



VERDIGRIS VALLEY ELECTRIC COOPERATIVE

2020 ANNUAL REPORT

October 2021 | A supplement to Oklahoma Living

WEATHERING THE STORMS

Despite challenges, VVEC continues to support critical infrastructure needed to provide safe, reliable, affordable electricity

Without question, 2020 was a trying year with the pandemic, but we learned to adjust and overcome. We are thankful that you, our members, have been understanding as we have responded to COVID-19, allowing us to serve you in new ways.

While dealing with the pandemic, February 2021 brought winter storm Uri—the polar vortex. We are grateful to have avoided the rolling blackouts many experienced. We are appreciative of the responsiveness and action taken immediately by our membership to conserve energy when asked, with very little notice to do so.

During both events, we did our best to communicate with our members. In keeping with our commitment to our members, we continued to keep the critical infrastructure business running and the lights on. We look forward to better days ahead and thank you, our members, for your continued patronage. ■

OFFICIAL NOTICE

2021 Annual Meeting of Members Verdigris Valley Electric Cooperative, Inc.

The Annual Meeting of Members of Verdigris Valley Electric Cooperative, Incorporated will be held Thursday, October 21, 2021, at the Bartlesville Community Center Performing Arts Facility, 300 S.E. Adams Blvd., Bartlesville, Oklahoma. If a quorum is present, action will be taken on the following matters:

1. Reading of the minutes
2. Reports of Officers, Trustees and Committees
3. All other business which may properly come before the meeting or any adjournment thereof.

Dated this 21st day of September 2021.

Ken Howard
Secretary
VVEC Board of Trustees

STATEMENT OF NON-DISCRIMINATION

This institution is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call 866-632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to the U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D. C. 20250-9410, or by fax 202-690-7442 or e-mail at program.intake@usda.gov.

CONSOLIDATED BALANCE SHEET

WHAT WE OWN [ASSETS]

Electric Plant	\$191,488,164	
Less Depreciation	[\$50,070,471]	\$141,417,693
Cash & Cash Equivalents		3,154,232
Investments		40,344,600
Accounts Receivable		6,789,515
Materials & Supplies		976,168
Prepayment, Other Accrued Assets & Deferred Debits		1,100,010
TOTAL		\$193,782,218

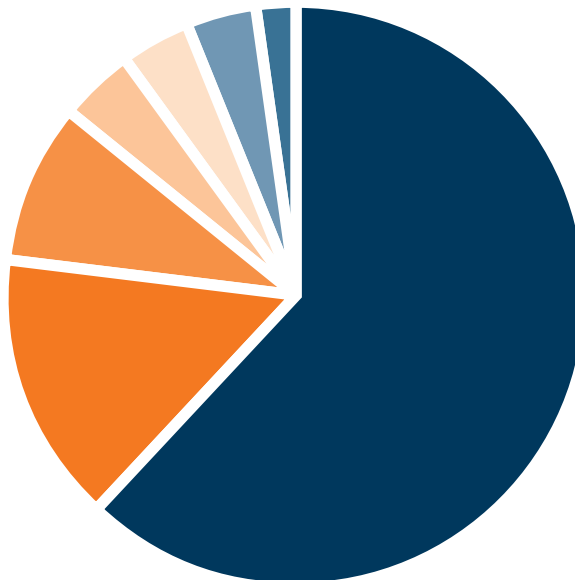
WHAT WE OWE [LIABILITIES & EQUITIES]

Line of Credit		\$0
Long Term Debt		102,018,625
Consumer Deposits		3,122,301
Accounts Payable		4,848,712
Deferred Credits		1,116,302
Other Liabilities		3,360,800
Membership Fees		882,080
Patronage Capital, Other Equities		78,433,398
TOTAL		\$193,782,218

2020

COST OF POWER

- 61% Purchased Power
- 15% Distribution Expense
- 9% Depreciation
- 5% Services
- 4% Administrative Costs
- 4% Interest
- 2% Taxes



POWER USE BY TYPE OF ACCOUNT

- 82% RESIDENTIAL
- 11% INDUSTRIAL
- 7% COMMERCIAL

COMPARATIVE STATISTICS OF OPERATION

WHAT WE RECEIVED

	2020	2019
Operating Revenue & Patronage Capital	\$70,367,576	\$71,819,086

HOW IT WAS SPENT [EXPENSES]

Cost of Purchased Power	\$42,505,473	\$43,906,872
Distribution Expense - Operations	2,849,832	3,091,444
Maintenance Expense	7,683,839	7,856,706
Consumer Accounts Expense	2,861,843	2,502,975
Customer Service & Information Expenses	259,103	234,650
Administration & General Expenses	3,022,639	2,986,887
Depreciation & Amortization	6,274,614	6,002,273
Taxes	1,372,707	1,399,685
Interest Expenses - Long Term Debt	2,781,329	2,652,542
Other Interest & Deductions	- 0 -	269,874
TOTAL COST OF ELECTRIC SERVICE	\$69,611,379	\$70,903,908

