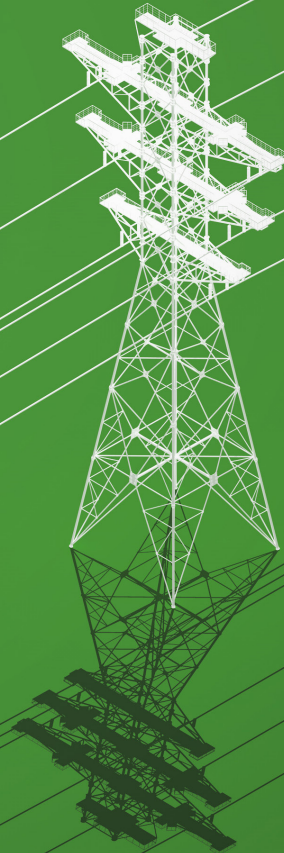




OKLAHOMA'S ELECTRIC
COOPERATIVES



CO-OP101

Powering the needs of new generations

A **cooperative** is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.



All of these aspects combined make co-ops more responsive because members are the owners, and each co-op is accountable to their neighbors and community. While focusing on member needs, cooperatives work for the sustainable development of their communities through programs, services and policies developed by member-elected boards. Cooperatives are grounded on the premise of **neighbors helping neighbors**.



VALUES OF A COOPERATIVE

- SELF-HELP
- SELF-RESPONSIBILITY
- DEMOCRACY
- EQUALITY
- EQUITY
- SOLIDARITY

COOPERATIVE PRINCIPLES

In 1994, a set of cooperative principles were agreed upon by the International Cooperative Alliance (ICA) at a conference in Oslo, Norway. Since then, they have largely been regarded as the standards for cooperatives. **See next page for the seven principles and their descriptions.**

VOLUNTARY & OPEN MEMBERSHIP

Co-ops are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

DEMOCRATIC MEMBER CONTROL

Co-ops are democratic organizations controlled by their members who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. Members have equal voting rights. One member, one vote.

MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to and democratically control the capital of their co-op. At least part of that capital is usually the common property of the co-op. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.

AUTONOMY & INDEPENDENCE

Co-ops are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

EDUCATION, TRAINING & INFORMATION

Co-ops provide education and training for their members, elected representatives, managers and employees, so they can contribute effectively to the development of their co-ops. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

COOPERATION AMONG COOPERATIVES

Co-ops serve their members most effectively and strengthen the co-op movement by working together through local, regional, national and international structures.

CONCERN FOR COMMUNITY

Co-ops work for the sustainable development of their communities through policies approved by their members.

WORKER COOPERATIVES



A worker cooperative is a cooperative that is owned and self-managed by its workers. This may mean workers making decisions in a democratic fashion or may refer to worker-owners electing management.

CONSUMER COOPERATIVES



Consumer cooperatives are owned and controlled by consumers. Co-ops have a strong focus on satisfying their members needs and provide a sale service focus on product quality and consumer protection. **(tip: electric cooperatives are consumer co-ops!)**

PRODUCER COOPERATIVES



Producer cooperatives are engaged in agriculture including farming, fishing and forestry. The co-op members may be farmers, landowners or fishing operations. There are different ways these groups cooperate.

CREDIT UNIONS



Credit unions are consumer-owned financial services cooperatives in which every depositor becomes a member owner.

RETAIL OR PURCHASING COOPERATIVES



This is a type of consumer cooperative. Many of these co-ops are owned and governed by independent business owners. These business owners partner together to form national and international co-ops to purchase goods and services at rates that will keep costs low.

