



Touchstone Energy cooperatives provide high standards of service according to their four core values: integrity, accountability, innovation and commitment to community.

UPPER MISSOURI
POWER COOPERATIVE A Touchstone Energy® Cooperative

2020 ANNUAL REPORT

Photo by Casey Begger, Lineman, Goldenwest Electric Cooperative

About Us

Upper Missouri Power Cooperative (Upper Missouri) was organized in 1957 to serve transmission needs of rural electric cooperatives in eastern Montana and western North Dakota. Today, Upper Missouri provides service to eleven distribution cooperatives, six in eastern Montana and five in western North Dakota. The eleven Member Systems serve 77,714 meters to farms, ranches, homes and businesses in thirty-seven counties, representing 54,762 square miles.

Upper Missouri sources power from two major power suppliers, Western Area Power Administration (WAPA) and Basin Electric Power Cooperative (Basin). The majority and increasing percentage of power supply is sourced from Basin; in 2020, 96%.

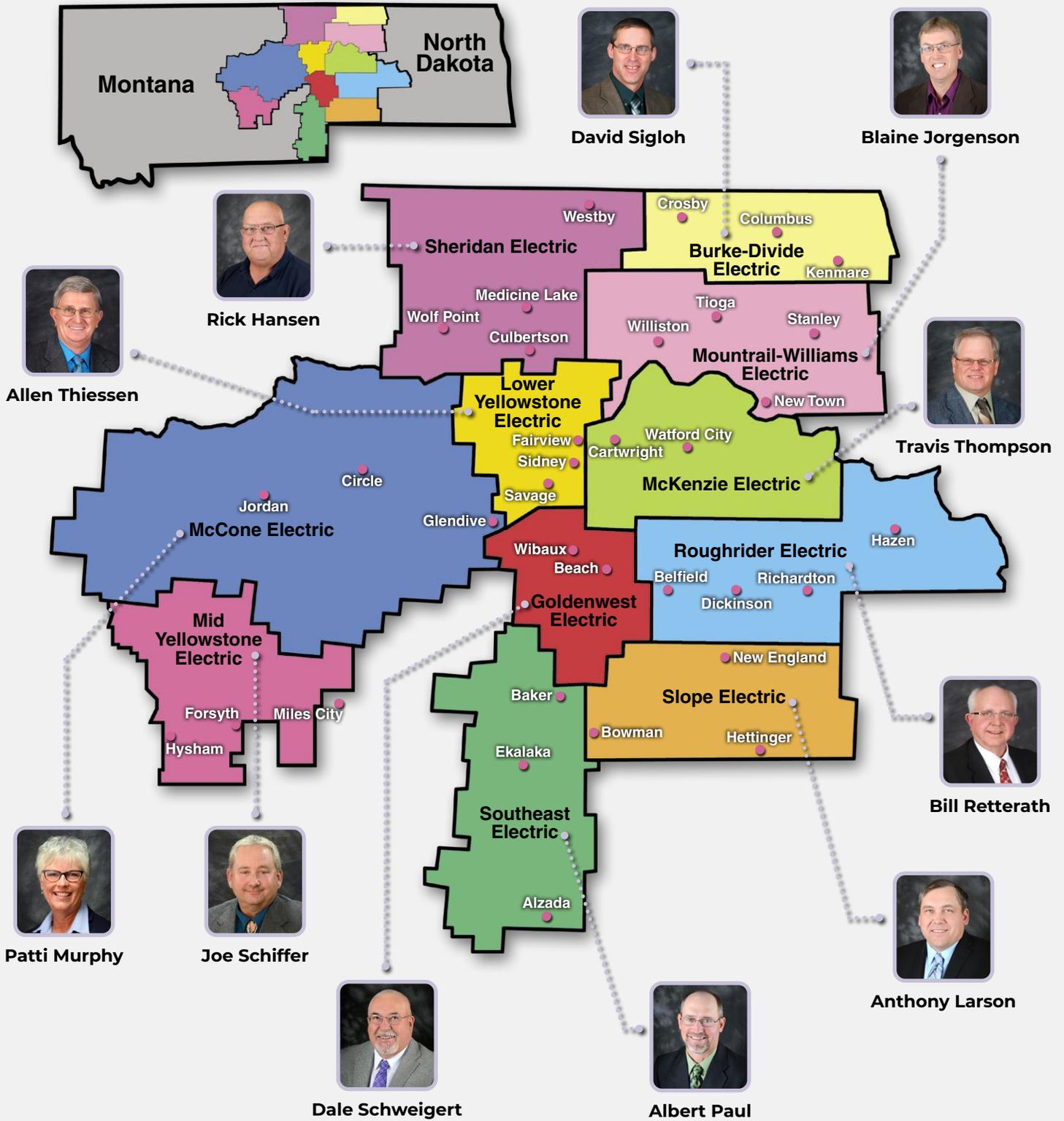
Upper Missouri has 192 delivery points, serves as the Southwest Power Pool (SPP) meter agent and is a transmission owner in Midcontinent Independent System Operator (MISO).

Upper Missouri is now a 1538 MW system. Sales decreased 1.33% compared to 2019 due to the oil gas slowdown and pandemic. Upper Missouri is projecting steady but more modest growth in the 10 year forecast.



Trustee **Albert Paul**-Southeast Electric Cooperative purchased this young rancher's prize sheep at the Fallon County Fair.

Distribution Map



Board of Trustees



DAVID SIGLOH
Burke-Divide Electric Cooperative

David Sigloh has served as a trustee on the Upper Missouri board for 23 years, five years as recording secretary and seven years as president. David

has served 32 years on his local board, Burke-Divide, 15 years as president. David serves as the president and has been a 25 year director for Rural Development Finance Corporation in North Dakota. He is also a director for Dakotas America, a national community development financial institution, currently serving as the Vice President. David is a former member of the North Dakota National Guard and has been a director on the Kenmare Vets Club gaming board for 15 years.

David is a retired farmer/rancher. He and his wife Penny reside on the family farm south of Kenmare ND. David's grandparents and parents were very involved in the cooperative movement. Attending annual meetings and watching the democratic process of member participation were part of David's childhood experiences. He notes the changes that have occurred in the electric business due to technology advances; our challenge is to keep up with the changes and to stay involved in the development of energy policy for our country from both an environmental and political perspective.



DALE SCHWEIGERT
Goldenwest Electric Cooperative

Dale has served on the Upper Missouri board since 2017, representing his home cooperative, Goldenwest Electric Cooperative. Dale has served on that board since 2002. Dale

and his wife of 46 years, Brenda, reside near Baker, MT. They have two grown children. Dale is a retired farmer/rancher and retired assistant at the local funeral home. Dale has a passion for and is involved in the local shooting club.

Dale sees serving as a trustee as an opportunity to give back to fellow cooperative members and to keep electricity service reliable and affordable by prudent business practices and adoption of affordable technology.

Dale is concerned about the pressure that our society is putting on base load coal generation and the reliance on intermittent renewable sources.

However, he sees opportunity on the same horizon; technology that will provide more choices, maybe even local generation coupled with new energy storage systems.



PATTI MURPHY
McCone Electric Cooperative

Patti has served on the Upper Missouri board of trustees since 2017. She has served on her local board, McCone Electric Cooperative, for 27 years. Patti and Kim ranch (cattle and sheep) northwest of Circle

MT and have three married children and seven grandchildren. When she and Kim aren't tending the ranch, they enjoy time with their children/grandchildren. Patti enjoys reading, cooking and needlework for her hobby time.

Patti is compelled to serve to help make their rural area a place for family and friends to succeed. Providing affordable and reliable electricity is an important component in that recipe.

Patti serves on the Mid-West Electric Consumers Association board to assure that WAPA preference power allocations are preserved for the membership. She is concerned about the transition away from coal base load generation to intermittent renewable energy generation and is committed to make sure the member-owners are protected from stranded costs; keeping affordable and reliable electric service.

Patti sees opportunities for the industry as technology advancements bring new options like smart appliances, HVAC systems and beneficial electrification. The new world of electric vehicles and distributed generation can be challenging, but if we keep ahead of the educational curve she feels we can position our electric cooperative members to find success through the changes.

