

RETIREMENT SOON APPROACHING

Lafferty Recalls Her 39 Years with WFEC

A lot can happen in 39 years. A pandemic. A financial crisis. Destructive storms. Price volatility. But, despite the challenges, there were also many enjoyable times and positive outcomes. Just ask Jane Lafferty, who will be retiring next week on Sept. 15, marking the end of a career that started in 1984 at WFEC.

Lafferty began her job with WFEC as a Budget Analyst under Vicki Stephens, who, according to Lafferty had an eagle eye for detail. “I have to either blame or praise her for influencing my red-lining reputation,” Lafferty commented.

This role provided an opportunity for learning about a broad range of WFEC’s functional activities as WFEC consolidated department budgets into a corporate budget. Thereafter, the follow up included analysis of the variances between budget and actual. And, she moved on through promotions and reorganization, to become Director, Accounting & Finance in June of 1995; Manager, Financial Services in May of 1999; Chief Financial Officer (CFO) in July of 2003; followed up by her current job as Vice President & CFO, in May of 2010.



When asking Lafferty about the changes she has seen in the past 39 years, she responded “Where do I begin? One of the more visible changes

has been in the sheer size of our cooperative financially. When I began in 1984, we had \$643M in assets with a 6% equity to assets ratio. Today, we are \$1.7B strong with 24% equity.”

“When they say the best time to have planted a tree was 20 years ago, I can relate that the cooperative’s growth has been a slow planned Board progression on a road with plenty of twists and turns. We developed and attained meaningful financial goals with the purpose of creating an entity capable of providing for the growth of our member-owners. The financial environment has demanded reliable assets and solid financials as lenders and counterparties express preferences for long-term credit-worthy relationships. The twists and turns included being capable of weathering volatile natural gas prices, an IRS tax audit for over a decade, the 2008 financial crisis, a pandemic, several polar vortices, flooding, ice events and tornadoes, just to name a few,” she noted.

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Lafferty Retirement

There was also a positive leap for transacting business and competitive financings with the implementation of a Mortgage Indenture in 2011, Lafferty noted. “This replaced our Rural Utilities Service (RUS) Mortgage and allowed WFEC to have an Indenture Trustee (US Bank Trust Corporation currently) managing the lien on WFEC’s assets for the benefit of our secured lenders. Although we’ve always benefited from and continue to have a great financing relationship with RUS, having a trustee administer the indenture based on objective mechanical tests was a freeing experience! WFEC can now enter business transactions and utilize a variety of competitive lenders with more certainty regarding the capability to close in a timely manner,” Lafferty explained.

Another advantageous shift was in 2000, when WFEC sought its first credit rating from Standard and Poor’s and added Fitch Credit Ratings shortly thereafter. She noted that these highly respected independent reports are observations that consider WFEC from a variety of perspectives including financial performance, operations, risk profile, etc. and the authors consider our activity in relation to broad economic indicators and in comparison to our peers.

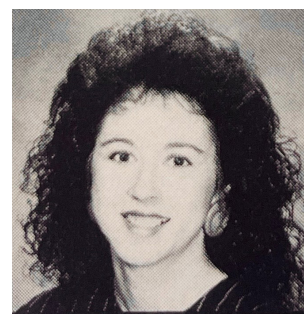
“Initially, the decision to request these ratings was in preparation for a financing transaction, but it has ultimately served continuing requirements under the Indenture, credit benchmarks in Power Purchase Agreements with counterparties, regulator requests, and as a management tool to consider feedback as opportunities for improvement. These periodic reviews are a heavy lift for staff, but have proven to be valuable in our everyday business,” explained Lafferty.

She has also observed numerous changes in the overall accounting sector throughout the years. “Since accounting is all about transparency, comparability and consistency, I’d have to say the biggest change has been in the progression of software technology. In my 1980 stone-age years, those mechanical pencils and columnar pads came in real handy! They quickly shifted to Excel spreadsheets, and continued to progress over several software iterations until finally in the early 2000’s, we implemented PeopleSoft, an Enterprise Resource Planning software with a suite of modules that has been our accounting power house. Even though it presented a steep learning curve for employees it has been a flexible resource and reporting tool. It has accommodated the addition of multiple subsidiaries and members and adapted to WFEC’s implementation of new accounting standards for many years,” she noted.

As with most long-time careers, Lafferty recalls many funny moments. “One of the funniest April Fool’s work pranks I remember is when Robert Elrod was the Manager of Financial Services. His department employees organized and staged a “stay away” plan early that morning. One by one, the early 7 a.m. employees started calling him and reporting in as having the flu, had a sick child, would be in later in the morning, needed to take annual leave, etc. Then they staged for other departments to start calling Robert with urgent needs, and finally for an executive secretary to say the CEO needed a document from the vault, so he was worked up in a panic. As he turned the corner to enter the vault, he was met with “April Fools” by his employees! He may have had some choice words for the group at the moment, but it was a standout prank for the ages!”



