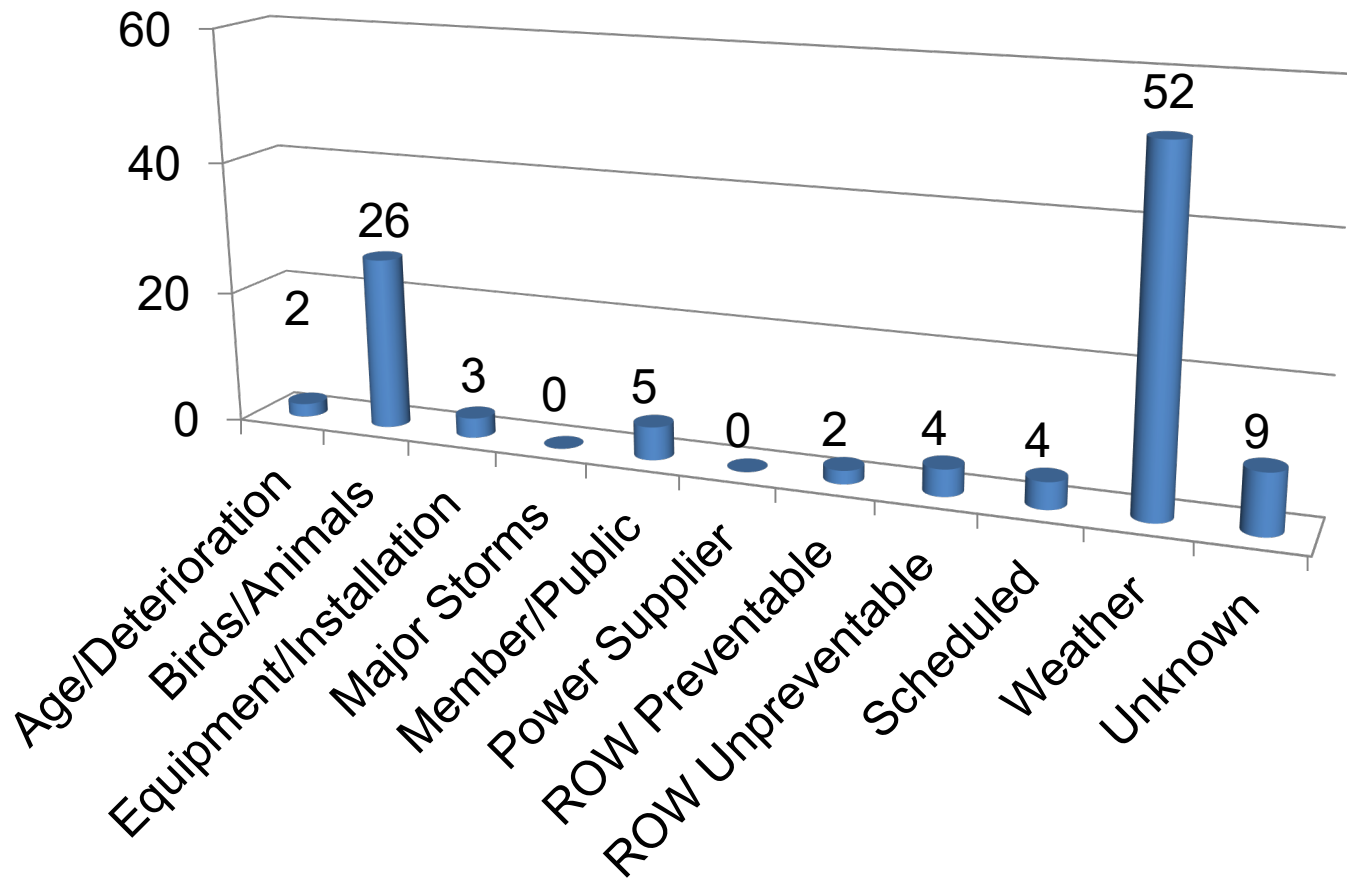
	Nov/Dec	YTD	Target – 2022	% Complete
Trimming Miles	39	415	514	81%

- Crews have been working in:
 - Boone – Feeder 2
 - Banklick – Feeder 1
 - Munk – Feeders 1, 4 and 5
 - Penn – Feeder 1, 2 and 4
 - Griffin – Feeder 1
 - Turkeyfoot – Feeder 3
 - Grantslick II – Feeder 10
 - Smoot II – Feeders 6, 7 and 8

