



## CFO Panel – Things That Keep You Up At Night

### Learning Objectives:

- Recognize challenges facing financial professionals in the utility and form strategies to address such challenges.
- Identify common themes among peer utilities and develop networks among them.
- Transfer knowledge gained to their own organizations.



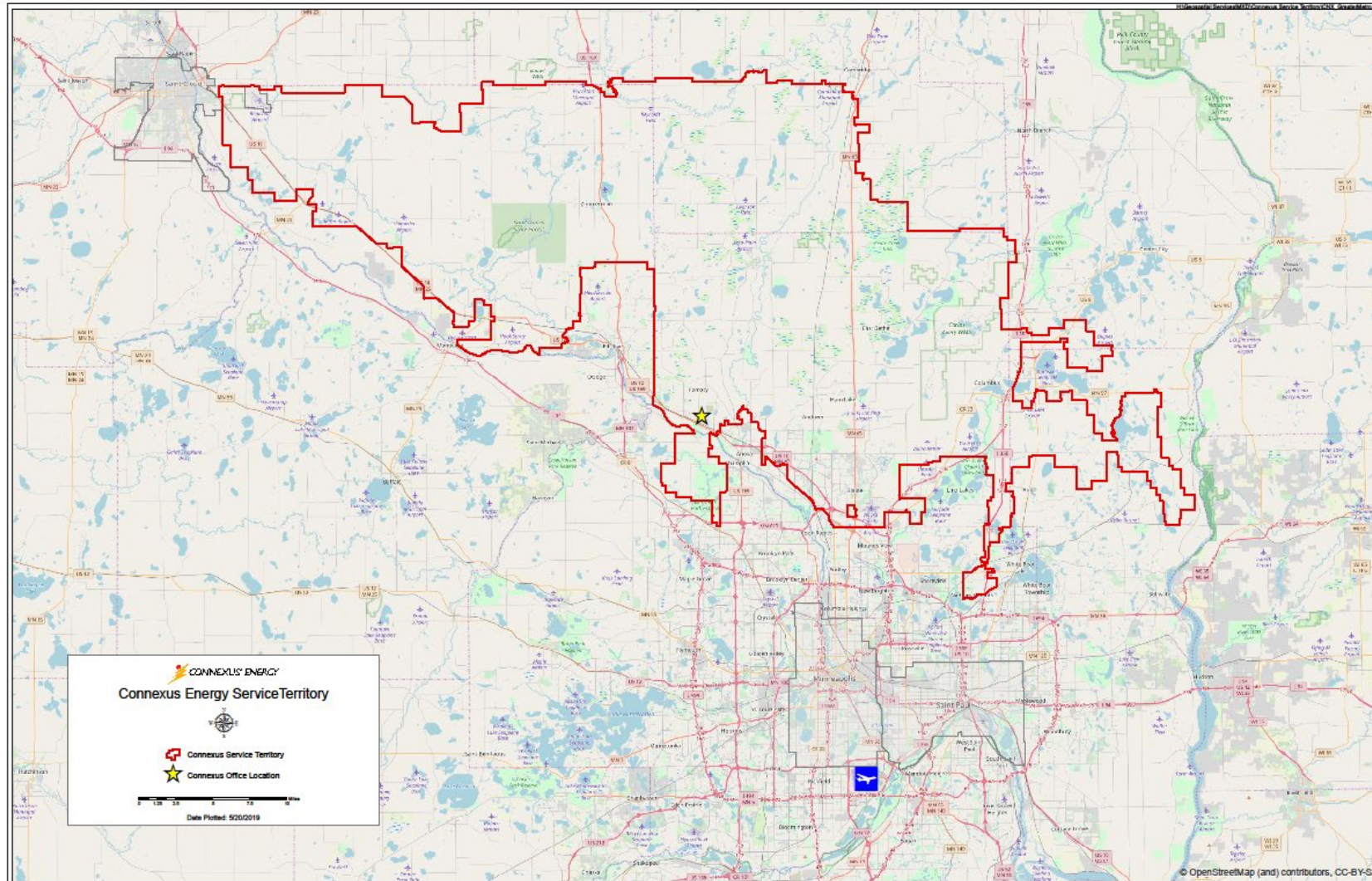
Mike Bash, VP & CFO Connexus Energy  
Email: [mike.bash@connexusenergy.com](mailto:mike.bash@connexusenergy.com)  
Office Telephone: (763) 323-2658