Board of Trustees continued



TRAVIS THOMPSON
McKenzie Electric Cooperative

Travis and his wife, Lisa, farm and ranch along the Missouri River 8 miles north of Keene, ND. They also own an oil measurement business (check and calibrate oil/natural gas meters along the pipelines) and Lisa owns a beauty salon in Keene. They have 2 children, a daughter, Ariel and husband John live at Tobacco Garden resort. Their son Derek and his wife Mariah also live nearby. They are excited to be expecting their first grandchild; as Ariel and John are expecting their first child.

Travis and Lisa are fortunate to work closely with their children. Mariah works with Lisa at the beauty shop, while Derek operates their oil measurement business. The oil measurement business keeps them plus 11 employees busy. Travis focuses on the farm and ranch enterprise, but he and Derek help each other with their respective areas of work.

Travis has served on the McKenzie Electric Cooperative board of directors for 24 years and has served on the Upper Missouri board for 14 years. Travis has enjoyed all the time he has served their members-owners. They belong to Keene First Lutheran church which has been his home church ever since he was born. They enjoy spending time at the lake in the summer with their pontoon and traveling to different destinations every year in the winter.

Travis sees challenges for the electric utility industry in its efforts to adjust to the new realities of distributed generation, energy storage and low-cost market options. While challenging, new technology that provides member-owners with lower cost options is a win for member-owners, his focus. Travis lives by his strong commitment to the cooperative business model; with the determined member-owner attentiveness.



JOE SCHIFFER
Mid-Yellowstone Electric Cooperative

Joe came onto the Upper Missouri board in April 2020. Joe has served on his local electric cooperative board, Mid-Yellowstone, for 14 years. Joe and his wife Dusty Jo have four children, Matthew-27, Cassandra-18, Joseph-15 and Andrew-13. Joe enjoys

a golf game on occasion and has refereed high school basketball for 20 years. They operate a farm/ranch on 67,000 acres of grazing land and 700 acres of irrigated hay and corn silage. They run 1200 pairs and 530 bred heifers.

Joe sees the erosion of base load coal generation as a challenge to keep rates affordable. He sees opportunity for cooperation among cooperatives (sharing services) as an important tool to keep rates affordable and to keep on the forefront of technology.



BLAINE JORGENSEN
Mountrail-Williams Electric Cooperative

Blaine Jorgenson has served on the Upper Missouri board since 2015 and his local board, Mountrail-Williams since 2006. Blaine and his wife of 25 years, Jennifer, have three children.

Logan is in graduate school; Megan is a senior in college and Tucker is a high school senior. Blaine is a NDSU Agricultural & Bio Systems Engineering graduate. He and Jennifer own and operate a grain farm northwest of Williston. When the Jorgenson's aren't farming, they enjoy hunting, fishing, skiing and most any outdoor activity.

Blaine appreciates the opportunity to learn about the electric cooperative & utility industry through service on his local board as well as the Upper Missouri board. He finds satisfaction in learning, discussing and framing the future of the cooperative; identifying avenues to improve the business and bring value to the member-owners. Blaine enjoys the fringe benefit of working with a great family of directors and employees who share a common desire to build better communities.

Blaine is dedicated to making sure our governance model can adapt to industry changes and be relevant and effective going forward. While he sees industry challenges; he recognizes that new technology and structure present opportunities for member-owners and the cooperative. Our success will be built upon networking and connections created by our cooperative system.

Board of Trustees continued



ALLEN THIESSEN
Lower Yellowstone Rural
Electric Cooperative

Allen has served on the Upper Missouri board since 2000 representing Lower Yellowstone Rural Electric Cooperative. His cooperative board experience includes service on the Montana and North Dakota Electric Cooperative Associations, Mid-West Electric Consumer Association and currently serves as the Upper Missouri board representative at Basin Electric Power Cooperative and subsidiaries. Allen and Sue have two children and six grandchildren. Allen is a retired business owner and enjoys antique vehicles, small construction projects as well as fishing, gardening and traveling.

Allen's drive to serve originates with his desire to seek opportunities to benefit member-owners and the surrounding communities. He enjoys discussion and working together for the benefit of the greater community.

Allen sees significant changes on the horizon as pressures mount on coal and other fossil fuels, the potential for shift to electric vehicles and the competition from unconventional utility players.

In spite of the challenges, he sees opportunities for cooperatives because of the non-profit status, member-owned and member-controlled...affording flexibility to adapt to what the future becomes. The key to conquering challenges is our opportunity to work together.



BILL RETTERATH
Roughrider Electric Cooperative

Bill Retterath has served on the Upper Missouri board since 2012 and his home electric cooperative board since 1984. Bill and his wife Carol, are retired from farming and ranching and live in a home overlooking the Missouri River near Hensler, ND. Bill and Carol have six children and 15 grandchildren. Bill has a unique background as a trustee, having worked in several of the power plants in his backyard before he began farming full-time.

Bill's meticulous attention to detail and planning is evident in their homestead as well as their new home overlooking the Missouri River. While Carol

enjoys her artist work, Bill finds joy in cutting horse activity, fishing, yardwork as well as woodwork. While those are their hobbies, family and friends are their first interest.

Bill sees the pressure on coal as a challenge, not only because of the shift away from large baseload and dependable power supply, but for the impact on his region of the state.

Bill, however, is an optimist. He believes that the cooperative enterprise will adapt and remain a successful way to delivery energy to member-owners.



RICK HANSEN
Sheridan Electric Cooperative

Rick joined the Upper Missouri board of trustees in 2018. Rick has served on his local Sheridan Electric Cooperative board for eleven years. He and his wife, Lanette, operate Hansen Registered Angus, purchasing their first registered Angus cattle in 1982. Their motto is "Sound Proven Maternal Genetics" and have customers across the country. Because ranching is a consuming business leaving little time for hobbies, Rick claims that ranching is also his hobby! Rick and Lanette have three children and eleven grandchildren that give them cause to pause from ranch activity.

Rick chose to run for his local board because he understands the benefits that a dependable source of electricity affords his rural community...wanting to see power delivered reliably at the lowest possible cost.

He is concerned about the reliability and cost as the industry transitions away from coal to renewable energy, recognizing however that abundant and low cost natural gas is a huge benefit to the region and industry.



ANTHONY LARSON
Slope Electric Cooperative

Anthony Larson is serving a second term on the Upper Missouri Board; he served from 2015-2018 and began a second term in 2020. He has served on his local board, Slope Electric Cooperative, since 2010. Anthony and his wife, Jodi, have two children; Madelyn is a college freshman

Board of Trustees continued

and Blake is in the 8th grade. Anthony is a 4th generation cattle rancher with hog enterprise.

Anthony has always had a passion for community service and exercises that passion through board and community service. His constitution drives him to utilize his God given skills, talent and experiences to make his expanded community a better place to live. That same purpose drives his interest in regenerative agriculture; promoting a sustainable and healthy environment for today and tomorrow's family, neighbors, livestock and wildlife.

The energy business will be ever-changing as we move forward with advances in technology and respond to the public's evolving environmental concerns. This move away from base-load generation is causing stress within the cooperative family but will make us more resilient as we continue to diversify our generation portfolio. As leaders within the electric cooperative industry we must remain focused on the cooperative principles that make us strong. We must remain committed to work together for the benefit of our members. Finally, as an electric cooperative we must provide value to our membership beyond the kWh. It is imperative that we engage the membership to assist them with problem solving and improving their quality of life.

The rapid paced changes within the industry are providing excellent opportunities to provide education to the membership and be a trusted and respected source of information. We have an excellent opportunity and responsibility to evaluate our cooperative operations to make sure that they are efficiently serving the membership. There is no room for the status quo or "that's how we have always done it" in the competitive and exponentially changing environment of today. Bold leadership will allow us to continue to fulfill the missions of our cooperatives and thrive into the future.



ALBERT PAUL
Southeast Electric Cooperative

Albert Paul has served on the Upper Missouri Power Cooperative board since 2014 and on his local board, Southeast Electric Cooperative, since 2012. He and his wife of 22 years, Lynn,

ranch near Ismay, Montana. He and Lynn have four children; Jessica (19) sophomore in college, Jenna (17) senior in high school, Jaeda (15) sophomore in high school, and Jordan (12) 6th grade.

