

UPPER MISSOURI

POWER COOPERATIVE A Touchstone Energy® Cooperative

2021 ANNUAL REPORT



SERVE

To be a servant, attend to give the service and respect due to member-owners.

ABOUT US

Upper Missouri Power Cooperative (Upper Missouri) was organized in 1957 to serve transmission needs of rural electric cooperatives in eastern Montana and western North Dakota. Today, Upper Missouri provides service to eleven distribution cooperatives, six in eastern Montana and five in western North Dakota. The eleven Member Systems serve 78,665 meters to farms, ranches, homes and businesses in thirty-seven counties, representing 54,762 square miles.

Upper Missouri sources power from two major power suppliers, Western Area Power Administration (WAPA) and Basin Electric Power Cooperative (Basin). The

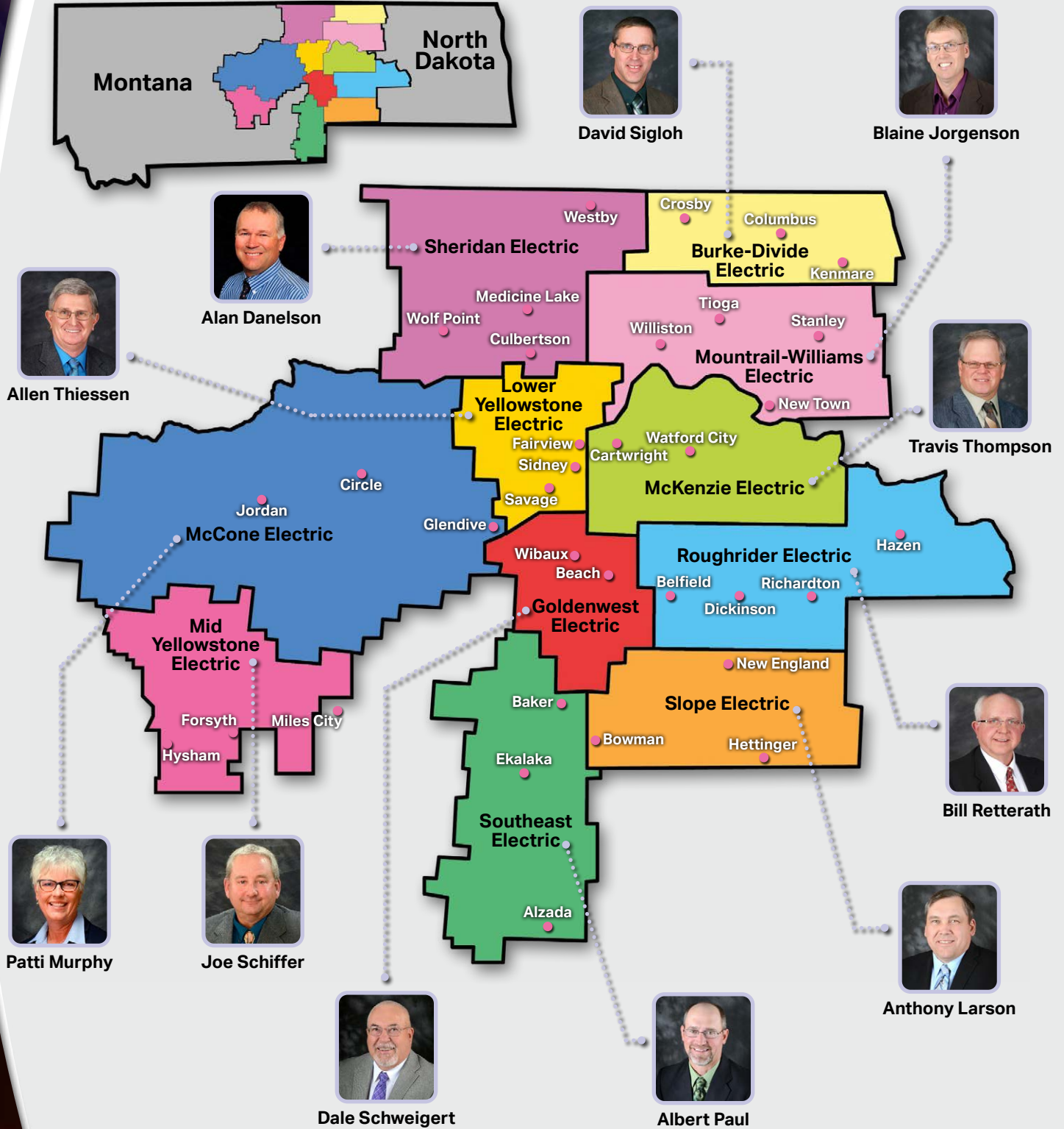
majority and increasing percentage of power supply is sourced from Basin, 96.87%; WAPA 3.13% in 2021.

Upper Missouri has 225 delivery points, serves as the Southwest Power Pool (SPP) meter agent and is a transmission owner in Midcontinent Independent System Operator (MISO).

Upper Missouri continues to have healthy sales growth due to the oil/gas development in the Bakken Oil Play. Upper Missouri is now a 1,550 MW system; sales growth in 2021 was 6.03% over 2020. Upper Missouri is projecting continued growth due over the forecast period.

Cover Photos by Tracey Ehman Peterson – Fallon, MT

DISTRIBUTION MAP



MANAGEMENT STAFF



Left to right: **Jeremy Mahowald**, chief operating officer; **Claire Vigesaa**, general manager; **Della Pewonka**, controller; and **Stacey Brown**, office manager.

PRESIDENT'S REPORT



As I write this looking back on 2021, we note many changes, constants and things we wish would change. The pandemic issue persists. Are more variants on our horizon? Might we hope for a new highly contagious variant with mild or no symptoms that could supplant all other

Covid variants? Although the name would be appropriate, let us pray it comes before Omega.

Change also comes slowly on the legal front. Upper Missouri is involved in active litigation on two fronts. Progress seems possible, albeit slow, in the FERC case. The civil case seems almost frozen in time. Hopefully, by annual meeting, we can report some progress on one or both cases.