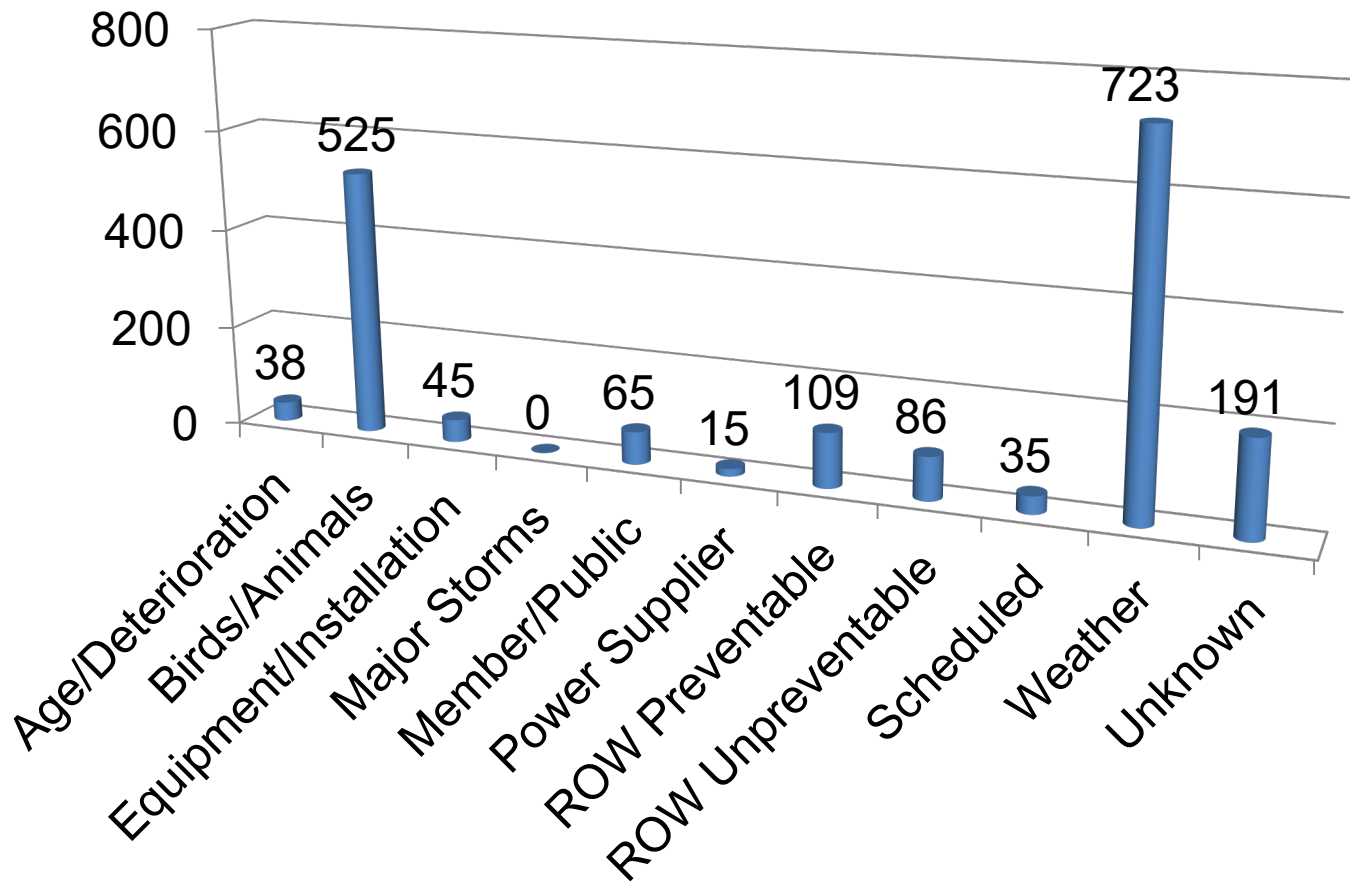
Number of Interruptions



Number of Interruptions by Outage Type – Dec.



