



SAM HOUSTON
ELECTRIC COOPERATIVE

2021 ANNUAL REPORT

Powering Today, and Into Tomorrow

A LETTER FROM OUR CEO



The business of powering East Texas has changed a lot over the decades. And as we look back on Sam Houston Electric Cooperative's 82nd year, we see tremendous benefits brought about by new technologies, safety enhancements, and an outstanding group of employees. Even more improvements and efficiencies are on the horizon. But before we look too far ahead, let's first talk about 2021.

There were no major outages caused by hurricanes or tornadoes last year. That's obviously good news. While we avoided major outages, winter storm Uri and another year of COVID-19 brought unique challenges.

A huge increase in demand for electricity during the cold weather of February, coupled with a loss of power generation, resulted in electric utilities across the state having to pay significantly higher costs for the power they delivered to their consumers. Some of the loss of power generation was due to failures at power plants. In other cases, pipeline issues prevented natural gas from getting to gas-fired power generators.

The power market operated by the Electric Reliability Council of Texas (ERCOT) saw the highest prices by far. Southwest Power Pool and Midcontinent Independent System Operator (MISO) also serve portions of Texas, and both experienced higher costs, but much lower than ERCOT. Because Sam Houston EC is mostly in MISO, with only a fraction of our system inside ERCOT, our members did not experience the exorbitant increases that some residential consumers in ERCOT received. Power costs for Co-op members still were affected.

At Sam Houston EC, we purchase our wholesale power through a generation and transmission cooperative, East Texas Electric Cooperative (ETEC). Since ETEC is also a cooperative, it borrowed funds to pay its power bills following the winter storm and will repay those borrowed funds over time. This will allow Sam Houston EC to repay our share of storm costs over 5 years. The costs of the February 2021 winter storm are impacting the average Sam Houston EC residential member's bill approximately \$6.72 per month.



Working together with other ETEC cooperatives, we pulled out all the stops and used every available option to keep the lights on and protect Sam Houston members from unbearably high power costs resulting from winter storm Uri. In spite of the winter storm, your Co-op completed 2021 in sound financial condition. We are thankful that the impacts on our Co-op members were much less than in other parts of the state, and we appreciate your overwhelming support.

Although the pandemic continued throughout most of 2021, it provided us with many opportunities to develop improvements in how we serve you. The mySamHouston online portal and mobile app provided easy access for members to conduct business with the Co-op. More than 60% of Co-op members now utilize mySamHouston online. And if you contacted us via phone, you may have spoken to a member services representative who was working remotely from their home. The pandemic presented many challenges that we met with technological improvements and innovation.

I am very proud of your Co-op employees. Collectively, they drive unprecedented innovation in safety and service. For the second year in a row, you recognized their efforts with an American Customer Satisfaction Index score above 92. That's among the highest in the nation, and I thank them all for a job well done. Most of all, I thank you, our members. We are here because of you, and everything we do is to serve you.

Please take time to review this 2021 annual report. From renewable energy resources to exciting improvements in service reliability, last year brought lots of good news, and there's more to come.

Thank you again for allowing us to serve you.

Sincerely,

Doug Turk, P.E.

