
UTILITIES DISTRICT OF WESTERN INDIANA REMC



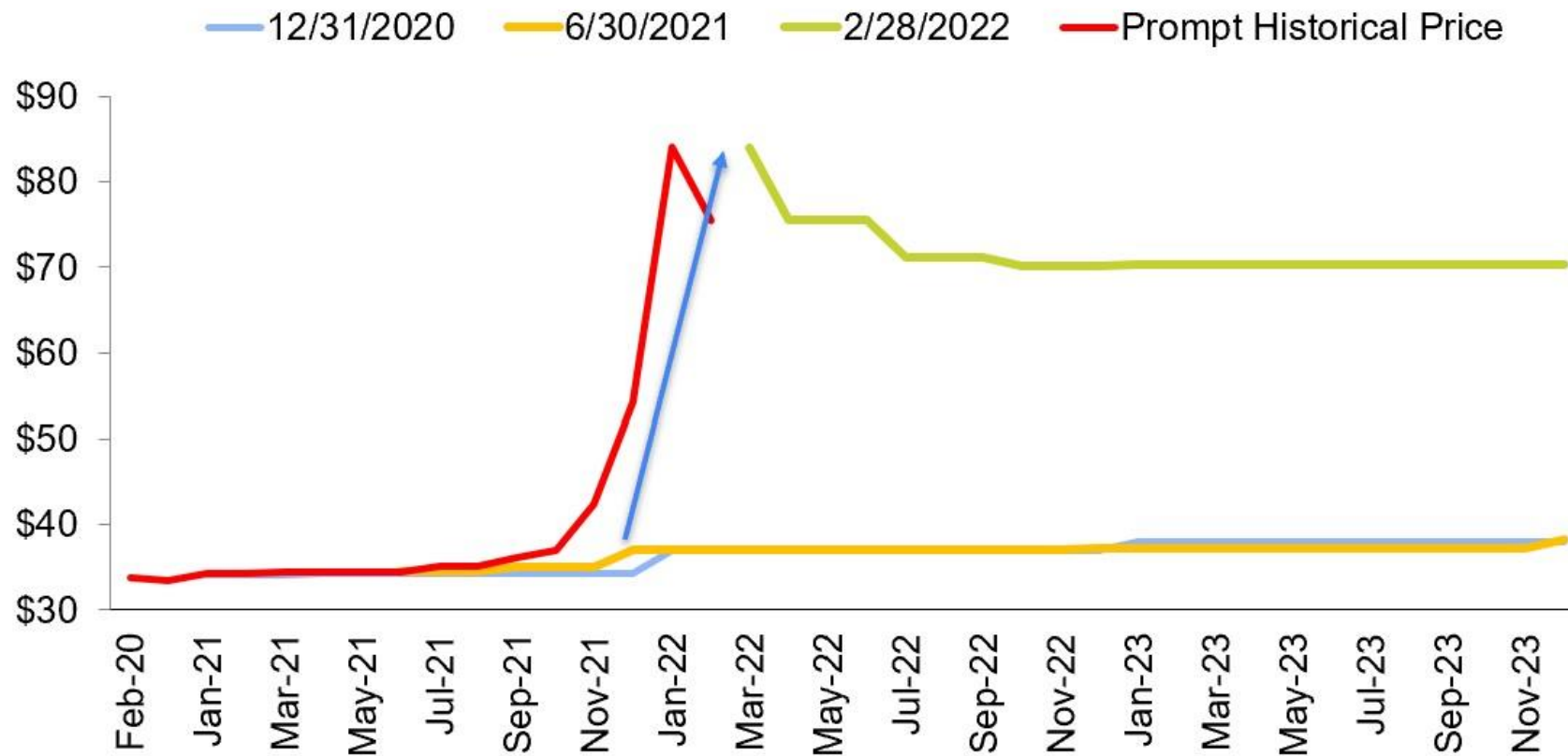
CHALLENGES AND OPPORTUNITIES WE FACE TOGETHER