Number of Interruptions by Outage Type – 2022

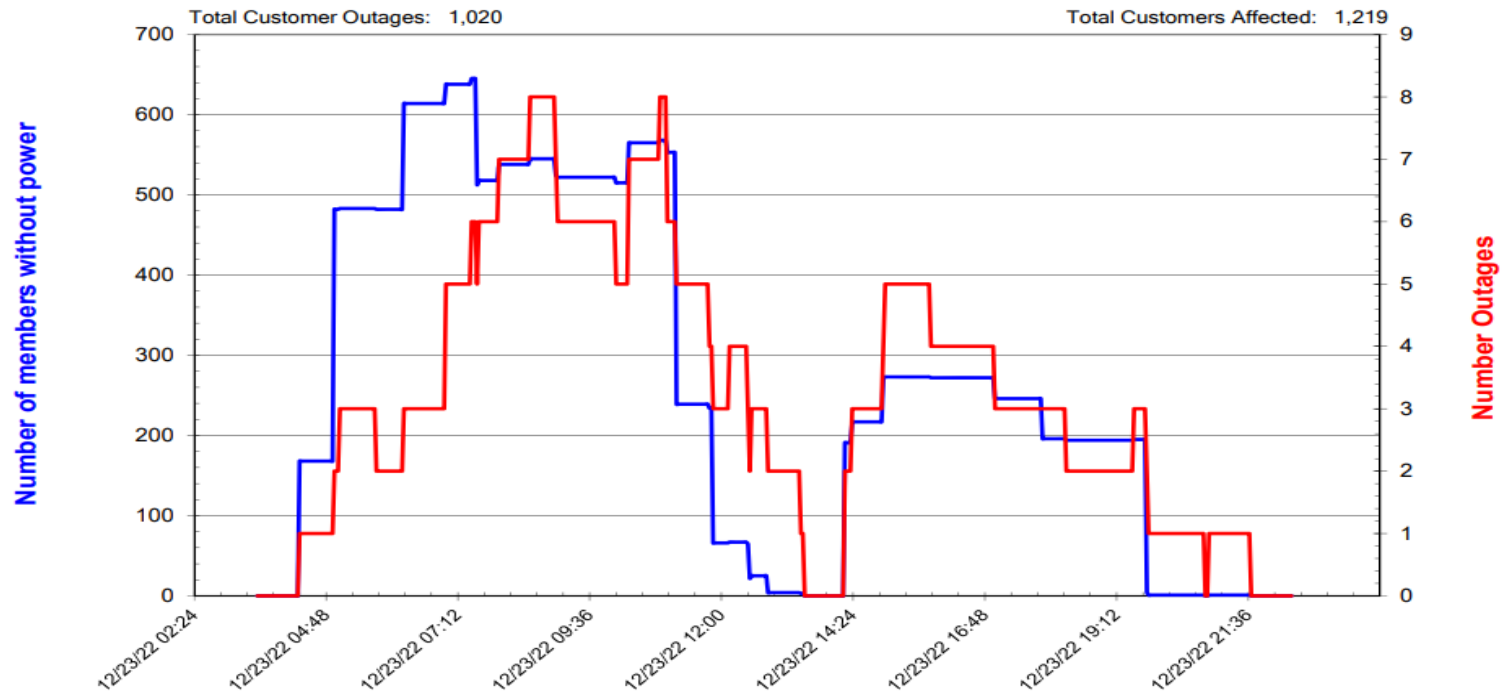


Winter Storm Elliot



Outage Profile: December 23 - 23, 2022

PSC Reportable Outage YES

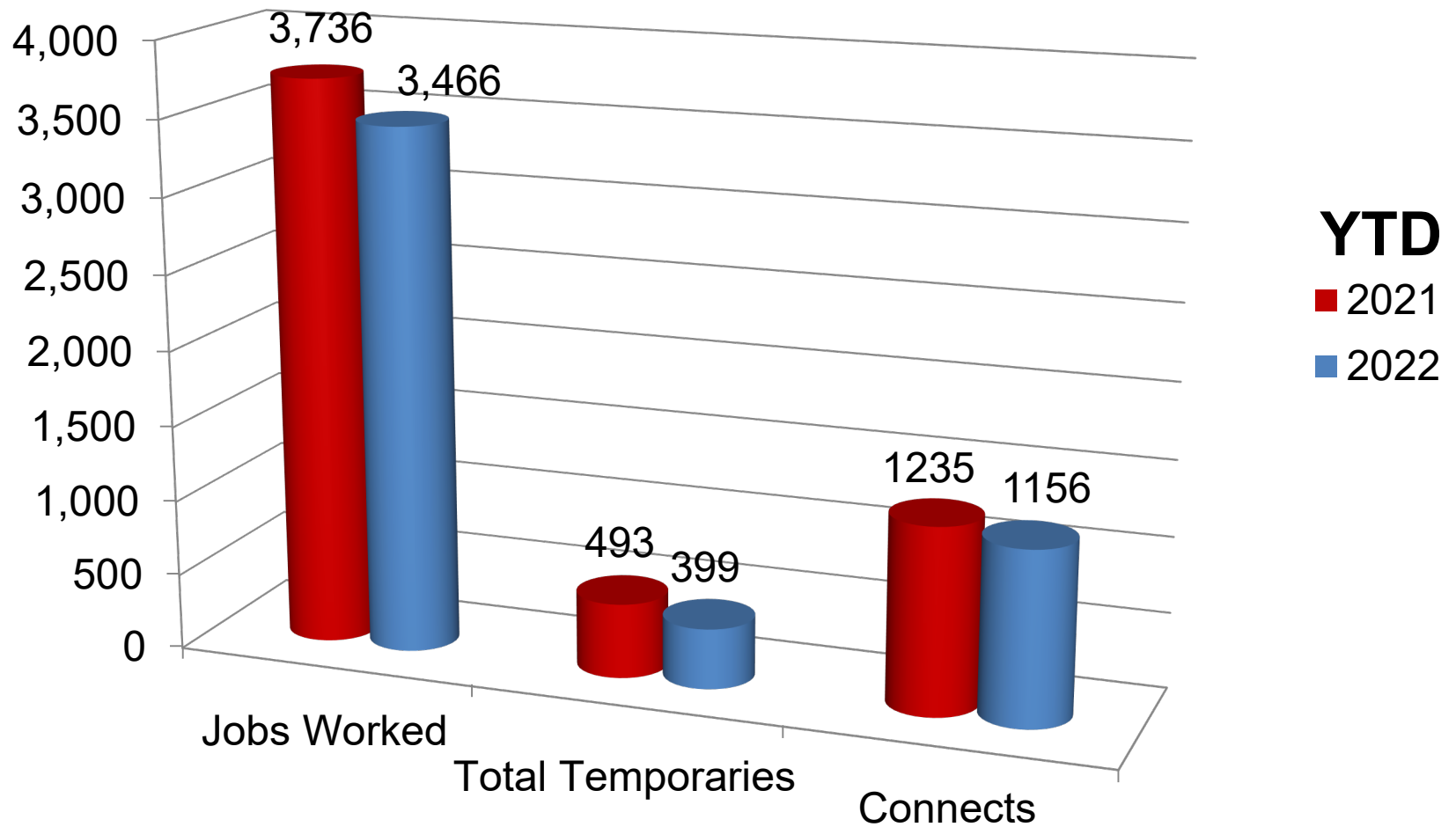


Time of Peak Customers Out: 12/23/2022 07:27
Peak # of Customers Out: 645, (Binsize: 2 Minutes)
Event Duration 0 days 18 hrs 50 minutes

This profile does not reflect partial Restorations.

<Minutes>/Member: 294.2
Peak # of Verified Outages: 08
Total Verified Outages 23

Construction



Happy Retirement



- Kenny Widener
- Service Tech - Gallatin/Carroll
- 34.5 years of service
- Retirement – Feb. 2023



Technology Report

Jim Petreshock



Engineering Report

DREW LONG



Engineering Pole Attachment Update

PSC produced an order on Co-op tariff filings on December 28, 2022. Overall results were pleasing.

Key points:

- Attachers have to pay full pole replacement costs
- PSC rejected our request to have pole loading analysis on overlash prior to performing, but Co-ops can perform the analysis and back-bill if needed.
- Penalty fees for unauthorized attachments, stub poles, and violations all allowed
- Indemnity, Bonding, and Insurance Requirements were all approved



Engineering Pole Attachment Update

Biggest Drawbacks:

- PSC, like the FCC, fail to see overlash as a concerning issue. The focus on speed of deployment seems to trump due diligence in preserving the integrity of the electric infrastructure. The good news is we have the ability in arrears to clean up, but these may unfortunately not be found until a problem arises.
- The order was also a bit ambiguous on the handling of communication service drops. Like overlash, speed prevails and communication providers are not required to give notification of service drops. The Co-ops maintain that they have a right to apply a rental fee to any pole that has an attachment including service wire. Unfortunately the only way that most of these will be found will be through periodic joint use inventories of our entire system which the tariff allows.



Engineering Q4 SAIDI/SAIFI

	Q1	Q2	Q3	Q4	YTD
SAIDI	21.92	32.36	26.46	11.23	92.00
SAIFI	0.170	0.320	0.270	0.130	0.880
MED	0	2	0	0	2

THRESHOLD
TARGET