HOUSING COOPERATIVES

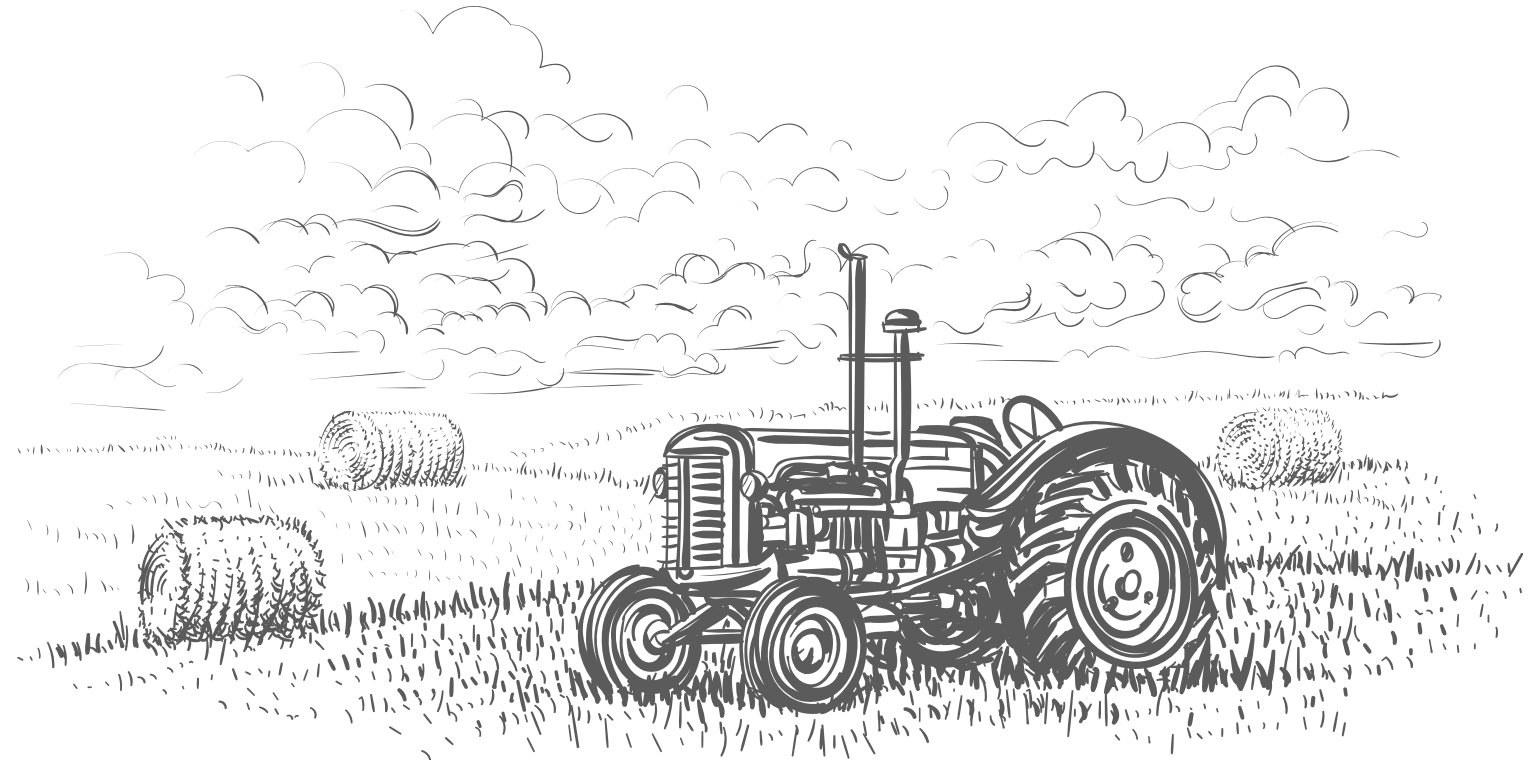


Housing cooperatives are owned by the residents. These can range from single house to apartment complexes.

MULTI-STAKEHOLDER COOPERATIVES



These cooperatives often create specific roles and rights for the various types of members. For example, this may take the form of a producer/consumer or consumer/worker hybrid co-op. In these cases, the membership fees may vary for the two groups.



9 of 10 rural homes had no electric service.