Mike Bash is Vice President and Chief Financial Officer at Connexus Energy, where he leads the cooperative's Finance, Accounting, Treasury, Information Technology, Billing and Metering departments. He is also responsible for risk management including insurance, internal audit, contract management and business recovery. Bash is a Board member of the Minnesota Rural Electric Trust, a worker's compensation trust for 36 cooperatives and 2,500 employees. He was a member of the CFC/NRECA Capital Credits Task Force and serves as an instructor at the Minnesota Rural Electric Association (MREA) New Director Workshop. He has been on the Board of the Orono School District since 2004. He was Vice Chair of TIES, a national technology and software company serving the education market. He has served as Mayor of Long Lake, Minnesota and was a member of Long Lake's City Council. He earned his M.B.A. in Finance from the University of Minnesota and a B.A. in Economics from St. Olaf College.

# Connexus Energy Fast Facts

- Members: 134,000
- Miles of line: 9,123
- Employees: 204
- Assets: \$444 million
- Revenue: \$273 million
- Member of Great River Energy (G&T)
  - Largest member
  - Highest rates (44% above lowest)
  - 5% renewable self supply option
- Not rate regulated
- Independent pension & 401k

# Connexus Energy Service Territory



# Greening the Grid

- 10 MW solar
  - PPA – less than G&T energy
  - +10 MW in 2020
- 15 MW (30 MWh) storage
  - PPA
  - \$1.8 million demand savings in 2019
- Bees and pollinator habitat generate lots of positive PR





Dede Jones, CPA, CFO Intermountain Rural Electric Association

Email: [dpjones@irea.coop](mailto:dpjones@irea.coop)

