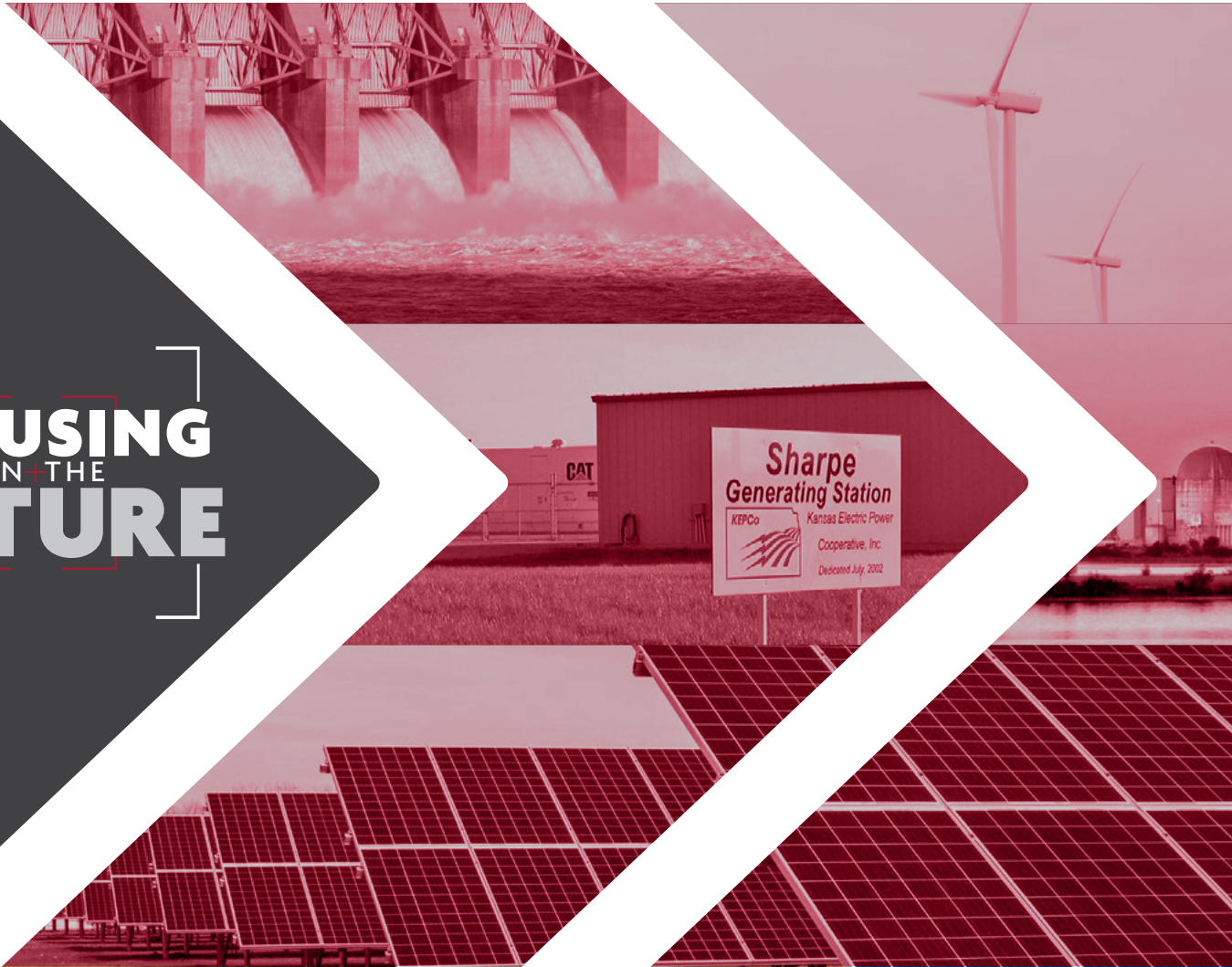


2023

ANNUAL REPORT

FOCUSING
ON THE
FUTURE



KANSAS ELECTRIC
POWER COOPERATIVE

GUIDING PRINCIPLES

SAFETY: We are devoted to a culture of safety to assure an accident-free, secure, and healthy work environment.

INNOVATION: We promote continuous learning, development, and creative thinking to encourage innovative, proactive, cost-effective, and technologically relevant business and energy solutions.

ENGAGEMENT: We strive to provide a positive, professional, and respectful work environment for our employees and members, and we are committed to building relationships based on genuine caring and understanding.

INTEGRITY: We expect our team to be completely transparent, open to new ideas, honest, trustworthy, fully accountable, ethical, and to do the right thing for our members, our industry partners, the general public, and each other.

FINANCIAL RESPONSIBILITY: We strive to provide power supply, support, and services to our members at the lowest possible cost, consistent with sound business practices, board policies, and cooperative principles.

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OUR PURPOSE

KEPCo strives for excellence in providing safe, reliable, economical, and environmentally responsible power supply, exceptional support, and innovative services to our members and the Kansans they serve.

KEPCO STAFF



Steve Foss
Interim Executive Vice President &
Chief Executive Officer



Mark Barbee
Senior Vice President &
Chief Operating Officer



Susan Cunningham
Senior Vice President &
General Counsel



Coleen Wells
Senior Vice President &
Chief Financial Officer



Stephanie Anderson
Finance & Benefits Analyst III



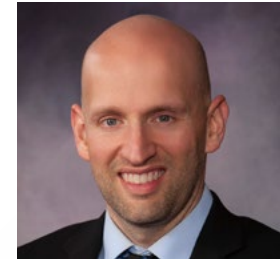
Keith Burk
Information Systems Specialist II



Lindsay Clark
Administrative Assistant



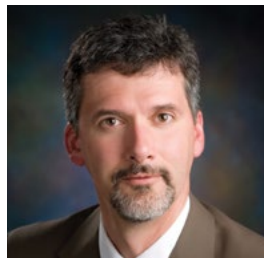
Jerad Crotinger
Senior Operations Technician



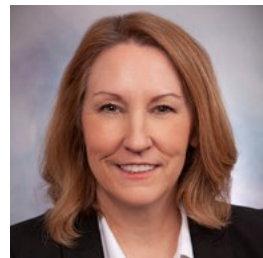
Chris Davidson
Manager of Engineering



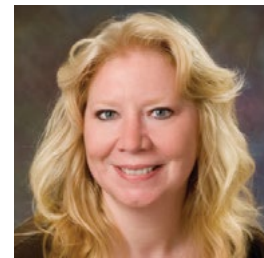
Terry Deutscher
Manager, SCADA &
Meter Maintenance



