ANNUAL MEETING POSTPONED
As concerns and fears about the COVID-19 grow, we want to assure our members Northwestern Electric Cooperative is taking steps to help prevent the spread of the virus. We are doing everything within our control to keep our members, employees and communities safe while still providing safe and reliable power.

At present, the Center for Disease Control and Prevention (CDC) urges that no groups of more than 50 people meet for the next few weeks. Our annual meeting typically draws a crowd of over 1,700 people. With that in mind, we are postponing the meeting to a later date. We will announce the date as soon as it becomes available.

We are also closing our lobbies to walk-in traffic until further notice. The drive-thru windows at the Woodward and Buffalo offices will remain open, Monday-Friday, from 8 a.m. to 4:30 p.m. Payments can be made at the 24/7 kiosks in our lobby entrances, via the mobile app, through our member portal at https://bpp.nwecok.coop/oscp, or by calling the IVR number 580.377.1414. Our CSRs are available to help if you need assistance making a payment. Just give us a call at 580.256.7425 or 800.375.7423.

We are also temporarily suspending disconnection of residential accounts for those directly impacted by the COVID-19 outbreak. We are closely monitoring this situation as it continues to evolve and will re-evaluate our decision on a week by week basis. As a reminder, members are still responsible for full payment of their electric bill. Please keep your account current to avoid penalties for nonpayment and future disconnection once the suspension has been lifted.

Adhering to Cooperative Principle #7: Concern for Community, the well-being of our members and surrounding communities is a top priority for NWEC. We are here to help however we can through this crisis. We will keep you updated on any changes to our operating policies through social media, our website at www.nwecok.coop and local news media. Please call us if you have questions or concerns.
NWEC adds a $1,000 rebate on whole house generators to its annual rebate program.

Trustees approve allocating $1 million in margins in 2019 after reviewing the 2018 year-end statements.

Wayne Hall, District 6 director, retires from the board. Members elect Jeff McIntosh of Quinlan as his replacement.

Youth Tour Winners are Laverne juniors Cristina Alvarez, Jaycie Cash and Jimmi Jo Winn. Leadership Summit winners are McKenzie Flynn, also from Laverne, and Olivia Parry, Vici.

NWEC awards the $1,000 Fanning-Fussell Scholarship to Woodward High School seniors Carson Cansler, Brayden Love and Kole Marlatt; Madison Hansen, Laverne High School; Kylan Watkins, Vici High School; and Joshua Stewart, Follett High School.

Almost 600 members attend the 78th Annual Meeting, which is about 10 percent of the membership. Steve

Stolzy won the grand prize—a Kubota 48" zero-turn mower sponsored in part by Arnett New Holland/Kubota. By a vote of 571-25, members attending the meeting approve a proposed Bylaw amendment designed to adjust each voting district to a more equitable ratio.

NWEC launches a new community solar energy program making renewable energy easy and affordable for members wanting to participate in solar energy.

YouthPower Energy Camp winners are eighth-grade students Jessica Barton and Kylee Whittley, Fort Supply; Rebekah Lichtenwalter, Mooreland; and Kaytlie Simpson, Buffalo.

Dwayne Halderman, journeyman lineman/row coordinator, retires after 45 years of dedicated service to the Cooperative.

NWEC contracts with RES Group, a global line construction company, for the first of three mitigation projects planned over the next three years. All three construction projects total about $68.5 million of work on 1,260 miles of line and qualify for FEMA reimbursement.

Linemen Mario Alvarado, Reagan Dezort, Tanner Loomis, Arlan Penrice, T.J. Province and Travis Wineinger earn journeyman lineman certification after successfully completing the OAEC-sponsored program, which meets both national and state certification requirements.

Ronda Cook, data entry clerk, retires after 23 years of dedicated service to NWEC.