As a true rancher, his cows and horses are categorized as hobbies. He, however, finds great joy in teaching his children, spending time with his family, and meeting new people.

He has always felt that we should give back to our communities because they support us and our families. He finds service on boards like Upper Missouri as a way of giving back. Additionally, he enjoys the opportunity to work with all generations; learning and sharing knowledge.

The biggest challenge he sees for the industry is moving from a carbon based system to a renewable based system, while keeping our power reliable and affordable to our members.

Albert encourages us to embrace the future with the thought that we should look at every opportunity as the next big solution. As technology moves, we need to be nimble and willing to go forward exhausting all options to maintain and improve our systems.



MICHAEL A. MONSON
Corporate Legal Counsel

Michael Monson has served as Upper Missouri's legal counsel since 2012. Mr. Monson is one of three partners of Billstein, Monson & Small PLLC. Their firm focuses on business transactions, lending, tax, real

estate, and corporate governance matters.

Michael, his wife Kristi and three boys, Luke (12), Jacob (10) and Adam (8) reside in Billings. Their family hobbies and interests include fishing, camping, boating and skiing.

Monson sees Upper Missouri as a valuable participant in the electric cooperative industry in eastern Montana and western North Dakota and presents interesting and often complex legal issues. Monson acknowledges that the trustees and staff are always up to the task. They are always professional, courteous, and engaging. They make my job easy. Most importantly from my perspective though, they are thoughtful stewards and are always willing to address any legal issues UMPC faces.

UMPC Staff



Jeremy Mahowald
Chief Operating Officer

Della Pewonka
Controller

Stacey Brown
Office Manager

Claire Vigesaa
General Manager

President's Report



Blaine Jorgenson

In the future, when someone googles “Black Swan Event,” the result may well say “See 2020.” This pandemic has been the most disruptive force in most of our lifetimes. Black Swans by nature cannot be prepared for and are generally only reacted to. So how did UMPC fare in 2020? Members

received power and paid their bills. Without belittling the real negative impacts on many of our member owners, we did do everything possible to carry on in this our essential role for society. The role of providing reliable, affordable energy that has become even more essential in a truly electronic age.

We made a concerted effort to operate our business as normal as possible through this experience. We kept our original annual meeting date, being the first in the family to hold our annual meeting virtually on April 2nd. We adjusted to alternate meeting venues to accommodate health department requirements because we preferred to be in person.

UMPC endured an eventful 2020 aside from the pandemic related circumstance. Claire Vigesaa, UMPC General Manager, has announced his retirement timeline and the Board has begun considering how to fill his shoes. In December, the Board participated in a strategic planning event, which, held in person, was a wonderful time for Board members to connect and brainstorm. UMPC is still in the midst of legal actions as well. The Federal Energy Regulatory Commission (FERC) filing is progressing despite challenges to the rate structure. The civil case between UMPC and McKenzie is also slowly moving forward. I am reminded of a story I once heard about a young lineman driving the bucket truck for the first time. On the way back to the office, his senior passenger said “Stop.” He promptly

got out of the truck and kicked a turtle into the ditch behind the truck. The young apprentice asked, “why did you do that?” To which the reply came. “That turtle’s been following us around all day!” It may feel like things are moving slowly but hopefully, in the not-too-distant future, the members of UMPC can sit down together and break bread.

General Manager's Report



Claire Vigesaa

As a Touchstone Energy Cooperative, we subscribe to four core values, integrity, accountability, innovation and commitment to community. You'll notice demonstration of these attributes by our Member Systems in the "highlight" section of this report.

Of these four values, accountability has been top of mind for me this past year. What does accountability mean and to whom are we accountable?

Accountability defined: In ethics and governance, accountability is answerability, blameworthiness, liability, and the expectation of account-giving. As in an aspect of governance, it has been central to discussions related to problems in the public sector, nonprofit and private and individual contexts. In leadership roles, accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be answerable for resulting consequences.

As your General Manager, I am directly accountable to the Board of Trustees. As a cooperative, Upper Missouri is accountable to our Member Systems, as well as various agencies and governmental bodies such as The Federal Energy Regulatory Commission (FERC), Midcontinent Independent System Information (MISO), Southwest Power Pool (SPP), state and local governments, to provide accurate and timely data. As servant leaders, it is a minimum expectation that we conduct our business with integrity and accountability. Our critical point of accountability must be directed to the member-owners of the cooperative network. In this cooperative world, it is the member-owner who should be understood to be the leader; and those of us who have been entrusted stewards are servants. For if we are to truly serve our

member-owners, we must have the spirit and attitude of a servant.

I have been ever mindful that, as an entrusted servant, I must come to work each morning understanding that decisions about what we do, how we spend time and money must be aligned with our cooperative member-owner expectation of us...to provide affordable reliable electric service. Upper Missouri is just a small "cog" in that service wheel.

We've purposed this last year to keep grease on the cog to reduce financial and power supply risk to our member-owners. We've had a successful year with our data collection and metering. Our facilities are in good shape and we are confident in our NERC compliance plan that has been developed in concert with Member Systems, MDU and Basin Electric Power Cooperative.

We've made headway with our FERC filings and expended significant time and energy to better understand our future; learning about the changing electric utility landscape, studying options and impacts of Dakota Gas Company upon our member-owners and supporting efforts to maintain our preference power supply through WAPA.

I believe that Upper Missouri demonstrated accountability in 2020, but we can do better. Though we are only a cog in a wheel, we must maintain an awareness that the cogs before and after us impact the wheel as well, that wheel being the member-owner. Our servant leadership cannot be selective and we should not hold any cog in the wheel in higher regard than the member-owner. There will continue to be challenges and issues facing our industry and we, as servant leaders, need to be nimble and able to quickly adapt to change for the sake of our member-owners.

We are thankful for the support from our Board of Trustees, Member Systems, contractors and neighbors this past year. Next year will be different, however the basic premise and operating guide remains; serving our member-owners with integrity and accountability.

Chief Operating Report



Jeremy Mahowald

In our theme this year, we highlight a core value of Upper Missouri and its operations: Accountability. Being accountable means responsibility for the integrity of the data to deliver accurate power billing. This requires precise measurement of power, meticulous processes, and thorough

quality assurance reviews. Being accountable means responsibility for the integrity of the facilities we own that serve our membership. This requires following best practices in maintenance and meeting strict reliability regulations. But being accountable also means doing what we need to do at the best value. It is coordination and communication with members, contractors, power suppliers, and our board. It is listening to our member needs and delivering results in the best manner possible.

Upper Missouri remained resilient through the COVID-19 in 2020, and there were no lapses in the maintenance or care of our facilities, reporting requirements, or any other reliability function required to maintain our facilities. We maintain a solid working relationship with Montana Dakota Utilities (MDU) and Roughrider, our transmission substation facility maintenance contractors. We did postpone installation of some required cyber upgrades until 2021 due to the pandemic. We enhanced our protection at the Medora substation with the completion of a new berm and repair rain damage at the Little Missouri substation. Otherwise, there were no significant maintenance issues in 2020.

In 2020, our industry faced potential threats to grid security, because of weak software structures or firmware components causing vulnerabilities that can allow for cyberattacks by foreign adversaries. This resulted in multiple supply chain assessments to ensure our components were free of adversarial nation components or specific network software

products. Through detailed examination, Upper Missouri verified we did not have any these products at risk.

Upper Missouri contracts many functions, including our IT services. HDR Engineering of Billings continues to maintain our metering network, however, our qualified local resource could not commit the time required to meet our needs. In March, we hired a respected Montana IT contractor, Morrison-Maierle from Helena and Billings to fulfill this role. They provide quality service, their employees are trustworthy, and they have been a cost-effective solution.

Our billing and data accuracy remains very good, and in 2020, our load monitoring performance was in Basin's top tier, every month. This resulted in a second consecutive year with over \$1M in load monitoring incentives, now earning over \$4M to date. In March, we did have a billing error because of an erroneous adjustment made by another utility. As a result, we have added a process in our quality assurance review to prevent this type of error from occurring again.

