

A Supplement of Oklahoma Living Published by Lake Region Electric Cooperative for its members. SEPTEMBER 2020

Gross Receipts Tax Helps Schools

While LREC doesn't pay income taxes on electric sales, we pay what is called a gross receipt tax. Electric co-ops pay gross receipts tax to the Oklahoma Tax Commission every year. The Tax Commission distributes 95 percent of these funds to schools based on the number of miles of cooperative electric lines in each school district.

In 2019, Lake Region Electric Cooperative (LREC) paid **\$870,226** in gross receipts tax. These funds benefited 33 local schools in LREC's service territory.

The chart (on the right) shows the allocation of school funds in LREC's area. Tax distribution varies from school to school because some school districts have more miles of Lake Region electric lines.

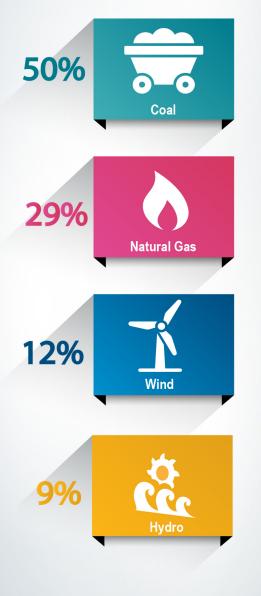
Because rural schools benefit directly from these taxes, LREC and other Oklahoma electric cooperatives firmly support this program. Various proposals to change the tax structure would have diverted funds away from rural schools over the years. Electric cooperatives and rural school leaders opposed these plans.

"This tax benefits our local school children, helping to provide funding for local schools," said Glen Clark, Director of Marketing.

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School	Miles of Line	Amount
Wagoner	381.50	\$107,070.99
Tahlequah	350.43	\$98,349.31
Hulbert	263.32	\$73,902.91
Coweta	243.80	\$68,423.86
Keys	219.33	\$61,554.65
Porter	189.51	\$53,185.51
Locust Grove	158.05	\$44,358.05
Peggs	151.70	\$42,576.48
Grandview	134.76	\$37,820.82
Lowery	130.43	\$36,605.83
Fort Gibson	116.84	\$32,792.94
Norwood	96.07	\$26,962.46
Oaks Mission	85.08	\$23,876.83
Braggs	76.13	\$21,366.13
Briggs	74.69	\$20,960.73
Inola/Gregory	69.43	\$19,486.24
Shady Grove	69.02	\$19,369.83
Okay	66.53	\$18,671.27
Woodall	64.77	\$18,179.07
Kansas	49.84	\$13,988.20
Haskell	19.93	\$5,592.48
Broken Arrow	19.30	\$5,415.68
Catoosa	18.44	\$5,175.41
Chouteau/Mazie	17.06	\$4,788.26
Westville	14.52	\$4,074.29
Webber Falls	12.44	\$3,490.88
Muskogee	2.94	\$824.03
Wickliffe	1.61	\$453.15
Leach	1.26	\$354.80
Gore	0.89	\$249.47
Tenkiller	0.79	\$222.25
Jay	0.16	\$45.55
Moseley	0.14	\$38.56
33 Schools	3100.70	\$870,226.92

A mix of generation means reliable power

2019 AECI GENERATION RESOURCES



Member - Owned Member - Focused

For most things in life, balance is healthy. The same is true of the power generation mix that delivers electricity to your home, farm or business. Balance is a key part of the reliability Associated Electric Cooperative, the power generation and transmission cooperative for Northeast Oklahoma's electric co-ops, works toward every day.

Associated's balanced generation mix, featuring different fuels and ways to generate electricity, ensures lights come on when you flip that switch. Coal, natural gas, wind, and hydropower generation means flexibility to meet members' needs. This mix lets Associated focus on reliability, along with providing affordable electricity

By using coal and natural gas units, members receive electricity reliably from generators designed to run around the clock. These plants can increase or decrease their power output to serve members when they need electricity.

1 Keep the turbine turning so we can keep the lights burning

Associated's maintenance programs ensure these generators are efficient and available when they are most needed. If one unit stops operating, others make up the difference. *1314218*

Joe Bader, an Ozark Border Electric Cooperative member, is one of many Associated employees tasked with keeping plants running. Joe is a journeyman machinist/mechanic at the New Madrid Power Plant. He works on equipment that supports power production, including turbines. His motto? "Keep the turbine turning so we can keep the lights burning."

Joe says being a co-op member drives him to serve diligently. He knows families like his depend on his work for the electricity that powers their lives. "That inspires me to do the best I can," Joe



says. "No one likes to be without electricity for even a minute. My job is to ensure every piece functions so these power plants stay on line."

Why members benefit from a diverse supply

Wind and hydropower also are important parts of Associated's generation mix. They only produce electricity when wind and water are plentiful enough to make turbines spin. Generation from renewable sources, like solar, typically don't match members' peak use times — early in the morning on a winter day or late in the day during the summertime. This mismatch is why having a diverse power supply, with a foundation of around-theclock resources like coal and gas, is important.



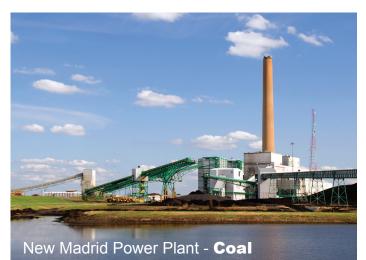
"No one likes to be without electricity for even a minute. My job is to ensure each piece functions so these power plants stay on line."

- Joe Bader

3 It's a balance

A balance of generation sources means the lights will keep burning for members throughout the Associated's system. More than 700 employees like Joe work for Associated at its power plants and headquarters in Springfield, Missouri. Each is a critical part of the power supply picture, and each is devoted to ensuring you have affordable, reliable electricity when you need it.





Staying up to date on your 401k

Finding the perfect rental for the weekend

Streaming your old favorites for date night

Adjusting your A/C from the couch

Researching Amazon's top-rated kayaks

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* Live service not available in all areas. Must pre-register for service. 24/mo residential contract is required for free construction & installation. \$10/mo optional Wifi router fee. Other terms may apply.



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