NWEC employees worked 14 months without a lost time accident. This is more impressive when you consider in 2019 our team logged 656,475 driving miles and worked 119,386 hours in an industry rife with dangers. Focus on safety benefits cooperative employees as well as members. Aside from reducing risks and injuries, safe work practices reduce NWEC’s insurance and operating costs, helping hold down the cost of service for all members.

We would love to have the opportunity to tell you even more about all that is going on at your cooperative. Be watching for updates on when we will reschedule the annual meeting. Tentative plans are to hold the meeting in July. We will continue to monitor the COVID-19 and base our decision on what is best for our members and communities. We appreciate your membership and value the trust you place in us.
FINANCIAL REPORT

STATEMENT OF OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$34,151,307</td>
<td>$33,278,545</td>
</tr>
<tr>
<td>Cost of Electric Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Purchased Power</td>
<td>19,045,284</td>
<td>18,533,669</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>4,796,135</td>
<td>4,613,102</td>
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<tr>
<td>Consumer Accounts Expense</td>
<td>1,154,308</td>
<td>1,215,662</td>
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<tr>
<td>Administration and General Expense</td>
<td>2,289,095</td>
<td>2,337,426</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,837,604</td>
<td>2,932,084</td>
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<tr>
<td>Gross Receipts and Franchise Tax</td>
<td>765,548</td>
<td>754,582</td>
</tr>
<tr>
<td>Interest Expense on Long-Term Debt</td>
<td>2,022,372</td>
<td>2,136,141</td>
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<tr>
<td>Interest Expense on Deposits and Lines of Credit</td>
<td>264,524</td>
<td>32,055</td>
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<tr>
<td>Total Cost of Electric Service</td>
<td>$33,174,870</td>
<td>$32,554,721</td>
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<tr>
<td>Operating Margins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>60,553</td>
<td>58,422</td>
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<tr>
<td>Non-Operating Margins</td>
<td>1,444</td>
<td>51,637</td>
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<tr>
<td>Patronage Capital Allocations</td>
<td>807,627</td>
<td>647,074</td>
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<tr>
<td>Total Patronage Capital or Margins</td>
<td>$1,846,061</td>
<td>$1,480,957</td>
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BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
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<tr>
<td>Utility Plant</td>
<td>$73,481,363</td>
<td>$79,317,086</td>
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<tr>
<td>Other Property &amp; Investments</td>
<td>14,978,808</td>
<td>15,252,326</td>
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<tr>
<td>Current Assets</td>
<td>8,300,170</td>
<td>7,270,517</td>
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<tr>
<td>Deferred Charges</td>
<td>1,032,650</td>
<td>810,256</td>
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<tr>
<td>Total Assets</td>
<td>$97,792,991</td>
<td>$102,650,185</td>
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<tr>
<td>Ownership &amp; Liabilities</td>
<td></td>
<td></td>
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<tr>
<td>Total Margins &amp; Equities</td>
<td>$30,789,791</td>
<td>$31,524,820</td>
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<tr>
<td>Long-Term Debt</td>
<td>59,870,595</td>
<td>60,292,756</td>
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<tr>
<td>Non-Current Liabilities</td>
<td>1,469,245</td>
<td>1,414,495</td>
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<tr>
<td>Current Liabilities</td>
<td>4,831,224</td>
<td>8,483,519</td>
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<tr>
<td>Deferred Credits</td>
<td>832,136</td>
<td>934,595</td>
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<tr>
<td>Total Ownership &amp; Liabilities</td>
<td>$97,792,991</td>
<td>$102,650,185</td>
</tr>
</tbody>
</table>

Financial reports are reviewed annually by an independent auditing firm.
COMPARATIVE STATISTICS

WHERE THE MONEY COMES FROM

- Residential Sales $14,205,131
- Commercial Sales 12,282,155
- Large Power 6,289,304
- Other Income 501,955
Total Revenue $33,278,545