As a public utility, parameters and calculations we use to bill each meter are now part of the federal public review process. This has required a new procedure in 2020 to get ahead of changes with our members. This includes reviewing updates with the cooperative staff to ensure agreement on our accuracy and our approach, then getting to the respective cooperative and Upper Missouri boards approval on contract updates before we file.

Accountability is at the heart of what we do and will remain a core value in our commitment to providing a strong value and contributing to the overall success of our member cooperatives.

Controller Report



Della Pewonka

Upper Missouri's sales growth remained strong, sales totaled 10,375 GWH in 2020 a decrease over 2019. Upper Missouri's coincidental peak reached 1,538 MW in February. Oil and gas development continue to drive load growth.

Just ten years ago, in 2010, Upper Missouri had a peak demand of 293 MW and sales of 1,867 GWhs. Present load forecasts indicate that Upper Missouri expects to see 100 MW of growth over the next two years.

In 2020, 96% of Upper Missouri's energy supply was purchased from Basin Electric Power Cooperative with the balance 4% was purchased from WAPA.

Our world changed in 2019, moving under FERC jurisdiction for rate filings. This change requires new procedures and reporting requirements. Our goal is to have a formulary rate approved to minimize the annual filing process.

Upper Missouri is required to file an Attachment "O" with MISO and hold an annual meeting for transmission customer input on transmission cost recovery. The annual meeting is held in late July; no concerns or protests were raised during the meeting.

Under Upper Missouri's cost of service model, wholesale power costs are passed directly through to the Member Systems. Maintenance and replacement expense, operations expense, capital credit allocations and renewable energy credits are passed through to the Member System based on asset use or sales percentages.

Upper Missouri's financial audit was completed by Brady-Martz.

The cooperative is financially secure and has quality resources, both human and technical, to operate from a position of strength. Upper Missouri's healthy financial ratios, cost

effective financing and cost of service model provide for a predictable ten-year rotation of member patronage. Upper Missouri returned its budgeted \$350,000 in capital credits in addition to a bill credit of 100,000 with the December billing.

With confidence, I am pleased to report that we have accounting and financial systems in place to provide secure and predictable financial performance. For it is our Member's investment for which we are stewards.

Member Highlights



2020 marked **Burke-Divide Electric Cooperative's** 75th anniversary. Due to the coronavirus pandemic, BDEC held a drive-in style meeting. The 120 members in attendance received a \$75 bill credit and a 4-piece set of beverage glasses. They enjoyed a brown bag lunch while listening to the business meeting on their car's FM radio.



McCone Electric Cooperative's drive through annual meeting was an astounding success, keeping their member-owners safe while conducting business as normal as possible, during a pandemic!

« **Goldenwest Electric Cooperative** apprentice, **Cole Olsen**, working a line 20 miles north of Beach, keeping the lights on in rugged rural country!

Member Highlights continued



McKenzie Electric Cooperative left photo: a picture of one a linemen during a pole changeout; middle photo: The inside of the substation at the ONEOK Demicks Lake substation; right photo: copper line replacement. McKenzie staff keep busy serving, focused on affordable, reliable electric service to their member-owners.



Roughrider Electric Cooperative's Dickinson crew including Journeyman Linemen **Brock Swensrud, Mitch Krebs** and **Tyler Schlosser** changing out a pole in the ND Badlands assuring reliable power supply to their member-owners. Photo courtesy of Roughrider.

Member Highlights continued



Rita Williams intently listens to member-consumer; a history of caring at **Southeast Electric Cooperative**.

« While the pandemic changed the way **Slope Electric Cooperative's** linemen travel and work when in close proximity, it did not change the cooperative's commitment to its membership. Line Technicians **Chris Backhaus** and **Dusty Hoff**; photo courtesy of Dean Volk, Slope Electric Cooperative.

Even during this unique year **Mountrail-Williams Electric Cooperative** is continuing to keep their Commitment to Community. Top L to R: **Dale Haugen & Alex Vournas, Wendy Slotsve & Luanne Axelson, Patrick Trotter & Ryan Block**. Bottom L to R: **James Neether & Scott Iverson, Jeff Holte & Tate Barbot, Kyle Sorenson & Leon Brackey**.

Member Highlights continued



Mid-Yellowstone Electric Cooperative staff serve their community; hanging Holiday decorations in the fall and participating in roadway litter cleaning.



Member Highlights continued



Lower Yellowstone Electric Cooperative constructed the Sanderson Substation in 2020 to feed new load in the northern part of their system in addition to the new Sanderson Gas Processing Plant.



« 2020 has been a year of separation at **Sheridan Electric Cooperative**, not only keeping employees separated, but being separated from our membership due to Covid-19. **Tom Hinds** and **Tristan Ereth** are shown in their temporary office located in one of our warehouses.

2020 Upper Missouri Activities

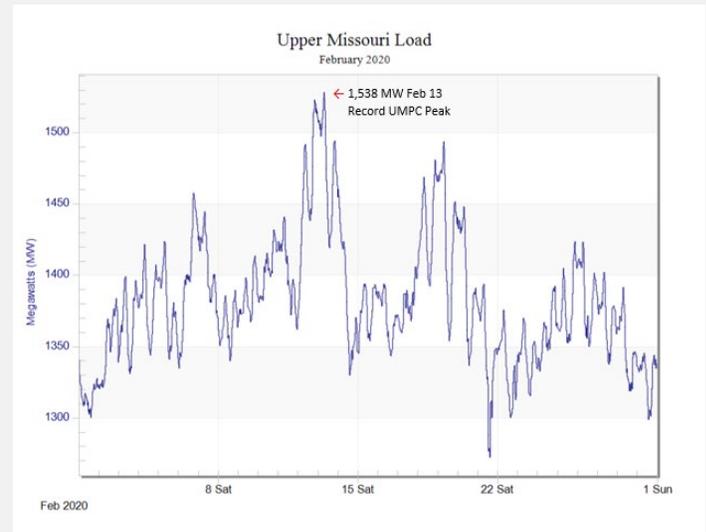
January 2020

1. Use of ethane and flare gas, a hot topic.
2. ONEOK started up its \$1.4 billion natural gas liquids Elk Creek Pipeline – Sidney to Buston Kansas 900 miles.
3. Engaged Brady Martz for 2020 Audit.
4. Met with Basin staff to discuss the SPP Integrated Transmission Plan model, a long-range ten-year plan.
5. Tri-State announces two coal-fired power plants will shut down; Escalante Station in New Mexico and Craig Station in Colorado.
6. Jeremy participated in the NERC Compliance Member's Working Group Meeting.
7. Outrigger Energy II announced it has entered into a long-term definitive gas gathering and processing agreement with XTO.
8. USA utilities caught in the crosshairs as US-Iran tensions rise, cyberattack risks.
9. UMPC processes a monthly record billing of \$59,032,251.
10. Staff held a conference call with Convergent Energy to discuss battery storage technology.
11. Vigesaa attends the NRECA CEO Conference
12. Vigesaa attends NRECA CEO Advisory Committee Meeting.
13. Vigesaa met with Cynthia Hsu-NRECA Cybersecurity Manager
14. Brent McRae-McCone wins the Montana straw poll to be Montana's CFC director candidate.
15. Upper Missouri metering costs drop 21% from 2018 to \$363,000.
16. Load monitoring incentives eclipse \$1 million annually.

February 2020

1. Upper Missouri rents a storage unit in Dickinson to optimize inventory management for Chapman Metering.
2. Board of Trustees approve a new bill payment option for Member Systems through CFC.

3. OSHA 300 Form completed, no reportable incidents.
4. David Sigloh/Blaine Jorgenson selected delegate/alternate to the NRECA and CFC Annual Meeting.
5. Mahowald meets with Basin staff concerning EDNA software conversion and coordination.