General Manager & CEO



BY THE NUMBERS



TOTAL
CALLS
TAKEN

146,747

TOTAL
METERS

82,665

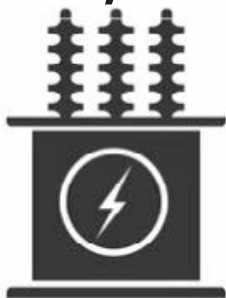


MORE THAN 400 PAY SITES IN EAST TEXAS
THROUGH OUR PARTNERS FIDELITY
EXPRESS AND VANILLA DIRECT

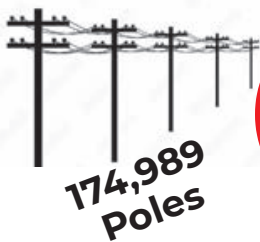


TRANSFORMERS

69,161



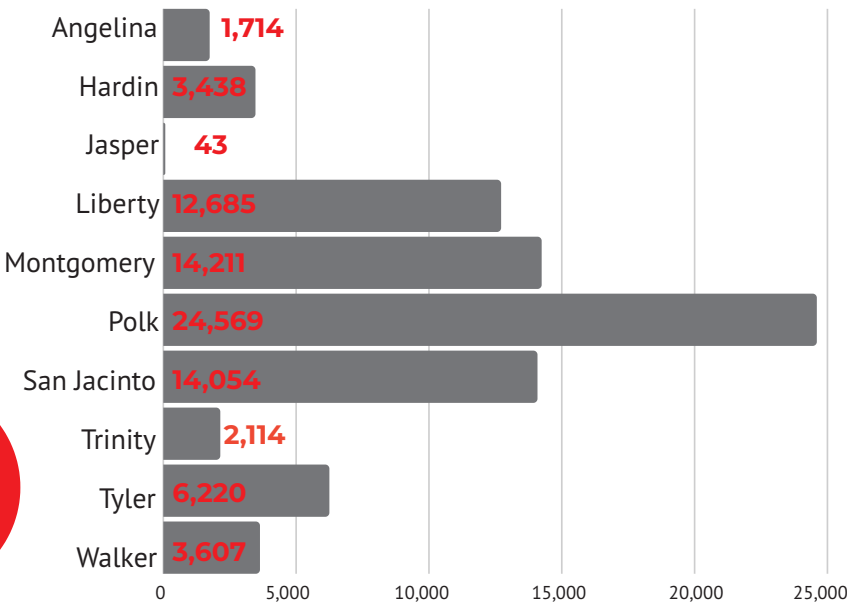
WE GREW
BY
4.4%
IN 2021



174,989
Poles

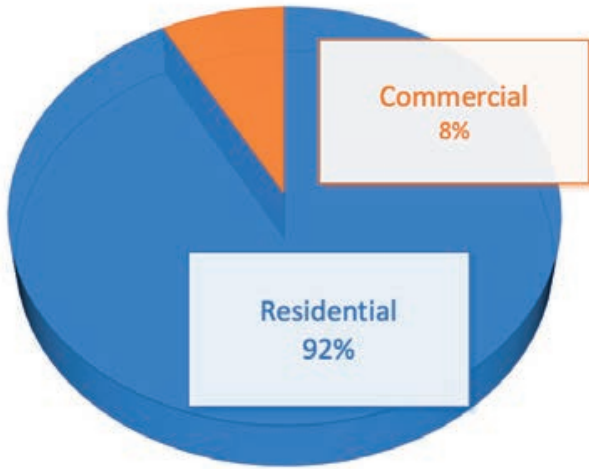
163
Employees

METERS BY COUNTY

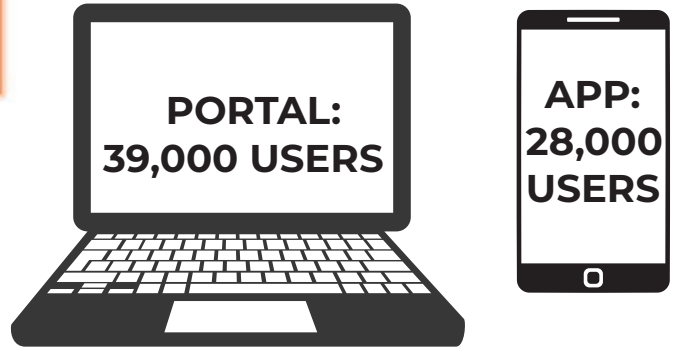


Sam Houston Electric Cooperative operates and maintains 7,000 miles
of distribution power lines, and 1,300 miles are underground