2022 ANNUAL MEETING OF THE MEMBERS

CHALLENGES – IMPACT OF PANDEMIC ON SUPPLY CHAINS

- Coal, natural gas, and wholesale electricity prices have more than doubled since Nov. 2021
- Current and future supply chain disruptions are impacting every aspect of UDWI's business
- Recruiting for technical positions is increasingly difficult
- Higher power supply posts will likely lead to higher costs for our members – full impact will likely not hit until 2023

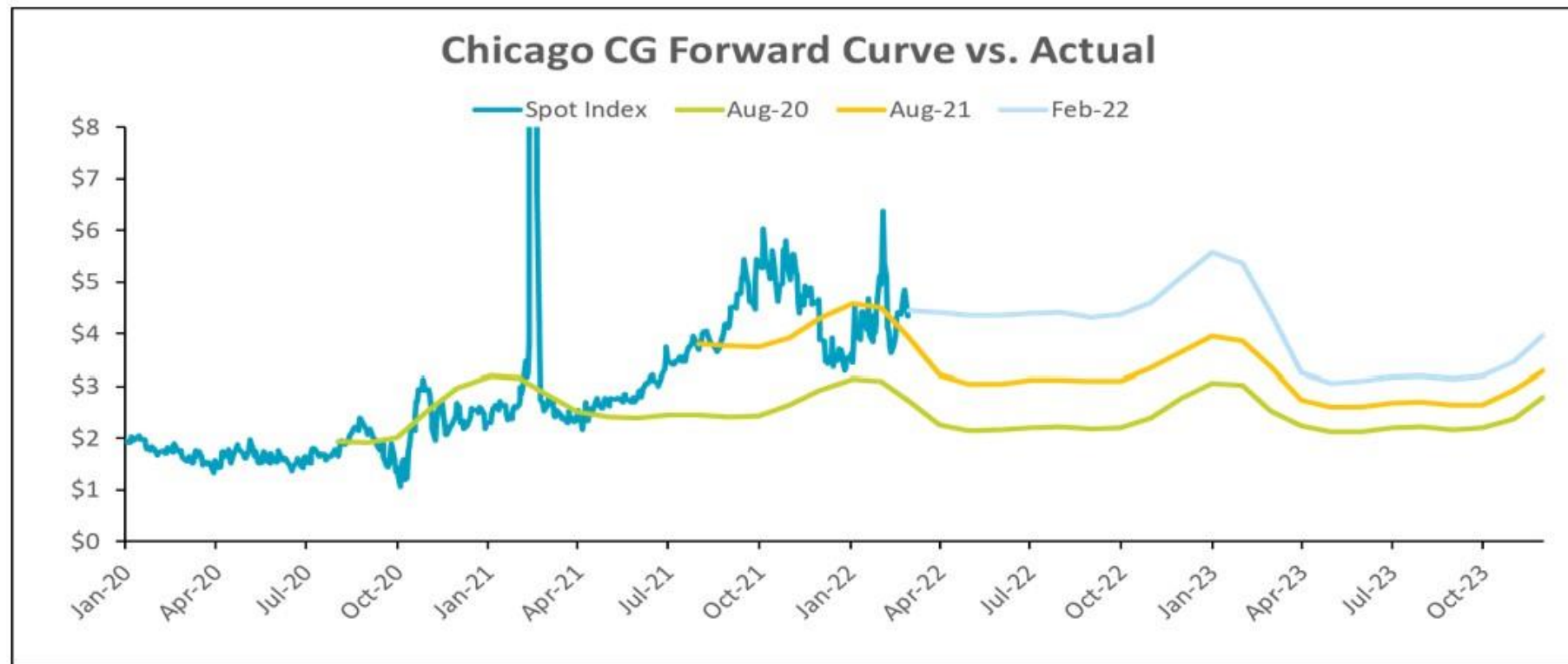
FORWARD COAL PRICES - ILLINOIS BASIN



Source: ACES – February 2022

FORWARD NATURAL GAS PRICES

Reflects storage and production concerns going into winter in addition to increasing LNG exports and uncertainty in Eastern Europe