Mark Doljac
Executive Director, Rates & Planning



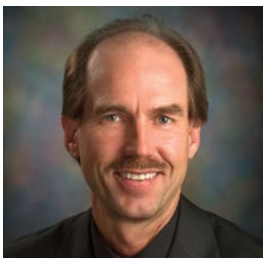
Rebecca Fowler
Director, Regulatory Affairs



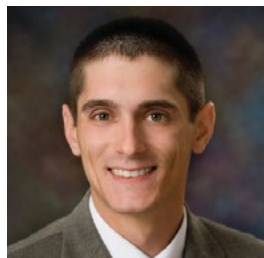
Carol Gardner
Operations Analyst III



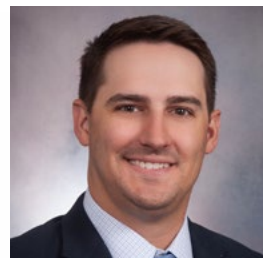
Shawn Geil
Executive Director, Technical
and Energy Services



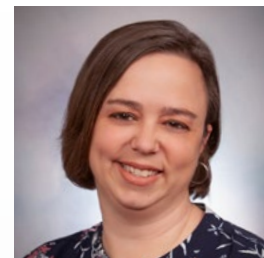
Maurice Hall
Senior SCADA/Metering Technician



Robert Hammersmith
Senior SCADA/Metering Technician



Brad Hutton
Financial/Regulatory Specialist



Kristina Kuebler
Administrative Assistant



Adam Lee
Senior SCADA/Metering Technician



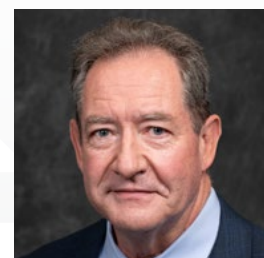
Matt Ottman
Information Systems Specialist III



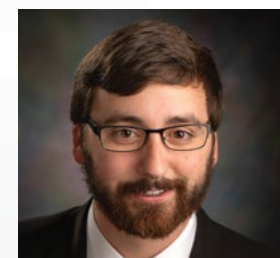
Julie Spielman
Finance and Accounts Payable/
Payroll Specialist



Claudine Stueve
Executive Assistant &
Manager of Office Services



Phil Wages
Director, Member Services,
Government Affairs &
Business Development



Luke Zahner
Engineer II

LETTER FROM THE BOARD PRESIDENT AND EXECUTIVE VICE PRESIDENT/CEO

CELEBRATING THE PAST

FOCUSING ON+THE FUTURE



STEVE FOSS
Interim Executive Vice President & CEO



MIKE MORTON
Board President

Annual reports provide a great opportunity to celebrate accomplishments from the past year and also to look forward to the coming year. It is vital to recognize the strong performance of the organization, leadership, and staff, but it is equally important to focus on what the prior year's performance means for the future.

In 2023, KEPCo's successes and achievements included:

- ▶ Finishing 2023 with zero safety and cyber security incidents.
- ▶ Ending the year fully staffed for the first time since the year 2000, with an employee team that is experienced, engaged, and dedicated.
- ▶ Reaching a three-year low for our average member electric rate.
- ▶ Operating our generation resources safely, cost-effectively, and reliably.
- ▶ Maintaining a diverse generation portfolio that supplies over 67% of our annual energy needs from non-greenhouse gas (GHG) emitting resources.
- ▶ Savings for KEPCo members due to our regulatory, government, and legislative advocacy efforts, and engaging with NRECA on significant industry issues such as the EPA's proposed GHG rule.
- ▶ Overall transmission and distribution

reliability and strong engagement with the state's five transmission owners from whom we take service.

- ▶ Applying for federal funding opportunities, which, if received, will allow KEPCo to upgrade existing solar assets, add new solar, wind, and energy storage facilities, and invest in infrastructure related to green hydrogen production.

Another highlight of 2023 is the progress of KEPCo's multi-year strategic plan, which provides clear and actionable guidance for KEPCo through 2027. The plan focuses on safety, cybersecurity, power supply, financial strength, member engagement, board effectiveness, and employee succession planning. KEPCo's Board of Trustees and staff have made a tremendous amount of progress since it was finalized in January 2023.

Below is a summary of our progress to date:

- ▶ **COST-OF-SERVICE STUDY:** KEPCo's first study in over 12 years has begun and will be completed in 2024.
- ▶ **BOARD SELF-ASSESSMENT:** The board completed a self-assessment and is in the process of developing board goals.
- ▶ **AD HOC POWER SUPPLY COMMITTEE:** We established this

committee to hold educational sessions on key industry topics and to discuss KEPCo's long-term power supply goals and potential modifications to our current power supply. The committee supported staff's recommendation to conduct a robust integrated resource plan in 2024.

- ▶ **FINANCIAL FORECAST:** We overhauled and updated our long-range financial forecast, which is an integral tool in determining our financial needs and future strategies.
- ▶ **SUCCESSION PLAN:** We finalized a succession plan for the entire employee team.
- ▶ **SAFETY AND SECURITY:** The process of updating our Safety Manual and creating a Cybersecurity Handbook are underway.

Future strategic initiatives include establishing an ad hoc Member Engagement Committee in 2024 to analyze potential programs and services for members, including both value-added and fee- or subscription-based ancillary services, and conducting a financial planning study in the next two years.

KEPCo's financial health is another highlight of 2023. Not only was KEPCo successful in keeping the members' average electric rate stable, it was the lowest it has been in the last three years. This was a particularly significant feat considering the year-over-year increase in the cost of electric industry supplies, equipment, and labor, the volatility of natural gas prices, and the many other cost pressures we have

experienced in our current inflationary economic environment. To further put KEPCo's rates into perspective, in 2012, among the G&Ts who responded to a rate survey, KEPCo had the highest average member rate in the country. Just over 10 years later, KEPCo reached the third quartile.

We ended the year in a strong cash position, met our lender requirements, and had the highest equity-to-asset ratio in our organization's history. Because of this financial success and strength, KEPCo is nearing the pivotal financial metric that will allow us to consider capital credits retirements on a regular basis pending the financial priorities determined in the financial planning study.