STRETCH

Achieved Stretch in Both SAIDI and SIAFI for Q4.



Engineering 5 Year SAIDI/SAIFI

Year	SAIDI	SAIFI
2018	92.13	1.02
2019	94.97	1.15
2020	78.77	1.09
2021	71.41	1.07
2022	91.93	0.88

* MED and Uncontrollables Removed

Several large weather events through the year, increased our SAIDI over the last couple years, but SAIFI is at a five year best.



Engineering 5 Year SAIDI/SAIFI

	2022 Goals		New 2023 Goals	
	<i>SAIDI</i>	<i>SAIFI</i>	<i>SAIDI</i>	<i>SAIFI</i>
Threshold	79.63	1.07	91.93	1.07
Target	68.48	0.92	73.86	0.95
Stretch	67.84	0.86	67.84	0.84

* MED and Uncontrollables Removed

Several large weather events through the year, increased our SAIDI over the last couple years, but SAIFI is at a five year best.



Engineering DVR in 2022

- Caught 11 of 12 peaks.
 - Missed December intentionally as there was concern about inadequate voltage on such a severe day.
- Total Savings for 2022 - \$272,152
- Brings Life to date savings to - \$1,937,320



OWEN *Electric*

Metering Update

Tim Cammack



Metering Update

January 2023

RF AMI Transition

Technology Comparison Refresher:

☐ PLC (Powerline Carrier)

1. Capacitor Banks induce signal onto our power lines.
2. “Polling” or on demand type system.
3. Noise on line creates issue communicating.
4. Data limitations
5. Expensive to keep running due to amount of infrastructure.
6. End of life.



Metering Update

January 2023

RF AMI Transition

Technology Comparison Refresher:

☐ RF (Radio Frequency)

1. Transmitters at substations and distributed along distribution lines.
2. Meters programmed to send in readings.
3. Terrain can be an issue.
4. Greatly increased amount of data available.
5. Less infrastructure at lower cost per installation.
6. No new “Next Generation AMI” in sight yet.



Metering Update

January 2023

RF AMI Transition

Communications Success Comparison:

☐ PLC

1. Highest success rate was 99.2% for 2 weeks.
2. Continued decline to 91%.
3. Meter communication board degradation and power line noise are the noise main culprits.

☐ RF

1. Currently at 98% success rate.
2. Terrain is a challenge as we knew it would be.
3. Will be continuing to add “Relays” as well as a few “Distributed Gateways”.