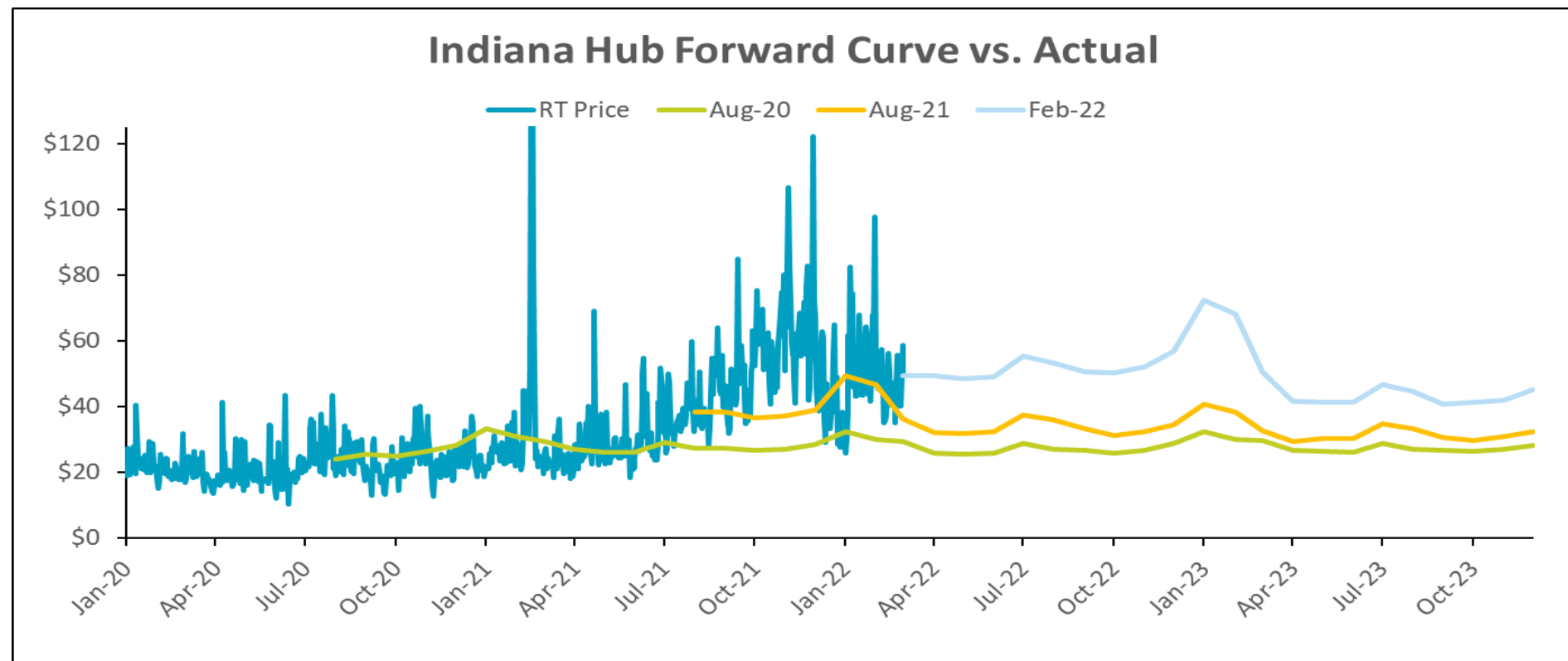


Source: ACES – February 2022

Chicago CG Prices(\$/MMBtu)