WHERE THE MONEY GOES

- Purchased Power $18,533,669
- Operations & Maintenance 4,613,102
- Customer Service 1,215,662
- Administration 2,337,426
- Depreciation 2,932,084
- Taxes 754,582
- Interest 2,168,196
Total Expenses $32,554,721

Cost of Purchased Power

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<thead>
<tr>
<th>Years</th>
<th>Millions of Dollars</th>
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<tr>
<td>2015</td>
<td>19.6</td>
</tr>
<tr>
<td>2016</td>
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<tr>
<td>2017</td>
<td>18.8</td>
</tr>
<tr>
<td>2018</td>
<td>19</td>
</tr>
<tr>
<td>2019</td>
<td>18.5</td>
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</table>

Kilowatt Hours Sold

<table>
<thead>
<tr>
<th>Years</th>
<th>Millions of Hours</th>
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<tbody>
<tr>
<td>2015</td>
<td>332</td>
</tr>
<tr>
<td>2016</td>
<td>328</td>
</tr>
<tr>
<td>2017</td>
<td>323</td>
</tr>
<tr>
<td>2018</td>
<td>339</td>
</tr>
<tr>
<td>2019</td>
<td>319</td>
</tr>
</tbody>
</table>

Operating Margins

<table>
<thead>
<tr>
<th>Years</th>
<th>Thousands of Dollars</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>653</td>
</tr>
<tr>
<td>2016</td>
<td>611</td>
</tr>
<tr>
<td>2017</td>
<td>976</td>
</tr>
<tr>
<td>2018</td>
<td>724</td>
</tr>
<tr>
<td>2019</td>
<td>-855</td>
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</table>

Growth in Meters

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of Meters</th>
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<tbody>
<tr>
<td>2015</td>
<td>11,923</td>
</tr>
<tr>
<td>2016</td>
<td>11,908</td>
</tr>
<tr>
<td>2017</td>
<td>11,868</td>
</tr>
<tr>
<td>2018</td>
<td>11,849</td>
</tr>
<tr>
<td>2019</td>
<td>11,868</td>
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</tbody>
</table>
YOUR LEADERSHIP

DISTRICT 1
Kenny Knowles, President

DISTRICT 5
Ray Smith, Vice President

DISTRICT 4
John Bruce, Jr., Secretary/Treasurer

DISTRICT 2
Clair Craighead

DISTRICT 3
Duane Henderson

DISTRICT 6
Jeff McIntosh

DISTRICT 7
Darla Young

DISTRICT 8
Marvin Wilkinson

DISTRICT 9
Gil Perkins

Tyson Littau, CEO
John Meinders, Legal Counsel

It PAYS to be a Member
NWEC returns $427,070 in Capital Credits

How Capital Credits Work

At the end of each year, if NWEC has received more revenue than was necessary to cover expenses, the difference is allocated back to members as capital credits based on their share of electricity purchased.

When the co-op's financial condition permits, the board of directors may decide to retire, or pay back, some of the capital credits. This year, NWEC capital credits from 2000 will be retired, as well as Western Farmers Electric Cooperative capital credits from 1990-91.

Capital credits are returned to current and former members. For current members, this will be applied as a credit on April bills. Former members will receive a check.

WHEN YOU FIND YOURSELF IN THE DARK, WE’VE GOT YOUR BACK.

Lineworker Appreciation Day
April 13, 2020
EMPLOYEE SERVICE AS OF APRIL 9, 2020

30 YEARS
Jonna Hensley
Member Services & Communications Coordinator

29 YEARS
Larry Stebens
Area Supervisor

28 YEARS
Robert Bohling
Journeyman Lineman
Donna (Dee) Rader
Operations Clerk & Dispatcher

27 YEARS
Donnie Irvin
Staking Engineer

24 YEARS
Shayne Hamilton
Journeyman Lineman

23 YEARS
Brent McDowell
Line Superintendent/ Safety Coordinator

21 YEARS
Cyndi Giacomo
Engineering Administrative Assistant
Sheri Hayes
Consumer Accounts Supervisor
Stacie Wilson
Consumer Accounts Rep II/ Engineering Assistant