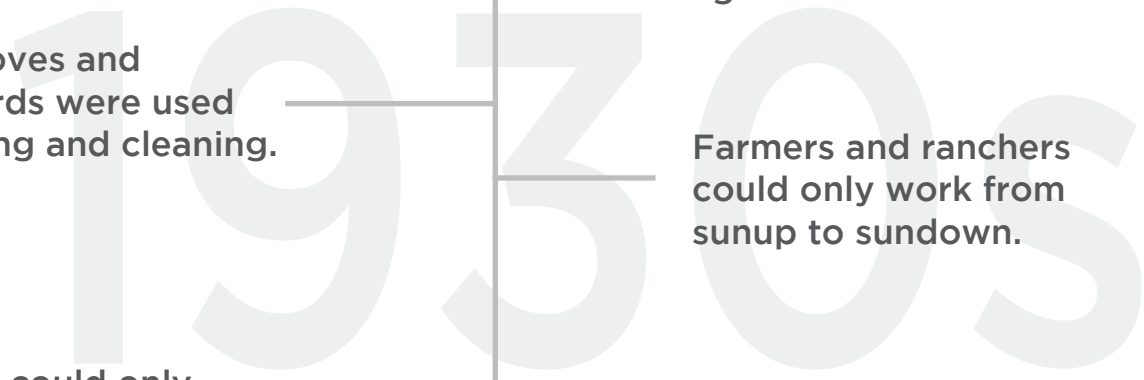
Wood stoves and washboards were used for cooking and cleaning.

Rural areas could only depend on agriculture for employment, food, etc.

Farmers hand-milked cows by light of kerosene lanterns.

Farmers and ranchers could only work from sunup to sundown.

Factories & businesses only located in cities, where electric power was available.



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TVA ACT

The Tennessee Valley Authority Act authorized the TVA Board to construct transmission lines to serve “farms and small villages that are not otherwise supplied with electricity at reasonable rates.”

1933



THE REA

The idea of providing federal assistance to accomplish rural electrification gained ground rapidly when President Franklin D. Roosevelt took office in 1933. He signed Executive Order No. 7037, establishing the **Rural Electrification Administration**. It wasn't until a year later that the Rural Electrification Act was passed and the lending program that became the REA got underway. Within months, it became evident to REA officials that established investor-owned utilities were not interested in using federal loan funds to serve sparsely-populated rural areas. But load applications from farm-er-based cooperatives poured in and REA soon realized electric cooperatives would be the entities to make rural electrification a reality for rural citizens.

1935



ECC ACT

The Electric Cooperative Corporation Act model law that states could adopt to enable the formation and operation of not-for-profit, consumer-owned electric cooperatives.

1937



POWERED

BY 1953 more than 90 percent of U.S. farms had electricity.

- Rural electric systems in operation doubled
- Consumers being connected tripled
- Miles of energized line grew more than five-fold

1953

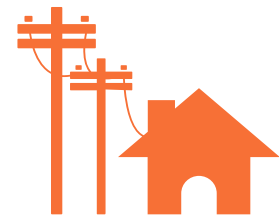
TODAY



More than 99 percent of U.S. farms have electricity and REA is now known as the Rural Utilities Service (RUS), located within the U.S. Department of Agriculture.

ELECTRIC CO-OP MEMBERS

Each consumer of an electric cooperative is a member-owner and has the right to have a vote in the affairs of the co-op, elect directors to serve on a board of trustees and receive an allocated “margin” in the form of capital credits when economically feasible.

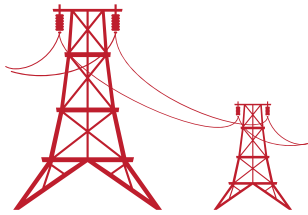


DISTRIBUTION COOPERATIVES

Distribution cooperatives provide electric service to member-owners. These cooperatives distribute energy to homes and businesses in rural areas. Distribution cooperatives receive energy from generation and transmission cooperatives.

