TAKE OWNERSHIP IN YOUR COOPERATIVE & SERVE ON THE HEA BOARD OF DIRECTORS

There is an opportunity each year for Homer Electric Association (HEA) members to make a difference and participate in their cooperative by serving on the HEA Board of Directors.

The nomination period will open on January 22, 2020 for members interested in serving on the cooperative’s Board of Directors. Candidacy packets are available this month on HEA’s website and in both HEA offices.

Director Qualifications for Candidacy
• Must be a “bona fide resident,” which means a person whose primary residence is within HEA’s service area.
• Must be a bona fide resident for at least twelve (12) month preceding the date which is forty-five (45) days prior to the meeting of the members.
• Lastly, candidates must obtain at least fifteen (15) member signatures within their district for official nomination included in their candidate application.

The nomination period will remain open until 5:00 p.m. on March 6, 2020, when completed candidate applications are due. Election ballots will be mailed to the membership in April 2020 and election results will be announced at HEA’s Annual Meeting of the Members on May 7, 2020 at Soldotna High School which starts at 6:00 p.m.

If you have any questions about the nomination or election process, contact Bruce Shelley at (907) 283-2324.

COMMITMENT TO COMMUNITY: 2020 SCHOLARSHIPS

Homer Electric is committed to our community – one of the cooperative principles that sets us apart from other businesses. Your cooperative values education and proudly awards academic or vocational scholarships each year.

The scholarships are available for students of all ages – both graduating seniors and adults who wish to continue their education.

Applications are available on the HEA website at www.homerelectric.com, at your high school’s Guidance Counselor’s office, and at HEA offices in Kenai and Homer.

The deadline to submit scholarship applications is Friday, February 28, 2020, by 5:00 p.m. If you have questions, please contact Tanya Lautaret at (907) 283-2305 or email tlautaret@homerelectric.com.
Homer Electric members will likely see a minimal increase in their monthly bills beginning January 1, 2020, if the filing with the Regulatory Commission of Alaska (RCA) is approved. In December, HEA submitted a Cost of Power Adjustment (COPA) to the RCA. The COPA is adjusted on a quarterly basis and mostly reflects the cost of natural gas used to generate power for HEA members.

The COPA rate for the first quarter of 2020 is calculated to go from the current rate of $0.06195 to $0.0620 per kilowatt hour. The COPA change will result in a slight increase of five cents in the monthly bill for the average residential HEA member using 550 kilowatt hours per month. Pending approval from the Regulatory Commission of Alaska, the rate changes are scheduled to be in effect as of January 1, 2020.

BOARD EXPENSES FOR THIRD QUARTER 2019

The following are board expenses submitted during July through September 2019. However, expenses may have occurred earlier in the year. If you have specific questions about an expense, please contact the board member directly. Contact information for your Board of Directors is listed on the side of the Kilowatt Courier and on the HEA website at www.homerelectric.com.

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>AIRFARE</th>
<th>MISCELLANEOUS EXPENSE</th>
<th>DIRECTOR'S FEE</th>
<th>LODGING</th>
<th>MEALS</th>
<th>TRANSP</th>
<th>TRAINING</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelly Bookey</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td>Dave Carey</td>
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<td>$0</td>
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<td>$0</td>
<td>$0</td>
<td>$287</td>
<td>$0</td>
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<td>Ray Champagne</td>
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<td>$55</td>
<td>$2,800</td>
<td>$655</td>
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<td>$163</td>
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<td>Jim Levine</td>
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<td>$0</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td>Erin McKicktrick</td>
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<td>Ed Oberts</td>
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<td>$0</td>
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<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$934</td>
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<td>David B. Thomas</td>
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<td>$0</td>
<td>$655</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td></td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$3,300</td>
<td>$499</td>
<td>$8,400</td>
<td>$3,320</td>
<td>$227</td>
<td>$919</td>
<td>$2,915</td>
<td>$19,580</td>
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</table>

MOBLING & MORE

126 W. Pioneer Avenue #3, Homer, AK (907) 435-7272
Open M-F: 10 AM - 5:30 PM
Mobling & More creates a "one and done" place for all your cell phone needs. Different cell phone brands and price points for all budgets are offered.