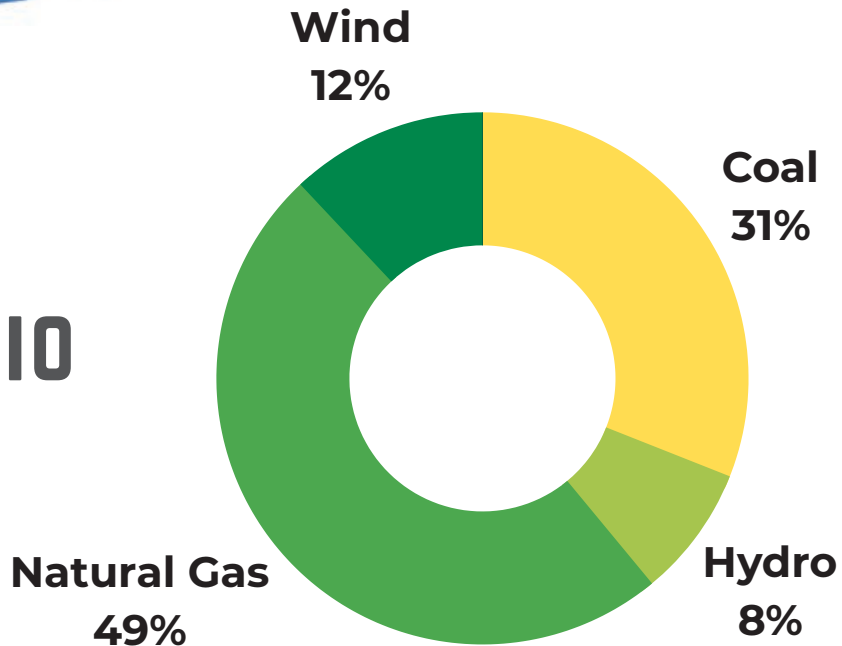
% OF METERS



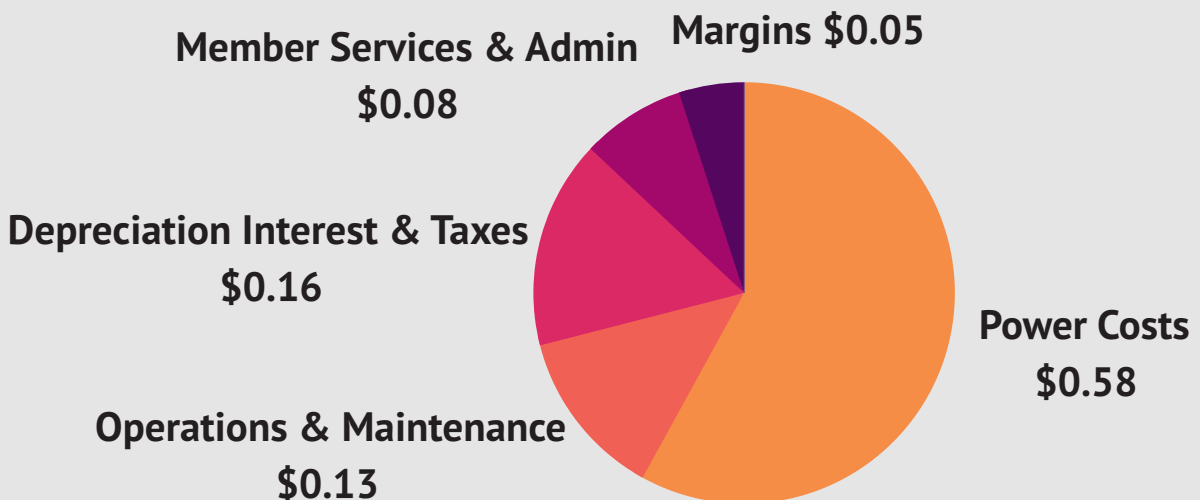
MYSAMHOUSTON USERS



POWER PORTFOLIO 2021



ELECTRICITY DOLLAR BREAKDOWN FOR 2021



GLOBAL PANDEMIC, YEAR TWO

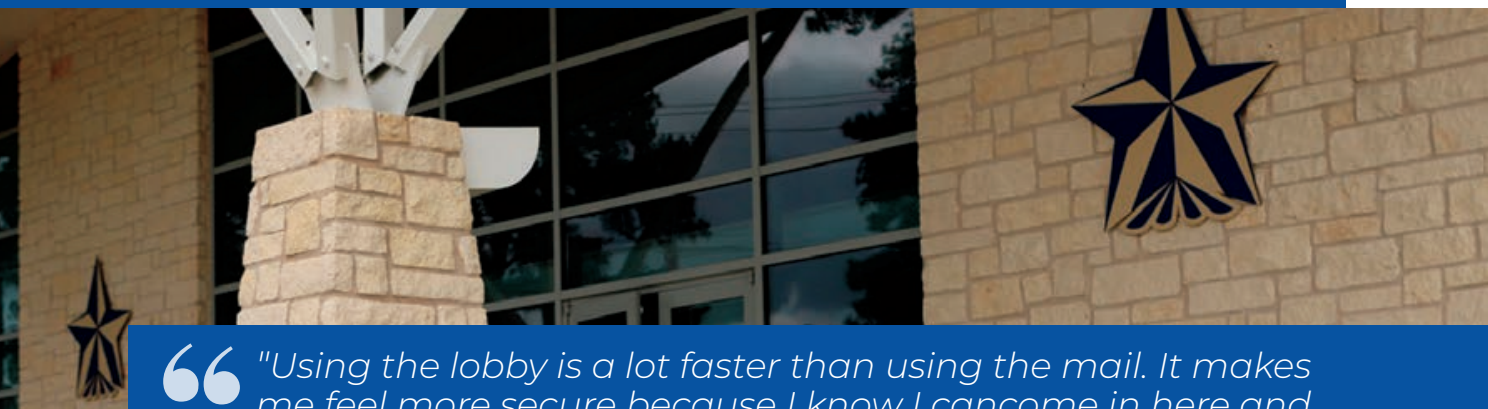
Sam Houston Electric Cooperative and other co-ops are traditionally among the earliest adopters of effective new technologies in the utility industry. The adaptable nature of Sam Houston EC and its 163 employees was evident in 2021.

The Co-op started 2021 the same way it ended 2020 – with many employees working from home or coming to the Co-op only for supplies.

To make it easy and safe for members to conduct business with Sam Houston EC, more options were added for members to pay their bills at more than 400 sites within the 10 counties the Co-op serves. Fidelity Express sites are available throughout our area. And as a new feature in 2021, Dollar General, Family Dollar and 7/11 stores also accept Sam Houston EC payments.

Our Co-op lobbies opened to the public in early April, more than a year after they were closed to keep Co-op employees and consumer-members safe during the pandemic. The remaining 60% of Cooperative employees returned to the office in June. Faced with dynamic growth and waves of the pandemic, Co-op employees developed unique methods of working from home or with limited time inside the office to meet our members' needs. Sam Houston EC and members learned they could operate without lobbies being open, but having them open did make some transactions easier.

