

**PROUD
TO
POWER
YOU**

**2021
Annual
Report**

NWEC 

NORTHWESTERN ELECTRIC COOPERATIVE

Co-op Update

A letter from Northwestern Electric Cooperative's CEO Tyson Littau



The last two years have presented new challenges for nearly everyone, including those of us at Northwestern Electric. Last year we had to alter our routines in the interest of public safety for the district and annual meetings. Rather than cancel meetings altogether, we decided to try drive-through district and annual meetings. The feedback from members about these meetings was extremely positive! Many commented on the convenience of multiple locations as well as a shorter time commitment for you, the member. We hope your experience this year will be positive as well and we want to take your word for it. That is why we will ask which format you prefer during this year's annual meeting, so we can get a better sense of exactly how the membership feels moving forward and we can continue to improve our service in the future.

Looking Back

Despite the frequent detours and challenges of COVID-19, your cooperative continued to make great strides for the membership. Our linemen are required to complete an apprentice program that takes five years to reach journeyman status. Currently we have 20 linemen who have reached the career milestone of becoming a qualified journeyman lineman. NWEC is extremely proud of the hard work these employees put in, oftentimes in some of the worst conditions.

Our operations and engineering departments were very busy in 2021. From brutal temperatures to dangerous winds, our linemen constantly had their work cut out for them locally. During the October ice storms, we were also able to provide mutual assistance to a neighboring cooperative, Tri-County Electric in Hooker, Oklahoma. Our linemen are always eager to help other co-ops restore power to their members. Our cooperative's own damage estimates from various storms in 2021 were just over \$165,000.



Your board and staff continue to look for ways to improve your experience as a Northwestern Electric member. We transitioned to a new, more local, after-hours answering service in April. These changes were made in hopes of making the outage reporting process quicker and easier during the hours our offices are closed. We also updated the NWEC website and member portal to a more user-friendly format.

Your board voted to return more than \$850,000 in margins in 2021. Our general retirement of capital credits this April will consist of the NWEC 2002 operating margins in the amount of \$150,216 and WFEF margins from 1998 in the amount of \$81,146 for a total of \$231,362 returned to our members. From 1992-2022 NWEF members have received over \$15 million.





Despite the traditional youth trips being canceled in 2021, both Youth Tour and Energy Camp were a huge success after some big modifications. With the trip to Washington D.C. being canceled for Juniors, and the trip to Hinton being canceled for eighth graders, we decided to take a few different trips right here in Oklahoma! Winners of the Youth Tour and Energy Camp contests spent the day touring and doing tons of fun activities at our co-op here in Woodward, as well as our generation cooperative, Western Farmers Electric Cooperative, located in Mooreland. Students also attended a luncheon in Oklahoma City with winners from across the state. We were so happy to interact with such bright students in 2021 and are hopeful to resume our trips in their normal capacities in 2022. Our board also awarded eight outstanding seniors with a Fanning-Fussell Scholarship in 2021, and they look forward to continuing their support for area students wishing to further their education or technical skills in the future.

Moving Forward



Maintaining dependable service at an affordable price remains the cornerstone of the cooperative business model. To maintain the reliability, quality, and affordability of the services NWECC provides to our members, it is sometimes necessary to adjust our prices. In 2021, NWECC continued to see a slowdown in the local economy as well as increases in material and labor costs. In December, a rate adjustment went into effect that was an overall average increase of 2.59% depending on amount of usage. The last rate increase was implemented in 2017. We continue to see drastic increases in our wholesale power cost from Western Farmers Electric Cooperative. The main drivers of this rise in power cost are economic uncertainty, colder weather patterns and the higher fuel cost to generate power.

We continue to make great strides in our system improvement project. The project, which is a direct result of the 2017 ice storm, consists of adding steel poles, replacing miles of conductor (line), shortening the distance between poles and an overall hardening of the utility system to mitigate damage in the event of another major storm. NWECC is almost finished with the final year of this three-year project. Contractors have completed 1,095 miles of system improvements which includes the addition of 3,323 steel poles, 14,009 new wood poles, and over 16 million feet of new wire conductor. Project costs to date are over \$70 million. Keep in mind, that NWECC receives government FEMA assistance for 75% of the total project cost. Year three will be completed in early spring and will finalize over 1,200 miles of utility line improvements.



I hope you enjoyed reading this update from your cooperative as we reflected on 2021 and look forward to 2022. We thank you and hope to serve you, our members, for many years to come. If we can do anything to improve our service to you in 2022, please contact us.