WHAT WE HAVE LEFT [MARGINS]

Operating Margins & Patronage Capital	\$756,197	\$915,178
Non-Operating Margins	558,092	467,713
Other Capital Credits & Patronage Dividends	3,071,115	3,333,112
Extraordinary Item	- 0 -	- 0 -
TOTAL OPERATING & NON-OPERATING MARGINS	\$4,385,404	\$4,716,003

CONSOLIDATED COOPERATIVE SUMMARY OF 2020

	2020	2019
Number of Meters	37,627	37,438
Peak Demand (kW)	179,944	182,394
Date and Time of Peak	08/09/20 @ 6 pm	08/12/19 @ 6 pm
Total Energy Sales (kWh)	662,524,639	673,687,384
Total Asset Value	193,782,218	190,724,937
New Plant	11,048,514	9,460,626
Total Revenues	70,367,577	71,819,086
Operating Margins	756,197	915,178
Total Taxes Paid	1,372,707	1,399,685
Long-Term Debt as Percent of Plant	51.36%	54.14%
Times Interest Earned Ratio (TIER)	2.57	2.78

The books and financial statements of Verdigris Valley Electric Cooperative, Inc. are audited each year as of December 31. An audit for the year ended December 31, 2020, has been completed by the firm of Briscoe, Burke, & Grigsby, LLP, Certified Public Accountants, Tulsa, Oklahoma.

Ken Howard,
Secretary-Treasurer,
VVEC Board of Trustees

GIVING BACK TO THE COMMUNITY

VVEC provides financial support to school systems in our service territory through the payment of gross receipts tax. The 2% gross receipts tax is collected from members' monthly electric bills at the instruction of the Oklahoma Tax Commission. The amount of tax is distributed by the miles of electric line the co-op has in each school district. KAMO Power, VVEC's wholesale power supplier, also pays gross receipts taxes. In 2020, VVEC and KAMO Power together paid over \$1.8 million in taxes to area school systems, as shown below.

PARTNERING WITH EDUCATION FOR A BRIGHTER FUTURE

School District	VVEC	KAMO	Total
Anderson	\$11,066.90		\$11,066.90
Avant	28,897.60	\$37,967.74	66,865.34
Barnsdall	58,690.81	34,948.44	93,639.25
Bartlesville	47,167.85		47,167.85
Bowring	65,744.10		65,744.10
Caney Valley	100,097.75	90,314.92	190,412.67
Catoosa	14,097.37		14,097.37
Chelsea	22,688.83	415.15	23,103.98
Chouteau-Mazie	776.14	16,681.65	17,457.79
Claremore	24,568.72		24,568.72
Collinsville	76,661.34	48,384.33	125,045.67
Copan	36,074.65		36,074.65
Dewey	57,128.14		57,128.14
Foyil	27,182.14		27,182.14
Hominy	22,007.71	95,598.70	117,606.41
Inola	4,351.38	12,794.30	17,145.68
Justus	30,993.73		30,993.73
Nowata	60,774.77		60,774.77
Oklahoma Union	108,690.39	62,801.51	171,491.90
Oologah	102,309.12		102,309.12
Osage Hills	6,804.87		6,804.87
Owasso	102,748.34		102,748.34
Pawhuska	25,308.63	37,401.62	62,710.25
Prue	13,459.93	9,586.29	23,046.22
Sand Springs	20,583.59	32,646.22	53,229.81
Sequoyah	52,956.11		52,956.11
Skiatook	69,956.38	43,327.01	113,283.39
South Coffeyville	23,249.90		23,249.90
Sperry	48,720.78	943.53	49,664.31
Tulsa	10,584.77		10,584.77
Verdigris	15,208.35		15,208.35
	\$1,289,551.09	\$523,811.41	\$1,813,362.50



Corporate Profile

Verdigris Valley Electric Cooperative is a member-owned electric distribution cooperative headquartered in Collinsville, Oklahoma, with maintenance facilities in Nowata and Bartlesville. Established in 1938, VVEC provides electric service to more than 37,000 meters for residential, commercial and industrial consumers in portions of Nowata, Osage, Rogers, Tulsa and Washington counties. VVEC maintains more than 4,800 miles of electric line, over 109,000 power poles and 22 substations. VVEC is the third largest electric cooperative in Oklahoma.

Our primary goal is to provide safe, reliable electric power to all members in the cooperative's service area at the lowest possible cost consistent with sound business principles. Our mission is to serve you with integrity, accountability, innovation and commitment.

Power Circuit

Power Circuit is published monthly by Verdigris Valley Electric Cooperative, Collinsville, Oklahoma for its members in Tulsa, Rogers, Washington, Nowata and Osage counties. Periodical postage paid at Tulsa, Oklahoma and other additional mailing offices. Subscription price is \$0.21 per month.

POSTMASTER - send address changes to: Power Circuit, P.O. Box 219, Collinsville, OK 74021.

This institution is an equal opportunity provider and employer.

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