Drought has affected most, if not all the Upper Missouri service area and is still heavy on the mind of those involved in agriculture. This dry condition not only affects us financially but brings real pain to those who look at the short crops or grass day after day. May you all find support in dealing with added stresses, whatever they may be.

Change has come to the Upper Missouri Board. In November, Rick Hansen decided to step down as Sheridan Electric's Board representative. Rick will be missed. He was always ready to speak up when he had something to say. Thank you, Rick, for adding flavor to the Board. Rick's replacement was named as Alan Danelson. Welcome to the Board Alan!

The other big change to come to Upper Missouri was the retirement of general manager, Claire Vigesaa. We will miss his openness and communication skills. In December, the Upper Missouri Board interviewed candidates and selected Jeremy Mahowald to become the next general manager. Jeremy really stepped up for the interview process; we look forward to working with him in his new role.

Thus far, I have spoken mainly of change. How we effect change is how we serve in our role as cooperative leaders. Have you ever watched the news after some disaster, seen someone who's has lost much asking for help? Today we are in the midst of some significant supply disruptions. What will we do when those critical parts are not available? Will we truly run out of options? How far are we, in this area, from becoming dependent on charity in the event of a disaster? We need to step up and work together to make certain we are prepared for whatever may come. This is how Upper Missouri Power Cooperative can **serve** our members.

Blaine Jorgenson

GENERAL MANAGER'S REPORT



Serve, to be effective, you need to know who you are serving, what they like, want and appreciate

The theme for our 2021 Annual Report is simply **"serve."** This word theme came to mind as I began preparations for my final annual report as general manager of Upper Missouri

Power Cooperative. I like to think of ourselves and our cooperative as servants; meant to serve and meant to help. Being a servant implies that there is a "master." In our case, the master is represented by 11 Member System owners and their corresponding member-owner-consumers.

A good servant is focused on the "master," working in the background...seeking no credit for the work or the results but simply doing things and positioning business for the benefit and enjoyment of the "master." So, in this cooperative hierarchy, we don't want to call attention to the cooperative entity or system...but rather quietly and maybe even invisibly do what is needed, what is right and what is profitable for the ultimate member-owner.

The weather, the economy or the politics will change; changing our work and our "master's" you need; but as servants, the mission is unchanged...help and serve our master, the member-consumer. With this spirit, I don't want to take credit or glory in our past successes. I will, however, mention a few things that have gone very well this past year. Well, meaning a benefit for our "master."

Our NERC compliance program is well coordinated with our Member Systems, fellow Class As, MDU and Basin Electric. We make minor tweaks to our program to assure that our "masters" are not at risk.

Our metering and load monitoring program has been tremendously successful. We have garnered top tier incentives for the last 40 months, providing funding for our metering program and additional load monitoring credits for our "masters." The sound data is helpful to our Member Systems as they conduct engineering and rate studies.

Our billing program has been working very well; its rigor allows us to make system changes without too much trouble and enables Della to expeditiously process our \$50 million plus power bills each month.

We completed all the initiatives identified in our 2020 Strategic plan, executing the plan on or ahead of schedule.

We attended a myriad of meetings with MECA, NDAREC, NRECA, Mid-West Electric Consumers Association, Basin, and WAPA; working in the background to represent our "master."

Behind the scenes, our team works quietly and earnestly to help our Member Systems with board/manager meeting plans, interconnection requests, load forecasting, rate analysis and NERC compliance events.

The weather and the economy will change, and politics will be different in 2022; but serving with a servant attitude will bring comfort and help to our "master."

I've enjoyed my (nearly) ten years here at Upper Missouri Power Cooperative. I leave with fond memories of the "west," the board of trustees, Member System staff and especially my special co-workers, Della, Stacey, Jeremy & legal counsel Mike. I wish the very best for our "master" in this region; please take good care of them.

Claire Vigesaa

CHIEF OPERATING REPORT



In this year's theme, we focused on a fundamental obligation we have to the members who own our cooperatives: Serve. For Upper Missouri operations, we serve our membership primarily through a commitment to best practices, power data

perfection, operational integrity, and regulatory compliance. These functions do much to keep your rates down and your reliability up, and we aim to provide these processes as efficiently and cost-effectively as possible. Another way we serve our members is by helping them with their growth challenges, through rate development, and through transmission and delivery planning. The obligation to serve is also very rewarding, as we work together to achieve positive benefits for our members and ultimate members.

Upper Missouri's facilities were primarily in good working order throughout 2021. We repaired the Charlie Creek transformer oil-related issues, and we began an assessment of our Medora substation to investigate continued soil conditions and remedies to mitigate structural movement and slumping of the control building. We expect to complete the assessments and begin work on improving Medora in 2022. We continue to maintain effective working relationships with Montana Dakota Utilities (MDU) and Roughrider, our transmission substation facility maintenance contractors, who keep our facilities in good condition.

In 2021, we were required to self-certify and show evidence we were compliant with our cyber security program, and through the help of MDU and our HDR engineering team, I am happy to report, we are compliant. We also did much to improve our overall NERC compliance risk, by adding an "Internal Controls" program in which we drew up prescriptive measures and timelines to ensure we are compliant in every standard and requirement. We also created an "Evidence Matrix" to ensure we also have measurable results documented in every requirement category. These processes add assurance we are compliant at every step.

Although our overall growth was a little slower in 2021, our membership went through a lot of upgrades and changes to delivery points, including seventeen new metering points and three retirements in 2021. In total, we submitted four FERC filings to reflect these Exhibit A changes to our wholesale power contracts. These Exhibit A filings are very detailed and require a lot of work from our attorneys and engineers, we also included nine delivery changes to simplify loss calculations to eliminate annual filing. This is something we will extend to additional meters in 2022.

Our billing and data accuracy remains very good, and in 2021, our load monitoring performance was once again in Basin's top tier, every month. This resulted in a third consecutive year with over \$1M in load monitoring incentives, now earning over \$5.1M to date.

Other challenges we faced in 2021, included working with members to create a WAPA load curtailment plan, working with WAPA to resolve billing issues and high-cost power implications associated with Mid-Yellowstone's WAPA allocation, changing our billing process to accommodate changing flows of power from Basin's Lonesome Creek station, and we developed a process to accommodate Basin delivery points for gas generation customers of Basin's.