None of KEPCo's accomplishments in 2023 would have been possible without the hard work of our staff, industry partners, and board of trustees. Thank you to the KEPCo Board of Trustees for their service and to our employee team for all they do on behalf of KEPCo and our members.

We are energized by what lies ahead for KEPCo. We intend to build on the many successes achieved in 2023, focusing our efforts on an unwavering commitment to providing safe, reliable, and affordable power supply, exceptional support, and innovative services to our members and the nearly 200,000 rural Kansans they serve.

On behalf of KEPCo, we are honored to serve our board, membership, and employees.



We intend to build on the many successes achieved in 2023, focusing our efforts on an unwavering commitment to providing safe, reliable, and affordable power supply, exceptional support, and innovative services to our members and the nearly 200,000 rural Kansans they serve.

EXECUTIVE COMMITTEE

MICHAEL MORTON
President

CHARLES GOECKEL
Vice President

BRYAN COOVER
Secretary



Dennis Svanes, Trustee, Manager
4 Rivers Electric Cooperative, Inc.



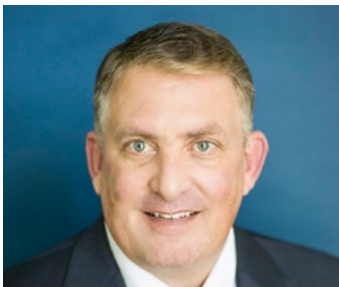
Tom Ayers, Alternate
4 Rivers Electric Cooperative, Inc.



Larry Froese, Trustee
Ark Valley Electric Cooperative Assn., Inc.



Jackie Holmberg, Alternate, Manager
Ark Valley Electric Cooperative Assn., Inc.



Kevin Brownlee, Trustee, Manager
Butler Electric Cooperative Assn., Inc.



Ron Oelkers, Alternate
Butler Electric Cooperative Assn., Inc.



Dan Hubert, Trustee
Caney Valley Electric Cooperative Assn., Inc.



Allen Zadorozny, Alternate, Manager
Caney Valley Electric Cooperative Assn., Inc.



Charles Goeckel, Trustee, Manager
Flint Hills Rural Electric Cooperative Assn., Inc.
VICE PRESIDENT



Terry Olsen, Alternate
Flint Hills Rural Electric Cooperative Assn., Inc.



Chris Parr, Trustee, Manager
FreeState Electric Cooperative, Inc.
COMMITTEE MEMBER



Mark Wulfschuhle, Alternate
FreeState Electric Cooperative, Inc.



Paul Wilson, Trustee
Rolling Hills Electric Cooperative, Inc.



Jason Rabe, Alternate, Manager
Rolling Hills Electric Cooperative, Inc.



Donald Metzen, Trustee
Sedgwick County Electric Cooperative Assn., Inc.



Scott Ayres, Alternate, Manager
Sedgwick County Electric Cooperative Assn., Inc.

TRUSTEES



LORI JONES
Treasurer

CHRIS PARR
Executive Committee Member

MARK SCHEIBE
Executive Committee Member

KIRK THOMPSON
Executive Committee Member



Michael Morton, Trustee, Manager
Bluestem Electric Cooperative, Inc.
PRESIDENT



Gary Buss, Alternate
Bluestem Electric Cooperative, Inc.



Kevin Compton, Trustee
Brown-Atchison Electric Cooperative Assn., Inc.



Michael Volker, Alternate, Manager
Brown-Atchison Electric Cooperative Assn., Inc.



Kirk Thompson, Trustee, Manager
CMS Electric Cooperative, Inc.
COMMITTEE MEMBER



Linda Tomlinson, Alternate
CMS Electric Cooperative, Inc.



Ken Hedberg, Trustee
DSO Electric Cooperative, Inc.



Tim Power, Alternate, Manager
DSO Electric Cooperative, Inc.



Mark Scheibe, Trustee, Manager
Heartland Rural Electric Cooperative, Inc.
COMMITTEE MEMBER



H.H. Stockebrand, Alternate
Heartland Rural Electric Cooperative, Inc.



Lori Jones, Trustee
Ninnescah Rural Electric Cooperative Assn., Inc.
TREASURER



Teresa Miller, Alternate, Manager
Ninnescah Rural Electric Cooperative Assn., Inc.



John Schon, Trustee
Sumner-Cowley Electric Cooperative, Inc.



Coni Adams, Alternate, Manager
Sumner-Cowley Electric Cooperative, Inc.



Bryan Coover, Trustee
Twin Valley Electric Cooperative, Inc.
SECRETARY



Angie Erickson, Alternate, Manager
Twin Valley Electric Cooperative, Inc.

KEPCO ELECTS BOARD OFFICERS

The KEPCo Board of Trustees comprises a trustee representative and an alternate from each of KEPCo's 16 member cooperatives. The board annually elects seven trustee representatives to serve as its executive committee.



MIKE MORTON
President



CHUCK GOECKEL
Vice President



BRYAN COOVER
Secretary



LORI JONES
Treasurer

At the November 2023 meeting of the KEPCo Board of Trustees, Mike Morton was unanimously reelected for a second term as board president. Morton is the general manager of Bluestem Electric Cooperative, Inc. in Wamego.

Other officers elected were Vice President Chuck Goeckel, general manager of Flint Hills Rural Electric Cooperative, Inc. in Council Grove; Secretary Bryan Coover, board president of Twin Valley Electric Cooperative, Inc. in Altamont; and Treasurer Lori Jones, trustee of Ninnescah Rural Electric Cooperative Association, Inc. in Pratt.

The following individuals were elected to fill three

additional positions on the executive committee: Mark Scheibe, CEO of Heartland Rural Electric Cooperative, Inc. in Girard; Chris Parr, CEO of FreeState Electric Cooperative, Inc. in Topeka and McLouth; and Kirk Thompson, manager of CMS Electric Cooperative, Inc. in Meade.

GOVERNMENT AFFAIRS

State and Federal Advocacy Efforts

KEPCo's advocacy efforts were hectic this year, requiring KEPCo and other electric cooperatives to identify, discuss, and address a wide variety of issues emerging out of state and federal legislative and regulatory agencies and organizations. Our government affairs staff were involved in such activities as a challenging state legislative session, meeting with Kansas congressional leaders in Washington, D.C., cosponsoring and attending a legislative trip to the Southwest Power Pool (SPP), participating in an interim legislative session, filing comments contesting the EPA's proposed New Source Performance Standards for Greenhouse Gas Emissions, and attending numerous Co-ops Vote events.