Tyson Littau
Chief Executive Officer

Financial Report

Statement of Operations

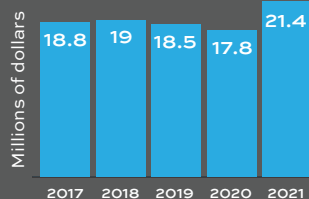
	2020	2021
Operating Revenue	\$32,522,480	\$36,461,058
Cost of Electric Service		
Cost of Purchased Power	17,809,889	21,389,248
Operations & Maintenance Expense	4,133,599	4,732,637
Consumer Accounts Expense	1,256,605	1,333,439
Administration and General Expense	2,251,453	2,341,386
Depreciation Expense	3,050,218	3,222,297
Gross Receipts and Franchise Tax Expense	735,129	800,416
Interest Expense on Long-Term Debt	2,157,926	2,118,804
Interest Expense on Deposits and Lines of Credit	114,376	198,987
Total Cost of Electric Service	\$31,509,195	\$36,137,214
Operating Margins	\$1,013,285	\$323,844
Interest Income	51,518	48,820
Non-Operating Margins	49,810	1,237,142
Patronage Capital Allocations	649,828	681,204
Total Patronage Capital or Margins	\$1,764,441	\$2,291,010

Balance Sheet

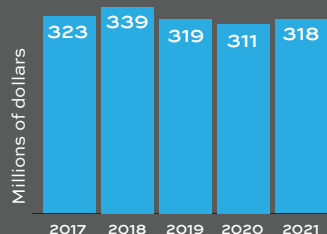
	2020	2021
Assets		
Utility Plant	\$90,552,948	\$100,145,421
Other Property & Investments	15,470,529	15,971,768
Current Assets	5,508,934	8,035,001
Deferred Charges	638,429	401,931
Total Assets	\$112,170,840	\$124,554,121
Ownership & Liabilities		
Total Margins & Equities	\$33,037,028	\$34,509,110
Long-Term Debt	66,397,596	81,079,470
Non-Current Liabilities	1,400,040	1,596,184
Current Liabilities	11,129,863	6,969,310
Deferred Credits	206,313	400,047
Total Ownership & Liabilities	\$112,170,840	\$124,554,121

Financial reports are reviewed annually by an independent auditing firm.