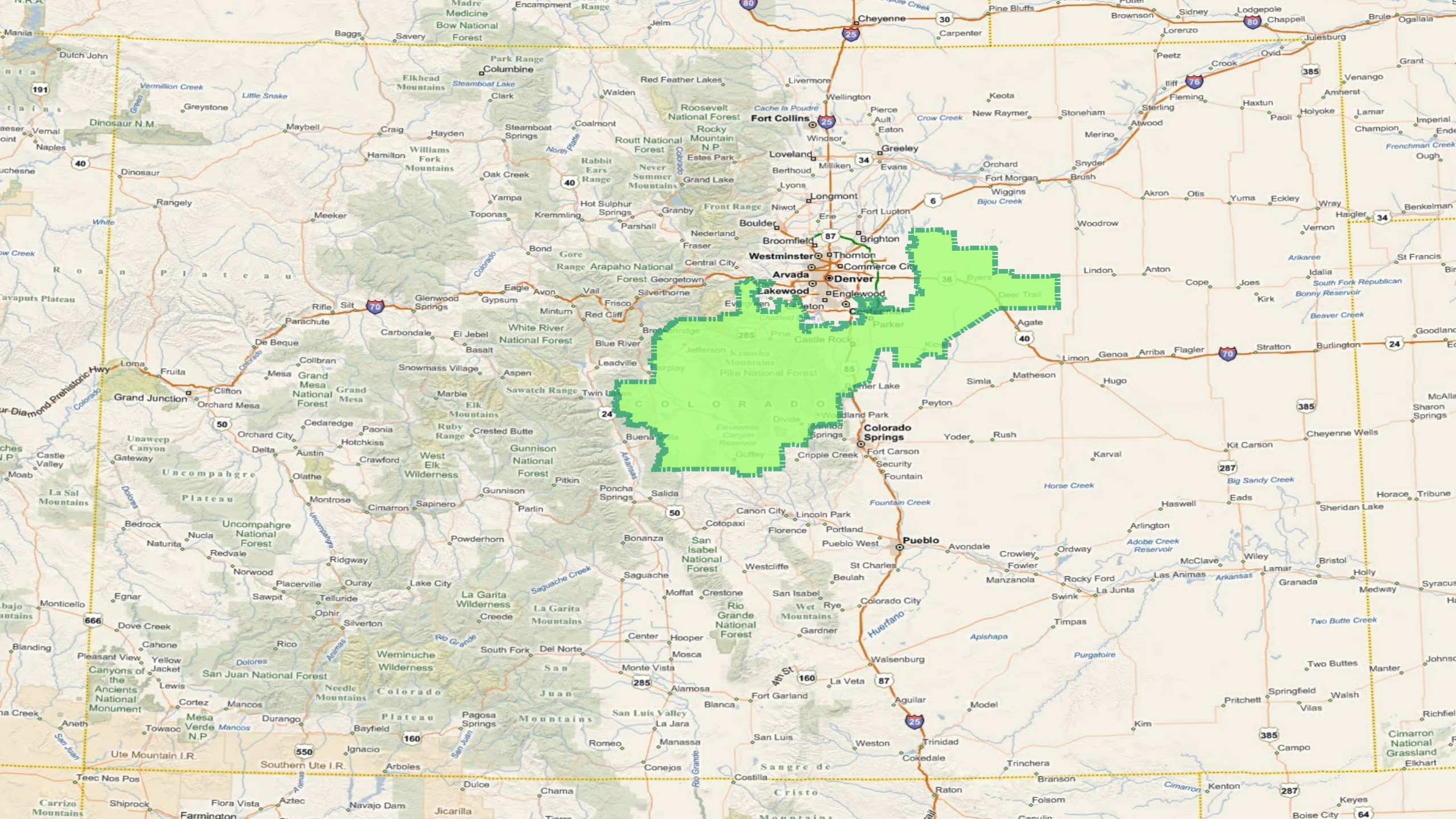
Office Telephone: (720) 733-5689

Dede Jones, CPA, is Chief Financial Officer of the Intermountain Rural Electric Association, an electric distribution cooperative serving nearly 160,000 customers in Colorado. An executive with over 25 years experience in the