

INDEPENDENT CONSUMER ADVOCATE

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QUARTERLY REPORT

JULY 1-SEPT. 30, 2025

This quarter marked the beginning of the document review for CMEEC. This comprehensive review and revision of CMEEC's basic documents includes By-Laws, Membership Agreement and Power Purchase Agreements. There are several purposes to the review: Insure compliance with the enabling legislation as it has been amended, eliminate outdated provisions, modify to allow for efficient and economical operations, add provisions where necessary.

The review began with the by-law review. While there were some initial discussion of utilizing executive sessions for some of these topics, all discussions took place in open discussions. Substantial discussions among CMEEC directors and staff addressed the need for alternates to be appointed, use of weighted voting, compensation for directors and whether that compensation should be set by CMEEC itself or the bodies that appoint the directors, definition of quorum, the authority and scope of the member delegations.

While the foregoing may appear to be 'mere' housekeeping, this would not be accurate. They involve decisions about where authority resides, who can exercise that authority and how much will be spent on director compensation. Further the decision to discuss all these matters in open session clearly demonstrates that CMEEC is operating in a transparent manner—a significant progression from several years ago.

The annual budget process began this quarter and as in years past will finish up in the 4th quarter. To date the Transco budget has been reviewed and recommended to the Board. The non-fuel portion of the budget has also been reviewed. Still to be done is the review of the energy budget including load projections.

While not directly related to the document review, considerable time has been devoted to whether the 'equity' concept should be eliminated and whether there needs to be an additional financial benchmark put in place. There is general consensus that the equity

concept is inappropriate for CMEEC especially given how its rates to members are computed and the fact that it is a non-profit entity. This term will be eliminated from the membership agreement. Various measures of financial well being are being discussed and a decision is anticipated in the 4th quarter.

In addition to the foregoing, there has been the usual committee and board meetings throughout the quarter. The ICA reviewed all materials for these meetings, raised questions where deemed necessary and attended all but one of the meetings.

Respectfully submitted

Independent Consumer Advocate

By David Silverstone

October 7, 2025