Metering Update

January 2023

RF AMI Transition

Deployment Status:

☐ Infrastructure

1. Gateways – 99% complete. Will be adding 3-5 distributed in certain areas.
2. Relays – 70% complete. Adding as deployment and troubleshooting continues.

☐ Meters

1. Single phase – 66% (42668 meters) complete. We currently have 4 contract employees in the area. Expected completion of first round is December 2023.
2. Multiphase – 31% (341 meters) complete. OEC personnel are doing exchanges along with installation testing. Expected completion 2024.



Metering Update

January 2023

RF AMI Transition

Project Issues and Delays:

☐ Delays

1. Supply chain struggles are due to Covid-19. New orders of meters are projected for 54 weeks.
2. All meter manufacturers and AMI vendors are experiencing similar issues and lead times.

☐ Issues

1. Firmware uploaded in November 2022 made improvements but is also causing on demand command delays and timeouts.
2. Outage/Blink timing information (partially addressed).
3. Bi-weekly project calls being held with Eaton Project Engineer for any issues and project enhancements.



Metering Update

January 2023

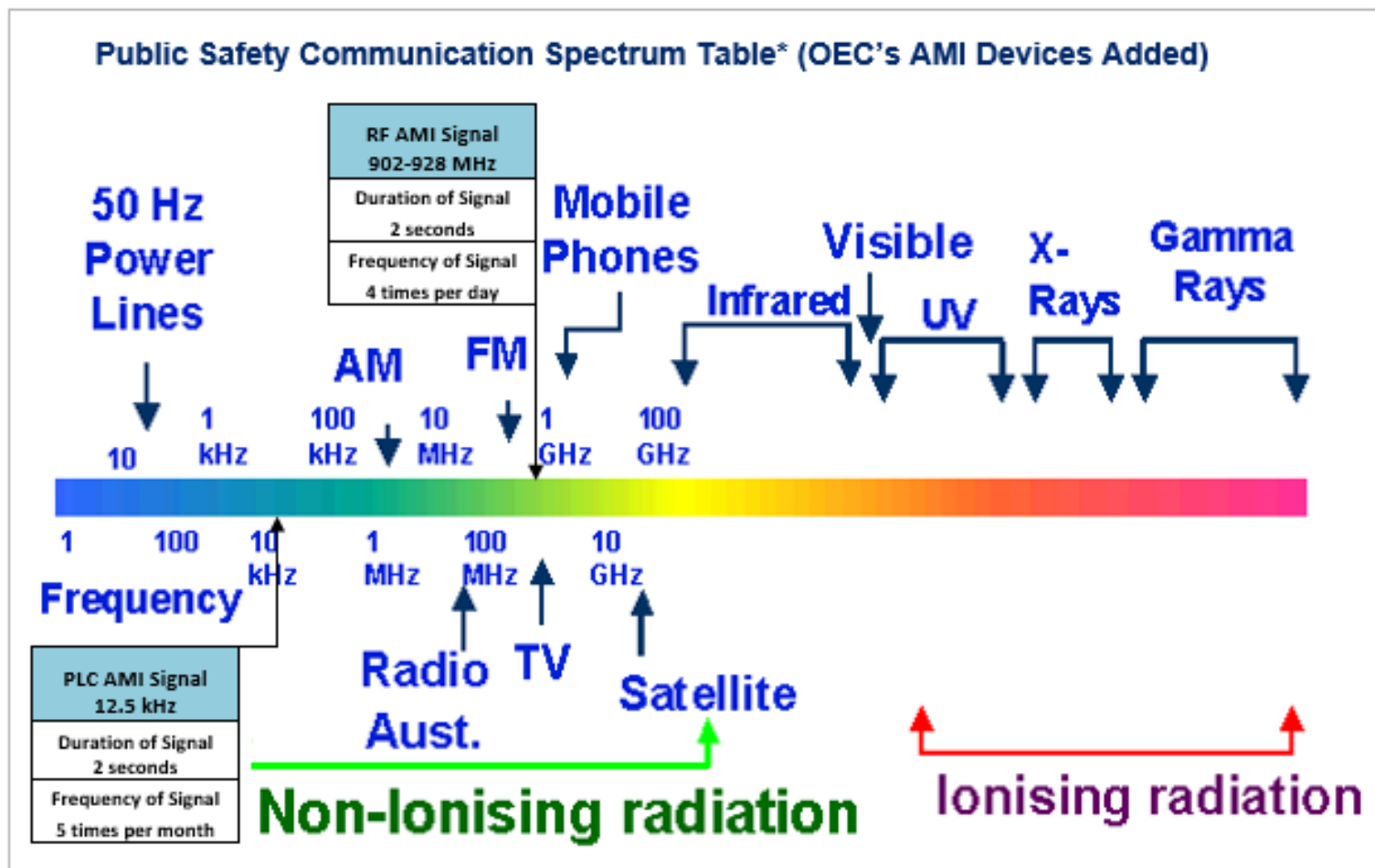
RF AMI Transition

Smart Meter Concerns:

