



2021 Annual Report



Management Summary

85 years of responsive service



Andrew Farnham
Chairman of the Board

The past year — and our entire 85-year cooperative history — can be summed up in a single word: responsive. That describes how North Western Electric Cooperative (NWECC) has reacted to the many changes and difficulties associated with the pandemic, material shortages, and ongoing uncertainty everyone is experiencing with this “new normal.” Your

cooperative has had to adapt and become responsive to our members’ changing needs.

That was the case in 1936, and it’s still true today. Eighty-five years ago, after President Roosevelt passed the Rural Electrification Act, six rural men (Arthur Sherman, Paul McCoy, Burl Rigg, Paul Kimpel, Louis Balser, and Forrest Traxler) decided they wanted the same benefits of electric service as people living in the city. So, they formed NWECC — an electric co-op built by and for those it serves. Our first office was at 417 W. Main Street in Montpelier. By 1938, NWECC took out its first REA loan and energized our first power line to serve 1,000 rural member-owners. The average monthly energy use was 40 kilowatt-hours.

Today, we serve nearly 6,000 member-owners with 1,000+ miles of distribution line and 83 miles of our own transmission. The average monthly electric use of our members is now 1,246 kWh. Needs have certainly changed.

We were responsive: As we expanded our territory, the members needed a more central location to visit us, so we moved our offices to Bryan. When members needed help reducing electric load during peak demand, we launched our radio-controlled switch program in 1974. When members wanted to reach us on the internet, we built a website in 1997. When members wanted more data and convenience, we began installation of Turtle automatic meter reading (AMR) systems in 2000, which eliminated the need for members to send in monthly readings. The desire for

greater service reliability and renewable energy led us to energize a new 11-mile, 69-KV transmission loop and construct a community solar array in 2016.

And we’re still responding. In 2021:

- COVID-19 forced us to respond with a drive-thru annual meeting, which 400+ attended (an increase from 2020 attendance). We enabled voting through SmartHub for the first time ever and received 359 votes through the online account manager.
- We revamped our website with an added Facebook feed, outage map, and improved navigation features, in response to the increase in online traffic.
- Our Give Us An “A” With a Twist program adapted from accepting only A’s on report cards to asking parents how their students excelled during the pandemic. The entries show the resilience of even our youngest member-owners. Each one of our 11 winners deserved their \$25 reward, and we even gave their parents a prize, too.
- Our propane subsidiary, NW Ohio Propane, continues to grow, with a total of 2,217 customers across northwest Ohio, southern Michigan, and northeast Indiana.
- We celebrated milestone anniversaries for five employees with 70 combined years of providing superior service for our member-owners. We also hired several new employees to build the future of that knowledge base.
- Board Trustee Kim Shoup earned his Director Gold Certification from NRECA, demonstrating the emphasis on education and excellence that our trustees prioritize. NWECC launched a Trustee Spotlight three-part series in *Ohio Cooperative*



Darin Thorp
President/CEO



Living magazine to introduce our member-owners to all seven of the trustees who represent them.

- Our linemen participated in several events and demonstrations with local schools like Fairview and St. Patrick’s Catholic to answer students’ questions, allow them to try on gear, and inform them of career opportunities.

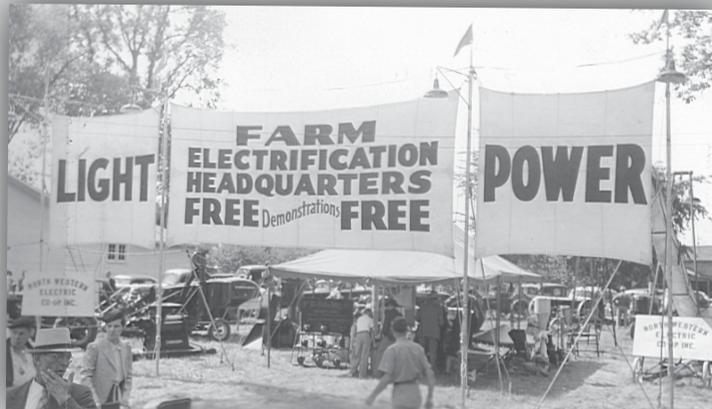
Perhaps most importantly, NWECC received our highest-ever American Customer Satisfaction Index score: a 91. This proves our members know we are responsive to their needs and working in their best interests.

We’ve all seen prices increase this year, and your co-op is no different. Commodity prices impact everything we buy. Supply and material shortages were a massive challenge this year, with a single transformer increasing in cost by more than 12%. The time to order a transformer has also doubled — it currently takes longer than six months to receive one.

Despite these challenges, our employees were able to safely maintain and upgrade our system. In 2021, NWECC invested \$1.9 million in capital improvements to our system. The biggest projects involved completing backup loops to improve reliability for two of our largest consumers.

Replacing aging infrastructure while keeping rates competitive is always hard work, but NWECC’s board of trustees, management, and employees have done our part to hold down costs. Based on financial projections, no rate adjustment is necessary for residential members in 2022.

Unfortunately, in 2021, most large, public events were still canceled. This included the annual Youth Tour trip to Washington, D.C., held in June.



Our scholarship competitions experienced a new, virtual interview process that went smoothly. NWECC was able to provide scholarship awards totaling \$6,000 to six local students, and one local student won an additional \$1,400 in the statewide competition.