Serving members is an obligation Upper Missouri takes seriously, and we'll continue to serve our members with the commitment of providing strong value and contributing to the overall success of our member cooperatives.

Jeremy Mahowald

CONTROLLER REPORT



Upper Missouri's sales growth remained strong; sales totaled 11,001 GWH in 2021 a 6.03% increase over 2020. Upper Missouri's coincidental peak reached 1,551 MW in December. Oil and gas development, processing and transportation are the major sales drivers.

However, the dry summer boosted irrigation sales dramatically. We expect more diversification over the next few years as data processing and crypto currency industry moves into the territory.

Just ten years ago, in 2011, Upper Missouri had a peak demand of 467 MW and sales of 2,587 GWhs. Present load forecasts indicate that Upper Missouri will see over 600 MW of growth over the next two years.

In 2021, 97% of Upper Missouri's energy supply was purchased from Basin Electric Power Cooperative with the balance 3% was purchased from WAPA.

Our world changed in 2019, moving under FERC jurisdiction for rate filings. This change required new procedures and reporting requirements. We made some accounting designation changes when we converted from our RUS Form 12 to the FERC Form 1 reporting protocol. FERC Form 1s are filed quarterly; they require review from our CPA, Brady Martz. The FERC oversight created significant new workload from the accounting/rate perspective as well as delivery point/Exhibit A reporting. Unfortunately, the rate filing process is a slow process, so our legal expense is mounting. We are optimistic that our rate filing will make it through the FERC process in 2022. Our goal is to have a formulary rate approved to minimize the annual filing process.

Upper Missouri is required to file an Attachment "O" with MISO and hold an annual meeting for transmission customer input on transmission cost recovery. The annual meeting is held in May/June; no concerns or protests were raised during the meeting.

Under Upper Missouri's cost of service model, wholesale power costs are passed directly through to the Member Systems. Maintenance and replacement expense, operations expense, capital credit allocations and renewable energy credits are passed through to the Member System based on asset use or sales percentages.

Upper Missouri's financial audit was completed by Brady-Martz. The cooperative is financially secure and has quality resources, both human and technical, to operate from a position of strength. Upper Missouri's healthy financial ratios, cost effective financing and cost of service model provide for a predictable ten-year rotation of member patronage. Extraordinary legal expense related to the FERC process and the civil lawsuit required a one-time adjustment to the Upper Missouri charge on the November billing. The total adjustment collected \$600,000, bringing the year-end margins to a positive \$95,396. Upper Missouri returned \$320,000 in capital credits.

With confidence, I am pleased to report that we have accounting and financial systems in place to provide secure and predictable financial performance to serve our member-owners. For it is our member-owner's investment for which we are servants.

Della Pewonka

MEMBER HIGHLIGHTS



On October 6th, MWECC held its open house for their new facility in New Town. This is the second facility completed in the last 3 years due to the continued growth and power demand.



Southeast Electric Cooperative celebrated its 75th Anniversary at its annual meeting in June. Staff gave a hearty welcome to members and prepared grilled steak for the crowd.

MEMBER HIGHLIGHTS

New Romo substation. LYREC completed a 2-year project that included the addition of 21 miles of 115kV line and 2 new substations. The new substations enabled LYREC to move from MDU's delivery to Basin/WAPA delivery in the Bainville and Buford area.



*McKenzie Electric Cooperative line-workers, **Nick Shattuck**, **Denby Lueck** and **Brad Hueth** completing a pole changeout in picturesque Western North Dakota, identified through their rigorous pole testing campaign.*



MEMBER HIGHLIGHTS



*Mid-Yellowstone Electric Cooperative linemen, **Daren Reeder**, **John Cunningham** and **Trent Perkins** hanging Christmas lights on the Hysham community Christmas Tree.*

MEMBER HIGHLIGHTS



Roughrider Electric lineworker, **Tyler Phelps** presents an annual meeting gift and information at their parking lot annual meeting in Dickinson.



Andrew Sonsalla – Slope Electric Cooperative Senior Staking Technician registers a member-owner for the annual meeting held outdoors this past summer.

