

**COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

THE ELECTRONIC APPLICATION OF)	
FARMERS RURAL ELECTRIC)	CASE NO.
COOPERATIVE CORPORATION)	2025-00107
FOR A GENERAL ADJUSTMENT OF RATES)	

FARMERS RURAL ELECTRIC COOPERATIVE
CORPORATION'S VERIFIED RESPONSE TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
ENTERED APRIL 16, 2025

Comes now Farmers Rural Electric Cooperative Corporation ("Farmers"), by counsel,
and does hereby tender its Verified Response to Commission Staff's First Request for
Information entered May 28, 2025.

Filed: June 12, 2025

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

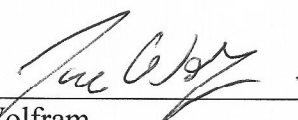
In the Matter of:

ELECTRONIC APPLICATION OF FARMERS)	
RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR GENERAL ADJUSTMENT)	2025-00107
OF RATES AND OTHER GENERAL RELIEF)	

VERIFICATION OF JOHN WOLFRAM

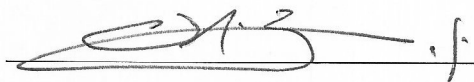
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

John Wolfram, being duly sworn, states that he has supervised the preparation of his responses to certain requests for information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 29th day of May, 2025, by John Wolfram.



Notary ID: KYNP75270

Commission expiration: July 17, 2027

GERALD A BECKMAN, JR
Notary Public - State at Large
Kentucky
My Commission Expires July 17, 2027
Notary ID KYNP75270

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 1: Refer to the Application, Exhibit 3 and Exhibit 4, generally. Tariff Sheet No. 46 Rate Schedule NM- Net Metering is not included in the exhibits. Confirm that Tariff Sheet No. 46 does not specify net metering rates and that the rates are intended to mirror the Residential Service rate. If not confirmed, provide the corrected exhibits.

Response 1: Confirmed. The rates are intended to mirror the Residential Service rate.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 2: Refer to the Direct Testimony of John Wolfram (Wolfram Direct Testimony), Exhibit JW-6 at 1. Confirm that the Residential Time-of-Day rate serves only 1 customer.

Response 2: Confirmed. The Residential Time-of-Day rate currently serves only 1 member.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 3: Refer to the Wolfram Direct Testimony, Exhibit JW-9 at 5. Confirm that the changes to the single phase customer charge on the Schedule C- Time-of-Day Commercial Service rate will not have an impact on revenue.

Response 3: Confirmed.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 4: Reconcile the current net metering tariff, P.S.C. Ky No. 10, First Revised Sheet No. 46, with KRS 278.465 and 278.466.

Response 4: Farmers Tariff, P.S.C. KY No. 10, First Revised Sheet No. 46 was approved by the Commission on January 1, 2020, pursuant to Case No. 2019-00440. Therefore, Farmers believes its tariff complies with the KRS 278.465 and KRS 278.466.

Additionally, Net metering members generate energy from a solar, wind, biomass or other energy source and simultaneously use that energy in their home or business. Any kilowatt-hours generated over the energy they use are measured with bi-directional metering equipment. At the end of a billing period, those excess kWh are applied to the members' bill for that billing period. In the event that excess kWh exceeds the members' monthly energy use delivered by the utility, those kWh are tracked and used in subsequent months.

There is no cash value associated with generated kWh from the member as neither Farmers RECC nor our generation and transmission cooperative has initiated a case setting an applicable compensation rate. Excess kWh is offset at a 1:1 ratio of generated kWh and delivered kWh from the utility.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 5: Refer to Farmers RECC's tariff, P.S.C. Ky No. 10, First Revised Sheet No. 2. Provide the cost justification for the \$30 reconnect charge.

Response 5: Please refer to Item 7.

Should a member not have a remote disconnect meter, a Field Service Rep must go to the service location. The amount of time it takes for a Field Service Rep to reconnect a meter will vary based on the distance to the service location. However, on average, it takes one hour of service with a company pickup truck. The minimum cost justification is provided below.

NONRECURRING CHARGE COST JUSTIFICATION		
Type of Charge: <u>\$30 Reconnect Charge</u>		
Labor & Benefits	Field Service Rep	\$ 38.20
	Average Time: 1 hour	
Vehicle	Small Pickup	10.26
	Total Cost	\$ 48.46

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 6: Refer to Farmers RECC's tariff, P.S.C. Ky No. 10, First Revised Sheet No. 3. Provide the cost justification for the \$40 meter test charge.

Response 6: Farmers has an independent third-party vendor who conducts all of its meter tests. Farmers is charged in excess of \$160 for each meter test. Farmers charges \$40 to the member to offset some of the testing cost.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 7: Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 6., which states in pertinent part "[r]emote disconnect switch will be installed. If service is disconnected for non-payment or if a reconnect is made with the switch, a fee of \$30.00 will be applied to the members' account of (sic) this extra service and is due and payable at the time such account is collected."

- a. Explain the reasons a remote disconnect switch might be installed.
- b. Provide the cost justification for the \$30 reconnect fee in this circumstance.

Response 7(a): Please refer to Item 5. Farmers has only purchased remote disconnect meters since 2013. Therefore, all meters being installed on the system now are remote disconnect meters.

Response 7(b): Farmers has made a significant investment to establish its advance metering infrastructure ("AMI"). One of the benefits of the AMI system is its remote reconnection capability. Annual depreciation expense, software maintenance costs and secure internet connections are all cost justifications for the \$30 reconnect fee. Farmers believes it is fair and reasonable that member utilizing remote reconnection should cover the cost. The AMI remote capability is also a direct benefit to members as it allows for timely billing data and the ability for members to see their energy usage data. Without the reconnection fee, the lost revenue would need to be collected through either the fixed customer charge or the kWh energy charge.

Farmers Rural Electric Cooperative Corporation
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Commission Staff's Second Request for Information

Request 8: Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 6. Provide the cost justification for the \$30 fee for collection phone calls.

Response 8: Farmers does not charge for collection phone calls. The language in the tariff is referring to Farmers' \$30 fee for a trip charge. The amount of time it takes for a Field Service Rep to travel to the service location will vary. However, on average, it takes one hour of service with a company pickup truck. The minimum cost justification is provided below:

NONRECURRING CHARGE COST JUSTIFICATION		
Type of Charge: <u>\$30 Trip Charge</u>		
Labor & Benefits	Field Service Rep	\$ 38.20
	Average Time: 1 hour	
Vehicle	Small Pickup	10.26
	Total Cost	\$ 48.46

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 9: Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 6. Provide the cost justification for the \$70 fee for the trips for collection. Include in the cost justification an explanation as to why the utility would visit a residence to collect a delinquent customer's payment.

Response 9: The \$70 trip fee is in reference to an after-hours call. Due to safety concerns, two employees are required on all service calls after hours. These trips are typically covered by Servicemen, each in a small bucket truck. Given the expense to the system and to its members, it is very rare that an after-hour collection trip is made. However, if the service is performed, below is the minimum cost justification.

NONRECURRING CHARGE COST JUSTIFICATION		
Type of Charge: <u>\$70 After Hour Trip Charge</u>		
Labor & Benefits **	Servicemen Lineman	\$ 63.72
	Average Time: 1 hour	
	Servicemen Lineman	63.72
	Average Time: 1 hour	
Vehicle	Small Bucket Truck	20.58
	Small Bucket Truck	20.58
	Total Cost	\$ 168.61
**Labor is based on regular hours, not overtime hours.		

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 10: Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 7. Provide the cost justification for the \$25 return check fee.

Request 10: Farmers is notified by email or by mail that a check has been returned with insufficient funds. A Member Service Representative ("MSR") will call the member to notify them of the returned check. A letter is then drafted and mailed to the member notifying them of this as well. The MSR then adjusts the account taking the payment off. A cash sheet is run to balance the accounting ledger. The MSR will hold the returned item and check back daily to see if a payment is made on the account. Additional phone calls are made if the member does not respond on the first attempt. On average, the MSR spends 0.5 hours on each item that it returned. Also, the bank charges a monthly service fee which includes the cost of returned checks.

NONRECURRING CHARGE COST JUSTIFICATION		
Type of Charge: <u>\$25 Return Check Fee</u>		
Labor & Benefits	Member Service Rep	\$ 20.14
	Average Time: .5 hour	
Other	Bank Fee	5.00
	Postage	0.69
	Total Cost	\$ 25.83

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 11: Refer to the Farmers RECC's tariff, Pay As You Go program. The relevant tariff information references late fees and disconnect fees. 2 Provide the specific location those fees are described and set in the tariff generally.

Response 11: The Pay-As-You-Go program is a rider to the residential tariff. However, the Pay-As-You-Go program specifically states on P.S.C. KY No. 10, Sheet No. 15, Item No. 19: *The Pay-As-You-Go account will **not** be subject to deposits, late fees, disconnect fees and reconnect fees.*

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 12: Refer to the Direct Testimony of Jennie Phelps (Phelps Direct Testimony), page 6, lines 5-6.

- a. Explain how Farmers RECC's current rate design structure makes budgeting revenue difficult due to weather dependency.
- b. Explain whether Farmers RECC has considered restructuring its rate design to reduce the impact of weather fluctuation.

Response 12(a)-(b): Farmers' budgets its revenue and kWh sales based on a normalized weather pattern, averaging the last five years of data. Weather conditions, especially for the residential load, heavily influence energy consumption, particularly for heating and cooling. If the region experiences a mild winter or cool summer, less kWh is used and therefore sold.

Like all electric utilities, Farmers has fixed and variable charges. For example, whether a member owns a 5,000 square foot home or a 1,000 square foot manufactured home, there are certain fixed charges associated with delivering power to that residence. The current rate structure is heavily favored towards the variable charge (i.e. the kWh energy charge) and therefore creates more of a weather dependency.

The cost-of-service study indicates that Farmers' fixed customer charge should be \$27.79. If approved, this allocation of revenue will more accurately reflect the cost to serve those members and make budgeting revenue less difficult due to weather dependency.

Note that Farmers considered how this proposed rate would impact its entire membership, particularly its low-income members. Farmers concluded that the rate design should seek to more accurately and appropriately recover the costs of operating its distribution system; as a result, all members (including low-income members) will benefit from a rate design that better aligns costs with the classes of service, avoids monthly bill volatility, and allows Farmers to operate under a more predictable and accurate budget.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 13: Provide the Farmers RECC Board of Directors' minutes for the year 2024 and year to date 2025.

Response 13: Please see Attachment PSC 2-13.

ATTACHMENT PSC 2-13

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on January 18, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Ronnie Smith called the meeting to order at 1:00 p.m. due to weather conditions affecting travel.

In attendance were:

Farmers Rural Electric Directors:

Ronnie Smith, Chairman	Brandi Williams, Secretary/Treasurer
Randy London, Vice-Chairman	Cornelius Faulkner
Randy Sexton	Paul Hawkins
C. F. Martin, Jr.	Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Scott Lester.....Vice-President of Operations
Corey Jackson.....Vice-President of Member and Corporate Services
Chuck Bishop.....Vice-President of Engineering
Jennie Phelps.....Vice-President of Finance and Accounting
Jason Riggs.....Vice-President of Technology and Security
Linda Foushee..... Human Resources Coordinator and Executive Assistant
Caralyne Pennington... Director of Member Communications
Toby Moss..... President & Chief Executive Officer

An invocation was given by Mrs. Williams.

The first item of business was the review, adoption, and approval of the agenda. Mr. Hawkins moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for September 2023 as uncollectible. Following a review, a motion was made by Mr. Sexton, and seconded by Mr. Faulkner to accept the Consent Agenda containing the new and refunded memberships, unpaid accounts to be written off for September 2023 as uncollectible, and the December board meeting minutes. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for December 2023 given by the management staff. Mrs. Phelps presented the financials. Mrs. Phelps discussed the December 2023 financials noting that the year-end margins were based on unaudited results and subject to change. It was additionally noted that Campbell, Myers and Rutledge, PLLC will conduct its financial audit next week.

Corey Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. He reported on working with rate consultant John Wolfram to possibly consolidate three classes of the Farmers Rural Electric industrial rates in order to better serve members.

Mr. Bishop, Vice-President of Engineering, provided the monthly departmental report. His reports included the following:

Construction Work Plan Projects – Construction

- * Conv 3PH 1/0 ACSR to 3Ph 397 ACSR (Glasgow)
- * Conv 1PH 7.2 kV 4 ACSR to 3Ph 14.4kV 1/0 ACSR (Broadford)

Upcoming Work Plan Projects:

- * Conv 12.5/7.2kV to 25/14.4kV (Ralph Morris Road)

Mykal Cress has been hired as an Engineering Intern. Mr. Bishop is currently working on a new Long-Range Plan and the Construction Work Plan. He participated in an informal Kentucky Public Service Commission conference concerning the Pole Attachment agreement.

Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance - We will be changing out a total of 117 reclosers in 2024.
3. Service - is completing a visual inspection and thermo testing of all switches, regulators and auto transformers.

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Bon Ayr substation.
2. Replaced poles in December 148 (GSW 28 Total 720 (GSW 236) (60 on file)

Right of Way:

1. Townsend has completed the Goodnight-Lecta circuit.
2. Townsend is currently working Cave City – Bearwallow **25% Complete**
3. WM Kendall is scheduled to start mid-February

Personnel:

1. All 2024 classes for TVPPA Apprentice and Advance Linemen have been scheduled.

Safety:

1. Farmers completed 2023 without a recordable incident
2. KEC completed a Transformer Banking class on December 21, 2023
3. EKPC is planning to do a Substation Restoration class restoration class on January 31, 2024

Industrial:

1. Farmers completed a planned shutdown with Akebono on December 29, 2023

Mrs. Foushee provided the Human Resources report. She provided the directors with an update on the current job opening for a Communication Specialist.

Vice-President of Technology and Security, Jason Riggs, provided his departmental report. He reported the following:

IT Projects:

1. SCRTC Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represent a \$14,000 annual savings. This has been placed on hold until 24Q1.
10% Complete

Security Projects:

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. Implementation phase; targeting February for full deployment. **40% Complete**
2. Internal IDS: In order to further enhance the visibility of East/West traffic flow (communications between internal devices) we are evaluating our existing vendors solutions to find a cost effect solution that will integrate into our existing security infrastructure. **10% Complete**

Mrs. Pennington, Director of Member and Public Communications provided her departmental report. Mrs. Pennington reported on the Washington Youth Tour, an update on custom social posts, and a Generac update.

Following the review of the departmental reports a motion was made by Mr. Faulkner and was seconded by Mr. London, and was unanimously voted in the affirmative to approve these departmental items as information presented.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As of the end of December 2023, no lost-time incidents, accidents, recordables, or reportables occurred. Mr. Lester noted that as of December 31, 2023, employees have accomplished 418,758.18 hours of work since having a lost time accident.

Following these presentations, Mr. Bishop, Mr. Jackson, Mr. Riggs, Mr. Lester, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was a discussion pertaining to the FRECC Annual Meeting and how a quorum is to be counted. Mr. Moss and Mr. Gardner led the discussion. It was discussed

that members who drive up to the meeting and register, to be provided a handout with options of viewing the annual meeting in person, or on-line, and how to vote. Following the discussion, a motion was made by Mr. Hawkins and seconded by Mr. Faulkner to count the registration of members for quorum purposes. Motion passed unanimously.

The next item of business was a review of the Farmers Rural Electric Vegetation Management Program Policy #418, and Guideline #523. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mr. London to amend Policy #418 to include new verbiage "will strive to maintain" in the appropriate places in the policy and guideline.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton. No meeting was held in January.

The next item of business was the KEC monthly report given by Mr. Smith and President/CEO Toby Moss. It was reported that the KEC board of directors have not yet met this month.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

1. Attendance at the KEC Finance Committee
2. Attendance at the Kentucky Propane Meeting
3. A meeting with KEC's CEO
4. NRECA CEO Closeup (cancellation)
5. A meeting with EKPC CEO, Tony Campbell
6. A discussion of grant opportunities with Statewide CEO's and Keri Stump

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Woodford L. Gardner, Jr. Mr. Gardner reported that he has been researching cooperative's Annual Meeting quorum calculation methods, and has worked on a recent accident involving cooperative property.

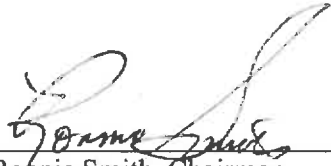
The next item of business was confirmation of attendees to the CFC Kentucky Director Workshop. Mr. Sexton will be attending on behalf of East Kentucky Power Cooperative, Mr. Moss, Mrs. Williams, and Mr. Faulkner will attend representing Farmers Rural Electric

Next, the directors reviewed their 2023 year-to-date expense reports. Following the review, a motion was made by Mr. Hawkins, and seconded by Mr. Sexton to accept the 2023 year-to-date expense reports as presented. Motion carried unanimously.

Other business discussed was an annual review and signing of the Farmers Rural Electric Conflict of Interest Statement.

Agenda items for the February board of directors meeting should include a line item for an Executive Session.

There being no further business to come before this meeting, Chairman Smith declared this meeting adjourned at 2:47 p.m.



Ronnie Smith, Chairman

Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on February 15, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Ronnie Smith called the meeting to order at 2:30 p.m. In attendance were:

Farmers Rural Electric Directors:

Ronnie Smith, Chairman	Brandi Williams, Secretary/Treasurer
Randy London, Vice-Chairman	Cornelius Faulkner
Randy Sexton	Paul Hawkins
C. F. Martin, Jr.	Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Scott Lester.....	Vice-President of Operations
Corey Jackson.....	Vice-President of Member and Corporate Services
Chuck Bishop.....	Vice-President of Engineering
Jennie Phelps.....	Vice-President of Finance and Accounting
Linda Foushee.....	Human Resources Coordinator and Executive Assistant
Caralyne Pennington...	Director of Member Communications
Toby Moss.....	President & Chief Executive Officer

An invocation was given by Mr. Moss

The first item of business was the review, adoption, and approval of the agenda. Mr. Hawkins moved approval of the agenda as presented, with a second by Mr. London. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for October 2023 as uncollectible. Following review, a motion was made by Mr. Faulkner, and seconded by Mr. Sexton to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for December 2023, and January 2024 given by the management staff.

Mrs. Phelps presented the financials. For review, a copy of the 2023 financial and operating report was included in the Board packet. The audit firm of Campbell, Myers, and Rutledge completed their exit interview with Toby Moss and Jennie Phelps on January 26, 2024. On February 14, 2024, Farmers received the 2023 assignment of capital credits from East Kentucky Power Cooperative. Farmers had previously based its G&T allocation upon an estimated \$20M net margin, provided by Cliff Scott of EKPC. However, the results showed margins less than \$18M. Therefore, Farmers will need to adjust its G&T allocation. Farmers Accounting will reopen its 2023 financials and provide an updated report at the next Board meeting.

The January 2024 net margins were \$358,999, a \$355k increase from the prior year. The 10th coldest temperature recorded in January since 1980 occurred during this recent winter storm. The cold weather resulted in higher electric bills for members and the highest cost power bill received from East Kentucky Power. Therefore, as compared to last year, revenues increased \$1M or 17.9%, while the cost of purchased power increased \$568k or 12.9%. The power bill had a poor load factor of 55.4%.

Corey Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. He reported on working with rate consultant John Wolfram to possibly consolidate three classes of the Farmers Rural Electric industrial rates (LPB, LPC, and LPE), and received recommendations on options to consider. Mr. Jackson reported on the closing of JNM Manufacturing, a machining manufacturer in Glasgow.

Mr. Bishop, Vice-President of Engineering, provided the monthly departmental report. His reports included the following:

Construction Work Plan Projects – Construction

- * Conv 3PH 1/0 ACSR to 3Ph 397 ACSR (Glasgow) – 90% complete (on hold)
- * Conv 1PH 7.2 kV 4 ACSR to 3Ph 14.4kV 1/0 ACSR (Broadford) – 20% complete

Upcoming Work Plan Projects:

- * Conv 12.5/7.2kV to 25/14.4kV (Ralph Morris Road)

Heat strips and insulation has been installed on the pole yard generators. Air Permit reporting to the State Air Quality Division for 2023 has been completed. Preparation has begun for the annual Tier 2 (oil-filled equipment) report to the Kentucky Emergency Response commission.

Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance - We will be changing out a total of 117 reclosers in 2024.
3. Service - is completing a visual inspection and thermo testing of all switches, regulators and auto transformers.

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Roseville substation.
2. Replaced poles in January 31 (GSW 3 Total 31 (GSW 3) (72 on file)

Right of Way:

1. Townsend is currently working Cave City – Bearwallow **50% Complete**
2. WM Kendall is scheduled to start mid-February

Personnel:

1. Austin Ford, Cameron Day and Zeak McIntyre completed their 3rd on-line test in the TVPPA Apprenticeship Program
2. Tyler Bratcher will be promoted to Journeyman Lineman on February 17, 2024

Safety:

1. EKPC completed a Substation Restoration class on January 31, 2024

Due to Mr. Rigg's absence, President Moss provided the board of directors with the monthly Technology and Security report. He reported:

IT Projects:

1. SCRTC Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represent a \$14,000 annual savings. This has been placed on hold until 24Q1.
10% Complete

Security Projects:

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. Implementation phase; targeting late February for full deployment. **50% Complete**
2. Internal IDS: In order to further enhance the visibility of East/West traffic flow (communications between internal devices) we are evaluating our existing vendors solutions to find a cost effect solution that will integrate into our existing security infrastructure. **10% Complete**

Mrs. Pennington, Director of Member and Public Communications provided her departmental report. Mrs. Pennington reported on the scheduled dates for the 2024 Grassroots meeting, Coffee with the Co-op, and Honor Flight. Kentucky Living magazines, "The Best in Kentucky" nomination process is open.

Mrs. Foushee, Executive Assistant and Human Resources Coordinator provided a report. It was noted that twenty-two applications for employment were received for the current job opening of a Communication Specialist. Following interviews, Abigail Nuetzman was selected. She reported that Federated Rural Electric Insurance Exchange's Workers Compensation Experience Modification Summary Report showed a 0.740 score which equated to a \$12,302 financial discount on the insurance premium for 2024.

Following the review of the departmental reports a motion was made by Mr. Martin and was seconded by Mr. Faulkner, and was unanimously voted in the affirmative to approve these departmental items as information presented.

Following which, was a review of the 2023 fourth quarter (October-December 2023) RUS Summary of Construction by Mrs. Phelps. Following review, a motion was made by Mr. Hawkins,

and seconded by Mr. Sexton that the report be approved and submitted to RUS for borrowing. The motion carried unanimously.

The next item of business was information presented by Mrs. Phelps for the board to consider with refunding capital credits in 2024. Mrs. Phelps reviewed current equity statistics, along with historic capital credit retirements, and provided the board of directors with six scenarios to consider for refunds. A copy of this presentation is attached to these minutes, and made an official part thereof. Following an in-depth discussion, questions by the Board, and consideration of the data presented, a motion was made by Mr. Hawkins, and seconded by Mr. London to forego capital credit refunds this year. The motion passed unanimously.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As of the end of January 2024, no lost-time incidents, accidents, one recordable, and no reportable incidents occurred. Mr. Lester noted that as of January 31, 2024, employees have accomplished 429,452.18 hours of work since having a lost time accident. East Kentucky Power Cooperative personnel will be conducting a three-hour Substation Restoration class for FRECC line workers on January 31st. The current Kentucky APPA Safety Manual is being retired, and a new Kentucky Safety manual will be issued. A discussion was held relating to a member who fell on the outside steps at the Munfordville Service Center and injured herself. An ambulance was called to assist.

Following these presentations, Mr. Bishop, Mr. Jackson, Mr. Lester, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. A summary of this report is attached to these minutes, and made an official part thereof. Additionally, it was reported that the EKPC strategic plan was finalized for the upcoming year.

The next item of business was the KEC monthly report given by Mr. Smith and President/CEO Toby Moss. It was reported that the KEC board of directors meeting will be held next week.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) CFC Statewide Workshop
- 2) Meridian Co-op visit
- 3) External Audit
- 4) FEPP Quarterly Board Meeting
- 5) KEC/PSC Roundtable
- 6) PSC Hearing

- 7) Barren Inc. Annual Meeting
- 8) Field Visits
- 9) NRECA Training
- 10) EKPC Board Meeting

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Woodford L. Gardner, Jr. Mr. Gardner reported that he has worked with Corey Jackson regarding JMN Manufacturing firm going out of business. Additionally, a subpoena has been received asking for information on a member in a domestic related case out of Lexington. Mr. Gardner has been reviewing the Power Purchase Agreement for a Solar Farm located in Fountain Run, KY.

The next item of business was a review and approval; of FRECC Policy #208 – Educational Assistance which was reviewed and recommended for revision by the FRECC senior staff. The recommended policy with revised verbiage will be included in the March board of directors' board literature.

For informational purposes only, Mr. Moss shared with the board of directors a policy sample taken from another cooperative relating to "Supplemental Compensation for Disaster Situation's" for exempt employees. Plans are to use this identical verbiage, and to incorporate it into the development of a "FRECC Supplemental Compensation for Disaster" Guideline. This Guideline will support the necessary FEMA requirements in order to qualify for expense reimbursement. No action was necessary.

A discussion was held relating to preparation for the Strategic Planning Session for the Directors. Suggested topics for discussion included: Cyber Security Training, Electronic Board Platforms, and Executive Session Minutes. Chairman Smith asked the board members to be thinking about additional topics to include for discussion at the Strategic Planning Session, and to share those topics at the March 21, 2024 board of directors meeting,

The next item of business was the selection and designation of the FRECC Election Provost for the 2024 FRECC Director Nomination/Election process. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Martin to name Cindy Greer, CPA with Campbell, Myers, and Rutledge, PLLC to serve as the 2024 FRECC Election Provost. Motion carried unanimously.

Next, a report was provided to the board from Mr. Moss, Mr. Faulkner, Mrs. Williams, and Mr. Sexton relating to their recent attendance at the CFC Kentucky Director Workshop in Lexington, KY.

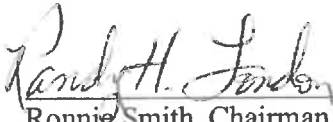
Following which, a motion was made by Mr. Sexton, and seconded by Mr. Hawkins to go into Executive Session. Motion carried unanimously.

Upon return from Executive Session, other business discussed was a directive given by Chairman Smith for the directors to attend the March board of directors meeting with each director being prepared to provide the name and contact information of a person to serve on the 2024 FRECC Nominating Committee.

Agenda items for the March board of directors meeting:

1. Review changes to FRECC Policy #208 - Educational Assistance
2. Continued discussion for Strategic Planning meeting

There being no further business to come before this meeting, Chairman Smith declared this meeting adjourned at 5:20 p.m.


Ronnie Smith, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on March 21, 2024. The meeting was held in the FRECC Operations Center Conference Room. Vice-Chairman Randy London called the meeting to order at 2:30 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Vice-Chairman	Brandi Williams, Secretary/Treasurer
Cornelius Faulkner	Paul Hawkins
C. F. Martin, Jr.	Randy Sexton
Woodford L. Gardner, Jr., Attorney-at-Law	

Chairman Ronnie Smith participated via Zoom Video.

Farmers Rural Electric Senior Staff:

Scott Lester.....Vice-President of Operations
Corey Jackson.....Vice-President of Member and Corporate Services
Chuck Bishop.....Vice-President of Engineering
Jason Riggs..... Vice-President of Technology & Security
Linda Foushee..... Human Resources Coordinator and Executive Assistant
Caralyne Pennington... Director of Member Communications
Toby Moss..... President & Chief Executive Officer

An invocation was given by Mr. Faulkner.

The first item of business was the review, adoption, and approval of the agenda. Mr. Faulkner moved approval of the agenda as presented, with a second by Mr. Martin. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for November 2023 as uncollectible. Following review, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for February 2024 given by the management staff.

Mr. Moss presented the financials. The Farmers Rural Electric year-to-date margins totaled \$229,209, a \$542k increase from the prior year; but 11k less than budgeted. Revenues increased \$1.8M or 17.5% as compared to last year. The average cost per kWh purchased for the month of February totaled 9.03 cents, a 0.71 increase from the prior February. This increase, along with mild temperatures are the primary factors as to why FRECC did not see higher margins for the month.

Operation & maintenance expenses have increased \$125k from the prior year. The primary factor for the increase is the right-of-way expenditures, as FRECC attempts to keep pace with its 2024 ROW budget. Interest, Depreciation, and Tax Cost increased \$59k from the prior year, and are \$8k more than budgeted.

On February 28, 2024, Farmers advanced \$600k on its construction work plan. The debt was locked-in long-term at an interest rate of 4.459%. As of February 29, 2024, Farmers' debt is 14.3% variable and 85.7% fixed rates.

A year-to-date review from January-February 2024 was provided. That review included a report on the PSC Case No. 2021-00429 – Earnings Mechanism, PSC Case No. 2023-00014 – FAC 2-Year Review, and a discussion on EKPC's comparison of the January 2024 versus the December 2022 power bills. The January 2024 power bill was the highest power cost in FRECC's history at \$4,951,510.

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. He reported on a new project with the local Economic Authority. Additionally, it was noted that FRECC has one customer currently on the Interruptible rate schedule (NEMAK).

Mr. Bishop, Vice-President of Engineering, provided the monthly departmental report. His report included the following:

Construction Work Plan Projects – Construction

The Broadford Construction job has been put on hold due to poor weather conditions.

- * Conv 3PH 1/0 ACSR to 3Ph 397 ACSR (Glasgow) – 90% complete (On Hold)
- * Conv 1PH 7.2 kV 4 ACSR to 3Ph 14.4kV 1/0 ACSR (Broadford) – 40% complete
- * Conv 12.5/7.2kV to 25/14.4kV (Ralph Morris Road) – 5% complete

Miscellaneous

- * Royal Troon (Hwy 90) staking in progress
- * Annual Tier 2 (oil-filled equipment) report submitted to the Kentucky Emergency Response Commission.

Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance - We will be changing out a total of 117 reclosers in 2024. **Started**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Roseville substation.
2. Replaced poles in February - 33 (GSW 0 Total 64) (GSW 3) (90 on file)

Right of Way:

1. Townsend is currently working Cave City – Bearwallow **95% Complete**
2. WM Kendall is currently working Jonesville-Hammonsville. **Started**

Personnel:

1. Austin Ford, Cameron Day and Zeak McIntyre completed their 3rd lab in the TVPPA Apprenticeship Program
2. Isaiah Morgan has completed his 6-month Introductory Period Performance Evaluations.
3. Thomas Wilson and Isaiah Morgan will attend Lab #1 of the TVPPA Advanced Lineman Program on April 2-4.

Fleet:

1. The chassis swap of Truck #143 will be completed by March 22, 2024.
2. Isaiah Morgan has completed his 6-month Introductory Period Performance Evaluations.
3. We would like to sell Truck #105, #111, and #118 by closed bid.

Mr. Moss reported on a vegetation clean-up project between FRECC and a member, and received positive feedback, and a complementary e-mail from the member.

Mr. Riggs, Vice-President of Technology and Security presented his monthly report. He reported:

IT Projects:

1. The South Central Rural Telephone Corporation Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represents a \$14,000 annual savings. This has been placed on hold until 24Q2. **10% Complete**

Security Projects:

1. Internal IDS: In order to further enhance the visibility or East/West traffic flow (communications between internal devices) we are evaluating our existing vendors solutions to find a cost-effective solution that will integrate into our existing security infrastructure. **10% Complete**
2. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. Implementation phase; targeting mid-April for full deployment. **70% Complete**

Mrs. Pennington, Director of Member and Public Communications provided her departmental report. Mrs. Pennington's report included the meeting dates of the upcoming Spring Grassroots meetings for District II (March 26, 2024), and District III (April 9, 2024). Additionally, the second quarter "Coffee with the Co-op" will be held on Friday, April 12, 2024 at The Brew House in Munfordville from 7-9 a.m. Conservation Clubhouse, and the 2024 Honor Flight program was discussed. Forty submissions have been received for the FRECC Scholarship program. Lineman Appreciation Day will be held on Monday, April 8, 2024. An EV charging pilot program which will run through June 30, 2026 was reviewed.

Mrs. Foushee, Executive Assistant and Human Resources Coordinator provided a report. She reported that the FRECC Random Drug & Alcohol testing for employees has been successfully completed for the quarter.

Following the review of the departmental reports a motion was made by Mr. Sexton and was seconded by Mr. Martin, and was unanimously voted in the affirmative to approve these departmental items as information presented.

For the next item of business, Mr. Moss presented a Certificate of Resolutions and Incumbency from CFC in order to renew the CFC Line-of-Credit. This renewing of the CFC Line of Credit is necessary due to a higher cost of doing business, and a 4.9-million-dollar power bill (the highest ever) received from EKPC in January. Mr. Moss also requested the previous standard of \$5 million be increased to \$7 million in consideration of the increased expenses. The following resolution was presented:

RESOLVED, that the Cooperative establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$7,000,000.00 (the "Line of Credit Amount") subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and,

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents: The Line of Credit Agreement.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions: President & CEO – Tobias "Toby" Moss.

Following the reading of the resolution, a motion was made by Mr. Hawkins, and seconded by Mr. Sexton to approve the resolution as presented. The motion carried unanimously. A signed copy of this resolution is attached to these minutes and made an official part thereof.

The next item of business was a presentation given by Mr. Lester for consideration to sell specific fleet vehicles. He proposed selling:

Truck #103 – 2010 International 4x2 with a 55 ft. bucket, Mileage – 163,781
Truck #120 – 2012 Dodge Ram 5500 4x4 with a 37 ft. bucket, Mileage – 212,075
Truck #105 – 2009 Chevrolet 1500 4x4 Service Truck package, Mileage – 204,200
Truck #111 – 2011 Ford F350 4x4 Service Truck Bed, Mileage 229,472
Truck #118 – 2011 F-550 4x4 "No Bed", Mileage 213,353

Following a discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to approve the sale of the above listed fleet vehicles. Motion carried unanimously.

Next, Mr. Riggs provided the directors with a in depth cyber security training brief. No action was necessary. The presentation is included in the minutes herein.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. Mr. Lester noted that as of February 29, 2024, employees have accomplished 439,441.68 hours of work since having a lost time accident. Additionally, he reported on upcoming training sessions for the linemen which included flagging, and personal protection equipment.

Following these presentations, Mr. Bishop, Mr. Jackson, Mr. Lester, Mr. Riggs, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. A summary of this report is attached to these minutes, and made an official part thereof.

The next item of business was the appointment of a Director representative for the East Kentucky Power Cooperative's board of directors for the term of June 2024 – May 2025. Mr. Sexton is currently serving as Secretary of the EKPC board of directors. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Martin to name Mr. Sexton as the EKPC Director representative.

The next item of business was the KEC monthly report given by President/CEO Toby Moss. A summary of this report is attached to these minutes, and made an official part thereof.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) **KEC Board Meeting:** Along with Board Chair Smith, attended the KEC board meeting at the KY Chamber of Commerce meeting center.
- 2) **Kentucky Legislative Reception:** Attended the reception and had the opportunity to speak with most of our local representatives. All are committed to the Co-op caucus.
- 3) **EKPC Governance Committee Meeting**
- 4) **PSC Meetings:** Meetings with KEC to plan discussions with PSC Chair re: ROW and Attachments topics
- 5) **PowerXchange:** With Director Williams, attended NRECA PowerXchange and annual meeting.
- 6) **KY General Assembly Legislative Brief:** Review of legislative initiatives in this session.

- 7) **KY Economic Development South Central Region meeting:** Along with Tony Campbell and Rodney Hitch of EKPC.
- 8) **Grassroots District 1:** Executed grassroots district 1 meeting, Chris Perry attended
- 9) **Coffee with the Co-op:** executed Barren County quarterly gathering. Tony Campbell and Joe Settles attended. Considering other options moving forward in effort to experience more member contact. (Lunches)

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Woodford L. Gardner, Jr. Mr. Gardner reported that he has worked with Corey Jackson regarding JMN Manufacturing firm going out of business and the issue with billing and Letter of Credit. Additionally, Mr. Gardner reported that he attended the "Coffee with the Co-op" event in Barren County.

The next item of business was a review of the amended FRECC Policy #208 – Educational Assistance. Following review, a motion was made by Mr. Hawkins and seconded by Mr. Faulkner to approve FRECC Policy #208 – Educational Assistance as amended. The motion passed unanimously.

The next item of business was the naming of the 2024 Director Nomination Committee. The following names were submitted.

Mr. Hawkins nominates:

Denise Brooks
2285 Lonoke Road
Horse Cave, KY 42749
(270) 528-6121

Mrs. Williams nominates:

Josh Morris
4414 Lick Branch Road
Glasgow, KY 42141
(270) 590-4726

Mr. Faulkner nominates:

Brandon Judd
650 Megan Lane
Glasgow, KY 42141
(270) 670-1320

Mr. Sexton nominates:

Aaron Brown
1188 Breeding Road
Edmonton, KY 42129
(270) 670-6560

Mr. London nominates:

Jon Keightly
590 Reece Road
Cave City, KY 42127
(270) 646-8549

Mr. Martin nominates:

Lola Bunnell
1367 Hammons ville Road
Munfordville, KY 42765
(270) 524-2283/(270)528-6800

Mr. Smith nominates:

Jamie Moss
293 Joe Acre Road
Edmonton, KY 42129
(270) 590-5735

The FRECC bylaws state that the Nominating Committee members can be appointed no sooner than 120 days prior to the FRECC Annual Meeting (Wednesday, March 27, 2024), and no later than 65 days prior to the FRECC Annual Meeting (May 21, 2024). As a result of this, consideration to appoint the above mentioned will be listed as a line item on the agenda for the April 18th board of directors meeting.

Next, a summary report was given by Mrs. Williams & Mr. Moss relative to their recent attendance at the NRECA 2024 Power Xchange Annual Meeting.

A discussion was held relating to preparation for the Strategic Planning Session for the Directors. No action was necessary.

For the next item of business, Secretary/Treasurer Williams presented Randy London with a certificate for his successful completion of the NRECA Director Gold Certification. The Director Gold credential recognizes directors committed to continuing their education beyond the CCD and BLC credentials.

Other Business discussed was an update given by Mr. Hawkins relating to Don Shuffett's (former director of Taylor County) health progress. Next, Chairman Ronnie Smith informed the Directors that as of today, and due to health concerns, he is stepping down as the Farmers Rural Electric Board of Directors Chairman, and as a representative on the Farmers Energy Propane Plus Board of Directors. Following discussion, Vice-President Randy London agreed to assume the duty of the Farmers Rural Electric Board of Directors Chairmanship until the election. It was noted that Mr. London will receive the Chairman's compensation amount accordingly. Following

additional discussion, a motion was made by Mr. Hawkins and seconded by Mrs. Williams to name Mr. Cornelius Faulkner as a temporary representative on the Farmers Energy Propane Plus Board of Directors. This motion carried unanimously.

Agenda items for the April board of directors meeting:

1. CPA Report
2. Appoint Nominating Committee

There being no further business to come before this meeting, Vice-Chairman London declared this meeting adjourned at 5:14 p.m.


Randy London, Vice-Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on April 18, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 2:30 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Brandi Williams, Secretary/Treasurer
Cornelius Faulkner	Paul Hawkins
C. F. Martin, Jr.	Randy Sexton
Ronnie Smith	
Woodford L. Gardner, Jr., Attorney-at-Law	

Farmers Rural Electric Senior Staff:

Scott Lester.....Vice-President of Operations
Corey Jackson.....Vice-President of Member and Corporate Services
Chuck Bishop.....Vice-President of Engineering
Linda Foushee..... Human Resources Coordinator and Executive Assistant
Caralyne Pennington... Director of Member Communications
Toby Moss..... President & Chief Executive Officer

Campbell, Myers, and Rutledge, PLLC. CPA's. Brent Billingsley and Cindy Greer.

An invocation was given by Mr. Sexton.

The first item of business was the review, adoption, and approval of the agenda. Mr. Smith moved approval of the agenda as presented, with a second by Mr. Hawkins. There was no discussion. The agenda was approved unanimously.

The next item of business was an in-depth presentation of the 2023 financial audit given by Brent Billingsley, CPA, and Cindy Greer, CPA of Campbell, Myers, and Rutledge, PLLC. Prior to the board meeting, the directors were provided an electronic copy of the audit report for review. The audit was reviewed at length during the meeting allowing opportunities for the directors to ask questions. The CPAs reported that the Cooperative had received a clean audit report for the year. No significant issues with internal deficiencies were noted. Following discussion, a motion was made by Mr. Hawkins and second by Mr. Faulkner that the annual audit report be approved as presented. Motion carried unanimously. Following this report, Mr. Billingsley and Mrs. Greer left the meeting

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for December 2023 as uncollectible. Following review, a motion was made by Mr. Sexton, and seconded by Mr. Smith to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for March 2024 given by the management staff.

Mrs. Phelps presented the following financials:

PSC Case No 2022-00141 – Environmental Surcharge Review

On March 29, 2024, the Commission issued an Order in the outstanding Environmental Surcharge (ES) review case. This case included four 6-month reviews and the 2-year review for the periods ending May 31, 2021. Please note this Case opened on June 3, 2022. All requests made by EKPC were granted. The Order concluded that FRECC is under-recovery on its ES mechanism by \$340,897 and will be allowed to amortize that cost to its members over a six-month timeframe.

PSC Case No 2021-00429 – Earnings Mechanism

Recall that the settlement agreement on EKPC's base rate case (Case No 2021-00103) provided an earnings mechanism for the distribution coops should EKPC's margins be greater than a 1.40 TIER. EKPC's 2022 financials resulted in a TIER greater than 1.40. The earnings sharing to the distribution coops was delayed due to the filing of a tariff to calculate the mechanism. SEDC/Meridian has successfully tested and calculated how the mechanism will be credited to our members and if need be, are ready to roll-out the earnings sharing to FRECC members this summer. Please note this is a lot of work for not much value to our members. EKPC's allocation schedule for the 2022 earnings mechanism anticipates a total disbursement to FRECC members of \$55,709.94.

PSC Case No 2023-00014 – FAC 2-Year Review

On September 6, 2023, a two-year review of the fuel adjustment clause (FAC) was opened by the Commission. EKPC and its sixteen distribution coops filed to recalculate the per-kWh base fuel cost, largely based on the historical fuel costs of the previous two years. In theory, the changes in the base fuel case do not change the bottom line of how much members pay for electricity. In conversations with EKPC staff on April 9, 2024, the best estimate is that the Commission will issue Orders in the late June timeframe (previously presumed late April). That would mean that the base rate change would occur on the August power bill for service rendered in July. Assuming this timing, the FAC base rate change would not show on the retail member bill until September at the earliest.

Financials – Farmers Energy Propane Plus

For the year ending December 31, 2023, FEPP received a clean audit report from Campbell, Myers & Rutledge, PLLC. The CPAs will discuss the audit at the next FEPP board meeting, scheduled for May 3, 2024.

As of March 31, 2024, Farmers Energy Propane Plus (FEPP) had margins of \$381,946, a \$15k increase over the prior year. Sales have increased 6% over last year. FEPP's 2024 work plan will focus on continuing to network at regional lakes for recreational business, concentrate on recovering dead assets in the field and build additional showroom space at the Glasgow office.

Farmers Rural Electric Cooperative Year-To-Date Review:

January - March 2024 Margins Year-to-date operating margins totaled \$574,227, a \$97k increase over budget. Total margins - \$621,520. Operating Revenue and Purchased Power Revenues increased \$1.860M or 12.6% compared to last year. Purchased power costs increased \$825k or 7.5% as compared to last year. The average cost per kWh purchased totaled 8.51 cents, a 0.22 cent decline from the prior year.

In March, Farmers received \$10,725 for the sale of the renewable energy credits attributed to the generator at the landfill. Since December 2016, Farmers has received \$530k for the sale of renewable energy credits.

Excluding the March 3, 2023 windstorm expense, operation & maintenance expenses have increased \$317k. The primary factor for the increase is right-of-way expenditures, as FRECC attempts to keep pace with its 2024 ROW budget. Interest, Depreciation & Tax Cost has increased \$125k from the prior year, and are \$9k more than budgeted.

Debt Portfolio

As of March 31, 2024, Farmers RECC's debt portfolio is 14.3% variable and 85.7% fixed. In the first quarter, Farmers has drawn down \$1.4M from its construction work plan.

Mr. Bishop, Vice-President of Engineering, provided the monthly departmental report. His report included the following:

Work Plan Projects

- Construction • Conv 3Ph 1/0 ACSR to 3Ph 397 ACSR (Glasgow) – 100% Complete)
- Conv 1Ph 7.2 kV 4 ACSR to 3Ph 14.4kV 1/0 ACSR (Broadford) – 60% Complete
- Conv 12.5/7.2kV to 25/14.4kV (Ralph Morris Rd) – 5% Complete
- Miscellaneous • Royal Troon (Hwy 90) staking being finalized
- Temple Hill Lions Club project for sports lighting 90% complete

Mr. Bishop reported that due to wet grounds, he released the contractors to work off site for a 2-3-week period. The Temple Hill Lions Club has agreed to pay for the sports lighting project ½ in the year 2024, and ½ in the year 2025.

Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers 55 reclosers changed

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Roseville substation
2. Replaced poles in March 44 (GSW 3 Total 102? (GSW 6) (70 on file)

Right of Way:

1. WM Kendall is currently working Jonesville – Hammons ville 50% Complete
2. Townsend has started working Seymour – Uno 15% Complete
3. Expecting to start 2024 Herbicide spraying first of May

Personnel:

1. Hunter Lambert has completed his 6-month evaluations
2. Thomas Wilson and Isaiah Morgan completed Lab #1 of the TVPPA Advance Lineman Program April 2-4.
3. Todd Stephens and John Austin attended a drone class at EKPC on April 17, 2024

Fleet:

1. The chassis swap of Truck 143 completed
2. We would like to sell Trucks 103 and 120 at auction with JJ Kane in April
3. We would like to sell Truck 105, 111, and 118 by closed bid in May

Safety:

1. Safety Demo for the Metcalfe County Farm Safety Day April 19, 2024

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. He reported that Member Service Representative Tina South successfully completed her six-month Introductory Period performance evaluation. Additionally, he reported that Member Service Representative Heather Keeney is currently out of the office on a FMLA approved absence. Mr. Jackson is researching the procedure for how and if cooperatives in the state of Kentucky attach a credit card usage fee onto utility payments. He will provide his findings at the May board of directors meeting.

Mrs. Pennington, Director of Member and Public Communications provided a departmental report. She reported that the Spring 2024 Grassroots meetings have been completed.

District I - 32% attendance
District II – 42% attendance
District III – 73% attendance

A follow-up survey of Grassroots attendees has been sent asking for feedback, as well as a request for topics to consider covering in the future. Farmers' continues to be part of the Holiday World Fun Club for employees and directors. This service is provided for FRECC employees at no cost to the cooperative.

In April, advertising will begin for members who are interested in the EV charging pilot program. This test program runs through June 30, 2026. Farmers RECC will use the charging information to apply a monthly bill credit of \$.02 per kWh of off-peak charging completed by their EV while at home. Farmers RECC already has one member enrolled.

In Q1 of 2024, FRECC social media channels have gained 91 new followers (168% increase), achieved 366k post impressions (83% increase) and a 2.55% engagement rate (14%

increase). *(All metrics compared to Q4 2023)* We are focusing on Instagram posts, as analytics are showing posts there aren't performing as well as Q4 2023.

This department is working with Member Services and Engineering to clean up priority coded accounts, which include medical priority, schools, water infrastructure and other essential services.

Mr. Moss presented the Technology and Security monthly report due to Mr. Riggs absence. He reported:

IT Projects:

1. SCRTC Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represent a \$14,000 annual savings. This has been placed on hold until 24Q2.
10% Complete
2. IVR Script Update:
Enhancement to Milsoft's IVR scripting engine to allow more self-services features (payment arrangements) and further streamline the member's experience (caller id lookup, routing calls based on intent, fee breakdown). This script also allows us to directly interface with Meridian hosted payment gateway which adds an additional layer of security and also provides transactional level logging to determine why a transaction failed. **70% Complete**
3. OMS Weather Module:
Implement weather module to overlay real-time weather and lightning data on our OMS. The lightning data gathered will be used to assist in troubleshooting and provide historical strike data to enhance system reliability. **90% Complete**

Security Projects:

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting.

Implementation phase:

1. Targeting mid-April for full deployment. **70% Complete**
2. Internal IDS: In order to further enhance the visibility or East/West traffic flow (communications between internal devices) we are evaluating our existing vendors solutions to find a cost effect solution that will integrate into our existing security infrastructure.
10% Complete
3. Enhance DNS security for fleet: Extend protection for DNS to any device connected to routers in the fleet. This provides an additional level of protection against threats.
100% Complete

Mrs. Foushee, Executive Assistant and Human Resources Coordinator provided detailed data relating to Kentucky's Cooperative Workforce which demonstrated upcoming retirements available within Kentucky relating to specific job titles.

Following the review of the departmental reports a motion was made by Mr. Smith and was seconded by Mr. Faulkner, and was unanimously voted in the affirmative to approve these departmental items as information presented.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. Mr. Lester noted that as of March 31, 2024, employees have accomplished 449,512.43 hours of work since having a lost time accident.

Following these presentations, Mr. Bishop, Mr. Jackson, Mrs. Phelps, Mr. Lester, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. A summary of this report is attached to these minutes, and made an official part thereof.

The next item of business was the KEC monthly report given by President/CEO Toby Moss. A summary of this report is attached to these minutes, and made an official part thereof.

Following which, Mr. Moss discussed an inquiry he received from Michelle Davis, with Elmore Realty, relative to a client of hers interested in purchasing the FRECC Outer Loop/Donnelly Drive property. Following the discussion, a motion was made by Mr. Smith, and seconded by Mr. Martin authorizing Mr. Moss to pursue taking the steps to obtain an appraisal on the property. Motion carried unanimously. Once this information is obtained, the discussion will continue at the May board of directors meeting.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) **UUS Board Meeting:** Attended the UUS Board meeting followed by a team building event that evening.
- 2) **KEC Board Meeting:** Attended KEC board meeting
- 3) **Grassroots District II:** Executed District II Grassroots meeting with positive feedback
- 4) **CoBank meeting:** Jennie Phelps and I met with Justin D. Brown-Vaughn (Relationship Mgr)
- 5) **EPB Superintendent:** Initiated and executed a lunch meeting with Dave Puskala, Superintendent at EPB. Discussed relations amongst our teams.
- 6) **Grassroots District III:** Executed District III Grassroots meeting with positive feedback. David Samford (EKPC) attended.
- 7) **Coffee with the Co-op:** executed Hart County quarterly gathering

8) CFC Training: Attended CFC provided webinar on Cooperative Equity Management.

9) Strategic Planning: Positive review and results of our strategic planning exercise.

10) Metcalfe County Senior Celebrity Banquet: Joined Caralyne Pennington in representing FRECC

11) KY Propane quarterly board meeting

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Woodford L. Gardner, Jr. Mr. Gardner reported that he has worked with EKPC and "Hire Right" to review a background report for Randel Sexton. This procedure is necessary to show Mr. Sexton meets qualifications, as listed by EKPC, to serve on the EKPC board of directors. Mr. Gardner submitted a letter to Farmers RECC acknowledging Mr. Sexton met all qualifications to be reappointed on the EKPC board of directors.

Next, the directors reviewed the quarterly director and CEO expenses. Following review, a motion was made by Mr. Hawkins and seconded by Mr. Faulkner to approve the expenses as presented. Motion carried unanimously.

The next item of business was to select/appoint the Voting Delegate and Alternate Voting Delegate for the 2024 East Kentucky Power Annual meeting which will be held on June 11th. Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Sexton to name Mr. Martin as the Voting Delegate, and Mr. Hawkins as the Alternate Voting Delegate. Motion carried unanimously.

The next item of business was the appointment of a Director representative for the East Kentucky Power Cooperative's board of directors for the term of July 2024 – June 2025. Following discussion, a motion was made by Mr. Martin, and seconded by Mr. Faulkner to name Mr. Sexton as the EKPC Director representative. Mr. Sexton was selected to complete another term, as he is in his fifth year of sitting on the EKPC board.

Next, the selection and designation of the KEC Voting and Alternate Voting delegates were addressed. Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Sexton to name Mr. Faulkner as the KEC Voting Delegate, and Mr. Moss as the Alternate Voting Delegate. The motion carried unanimously.

The selection of naming the KEC Board Members for 2025 is being deferred until the May meeting, in order for the directors to review the current rotation schedule. Mrs. Foushee will e-mail that information to the directors following the meeting.

The next item of business was the designation of the 2024 Director Nominating Committee. Chairman London polled the directors.

Mr. Smith submits the name of:

Jamie Moss
293 Joe Acree Road
Edmonton, KY 42129
(270) 590-5735

Mr. London submits the name of:

Jon Keightly
590 Reece Road
Cave City, KY 42127
(270) 646-8549

Mrs. Williams submits the name of:

Josh Morris
4414 Lick Branch Road
Glasgow, KY 42141
(270) 590-4725

Mr. Martin submits the name of:

Lola Bunnell
1367 Hammons ville Road
Munfordville, KY
(270) 524-2283

Mr. Hawkins submits the name of:

Denise Brooks
2285 Lono ke Road
Horse Cave, KY 42749
(270) 528-6121

Mr. Faulkner submits the name of:

Brandon Judd
650 Megan Lane
Glasgow, KY 42141
(270) 670-1320

Mr. Sexton submits the name of:

Aaron Brown
1188 Breeding Road
Edmonton, KY 42129
(270) 670-6560

Following the submission of names, a motion was made by Mr. Hawkins and seconded by Mr. Smith to accept the above-mentioned as members of the 2024 FRECC Nominating Committee. This motion carried unanimously.

The next item of business was a summary report given by Mr. Sexton relative to his recent attendance at the 2024 NRECA Directors Conference. No action was necessary.

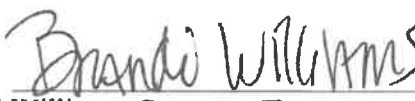
Other Business discussed was a request to consider changing the start time for the May 16th board of directors meeting to 8:00 a.m. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to change the May 16th board meeting start time to 8:00 a.m. This motion carried unanimously.

Agenda items for the May board of directors meeting:

1. Outer Loop and Donnelly Drive appraisal
2. UUS Report – Mr. Moss
3. Truck Sales
4. Naming of KEC Board Members
5. Policy 150 – Consider changing term

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:45 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on May 16, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 8:00 a.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Brandi Williams, Secretary/Treasurer
Cornelius Faulkner	Paul Hawkins
C. F. Martin, Jr.	Randy Sexton
Ronnie Smith	
Woodford L. Gardner, Jr., Attorney-at-Law	

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Corey Jackson	Vice-President of Member and Corporate Services
Chuck Bishop	Vice-President of Engineering
Linda Foushee	Human Resources Coordinator and Executive Assistant
Caralyne Pennington	Director of Member Communications
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Hawkins.

The first item of business was the review, adoption, and approval of the agenda. Mr. Sexton moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for January 2024 as uncollectible. Following review, a motion was made by Mr. Smith, and seconded by Mr. Hawkins to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for April 2024 given by the management staff. Mrs. Phelps presented the following financials:

Overview of Income Statement: January - April 2024

<u>Description</u>	<u>Last Year</u>	<u>This Year</u>	<u>Budget</u>
Operating Revenue	\$18,613,566	\$20,566,619	\$21,075,498
Purchased Power Cost	(13,793,051)	(14,365,757)	(15,030,047)
Operation & Maintenance Expense	(2,753,927)	(3,127,473)	(3,237,080)
Interest, Deprecation & Tax Cost	(2,315,551)	(2,468,908)	(2,476,468)
Other Operating Margins	409,797	67,681	134,100
TOTAL MARGINS	\$ 160,834	\$ 672,162	\$ 466,003

The year-to-date operating margins totaled \$604k, a \$853k increase from the prior year. The Operating TIER is calculated at 1.76. Revenues increased \$1.9M or 10.5% as compared to last year. Purchased power costs increased \$573k or 4.2% as compared to last year. The average cost per kWh purchased totaled 8.28 cents, a 0.38 cent or 4.3% decrease from the prior year. Operation & maintenance expenses have increase \$373k from prior year and are \$109k less than budgeted. Below is a breakdown for the right-of-way expenditures. Interest, Depreciation & Tax Cost has increased \$153k from the prior year and are \$7k less than budgeted.

YTD Right-of-Way Expense:

<u>Description</u>	<u>Last Year</u>	<u>This Year</u>	<u>Budget</u>
Circuit	\$ 73,930	\$ 504,337	\$ 449,368
Hourly Work	13,744	28,809	30,000
Removals	198,659	52,933	113,400
Herbicide	0	0	0
TOTAL ROW EXPENSES:	\$ 286,333	\$ 586,079	\$ 592,768

PSC Case No 2023-00014 – FAC 2-Year Review

On September 6, 2023, a two-year review of the fuel adjustment clause (FAC) was opened by the Commission. EKPC and its sixteen distribution coops filed to recalculate the per-kWh base fuel cost, largely based on the historical fuel costs of the previous two years. In theory, the changes in the base fuel case do not change the bottom line of how much members pay for electricity. The Order was approved on May 6, 2024. However, the amounts in the Order did not agree with the calculations provided by EKPC and its owner-members. EKPC has yet been able to determine how the Commission came to the values in the Order. EKPC is consulting with legal to determine the most appropriate path forward.

Financial Update

January - April 2024

Following the audit presentation in April, questions were asked about FRECC debt and equity. Five-year comparisons are presented below:

<u>DEBT - Year</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
New RUS/FFB Debt	\$ 4,500,000	\$ 3,000,000	\$ 6,500,000	\$ 6,951,000	\$ 6,100,000
Principal Paid	(5,260,340)	(4,923,253)	(2,311,490)	(2,455,231)	(2,421,402)
Year-End Debt	57,009,007	55,085,824	59,274,334	63,770,103	67,448,701
% Increase of Debt	(1.32%)	(3.37%)	7.60%	7.58%	5.77%
Blended Interest Rate	3.76%	2.98%	2.60%	2.85%	3.56%

A cooperative's cost of debt depends on capital markets, its financial strength and government lending programs. The cost of debt is the interest a cooperative pays for the use of this money. Debt helps a cooperative manage cash, acquire assets and leverage equity to get the greatest values for the members' equity contributions.

<u>EQUITY – Year</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Equity	41.19%	41.98%	42.41%	42.16%	40.96%
Distribution Equity	19.29%	20.29%	21.43%	21.84%	20.72%
Growth in TUP Dollars	\$4,552,824	\$3,376,545	\$4,035,376	\$4,793,581	\$5,826,724
Growth in TUP %	4.65%	3.29%	3.81%	4.36%	5.08%
Capital Credit Retirements	\$ 575,586	\$ 352,883	\$ 425,698	\$ 558,271	\$ 98,448
CC Retired Per Total Equity	1.15%	0.67%	0.77%	0.97%	0.0018%
Operating Margins	\$ 289,816	\$ 586,456	\$ 730,147	\$ 14,696	(\$1,506,966)

A Cooperative's equity comes from its members. Sources of equity include membership fees and capital credits (i.e. margins). Farmers RECC's equity is a function of its growth in total utility plant (TUP), capital credits retirements and margins. A change in any one of these factors without a compensating change in one of the other factors will result in a change in equity level. The Board is responsible for setting equity goals; management is responsible for operating the cooperative in a way that achieves the goals established by the Board.

As Farmers RECC moves forward with its strategic planning and reviewing its equity management plan, there are four key decision points:

1. How much does the cooperative want to invest in assets/the construction work plan?
2. What is its capital credits retirement policy?
3. What is the margin requirement?
4. What is the target equity?

Mr. Bishop, Vice-President of Engineering, provided the monthly departmental report. His report included the following:

Work Plan Projects

- Construction • Conv 1Ph 7.2 kV 4 ACSR to 3Ph 14.4kV 1/0 ACSR (Broadford) – 60% Complete
- Conv 12.5/7.2kV to 25/14.4kV (Ralph Morris Rd) – 5% Complete

Miscellaneous

- Royal Troon (Hwy 90)
 - o Construction started for residential subdivision
 - o Staking complete for commercial portion (64 of 116 apartments & gas station)
- Received a subdivision plat for 166 lots on Bishop Rd
- Complete PSC Annual Reliability Report
 - o Had to report on 29 of our 67 circuits
 - o Tree-related outages were the primary category for 21 of the 29 reported circuits
- Temple Hill Lions Club project for sports lighting 100% complete
- Been participating in PSC informal conferences for pole attachments
 - o Representation for pole owning utilities and pole attachers
 - o Senate Joint Resolution 175 directed the PSC to issue emergency administrative regulation to deal with backlog of attachment requests

- o Pole attachers are complaining about slow application process and make-ready work creating backlog
- o Pole owners are complaining about incomplete applications, poor designs, delinquent invoice payment, etc.

Due to Mr. Lester's absence, President/CEO Mr. Moss provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers **58 reclosers changed.**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Temple Hill substation. The System Inspectors are about 3 weeks ahead of the PSC 2-year cycle requirements.
2. Replaced poles in April 32 (GSW 3 Total 140 (GSW 9) (77 on file)

Right of Way:

1. WM Kendall is currently working Jonesville – Hammons ville **70% Complete**
2. Townsend has started working Seymour – Uno **30% Complete**
3. Pro-Tech Terra will be starting the Herbicide spraying the week of May 6th.

Personnel:

1. Todd Stephens and John Austin attended a drone class at EKPC on April 17, 2024. They both said it was very informative to get to see how other Cooperatives were using drones to help in restoration and line audit for (ROW/Herbicide)
2. Austin Ford, Cameron Day, and Zeak McIntyre will attend TVPPA Apprentice Lab #4 May 20-24

Fleet:

1. Sold Trucks #103 and #120 at auction with JJ Kane
2. Bids for Trucks #105, #111, and #118 have been received

Safety:

1. Safety Committee will complete an internal safety audit

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson reported that he met in Cave City with potential developers. Additionally, he reported receiving approximately fifty applicants for the Member Service Representative job opening.

