



Your Touchstone Energy® Cooperative 

Annual Report

2024

A Year In Review



Message from The CEO & Board President

Dear OTEC Member-Owners,
In many ways, Oregon Trail Electric Cooperative is like any other electric utility – we are here to provide our consumers with safe, competitively-priced, reliable electricity. But as a cooperative, we are different from other electric companies in many ways.

One of the ways we are different is that OTEC is owned by you. You – the member-owners of OTEC – elect the Board of Directors to govern the cooperative, overseeing policies and strategic direction. Each Director takes these responsibilities extremely seriously, understanding the decisions made in the boardroom affect, not only the cooperative, but each member-owner, their families and our communities.

It is with this in mind that we present to you the 2024 Annual Report. This report will provide you with an overview of the cooperative's performance over the past year, including financial data, achievements, and challenges faced.

We strive to make sure that the service we provide to you, in every interaction, is professional and courteous and meets or exceeds your expectations. Our Member Service Representatives, Linemen, Stakers and other OTEC employees, have hundreds of daily interactions with OTEC member-owners. Each interaction is an opportunity to provide you with excellent member service and to better understand your needs and expectations.

We also emphasize connecting with you right where you are – in our communities. At various events including county fairs, community events, safety events, Power Eastern Oregon Business Summit, and more, we seek to strengthen relationships and provide you with useful education and tools to help you stay safe and save money. These interactions foster numerous follow-up conversations with our OTEC team helping us better understand and address community issues.

In addition to these encounters, another way in which we gather feedback is through independent surveys of our member-owners. The American Consumer Satisfaction Index (ACSI) surveys OTEC member-owners and provides us with satisfaction scores and comments which help us better understand how we can better serve you. For 2024, OTEC's satisfaction score was 84, demonstrating a significant increase from 2017 when our ACSI score was 75.

You will see several highlights from 2024 throughout this report including system performance, operations and maintenance, capital improvements, energy efficiency rebates, safety training, community support, technology advancements, and wildfire mitigation and response activity.

Wildfire mitigation and response continues to be a major area of focus. Increased frequency, size, and duration of wildfires have spurred advancements in technologies for monitoring conditions and early detection. These include the use of satellites, drones, and other remote sensing technologies, as well as AI-powered predictive models and sensor networks. Emerging technologies offer the potential for quicker response times and reduced risk to lives and property. This ongoing effort includes not only practicing responsible utility practices but also working to educate the public in wildfire mitigation. Of the wildfires that impacted Eastern Oregon in 2024, half were human caused, and the other half lightning caused. Nationally 89% of wildfires are human caused, a metric that we have influence and control over. That is why as part of OTEC's ongoing commitment to wildfire mitigation, we will continue to monitor and adopt advancements which help protect the people, land and way of life in beautiful Eastern Oregon.

In light of several years facing cost escalations, supply chain issues and inflationary impacts, we are proud to report that 2024 marked the 28th consecutive year that OTEC was able to retire Capital Credits. Capital Credits are each member-owner's share of OTEC's margins (revenues) earned during the year. Cooperatives are proudly not-for-profit, which means each year any remaining margins are returned to the member-owner's capital credit account based on the amount they were billed during previous years. The \$3 million retired in 2024 brings the total OTEC has returned to member-owners and our local communities to \$58 million.

In conclusion, as we reflect on the achievements and challenges of the past year, we are reminded of the strength and resilience of the cooperative business model. We will continue to listen to your voice as we face new challenges and drive toward a powerful future for our cooperative, our communities and all of you, our valued OTEC member-owners.

Thank you for your trust and dedication to Oregon Trail Electric Cooperative.

Cooperatively yours,

Les Penning

Chief Executive Officer

Aletha Bonebrake

Board President

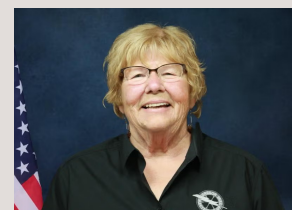


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Your Member-Owned Cooperative

Oregon Trail Electric Cooperative (OTEC) stands as one of Oregon's largest distribution cooperatives.