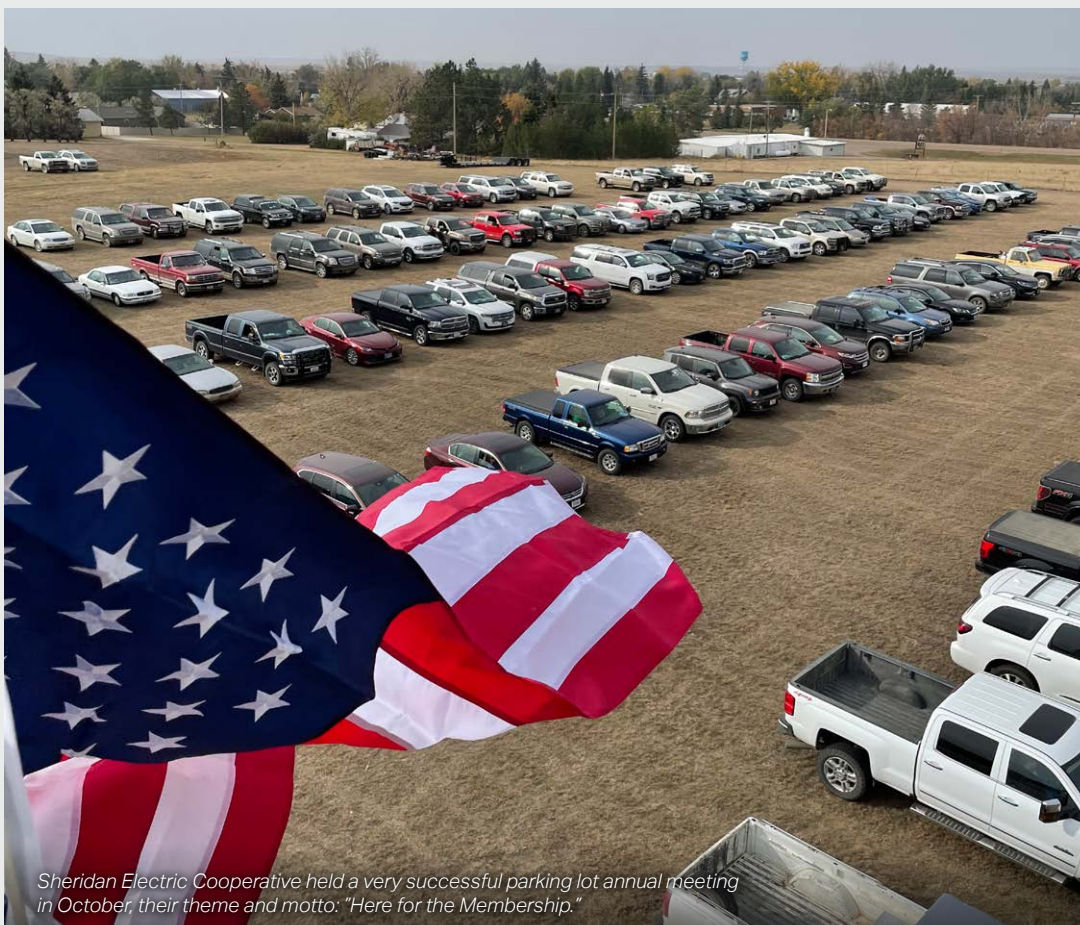


In 2021, Burke-Divide Electric Cooperative deployed the staking, mapping and outage management modules within NISC's software suite. These tools will improve the accuracy of the cooperative's system maps, increase efficiency with crews, and enhance communications with the membership during both planned and unplanned outages. Journeyman Lineman, **Colton Maruskie** pictured.

MEMBER HIGHLIGHTS



(L-R): **Lisa Tousignant, Casey Begger, Caleb Naldrett, Dwayne Van Vleet, John Sokoloski, Cole Olson, Travis Bakken and Mary Ernst** the loyal staff at Goldenwest Electric Cooperative work with the cooperative spirit to serve member-consumers in Wibaux MT and Billings ND counties.



Sheridan Electric Cooperative held a very successful parking lot annual meeting in October, their theme and motto: "Here for the Membership."

2021 ACTIVITIES

January 2021



Judge Patricia Hunt appointed to be UMPC's FERC Settlement Judge

1. UMPC passed its NERC facility self-certification
2. Kinder-Morgan becomes the first member-consumer to subscribe to the UMPC Peak Prediction Program through LYREC.
3. FERC sets proceedings for leaving & settlement for the UMPC formula rate and wholesale power contract filings.
4. Member Systems see elevated member-consumer interest in Renewable Energy Credits.
5. Vigesaa attends NRECA's CEO Focus virtually.
6. Judge Patricia Hunt appointed to be UMPC's FERC settlement judge.
7. TC Energy's pipeline permit rescinded.

February 2021



Patti Murphy and **Claire Vigesaa** attend strategic planning event in Denver.

1. Trustee Patti Murphy and Vigesaa attend the Mid-West's Water & Power Committee Meeting.
2. Vigesaa announces his retirement, March 1, 2022.
3. UMPC staff complete annual CPR Training.
4. Cold weather across the mid-section of the U.S.A. led to load curtailment in SPP; impacting several UMPC Member Systems for several days.

5. UMPC sends a letter of support for the TC Energy Pipeline to ND & MT Congressional delegations.
6. UMPC's first FERC Settlement Hearing held on February 26th.

March 2021



Jack Hamblin stands in front of the new Carter County Hospital construction project in Ekalaka.

1. Vigesaa presents an overview of electric market mechanics to trustees.
2. Board of Trustees engage NRECA Executive Search for the next general manager.
3. Jerry King and Vigesaa attend their first NDREC Foundation Board Meeting.
4. Board of Trustees move to sell the cooperative owned home @ 107 12th Ave SW, Sidney.
5. Mahowald reports that UMPC has received the top tier load incentive credit for 28 consecutive months.
6. UMPC moves to sell its share of the Renewable Energy Credit allocations except for a small share for Mountrail-Williams office complex LEED requirement.
7. UMPC staff and legal counsel held first meeting with FERC Technical Staff.
8. Filed answers to FERC Staff questions on UMPC's Filing
9. Trustee Patti Murphy and Vigesaa attend the Western States Annual board meeting/annual meeting and the Mid-West board meeting in Denver, CO.
10. Vigesaa meets with Southeast's management to discuss economic growth in their region. Projects include the new Carter County Hospital, Feedlot-Processing Plant, a new grocery store and expansion of a kitty litter manufacturing facility.

2021 ACTIVITIES

April 2021



Missy Schell-2021 Helping Hand Award

1. Several Member System Exhibit A updates filed with FERC.
2. UMPC held its Annual Meeting at the Richland County Event Center. Justin Kringstad-ND Pipeline Authority was the keynote speaker.
3. Lance Rambousek-Brady Martz presented the financial audit report; the clean audit was approved by the UMPC Membership.
4. The UMPC Membership approves a bylaw change to accommodate virtual meeting and emergency operations language updates.
5. Missy Schell-Basin Electric Member Revenue Analyst III presented with the 2021 Helping Hand Award.
6. Board of Trustees reorganize the board; Blaine Jorgenson-President; Allen Thiessen-Vice President; Patti Murphy-Treasurer; Albert Paul-Secretary.
7. MESA Energy Solutions becomes the first entity to sign a purchased power agreement with Basin to utilize flare gas for electric generation. UMPC provides metering services to the new delivery point on Mountrail's system.
8. McKenzie joins Goldenwest, LYREC and Mountrail-Williams in subscribing to UMPC's Peak Prediction Program.
9. Controller Pewonka completes and files the MISO Attachment "O".
10. Dave Raatz-Basin VP discusses special incentive rate ideas for 2022 to the UMPC Manager's Advisory Group.
11. Vigesaa attends the virtual NRECA Legislative Conference.
12. UMPC staff and legal counsel attend the 2nd UMPC FERC Settlement Conference.

13. Class A Manager Meeting held in Rapid City @ Rushmore's office.

May 2021



Michael Hoy, retiring McCone General Manager, all smiles!