Caralyne Pennington, Director of Member and Public Relations, presented her departmental report. A follow-up survey has been mailed to Grassroots participants asking for feedback from the meetings. The top three topics requested for future meetings were: economic

development, solar power, and community involvement. The total cost of the Grassroots meetings was \$3,487.56, excluding employee time.

The Co-Bank Sharing Success program is once again available. In the past, Farmers' has donated \$1,000 each to the Backpack programs of Barren, Hart and Metcalfe County and \$500 to the Barren County Reads and Feeds program. These donations are matched by Co-Bank, doubling the donation amount to each program. FRECC Annual Meeting preparations have begun for the 2024 meeting.

The FRECC scholarship program registration closed April 30. Sixty-two valid online registrations were received; 45 from District I, 9 from District II and 7 from District III. Recipients drawn were Carlie Sanders of Glasgow, Jackson Harrison of Glasgow, Lavery Hughes of Glasgow, Myles Rascoe of Glasgow; Raelyn Mosby of Center, Riley Mathews of Edmonton, Luke Fields of Upton and Steven Taylor of Cub Run.

Farmers RECC will be collecting donations for the Ronald McDonald House Wish List drive in May and June. Donations will be delivered to the Louisville house in August to help deep clean the house.

Due to Mr. Riggs absence, Mr. Moss presented the Technology and Security monthly report. He reported:

IT Projects

1. SCRTC Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represent a \$14,000 annual savings. This has been placed on hold until 24Q2. **10% Complete**
2. IVR Script Update: Enhancement to Milsoft's IVR scripting engine to allow more self-services features (payment arrangements) and further streamline the member's experience (caller id lookup, routing calls based on intent, fee breakdown). This script also allows us to directly interface with Meridian hosted payment gateway which adds an additional layer of security and also provides transactional level logging to determine why a transaction failed; IVR Upgrade schedule for June to fully implement feature set. **80% Complete**
3. OMS Weather Module: Implement weather module to overlay real-time weather and lightning data on our OMS. The lightning data gathered will be used to assist in troubleshooting and provide historical strike data to enhance system reliability. **90% Complete**

Security Projects

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. Implementation phase; targeting mid-June for full deployment. **70% Complete**
2. Internal IDS: In order to further enhance the visibility of East/West traffic flow (communications between internal devices) we are evaluating our existing vendors

solutions to find a cost effect solution that will integrate into our existing security infrastructure. **10% Complete**

Mrs. Foushee, Executive Assistant and Human Resources Coordinator presented the Human Resources monthly report. She additionally provided an update relating to interviews for the Member Service Representative job opening.

Following the review of the departmental reports, a motion was made by Mr. Faulkner and seconded by Mr. Sexton, and was unanimously voted in the affirmative to approve these departmental items as information presented.

The next item of business was a review of the 2024 first quarter (January – March 2024) RUS Summary of Construction by Mrs. Phelps. Following review, a motion was made by Mr. Martin, and seconded by Mr. Hawkins that the report be approved and submitted to RUS for borrowing. The motion carried unanimously.

The next item of business was a review of the 2023 IRS Form 990. Mrs. Phelps led the discussion. Farmers RECC is a tax-exempt corporation under 501(c)(12). The Form 990 is presented on a consolidated basis with Farmers RECC and its subsidiary, Farmers Energy Propane Plus. A cooperative that is exempt under 501(c)(12) must receive 85% or more of its income from its members. Mrs. Phelps reported that Farmers received 98.11% of its revenues from its members. Mrs. Phelps also discussed the Compensation of Officers and Directors report. Since Farmers Energy Service Corporation was dissolved in June 2018, Farmers RECC must now report and pay the federal taxes for Farmers Energy Propane Plus on the IRS Form 990-T. The tax liability for 2023 totaled \$101,169. Following a discussion, a motion was made by Mr. Hawkins and second by Mr. Sexton that the 2023 IRS Form 990 be approved as submitted. Motion carried unanimously.

Next, Mr. Jackson led a discussion relating to credit card fees for members paying their bill using this method. Mr. Jackson reported on his research findings of cooperatives in the state of Kentucky discussing whether or not to impose a credit card usage fee onto utility payments. Following an in-depth discussion of the pros and cons, a motion was made by Mr. Hawkins, and seconded by Mr. Smith for FRECC to continue to absorb the credit card usage fee, as is being done currently, with no additional charges being passed onto the member. The motion passed unanimously.

For the next item of business, Mr. Moss presented the Safety and Loss Control report. Mr. Moss noted that as of April 30, 2024, employees have accomplished 459,719.74 hours of work since having a lost time accident.

The next item of business was the FRECC truck sales report and bids received, with the report being given by Jennie Phelps. All bids were opened by Shane Samson, Leah Richardson, and Jennie Phelps on Wednesday, May 15, 2024 at 8:45 a.m. cst. The top two bids received were as follows:

2009 Chevy 1500 (#105)	2011 Ford F350 (#111)	2021 F550 (#118)
Mileage 204,200	Mileage 229,472	Mileage 213,353
John Austin - \$4,800.00	Zeak McIntyre - \$2,000.00	Greg Coomer - \$8,000.00
Hunter Lambert - \$4,000.00	Robert Firkins - \$1,609.00	Nathan Birge - \$5,600.00

The trucks which were sold at auction by JJKane Exchange were:

Truck #120 – Cash received by Farmers RECC: \$13,300.00. The estimated sales price was \$18,500. The main reason the truck sold for less was the unit (“boom”) had been rebuild twice.

Truck #103 – Cash received by Farmers RECC: \$6,887.50. The estimated sales price was \$17,000. The main reason the truck sold for less was the maxforce engine was known to have lots of issues. FRECC experienced issues with the engine as well.

Following a review and discussion, a motion was made by Mr. Faulkner and seconded by Mr. Smith to accept the top bid of Trucks #105, #111, and #118 and if the top bid doesn’t accept, the bid will be awarded to the second-place bidder. Motion carried unanimously.

Following these presentations, Mr. Bishop, Mr. Jackson, Mrs. Phelps, and Mrs. Pennington left the meeting.

Next, a discussion was led by Mr. Moss relating to the FRECC Strategic Plan. It was noted that there are four Strategic Goals & Objectives. The directive was given to focus on these goals and objectives, and to develop realistic goals on how to obtain the results.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. A summary of this report is attached to these minutes, and made an official part thereof.

Mr. Moss reported there has not been a United Utility Supply board meeting this month.

The next item of business was the KEC monthly report given by President/CEO Toby Moss. No meeting was held due to the Strategic Planning Meeting. The next board meeting will be held on May 29, 2024.

Next, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to nominate Mr. Cornelius Faulkner as the director representative to the KEC board of directors replacing Mr. Ronnie Smith, who has stepped down from his current position as Farmers Rural Electric’s director representative, and to amend Policy #150 – Appointment of Director Representatives to East Kentucky Power Cooperative and the Kentucky Electric Cooperatives to reflect the same. Appendix A included on Policy #150 will be updated to swap Brandi Williams on the rotation schedule, with Cornelius Faulkner, due to Mrs. Williams scheduling conflict. The term for the KEC director representative will be updated for the director to serve a term of September through

August, in order to coincide with KEC's board rotation schedule. This motion carried unanimously. A copy of the updated policy is attached to these minutes, and made an official part thereof.

In reference to a topic which was discussed at the April board of directors meeting, Mr. Moss presented a property appraisal written by Amber Hatton for 19.5 acres of real estate on the Outer Loop/Donnelley Drive property in Barren County which is owned by Farmers Rural Electric. This document revealed that the property appraised for \$495,000.00. Discussion ensued. Following discussion, the following resolution was read by Secretary/Treasurer Williams, and presented for consideration to approve:

WHEREAS, Farmers Rural Electric Cooperative Corporation Board of Directors met on Thursday, May 16, 2024, at its corporate offices located at 504 South Broadway, Glasgow, Kentucky 42141, and

WHEREAS, at said meeting the Board of Directors authorized Tobias Moss, President & CEO, to execute the sale of 19.5 acres of real estate on the Outer Loop/Donnelley Drive property in Barren County, Kentucky to the highest bidder.

WITNESSETH: That Farmers Rural Electric Cooperative Corporation does hereby direct its President & CEO to execute the sale of said property, to execute the deed for and on behalf of the Cooperative, and to complete all other acts necessary to close the transaction.

Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Hawkins to approve the resolution as written above, advertise the property for sale on the Farmers Rural Electric website, and to accept sealed bids with the right to reject. This motion was approved unanimously. A copy of this resolution is attached to these minutes, and made an official part thereof. Mr. Moss will report on the status at the FRECC June board of directors meeting.

The next item of business was a discussion led by Mr. Moss relating to the sale of the Cooperative's 51 Raider Hollow Road property in Hart County. Following discussion, the following resolution was read by Secretary/Treasurer Williams, and presented for consideration to approve:

WHEREAS, Farmers Rural Electric Cooperative Corporation Board of Directors met on Thursday, May 16, 2024, at its corporate offices located at 504 South Broadway, Glasgow, Kentucky 42141, and

WHEREAS, at said meeting the Board of Directors authorized Tobias Moss, President & CEO, to execute the sale of approximately 4.5 acres of real estate on 51 Raider Hollow Road in Hart County, Kentucky to the highest bidder.

WITNESSETH: That Farmers Rural Electric Cooperative Corporation does hereby direct its President & CEO to execute the sale of said property, to execute the deed for and on behalf of the Cooperative, and to complete all other acts necessary to close the transaction.

A motion was made by Mr. Faulkner, and seconded by Mr. Sexton to approve the resolution as written above. This motion was approved unanimously. Mr. Moss will report on the status at the June board of directors meeting. A copy of this resolution is attached to these minutes, and made an official part thereof.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) BRADD Legislative Luncheon**
- 2) A Quarterly Update on the Glasgow Landfill**
- 3) KEC Strategic Planning Review**
- 4) Kentucky Dairy Development Council Lunch Meeting**
- 5) Barren Inc. Coffee and Commerce**
- 6) PSC Informal Conference on Pole Attachments.**
- 7) Leadership Work Plan Reviews**
- 8) EKPC Governance Committee Meeting**
- 9) EKPC Quarterly Meeting**
- 10) UUS Hosting the Kentucky Derby**
- 11) FRECC Nominating Committee Meeting**
- 12) Shanti Niketan Hospice Home Tree of Life Garden Dedication**
- 13) Barren Inc. Lunch with Senator Rand Paul**
- 14) Horse Cave Rotary**
- 15) EKPC Board Meeting**
- 16) Generac Sales Discussion**

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Woodford L. Gardner, Jr. Mr. Gardner reported That he attended and participated in the May 6th, 2024 FRECC Nominating Committee Meeting. Additionally, he reported on the handling of a sovereign citizen claim.

The next item of business was a review of the minutes, and Report of the Nominating Committee meeting, of which a copy was included in the board's monthly meeting information. The meeting was held at the Cooperative's office on May 6, 2024. Participating in the meeting were all Nominating Committee members, Mr. Gardner, Mr. Moss, Cindy Greer, and Mrs. Foushee. Cindy Greer, with Campbell, Myers, and Rutledge, PLLC, served as the Election Provost. As a part of the meeting, Mrs. Greer reported she received letters from the three incumbent directors, Mr. Randy London – District I, Mr. C. F. Martin, Jr. – District II, and Mr. Randy Sexton – District III, asking the Provost to forward and communicate their letters to the members of the Farmers Rural Electric Cooperative Corporation's Nominating Committee for consideration as nominees in District I, District II, and III for their expiring terms as a board member. The letters requested the Nominating Committee to consider qualifications and experience, and a request for nomination consideration. Mr. Gardner reviewed the Nominating Committee's responsibilities and presided over the selection of the Committee Chairman and Secretary. Mr. Moss provided the committee with a review of the cooperative's operations. Mr. London, Mr. Martin, and Mr. Sexton were all nominated to serve in their respective districts. The Report of the Nominating Committee has been posted in the FRECC lobbies as required by the Cooperative's Bylaws. Following review, Mr. Hawkins moved that the Nominating Committee's minutes, and Report of the Nominating Committee be approved as presented, with a second by Mr. Smith. This motion was unanimously approved. A copy of the Nominating Committee report and minutes is attached to these minutes and made an official part thereof.

The next item of business was to select/appoint the CFC Voting Delegate and Alternate Voting Delegate for the CFC meeting which will be held June 17, 2024 in Indianapolis, Indiana. Following discussion, a motion was made by Mr. Hawkins to nominate Mr. Randy Sexton as the CFC Voting Delegate, and Mr. Moss as the Alternate Voting Delegate. This motion was seconded by Mr. Faulkner, and was officially voted in the affirmative.

The next item of business was to select/appoint the NCSC Voting Delegate and Alternate Voting Delegate for the meeting which will be held June 17, 2024 in Indianapolis, Indiana. Following discussion, a motion was made by Mr. Smith to nominate Mr. Randy Sexton as the NCSC Voting Delegate and Mr. Moss as the Alternate Voting Delegate. This motion was seconded by Mr. Faulkner, and was officially voted in the affirmative.

The next item of business was to select/appoint the Voting Delegate and Alternate Voting Delegate for the 2024 East Kentucky Power Annual meeting which will be held on June 11th. Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Sexton to name Mr. Martin as the Voting Delegate, and Mr. Hawkins as the Alternate Voting Delegate. Motion carried unanimously.


Other Business discussed was a statement made by Mr. Smith that he plans to finish his term as a FRECC director, and will not seek re-election in 2026.

Agenda items for the June board of directors meeting:

1. Equity Management Plan
2. FRECC Policy #150 Revision Review
3. Outer Loop/Donnelley Drive Property Bids
4. Hart County Property Bids
5. Discussion on future meeting start time

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 11:30 a.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on June 20, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 2:30 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Brandi Williams, Secretary/Treasurer
Cornelius Faulkner	Paul Hawkins
C. F. Martin, Jr.	Randy Sexton
Ronnie Smith	
Woodford L. Gardner, Jr., Attorney-at-Law	

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Corey Jackson	Vice-President of Member and Corporate Services
Linda Foushee	Human Resources Coordinator and Executive Assistant
Caralyne Pennington	Director of Member Communications
Scott Lester	Vice-President of Operations
Jason Riggs	Vice-President of Technology and Security
Tobias Moss	President & Chief Executive Officer

The newly hired FRECC Member Service Representative, Katherine Dorsey was introduced to the directors. Following the introduction, Mrs. Dorsey left the meeting.

An invocation was given by Mrs. Williams.

The first item of business was the review, adoption, and approval of the agenda. Mr. Smith moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for February 2024 as uncollectible. Following review, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for May 2024 given by the management staff. Mrs. Phelps presented the following financials:

Memorial Day Weekend Storms

Below is the cost estimate submitted to Kentucky Emergency Management on June 10, 2024, regarding the severe storms and damages from May 25-29, 2024;

County Name	# of Customers	Total # of Outages	Est. Force Account Restoration Cost	Est. Contract/Mutual Aid Restoration Cost	Total Restoration Cost	# of Damaged Poles	# of Damaged Transformers
Barren	4,928	37	\$283,072	\$103,841	\$386,913	21	21
Hart	166	45	\$49,539	\$20,768	\$70,307	8	6
Metcalfe	148	51	\$46,556	\$13,846	\$60,402	10	7
	5,242	133	\$379,167	\$138,455	\$517,622	39	34

Accounting is still processing invoices from the storm. Total cost will exceed \$600k. These storms that rolled across the Commonwealth of Kentucky have yet to be declared a FEMA disaster.

The year-to-date operating margins totaled \$326k, operating TIER is calculated at 1.33. Revenues increased \$2.0M or 9.1% as compared to last year. Purchased power costs increased \$590k or 3.5% as compared to last year. The average cost per kWh purchased totaled 8.32 cents, a 0.32 cent or 3.7% decrease from the prior year.

Below is a breakdown for the Right-of-Way expenditures:

YTD Right-of-Way Expense	Last Year	This Year	Budget
Circuit	\$128,930	\$624,337	\$561,710
Hourly Work	16,194	45,105	37,500
Removals	226,662	60,996	141,500
Herbicide	0	54,601	0
TOTAL ROW EXPENSES:	\$371,786	\$785,039	\$777,360

The month of May resulted in a net loss of \$246,420. Included in that loss is \$100,975 of expenses from the Memorial Day weekend storms. Excluding the storm cost, the month of May would have resulted in a net loss of \$145,445. The month of May 2023 was an actual loss of \$148k, while May 2024 budget reported a loss of \$139k.

PSC Case No. 2023-0014-FAC 2-Year Review

On September 6, 2023, a two-year review of the fuel adjustment clause was opened by the Kentucky Public Service Commission. EKPC and its' sixteen distribution cooperatives filed to recalculate the per-kWh base fuel cost, largely based on the historical fuel costs of the previous two years. The Order was approved on May 6, 2024. The amounts in the Order did not agree with the calculations provided by EKPC and its' owner-members. An informal conference took place on June 3, 2024, and the distribution cooperatives provided additional data to the Commission on June 18, 2024.

Due to Mr. Bishop's absence, Mr. Moss provided the monthly engineering departmental report.

The report included the following:

Work Plan Projects – Construction

- Conv 1Ph 7.2 kV 4ACSR to 3Ph 14.4 kV 1/0 ACSR (Broadford) – 75% Complete
- Conv 12.5/7.2 kV to 25/14.4kV (Ralph Morris Road) – 5% Complete

Miscellaneous

- Hired Mykal Cress full-time as System Engineer 1 on June 13, 2024
- Construction Work Plan is entering into the final stages by Hi-Line Engineering
- Staking and mapping related to the follow-up of the May 25, 2024 storm
- Royal Troon (Highway 90) – Construction for residential subdivision ongoing. Construction has begun for the commercial portion of the property.
- Kentucky Public Service Emergency Amendment to the Pole Attachment Tariff – Mandated by Senate Joint Resolution #175. File on May 31, 2024. Exiting tariffs must be revised and filed by July 31, 2024. A KEC working group meeting will be held on June 18, 2024 to review modifications and discuss how to best implement them.
- Began a project to audit the status of pole transfer requests to attachers following our pole changes.

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers **55 reclosers changed.**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Temple Hill substation. The System Inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in May 25 (GSW 0 Total 165 (GSW 9) (97 on file)

Right of Way:

1. WM Kendall - Jonesville – Hammonsville **Complete - Brandon Myers auditing**
2. Townsend is working Seymour – Uno **65% Complete**
3. Pro-Tech Terra has completed herbicide spraying for 2024. **Complete Brandon Myers auditing**
4. SAGE has started the herbicide spraying the miles they were awarded.
5. Beginning the process of ROW/Herbicide bids for 2025 and 2026

Personnel:

1. Austin Ford, Cameron Day and Zeak McIntyre completed TVPPA Apprentice Lab #4
2. Austin Ford, Cameron Day and Zeak McIntyre will attend TVPPA Apprentice Lab #5 July 8-12
3. Hunter Lambert has completed his cross training as of June 1st and is now working as a System Inspector

Safety:

1. Safety Committee completed a quarterly internal safety audit
2. Annual Fire Extinguisher audit will be on Jun 18, 2024

Storm:

1. 40 broken poles were replaced during the Memorial Day Storm
2. 34 transformers were replaced
3. All cleanup work related to the storm damage is complete

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson reported on a recent site visit of a new Industrial Park, and reported on the industrial customers asking renewable energy credit questions. Additionally, he reported on the following Accounts Receivable for May 2024

Accounts Receivable

Number of bills mailed for the Month – 26,689
Energy Amount Billed (Less taxes) - \$4,344,396

Aging Summary

Current Accounts Receivable in 2024 – \$1,296,621
30-59 Days..... 117,091
60-89 Days..... 9,388
90-Over..... 16,091

Collection Activity

Number of Delinquent Notices.....	3,452 in the amount of \$551,210
Number of Cut-Off Notices.....	258 in the amount of \$ 43,596
Number Subject to Disconnection....	227 in the amount of \$ 38,381
Number Disconnected for Non-Pymt	82 in the amount of \$ 12,299
Number of Disconnects Reconnected	72 in the amount of \$ 11,079

Accounts Written Off and Subsequent Amounts Collected

In May 2024, 19 accounts were written off in the amount of \$5,464.71

Caralyne Pennington, Director of Member and Public Relations, presented her departmental report. She reported the following:

Plans have begun for the Fall 2024 Grassroots meetings. From the previous attendees, their top three topics requested for future meetings were economic development, solar power, and

community involvement. If a new slate of Grassroots participants is selected, their names, addresses, and contact information should be submitted by August 1, along with suggestions for the timing of the events.

The Co-Bank Sharing Success request has been approved. FRECC has requests, \$1,000 each for the Backpack programs of Barren, Hart, and Metcalfe County, and \$500 to the Barren County Reads and Feeds program. These donations are matched by Co-Bank, doubling the donation amount to each program.

FRECC Annual Meeting preparations are underway, including creating advertising items, annual report, and giveaway items. In addition, advertisements can be found via a FRECC bill insert, radio, Kentucky Living, social media, the FRECC website, and the FRECC on-hold messaging.

Farmers RECC has earned a 2023 Customer Satisfaction Award from the American Customer Satisfaction Index (ACSI®) for Co-op Energy Utilities. This award is available for qualifying Touchstone Energy® member cooperatives and recognizes that Farmers RECC has received an ACSI score within the top 25 percentile of scores when compared to cooperatives publicly measured in the ACSI Annual Energy Utility Study for 2023.

The Memorial Day weekend outage garners 333 new followers for the FRECC social media pages with an average engagement rate during that week of 9.10%. The final update video was viewed more than 28,000 times across all channels. On-line posts during that week reached 146,000 users.

Work is underway on finalizing a metering information exchange with EKPC for Co-Gen installations which will be coming online in the near future.

Mr. Jason Riggs, Vice-President of Technology and Security presented his departmental report. He reported:

IT/OT Projects

1. SCRTC Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represent a \$14,000 annual savings. This has been placed on hold until 24Q2. **10% Complete**
2. IVR Script Update: Enhancement to Milsoft's IVR scripting engine to allow more self-services features (payment arrangements) and further streamline the member's experience (caller id lookup, routing calls based on intent, fee breakdown). This script also allows us to directly interface with Meridian hosted payment gateway which adds an additional layer of security and also provides transactional level logging to determine why a transaction failed: IVR Upgrade schedule for June to fully implement feature set. **100% Complete**
3. OMS Weather Module: Implement weather module to overlay real-time weather and lightning data on our OMS. The lightning data gathered will be used to assist in troubleshooting and provide historical strike data to enhance system reliability. **90% Complete**

4. Battery Charging Station: Create battery charging stations to address issues with failed or otherwise drained batteries for the recloser controls in the substations and field. Replace all batteries in the field recloser controls and begin 2-year maintenance cycle. Planning phase; **10% Complete**

Security Projects

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. Implementation phase; targeting late-July for full deployment. **70% Complete**
2. Internal IDS: In order to further enhance the visibility or East/West traffic flow (communications between internal devices) we are evaluating our existing vendors solutions to find a cost effect solution that will integrate into our existing security infrastructure. **10% Complete**

Next, Mr. Riggs presented a, informational video to the board of directors relating to continuous technology improvement.

Following which, Mrs. Foushee, Executive Assistant and Human Resources Coordinator provided the board of directors with a monthly Human Resources report. Succession planning, and sick leave donations were discussed. It was also noted that the NRECA Region 3 meeting will be held October 7-9, 2024 in Columbia, South Carolina.

Following the review of the departmental reports, a motion was made by Mr. Sexton and seconded by Mr. Faulkner, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

The next item of business was a discussion led by Mrs. Phelps relating to enacting an ACH deposit procedure for the director's monthly expenses. Following the discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to adopt ACH deposit for the directors. The motion carried unanimously. Mrs. Phelps needs to receive the director's checking routing and account numbers prior to the August 18, 2024 board meeting.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. Mr. Lester noted that as of May 31, 2024, employees have accomplished 471,736.24 hours of work since having a lost time accident.

Following these presentations, Mr. Lester, Mr. Jackson, Mrs. Phelps, Mr. Riggs, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. A summary of this report is attached to these minutes, and made an official part thereof.

The next item of business was a report given by Mr. Moss, Mr. Martin, and Mr. Sexton relating to the East Kentucky Power Cooperative's Annual meeting.

Mr. Moss reported there has not been a United Utility Supply board meeting in June. The next meeting will be held in July. Mr. Moss reported that UUS is looking at expanding warehouses.

The next item of business was the KEC monthly report given by Mr. Smith, and President/CEO Toby Moss. A summary of this report is attached to these minutes, and made an official part thereof.

Following which, next the directors reviewed and discussed Farmers RECC Policy #150 – Appointment of Director Representatives to East Kentucky Power Cooperative and the Kentucky Electric Cooperatives. Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Faulkner to amend FRECC Policy #150, eliminating the words “upcoming”, & “new” from II. PROVISIONS – item 2A, and to reflect the KEC board term on a calendar year schedule of September 1st thru August 31st. This motion carried unanimously.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) Memorial Day Storm Restoration Summary**
- 2) Kentucky Public Service Commission Pole Attachments Topic**
- 3) Kentucky Propane Resolution**
- 4) Kentucky Electric Cooperatives Board Meeting**
- 5) Preparatory Meeting with EKPC RE: Fuel Adjustment Clause Conference**
- 6) Informal Conference with the Kentucky Public Service Commission**
- 7) Special Olympics**
- 8) Kentucky's 13th Annual Energy Management Conference Review**
- 9) Strategic Planning Update**
- 10) Review of the East Kentucky Power Cooperative's Board Meeting**
- 11) Review of the East Kentucky Power Cooperative's Annual Meeting**
- 12) Kentucky Legislators Event**

13) Employee Safety Luncheon

14) NRECA Resolutions Committee Appointment

15) CFC/NCSC/ACES Conference Review

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was a report on Farmers Rural Electric's 19.5 acres of real estate located on the Outer Loop/Donnelley Drive property in Barren County, KY. The advertisement for interested parties to submit sealed bids for purchasing the property noted June 19th as the deadline date. Three bids were received by this date. Following a review and discussion of the bids, a motion was made by Mr. Sexton, and seconded by Mr. Smith to accept the highest bidder which was the City of Glasgow in the amount of \$751,501. This motion carried unanimously.

The next item of business was a report led by Mr. Moss relating to the sale of the Cooperative's 4.5 acres of real estate located at 51 Raider Hollow Road in Hart County, Kentucky. Discussion was held relative to working out the issue of the parcel being landlocked. The State of Kentucky has offered \$127,000 to purchase the property. Mr. Moss and Mr. Gardner will continue to complete acts on behalf of the Cooperative in order to close the transaction.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner reported that he has been working with Mrs. Phelps on the above-mentioned property sales.

Next, a discussion was led by Mr. Moss relating to a review of Farmers Rural Electric Policy #212 - Holidays. Mr. Moss shared with the director's a comparison of the number of holidays recognized by various Kentucky Electric Cooperatives, and the twelve federal holidays which are recognized by the United States Government. FRECC currently observes eight holidays, whereby the FRECC offices are closed providing the employees an opportunity to honor and celebrate. On those days, FRECC members accounts can be serviced electronically, and outages can be reported via CRC, FRECC's call center. Mr. Moss and the FRECC staff proposed adding Good Friday as a holiday for FRECC employees to observe, beginning in 2025. Following a discussion, a motion was made by Mr. Smith, and seconded by Mr. Faulkner to accept management's recommendation to add Good Friday as a FRECC holiday beginning January 1, 2025. The motion carried unanimously. A copy of this policy is attached to these minutes, and made an official part thereof.

Following which, a review was given by Mr. Moss of Farmers Rural Electric Policy #215 - Leave Without Pay. The FRECC staff recommended adding a line under Guidelines which reads: "In the event an employee is on approved leave without pay and a paid holiday occurs, the employee will receive holiday pay in accordance with Policy No. 212 - Holidays." Following review, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to accept managements recommendation as listed above. The motion carried unanimously. A copy of this policy is attached to these minutes, and made an official part thereof.

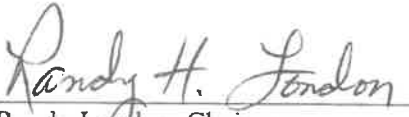
The next item of business relating to Equity Management was deferred until the July 18th board meeting whereby Mr. Moss will provide a brief video presentation. This presentation will be added as an agenda item for the July board meeting.

Other Business discussed was a discussion related to changing the monthly board of directors meeting start time. The directors conferred about changing the meeting start time from the current 2:30 p.m. time to beginning the monthly meetings at 1:30 p.m. Following the discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to change the monthly board meeting start times to 1:30 p.m. The motion carried unanimously.

Agenda items for the July board of directors meeting:

1. Equity Management Plan Training
2. Outer Loop/Donnelley Drive Property Status
4. Raider Hollow Road, Hart County Property Status
5. Review of Grassroots Policy

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 6:30 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on July 18, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:30 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Brandi Williams, Secretary/Treasurer
Cornelius Faulkner	Paul Hawkins
C. F. Martin, Jr.	Randy Sexton
Ronnie Smith	
Woodford L. Gardner, Jr., Attorney-at-Law	

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Linda Foushee	Human Resources Coordinator and Executive Assistant
Caralyne Pennington	Director of Member Communications
Scott Lester	Vice-President of Operations
Jason Riggs	Vice-President of Technology and Security
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Smith.

The first item of business was the review, adoption, and approval of the agenda. Mr. Smith moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for March 2024 as uncollectible. Following review, a motion was made by Mrs. Williams, and seconded by Mr. Sexton to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for June 2024 given by the management staff. Mrs. Phelps presented the following financials:

Memorial Day Weekend Storms

The Commonwealth met the criteria for FEMA Public Assistance. However, the request for a major declaration has yet to be approved by the Biden Administration. The FRECC Accounting department continues to assess the damage. The current total is \$574,370. Of that amount, \$182,943 is coded to the Statement of Operations, Line 7 – Distribution Expense – Maintenance. The breakdown by county is: \$87,592 (Metcalf), \$83,577 (Hart) and \$403,201 (Barren).

PSC Case No 2023-00014 – FAC 2-Year Review

On September 6, 2023, a two-year review of the fuel adjustment clause (FAC) was opened by the Commission. EKPC and its sixteen distribution coops filed to recalculate the per-kWh base fuel cost, largely based on the historical fuel costs of the previous two years. The Order was approved on May 6, 2024. However, the amounts in the Order did not agree with the calculations provided by EKPC and its owner-members. An informal conference took place on June 3, 2024 and the distribution coops provided additional data to the Commission on June 18, 2024.

Overview of Income Statement of January – June 2024

The year-to-date operating margins totaled \$404k. The Operating TIER is calculated at 1.34. FRECC revenues increased \$3.1M or 11.3% as compared to last year. The FRECC purchased power costs increased \$1.3M or 6.5% as compared to 2023. The average cost per kWh purchased totaled 8.37 cents, a 0.18 cent or 2.1% decrease from the prior year. The operation and maintenance expenses have increased \$370k from the prior year, and are \$43k less than budgeted.

YTD Right-of-Way Expenses

The breakdown for right-of-way expenditures were presented as follows:

YTD Right-of-Way Expense	Last Year	This Year	Budget
Circuit	\$ 183,930	\$ 744,338	\$ 674,052
Hourly Work	20,404	56,811	45,000
Removals	240,962	74,053	170,100
Herbicide	128,071	57,227	72,800
TOTAL ROW EXPENSES	\$ 573,367	\$ 932,429	\$ 961,952

The interest, depreciation, and tax cost has increased \$187k from the prior year, and are \$6k less than budgeted.

Next, Mrs. Phelps provided information showing Farmers RECC's debt/equity ratio from the years 2019 thru June 2024. The following data was conferred:

DEBT-Year	2019	2020	2021	2022	2023	Jan-Jun 2024
New RUS/FFB Debt	\$ 4,500,000	\$ 3,000,000	\$ 6,500,000	\$ 6,951,000	\$ 6,100,000	\$ 1,900,000
Principal Paid	(5,260,340)	(4,923,253)	(2,311,490)	(2,455,231)	(2,421,402)	(1,288,592)
Year-End Debt	57,009,007	55,085,824	59,274,334	63,770,103	67,448,701	68,060,109
% Increase of Debt	(1.32%)	(3.37%)	7.60%	7.58%	5.77%	0.91%
Blended Interest Rate	3.76%	2.98%	2.60%	2.85%	3.48%	3.50%

EQUITY-Year	2019	2020	2021	2022	2023	Jan-Jun 2024
Total Equity	41.19%	41.98%	42.41%	42.16%	40.96%	40.79%
Distribution Equity	19.29%	20.29%	21.43%	21.84%	20.72%	20.41%
Growth in TUP Dollars	\$4,552,824	\$3,376,545	\$4,035,376	\$4,793,581	\$5,826,724	\$2,133,006
Growth in TUP %	4.65%	3.29%	3.81%	4.36%	5.08%	2.56%
Capital Credit Retirements	\$ 575,586	\$ 352,883	\$ 425,698	\$ 558,271	\$ 98,448	\$ 0.00
CC Retired Per Total Equity	1.15%	0.56%	0.77%	0.97%	0.0018%	n/a
Operating Margins	\$ 289,816	\$ 586,456	\$ 730,147	\$ 14,696	(\$1,506,966)	\$ 507,303

The Farmers Rural Electric Cooperative Corporation 2024 "Budget to Actual" figures were reviewed which included expense, conference, and educational training items.

Next, Mr. Bishop provided the monthly engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 1Ph 7.2 kV 4ACSR to 3Ph 14.4 kV 1/0 ACSR (Broadford) – 90% Complete
- Conv 12.5/7.2 kV to 25/14.4kV (Ralph Morris Road) – 5% Complete

Miscellaneous

- Construction Work Plan is entering into the final stages by Hi-Line Engineering, and we plan to present at the August board of directors meeting if the schedule holds
- Public Service Commission Emergency Amendment to Pole Attachment Tariff
 - Mandated by Senate Joint Resolution 175
 - File on May 31, 2024
 - Existing tariffs must be revised and filed by July 31, 2024
 - Will have a KEC working group meeting on June 18, 2024 to review modifications, and how best to implement them
 - Currently reviewing new tariffs, making necessary compliance related changes, and preparing to submit
- Started a project to audit the status of pole transfer requests to attachers following our pole changes – 50% Complete

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap, or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers **55 reclosers changed.**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Temple Hill substation. The System Inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in June 11

Right of Way:

1. Townsend is working Seymour – Uno **65% Complete**
2. WM Kendall is working Seymour – Monroe **25% Complete**
3. Sage is working the Herbicide spraying the miles they were awarded.
4. We are in the process of bidding ROW and Herbicide for 2025 and 2026 completion by the end of September.

Personnel:

1. Austin Ford, Cameron Day and Zeak McIntyre have completed TVPPA Apprentice Lab #5
2. Thomas Wilson and Isaiah Morgan will attend TVPPA Advance Linemen Lab #2 August 7-9.

Fleet:

1. Getting Bids for the replacement of Truck #119 (Foreman's Pickup) and Truck #114 (Service Manager's pickup).

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson reported that letters have been mailed to approximately 150 FRECC member/owners that were being inadvertently billed on a residential rate for a grain bin, instead of the required commercial rate. The purpose of this letter was to notify the member that those services would be placed on the correct commercial billing rate beginning October 1, 2024.

Additionally, he provided information to the board relating to the Member Service Accounts Receivable report for June 2024.

Accounts Receivable

Number of bills mailed for the Month – 26,749
Energy Amount Billed (Less taxes) - \$4,518,466

Aging Summary

Current Accounts Receivable in 2024 – \$1,684,912
30-59 Days..... \$ 106,541
60-89 Days..... \$ 7,744
90-Over..... \$ 6,343

Collection Activity

Number of Delinquent Notices.....	3,295 in the amount of	\$523,871
Number of Cut-Off Notices.....	524 in the amount of	\$ 86,509
Number Subject to Disconnection....	459 in the amount of	\$ 76,200
Number Disconnected for Non-Pymt	135 in the amount of	\$ 22,158
Number of Disconnects Reconnected	115 in the amount of	\$ 18,775

Accounts Written Off and Subsequent Amounts Collected

In June 2024, 30 accounts were written off in the amount of \$11,063.79

Caralyne Pennington, Director of Member and Public Relations, presented her departmental report. She reported the following:

- Co-Bank Sharing Success checks are being distributed.
- The FRECC Annual Meeting will be held on Thursday, July 25 in a drive-thru format.
- During Q2 2024, the FRECC social media channels gained 484 new followers, 477,000 impressions and a 4.24% engagement rate.
- Working with Cave City to secure lower pricing on their pickleball court lighting project.

- RE Magazine is planning to feature our utilization of the REDLG program for community projects in the September/October issue of the magazine for the 'Thinking Big' column.
- Working with the Kentucky Historical Society to repair the Goodnight Substation historic marker that was damaged.
- The 2024 Honor Flight veterans are Samuel Chambers, Glasgow, Air Force; Guardian, Andy Jo Moore; Roger Lee Waggoner, Magnolia, Marine Corps; Guardian, Asa Waggoner. The 'Welcome Home' celebration is scheduled for August 24 at 6:30PM CST at the Lexington Airport.

Mr. Jason Riggs, Vice-President of Technology and Security presented his departmental report. He reported:

IT/OT Projects

1. SCRTC Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represent a \$14,000 annual savings. This has been placed on hold until 24Q2. **10% Complete**
2. OMS Weather Module: Implement weather module to overlay real-time weather and lightning data on our OMS. The lightning data gathered will be used to assist in troubleshooting and provide historical strike data to enhance system reliability. **90% Complete**
3. Battery Charging Station: Create battery charging stations to address issues with failed or otherwise drained batteries for the recloser controls in the substations and field. Replace all batteries in the field recloser controls and begin 2-year maintenance cycle. Planning phase; **20% Complete**

Security Projects

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. Implementation phase: targeting late-July for full deployment. **80% Complete**
2. Internal IDS: In order to further enhance the visibility or East/West traffic flow (communications between internal devices) we are evaluating our existing vendors solutions to find a cost effect solution that will integrate into our existing security infrastructure. **10% Complete**
3. DHS CISA CPG: Work with Department of Homeland Security's Cybersecurity and Infrastructure Security Agency to complete Cross-Sector Performance Goals to establish a minimum baseline of cybersecurity practices are established. **100% Complete**

Following which, Mrs. Foushee, Executive Assistant and Human Resources Coordinator provided the board of directors with a monthly Human Resources report. No action was necessary.

Following the review of the departmental reports, a motion was made by Mr. Hawkins and seconded by Mr. Faulkner, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

The next item of business was a review and discussion of FRECC Policy #304 – Grassroots. Following discussion, the directors agreed to keep the Grassroots meeting attendee list the same, and to allow those members to populate the committee themselves. Additionally, a single meeting will be held in the fall with all districts participating.

For the next item of business, Mr. Moss reviewed the staff's proposed changes to FRECC Policy #407 – Purchasing. Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Faulkner to approve FRECC Policy #407 – Purchases, with amendments as proposed by management. Motion carried unanimously.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. Mr. Lester noted that as of June 30, 2024, employees have accomplished 480,736.74 hours of work since having a lost time accident. No incidents or accidents were reported.

Following these presentations, Mr. Lester, Mr. Jackson, Mrs. Phelps, Mr. Bishop, Mr. Riggs, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. A summary of this report is attached to these minutes, and made an official part thereof.

Mr. Moss provided a monthly report on United Utility Supply.

The next item of business was the KEC monthly report given by Mr. Smith, and President/CEO Toby Moss. A summary of this report is attached to these minutes, and made an official part thereof.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) NRECA National Resolutions Committee**
- 2) Meeting with United States Senator Mitch McConnell**
- 3) EKPC IRA Funding Call**
- 4) Luncheon with Glasgow Business Leadership Group**
- 5) Strategic Issues Committee**
- 6) Participation with State Legislators for "Electric 101"**

- 7) EKPC Board Meeting highlights**
- 8) Attended KEC Finance Committee meeting**
- 9) Attended UUS Board/Annual meeting**
- 10) Attended KEC Board meeting**
- 11) Review of the FRECC staff's Strategic Planning results**

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was a continued report on the status of Farmers Rural Electric's 19.5 acres of real estate located on the Outer Loop/Donnelley Drive property in Barren County, KY. Mr. Gardner reported moving forward with a contract for purchase and sale. The contract has been submitted, and we are waiting approval.

The next item of business was a continued report led by Mr. Gardner relating to the sale of the Cooperative's 4.5 acres of real estate located at 51 Raider Hollow Road in Hart County, Kentucky. It was reported that amendments are being made to the proposal.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner reported that he has been working on the property sale contracts.

Next, the directors reviewed the CEO and Directors second quarter of expenses. Following the review, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to accept the CEO and Directors second quarter expenses as presented. Motion carried unanimously.

For the next item of business, at 4:07 p.m., a motion was made by Mr. Hawkins, and seconded by Mr. Sexton to go into Executive Session. The motion carried unanimously.

After returning from Executive Session at 4:27 p.m., Mr. Moss shared with the board of directors a fifteen-minute Equity Management training video.

Following this training video, Chairman London presented Mr. Faulkner and Mrs. Williams with a NRECA Gold Credential. The Director Gold credential recognizes directors committed to continuing their education beyond the Credentialed Cooperative Director Certificate (CCD), and the Board Leadership Certificate (BLC). Director Gold demonstrates a tangible commitment to advancing their knowledge and executing their board responsibilities to the best of their ability.

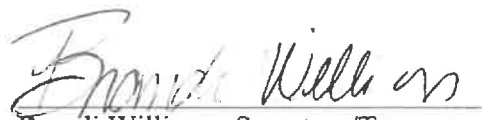
No "Other Business" was discussed.

Agenda items for the August board of directors meeting:

1. Drug & Alcohol Policy
2. Election of Board Officers
3. Equity Management Training segment
4. Use of Cooperative Property
5. KEC Annual Meeting review
6. Discussion about Amendment 5 to Wholesale Power Agreement for EKPC

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:53 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on August 15, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:30 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Brandi Williams, Secretary/Treasurer
Cornelius Faulkner	Paul Hawkins
C. F. Martin, Jr.	Randy Sexton
Ronnie Smith	
Woodford L. Gardner, Jr., Attorney-at-Law	

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member Communications
Scott Lester	Vice-President of Operations
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Moss.

Vice-President of Engineering, Chuck Bishop introduced Michael Cress as a full-time System Engineer I employee in the Engineering Department. Following the introduction, Mr. Cress left the meeting.

The next item of business was the certification of the 2024 Director Election results. Chairman London requested that Attorney Woodford L. Gardner, Jr. preside over the director election certification, seating of directors, and officer elections. Mr. Gardner reviewed a letter from Cindy L. Greer, CPA and Provost for the 2024 director election, in which she certified the results of said election. Mrs. Greer stated in her letter that since the following were unopposed in their bid for re-election, pursuant to the Cooperative's Bylaws, it was not necessary for ballots to be mailed, therefore, Mr. Randy London, representing District I – Barren, Edmonson, and Warren Counties, Mr. C. F. Martin, Jr. – representing District II – Hart, Grayson, Larue, and Hardin Counties, and Mr. Randy Sexton, representing District III – Metcalfe, Green, Monroe, and Adair Counties were elected for the ensuing three years or until their successors have been chosen and duly qualified.

For the next item of business, a motion was made by Mr. Faulkner and seconded by Mr. Hawkins to approve the seating of Mr. Randy London, representing District I, Mr. C. F. Martin, Jr., representing District II, and Mr. Randy Sexton, representing District III, as directors on the board of Farmers Rural Electric Cooperative Corporation. Motion carried unanimously.

The next item of business was the annual review of FRECC Policy #100 – Director Duties, Responsibilities, Standards of Conduct, and Professional Development, led by Mr. Gardner. Following the review, each director signed and submitted the annual affirmation of receipt, understanding of, and support for Policy #100. Following review, a motion was made by Mr. Smith, and seconded by Mr. Sexton to accept the director's signatures on Policy #100 as mentioned above. Motion carried unanimously.

For the next item of business, Mr. Gardner declared all offices of the board vacant and declared the floor open for nominations for the position of Board Chairman. Mrs. Williams moved to nominate Mr. Randy London for the position of Board Chairman. Mr. Gardner called for the submission of other nominees to consider. There being none, Mr. Sexton moved that nominations cease, and Mr. Randy London be elected as Board Chairman by acclamation. This motion was seconded by Mr. Martin, and was unanimously voted in the affirmative.

Mr. Gardner declared the floor open for nominations for the position of Board Vice-Chairman. Mr. Hawkins moved to nominate Mr. Cornelius Faulkner for the position of Vice Chairman. Mr. Gardner called for the submission of names of other nominees to consider. There being none, Mr. Smith moved that nominations cease, and Mr. Cornelius Faulkner be elected as Vice-Chairman by acclamation. This motion was seconded by Mr. Hawkins, and was unanimously voted in the affirmative.

Mr. Gardner declared the floor open for nominations for the position of Board Secretary/Treasurer. Mr. Sexton moved to nominate Mrs. Brandi Williams for the position of Secretary/Treasurer. Mr. Gardner called for the submission of names of other nominees to consider. There being none, Mr. Hawkins moved that nominations cease, and Mrs. Brandi Williams be elected as Secretary/Treasurer by acclamation. This motion was seconded by Mr. Smith, and was unanimously voted in the affirmative.

Following the above-mentioned elections, Mr. London assumed the position of Board Chairman, Mr. Faulkner as the Vice-Chairman, and Mrs. Williams as the Secretary/Treasurer and the meeting continued.

The next item of business was the review, adoption, and approval of the agenda. Following discussion, Mr. Hawkins made a motion to amend the agenda to include a review of the Construction Work Plan. This motion was seconded by Mr. Faulkner. The amended agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for April 2024 as uncollectible. Following review, a motion was made by Mr. Martin, and seconded by Mr. Sexton to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for July 2024 given by the management staff. Mrs. Phelps presented the following financials:

Memorial Day Weekend Storms

These storms were declared a FEMA event on July 23, 2024. Leah Richardson, FRECC Accountant, has submitted the request for assistance to FEMA. Also, Mrs. Richardson attended the FEMA Applicant Briefing in Bowling Green on August 1, 2024. All expenses (income statement) related to the storm have been reclassified to accounts receivable (balance sheet).

PSC Case No 2023-00014 – FAC 2-Year Review

On September 6, 2023, a two-year review of the fuel adjustment clause (FAC) was opened by the Commission. EKPC and its sixteen distribution coops filed to recalculate the per-kWh base fuel cost, largely based on the historical fuel costs of the previous two years. The Order was approved on May 6, 2024. However, the amounts in the Order did not agree with the calculations provided by EKPC and its owner-members. An informal conference took place on June 3, 2024 and the distribution coops provided additional data to the Commission on June 18, 2024. No change as of 08/08/2024.

PSC Case Nos 2024-00142 and 2024-00150 – FAC 6-Month Review

On August 2, 2024, the Commission opened two FAC 6-month review cases for the periods of November 1, 2022 through April 30, 2023 and May 1, 2023 through October 31, 2023.

Overview of Income Statement: January - July 2024

Description	Last Year	This Year	Budget
Operating Revenue	\$ 32,680,746	\$ 35,909,279	\$ 36,626,958
Purchased Power Cost	(23,963,958)	(25,238,905)	(26,106,977)
Operation & Maintenance Expense	(5,440,632)	(5,639,617)	(5,800,361)
Interest, Depreciation & Tax Cost	(4,147,696)	(4,366,468)	(4,360,922)
Other Operating Margins	428,851	104,461	140,925
TOTAL MARGINS	(\$ 442,689)	\$ 768,750	\$ 499,623

Year-to-date operating margins totaled \$664k. Operating TIER is calculated at 1.47. Revenues increased \$3.2M or 9.9% as compared to last year. Purchased power costs increased \$1.3M or 5.3% as compared to last year. The average cost per kWh purchased totaled 8.34 cents, a 0.16 cent or 1.9% decrease from the prior year. Operation & maintenance expenses have increase \$199k from prior year and are \$161k less than budgeted.

Below is a breakdown for the right-of-way expenditures. Interest, Depreciation & Tax Cost has increased \$219k from the prior year and are \$6k greater than budget.

YTD Right-of-Way Expense	Last Year	This Year	Budget
Circuit	\$ 238,930	\$ 944,337	\$ 786,394
Hourly Work	24,328	72,781	52,500
Removals	243,961	93,349	198,450
Herbicide	175,254	84,435	109,200
TOTAL ROW EXPENSES	\$ 682,473	\$ 1,194,902	\$ 1,146,544

Next, Mr. Bishop provided the monthly engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 1Ph 7.2 kV 4ACSR to 3Ph 14.4 kV 1/0 ACSR (Broadford) – 99% Complete
- Conv 12.5/7.2 kV to 25/14.4kV (Ralph Morris Road) – 10% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff
 - Mandated by Senate Joint Resolution 175
 - File on May 31, 2024
 - Existing tariffs must be revised and filed by July 31, 2024
 - Will have a KEC working group meeting on June 18, 2024 to review modifications, and how best to implement them
 - Currently reviewing new tariffs, making necessary compliance related changes, and preparing to submit
 - Tariffs submitted to the Kentucky Public Service Commission will be effective August 31, 2024
 - Developing information for our website mandated by newly filed tariff
- Started a project to audit the status of pole transfer requests to attacher's following our pole changes – 80% Complete

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers **55 reclosers changed.**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the circuits out of the Bonneville substation. The System Inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in July 24 (GSW 0 Total 200 (GSW 9) (125 on file)

Right of Way:

1. Townsend is working Seymour – Uno **90% Complete**
2. WM Kendall is working Seymour – Monroe **45% Complete**
3. Sage is working the Herbicide spraying the miles they were awarded **50% Complete**
4. We are in the process of bidding ROW and Herbicide for 2025 and 2026 completion by the end of September.

Personnel:

1. Thomas Wilson and Isaiah Morgan have completed TVPPA Advance Linemen Lab #2
2. Thomas Wilson and Isaiah Morgan will attend TVPPA Advance Linemen Lab #3 Aug 27-29
3. Shane Samson and Joey Inman attended the (KMMA) Kentucky Materials Management Association annual meeting August 6-8

Fleet:

1. Getting Bids for the replacement of Truck #119 (Foreman's Pickup) and Truck #114 (Service Manager's pickup).

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson reported on an incident which occurred at the Munfordville Service Center whereby a member tripped and fell on her way into the office. Additionally, Mr. Jackson will be making a site visit next to the I-65 Interstate in Cave City in order to gather information from a potential customer, and to secure their intended load estimation.

Additionally, he provided information to the board relating to the Member Service Accounts Receivable report for July 2024.

Accounts Receivable

Number of bills mailed for the Month – 26,761
Energy Amount Billed (Less taxes) - \$5,727,490

Aging Summary

Current Accounts Receivable in 2024 – \$1,866,125
30-59 Days..... \$ 84,409
60-89 Days..... \$ 5,841
90-Over..... \$ 2,169

Collection Activity

Number of Delinquent Notices.....	3,454 in the amount of	\$ 652,569
Number of Cut-Off Notices.....	600 in the amount of	\$ 104,312
Number Subject to Disconnection....	506 in the amount of	\$ 90,335
Number Disconnected for Non-Pymt	152 in the amount of	\$ 24,297
Number of Disconnects Reconnected	134 in the amount of	\$ 22,343

Accounts Written Off and Subsequent Amounts Collected

In July 2024, 18 accounts were written off in the amount of \$ 5,463.57

Caralyne Pennington, Director of Member and Public Relations, presented her departmental report. She reported the following:

- Planning for the 2025 FRECC Annual Meeting. The tentative Annual Meeting date is set for July 10, 2025.
- Co-Bank Sharing Success checks have been distributed.

- Coffee with the Co-op for Q4 has been scheduled for Friday, November 8 at the Old School Café in Edmonton.
- Planning the fall Grassroots meeting. Possible dates are October 15 or November 26. Tentative location is the TJ Samson Pavilion Community Room.
- Farmers RECC's participation in the Lineman's Rodeo in Winchester on October 4.
- Farmers RECC member Todd Clemmons of Etoile was a recipient of the \$1,000 WIRE scholarship, organized through Kentucky Electric Cooperatives.
- The 2024 Honor Flight veterans are Samuel Chambers, Glasgow, Air Force; Guardian, Andy Jo Moore; Roger Lee Waggoner, Magnolia, Marine Corps; Guardian, Asa Waggoner.
- Working to reconcile our active SimpleSaver WH and AC switches.
- Caralyne and Abigail will be delivering donations to the Ronald McDonald House of Louisville on August 12.
- Working on a new creative campaign to encourage members to report outages using the FRECC Smart App and Member Portal.

Due to Mr. Riggs absence, President/CEO Moss presented the Technology and Security report. He reported there were no changes from last month. Additionally, he reported being in the final stages of I-Pad deployment in the cooperative trucks.

Following which, due to Mrs. Foushee's out-of-town attendance at a NRECA Interact Conference, President/CEO Moss reviewed the Human Resources report. It was noted that FRECC Member Service Representative Heather Keeney has returned to work following a FMLA approved absence. No action was necessary.

Following the review of the departmental reports, a motion was made by Mr. Martin and seconded by Mr. Sexton, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

The next item of business was information provided by Mrs. Phelps related to the Farmers Energy Propane Plus quarterly board packet. The FEPP quarterly board literature has been placed in the BoardEffect Library for the directors to review at their convenience.

The next item of business was a review of the 2024 second quarter (April-June 2024) RUS Summary of Construction by Mrs. Phelps. Following review, a motion was made by Mrs. Williams, and seconded by Mr. Faulkner that the above mentioned second quarter Summary of Construction in the amount of \$741,676.85 be approved and submitted to RUS for funding. The motion carried unanimously.

Next was a Construction Work Plan (CWP) review led by Chuck Bishop. Mr. Bishop provided the directors with a history of the "current" Work Plan which began in June 2021. This loan was fully encumbered by December 2023. The Work Plan was originally projected to cover through 2025, 2026 based on past CWP's. Due to Covid, inflation, and cost increases, the loan did not last that long. The previous Work Plan used cost predictions based on historical data.

Due to the Covid pandemic, production came to a standstill, materials inventories became exhausted, demand exceeded as the economy started backup, and the demand drove costs up. The new work plan for 2024-2027 is projected at \$29,825,092 (subject to slightly change). It was noted that the Work Plan will be closer to \$30M. Following an in-depth detailed discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to approve the Construction Work Plan for four years, and not to exceed \$30M. This motion was unanimously voted in the affirmative.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. Mr. Lester noted that as of July 31, 2024, employees have accomplished 491,492 hours of work since having a lost time accident. No incidents or accidents were reported.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Bishop, and Mrs. Pennington left the meeting. Mrs. Phelps remained to assist in recording the minutes of the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. As part of this report, a discussion was held relating to Amendment 5 to the Wholesale Power Agreement for EKPC. A summary of this report is attached to these minutes, and made an official part thereof.

Mr. Moss provided a monthly report on United Utility Supply.

The next item of business was the KEC monthly report given by Mr. Smith, and President/CEO Toby Moss. The KEC Annual Meeting was discussed by the attendees. Mr. Faulkner will begin serving his term as the Farmers RECC director representative to the KEC board of directors at the September board meeting. A summary of this report is attached to these minutes, and made an official part thereof.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) **NRECA Phone Interview:** Interviewed by Erin Kelly at NRECA to discuss the "Electric University" which was published in NRECA and RE Magazine.
- 2) **KY Propane:** Participated in the quarterly KY Propane meeting for which I am Sec/Treasurer
- 3) **Lockshield Partners Cup of Gratitude:** For the 2nd year in a row, FRECC was selected to receive the "Cup of Gratitude" from Lockshield Partners who brought the food trailer from Honey's Coffee onsite to serve the employees.
- 4) **Barren Inc Coffee and Commerce:** Along with Chuck Bishop and Corey Jackson, attended the quarterly breakfast event.
- 5) **Farmers Energy Propane Plus:** Chaired the FEPP quarterly meeting

- 6) **Glasgow Landfill:** Participated in the quarterly landfill update meeting with City of Glasgow personnel.
- 7) **Participated in the SI committee meeting.** Predominant topic is the new project plans for EKPC and the costs to be incurred.
- 8) **EKPC Board Meeting:** Along with Director Sexton, participated in the EKPC Board meeting
- 9) **KEC Annual Meeting:** Attended KEC Annual and Board Meeting
- 10) **"Project Charlene" ask from EPB**
- 11) **RUS Meeting:** Along with Jennie Phelps, Chuck Bishop and Alyssa Reece, participated in the review of our CWP with Mike Norman (RUS)
- 12) **Staff Meetings re: Strategic Planning results:** Staff is meeting when possible to further the completion of proposed action items as an output of our strategic planning direction.

Mr. Moss's upcoming scheduled meeting dates were presented. A more detailed copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner reported that he has been working to finalize the Outer Loop property closing. Additionally, he attended the KEC Annual Meeting Attorney training and provided the directors with a review of material gleaned from the classes he participated in, such as the Best Practices Employment Claims (Gap in gender pay), and hiring, for example a female lineworker, and/or a male Member Service Representative. A labor update was discussed /contract with employee about the use of medical marijuana. Pole attachments were reviewed.

Next, Mr. Moss shared with the board of directors a fifteen-minute Equity Management training video which showed an understanding of equity ratios on the balance sheet.

Following which, the Farmers Rural Electric Drug and Alcohol policy review was deferred until the September board meeting.

Next, Mr. Moss led a discussion relating to the staff's recommendation for consideration to amend Farmers Rural Electric Policy #406 – Use of Cooperative Property. Following discussion and review, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to approve amending Policy #406 – Use of Cooperative Property as recommended by the staff. The motion carried unanimously.

The next item of business was an annual review of Farmers Rural Electric Policy #151 – Functions & Compensation of Cooperative Attorney. Following review, a motion was made by Mr. Smith, and seconded by Mr. Faulkner to reaffirm FRECC Policy #151 – Functions &

Compensation of Cooperative Attorney with no changes being made. The motion carried unanimously.

Next, was an annual review of Farmers Rural Electric Policy #152 – Directors Compensation. Following review, a motion was made by Mr. Hawkins, and seconded by Mr. Sexton to reaffirm Policy #152 – Directors Compensation with no changes being made. This motion carried unanimously.

A review of the 2024 Farmers Rural Electric Annual meeting was conducted during Mrs. Pennington's report above.

"Other Business" was a request by Mr. Hawkins to begin the September board of directors meeting at 1:00 p.m. due to a conflict in his schedule. It was unanimously agreed upon to begin the September meeting at this time.

Agenda items for the August board of directors meeting:

1. Paperwork for Construction Work Plan
2. Drug & Alcohol Policy Review
3. Equity Management Training
4. Wage & Salary proposal for 2025

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 5:41 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on September 19, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:00 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Brandi Williams, Secretary/Treasurer
Cornelius Faulkner, Vice Chairman	Paul Hawkins
C. F. Martin, Jr.	Randy Sexton
Ronnie Smith	
Woodford L. Gardner, Jr., Attorney-at-Law	

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member Communications
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Smith.

The first item of business was the review, adoption, and approval of the agenda. Mr. Sexton moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for May 2024 as uncollectible. Following review, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for August 2024 given by the management staff. Mrs. Phelps presented the following financials:

Memorial Day Weekend Storms

These storms were declared a FEMA event on July 23, 2024. FEMA visited in person for its Recovery Scoping Meeting (RSM) on August 14, 2024. A few weeks later, the Program Delivery Manager was changed, causing a delay in the ability to input information. As of September 10, 2024, data for Barren County's storm, totaling \$415,647, has been submitted to FEMA.

PSC Case No 2023-00014 – FAC 2-Year Review

An Order was received on August 30, 2024 which stated “Farmers Rural Electric Cooperative Corporation shall increase its base energy rates by \$0.01185 per kWh to reflect the reestablishment of fuel base costs for EKPC, adjusted for line loss. The increase in base energy rates shall be in effect for service rendered on or after September 1, 2024”. The September cycles for FRECC’s billing have been prorated. New rates will reflect on all October bills to FRECC members.

PSC Case Nos 2024-00142 and 2024-00150 – FAC 6-Month Review

On August 2, 2024, the Commission opened two FAC six-month review cases for the periods of November 1, 2022 through April 30, 2023 and May 1, 2023 through October 31, 2023.

PSC Case No 2021-00429 – Earnings Mechanism

Recall that the settlement agreement on EKPC’s base rate case (Case No 2021-00103) provided an earnings mechanism for the distribution co-ops should EKPC’s margins be greater than a 1.40 TIER. EKPC’s 2022 financials resulted in a TIER greater than 1.40. On the August 2024 power bill, FRECC received an earnings mechanism of \$56,766. The total disbursement will be allocated to FRECC members in October 2024.

Overview of Income Statement: January - August 2024

Description	Last Year	This Year	Budget
Operating Revenue	\$ 37,892,900	\$ 41,286,466	\$ 42,363,068
Purchased Power Cost	(28,081,155)	(29,128,219)	(30,239,742)
Operation & Maintenance Expense	(6,217,253)	(6,517,254)	(6,647,992)
Interest, Depreciation & Tax Cost	(4,752,399)	(5,000,834)	(4,994,280)
Other Operating Margins	434,255	105,452	198,200
TOTAL MARGINS	(\$ 723,652)	\$ 745,611	\$ 679,254

Year-to-date operating margins totaled \$640k. Operating TIER is calculated at 1.40. Revenues increased \$3.4M or 9.0% as compared to last year. Purchased Power costs increased \$1.0M or 3.7% as compared to last year. The average cost per kWh purchased totaled 8.33 cents, a 0.23 cent or 2.7% decrease from the prior year. Operation & maintenance expenses have increase \$300k from prior year but are \$131k less than budgeted.