Kansas cooperative representatives met with Rep. Davids during the 2023 NRECA Legislative Conference. From left: Mark Scheibe, Heartland; Jim Christopher, DSO; Rep. Sharice Davids; Susan Cunningham, KEPCo; Leslie Kaufman, Kansas Electric Cooperatives, Inc.; and Dennis Svanes, 4 Rivers.

KANSAS STATE LEGISLATURE

The Kansas legislative session commenced on Jan. 9, 2023. During the session, KEPCo actively followed 23 bills, which is a significant number of bills for a 90-day session. By the end of the session, the majority of the bills failed to advance, with only three electric utility bills passing, none of which impacted electric cooperatives.

NRECA LEGISLATIVE CONFERENCE

In April 2023, KEPCo's government affairs staff attended the annual National Rural Electric Cooperative Association

(NRECA) legislative conference in Washington, D.C. Our staff was among approximately 2,000 electric cooperative representatives from across the country, including a contingent of 36 Kansas representatives, attending the conference. Updates from key Capitol Hill and White House staff were given on priority issues impacting electric cooperatives. Staff also conveyed industry issues to congressional leaders. The annual conference is the largest electric cooperative grassroots event in the nation's capital, and this year was no exception, with nearly 350 congressional visits made by attending participants.

"The NRECA Legislative Conference is a valuable opportunity for states to augment the lobbying activities NRECA performs year-round," said Susan Cunningham, SVP of Regulatory and Government Affairs & General Counsel. "Additionally, as a result of congressional redistricting, every

KEPCo's advocacy efforts address a wide variety of issues emerging out of state and federal legislative and regulatory agencies and organizations.

member of the Kansas delegation now has electric cooperative service territory within their respective districts. As such, our messaging is truly statewide, making it more meaningful and impactful to the entire Kansas congressional delegation.”

The specific issues discussed with Kansas congressional leadership and their staffs included farm bill opportunities for electric cooperatives such as preserving Rural Utilities Service financing, expanding rural broadband access, and maintaining USDA development programs; the importance of modernizing infrastructure permitting; ensuring reliable and affordable electricity; and supply chain challenges impacting electric cooperatives.

EDUCATING LEGISLATORS ABOUT SPP

In September 2023, KEPCo staff, along with other electric utility representatives in the state, escorted 24 Kansas legislators and two legislative staff members on a two-day trip to the SPP in Little Rock, Arkansas. SPP senior staff briefed the legislators on a variety of topics, including an overview of SPP’s organizational structure, governance, operations, reliability coordination, transmission cost allocation advocacy, the integrated market, western expansion, transmission planning, resource adequacy and reliability, and emerging issues.

“The material presented by senior SPP staff was centered around reliability and resource adequacy. In today’s environment, these topics are particularly important for legislators to understand. As the electric industry continues to

transition to renewable energy and reduce carbon emissions, while at the same time encouraging electrification, the transition must be done in a sustainable manner that does not jeopardize reliability. Thus, the legislature needs to be mindful of legislation that impacts such a transition,” said Phil Wages, Director of Member Services, Government Affairs, and Business Development.

SPECIAL COMMITTEE ON ENERGY AND UTILITIES

At the request of leading state lawmakers, the Legislative Coordinating Council approved the creation of the Special Committee on Energy and Utilities, which met for a three-day fall session.

Discussion topics included an overview of the Kansas Corporation Commission’s jurisdiction and role at the SPP, an overview of the Federal Energy Regulatory Commission and its jurisdiction, the Department of Energy’s transmission needs study, the SPP generator interconnection queue, regional resource adequacy, transmission cost allocation, Evergy’s integrated resource plan, the state’s transmission siting process, eminent domain, an examination of state energy plans, and a review of the State Energy Office and the federal funds administered by that office.

KEPCo participated in a panel with representatives from other Kansas utilities to discuss updates, perspectives, resource planning, load forecasts, and forward-looking plans for their respective entities.

“The three-day interim committee

provided the committee members an opportunity to take a deep dive into utility issues that is not available during the legislative session due to time constraints. Resource adequacy and the impact renewable energy and carbon reduction measures have on reliability, as well as equitable transmission cost allocation, are topics on which the electric cooperatives have been focusing their advocacy efforts, so it was particularly important for the committee members to get a greater understanding of these topics,” said Susan Cunningham, SVP of Regulatory and Government Affairs & General Counsel.

GRASSROOTS ACTIVITIES

Championing our grassroots advocacy efforts at home, KEPCo staff participated in seven Co-ops Vote events in October and November. State legislators and government officials with electric cooperative service territories in their respective districts attended.

Co-ops Vote is a non-partisan campaign by America’s Electric Cooperatives focused on enhancing the political strength of electric cooperatives through relationship building and voter engagement. Working in collaboration with our member cooperatives, this effort educates and engages legislators, government officials, and co-op staffs on critical issues such as ensuring continued access to reliable and affordable electricity and promoting the work of co-ops within the rural communities they serve.

“The Co-ops Vote events are an integral part of the electric cooperatives’ state-level advocacy efforts regarding issues affecting the electric utility industry. The meetings provide an opportunity for cooperatives to communicate openly and freely with area legislators and government officials regarding electric cooperative concerns and issues of interest,” said Phil Wages, Director of Member Services, Government Affairs, and Business Development.

Through participation in Co-ops Vote events and other advocacy efforts, KEPCo earned the 5-Star Co-op designation from NRECA for 2023-2024.



KEPCo staff and other Kansas electric utility representatives escorted Kansas legislators and legislative staff on a two-day trip to the SPP in Little Rock. SPP senior staff briefed the legislators on a variety of topics, including an overview of SPP, reliability coordination, transmission cost allocation, the integrated market, western expansion, transmission planning, resource adequacy and reliability, and emerging issues.

GENERATING SAFETY

SAFETY EXCELLENCE IS TOP PRIORITY

KEPCo prioritizes safety excellence and has cultivated a pervasive culture of safety. The level of safety excellence is determined by the amount of time and resources invested to improve the processes, conditions, and behaviors reflected in safety performance.