1. Biden Administration proposes \$10 billion coal retirement mitigation program.
2. Vigesaa completes the Labor Allocation for the 2022 Budget preparation
3. The cooperative owned house sold.
4. Back-up server moved from the cooperative owned house to Mid-Yellowstone headquarters.
5. Copper data line feed to the office building replaced with fiber optic line.
6. Brianna Rainey, Forsyth and Mid-Yellowstone member-owner family member receives the 2021 Basin-Upper Missouri Power Scholarship.
7. NRECA partners with the federal government on a 100 day cyber initiative to enhance cybersecurity of the electric industry. Mahowald engaged in the project on behalf of Upper Missouri.
8. Retirement luncheon held for retiring McCone General Manager, Michael Hoy.
9. Vigesaa and Mahowald met with WAPA, the region's Transmission Operator, to develop a plan for emergency load curtailment.
10. Stacey Brown, Office Manager, completed the annual update of the Emergency Response Plan and organized a table-top exercise drill with staff.
11. 2022 Load Forecast Technical Committee holds kick-off meeting.
12. CIP Self-Certification successfully submitted to the Midwest Reliability Organization.
13. McCone Electric Cooperative to provide station service to the 750 MW Clearwater Wind Farm.

2021 ACTIVITIES

June 2021



Long-time trustee **John Redman** retires from the LYREC board.

1. Vigesaa and Monson attend the Basin FERC Settlement Conference virtually.
2. Della Pewonka, Controller, led Upper Missouri's MISO Annual meeting on June 4th in conjunction with Central Power, East River, Basin and Grand Electric.
3. Several Member Systems hold annual membership meetings.
4. ONEOK and DAPL join the Peak Prediction Program.
5. Lloyd Linke named WAPA Upper Great Plains Regional Manager.
6. John Redman, long serving LYREC trustee retires from the board.
7. Trustee Patti Murphy and Vigesaa attend the Mid-West Electric Consumers board meeting at Gavins Point near Yankton, SD.
8. Vigesaa attends an electric vehicle event at the ND Capitol Grounds.
9. Curt Dieren, General Manager of L&O Electric Power Cooperative presents to the UMPC board of trustees.
10. Brian Sloboda, NRECA Director of Consumer Solutions presents battery technology update to the UMPC board of trustees.

July 2021



Mahowald conducts annual facility inspection at Charlie Creek.

1. Mahowald conducts facilities inspections.

2. Bit coin fracking turns waste gas to digital gold.
3. Vigesaa attends MECA summer meeting in Havre, MT.
4. Western States Corporation board approves \$52 million in funding for U.S. Army Corps of Engineers and WAPA project improvements.
5. Dave Hayden, Southeast trustee, designs/produces portable stock water systems to assist ranchers through drought.
6. Vigesaa and Horan conduct visits with WAPA, NRECA and Congressional Delegation in Washington D.C.
7. Goldenwest holds its traditional annual membership meeting in Golva ND.
8. Vigesaa and Mahowald attend the summer Basin Managers meeting in Deadwood, SD.
9. 2022 Draft Load Forecast completed.
10. Mitsubishi and Bakken Energy provide an updated offer on the purchase of Dakota Gas Company assets.
11. Vigesaa attends the Basin Electric FERC Settlement Conference.

August 2021



The Medora Manager Advisory Committee and Board meetings and visit with Theodore Roosevelt are a highlight each year.

1. UMPC Board meets in Medora for its summer board meeting.
2. UMPC board of trustees meet with Leigh Taylor – NRECA to kick off general manager search to replace Vigesaa who plans to retire March 2022.
3. Approved revision to Policy E-9 increasing the cap for capitalization of assets.
4. Moved to change FERC & Civil Legal Counsel expense to be divided based on sales with a 25% cap for any one Member System.
5. Moved to participate in the Western States 2022 Funding.
6. Selected David Sigloh and Claire Vigesaa to serve on the Basin Resolutions Committee.
7. Selected David Sigloh to serve as delegate to the NRECA Region 7/9 Meeting.

2021 ACTIVITIES

8. FERC Settlement Hearing held on August 5, 2021, 30 in attendance virtually.

9. Mid-West's Water and Power Committee meet to discuss the February load curtailment event.

10. Prairie fire ravished a large area in Mid-Yellowstone's region; Mid-Yellowstone lost 70 poles and UMPC's Armell Creek meter point was damaged.

11. Dennis Nelson -LYREC Trustee announces bid for MECA President election.

12. Patti Murphy and Vigesaa attend the Mid-West Strategic Planning session in Denver.

13. Vigesaa and Mahowald meet with Michael Hoy-McCone & Clearwater Wind Developers.

14. Mahowald met with MDU O&M team to discuss facility maintenance tour discoveries.

15. Tracey LeBeau selected to serve as the Administrator of WAPA.

16. NRECA files letter of support to include large utilities in the opt out option for FERC2222.

17. Pewonka files 2nd Quarter FERC Form 1.

September 2021



Sue Thiessen, wife of trustee Allen and friend to all, passes after complications from surgery.

1. Judge Scott Hempling designated hearing judge for Basin FERC litigation proceedings.

2. Jan Ahlen, VP Utility Research & Policy-CFC presented to the board of trustees on utility scale electric storage.

3. Lance Rambousek – Brady Martz discussed negative margin issue and options for the house sale proceeds with the board of trustees & staff.

4. Dan Frank, Eversheds Sutherland discussed status of FERC filings with the board of trustees.

5. Patti Murphy/Bill Retterath selected as delegate/alternate for the Basin Annual Meeting.

6. David Sigloh selected to serve as delegate to the RESCO Annual Meeting.

7. Dale Schweigert selected to serve as delegate to the Montana NRECA Caucus in Great Falls.

8. Michael Hoy retires as general manager of McCone Electric Cooperative

9. Jack Hamblin selected to serve as interim general manager for McCone Electric Cooperative.

10. Sue, wife of trustee Allen Thiessen, passed away following complications from surgery.

October 2021



Jack Hamblin receives 1st place in the Montana Electric Cooperative Association's Communication Award.