6. Warm weather and low natural gas prices put pressure on coal generation; only 18% of the generation in January in the lower 48 was generated from coal.
7. WAPA hosted an informational environmental meeting at the Wibaux County Courthouse for the Wibaux Wind Farm.
8. Great River Energy indicates that their Coal Creek Station is facing financial challenges.
9. President Trump's budget calls for divestiture of WAPA transmission assets and converting PMAs to market-based rates.
10. Staff meet with Basin/McKenzie Electric regarding transmission limitations near Lonesome Creek Station.
11. Mahowald holds quarterly meeting with MDU; MDU is prepared to handle the assigned CIP and PRC self-certifications.
12. Mahowald attended the ND Engineering & Operations Conference in New Town, ND.
13. Cold weather continues to drive up demand.
14. A new NERC standard for Upper Missouri: PRC-027-1, Coordination of Protection Systems for Performance During Faults.

2020 Upper Missouri Activities continued

15. Basin Electric Power signs agreement to buy output from a 128 MW solar project in South Dakota.
16. TC Pipeline moving ahead with pump station construction of pump stations 14,19 & 20. Contractor camp civil work to be completed in 2020.
17. ONEOK increased its gas processing to 1.2 million cubic feet/day. Production will increase another 400 Mmcf/day with the completion of Demicks Lake II and the expansion of Bear Creek.
18. Mahowald completes a major revision of Upper Missouri's NERC Compliance Program Document.
19. Vigesaa and Mahowald attend the NRECA Annual Meeting.
20. Upper Missouri's load surpasses 1,500 MW, 1,538 MW in February.
8. Vigesaa and Mahowald participated in the summer transmission operating study meeting.
9. Mahowald participates in the Upper Missouri Zone Coordinating Group meeting to discuss MW-mile criteria for transmission inclusion.
10. Staff acknowledged NERC's alert on COVID-19.
11. Upper Missouri invests in GoToMeeting and GoToWebinar technology to facilitate a virtual annual meeting, board and Member System meetings.
12. COVID-19 impacts ramp up; prepared alternative plans for potential staff absence.
13. Chapman Metering delays meter testing and installations due to COVID-19.
14. Lower Yellowstone and Mid-Yellowstone move to the CFC bill platform.
15. Mahowald successfully completes the Cooperative Financial Professional Certificate Program.
16. Sub-transmission lease amendment signed with Basin Electric for MISO qualifying assets at Halliday and Medora.
17. TC Pipeline announces that the pipeline spreads will commence, including the segment on both sides and through the U.S.A. and Canadian border.
18. System load begins to drop off due to COVID-19 impacts.
19. Patti Murphy and Vigesaa participated in the Mid-West Electric Consumers Association board meeting virtually.

March 2020

1. Vigesaa and Mahowald attend Evershed Sutherland Customer Event.
2. Vigesaa met with fledgling Louisiana G&T, 1803.
3. David Raatz attended the Upper Missouri Board meeting to discuss load resource planning, generation mix and the value of load growth.
4. ONEOK tables Demicks Lake III slated to come on line in 2023.
5. Mahowald presented the electric cooperative story to the Sidney Chamber Leadership Class.
6. The Hebron Substation was energized, providing 115kV service to Red Trail Energy.



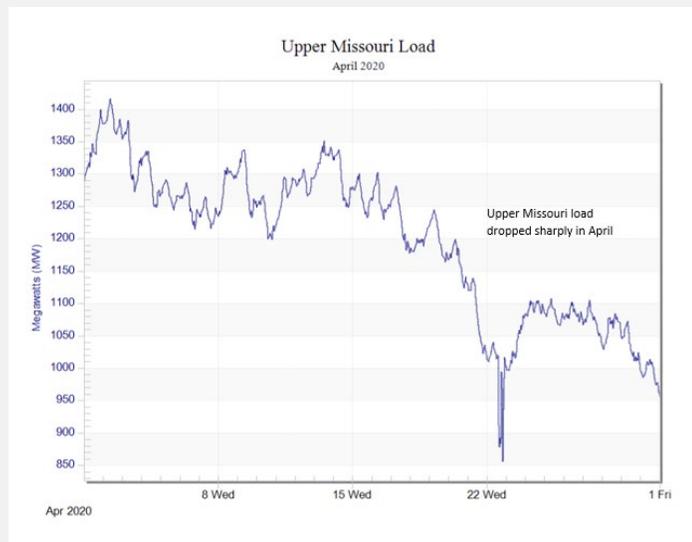
7. Pewonka completed the MISO Attachment "O".

April 2020

1. Several Member Systems move to postpone their June annual meetings.
2. Member Systems make adjustments to use technology for work-from-home staff.
3. Tye Williams hired to be Southeast's assistant manager
4. Lance Rambousek – Brady Martz presented 2019 Audit Report – clean.
5. Upper Missouri holds its April board and annual membership meeting virtually.

2020 Upper Missouri Activities continued

6. Jim DeCock and Jerry Caron retire from the Upper Missouri Board of Trustees
7. Joe Schiffer and Anthony Larson join the Upper Missouri Board of Trustees.
8. Oil/gas prices plummet.
9. SPP power prices fall, even negative one morning; energy market prices are half of what they were the same time a year earlier.
10. Energy use patterns change due to school and work from home initiative.
11. 2021 load forecasts are reviewed and adjusted; essentially slipping a year.



12. Oil field development on the edges of the Upper Missouri system feel the loss acutely.
13. Western States Power Corporation holds its annual meeting virtually.
14. SPP updates its meter testing requirements; reducing from annual to every three years.
15. TC Pipeline crossing the U.S.A/Canadian border is completed.
16. Replacing DCN fiber circuit with Member System fiber path for SCADA data from Grenora.
17. Washouts repaired at Little Missouri substation.
18. Medora Substation berm repairs commenced.
19. World oil inventory halts oil production, over 5,000 Bakken wells shut in, load drops 250MW

May 2020

1. Sheridan Electric Board of Trustees select Scott Westlund as its next general manager.
2. Whitey Jardee, long-time Southeast trustee passes from cancer battle.
3. Load continues to drop due to oil well shut in; down another 200MW; totaling a 450MW drop
4. Vigesaa participates in a effort to support the ethanol industry, hit hard by the economic slowdown.
5. Carson Wahl, a Roughrider student, receives the Upper Missouri scholarship.
6. Bakken Midstream effort to use ethane for electric generation in the Williston Basin.
7. Vigesaa joined John Weeda-ND Transmission Authority, Darcy Neigum-MDU and Tom Christensen-Basin on an EERC panel discussing transmission impacts in the Bakken.
8. Mahowald participated in discussions with MWEC with respect to flare gas generation.
9. Great River Energy announces the closure of the Coal Creek Station in late 2022.



10. Strong windstorm passed through McCone's area, with peak winds over 100 mph.
11. Mahowald completed the annual Upper Missouri facility inspections with Gary Markwart-MDU.
12. Jerry King – General Manager-Burke-Divide is interviewed by NRECA regarding the financial toll on the cooperative from the oil price plummet.

2020 Upper Missouri Activities continued

13. Load forecast drafts are circulated for review.
14. Basin Electric distributes \$226,473 in patronage to Upper Missouri, the remainder of 2003 patronage.

June 2020

1. McCone Electric conducts a successful “drive-in” annual meeting in the park via FM radio.
2. Vigesaa completes the 2021 labor allocation used for the 2021 budget and rate process.
3. McKenzie names Matt Hanson as its new COO.
4. Vigesaa visits each trustee on their “turf”.
5. Mountrail-Williams reduces rates to commercial sector.
6. Vigesaa presents the 2020 Helping Hand Award to Dave Rudolph-Basin.



7. The Upper Missouri Managers honor Rick and Kim Knick for their years of service and support for the cooperative network.
8. Pewonka updates the Attachment “O” reflecting increased ROE.
9. Electric load begins creeping up again.
10. ND PSC approved the Northern Divide Wind project in Burke-Divide’s front yard.
11. Selected Morrison-Maierle-Billings to manage the cooperative IT work.
12. Two 75MW solar projects called Cabin Creek Solar will be built near Plevna MT; output sold to Basin.