Our member-owners did their fair share of responding as well. You pitched in to help reduce costs and save energy in a variety of ways. You reduced your electricity consumption during peak alerts, which helped keep costs down for everyone, and you took advantage of our rebate programs by purchasing energy-efficient appliances whenever possible.

Many of you also did your part in helping our local communities by contributing to the Operation Round Up program every month. By rounding up your electric bill and donating that spare change, the trust was able to disburse \$26,015 in 2021. In total, more than \$534,744 has been distributed to local groups, organizations, schools and individuals since the program’s inception in 2001. Your willingness to improve the quality of life in our community is at the heart of this cooperative.

NWECC knows how to respond to changing circumstances. We must all adapt during these crazy times, and we’re grateful to have member-owners like you to support us through our 85th anniversary of powering lives.

We remain responsive and ready to provide you with safe, affordable, and reliable electricity — just as we did back in 1936.

Building for the future





R.E.A. Board Members
 (taken sometime between 1938 and 1942)
 Left to right; front row: Carl Kimple, Emmet Casebeer and Lewis Balsar; back row: Burl Rigg, Art Sherman, Lloyd Hays and Paul McCoy

YOUR CURRENT BOARD OF TRUSTEES



Chairman

Andy Farnham
 District 1



Mitch Headley
 District 2



Secretary-Treasurer

Kim Shoup
 District 3



Chris Oberlin
 District 4



Vice Chairman

Ryan Wehri
 District 5



Jordan Ruffer
 District 6



Dick Polter
 District 7

Statement of Revenue & Expenses

For the years ended December 31, 2021 and 2020

	2021	2020
REVENUE:		
Electric Energy Revenue – Customer	16,292,170	15,408,381
Other Operating Revenue	164,031	144,763
TOTAL OPERATING REVENUE	\$16,456,202	\$15,553,144
OPERATING EXPENSES:		
Cost of Power	10,409,616	9,572,446
Operation Expense	372,350	430,063
Maintenance Expense	748,437	676,288
Customer Account Expense	372,278	403,430
Sales Expense	36,139	51,421
Administrative & General Expense	1,079,340	1,025,204
TOTAL OPERATING EXPENSE	\$13,018,159	\$12,158,852
OTHER DEDUCTIONS:		
Depreciation Expense	1,271,179	1,214,963
Interest Expense	550,670	635,918
Property Tax Expense	649,013	604,514
Other Deductions	1,892	3,466
TOTAL OTHER DEDUCTIONS	\$2,472,753	\$2,458,861
TOTAL COST OF ELECTRIC SERVICE	\$15,490,913	\$14,617,713
OPERATING MARGINS	\$965,289	\$935,431
ADD: NONOPERATING MARGINS:		
Interest Income & Other	360,359	-46,297
G & T Capital Credits	400,849	477,865
NONOPERATING MARGINS	\$761,208	\$431,568
TOTAL MARGINS	\$1,726,497	\$1,366,999
TIMES INTEREST EARNED RATIO	4.14	3.15



Balance Sheet

As of December 31, 2021, as compared with December 31, 2020

	2021	2020
ASSETS:		
Utility Plant	42,466,180	40,984,217
Less: Reserve for Depreciation	-15,293,304	-14,636,449
Book Value of Utility Plant	27,172,876	26,347,769
Cash & Short Term Investments	98,501	234,353
Receivables – Accounts, Notes & Interest	2,600,066	2,526,080
Investments in Associated Organizations	9,943,815	9,908,761
Materials & Supplies	428,887	323,508
Other Assets	354,621	400,449
TOTAL ASSETS	\$40,598,766	\$39,740,920
LIABILITIES:		
Accounts Payable	1,416,328	1,507,238
Accrued Taxes & Deferred Credits	1,006,777	980,877
Long-term Debt	19,015,512	19,053,725
Deferred Credits	200,000	50,000
TOTAL LIABILITIES	\$21,638,616	\$21,591,840
EQUITY:		
Patronage Capital – Regular	13,356,242	12,654,422
Patronage Capital – G & T	5,603,908	5,494,658
TOTAL EQUITY	\$18,960,150	\$18,149,080
TOTAL LIABILITIES & EQUITY	\$40,598,766	\$39,740,920
EQUITY RATIO	46.70%	45.67%

How your power bill dollar was spent



Employees



A Touchstone Energy® Cooperative 

- Andrew Overman, Director of Finance & Accounting
- Bob Carter, Director of Operations
- Braden Miller, Journeyman Lineman
- Chad Livensparger, Journeyman Lineman
- Darin Thorp, President/CEO
- Doug Dulle, Journeyman Lineman
- Doug Hammond, Warehouse Coordinator
- Joe Belcher, System Equipment & Maintenance Specialist
- Lee Keppeler, Journeyman Lineman
- Levi Brandt, Apprentice Lineman
- Nikki Mittelstaedt, Plant Accountant
- Nolan Swank, Apprentice Lineman
- Pearl Rakes, Director of Marketing & Communications
- Preston Knecht, Staking Technician/Fleet & Safety Manager
- Shane Zulch, Staking/Field Technician
- Tom Clark, Crew Chief
- Tracey Carter, Director of Human Resources



-
- Bryce Rufenacht, Delivery Driver/Service Representative
 - Dakota Parrish, Delivery Driver/Service Representative
 - David Dietsch, Director of Operations
 - Jenni Koch, Customer Service Representative
 - Lyndsay Villalovos, Customer Service Representative, Seasonal
 - Peter Coolman, Service Technician