All employees are required to regularly complete comprehensive training programs and continuous education focused on physical safety and cybersecurity. These educational opportunities help employees identify and eliminate workplace conditions or practices that may cause work-related injuries or illnesses.

“KEPCo’s Safety Committee works diligently year-round to ensure our staff has the education and hands-on learning experiences needed to create a work environment that is safe and productive. As a result of our employees’ attentiveness to safety, I’m pleased to state that KEPCo did not have a lost time accident or cybersecurity incident in 2023,” said Mark Barbee, SVP & Chief Operating Officer.

In addition to KEPCo’s prolific safety education and training, in 2023, KEPCo staff initiated a comprehensive review of KEPCo’s Safety Manual and the creation of a Cybersecurity Handbook.

KEPCO SERVICES, INC.

Providing Engineering Services to Cooperatives for Over 25 Years

KEPCo Services, Inc. (KSI) is a wholly-owned, for-profit subsidiary of KEPCo. Established in 1997, KSI offers a wide range of technical and engineering services to KEPCo’s member cooperatives and non-member cooperatives seeking engineering consulting services. KSI’s goal is to provide value-added engineering services while creatively finding solutions to facilitate the client’s goals and objectives.

KSI combines the long-standing, successful tradition of technical support and engineering services with new, innovative services to meet the needs of member and non-member cooperatives in a dynamic industry. KSI has developed a robust menu of services, which are executed by experienced engineers who understand electric cooperatives and their engineering needs. Engineering services offered include construction work plans, sectionalizing studies, distributed generation interconnection evaluations, arc hazard assessments, spill prevention control and countermeasure plans, substation design, and work order inspections, to name a few. With a broad knowledge of generation, transmission,



and distribution systems, KSI focuses on the unique needs of electric cooperatives to provide high-value, professional services in an efficient and cost-effective manner.

In 2023, KSI participated in projects for 13 KEPCo members and two non-member cooperatives. Some of the more substantive projects included arc hazard assessments, construction work plans, work order inspections, load forecasts, solar minimum load studies, substation/transformer analyses, sectionalizing studies, and spill plan updates.

Additional information about KSI and a description of KSI’s current engineering services are available at www.kepc.org/ksi.

KEPCO SUPPORTS RURAL DEVELOPMENT

USDA Rural Economic Development Loan and Grant Program

Economic development is vital to the longevity, viability, and sustainability of rural Kansas. Economic development improves the quality of life and the economic well-being of rural communities and is necessary to stimulate national economic expansion. Small-scale entrepreneurship is consistently successful in rural communities, with more than half of all new jobs created from small, off-farm business ventures.

For nearly four decades, KEPCo and its member cooperatives have been actively involved in the USDA Rural Economic Development Loan and Grant (REDLG) program. The REDLG program provides zero-interest loans for projects that will create and/or retain employment in rural communities.

For the 2022-2023 USDA fiscal year, KEPCo successfully



Committed to the future of rural communities.

submitted five REDLG applications resulting in the lending of \$3,571,000 and the creation of 45 full-time jobs.

“Access to affordable financing is important for rural economic development. The Federal Reserve, late in the year, paused raising interest rates, but the cumulative effect of several rate increases caused the cost of investment capital

to increase to levels not seen in several years. As we look to next year, interest rates are expected to continue to be higher than in previous years and we expect continued interest in the REDLG program as well. As always, KEPCo is available to assist our members with obtaining REDLG loans and other economic development activities to benefit their rural Kansas communities,” said Susan Cunningham, SVP of Regulatory and Government Affairs & General Counsel.

CHARITABLE GIVING

KEPCO DEMONSTRATES CONCERN FOR COMMUNITY

KEPCo has been active for many years in supporting local and regional charitable organizations through our Charitable Giving Program and employee volunteer activities. Supporting worthwhile causes and organizations through charitable giving and volunteerism fosters employee engagement and integrates essential values into KEPCo’s corporate culture. Additionally, KEPCo’s charitable support actively demonstrates the Seventh Cooperative Principle, Concern for Community, which recognizes electric cooperatives — at their core — are neighbors serving neighbors.



KEPCo’s charitable support actively demonstrates the Seventh Cooperative Principle: Concern for Community.

In 2023, KEPCo and our staff, along with a CoBank matching contribution, donated more than \$24,000 to local and regional charities. The charities chosen by KEPCo staff were the Topeka Rescue Mission, Court Appointed Special Advocates, Ronald McDonald House, and TARC. Staff also adopted three local senior adults during the Christmas season through the United Way Christmas Bureau.

In October, several KEPCo staff members volunteered at Harvesters Community Food Network. Harvesters provides food and related household products to more than 760 nonprofit agencies, including emergency food pantries, community kitchens, homeless shelters, and children’s homes, among others. The organization also offers education programs to increase community awareness of hunger and teach about good nutrition. KEPCo employees, along with employees from our statewide association, Kansas Electric Cooperatives, Inc., boxed nine pallets of food — 360 individual, multi-item boxes — to be distributed to senior adults in a multi-county region.

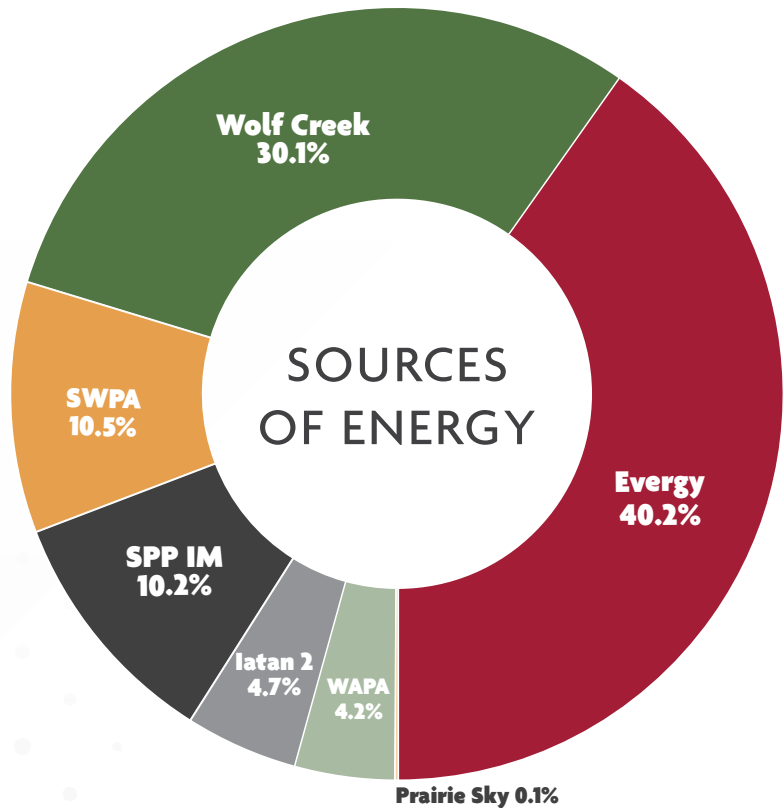
“With the ever-increasing cost of food, clothing, housing, and other goods and services, the past couple of years have been trying for all of us, but even more so for those in need. It’s especially rewarding during these difficult times to contribute time and resources that make a difference in so many lives,” said Stephanie Anderson, Finance & Benefits Analyst III and member of KEPCo’s Employee Experience Team.