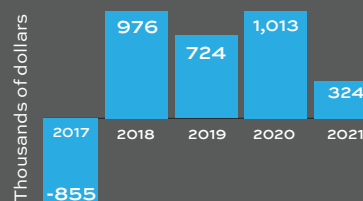
Cost of Purchased Power



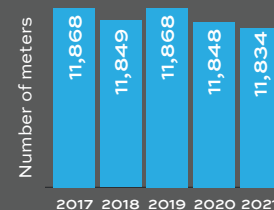
Kilowatt Hours Sold



Operating Margins

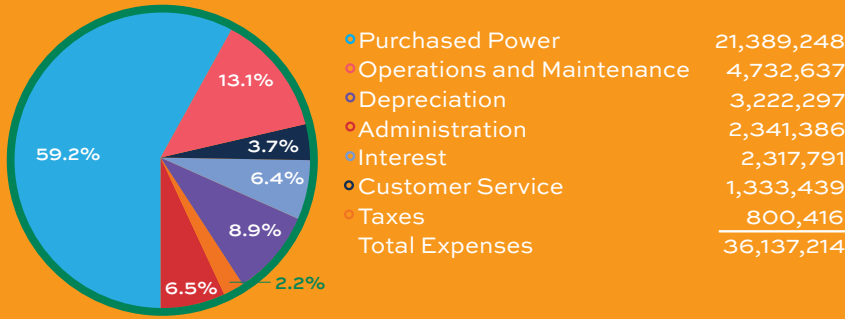


Growth In Meters

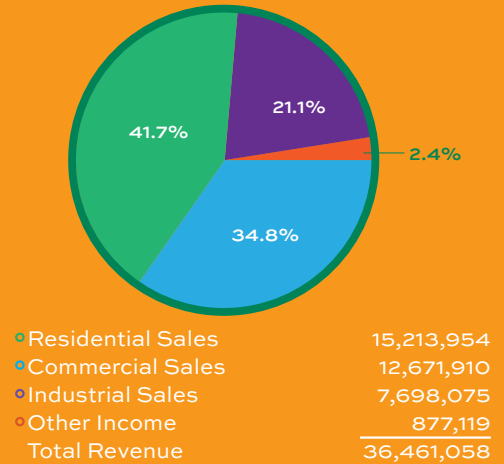


Comparative Statistics

WHERE THE MONEY GOES



WHERE THE MONEY COMES FROM



Community

Year after year, we pride ourselves on our commitment to make a positive impact on our members and in the communities we serve. In June, we participated in Co-bank's Sharing Success program to provide grants with matching funds to the Woodward Early Childhood Center, Buffalo Emergency Medical Services, and Buffalo Public Schools. In December, we promoted our annual give-a-watt energy tree event which provides members the chance to give the gift of power. During the course of one month, more than \$7,000 was donated to help members in need for the holiday season. We also provided donations to 25 local fire departments in 2021. These donations and events were only a few of many ways NWEC helped our local communities in 2021. In total, NWEC provided nearly \$100,000 to the communities we serve last year. If we can do more to be involved in your community, please let us know, we are always looking for ways to better serve our members.

Gross Receipts Tax Helps Schools

In 2021, Northwestern Electric Cooperative and Western Farmers Electric Cooperative paid \$2,420,635.54 in gross receipts taxes which went to support school districts in northwest Oklahoma. The amount of tax paid to each school district depends on the total number of miles of power lines the two cooperatives have in each school district.

Beaver County:	
Balko.....	NWEC \$13,971.23
	WFEC \$29,366.40
Beaver.....	NWEC \$12,102.52
Forgar.....	NWEC \$16,355.67
Dewey County:	
Leedey.....	NWEC \$211.62
Seiting.....	NWEC \$26,209.34
	WFEC \$186,381.35
Taloga.....	NWEC \$17,999.37
	WFEC \$54,156.22
Vici.....	NWEC \$45,053.43
	WFEC \$108,655.68

Ellis County:	
Arnett.....	NWEC \$77,631.10
	WFEC \$36,040.58
Fargo-Gage.....	NWEC \$55,138.58
	WFEC \$59,838.82
Shattuck.....	NWEC \$42,010.74
Harper County:	
Buffalo.....	NWEC \$62,856.04
	WFEC \$114,414.56
Laverne.....	NWEC \$123,802.20
	WFEC \$155,947.04

Major County:	
Fairview.....	NWEC \$5,325.81
	WFEC \$104,613.06
Woods County:	
Freedom.....	NWEC \$10,516.33
	WFEC \$75,551.75
Waynoka.....	NWEC \$15,629.78
	WFEC \$104,307.92
Woodward County:	
Ft. Supply.....	NWEC \$23,289.89
	WFEC \$127,259.31
Mooreland.....	NWEC \$62,824.57
	WFEC \$275,739.52
Sharon-Mutual.....	NWEC \$25,280.80
	WFEC \$118,380.93
Woodward.....	NWEC \$60,829.25
	WFEC \$152,934.13

2021 Board of Trustees



Northwestern Electric Cooperative is governed by a board of nine member-elected directors who actively participate in setting policies and making decisions for the co-op.

These trustees are members of your community, and they are concerned with the issues you face every day because they face them as well!

Our directors serve a three-year term, and must constantly keep up with the evolving energy industry among other responsibilities. They must also live in the district which they represent and meet all qualifications listed in NWEC's bylaws.



Kenny Knowles
President
District 1



Ray Smith
Vice President
District 5



John Bruce Jr.
Secretary
District 4



Clair Craighead
District 2



Duane Henderson
District 3



Jeff McIntosh
District 6



Darla Young
District 7

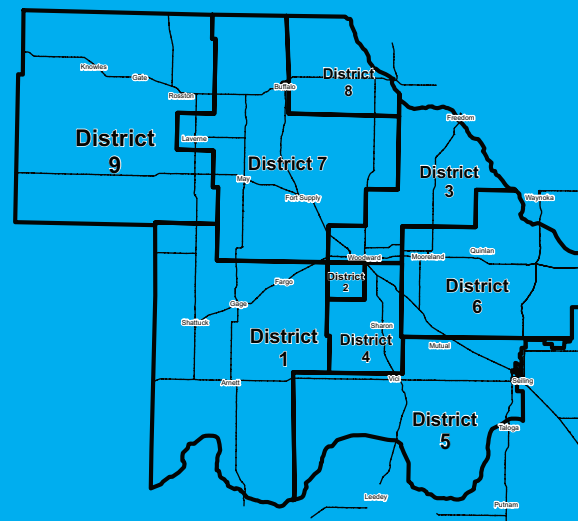


Marvin Wilkinson
District 8



Gil Perkins
District 9

Our Service Territory



NWEC Employees *as of April 7, 2022*

30 years

Robert Bohling - Journeyman Lineman
Donna (Dee) Rader - Operations Clerk and Dispatcher