☐ AMS Opt Out Tariff

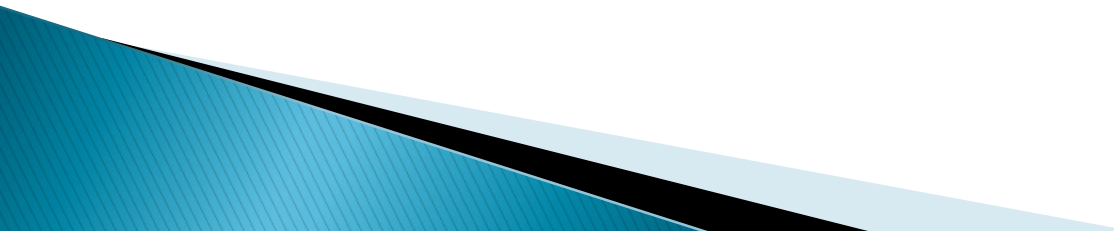
1. Currently have 10 members on the tariff \$30 One time setup fee and \$30 per month charge added to bill.
2. Main concern is perceived health issues.
3. Everything you read or see on the internet is true?
4. Information available on OEC website.
5. Taking approximately 3-4 calls per month.
6. Growing concern from members over “5G”.

RF AMI Transition



What should we have 8 years from now? (“On the radar”)

(October 2014 Presentation)

- ▶ Readings sent automatically by meter.
 - ▶ Voltage and power quality for analysis.
 - ▶ Remote firmware upgrades.
 - ▶ Tamper and temperature alarms as event happens.
 - ▶ Interval kw data (60 minutes, 15 minutes, etc).
 - ▶ Basically, any meter data on a “near real-time basis”.
- 



Metering Update

January 2023

RF AMI Transition

Proven Benefits to Date:

☐ Interval readings

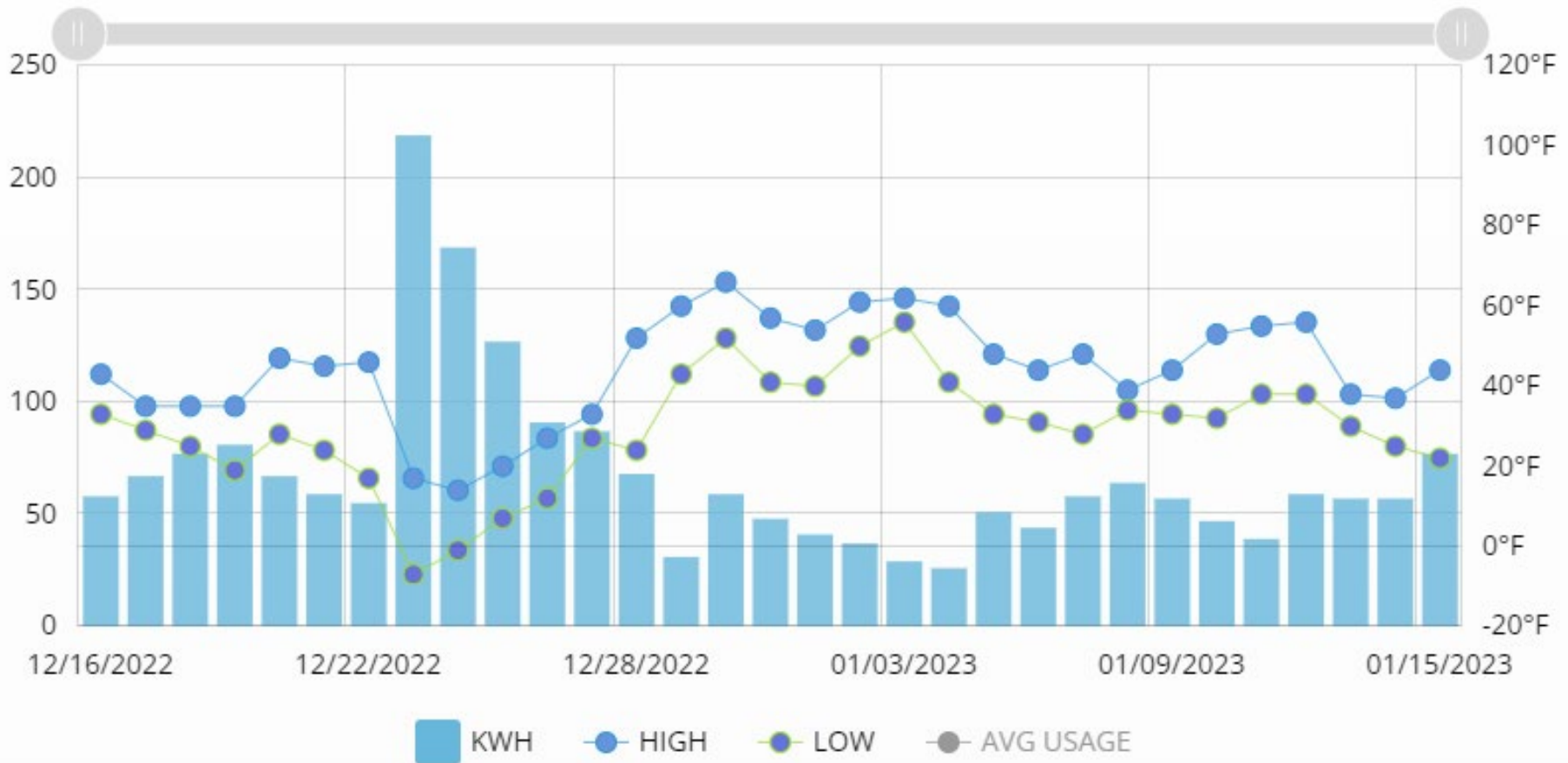
1. 60 Minute for single phase and 15 minute on multiphase.
2. Will need this data for rate studies, cost of service analysis, etc.
3. Recently added 60 minute interval data to member's online account for viewing, downloading, and printing.