FORWARD POWER PRICES

Increase in coal and natural gas prices pushed forward; power prices higher



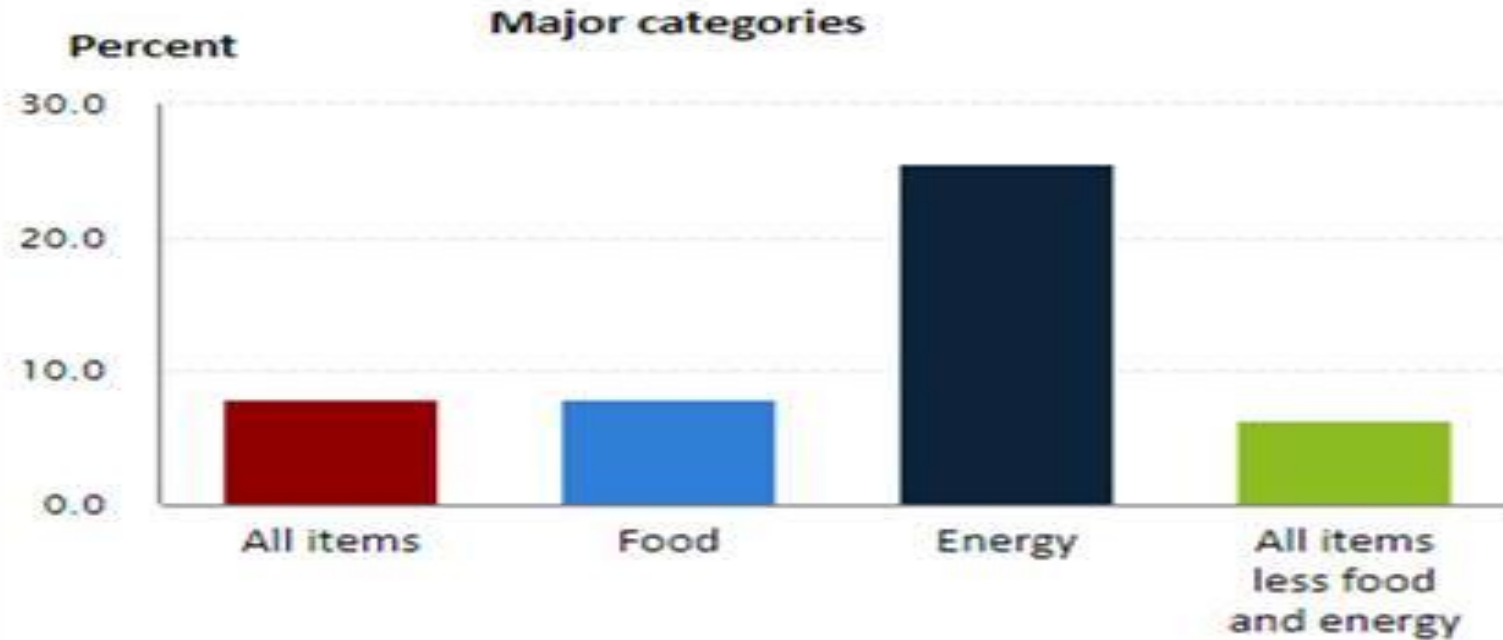
Source: ACES – February 2022

Indiana Hub 7x24 Prices (\$/MWh)

CHALLENGES - IMPACT OF PANDEMIC ON SUPPLY CHAINS

CHARTS

12-month percentage change, Consumer Price Index, selected categories, February 2022, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.