1. Dennis Nelson -LYREC trustee elected to serve as Montana Electric Cooperative Association's secretary-treasurer.

2. Jack Hamblin-Southeast recognized for "Best Managers Report" at Montana Electric Cooperative Annual Meeting.

3. Scot Brown – McCone receives award for social media post/presence.

4. UMPC FERC Settlement Hearing was held on October 8, 2021.

5. Sheridan Electric Cooperative holds its annual meeting drive-in style; over 300 fed and 220 members registered for the event.

6. WAPA alerts UMPC that the excess WAPA allocation for Mid-Yellowstone must be delivered on the "West Side" to properly account for deliveries in the west side balancing authority.



Steve Tilton

7. McCone Board of Trustees select Steve Tilton as their new general manager, succeeding retiring general manager, Michael Hoy.

8. Alan Danelson/Rick Hansen-Sheridan Electric Cooperative are selected to serve as delegate/alternate on the Upper Missouri Board of Trustees.

9. Mahowald meets with engineers and staff from Goldenwest and Roughrider to assess the slumping issues at the Medora Substation.

November 2021

1. Vigesaa attended the Clean Energy Grid – 20th Anniversary Meeting.

2. Member Systems completed load by bus requests for transmission planning.

2021 ACTIVITIES

3. Vigesaa attended the Mid-West Electric Consumers Water & Power Committee Rates & Repayment Seminar hosted by WAPA.

4. Vigesaa and Mahowald meet with McKenzie and Basin to discuss the Roundup to Kummer Ridge 345kV transmission project.



5. David Sigloh chaired the Basin Resolutions meeting in Bismarck and presented the resolutions to the Basin Membership at the November Annual Meeting.

6. Patti Murphy and Vigesaa joined Tom Christensen and SPP CEO Barbara Sugg for a visit at the Basin Annual Meeting.

7. The UMPC Board of Trustees approved patronage retirement.

8. The UMPC Board of Trustees approve the 2022 Budget and Rates.

9. Tye Williams, Southeast's Assistant General Manager completes the NRECA MIP course.

10. UMPC staff and FERC Legal Counsel participate in UMPC's FERC Settlement Hearing.

11. The brand new Carter County Hospital opens in Ekalka, MT.



4. Vigesaa attends the ND Rural Electric Foundation board meeting to review proposals for strategic planning facilitation.



5. COO Jeremy Mahowald selected by the Upper Missouri board to fill the general manager's position effective January 1, 2022.

6. Patti Murphy and Vigesaa attend the Mid-West Board and Annual meetings in Denver.



7. Patti Murphy and Jeremy Mahowald were elected to serve two year terms on the Mid-West Board of Directors.

8. Patti Murphy was elected Secretary-

Treasurer of the Mid-West Electric Consumers Association Board.

December 2021

1. FERC accepted the formula rate revisions dealing with legal cost allocations effective October 1, 2021.

2. Della Pewonka submitted the 3rd quarter FERC Form 1.

3. Upper Missouri Board Trustees and staff host a farewell reception for retiring general manager, Vigesaa.

2021 MEMBER STATISTICS

Coop	Total Members	Total Meters	Miles of Line	Square Miles of Service Area	Demand (MW)	GWH Sales
Burke-Divide	1,412	3,462	2,588	2,590	34,461	205
GoldenWest	688	1,622	1,170	1,500	8,228	43
Lower Yellowstone	2,438	6,623	2,141	2,253	44,337	296
McCone	2,366	5,407	3,832	14,400	16,914	74
McKenzie	4,637	13,354	4,484	4,600	708,895	5,271
Mid-Yellowstone	741	2,031	1,050	4,000	12,537	36
Mountrail-Williams	8,174	20,816	5,382	4,089	531,630	3,784
Roughrider	8,870	14,957	5,254	5,800	137,311	762
Sheridan	1,866	4,160	2,826	4,230	25,847	131
Slope	1,907	4,037	3,191	4,500	49,421	347
Southeast	940	2,196	1,713	6,800	9,207	51
Upper Missouri	34,039	78,665	33,631	54,762	1,550,656	11,001

Coop	2021 GWh Sales	% Sales
Burke-Divide	205	1.9%
GoldenWest	43	0.4%
Lower Yellowstone	296	2.7%
McCone	74	0.7%
McKenzie	5,271	47.9%
Mid-Yellowstone	36	0.3%
Mountrail-Williams	3,784	34.4%
Roughrider	762	6.9%
Sheridan	131	1.2%
Slope	347	3.2%
Southeast	51	0.5%
TOTAL	11,001	100%

2021 FINANCIAL

ASSETS AND OTHER DEBITS

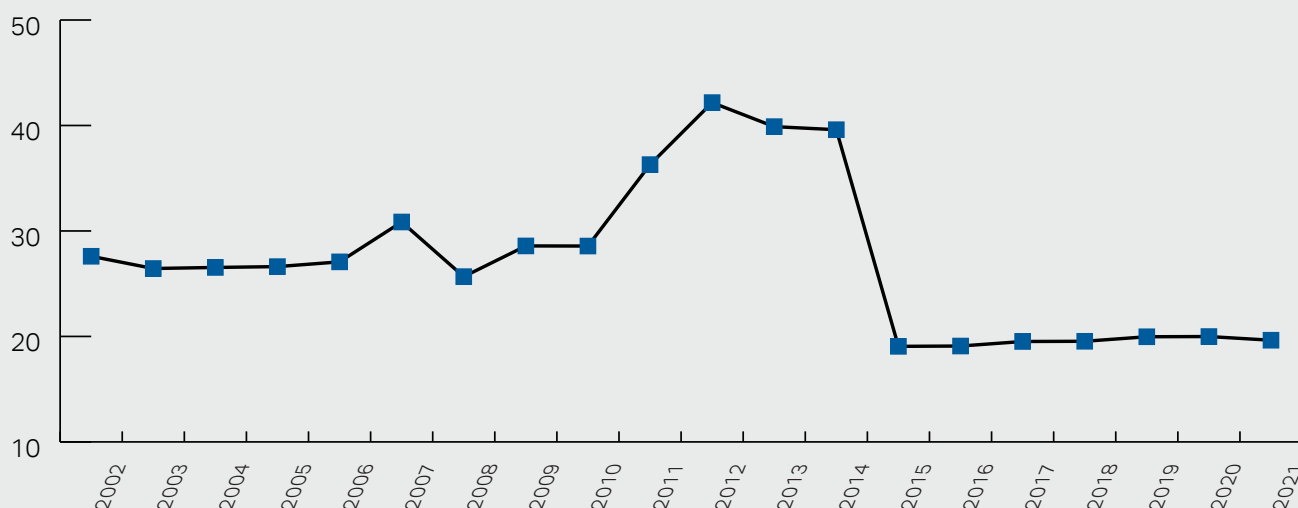
Assets	2021	2020
Electric Plant		
In Service	\$19,642,073	\$19,989,01
Less accumulated depreciation	(13,192,728)	(12,831,620)
Electric Plant - net	6,449,345	7,157,397
Other Property and Investments		
Patronage Capital - Basin Electric	286,375,346	267,967,852
Investments in associated companies	802,472	755,098
Investment in economic development projects	400,000	400,000
Total other property and investments	287,577,818	269,122,950
Current Assets		
Cash and cash equivalents	1,481,050	1,369,734
Temporary cash investments	135,017	135,017
Accounts receivable	50,020,599	56,313,365
Materials and supplies	149,147	156,141
Prepayments	281,722	252,673
Total Current Assets	52,067,535	58,226,930
Deferred Debits	246,290	260,921
TOTAL ASSETS	\$346,340,988	\$334,768,198

