



## **Consultants Address Board Regarding Rate Case**

Jeff Wernert, The Prime Group, addressed the directors during the December board meeting and presented his findings in the depreciation study required as part of the upcoming rate case to be presented to the Ky Public Service Commission in early 2025.

Also in attendance during the December meeting were Allyson Honaker, Honaker Law Office, and John Wolfram, Catalyst Consulting, LLC. Mr. Wolfram and Mrs. Honaker discussed the cost-of-service study conducted in order to determine the revenue requirement for the rate case.

Pending pro forma adjustments, directors approved proceeding with the rate case filing not to exceed just over \$11 million.

## **Board Approves Resolution for Collective Bargaining Agreement**

Following more than a year of negotiations between SKRECC and IBEW Local 2100 representatives, the South Ky RECC Board of Directors approved a resolution agreeing to terms negotiated by both parties.

The terms, ratified by the Union on December 11<sup>th</sup>, most of which will go into effect January 1, 2025, are the basis for the co-op's first union contract.

## **Board Approves 2025 Right of Way Bid Contracts**

The Board approved multiple contracts with right-of-way contractors set to continue right-of-way maintenance in the SKRECC service area during 2025.

The year 2025 will mark the fourth year in a six-year Vegetation Management Plan rotation implemented by South Ky RECC in 2022.

## **CFO Presents September Financial Numbers and Discusses 2025 Expense Budget**

Carrie Bessinger, Chief Financial Officer, stated that net margins for October showed a loss of \$701,000 compared to a budgeted loss of \$646,000. It was a light revenue month with the weather, once again, warmer than normal. The warmer than normal temperatures also affected the cost of purchased power, which was under budget for the year by \$2.1 million.

Mrs. Bessinger stated that October operating revenue was comparable to the prior month and comparable to budget. Residential accounts show an increase of \$3.5 million over the prior year.

Mrs. Bessinger reported to directors that she had contacted the co-op's RUS representative regarding the low ratios. He responded and informed Mrs. Bessinger that we will receive a letter requesting clarification and a summary of our rate case. He did not seem concerned about the low ratios and commented to Mrs. Bessinger that RUS sees this with Kentucky co-ops regularly.

Directors requested a 1% reduction in the 2025 proposed expense budget which was presented during the November board meeting. The Board will revisit the expense budget at the January 2025 meeting prior to approval.

## **January 2025 Future Agenda Items**

The following items were set for discussion and/or approval during the January 2025 board meeting scheduled for Thursday, January 9<sup>th</sup>.

Resolution approval for EKPC Wholesale Power Contract Amendment 5, completion of annual Independence & Conflict of Interest Policy for 2025, annual review of director compensation, board counsel evaluation, appointment of NRECA Annual/Regional Meeting Delegate and Alternate Voting Delegate, and appointment of NRTC Annual Meeting Delegate and Alternate Voting Delegate.