Our Diverse Power Supply

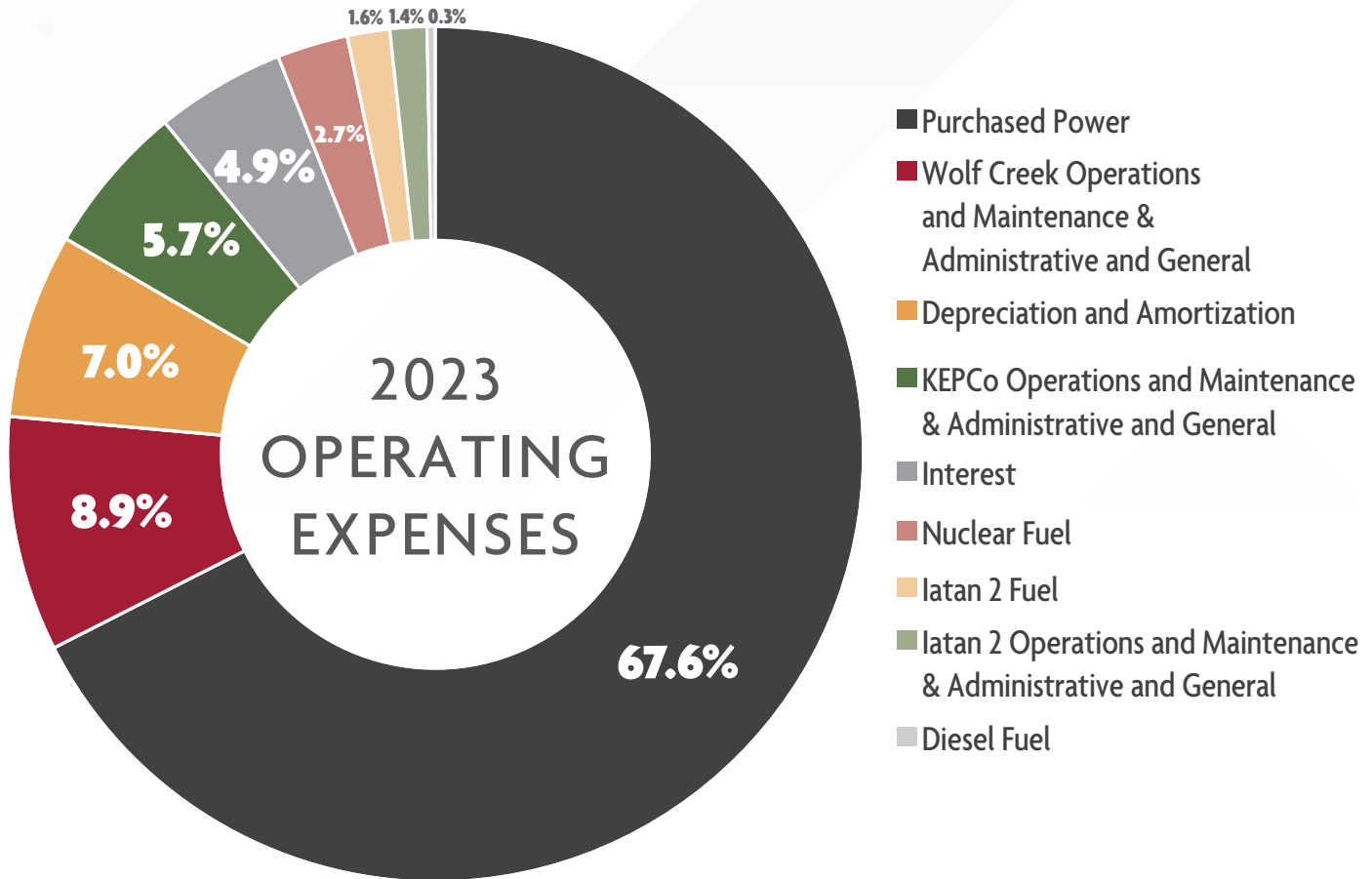
In an effort to create long-term, reliable, economic power supply for its members, KEPCo has built a diverse power supply that includes nuclear, hydro, coal, wind, natural gas, diesel, and solar resources. As part of its power supply strategy, KEPCo seeks to maintain a diversified and balanced power supply, which includes a mix of owning generation when prudent, purchasing power using a combination of long- and short-term contracts, adding renewables when cost effective, and incorporating demand side technology in power supply planning processes through member load management programs. Proudly, KEPCo's current portfolio minimizes greenhouse gas emissions with over 67% of its supply from non-greenhouse gas emitting sources.