Oregon Trail Electric Cooperative (OTEC) is headquartered in Baker City, Oregon, with district offices in La Grande, John Day, and Burns. OTEC's story began with 700 pennies when 4 founding members got together to purchase former investor owned utility territory and create the cooperative in 1988. Today it serves approximately 32,000 meters and nearly 60,000 residents in Baker, Grant, Harney and Union counties with a network of overhead and underground lines over 3,000 miles long. OTEC's distribution system represents an investment of more than \$204 million.

Eastern Oregon boasts the stunning Blue Mountains, Mount Emily, the Strawberry Mountains and the Steen Mountains, which attract outdoor enthusiasts for year-round recreational opportunities including hiking, mountain biking, fishing, hunting, skiing, snowboarding and more! The diverse landscape includes high alpine slopes covered in fir trees and valleys adorned with sagebrush.

In former frontier towns such as Baker City, traditional ranchers and cowboys mix with a rising number of artisans and craftsmen.

Heading towards John Day and Burns, sprawling scrubby ranchlands boast a beauty of their own here in the high desert country. Stunning vistas and unexpected river canyons dominate the landscape that harkens back to the early days of settlers and gold-mining. There are wonderful camp sites, hot springs and little towns bursting with hospitality throughout the region.

OTEC is a not-for-profit, member-owned cooperative. Its policies are established by a nine-person Board of Directors - each board member is a bill-paying, residential member-owner of OTEC elected by fellow member-owners.

Cooperative Principles

These principles guide the operations and values of cooperatives worldwide, ensuring they remain focused on their members and communities.

Voluntary & Open Membership

Open to all individuals willing to accept the responsibilities of membership.

Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative.

Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions.

Autonomy & Independence

Cooperatives are autonomous, self-help organizations controlled by their members.

Mission•Vision•Values



Education, Training, & Information

Cooperatives provide education and training for their members, elected representatives, managers, & employees so they can contribute to the development of their cooperatives.

Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies approved by their members.

Your Board of Directors

Oregon Trail Electric Cooperative (OTEC) is a private, non-profit electric cooperative which is led by the *cooperative principles*, one of which is **Democratic Member Control**. Meaning, we are owned by the members we serve and are governed by a Board of Directors who are elected by and are accountable to the member-owners.

The Board of Directors makes business and policy decisions in setting the direction of OTEC. Directors are elected to serve three-year terms.