“With having both COVID-19 vaccinations and taking safety precautions, I felt safe. Sam Houston Electric Cooperative went above and beyond to make certain the employees were safe and protected.” - Charlotte Eisfeldt, member service representative



“Using the lobby is a lot faster than using the mail. It makes me feel more secure because I know I can come in here and get done what I need to get done. I like it being open, for sure. There were a few times over the year that we wanted to come in, but we called instead.” - Minnie Hoke, a longtime member

The Co-op installed a virtual drive-thru at the Coldspring branch office in 2021. The original drivethru was removed just prior to the pandemic in favor of a kiosk. The kiosk still allowed members to pay at the Co-op any time of day, but the drive-thru makes some transactions easier.

“Installing the kiosk was the right decision at the time, but we learned that we really needed a drive-thru again,” said Jeff Slone, office supervisor.

Assessing opportunities to adapt and improve, the Co-op started building the technology to accept applications for service online in 2021. The work paid off as members started utilizing the online application process in early 2022.

WINTER STORM URI

Winter storm Uri presented Sam Houston Electric Cooperative and the Texas electric grid with a great challenge in early 2021.

The strong cold front enveloped the entire state from the panhandle down to the Rio Grande Valley in February. The Arctic blast caused infrastructure problems, difficulty generating power and outages.

The majority of Sam Houston EC is part of the MISO grid, connecting our area to the middle of the U.S. and Canada. Less than 1% of the Co-op's meters reside in the ERCOT grid.

While our connection to MISO resulted in fewer rolling outages than in other parts of Texas, some of our members were impacted. Following the restoration of service to every member, all areas of the Cooperative evaluated their actions during the event and collaborated to find opportunities to improve.

Sam Houston EC is working to continuously improve, from the way the Co-op informs members, to implementing procedures and technology to reduce the duration of outages.

Our generation and transmission provider, ETEC, has also worked to strengthen its generation fleet.

After power was restored, high bills were caused by pricing issues in the ERCOT market, as well as high electricity consumption due to the severe cold. Utilities in MISO did experience power outages and higher wholesale power costs during the extreme cold due to high demand, but not as severe as the price spikes seen in the Texas ERCOT grid. And because Sam Houston EC is not-for-profit, consumer-owned and financially sound, the Co-op has taken steps to mitigate the effects of those wholesale power costs by spreading them out over time.

Cooperative leaders worked with state legislators and agencies to protect our members and defend them against negative impacts. We are continuing these conversations and using every resource available to us to maintain power costs and keep your electric bills as low as possible.

The Co-op understands that even a small increase impacts family budgets, so we worked with members who needed assistance with bills that were larger than normal due to the cold weather. We also distributed financial assistance through our Helping Hands Program to members in need of bill assistance.

The intense Arctic blast didn't leave the Co-op completely unscathed, but we came through it far better than most. For that, and for you our Co-op members, we are thankful.



RELIABILITY

Reliability is Key for Co-op and Members

Reliability of service is a top priority for Sam Houston Electric Cooperative, second only to safety.

Sam Houston EC knows ‘keeping the lights on’ is a fundamental necessity for our 63,000 Co-op members. The global pandemic reinforced the necessity of reliable power as members worked from home, and children attended school online.

The Co-op’s Reliability Task Force continued to make great strides in analyzing and implementing methods to improve reliability across 7,000 miles of primary and secondary lines. The wildlife protection plan has been the biggest success to date.

Squirrels and birds were often the cause of outages in some areas of the system. Metal brackets are flat, and squirrels use them as perches. The metal brackets were replaced with brackets made of fiberglass tubes, reducing the number of outages caused by squirrels. Plastic covers were added to the tops of transformers, further reducing outages. Some poles were popular among woodpeckers, which are notorious for causing significant damage. Special sheets were wrapped around poles and attached with fiberglass pins.

Currently, the task force is identifying areas experiencing outages from lightning strikes. Most lightning-caused outages are in the southern portion of the Co-op’s service area. Automatic reclosers will be added in those areas as part of a pilot program. More reclosers will be added if the data shows fewer and shorter outages as a result.

The Co-op experienced 4% growth in 2021. Each of the 10 counties added members, which means more electricity is needed on every power line. Sam Houston EC increased the size of power lines with six reconducting projects in 2021. This followed five reconducting projects in 2020.

“Upgrading the wire size, or reconducting, to a larger wire size and capacity will reduce voltage drop at the end of the circuit,” Joel Colston, engineering manager, said. “We upgrade so we can accommodate growth and prevent future problems.”



HIGH GROWTH EXPECTED FOR YEARS

"If you build it, he will come," is the iconic line from "Field of Dreams", the hit baseball movie. The line is often misquoted as, "If you build it, they will come," referring to the long line of visitors coming to the illuminated baseball diamond in the middle of a cornfield.