Below is a breakdown for the right-of-way expenditures. Interest, Depreciation, & Tax Cost has increased \$248k from the prior year, and are \$6k greater than budget.

YTD Right-of-Way Expense	Last Year	This Year	Budget
Circuit	\$ 293,930	\$ 1,084,337	\$ 898,736
Hourly Work	54,078	91,279	60,000
Removals	264,393	110,928	226,800
Herbicide	234,915	150,041	145,600
TOTAL ROW EXPENSES	\$ 847,316	\$ 1,436,585	\$ 1,331,136

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 1Ph 7.2 kV 4ACSR to 3Ph 14.4 kV 1/0 ACSR (Broadford) – 100% Complete
- Conv 12.5/7.2 kV to 25/14.4kV (Ralph Morris Road) – 25% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff
 - Mandated by Senate Joint Resolution 175
 - File on May 31, 2024
 - Existing tariffs must be revised and filed by July 31, 2024
 - Will have a KEC working group meeting on June 18, 2024 to review modifications, and how best to implement them
 - Currently reviewing new tariffs, making necessary compliance related changes, and preparing to submit
 - Tariffs submitted to the Kentucky Public Service Commission will be effective August 31, 2024
 - Developing information for our website mandated by newly filed tariff
 - Tariff filings have been put on hold until January 31, 2025 for PSC to review and rule on KBCA comments
 - KEC is filing request for an informal conference to work out details with KBCA
- Started a project to audit the status of pole transfer requests to “attachers” following our pole changes – 100% Complete

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap, or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers **60 reclosers changed.**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the circuits out of the Jonesville substation. The System Inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in August 45 (GSW 0 Total 245 (GSW 9) (100 on file)

Right of Way:

1. Townsend has completed all work on Seymour-Uno **100% Complete**
2. Townsend is now working Munfordville – Northtown - **Starting**
3. WM Kendall is working Seymour – Monroe **60% Complete**

4. SAGE is working the Herbicide spraying the miles they were awarded **85% Complete**
5. In the process of bidding ROW and Herbicide for 2025 and 2026 - completion by the end of September.

Personnel:

1. Thomas Wilson and Isaiah Morgan have completed TVPPA Advance Linemen Lab #3
2. EKPC will have their annual LOTO and Substation restoration training with FRECC outside personnel on September 24, 2024
3. One half of the linemen will complete Pole Top/Bucket rescue training on September 19, 2024. The second group will complete in October.

Fleet:

1. The replacement for Truck #114 has been delivered.

Federated Rural Electric Insurance Exchange has completed their annual audit of a five-year review of all losses – No issues were found.

Jeff Moore with the Kentucky Public Service Commission will be on-site September 16-18 in order to conduct a three-year audit.

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. He reported on the results of a recent audit conducted whereby some FRECC member grain bins were inadvertently coded in the FRECC computer system as a residential account instead of being coded as a commercial account. This coding error has been corrected in the FRECC computer system, and letters were mailed to the 150 affected members explaining the reason for the rate change. Additionally, Mr. Jackson reported on Hart County project site visit for a potential industrial customer who will require a 65-megawatt capacity. Handouts were provided to the directors.

Additionally, Mr. Jackson provided information to the board relating to the Member Service Accounts Receivable report for August 2024.

Accounts Receivable

Number of bills mailed for the Month – 26,810

Energy Amount Billed (Less taxes) - \$5,450,823

Aging Summary

Current Accounts Receivable in 2024	\$1,715,302
30-59 Days.....	\$ 143,884
60-89 Days.....	\$ 5,554
90-Over.....	\$ 3,616

Collection Activity

Number of Delinquent Notices.....	3,568 in the amount of	\$ 823,398
Number of Cut-Off Notices.....	327 in the amount of	\$ 65,743
Number Subject to Disconnection....	290 in the amount of	\$ 59,563

Number Disconnected for Non-Pymt	108 in the amount of	\$ 20,109
Number of Disconnects Reconnected	86 in the amount of	\$ 15,933

Accounts Written Off and Subsequent Amounts Collected

In August 2024, 13 accounts were written off in the amount of \$ 1,709.99.

Caralyne Pennington, Director of Member and Public Relations, presented her departmental report. She reported the following:

- As a follow-up to last month's FRECC Annual meeting discussion, a couple of different options for the meeting were explored. It was recommended to continue hosting the FRECC Annual Meeting at the Cave Area Conference Center, while adding a streaming feature on Commonwealth Broadcasting stations, and a Facebook live feed. South Central Rural Telephone Corporation will air a recording of the event on Channel 6.
- Coffee with the Co-op for Q4 is scheduled for Friday, November 8th, at the Old School Café' in Edmonton.
- The fall Grassroots meeting will be held on November 19th at the T. J. Health Pavilion Community Room.
- A kickoff breakfast will be held to honor and support the Lineman's Rodeo participants on Thursday, October 3 at 7 a.m. in the FRECC Lineman's room. The Lineman's Rodeo will be held in Winchester, KY on October 4.
- The Annual FRECC Employee meeting will be held on Monday, October 14.
- The Metcalfe County Career Fair will be held on September 24.
- The annual "Who Powers You" contest will run throughout the month of October.
- Communication strategies for 2025 are being explored.

Due to Mr. Riggs absence, President/CEO Moss provided an overview of the Technology and Security report. The Technology report revealed:

IT/OT Projects

1. SCRTC Substation E-Lan conversion: Continued negotiations with SCRTC on E-LAN services to our substations have proven to be favorable with nearly an 80% discount per site which represents \$14,000 annual savings. This has been placed on hold until 25Q2. **10% Complete**
2. OMS Weather Module: Implement weather module to overlay real-time weather and lightning data on our OMS. The lightning data gathered will be used to assist in troubleshooting and provide historical strike data to enhance system reliability. **90% Complete**
3. Battery Charging Station: Create battery charging station to address issues with failed or otherwise drained batteries for the recloser controls in the substations and field. Replace all batteries in the field recloser controls and begin a 2-year maintenance cycle. All batteries in Viper reclosers have been replaced and a charging station has been created to accommodate the failure of 4 x 651s and 4 x 351 recloser controls used in the field and our substations. **100% Complete**

4. Metering Infrastructure: We have completed our annual maintenance of all AMRs at our substations. YTD, we have used approximately 800 of the 3000 wiregrass meters. As we begin our AMI pilot, we will begin amassing a surplus of meters from the changeout process.

Security Projects

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. Implementation phase; targeting late-December for full deployment. **80% Complete**
2. Internal IDS: To further enhance the visibility of East/West traffic flow (communications between internal devices) we are evaluating our existing vendors solutions to find a cost effect solution that will integrate into our existing security infrastructure. **10% Complete**
3. EDR Replacement: We will be replacing our endpoint detection and response agent due to increased pricing models by VMware spurred by the Broadcom acquisition and lack of innovation. We're currently in a proof-of-concept with SentinelOne. **10% Complete**

For the next item of business, Mrs. Foushee provided directors with data obtained from the 2024 NRECA Interact Conference which documented key talking points tailored to situations such as performance issues, conflict resolution, behavioral concerns, salary and compensation discussions, feedback on management styles, work-life balance, career development, and ethical concerns. Additionally, this information was provided to the FRECC senior staff in an effort to assist in making difficult conversations with employees more structured and effective, ultimately leading to better outcomes for everyone involved.

Following the review of the departmental reports, a motion was made by Mr. Smith, and seconded by Mr. Martin, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

Next, Mr. Bishop presented Long-Term Load Forecast Power Point slides showing future sales and load levels that are projected for Farmers Rural Electric. Following the presentation and discussion, the following resolution was presented:

WHEREAS, the 2024 Load Forecast Report has been prepared by East Kentucky Power Cooperative using an end-use model, with full participation of Farmers Rural Electric Cooperative Corporation's President & CEO and Staff;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors approves the 2024 Load Forecast Report for the use in its Construction Work Plan, Financial Forecast, and other studies, and as part of the East Kentucky Power Cooperative's Load Forecast Report.

Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Sexton to accept the above listed resolution as presented. This motion carried unanimously. A copy of this resolution is attached to these minutes and made an official part thereof.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. Mr. Lester noted that as of August 31, 2024, employees have accomplished 501,687.24 hours of work since having a lost time accident. No incidents or accidents were reported. Mr. Lester reported that FRECC employees will be receiving the Kentucky Governor's Safety Award for this accomplishment.

Next, Mr. Lester reviewed the August 2024 OSHA 300A Data report which showed due to a stellar safety record, FRECC is ranked as a nationally high performing Cooperative.

A review was given of Farmers RECC's Loss Analysis Report from Federated Rural Electric Insurance Exchange from 9/1/2019 through 9/1/2024 showing 51 claims for an overall expense of \$191,045. The review indicated that vehicle incidents are responsible for 18 claims and \$74,760 of incurred losses. Property and General Liability incidents are responsible for 29 claims, and \$111,654 of incurred losses. Workers' Compensation incidents are responsible for 4 claims and \$4,632 of incurred losses. No action was necessary.

The next item of business was a review of a revised FRECC Policy #218 – FRECC Drug & Alcohol. Mr. Lester led the review. It was reported that a review and training related to this policy will be held with the employees in the month of December. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to approve FRECC Policy #218 – FRECC Drug and Alcohol as revised and presented. The motion carried unanimously. A copy of this policy is attached to these minutes, and made an official part thereof.

Next, Mr. Moss discussed and reviewed a copy of revised FRECC Policy #210 – Sick Leave. The revisions were recommended by Employment Law Attorney, Pat Pelfrey, and it was recommended that the policy be renamed "Paid Sick Leave". Following discussion and review, a motion was made by Mr. Faulkner, and seconded by Mrs. Williams to approve the policy as amended following the removal of line item III-K which reads, "Sick leave pay does not count as hours worked for purposes of calculating overtime eligibility for nonexempt employees or pay." This motion carried unanimously. A copy of this policy is attached to these minutes, and made an official part thereof.

The next item of business was a review and approval of a newly created FRECC Policy #221 – Reasonable Accommodations for Disability, Pregnancy, Childbirth, and Related Conditions. This policy was also recommended By Employment Law Attorney, Pat Pelfrey in order to adhere to Kentucky State Law. Following discussion and review, a motion was made by Mr. Smith, and seconded by Mr. Sexton to accept FRECC Policy #221 as presented. Motion carried unanimously. A copy of this policy is attached to these minutes, and made an official part thereof.

Next, Mr. Moss shared with the directors a fifteen-minute video related to Equity Management training. No action was needed.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Bishop, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. As part of this report, a discussion was held relating to Amendment 5 to the Wholesale Power Agreement for EKPC. A summary of this report is attached to these minutes, and made an official part thereof.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. A summary of this report is attached to these minutes, and made an official part thereof.

Mr. Moss provided a monthly report on United Utility Supply which included information about their dock expansion. Additionally, a financial update was provided.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) **Barren Inc:** Represented FRECC at ribbon cuttings for Don Franklin Chevy/Cadillac and Beautify Barren Projects Reveal.
- 2) **Honor Flight:** Represented FRECC at Honor Flight reception in Lexington.
- 3) **CEO Meeting at EKPC:** Led and moderated meeting with the member CEOs from all EKPC Distribution Cooperatives discussing new WPA.
- 4) **Jason Koger:** Along with Directors Williams and Sexton, I represented FRECC at the presentation by Jason Koger at Cave City Convention Center.
- 5) **Project Charlene:** represented FRECC at Barren Inc. to present the opportunity for Project Charlene to take place in Glasgow. EKPC, TVA and Glasgow EPB were also represented.
- 6) **Congressman Brett Guthrie Visit:** Hosted a meeting with Congressman Guthrie at the FRECC HQ and subsequently at the Glasgow Landfill Generation station.
- 7) **EKPC SI Committee Meeting:** Participated in the SI committee meeting. Predominant topic is the new project plans for EKPC and the costs to be incurred.
- 8) **EKPC DSM Program Meeting:** Along with Caralyne Pennington, met with Scott Drake of EKPC to discuss plans to roll out more aggressive campaigns on DSM programs in light of new construction projects being planned.
- 9) **EKPC Board Meeting:** Attended EKPC Board Meeting along with Director Sexton
- 10) **KEC Board Meeting:** Along with Director Faulkner, attended board meeting for UUS and KEC. Director Faulkner voted into the board unanimously.

Mr. Moss's upcoming scheduled meeting dates were presented. A copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner reported on the status of the sale of the 19+ acre Outer Loop property in Barren County. Additionally, he reported on working with the State of Kentucky relative to the sale of the Hart County property, and it is still pending. Mr. Gardner noted reading in RE Magazine, articles which featured the Glasgow Landfill and the Shanti Niketan Hospice House.

The next item of business was a presentation and recommendation by Mr. Moss for the 2024-2025 employee salary and payroll adjustment budget. Mr. Moss reviewed a number of national, regional, and local indices, along with CPI, and Employment Cost Index information from the Department of Labor. Data provided by Intandem Consulting was also reviewed. Mr. Moss recommended a 4% budget to be allocated based on merit and performance. Following discussion, a motion was made by Mr. Sexton, and seconded by Mr. Faulkner to approve managements recommendation. Motion carried unanimously.


"Other Business" was a request by Mr. Sexton to attend and participate in two classes at the NRECA Winter School for Directors. There were no objections. A discussion was held relating to the CEO Evaluation timeline. Following discussion, a directive was given to Mr. Moss to provide the board with the CEO's responses to the board on present action items, goals, and initiatives, and to email to the directors by October 11, 2024. An additional discussion was held relative to starting all future board of directors meeting at 1:00 p.m. unless otherwise noted.

Agenda items for the October board of directors meeting:

1. Strategic Plan Action Items
2. Executive Session for CEO Assessment

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:30 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on October 17, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:00 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Brandi Williams, Secretary/Treasurer
Paul Hawkins	Randy Sexton
C. F. Martin, Jr.	
Ronnie Smith	
Woodford L. Gardner, Jr., Attorney-at-Law	

Vice-President Cornelius Faulkner participated through a Zoom video conferencing platform.

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Abigail Nuetzman	Communications Specialist
Jason Riggs	Vice-President of Security & Technology
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Hawkins.

The first item of business was the review, adoption, and approval of the agenda. Mr. Smith moved approval of the agenda as presented, with a second by Mr. Martin. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for June 2024 as uncollectible. Following review, a motion was made by Mr. Sexton, and seconded by Mr. Smith to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for September 2024 given by the management staff. Mrs. Phelps presented the following financials:

Memorial Day Weekend Storms

These storms were declared a FEMA event on July 23, 2024. Both Barren and Hart counties have been submitted to FEMA's Consolidated Resources Center (CRC). The CRC validates compliance with regulations and requirements. Metcalfe County should be submitted to CRC in October. FEMA funds will not be awarded until 2025.

Breakdown of Requested FEMA Storm Assistance

	FEMA – 75%	STATE-12%	FRECC-13%	TOTAL
<i>Barren</i>	\$ 311,681.38	\$ 49,869.02	\$ 54,024.77	\$ 415,575.17
<i>Metcalfe</i>	69,107.60	11,057.22	11,978.65	92,143.47
<i>Hart</i>	68,097.96	10,895.67	11,803.65	90,797.28
Total Funding by Source:	\$ 448,886.94	\$ 71,821.91	\$ 77,807.07	\$ 598,515.92

PSC Case No 2021-00429 – Earnings Mechanism

Recall that the settlement agreement on EKPC's base rate case (Case No 2021-00103) provided an earnings mechanism for the distribution co-ops should EKPC's margins be greater than a 1.40 TIER. On the August 2024 power bill, FRECC received an earnings mechanism of \$56,766. The total disbursement will be allocated to FRECC members in October 2024.

Overview of Income Statement: January - September 2024

Description	Last Year	This Year	Budget
Operating Revenue	\$ 42,263,975	\$ 46,277,328	\$ 47,209,260
Purchased Power Cost	(31,354,109)	(32,784,897)	(33,672,449)
Operation & Maintenance Expense	(6,957,064)	(7,330,449)	(7,484,698)
Interest, Depreciation & Tax Cost	(5,385,154)	(5,621,427)	(5,630,388)
Other Operating Margins	511,963	737,451	212,975
TOTAL MARGINS	(\$ 920,389)	\$ 1,278,006	\$ 634,700

Year-to-date operating margins totaled \$541k. Operating TIER is calculated at 1.30. Revenues increased \$4.0M or 9.5% as compared to last year. Purchased Power costs increased \$1.4M or 4.4% as compared to last year. The average cost per kWh purchased totaled 8.45 cents, a 0.12 cent or 1.4% decrease from the prior year. However, the average cost per kWh purchased for the month of September totaled 9.67 cents, based on the recalculation of the per-kWh base fuel (i.e. PSC Case #2023-00014: FAC 2-year review). Operation & maintenance expenses have increased \$373k from prior year but are \$154k less than budget.

Below is a breakdown for the right-of-way expenditures. Interest, Depreciation, & Tax Cost has increased \$236k from the prior year, and are \$9k greater than budget.

YTD Right-of-Way Expense	Last Year	This Year	Budget
Circuit	\$ 393,930	\$ 1,224,337	\$ 1,011,078
Hourly Work	71,345	108,367	67,500
Removals	277,297	110,928	255,150
Herbicide	234,915	168,731	182,000
TOTAL ROW EXPENSES	\$ 977,487	\$ 1,612,363	\$ 1,515,728

Statement of Operations: Line 25 – Non-Operating Margins – Other

On September 3, 2024, Farmers RECC sold 19.5 acres on the Outer Loop in Barren County to the City of Glasgow. The sales price totaled \$746,501. On Farmers' books, the land and land improvements were valued at \$336,302. Therefore, the gain of the property sale totaled \$410,199, which is shown on Line 25 of the income statement.

Statement of Operations: Line 27 – Other Capital Credits and Patronage Dividends

In September 2024, Farmers received patronage allocations from the following organizations: United Utility Supply (\$149,260), Kentucky Electric Cooperatives (\$58,271), National Rural Utilities Cooperative Finance Corporation (\$9,834), and the Cooperative Response Center (\$1,888).

Accounts Payable Disbursements

In September, the Accounting department issued 182 checks/drafts/ach, and 2 wire payments totaling \$6,468,545.

<u>DEBT/Equity</u>					
DEBT-Year	2020	2021	2022	2023	Jan-Sept 2024
New RUS/FFB Debt	\$ 3,000,000	\$ 6,500,000	\$ 6,951,000	\$ 6,100,000	\$ 2,400,000
Principal Paid	(4,923,253)	(2,311,490)	(2,455,402)	(1,903,895)	(1,903,895)
Year-End Debt	55,085,824	59,274,334	63,770,103	67,448,701	67,944,806
%Increase of Debt	(3.37%)	7.60%	7.58%	5.77%	0.74%
Blended Interest Rate	2.98%	2.60%	2.85%	3.48%	3.49%

<u>EQUITY-Year</u>	2020	2021	2022	2023	Jan-Sept 2024
Total Equity	41.98%	42.41%	42.16%	40.96%	41.42%
Distribution Equity	20.29%	21.43%	21.84%	20.72%	21.09%
Growth in TUP Dollars	\$3,376,545	\$4,035,376	\$4,793,581	\$5,826,724	\$3,777,537
Growth in TUP %	3.29%	3.81%	4.36%	5.08%	3.13%
Capital Credit Retirements	\$ 352,883	\$ 425,698	\$ 558,271	\$ 98,448	\$ 0.00
CC Retired Per Total Equity	0.67%	0.77%	0.97%	0.0018%	n/a
Operating Margins	\$ 586,456	\$ 730,147	\$ 14,696	(\$1,506,966)	\$ 540,555

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 12.5/7.2 kV to 25/14.4kV (Ralph Morris Road) – 30% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff
 - Mandated by Senate Joint Resolution 175
 - File on May 31, 2024
 - Exiting tariffs must be revised and filed by July 31, 2024
 - Will have a KEC working group meeting on June 18, 2024 to review modifications, and how best to implement them
 - Currently reviewing new tariffs, making necessary compliance related changes, and preparing to submit

- Tariffs submitted to the Kentucky Public Service Commission will be effective August 31, 2024
- Developing information for our website mandated by newly filed tariff
- Tariff filings have been put on hold until January 31, 2025 for PSC to review and rule on KBCA comments
- KEC is filing request for an informal conference to work out details with KBCA
- PSC Informal Conferences commence again on October 10 to resolve issues
- Started back working on grain bin clearance to power line audit to identify violations – 70% Complete

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers **64 reclosers changed.**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Jonesville substation. The system inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in September 36 (GSW 5 Total 280) (GSW 14) (107 on file)

Right of Way:

1. Townsend is now working Munfordville – North Town **10% Complete**
2. WM Kendall is working Seymour – Monroe **60% Complete**
3. Sage is working the Herbicide spraying the miles they were awarded **Completed**
4. We have received the 2025 – 2026 Row and 2025 Herbicide bids.

Personnel:

1. EKPC completed their annual LOTO and Substation restoration training with FRECC outside personnel on September 24, 2024
2. We completed ½ of the linemen on Pole Top / Bucket rescue on September 19, 2024
3. We will complete the second ½ of the linemen on Pole Top / Bucket rescue Oct 18, 2024
4. Thomas Wilson and Isaiah Morgan will be attending TVPPA Lab #4 Oct 22-24

Safety:

1. Installed a Man gate in the back lot of the Glasgow Office in case employees had to leave from that area during an emergency
2. Installed handrails around the walkways of the Munfordville Service Center

Compliance:

1. DGA testing of our Industrial Pad-mount Transformers will be completed Oct 2nd
2. Annual Dielectric, Structural and Dot inspections and testing will be completed Oct 7-10

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson reported on Cave City project site visit for a potential industrial customer. A mandatory training was conducted and was successfully completed by all FRECC Member Service Representatives relating to the State of Kentucky's Public Service Commission's Winter Hardship program. Additionally, Mr. Jackson provided information to the board relating to the Member Service Accounts Receivable report for September 2024.

Accounts Receivable

Number of bills mailed for the Month – 26,808
Energy Amount Billed (Less taxes) - \$5,223,025

Aging Summary

Current Accounts Receivable	\$1,769,687
30-59 Days.....	\$ 120,028
60-89 Days.....	\$ 7,533
90-Over.....	\$ 6,415

Collection Activity

Number of Delinquent Notices.....	3,172 in the amount of	\$ 631,546
Number of Cut-Off Notices.....	536 in the amount of	\$ 113,788
Number Subject to Disconnection....	464 in the amount of	\$ 97,549
Number Disconnected for Non-Pymt	197 in the amount of	\$ 39,355
Number of Disconnects Reconnected	166 in the amount of	\$ 34,238

Accounts Written Off and Subsequent Amounts Collected

In September 2024, 10 accounts were written off in the amount of \$ 858.99.

Abigail Nuetzman, Communications Specialist, presented the Member and Public Relations departmental report on behalf of Caralyne Pennington. She reported the following:

- Coffee with the Co-op for Q4 is scheduled for Friday, November 8 at the Old School Café in Edmonton
- The Fall Grassroots meeting will be held on November 19 at the TJ Health Pavilion Community Room
- Coordinating with the Hart County Chamber of Commerce to be a featured speaker for their fall quarterly luncheon, scheduled for November 12
- Finalizing details for the Annual Employee Meeting scheduled for Monday, October 14
- The Annual 'Who Powers You' contest will run throughout the month of October.
- We will begin accepting applications for Washington Youth Tour 2025 on November 1 and will share the information with school personnel, as well as on all of our channels
- The Washington Youth Tour trip will take place in June 2025
- Preparing for the upcoming Christmas season
- Encouraging veterans who are interested to submit their application for Honor Flight 2025
- Working with EKPC staff on building a long-range communications plan focused on the increasing upcoming costs to members

- Working with EKPC on a sample SimpleSaver switch testing, and getting metering data for co-gen accounts

For the next item of business, Mr. Riggs provided an overview of the Technology and Security report. The Technology report revealed:

IT/OT Projects

1. OMS Weather Module: Implement weather module to overlay real-time weather and lightning data on our OMS. The lightning data gathered will be used to assist in troubleshooting and provide historical strike data to enhance system reliability. **90% Complete**

Security Projects

1. XDR Replacement: We will be replacing our previous XDR solution with a new solution to further enhance our security posture, this brings additional integration opportunities as well as monthly external scanning and internal threat hunting. **100% Complete**
2. EDR Replacement: We will be replacing our endpoint detection and response agent due to increased pricing models by VMware spurred by the Broadcom acquisition and lack of innovation. We're currently in a proof-of-concept with SentinelOne. **60% Complete**
3. MFA Expansion: We will be expanding our multifactor authentication footprint to all workstations, servers, and network hardware to meet requirements for full insurance coverage; anticipated completion early December. Currently in planning phase. **10% Complete**

Next, Mrs. Foushee provided directors with a monthly Human Resources report and an update on the employees who are currently ongoing in their monthly Introductory Period Performance Evaluation.

Following the review of the departmental reports, a motion was made by Mr. Hawkins, and seconded by Mr. Sexton, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

For the next item of business, Mrs. Phelps presented a proposal from Federated Rural Electric Insurance Exchange for the coverage year of 2024 – 2025. Overall, there is a 11.87% increase from current year rates with an annual bill total of \$218,114. A summary of the Federated Rural Electric Insurance quote is attached to these minutes, and made an official part thereof. Following discussion, a motion was made by Mr. Sexton to accept the 2024-2025 proposal presented by management in the amount of \$218,114. This motion was seconded by Mrs. Williams, and was unanimously accepted in the affirmative.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As part of this report, Mr. Lester noted that as of September 30, 2024, employees have accomplished 512,057.49 hours of work since having a Lost Time Accident.

The next item of business was an overview of the Farmers Rural Electric Strategic Plan given by Mr. Moss. Mr. Moss reviewed the plan, and asked for objections and/or feedback from the directors. Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Hawkins to accept the FRECC Strategic Plan as presented by management. The motion carried unanimously.

Next, Mr. Moss provided educational information related to Equity Management. No action was necessary.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Riggs, Mr. Bishop, Mrs. Phelps, and Ms. Nuetzman left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. As part of this report, a discussion was held relating to the Wholesale Power Agreement for EKPC. A summary of this report is attached to these minutes, and made an official part thereof.

For the next item of business, Mr. Moss reported there has not been a meeting with the United Utility Supply board of directors since the last FRECC board meeting.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. No meeting has been held this month.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) **EKPC Distribution CEO Meeting:** Led and facilitated meeting amongst the 16 Distribution Cooperative CEOs who contract with EKPC to discuss the Wholesale Power Agreement.
- 2) **KY Propane Plus Board Meeting:** Attended KY Propane Board Meeting as Secretary.
- 3) **EKPC Board Meeting:** Along with Director Sexton, attended EKPC Board Meeting
- 4) **EKPC Open House:** Along with Director Hawkins, I represented FRECC at the open house held by EKPC to discuss any issues with the Substation and Transmission plans for Cub Run.
- 5) **Member Property Visit:** Represented FRECC at a meeting on a member's property in Hart County. Member is rejecting ROW clearing. Park Priest, attorney from Federated is engaged.
- 6) **One on One discussions with Staff:** Conducted semi-annual one on one discussions with staff to review performance, goals, and future initiatives.
- 7) **NRECA Regional Meeting:** Along with Director Smith, attended NRECA regional meeting.

Mr. Moss's upcoming scheduled meeting dates were presented. A copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner reported on working with the State of Kentucky relative to the sale of the Hart County property, and it is still pending. Additionally, a liability issue brought up by a member located in Hart County is being handled by Federated Rural Electric Insurance Exchange, and Bowling Green, KY Attorney, Park Priest.

Next, upon review of the quarterly director & CEO expenses, a motion was made by Mr. Smith, and seconded by Mr. Sexton to approve the quarterly director & CEO expenses as presented. Motion carried unanimously.

For the next item of business, a report was given by Mr. Smith, and Mr. Moss relating to their recent attendance at the NRECA Region III meeting. No action was needed.

The next item of business was consideration to approve a Christmas bonus for FRECC employees. Mr. Moss recommended the traditional formula of a base of \$100 for new employees, plus a \$5 per year of service addition for tenured employees. This amounted to a total of \$10,255 for all 62 full-time employees, and 2 part-time employees. Mr. Moss is foregoing his years of service at Clay Electric for FRECC's bonus calculations. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to approve an employee Christmas bonus as recommended by management. Motion carried unanimously.

At 4:00 p.m., a motion was made by Mr. Sexton, and seconded by Mrs. Williams to go into Executive Session. The motion carried unanimously.

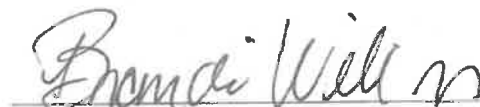
Upon return from Executive Session at 4:36 p.m., "Other Business" discussed was a question and answer conversation relating to FRECC copper theft situations.

Agenda items for the November board of directors meeting:

1. Executive Session for CEO Assessment beginning at noon

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:38 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on November 21, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 12:00 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman
Cornelius Faulkner
C. F. Martin, Jr.
Ronnie Smith

Brandi Williams, Secretary/Treasurer
Randy Sexton

Farmers Rural Electric Director Paul Hawkins participated through a Zoom video conferencing platform.

An invocation was given by Mr. Faulkner.

The first item of business was the review, adoption, and approval of the agenda. Mr. Smith moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

Next, a motion was made by Mr. Sexton, and seconded by Mr. Faulkner to go into Executive Session. The motion carried unanimously.

Upon return from Executive Session, the Senior Staff, and FRECC Attorney-at-Law arrived for participation in the meeting.

Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member
Jason Riggs	Vice-President of Security & Technology
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for July 2024 as uncollectible. Following review, a motion was made by Mr. Martin, and seconded by Mr. Faulkner to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for October 2024 given by the management staff. Mrs. Phelps presented the following financials:

Overview of Income Statement: January – October 2024

Description	Last Year	This Year	Budget
Operating Revenue	\$ 46,554,422	\$ 50,436,949	\$ 51,604,252
Purchased Power Cost	(34,299,089)	(35,596,050)	(36,752,258)
Operation & Maintenance Expense	(7,788,829)	(8,153,714)	(8,307,235)
Interest, Depreciation & Tax Cost	(5,969,801)	(6,216,055)	(6,267,976)
Other Operating Margins	554,109	775,611	252,750
TOTAL MARGINS	(\$ 949,188)	\$ 1,246,741	\$ 529,533

Year-to-date operating margins totaled \$471k. Operating TIER is calculated at 1.24. Revenues increased \$3.9M or 8.3% as compared to last year. Purchased power costs increased \$1.3M or 3.8% as compared to last year. The average cost per kWh purchased totaled 8.42 cents, a 0.14 cent or 1.6% decrease from the prior year. Operation & maintenance expenses have increased \$365k from prior year but are \$154 less than budgeted.

Below is a breakdown for the right-of-way expenditures. Interest, Depreciation & Tax Cost has increased \$246k from the prior year but are \$52k less than budgeted.

YTD Right-of-Way Expense	Last Year	This Year	Budget
Circuit	\$ 493,930	\$ 1,364,337	\$ 1,123,420
Hourly Work	95,181	124,048	75,000
Removals	280,670	110,928	283,500
Herbicide	278,540	168,731	182,000
TOTAL ROW EXPENSES	\$ 1,148,321	\$ 1,768,044	\$ 1,663,920

Statement of Operations: Line 27 – Other Capital Credits and Patronage Dividends
In October 2024, Farmers received a patronage allocation from Gresco totaling \$18,142.

Accounts Payable Disbursements

In October, Accounting issued 228 checks/drafts/ach and one wire payment totaling \$5,528,803.

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 12.5/7.2 kV to 25/14.4kV (Ralph Morris Road) – 95% Complete

Work Plan Projects – Construction

- Conv 12.5/7.2kV to 25/14.4kV (Finney Rd West) – 70% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff
 - Mandated by Senate Joint Resolution 175
 - File on May 31, 2024

- Exiting tariffs must be revised and filed by July 31, 2024
- Will have a KEC working group meeting on June 18, 2024 to review modifications, and how best to implement them
- Currently reviewing new tariffs, making necessary compliance related changes, and preparing to submit
- Tariffs submitted to the Kentucky Public Service Commission will be effective August 31, 2024
- Developing information for our website mandated by newly filed tariff
- Tariff filings have been put on hold until January 31, 2025 for PSC to review and rule on KBCA comments
- KEC is filing request for an informal conference to work out details with KBCA
- PSC Informal Conferences commence again on October 10 to resolve issues
- Started back working on grain bin clearance to power line audit to identify violations – 70% Complete
- Field audit of stepdown transformers – 100% Complete

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 117 reclosers **87 reclosers changed.**

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Munfordville substation. The system inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in October 24 (GSW 2 Total 304) (GSW 16) (120 on file)

Right of Way:

1. Townsend is now working Munfordville – North Town **75% Complete**
2. WM Kendall is working Seymour – Monroe **80% Complete**
3. WM Kendall will start Seymour – Bearwallow next

Personnel:

1. We completed the second ½ of the linemen on Pole Top / Bucket rescue on Oct 18, 2024.
2. Thomas Wilson and Isaiah Morgan completed TVPPA Lab #4 on Oct 22nd - 24th

Compliance:

1. DGA testing of our Industrial Pad mount Transformers was completed on Oct 2nd
2. Annual Dielectric, Structural and Dot inspections and testing was completed on Oct 7th - 10th
3. Shane Samson and Joey Inman completed annual Underground Storage Tank training Nov 4th.

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson reported on a Cave City project site visit for a potential industrial customer. A mandatory training was conducted and was successfully completed by all FRECC Member Service Representatives relating to the State of Kentucky's Public Service Commission's Winter Hardship program. Additionally, Mr. Jackson provided information to the board relating to the Member Service Accounts Receivable report for October 2024.

Accounts Receivable

Number of bills mailed for the Month – 26,912

Energy Amount Billed (Less taxes) - \$4,788,969

Aging Summary

Current Accounts Receivable	\$1,384,059
30-59 Days.....	\$ 149,665
60-89 Days.....	\$ 7,204
90-Over.....	\$ 6,172

Collection Activity

Number of Delinquent Notices.....	3,498 in the amount of	\$ 679,841
Number of Cut-Off Notices.....	345 in the amount of	\$ 63,019
Number Subject to Disconnection....	315 in the amount of	\$ 58,463
Number Disconnected for Non-Pymt	132 in the amount of	\$ 22,028
Number of Disconnects Reconnected	109 in the amount of	\$ 18,804

Accounts Written Off and Subsequent Amounts Collected

In October 2024, twenty-one accounts were written off in the amount of \$ 4,454.58.

Caralyne Pennington, Director of Member and Public Relations presented her departmental report. She reported the following:

- Coffee with the Co-op is scheduled for November 8 in Metcalfe County. Plans are Q1 2025 Coffee with the Co-op as a joint event with South Central Rural Telephone.
- Participated in the Hart County Chamber Luncheon on November 12 as a featured speaker.
- The Fall Grassroots meeting will be held on November 19 at the TJ Health Pavilion Community Room.
- Received three entries in the 2024 Who Powers You contest. Mr. Steve Kistler, of Hart County, placed third in the competition, judged by out-of-state judges. Mr. Kistler will receive \$250 as recognition for his volunteer work for the Hart County Scholarship Alliance. Press information about his win will be distributed soon.
- Currently accepting applications for Washington Youth Tour 2025 and have shared the information with school personnel, as well as on all of our channels.
- Preparing for upcoming Christmas parades.
- Farmers RECC received their 2024 ACSI score. As a reminder, American Customer Satisfaction Index (ACSI®) is a company that measures customer satisfaction across multiple industries throughout the entire United States. For 2024, Farmers RECC received an ACSI score of 89, on a 100-point scale. Farmers RECC's score is higher when compared

to a publicly measured investor-owned utility scores reported in the syndicated 2024 ACSI Energy Utility Study and places Farmers RECC 15 points higher than the average investor-owned utility score of 74, as well as 14 points higher than the municipal utilities score of 75.

For the next item of business, Mr. Riggs provided an overview of the Technology and Security report. The Technology report revealed:

IT/OT Projects

1. OMS Weather Module: Implement weather module to overlay real-time weather and lightning data on our OMS. The lightning data gathered will be used to assist in troubleshooting and provide historical strike data to enhance system reliability. **90% Complete**

Security Projects

1. EDR Replacement: We will be replacing our endpoint detection and response agent due to increased pricing models by VMware spurred by the Broadcom acquisition and lack of innovation. We're currently in a proof-of-concept with SentinelOne. **60% Complete**
2. MFA Expansion: We will be expanding our multifactor authentication footprint to all workstations, servers, and network hardware to meet requirements for full insurance coverage; anticipated completion early December. Currently in planning phase. **10% Complete**

Next, Mrs. Foushee provided directors with a monthly Human Resources report and an update on the employees who are currently ongoing in their monthly Introductory Period Performance Evaluation.

Following the review of the departmental reports, a motion was made by Mr. Faulkner, and seconded by Mr. Smith, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

The next item of business was a presentation provided by Mr. Jackson showing a newly developed procedure and reference manual to create consistency in procedures for the Member Service Representatives. No action was needed.

For the next item of business, Mr. Lester presented the budget for the 2025-2026 Right-of-Way and Herbicide budget. Farmers RECC received eight bids from various Right-of-Way contractors. Following a review of the bids, the lowest three were chosen and requested to "sharpen their pencils" once again in order to obtain final numbers. Following which, Farmers' received new bids from the three contractors, saving an additional \$150,000 over the two-year period. The circuits were awarded based on the lowest bidder for the 2025 and 2026 budget years. The 2025 Herbicide was also awarded based on the bid prices. Following discussion and review, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to accept managements recommendation for the 2025-2026 Right-of-Way and Herbicide budgets as presented. The motion carried unanimously. The documents showing the breakdown and awarding of contracts are attached to these minutes and made an official part thereof.

2025 Right-of-Way Budget:

Right of Way Circuit Work \$ 1,754,531.33
Hourly – Time and Material \$ 95,000.00
Removals \$ 200,000.00
Herbicide \$ 150,000.00

TOTAL: \$ 2,199,531.11

2026 Right-of-Way Budget:

Right of Way Circuit Work \$ 1,751,350.00
Hourly – Time and Material \$ 95,000.00
Removals \$ 200,000.00
Herbicide \$ 170,000.00

TOTAL: \$ 2,216,350.00

AVERAGE COST PER MILE

<u>2017</u>	\$2,399.00
<u>2018</u>	\$2,564.35
<u>2019</u>	\$2,600.00
<u>2020</u>	\$3,262.50
<u>2021</u>	\$3,385.01
<u>2022</u>	\$3,099.70
<u>2023</u>	\$3,422.02
<u>2024</u>	\$3,972.38
<u>2025</u>	\$4,419.51
<u>2026</u>	\$4,207.71

The next item of business was a review of the 2024 third quarter (July-September 2024) RUS Summary of Construction by Mrs. Phelps. Following review, a motion was made by Mr. Sexton, and seconded by Mr. Martin that the report be approved for \$1,837,619.04 and submitted to RUS for borrowing funds. The motion carried unanimously.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As part of this report, Mr. Lester noted that as of October 30, 2024, employees have accomplished 522,721.49 hours of work since having a Lost Time Accident.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Riggs, Mr. Bishop, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. As part of this report, a discussion was held relating to the Wholesale Power Agreement for EKPC. A summary of this report is attached to these minutes, and made an official part thereof.

For the next item of business, Mr. Moss reported that the United Utility Supply board of directors meeting took place at the Ohio Statewide office. It was reported that South Central Indiana is investing \$60M in order to place all utilities underground. They are also budgeting 5% to cover inflation.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. The next KEC board meeting will be held December 17th. No meeting will be held in January. It was noted that FRECC would like to recommend and re-nominate Attorney Bobby Richardson of Glasgow to be considered for the Distinguished Rural Cooperative award. Mr. Faulkner reported that he attended the Member Outreach Committee meeting.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) **EKPC Distribution CEO Meeting:** Led and facilitated meeting amongst the 16 Distribution Cooperative CEOs who contract with EKPC to discuss the Wholesale Power Agreement. The result has been unanimous approval of the new WPA amendment from the EKPC Board.
- 2) **KY Propane Plus Board Meeting:** Attended KY Propane Board Meeting as Secretary. Shelby Propane sale discussed.
- 3) **KEC Fall CEO Conference:** Participated in the fall CEO conference hosted by KEC.
 - a. **Mark Santero, CEO Homestead Funds,** discussion of Employee Retention/Incentive Programs. We will have Homestead Funds representatives at our annual employee meeting next year.
 - b. **Legislative Panel (Rep Timmy Truett and Sen. Brandon Smith)**
 - c. **Agriculture Commissioner Jonathan Shell**
 - d. **DSM and Battery studies (Tim Lindahl, CEO Kenergy)**
 - e. **Mark Davis, NRTC**
 - f. **Randy Meredith (KEC Safety)**
 - g. **Phil Clark UUS Update**
 - h. **Charles Aull, Center for Policy & Research Kentucky Chamber of Commerce**
 - i. **Kristina Sattery, Kentucky Economic Development Office**
- 4) **KREC Medical Plan Overview with all employees:** Increase employee contribution to 12% per feedback from PSC
- 5) **Quarterly Landfill Update:** Team doing well, on track at sustained 650kw
- 6) **Met with Bill Prather and Jack "Goose" Givens:** Seeking potential bid on CWP for Bowlin Construction
- 7) **EKPC Board Meeting:** Virtual attendance at EKPC Board Meeting

- 8) **SCRTC:** Had an initial meeting with Jeff Eaton, CEO at SCRTC. Resulting in his attendance at our “Coffee with the Co-op” in Metcalfe County and joint presentation at Hart County Chamber. SCRTC has asked to conduct a joint “Coffee with the Co-op” at our next outing in 2025.
- 9) **Hart County Chamber:** Presented the Cooperative story and value proposition of FRECC to the Hart County Chamber members.
- 10) **UUS Board Meeting:** represented FRECC at UUS Board meeting at Buckeye Power/Ohio Statewide HQ.
- 11) **Dewayne McDonald:** At his request, met with Dewayne McDonald, CEO, Warren RECC to discuss Shelby Propane concerns.
- 12) **Coffee with the Co-op:** Conducted Metcalfe County event at Old School Café. Attended by Directors Smith and Sexton. Joined by SCRTC CEO Jeff Eaton.
- 13) **EKPC Strategic Issue Committee:** attended via Zoom
- 14) **UUS/KEC Finance Committee:** attended via Zoom
- 15) **Fall Grassroots:** Conducted grassroots meeting. Attendance was discussed

Mr. Moss’s upcoming scheduled meeting dates were presented. A copy of the President’s report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney’s report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner reported on continuing to work with the Mrs. Phelps and the Kentucky Department of Transportation relating to the partial release of mortgages of the Hart County real estate property. Additionally, he and Mr. Jackson are working together on a Bankruptcy issue from a local company whose parent company is located in Canada.

Next, a discussion was held in order to name the 2025 CRC Voting Delegate and Alternate Voting Delegate. Following the discussion, a motion was made by Mr. Smith to name Randy Sexton as the 2025 CRC Voting Delegate, and Toby Moss as the 2025 CRC Alternate Voting Delegate. No additional nominees were named. This motion was seconded by Mr. Faulkner and was unanimously voted in the affirmative.

The next item of business was a review and approval of the 2025 Directors budget. Following review, a motion was made by Mr. Smith, and seconded by Mr. Martin to approve a 2025 Director budget of \$134,400. Motion carried unanimously. A copy of the 2025 Board of Directors Budget Expenses is attached to these minutes and made an official part thereof.

Next, a retirement resolution was read by Mrs. Williams in honor of FRECC employee Jennifer Jordan’s years of service. Following the reading of the resolution, a motion was made by Mr. Faulkner, and seconded by Mr. Sexton to accept the resolution as read. The motion carried unanimously. A copy of this resolution is attached to these minutes and made a part thereof.


Other Business discussed was a request made by Mrs. Williams to change the start time of the FRECC December board of directors meeting to 8:00 a.m. to allow her time to attend her daughter's college graduation at the University of Kentucky. Following the request, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to begin the December 19 board of directors at 8:00 a.m.

Agenda items for the December board of directors meeting:

1. Executive Session for CEO Assessment

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:00 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on December 19, 2024. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 8:00 a.m..

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman
Cornelius Faulkner
C. F. Martin, Jr.
Ronnie Smith

Brandi Williams, Secretary/Treasurer
Randy Sexton
Paul Hawkins

An invocation was given by Mr. Hawkins.

The first item of business was the review, adoption, and approval of the agenda. Mr. Sexton moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

Next, a motion was made at 8:04 a.m. by Mr. Smith, and seconded by Mr. Hawkins to go into Executive Session. The motion carried unanimously.

Upon return from Executive Session, the Senior Staff, and FRECC Attorney-at-Law arrived for participation in the meeting.

Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member
Jason Riggs	Vice-President of Security & Technology
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for August 2024 as uncollectible. Following review, a motion was made by Mr. Faulkner, and seconded by Mr. Hawkins to accept the above listed items as presented. Motion carried unanimously.

Next, Mr. Bishop presented bid evaluation results from bid packages submitted by six electrical construction contractors. The proposed construction unit pricing from each contractor was evaluated against a specified list of construction units which are reflective of typical contractor work. Hi-line Engineering aided in the bid process, and all bid evaluations. Following the analysis and per RUS requirement, management recommended awarding the contract to Groves Electrical Services of Madisonville, KY, the lowest bidder, for the total evaluation amount of \$635,956.56.

Following review, a motion was made by Mr. Sexton, and seconded by Mr. Martin to accept management's recommendation as listed above. Motion carried unanimously. A copy of the bid tabulation is attached to these minutes, and made an official part thereof.

The next item of business was a review of the Financial and Operating reports for November 2024 given by the management staff. Mrs. Phelps presented the following financials:

Overview of Income Statement: January – November 2024

Description	Last Year	This Year	Budget
Operating Revenue	\$ 51,229,428	\$ 54,765,755	\$ 56,696,707
Purchased Power Cost	(37,636,873)	(38,581,213)	(40,361,351)
Operation & Maintenance Expense	(8,661,758)	(8,976,359)	(9,113,459)
Interest, Depreciation & Tax Cost	(6,558,826)	(6,840,589)	(6,908,243)
Other Operating Margins	604,110	777,665	265,525
TOTAL MARGINS	(\$ 1,023,919)	\$ 1,145,259	\$ 579,179

Year-to-date operating margins totaled \$368k. Operating TIER is calculated at 1.17. Revenues increased \$3.5M or 6.9% as compared to last year. Purchased power costs increased \$944k or 2.5% as compared to last year. The average cost per kWh purchased totaled 8.40 cents, a 0.15 cent or 1.8% decrease from the prior year. Operation & maintenance expenses have increased \$282k from prior year; but are \$68k less than budgeted.

Below is a breakdown for the right-of-way expenditures. Interest, Depreciation & Tax Cost has increased \$246k from the prior year but are \$52k less than budgeted.

YTD Right-of-Way Expense	Last Year	This Year	Budget
Circuit	\$ 679,882	\$ 1,444,337	\$ 1,235,762
Hourly Work	102,292	126,931	82,500
Removals	282,544	120,532	311,850
Herbicide	278,540	168,731	182,000
TOTAL ROW EXPENSES	\$ 1,343,258	\$ 1,860,531	\$ 1,812,112

Accounts Payable Disbursements

In October, Accounting issued 228 checks/drafts/ach and one wire payment totaling \$5,528,803. In November, Accounting issued 194 checks/drafts/ach and two wire payments totaling \$4,942,944.

FEMA – 2024 Memorial Day Weekend Storms

Barren, Hart, and Metcalfe counties have been approved for reimbursement by FEMA and the Commonwealth of Kentucky. Funds will be awarded in 2025.

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 12.5/7.2 kV to 25/14.4kV (Ralph Morris Road) – 100% Complete

Work Plan Projects – Staking

- Conv 12.5/7.2kV to 25/14.4kV (Finney Rd West) – 100% Complete
- Reconductor 2/0 ACSR to 397 ACSR (Scottsville Road) – 0% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff
 - Ongoing – Next informal conference is on 12/10/2024.
- Started back working on grain bin clearance to power line audit to identify violations – 70% Complete
- CWP Contractor bid process – 90% Complete

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional. 11 Taps fused
2. Recloser maintenance – Service will be changing out 117 reclosers 105 reclosers changed.

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Munfordville substation. The system inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in November 35 (GSW 6 Total 304) (GSW 16) (69 on file)

Right of Way:

1. Townsend is now working Munfordville – North Town 90% Complete
2. WM Kendall is working Seymour – Monroe 90% Complete
3. WM Kendall will start Seymour – Bearwallow next

Personnel:

1. Thomas Wilson and Isaiah Morgan completed TVPPA Lab #5 on Dec 10th – 12th

Compliance:

1. All EPA tank testing requirements for the Underground Storage Tanks has been completed
2. Matt Myles an auditor will be onsite on December 16th to confirm Transformer Oil paperwork is correct. He will also check signage and storage for Transformers Oil.

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson provided information to the board relating to the Member Service Accounts Receivable report for November 2024.

Accounts Receivable

Number of bills mailed for the Month – 26,875
Energy Amount Billed (Less taxes) - \$4,677,548

Aging Summary

Current Accounts Receivable	\$1,537,715
30-59 Days.....	\$ 117,366
60-89 Days.....	\$ 7,699
90-Over.....	\$ 9,325

Collection Activity

Number of Delinquent Notices.....	3,120 in the amount of	\$ 516,481
Number of Cut-Off Notices.....	333 in the amount of	\$ 64,077
Number Subject to Disconnection....	293 in the amount of	\$ 57,133
Number Disconnected for Non-Pymt	133 in the amount of	\$ 22,676
Number of Disconnects Reconnected	115 in the amount of	\$ 20,020

Accounts Written Off and Subsequent Amounts Collected

In November 2024, twelve accounts were written off in the amount of \$ 2,004.43.

Caralyne Pennington, Director of Member and Public Relations presented her departmental report. She reported the following:

- Farmers RECC participated in the Munfordville and Glasgow Christmas Parades on December 7, 2024 and will participate in the Metcalfe County parade on December 14.
- Caralyne and Abigail represented Farmers RECC and helped to decorate the Ronald McDonald House in Louisville for Christmas on December 4. Kentucky's Touchstone Energy Cooperatives help sponsor the Kentucky Ronald McDonald Houses each year.
- The "Who Powers You" contest winner, Mr. Steve Kistler, of Hart County, has been interviewed for the content pieces about that contest. Mr. Kistler will receive \$250 as recognition for his volunteer work for the Hart County Scholarship Alliance. Press information about his win will be distributed soon.
- Currently accepting applications for Washington Youth Tour 2025 and have shared the information with school personnel, as well as on all of our channels. Deadline to apply is December 20. The Washington Youth Tour trip will take place in June 2025.
- Donations from the 'Lighting Up Christmas' program were delivered to North Jackson Elementary to help those students have a Merry Christmas.
- We would like to hear feedback on the position statement document we shared with the Board last month. Our intention with this document is to provide a quick statement for the Board and employees to share with members who may ask about our thoughts or opinions on current energy issues. This provides a consistent message from the cooperative to the public. Once approved, these will help shape our communications messaging and keep all of our content cohesive going forward.
- Gearing up for our first targeted billing campaign for 2025.
- Coffee with the Co-op is scheduled for November 8 in Metcalfe County. Plans are Q1 2025

For the next item of business, Mr. Riggs provided an overview of the Technology and Security report. The Technology report revealed:

1. EDR Replacement: We will be replacing our endpoint detection and response agent due to increased pricing models by VMware spurred by the Broadcom acquisition and lack of innovation. We're currently in a proof-of-concept with SentinelOne. **60% Complete**
2. MFA Expansion: We will be expanding our multifactor authentication footprint to all workstations, servers, and network hardware to meet requirements for full insurance coverage; anticipated completion early December. Currently in deployment phase. **70% Complete**

Next, Mrs. Foushee provided directors with a monthly Human Resources report and an update on the employees who are currently ongoing in their monthly Introductory Period Performance Evaluation.

Following the review of the departmental reports, a motion was made by Mr. Hawkins, and seconded by Mrs. Williams, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

The next item of business was the consideration of the 2025 Financial Budget and Work Plans, presented by Mrs. Phelps. Mrs. Phelps stated that the 2025 budget is what is considered to be a guide for next year, under the current revenue environment. Mrs. Phelps began the discussion with a presentation on expense items that had been requested by the senior staff; but deferred to 2026. Then, the presentation turned to projected energy sales and purchases, noting the difficulty in predicting these numbers. Member growth is projected to be minimal again. Revenues and kWh sales are based on a normalized weather pattern while anticipating a slight increase in energy use among the members. Total operating revenue is projected to be \$62.2M, while the budget projects that the cost of purchased power to be \$43.3M. Labor and benefits of the cooperative were discussed. Farmers has 62 full-time and 2 part-time employees. Mrs. Phelps discussed the retirement plans and healthcare costs. Mrs. Phelps moved the discussion to the statement of operations, focusing on the controllable operation and maintenance expenses for 2025. The operations department will continue to focus on improving service and reliability for the members. Depreciation expense is projected to increase 6.0%. The primary reason for the increase is the estimated growth for the new distribution plant (\$6.889M) and general plant (\$636k) in the 2025 budget. Interest of long-term debt is budgeted to increase by 4.9%. Mrs. Phelps stated that the Commission has calculated the interest rate for customer deposits to be 4.19% for 2025. In 2024, the rate was 5.38%. Projected operating margins totaled \$340,926, which would result in an OTIER of 1.13. Following a discussion, a motion was made by Mr. Sexton, and seconded by Mr. Smith that the 2025 financial budget and work plans be approved as presented. Motion carried unanimously.

The next item of business was a discussion locking in the date, location, and time of the 2025 Farmers Rural Electric Cooperative Corporation Annual Meeting of Members. Following a discussion led by Mrs. Pennington, a motion was made by Mr. Hawkins, and seconded by Mr. Smith that the 2025 Farmers Rural Electric Annual Meeting will be held in person and/or by live streaming on Thursday, July 20 at 2:00 p.m. at the Cave Area Conference Center (formally the Cave City Convention Center). Motion carried unanimously.

Next, Mr. Moss and Mrs. Foushee presented recommended amendments to Farmers Rural Electric Policy #218 – Drug and Alcohol, due to Kentucky’s Governor, Andy Beshear signing Senate Bill #47 on March 31, 2023, legalizing medical cannabis in the Commonwealth of Kentucky effective Jan. 1, 2025. The updates to the policy will reflect the cooperative’s position in this matter. Farmers Rural Electric will remain a Drug Free Workplace. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mrs. Williams to accept management’s amendments to this policy as presented. Motion carried unanimously. A copy of this policy is attached to these minutes, and made an official part thereof.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As part of this report, Mr. Lester noted that as of November 30, 2024, employees have accomplished 539,787.99 hours of work since having a Lost Time Accident.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Riggs, Mr. Bishop, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was a discussion led by Mr. Moss, and Mr. Sexton relating to East Kentucky Power Cooperative’s Wholesale Power Agreement Amendment #5. The board of Directors of East Kentucky Power Cooperative, Inc. approved the adoption of Amendment 5 to the 1964 Wholesale Power Contract between it and Farmers RECC in the course of its regular meeting held on November 12, 2024. Under the terms of Amendment 5, the Wholesale Power Contract would be extended from the current termination date of January 1, 2051, to a new termination date of January 1, 2068. The updated termination date of the Wholesale Power Contract is the only change presented by Amendment 5. The principal basis for seeking this Amendment is to assure that EKPC and its’ owner-member distribution cooperatives are able to take advantage of favorable financing from the Rural Utilities Service by amortizing utility debts over the maximum allowable period of thirty-five (35) years. The Amendment also provides for stability and predictability with regard to future resource planning and meeting owner-member needs. Following this discussion and a review of the resolution, the Farmers Rural Electric board of directors concurred with the proposed Amendment 5 resolution as presented. A motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to accept the Fifth Amendment to the Wholesale Power Contract, as Amended. This motion carried unanimously. A copy of the Fifth Amendment to Wholesale Power Contract, as Amended is attached to these minutes, and made an official part thereof.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton and FRECC President/CEO Mr. Moss. As part of this report, a discussion was held relating to the Wholesale Power Agreement for EKPC. A summary of this report is attached to these minutes, and made an official part thereof.

For the next item of business, Mr. Moss provided a verbal report on United Utility Supply. It was noted that employees were experiencing a good safety record.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. A copy of this monthly report is attached to these minutes, and made an official part thereof.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

- 1) **Metcalfe County Chamber Dinner:** Represented FRECC at the dinner along with Caralyne, Linda, Scott and Corey
- 2) **Chris Perry CEO Meeting:** Met with Chris Perry for a one on one.
- 3) **Christmas Dinners:** Thanks to all for their attendance at the Board and employee dinner
- 4) **Strategic Issues Committee:** Represented FRECC at committee meeting
- 5) **EKPC Board Meeting:** Represented FRECC at Board Meeting
- 6) **BNI Meeting:** Upon invite from SCRTC, represented FRECC at BNI meeting as an introduction.
- 7) **Commonwealth Broadcasting:** Recorded spot for Christmas greeting from FRECC
- 8) **UUS Board Meeting:** Represented FRECC at UUS Board Meeting
- 9) **KEC Dinner:** Represented FRECC at UUS/KEC Christmas Dinner
- 10) **KEC Board Meeting:** Represented FRECC at KEC Board Meeting
 - a. Propane discussion sidebar
- 11) **EPB Lunch:** End of year with Dave Puskala
 - a. Rate case discussion
 - b. TOU discussion
- 12) **Jackson-Purchase rate case:**
 - a. ROW Budget not used
 - b. Insurance share
 - c. Salary Comparison
 - d. New building
 - e. Debt ratio (~\$90M in debt)
 - f. Wolfrom testimony re: customer charge expectations across the state.

Mr. Moss's upcoming scheduled meeting dates were presented. A copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner reported on continuing to work with the Mrs. Phelps and dealing with entities relating to the partial release of mortgages of the Hart County real estate property. This release has not yet been finalized.

Next, Mr. Sexton reported on his recent attendance at the NRECA Directors Winter School, held at Opryland Hotel in Nashville, Tennessee.

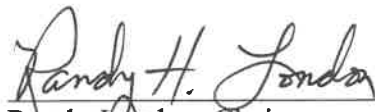
Next, a discussion was held in order to name the 2025 NRTC Voting Delegate and Alternate Voting Delegate. Following the discussion, a motion was made by Mr. Hawkins to name Randy Sexton as the 2025 NRTC Voting Delegate, and Toby Moss as the 2025 NRTC Alternate Voting Delegate. No additional nominees were mentioned. This motion was seconded by Mr. Martin, and was unanimously voted in the affirmative.

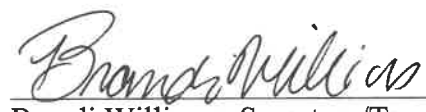
For the next item of business, a discussion was held to discuss selecting the 2025 NRECA PowerXChange Voting Delegate and Alternate Voting Delegate. Following discussion, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to name Randy Sexton as the 2025 NRECA PowerXChange Voting Delegate, and Mr. Tobias Moss as the Alternate Voting Delegate. The motion carried unanimously.

Other Business discussed was a discussion led by Mr. Moss relating to an issue with a member's fence. No action was necessary.

No additional Agenda items for the January board of directors meeting were mentioned.

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 11:21 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on January 16, 2025. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:30 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Paul Hawkins
Cornelius Faulkner, Vice-Chairman	Randy Sexton
Brandi Williams, Secretary/Treasurer	
C. F. Martin, Jr.	
Ronnie Smith	

Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member and Public Communications
Jason Riggs	Vice-President of Security & Technology
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Faulkner.

The first item of business was the review, adoption, and approval of the agenda. Mr. Hawkins moved approval of the agenda as presented, with a second by Mr. Smith. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda matters for approval containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for September 2024 as uncollectible. It was noted that Justin Baird's bill in the amount of \$183.21 needs to be removed from the collection list. Following review, a motion was made by Mr. Faulkner, and seconded by Mrs. Williams to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for December 2024 given by the management staff. Mrs. Phelps discussed the December 2024 financials noting that the year-end margins were based on unaudited results, and subject to change. Also, the margins did not include the patronage allocation from East Kentucky Power. It was also noted that Campbell, Myers and Rutledge, PLLC will conduct its financial audit next week. YTD operating margin is \$343,845, which results in an Operating TIER of 1.14. A requirement within the RUS loan documents states: the average ratio achieved in the 2 best years out of the 3 most

recent calendar years must not be less than a 1.10 for OTIER. In 2022, Farmers had an OTIER of 1.01. In 2023, Farmers had an OTIER of 0.35. Based on the results of 2022 & 2023 financial years, Farmers needed a 1.20 OTIER in 2024 to achieve its lender requirements. However, for the average 2 of 3 best years, the OTIER is 1.08. Farmers will be in default of its RUS loan requirements. Farmers has been in default before, the last year being 2008. Mrs. Phelps will provide an explanation to RUS, which will be included in the 2024 Form 7 notes. Mrs. Phelps also spoke of the challenges facing fiscal year 2025. She also provided an update to rate case filings for various East Kentucky distribution cooperatives.