GENERATION & TRANSMISSION COOPERATIVES

These cooperatives provide wholesale power to distribution cooperatives. The types of fuel sources vary from fossil fuels and renewables.



OKLAHOMA ASSOCIATION OF ELECTRIC CO-OPS

NATIONAL RURAL ELECTRIC CO-OP ASSOCIATION

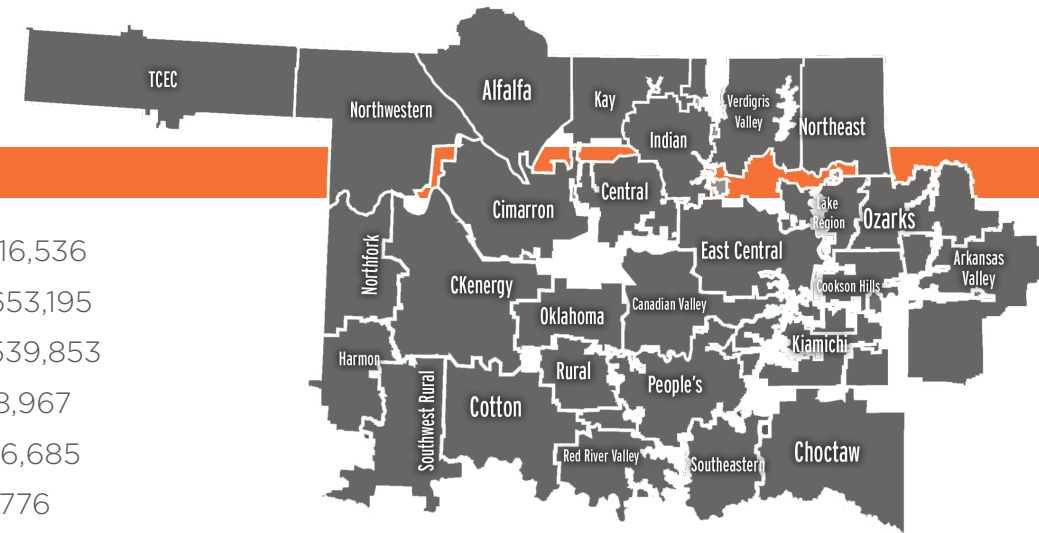
LENDING BODIES
(COBANK, RUS & CFC)

The **statewide and national associations** provide training and education to employees and board members. Both associations believe in keeping strong connections with the state and the nation’s capitals.

The **lending bodies** such as, Rural Utility Service (RUS) and National Rural Utilities Cooperative finance Corporation (CFC) and CoBank provide funding for distribution and G&Ts cooperatives.