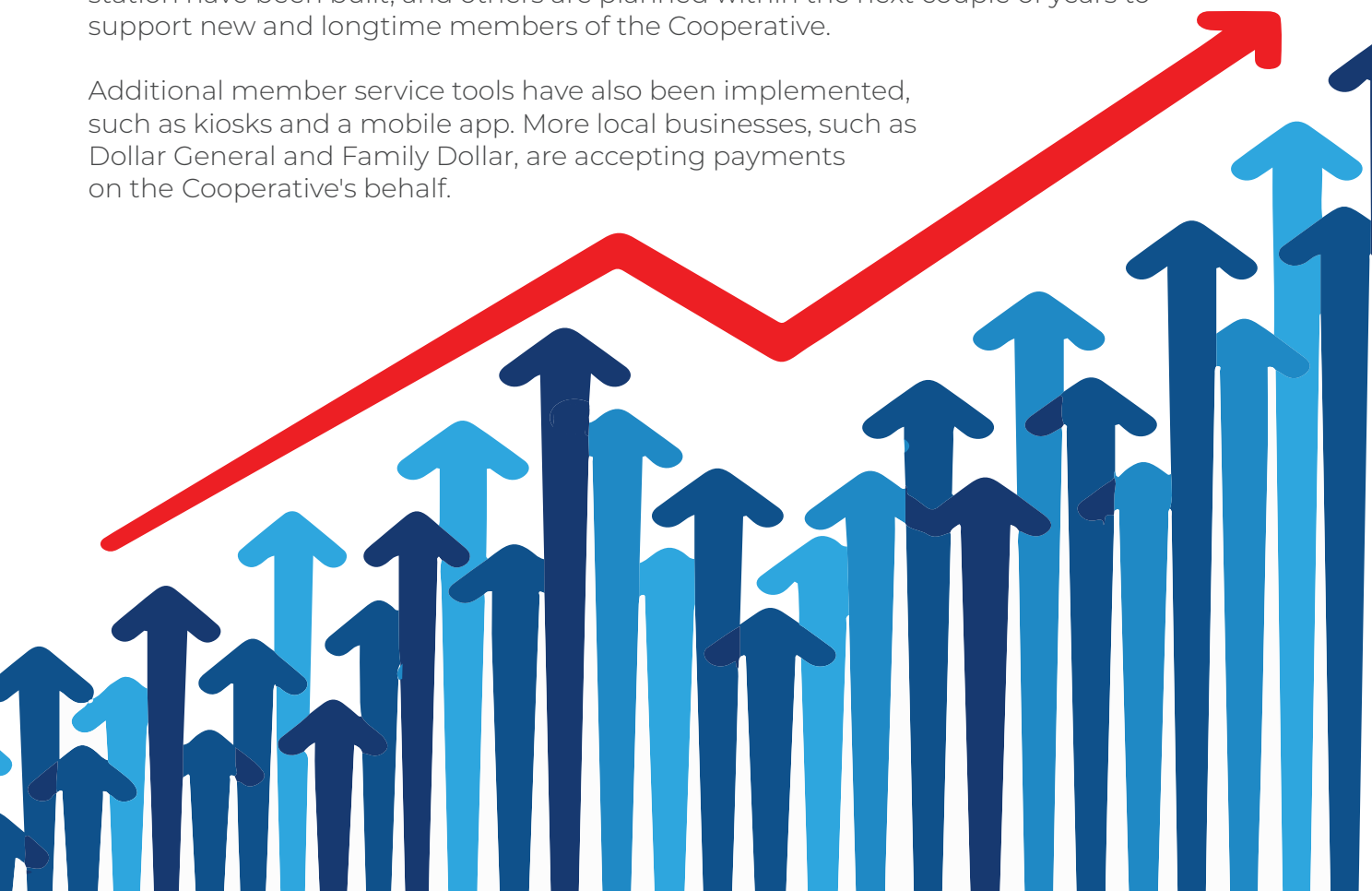
Home developers are building subdivisions primarily in Liberty and Montgomery counties in the southern portion of the Sam Houston EC service territory, and new Co-op consumer-members are coming. Liberty County experienced 9.9% growth with an increase of more than 1,100 meters. Montgomery County experienced a 7.6% increase with just over 1,000 new meters added in 2021. The growth is expected to continue for years to come as Highway 99/Grand Parkway is completed.

Other counties, such as Polk, Trinity and San Jacinto, continue to experience growth ranging from 2.5%-3.1%. New members are moving into these counties to get away from the hustle and confines of Houston.

The Co-op created a strategic initiative in 2018 to ensure these rapidly growing areas receive the same reliable and excellent service as more established portions of the Co-op's service area. As part of that strategic initiative, the Co-op developed new work processes to support the high-growth areas even during a global pandemic.

Several line expansion projects, substation improvements and a new switching station have been built, and others are planned within the next couple of years to support new and longtime members of the Cooperative.

Additional member service tools have also been implemented, such as kiosks and a mobile app. More local businesses, such as Dollar General and Family Dollar, are accepting payments on the Cooperative's behalf.