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 12.5/7.2kV to 25/14.4kV (Finney Rd West) – 0% Complete

Work Plan Projects – Staking

- Reconductor 2/0 ACSR to 397 ACSR (Scottsville Road) – 0% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff-Ongoing
- Started back working on grain bin clearance to power line audit to identify violations – 70% Complete
- CWP Contractor bid process – 100% Complete
- Requested on December 12 for Declaratory Order from PSC acknowledging Certificate of Public Convenience and Necessity (CPCN) is not required for CWP
- CWP Contractors (Groves) – Kickoff meeting on January 8, Foreman & Lead Lineman meeting scheduled for January 14, Full crew reporting on January 20

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 100 reclosers

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Munfordville substation. The system inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in December 53 (GSW 30 Total 392) (GSW 52) (79 on file)

Right of Way:

1. Townsend is now working Munfordville – North Town **98% Complete**
2. WM Kendall is working Seymour – Monroe - **Complete**
3. WM Kendall will start Seymour – **Complete**

Compliance:

1. Safety Committee has begun reviewing the KEC safety manual
2. All required Safety compliance classes have been scheduled through Exec-U-Train
3. FRECC ended 2024 with one recordable accident and no reportable accidents
4. All OHSA 300 logs have been completed

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson provided information to the board relating to the Member Service Accounts Receivable report for November 2024.

Accounts Receivable

Number of bills mailed for the Month – 26,901

Energy Amount Billed (Less taxes) - \$5,326,692

Aging Summary

Current Accounts Receivable	\$2,025,711
30-59 Days.....	\$ 115,262
60-89 Days.....	\$ 4,093
90-Over.....	\$ 7,512

Collection Activity

Number of Delinquent Notices.....	3,131 in the amount of	\$ 527,249
Number of Cut-Off Notices.....	501 in the amount of	\$ 65,649
Number Subject to Disconnection....	411 in the amount of	\$ 71,072
Number Disconnected for Non-Pymt	125 in the amount of	\$ 20,849
Number of Disconnects Reconnected	106 in the amount of	\$ 18,584

Accounts Written Off and Subsequent Amounts Collected

In December, seventeen accounts were written off in the amount of \$ 5,516.93.

Caralyne Pennington, Director of Member and Public Relations presented her departmental report. She reported the following:

- The Q1 Coffee with the Co-ops will be held on Tuesday, March 25 from 7 a.m. – 9:00 a.m. at The Hive Coffee and Bakehouse. This event will be hosted in conjunction with South Central Rural Telephone Cooperative.
- Fourteen total Washington Youth Tour applications were received.
- Migrating members to E-bill in Q1 in process.
- Researching best practices to implement a corporate “Day of Service” program.
- Plans are underway for the 2025 FRECC Annual meeting scheduled for July 10, 2025.

For the next item of business, a review of the Technology and Security report was included in the Board packet literature. A portion of the Technology report included:

IT PROJECTS

1. CENT OS Upgrade: Roughly 15% of our server infrastructure leverages a Linux based Operating System, there are several distributions of Linux. The Cent OS 7 distribution has entered end-of-life, and has necessitated an upgrade on several of our servers critical to our enterprise infrastructure. All Cent OS based servers have successfully been migrated to either Ubuntu, Oracle, Linus, or Debian. **100% Complete**
2. VXRail Upgrade: The VXRail cluster has reached end of extended support, and the nodes in the cluster will need to have their software updated, which will necessitate an upgrade to our virtual desktop infrastructure (VDI). This will include a complete overhaul of our VDI to include updating desktop agents, zero-client firmware, connection, and access servers. **10% Complete**

SECURITY PROJECTS

1. CISA RPT: We have engaged CISA to conduct a remote penetration test (RPT) of our environment to tentatively include automated and manual penetration testing of all external, and internal systems, and specific web applications. **90% Complete**
2. EDR Replacement: We will be replacing our endpoint detection, and response agent due to increased pricing models by VMware spurred by the Broadcom acquisition, and lack of innovation. **100% Complete**

Next, Mrs. Foushee provided directors with a monthly Human Resources report. She noted that a three-year driving record has been conducted on all FRECC employees. It was reported that Isaiah Morgan, FRECC Lineman, submitted his resignation, and plans are to begin advertising immediately for a replacement. She additionally, noted that all FRECC job descriptions are in the process of being reviewed, and updated as needed.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As part of this report, Mr. Lester noted that as of December 31, 2024, employees have accomplished 539,787.99 hours of work since having a Lost Time Accident.

Following the review of the departmental reports, a motion was made by Mr. Smith, and seconded by Mr. Martin, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Riggs, Mr. Bishop, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative. It was reported that no meeting has been held since the December board of directors meeting.

For the next item of business, Mr. Moss reported that United Utility Supply has not had a meeting since the December board of directors meeting.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. It was noted that KEC has not had a meeting since the December board of directors meeting.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

NRECA CEO Close-up: Represented FRECC at the CEO Closeup. Several representatives from KY. Met Roy Palk (former EKPC CEO)

Classes taken:

- a. The Future of Labor Law, 2025 and beyond
- b. Smart Rate Design in Today's Changing Environment
- c. CEO Panel Joe Brannan (North Carolina EMC) and Josh Winslow (Brunswick EMC)
 - i. Distributed Energy Resources
 - ii. G&T and Distribution relationships
- d. How AI will reshape the Electric Utility Industry
 - i. Casey Werth (IBM)
- e. Touchstone Energy
 - i. Jana Adams (Executive Director) * Showed FRECC Ad as an example.
- f. Navigating Safety Challenges and Success
 - i. Don Taylor (Corn Belt Energy)
 - ii. Ryan Hentges (Dakota Electric Cooperative)
 - iii. Ken Macken (NRECA)
- g. Building a Culture of Excellence

Mr. Moss's upcoming scheduled meeting dates were presented. A copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner provided directors with an update on the partial release of the Hart County property. Additionally, he provided an update on a complaint filed by a member to the Kentucky Public Service Commission.

For the next item of business, the directors reviewed the Director & CEO expenses year-to-date 2024. Following the review, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to approve the Director & CEO expenses as presented. The motion carried unanimously.

Next, the directors confirmed attendees to the CFC Kentucky Director Workshop to be held January 21-22 in Lexington, KY at the Marriott Hotel. The following plan to attend: Mr. Faulkner, Mr. Sexton, Mrs. Williams, Mr. Moss, and Mr. London.

The confirmation of attendees to the Kentucky Legislative Reception slated for February 18th at The Foundry in Frankfort, KY was discussed. Following the discussion, Mr. Moss plans to attend, and Mr. Sexton plans to attend on behalf of East Kentucky Power Cooperative.

The next item of business was a discussion and confirmation of attendees to the NRECA Legislative Conference to be held April 27-30 in Washington, D.C. Mr. Moss plans to attend, Mr. Sexton will attend on behalf of East Kentucky Power Cooperative, and Mr. London will decide soon.

Next, a review was held of Farmers Rural Electric Policy #163 – Nepotism. Following the review, a motion was made by Mr. Hawkins, and seconded by Mr. Smith to reaffirm the policy with no changes necessary. The motion carried unanimously.

Other business discussed was the annual signing of Farmers Rural Electric Policy #160 – Conflict of Interest. Also, a discussion was held on the iPad Board Pack value. The conclusion of the group was it is a good value, and the board would like to keep using it.

It was recognized by the FRECC directors that Farmers Rural Electric employees have received a very high ACSI (American Customer Satisfaction Index) score. The ACSI score is a measure of how satisfied United States consumers are with the quality of products and services they receive from a company. As a result, a recognition will be given to employees by adding one paid day off work to their existing vacation bank.

No additional Agenda items for the February board of directors meeting were mentioned. It was noted that until otherwise noted, the monthly FRECC board of directors' meetings will begin at 1:00 p.m. on the third Thursday of each month beginning in February 2025.

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:15 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on February 20, 2025. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:00 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Paul Hawkins
Cornelius Faulkner, Vice-Chairman	Randy Sexton
Brandi Williams, Secretary/Treasurer	
C. F. Martin, Jr.	
Ronnie Smith	

Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member and Public Communications
Jason Riggs	Vice-President of Security & Technology
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Sexton.

The first item of business was the review, adoption, and approval of the agenda. Mr. Smith moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

The next item of business was the approval of the Consent Agenda matters for approval containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for October 2024 as uncollectible. Following review, a motion was made by Mr. Hawkins, and seconded by Mr. Martin to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for January 2025 given by the management staff. Mrs. Phelps reported that the full financial presentation will be provided at the March board of directors meeting. We are awaiting information for East Kentucky Power margins. The January 2025 power bill from East Kentucky Power billing to FRECC was the highest cost power bill ever received at \$5.5 million. The FRECC audit has been completed with no adjustments necessary. John Wolfram is actively working on the Cost of Service Study for Farmers RECC (COSS). All initial data requests were provided to Mr. Wolfram by January 27th. Mrs. Phelps is currently working on the proforma adjustments.

Additionally, Mrs. Phelps responded to the January 22nd United States Department of Agriculture/Rural Utility Service questions related to the FRECC Construction Work Plan.

Overview of Income Statement: January-December 2024

Description	Last Year	This Year	Budget
Operating Revenue	\$ 56,541,315	\$ 60,410,560	\$ 62,432,138
Purchased Power Cost	(41,268,615)	(42,568,609)	(44,464,053)
Operation & Maintenance Expense	(9,606,186)	(10,001,903)	(9,921,876)
Interest, Depreciation & Tax Cost	(7,173,480)	(7,496,203)	(7,551,002)
Other Operating Margins	1,469,251	1,353,067	2,112,300
TOTAL MARGINS	(\$ 37,715)	\$ 1,696,912	\$ 2,607,507

Debt/Equity: Five Year Comparison

DEBT – Year	2020	2021	2022	2023	2024
New RUS/FFB Debt	\$3,000,000	\$6,500,000	\$6,951,000	\$6,100,000	\$4,820,000
Principal Paid	(4,923,253)	(2,311,490)	(2,455,231)	(2,421,402)	(2,519,375)
Year-End Debt	55,085,824	59,274,334	63,770,103	67,448,701	69,749,326
% Increase of Debt	(3.37%)	7.60%	7.58%	5.77%	3.41%
Blended Interest Rate	2.98%	2.60%	2.85%	3.48%	3.53%

EQUITY-Year	2020	2021	2022	2023	2024
Total Equity	41.98%	42.41%	42.16%	40.96%	41.06%
Distribution Equity	20.29%	21.43%	21.84%	20.72%	20.83%
Growth in TUP Dollars	\$3,376,545	\$4,035,376	\$4,793,581	\$5,826,724	\$5,206,493
Growth in TUP %	3.29%	3.81%	4.36%	5.08%	4.32%
Capital Credit Retirements	\$ 352,883	\$ 425,698	\$ 558,271	\$ 98,448	\$0.00
CC Retired Per Total Equity	0.67%	0.77%	0.97%	0.0018%	n/a
Operating Margins	\$ 586,456	\$ 730,147	\$ 14,696	(\$1,506,966)	\$ 343,845

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 12.5/7.2kV to 25/14.4kV (Finney Rd West) – 5% Complete

Work Plan Projects – Staking

- Reconductor 2/0 ACSR to 397 ACSR (Scottsville Road) – 75% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff - Ongoing
- Started back working on grain bin clearance to power line audit to identify violations – 70% Complete
- System wide load balancing of circuits – 20% complete

- Requested on December 12 for Declaratory Order from PSC acknowledging Certificate of Public Convenience and Necessity (CPCN) is not required for CWP – No response from PSC yet
- CWP Contractors (Groves)
 - Initially assigned smaller pole change jobs to familiarize them with our processes
 - Construction Manager has been working with crews so they learn FRECC construction practices
 - Started the Finney Rd. West CWP Project

Next, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - We will look at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 100 reclosers (27 completed)

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Seymour substation. The System Inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in January 6 (Groves 0 Total 6) (Groves 0) (80 on file)

Right of Way:

1. Townsend is now working Munfordville – Priceville **10% Complete**
2. WM Kendall is working Jonesville-Seymour - **Starting**

Compliance:

1. Safety Committee is reviewing the KEC safety manual
2. Farmers RECC Workers Comp Mod will be .73 for 2025
3. Drug & Alcohol Policy has been reviewed with all FRECC employees

Mr. Jackson, Vice-President of Member and Corporate Services, provided the directors with his departmental report. Mr. Jackson provided information to the board relating to the Member Service Accounts Receivable report for January 2025.

Accounts Receivable

Number of bills mailed for the Month – 26,956
 Energy Amount Billed (less taxes) - \$6,129,505

Aging Summary

Current Accounts Receivable	\$2,482,293
30-59 Days.....	\$ 154,483
60-89 Days.....	\$ 4,689
90-Over.....	<u>\$ 3,543</u>
 Total Accounts Receivable-End of Month	 <u>\$2,645,008</u>

Collection Activity

Number of Delinquent Notices.....	3,975 in the amount of	\$ 886,317
Number of Cut-Off Notices.....	289 in the amount of	\$ 55,755
Number Subject to Disconnection....	257 in the amount of	\$ 46,368
Number Disconnected for Non-Pymt	124 in the amount of	\$ 22,818
Number of Disconnects Reconnected	94 in the amount of	\$ 19,343

Accounts Written Off and Subsequent Amounts Collected

In January, twenty-one accounts were written off in the amount of \$ 4,534.53.

Caralyne Pennington, Director of Member and Public Relations presented her departmental report. She reported the following:

- The Q1 Coffee with the Co-ops will be held on Tuesday, March 25 from 7 a.m. – 9:00 a.m. at The Hive Coffee and Bakehouse in Glasgow. This event will be hosted in conjunction with South Central Rural Telephone Cooperative.
- Fourteen total Washington Youth Tour applications were received.
- Migrating members to E-bill in Q1 in process.
- Researching best practices to implement a corporate “Day of Service” program.
- Plans are underway for the 2025 FRECC Annual meeting scheduled for July 10, 2025.

For the next item of business, a review of the Technology and Security report was given by Jason Riggs. A portion of the Technology report revealed:

1. VXRail Upgrade: The FRECC VXRail cluster has reached end of extended support and the nodes in the cluster will need the software to be updated. This will necessitate an upgrade to the virtual desktop infrastructure (VDI). This will include a complete overhaul of the VDI to include updating desktop agents, zero-client firmware, connection, and access servers. It will also necessitate moving from a linked clone to an instant clone which will require testing and validating any endpoint management and protection software as well as application functionality testing. This will be a multi-phase project. VXRail node upgrade complete; additional projects created. **100% Complete**
2. Horizon View Upgrade: Horizon View is used to broker the connection between our Zero Clients to our Windows based desktops and provision the clients. Zero clients are the devices used to access the desktop. The Horizon View environment has been updated to a supported version of Horizon View and cannot be updated further until the Zero Clients are replaced. **100% Complete**
3. VDI Zero Client Pilot: Working with vendors to pilot new Zero Client devices as a replacement to our existing devices. This will leverage a new protocol for communication and will require testing to ensure compatibility with all hardware within our environment. Currently in planning phase: **10% Complete**

Security Projects

1. CISA RPT: We have engaged CISA to conduct a remote penetration test (RPT) of our environment to tentatively include automated and manual penetration testing of all external and internal systems and specific web applications. Testing will also include a technical assessment of endpoint infrastructure to ensure security controls are in place to protect against common attacks from a large number of diverse payloads. Finally, the testing will include a phishing campaign based upon any deficiencies found within the environment as part of the technical assessment of the endpoint infrastructure. Testing will conclude on 01.09.2025 and may have services truncated based on scheduling of resources. Testing has been completed and the final report has been received. The results of the report will be delivered during the April board of directors meeting. **100% Complete**
2. MFA Expansion: We will be expanding our multifactor authentication footprint to all workstations, servers, and network hardware to meet requirements for full insurance coverage. Deployment has been completed for all full-time employees and applicable vendors interactively logging into Windows based assets. **75% Complete**

OT Projects

1. AclaraOne Upgrade: AclaraOne is the head-end system used in the FRECC advanced metering infrastructure. Issues have been found relating to receiving load control status information from the field. An upgrade is being carried out to resolve this issue. **100% Complete**
2. Goodnight SCADA: The recloser controls at Goodnight have been replaced and our current means of SCADA communication will no longer work with the new recloser controls. We are working towards a solution to resolve this issue that will be rolled out to other substations as these recloser controls are replaced. Currently in planning phase: **10% Complete**

Next, Mrs. Foushee provided directors with a monthly Human Resources report. She reported:

NEW HIRES FOR 2024/2025

	<u>HIRE DATE</u>
1. Mykal Cress (Engineering Intern)	01-02-2024
2. Abigail Nuetzman (Communication Specialist)	02-13-2024
3. Mykal Cress (Accepted Full time position as System Engineer 1)	06-10-2024
4. Katherine Dorsey (MSR)	06-11-2024

INTRODUCTORY PERIOD PERFORMANCE EVALUATIONS UNDERWAY

1. None at this time.

RESIGNATIONS

1. Isaiah Morgan – Lineman - Resignation Date: 01-24-2025. Accepted a job with a contractor.

RETIREMENTS

1. None at this time

Following the review of the departmental reports, a motion was made by Mr. Sexton, and seconded by Mr. Martin, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As part of this report, Mr. Lester noted that as of January 30, 2025, employees have accomplished 550,685.24 hours of work since having a Lost Time Accident.

The next item of business was an overview of the 2024 fourth quarter (October-December 2024) RUS Summary of Construction given by Mrs. Phelps. Following review, a motion was made by Mr. Hawkins, and seconded by Mr. Sexton that the report be approved and submitted to RUS for borrowing. The motion carried unanimously.

Next, Mrs. Phelps shared and discussed with the directors a detailed graph showing five scenarios relating to FRECC Capital Credit refund options for 2025. Also shared with the directors was a second detailed graph showing a Farmers RECC Capital Credit history of refunds distributed from 2007 to 2023. Pros and Cons of the various scenarios were discussed at length. An in-depth discussion was held in order to determine a declaration of a Capital Credit refund in March of 2025. Following discussion, a motion was made by Mr. Smith, and seconded by Mr. Faulkner to accept FRECC Management's recommendation of accepting Scenario 1 stating no capital credit retirements will be disbursed in 2025 due to cash flow concerns, and financial constraints. This motion carried unanimously. A copy of the Farmers RECC Capital Credit documents presented are attached to these minutes, and is made an official part thereof.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Riggs, Mr. Bishop, Mrs. Phelps, and Mrs. Pennington left the meeting.

For the next item of business, Mr. Moss presented and summarized an Equity Management Training Guide. The full training guide will be lodged in the directors FRECC BoardEffect electronic board literature and will be located in the director's library.

Next, a verbal report was given from director attendees of the CFC Financial Workshop in Lexington, KY. No action was needed.

The next item of business was the EKPC monthly report given by EKPC Director and President/CEO Representative. A copy of this report is attached to these minutes, and made an official part thereof.

For the next item of business, Mr. Moss provided a report from the United Utility Supply January board of directors meeting. A synopsis included their financials were \$2M over budget on sales, and have no short-term debt. He provided an economic update, artificial intelligence, and reiterated their commitment to excellence.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. A copy of this report is attached to these minutes, and made an official part thereof.

Following which, the next item of business was the President's report given by Mr. Moss. Mr. Moss reported on:

1. Participated in the Kentucky Propane Board Meeting
2. Attended the Cooperative Finance Corporation's Director Workshop in Lexington, KY
3. Participated in a "one on one" lunch meeting with EKPC's CEO Tony Campbell
4. Participated in a quarterly landfill meeting
5. FEPP Quarterly Board Meeting: Chair for meeting with KY Propane and FEPP personnel
6. Met with Glasgow Mayor Henry Royse: re: new land purchase off 1297 near Jackie Browning Park
7. Participated in the UUS/KEC Finance Committee Meeting
8. Participated in an informal meeting with the Kentucky Public Service Commission
9. Discussion with Energy and Commerce Chairman/United States Congressman Brett Guthrie re: FRECC Construction Work Plan approval/delays with Rural Utilities Service
10. Attended the Barren Inc., Annual Meeting
11. Attended EKPC SI Committee Meeting
12. Attended EKPC Board Meeting
13. Attended UUS Board Meeting
14. Attended KEC Board Meeting
15. Upcoming scheduled meeting dates was presented

Mr. Moss's upcoming scheduled meeting dates were presented. A copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. Mr. Gardner provided the directors with an update on the partial release of the Hart County property in Munfordville, KY. Mr. Gardner reported that he received a partial lien release and it has been sent to the State Highway Department to update, and to plan a closing date. Additionally, he provided an update from the Kentucky Public Service Commission's response to a complaint filed by a Farmers Rural Electric member.

For the next item of business, a discussion was held relating to the selection and designation of the election Provost for the 2025 Farmers Rural Electric Cooperative Corporation's director nomination/election process. Following the discussion, a motion was made by Mr. Hawkins, and

seconded by Mr. Smith to select Cindy Greer, CPA with Campbell, Myers, and Rutledge as the 2025 FRECC Provost. Motion carried unanimously.

Next was a review of Farmers Rural Electric Policy #140 – Election of Directors. Following review, a motion was made by Mr. Smith, and seconded by Mr. Faulkner to reaffirm Policy #140 – Election of Directors with no changes necessary. The motion carried unanimously.

A review of the 2025 NRECA Directors Conference was given by Mr. Sexton. It was reported that the conference was well attended, and the theme was Artificial Intelligence.

The next item of business was a recognition given by the FRECC board of directors for Randy Sexton obtaining NRECA's Director Gold Program Certification.


A reminder was given to each director by Chairman London to select a FRECC member to be considered for the 2025 FRECC Nominating Committee. Chairman London requested the directors bring the name and contact information for their select representative and provide to the Executive Assistant at the March board of directors meeting.

Other business discussed, was Mr. Smith reported to the directors, and congratulated Mr. Gardner for being inducted into the Barren County Hall of Fame. Additionally, Mr. Martin provided the directors with a biography for Dr. James Middleton, Jr. from Munfordville, Kentucky to be considered for the next Distinguished Rural Electric Kentuckian award. Dr. Middleton's biography has been placed in the directors BoardEffect library.

Additional agenda items for the March board of directors meeting were mentioned. Add to the March board of director's meeting agenda a first reading of the FRECC Proposed Rate Case which will be given by the FRECC Rate Consultant & Attorney's. Also, the selection of 2025 Nominating Committee members.

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:15 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on March 20, 2025. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:00 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Paul Hawkins
Cornelius Faulkner, Vice-Chairman	Randy Sexton
Brandi Williams, Secretary/Treasurer	
C. F. Martin, Jr.	
Ronnie Smith	

Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member and Public Communications
Jason Riggs	Vice-President of Security & Technology
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Smith.

Next, an introduction was given by Mr. Lester for the newly hired Apprentice Lineman, Elijah Dile, and Mason Arms. Following the introduction, Mr. Dile, and Mr. Arms left the meeting.

The first item of business was the review, adoption, and approval of the agenda. Mr. Smith moved approval of the agenda as presented, with a second by Mr. Faulkner. There was no discussion. The agenda was approved unanimously.

Joining the meeting next, via a Zoom teleconference call, was rate consultant, John Wolfram from Catalyst Consulting, LLC, and Attorney Heather Temple. This was a detailed first read of the Farmers Rural Electric proposed rate case. The rate making approach was reviewed in-depth, the cost of service study presented, and a chart showing the present and proposed rates was thoroughly discussed and reviewed. Following the review, the following resolution, authorizing the FRECC President & CEO to file for a rate adjustment with the Kentucky Public Service Commission, was read by FRECC Secretary/Treasurer Brandi Williams for consideration to approve:

WHEREAS, to provide its members with a reliable source of power, it is the opinion of the Board of Directors of Farmers Rural Electric Cooperative Corporation (“Farmers RECC”), after a thorough review of its financial information and after consultation with a review of the fully allocated cost-of-service study from Farmers RECC’s consultant, John Wolfram of Catalyst Consulting, LLC, that a rate adjustment is necessary to maintain Farmers RECC in a sound financial condition, and

WHEREAS, the Board of Directors of Farmers RECC hereby authorizes and directs its President & CEO, Tobias Moss, to file with the Kentucky Public Service Commission for a rate adjustment, not to exceed \$2,400,000.

NOW, THEREFORE BE IT RESOLVED, that this resolution was properly authorized by the Board of Directors during a regular Board of Directors meeting held on March 20, 2025.

Following the reading of the resolution, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to approve the above listed resolution as presented. This motion carried unanimously. A copy of this resolution is attached to these minutes, and made an official part thereof. Afterwards, the teleconference attendees disconnected from the meeting.

The next item of business was the approval of the Consent Agenda matters for approval containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for November 2024 as uncollectible. Following review, a motion was made by Mr. Sexton, and seconded by Mr. Smith to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for January and February 2025 given by the management staff.

Mrs. Phelps reported that the January 2025 financials resulted in net margins of \$408,952, a \$50k increase from the prior year. As compared to 2024, revenues increased \$779k of 11.5% while the cost of purchased power increased \$536k or 10.8%. January 2025 was the coldest month in ten years, and the fourth coldest month in the last twenty years. The cold weather resulted in higher electric bills for members. A ten-year history of average temperatures for January was shown.

The cold weather also resulted in the highest cost power bill ever from East Kentucky Power Cooperative. The second highest cost power bill was in January 2024.

	Coincident					Load	Cost Per
Acct. Period	kW	Total kWh	Total Bill	Fuel Adj.	Envn. Sur.	Factor	kWh
January 2024	143,744	59,251,990	\$4,951,510	512,122	704,595	55.40%	0.083567
January 2025	149,023	63,038,566	\$5,475,492	(118,514)	936,138	56.86%	0.086859

Overview of Income Statement: January 2025

The Operation and Maintenance expenses have increased \$138k from the prior year, and are \$38k more than budgeted. The roof and HVAC repair at the Glasgow headquarters totaled \$7.7k of unbudgeted expense. Interest, depreciation, and tax cost has increased \$48k from the prior year; but are \$14k less than budgeted.

Description	Last Year	This Year	Budget
Operating Revenue	\$ 6,719,662	\$ 7,498,181	\$ 6,418,074
Purchased Power Cost	(4,986,490)	(5,522,906)	(4,554,107)
Operation & Maintenance Expense	(772,581)	(910,626)	(872,890)
Interest, Depreciation & Tax Cost	(615,494)	(663,088)	(649,499)
Other Operating Margins	13,902	7,391	2,275
TOTAL MARGINS	\$ 358,999	\$ 408,952	\$ 343,853

Right-of-Way Expenses

	Actual 2024	Actual 2025	Budget 2025
<u>Year-to-Date:</u>			
Circuit	\$ 144,338	\$ 155,000	\$ 155,000
Hourly Work	3,917	8,532	7,900
Removal	-	-	5,000
Herbicide	-	-	-
Total Right-of-Way	\$ 148,255	\$ 163,532	\$ 167,900

Accounts Payable Disbursements

In January, the Accounting department issued 230 checks/drafts/ach, and one wire payment totaling \$6,074,877.

Winter Storm – January 2025

The first significant winter storm of the year brought snow and ice to all of Kentucky on January 5 & 6 of 2025. Farmers RECC crews worked that weekend to restore service to its members, and worked on Monday to repair lines. The cost was \$34,402. Following the restoration of FRECC's system, six linemen traveled to Blue Grass Energy for mutual aid assistance. Crews worked 145 hours over a two-day period, resulting in a charge to Blue Grass Energy of \$16,423.

February 2025 Financial Preview as of March 10, 2025

The February 2025 financials will be presented at the April board of directors meeting. The February 2025 power bill will mark the second highest cost power bill ever received from East Kentucky Power Cooperative. The majority stems from the fuel adjustment clause. Below is a comparison between the February 2024, and February 2025 power bill.

Acct. Period	Coincident kW	Total kWh	Total Bill	Fuel Adj.	Envn. Sur.	Load Factor	Cost Per kWh
February 2024	98,421	39,012,985	\$3,225,880	447,870	704,595	56.95%	0.082687
February 2025	133,834	46,913,377	\$5,009,964	702,292	675,679	50.36%	0.106792

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 12.5/7.2kV to 25/14.4kV (Finney Rd West) – 20% Complete

Work Plan Projects – Staking

- Reconductor 2/0 ACSR to 397 ACSR (Scottsville Road) – 85% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff - Ongoing
- Started back working on grain bin clearance to power line audit to identify violations – 70% Complete
- System wide load balancing of circuits – 80% complete
- Requested on December 12 for Declaratory Order from PSC acknowledging Certificate of Public Convenience and Necessity (CPCN) is not required for CWP – No response from PSC yet
- Audit of field assets – Stepdown transformers – 100% Complete - Regulators -100% Complete
- Tier II Report (Pole Yard Facility for oil/diesel filed equipment) submitted to the State
- Pole Yard Generator Emissions Testing performed on March 4, and waiting for final report from the testing agent. Required to submit to the State within a month of testing

For the next item of business, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - Looking at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap, or change transformers from CSP to Conventional.
2. Recloser maintenance – Service dept. will be changing out 100 reclosers (38 completed)

Line Maintenance Projects:

1. The System Inspectors are now inspecting the circuits out of the Seymour substation. The System Inspectors are on schedule with the PSC two-year cycle requirements.
2. Replaced poles in February 28 (Groves 12 Total 67) (Groves 17) (90 on file)

Right of Way:

1. Townsend is working Munfordville – Priceville **30% Completed**
2. WM Kendall is working Jonesville – Seymour **30% Completed**

Compliance:

1. CPR / AED and First Aid Training for all FRECC employee will be March 24th and 25th

Next, Mr. Jackson presented the monthly Member and Corporate Services report for February 2025. He reported:

Accounts Receivable

Number of bills mailed for the Month – 26,42

Energy Amount Billed (less taxes) - \$6,247,230

Aging Summary

Current Accounts Receivable	\$2,423,497
30-59 Days.....	\$ 234,759
60-89 Days.....	\$ 8,454
90-Over.....	\$ 2,840

Total Accounts Receivable-End of Month \$2,669,550

Collection Activity

Number of Delinquent Notices.....	3,480 in the amount of	\$ 959,001
Number of Cut-Off Notices.....	410 in the amount of	\$ 98,988
Number Subject to Disconnection....	353 in the amount of	\$ 84,798
Number Disconnected for Non-Pymt	99 in the amount of	\$ 24,776
Number of Disconnects Reconnected	85 in the amount of	\$ 22,093

Accounts Written Off and Subsequent Amounts Collected

In February 2025, fourteen accounts were written off in the amount of \$ 2,206.53.

For the next item of business, Caralyne Pennington, Director of Member and Public Relations presented her departmental report. She reported the following:

- The Q1 Coffee with the Co-ops will be held on Tuesday, March 25 from 7AM-9AM at The Hive Coffee and Bakehouse. The Q2 Coffee with the Co-ops has been scheduled for Friday, May 9, 2025 from 7-9AM at The Brew House in Munfordville.
- The 2025 Washington Youth Tour students travel to Frankfort on Thursday, March 13 as part of KEC's Coops at the Capitol event. Those students are: Katherynn Dooley, daughter of Joel and Olivia Dooley of Cave City; Mary Claire Warren, daughter of Travis and Donna Warren of Glasgow; Braydon Thompson, son of Shawn and Crystal Thompson of Munfordville and Addison Morgan, daughter of Hobert and Brandy Morgan of Edmonton.
- Farmers RECC Scholarship registration is open.
- The FRECC Billing Portal is being adjusted to address complaints heard from members, about setting up credit card profiles/automatic drafts.
- The Q2 billing campaign will be focused on levelized billing.
- A Member Service Representative training will be held on March 27. Topics will include the upcoming Farmers RECC and EKPC rate cases, Generlink devices, capital credits talking points, levelized billing, and energy efficiency programs.
- The Hart County Fiscal Court is interested in taking advantage of our longstanding offer to host and maintain their website for them. We will be working through contracts and details in the coming months.

For the next item of business, a review of the Technology and Security report was given by Jason Riggs. A portion of the Technology report revealed:

IT Projects:

1. VDI Zero Client Pilot: Working with vendors to pilot new Zero Client devices as a replacement to our existing devices. This will leverage a new protocol for communication and will require testing to ensure compatibility with all hardware within our environment. Devices have been received for testing purposes. Currently in testing phase: **20% Complete**

Security Projects:

1. MFA Expansion: We will be expanding our multifactor authentication footprint to all workstations, servers, and network hardware to meet requirements for full insurance coverage. Deployment has been completed for all full-time employees and applicable vendors interactively logging into Windows based assets. **75% Complete**
2. Substation communication: We have reengaged SCRTC to move forward with the ELAN project to each substation. We have sourced a vendor that will provide us with layer 2 encryptors to be used on each end of the communication path to encrypt traffic between substations and HQ. This will substantially reduce the overall operational cost of the communication infrastructure and provide a more secure and less complex SCADA/AMI implementation. This will also allow us to incorporate the Edmonton substation into SCADA. Currently in planning phase: **10% Complete**

OT Projects:

1. Goodnight SCADA: The recloser controls at Goodnight have been replaced and our current means of SCADA communication will no longer work with the new recloser controls. We are working towards a solution to resolve this issue that will be rolled out to other substations as these recloser controls are replaced. We have completed initial in-house testing of communication and DNP map for recloser controls. New cables will have to be ordered and existing SCADA 351R IEDs will need to be reconfigured as 651RA IEDs. Currently in pre-deployment phase: **20% Complete**
2. VXRail Upgrade: The FRECC VXRail cluster has reached end of extended support and the nodes in the cluster will need the software to be updated. This will necessitate an upgrade to the virtual desktop infrastructure (VDI). This will include a complete overhaul of the VDI to include updating desktop agents, zero-client firmware, connection, and access servers. It will also necessitate moving from a linked clone to an instant clone which will require testing and validating any endpoint management and protection software as well as application functionality testing. This will be a multi-phase project. VXRail node upgrade complete; additional projects created. **100% Complete**
3. Horizon View Upgrade: Horizon View is used to broker the connection between our Zero Clients to our Windows based desktops and provision the clients. Zero clients are the devices used to access the desktop. The Horizon View environment has been updated to a supported version of Horizon View and cannot be updated further until the Zero Clients are replaced. **100% Complete**

4. VDI Zero Client Pilot: Working with vendors to pilot new Zero Client devices as a replacement to our existing devices. This will leverage a new protocol for communication and will require testing to ensure compatibility with all hardware within our environment. Currently in planning phase: **10% Complete**

Next, Mrs. Foushee provided directors with a monthly Human Resources report. She reported:

NEW HIRES FOR 2024/2025

	<u>HIRE DATE</u>
1. Mykal Cress (Engineering Intern)	01-02-2024
2. Abigail Nuetzman (Communication Specialist)	02-13-2024
3. Mykal Cress (Accepted Full time position as System Engineer 1)	06-10-2024
4. Katherine Dorsey (MSR)	06-11-2024
5. Mason Arms (Apprentice Lineman)	02-28-2025
6. Elijah Dile (Apprentice Lineman)	02-28-2025

INTRODUCTORY PERIOD PERFORMANCE EVALUATIONS UNDERWAY

1. None at this time.

RESIGNATIONS

1. Isaiah Morgan – Lineman - Resignation Date: 01-24-2025.
2. Christopher “Zeak” McIntyre – Resignation Date: 02-28-2025.

RETIREMENTS

1. None at this time

Following the review of the departmental reports, a motion was made by Mr. Martin, and seconded by Mr. Sexton, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As part of this report, Mr. Lester noted that as of February 28, 2025, employees have accomplished 560,180.99 hours of work since having a Lost Time Accident.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Riggs, Mr. Bishop, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director and President/CEO Representative. A copy of this report is attached to these minutes, and made an official part thereof.

Next, a discussion was held relating to the selection or reaffirmation of Farmers Rural Electric’s director representative for a one-year term beginning June 2025, and ending in May of 2026. Farmers Rural Electric Policy #150, relating to this issue, was reviewed. Following a review and discussion, a motion was made by Mr. Smith, and seconded by Mr. Martin to select Randy

Sexton as the Farmers Rural Electric Director Representative for East Kentucky Power's board of directors. This motion carried unanimously.

For the next item of business, Mr. Moss reported that the United Utility Supply board of directors have not met this month.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. It was reported that no board of directors meeting has taken place during this month.

Next, Mr. Moss reported on his monthly President's Report, which included his upcoming scheduled meeting dates. A copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. He discussed a complaint filed with the Kentucky Public Service Commission by FRECC member, Dewayne Boyd. Additionally, Mr. Gardner provided the directors with an update on the sale of the Hart County property in Munfordville, KY. He has worked with Mrs. Phelps and have had the property releases signed for over a month. We are awaiting receipt of a check, then complete releases.

Next, Mr. Sexton, and Mr. Moss provided the directors with a summary of their recent attendance to the 2025 NRECA PowerXChange held in Atlanta, Georgia

The next item of business was the designation of the FRECC 2025 Director Nominating Committee. Chairman London polled the directors.

Mr. Smith submits the name of:

Jamie Moss
293 Joe Acree Road
Edmonton, KY 42129
(270) 590-5735

Mr. London submits the name of:

Jon Keightly
590 Reece Road
Cave City, KY 42127
(270) 646-8549

Mrs. Williams submits the name of:

Jared Pursley
305 Winners Circle
Glasgow, KY 42141
(270) 646-8162

Mr. Martin submits the name of:

Robert Thompson
2565 Davis Bend Road
Canmer, KY 42722
(270) 528-2320

Mr. Hawkins submits the name of:

Jay McCoy
4765 Hardyville Road
Munfordville, KY 42765
(270) 537-4425

Mr. Faulkner submits the name of:

Reginia Murphy
1840 Slash Road
Cave City, KY 42127
(270) 308-5407

Mr. Sexton submits the name of:


Jamie Moss
293 Joe Acree Road
Edmonton, KY 42129
(270) 590-5735


Following the submission of names, a motion was made by Mr. Hawkins and seconded by Mr. Sexton to accept the above-mentioned as members of the 2025 FRECC Nominating Committee. This motion carried unanimously.

Other business discussed, was a discussion led by Mr. Hawkins relating to East Kentucky Power Cooperative's procurement of right-of-way property from Bonnieville to Cub Run, Kentucky. The public relations efforts from EKPC were discussed. Additionally, Mr. Faulkner mentioned an interest in participating in a Board Leadership Class being offered soon by Kentucky Electric Cooperatives.

Additional agenda items for the April board of directors meeting were mentioned. The CPA Audit report for FRECC will be an agenda item. A summary of the Safety Manual will be included in Mr. Lester's Operations report.

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 4:30 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on April 17, 2025. The meeting was held in the FRECC Operations Center Conference Room. Chairman Randy London called the meeting to order at 1:00 p.m.

In attendance were:

Farmers Rural Electric Directors:

Randy London, Chairman	Paul Hawkins
Cornelius Faulkner, Vice-Chairman	Randy Sexton
Brandi Williams, Secretary/Treasurer	
C. F. Martin, Jr. (absent)	
Ronnie Smith	

Woodford L. Gardner, Jr., Attorney-at-Law

Farmers Rural Electric Senior Staff:

Jennie Phelps	Vice-President of Finance
Chuck Bishop	Vice-President of Engineering
Corey Jackson	Vice-President of Member and Corporate Services
Caralyne Pennington	Director of Member and Public Communications
Jason Riggs	Vice-President of Security & Technology
Scott Lester	Vice-President of Operations
Linda Foushee	Executive Assistant/Human Resources Coordinator
Tobias Moss	President & Chief Executive Officer

An invocation was given by Mr. Smith.

The first item of business was the review, adoption, and approval of the agenda. Mr. Hawkins moved approval of the agenda as presented, with a second by Mr. Smith. There was no discussion. The agenda was approved unanimously.

The next item of business was an in-depth presentation of the 2024 financial audit given by Brent Billingsley, CPA of Campbell, Myers, and Rutledge, PLLC. Prior to the board meeting, the directors were provided an electronic copy of the audit report for review. The audit was reviewed at length during the meeting allowing opportunities for the directors to ask questions. The CPAs reported that the Cooperative had received a clean audit report for the year. No significant issues with internal deficiencies were noted. Following discussion, a motion was made by Mr. Smith and second by Mr. Faulkner that the annual audit report be approved as presented. Motion carried unanimously. Following this report, Mr. Billingsley left the meeting.

The next item of business was the approval of the Consent Agenda matters for approval containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for December 2024 as uncollectible. Following review, a motion was made by Mr. Sexton, and seconded by Mr. Faulkner to accept the above listed items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for March 2025 given by the management staff.

Mrs. Phelps reported that the year-to-date Operating Margins totaled \$196,180, a \$378k decrease from the prior year, and \$300k under budget. For the first quarter, the Operating TIER is 1.32. The year-to-date total margins are \$232,165 with TIER at 1.38. Revenues increased \$2.1M or 12.9% while purchased power costs increased \$2.2M or 12.9% as compared to last year. The average cost per kWh purchased totaled 9.31 cents, a 0.81 cent increase from the prior year.

Overview of Income Statement: January -March 2025

Description	Last Year	This Year	Budget
Operating Revenue	\$ 16,606,072	\$ 18,754,434	\$ 16,834,459
Purchased Power Cost	(11,840,407)	(14,014,204)	(11,818,878)
Operation & Maintenance Expense	(2,330,600)	(2,631,611)	(2,560,199)
Interest, Depreciation & Tax Cost	(1,860,838)	(1,912,439)	(1,958,901)
Other Operating Margins	47,293	35,985	113,825
TOTAL MARGINS	\$ 621,520	\$ 232,165	\$ 610,306

Operating & Maintenance expenses have increased \$301k from prior year, and are \$71k over budget. Interest, Depreciation, & Tax Cost has increased \$52k from the prior year; but are \$46k less than budgeted.

Right-of-Way Expenses

	<u>Actual 2024</u>	<u>Actual 2025</u>	<u>Budget 2025</u>
<u>Year-to-Date:</u>			
Circuit	\$ 384,337	\$ 390,000	\$ 465,000
Hourly Work	18,231	20,128	23,700
Removal	33,573	52,693	15,000
Herbicide	-	-	-
Total Right-of-Way	\$ 436,141	\$ 462,821	\$ 503,700

Accounts Payable Disbursements

In January, the Accounting department issued 230 checks/drafts/ach, and one wire payment totaling \$6,074,877.

In February, the Accounting department issued 174 checks/drafts/ach, and two wire payments totaling \$5,736,986.

In March, the Accounting department issued 176 checks/drafts/ach, and two wire payments totaling \$7,597,667.

Short-Term Borrowing

As of March 31, 2025, Farmers had outstanding line-of-credit from CFC totaling \$1,092,674. The short-term borrowing was repaid in full on April 9, 2025. The current interest rate on the line-of-credit is 6.25%.

Debt Portfolio

As of March 31, 2025, Farmers RECC's debt portfolio is 13.8% variable, and 86.2% fixed. In the first quarter, principal and interest paid totaled \$640,915, and \$616,988. Total debt, including the Hospice House REDLG loan, is \$70,089,866.

Next, Mr. Bishop provided the monthly Engineering departmental report. The report included the following:

Work Plan Projects – Construction

- Conv 12.5/7.2kV to 25/14.4kV (Finney Rd West) – 90% Complete
- 1-phase 4 ACSR to 3-phase 1/0 ACSR (Haywood Cedar Grove Rd) – 10% Complete

Work Plan Projects – Staking

- Reconductor 2/0 ACSR to 397 ACSR (Scottsville Road) – 85% Complete

Miscellaneous

- Public Service Commission Emergency Amendment to Pole Attachment Tariff - Ongoing
- System wide load balancing of circuits – 100% complete
- Requested on December 12 for Declaratory Order from PSC acknowledging Certificate of Public Convenience and Necessity (CPCN) is not required for CWP – No response from PSC yet
- Pole Yard Generator Emissions Testing performed on March 4, and waiting for final report from the testing agent. Required to submit to the State within 45 days of testing
- Final report received and submitted in April to State

For the next item of business, Mr. Lester, Vice-President of Operations, provided the monthly Operations report. He reported the following:

Reliability Projects:

1. Fusing Taps - Looking at another 50 unfused taps this year. The decision will be made to either fuse, drop the tap or change transformers from CSP to Conventional.
2. Recloser maintenance – Service will be changing out 100 reclosers (49 completed)

Line Maintenance Projects:

1. The System Inspectors are now inspecting the Circuits out of the Seymour substation. The System Inspectors are on schedule with the PSC 2-year cycle requirements.
2. Replaced poles in March 36 (Groves 0 Total 103) (Groves 17) (100 on file)
3. Two voltage conversations are scheduled for May 6th

Right of Way:

1. Townsend is now working Munfordville – Priceville **80% Completed**
2. WM Kendall is working Jonesville – Seymour **50% Completed**

Compliance:

1. CPR / AED and First Aid Training for all FRECC employees. **Completed**
2. Safety Committee completed the review of the KEC Safety Manual and we are ready to adopt it as the Farmers Rural Electric Cooperative Corporation Safety Manual.
3. PSC completed their annual audit of the FRECC system April 1-4
4. CDL Medical Certifications are scheduled for May 7th

Personnel:

1. Elijah Dile and Mason Arms have completed their 1st month evaluations
2. Isaac Jones will be promoted to Lineman on May 15, 2025.

Right of Way:

1. Townsend is working Munfordville – Priceville **30% Completed**
2. WM Kendall is working Jonesville – Seymour **30% Completed**

Next, Mr. Jackson presented the monthly Member and Corporate Services report for March 2025. He reported:

Accounts Receivable

Number of bills mailed for the Month – 26,986

Energy Amount Billed (less taxes) - \$5,305,756

Aging Summary

Current Accounts Receivable	\$1,818,964
30-59 Days.....	\$ 215,549
60-89 Days.....	\$ 11,872
90-Over.....	\$ 7,287

Total Accounts Receivable-End of Month **\$2,053,671**

Collection Activity

Number of Delinquent Notices.....	3,480 in the amount of	\$ 788,613
Number of Cut-Off Notices.....	410 in the amount of	\$ 132,513
Number Subject to Disconnection....	353 in the amount of	\$ 109,409
Number Disconnected for Non-Pymt	99 in the amount of	\$ 49,405
Number of Disconnects Reconnected	85 in the amount of	\$ 40,339

Accounts Written Off and Subsequent Amounts Collected

In March 2025, twelve accounts were written off in the amount of \$ 2,082.73.

For the next item of business, Caralyne Pennington, Director of Member and Public Communications presented her departmental report. She reported the following:

- Q2 Coffee with the Co-ops has been scheduled for Friday, May 9, 2025 from 7-9AM at The Brew House in Munfordville.
- Farmers RECC Scholarship registration is open until April 30. As of April 9, 70 online reservations have been received.

- The Honor Flight program for Veterans is tentatively scheduled for August 23, 2025.
- The FRECC E-bill campaign in Q1 garnered 186 members enrolling in e-billing.
- Preparations being made for the FRECC Annual Meeting.
- Working on communications for the FRECC rate case.
- Working on communications for the upcoming voltage conversion.

For the next item of business, a review of the Technology and Security report was given by Jason Riggs. A portion of the Technology report revealed:

IT Projects

1. VDI Zero Client Pilot: Piloting new Zero Client devices as a replacement to FRECC existing devices. This will leverage a new protocol for communication and will require testing to ensure compatibility with all hardware within our environment. Devices have been received for testing purposes. Currently in testing phase: **20% Complete; Timeline: June 2025**

Security Projects

1. Substation communication: Reengaged SCRTC to move forward with the ELAN project to each substation. We have sourced a vendor that will provide us with layer 2 encryptors to be used on each end of the communication path to encrypt traffic between substations and HQ. This will substantially reduce the overall operational cost of the communication infrastructure and provide a more secure and less complex SCADA/AMI implementation. This will also allow us to incorporate the Edmonton substation into SCADA. Final pricing has been received from SCRTC and have L2 encryptors enroute for testing. Currently in planning phase: **10% Complete; Timeline: July 2025**

OT Projects

1. Goodnight SCADA: The recloser controls at Goodnight have been replaced and our current means of SCADA communication will no longer work with the new recloser controls. We are working towards a solution to resolve this issue that will be rolled out to other substations as these recloser controls are replaced. We have completed initial deployment of cables and communication configuration for the 651Ras and have begun SCADA configuration. Currently in deployment phase: **20% Complete; Timeline: May 2025**

Next, Mrs. Foushee provided directors with a monthly Human Resources report. She reported:

NEW HIRES FOR 2024/2025

	<u>HIRE DATE</u>
1. Mykal Cress (Engineering Intern)	01-02-2024
2. Abigail Nuetzman (Communication Specialist)	02-13-2024
3. Mykal Cress (Accepted Full time position as System Engineer 1)	06-10-2024
4. Katherine Dorsey (MSR)	06-11-2024
5. Mason Arms (Apprentice Lineman)	02-28-2025
6. Elijah Dile (Apprentice Lineman)	02-28-2025

INTRODUCTORY PERIOD PERFORMANCE EVALUATIONS UNDERWAY

1. None at this time.

RESIGNATIONS

1. Isaiah Morgan – Lineman - Resignation Date: 01-24-2025
2. Christopher “Zeak” McIntyre – Resignation Date: 02-28-2025
3. Katherine Dorsey – Resignation Date: 04-04-2025

RETIREMENTS

None at this time

Following the review of the departmental reports, a motion was made by Mr. Hawkins, and seconded by Mr. Sexton, and was unanimously voted in the affirmative to approve the above listed departmental reports as information presented.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As part of this report, Mr. Lester noted that as of March 30, employees have accomplished 570,111.24 hours of work since having a Lost Time Accident. It was additionally reported that FRECC employees have officially adopted KEC’s newly revised safety manual. The annual CDL physicals are scheduled for May 7.

Following these presentations, Mr. Lester, Mr. Jackson, Mr. Riggs, Mr. Bishop, Mrs. Phelps, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director and President/CEO Representative. A copy of this report is attached to these minutes, and made an official part thereof. Next, the selection of an EKPC Voting and Alternate Voting Delegate was discussed. Following discussion, a motion was made by Mr. Faulkner and seconded by Mr. Sexton to name Mr. Paul Hawkins as the EKPC Voting Delegate, and Mr. Ronnie Smith as the EKPC Alternate Voting Delegate. Chairman London asked for any additional nominees to be considered. No additional nominations were named. The motion carried unanimously.

For the next item of business, Mr. Moss reported that the United Utility Supply board of directors have not met this month and will meet this upcoming Tuesday.

The next item of business was the KEC monthly report given by Mr. Faulkner, and President/CEO Toby Moss. A copy of this report is attached to these minutes, and made an official part thereof. Next, the selection of a KEC Voting Delegate, and Alternate Voting Delegate was discussed. Following discussion, a motion was made by Mr. Sexton, and seconded by Mr. Hawkins to name Mr. London as the KEC Voting Delegate, and Mr. Smith as the Alternate Voting Delegate for the KEC Annual Meeting. Chairman London asked for any additional nominees to be considered. No additional nominations were named. The motion carried unanimously.

Next, Mr. Moss reported on his monthly President's Report, which included his upcoming scheduled meeting dates. A copy of the President's report is attached to these minutes, and made an official part thereof.

The next item of business was the Cooperative Attorney's report presented by Attorney Woodford L. Gardner, Jr. He provided an update on the closing for the sale of the Hart County property. He reported that the closing scheduled for April 14 was canceled until the check from the buyers is received by the State of Kentucky. Recording issues were communicated. Mr. Gardner additionally reviewed documents presented to him by Mr. Bishop, and Mr. Jackson. Mr. Gardner completed the EKPC background check for Randy Sexton, and prepared and submitted a document stating the same, in order for Mr. Sexton to maintain his directorship at EKPC. Mr. Gardner reported he will be spearheading the FRECC Nominating Committee meeting slated for Monday, April 21.

Next was a review and approval of the FRECC Director and CEO expenses for the first quarter of 2025. Following the review, a motion was made by Mrs. Williams, and seconded by Mr. Smith to accept the FRECC Director and CEO expenses as presented. Motion carried unanimously.

Other business discussed, was a recognition that Mr. C. F. Martin, Jr. will be receiving a 30-year service award at the August 25-26 KEC Annual Meeting. Also noted, was Mrs. Williams will need to participate in the May FRECC board of directors meeting via a Zoom format.

Additional agenda items for the May board of directors meeting were mentioned. The directors requested that Mrs. Phelps coordinate within the next few months a 3-5 year bid for the annual FRECC Financial Audit, and bring to the board of directors for consideration to approve.

There being no further business to come before this meeting, Chairman London declared this meeting adjourned at 3:55 p.m.


Randy London, Chairman


Brandi Williams, Secretary/Treasurer

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 14: Provide the Farmers RECC Board of Directors' minutes for the September 2022 and September 2023.

Response 14: Please see Attachment PSC 2-14.

ATTACHMENT PSC 2-14

September 2022

A meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on September 15, 2022. The meeting was held in the FRECC Operations Center Conference Room. Chairman Paul Hawkins called the meeting to order at 2:30 p.m. and Woodford Gardner gave the invocation.

In attendance were:

Paul Hawkins	Bill Prather, President/CEO
Cornelius Faulkner	Jennie Phelps, VP of Accounting/Finance
Ronnie Smith	Chuck Bishop, VP of Engineering
Randy London	Caralyne Pennington, Director – Mbr./Public Comm.
C. F. Martin, Jr.	Corey Jackson, VP of Member and Corporate Services
Brandi Williams	Jason Riggs, VP of Technology & Security
Randy Sexton	Linda Foushee, Human Resources Coordinator/EA
Woodford Gardner, Attorney	Scott Lester, VP of Operations

Prior to the beginning of the meeting, introductions were made by Corey Jackson, VP of Member and Corporate Services, for the newly named Member Service Representatives, Carissa Robinson, and Pamela Richardson. Following these introductions, Mrs. Robinson, and Mrs. Richardson left the meeting.

The first item of business was the review, adoption, and approval of the agenda. Mr. Faulkner moved approval of the agenda as presented, with a second by Mrs. Williams. There was no discussion. The agenda was approved unanimously.

The next item of business were the consent agenda matters which were presented for approval. There were no questions, concerns, or corrections related to the previous meeting minutes, new and refunded memberships, or unpaid accounts to be written off as uncollectible accounts. As such, a motion was made by Mr. Martin and seconded by Mr. Smith to accept the consent agenda items as presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for August 2022 given by the management staff. Mrs. Phelps presented the financials. Mrs. Phelps reported that the month of August resulted in operating margins of \$23,199. Year-to-date operating margins totaled \$659,479, a \$362k decrease from the prior year; but \$12k over the budget. As compared to the prior year, Farmers RECC's kWh sales have increased 2.0%. Revenues have increased \$6.781M or 19.8% and purchased power costs have increased \$6.799M or 28.8% as compared to last year. The average cost per kWh purchased totaled 8.38 cents, a 1.75 cent or 26.5% surge from the prior year. For the month of August, the cost of purchased power averaged 8.87 cents. Although August 2022 temperatures were slightly milder, the Fuel Adjustment Charge (FAC), and Environmental Surcharge (ES), continue to be costly to our members. For example, in August 2022, members were charged 0.874 cents per kWh for FAC and in August 2021, the FAC was a credit to the bill of 0.445 cents per kWh. There were a few unbudgeted expenses for August. Heavy rains and severe lightning came through Farmers' service territory in late July. Nolin RECC and Great Southwestern were called to assist in restoration efforts. Although Farmers was able to capitalize a lot of the cost, total expenses incurred

were \$16,076. Also, recorded in August, were costs for removal of the old radio antennas from the three radio tower sites. This cost totaled \$20,500.

Vice-President of Technology and Security, Jason Riggs, reported on the electronic board books for the directors (I-Pads), and the Diligent Board Effect software. The hardware has been purchased, and due to lead time issues with the vendors, should be in within the next 35-40 days. The board information will be transitioned to an electronic format at that time.

Director of Member and Public Communications, Caralyne Pennington, reported that the entertainment group which has previously performed for the FRECC Annual Meetings, Rockland Road, is unavailable on Thursday, July 13, 2023 due to a previous scheduling conflict. Management presented an alternative date of Tuesday, July 11, 2023 as an option to consider as Rockland Road is available on that date. Following discussion, it was unanimously agreed upon to move the 2023 Farmers Rural Electric Annual Meeting to Tuesday, July 11, 2023. Also noted was Cumberland Energy Consultants will not be conducting future energy efficiency audits. Envision Energy Services will be providing this service going forward.

Mr. Jackson, Vice-President of Member and Corporate Services, reported that Ann Colvin has been named a Member Service Representative, and will begin working on Monday, September 19, 2022. She will be working in the Glasgow office. Mr. Jackson reported that the number of partial payment arrangements and disconnected accounts were up this month over a year ago, due primarily to the effects of the FAC and hot weather.

Mr. Bishop, Vice-President of Engineering, reported that Steve Kingsolver, Director of Inspections for the Kentucky Public Service Commission, completed a comprehensive inspection and audit of FRECC's operations, which included review of operational procedures and field audit. No deficiencies were noted. This inspection is required by the Kentucky Public Service Commission every 2-3 years. Mr. Bishop reported on re-routing a three-phase line which was located next to McDonalds restaurant in Cave City, KY, to an area near the Cracker Barrel restaurant. This move was necessary due to a recently-developed sink hole which threatened the main distribution line and the restaurant's service installation.

Mr. Lester, Vice-President of Operations presented the Operations report. Construction Manager, Brad Bell, has been managing reliability efforts with utility pole change-outs. Mr. Lester reported 368 utility poles have been changed-out during 2022, and 340 poles are remaining, yet to be changed. There were 52 poles changed in the month of August by the three FRECC Contractor crews from Great Southwestern. Mr. Lester reported that ECI is in the process of soliciting bids for the right-of-way work planned for the next two years, along with bids for herbicide spraying. Brian Caswell completed part one of the TVPPA Foreman's Academy. Thomas Wilson, and Issac Jones completed their second TVPPA lab. All of the foremen have completed the Kentucky DOT flagger training and are considered certified flagging technicians.

Mrs. Foushee, Human Resources Coordinator and Executive Assistant presented a Human Resources report. Twenty applications were received for the three linemen openings. Following the interviews of nine of the applicants, Zeak McIntyre, Cameron Day, and Austin Ford were selected. The three applicants are undergoing all pre-employment testing on Friday, and an announcement will be made to employees and directors when testing results have been successfully completed.

Upon conclusion of the senior staff reports, Mr. Smith moved that the reports be accepted as information to the board, with Mr. Martin seconding the motion. The motion passed unanimously.

Mr. Lester presented the monthly safety program report. No lost-time incidents occurred for the month. Mr. Lester noted that the employees had surpassed 258,344 hours of work since their last lost time accident. On Tuesday, FRECC linemen participated in East Kentucky Power Cooperative's substation restoration and lockout/tagout procedures. The Kentucky Association of Electric Cooperatives conducted pole top rescue with the linemen today. On October 3rd, all trucks and tool testing will be held. Thomas Wilson has replaced Dustin Johnson on the Safety committee

Following these presentations, Mrs. Phelps, Mr. Bishop, Mr. Lester, Mr. Jackson, Mr. Riggs, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton. Much discussion has taken place in the EKPC boardroom concerning EKPC's equity-to-assets ratio which has topped 22 percent. The target for equity has been 20 percent. In 2019, EKPC paid capital credits to its owner-member cooperatives for the first time ever. Management at EKPC has recommended a refund of approximately \$8 million, but the board is considering a more robust refund in the \$15-20 million range as EKPC has more than adequate financial resources to accommodate a larger refund, and to assist the cooperatives and their member-owners who have been so negatively impacted by the extraordinarily high FAC costs this year. The directors are expected to continue discussions at the October meeting and to decide at that time. Ann Bridges, CFO and Executive Vice-President of EKPC, reported that EKPC's July margin was \$5.9 million over budget. The year-to-date margin as of July was \$11.2 million over budget. The EKPC board discussed a possible opportunity for the Spurlock Station to market ash byproduct from its scrubbers for drywall production, which could divert thousands of tons of material from the plant's landfill. The technology used in Spurlock's scrubbers results in gypsum that requires substantially more processing than gypsum from other power plant scrubbers in the region, but there is a company in Cincinnati that has expressed interest in possibly using it. A copy of this report is attached to these minutes and made an official part thereof.

The next item of business was the KAEC monthly report given by KAEC Director Representative, Mr. London. No meeting has been held since last month.

Next, Mr. Prather gave a report of the President and CEO. Mr. Prather commented on the vegetation management bidding process with ECI Consulting. The current A&G Tree Company has not performed adequately and have used the excuse that they cannot obtain enough workers. Lastly, Mr. Prather reported in detail on a FRECC distribution line which is connected to Taylor County RECC's system back in the early 2000's. Negotiations are underway with Taylor County RECC to cede the line to them, along with one member. Details are included in Mr. Prather's President's report. A copy of Mr. Prather's report is attached to these minutes and made an official part thereof.

For the next item of business, Mr. Woodford Gardner reported things have been quiet on the cooperative's legal front this past month and that there was no news to report.

The next item of business was an annual review as required by cooperative policy number 120, Enterprise Risk Management, led by Mr. Prather, of some of the major areas of risks, along with mitigation activities. A board executive summary update was provided to the board.

The next item of business was a presentation and review, via ZOOM, by Mr. Winston Tan, of Intandem Consulting. Mr. Tan had recently completed the regular three-year update of the employee compensation plan. Mr. Tan provided a comprehensive review of the plan and the recommended changes to raise the base costing of the plan to 100% of the average of the cooperatives in Kentucky as reported in the 2022 NRECA National Compensation System survey. The plan had previously been base priced at 95% of the state average. The increasingly-competitive environment for labor has required the cooperative to increase its level of pay to attract and retain a quality workforce. After questions and discussion, a motion was made by Mr. Sexton, to approve the updated plan, and seconded by Mrs. Williams. The motion passed unanimously.

The next item of business was a review, led by Mr. Prather, of the recommended employee salary and payroll annual budget. Mr. Prather presented a comprehensive summary of relevant data for the past and current year, including the past twelve-month CPI, U.S. Department of Labor statistics, neighboring cooperatives, and the NRECA NCS annual survey. Mr. Prather discussed the challenges in keeping compensation levels under reasonable control given the past year's 8.3% inflation rate and the extraordinary increases in linemen pay over the past five years. Despite those challenges, Mr. Prather stressed the need to keep compensation competitive so as to be able to attract and retain an excellent workforce. Mr. Prather recommended a total budget increase of 6.1% which would provide for increases justified by economic, performance/merit, and competency changes in the workforce. Following discussion, a motion was made by Mr. Faulkner, and seconded by Mr. Smith to accept management's recommendation. Motion carried unanimously.