energy and utility sector, Ms. Jones has also worked for public power and investor-owned utilities. Ms. Jones is a graduate of the University of Kansas and is licensed by the Kansas State Board of Accountancy.

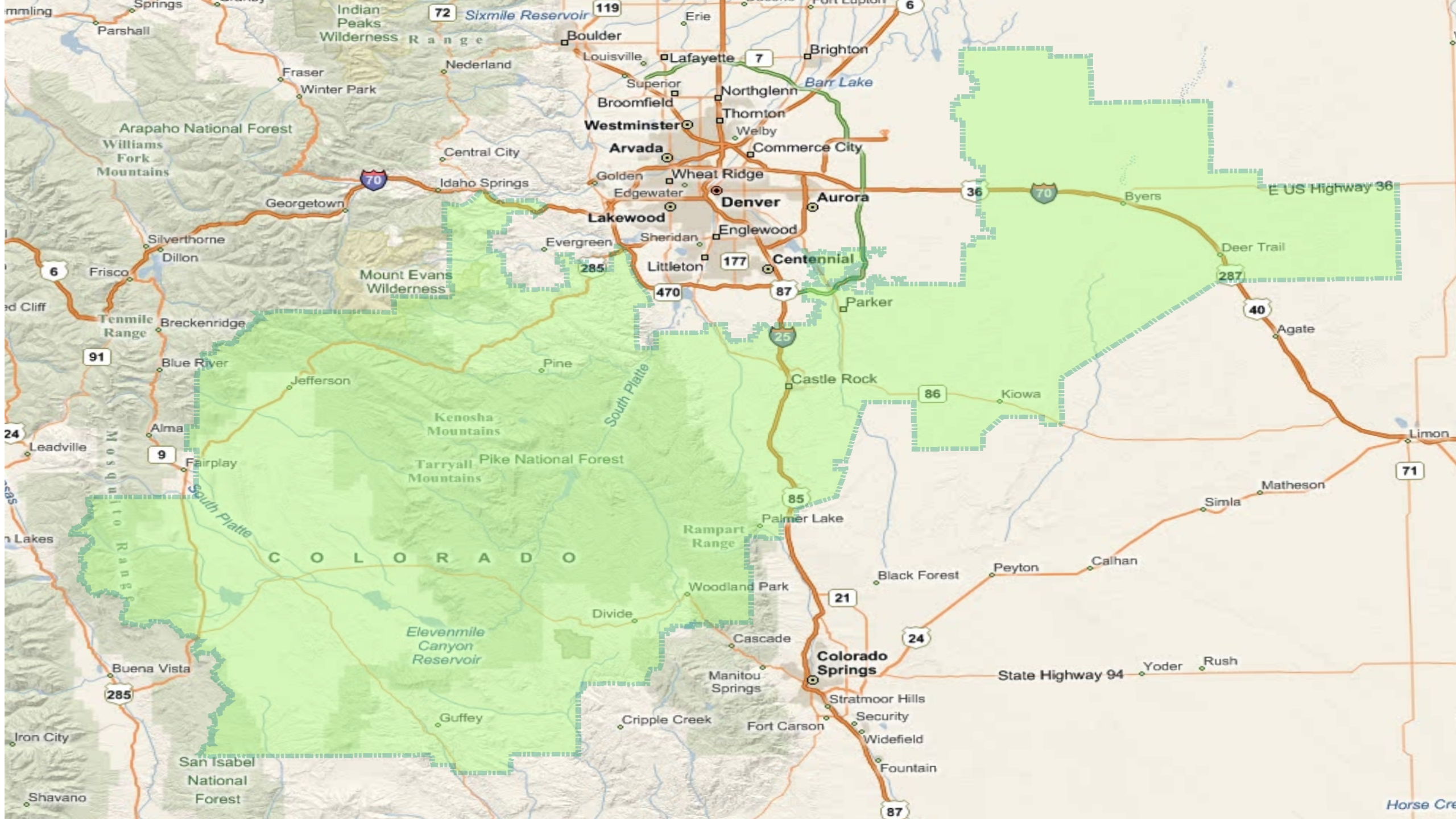
# The Intermountain Rural Electric Association