In addition to its owned generation and long-term hydro allocations, KEPCo purchases its remaining requirements from Evergy, Inc. for base, intermediate, and peaking power supply. This contract provides KEPCo with power from nuclear, coal, natural gas, wind, and solar resources. KEPCo also purchases a portion of its power supply from the SPP Integrated Market (IM). KEPCo's owned resources include:

- ▶ **100 MEGAWATTS** of hydropower purchases from the Southwestern Power Administration
- ▶ **70 MEGAWATTS** of owned generation from the Wolf Creek Generating Station
- ▶ **31 MEGAWATTS** of owned generation from the Iatan 2 Generating Plant
- ▶ **20 MEGAWATTS** of peaking power from the Sharpe Generating Station
- ▶ **13 MEGAWATTS** of hydropower purchases from the Western Area Power Administration
- ▶ **1 MEGAWATT** of solar power from the Prairie Sky Solar Farm

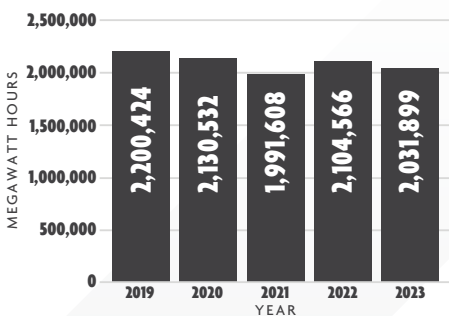


Operating Statistics

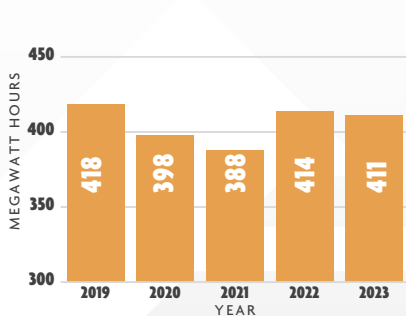


Proudly, KEPCo's current portfolio minimizes greenhouse gas emissions with over 67% of its supply from non-greenhouse gas emitting sources.

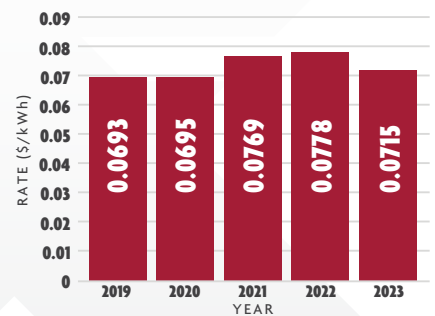
ANNUAL ENERGY SALES TO MEMBERS



ANNUAL COINCIDENT PEAK DEMAND



ANNUAL AVERAGE MEMBER RATE



INDEPENDENT AUDITOR'S REPORT

BOARD OF TRUSTEES KANSAS ELECTRIC POWER

Report on the Audit of the Con

OPINION

We have audited the consolidated financial statements of Kansas Electric Power Cooperative, Inc. (Cooperative) and its wholly owned subsidiary, which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the related consolidated statements of margin and comprehensive income, patronage capital, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cooperative and its wholly owned subsidiary, as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Cooperative and its wholly owned subsidiary and to meet our other ethical

responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

FORV/S



COOPERATIVE, INC., TOPEKA, KANSAS

Consolidated Financial Statements

but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- ▶ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, no such opinion is expressed.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- ▶ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, we have also issued our report dated April 15, 2024 on our consideration of the Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cooperative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Cooperative's internal control over financial reporting and compliance.

OKLAHOMA CITY, OKLAHOMA
APRIL 15, 2024

KEPCo strives for excellence in providing safe, reliable, economical, and environmentally responsible power supply, exceptional support, and innovative services ...

About KEPCo

Kansas Electric Power Cooperative, Inc. (KEPCo), headquartered in Topeka, Kansas, was incorporated in 1975 as a not-for-profit generation and transmission cooperative (G&T). It is KEPCo's responsibility to procure an adequate and reliable power supply for its 16 distribution electric cooperative members at a reasonable cost.

In addition to its core mission, KEPCo also assists its member cooperatives on such important activities as rural economic development, electric appliance rebates, load and power cost forecasting, and system enhancement projects.

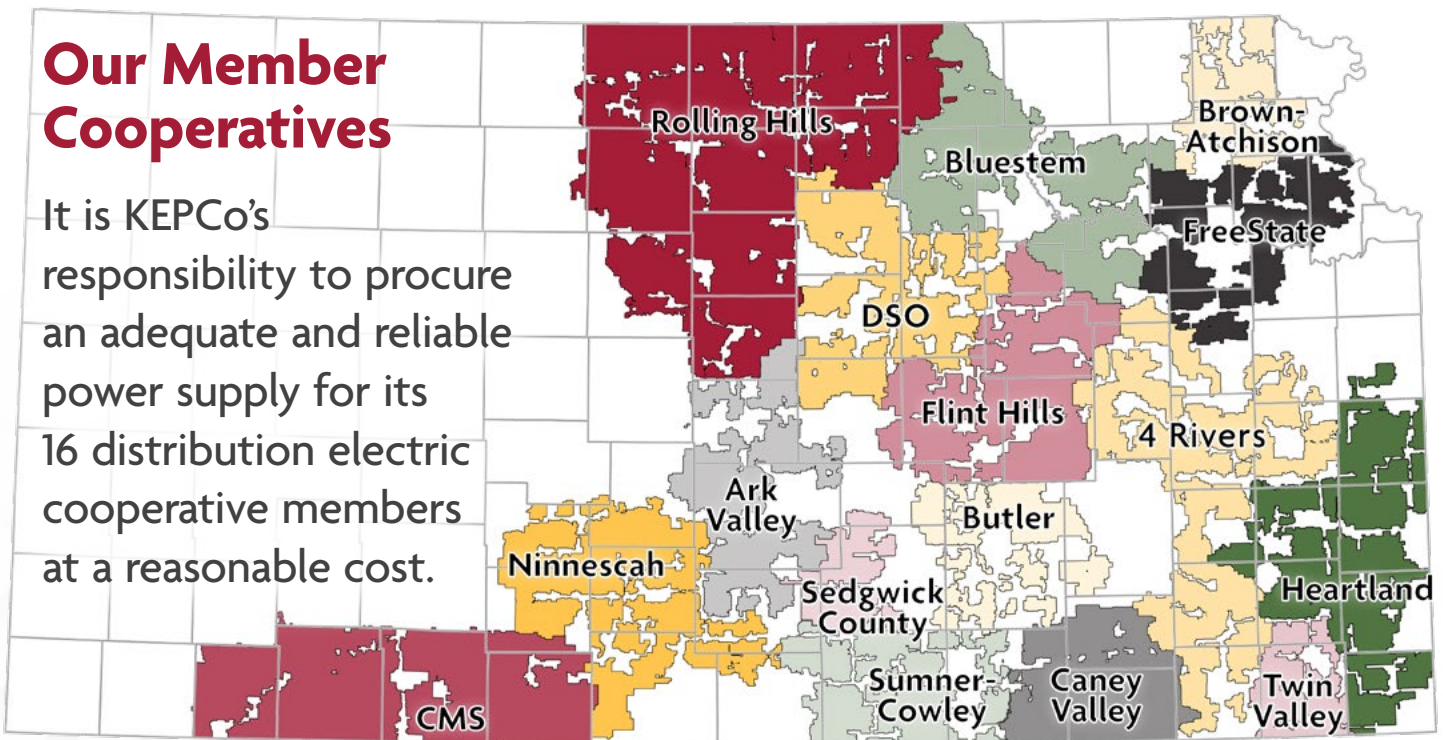
Governed by a 16-member board of trustees, KEPCo's members collectively serve over 75,000 consumer-members in the eastern two-thirds of Kansas, which represents nearly 200,000 rural Kansans. The board of trustees establishes policies,