AMERICAN CUSTOMER SATISFACTION

Sam Houston EC Earns High Customer Satisfaction in 2021

Years of quality service resulted in high satisfaction scores for Sam Houston Electric Cooperative on the American Customer Satisfaction Index.

The Co-op's yearly ACSI average was 92.25, an all-time average high for a year. The record year was highlighted with ACSI scores of 96 in the first and second quarters of 2021.

"The scores demonstrate the dedication put forth by our Co-op employees over many years," said Keith Stapleton, chief communications officer. "Remember, winter storm Uri was in the first quarter of 2021. I believe our consumer-members rated us highly because of our actions during the storm and also for our actions in the months and even years before the storm. When they are asked the ACSI survey questions, our Co-op members recall not only recent interactions they've had with us, but previous interactions as well."

Cooperative members are chosen randomly and contacted by SkyBase7, formerly Oppenheim Research. Members are then asked to rate the Co-op on a 10-point scale as they are asked four questions during the survey.



CYBERSECURITY

Your Information Remains Private

Sam Houston Electric Cooperative goes to great lengths to protect every consumer-member's information.

The Co-op complies with security standards set by the North American Electric Reliability Corporation, the payment card industry and the U.S. government to ensure that Sam Houston EC members' information is kept very secure.

As part of every employee's on-boarding process, they receive cybersecurity training, and continuous cyber threat identification and prevention training continues throughout their employment. Cooperative employees are provided access only to the necessary portions of a member's account information to complete a work task.

Co-op devices such as computers, tablets and phones use multifactor authentication to ensure only an employee is using the device. Passwords and passcodes are changed several times throughout the year. The Information Systems Department can even remotely clear a mobile device in the event it is reported stolen or misplaced.

The Co-op's network is monitored around the clock for any malicious activity. All Sam Houston EC servers and workstations are protected by next-generation anti-virus and anti-malware software.

These cybersecurity safety protocols result in industry-leading efforts to keep members' information private and secure.



EMPLOYEE DEVELOPMENT

Building the Future

Sam Houston Electric Cooperative is proactively identifying and preparing the Co-op's future leaders.

"Our goal is to maintain the excellence we have achieved over the years and continue it to the future," said Dana Massey, director of administration and cooperative employee for 19 years. "We maintain our excellence among our staff by training and developing our quality employees."

More than 20 Co-op employees attended the Supervisor Management Development Program during 2021, which prepares employees to be effective leaders. Some employees attended inperson training, while other employees studied online for the program offered by the National Rural Electric Cooperative Association.

John Harris, Woodville lineman, and Sherrard Headley, Coldspring lineman, appreciate the opportunity to take the courses to improve themselves as employees and potentially prepare themselves to be supervisors in the future.

"The homework assignments have been helpful," Harris said. "They kept me involved and helped me learn. I wrote five papers for one course, and I can go back and look through the papers on the NRECA website in case I need that help down the road."

Several other employees earned their Robert I. Kabat Management Internship Program (MIP) certification. MIP is an exhaustive sixweek program geared to prepare select employees to become a co-op's next executive-level leaders.

Employees from throughout the Co-op also regularly attend local, regional or national conferences to share lessons learned here at Sam Houston EC and to learn from other cooperative leaders from across the country.





SAFETY

"Above anything else, the safety of our consumer-members, our employees and the general public is the highest priority at Sam Houston Electric Cooperative," said Ryan Brown, assistant general manager.

Co-op employees routinely attend Texas Electric Cooperatives Loss Control classes held at the Co-op training field just east of Livingston.

With the leadership of Bill Townley, construction manager, the Co-op produced a chainsaw safety video. Townley felt the comprehensive safety video was needed to educate new employees on proper chainsaw use, and to serve as a refresher for seasoned employees.

The course was added to the Sam Houston EC internal video library for employees to review before storm season or any other time throughout the year.

At each new job, linemen complete a safety walkthrough and meeting before beginning work.

"Every job is different," said John Williams, training and safety coordinator. "We owe it to our employees to send them home the same way they came to work."

Office employees do not face the same dangers as the Co-op's linemen. They are not on the road like the utility designers or foresters, but they see the value in safety too.

"We start our weekly meetings with a safety topic," said Rachel Frey, manager of communication. "The topics range from driving safety to proper ladder use and more. Safety is important not just at work; safety is important at home, too."

ELECTRICITY GENERATION

Energy Sources Diverse to Meet Member Needs

Sam Houston Electric Cooperative has been providing electricity to some of the most remote parts of East Texas for more than 80 years. The Co-op has grown and changed, and so has the fuel mix that generates power.

In the early days, coal was the primary resource used to generate electricity, not just in East Texas but across the country. Natural gas is now the primary source of power generation for Sam Houston EC at 49%. Coal is responsible for 31% of the Co-op's fuel mix, a 20% reduction since 2018.

The fuel mix now includes 20% renewable energy sources. The Co-op continues to increase renewable energy sources only when they are cost-effective and reliable.