President
Aletha Bonebrake



Vice President
Gary Miller



Secretary and Treasurer
Cory Miller



Wayne Overton



Jeff D. Clarke



Robert Cargill



G. Austin Bingaman



David Baum



Charlene Chase

2024

at a glance

Membership

23,379 Total Member-Owners

31,682 Meters

Member-Owner Satisfaction
Score: 84

Line Stats

3,087 Miles of Line

Average of 10.31

Meters per Mile of Line

Capital Credits

\$3,000,000 Returned to Member-Owners in 2024

\$58,000,000 Returned Since 1996

Vegetation Management

1,015 Miles

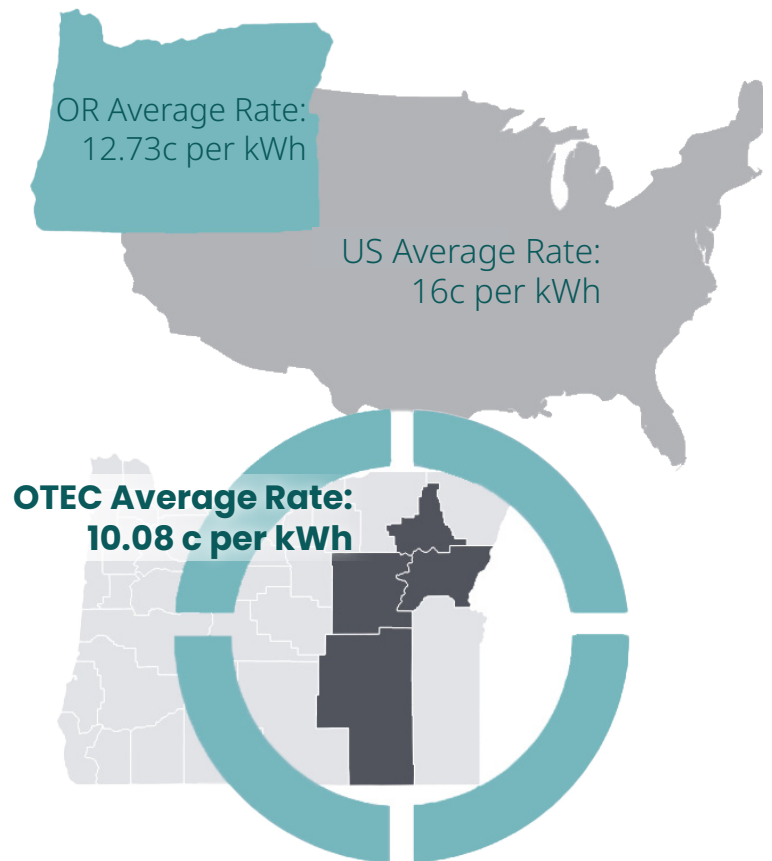
Over 1,000 line miles of vegetation management line work was completed, distribution right-of-way were cleared, and hazard trees were identified and addressed. This is the largest amount in one calendar year and plays an important role in reliability and wildfire mitigation.

Rebates

\$654,857

back to member-owners in
energy efficiency rebates

Visit otec.coop/safety for information about our community safety programs such as the live line demo trailer and the First Responder Virtual Reality Training.



* Represents all-in
residential rates, including
delivery charge and kWh



Concern for Community

A Cooperative Principle

As your member-owned cooperative, we are proud to uphold the principle of Concern for Community. What is best for the community is best for OTEC.

New & Improved

This year we launched our school sponsorship initiative, community events trailer, and streamlined our charitable giving application process. We also upgraded our software platform to best serve you.

Your Donations Matter

Through unclaimed capital credits and donations made by member-owners, the OTEC Member Foundation made significant contributions to the communities it serves.

To learn more about donating to the OTEC Member Foundation, please visit otec.coop/member-foundation.

Charitable Giving

131 Organizations

\$195,000 in Scholarships

\$25,000 to Dolly Parton's
Imagination Library

\$55,000 in Charitable Contributions

Fairs

**Free Sweet Treats
and Water**

4 Fairs

5 Community Events

The Dolly Parton
Imagination Library

**Free Books to Kids
Under 5 Years Old**

17,631 Books

Mailed in 2024



Operations

Highlights

Highlighting Cooperation Among Cooperatives



January 14, 2024 Oregon Trail Electric Cooperative dispatched rotating crews to western Oregon to assist in restoration efforts for over 5,000 households served by Lane Electric Cooperative left without power after severe winter weather swept through the area. OTEC answered the call for help as part of a mutual aid agreement through the Oregon Rural Electric Cooperative Association.

System Maintenance and Construction



OTEC's operations department completed the replacement of 19 wood structures with ductile iron poles on the West John Day to Hines 138KV line. This line serves an important link between the southern and northern regions of the OTEC system as well as the bulk electrical system in the northwest.