## Electric System Information

- ▶ 4 Districts
  - Sedalia (Headquarters)
  - Strasburg (District office)
  - Conifer (District office)
  - Woodland Park (District office)
- ▶ 5000 square-mile service territory
- ▶ 50 substations
- ▶ 158.5 miles of 115kV transmission
- ▶ 70 miles of 44kV transmission
- ▶ Over 158,000 active services



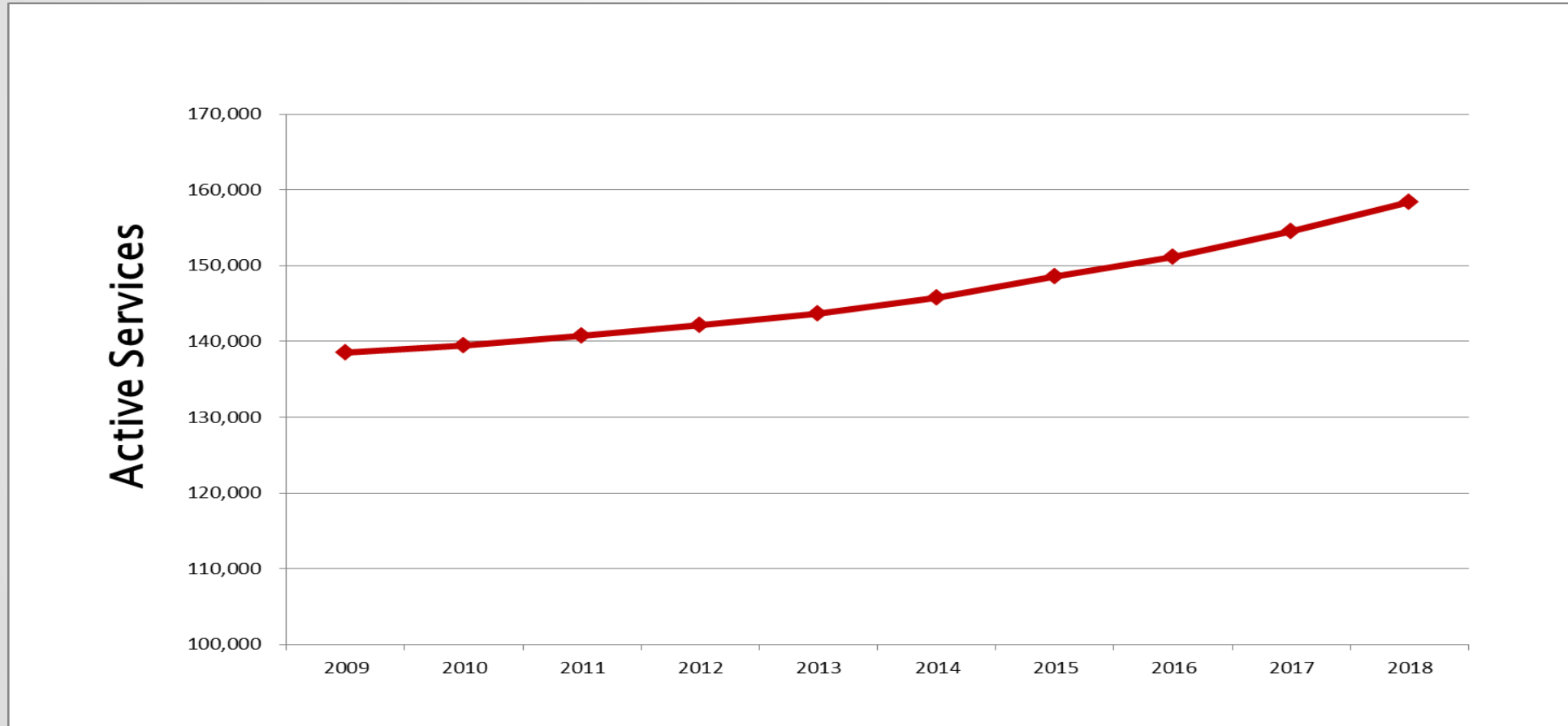




# Regulatory Environment

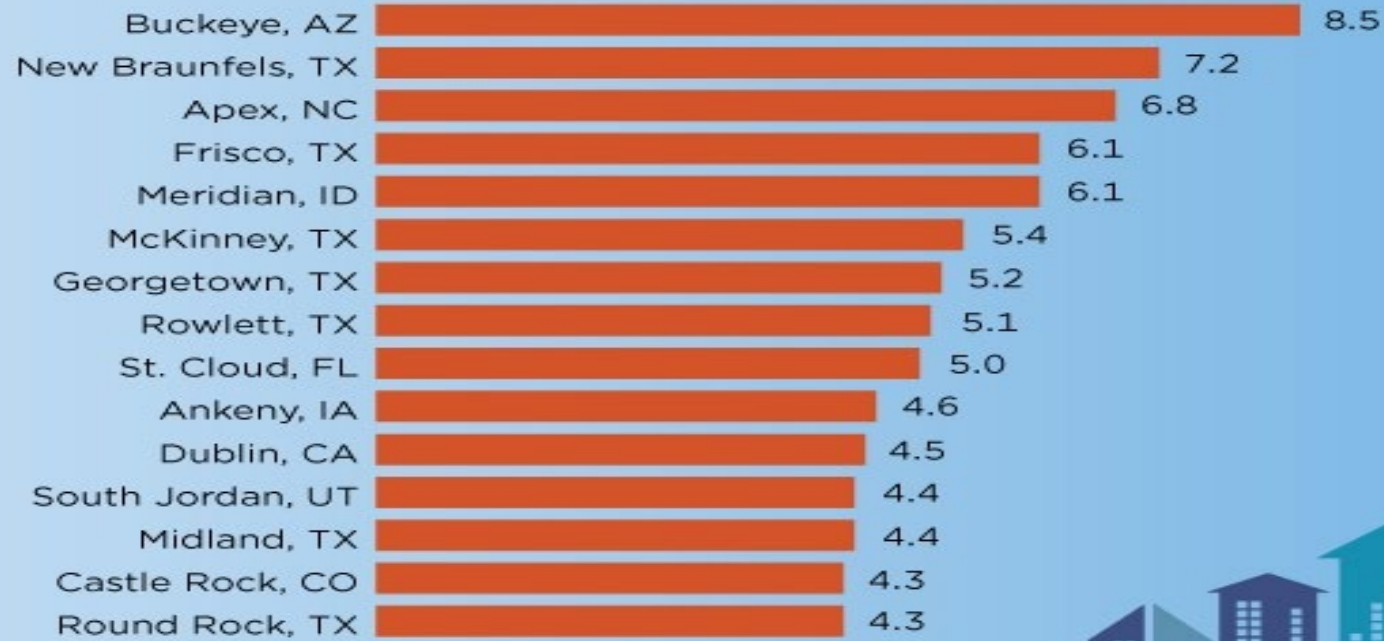
- ▶ Rates not regulated by CPUC
- ▶ IREA will be subject to Colorado renewable standards in 2020
- ▶ IREA Board determines rates
- ▶ IREA rates and tariffs are not under FERC jurisdiction
- ▶ Wholesale power and transmission rates are FERC regulated
- ▶ IREA's transmission operations are regulated by NERC/WECC