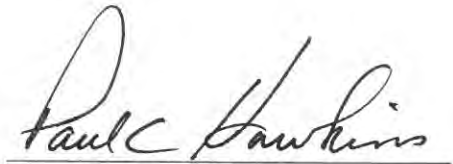
Next, the board continued its review and discussion pertaining to updates to the current Bylaws.

In Other Business, a motion was made by Mr. Smith, and seconded by Mrs. Williams to officially move the October board meeting date from October 20 to Thursday, October 27 and to begin at 1:00 p.m. The November board meeting date will be moved from Thursday, November 17, to Wednesday, November 16, beginning at 1:00 p.m. Motion carried unanimously.

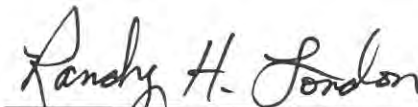
Agenda items for next month are to include a continuation of the Bylaw review and an Executive Session.

The next item of business was a motion by Mr. Faulkner, and seconded by Mr. Smith to go into Executive Session. Motion carried unanimously.

Upon return from Executive Session and having completed the agenda, Chairman Hawkins declared the meeting adjourned at 6:55 p.m.



Paul Hawkins, Chairman



Randy London, Secretary/Treasurer

September 2023

A regular monthly meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation was held on September 21, 2023. The meeting was held in the FRECC Operations Center Conference Room. Chairman Ronnie Smith called the meeting to order at 1:30 p.m.

In attendance were:

Paul Hawkins	Toby Moss, President & Chief Executive Officer
Cornelius Faulkner	Woodford L. Gardner, Jr., Attorney-at-Law
Ronnie Smith	
Randy London	
C. F. Martin, Jr.	
Brandi Williams	
Randy Sexton	

An invocation was given by Mrs. Williams.

The first item of business was the review, adoption, and approval of the agenda. Mr. Sexton moved approval of the agenda as presented, with a second by Mr. London. There was no discussion. The agenda was approved unanimously.

The next item of business was a one-hour discussion on reviewing, finalizing, and updating the Luecal Governance Report identifiable governance issues #3-8. Mr. Moss electronically recorded the necessary updates as they were agreed upon.

Following the review, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to accept the identifiable governance issues as agreed upon and recorded by Mr. Moss. The motion carried unanimously.

Next, the following joined the meeting in person:

Farmers Rural Electric Senior Staff:

Scott Lester.....	Vice-President of Operations
Jennie Phelps.....	Vice-President of Finance and Accounting
Corey Jackson.....	Vice-President of Member and Corporate Services
Chuck Bishop.....	Vice-President of Engineering
Linda Foushee.....	Human Resources Coordinator, Executive Assistant
Caralyne Pennington.....	Director of Member Communications

The next item of business was the approval of the Consent Agenda containing the previous board meeting minutes, new and refunded memberships, and unpaid accounts to be written off for May 2023 as uncollectible. There were no questions, concerns, or corrections related. As such, a motion was made by Mr. Martin and seconded by Mr. Faulkner to accept the Consent Agenda items as information presented. Motion carried unanimously.

The next item of business was a review of the Financial and Operating reports for August 2023 given by the management staff. Mrs. Phelps presented the financials.

General Rate Case – PSC Case No. 2023-00158

On September 7, 2023, Farmers RECC submitted 340 pages of written testimony, 18 excel exhibits and 4 confidential documents in regards to the data requests from the Kentucky Public Service Commission and the Office of the Attorney General. **Year-to-date expenses for the rate case total \$51,263.**

June 25, 2023 Severe Weather

On June 25, 2023, severe storms and high winds swept across Farmers RECC system. The windstorm left 14,000+ members without power and 60+ broken poles to be repaired. Unfortunately, the Commonwealth of Kentucky did not reach its threshold to declare this storm a FEMA event. Therefore, all expenses will be a direct cost for Farmers RECC. Invoices are still being received and costs are being assessed. Farmers is still awaiting invoices from Sand Mountain and Tri-County Cooperatives. The storm costs are being held in work orders on the balance sheet and Line 7 – Distribution Expense – Maintenance on the income statement. **As of August 31st, the total cost is \$800,001, with \$509,802 being expensed to the income statement.**

March 3, 2023 Windstorm - FEMA

Leah Richardson, Accountant, continues to have bi-weekly conference calls with our local FEMA Program Delivery Manager. All projects have been submitted to the Consolidated Resource Centers for further review. The final amounts are \$614,109.26 (Barren County), \$541,505.85 (Hart County) and \$280,232.81 (Metcalf County). As a reminder, cost reimbursement is 75% from FEMA, 12% from State and 13% to be funded at the cooperative level.

REDLG Loan – Landfill

In August 2023, four months early, the City of Glasgow paid off its Rural Economic Development Loan for the landfill project. Since January 2015, the City has made timely monthly payments on its \$1,000,000 interest free loan.

Corey Jackson, Vice-President of Member and Corporate Services provided the directors with his departmental report. Mr. Jackson provided an update related to the Warm Hearts Assistance Program, and discussed a new industry locating in the area.

Mr. Bishop, Vice-President of Engineering, provided the Engineering report. He updated the board members on the status of the Highway 90 Subdivision.

Mr. Lester, Vice-President of Operations, provided the monthly Operations report. The status of the reliability projects was discussed relating to fusing taps and recloser maintenance. The System Inspectors are inspecting the circuits out of the Galloway substation. The confirming

and marking phasing a three phase recloser stations is 95% complete. A&G right-of-way contractors are 90% complete in the Munfordville-Cub Run area. The Cave City-Bearwallow circuit is 25% complete. SAGE is 90% complete with spraying herbicide. Townsend Tree service has been working in the Goodnight-Lecta area. The RESAP "Rural Electric Safety Accreditation was completed on August 21, 2023, and no issues were found. The Kentucky Public Service Commission conducted a system audit on August 29-31. No issues were found. The FRECC Safety meeting is currently reviewing the LOTO Guideline. For a personnel report, Brian Caswell completed the final part of the TVPPA Foreman's Academy on August 25th. Tyler Bratcher completed Lab #3 of the TVPPA Advanced Lineman Program on August 31. Interviews were conducted recently for the System Inspector job opening.

Mrs. Foushee provided the Human Resources report. She discussed the status of the job openings and interviews for a Member Service Representative, a System Inspector, System Engineer 1, and a Communications Intern. She reported on the July/August interviews for a Lineman, and an internal opening for a Plant Accountant. Mrs. Foushee reported on employee performance reviews underway.

Mr. Moss, presented the Technology and Security board report due to the absence of Mr. Riggs. He reported on the following IT projects:

- 1) Milsoft IVR
- 2) Twilio IVR – a precursor to the Milsoft IVR migration
- 3) Twilio Media IP expansion – migrating our current SIP trunk media IP's from regional based IP addresses to global IP address for more reliable service
- 4) AVL Expansion – expanding AVL capabilities to include off-road vehicles, contractors, and right-of-way crews

The Essence Security project was discussed.

Mrs. Pennington, Director of Member and Public Communications provided her departmental report. The inaugural "Coffee with the Co-op" casual meeting between the President Moss and FRECC members will be held on Tuesday, October 17, 2023 from 7-9 a.m. at Southern Cup Coffee & Café on Main Street in Glasgow. She is coordinating attendance for a Legislative Luncheon scheduled for Friday, October 20th in Glasgow. Mr. Pennington continues to work on curtailment communications with East Kentucky Power Cooperative and other cooperatives.

Following the review of the departmental reports a motion was made by Mr. Sexton and was seconded by Mr. Hawkins and was unanimously voted in the affirmative to approve these departmental items as information presented.

For the next item of business, Mr. Lester presented the Safety and Loss Control report. As of the end of August, no lost-time incidents, accidents, recordables, or reportables occurred. Mr. Lester noted that as of August 31, 2023, employees have accomplished 382,022.93 hours of work since having a lost time accident.

Mr. Lester presented information to the board that due to FRECC budgetary constraints, while noting that the current system right-of-way cycle is longer than the optimal goal. A Strategic Plan and budget will be presented to the board to address a recommended resolution.

Following these presentations, Mrs. Phelps, Mr. Bishop, Mr. Lester, Mr. Riggs, and Mrs. Pennington left the meeting.

The next item of business was the EKPC monthly report given by EKPC Director Representative, Mr. Sexton. A copy of the EKPC Board summary is attached to these minutes, and made an official part thereof.

The next item of business was the KEC monthly report given by Mr. Smith and President/CEO Toby Moss. A summary copy of this meeting is attached to these minutes, and made an official part thereof.

Next, Mr. Moss presented a recommended salary and payroll annual budget for FRECC employees. As part of his research, Mr. Moss engaged the services of Winston Tan, of InTandem Consulting for review of existing pay ranges, and salary compa-ratio's. Additionally, Mr. Moss obtained data from surrounding cooperatives, adjacent to FRECC, for comparative purposes. He provided data showing that a 4% increase is the average rate during the month of August for nationwide increases. Further, he presented that a 5.2% raise for Federal Government employees has been approved. Mr. Moss also presented the consumer price average index (CPI) report showing CPI to be 3.6%. Mr. Moss presented the report from Mr. Tan which noted that nearly half of the employees at FRECC are significantly under their market mid-point. Mr. Moss noted that a similar finding had been presented in recent years, and a multi-year effort was initiated, most recently with the line worker positions. Mr. Moss shared that the recommendation from InTandem Consulting was to provide an above CPI increase of 8% for a 3-year recovery or 6.9% increase for a 5-year recovery in order to ramp the employee base towards market norms. Mr. Moss shared that given other financial needs, a 4.8% average increase, which will bring the average compa-ratios to .91 is more reasonable for 2024. Following an in-depth discussion and presentation, a motion was made by Mr. Sexton and seconded by Mr. Hawkins to make a 4.8% adjustment to the FRECC payroll. This motion passed unanimously

Next, Mr. Moss gave a report of the President and CEO. Mr. Moss reported on:

- a) Kentucky Living: An upcoming interview and photo shoot with FRECC CEO
- b) PJM Generation
- c) A recent field day outing with a Construction crew
- d) The status of the FRECC/Public Service Commission Rate Case
- e) EKPC Governance meeting
- f) KEC collaborative CEO meeting

- g) A review of the recent EKPC meeting
- h) A report as a guest speaker at the Glasgow Rotary Club
- i) Attendance of the Honor Flight participants in Lexington
- j) A summary of the KEC Board meeting
- k) A State Parks meeting with KEC
- l) Interest in the Lineman's Rodeo

Mr. Moss's upcoming scheduled meeting dates was presented

A detailed copy of the President/CEO's report is attached to these minutes, and made an official part thereof.

For the next item of business, FRECC Attorney Woodford Gardner presented his report. He provided a discussion on the Attorney General's report.

The next item of business was a review and consideration of a proposal submitted by FRECC member Charlie Williams. Mr. Moss provided an update on Mr. Williams proposal on a beautification project. Mr. Moss will meet with Mr. Williams next week.

Next, a designation was made for the upcoming Region 3 meeting for a CFC Voting Delegate, and an Alternate Voting Delegate. Following discussion, a motion was made by Mr. Hawkins to elect Randy London as the CFC Voting Delegate, and Ronnie Smith as the Alternate Voting Delegate. No other nominations were received. This motion was seconded by Mr. Sexton, and was unanimously voted in the affirmative.

For the next item of business, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to go into Executive Session. The motion carried unanimously.

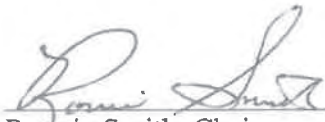
Upon return from Executive Session, Other business discussed: Mr. Hawkins delivered some vegetation management questions. Following discussion, Mr. Moss is advised to build out a five-year plan to get the cooperative on track, and share the plan at a future board of directors meeting. Secondly, the completion of payment of the REDLG loan at the Glasgow landfill was discussed, and identifying a new community project was conversed. Mr. Moss advised that he would poll the staff in order to identify such. The Hart County Solar project (Thoroughbred Solar) was discussed along with contractual discrepancies of ownership. Chairman Smith passed out the CEO evaluation and a timeline of events. Mr. Moss will present his response to the questions by e-mail by October 1st. The results will be reviewed at the October 19th board of directors meeting under Executive Session.

Next, a motion was made by Mr. Hawkins, and seconded by Mr. Faulkner to schedule the October 19th board of directors meeting to begin at 1:30 p.m. in order to address the CEO evaluation in Executive Session. Motion carried unanimously.

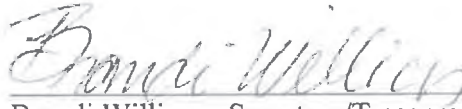
In conclusion, a motion was made by Mr. Sexton, and seconded by Mr. London to allow management to go to the highest bidder to sell the Franks Mill Road property. Motion carried unanimously.

Agenda items to include for the October board meeting are: Begin the October 19 board of directors meeting at 1:30. then go into Executive Session to discuss the Annual CEO evaluation.

There being no further business to come before this meeting, Chairman Smith declared this meeting adjourned at 5:50 p.m.



Ronnie Smith, Chairman



Brandi Williams, Secretary/Treasurer

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 15: Refer to Wolfram Direct Testimony, page 25, lines 1-9. The proposed increase to Schedule C is not warranted based on the COSS according to the testimony. Provide an example, based on previous RECC filings Mr. Wolfram has consulted on, that the corresponding customer charge increase to the commercial class was not supported by the COSS.

Response 15: Farmers is not aware of an example of a distribution cooperative for which the proposed customer charge for the commercial class exceeded the cost-based rate from the COSS. In this case, Farmers intended to satisfy the prior Commission finding regarding the relative level of customer charge for residential and small commercial by increasing them both by the same amount. An alternative approach that better aligns with the COSS that also satisfies Commission precedent would be to increase the commercial customer charge to the cost-based rate and adjust the commercial class energy charge such that the overall class remained revenue neutral. Farmers would support such a revision because it would achieve both objectives.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 16: Refer to Farmers RECC's response to Commission Staff's First Request for Information (Staff's First Request), Item 8, Schedule E, line 2. Identify the project and explain the final expense which resulted in the project being 195 percent over budget.

Response 16: The referenced project was Project 395 - conversion from 3Ph 1/0 ACSR to 3Ph 397 ACSR on Donnelly Drive in Barron County. The project estimate was generated in 2017. During Covid, material supply chain became strained leading to substantial material cost increases. Also, labor increased at an inflated rate due to an increased need for line workers. In addition, this was a double circuit project and Farmers had little historical information on for estimating purposes.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 17: Refer to Exhibit JW-2. The rates listed do not appear to incorporate the depreciation study filed in Case No. 2016-00365. Provide an updated Exhibit JW-2 with corrected information as well as an updated depreciation expense adjustment.

Request 17: The rates listed match the “current rate” filed in the 2020 depreciation study. Based upon the results of the depreciation study that was provided in the post-case record of Case No. 2016-00365, Farmers did not request any change in its depreciation rates.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 18: Provide the full depreciation study from Case No. 2016-00365 in this case record. If the study has been accepted or approved by the Commission, provide that information as well.

Response 18: In Case No. 2023-00158, *Electronic Application of Farmers Rural Electric Cooperative Corporation for a General Adjustment of Rates Pursuant to Streamlined Pilot Program Established in Case No. 2018-00407*, the Commission's October 3, 2023 Order approved rates based upon Farmers' pro forma adjustments, including "depreciation normalization". Therefore, Farmers contends the Commission accepted the depreciation study that was filed on December 16, 2021. Please see Attachment PSC 2-18 for a copy of the depreciation study.

ATTACHMENT PSC 2-18



RECEIVED

DEC 16 2021

PUBLIC SERVICE
COMMISSION

David S. Samford
david@gosssamfordlaw.com
(859) 368-7740

December 16, 2021

VIA EMAIL TO PSCED@KY.GOV

Hon. Linda Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: *Application of Farmers Rural Electric Cooperative Corporation for an Adjustment of Rates, Case No. 2016-00365 – Post-Case Correspondence*

Dear Ms. Bridwell:

Attached, please find a copy of a depreciation study conducted for Farmers Rural Electric Cooperative Corporation ("Farmers RECC"). The Commission entered a final order in the above-styled case on May 12, 2017. Ordering paragraph 4 of the May 12, 2017 Order required Farmers RECC to conduct and file a depreciation study with its next base rate case or within five years from the date of the Order, whichever came first. Therefore, Farmers RECC is filing the attached depreciation study in order to comply with the five-year deadline contained in the Commission's May 12, 2017 Order. Based upon the results of the depreciation study, Farmers RECC is not requesting any change in its depreciation rates at this time.

Please do not hesitate to contact me if you have any questions.

Sincerely,



David S. Samford

Enc.

Farmers Rural Electric Cooperative Corporation

Depreciation Study

July 1, 2020

Prepared By

CATALYST
CONSULTING LLC



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Executive Summary

Catalyst Consulting LLC (“Catalyst”) prepared a depreciation study for Farmers Rural Electric Cooperative Corporation (“Farmers”). In developing its recommended depreciation rates, Catalyst performed a Simulated Property Records (“SPR”) analysis to identify the appropriate survivor curve and average service life (“ASL”) that most accurately matched Farmers’ historical retirement data. Catalyst also performed an analysis of historical salvage values and removal costs to estimate net salvage percentages. In calculating the proposed depreciation rates the average service life depreciation procedure, the straight-line method, and the whole life basis were utilized. The depreciation study rates were determined using standard methodologies used in the electric utility industry and accepted by the Kentucky Public Service Commission for electric cooperatives in Kentucky. The proposed depreciation rates are shown in Appendix C of the report.

Description of Methodology

The purpose of performing a depreciation study is to ensure that the depreciation expenses recorded by the utility and included in cost of service represent a reasonably accurate and systematic measurement of the annual accrual levels necessary to distribute plant costs, less salvage and removal, over the estimated useful lives of the assets.

In performing this study, data was compiled showing plant additions, retirements and transfers going back as far as 1940 shortly after when the cooperative was formed. For certain plant accounts, such as for poles, overhead conductor, transformers, and services, data were available going back to 1940. For outdoor and street lighting, annual plant additions and retirements were not available until the late 1950s. For underground conductor, such data were not available until the early 1970s.

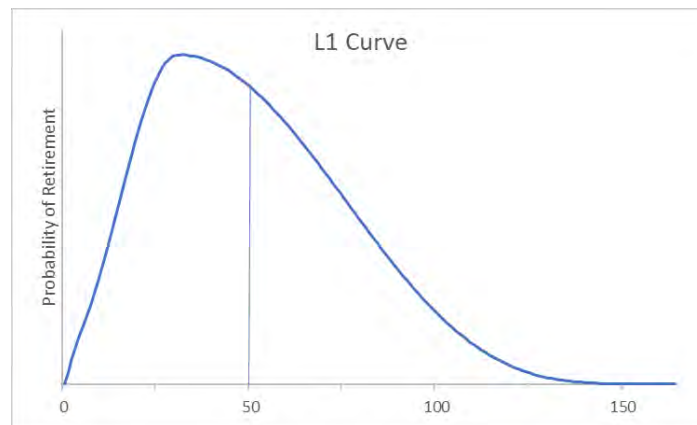
Where sufficient data was available, the ASLs were determined by identifying the survivor curve and associated ASL that best fit the pattern of retirements or plant balances from the historical data provided by Farmers. A computer software model was used to perform a SPR analysis using the plant additions and retirements for each major plant account. For each of forty standard survivor curves, the SPR model calculated the (a) the sum of square differences (“SSDs”) between the actual retirements and simulated retirements, (b) the sum of absolute differences (“SADs”) between the actual retirements and simulated retirements, and (c) the SSDs between the actual plant balances and simulated plant balances for the years 2013, 2016, and 2019. The computer model also produces a graph of the simulated plant and

simulated retirements compared to actual plant and retirements. These graphs are used in validating the survivor curves.

The survivor curves utilized in this study correspond to the “Iowa Curves” that were developed under the direction of Robley Winfrey at Iowa State University, as described in various bulletins and publications. These curves are still widely used within the industry.

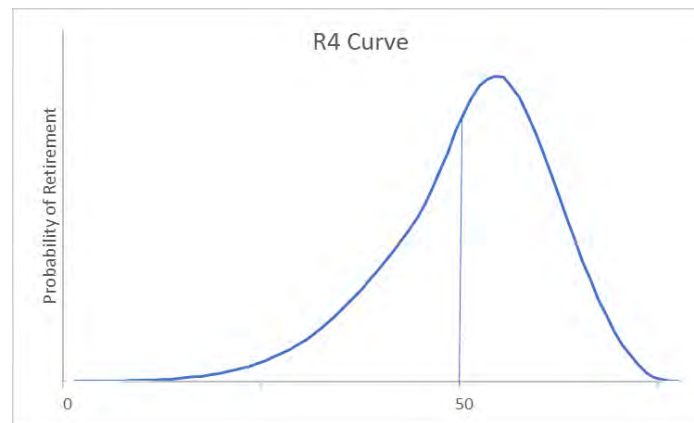
The original Iowa State publications identified four classes of survivor curves: (i) Left-Model Curves (“L” curves), (ii) Right-Model Curves (“R” curves), (iii) Symmetrical Curves (“S” curves), and (iv) Origin Model Curves (“O” curves).

With the “L” curve, most of the property is retired prior to the ASL; therefore, the probability density curve is skewed toward the left, as illustrated in the following graph showing an L1 curve with an ASL of 50 years:



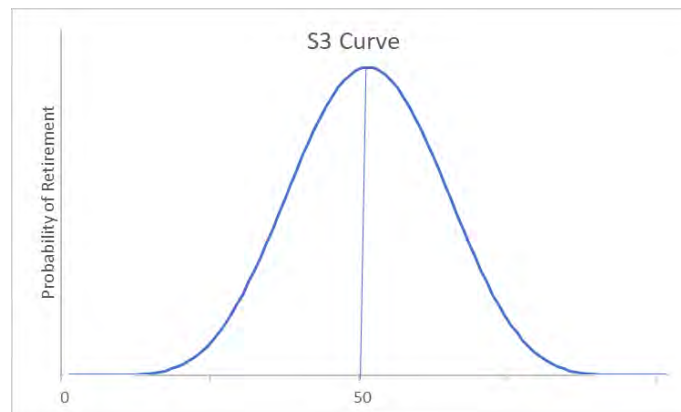
A characteristic of the “L” class of survivor curves is that while the high percentage of the property is retired prior to the average service life, the longer the property has been in service the less likely it is to fail, as illustrated by the long tail of the probability density curve on the right.

With an “R” curve, most of the property is retired after the ASL; therefore, the probability density curve is skewed to the right. This is illustrated in the following graph showing the R1 curve with an ASL of 50 years:

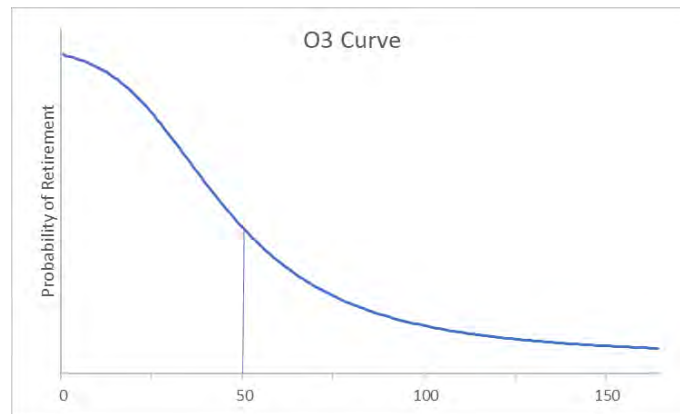


A characteristic of the “R” class of survivor curves is that most of the property is retired after the average service life. However, the longer the property has been in service the more likely it is to fail, as illustrated by the short tail of the probability density curve on the right.

With the “S” curves, the retirements are distributed symmetrically about the ASL, in a manner similar to the bell-shaped Gaussian or Normal curve. This is illustrated in the following graph showing the S3 curve with an ASL of 50 years:



With the “O” class of curves, most of the plant is retired in the earliest years of the plant life, as illustrated in the following graph showing the O3 curve with an ASL of 50 years:

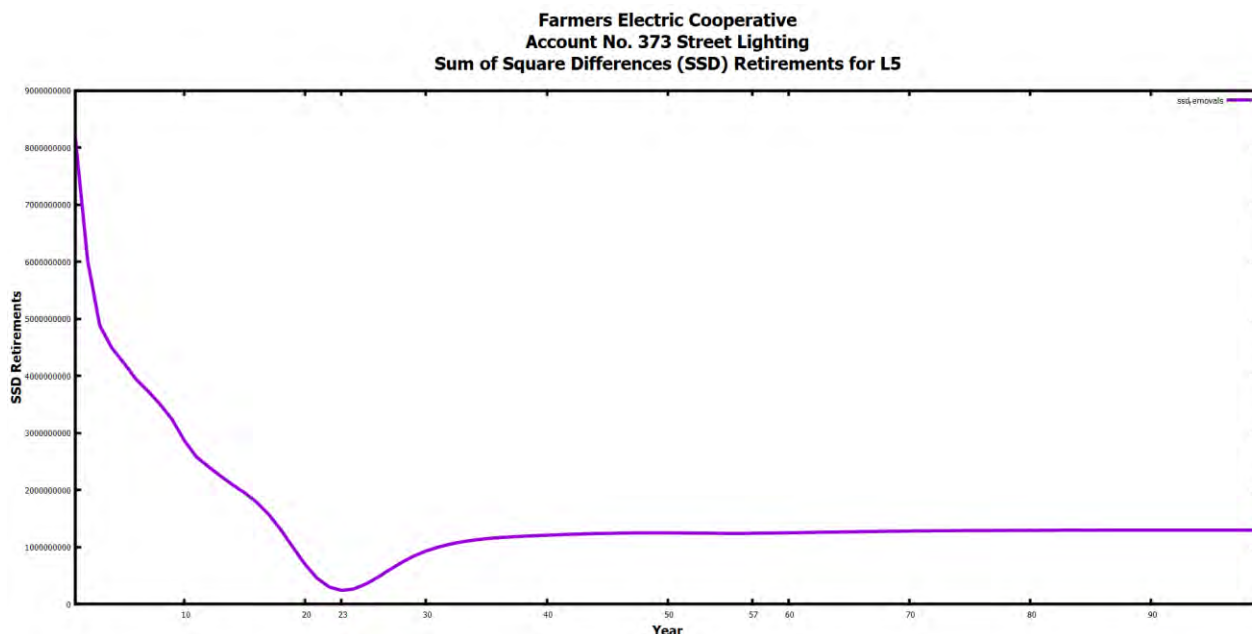


In addition to the curves identified in the Iowa State publications, so-called “half curves” were also utilized in the SPR analysis. Half curves are simple averages between two curves within the same class of Iowa Curves. For example, The S1.5 curve represents the average of an S1 and S2 curve.

The following is a list of the Iowa Curves used in the SPR analysis:

- **L Curves (11):** L0, L0.5, L1, L1.5, L2, L2.5, L3, L3.5, L4, L4.5, L5
- **R Curves (9):** R1, R1.5, R2, R2.5, R3, R3.5, R4, R4.5, R5
- **S Curves (13):** S0, S0.5, S1, S1.5, S2, S2.5, S3, S3.5, S4, S4.5, S5, S5.5, S6
- **O Curves (7):** O1, O1.5, O2, O2.5, O3, O3.5, O4

For each survivor curve, the SPR model identifies the ASL that “optimizes” the SSD between simulated and actual retirements by determining the ASL that generates the minimum SSD for each curve. The model also calculates the sum of absolute differences (“SAD”) for the optimal curve determined based on minimum SSD. This optimization process is illustrated in the graph showing the SSD between actual retirements and simulated retirements based on an L5 Iowa Curve for Farmers’ plant data for Street Lighting plant.



As can be seen from the above graph, the SSDs between simulated and actual retirements are minimized when the ASL is equal to 23 years. This indicates that an ASL of 23 years results in the minimum sum of squared differences between simulated retirements and actual retirements for the analysis period. This process is similar to the minimization of the sum of squares (“least squares”) used linear regression models.

For each survivor curve, the SPR model also identifies the ASL that “optimizes” the SSD plant balances for the years 2013, 2016, and 2019 by determining the ASL that generates the minimum SSD between simulated and actual plant balances for each curve.

The results of the SPR analysis for each plant category for which retirement data were available are shown in Appendix A of this report. For each plant category, the SPR analysis shows the “SSD Removals” and “Abs Diff Removals” for each Iowa Curve (as shown on the first two pages of the analysis). The values under the heading “SSD Removals” represent the sum of square differences between simulated retirements and actual retirements. The ASLs identified in the analysis represent the ASLs that minimize the SSD Removals for each Iowa Curve. The values under the heading “Abs Diff Removals” represent the corresponding sum of absolute differences for the ASL with the lowest SSD. On the third and fourth pages, the SPR analysis shows the “SSD Balance” for each Iowa Curve, where the values under the heading “SSD Balance” represent the sum of square differences between simulated plant balances and actual plant balances for the years 2013, 2016, and 2019. A graph of the SSD by year is shown on the following page, followed by a graph of the survivor curve and probability density curve that best

fit the data. This graph is followed by numerical results of the SPR analysis showing a comparison of the simulated retirements and simulated plant balances compared to actual retirements and actual plant balances for each year of the analysis. Finally, this analysis is followed by two graphs, the first plotting actual versus simulated plant balances by year and the second plotting actual versus simulated plant balances by year.

The proposed Iowa Curves and associated ASLs for the major property groups were developed based on the information included in these analyses while also considering qualitative information obtained from discussions with Farmer's executive and engineering staff. In most cases, the selection of the Iowa Curves and ASLs was guided by the minimum SSDs for retirements and plant balances.

Net salvage percentages were estimated based on an analysis of the salvage values and removal cost as a percentage of retirements for the period 2007 through 2020. The net salvage analysis is shown in Appendix B. Recognizing the regulatory principle of rate continuity and gradualism, negative net salvage values were generally selected that are less negative than those that could be supported by the attached analysis. Catalyst recommends that Farmers take a gradual approach to moving these negative net salvage values toward the values reflective of empirical results.

The depreciation accrual rates are calculated using the average service life depreciation procedure, the straight-line method, and the whole life basis. Using this approach, the whole life annual accrual for each category of plant is determined by dividing one less the net salvage percentage (stated as a ratio) by the ASL, as follows:

$$\text{Depreciation Rate} = \frac{1 - \text{Net Salvage Ratio}}{\text{ASL}}$$

A table showing the current depreciation rates and the proposed depreciation rates is included in Appendix C. Catalyst is not proposing to modify the depreciation rates for plant accounts in which sufficient retirement data are unavailable. The ASLs and net salvage percentages for these accounts appear to be reasonable based on comparisons with other utilities in Kentucky, as shown in Appendix D.

Distribution Plant

Account 364.00 – Poles, Towers & Fixtures

Farmers has records of its plant additions and retirements for this account dating back to 1940. An SPR analysis was conducted for this account based on Farmer's historical plant additions and retirements. The current depreciation accrual rate for this account is 3.24%. The survivor curve that best fits the data is O1 with an ASL of 46 years. The proposed net salvage rate for this account is -50%. The recommended ASL and negative net salvage percentage for this account are reasonable compared with other electric distribution utilities in Kentucky. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 3.26%.

Account 365.00 – Overhead Conductor & Devices

Farmers has records of its plant additions and retirements for this account dating back to 1940. An SPR analysis was conducted for this account based on Farmer's historical plant additions and retirements. The current depreciation accrual rate for this account is 3.24%. The survivor curve that best fits the data is S2 with an ASL of 37 years. The proposed net salvage rate for this account is -37%. The recommended ASL and negative net salvage percentage for this account are reasonable compared with other electric distribution utilities in Kentucky. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 3.65%.

Account 367.00 – Underground Conductor & Devices

Farmers has records of its plant additions and retirements for this account dating back to 1972. An SPR analysis was conducted for this account based on Farmer's historical plant additions and retirements. The current depreciation accrual rate for this account is 3.24%. The survivor curve that best fits the data based the analysis of multiple parameters is S0 with an ASL of 35 years. While an ASL of 33 years results in a lower SSD of plant balances, an ASL of 35 years results in a lower sum of absolute differences between the simulated retirements and actual retirements. The proposed net salvage rate for this account is -25%. The recommended ASL and negative net salvage percentage for this account are generally reasonable compared with other electric distribution utilities in Kentucky. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 3.57%.

Account 368.00 – Line Transformers

Farmers has records of its plant additions and retirements for this account dating back to 1940. An SPR analysis was conducted for this account based on Farmer's historical plant additions

and retirements. The current depreciation accrual rate for this account is 3.24%. The survivor curve that best fits the data is O1 with an ASL of 39 years. The proposed net salvage rate for this account is -20%. The recommended ASL and negative net salvage percentage for this account are reasonable compared with other electric distribution utilities in Kentucky. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 3.08%.

Account 369.00 – Services

Farmers has records of its plant additions and retirements for this account dating back to 1940. An SPR analysis was conducted for this account based on Farmer's historical plant additions and retirements. The current depreciation accrual rate for this account is 3.24%. The SPR analysis of the account is inconclusive. While the R1 Iowa Curve with an ASL of 57 provides a reasonable SSD of removals as well as a reasonable sum of absolute differences, an analysis of the graph of the differences between the simulated plant balances and actual plant balances indicates that the simulated plant balances during the latter years of the analysis are higher than the actual balances. This suggests that an ASL of 57 years overstates the life of the property in the SPR analysis. One possible reason for this, based on discussions with Farmers' engineering staff, is because of Farmers' past practice of leaving services in place, and not removing those services, when a customer disconnects services. In recent years, Farmers has begun to retire many of the services that were remained on the books after customers have disconnected service. Therefore, based on the SPR analysis and discussions with Farmers' staff, Catalyst has determined that a R1 Iowa Curve with an ASL of 45 years is appropriate. The proposed net salvage rate for this account is -50%. The recommended ASL and negative net salvage percentage for this account are reasonable compared with other electric distribution utilities in Kentucky. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 3.33%.

Account 370.00 – Meters

The current depreciation accrual rate for meters is 6.67%. Farmers recently replaced most of its meters with smart meters and therefore does not have sufficient historical data which can be used to perform an SPR analysis. Farmers' current depreciation rate is roughly equivalent to a depreciation rate based on an ASL of 20 years with a net salvage percentage of 32%. Farmers' depreciation rate for smart meters is not out of line with those used by other utilities. Therefore, Catalyst is not proposing a change to the current depreciation rate for meters.

Account 371.00 –Outdoor Lighting Conventional Fixtures

Farmers has records of its plant additions and retirements for this account dating back to 1958. Farmers has been recently replacing many conventional fixtures with LEDs. An SPR analysis

was conducted for this account based on Farmer's historical plant additions and retirements. The current depreciation accrual rate for this account is 3.24%. The survivor curve that best fits the data is S6 with an ASL of 19 years. The proposed net salvage rate for this account is -20%. The recommended ASL and negative net salvage percentage for this account are reasonable compared with other electric distribution utilities in Kentucky. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 6.32%.

Account 371.20 – Outdoor Lighting – LED Fixtures

Farmers does not have sufficient historical data which can be used to perform an SPR analysis of LED outdoor lights. The technology is relatively new, and Farmers only began installing significant numbers of LED fixtures in 2016. The current depreciation accrual rate for this account is 3.24%. Based on its experience working with other utilities, Catalyst proposes an ASL for LED outdoor lights of 25 years and a net salvage percentage of -20%. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 4.80%.

Account 373.00 – Street Light & Signal Systems

Farmers has records of its plant additions and retirements for this account dating back to 1956. An SPR analysis was conducted for this account based on Farmer's historical plant additions and retirements. The current depreciation accrual rate for this account is 3.24%. The survivor curve that best fits the data is L5 with an ASL of 23 years. The proposed net salvage rate for this account is -20%. The recommended ASL and negative net salvage percentage for this account are reasonable compared with other electric distribution utilities in Kentucky. Based on the proposed ASL and net salvage percentage the recommended accrual rate is 5.22%.

Appendix A
Simulated Property Records (SPR)
Analysis

Account 364 – Poles

Farmers Rural Electric Cooperative
Account 364 -- Poles

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S0	40	1.41982e+11	2.02991e+06
S0.5	38	1.41517e+11	2.05629e+06
S1	37	1.40863e+11	2.06218e+06
S1.5	36	1.41044e+11	2.07638e+06
S2	35	1.41616e+11	2.10313e+06
S2.5	35	1.46851e+11	2.1424e+06
S3	34	1.51916e+11	2.20602e+06
S3.5	34	1.64858e+11	2.31215e+06
S4	34	1.8001e+11	2.43585e+06
S4.5	34	1.94427e+11	2.56178e+06
S5	34	2.10618e+11	2.6952e+06
S5.5	35	2.20706e+11	2.7946e+06
S6	35	2.30289e+11	2.8982e+06
R1	40	1.38976e+11	2.0017e+06
R1.5	38	1.38815e+11	2.0307e+06
R2	37	1.40193e+11	2.04791e+06
R2.5	36	1.43436e+11	2.10041e+06
R3	35	1.49274e+11	2.17688e+06
R3.5	35	1.57704e+11	2.26063e+06
R4	34	1.66861e+11	2.3569e+06
R4.5	34	1.80675e+11	2.48766e+06
R5	34	1.96654e+11	2.62557e+06
L0	47	1.41048e+11	1.99475e+06
L0.5	44	1.39514e+11	1.98038e+06
L1	41	1.37952e+11	1.99974e+06
L1.5	39	1.38787e+11	2.02535e+06
L2	37	1.38937e+11	2.04893e+06
L2.5	36	1.43114e+11	2.08725e+06
L3	35	1.47214e+11	2.12732e+06
L3.5	35	1.55616e+11	2.20497e+06
L4	34	1.64821e+11	2.29243e+06
L4.5	34	1.77527e+11	2.40094e+06
L5	34	1.9205e+11	2.52217e+06
O1	46	1.37901e+11	1.97749e+06
O1.5	49	1.38223e+11	1.98344e+06
O2	51	1.38359e+11	1.978e+06
O2.5	59	1.39862e+11	1.98599e+06
O3	69	1.42279e+11	2.02608e+06
O3.5	80	1.40754e+11	2.01011e+06
O4	91	1.39771e+11	2.00029e+06

Best fitting Iowa Curve and ASL

Iowa Curve	ASL	SSD Removals
O1	46	1.37901e+11

Farmers Rural Electric Cooperative
Account 364 -- Poles

Iowa Curves -- Sorted

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
O1	46	1.37901e+11	1.97749e+06
L1	41	1.37952e+11	1.99974e+06
O1.5	49	1.38223e+11	1.98344e+06
O2	51	1.38359e+11	1.978e+06
L1.5	39	1.38787e+11	2.02535e+06
R1.5	38	1.38815e+11	2.0307e+06
L2	37	1.38937e+11	2.04893e+06
R1	40	1.38976e+11	2.0017e+06
L0.5	44	1.39514e+11	1.98038e+06
O4	91	1.39771e+11	2.00029e+06
O2.5	59	1.39862e+11	1.98599e+06
R2	37	1.40193e+11	2.04791e+06
O3.5	80	1.40754e+11	2.01011e+06
S1	37	1.40863e+11	2.06218e+06
S1.5	36	1.41044e+11	2.07638e+06
L0	47	1.41048e+11	1.99475e+06
S0.5	38	1.41517e+11	2.05629e+06
S2	35	1.41616e+11	2.10313e+06
S0	40	1.41982e+11	2.02991e+06
O3	69	1.42279e+11	2.02608e+06
L2.5	36	1.43114e+11	2.08725e+06
R2.5	36	1.43436e+11	2.10041e+06
S2.5	35	1.46851e+11	2.1424e+06
L3	35	1.47214e+11	2.12732e+06
R3	35	1.49274e+11	2.17688e+06
S3	34	1.51916e+11	2.20602e+06
L3.5	35	1.55616e+11	2.20497e+06
R3.5	35	1.57704e+11	2.26063e+06
L4	34	1.64821e+11	2.29243e+06
S3.5	34	1.64858e+11	2.31215e+06
R4	34	1.66861e+11	2.3569e+06
L4.5	34	1.77527e+11	2.40094e+06
S4	34	1.8001e+11	2.43585e+06
R4.5	34	1.80675e+11	2.48766e+06
L5	34	1.9205e+11	2.52217e+06
S4.5	34	1.94427e+11	2.56178e+06
R5	34	1.96654e+11	2.62557e+06
S5	34	2.10618e+11	2.6952e+06
S5.5	35	2.20706e+11	2.7946e+06
S6	35	2.30289e+11	2.8982e+06

Farmers Rural Electric Cooperative
Account 364 -- Poles

ASL with the Minimum Sum of Squared Differences for years 2013, 2016, and 2019

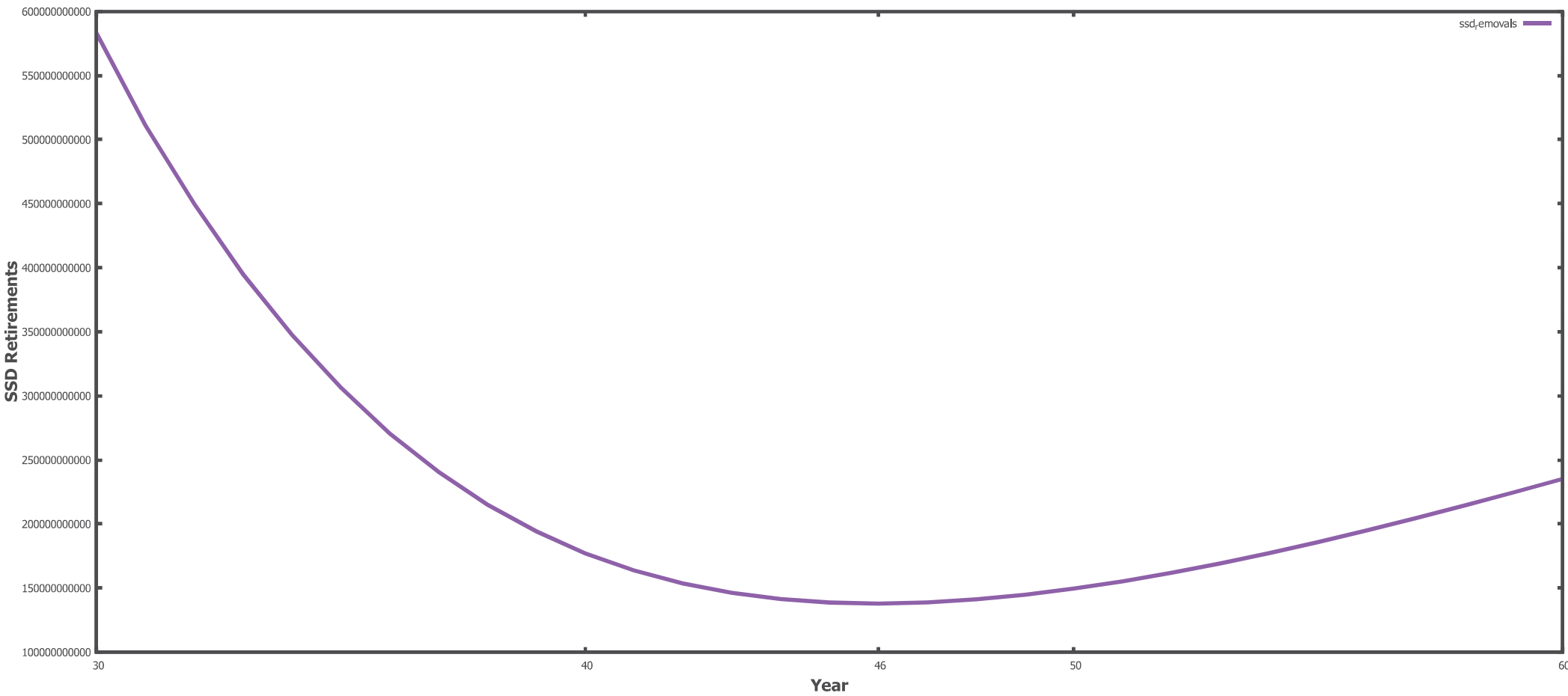
Iowa Curve	ASL	SSD Balance
S0	38	1.74408e+10
S0.5	37	3.51368e+10
S1	35	8.01111e+09
S1.5	34	1.36095e+10
S2	33	4.00321e+10
S2.5	33	2.11243e+10
S3	32	3.36362e+10
S3.5	32	4.31004e+09
S4	32	8.26156e+10
S4.5	31	8.32023e+10
S5	31	4.29942e+10
S5.5	31	4.22096e+10
S6	31	4.73634e+10
R1	38	4.61016e+10
R1.5	37	4.70931e+10
R2	35	2.24819e+09
R2.5	34	5.65594e+09
R3	33	3.97113e+09
R3.5	32	9.5256e+10
R4	32	4.53809e+09
R4.5	32	4.4247e+10
R5	31	7.37599e+10
L0	45	3.64168e+10
L0.5	42	1.01981e+10
L1	39	2.20483e+10
L1.5	37	3.70452e+10
L2	36	1.91325e+10
L2.5	35	5.38189e+10
L3	34	8.11497e+10
L3.5	33	1.69875e+10
L4	32	5.42392e+09
L4.5	32	1.87816e+10
L5	31	1.08627e+11
O1	45	4.30277e+10
O1.5	48	3.27065e+10
O2	51	3.36799e+10
O2.5	59	4.38119e+10
O3	69	4.72796e+10
O3.5	79	5.38804e+10
O4	91	5.0624e+10

Farmers Rural Electric Cooperative
Account 364 -- Poles

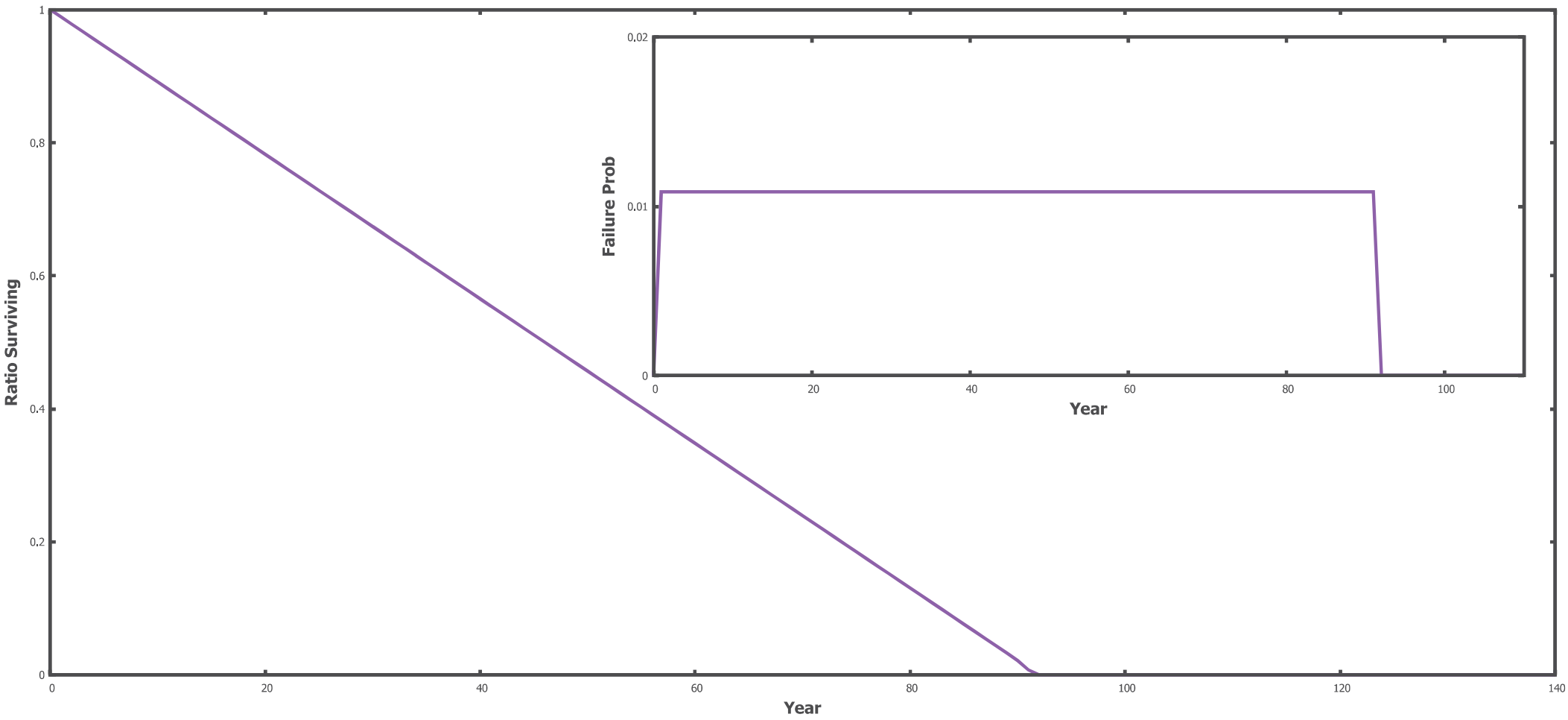
Iowa Curves -- Sorted by SSD Balance

Iowa Curve	ASL	SSD Balance
R2	35	2.24819e+09
R3	33	3.97113e+09
S3.5	32	4.31004e+09
R4	32	4.53809e+09
L4	32	5.42392e+09
R2.5	34	5.65594e+09
S1	35	8.01111e+09
L0.5	42	1.01981e+10
S1.5	34	1.36095e+10
L3.5	33	1.69875e+10
S0	38	1.74408e+10
L4.5	32	1.87816e+10
L2	36	1.91325e+10
S2.5	33	2.11243e+10
L1	39	2.20483e+10
O1.5	48	3.27065e+10
S3	32	3.36362e+10
O2	51	3.36799e+10
S0.5	37	3.51368e+10
L0	45	3.64168e+10
L1.5	37	3.70452e+10
S2	33	4.00321e+10
S5.5	31	4.22096e+10
S5	31	4.29942e+10
O1	45	4.30277e+10
O2.5	59	4.38119e+10
R4.5	32	4.4247e+10
R1	38	4.61016e+10
R1.5	37	4.70931e+10
O3	69	4.72796e+10
S6	31	4.73634e+10
O4	91	5.0624e+10
L2.5	35	5.38189e+10
O3.5	79	5.38804e+10
R5	31	7.37599e+10
L3	34	8.11497e+10
S4	32	8.26156e+10
S4.5	31	8.32023e+10
R3.5	32	9.5256e+10
L5	31	1.08627e+11

Farmers Electric Cooperative
Account No. 364 Poles
Sum of Square Differences (SSD) Retirements for O1



Account No. 364 -- Poles
Iowa Curve: 01 ASL: 46 Years



Farmers Rural Electric Cooperative
Account 364 -- Poles

Simulated Retirements for Iowa Curve 01 with ASL = 46

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1938	26622	0	26622	0	26622	0	0
1939	53243	0	79865	289	79576	-289	289
1940	79865	0	159730	868	158573	-868	1157
1941	2418	14	162134	1736	159254	-1722	2880
1942	14506	690	175949	1762	171997	-1072	3952
1943	6054	526	181478	1920	176132	-1394	5346
1944	8086	907	188657	1986	182232	-1079	6425
1945	20804	184	209278	2074	200962	-1890	8315
1946	0	0	209278	2300	198662	-2300	10615
1947	8723	40	217961	2300	205085	-2260	12875
1948	76491	0	294452	2395	279182	-2395	15270
1949	133693	1009	427136	3226	409648	-2217	17487
1950	292468	12268	707335	4679	697437	7589	9898
1951	63877	4571	766642	7858	753456	-3288	13186
1952	54120	1390	819372	8553	799023	-7163	20349
1953	54120	1390	872102	9141	844003	-7751	28100
1954	54120	1390	924833	9729	888394	-8339	36439
1955	54120	1390	977563	10318	932196	-8928	45367
1956	36254	7801	1006017	10906	957545	-3105	48472
1957	48418	16033	1038402	11300	994663	4733	43739
1958	47967	8699	1077670	11826	1030804	-3127	46866
1959	64421	11364	1130727	12347	1082877	-983	47849
1960	86923	18283	1199367	13048	1156753	5235	42614
1961	121579	154557	1166389	13992	1264339	140564	-97950
1962	68988	19222	1216156	15314	1318013	3908	-101858
1963	96111	21971	1290295	16064	1398061	5908	-107765
1964	125263	38213	1377345	17109	1506215	21104	-128870
1965	99527	28915	1447956	18470	1587271	10445	-139315

Farmers Rural Electric Cooperative
Account 364 -- Poles

Simulated Retirements for Iowa Curve 01 with ASL = 46

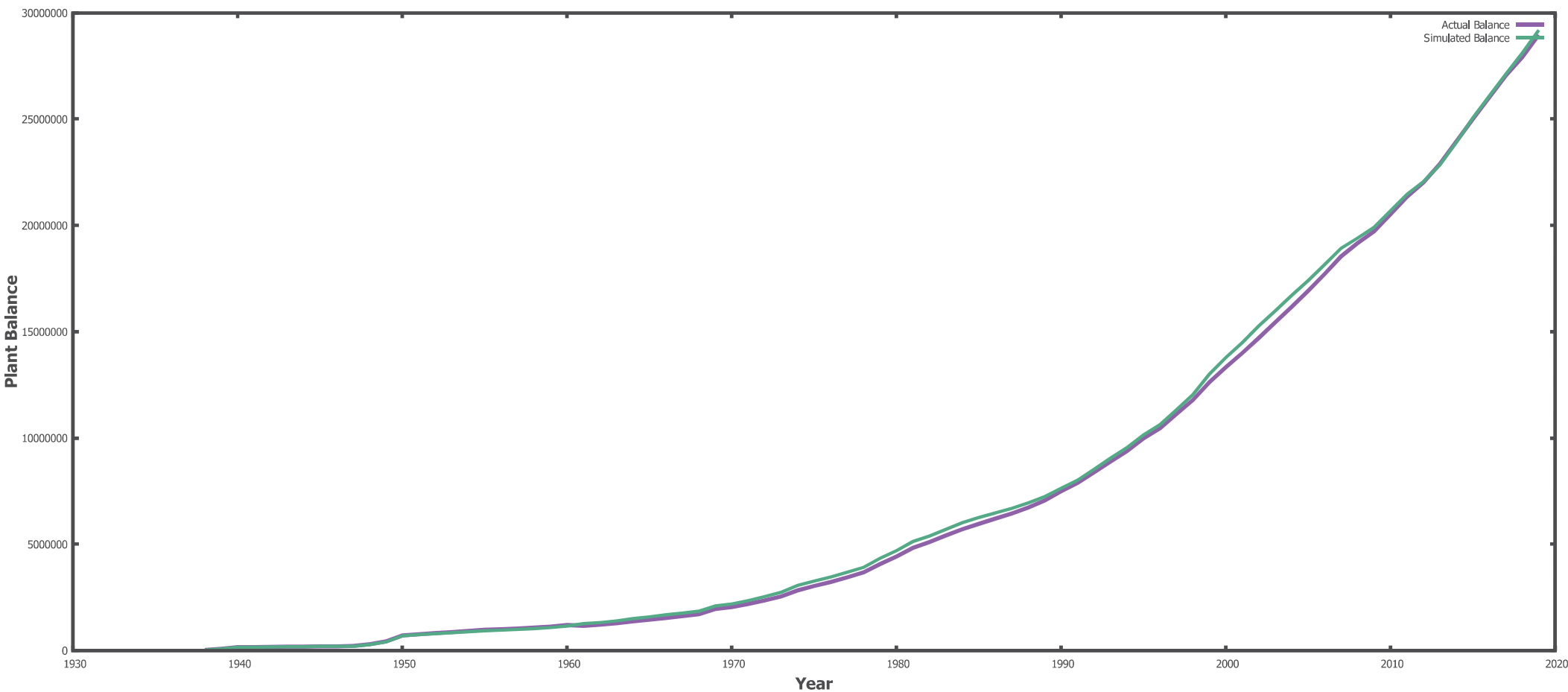
Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1966	111633	25186	1534403	19552	1679352	5634	-144949
1967	105098	22849	1616651	20765	1763684	2084	-147033
1968	110513	21476	1705689	21908	1852290	-432	-146601
1969	266708	22101	1950296	23109	2095889	-1008	-145593
1970	121959	24558	2047697	26008	2191840	-1450	-144143
1971	185358	45243	2187812	27334	2349864	17910	-162053
1972	218657	42447	2364022	29348	2539173	13098	-175151
1973	232322	48459	2547885	31725	2739770	16733	-191884
1974	356820	70580	2834126	34250	3062339	36329	-228214
1975	244814	40929	3038011	38129	3269025	2801	-231014
1976	233869	47836	3224043	40790	3462104	7046	-238061
1977	262963	45051	3441955	43332	3681735	1719	-239779
1978	277399	37766	3681588	46190	3912944	-8424	-231356
1979	474621	82496	4073712	49205	4338359	33291	-264647
1980	415636	64591	4424757	54364	4699631	10227	-274874
1981	487852	76373	4836236	58882	5128601	17491	-292365
1982	322165	51489	5106912	64185	5386581	-12695	-279669
1983	385107	75069	5416950	67687	5704002	7383	-287052
1984	385792	91926	5710816	71873	6017921	20053	-307105
1985	318169	67885	5961100	76066	6260024	-8181	-298924
1986	293523	46118	6208505	79524	6474023	-33406	-265518
1987	298620	60396	6446729	82715	6689928	-22319	-243199
1988	340061	54726	6732064	85961	6944028	-31235	-211964
1989	383770	58514	7057320	89657	7238141	-31143	-180821
1990	494175	58121	7493374	93828	7638488	-35707	-145114
1991	475381	83304	7885451	99200	8014669	-15896	-129218
1992	619131	118618	8385964	104367	8529433	14251	-143469
1993	628825	118305	8896484	111097	9047161	7208	-150677

Farmers Rural Electric Cooperative
Account 364 -- Poles

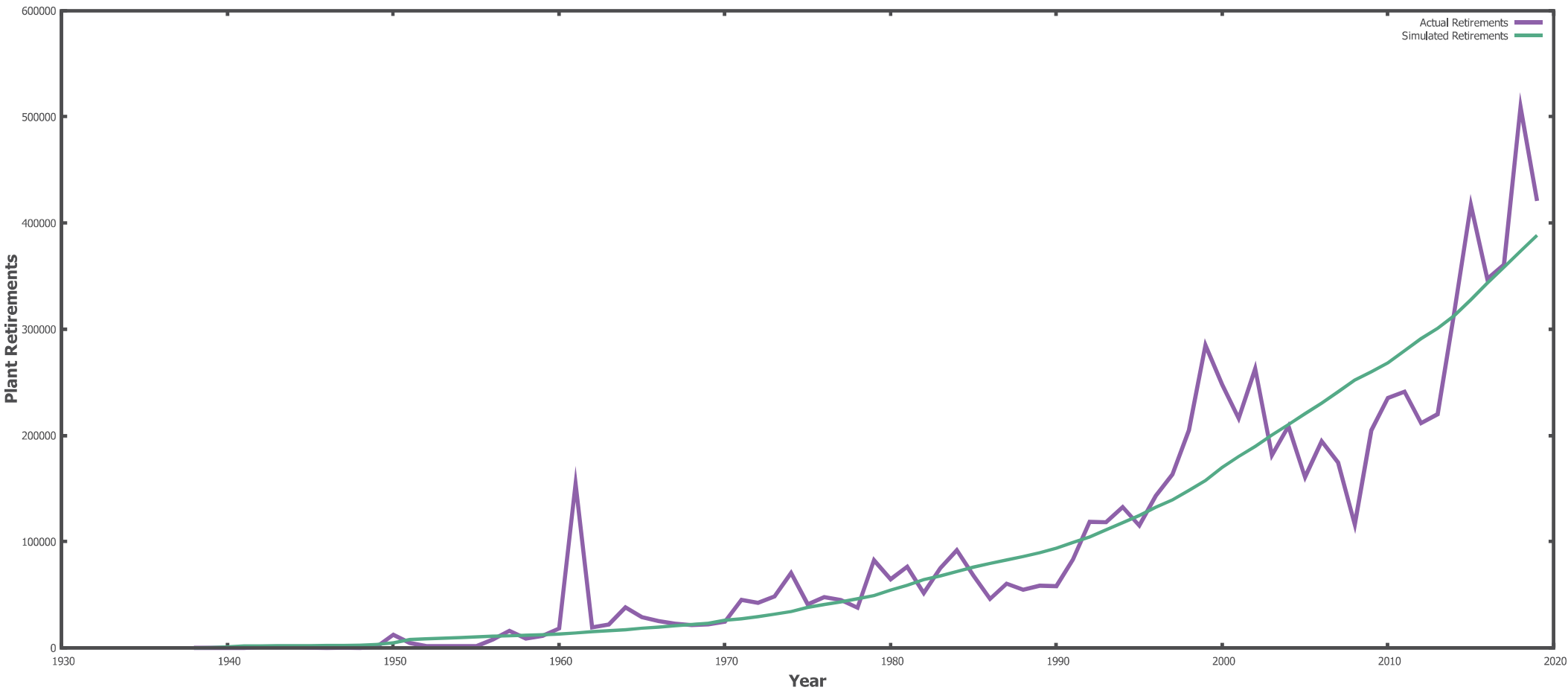
Simulated Retirements for Iowa Curve 01 with ASL = 46