Through
the
Years



Background

Lafferty was born and raised in Mangum, with a father who farmed wheat, ran cattle and had a real estate agency while her mother ran a kindergarten in the family home before becoming really busy being a stay at home mom and teaching piano lessons.

She had two older brothers to tag along after who taught her how to finger whistle, ride horses, and play ball in every season and, by example, how not to stay out of trouble. She enjoyed playing college basketball (first year for women's five on five) in Altus at Western Oklahoma State College (WOSC) before transferring and graduating with a Bachelor's Degree in Accounting from Oklahoma State University (OSU).

Lafferty met her future husband, Bill, at OSU through mutual friends. After graduation she worked as an auditor in the Tulsa office of Peat, Marwick, Mitchell & Co. When Bill graduated the following year, they were married and he accepted a job offer with the Federal Land Bank. They moved to Anadarko and she worked for the American Federal Savings & Loan for several years as controller, before accepting a job with WFEC in early 1984.

Bill and Jane have a daughter, Ashton, a physician assistant in Fort Worth. She and her husband, Carey, have two sons with a third baby set to make an appearance in January. Their son, Austin, founded and operates a security installation business in Dallas.

A Message for all

"I couldn't finish this discussion without thanking all the cooperative family I've worked with over these 39 years. I've witnessed a generation that used their expertise, ideas and ingenuity to literally keep the lights on with so many advances in technology, proliferation of energy resources, ever changing regulations and evolution of the role of the Southwest Power Pool in our daily operations.

"Perhaps the most enjoyable reward has been participating with this generation, growing our families and supporting each other in our rural towns, schools, churches and communities. I've been truly blessed to be part of the cooperative success story and wish the best for this organization and its employees as I soon will be that little old (ornery and retired) lady at the end of the cooperative line!"

In retirement, Bill and Jane look forward to building a house on property west of Anadarko, enjoying their cattle and farming operations and spending more leisure time with family. "We plan to keep these grandkids grounded in rural ways! Come see us!"

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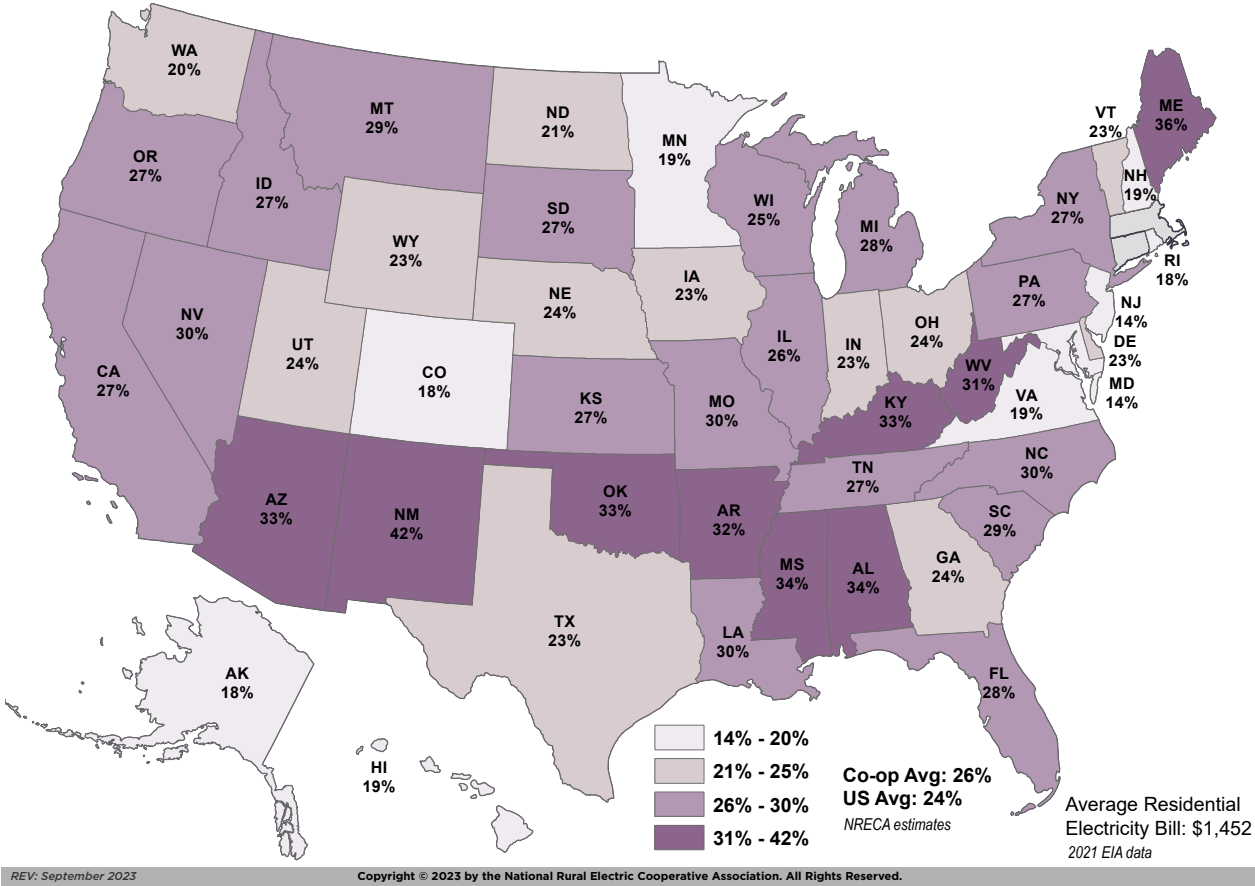
WFEC line crews are shown replacing a structure, along the Sunshine Canyon 138 kV line, about a mile southwest of the Chickasha Lake. This structure was damaged from high wind storms that came through the evening of Sept. 5. Anadarko crewman on site were powerline technicians, including Glen Fogle, Ty Courtney, Breck Nash, Kyle Skaggs and heavy equipment operators, George Stafford and Charlie McLemore. Crews from CKenergy Electric Cooperative took this photo, which also shows the lights of Anadarko in the background.

