



COVID-19 RESPONSE

IMPACT OF COVID-19 ON OKLAHOMA'S RURAL ELECTRIC COOPERATIVES

Learn about impacts to rural electric cooperatives in Oklahoma due to the COVID-19 virus.

Twenty-seven rural electric distribution cooperatives and two rural electrical power generation and transmission cooperatives operate in Oklahoma. Oklahoma's rural electric cooperatives deliver electricity over 116,000 miles of line to reach more than 648,000 customer meters. Rural electric cooperatives provide vital services to rural residents and communities and their importance has intensified as rural residents shelter in place. Oklahoma's rural electric cooperatives were proactive in complying with CDC, state and local guidelines. Since the second week of March 2020, electric cooperative personnel have been implementing both safe-distancing and work-from-home options for their employees. Most electric cooperative offices have closed their lobbies to customers; payments can be made via drive through or at kiosks throughout a cooperative's service area. Inside personnel are either working from home or are alternating days at being in the office.

Working remotely has not been an option for REC line workers, as electric line personnel are deemed essential service personnel by FEMA, the Oklahoma Department of Emergency Management and the Oklahoma Corporation Commission. REC line personnel have been working regular and storm-related outages. Most crews are driving single vehicles, with only one crew member occupying the vehicle for safe-distancing purposes. Limited contact is being made with members of the general public. Line staking crews are also working, but are limited in their contact with the general public.

Endorsing the principle of cooperation among cooperatives, rural electric cooperatives have created voluntary partnership to provide and receive help from other RECs. These partnerships, termed "mutual aid response net-

works" allow cooperatives to pool resources to meet their needs during emergency aids. The COVID-19 situation has also impacted mutual aid response networks. While rural electric cooperatives still work to assist other cooperatives following weather events and natural disasters, assistance is often limited to crews who can drive safely to the area needing restoration, work a set number of hours, then return to their homes or home cooperatives. To protect their line employees, rural electric cooperatives cannot allow mutual aid crews to be housed in hotels or at impacted cooperative facilities. This has created additional travel as crews return to the area of restoration on subsequent days, until restoration efforts have been completed.

Oklahoma's rural electric cooperatives have suffered significant financial impacts due to the COVID-19 pandemic. Cooperatives have been voluntarily suspending disconnects for consumer-members who have been directly impacted by COVID-19, and have been waiving

CONTACT

► **Phil Kenkel**

Ag Cooperative Extension Specialist
and Bill Fitzwater Cooperative Chair
phil.kenkel@okstate.edu
405-744-9818

late payment fees since mid-March. The impact of these voluntary suspensions of disconnects has been costly. It is estimated that 30- to 60-day outstanding balances have increased in the range of 25% to 30% compared to previous months or to the same time period in 2019. An additional \$2 million in past-due payments have now accumulated collectively for the 27 distribution member coops of OAEC. Late payment amounts are expected to peak in May, with the expectation that past-due payments could exceed \$6 million, up more than 35% as compared to this time last year. Cooperatives are working closely with consumers who are getting behind on their bills, trying to assist them in making payment arrangements or directing

them to available payment resources in communities, such as LIHEAP funding, local churches, Salvation Army, etc.

Oklahoma's rural electric cooperatives also are being impacted by the reduction in oil and gas activities. As oil and gas operations shut down, rural electric cooperatives lose the electrical service load and are unable to recoup significant investment in distribution infrastructure, which was installed to serve those customers. Electric cooperatives also are facing payment risks as oil and gas companies file for bankruptcy due to unprecedented low prices. Low oil prices also impact electric cooperatives when oil companies either shut down wells or ask for loads to be disconnected.