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1994	617992	132592	9381884	117932	9547222	14660	-165338
1995	719385	115187	9986082	124649	10141957	-9462	-155875
1996	618613	143261	10461433	132468	10628102	10793	-166669
1997	835223	163363	11133294	139193	11324133	24170	-190839
1998	859823	204893	11788224	148271	12035685	56622	-247461
1999	1128108	284987	12631346	157617	13006176	127370	-374831
2000	949215	247969	13332592	169879	13785512	78089	-452920
2001	879852	216024	13996420	180196	14485168	35828	-488748
2002	977544	262856	14711108	189761	15272951	73095	-561843
2003	912872	181339	15442641	200386	15985437	-19046	-542797
2004	939077	208715	16173003	210308	16714206	-1594	-541203
2005	908661	160679	16920985	220515	17402352	-59836	-481367
2006	988072	194614	17714443	230392	18160032	-35778	-445588
2007	1006474	174526	18546391	241133	18925373	-66607	-378982
2008	732545	116138	19162798	252072	19405846	-135934	-243048
2009	769140	204817	19727122	260035	19914951	-55218	-187830
2010	1045519	235358	20537283	268395	20692076	-33037	-154793
2011	1050770	241249	21346804	279759	21463087	-38510	-116282
2012	888585	211687	22023701	291180	22060491	-79493	-36789
2013	1091856	220009	22895549	300839	22851508	-80830	44041
2014	1374401	315544	23954407	312707	23913201	2836	41205
2015	1467719	417078	25005047	327646	25053275	89432	-48227
2016	1370102	347537	26027612	343600	26079777	3937	-52164
2017	1387417	360814	27054215	358492	27108702	2322	-54487
2018	1368670	509398	27913486	373573	28103799	135825	-190312
2019	1474506	420800	28967192	388449	29189855	32351	-222663

Farmers Electric Cooperative
Account No. 364 Poles
Plant Balances



**Farmers Electric Cooperative
Account No. 364 Poles
Plant Retirements**



Account 365 – Overhead Conductor

Farmers Rural Electric Cooperative
Account 365 -- Overhead Conductor

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S0	41	1.26469e+11	1.99687e+06
S0.5	40	1.24251e+11	1.95277e+06
S1	39	1.22381e+11	1.92095e+06
S1.5	38	1.2145e+11	1.9307e+06
S2	37	1.20573e+11	1.94624e+06
S2.5	37	1.25047e+11	1.96621e+06
S3	36	1.30384e+11	2.04382e+06
S3.5	37	1.4017e+11	2.09467e+06
S4	38	1.51086e+11	2.15981e+06
S4.5	38	1.53998e+11	2.20712e+06
S5	39	1.58088e+11	2.21567e+06
S5.5	39	1.56255e+11	2.21361e+06
S6	39	1.57106e+11	2.24267e+06
R1	41	1.22573e+11	1.98928e+06
R1.5	40	1.21497e+11	1.94662e+06
R2	38	1.2111e+11	1.96324e+06
R2.5	38	1.20897e+11	1.92569e+06
R3	37	1.22408e+11	1.96045e+06
R3.5	37	1.26024e+11	1.98188e+06
R4	37	1.3048e+11	2.01678e+06
R4.5	38	1.4059e+11	2.07412e+06
R5	38	1.51005e+11	2.17327e+06
L0	48	1.29488e+11	2.04081e+06
L0.5	45	1.25922e+11	1.9978e+06
L1	42	1.22224e+11	1.97192e+06
L1.5	40	1.22631e+11	1.978e+06
L2	39	1.21883e+11	1.95287e+06
L2.5	38	1.26735e+11	1.99079e+06
L3	37	1.3294e+11	2.03985e+06
L3.5	37	1.3748e+11	2.06917e+06
L4	38	1.4365e+11	2.10291e+06
L4.5	38	1.48257e+11	2.16071e+06
L5	38	1.54028e+11	2.22473e+06
O1	47	1.24818e+11	2.04357e+06
O1.5	50	1.25298e+11	2.041e+06
O2	53	1.25512e+11	2.03948e+06
O2.5	61	1.27486e+11	2.06364e+06
O3	70	1.31825e+11	2.11942e+06
O3.5	82	1.2987e+11	2.08039e+06
O4	93	1.28894e+11	2.08602e+06

Best fitting Iowa Curve and ASL

Iowa Curve	ASL	SSD Removals
S2	37	1.20573e+11

Farmers Rural Electric Cooperative
Account 365 -- Overhead Conductor

Iowa Curves -- Sorted

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S2	37	1.20573e+11	1.94624e+06
R2.5	38	1.20897e+11	1.92569e+06
R2	38	1.2111e+11	1.96324e+06
S1.5	38	1.2145e+11	1.9307e+06
R1.5	40	1.21497e+11	1.94662e+06
L2	39	1.21883e+11	1.95287e+06
L1	42	1.22224e+11	1.97192e+06
S1	39	1.22381e+11	1.92095e+06
R3	37	1.22408e+11	1.96045e+06
R1	41	1.22573e+11	1.98928e+06
L1.5	40	1.22631e+11	1.978e+06
S0.5	40	1.24251e+11	1.95277e+06
O1	47	1.24818e+11	2.04357e+06
S2.5	37	1.25047e+11	1.96621e+06
O1.5	50	1.25298e+11	2.041e+06
O2	53	1.25512e+11	2.03948e+06
L0.5	45	1.25922e+11	1.9978e+06
R3.5	37	1.26024e+11	1.98188e+06
S0	41	1.26469e+11	1.99687e+06
L2.5	38	1.26735e+11	1.99079e+06
O2.5	61	1.27486e+11	2.06364e+06
O4	93	1.28894e+11	2.08602e+06
L0	48	1.29488e+11	2.04081e+06
O3.5	82	1.2987e+11	2.08039e+06
S3	36	1.30384e+11	2.04382e+06
R4	37	1.3048e+11	2.01678e+06
O3	70	1.31825e+11	2.11942e+06
L3	37	1.3294e+11	2.03985e+06
L3.5	37	1.3748e+11	2.06917e+06
S3.5	37	1.4017e+11	2.09467e+06
R4.5	38	1.4059e+11	2.07412e+06
L4	38	1.4365e+11	2.10291e+06
L4.5	38	1.48257e+11	2.16071e+06
R5	38	1.51005e+11	2.17327e+06
S4	38	1.51086e+11	2.15981e+06
S4.5	38	1.53998e+11	2.20712e+06
L5	38	1.54028e+11	2.22473e+06
S5.5	39	1.56255e+11	2.21361e+06
S6	39	1.57106e+11	2.24267e+06
S5	39	1.58088e+11	2.21567e+06

Farmers Rural Electric Cooperative
Account 365 -- Overhead Conductor

ASL with the Minimum Sum of Squared Differences for years 2013, 2016, and 2019

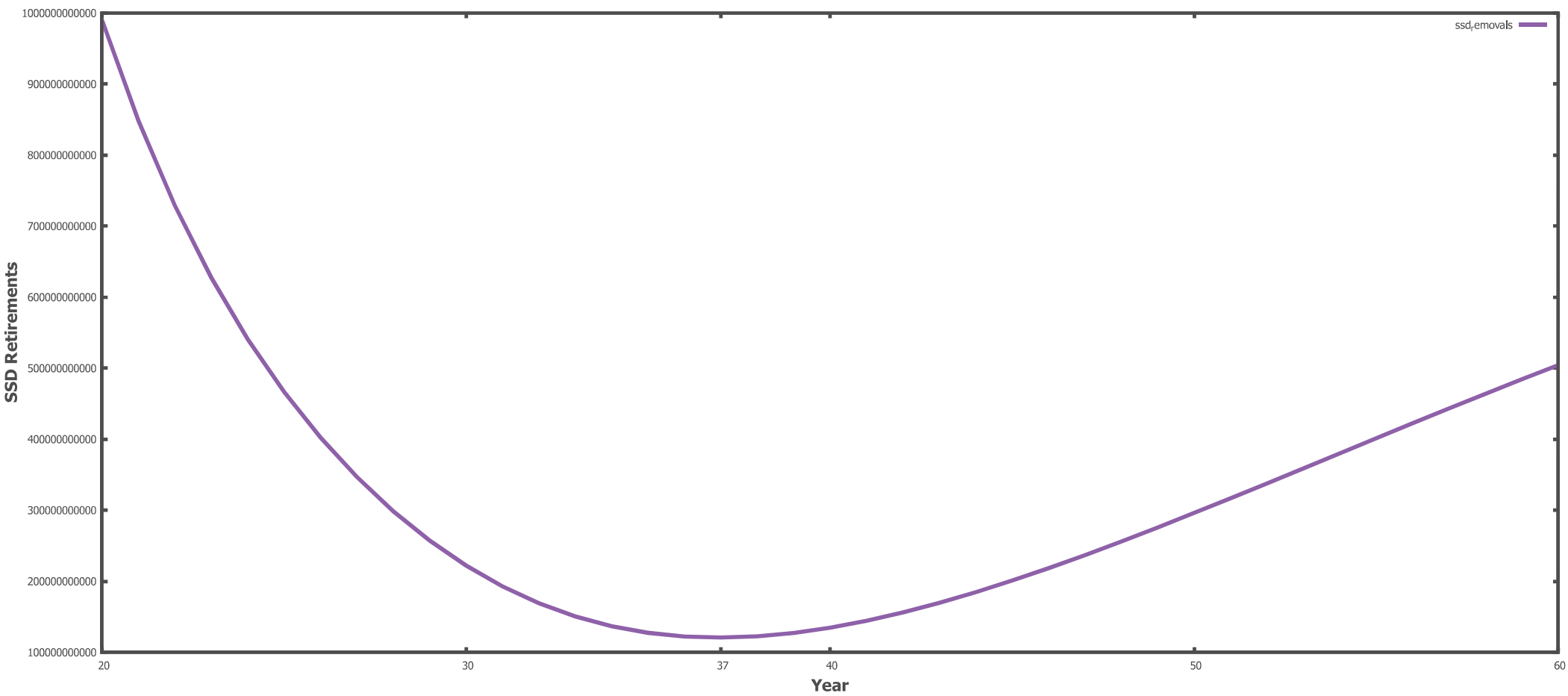
Iowa Curve	ASL	SSD Balance
S0	43	8.95022e+10
S0.5	41	7.67282e+10
S1	39	7.7681e+10
S1.5	38	6.92023e+10
S2	37	6.74951e+10
S2.5	37	6.84581e+10
S3	36	6.04021e+10
S3.5	36	5.4644e+10
S4	36	8.30689e+10
S4.5	36	8.68273e+10
S5	36	9.3523e+10
S5.5	36	7.92636e+10
S6	36	6.80493e+10
R1	43	8.34959e+10
R1.5	41	7.29523e+10
R2	39	6.40737e+10
R2.5	38	5.41962e+10
R3	37	4.63126e+10
R3.5	36	6.22922e+10
R4	36	3.41531e+10
R4.5	36	5.08653e+10
R5	36	8.58542e+10
L0	51	1.151e+11
L0.5	47	1.0358e+11
L1	44	8.58707e+10
L1.5	42	8.13092e+10
L2	40	7.54089e+10
L2.5	39	8.13893e+10
L3	38	9.59396e+10
L3.5	37	6.85498e+10
L4	36	6.87633e+10
L4.5	36	5.98407e+10
L5	36	7.75497e+10
O1	52	1.19598e+11
O1.5	55	1.18023e+11
O2	58	1.16718e+11
O2.5	68	1.27033e+11
O3	79	1.3586e+11
O3.5	92	1.29845e+11
O4	99	3.26537e+11

Farmers Rural Electric Cooperative
Account 365 -- Overhead Conductor

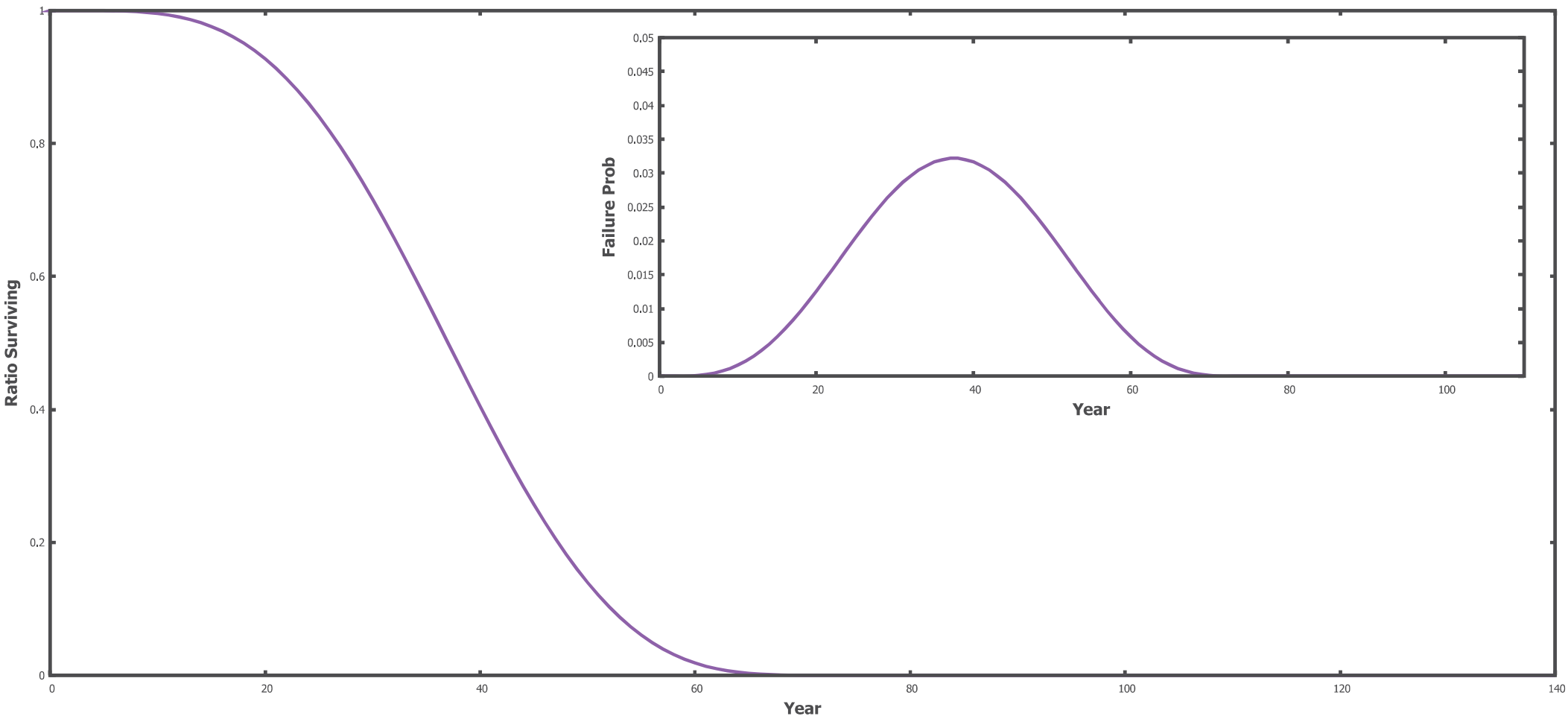
Iowa Curves -- Sorted by SSD Balance

Iowa Curve	ASL	SSD Balance
R4	36	3.41531e+10
R3	37	4.63126e+10
R4.5	36	5.08653e+10
R2.5	38	5.41962e+10
S3.5	36	5.4644e+10
L4.5	36	5.98407e+10
S3	36	6.04021e+10
R3.5	36	6.22922e+10
R2	39	6.40737e+10
S2	37	6.74951e+10
S6	36	6.80493e+10
S2.5	37	6.84581e+10
L3.5	37	6.85498e+10
L4	36	6.87633e+10
S1.5	38	6.92023e+10
R1.5	41	7.29523e+10
L2	40	7.54089e+10
S0.5	41	7.67282e+10
L5	36	7.75497e+10
S1	39	7.7681e+10
S5.5	36	7.92636e+10
L1.5	42	8.13092e+10
L2.5	39	8.13893e+10
S4	36	8.30689e+10
R1	43	8.34959e+10
R5	36	8.58542e+10
L1	44	8.58707e+10
S4.5	36	8.68273e+10
S0	43	8.95022e+10
S5	36	9.3523e+10
L3	38	9.59396e+10
L0.5	47	1.0358e+11
L0	51	1.151e+11
O2	58	1.16718e+11
O1.5	55	1.18023e+11
O1	52	1.19598e+11
O2.5	68	1.27033e+11
O3.5	92	1.29845e+11
O3	79	1.3586e+11
O4	99	3.26537e+11

Farmers Electric Cooperative
Account No. 365 Overhead Conductor
Sum of Square Differences (SSD) Retirements for S2



Account No. 365 -- Overhead Conductor
Iowa Curve: S2 ASL: 37 Years



Farmers Rural Electric Cooperative
Account 365 -- Overhead Conductor

Simulated Retirements for Iowa Curve S2 with ASL = 37

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1938	649	0	649	0	649	0	0
1939	1298	0	1946	0	1946	-0	0
1940	1946	0	3893	0	3893	-0	0
1941	34988	4	38877	0	38880	4	-4
1942	125051	8	163920	0	163931	7	-11
1943	2927	353	166494	0	166857	352	-363
1944	7147	564	173077	1	174003	562	-926
1945	5532	194	178416	5	179530	188	-1114
1946	9303	110	187608	13	188820	97	-1211
1947	5311	25	192895	30	194101	-5	-1206
1948	63184	0	256078	58	257227	-58	-1149
1949	101961	3680	354359	94	359093	3586	-4734
1950	307335	15577	646117	152	666276	15425	-20159
1951	48646	6048	688715	222	714700	5826	-25985
1952	45611	1694	732633	321	759990	1372	-27357
1953	45611	1694	776550	445	805156	1248	-28605
1954	45611	1694	820468	611	850156	1083	-29688
1955	45611	1694	864385	821	894946	872	-30561
1956	25483	4395	885473	1094	919335	3301	-33862
1957	37017	9384	913106	1418	954934	7965	-41827
1958	24698	4955	932850	1829	977804	3126	-44953
1959	51343	11743	972451	2307	1026840	9435	-54389
1960	71073	13832	1029692	2882	1095030	10950	-65338
1961	160607	21534	1168766	3540	1252098	17994	-83332
1962	51949	12842	1207873	4296	1299751	8546	-91878
1963	91893	16831	1282935	5149	1386495	11682	-103560
1964	128707	27954	1383687	6095	1509106	21859	-125419
1965	95214	18205	1460696	7151	1597169	11053	-136472

Farmers Rural Electric Cooperative
Account 365 -- Overhead Conductor

Simulated Retirements for Iowa Curve S2 with ASL = 37

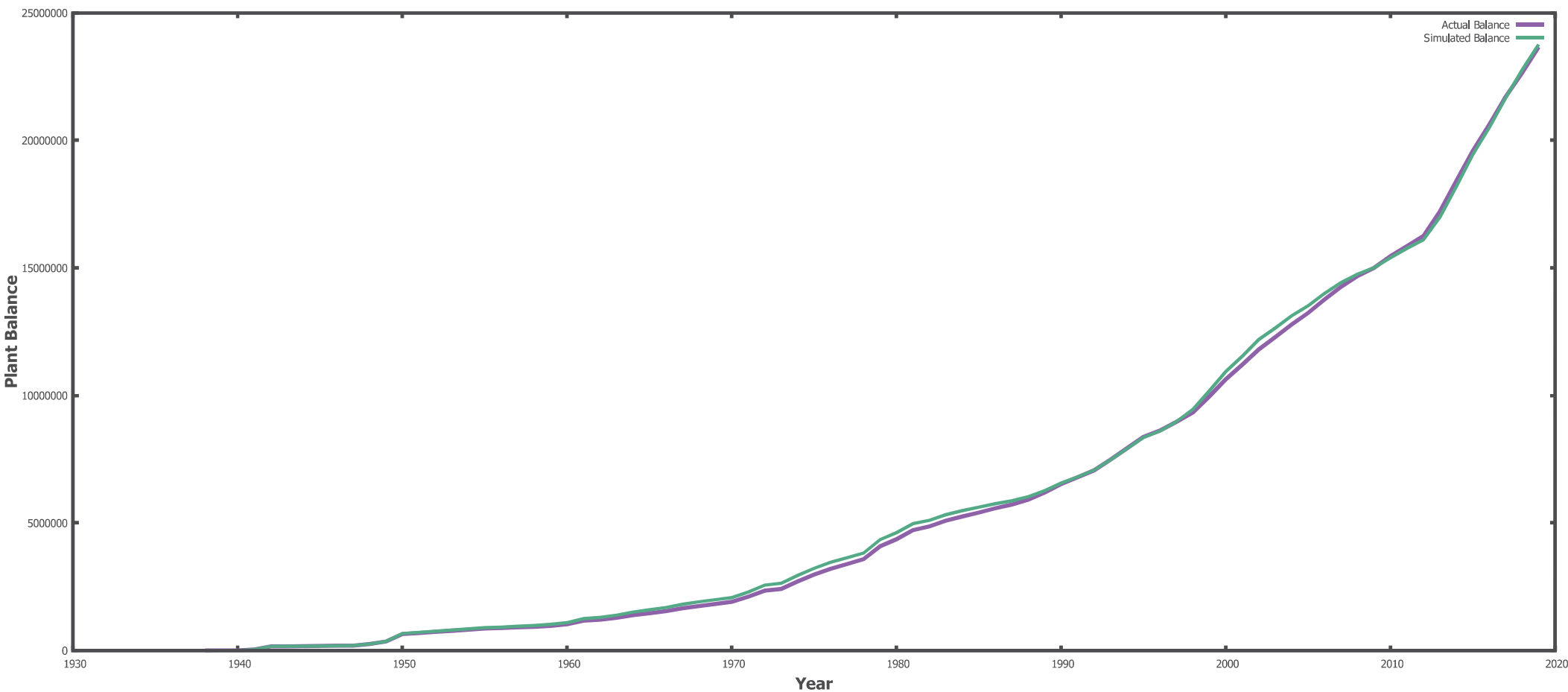
Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1966	98024	17338	1541382	8297	1686895	9041	-145514
1967	135321	14554	1662148	9561	1812655	4994	-150507
1968	108910	29262	1741796	10905	1910660	18357	-168864
1969	97152	9859	1829089	12375	1995438	-2516	-166349
1970	94190	11091	1912188	13923	2075704	-2833	-163516
1971	236227	38965	2109450	15592	2296339	23373	-186889
1972	284537	45054	2348933	17341	2563535	27713	-214602
1973	93842	24039	2418735	19204	2638173	4835	-219437
1974	328698	40862	2706571	21148	2945723	19715	-239152
1975	300789	23281	2984079	23199	3223313	82	-239234
1976	268640	44788	3207931	25332	3466621	19456	-258690
1977	204479	19246	3393164	27583	3643517	-8337	-250353
1978	208637	16292	3585509	29916	3822238	-13624	-236729
1979	559776	58836	4086449	32373	4349641	26463	-263192
1980	306953	31055	4362347	34936	4621658	-3882	-259310
1981	393286	38001	4717633	37628	4977316	373	-259683
1982	172060	21691	4868002	40451	5108925	-18760	-240923
1983	260328	33635	5094694	43417	5325836	-9781	-231142
1984	207700	43813	5258581	46548	5486988	-2735	-228407
1985	183431	30398	5411614	49857	5620562	-19459	-208948
1986	187970	18973	5580611	53344	5755188	-34371	-174577
1987	171639	25148	5727102	57045	5869782	-31897	-142680
1988	220705	26344	5921463	60940	6029547	-34596	-108084
1989	300497	30056	6191904	65065	6264979	-35009	-73075
1990	372923	33254	6531573	69398	6568504	-36144	-36931
1991	307663	46394	6792842	73951	6802216	-27557	-9374
1992	348332	76782	7064392	78726	7071822	-1944	-7430
1993	493502	69158	7488736	83692	7481632	-14534	7104

Farmers Rural Electric Cooperative
Account 365 -- Overhead Conductor

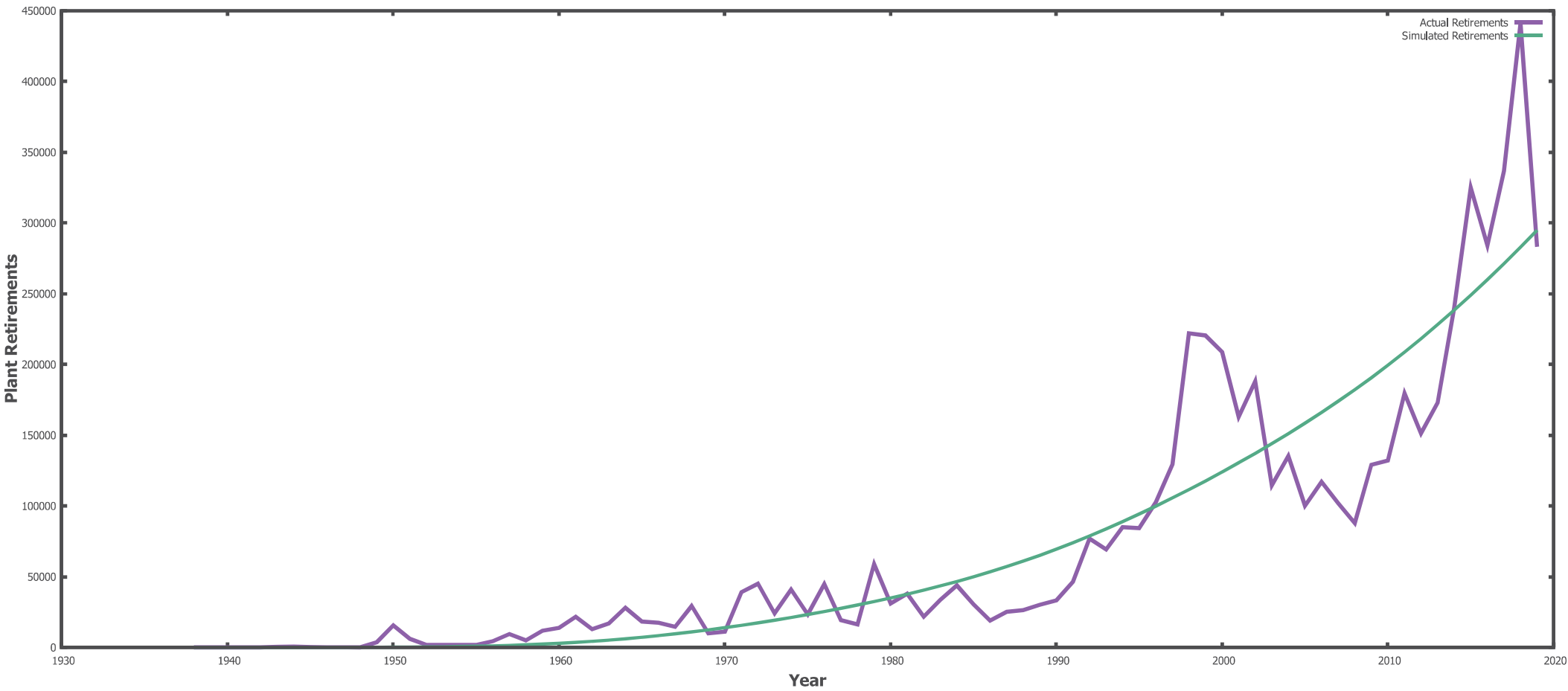
Simulated Retirements for Iowa Curve S2 with ASL = 37

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1994	526035	84934	7929837	88891	7918777	-3957	11060
1995	529527	84284	8375080	94250	8354053	-9966	21026
1996	354205	102522	8626764	99847	8608412	2675	18352
1997	473162	129327	8970598	105578	8975995	23749	-5397
1998	590362	221918	9339042	111545	9454812	110373	-115770
1999	848392	220443	9966991	117652	10185552	102790	-218561
2000	882143	208762	10640372	123974	10943721	84789	-303349
2001	729659	162926	11207105	130458	11542923	32468	-335818
2002	783591	188002	11802694	137133	12189380	50869	-386686
2003	599844	114492	12288046	144019	12645205	-29527	-357159
2004	629191	135240	12781997	151103	13123293	-15863	-341297
2005	555934	100103	13237828	158450	13520777	-58348	-282949
2006	651375	116984	13772219	166030	14006122	-49045	-233904
2007	595055	101842	14265431	173909	14427268	-72067	-161837
2008	510639	87827	14688243	182087	14755820	-94260	-67577
2009	446127	128966	15005405	190576	15011371	-61611	-5966
2010	589924	132064	15463265	199437	15401858	-67373	61407
2011	576943	179640	15860568	208602	15770198	-28963	90370
2012	549435	151274	16258729	218191	16101443	-66916	157286
2013	1126105	172938	17211896	228068	16999480	-55130	212416
2014	1434321	239988	18406230	238375	18195426	1613	210803
2015	1500644	324912	19581962	248962	19447108	75950	134854
2016	1316130	284026	20614065	259947	20503291	24080	110774
2017	1441826	336701	21719190	271230	21673887	65471	45302
2018	1375542	440482	22654249	282867	22766563	157616	-112313
2019	1291291	283086	23662454	294883	23762971	-11796	-100517

**Farmers Electric Cooperative
Account No. 365 Overhead Conductor
Plant Balances**



**Farmers Electric Cooperative
Account No. 365 Overhead Conductor
Plant Retirements**



Account 367 – Underground Conductor

Farmers Rural Electric Cooperative
Account 367 -- Underground Conductor

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S0	35	3.80381e+09	191745
S0.5	32	3.77846e+09	200074
S1	29	3.74145e+09	201443
S1.5	27	3.72655e+09	204929
S2	26	3.69898e+09	200367
S2.5	25	3.66964e+09	200934
S3	24	3.6316e+09	202155
S3.5	23	3.59299e+09	207248
S4	23	3.55802e+09	199688
S4.5	23	3.53463e+09	198277
S5	22	3.51985e+09	206568
S5.5	23	3.59566e+09	201656
S6	24	3.68657e+09	190304
R1	37	3.87276e+09	205592
R1.5	33	3.84734e+09	204276
R2	30	3.81739e+09	201621
R2.5	27	3.78912e+09	207648
R3	25	3.72214e+09	207128
R3.5	24	3.65945e+09	206006
R4	23	3.60252e+09	207252
R4.5	23	3.54953e+09	200454
R5	22	3.52238e+09	207901
L0	46	3.85009e+09	205266
L0.5	40	3.82101e+09	203479
L1	35	3.77573e+09	201996
L1.5	32	3.75064e+09	200045
L2	29	3.70935e+09	200927
L2.5	27	3.68349e+09	203678
L3	26	3.64964e+09	198193
L3.5	25	3.62735e+09	197045
L4	24	3.59077e+09	197244
L4.5	23	3.5689e+09	204340
L5	23	3.565e+09	200732
O1	52	3.91593e+09	207829
O1.5	55	3.91597e+09	208330
O2	59	3.91592e+09	206738
O2.5	68	3.91917e+09	212570
O3	84	3.90552e+09	207575
O3.5	99	3.92456e+09	207434
O4	99	3.97958e+09	224816

Best fitting Iowa Curve and ASL

Iowa Curve	ASL	SSD Removals
S5	22	3.51985e+09

Farmers Rural Electric Cooperative
Account 367 -- Underground Conductor

Iowa Curves -- Sorted

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S5	22	3.51985e+09	206568
R5	22	3.52238e+09	207901
S4.5	23	3.53463e+09	198277
R4.5	23	3.54953e+09	200454
S4	23	3.55802e+09	199688
L5	23	3.565e+09	200732
L4.5	23	3.5689e+09	204340
L4	24	3.59077e+09	197244
S3.5	23	3.59299e+09	207248
S5.5	23	3.59566e+09	201656
R4	23	3.60252e+09	207252
L3.5	25	3.62735e+09	197045
S3	24	3.6316e+09	202155
L3	26	3.64964e+09	198193
R3.5	24	3.65945e+09	206006
S2.5	25	3.66964e+09	200934
L2.5	27	3.68349e+09	203678
S6	24	3.68657e+09	190304
S2	26	3.69898e+09	200367
L2	29	3.70935e+09	200927
R3	25	3.72214e+09	207128
S1.5	27	3.72655e+09	204929
S1	29	3.74145e+09	201443
L1.5	32	3.75064e+09	200045
L1	35	3.77573e+09	201996
S0.5	32	3.77846e+09	200074
R2.5	27	3.78912e+09	207648
S0	35	3.80381e+09	191745
R2	30	3.81739e+09	201621
L0.5	40	3.82101e+09	203479
R1.5	33	3.84734e+09	204276
L0	46	3.85009e+09	205266
R1	37	3.87276e+09	205592
O3	84	3.90552e+09	207575
O2	59	3.91592e+09	206738
O1	52	3.91593e+09	207829
O1.5	55	3.91597e+09	208330
O2.5	68	3.91917e+09	212570
O3.5	99	3.92456e+09	207434
O4	99	3.97958e+09	224816

Farmers Rural Electric Cooperative
Account 367 -- Underground Conductor

ASL with the Minimum Sum of Squared Differences for years 2013, 2016, and 2019

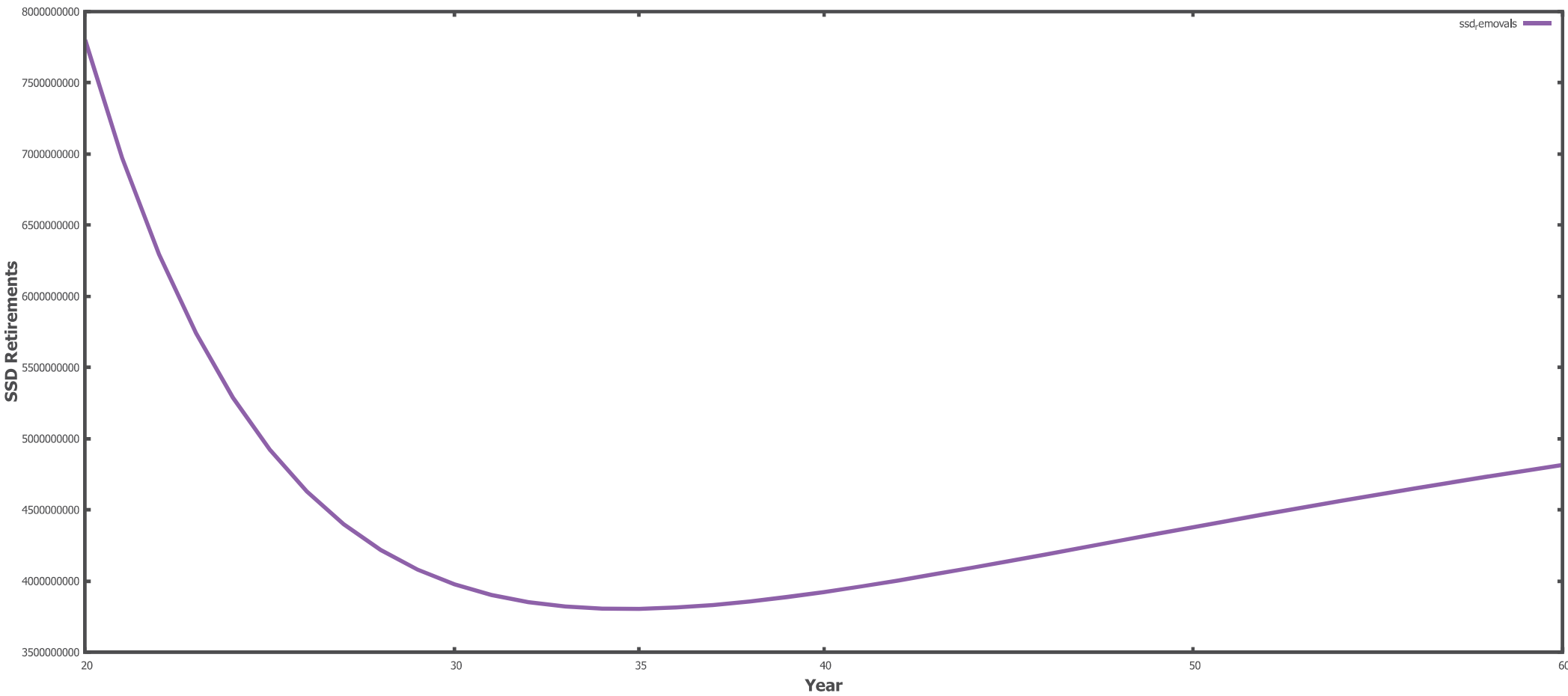
Iowa Curve	ASL	SSD Balance
S0	33	3.09101e+08
S0.5	30	3.48802e+08
S1	28	3.1023e+08
S1.5	27	4.17085e+08
S2	25	3.11558e+08
S2.5	24	4.09207e+08
S3	24	3.37005e+08
S3.5	23	2.47346e+08
S4	23	4.92934e+08
S4.5	22	3.76604e+08
S5	22	3.36568e+08
S5.5	22	4.10891e+08
S6	22	5.57661e+08
R1	35	3.0552e+08
R1.5	32	3.45844e+08
R2	29	3.82621e+08
R2.5	27	3.11316e+08
R3	25	2.06498e+08
R3.5	24	1.8034e+08
R4	23	2.06605e+08
R4.5	23	3.54145e+08
R5	22	2.90704e+08
L0	44	2.74994e+08
L0.5	38	2.91633e+08
L1	34	3.44091e+08
L1.5	31	3.53644e+08
L2	28	3.14255e+08
L2.5	27	4.22479e+08
L3	25	3.2434e+08
L3.5	24	3.18968e+08
L4	23	3.77221e+08
L4.5	23	3.05188e+08
L5	22	4.98363e+08
O1	50	2.67035e+08
O1.5	53	2.67711e+08
O2	56	2.69052e+08
O2.5	68	2.6538e+08
O3	81	2.60931e+08
O3.5	95	2.73674e+08
O4	99	1.25155e+09

Farmers Rural Electric Cooperative
Account 367 -- Underground Conductor

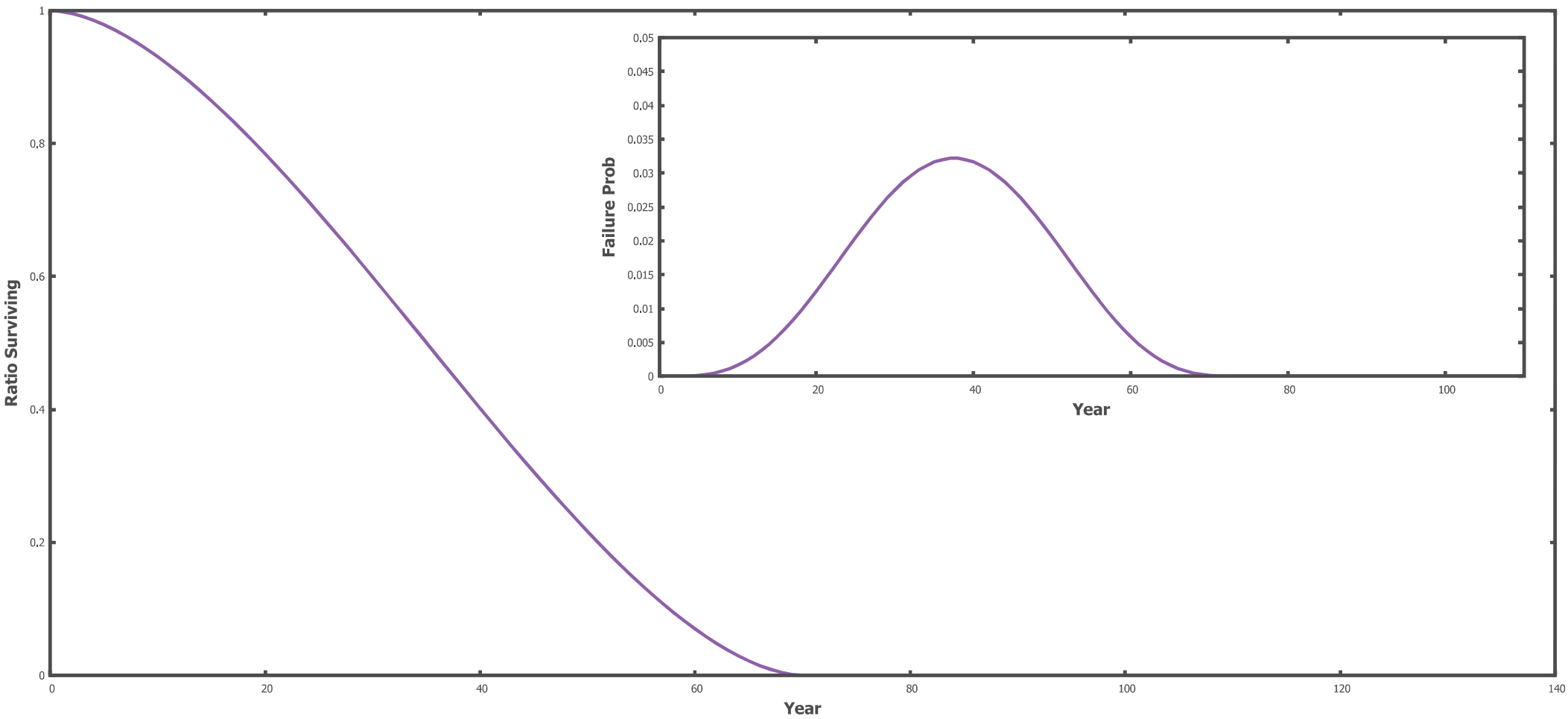
Iowa Curves -- Sorted by SSD Balance

Iowa Curve	ASL	SSD Balance
R3.5	24	1.8034e+08
R3	25	2.06498e+08
R4	23	2.06605e+08
S3.5	23	2.47346e+08
O3	81	2.60931e+08
O2.5	68	2.6538e+08
O1	50	2.67035e+08
O1.5	53	2.67711e+08
O2	56	2.69052e+08
O3.5	95	2.73674e+08
L0	44	2.74994e+08
R5	22	2.90704e+08
L0.5	38	2.91633e+08
L4.5	23	3.05188e+08
R1	35	3.0552e+08
S0	33	3.09101e+08
S1	28	3.1023e+08
R2.5	27	3.11316e+08
S2	25	3.11558e+08
L2	28	3.14255e+08
L3.5	24	3.18968e+08
L3	25	3.2434e+08
S5	22	3.36568e+08
S3	24	3.37005e+08
L1	34	3.44091e+08
R1.5	32	3.45844e+08
S0.5	30	3.48802e+08
L1.5	31	3.53644e+08
R4.5	23	3.54145e+08
S4.5	22	3.76604e+08
L4	23	3.77221e+08
R2	29	3.82621e+08
S2.5	24	4.09207e+08
S5.5	22	4.10891e+08
S1.5	27	4.17085e+08
L2.5	27	4.22479e+08
S4	23	4.92934e+08
L5	22	4.98363e+08
S6	22	5.57661e+08
O4	99	1.25155e+09

Farmers Electric Cooperative
Account No. 367 Underground Conductor
Sum of Square Differences (SSD) Retirements for S0



Account No. 367 -- Underground Conductor
Iowa Curve: S0 ASL: 35 Years



Account 367 -- Underground Conductor

Simulated Retirements for Iowa Curve S0 with ASL = 35

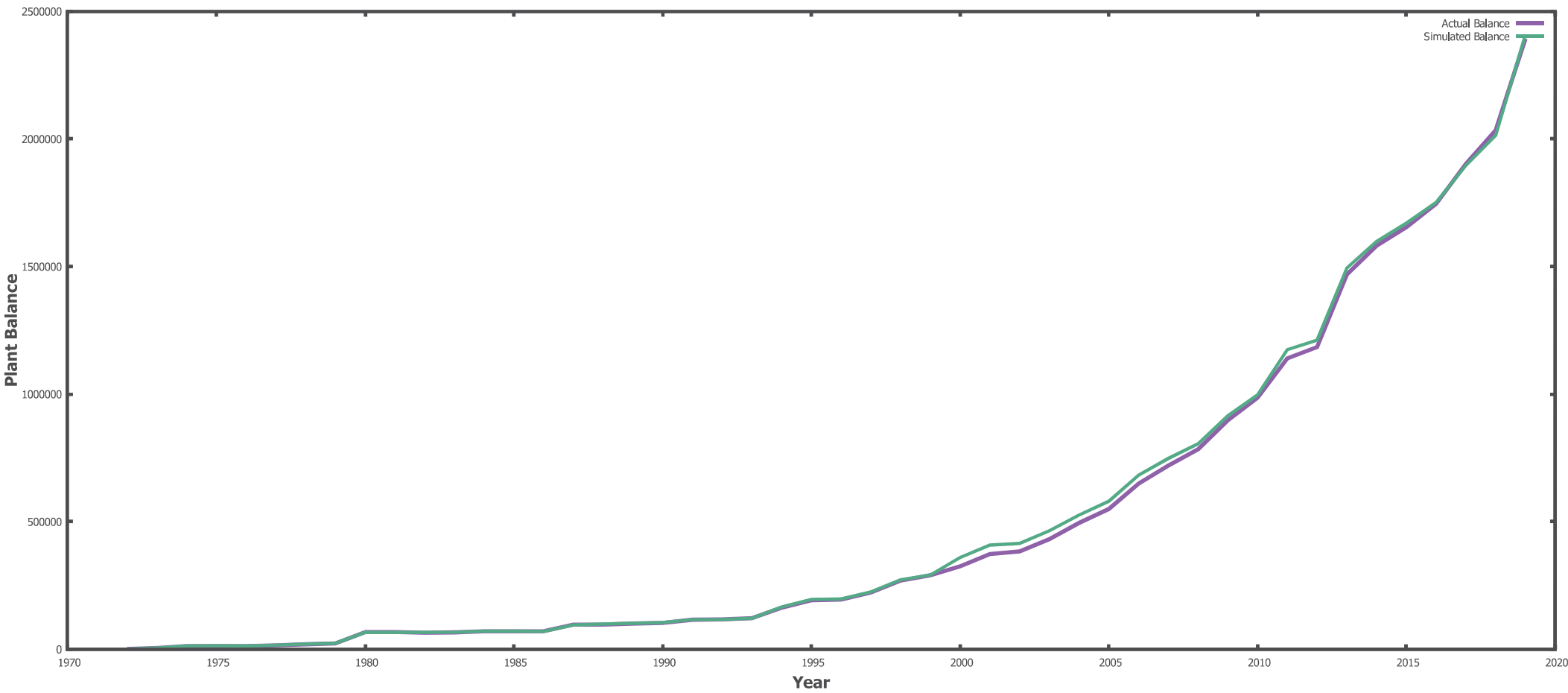
Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1972	1454	0	1454	0	1454	0	0
1973	3390	0	4844	2	4841	-2	2
1974	8611	1075	12380	10	13443	1066	-1063
1975	419	0	12798	30	13831	-30	-1033
1976	-455	0	12344	48	13329	-48	-985
1977	3119	0	15462	69	16379	-69	-917
1978	4077	0	19540	90	20367	-90	-827
1979	3263	0	22803	114	23515	-114	-713
1980	43285	0	66088	142	66658	-142	-571
1981	0	0	66088	242	66417	-242	-329
1982	0	831	65256	312	66104	519	-848
1983	1075	0	66331	413	66766	-413	-435
1984	5038	916	70453	487	71317	429	-864
1985	0	0	70453	565	70752	-565	-299
1986	0	0	70453	633	70118	-633	335
1987	26068	0	96521	702	95484	-702	1037
1988	4310	4077	96754	807	98987	3270	-2233
1989	4084	0	100838	899	102173	-899	-1335
1990	3522	1227	103133	1011	104683	216	-1550
1991	12747	0	115880	1110	116320	-1110	-440
1992	1834	758	116956	1225	116929	-467	27
1993	6048	1273	121731	1327	121650	-54	81
1994	45777	4638	162870	1443	165984	3195	-3114
1995	31424	2716	191578	1619	195789	1097	-4211
1996	3076	0	194654	1816	197050	-1816	-2396
1997	30022	2204	222472	2024	225048	180	-2576
1998	49468	2808	269132	2270	272246	538	-3114
1999	21734	378	290489	2556	291424	-2178	-936

Farmers Rural Electric Cooperative
Account 367 -- Underground Conductor

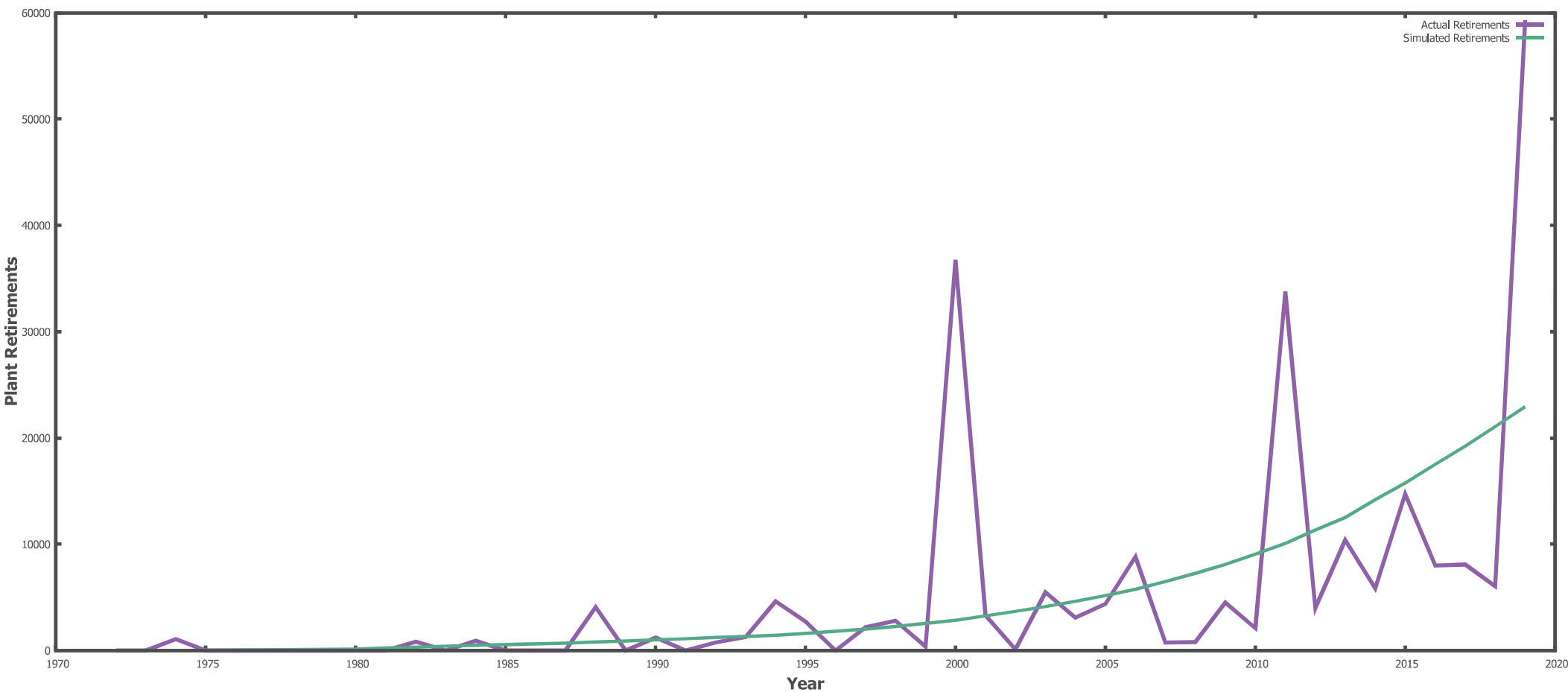
Simulated Retirements for Iowa Curve S0 with ASL = 35

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
2000	71236	36772	324953	2853	359807	33919	-34854
2001	51741	3306	373388	3266	408282	40	-34894
2002	10247	110	383525	3694	414836	-3583	-31311
2003	53544	5482	431587	4131	464248	1351	-32662
2004	66766	3100	495252	4631	526383	-1530	-31131
2005	59136	4384	550004	5164	580356	-780	-30351
2006	108110	8825	649289	5762	682703	3063	-33414
2007	71774	752	720311	6498	747979	-5746	-27668
2008	64724	788	784247	7267	805436	-6478	-21189
2009	118128	4515	897860	8113	915451	-3598	-17591
2010	90575	2107	986328	9074	996952	-6967	-10624
2011	187357	33782	1139903	10077	1174231	23704	-34328
2012	48656	4003	1184556	11343	1211545	-7340	-26989
2013	295148	10391	1469313	12524	1494169	-2132	-24856
2014	118613	5855	1582070	14206	1598576	-8350	-16506
2015	87320	14721	1654669	15762	1670134	-1041	-15465
2016	99105	8001	1745773	17524	1751715	-9523	-5942
2017	164378	8100	1902051	19230	1896863	-11130	5188
2018	138468	6059	2034460	21070	2014261	-15011	20199
2019	418165	59324	2393302	22951	2409476	36373	-16174

**Farmers Electric Cooperative
Account No. 367 Underground Conductor
Plant Balances**



**Farmers Electric Cooperative
Account No. 367 Underground Conductor
Plant Retirements**



Account 368 – Transformers

Farmers Rural Electric Cooperative
Account 368 -- Line Transformers

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S0	36	3.2732e+11	3.32211e+06
S0.5	35	3.28404e+11	3.34506e+06
S1	34	3.28785e+11	3.37524e+06
S1.5	33	3.27705e+11	3.41315e+06
S2	32	3.26172e+11	3.45186e+06
S2.5	31	3.28938e+11	3.5075e+06
S3	30	3.30187e+11	3.55088e+06
S3.5	28	3.36625e+11	3.61848e+06
S4	27	3.34516e+11	3.66182e+06
S4.5	26	3.33634e+11	3.7233e+06
S5	26	3.31932e+11	3.73787e+06
S5.5	25	3.34324e+11	3.78114e+06
S6	25	3.37407e+11	3.8041e+06
R1	36	3.2431e+11	3.31784e+06
R1.5	35	3.27651e+11	3.34853e+06
R2	34	3.30707e+11	3.38932e+06
R2.5	33	3.35239e+11	3.451e+06
R3	33	3.40721e+11	3.47598e+06
R3.5	33	3.49313e+11	3.51902e+06
R4	32	3.58525e+11	3.61047e+06
R4.5	26	3.50441e+11	3.77397e+06
R5	26	3.39561e+11	3.75667e+06
L0	40	3.27209e+11	3.31586e+06
L0.5	38	3.25387e+11	3.31556e+06
L1	37	3.24643e+11	3.29983e+06
L1.5	35	3.2178e+11	3.33977e+06
L2	34	3.17292e+11	3.34663e+06
L2.5	32	3.19328e+11	3.41627e+06
L3	31	3.1736e+11	3.445e+06
L3.5	30	3.25208e+11	3.51725e+06
L4	28	3.28604e+11	3.59001e+06
L4.5	27	3.30008e+11	3.65689e+06
L5	27	3.28825e+11	3.67129e+06
O1	39	3.16557e+11	3.27242e+06
O1.5	40	3.19494e+11	3.30988e+06
O2	43	3.22e+11	3.29991e+06
O2.5	49	3.20415e+11	3.2718e+06
O3	52	3.18792e+11	3.33175e+06
O3.5	61	3.27872e+11	3.33873e+06
O4	69	3.26751e+11	3.33266e+06

Best fitting Iowa Curve and ASL

Iowa Curve	ASL	SSD Removals
O1	39	3.16557e+11

Farmers Rural Electric Cooperative
Account 368 -- Line Transformers

Iowa Curves -- Sorted

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
O1	39	3.16557e+11	3.27242e+06
L2	34	3.17292e+11	3.34663e+06
L3	31	3.1736e+11	3.445e+06
O3	52	3.18792e+11	3.33175e+06
L2.5	32	3.19328e+11	3.41627e+06
O1.5	40	3.19494e+11	3.30988e+06
O2.5	49	3.20415e+11	3.2718e+06
L1.5	35	3.2178e+11	3.33977e+06
O2	43	3.22e+11	3.29991e+06
R1	36	3.2431e+11	3.31784e+06
L1	37	3.24643e+11	3.29983e+06
L3.5	30	3.25208e+11	3.51725e+06
L0.5	38	3.25387e+11	3.31556e+06
S2	32	3.26172e+11	3.45186e+06
O4	69	3.26751e+11	3.33266e+06
L0	40	3.27209e+11	3.31586e+06
S0	36	3.2732e+11	3.32211e+06
R1.5	35	3.27651e+11	3.34853e+06
S1.5	33	3.27705e+11	3.41315e+06
O3.5	61	3.27872e+11	3.33873e+06
S0.5	35	3.28404e+11	3.34506e+06
L4	28	3.28604e+11	3.59001e+06
S1	34	3.28785e+11	3.37524e+06
L5	27	3.28825e+11	3.67129e+06
S2.5	31	3.28938e+11	3.5075e+06
L4.5	27	3.30008e+11	3.65689e+06
S3	30	3.30187e+11	3.55088e+06
R2	34	3.30707e+11	3.38932e+06
S5	26	3.31932e+11	3.73787e+06
S4.5	26	3.33634e+11	3.7233e+06
S5.5	25	3.34324e+11	3.78114e+06
S4	27	3.34516e+11	3.66182e+06
R2.5	33	3.35239e+11	3.451e+06
S3.5	28	3.36625e+11	3.61848e+06
S6	25	3.37407e+11	3.8041e+06
R5	26	3.39561e+11	3.75667e+06
R3	33	3.40721e+11	3.47598e+06
R3.5	33	3.49313e+11	3.51902e+06
R4.5	26	3.50441e+11	3.77397e+06
R4	32	3.58525e+11	3.61047e+06

Farmers Rural Electric Cooperative
Account 368 -- Line Transformers

ASL with the Minimum Sum of Squared Differences for years 2013, 2016, and 2019

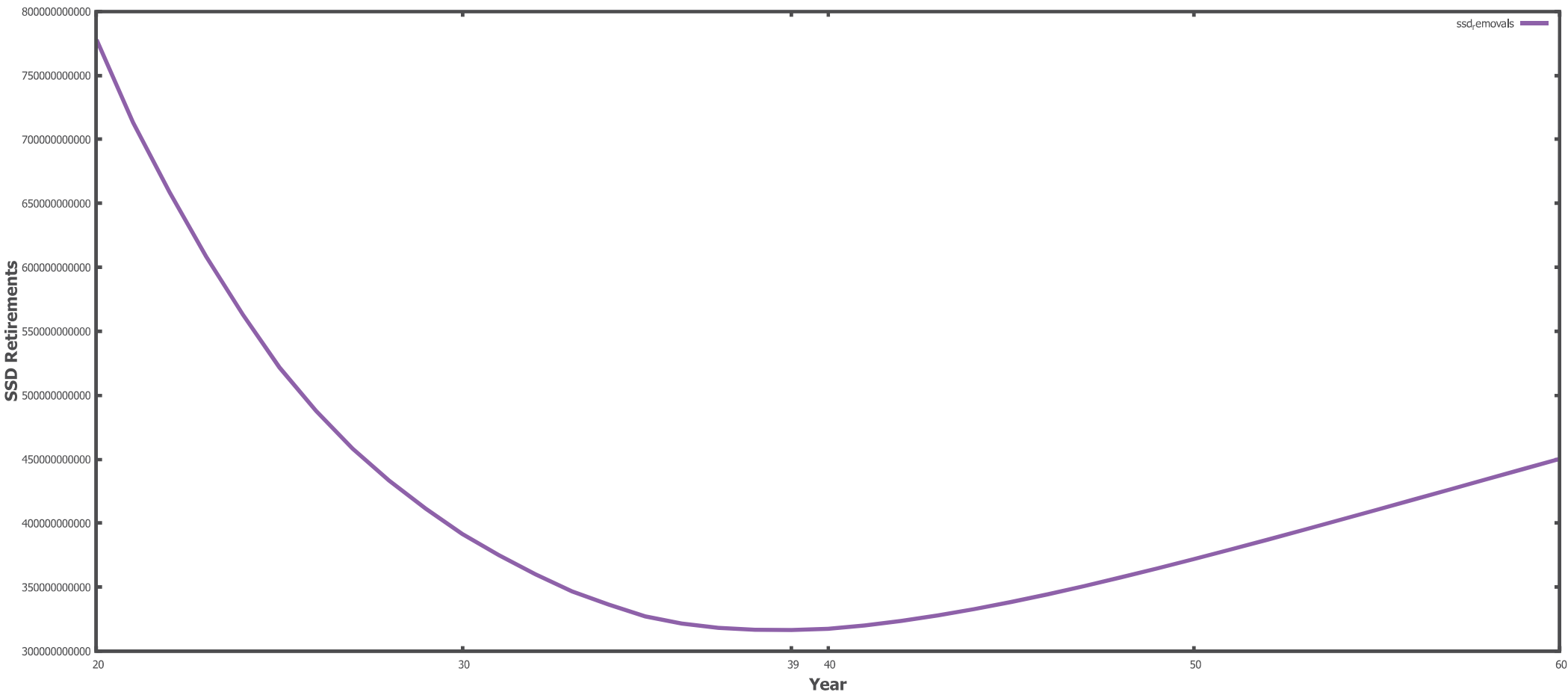
Iowa Curve	ASL	SSD Balance
S0	38	3.13965e+11
S0.5	37	3.05328e+11
S1	36	3.03363e+11
S1.5	35	2.95478e+11
S2	34	3.00787e+11
S2.5	34	3.01464e+11
S3	33	3.13651e+11
S3.5	33	3.27473e+11
S4	33	3.85914e+11
S4.5	32	4.14231e+11
S5	32	4.50962e+11
S5.5	32	5.1063e+11
S6	32	5.78012e+11
R1	38	3.1314e+11
R1.5	37	3.03392e+11
R2	36	3.15778e+11
R2.5	35	3.0952e+11
R3	34	3.08614e+11
R3.5	34	3.50621e+11
R4	33	3.36123e+11
R4.5	33	3.8771e+11
R5	32	4.3446e+11
L0	44	3.47351e+11
L0.5	41	3.3804e+11
L1	39	3.16953e+11
L1.5	38	3.14987e+11
L2	36	2.95941e+11
L2.5	35	3.00497e+11
L3	34	3.07268e+11
L3.5	34	3.26109e+11
L4	33	3.33918e+11
L4.5	33	3.78441e+11
L5	32	4.14298e+11
O1	43	3.37674e+11
O1.5	46	3.45905e+11
O2	48	3.51153e+11
O2.5	55	3.66693e+11
O3	64	3.77416e+11
O3.5	73	3.81748e+11
O4	84	3.85928e+11

