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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

MI0029

PERIOD ENDED December 2019

BORROWER NAME

The Ontonagon County Rural Electrification Ass

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Deborah Miles

6/19/2020

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	6,381,536	6,332,676	6,433,242	542,679
2. Power Production Expense				
3. Cost of Purchased Power	2,258,962	2,196,418	2,338,603	187,754
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	372,015	334,122	452,377	(2,717)
7. Distribution Expense - Maintenance	563,274	721,547	613,180	240,949
8. Customer Accounts Expense	222,932	205,115	241,703	940
9. Customer Service and Informational Expense	124,926	120,818	127,656	9,400
10. Sales Expense				
11. Administrative and General Expense	523,967	575,355	555,226	46,628
12. Total Operation & Maintenance Expense (2 thru 11)	4,066,076	4,153,375	4,328,745	482,954
13. Depreciation and Amortization Expense	827,214	834,069	858,000	72,297
14. Tax Expense - Property & Gross Receipts	300,171	341,547	300,000	45,547
15. Tax Expense - Other				
16. Interest on Long-Term Debt	688,844	683,671	725,024	56,092
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	11,915	2,658		604
19. Other Deductions	20,188	20,598	20,436	1,702
20. Total Cost of Electric Service (12 thru 19)	5,914,408	6,035,918	6,232,205	659,196
21. Patronage Capital & Operating Margins (1 minus 20)	467,128	296,758	201,037	(116,517)
22. Non Operating Margins - Interest	6,888	10,075	4,560	422
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	51,205	59,059	38,000	19,662
25. Non Operating Margins - Other	93,522	66,644	3,000	33,381
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	153,786	98,888	100,000	3,236
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	772,529	531,424	346,597	(59,816)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			MI0029		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2019		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	37	44	5. Miles Transmission		
2. Services Retired	49	15	6. Miles Distribution – Overhead	817.66	820.81
3. Total Services in Place	5,828	5,864	7. Miles Distribution - Underground	147.05	149.02
4. Idle Services (Exclude Seasonals)	629	631	8. Total Miles Energized (5 + 6 + 7)	964.71	969.83
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	30,566,525		30. Memberships	22,760	
2. Construction Work in Progress	877,591		31. Patronage Capital	5,820,468	
3. Total Utility Plant (1 + 2)	31,444,116		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	10,067,567		33. Operating Margins - Current Year	395,643	
5. Net Utility Plant (3 - 4)	21,376,549		34. Non-Operating Margins	135,781	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	32,497	
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)	6,407,149	
8. Invest. in Assoc. Org. - Patronage Capital	295,429		37. Long-Term Debt - RUS (Net)	79,320	
9. Invest. in Assoc. Org. - Other - General Funds	713,924		38. Long-Term Debt - FFB - RUS Guaranteed	3,418,597	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	74,828		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	11,999,147	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	1,084,181		43. Total Long-Term Debt (37 thru 41 - 42)	15,497,064	
15. Cash - General Funds	250,641		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	15		45. Accumulated Operating Provisions and Asset Retirement Obligations	96,000	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	96,000	
18. Temporary Investments	0		47. Notes Payable	112,058	
19. Notes Receivable (Net)	0		48. Accounts Payable	404,156	
20. Accounts Receivable - Sales of Energy (Net)	547,396		49. Consumers Deposits	14,550	
21. Accounts Receivable - Other (Net)	60,494		50. Current Maturities Long-Term Debt	620,000	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	224,073		52. Current Maturities Capital Leases	0	
24. Prepayments	(2,337)		53. Other Current and Accrued Liabilities	419,574	
25. Other Current and Accrued Assets	0		54. Total Current & Accrued Liabilities (47 thru 53)	1,570,338	
26. Total Current and Accrued Assets (15 thru 25)	1,080,282		55. Regulatory Liabilities	41,967	
27. Regulatory Assets	0		56. Other Deferred Credits	33,809	
28. Other Deferred Debits	105,315		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	23,646,327	
29. Total Assets and Other Debits (5+14+26 thru 28)	23,646,327				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION MI0029			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2019			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	26,160,580	1,777,965	112,014	(20,637)	27,805,894		
2. General Plant	1,960,337	442,463	170,590		2,232,210		
3. Headquarters Plant	527,073				527,073		
4. Intangibles	1,349				1,349		
5. Transmission Plant	0				0		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	0				0		
8. Total Utility Plant in Service (1 thru 7)	28,649,339	2,220,428	282,604	(20,637)	30,566,526		
9. Construction Work in Progress	1,833,532	(955,942)			877,590		
10. Total Utility Plant (8 + 9)	30,482,871	1,264,486	282,604	(20,637)	31,444,116		
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	227,783	89,653	2,907	120,984		24,714	224,073
2. Other	0						0
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)		
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	.340	9.770	.430	3.980	14.520		
2. Five-Year Average	23.680	28.960	5.350	61.420	119.410		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	14	4. Payroll - Expensed			604,815		
2. Employee - Hours Worked - Regular Time	23,600	5. Payroll - Capitalized			195,872		
3. Employee - Hours Worked - Overtime	1,551	6. Payroll - Other			132,815		
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION		THIS YEAR (a)	CUMULATIVE (b)			
1. Capital Credits - Distributions	a. General Retirements						
	b. Special Retirements						
	c. Total Retirements (a + b)						
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power						
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System		52,665				
	c. Total Cash Received (a + b)		52,665				
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	54,857	2. Amount Written Off During Year	\$	21,531		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %					
2. Actual Loan Delinquency %		5. Actual Loan Default %					
3. Total Loan Delinquency Dollars YTD	\$	6. Total Loan Default Dollars YTD	\$				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION MI0029				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION									
INSTRUCTIONS - See help in the online application					PERIOD ENDED December 2019				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Wolverine Electric Coop Inc	800318			3,009,090	194,596	6.47		
2	Wisconsin Public Service Corp	20860			25,266,530	1,702,102	6.74		
3	Upper Peninsula Power Company	19578			0	302,134	0.00		
4	Wisconsin Electric Power Co	20847			0	(2,414)	0.00		
	Total				28,275,620	2,196,418	7.77		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2019	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			
2			
3			
4			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2019	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0029	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2019	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/21/2019	2. Total Number of Members 4,176	3. Number of Members Present at Meeting 49	4. Was Quorum Present? N
5. Number of Members Voting by Proxy or Mail 142	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 40,822	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION MI0029		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2019		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	79,320	2,956	42,993	45,949
2	National Rural Utilities Cooperative Finance Corporation	4,429,292	202,577	148,223	350,800
3	CoBank, ACB	7,569,855	374,038	387,124	761,162
4	Federal Financing Bank	3,418,596	72,428	99,815	172,243
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	15,497,063	651,999	678,155	1,330,154