29 years

Donnie Irvin - Staking Engineer

26 years

Shayne Hamilton - Journeyman Lineman

25 years

Brent McDowell - Line Superintendent and Safety Coordinator

23 years

Cyndi Giacomo - Engineering Administrative Assistant
Sheri Hayes - Consumer Accounts Supervisor
Stacie Wilson - Engineering Assistant and Consumer Accounts Rep II

22 years

Julie Coulter - Collections Coordinator
Jerry Maedgen - Mapping Administrator and IT Support Specialist
Melissa Washmon - Marketing and Key Accounts Coordinator

20 years

Michael Boston - ROW Coordinator and Journeyman Lineman
David Leach - Journeyman Lineman
Tyson Littau - Chief Executive Officer
Brian Snider - Operations Supervisor

17 years

Clint Leforce - Line Foreman
Lee Overton - Journeyman Lineman and Meter Technician
Tyrel Stahlman - AMI and Operations Maintenance Supervisor

14 years

Curt Cloyd - Information Technology Manager
Amy Martinez - Collections Coordinator Assistant and Consumer Accounts Rep II
Jamie Ruble - Finance and Administration Director

13 years

Jared Dowler - Operations and Engineering Director
Trevor Howard - Journeyman Lineman
Jarrod Randall - Line Foreman

11 years

Jacob Collier - Area Supervisor

10 years

Gage Heath - Staking Tech IV
Jackie McIlvain - General Accounting and Work Order Administrator

9 years

Kurt Halling - Line Foreman

8 years

Charley Kintz - Journeyman Lineman
Wendy Zapata - Consumer Accounts Rep III

7 years

Kaylie Cole - Consumer Accounts Rep III
Travis Wineinger - Journeyman Lineman

6 years

Mario Alvarado - Journeyman Lineman
Robyn Medina - Human Resources Administrator
Arlan Penrice - Journeyman Lineman
T.J. Province - Journeyman Lineman

5 years

Sean Clemence - Warehouse Manager
Randy Kraus - Mechanic

4 years

Matt Salmons - Journeyman Lineman

3 years

Tyler Simpson - Journeyman Lineman

2 years

Justin Pollard - Lineman Tech IV
David Shore - Warehouse Clerk
Juan Villa - Lineman Tech II

1 year

Charles Gordon - Lineman Tech I
Lyndsey Harvey - Member Services and Communications Coordinator
Staci Pope - Consumer Accounts Rep II and Cashier
Conner Schmitz - Lineman Tech I

< 1 year

Chad Foster - Lineman Apprentice
Jonathan Foster - Lineman Tech I
Jennifer Gartrell - Consumer Accounts Rep I
Sarah Highfill - Accounting and Payroll Specialist
Zackary Ogden - Lineman Apprentice
Tallon Stubbs - Lineman Apprentice

Organizational Certificate

Note: Members only need to cut and bring this certificate with them to the Annual Meeting if they will be voting on behalf of a business or organization.

NOTICE TO BUSINESSES, ORGANIZATIONS, AND CORPORATIONS

Dear Member:

We cordially invite your organization's representative attendance at the Annual Meeting of Northwestern Electric Cooperative, Inc. on the 7th day of April 2022. It is necessary a delegate be designated by your organization as a voting representative. This written authorization must be the proper officer of your organization designating that person as your delegate.

John Bruce, Jr., Secretary

This authorizes _____ as our voting delegate at the 2022 Annual Meeting of Northwestern Electric Cooperative, Inc.
 PLEASE PRINT

Signed _____
 PRINT NAME SIGNATURE

Organization _____
 PLEASE PRINT



Grand Prize



**Kubota 60”
zero-turn mower
sponsored in part by
Arnett New Holland
and Kubota**

Northwestern Electric Cooperative’s 81st Annual Meeting

**Thursday, April 7, 2022
4 - 7 p.m.**

Three available locations!

Woodward County Event Center 

Harper County Fairgrounds 

Shattuck Alco building 

Drive through, register, vote and receive your gifts -
It's that easy!

Every member who registers will receive a \$10 energy credit and a pair of NWEK kitchen shears.

Plus, registered members will be automatically entered to win our grand prize or one of the following:

- 2 - \$500 cash prizes**
- 5 - \$100 energy credits**
- 30 - \$50 energy credits**