The R.C. Thomas Hydroelectric Facility at Lake Livingston added 24 megawatts of renewable energy to the Co-op's generation and transmission provider, East Texas Electric Cooperative. Sam Houston board members and staff were on hand in November as the site was officially dedicated in honor of Mr. R. C. Thomas, a longtime board member of Sam Houston EC. The facility provides clean electricity to approximately 12,000 homes in our East Texas community.

Sam Houston EC entered into a purchase agreement in late 2021 with Hecate Energy to purchase 4 megawatts of solar power from their Independence Solar Farm located 10 miles west of Livingston. The site became active during the spring of this year.

Independence will provide low-cost renewable electricity to the grid, especially during high demand when electricity costs can increase like they did during winter storm Uri or during hot summer days.





Credit: Grafissimo on iStockphoto

NATURAL GAS PRICES AND ENERGY EFFICIENCY SAVINGS

As the primary source of power generation for Sam Houston EC, the price of natural gas has a major impact on the cost of electricity.

While our rates have not changed since 2018, each month a portion of the energy charge on members' bills may be adjusted to accurately account for any changes in the wholesale cost of generated electricity.

The demand for natural gas is high. In fact, the U.S. set a record high last year in the amount of liquified natural gas that was exported. Due to increasing demand, the price of natural gas doubled over the course of 2021 (January-October 2021).

Sam Houston EC and our generation and transmission cooperative, ETEC, continue to work with our industry partners to mitigate the impacts of high natural gas prices on electricity costs.

Members can take control of their energy consumption by monitoring their electricity usage through the mySamHouston mobile app and portal. Simple changes, like adjusting your thermostat, can make a big difference in your bill. Visit SamHouston.net for more ways to save.

GUIDED BY OUR MEMBERS



Director Districts

DISTRICT 1

Angelina, Polk and Trinity Counties

DISTRICT 2

San Jacinto County

DISTRICT 3

Tyler and Jasper Counties

DISTRICT 4

Hardin and Liberty Counties

DISTRICT 5

Montgomery and Walker Counties

The board of directors provides policy development, oversight and management across one of the largest electric cooperatives in Texas and the country as we mark 82 years of service. Made up of engaged Cooperative members, the board is keenly aware of what is important to our consumer-members because they are members too. To ensure equal representation for each of our more than 63,000 members, our service area is divided into five districts. Mr. Robert Boyd, from Tyler County, serves as board president. The Co-op's 11 directors are elected by their fellow members to serve in the overall best interests of the Cooperative and its members.



MIKE OLDNER
DISTRICT 1



DON BOYETT
DISTRICT 1



CASEY EVANS DAVIS
DISTRICT 1



MILTON PURVIS
DISTRICT 1



GARY JENKE
DISTRICT 2



JAMES ELMORE
DISTRICT 2



KATHERINE HARDIN
DISTRICT 4



ROBERT C. BOYD
DISTRICT 3



W.E. "ERNIE" MILES
DISTRICT 5



CHUCK TURNER
DISTRICT 4



JIM SEALE
DISTRICT 5

Financials

Consolidated Balance Sheets

December 31, 2021 and 2020

Assets	2021	2020
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Utility Plant:		
Electric plant in service	\$ 598 946 595	\$ 553 748 585
Construction in progress	13 894 390	16 540 480
	612 840 985	570 289 065
Less: accumulated depreciation	219 212 744	204 626 358
NET UTILITY PLANT	393 628 241	365 662 707
Investments in associated organizations, at cost	74 898 387	71 213 000

Current Assets:		
Cash and cash equivalents	6 781 419	5 840 580
Restricted funds	984 738	942 514
Accounts receivable (less provision for doubtful accounts		
of \$106,573 in 2021 and \$367,224 in 2020	20 100 563	19 285 015
Materials and supplies (at average cost)	386 799	1 728 017
Other current assets	664 603	546 822
TOTAL CURRENT ASSETS	28 918 122	28 342 948
Deferred charges	24 113 286	16 125 880

Total Assets	\$ 521 558 036	\$ 481 344 535
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Consolidated Balance Sheets

December 31, 2021 and 2020

Equities & Liabilities	2021	2020
Equities:		
Patronage capital	\$ 202 415 069	\$ 191 789 799
Other equities	156 290	156 290
Accumulated other comprehensive income (loss)	(427 333)	(1 012 246)
TOTAL EQUITIES	202 144 026	190 933 843
Long-term postretirement benefits liability	8 127 707	8 240 988
Long-term debt, less current maturities	261 062 353	235 818 397
Current Liabilities:		
Accounts payable and accrued liabilities	24 322 322	24 706 551
Current maturities of long-term debt	16 525 551	14 430 766
Current portion of postretirement benefits liability	199 148	251 032
Accrued interest payable	687 361	664 101
Consumers' deposits	2 474 374	2 728 549
TOTAL CURRENT LIABILITIES	44 208 756	42 780 999
Deferred credits	6 015 194	3 570 308
Total Equities & Liabilities	\$521 558 036	\$481 344 535