Farmers Rural Electric Cooperative
Account 368 -- Line Transformers

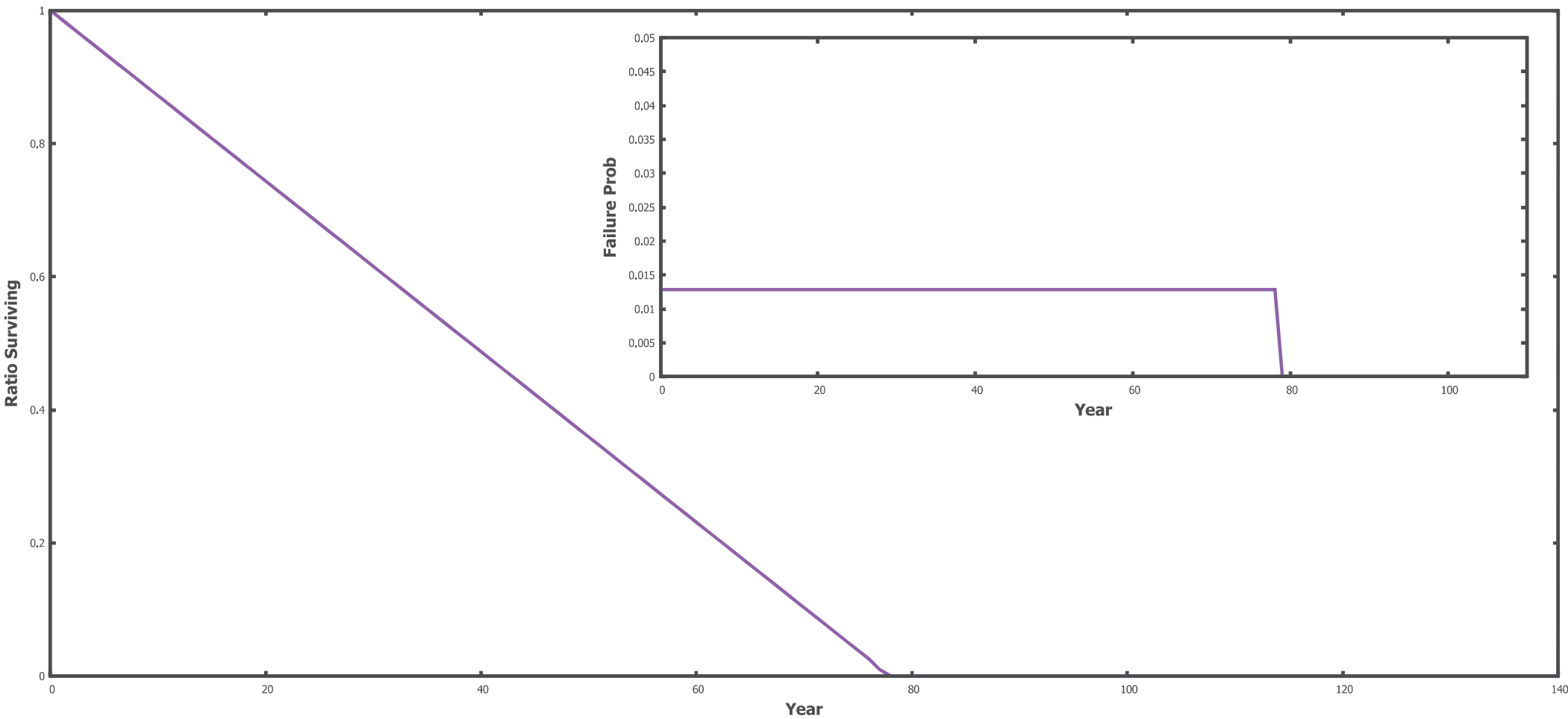
Iowa Curves -- Sorted by SSD Balance

Iowa Curve	ASL	SSD Balance
S1.5	35	2.95478e+11
L2	36	2.95941e+11
L2.5	35	3.00497e+11
S2	34	3.00787e+11
S2.5	34	3.01464e+11
S1	36	3.03363e+11
R1.5	37	3.03392e+11
S0.5	37	3.05328e+11
L3	34	3.07268e+11
R3	34	3.08614e+11
R2.5	35	3.0952e+11
R1	38	3.1314e+11
S3	33	3.13651e+11
S0	38	3.13965e+11
L1.5	38	3.14987e+11
R2	36	3.15778e+11
L1	39	3.16953e+11
L3.5	34	3.26109e+11
S3.5	33	3.27473e+11
L4	33	3.33918e+11
R4	33	3.36123e+11
O1	43	3.37674e+11
L0.5	41	3.3804e+11
O1.5	46	3.45905e+11
L0	44	3.47351e+11
R3.5	34	3.50621e+11
O2	48	3.51153e+11
O2.5	55	3.66693e+11
O3	64	3.77416e+11
L4.5	33	3.78441e+11
O3.5	73	3.81748e+11
S4	33	3.85914e+11
O4	84	3.85928e+11
R4.5	33	3.8771e+11
S4.5	32	4.14231e+11
L5	32	4.14298e+11
R5	32	4.3446e+11
S5	32	4.50962e+11
S5.5	32	5.1063e+11
S6	32	5.78012e+11

Farmers Electric Cooperative
Account No. 368 Transformers
Sum of Square Differences (SSD) Retirements for O1



Account No. 368 -- Transformers
Iowa Curve: O1 ASL: 39 Years



Account 368 -- Line Transformers

Simulated Retirements for Iowa Curve 01 with ASL = 39

Year	Additions	Actual Retirements	Balance	Simmulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1938	11769	0	11769	0	11769	0	0
1939	23539	0	35308	151	35158	-151	151
1940	35308	0	70617	453	70013	-453	604
1941	2592	0	73209	905	71700	-905	1509
1942	20326	136	93399	939	91088	-802	2311
1943	6135	98	99436	1199	96024	-1102	3413
1944	4892	100	104229	1278	99638	-1178	4591
1945	13234	62	117401	1341	111532	-1278	5869
1946	28751	18	146133	1510	138773	-1492	7361
1947	28519	265	174387	1879	165413	-1614	8975
1948	104246	604	278030	2244	267414	-1641	10615
1949	151750	33597	396182	3581	415583	30016	-19401
1950	121760	9355	508588	5526	531817	3829	-23230
1951	70182	744	578026	7088	594912	-6344	-16886
1952	62559	4517	636068	7987	649484	-3471	-13415
1953	62559	4517	694111	8789	703253	-4273	-9143
1954	62559	4517	752153	9591	756221	-5075	-4068
1955	62559	4517	810195	10393	808386	-5877	1809
1956	37118	717	846596	11195	834309	-10478	12287
1957	60006	3955	902647	11671	882644	-7716	20003
1958	57771	3495	956923	12441	927974	-8946	28949
1959	139140	20468	1075595	13181	1053933	7287	21662
1960	125777	17136	1184237	14965	1164745	2171	19492
1961	129311	27170	1286378	16578	1277478	10592	8900
1962	84901	22618	1348661	18235	1344144	4382	4517
1963	106296	90085	1364872	19324	1431116	70762	-66244
1964	107204	54241	1417834	20687	1517633	33555	-99799
1965	91734	62654	1446914	22061	1587306	40593	-140392

Farmers Rural Electric Cooperative
Account 368 -- Line Transformers

Simulated Retirements for Iowa Curve 01 with ASL = 39

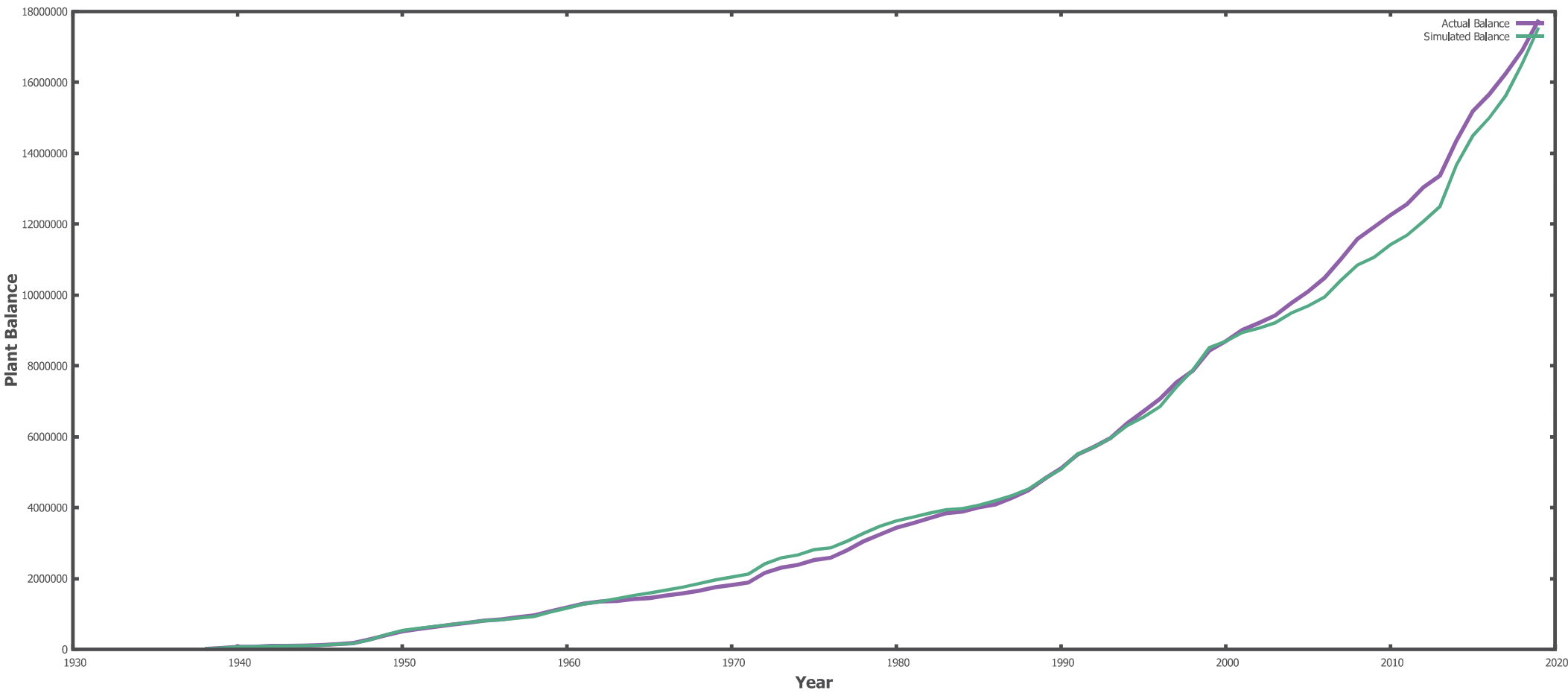
Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1966	104859	34416	1517356	23237	1668928	11179	-151571
1967	107051	49090	1575317	24581	1751397	24509	-176080
1968	129807	51496	1653629	25954	1855250	25542	-201622
1969	130589	34623	1749595	27618	1958221	7005	-208627
1970	110554	47950	1812199	29292	2039483	18658	-227284
1971	113162	41811	1883550	30710	2121935	11101	-238385
1972	321764	48568	2156745	32161	2411538	16408	-254793
1973	203975	58382	2302338	36286	2579227	22096	-276889
1974	119789	39305	2382823	38901	2660116	404	-277293
1975	194613	56838	2520597	40437	2814292	16402	-293695
1976	90405	27310	2583693	42932	2861766	-15622	-278073
1977	234889	22556	2796026	44091	3052564	-21534	-256538
1978	268378	14765	3049639	47102	3273841	-32337	-224202
1979	253959	64381	3239217	50543	3477257	13838	-238040
1980	198353	6106	3431464	53799	3621811	-47692	-190347
1981	163805	33796	3561473	56342	3729275	-22546	-167802
1982	170922	30272	3702123	58442	3841755	-28169	-139632
1983	154945	20131	3836937	60633	3936067	-40502	-99130
1984	97785	51346	3883376	62620	3971233	-11274	-87857
1985	161395	35992	4008779	63873	4068755	-27881	-59976
1986	192813	113331	4088261	65942	4195625	47389	-107364
1987	209382	27534	4270109	68414	4336593	-40880	-66484
1988	257044	40434	4486719	71099	4522538	-30665	-35819
1989	370131	43195	4813655	74394	4818275	-31199	-4620
1990	344899	48073	5110481	79140	5084035	-31067	26446
1991	510776	123911	5497346	83561	5511250	40350	-13904
1992	285352	71222	5711476	90110	5706492	-18888	4984
1993	344120	93667	5961929	93768	5956844	-101	5085

Farmers Rural Electric Cooperative
Account 368 -- Line Transformers

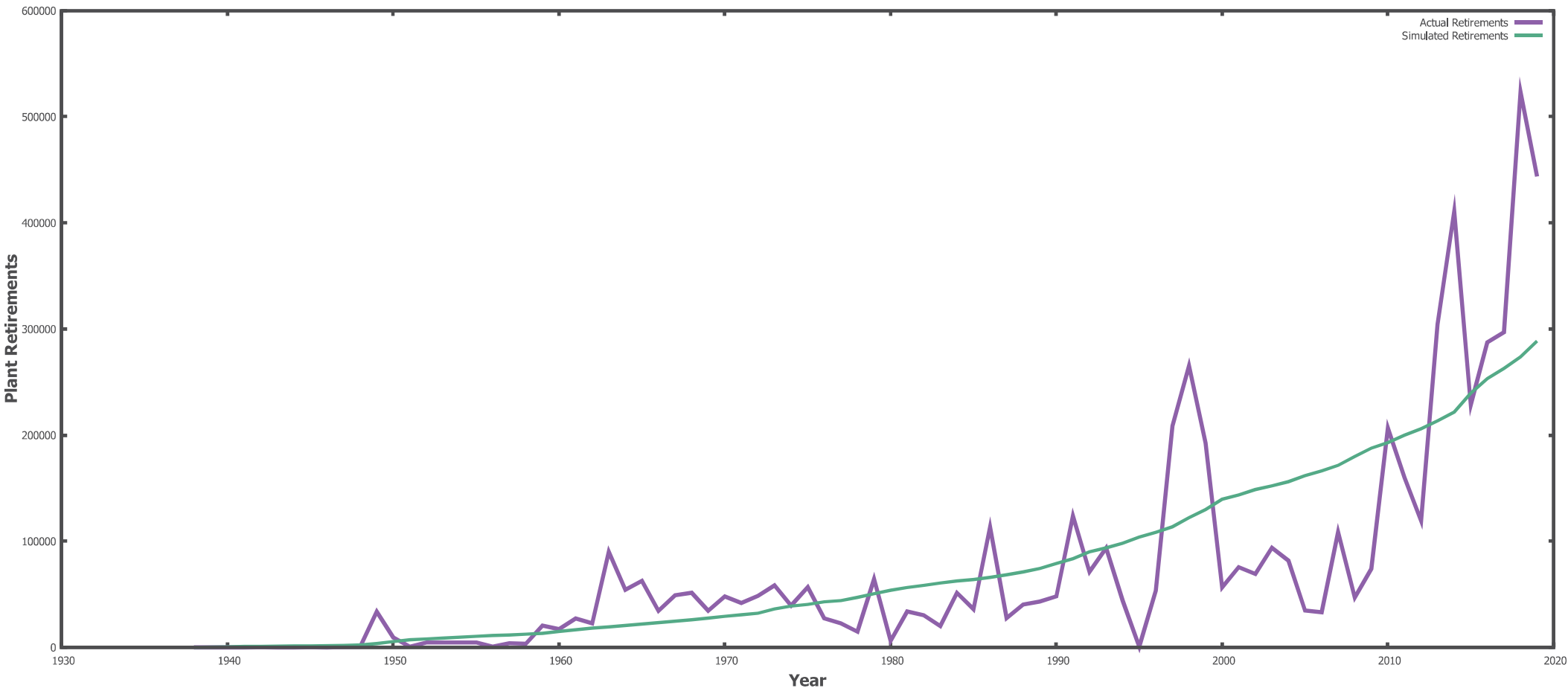
Simulated Retirements for Iowa Curve 01 with ASL = 39

Year	Additions	Actual Retirements	Balance	Simmulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1994	452997	43961	6370965	98180	6311661	-54219	59304
1995	346177	650	6716492	103987	6553851	-103337	162641
1996	404087	53451	7067128	108426	6849512	-54975	217616
1997	670320	208808	7528640	113606	7406226	95202	122414
1998	600414	265271	7863783	122200	7884440	143071	-20657
1999	757891	192604	8429070	129897	8512433	62706	-83363
2000	321464	56484	8694050	139614	8694283	-83130	-233
2001	390775	75615	9009210	143735	8941322	-68120	67887
2002	264901	69186	9204924	148746	9057477	-79560	147447
2003	308736	93918	9419742	152141	9214072	-58224	205670
2004	436899	81741	9774900	156100	9494871	-74359	280030
2005	356609	34798	10096711	161701	9689779	-126902	406932
2006	415328	33061	10478978	166273	9938833	-133213	540145
2007	648278	108751	11018506	171597	10415514	-62846	602991
2008	607274	46897	11578882	179909	10842879	-133012	736004
2009	408899	74067	11913715	187694	11064084	-113627	849631
2010	547810	206737	12254787	192937	11418957	13800	835831
2011	464922	159852	12559857	199960	11683919	-40108	875938
2012	597624	119261	13038220	205921	12075621	-86660	962599
2013	632115	304446	13365889	213582	12494154	90864	871735
2014	1391652	410786	14346755	221687	13664119	189099	682635
2015	1068788	228501	15187042	239564	14493344	-11063	693698
2016	757554	287426	15657170	253266	14997631	34160	659539
2017	888179	296905	16248444	262828	15622982	34077	625462
2018	1175755	523455	16900744	273777	16524959	249678	375784
2019	1307950	443741	17764953	288552	17544358	155189	220595

**Farmers Electric Cooperative
Account No. 368 Transformers
Plant Balances**



**Farmers Electric Cooperative
Account No. 368 Transformers
Plant Retirements**



Account 369 – Services

Farmers Rural Electric Cooperative
Account 369 -- Services

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S0	57	6.11394e+09	555219
S0.5	53	6.92445e+09	591247
S1	50	7.9697e+09	636328
S1.5	48	8.73895e+09	668207
S2	46	9.66763e+09	701033
S2.5	45	1.03882e+10	728200
S3	44	1.13064e+10	758674
S3.5	44	1.23386e+10	797463
S4	43	1.37544e+10	832289
S4.5	43	1.49041e+10	869700
S5	43	1.63553e+10	917546
S5.5	43	1.72666e+10	945070
S6	43	1.83532e+10	972593
R1	57	5.10937e+09	504863
R1.5	53	5.96313e+09	549113
R2	49	7.07734e+09	596868
R2.5	47	7.97691e+09	637312
R3	45	9.1419e+09	682721
R3.5	44	1.00256e+10	714614
R4	43	1.12532e+10	754227
R4.5	43	1.27995e+10	811470
R5	43	1.47476e+10	879391
L0	72	5.01616e+09	499766
L0.5	64	5.66886e+09	532023
L1	58	6.57853e+09	574679
L1.5	54	7.4564e+09	613184
L2	51	8.67307e+09	664638
L2.5	49	9.52824e+09	700235
L3	47	1.07531e+10	743639
L3.5	45	1.1491e+10	761412
L4	44	1.26836e+10	798812
L4.5	44	1.3635e+10	836727
L5	44	1.49811e+10	891759
O1	75	4.01067e+09	443087
O1.5	80	4.00934e+09	443345
O2	85	4.01032e+09	443916
O2.5	99	3.94603e+09	433529
O3	99	5.99687e+09	469306
O3.5	99	1.13335e+10	617595
O4	99	2.00929e+10	801156

Best fitting Iowa Curve and ASL

Iowa Curve	ASL	SSD Removals
O2.5	99	3.94603e+09

Farmers Rural Electric Cooperative
Account 369 -- Services

Iowa Curves -- Sorted

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
O2.5	99	3.94603e+09	433529
O1.5	80	4.00934e+09	443345
O2	85	4.01032e+09	443916
O1	75	4.01067e+09	443087
L0	72	5.01616e+09	499766
R1	57	5.10937e+09	504863
L0.5	64	5.66886e+09	532023
R1.5	53	5.96313e+09	549113
O3	99	5.99687e+09	469306
S0	57	6.11394e+09	555219
L1	58	6.57853e+09	574679
S0.5	53	6.92445e+09	591247
R2	49	7.07734e+09	596868
L1.5	54	7.4564e+09	613184
S1	50	7.9697e+09	636328
R2.5	47	7.97691e+09	637312
L2	51	8.67307e+09	664638
S1.5	48	8.73895e+09	668207
R3	45	9.1419e+09	682721
L2.5	49	9.52824e+09	700235
S2	46	9.66763e+09	701033
R3.5	44	1.00256e+10	714614
S2.5	45	1.03882e+10	728200
L3	47	1.07531e+10	743639
R4	43	1.12532e+10	754227
S3	44	1.13064e+10	758674
O3.5	99	1.13335e+10	617595
L3.5	45	1.1491e+10	761412
S3.5	44	1.23386e+10	797463
L4	44	1.26836e+10	798812
R4.5	43	1.27995e+10	811470
L4.5	44	1.3635e+10	836727
S4	43	1.37544e+10	832289
R5	43	1.47476e+10	879391
S4.5	43	1.49041e+10	869700
L5	44	1.49811e+10	891759
S5	43	1.63553e+10	917546
S5.5	43	1.72666e+10	945070
S6	43	1.83532e+10	972593
O4	99	2.00929e+10	801156

Farmers Rural Electric Cooperative
Account 369 -- Services

ASL with the Minimum Sum of Squared Differences for years 2013, 2016, and 2019

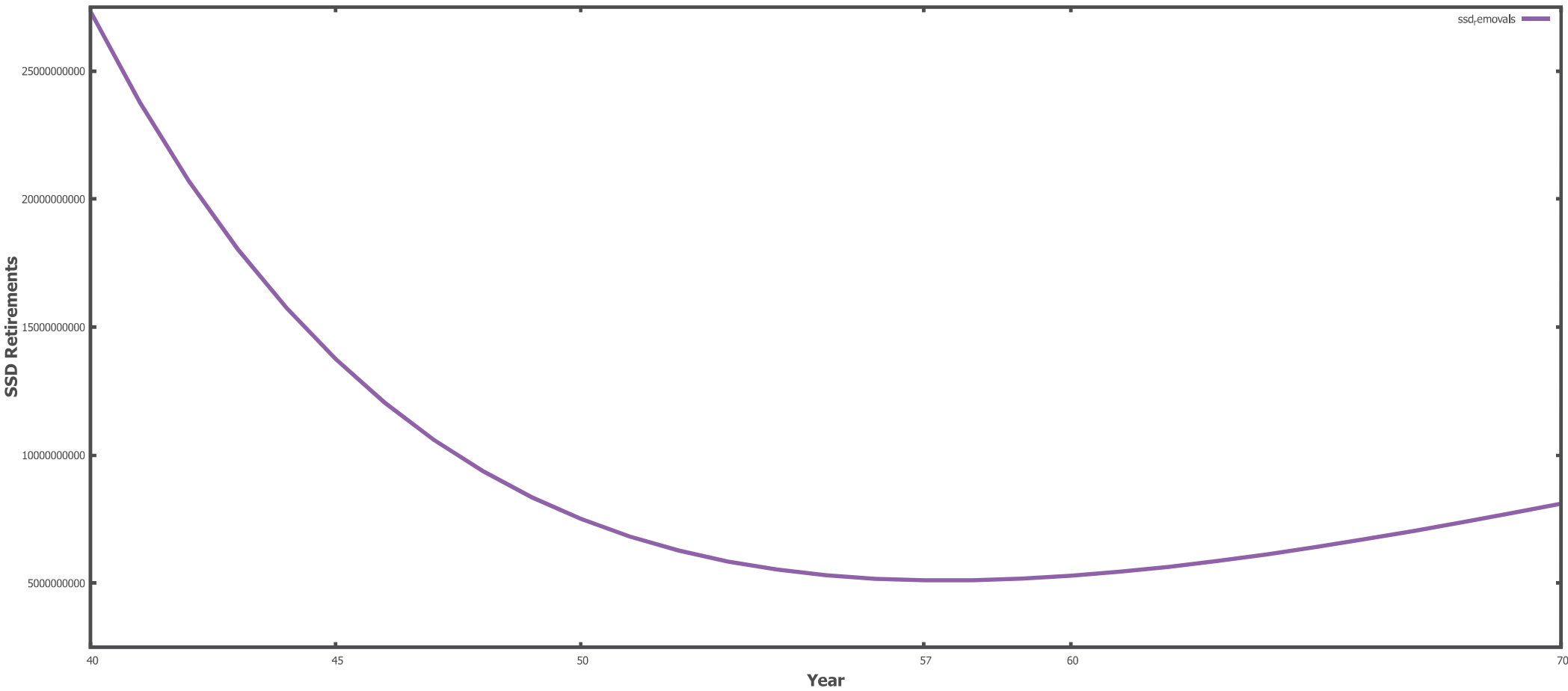
Iowa Curve	ASL	SSD Balance
S0	46	2.25474e+10
S0.5	43	2.73043e+10
S1	41	3.29349e+10
S1.5	39	3.84244e+10
S2	38	4.22513e+10
S2.5	37	4.84107e+10
S3	36	5.92119e+10
S3.5	36	6.19133e+10
S4	35	7.83121e+10
S4.5	35	8.16282e+10
S5	35	8.81317e+10
S5.5	35	9.57336e+10
S6	35	1.04178e+11
R1	47	1.86312e+10
R1.5	43	2.3342e+10
R2	40	3.22798e+10
R2.5	39	3.97351e+10
R3	37	4.9507e+10
R3.5	36	6.45779e+10
R4	36	6.82346e+10
R4.5	35	8.53996e+10
R5	35	8.69545e+10
L0	58	1.61254e+10
L0.5	52	1.9326e+10
L1	47	2.45988e+10
L1.5	44	2.89427e+10
L2	42	3.54159e+10
L2.5	40	3.90082e+10
L3	38	4.71299e+10
L3.5	37	5.33748e+10
L4	36	6.206e+10
L4.5	36	6.80966e+10
L5	35	8.12791e+10
O1	60	1.07902e+10
O1.5	64	1.07407e+10
O2	68	1.09247e+10
O2.5	81	1.01995e+10
O3	95	1.02441e+10
O3.5	99	8.67923e+10
O4	99	4.47946e+11

Farmers Rural Electric Cooperative
Account 369 -- Services

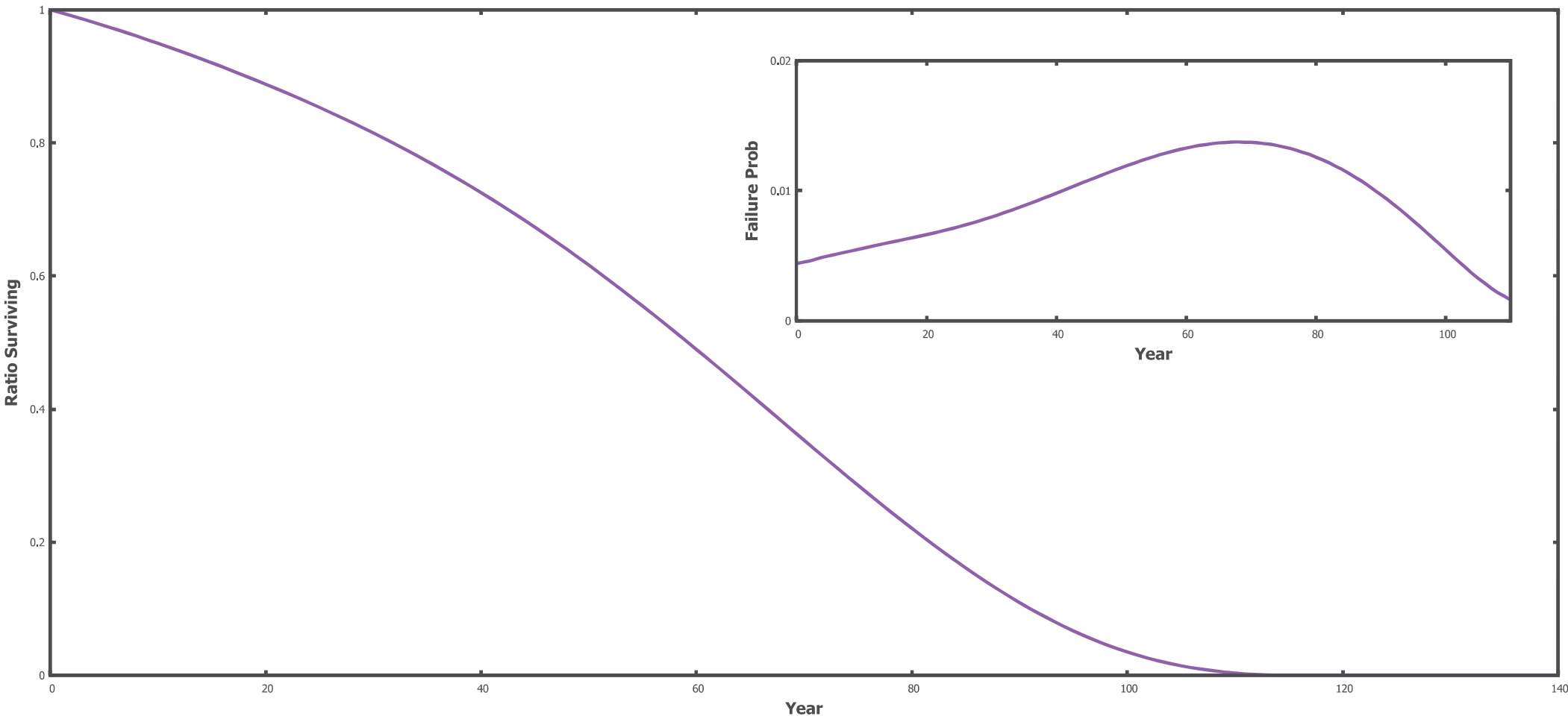
Iowa Curves -- Sorted by SSD Balance

Iowa Curve	ASL	SSD Balance
O2.5	81	1.01995e+10
O3	95	1.02441e+10
O1.5	64	1.07407e+10
O1	60	1.07902e+10
O2	68	1.09247e+10
L0	58	1.61254e+10
R1	47	1.86312e+10
L0.5	52	1.9326e+10
S0	46	2.25474e+10
R1.5	43	2.3342e+10
L1	47	2.45988e+10
S0.5	43	2.73043e+10
L1.5	44	2.89427e+10
R2	40	3.22798e+10
S1	41	3.29349e+10
L2	42	3.54159e+10
S1.5	39	3.84244e+10
L2.5	40	3.90082e+10
R2.5	39	3.97351e+10
S2	38	4.22513e+10
L3	38	4.71299e+10
S2.5	37	4.84107e+10
R3	37	4.9507e+10
L3.5	37	5.33748e+10
S3	36	5.92119e+10
S3.5	36	6.19133e+10
L4	36	6.206e+10
R3.5	36	6.45779e+10
L4.5	36	6.80966e+10
R4	36	6.82346e+10
S4	35	7.83121e+10
L5	35	8.12791e+10
S4.5	35	8.16282e+10
R4.5	35	8.53996e+10
O3.5	99	8.67923e+10
R5	35	8.69545e+10
S5	35	8.81317e+10
S5.5	35	9.57336e+10
S6	35	1.04178e+11
O4	99	4.47946e+11

Farmers Electric Cooperative
Account No. 369 Services
Sum of Square Differences (SSD) Retirements for R1



Account No. 369 -- Services
Iowa Curve: R1 ASL: 57 Years



Farmers Rural Electric Cooperative
Account 369 -- Services

Simulated Retirements for Iowa Curve R1 with ASL = 57

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1938	2817	0	2817	0	2817	0	0
1939	5633	0	8450	13	8437	-13	13
1940	8450	0	16900	39	16848	-39	52
1941	1245	1	18144	78	18014	-77	129
1942	10895	26	29012	85	28824	-59	188
1943	1285	113	30184	138	29971	-25	213
1944	1654	56	31782	146	31479	-90	303
1945	1916	31	33666	157	33237	-126	429
1946	1976	74	35568	170	35043	-96	525
1947	1256	0	36824	182	36117	-182	708
1948	9355	0	46180	192	45280	-192	900
1949	29111	1523	73768	239	74152	1284	-384
1950	51936	2501	123202	378	125709	2123	-2507
1951	16040	1741	137501	623	141126	1118	-3625
1952	13227	559	150168	707	153646	-148	-3477
1953	13227	559	162836	783	166089	-225	-3253
1954	13227	559	175504	862	178453	-303	-2950
1955	13227	559	188172	941	190739	-382	-2567
1956	8103	2422	193852	1022	197820	1400	-3968
1957	13236	5438	201650	1080	209976	4358	-8326
1958	16681	5446	212885	1163	225494	4283	-12609
1959	17385	7379	222890	1263	241615	6116	-18725
1960	19005	8361	233534	1368	259251	6993	-25718
1961	-502	9866	223166	1483	257267	8384	-34101
1962	18657	8333	233490	1509	274416	6824	-40925
1963	9772	7283	235979	1626	282562	5658	-46583
1964	20666	10171	246474	1701	301526	8470	-55053
1965	22393	10199	258667	1829	322090	8370	-63423

Farmers Rural Electric Cooperative
Account 369 -- Services

Simulated Retirements for Iowa Curve R1 with ASL = 57

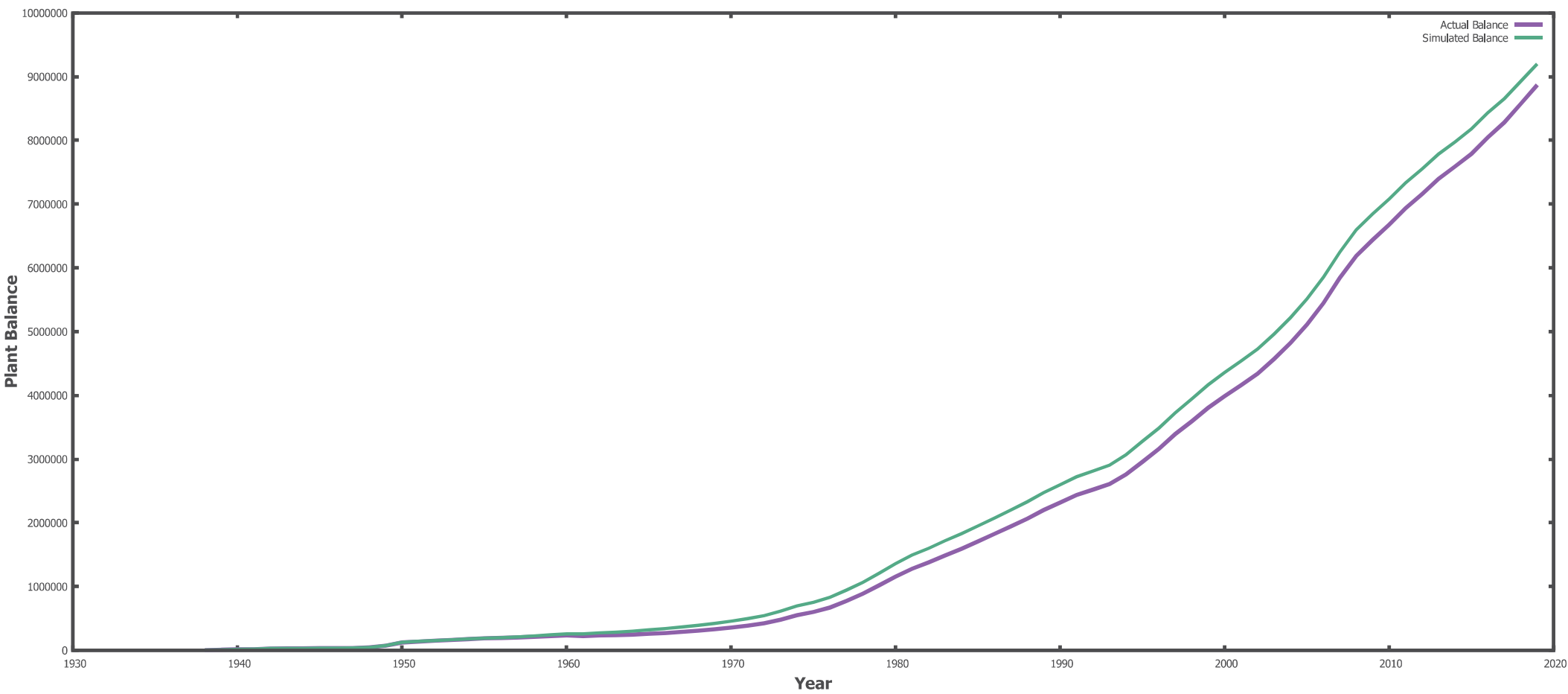
Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1966	21905	9259	271313	1966	342029	7293	-70716
1967	26550	9312	288551	2104	366475	7208	-77924
1968	27158	8467	307242	2266	391367	6201	-84125
1969	34633	11265	330610	2433	423566	8832	-92957
1970	36695	9916	357389	2639	457623	7278	-100234
1971	42210	12557	387042	2857	496976	9700	-109934
1972	50634	13007	424669	3106	544504	9901	-119834
1973	72458	16797	480330	3399	613562	13398	-133233
1974	87619	16228	551721	3798	697383	12430	-145663
1975	61374	10862	602233	4274	754483	6587	-152250
1976	80374	11512	671096	4639	830218	6873	-159123
1977	118143	14373	774866	5102	943259	9270	-168393
1978	127914	13960	888821	5749	1065425	8211	-176604
1979	153440	21676	1020585	6450	1212416	15226	-191831
1980	155478	19247	1156816	7284	1360610	11963	-203794
1981	143049	19940	1279926	8144	1495516	11796	-215590
1982	113016	15387	1377555	8965	1599566	6421	-222011
1983	129800	20083	1487272	9667	1719699	10416	-232427
1984	121588	17622	1591238	10463	1830823	7159	-239585
1985	132068	15821	1707485	11234	1951657	4587	-244172
1986	134412	16817	1825080	12069	2074000	4748	-248920
1987	141276	22354	1944002	12929	2202347	9425	-258345
1988	141875	21587	2064290	13836	2330386	7751	-266096
1989	159594	21924	2201960	14763	2475218	7161	-273258
1990	139201	22311	2318850	15788	2598631	6523	-279781
1991	140670	22307	2437213	16736	2722565	5571	-285352
1992	106453	21630	2522036	17710	2811309	3920	-289273
1993	111925	25586	2608375	18543	2904691	7043	-296316

Farmers Rural Electric Cooperative
Account 369 -- Services

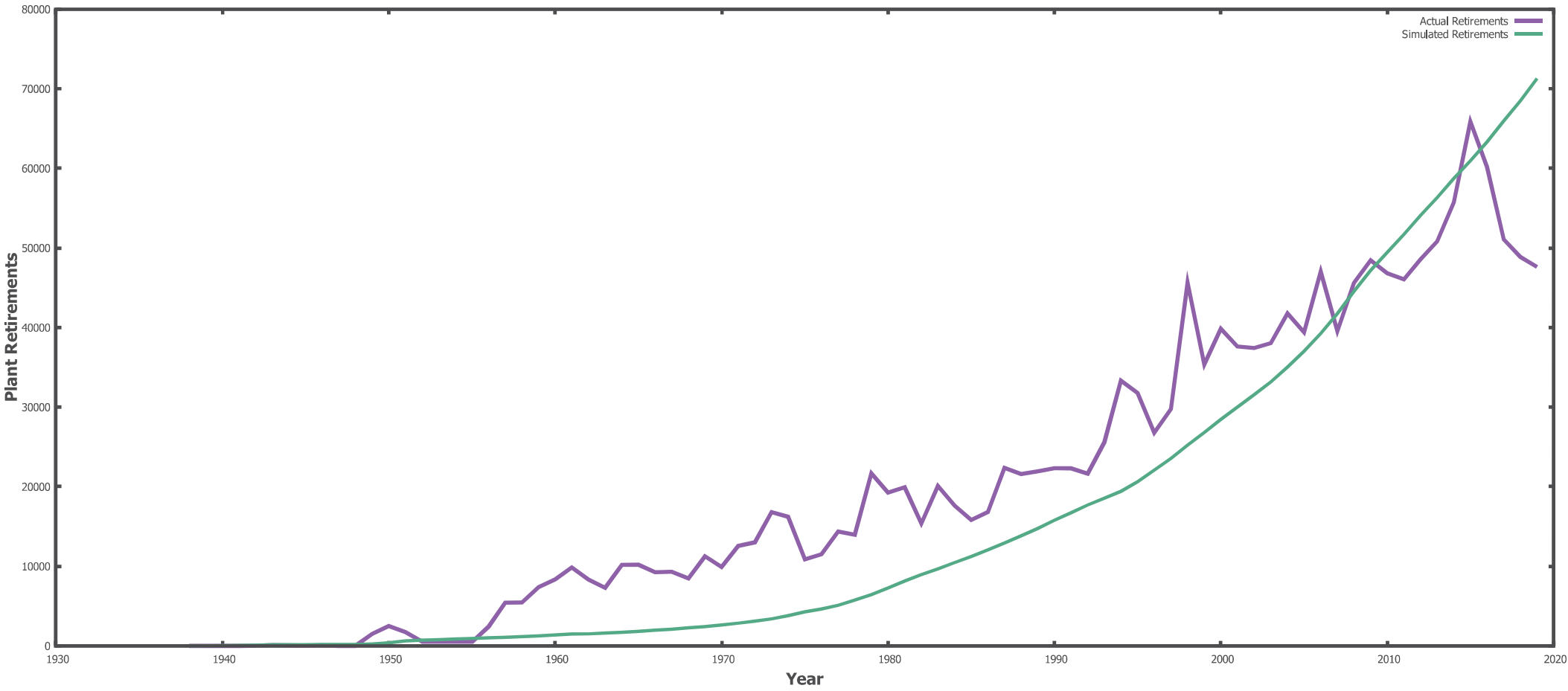
Simulated Retirements for Iowa Curve R1 with ASL = 57

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1994	183128	33339	2758164	19417	3068401	13922	-310238
1995	231299	31776	2957687	20634	3279067	11142	-321380
1996	228758	26783	3159662	22087	3485738	4696	-326076
1997	264713	29750	3394625	23553	3726898	6198	-332274
1998	242336	45625	3591336	25215	3944020	20410	-352684
1999	249471	35360	3805447	26804	4166686	8555	-361239
2000	222265	39852	3987859	28461	4360490	11391	-372631
2001	209412	37624	4159646	30023	4539878	7601	-380232
2002	218648	37433	4340861	31558	4726968	5875	-386107
2003	266768	38034	4569596	33165	4960570	4868	-390975
2004	292645	41776	4820465	35022	5218193	6753	-397728
2005	329971	39404	5111031	37029	5511135	2375	-400103
2006	380703	47026	5444708	39246	5852592	7780	-407884
2007	437841	39550	5842998	41737	6248696	-2186	-405698
2008	390327	45604	6187721	44537	6594486	1067	-406765
2009	299018	48452	6438287	47169	6846334	1283	-408047
2010	284149	46805	6675630	49437	7081046	-2632	-405416
2011	305543	46051	6935123	51687	7334902	-5637	-399779
2012	269787	48575	7156335	54075	7550614	-5499	-394279
2013	291903	50832	7397406	56332	7786185	-5501	-388779
2014	248588	55724	7590270	58734	7976039	-3010	-385769
2015	263562	65869	7787963	60973	8178628	4896	-390665
2016	319549	60155	8047358	63319	8434858	-3164	-387501
2017	285494	51083	8281769	65961	8654392	-14878	-372622
2018	340878	48864	8573783	68482	8926788	-19618	-353005
2019	344162	47607	8870338	71301	9199648	-23694	-329310

Farmers Electric Cooperative
Account No. 369 Services
Plant Balances



**Farmers Electric Cooperative
Account No. 369 Services
Plant Retirements**



**Account 371 – Installations on Customer Premises
(Outdoor Lighting – Conventional Fixtures)**

Farmers Rural Electric Cooperative
Account 371 -- Outdoor Lights

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S0	15	9.35296e+10	1.209e+06
S0.5	15	9.17392e+10	1.19791e+06
S1	16	8.99534e+10	1.12738e+06
S1.5	16	8.81784e+10	1.11738e+06
S2	16	8.64932e+10	1.10803e+06
S2.5	16	8.49087e+10	1.10172e+06
S3	16	8.33874e+10	1.09794e+06
S3.5	16	8.15952e+10	1.0942e+06
S4	16	7.98829e+10	1.09045e+06
S4.5	16	7.86938e+10	1.08841e+06
S5	16	7.75753e+10	1.08916e+06
S5.5	16	7.71332e+10	1.09167e+06
S6	16	7.67576e+10	1.09418e+06
R1	15	9.27272e+10	1.19821e+06
R1.5	15	9.04704e+10	1.18372e+06
R2	15	8.83666e+10	1.16982e+06
R2.5	15	8.64128e+10	1.15977e+06
R3	16	8.45595e+10	1.09371e+06
R3.5	16	8.29331e+10	1.09036e+06
R4	16	8.13822e+10	1.08832e+06
R4.5	16	7.9815e+10	1.08714e+06
R5	16	7.834e+10	1.08678e+06
L0	16	9.98878e+10	1.22337e+06
L0.5	16	9.78251e+10	1.20221e+06
L1	16	9.58535e+10	1.1828e+06
L1.5	16	9.36195e+10	1.16637e+06
L2	16	9.15047e+10	1.15067e+06
L2.5	17	8.90301e+10	1.07829e+06
L3	17	8.66324e+10	1.06333e+06
L3.5	16	8.4362e+10	1.10559e+06
L4	16	8.21211e+10	1.09841e+06
L4.5	16	8.0599e+10	1.09472e+06
L5	16	7.91474e+10	1.0913e+06
O1	14	9.83751e+10	1.29882e+06
O1.5	15	1.0018e+11	1.27358e+06
O2	16	1.01164e+11	1.25088e+06
O2.5	17	1.04299e+11	1.26112e+06
O3	19	1.0715e+11	1.24324e+06
O3.5	21	1.0939e+11	1.22848e+06
O4	24	1.11223e+11	1.20288e+06

Best fitting Iowa Curve and ASL

Iowa Curve	ASL	SSD Removals
S6	16	7.67576e+10

Farmers Rural Electric Cooperative
Account 371 -- Outdoor Lights

Iowa Curves -- Sorted

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S6	16	7.67576e+10	1.09418e+06
S5.5	16	7.71332e+10	1.09167e+06
S5	16	7.75753e+10	1.08916e+06
R5	16	7.834e+10	1.08678e+06
S4.5	16	7.86938e+10	1.08841e+06
L5	16	7.91474e+10	1.0913e+06
R4.5	16	7.9815e+10	1.08714e+06
S4	16	7.98829e+10	1.09045e+06
L4.5	16	8.0599e+10	1.09472e+06
R4	16	8.13822e+10	1.08832e+06
S3.5	16	8.15952e+10	1.0942e+06
L4	16	8.21211e+10	1.09841e+06
R3.5	16	8.29331e+10	1.09036e+06
S3	16	8.33874e+10	1.09794e+06
L3.5	16	8.4362e+10	1.10559e+06
R3	16	8.45595e+10	1.09371e+06
S2.5	16	8.49087e+10	1.10172e+06
R2.5	15	8.64128e+10	1.15977e+06
S2	16	8.64932e+10	1.10803e+06
L3	17	8.66324e+10	1.06333e+06
S1.5	16	8.81784e+10	1.11738e+06
R2	15	8.83666e+10	1.16982e+06
L2.5	17	8.90301e+10	1.07829e+06
S1	16	8.99534e+10	1.12738e+06
R1.5	15	9.04704e+10	1.18372e+06
L2	16	9.15047e+10	1.15067e+06
S0.5	15	9.17392e+10	1.19791e+06
R1	15	9.27272e+10	1.19821e+06
S0	15	9.35296e+10	1.209e+06
L1.5	16	9.36195e+10	1.16637e+06
L1	16	9.58535e+10	1.1828e+06
L0.5	16	9.78251e+10	1.20221e+06
O1	14	9.83751e+10	1.29882e+06
L0	16	9.98878e+10	1.22337e+06
O1.5	15	1.0018e+11	1.27358e+06
O2	16	1.01164e+11	1.25088e+06
O2.5	17	1.04299e+11	1.26112e+06
O3	19	1.0715e+11	1.24324e+06
O3.5	21	1.0939e+11	1.22848e+06
O4	24	1.11223e+11	1.20288e+06

Farmers Rural Electric Cooperative
Account 371 -- Outdoor Lights

ASL with the Minimum Sum of Squared Differences for years 2013, 2016, and 2019

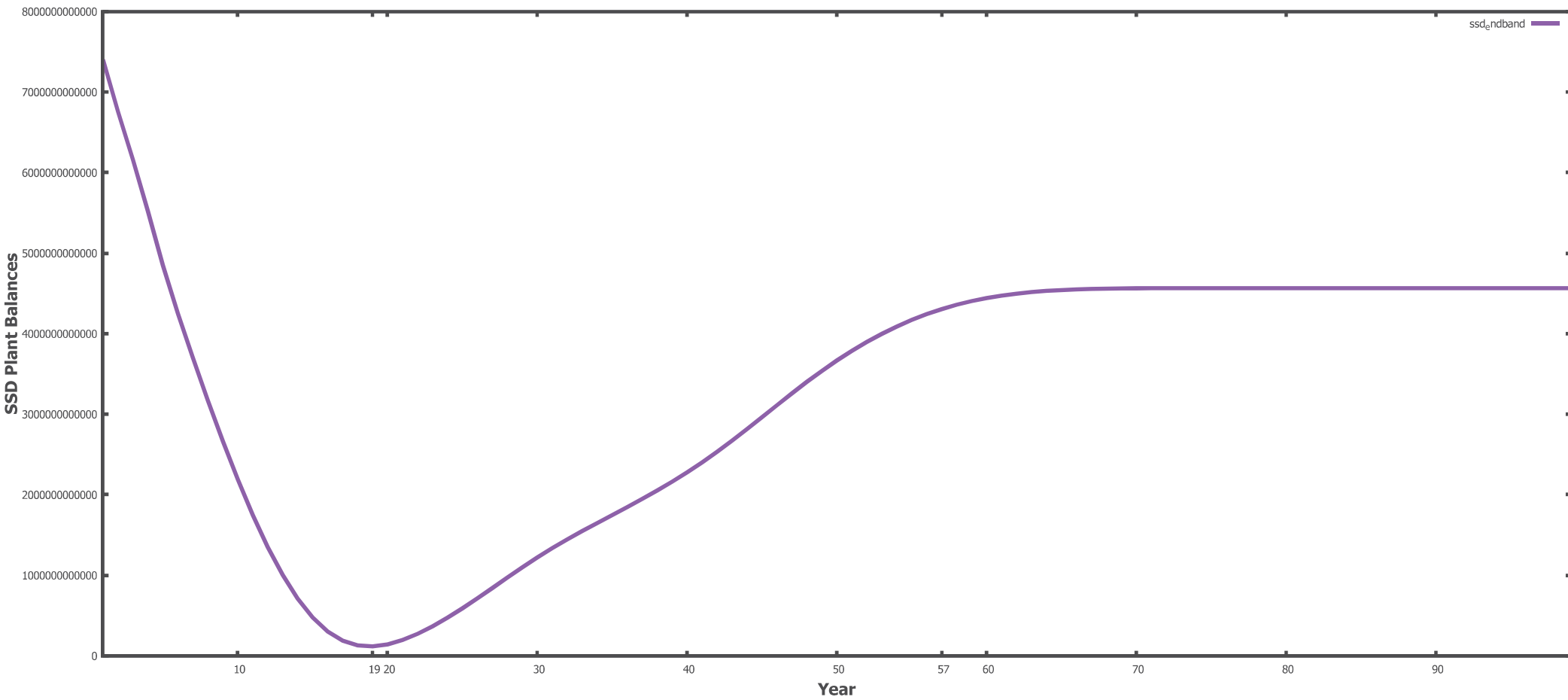
Iowa Curve	ASL	SSD Balance
S0	21	1.72436e+11
S0.5	21	1.64572e+11
S1	20	1.58087e+11
S1.5	20	1.49452e+11
S2	20	1.42604e+11
S2.5	20	1.38636e+11
S3	19	1.34905e+11
S3.5	19	1.28832e+11
S4	19	1.23413e+11
S4.5	19	1.2105e+11
S5	19	1.1895e+11
S5.5	19	1.18312e+11
S6	19	1.1776e+11
R1	21	1.75474e+11
R1.5	20	1.68259e+11
R2	20	1.56326e+11
R2.5	20	1.48539e+11
R3	20	1.42729e+11
R3.5	19	1.36986e+11
R4	19	1.30623e+11
R4.5	19	1.25755e+11
R5	19	1.21308e+11
L0	23	1.80335e+11
L0.5	23	1.7496e+11
L1	22	1.66982e+11
L1.5	21	1.6047e+11
L2	21	1.51831e+11
L2.5	20	1.4793e+11
L3	20	1.39059e+11
L3.5	20	1.3503e+11
L4	19	1.30834e+11
L4.5	19	1.25735e+11
L5	19	1.21272e+11
O1	23	1.8743e+11
O1.5	24	1.88846e+11
O2	24	1.89932e+11
O2.5	27	1.95207e+11
O3	30	1.98375e+11
O3.5	33	2.02825e+11
O4	37	2.06072e+11

Farmers Rural Electric Cooperative
Account 371 -- Outdoor Lights

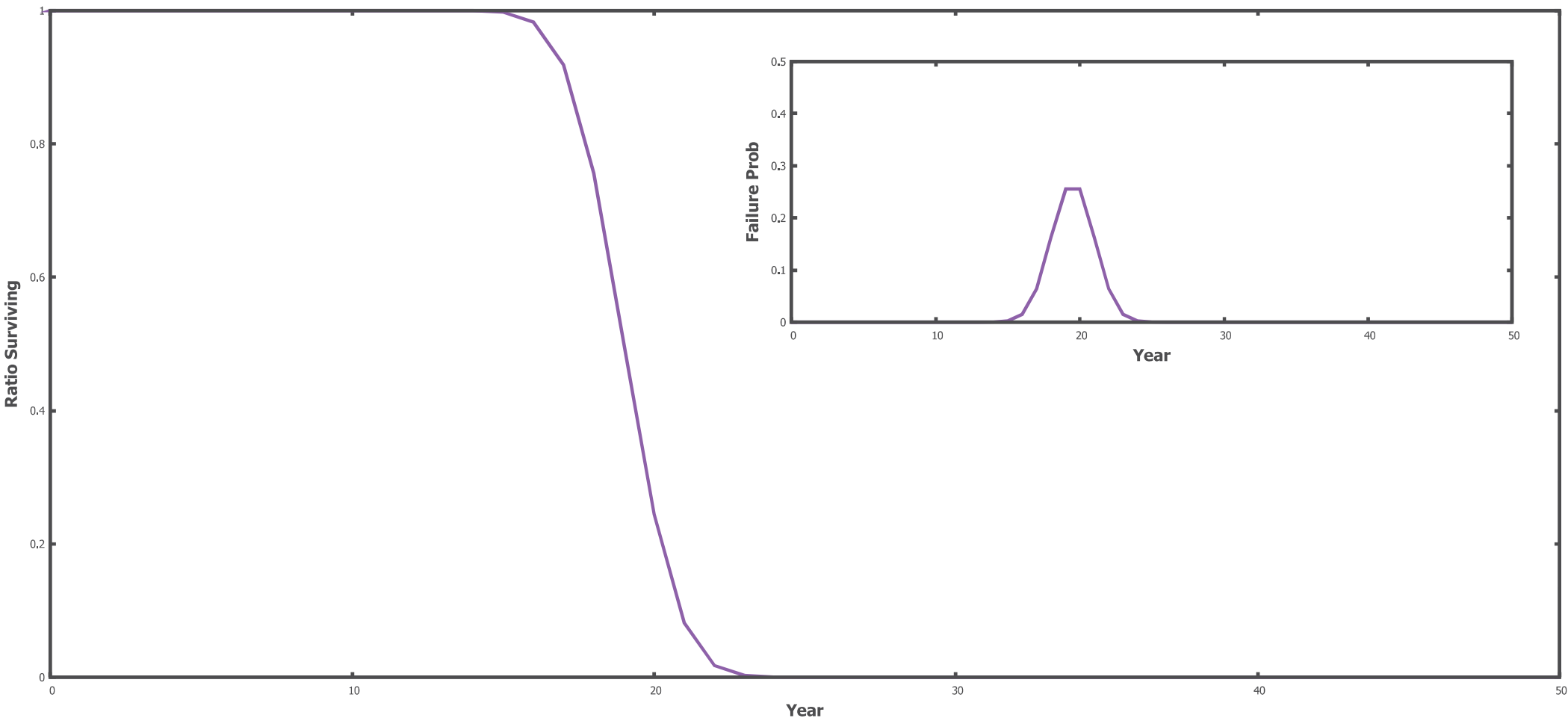
Iowa Curves -- Sorted by SSD Balance

Iowa Curve	ASL	SSD Balance
S6	19	1.1776e+11
S5.5	19	1.18312e+11
S5	19	1.1895e+11
S4.5	19	1.2105e+11
L5	19	1.21272e+11
R5	19	1.21308e+11
S4	19	1.23413e+11
L4.5	19	1.25735e+11
R4.5	19	1.25755e+11
S3.5	19	1.28832e+11
R4	19	1.30623e+11
L4	19	1.30834e+11
S3	19	1.34905e+11
L3.5	20	1.3503e+11
R3.5	19	1.36986e+11
S2.5	20	1.38636e+11
L3	20	1.39059e+11
S2	20	1.42604e+11
R3	20	1.42729e+11
L2.5	20	1.4793e+11
R2.5	20	1.48539e+11
S1.5	20	1.49452e+11
L2	21	1.51831e+11
R2	20	1.56326e+11
S1	20	1.58087e+11
L1.5	21	1.6047e+11
S0.5	21	1.64572e+11
L1	22	1.66982e+11
R1.5	20	1.68259e+11
S0	21	1.72436e+11
L0.5	23	1.7496e+11
R1	21	1.75474e+11
L0	23	1.80335e+11
O1	23	1.8743e+11
O1.5	24	1.88846e+11
O2	24	1.89932e+11
O2.5	27	1.95207e+11
O3	30	1.98375e+11
O3.5	33	2.02825e+11
O4	37	2.06072e+11

Farmers Electric Cooperative
Account No. 371 Outdoor Lighting
Sum of Square Differences (SSD) Plant Balances 2013, 2016 and 2019 for S6



Account No. 371 -- Outdoor Lighting
Iowa Curve: S6 ASL: 19 Years



Farmers Rural Electric Cooperative
Account 371 -- Outdoor Lights

Simulated Retirements for Iowa Curve S6 with ASL = 19

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1958	2239	624	1615	0	2239	624	-624
1959	1576	0	3191	0	3815	0	-624
1960	19189	214	22166	0	23004	214	-838
1961	29038	413	50792	0	52042	413	-1251
1962	10331	3187	57935	0	62373	3187	-4438
1963	7384	1777	63542	0	69757	1777	-6215
1964	6878	1053	69368	0	76635	1053	-7268
1965	8983	1953	76397	0	85618	1953	-9221
1966	19779	4371	91805	0	105397	4371	-13592
1967	13017	1601	103221	0	118414	1601	-15192
1968	30709	1471	132459	0	149123	1471	-16664
1969	28473	1672	159260	0	177596	1672	-18336
1970	29663	4877	184046	0	207258	4877	-23213
1971	24429	8495	199979	0	231687	8495	-31708
1972	36578	4959	231599	0	268265	4958	-36667
1973	50595	5773	276421	5	318855	5767	-42434
1974	23049	4549	294921	41	341863	4508	-46942
1975	19299	8510	305710	214	360948	8296	-55238
1976	24029	3930	325809	820	384157	3110	-58348
1977	20112	3105	342816	2517	401753	589	-58937
1978	19567	2809	359573	6133	415186	-3324	-55613
1979	22256	5297	376532	11195	426247	-5898	-49715
1980	21797	3489	394840	15012	433031	-11523	-38191
1981	23558	4356	414042	15151	441438	-10796	-27396
1982	27185	5466	435761	12545	456078	-7079	-20317
1983	20239	7099	448901	10476	465841	-3378	-16940
1984	23040	4870	467071	10983	477898	-6113	-10827
1985	21764	4899	483936	13751	485910	-8852	-1974