13. Jerry Koppenhaver-Burke-Divide performs scheduled maintenance on the office generator.
14. Vigesaa participated in the NRECA CEO Advisory Committee meeting to discuss COVID-19 impacts.
15. A golf tournament was held in Sidney “Remembering Curt Brown Event”, honoring Curt (Stacey Brown’s late husband).
16. Vigesaa attended the MECA Manager’s Conference in Ennis, MT.
17. Vigesaa participated in the virtual Midwest Electric Consumers and Western States Board meetings.

July 2020

1. Tornado caused significant damage to MVEC transmission lines south of New Town (25 poles)
2. Shut in oil wells come back on line; dropping from 7,500 down to 6,800 shut in
3. Upper Missouri MAC conducts Paulson Survey via “zoom”
4. David Sigloh/Bill Retterath selected as Basin Bylaw delegate/alternate
5. Cooperative house siding project completed
6. Roughrider, MVEC, Burke-Divide, MEC hit with a summer windstorm.
7. NERC Executive Order, supply chain risk request of installed BES equipment supplied or manufactured by certain foreign entities of concern.
8. District court ruled that Dakota Access Pipeline must shut down by August 5th. Later, the ruling amended to allow for flow to continue while litigation ensues.
9. Hearing to dismiss the civil law suit was held in Watford City.
10. Goldenwest held annual meeting.
11. Plan to change batteries on meter and communication systems on a 6 year rotation.
12. Governor Bullock issued an order for all businesses open to the public in counties of four or more active COVID-19 cases to wear masks.
13. MISO Annual Formula Rate review complete; rates official effective.

2020 Upper Missouri Activities continued

14. Mid-Yellowstone creates a new monthly peak due to irrigation.
15. WAPA announces an upgrade to the Halliday-Killdeer transmission line, installing taller poles, increasing capacity and adding fiber.
16. Skedsvold Ranch in McKenzie's territory completed a PURPA application for a 66kW solar project.
17. Della Pewonka added annotation to the FERC rate filing draft. Stacey Brown posted data and documents to the website for the FERC filing.
18. Six pump stations are under construction for the TC Pipeline in the U.S.A.
19. Della Pewonka attended the virtual G&T Finance conference.
5. Board of Directors accepted a proposal from Brady Martz to conduct financial audits for 2020, 2021 & 2022.
6. Upper Missouri staff hold its MISO annual meeting with colleagues from Central Power, East River, CamWall and Basin Electric.
7. Fort Peck Tribes sign WAPA contract; Sheridan, Upper Missouri and Basin are parties to the WAPA contract extension to include a bill crediting program.
8. Mahowald and Vigesaa take a field trip to the Sanderson Gas Plant
9. NDAREC awarded a \$4 million grant from the Economic Development Administration for the construction of a Line-worker Training Center.

August 2020

1. Load monitoring channel capacity is running low; Jeremy ordered another 50 channels to accommodate growth.
2. Upper Missouri moves to upgrade our MV90 system.
11. Pewonka completes and shares 2021 draft budget.
12. Vigesaa presented Jerome Caron with Service Award.



3. Brad Nebergall, VP of for Tri-State Generation and Transmission presented to the Upper Missouri MAC and board in Medora discussing competitive pressures on traditional utilities because of low market energy prices.



4. Patti Murphy presents Ray Tescher with a plaque and tribute for Ray's contributions to Mid-West Electric Consumers Association.

September 2020

1. A massive prairie fire traveled through the Jordan/Cohagen area of McCone Electric. McCone lost about 100 power poles, destroyed thousands of acres of rangeland and hay bales.
2. FERC gives Upper Missouri the nod to set up a Form 1 account at FERC.
3. Morrison Mairele updated the anti-virus and security software.
4. Oil producers report that initial production of wells coming on line after shut-in is exceeding expectations.
5. GRE announces that the Stanton Station demolition and restoration is complete.
6. Sigloh and Vigesaa attend Basin Bylaw meeting.
7. Board of Trustees engage Aaron Stallings-CFC to facilitate December strategic planning session.
8. Landowner near the Little Missouri Substation petitions to privatize access road.
9. Vigesaa attends joint Class A/Basin board meeting in Madison SD.

2020 Upper Missouri Activities continued

10. Vigesaa attends Mid-West Electric Consumers Association board meeting in Cheyenne.

October 2020

1. Tesla unveiled a new electric vehicle battery design, featuring improvements to density, cost per kWh and manufacturing efficiency.
2. Upper Missouri received a NERC compliance request, asking for clarification of our facility ratings.
3. Several Member Systems hold virtual or drive in annual meetings; citing increased participation through mail balloting.
4. Vigesaa and Pewonka met with the Sheridan staff and board committee to review the UMPC budget process.
5. Kenny Rolandson-Mid-Yellowstone received MECA Operations Award.
6. Upper Missouri trustees and managers complete the CFC strategic planning survey.
7. Mahowald works with Member Systems on behind the meter generation projects.
8. Vigesaa reports to the MECA membership during power supply session.
9. Brent McRae presents a heartfelt message on the Power of Trust at the MECA annual meeting.
10. FERC accepts Upper Missouri's waiver request for requirements to adopt an Open Access Transmission Tariff.
11. Submitted Facilities Rating response to the MRO.
12. Vigesaa attends McCone Strategic Planning session on G&Ts
13. Vigesaa attends the NRECA CEO to CEO discussion.
14. CoBank grants a \$2,000 Sharing Success Grant to the Sidney Fire Department foundation.
15. Dakota Access Pipeline moves forward with expansion with 300,000 barrels of new storage and two 6,000 HP pumps in McKenzie Electric's territory.
16. Vigesaa met with RUS Denver Schleppe to discuss returning to RUS for financing.

17. Vigesaa attends the WAPA ten year capital plan seminar.

18. Staff hosted a call on wind farm metering with Basin and Member Systems.
19. Kenworth announced plans to launch two new electric trucks with a range of 200 miles.
20. Three Affiliated Tribes contract discussion continues with WAPA, Mountrail-Williams and McKenzie.

November 2020

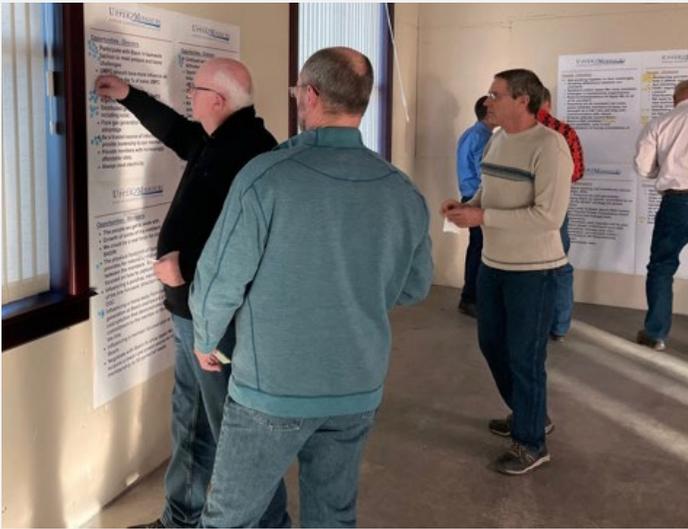
1. SPP determines that a delivery point network study is necessary for the Sanderson Substation.
2. Pewonka completes the first Form 1 for SPP and was subsequently filed with FERC.
3. Learn that our Exhibit A process will need to adapt to FERC filing requirements, extending the process from 60 days to four months.
4. Preliminary load forecasts are sent to the 11 Member Systems.



5. Upper Missouri hosted the Upper Missouri board for the virtual Basin annual and Members Only meeting.
6. Approved the 2021 budget and rates
7. Upper Missouri's wholesale power contract and formula rates were filed with FERC on November 12, 2020.
8. Burke-Divide announced that they will be serving the station service for the Divide Wind Farm.
9. The nation's first, statewide unmanned aircraft system beyond visual line of site (BVLOS) will begin buildout in the counties of McKenzie and Williams in North Dakota.

2020 Upper Missouri Activities continued

December 2020



1. Trustees Albert Paul, Bill Retterath, David Sigloh review topics at the Board of Trustees and staff Strategic planning event in Sidney. The event was facilitated by CFC staff Aaron Stallings and Ann Shankroth.
2. Retired \$350,000 in patronage.
3. 2021 Load forecast adjusted downward to reflect the oil and gas slowdown.
4. Patti Murphy, Claire Vigesaa and others attend the Mid-West Electric Consumers Association board and annual meetings virtually.
5. Jerry King, Jennifer Wade and Claire Vigesaa appointed to the NDAREC Foundation board.