OPERATING STATISTICS

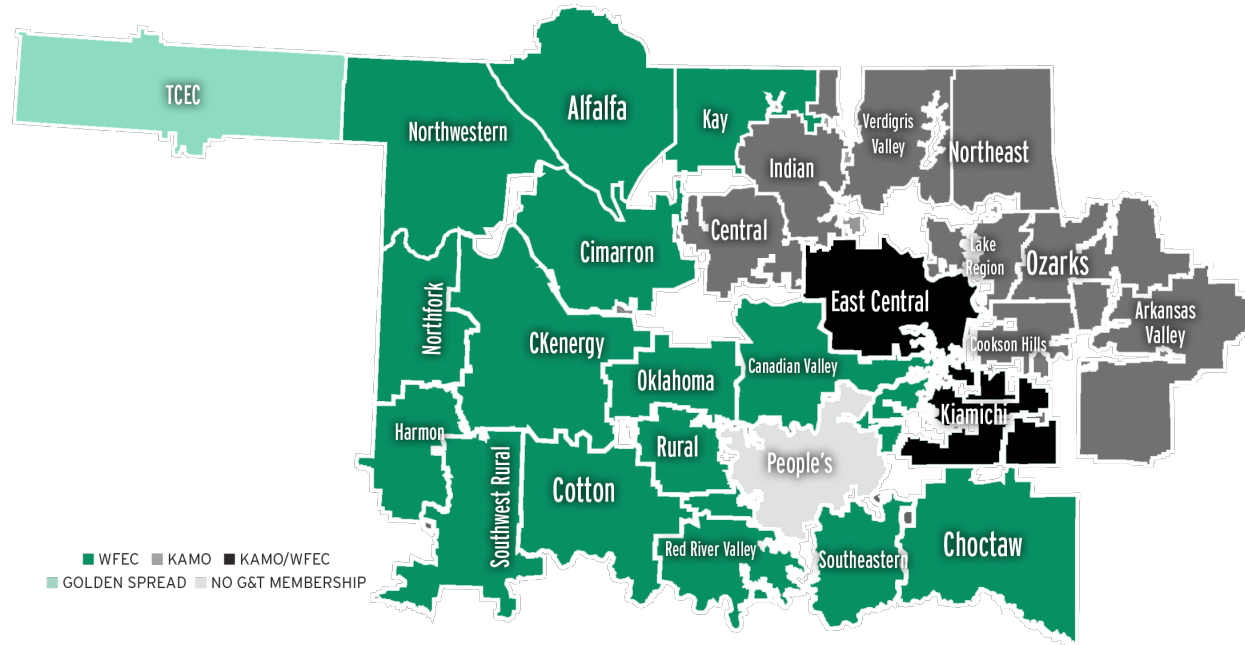
Total Miles of Distribution Line	116,536
Total Number of Active Meters	653,195
Residential	539,853
Seasonal Residential	18,967
Commercial	86,685
Industrial	1,776
Irrigation	3,025



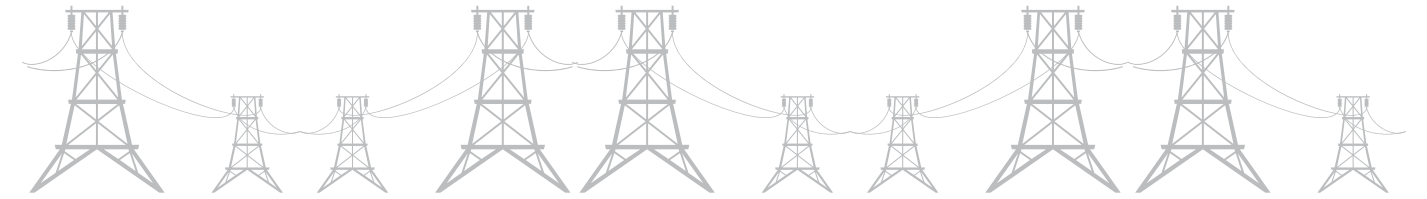
OKLAHOMA DISTRIBUTION COOPERATIVES FAST FACTS

ALFALFA 3,316 miles of line 8,592 active meters 50 full-time employees	COOKSON HILLS 2,951 miles of line 17,922 active meters 56 full-time employees	LAKE REGION 3,111 miles of line 24,870 active meters 94 full-time employees	RED RIVER VALLEY 2,730.63 miles of line 16,262 active meters 39 full-time employees
ARKANSAS VALLEY 6,581 miles of line 59,539 active meters 167 full-time employees	COTTON 5,200 miles of line 22,196 active meters 88 full-time employees	NORTHEAST OK 5,232 miles of line 39,462 active meters 189 full-time employees	RURAL 3,003 miles of line 11,893 active meters 53 full-time employees
CANADIAN VALLEY 5,254 miles of line 25,245 active meters 70 full-time employees	EAST CENTRAL 6,297 miles of line 34,419 active meters 83 full-time employees	NORTHFORK 2,586 miles of line 6,513 active meters 33 full-time employees	SOUTHEASTERN 2,746 miles of line 15,069 active meters 33 full-time employees
CENTRAL 4,389 miles of line 22,093 active meters 78 full-time employees	HARMON 1,944 miles of line 3,540 active meters 20 full-time employees	NORTHWESTERN 4,987 miles of line 11,842 active meters 53 full-time employees	SOUTHWEST RURAL 3,058 miles of line 6,208 active meters 28 full-time employees
CHOCTAW 3,614 miles of line 19,153 active meters 66 full-time employees	INDIAN 3,492 miles of line 19,663 active meters 79 full-time employees	OKLAHOMA 5,640 miles of line 57,784 active meters 164 full-time employees	TRI-COUNTY (TCEC) 5,023 miles of line 34,906 active meters 101 full-time employees
CIMARRON 4,515 miles of line 18,036 active meters 54 full-time employees	KAY 2,266 miles of line 5,811 active meters 47 full-time employees	OZARKS 1,748 miles of line 12,089 active meters 223 full-time employees	VERDIGRIS VALLEY 4,817 miles of line 37,018 active meters 92 full-time employees
CKENERGY 7,799.75 miles of line 25,826 active meters 93 full-time employees	KIAMICHI 4,172 miles of line 21,907 active meters 46 full-time employees	PEOPLE’S 4,972 miles of line 22,671 active meters 77 full-time employees	