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PANDEMICS IMPACT ON MATERIALS AND EQUIPMENT

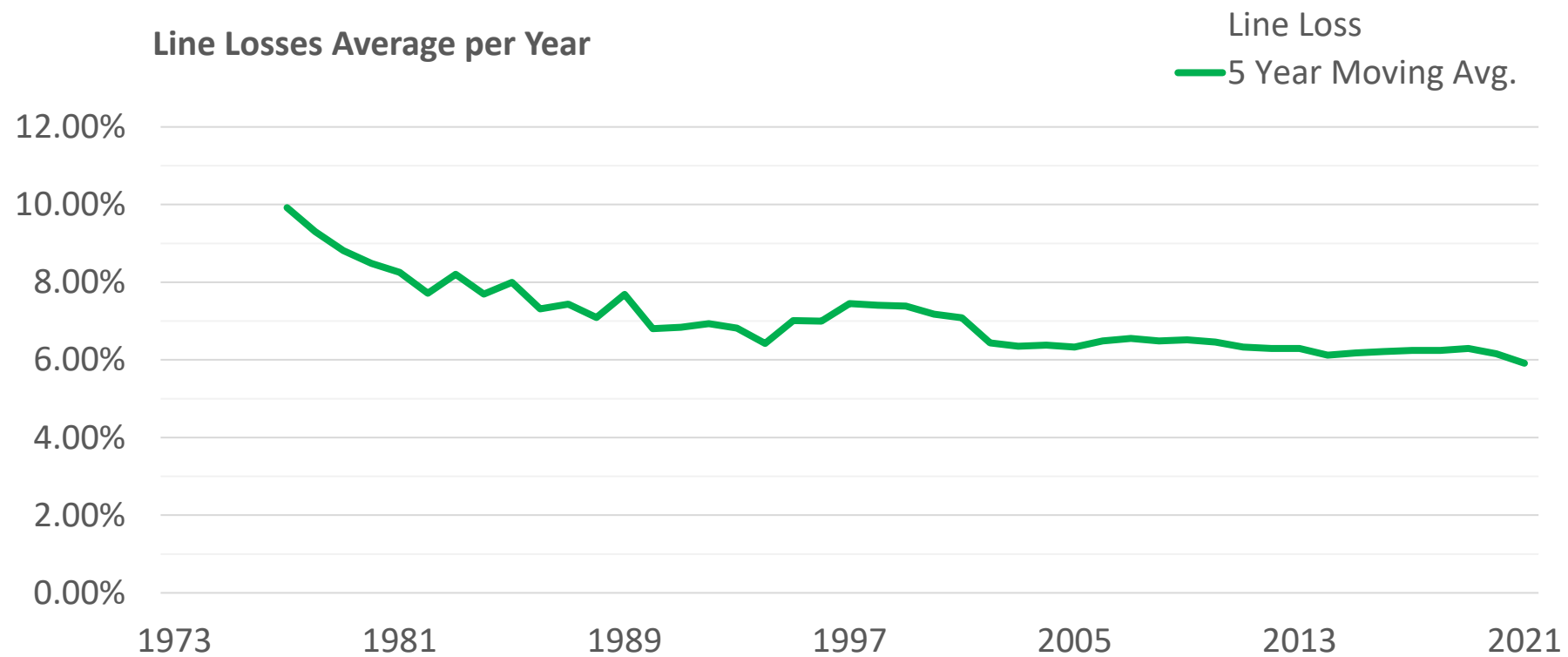
- 15kVA overhead transformers saw a 23% price increase from pre-pandemic levels and lead times went from 1 week to 16 weeks
- 25kVA Pad Mount Transformers saw a 28% price increase from pre-pandemic levels and lead times went from 2 weeks to 21 weeks
- 200A Underground Meter Bases saw a 63% price increase from pre-pandemic levels and lead times went from 12 weeks to 80 weeks
- Computers saw a 19% price increase and lead times went from 2 weeks to 16 weeks
- Lead times on Ford Trucks is currently 'indefinite'. We had to switch chassis over to a Dodge model just so we could get it this year

OPPORTUNITIES – UDWI WILL FOCUS ON RELIABILITY, SAFETY, AND COST

- UDWI will continue to improve its system reliability while reducing line losses
- UDWI will implement a redesigned vegetation management program - we will become more effective without spending more money
- UDWI will continue to improve the quality of its member service
- UDWI will continue to invest in our team members – safety and skills training will be increased
- UDWI will use its financial resources to offset some of the power supply increases scheduled for 2023