2021 FINANCIAL

LIABILITIES AND OTHER CREDITS

Equities and Liabilities	2021	2020
Equities		
Memberships	\$5,500	\$5,500
Patronage capital	290,471,637	272,288,747
Total equities	290,477,137	272,294,247
Long-Term Debt, Less Current Maturities	6,213,817	6,424,309
Current Liabilities		
Current maturities of long-term debt	210,492	201,289
Accounts payable - Power supply	49,326,758	55,675,230
Other current and accrued liabilities	103,658	109,238
Total Current Liabilities	49,640,908	55,985,757
Deferred Credits	9,126	63,885
TOTAL CURRENT LIABILITIES	\$346,340,988	\$334,768,198

TOTAL UTILITY PLANT VALUE (MILLIONS)



2021 FINANCIAL

STATEMENTS OF OPERATIONS

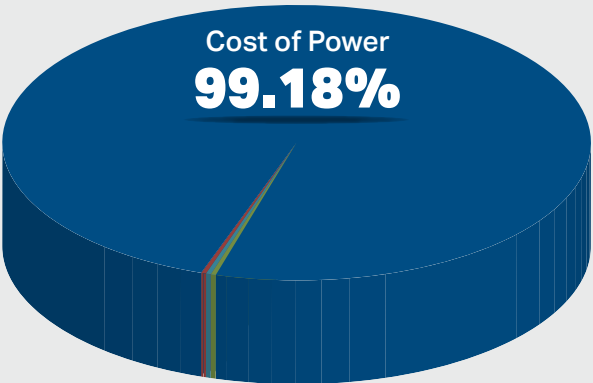
	2021	2020
Operating Revenues		
Electric	622,006,652	605,518,841
Other	4,027,791	3,544,818
	\$626,034,443	\$609,063,659
Operating Expenses		
Cost of Power	622,137,968	605,660,893
Transmission - operations	620,073	661,984
Transmission - maintenance	370,208	215,337
Administrative and general	3,312,044	2,330,801
Depreciation and amortization	466,017	492,726
Taxes	62,153	60,468
Interest on long-term debt	310,862	320,957
Total Operating Expenses	627,279,325	609,743,166
Operating Margins Before Capital Credits	(1,244,882)	(679,507)
Basin Electric capital credits	21,771,071	27,416,914
Other Cooperative Capital Credits	95,253	103,734
Total Capital Credits	21,866,324	27,520,648
Net Operating Margins	20,621,442	26,841,141
Non-operating Margins		
Interest Income	5,008	19,635
Gain (loss) on sale of plant	57,481	0
Compliance	66,507	38,419
Load Monitoring	640,300	662,482
Maintenance	325,544	171,931
Other non-operating income	150,184	175,718
Total non-operating margins	1,245,024	1,068,185
NET MARGINS	\$21,866,466	\$27,909,326

2021 FINANCIAL

2022 Expenses

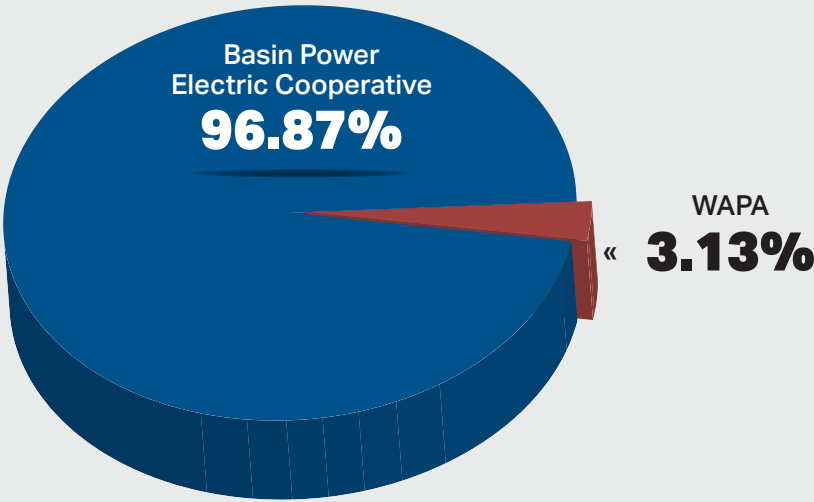
Administrative & General - 0.38%	3,312,044
Cost of Power - 99.33%	622,137,968
Depreciation - 0.08%	466,017
Taxes - 0.01%	62,153
Operations Maintenance - 0.14%	990,281
Interest - 0.05%	310,862