Metering Update

January 2023

RF AMI Transition

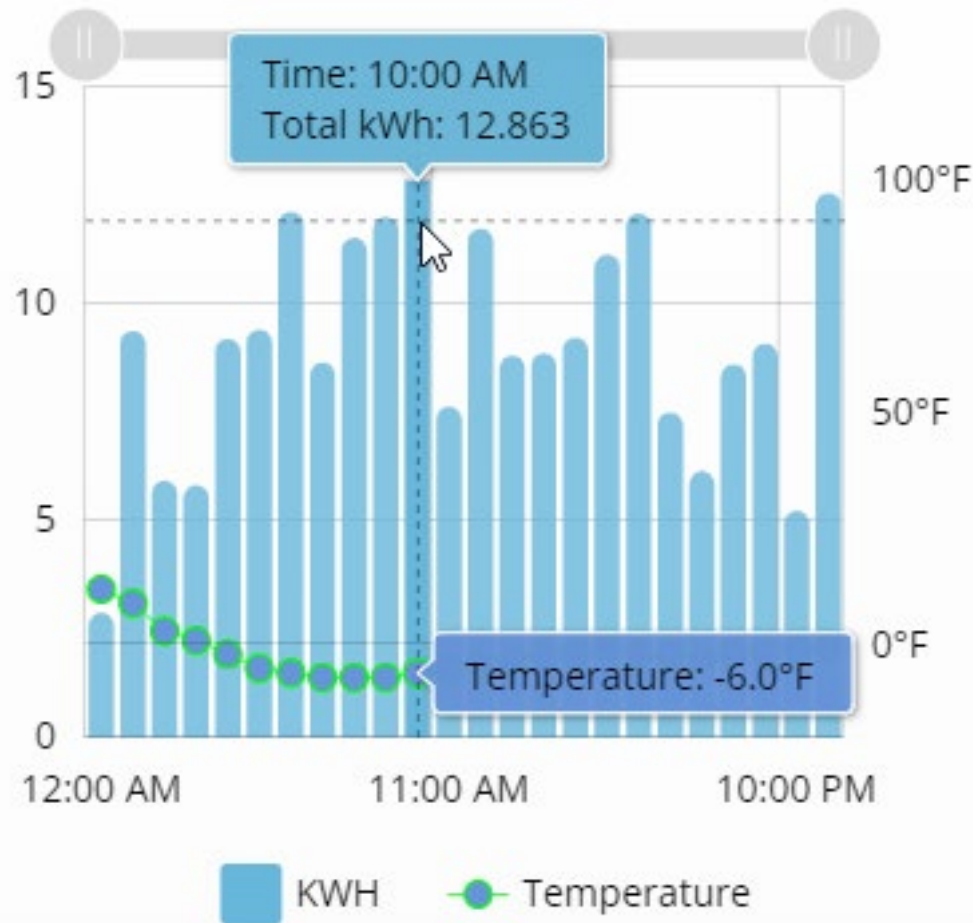




Metering Update

January 2023

RF AMI Transition





Metering Update

January 2023

RF AMI Transition

Proven Benefits to Date:

☐ Voltage

1. Interval voltage readings (including individual phases on multiphase meters).
2. Daily Minimum and Maximum voltage readings.
3. Will replace manual task of installing voltage recorders to meet PSC regulation.
4. Monitors in place to look for voltage readings outside acceptable limits.
5. Identified 35 bad transformers since beginning of 2018. Most were high voltage which potentially damages property.
6. Loose connections found at 14 locations including. 2 of those locations were situations where tree limbs rubbed the insulation off our service wire and burned/broke the wire. Most are loose connections in the member's meterbase or at the connection point on our transformer.



Metering Update

January 2023

RF AMI Transition

Proven Benefits to Date:

☐ Demand

1. Peak demand readings for the month.
2. Monitor for demand peaks over 48kW.
3. Matching 15 minute interval concurrent demand readings and kWh on multiphase meters.