HELPING TO SAVE LIVES

Jason Pennel, facilities maintenance mechanic, prepares to give blood during a WFEC blood drive, hosted Friday, Sept. 8 at the Anadarko Headquarters. A total of 21 WFEC employees and family members signed in to give blood during Friday's event, which is a good number considering some of the regulars were either out of the office or in the field today. For many years, WFEC has held on-site blood drives with the Oklahoma Blood Institute (OBI) at several of WFEC's facilities. Employees and family members are encouraged to donate in these on-site events that have given many the opportunity to help save lives through blood donation. Tommy Lynn, a mechanic at the Anadarko Plant, was the winner of this blood drive's \$50 VISA gift card. The next blood drive in Anadarko will be hosted on Friday, Nov. 3. One will also be held at Moore on Sept. 14.



Share of Co-op Households with Annual Income Under \$35k



The importance of attaining affordable and reliable electricity for electric cooperative members is a strong principle for all rural electric utilities, as well as others. With this in mind, the above new map from NRECA takes a look at a state-by-state breakdown of cooperative households with an annual income under \$35k. This snapshot highlights why affordability in particular is so important for electric cooperatives.

Source: NRECA

EYES ON TRANSMISSION SYSTEM

Control Room Staff Monitors Weather Conditions; Dispatches Crews to Damaged or Problem Areas

Always-changing weather conditions often launch numerous WFEC crews into action, with this year's spring and summer storms being unique, frequent and powerful.

Thunderstorms with very high winds, a few tornadoes, heavy rain and large hail caused multiple interruptions and damaged a large number of structures, while moving across WFEC's service territory.

During all types of weather events, the T&D Operations department closely monitors the radar with efforts of projecting where storms may hit WFEC's system. Storms can also cause an outbreak of phone calls and messages to the control room.

There can also be other problems leading to disruptions, such as failed equipment, varmits, etc.

The description below primarily references a faulted transmission line, however, during normal or adverse conditions, the operators are not only monitoring the 3,800+ miles of WFEC transmission line, but are also watching more than 330 substations and switch stations, Chance Myers, manager, Transmission & Distribution, pointed out. Each



Those monitoring WFEC's service territory from the Control Room in Anadarko, include (from left) Cory Green, system operator; Mike Hall, chief system operator; and James Lindsey, relief system operator. WFEC's T&D Operations department keeps a constant watch on storms or other factors that can create problems with lines, substations, or other equipment. Operators monitor the Control Room - 24/7 - to be on hand if problems arise.

sub or switch station includes numerous pieces of equipment that can be damaged or trip offline during storms, along with the generation plants that can be damaged.

Myers explained that once there is a fault on the transmission lines, the relays will sense the fault, with breakers on either side of the fault, opening and reclosing. This allows time for a transient fault to clear.

For example, Myers noted, "Things like lightning or phases slapping together can cause the line to trip and reclose or "blink". Once this happens the operators monitor the system

to make sure there are no other issues caused by the line fault and note the fault distance if it is available."