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0029		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2019		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,229	3,216	
	b. kWh Sold			17,488,398
	c. Revenue			4,306,058
2. Residential Sales - Seasonal	a. No. Consumers Served	1,269	1,265	
	b. kWh Sold			1,897,725
	c. Revenue			895,605
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	224	226	
	b. kWh Sold			4,883,711
	c. Revenue			981,090
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	135	135	
	b. kWh Sold			99,281
	c. Revenue			15,600
7. Other Sales to Public Authorities	a. No. Consumers Served	26	26	
	b. kWh Sold			67,746
	c. Revenue			20,753
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10.	Total No. of Consumers (lines 1a thru 9a)	4,883	4,868	
11.	Total kWh Sold (lines 1b thru 9b)			24,436,861
12.	Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)			6,219,106
13.	Transmission Revenue			
14.	Other Electric Revenue			113,568
15.	kWh - Own Use			
16.	Total kWh Purchased			28,275,620
17.	Total kWh Generated			
18.	Cost of Purchases and Generation			2,196,418
19.	Interchange - kWh - Net			
20.	Peak - Sum All kW Input (Metered) Non-coincident ___ Coincident ___			4,044

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				BORROWER DESIGNATION MI0029		
INSTRUCTIONS - See help in the online application.				PERIOD ENDED December 2019		
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	3,229	45,876	709,954,149	3,229	398,487	3,318,528,693
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	224	8,397	261,905,783	224	84,992	4,918,861,479
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	3,453	54,273	971,859,932	3,453	483,479	8,237,390,172

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0029			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Federated Rural Electric Insurance	50,453			
	National Information Solutions	49,178			
	NRUCFC Pat. Cap. Member Cert & CTC's	47,372	74,828		
	RESCO	65			
	Settler's Cooperative, Inc.	510			
	American Transmission Company	649,907			
	Co-Bank	194,558			
	Cooperative Response Center	16,311			
	NRUCFC-Membership	1,000			
	Totals	1,009,354	74,828		
6	Cash - General				
	Checking, Savings & Working Funds		250,641		
	Totals		250,641		
9	Accounts and Notes Receivable - NET				
	Various		60,494		
	Totals		60,494		
11	TOTAL INVESTMENTS (1 thru 10)	1,009,354	385,963		

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FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
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PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

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FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					3.21 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				