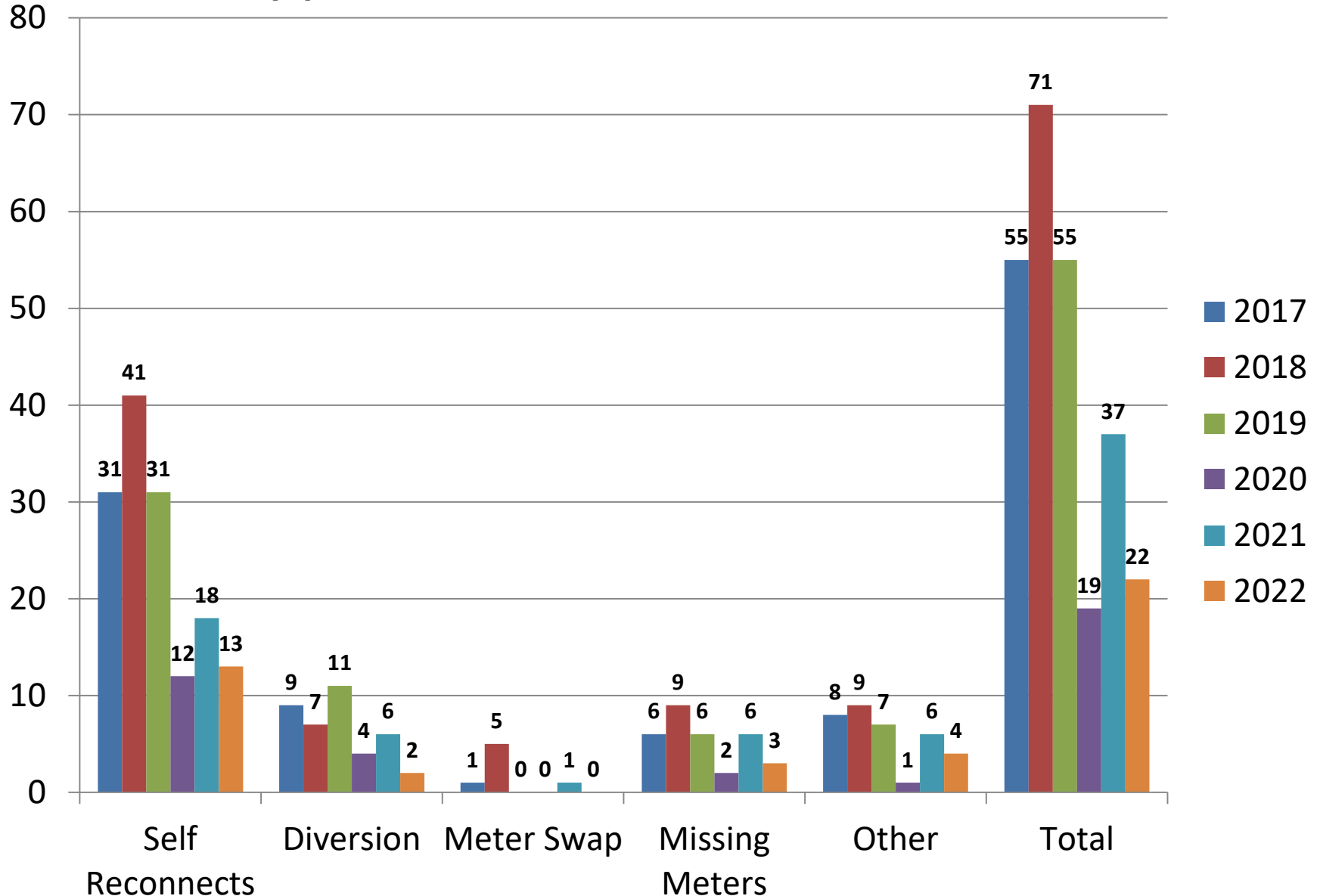
☐ Received kWh

1. Identify Distributed Generation (solar, etc.) locations before Net Metering.
2. Potential Revenue Protection (theft, tampering) locations.

☐ Other Revenue Protection Data

1. Monitors for outage after being disconnected.
2. Usage while showing disconnected.

Types of Theft-Past 6 Years



NOTE: DC for NP suspended in 2020 due to Covid-19.

Oversight Agenda



EKPC Report



Report Presented By:
Alan Ahrman



KEC Report

KENTUCKY ELECTRIC
COOPERATIVES

Report Presented by:
Rick Messingschlager

Attorney's Report

Presented By: Jim Crawford

Information Agenda

2023 Board Meetings & Training

February 4-7, 2023-Directors Conference, Kansas City, MO
February 6-7, 2023-Directors Conference, 8:00am, Virtual
February 23, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
February 23, 2023-Legislative Reception, 6:00pm, Frankfort, KY
March 3-8, 2023-Power Xchange, Nashville, TN
March 30, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
April 16-19, 2023-Legislative Conference, Washington, DC
April 27, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
May 25, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
June 8-9, 2023-Membership Appreciation Days
June 9, 2023-Annual Business Meeting, Walton, KY
June 27, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
July 24-26, 2023-CoBank Directors Conference, Colorado Springs, CO
July 27, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
August 7-8, 2023-KEC Annual Meeting, Louisville, KY
August 31, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
September 28, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
October 11-13, 2023-NRECA Regional Meeting, Louisville, KY
October 26, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
November 16, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY
December 21, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY



Information Agenda

- Conference Reports
 - As needed
- Old Business
- New Business
- Executive Session
- Miscellaneous
- Adjourn

- Motion _____
- Second _____