# Customer Growth 2009 - 2018



# The 15 Fastest-Growing Cities

By Percent Change Between July 1, 2017, and July 1, 2018  
Cities With a Population of 50,000 or More



United States<sup>®</sup>  
**Census**  
Bureau

U.S. Department of Commerce  
Economics and Statistics Administration  
U.S. CENSUS BUREAU  
[census.gov](https://www.census.gov)

Source: Vintage 2018 Population Estimates



Sonja M. Cox, CPA, CGMA,  
Sr. Vice President, Financial, Economic & Employee Services and CFO  
Southern Maryland Electric Cooperative, Inc.  
Email: [sonja.cox@smeco.coop](mailto:sonja.cox@smeco.coop)  
Office Telephone: (301) 274-4328

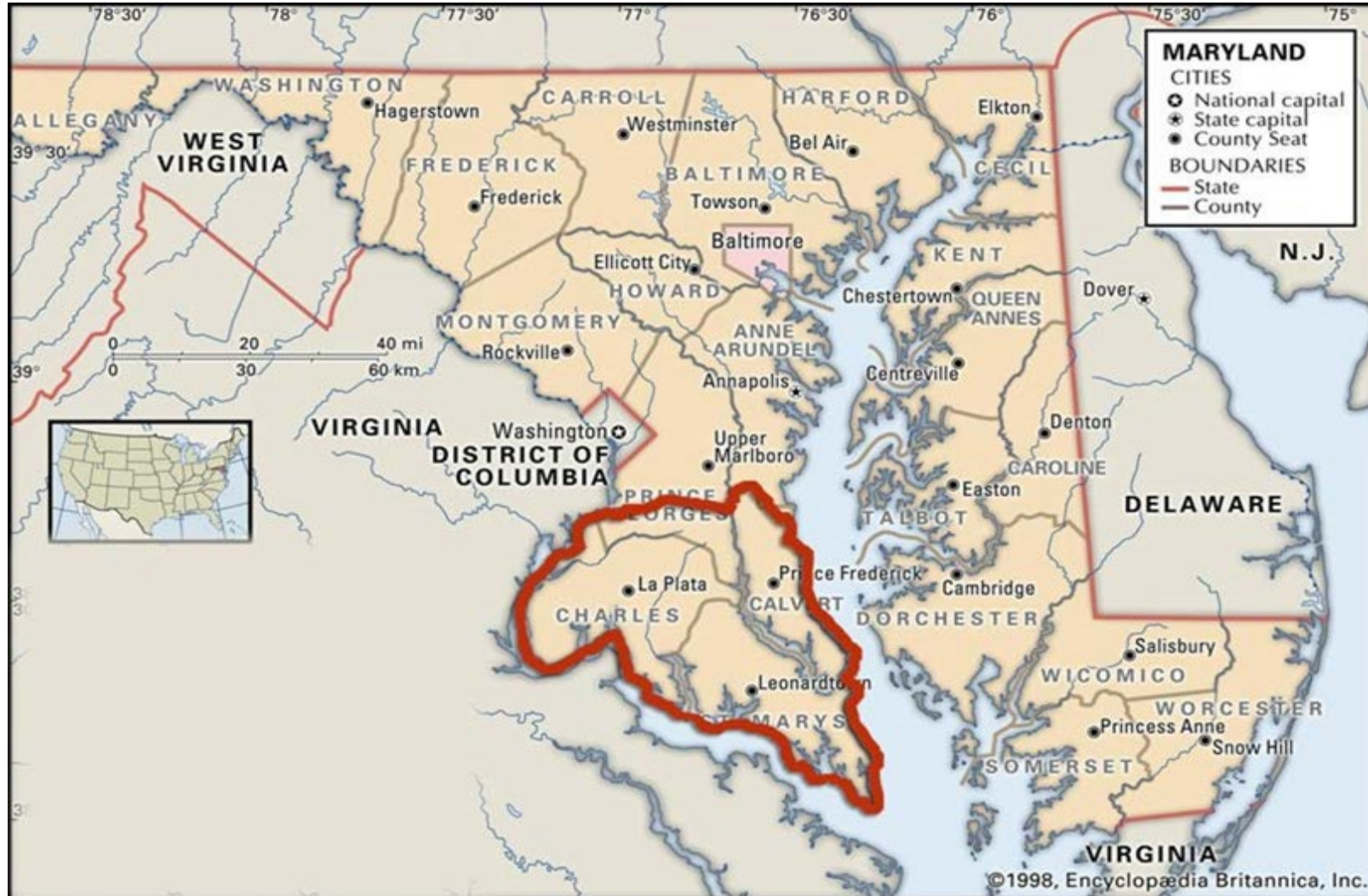
Sonja Cox is Senior Vice President of Financial, Economic and Employee Services and Chief Financial Officer for Southern Maryland Electric Cooperative, Inc. (SMECO) and Vice President and Treasurer of SMECO Solar LLC. SMECO is headquartered in Hughesville, MD, approximately 40 miles southeast of Washington, DC and provides electric service to approximately 168,000 customers in four counties of Southern Maryland. Sonja began employment with SMECO on January 11, 1999, serving in several roles before being appointed to her current position in February 2006. She is a graduate of the Leadership Maryland Class of 2010, graduate of the NRECA Robert I. Kabat Management Internship Program in 2007, and has served on several Boards for various organizations in SMECO's service territory. She currently serves as an advisor to the Audit Committee for the College of Southern Maryland and most recently became Treasurer of the Board of Directors of Southern Maryland Community Resources, Inc. She was named one of the Daily Record's 2016 Top 100 Women of Maryland. Sonja holds a Bachelor of Science degree in Accounting from the University of Maryland and a Master of Business Administration from Johns Hopkins University, and she is a Certified Public Accountant licensed in Maryland.