Financials

Statements of Revenue & Expense

For the Years Ended December 31, 2021 and 2020

Statement of Revenue & Expense	2021	2020
Operating Revenues:		
Sale of electricity	180 543 711	161 010 820
Other electric revenues	7 670 797	6 468 586
TOTAL OPERATING REVENUES	188 214 508	167 479 406
Operating Expenses:		
Cost of power	112 712 778	94 833 151
Transmission expense	594 865	713 173
Distribution expense - Operation	6 166 523	5 329 791
Distribution expense - Maintenance	16 137 121	23 438 867
Consumer accounts expense	5 795 871	5 632 410
Administrative and general expense	10 034 981	8 998 424
Depreciation expense	19 383 186	18 590 182
Taxes other than income taxes	2 724 218	2 791 755
OPERATING EXPENSES	173 549 543	160 327 753
OPERATING MARGINS BEFORE INTEREST EXPENSE	14 664 965	7 151 653
Interest on long-term debt and consumer deposits	9 410 241	8 780 769
OPERATING MARGIN (LOSS)	5 254 724	(1 629 116)
Generation and transmission capital credits	3 082 720	2 898 655
Patronage capital - Associated organizations	1 880 904	1 838 717
Nonoperating Margins:		
Interest income	160 844	109 041
Other nonoperating income (expense)	246 078	340 225
TOTAL NONOPERATING MARGINS	406 922	449 266
Net Margin	\$ 10 625 270	\$ 3 557 522

Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Statements of Comprehensive Income	2021	2020
Net margin	\$10 625 270	\$ 3 557 522
Other Comprehensive Income:		
Actuarial gain (loss)	584 913	(297 568)
COMPREHENSIVE INCOME	<u>\$ 11 210 183</u>	<u>\$ 3 259 954</u>

Statements of Patronage Capital & Accumulated Other Comprehensive Income

	PATRONAGE CAPITAL	OTHER EQUITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL
Balance, December 31, 2019	191 025 824	\$ 156 290	\$ (714 678)	\$ 190 467 436
Net margin	3 557 522	-	-	3 557 522
Other Comprehensive Income:				
Actuarial gain/(loss)	-	-	(297 568)	(297 568)
Patronage capital retired	<u>(2 793 547)</u>	<u>-</u>	<u>-</u>	<u>(2 793 547)</u>
Balance, December 31, 2020	191 789 799	156 290	(1 012 246)	190 933 843
Net margin	10 625 270	-	-	10 625 270
Other Comprehensive Income:				
Actuarial gain/(loss)	<u>-</u>	<u>-</u>	<u>584 913</u>	<u>584 913</u>
		<u>-</u>	<u>-</u>	
Balance, December 31, 2021	\$ 202 415 069	\$ 156 290	\$ (427 333)	\$ 202 144 026

Financials

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Statement of Cash Flows	2021	2020
Cash Flows from Operating Activities:		
Net margin	\$ 10 625 270	\$ 3 557 522
Adjustments to Reconcile Net Margins to Net		
Cash Provided by Operating Activities:		
Depreciation expense	19 383 186	18 590 182
Noncash patronage allocation from associated organizations	(4 963 624)	(4 737 369)
Accumulated provision for pensions and benefits	419 748	412 534
Cash Provided by (Used for) the Change in:		
Accounts receivable, net	(815 548)	(7 432 395)
Materials and supplies	1 341 218	(490 110)
Other current assets	(117 781)	(115 163)
Deferred charges	(7 987 406)	3 431 218
Deferred credits	2 444 886	(664 329)
Accounts payable and accrued liabilities	(384 229)	597 882
Accrued interest payable	23 260	23 974
Consumers' deposits	(254 175)	(38 702)
TOTAL ADJUSTMENTS	9 089 535	9 577 722
NET CASH PROVIDED BY OPERATING ACTIVITIES	19 714 805	13 135 244
Cash Flows from Investing Activities:		
Capital expenditures for utility plant, net of retirements	(47 348 720)	(35 210 770)
Net change in restricted cash	(42 224)	(1 186)
Patronage retirements from associated organizations	1 278 237	1 210 609
Deferred credits	-	124 416
NET CASH USED IN INVESTING ACTIVITIES	(46 112 707)	(33 876 931)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	31 500 000	31 000 000
Payments of long-term debt	(14 590 953)	(13 444 694)
Net change in lines of credit	10 429 694	7 000 000
Retirement of capital credits		(2 793 490)
NET CASH PROVIDED BY FINANCING ACTIVITIES	27 338 741	21 761 816
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	940 839	1 020 129
Cash and cash equivalents at beginning of year	5 840 580	4 820 451
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6 781 419	5 840 580
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest expense, Net of capitalized amounts	\$ 7 966 452	\$ 7 336 266
Noncash Investing and Financing Activities:		
Net actuarial gain (loss) on postretirement benefit plan	\$ 584 913	\$ (297 568)