CO-OP CONNECTIONS DISCOUNT:

15% off store purchase or online purchase (with code: Connections)

MONTHLY FINANCIAL UPDATE

Homer Electric finished the month of September 2019 with a total asset base of $249.9 million. Operating revenue for the year was $78.9 million and total costs were $76.6 million, bringing net operating margins to $2.6 million through October 31, 2019. This chart is a breakdown of key financial indicators comparing October 2018 to October 2019.

<table>
<thead>
<tr>
<th>Year to Date</th>
<th>October 31, 2019</th>
<th>October 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$78.9 million</td>
<td>$80.9 million</td>
</tr>
<tr>
<td>Cost of Purchased Power</td>
<td>$48.1 million</td>
<td>$51.7 million</td>
</tr>
<tr>
<td>Cost of Electric Service</td>
<td>$28.2 million</td>
<td>$28.1 million</td>
</tr>
<tr>
<td>Operating Margins</td>
<td>$2.6 million</td>
<td>$1.1 million</td>
</tr>
<tr>
<td>Total Kilowatt Hours Sold</td>
<td>367.7 million</td>
<td>373.9 million</td>
</tr>
<tr>
<td>Total Number of Meters</td>
<td>35,276</td>
<td>34,876</td>
</tr>
</tbody>
</table>

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HIDDEN ACCOUNT NUMBERS

Three randomly chosen italicized account numbers are hidden in the Kilowatt Courier. If you find YOUR account number, call 235-3338 and you'll receive a $50 credit which will be reflected on your next bill. Thanks for reading!

CURRENT RESIDENTIAL RATES

As of January 1, 2020

All Residential Customers
- Energy charge = 15.609 cents/kWh
- Customer charge = $20.00
- System delivery charge = $23.41* (If usage is less than 150 kWh)
- Cost of Power Adjustment (COPA) 6.20 cents per kWh* (Subject to change on a quarterly basis and upon RCA approval.)
See www.homerelectric.com for the latest residential and commercial rates.

970770001

MONTHLY FINANCIAL UPDATE

MINIMAL RATE INCREASE IN 2020

As of January 1, 2020

All Residential Customers
- Energy charge = 15.609 cents/kWh
- Customer charge = $20.00
- System delivery charge = $23.41* (If usage is less than 150 kWh)
- Cost of Power Adjustment (COPA) 6.20 cents per kWh* (Subject to change on a quarterly basis and upon RCA approval.)

See www.homerelectric.com for the latest residential and commercial rates.

970770001

BOARD of DIRECTORS & MANAGER

Dan Chay, President (907) 283-9227
David B. Thomas, Vice President (907) 252-2954
Ed Oberts, Secretary/Treasurer (907) 398-8039
Dan Furlong, Deputy Secretary (907) 398-8174
Kelly Bookey, Director (907) 398-7283
Dave Carey, Director (907) 260-6413
Roy Champagne, Director (907) 299-8499
Jim Levine, Director (907) 299-0323
Erin McKittrick, Director (907) 290-6994
Brad Janorschke, General Manager (907) 283-5831 or (907) 235-8551

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SPOTLIGHT ON LOCAL CO-OP CONNECTIONS BUSINESSES

Your cooperative offers the Co-Op Connections card, a member benefit that provides discounts on products and services from participating local and national businesses. Visit www.connections.coop for the most up-to-date listing of participating businesses. Request a card or download your digital card in the app and start saving today! Here are two featured Co-Op Connections Card businesses of the month.

KENAI PENINSULA DRIVING INSTRUCTION LLC

14896 Kenai Spur Hwy., Suite 106A, Kenai, AK (907) 690-DRVE (690-3783)
Open M-F 8 AM - 5 PM
Kenai Peninsula Driving Instruction is Kenai’s only fully ACPE authorized commercial driver training facility.

CO-OP CONNECTIONS DISCOUNT:

5% off any service 97527001

JANUARY 2020 KILOWATT COURIER

Homer Electric Association, Inc. 3977 Lake Street Homer, AK 99603 (907) 235-8551 (800) 478-8551
280 Airport Way Kenai, AK 99611 (907) 283-5831 www.homerelectric.com