# Southern Maryland Electric Cooperative, Inc. (SMECO)

Data as of December 31, 2018

	Total customer-members	165,178	
	Miles of line:		
	Transmission	492	
	Distribution - Overhead	3,367	34%
	Distribution - Underground	6,486	66%
	Total	10,345	
	Full-time Employees	457	
	Square Miles of Service Territory	1,150	
	Customers per Mile of Distribution Line	16.76	
	Total Assets	\$ 1,043,792,324	
	Total Operating Revenue	\$ 462,284,303	

# Service Territory



# Additional Information of Interest

- Distribution Cooperative
  - Not a member of a G&T
  - Member/Owner of ACES
  - Manage power supply using a portfolio approach
  - Located in PJM RTO
- Regulated by the Maryland Public Service Commission
  - Rates (power supply & distribution)
  - Demand response/energy efficiency programs
  - Net Metering
  - Retail choice/competition for commodity services
  - Renewable Portfolio Standards/Requirements
  - Electric Vehicle Charging Station Pilot Program



- The growth of distributed generation is presenting many challenges for utilities these days. What is your Coop currently offering and what changes have you had to make to accommodate? (e.g. tariff reform, rates, technology)
- Most of our systems are getting up there in age. How are you planning for the costs needed to replace our aging assets? (e.g. Workplan, capital/revenue requirements)
- Have the recent issues surrounding Electric Cooperative Boards of Directors caused you to make any changes at your Coop?
- Cost vs. Benefit of employee retirement plans. Do you still offer R&S plan? How do you stay competitive to retain employees? Do Union negotiations play any part in your decisions? How often do you offer a SERP?
- Essential job skills for accounting professionals encompass more than the ability to crunch numbers, complete expense sheets and depreciate fixed assets. Aside from traditional accounting knowledge, what are the skillsets you are looking for in your new hires into accounting? (e.g. technology expertise including data extraction, communication, leadership)
- Has wildfire mitigation impacted your vegetation management and maintenance plans? Were you able to obtain adequate insurance coverage?