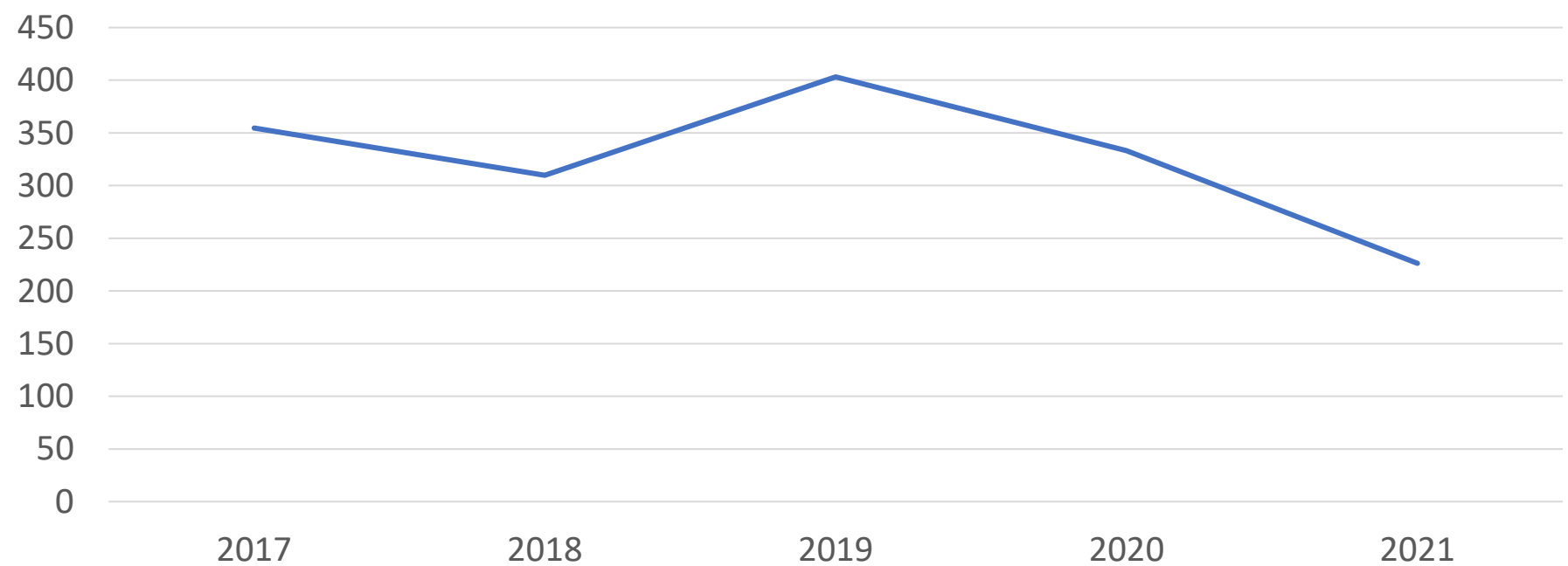


REDUCTIONS IN LOSSES



RELIABILITY IMPROVEMENTS

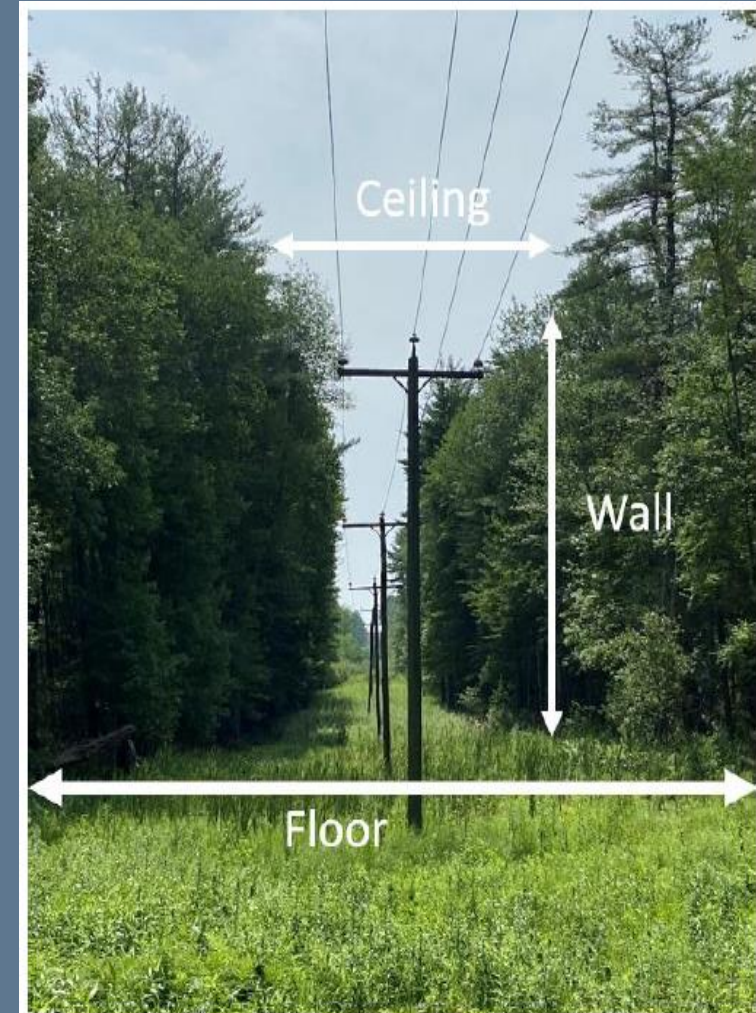
Average Customer Outage Time (Excluding Major Events)