OKLAHOMA G&T TERRITORIES



Oklahoma currently has three Generation and Transmission cooperatives: Golden Spread, KAMO Power and Western Farmers.



GOLDEN SPREAD (16 MEMBER SYSTEMS)

- Headquartered in Amarillo, Texas
- Provides energy to one Oklahoma cooperative (TCEC)
- 15 additional member systems in Texas
- 6 natural gas fired generating units near Denver City, TX
- 18 quick start natural gas engines & 3 quick start natural gas fired combustion turbines.

TYPES OF FUEL SOURCES

- Natural Gas
- Coal
- Petroleum
- Nuclear
- Hydropower
- Wind
- Biomass
- Solar
- Geothermal

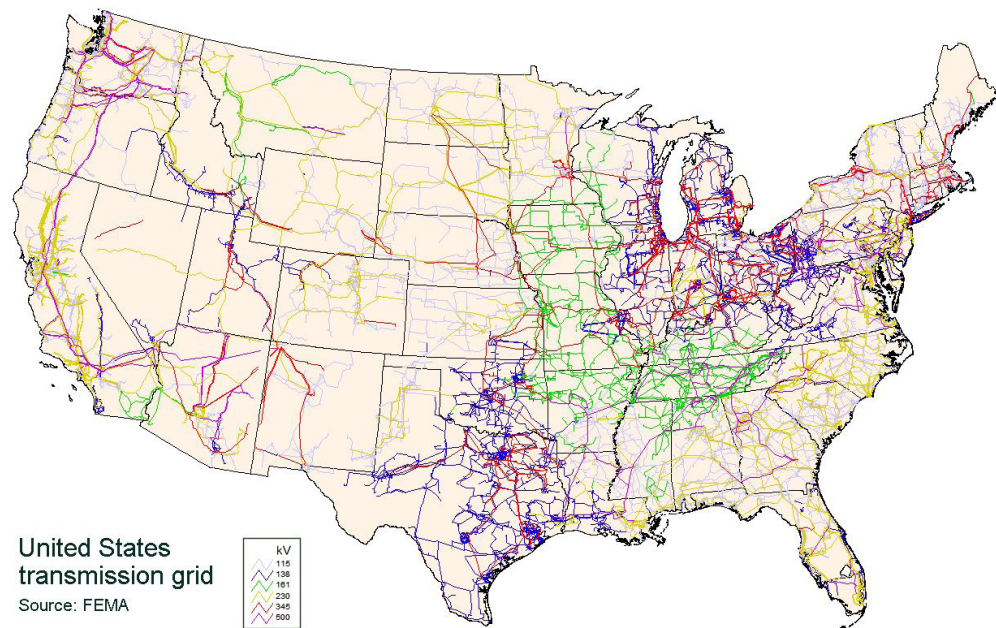
KAMO POWER (17 MEMBER SYSTEMS)