Once faults are logged, Myers noted, an outage notification is sent out, signaling crews to inspect the line. Once a line trips open and stays open, operators can try and manually reclose the line. However, if the line will not reclose, operators continue to closely monitor the system, not only taking note of what loads are off, but making sure that the open line has not caused an overload on another line or caused voltage issues.

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“If there are Motor Operated Devices (MODs) that can be operated from the Energy Management System (EMS), the operators will try and sectionalize the line or narrow down the location of the fault and restore what load can be returned,” Myers explained. If there are no MODs, then all sectionalizing will be done by the field crews.

Operators then contact the affected cooperative(s) to notify them of a fault on the line and report that their load is off. They will also notify the WFEĆ duty man regarding the issue, with crews being dispatched to investigate the cause of the fault, explained Myers. If the faulted line involves one of WFEĆ’s interconnected companies, coordination will begin with that entity.

Operators log and send out an outage notification on all

line or substation outages. All transmission and generator outages are also entered into the Southwest Power Pool (SPP) Control Room Operations Window (CROW) by the operators. The CROW tool allows SPP to see what is out of service for their models and studies, in order to see an accurate picture of the system.

Once the crews have found the cause of the fault, they will notify the operators of the exact location and cause. The operator will then write up switching orders to issue to the switchmen to allow for the faulted area to be isolated and issue a clearance for work on the equipment, Myers pointed out.

Whenever the equipment is repaired, the switchmen will release their clearance to the operators and the operators will again write switching

orders and issue them to the switchmen to reenergize the line or equipment. Myers said that all switching and clearances are logged into the operator’s log. Once the line is reenergized, the operator notifies all affected parties and completes the CROW ticket, so SPP is notified that it is back in service.

Anything to do with a generator derate or trip would also be communicated to ACES, with a generator CROW ticket being submitted to SPP.

“The process of dealing with one or two outages is fairly simple. It becomes more complex when a storm moves across a wide area of our service territory. Then, the operators may be faced with multiple outages, cooperatives, field crews, other departments within WFEĆ, interconnected companies and SPP all at the same time,” Myers said.

All processes and procedures are guided by the North American Electric Reliability Corporation (NERC) Reliability Standards, which operators must follow. All system operators are NERC certified and maintain that certification through continuing education hours.

“Everything from the way we communicate information to documenting processes in the operator log to doing switching - all of these processes help to maintain a reliable system,” Myers noted.

“It definitely takes a team effort to work through adverse conditions to restore power to our members.”

Thunderstorms Down 9 Structures Along WFEĆ Transmission Lines

Thunderstorms passed through WFEĆ’s service territory earlier this week (5th & 6th) downing nine structures along its path. Several areas were affected by the storm.

Damages occurred along these lines:

- ✱ Anadarko to Sunshine Canyon - 1 - 138 kV H-structure
- ✱ Anadarko to Snyder - 2 - 138 kV H-structures, plus one broken crossarm
- ✱ Pink to Franklin - 2 - 138 kV single pole structures
- ✱ Little Axe to Lexington - 1 - 69 kV H-structure
- ✱ Anadarko to Cleveland (north line) - 3 - 69 kV H-structures

COOPERATIVE WAY

Annual Meetings hosted during August

A few more member cooperatives have been added to the previous list of those who have been busy with their annual meetings in August, with more to continue in the next two months. Thirteen of WFEC's cooperatives host their meetings between July and October, with the other eight being hosted in March, April and May.

Some cooperatives have moved away from the typical in-person annual meetings hosted in year's past, when families and friends gathered, to a drive-thru setting for its members.

Red River Valley Electric Association

hosted their annual meeting on Monday, Aug. 14, with a drive-thru event at their cooperative headquarters in Marietta. This marks the third year for this type of event. Some 1,174 member registered, surpassing a quorum of 571 members. Their business meeting was streamed live on Facebook, YouTube and on their website. The grand prize drawing for a 42" Zero Turn BadBoy Rambler Mower was also live-streamed on Facebook, with other prize winners posted on Red River's website and Facebook. Attendance gifts to members included an insulated tote bag, with miscellaneous gift items.



Brent Meador, general manager, Northfork Electric Cooperative, addresses the membership attending the cooperative's annual meeting, which is a regular part of this type of event. Other speakers may also be a part of the program as well.

On Saturday, August 19, **Northfork Electric Cooperative** hosted their annual meeting at the Sayre City Park. Northfork Electric hosted a hybrid meeting, with both an in-person format, plus a drive-thru option. The gates and registration opened on Saturday morning, with a quorum of 115 members registering within 18 minutes. The total registered membership attendance was 434, with a total attendance over 770. Drawings were held for the grand prize, a zero-turn John Deere mower, among other prizes. Various activities were hosted throughout the event.