TOTAL	627,279,325
--------------	--------------------



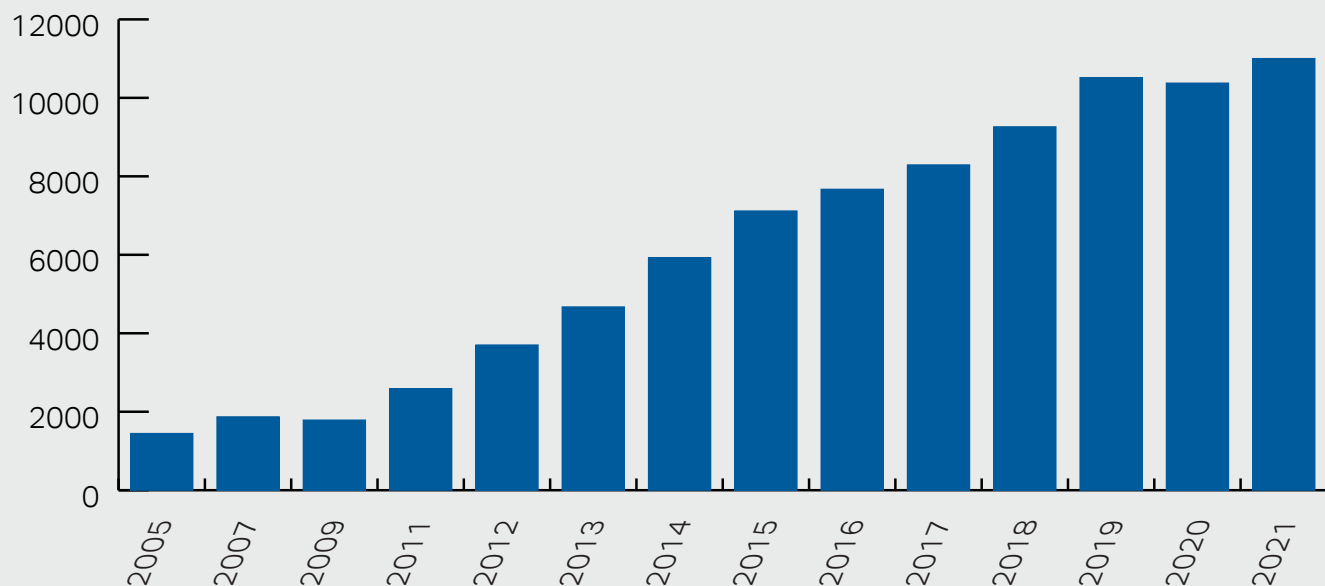
Administrative & General.....	0.53%
Cost of Power.....	99.18%
Depreciation.....	0.07%
Taxes.....	0.01%
Operations Maintenance	0.16%
Interest.....	0.05%

2021 POWER SUPPLY

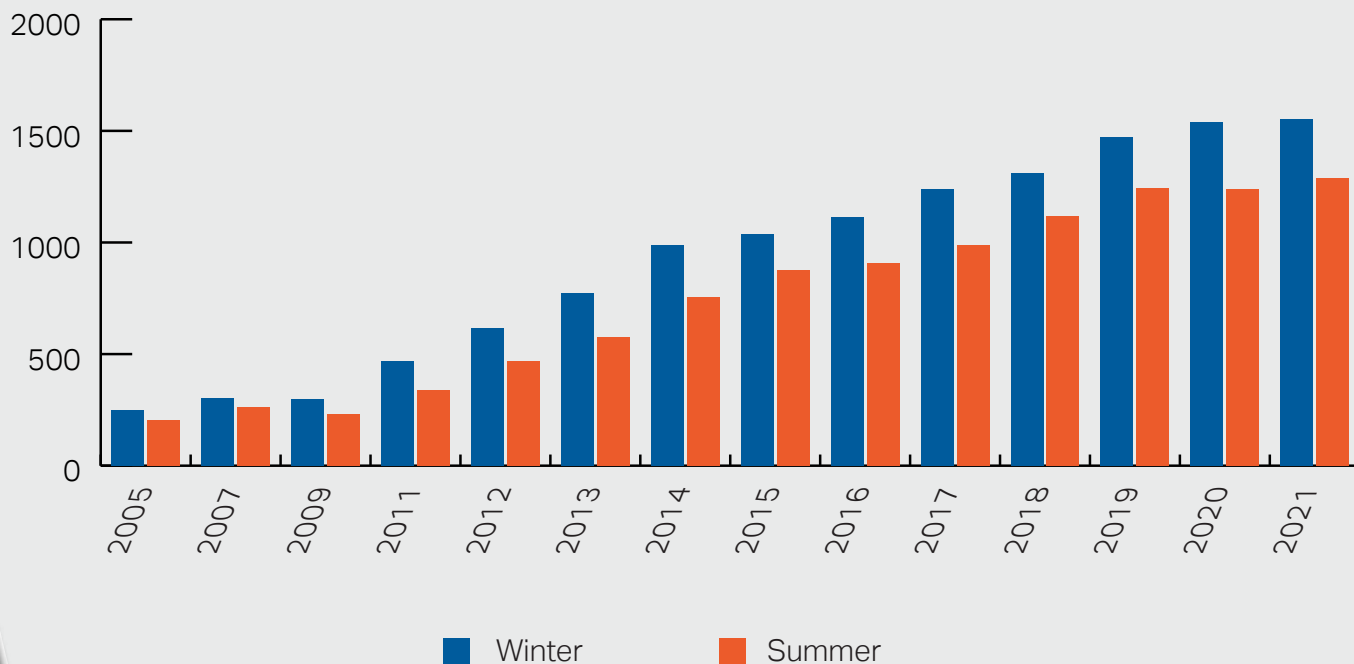


2021 FINANCIAL

ENERGY SALES (GWH)



PEAK LOADS (MEGA WATTS)





A content and well-cared for flock on the Kim & Patti Murphy Ranch near Circle, Montana. There is much to learn from sheep and the shepherd. Feeding on the "right" things promotes healthy ewes and lambs, so it is with us.

UPPER MISSOURI

POWER COOPERATIVE A Touchstone Energy® Cooperative

111 2nd Ave SW | Sidney, MT 59270

phone: **(406) 433-4100** | fax: **(406) 433-4105**

e-mail: **info@uppermo.com** | website: **www.uppermo.com**

SERVE