20 YEARS
Julie Coulter
Collection Coordinator
Jerry Maedgen
Mapping Administrator & IT Support Specialist

20 YEARS (cont’d)
Melissa Washmon
Marketing & Key Accounts Coordinator

18 YEARS
Michael Boston
Journeyman Lineman/ROW Coordinator
David Leach
Journeyman Lineman
Tyson Littau
Chief Executive Officer
Brian Snider
Operations Supervisor

15 YEARS
Clint LeForce
Line Foreman
Lee Overton
Journeyman Lineman/ Meter Tech Apprentice
Tyrel Stahlman
AMI/Operations Maintenance Supervisor

12 YEARS
Curt Cloyd
Manager Information Technology
Amy Martinez
Consumer Accounts Rep II/ Collection Assistant
Jamie Ruble
Director of Finance & Administration

11 YEARS
Jarrod Randall
Line Foreman
Jared Dowler
Director of Operations/Engineering
Trevor Howard
Journeyman Lineman

11 YEARS (cont’d)
Jacob Collier
Journeyman Lineman
D. J. Touchstone
Journeyman Lineman

9 YEARS
Gage Heath
Staking Tech IV
Jackie McIlvain
General Accounting & Work Order Administrator

8 YEARS
Kurt Halling
Line Foreman

6 YEARS
Charley Kintz
Journeyman Lineman

5 YEARS
Kaylie Cole
Consumer Accounts Rep III
Reagan Dezort
Journeyman Lineman
Tanner Loomis
Journeyman Lineman
Arlan Penrice
Journeyman Lineman
Tony Ramirez
Lineman Tech IV
Travis Wineinger
Journeyman Lineman

4 YEARS
Mario Alvarado
Journeyman Lineman
T. J. Province
Journeyman Lineman
Tecia Spray
Accounting/Payroll Specialist
Robyn Medina
Human Resources

3 YEARS
Sean Clemence
Warehouseman
Randi Kraus
Mechanic
Audra Slape
Consumer Accounts Rep II/ Cashier

2 YEARS
Matt Salmons
Lineman Tech III
Preston Lemons
Lineman Tech I

1 YEAR
Tyler Simpson
Journeyman Lineman

<1 YEAR
Justin Pollard
Lineman Apprentice
David Shore
Warehouse Clerk
Cody Wildin
Journeyman Lineman
Juan Villa
Lineman Apprentice
In 2019, Northwestern Electric Cooperative and Western Farmers Electric Cooperative paid $2,080,307.12 in Gross Receipts Tax which went to support school districts in northwest Oklahoma. The amount of tax paid to each school district depends on the total number of miles of power lines the two cooperatives have in each school district.

### Beaver County:
- Balko: NWEC $11,839.90, WFEC $24,248.36
- Beaver: NWEC $11,541.23
- Forgan: NWEC $15,448.97

### Dewey County:
- Leedey: NWEC $200.04
- Selling: NWEC $24,438.29, WFEC $153,898.34
- Taloga: NWEC $17,086.19, WFEC $44,717.74
- Vici: NWEC $42,789.23, WFEC $89,718.93

### Ellis County:
- Arnett: NWEC $73,048.15, WFEC $29,759.37
- Fargo/Gage: NWEC $51,957.76, WFEC $49,409.96
- Shattuck: NWEC $39,346.87

### Harper County:
- Buffalo: NWEC $59,177.28, WFEC $94,474.13
- Laverne: NWEC $117,351.57, WFEC $128,768.21

### Major County:
- Fairview: NWEC $5,031.58, WFEC $86,380.81

### Woods County:
- Freedom: NWEC $9,940.90, WFEC $62,384.41
- Waynoka: NWEC $14,708.54, WFEC $56,128.92

### Woodward County:
- Ft. Supply: NWEC $97,749.23, WFEC $129,280.40