2020 Member Statistics

Coop	Total Members	Total Meters	Miles of Line	Square Miles of Service Area	Demand (MW)	GWH Sales
Burke-Divide	1,417	3,436	2,615	2,590	37.2	201,397
GoldenWest	682	1,603	1,169	1,500	8.9	43,926
Lower Yellowstone	2,443	6,221	2,127	2,253	45.8	269,297
McCone	2,436	5,334	3,831	14,400	16.1	71,205
McKenzie	4,544	13,308	4,463	4,600	659.9	4,688,024
Mid-Yellowstone	741	2,025	1,045	4,000	8.1	31,815
Mountrail-Williams	8,156	20,606	5,360	4,089	547.1	3,761,804
Roughrider	8,903	14,856	5,253	5,800	143.2	760,864
Sheridan	1,879	4,141	2,835	4,230	27.9	138,227
Slope	1,921	4,017	3,196	4,500	52.1	357,092
Southeast	940	2,167	1,712	6,800	8.9	51,714
Upper Missouri	34,062	77,714	33,606	54,762	1,555.2	10,375,364

Coop	2020 MWh Sales	% Sales
Burke-Divide	201,397	1.9%
GoldenWest	43,926	0.4%
Lower Yellowstone	269,297	2.6%
McCone	71,205	0.7%
McKenzie	4,688,024	45.2%
Mid-Yellowstone	31,815	0.3%
Mountrail-Williams	3,761,804	36.3%
Roughrider	760,864	7.3%
Sheridan	138,227	1.3%
Slope	357,092	3.4%
Southeast	51,714	0.5%
TOTAL	10,375,364	100%

2020 Upper Missouri Financials

ASSETS AND OTHER DEBITS

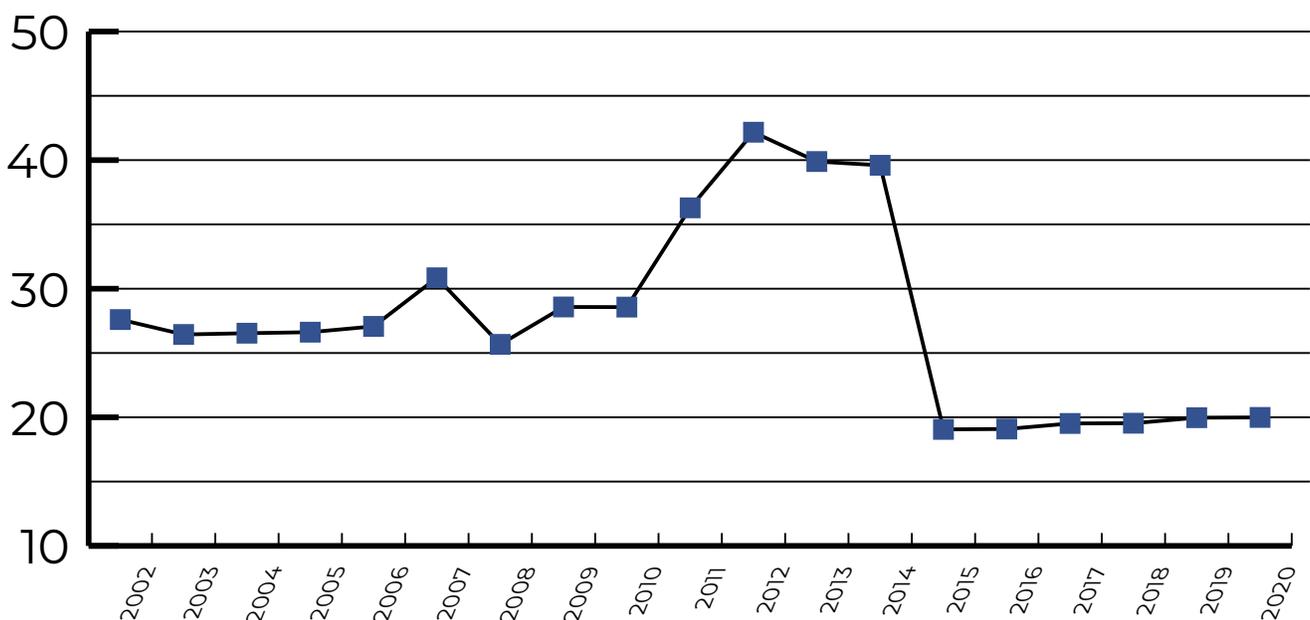
Assets	2020	2019
Electric Plant		
In Service	\$19,989,017	\$19,972,708
Under construction	0	13,688
Total electric plant	19,989,017	19,986,396
Less accumulated depreciation	(12,831,620)	(12,338,894)
Electric Plant - net	7,157,397	7,647,502
Other Property and Investments		
Patronage Capital - Basin Electric	267,967,852	242,145,682
Investments in associated companies	755,098	701,663
Investment in economic development projects	400,000	400,000
Total other property and investments	269,122,950	243,247,345
Current Assets		
Cash and cash equivalents	1,369,734	844,705
Temporary cash investments	135,017	135,017
Accounts receivable	56,313,365	59,279,017
Materials and supplies	156,141	140,825
Prepayments	252,673	232,781
Total Current Assets	58,226,930	60,632,345
Deferred Debits	260,921	275,552
TOTAL ASSETS	\$334,768,198	\$311,802,744

2020 Upper Missouri Financials

LIABILITIES AND OTHER CREDITS

Equities and Liabilities	2020	2019
Equities		
Memberships	\$5,500	\$5,500
Patronage capital	272,288,747	246,324,165
Total equities	272,294,247	246,329,665
Long-Term Debt, Less Current Maturities	6,424,309	6,625,598
Current Liabilities		
Current maturities of long-term debt	201,289	192,264
Accounts payable - Power supply	55,675,230	58,454,229
Other current and accrued liabilities	109,238	82,344
Total Current Liabilities	55,985,757	58,728,837
Deferred Credits	63,885	118,644
TOTAL CURRENT LIABILITIES	\$334,768,198	\$311,802,744

TOTAL UTILITY PLANT VALUE (MILLIONS)



2020 Upper Missouri Financials

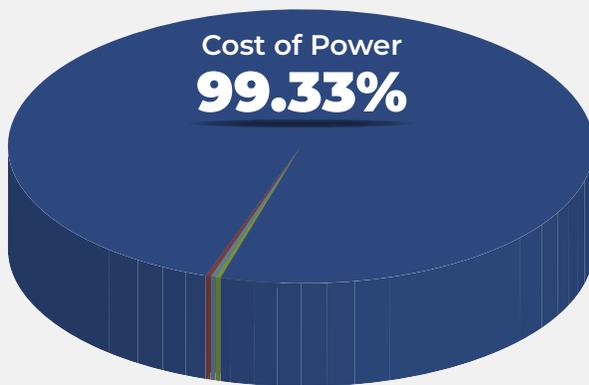
STATEMENTS OF OPERATIONS

	2020	2019
Operating Revenues		
Electric	605,518,841	622,169,396
Other	3,544,818	3,383,202
	\$609,063,659	\$625,552,598
Operating Expenses		
Cost of Power	605,660,893	622,333,262
Transmission - operations	661,984	528,412
Transmission - maintenance	215,337	202,110
Administrative and general	2,330,801	2,105,742
Depreciation and amortization	492,726	503,820
Taxes	60,468	61,576
Interest on long-term debt	320,957	329,819
Total Operating Expenses	609,743,166	626,064,741
Operating Margins Before Capital Credits	(679,507)	(512,143)
Basin Electric capital credits	27,416,914	21,859,340
Other Cooperative Capital Credits	103,734	76,718
Total Capital Credits	27,520,648	21,936,058
Net Operating Margins	26,841,141	21,423,915
Nonoperating Margins		
Interest Income	19,635	78,262
Gain (loss) on sale of plant	0	17,000
Compliance	38,419	69,866
Load Monitoring	662,482	545,090
Maintenance	171,931	159,951
Other non-operating income	175,718	188,678
Total non-operating margins	1,068,185	1,058,847
NET MARGINS	\$27,909,326	\$22,482,762