- Headquartered in Vinita, OK
- One of the first regional G&T electric cooperatives formed under the REA in 1936
- Named after four states where it was established to operate
- Provides energy to 8 Oklahoma co-ops
- Other member systems in Arkansas, Kansas and Missouri
- 2,700 miles of high-voltage transmission system and over 275 substations

WESTERN FARMERS (21 MEMBER SYSTEMS)

- Headquartered in Anadarko, OK
- Provides energy to 17 Oklahoma co-ops
- Grown into Oklahoma's largest locally owned power supply system.
- Six generating facilities
- 3,700 miles of transmission line and over 330 sub and switch stations
- Developed several wind farms and solar gardens in Oklahoma and New Mexico

TRANSMISSION (THE "GRID")



United States transmission grid
Source: FEMA

Oklahoma Association of Electric Cooperatives is a nonprofit, statewide service association created and voluntarily supported by local electric distribution and G&T cooperatives. **OAEC is comprised of 30 member systems**, 27 in Oklahoma, two Arkansas systems and one Texas system which have a portions of their membership residing in Oklahoma.



LEGISLATIVE CONNECTIONS

OAEC believes in keeping a strong connection at the Oklahoma State Capitol. The association serves as a liaison with state and national legislative and executive branches of government.

SAFETY TRAINING

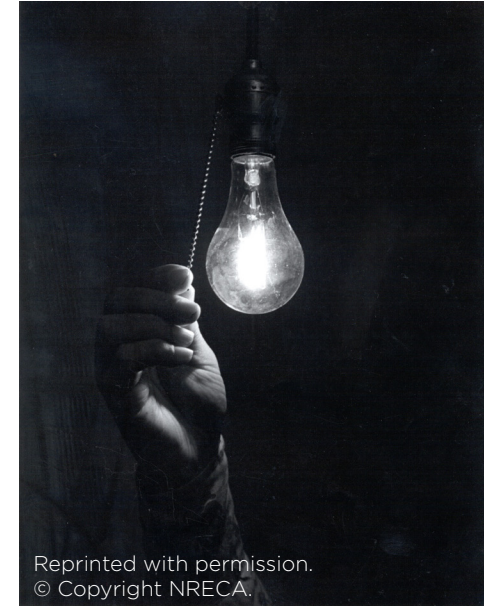
OAEC's Safety and Loss Control department provides training that emphasizes safe working practices for the well being of rural electric cooperative employees, the membership and the public.

CONCERN FOR COMMUNITY

Each year, Oklahoma's Electric Cooperatives and employees organize, sponsor and volunteer in various community outreach programs, such as Special Olympics, Youth Tour and Energy Camp. This involvement is part of what makes electric cooperatives valuable in communities around Oklahoma.

OKLAHOMA LIVING MAGAZINE

For nearly 70 years, *Oklahoma Living* has served Oklahoma's rural electric cooperative members by providing information about their local electric co-ops, affordable electricity and Oklahoma's rural lifestyle. Readership has grown to more than 650,000, making the magazine the largest subscription-based monthly publication in Oklahoma.



The National Rural Electric Cooperative Association was founded on March 19, 1942 by 10 men concerned with the problems confronting rural electric cooperatives. They envisioned NRECA would unite rural electric systems under one banner to protect their interests and provide support to help them serve rural America. NRECA is one of the largest rural-oriented cooperative organizations in the United States. **It is the national service organization for more than 900 rural electric systems**, which provide power to more than 42 million people in 47 states.