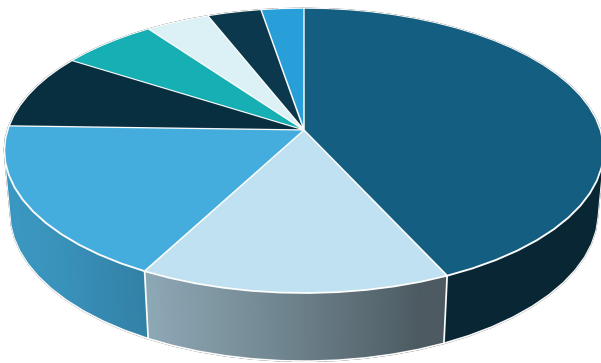
An additional nine structures were replaced on the 69kV line serving Prairie City to Bates. 50 Structures and over two miles of conductor was replaced in Burns on the 69kv line, tying two distribution substations together.

Substantial progress was made on the distribution feeder project serving Sumpter, Granite, and portions of Baker City.

A large project in Baker City was completed at the request of Oregon Department of Transportation to relocate OTEC facilities to provide space for sidewalk improvements on 10th street between Broadway and Hughes Lane.

Financial Performance

How Your Co-op Dollar Was Spent in 2024



- Purchased power: 43.1%
- Distribution/maintenance: 14.7%
- General and administrative: 17.7%
- Depreciation: 8.5%
- Margins: 6.0%
- Consumer accounts : 4.0%
- Interest: 3.3%
- Taxes: 2.7%

Statement of Revenues and Expenses

	2024	2023
Total revenues	\$ 59,737,394	\$ 59,687,232
Operating expenses		
Cost of purchased power	\$ 25,752,993	\$ 23,229,241
Distribution expenses	8,760,444	7,746,654
Consumer accounts expense	2,379,573	2,071,146
Administrative and general expenses	10,571,281	9,067,144
Depreciation and amortization expense	5,104,982	4,979,926
Taxes	1,585,792	1,444,079
Interest expense	1,994,440	1,803,951
Total cost of electric service	\$ 56,149,505	\$ 50,342,141
Patronage capital or margins	\$ 3,587,889	\$ 9,345,091

Financial Balance Sheet

Assets		
	2024	2023
Non-current assets		
Utility plant (net)	\$ 114,807,526	\$ 111,540,241
Other property and investments	9,550,678	9,154,139
Total utility plant and investments	\$ 124,358,204	\$ 120,694,380
Current assets		
Cash and temporary investments	\$ 7,460,725	\$ 6,151,117
Notes and accounts receivable (net)	6,613,016	6,965,044
Material and supplies - electric	6,957,731	7,324,848
Other current and accrued assets	998,991	897,815
Total current assets	\$ 22,030,463	\$ 21,338,824
Deferred debits	\$ 331,936	\$ 377,836
Total assets	\$ 146,720,603	\$ 142,411,040

Equities and Liabilities		
	2024	2023
Equities and margins		
Memberships	\$ 234	\$ 233
Patronage capital	82,669,278	82,112,154
Other equities	3,991,681	3,844,088
Total equities and margins	\$ 86,661,193	\$ 85,956,475
Long-term debt		
Mortgage notes	\$ 46,024,980	\$ 42,581,551
Other long-term liabilities	1,085,334	963,449
Total long-term debt	\$ 47,110,314	\$ 43,545,000
Current liabilities		
Notes and accounts payable	\$ 4,928,713	\$ 5,182,516
Other current and accrued liabilities	6,356,769	5,710,435
Total current liabilities	\$ 11,285,482	\$ 10,892,951
Deferred credits	\$ 1,663,614	\$ 2,016,614
Total equities and liabilities	\$ 146,720,603	\$ 142,411,040



Your Touchstone Energy® Cooperative 

Thank you!

Baker Office

4005 23rd St.
Baker City, OR 97814
541.523.3616

Burns Office

567 W. Pierce St.
Burns, OR 97720
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John Day Office

400 Patterson Bridge Rd.
John Day, OR 97845
541.575.0161

La Grande Office

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La Grande, OR 97850
541.963.3155



VISIT OTEC'S WEBSITE