Farmers Rural Electric Cooperative
Account 371 -- Outdoor Lights

Simulated Retirements for Iowa Curve S6 with ASL = 19

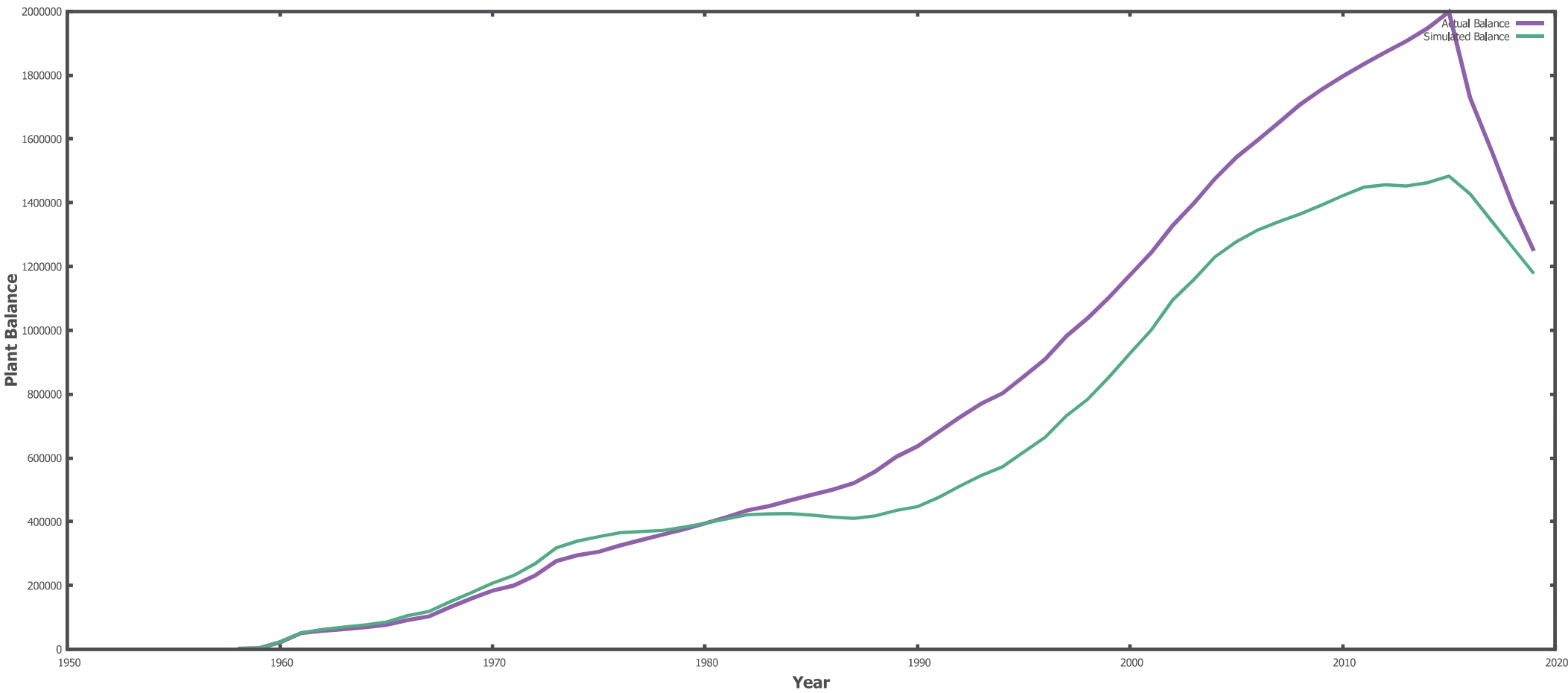
Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1986	21833	5215	500554	17760	489984	-12545	10570
1987	26013	5454	521113	22093	493904	-16639	27209
1988	40729	4548	557294	25730	508903	-21182	48391
1989	52829	6124	603999	28154	533578	-22030	70421
1990	44818	12211	636606	30265	548132	-18054	88474
1991	55682	9722	682566	32813	571000	-23091	111566
1992	58341	12502	728405	34062	595279	-21560	133126
1993	54552	12846	770111	31897	617935	-19051	152176
1994	48257	15364	803005	27400	638793	-12036	164212
1995	67490	14708	855787	23594	682689	-8886	173099
1996	68093	14600	909280	21746	729036	-7145	180244
1997	90024	17267	982037	21197	797863	-3931	184175
1998	75795	19928	1037904	21373	852285	-1445	185619
1999	92700	27569	1103035	22082	922903	5487	180133
2000	97638	27247	1173427	22956	997585	4291	175842
2001	96319	25414	1244332	23443	1070461	1971	173871
2002	116293	32053	1328571	23279	1163475	8774	165096
2003	92566	22684	1398452	22816	1233225	-131	165227
2004	105570	27923	1476099	22856	1315939	5067	160160
2005	89860	23244	1542716	24406	1381393	-1163	161323
2006	84490	30938	1596268	28444	1437439	2494	158829
2007	78080	22499	1651849	34860	1480659	-12361	171190
2008	77805	21233	1708421	41807	1516657	-20574	191765
2009	82701	36351	1754771	47391	1551967	-11040	202805
2010	85835	44306	1796301	51235	1586567	-6929	209734
2011	87313	48914	1834700	53664	1620215	-4751	214485
2012	75490	38117	1872073	55107	1640598	-16990	231475
2013	72236	37166	1907143	57041	1655792	-19875	251351

Farmers Rural Electric Cooperative
 Account 371 -- Outdoor Lights

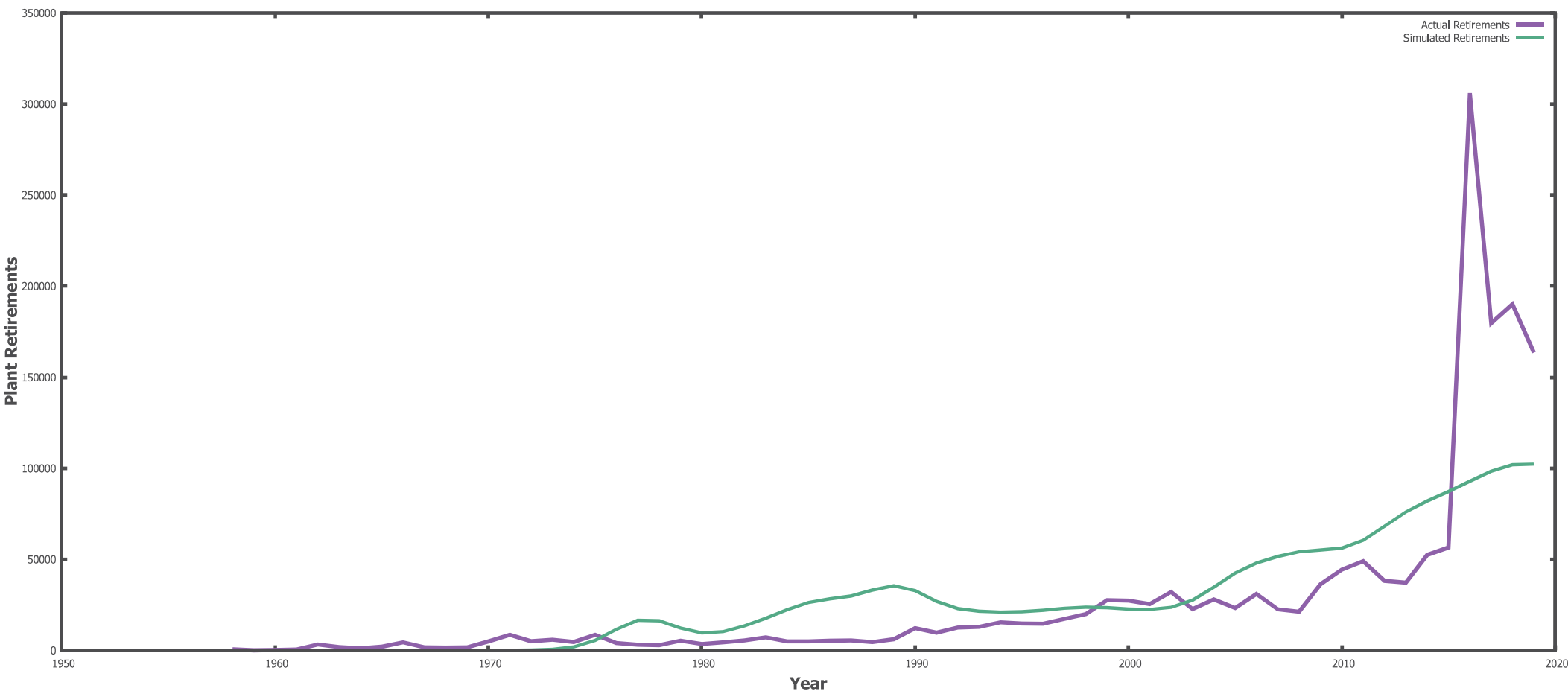
Simulated Retirements for Iowa Curve S6 with ASL = 19

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
2014	92453	52397	1947198	61374	1686871	-8977	260327
2015	107780	56458	1998521	68169	1726482	-11711	272039
2016	36306	305960	1728867	75449	1687339	230511	41528
2017	14977	179629	1564215	81735	1620581	97894	-56366
2018	18538	190072	1392680	87278	1551841	102794	-159161
2019	19677	163476	1248881	92727	1478791	70750	-229910

**Farmers Electric Cooperative
Account No. 371 Outdoor Lighting
Plant Balances**



**Farmers Electric Cooperative
Account No. 371 Outdoor Lighting
Plant Retirements**



Account 373 – Street Lighting

Farmers Rural Electric Cooperative
Account 373 - Street Lights

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
S0	21	6.11913e+08	106211
S0.5	22	5.78304e+08	100316
S1	22	5.49563e+08	97458
S1.5	22	5.05587e+08	93953.6
S2	22	4.69854e+08	91566.6
S2.5	22	4.25867e+08	86969.8
S3	23	3.88068e+08	79292.2
S3.5	23	3.26922e+08	72305.2
S4	23	2.86805e+08	66915.7
S4.5	23	2.44429e+08	63227.3
S5	23	2.39539e+08	61687.7
S5.5	23	2.78626e+08	64711.1
S6	23	3.8176e+08	75351.1
R1	20	5.38685e+08	102967
R1.5	20	4.95627e+08	98161.4
R2	20	4.6279e+08	95008
R2.5	21	4.09642e+08	86532.3
R3	21	3.69617e+08	82648.3
R3.5	22	3.24861e+08	74561.7
R4	22	2.88043e+08	69981.8
R4.5	22	2.54525e+08	65022.8
R5	23	2.49084e+08	63158.1
L0	24	6.74101e+08	111630
L0.5	24	6.54205e+08	107095
L1	24	6.40411e+08	104317
L1.5	25	5.96546e+08	97658.2
L2	25	5.60505e+08	93821.8
L2.5	25	4.97192e+08	86484.4
L3	25	4.455e+08	81290.7
L3.5	24	3.69455e+08	76279.4
L4	23	3.09861e+08	71985
L4.5	23	2.62396e+08	64321.9
L5	23	2.39032e+08	62068.5
O1	20	6.33966e+08	115687
O1.5	21	6.39676e+08	116179
O2	23	6.40376e+08	114537
O2.5	28	6.68672e+08	112848
O3	28	6.8897e+08	120122
O3.5	37	7.04446e+08	115360
O4	45	7.11788e+08	113122

Best fitting Iowa Curve and ASL

Iowa Curve	ASL	SSD Removals
L5	23	2.39032e+08

Farmers Rural Electric Cooperative
Account 373 - Street Lights

Iowa Curves -- Sorted

Iowa Curve	ASL	SSD Removals	Abs Diff Removals
L5	23	2.39032e+08	62068.5
S5	23	2.39539e+08	61687.7
S4.5	23	2.44429e+08	63227.3
R5	23	2.49084e+08	63158.1
R4.5	22	2.54525e+08	65022.8
L4.5	23	2.62396e+08	64321.9
S5.5	23	2.78626e+08	64711.1
S4	23	2.86805e+08	66915.7
R4	22	2.88043e+08	69981.8
L4	23	3.09861e+08	71985
R3.5	22	3.24861e+08	74561.7
S3.5	23	3.26922e+08	72305.2
L3.5	24	3.69455e+08	76279.4
R3	21	3.69617e+08	82648.3
S6	23	3.8176e+08	75351.1
S3	23	3.88068e+08	79292.2
R2.5	21	4.09642e+08	86532.3
S2.5	22	4.25867e+08	86969.8
L3	25	4.455e+08	81290.7
R2	20	4.6279e+08	95008
S2	22	4.69854e+08	91566.6
R1.5	20	4.95627e+08	98161.4
L2.5	25	4.97192e+08	86484.4
S1.5	22	5.05587e+08	93953.6
R1	20	5.38685e+08	102967
S1	22	5.49563e+08	97458
L2	25	5.60505e+08	93821.8
S0.5	22	5.78304e+08	100316
L1.5	25	5.96546e+08	97658.2
S0	21	6.11913e+08	106211
O1	20	6.33966e+08	115687
O1.5	21	6.39676e+08	116179
O2	23	6.40376e+08	114537
L1	24	6.40411e+08	104317
L0.5	24	6.54205e+08	107095
O2.5	28	6.68672e+08	112848
L0	24	6.74101e+08	111630
O3	28	6.8897e+08	120122
O3.5	37	7.04446e+08	115360
O4	45	7.11788e+08	113122

Farmers Rural Electric Cooperative
Account 373 - Street Lights

ASL with the Minimum Sum of Squared Differences for years 2013, 2016, and 2019

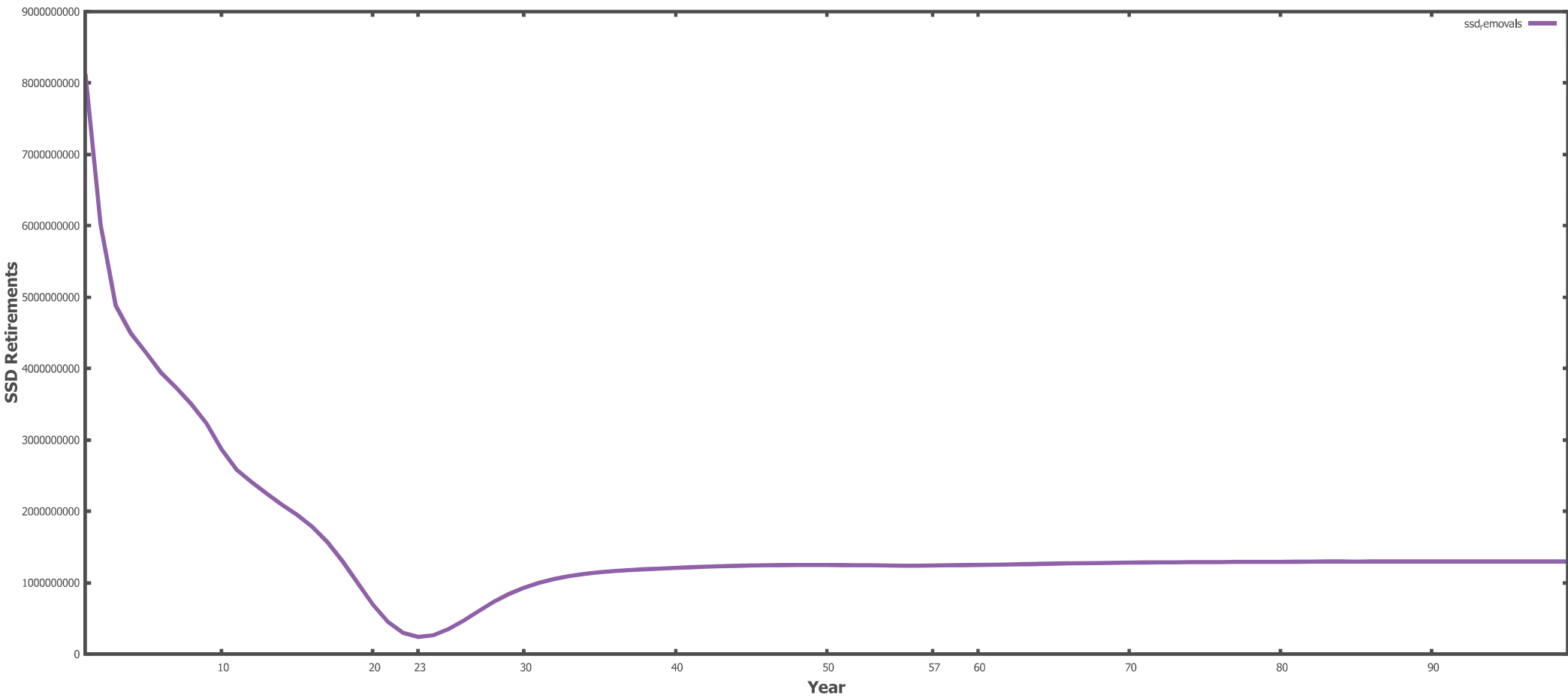
Iowa Curve	ASL	SSD Balance
S0	26	1.01722e+09
S0.5	25	8.76892e+08
S1	24	7.4186e+08
S1.5	24	6.15536e+08
S2	23	4.48159e+08
S2.5	23	3.32965e+08
S3	22	2.50232e+08
S3.5	22	1.07159e+08
S4	22	4.58732e+07
S4.5	22	6.50596e+07
S5	22	1.78844e+08
S5.5	22	3.52751e+08
S6	22	6.0817e+08
R1	25	9.66823e+08
R1.5	24	8.04221e+08
R2	23	6.39793e+08
R2.5	23	4.86595e+08
R3	22	2.86962e+08
R3.5	22	1.42919e+08
R4	22	5.93927e+07
R4.5	22	2.15895e+07
R5	22	8.3807e+07
L0	31	1.17415e+09
L0.5	29	1.07698e+09
L1	28	9.89993e+08
L1.5	26	8.24343e+08
L2	25	6.79527e+08
L2.5	24	5.23244e+08
L3	24	3.56711e+08
L3.5	23	1.98859e+08
L4	23	1.41574e+08
L4.5	22	9.88777e+07
L5	22	8.48607e+07
O1	31	1.19651e+09
O1.5	32	1.1967e+09
O2	34	1.19903e+09
O2.5	40	1.2399e+09
O3	48	1.22315e+09
O3.5	54	1.22564e+09
O4	62	1.27415e+09

Farmers Rural Electric Cooperative
Account 373 - Street Lights

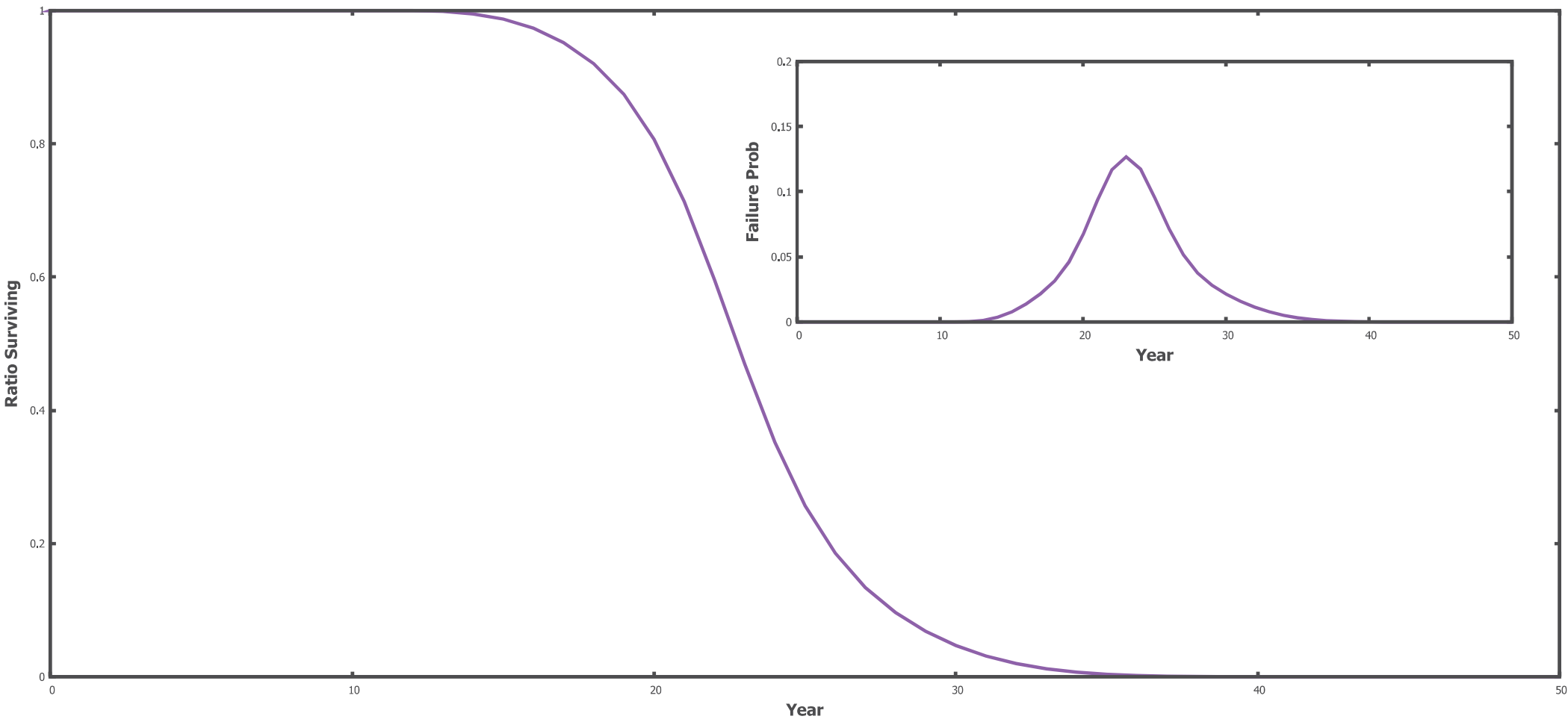
Iowa Curves -- Sorted by SSD Balance

Iowa Curve	ASL	SSD Balance
R4.5	22	2.15895e+07
S4	22	4.58732e+07
R4	22	5.93927e+07
S4.5	22	6.50596e+07
R5	22	8.3807e+07
L5	22	8.48607e+07
L4.5	22	9.88777e+07
S3.5	22	1.07159e+08
L4	23	1.41574e+08
R3.5	22	1.42919e+08
S5	22	1.78844e+08
L3.5	23	1.98859e+08
S3	22	2.50232e+08
R3	22	2.86962e+08
S2.5	23	3.32965e+08
S5.5	22	3.52751e+08
L3	24	3.56711e+08
S2	23	4.48159e+08
R2.5	23	4.86595e+08
L2.5	24	5.23244e+08
S6	22	6.0817e+08
S1.5	24	6.15536e+08
R2	23	6.39793e+08
L2	25	6.79527e+08
S1	24	7.4186e+08
R1.5	24	8.04221e+08
L1.5	26	8.24343e+08
S0.5	25	8.76892e+08
R1	25	9.66823e+08
L1	28	9.89993e+08
S0	26	1.01722e+09
L0.5	29	1.07698e+09
L0	31	1.17415e+09
O1	31	1.19651e+09
O1.5	32	1.1967e+09
O2	34	1.19903e+09
O3	48	1.22315e+09
O3.5	54	1.22564e+09
O2.5	40	1.2399e+09
O4	62	1.27415e+09

**Farmers Electric Cooperative
Account No. 373 Street Lighting
Sum of Square Differences (SSD) Retirements for L5**



Account No. 373 -- Street Lighting
Iowa Curve: L5 ASL: 23 Years



Farmers Rural Electric Cooperative
Account 373 - Street Lights

Simulated Retirements for Iowa Curve L5 with ASL = 23

Year	Additions	Actual Retirements	Balance	Simmulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1956	397	0	397	0	397	0	0
1957	198	0	595	0	595	0	0
1958	1727	146	2176	0	2322	146	-146
1959	1258	0	3434	0	3580	0	-146
1960	305	213	3526	0	3885	213	-359
1961	572	297	3800	0	4456	297	-656
1962	1944	1455	4289	0	6400	1455	-2112
1963	0	1663	2625	0	6400	1663	-3775
1964	0	0	2625	0	6400	0	-3775
1965	0	0	2625	0	6400	0	-3775
1966	0	0	2625	0	6400	0	-3775
1967	0	0	2625	0	6400	-0	-3775
1968	0	0	2625	0	6400	-0	-3775
1969	0	0	2625	1	6400	-1	-3774
1970	0	0	2625	2	6398	-2	-3772
1971	0	0	2625	6	6392	-6	-3766
1972	0	0	2625	15	6377	-15	-3751
1973	0	0	2625	30	6347	-30	-3722
1974	0	0	2625	53	6294	-53	-3669
1975	0	0	2625	86	6208	-86	-3583
1976	0	0	2625	133	6075	-133	-3450
1977	0	0	2625	199	5876	-199	-3251
1978	5036	351	7311	288	10624	62	-3313
1979	0	0	7311	394	10230	-394	-2919
1980	0	0	7311	500	9730	-500	-2419
1981	0	0	7311	584	9146	-584	-1835
1982	0	0	7311	630	8516	-630	-1205
1983	0	0	7311	634	7882	-634	-571

Farmers Rural Electric Cooperative
Account 373 - Street Lights

Simulated Retirements for Iowa Curve L5 with ASL = 23

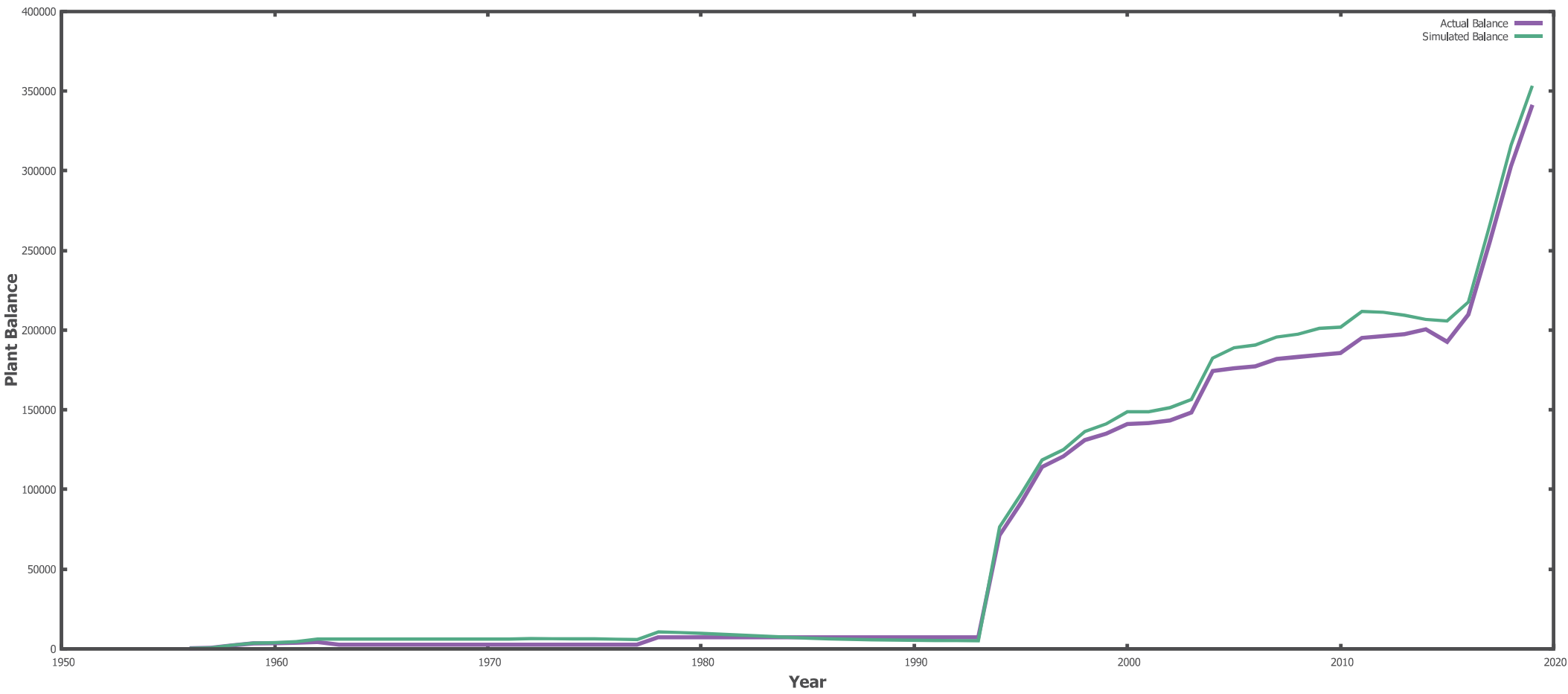
Year	Additions	Actual Retirements	Balance	Simmulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
1984	0	0	7311	604	7278	-604	33
1985	0	0	7311	540	6738	-540	573
1986	0	0	7311	448	6290	-448	1021
1987	0	0	7311	348	5942	-348	1369
1988	0	0	7311	259	5683	-259	1628
1989	0	0	7311	190	5493	-190	1818
1990	0	0	7311	140	5353	-140	1958
1991	0	0	7311	107	5246	-107	2065
1992	0	0	7311	92	5154	-92	2157
1993	0	0	7311	91	5063	-91	2248
1994	71565	7676	71201	105	76523	7570	-5322
1995	20518	301	91418	132	96909	169	-5492
1996	21717	579	114203	173	118454	406	-4251
1997	6824	230	120796	240	125037	-10	-4241
1998	11649	1446	131000	345	136342	1101	-5342
1999	5313	745	135086	474	141181	271	-6095
2000	8165	2224	141027	590	148755	1633	-7728
2001	603	0	141630	639	148719	-639	-7089
2002	3197	1509	143318	591	151324	917	-8006
2003	5675	627	148365	480	156519	147	-8153
2004	26227	179	174413	359	182387	-180	-7974
2005	6788	5135	176066	261	188913	4874	-12848
2006	1944	725	177284	205	190651	520	-13367
2007	5216	540	181959	231	195636	309	-13677
2008	2213	1008	183165	397	197452	610	-14287
2009	4399	3192	184372	735	201116	2457	-16744
2010	2056	806	185622	1295	201877	-489	-16255
2011	11956	2463	195115	2077	211756	386	-16641

Farmers Rural Electric Cooperative
Account 373 - Street Lights

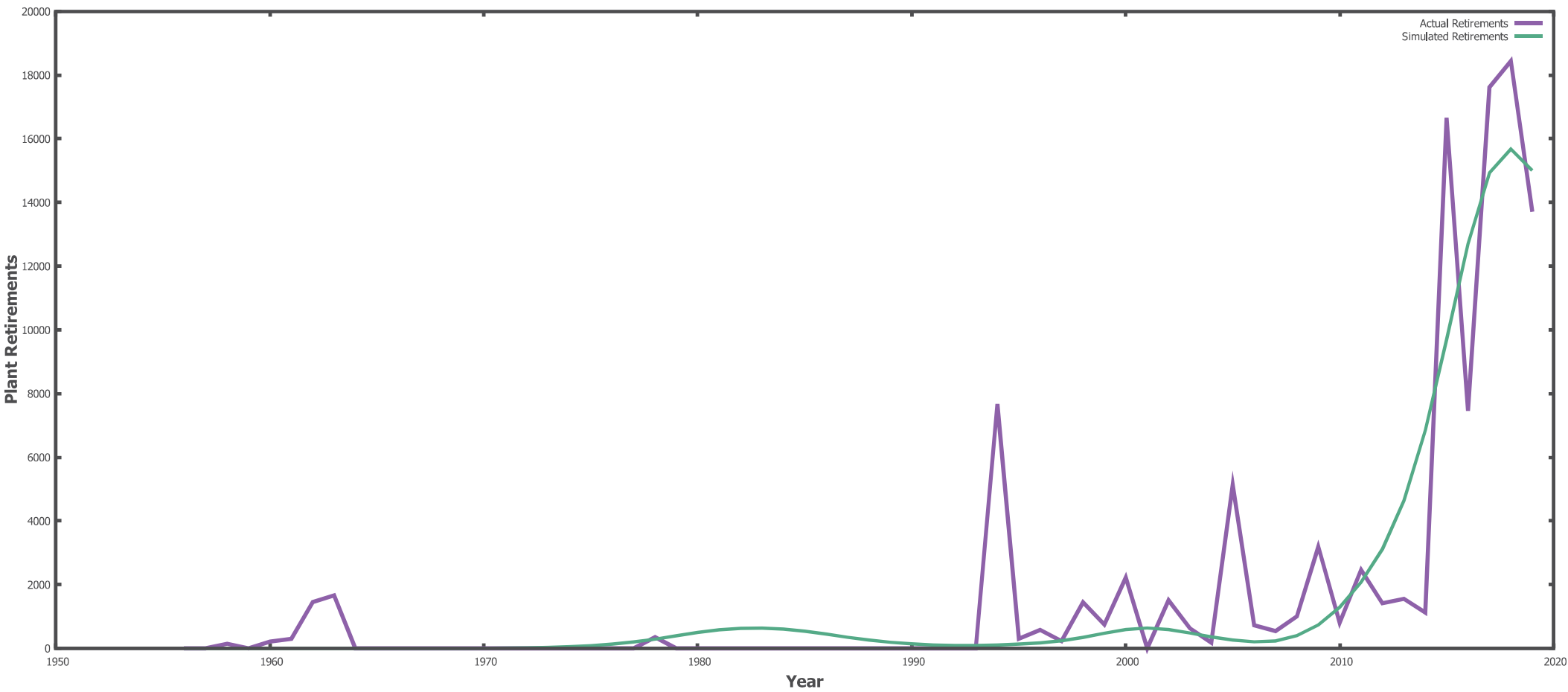
Simulated Retirements for Iowa Curve L5 with ASL = 23

Year	Additions	Actual Retirements	Balance	Simulated Retirements	Sim Balance	Difference in Retirements	Difference in Plant Balance
2012	2560	1418	196257	3123	211193	-1705	-14936
2013	2740	1555	197441	4639	209293	-3084	-11852
2014	4257	1126	200572	6852	206698	-5726	-6126
2015	8755	16660	192667	9706	205747	6954	-13080
2016	24582	7456	209792	12698	217631	-5242	-7838
2017	63065	17620	255238	14937	265759	2683	-10521
2018	66065	18441	302862	15676	316148	2765	-13286
2019	52212	13707	341367	15004	353356	-1297	-11990

**Farmers Electric Cooperative
Account No. 373 Street Lighting
Plant Balances**



**Farmers Electric Cooperative
Account No. 373 Street Lighting
Plant Retirements**



Appendix B

Analysis of Net Salvage

**Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 364 - Poles
2007-2019**

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	174,526	6,175	197,548	(191,373)	-109.65%									
2008	116,138	5,887	120,893	(115,006)	-99.03%	-105.41%								
2009	204,817	6,295	164,366	(158,072)	-77.18%	-85.08%	-93.74%							
2010	235,358	5,790	220,043	(214,253)	-91.03%	-84.59%	-87.60%	-92.87%						
2011	241,249	6,652	199,476	(192,824)	-79.93%	-85.41%	-82.94%	-85.28%	-89.66%					
2012	211,687	8,997	163,329	(154,332)	-72.91%	-76.65%	-81.57%	-80.56%	-82.68%	-86.66%				
2013	220,009	9,864	204,454	(194,590)	-88.45%	-80.83%	-80.50%	-83.23%	-82.12%	-83.72%	-86.94%			
2014	315,544	11,994	284,733	(272,738)	-86.43%	-87.26%	-83.19%	-82.40%	-84.06%	-83.07%	-84.27%	-86.85%		
2015	417,078	14,375	303,592	(289,217)	-69.34%	-76.70%	-79.42%	-78.23%	-78.52%	-80.32%	-79.97%	-81.10%	-83.43%	
2016	347,537	24,125	246,600	(222,475)	-64.01%	-66.92%	-72.62%	-75.30%	-74.96%	-75.65%	-77.47%	-77.44%	-78.53%	-80.71%
2017	360,814	16,024	239,039	(223,014)	-61.81%	-62.89%	-65.28%	-69.91%	-72.37%	-72.43%	-73.29%	-75.06%	-75.23%	-76.27%
2018	509,398	12,426	321,500	(309,073)	-60.67%	-61.14%	-61.96%	-63.85%	-67.50%	-69.62%	-69.92%	-70.84%	-72.50%	-72.81%
2019	420,800	10,313	303,042	(292,729)	-69.56%	-64.70%	-63.89%	-63.92%	-65.02%	-67.87%	-69.61%	-69.86%	-70.66%	-72.12%
2020	Trend Estimate					-57.65%								

**Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 365 - Overhead Conductor
2007-2019**

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	101,842	11,524	102,851	(91,328)	-89.68%									
2008	87,827	14,590	91,012	(76,422)	-87.01%	-88.44%								
2009	128,966	23,087	95,566	(72,479)	-56.20%	-68.68%	-75.39%							
2010	132,064	29,669	95,002	(65,333)	-49.47%	-52.80%	-61.41%	-67.80%						
2011	179,640	37,578	146,465	(108,888)	-60.61%	-55.89%	-55.98%	-61.14%	-65.75%					
2012	151,274	35,025	119,807	(84,782)	-56.05%	-58.53%	-55.94%	-56.00%	-60.01%	-63.87%				
2013	172,938	27,650	148,478	(120,828)	-69.87%	-63.42%	-62.42%	-59.73%	-59.13%	-62.01%	-64.96%			
2014	239,988	30,111	215,391	(185,280)	-77.20%	-74.13%	-69.28%	-67.19%	-64.52%	-63.45%	-65.34%	-67.42%		
2015	324,912	33,639	225,717	(192,078)	-59.12%	-66.80%	-67.52%	-65.57%	-64.73%	-63.06%	-62.39%	-63.92%	-65.64%	
2016	284,026	33,203	186,619	(153,415)	-54.01%	-56.74%	-62.52%	-63.77%	-62.77%	-62.48%	-61.33%	-60.92%	-62.26%	-63.81%
2017	336,701	41,210	193,138	(151,929)	-45.12%	-49.19%	-52.60%	-57.58%	-59.15%	-58.83%	-59.02%	-58.33%	-58.19%	-59.43%
2018	440,482	29,783	272,166	(242,383)	-55.03%	-50.74%	-51.61%	-53.37%	-56.89%	-58.14%	-57.97%	-58.20%	-57.69%	-57.61%
2019	283,086	20,300	200,600	(180,300)	-63.69%	-58.42%	-54.19%	-54.16%	-55.12%	-57.90%	-58.89%	-58.70%	-58.84%	-58.36%
2020	Trend Estimate					-51.13%								

**Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 367 - Underground Conductor
2007-2019**

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	752	324	936	(612)	-81.37%									
2008	788	952	954	(2)	-0.24%	-39.84%								
2009	4,515	601	3,757	(3,156)	-69.90%	-59.55%	-62.25%							
2010	2,107	570	2,268	(1,699)	-80.63%	-73.32%	-65.54%	-67.00%						
2011	33,782	3,010	24,588	(21,578)	-63.88%	-64.86%	-65.42%	-64.18%	-64.48%					
2012	4,003	1,287	3,543	(2,255)	-56.35%	-63.08%	-64.00%	-64.60%	-63.48%	-63.77%				
2013	10,391	1,577	9,591	(8,014)	-77.12%	-71.34%	-66.11%	-66.72%	-66.98%	-66.03%	-66.24%			
2014	5,855	326	5,442	(5,116)	-87.38%	-80.82%	-75.98%	-68.41%	-68.87%	-68.95%	-68.07%	-68.23%		
2015	14,721	918	10,620	(9,702)	-65.91%	-72.02%	-73.73%	-71.74%	-67.88%	-68.25%	-68.35%	-67.65%	-67.78%	
2016	8,001	2,390	5,917	(3,527)	-44.09%	-58.22%	-64.20%	-67.64%	-66.59%	-65.40%	-65.80%	-66.02%	-65.41%	-65.55%
2017	8,100	948	5,334	(4,385)	-54.14%	-49.14%	-57.15%	-61.98%	-65.32%	-64.62%	-64.32%	-64.72%	-64.97%	-64.42%
2018	6,059	3,370	3,923	(553)	-9.13%	-34.88%	-38.20%	-49.26%	-54.48%	-58.91%	-58.73%	-60.64%	-61.10%	-61.50%
2019	59,324	296	46,439	(46,143)	-77.78%	-71.42%	-69.52%	-67.02%	-66.85%	-68.03%	-68.87%	-68.44%	-67.41%	-67.59%
2020	Trend Estimate					-60.62%								

**Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 368 - Transformers
2007-2019**

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	108,751	-	47,032	(47,032)	-43.25%									
2008	46,897	341	35,770	(35,429)	-75.55%	-52.98%								
2009	74,067	235	34,456	(34,221)	-46.20%	-57.58%	-50.79%							
2010	206,737	199	23,830	(23,631)	-11.43%	-20.60%	-28.47%	-32.15%						
2011	159,852	1,198	48,352	(47,154)	-29.50%	-19.31%	-23.83%	-28.80%	-31.44%					
2012	119,261	200	49,305	(49,105)	-41.17%	-34.49%	-24.68%	-27.52%	-31.24%	-33.06%				
2013	304,446	1,542	59,407	(57,864)	-19.01%	-25.25%	-26.41%	-22.49%	-24.52%	-27.15%	-28.87%			
2014	410,786	13,358	77,637	(64,278)	-15.65%	-17.08%	-20.52%	-21.96%	-20.15%	-21.66%	-23.58%	-25.07%		
2015	228,501	33,063	81,265	(48,202)	-21.10%	-17.59%	-18.05%	-20.64%	-21.80%	-20.30%	-21.58%	-23.21%	-24.52%	
2016	287,426	101,190	90,731	10,459	3.64%	-7.32%	-11.01%	-12.99%	-15.48%	-16.96%	-16.29%	-17.53%	-19.01%	-20.37%
2017	296,905	64,687	62,675	2,013	0.68%	2.13%	-4.40%	-8.17%	-10.33%	-12.56%	-14.06%	-13.79%	-14.94%	-16.27%
2018	523,455	57,437	94,585	(37,148)	-7.10%	-4.28%	-2.23%	-5.45%	-7.85%	-9.51%	-11.25%	-12.50%	-12.41%	-13.37%
2019	443,741	57,941	97,802	(39,861)	-8.98%	-7.96%	-5.93%	-4.16%	-6.33%	-8.08%	-9.41%	-10.86%	-11.94%	-11.90%
2020	Trend Estimate					6.61%								

**Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 369 - Services
2007-2019**

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	39,550	6,974	41,476	(34,502)	-87.24%									
2008	45,604	10,191	43,470	(33,279)	-72.97%	-79.60%								
2009	48,452	11,388	35,790	(24,401)	-50.36%	-61.33%	-69.00%							
2010	46,805	11,624	39,268	(27,644)	-59.06%	-54.64%	-60.57%	-66.42%						
2011	46,051	14,534	34,538	(20,004)	-43.44%	-51.31%	-50.99%	-56.35%	-61.75%					
2012	45,292	12,069	37,941	(25,872)	-57.12%	-50.22%	-53.22%	-52.48%	-56.50%	-60.98%				
2013	50,832	8,992	43,741	(34,749)	-68.36%	-63.07%	-56.71%	-57.29%	-55.88%	-58.63%	-62.14%			
2014	55,724	9,660	48,869	(39,209)	-70.36%	-69.41%	-65.74%	-60.55%	-60.27%	-58.63%	-60.56%	-63.35%		
2015	65,869	11,633	44,521	(32,887)	-49.93%	-59.29%	-61.97%	-60.96%	-57.90%	-58.08%	-57.03%	-58.83%	-61.36%	
2016	60,155	12,992	40,845	(27,853)	-46.30%	-48.20%	-54.99%	-57.92%	-57.79%	-55.75%	-56.16%	-55.49%	-57.21%	-59.56%
2017	51,083	10,725	32,137	(21,413)	-41.92%	-44.29%	-46.39%	-52.12%	-55.03%	-55.32%	-53.86%	-54.44%	-54.02%	-55.70%
2018	48,864	11,419	29,835	(18,416)	-37.69%	-39.85%	-42.27%	-44.51%	-49.62%	-52.49%	-53.04%	-52.00%	-52.70%	-52.48%
2019	47,607	5,748	33,769	(28,021)	-58.86%	-48.14%	-45.98%	-46.08%	-47.00%	-50.96%	-53.28%	-53.69%	-52.69%	-53.27%
2020	Trend Estimate					-42.28%								

**Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 370 - Meters
2007-2019**

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	601,475	-	-	-	0.00%									
2008	646,429	12,872	-	12,872	1.99%	1.03%								
2009	1,103	-	-	-	0.00%	1.99%	1.03%							
2010	7,970	-	-	-	0.00%	0.00%	1.96%	1.02%						
2011	18,719	-	424	(424)	-2.27%	-1.59%	-1.53%	1.85%	0.98%					
2012	26,845	3,825	-	3,825	14.25%	7.46%	6.35%	6.22%	2.32%	1.25%				
2013	3,302	52,544	384	52,160	1579.65%	185.71%	113.70%	97.75%	95.89%	9.72%	5.24%			
2014	45,466	-	-	-	0.00%	106.95%	74.04%	58.90%	54.31%	53.73%	9.13%	5.06%		
2015	23,466	-	103	(103)	-0.44%	-0.15%	72.07%	56.40%	47.08%	44.09%	43.71%	8.84%	4.97%	
2016	8,862	-	140	(140)	-1.58%	-0.75%	-0.31%	64.02%	51.64%	43.67%	41.09%	40.75%	8.72%	4.93%
2017	-	-	99	(99)	NA	-2.70%	-1.06%	-0.44%	63.90%	51.55%	43.60%	41.01%	40.68%	8.71%
2018	4,018	-	97	(97)	-2.42%	-4.88%	-2.61%	-1.21%	-0.54%	60.77%	49.61%	42.18%	39.76%	39.44%
2019	-	-	-	-	NA	-2.42%	-4.88%	-2.61%	-1.21%	-0.54%	60.77%	49.61%	42.18%	39.76%
2020	Trend Estimate					19.31%								

Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 371 - Installations on Customer Premises (Outdoor Lighting)
2007-2019

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	22,499	4,076	18,648	(14,572)	-64.77%									
2008	21,233	3,679	16,189	(12,509)	-58.92%	-61.93%								
2009	36,351	4,264	22,189	(17,924)	-49.31%	-52.85%	-56.20%							
2010	44,306	5,142	31,205	(26,063)	-58.82%	-54.54%	-55.45%	-57.13%						
2011	48,914	3,271	31,333	(28,062)	-57.37%	-58.06%	-55.61%	-56.07%	-57.20%					
2012	38,117	2,968	25,996	(23,028)	-60.41%	-58.70%	-58.74%	-56.70%	-56.95%	-57.78%				
2013	37,166	12,277	28,544	(16,267)	-43.77%	-52.20%	-54.23%	-55.44%	-54.35%	-54.78%	-55.69%			
2014	52,397	8,473	41,434	(32,960)	-62.90%	-54.96%	-56.59%	-56.81%	-57.21%	-56.09%	-56.31%	-56.94%		
2015	56,458	11,210	34,611	(23,401)	-41.45%	-51.78%	-49.74%	-51.95%	-53.09%	-54.00%	-53.46%	-53.80%	-54.49%	
2016	305,960	8,961	120,894	(111,933)	-36.58%	-37.34%	-40.57%	-40.83%	-42.36%	-43.72%	-44.87%	-45.13%	-45.58%	-46.23%
2017	179,629	8,091	115,331	(107,240)	-59.70%	-45.14%	-44.75%	-46.35%	-46.20%	-47.01%	-47.71%	-48.36%	-48.40%	-48.67%
2018	190,072	16,652	121,882	(105,230)	-55.36%	-57.47%	-48.01%	-47.51%	-48.53%	-48.32%	-48.86%	-49.31%	-49.76%	-49.74%
2019	163,476	20,388	132,540	(112,152)	-68.60%	-61.49%	-60.88%	-52.02%	-51.36%	-52.00%	-51.69%	-52.01%	-52.26%	-52.52%
2020	Trend Estimate					-50.45%								

**Farmers Rural Electric Cooperative
Retirement and Salvage Analysis
Account 373 - Street Lighting
2007-2019**

Year	Retirements	Salvage	Removal Cost	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
2007	540	-	512	(512)	-94.79%									
2008	1,008	-	813	(813)	-80.71%	-85.62%								
2009	3,192	-	2,328	(2,328)	-72.95%	-74.81%	-77.09%							
2010	806	-	731	(731)	-90.71%	-76.53%	-77.37%	-79.07%						
2011	2,463	-	1,765	(1,765)	-71.67%	-76.37%	-74.68%	-75.49%	-76.79%					
2012	1,418	-	1,022	(1,022)	-72.05%	-71.81%	-75.06%	-74.20%	-74.94%	-76.08%				
2013	1,555	-	1,800	(1,800)	-115.72%	-94.89%	-84.37%	-85.19%	-81.05%	-81.02%	-81.69%			
2014	1,126	-	1,019	(1,019)	-90.50%	-105.13%	-93.68%	-85.42%	-86.00%	-82.06%	-81.94%	-82.51%		
2015	16,660	-	15,501	(15,501)	-93.05%	-92.88%	-94.72%	-93.17%	-90.89%	-90.89%	-88.78%	-88.49%	-88.61%	
2016	7,456	-	3,565	(3,565)	-47.81%	-79.06%	-79.57%	-81.67%	-81.18%	-80.42%	-80.68%	-79.97%	-79.99%	-80.21%
2017	17,620	-	10,323	(10,323)	-58.59%	-55.38%	-70.42%	-70.94%	-72.51%	-72.50%	-72.46%	-72.76%	-72.77%	-72.92%
2018	18,441	-	10,795	(10,795)	-58.54%	-58.56%	-56.72%	-66.78%	-67.21%	-68.41%	-68.49%	-68.61%	-68.87%	-69.06%
2019	13,707	-	8,285	(8,285)	-60.44%	-59.35%	-59.08%	-57.61%	-65.60%	-65.98%	-66.99%	-67.08%	-67.22%	-67.45%
2020	Trend Estimate					-66.25%								

Appendix C

Proposed Depreciation Rates

Farmers Rural Electric Cooperative

Proposed Depreciation Rates

Based on 2020 Depreciation Study

Acct	Description	Current Rate	Average Service Life ASL	Iowa Curve	Proposed ASL	Proposed Net Salvage Percentage	Proposed Depreciation Rate
364.00	Poles	3.24%	46	O1-46	46	-50%	3.26%
365.00	Overhead Conductor	3.24%	37	S2-37	37	-35%	3.65%
367.00	Underground Conductor	3.24%	35	S0-35	35	-25%	3.57%
368.00	Line Transformers	3.24%	39	O1-39	39	-20%	3.08%
369.00	Services	3.24%	57	R1-57	45	-50%	3.33%
370.00	Meters	6.67%	*	*	*	*	6.67%
370.01	TWAC Meters	6.67%	*	*	*	*	6.67%
370.02	TWAC Receivers	6.67%	*	*	*	*	6.67%
370.03	TWAC Transformers	6.67%	*	*	*	*	6.67%
370.04	TWAC Computers	20.00%	*	*	*	*	20.00%
370.05	TWAC Control Links	14.40%	*	*	*	*	14.40%
371.00	Outdoor Lighting -- Conv Fixtures	3.24%	19	S6-19	19	-20%	6.32%
371.20	Outdoor Lighting -- LED Fixtures	3.24%	25		25	-20%	4.80%
373.00	Municipal Streetlighting	3.24%	23	L5-23	23	-20%	5.22%

* Sufficient retirement data were not available to perform an SPR Analysis

Appendix D

Comparison of Average Service Lives

And Net Salvage Percentages

For Utilities in Kentucky

Farmers Rural Electric Cooperative
Comparison of Average Service Lives and Net Salvage
of Utilities in Kentucky

Account	Description	Kenergy			Kentucky Power			Kentucky Utilities			Louisville Gas and Electric			Duke Energy Kentucky		
		ASL	Iowa Curve	Net Salvage Pct	ASL	Iowa Curve	Net Salvage Pct	ASL	Iowa Curve	Net Salvage Pct	ASL	Iowa Curve	Net Salvage Pct	ASL	Iowa Curve	Net Salvage Pct
364.00	Poles	32	R1-32	-51%	28	R0.5-28	6%	50	R2.5-50	-50%	56	R2-56	-80%	54	R0.5-54	-40%
365.00	Overhead Conductor	36	R3-36	-44%	27	L0-27	6%	47	R1-47	-30%	53	R1.5-53	-75%	52	O1-52	-40%
367.00	Underground Conductor	45	S0-45	-31%	44	R0.5-44	-13%	45	R2-48	-20%	65	R3-65	-40%	58	R2-58	-40%
368.00	Line Transformers	40	L0.5-40	-39%	25	L0-25	-1%	48	R2-48	-5%	46	R3-46	-20%	46	R0.5-46	-15%
369.00	Services	33	R2.5-33	-32%	20	L0-20	-38%	48	R1-48	-25%	47	S1.5-47	-50%	65	R2.5	-25%
370.00	Meters	38	S0.5-38	-127%	17	R4-17	3%	25	L1-28	0%	25	L1-25	0%	24	L1-24	0%
370.00	Meters - AMS	15	S0.5-15	12%				15	S2.5-15	0%	15	S2.5-15	0%	15	S2.5-15	0%
371.00	Outdoor Lighting -- Conventional Fixtures	30	R1-30	-54%	11	L0-11	-32%	28	O1-28	-10%	27	S0-27	-30%	10	R2-10	0%
371.20	Outdoor Lighting -- LED Fixtures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
373.00	Municipal Streetlighting	25	L5-25	-15%	20	L0-20	-34%	28	L0.5-28	-10%	27	S0-27	-30%	32	L0.5-32	-15%

- Notes: (1) Kenergy's most recent depreciation study was submitted in Case No. 2015-00312. The SPR methodology was used to calculated the Average Service Lives (ASLs).
The whole life method was used to calculate the depreciation rates.
- (2) Kentucky Power's most recent depreciation study for distribution plant was submitted in Case No. 2014-00396. The SPR methodology was used to calculated the Average Service Lives (ASLs).
Kentucky Power performed a depreciation study for generation assets in Case No. 2017-00179. The remaining life method was used to calculate the depreciation rates.
- (3) Kentucky Utilities Company's most recent depreciation study for distribution plant was submitted in Case No. 2016-00370. Semi-actuarial methods were used to calculated the Average Service Lives (ASLs).
KU performed a depreciation study for generation assets in Case No. 2018-00294. The remaining life method was used to calculate the depreciation rates.
- (4) Louisville Gas and Electric Company's most recent depreciation study for distribution plant was submitted in Case No. 2016-00371. Semi-actuarial methods were used to calculated the Average Service Lives (ASLs).
LG&E performed a depreciation study for generation assets in Case No. 2018-00295. The remaining life method was used to calculate the depreciation rates.
- (5) Duke Energy's most recent depreciation study for distribution plant was submitted in Case No. 2019-00271. Semi-actuarial methods were used to calculated the Average Service Lives (ASLs).
The remaining life method was used to calculate the depreciation rates.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 19: Refer to the Phelps Direct Testimony and Wolfram Direct Testimony, generally. Although mentioned in reference to Exhibit JW-2 and Exhibit JP-1, there is no discussion of Times Interest Earnings Ratio (TIER). Discuss Farmers RECC's TIER during the test year, in reference to any requests in this application that would impact the TIER and incorporate the relevant information from Exhibit JW-2 and Exhibit JP-1 into the discussion.

Response 19: Lender requirements for both TIER and OTIER metrics must be met annually. Because Farmers has historically received non-operating income such as patronage allocation from East Kentucky Power Cooperative, Inc. ("EKPC") and other associated organizations and interest income from investments, it requires lower operating margins to meet the TIER requirement leaving the OTIER metric more difficult to meet lender obligations driving the need for increased rates.

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 20: Discuss whether Farmers RECC has explored refinancing the variable interest rate indebtedness to a fixed rate indebtedness to lower the impact it has on the revenue requirement. If not, explain why Farmers RECC believes that maintaining a variable interest rate on indebtedness is the best option.

Response 20: As described in the Application, Exhibit 9, Direct Testimony of Jennie Phelps, beginning in 2017, Farmers took advantage of the historically low 3-month variable interest rates by Federal Financing Bank (“FFB”). However, starting in Q3 and Q4 2022, those historically low 3-month variable interest rates drastically increased:

Variable Debt Interest Rates (90-day rates)			
Q1 2017	0.509%	Q2 2020	0.121%
Q2 2017	0.783%	Q3 2020	0.142%
Q3 2017	1.043%	Q4 2020	0.091%
Q4 2017	1.065%	Q1 2021	0.081%
Q1 2018	1.400%	Q2 2021	0.020%
Q2 2018	1.738%	Q3 2021	0.041%
Q3 2018	1.935%	Q4 2021	0.041%
Q4 2018	2.197%	Q1 2022	0.046%
Q1 2019	2.399%	Q2 2022	0.550%
Q2 2019	2.403%	Q3 2022	1.800%
Q3 2019	2.122%	Q4 2022	3.395%
Q4 2019	1.799%	Q1 2023	4.422%
Q1 2020	1.570%	Q2 2023	4.969%
		<i>**Source CFC Bulletin</i>	

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Therefore, in Q2 2023, Farmers decided to no longer use the 3-month variable interest rates by FFB. Please see Attachment PSC 2-20. Those six FFB notes were blended to incorporate a mixture of the fixed rate and the 10-year variable rate. At that time, the 10-year variable rates of 3.867% and 3.877% were less than the fixed rate of 4.015%.

Farmers has always strived to find a balance between maximizing savings on interest rates and maintaining stability to lessen the impact on electric rates. Therefore, in late 2023 and early 2024, the most favorable interest rates were the 5-year and 10-year variable rates.

At the end of 2024, Farmers' debt portfolio was 86.2% fixed. Therefore, as a general philosophy, Farmers is funding long-term assets with long-term debt. Given the current inflationary environment, it is acceptable that Farmers maintains a 13.8% variable rate on its indebtedness.

ATTACHMENT PSC 2-20

REFERENCE NUMBER: 210034

FFB IDENTIFIER	RUS ACCT NUM.	RUS NOTE NUM.	ORIGINAL ADVANCE AMOUNT	ORIGINAL ADVANCE DATE	AMOUNT OF EXTENSION	PRINCIPAL DUE AT MATURITY	*1 EXTEND MAT DATE	*2 ADDITIONAL PRINCIPAL PAYMENT	*3 PRINC REPAY METHOD	*4 PREPMT TYPE PRIVLG	*5 NO CALL PERIOD OPTION	*6 PRE- MIUM OPT
FARMERSA-0004-0005	FFB-4-5	3232	\$1,500,000.00	08-25-2015	\$1,187,849.46	\$6,237.70	09/30/33	\$	L	M		
FARMERSA-0004-0006	FFB-4-6	3232	\$1,500,000.00	12-04-2015	\$1,197,290.06	\$6,287.28	09/30/33	\$	L	M		
FARMERSA-0004-0007	FFB-4-7	3232	\$1,200,000.00	03-11-2016	\$965,210.46	\$5,068.57	09/30/33	\$	L	M		
FARMERSA-0005-0012	FFB-5-12	3729	\$1,500,000.00	09-28-2021	\$1,435,058.93	\$5,759.48	01/02/52	\$	L	M		
FARMERSA-0005-0013	FFB-5-13	3729	\$2,000,000.00	12-07-2021	\$1,929,394.21	\$7,743.45	09/30/33	\$	L	M		
FARMERSA-0005-0014	FFB-5-14	3729	\$1,951,000.00	01-14-2022	\$1,897,046.75	\$7,613.63	01/02/52	\$	L	M		

* SEE INSTRUCTIONS FOR COMPLETION ON PAGE 2

THE UNDERSIGNED HEREBY CERTIFIES THAT THE AUTHORITY OF THE UNDERSIGNED TO EXECUTE AND DELIVER THIS MATURITY ELECTION NOTICE ON BEHALF OF THE BORROWER IS VALID AND IN FULL FORCE AND EFFECT ON THE DATE HEREOF.

SIGNATURE: Tobias Moss

NAME: Tobias Moss

TELEPHONE NUMBER: 270-651-2191

DATE: June 20, 2023

TITLE: President & CEO

For questions, please contact Jennie Phelps,
Vice President, Finance & Accounting.

jphelps@farmersrecc.net

270-651-2191 ext 8250

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Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
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Request 21: Refer to Farmers RECC's response to Staff's First Request Item, 20, PSC_1-20.xlsx. Describe the exemplary performance of the Chief Executive Officer (CEO) in his first year that resulted in the person being awarded a 12 percent increase in salary from 2023 to 2024. Provide a copy of the criteria used to evaluate the CEO's performance and the resulting evaluation rating.

Response 21: Upon hiring, the CEO was granted reimbursement for his move from out of state, which was considered part of his taxable income in 2023. In evaluating his merit increase, the Board accounted for this prior compensation, ensuring that his 2024 salary exceeded his taxable income from the previous year.

Beyond financial considerations, the Board felt the CEO demonstrated remarkable adaptability and resilience in his new role. Despite being new to the Commonwealth and having not yet navigated a rate case through the Public Service Commission (PSC), he displayed a keen ability to manage regulatory complexities. Furthermore, his leadership during two major storms was instrumental in maintaining operational stability and ensuring swift recovery efforts.

Perhaps most notably, the CEO's focus on customer satisfaction yielded outstanding results. His commitment to service excellence was reflected in end-of-year customer satisfaction ratings, which the Board deemed worthy of recognition. His ability to foster trust, reliability, and responsiveness among stakeholders further cemented his reputation as an effective executive.

It is additionally of note, that after this increase for salary year 2024, the current CEO was still paid less than his predecessor had been in 2022.

Please see Attachment 2-21 being filed under seal pursuant to a motion for confidential treatment.

ATTACHMENT
FILED UNDER SEAL
PURSUANT TO A
MOTION FOR
CONFIDENTIAL
TREATMENT

Farmers Rural Electric Cooperative Corporation
Case No. 2025-00107
Commission Staff's Second Request for Information

Request 22: Refer to the Application Schedule 1.07. Confirm Farmers RECC completed a formal or informal benefits study to justify its 88 percent employer health insurance contribution rate. If yes, provide a copy of the study. If not, explain why not.

Response 22: No formal study exists. Farmers has established the 88 percent employer contribution rate for benefits in an effort to comply with PSC precedent from previous rate cases (Case No. 2016-00365, and Case No. 2023-00158) in which the commission penalized Farmers for not attaining said contribution.