ROW DEFINITIONS

ROW Parts

- Floor
- Wall
- Ceiling
- Each part has unique management methods and needs



VEGETATION MANAGEMENT ANALYSIS RESULTS

- **Situation:** High interference of vegetation in the line now and within 1 year – 38%
- **Solution:** Establish a cycle model (as opposed to clearance model) to work the ROW once every four years
- **Situation:** High brush composition, some of which is currently interfering with conductors
- **Solution:** Create a management system for brush and begin establishing meadows in ROW
- **Situation:** Currently ROW widths being cut up to 50' wide are slowing crews down to a point where a cycle is not possible, resulting in significant amounts of emergent brush
- **Solution:** Establish a four-year cycle model that focuses on work that is needed within the cycle, not ROW widths
- **Situation:** ROW edges are being created by removing tress that have grown with biomechanics that make them suitable for the ROW edge
- **Solution:** Establish a cycle model that focuses on work that is within the cycle, not ROW widths

UDWI'S COMMITMENT TO MEMBER SERVICE

- We will be launching a new Outage Management System – Target: June 30
- We will add DocuSign capability for all member forms
- We will continue to improve our online systems for Tree Trimming Requests and Staking Appointments
- We will update our payment portal to make it easier for members to make payments (Auto draft and paperless billing options are available!)
- We will complete a Customer Service survey and tailor our CSR training programs to improve our performance
- We will increase resources we devote to member communication via social media
- We support our local community through “Sweat Equity” projects



UDWI'S COMMUNITY FUND – MEMBERS HELPING THEIR NEIGHBORS

- In 2021, UDWI's Community Fund awarded \$56,760 to 37 charitable organizations throughout UDWI's service territory
- The Community Fund receives its funding through a voluntary round-up program
- The Community Fund Board is made up of UDWI members who volunteer their time
- The Community Fund has prioritized funding charities that feed the hungry or assist our veterans



UDWI COMMUNITY FUND – MAKING A DIFFERENCE



Bloomfield NJROTC



Erin's Purpose

UDWI'S COMMITMENT TO SAFETY

- UDWI will continue to promote safety and job skill improvement training for all employees
 - In 2021, UDWI employees totaled nearly 1,200 hours in training and education despite COVID-19 limitations
- UDWI will conduct a minimum of six electrical safety training sessions for first responders, local schools and community groups
- UDWI will actively participate in the RESAP certification program
- UDWI will develop a proactive Safety Committee for its HHM affiliate



UDWI WILL DO ALL IT CAN TO OFFSET A PORTION OF HIGHER POWER COSTS

- UDWI will continue the same prudent cost management that it has exhibited over the last five years
- UDWI will make every effort to cut costs and preserve resources in 2022 to offset a portion of the increased power supply costs scheduled for 2023
- UDWI will continue to actively pursue cost reductions, power supply choice/flexibility, and increased transparency from Hoosier Energy
- UDWI will not borrow money for any capital improvements funded in 2022 or 2023





**THANKS TO OUR
MEMBERS, DIRECTORS,
AND TEAM!**