NRECA PROGRAMS AND SERVICES

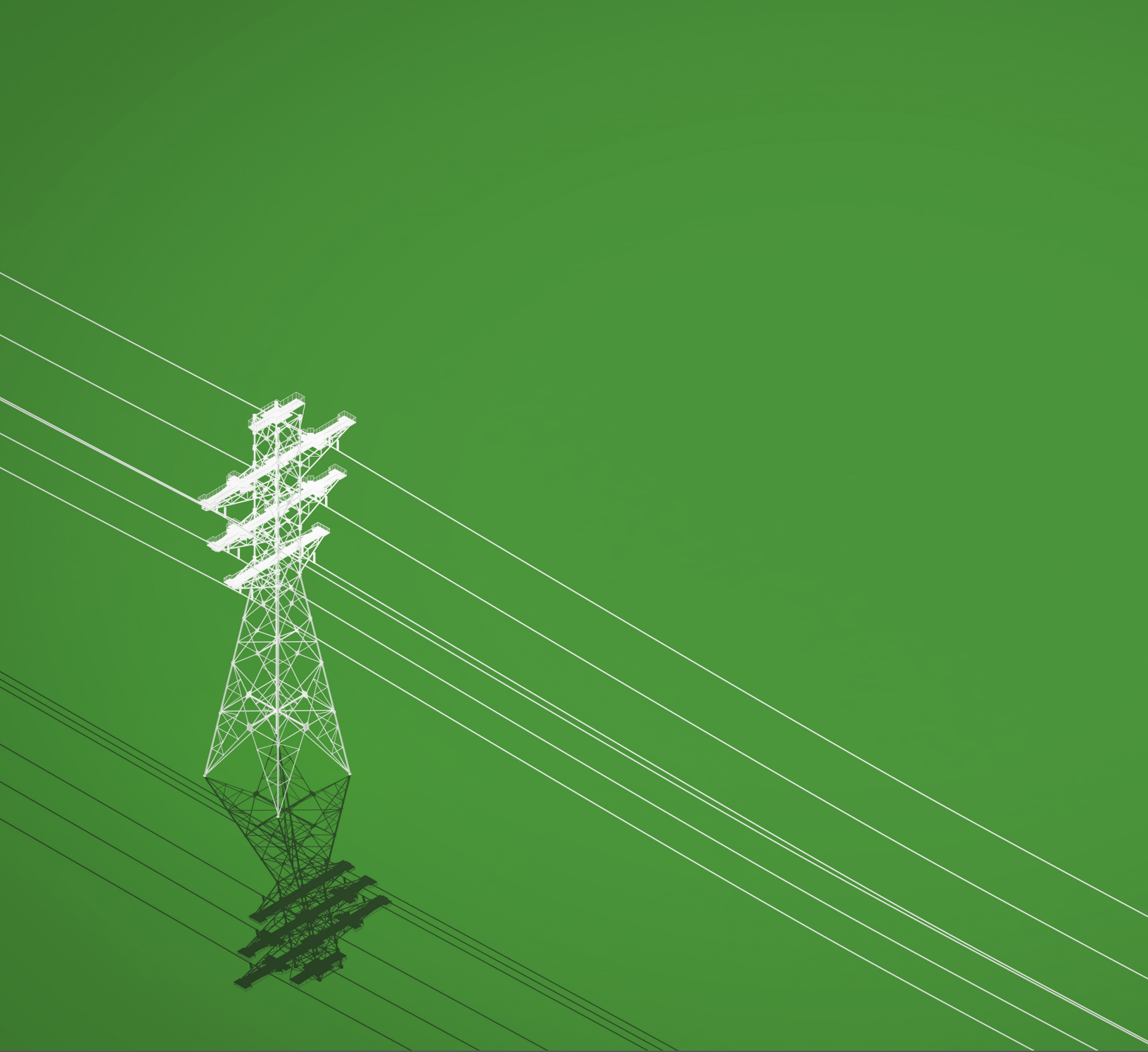
The association provides many programs, services and trainings for electric cooperatives and its employees.

- Business & Technology Strategies
- Communications
- Employee Benefits
- Government Relations
- Market Research
- National Consulting Group
- Safety
- Workforce Management
- Conferences & Education
- Legal and Financial Resources

TOUCHSTONE ENERGY®

Touchstone Energy® is a nationwide alliance of locally owned and operated electric cooperatives, which collectively provide enhanced services and resources to their residential and business customers.





Provided by



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