provides direction, and acts on issues that often include recommendations from working committees of the board and KEPCo staff. The board also elects a seven-person executive committee, which includes the president, vice president, secretary, treasurer, and three additional members.

KEPCo's power supply resources consist of 70 MW of owned generation from Wolf Creek Generating Station, 30 MW of owned generation from Iatan 2 Generating Plant, 20 MW of owned generation from Sharpe Generating Station, hydro allocations consisting of 100 MW from the Southwestern Power Administration and 13 MW from the Western Area Power Administration, 1 MW of owned generation from Prairie Sky Solar Farm, and partial requirement power purchases from regional utilities.

Our Member Cooperatives

It is KEPCo's responsibility to procure an adequate and reliable power supply for its 16 distribution electric cooperative members at a reasonable cost.





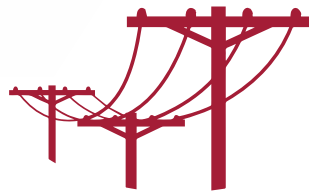
48

YEARS OF
OPERATION



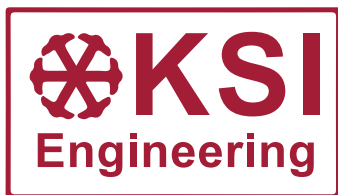
24

EMPLOYEES



16

MEMBER CO-OPS



26

YEARS WITH
KSI ENGINEERING

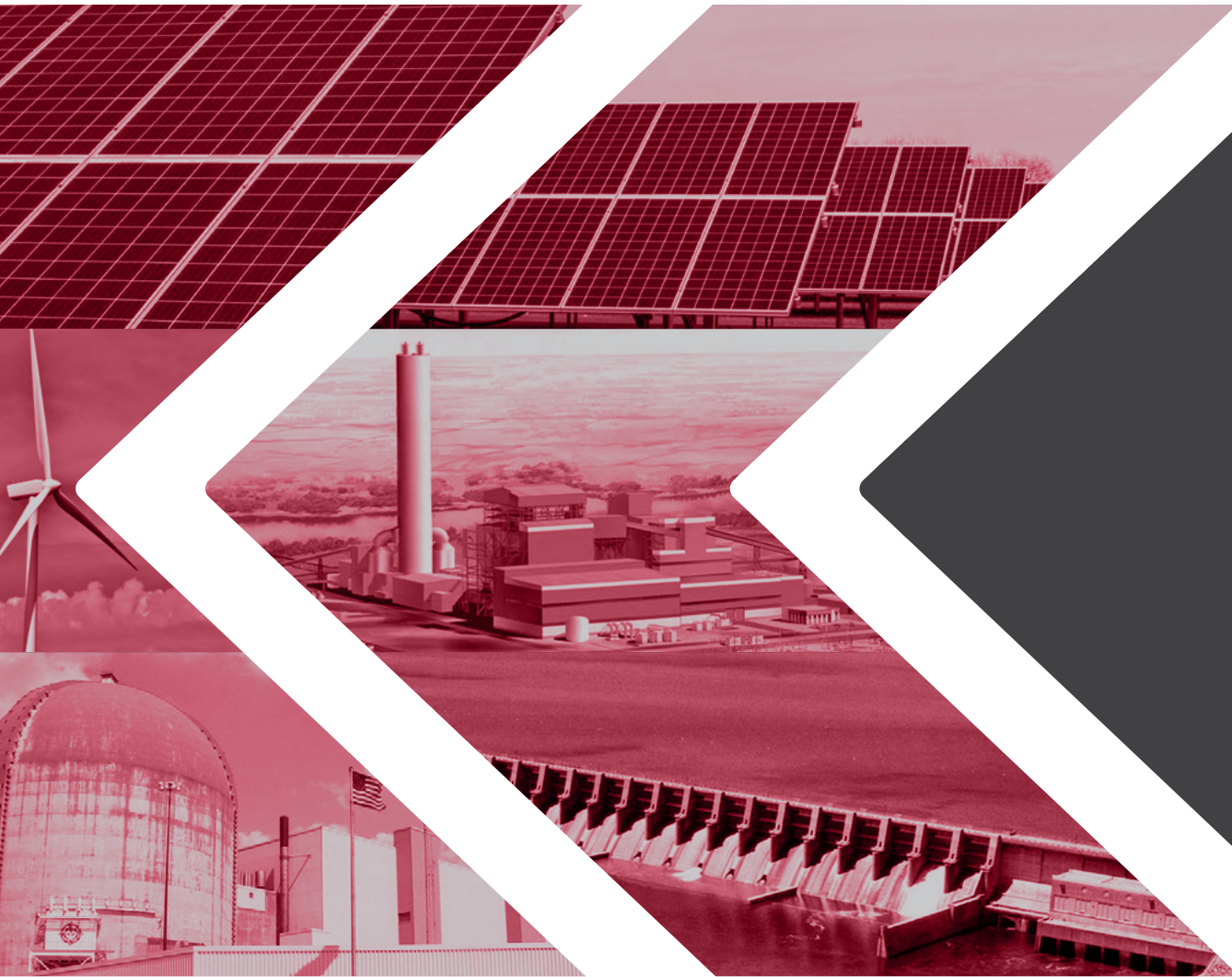


MORE THAN 67%

GENERATION FROM
NON-GREENHOUSE GAS
EMITTING SOURCES



KANSAS ELECTRIC POWER COOPERATIVE



600 SW CORPORATE VIEW
TOPEKA, KS 66615



785-271-4800



WWW.KEPCO.ORG