2020 Upper Missouri Financials

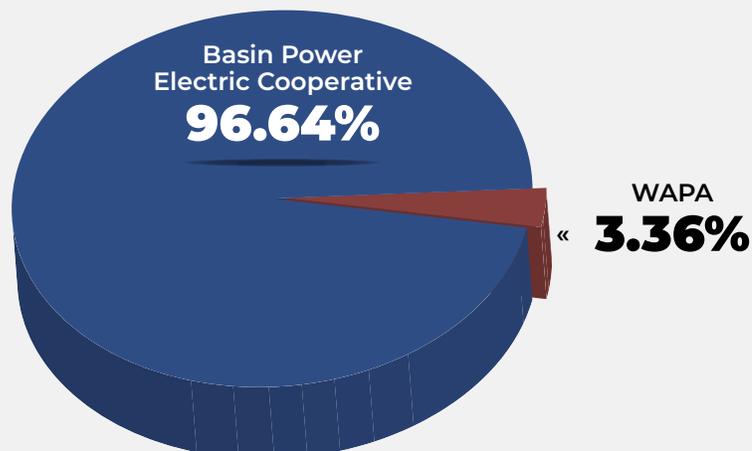
2020 Expenses

Administrative & General	2,330,801
Cost of Power	605,660,893
Depreciation	492,726
Taxes	60,468
Operations Maintenance	877,321
Interest	320,957
TOTAL	609,743,166



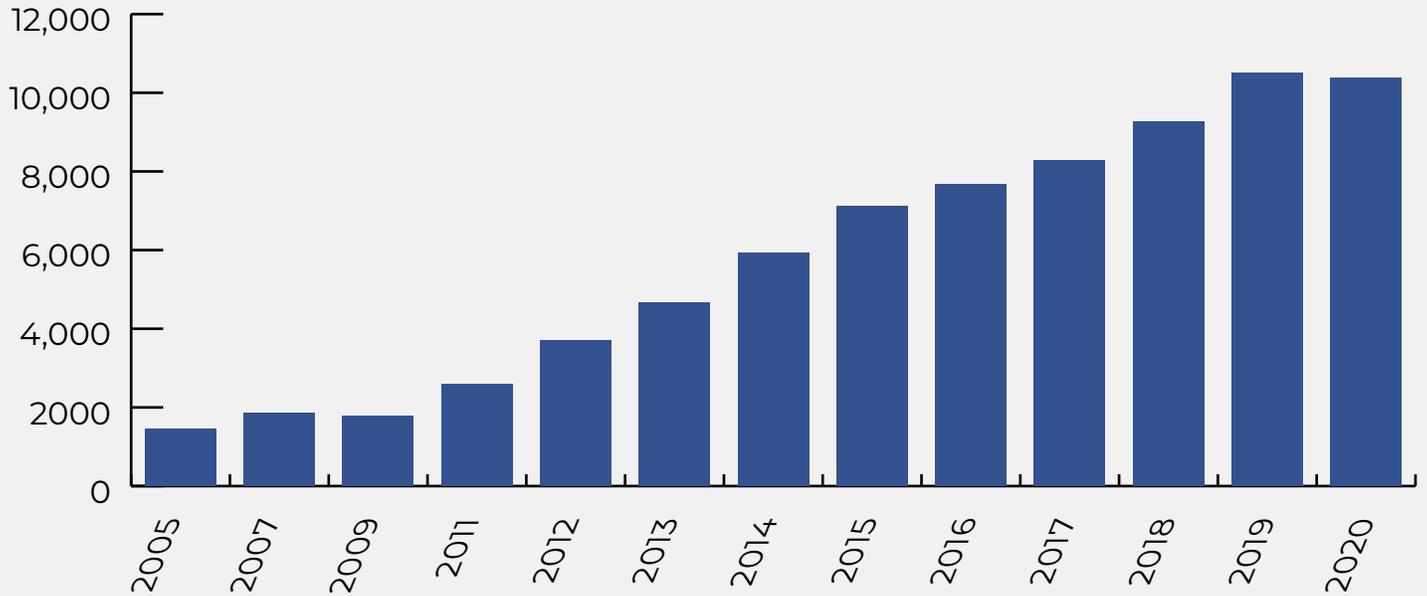
Administrative & General.....	0.38%
Cost of Power	99.33%
Depreciation.....	0.08%
Taxes.....	0.01%
Operations Maintenance.....	0.14%
Interest	0.05%

2020 POWER SUPPLY

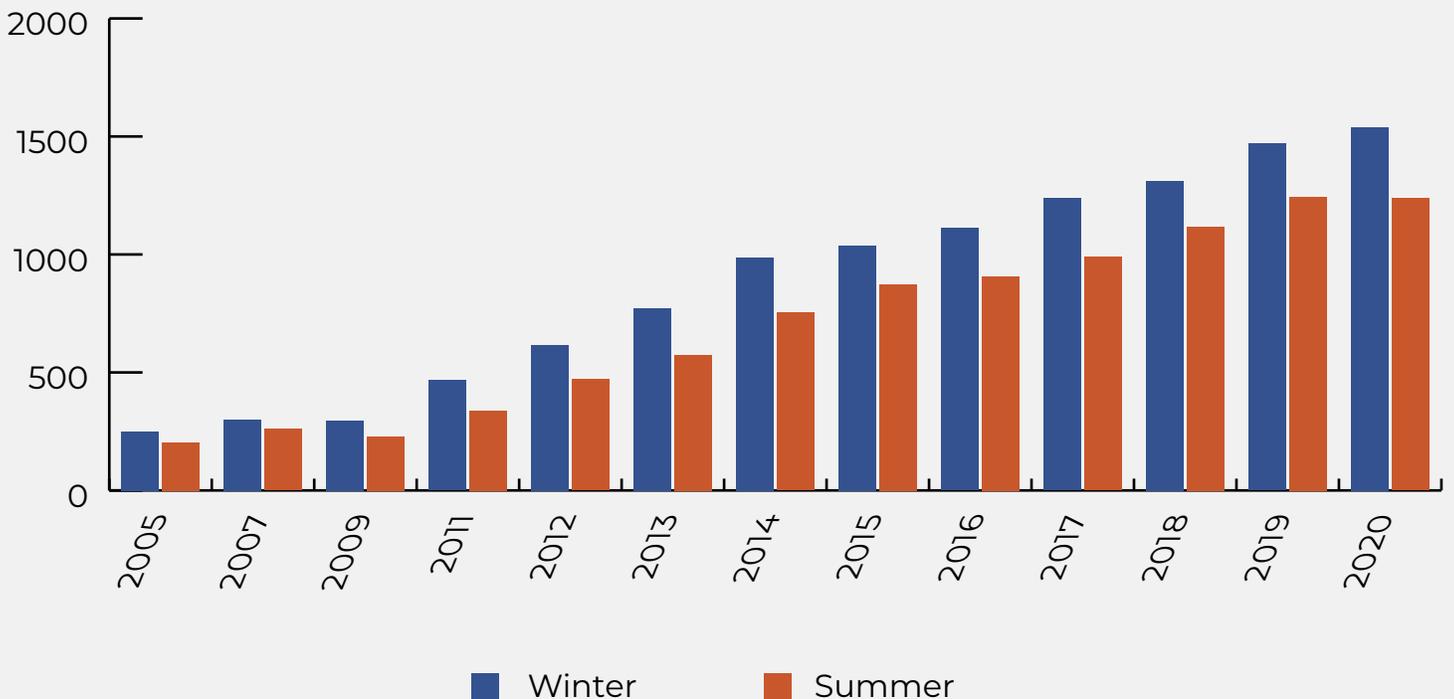


2020 Upper Missouri Financials

ENERGY SALES (GWH)



PEAK LOADS (MEGA WATTS)





Touchstone Energy cooperatives provide high standards of service according to their four core values: integrity, accountability, innovation and commitment to community.

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