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Conway Corp Newsletter

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Powering Conway since 1929.



Francisco, Nolen Promotions

Conway Corp promotes two employees to executive staff positions. | **P. 2**



Electric Rate Adjustment

Conway City Council votes to adopt a three-step adjustment on electric rates. | **P. 3**



Employee Retirements

With more than 100 years of combined service, four employees retire. | **P. 4**



JIM SIMPSON Senior Lineman

In May 2022, a crew of five Conway Corp electric lineworkers traveled to Arizona to provide power for families in the Navajo Nation through the American Public Power Association's Light Up Navajo project. Participating in mutual aid projects like this one means public power crews are ready to assist us if we have widespread outages like during the June 2023 storms that affected 6,000 plus customers. We're proud to be a part of the public power family.



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FRANCISCO, NOLEN RECEIVE PROMOTIONS

Conway Corp recently announced two employee promotions to the company's executive staff.

Cassie Francisco was promoted to Controller for the company. In her new position, Cassie will lead Conway Corp's accounting department and oversee the company's financial activities.

"Cassie is a dedicated and exceptionally talented individual," Chief Financial Officer Erin Brown said. "She is an invaluable team member who has demonstrated remarkable leadership qualities that inspire and motivate those around her. I'm confident she will embrace her new role with a strong desire to achieve even greater success."

Cassie was hired as an accountant in 2015 and was promoted to assistant controller in 2022.

Cassie replaces Gail Manion, who retired in August 2023.

Tommy Nolen was promoted to Manager, Telecommunications Systems effective August 31, 2023. In his new role, Tommy will oversee the construction, installation and maintenance of Conway Corp's telecom systems including video, internet, voice and security services.



"Tommy is a self-starter who sees an area for change or growth and dedicates himself to learning how to best service that need," Chief Operating Officer Greg Dell said. "He is a natural leader who will do a great job of serving his department and our customers."

Tommy started at Conway Corp in 2000 as an



installer trainee in the cable department. He was a senior system technician before being promoted to CATV training/special projects coordinator in 2012. In 2020, he was promoted to senior foreman.

Tommy replaces Jody Smith, who retired in August 2023.

CHIEF FINANCIAL OFFICER TRACY MOORE RETIRES



Chief Financial Officer Tracy Moore retired in July 2023 after dedicating more than 36 years of service to Conway Corp and the Conway community.

Tracy was hired in July 1987 as the data processing manager and was promoted to accounting services manager in October 1996. In February 2012, he became the company's accounting compliance and risk management manager. In June 2017, Tracy was promoted to CFO.

Under his leadership, Conway Corp saw the completion of its advanced meter project, opened the downtown Customer Care Center, launched ConwayCorpTV and added more than 132 megawatts of solar energy to Conway Corp's portfolio.

"We're fortunate Tracy chose to work at Conway Corp, and we had the benefit of his leadership, work ethic, consistency and intelligence," Chief Executive Officer Bret Carroll said. "Tracy raised the bar for what's expected of our chief financial officer, and he will be greatly missed."

One of Tracy's favorite parts of working at Conway Corp was observing how his colleagues invested in him through the years and being able to invest in his employees.

"The measure of a good career is not what you accomplish but how much of yourself you leave for the benefit of others," he said. "My goal every day was to have made a difference that day. Sometimes I may have not done so but I hope that most days I did."

CITY COUNCIL APPROVES ELECTRIC RATE ADJUSTMENT

The Conway City Council voted unanimously in July 2023 to approve a three-step electric rate adjustment over the next three years.

Beginning October 1, 2023, the Facilities/Customer Charge for the Residential rate class will increase from \$15 to \$16. This charge will change to \$17 in 2024 and \$18 in 2025.

This charge covers our costs for delivering electricity including labor, maintenance and repairs. These costs exist no matter how much energy our customers use, which is why the charge is fixed and equal for all customers within each rate class.

There will also be a small increase to our Residential energy rate. The average customer using 1,000 kWh a month will see a monthly increase of approximately \$2 the first year and \$4 the second and third year – or about five percent. It’s important to note the total increase for individual customers will vary based on actual energy usage.

Large Power rates will increase by approximately five percent on October 1, 2023, followed by five percent increases on October 1, 2024 and October 1, 2025. Institutional rates will increase four percent each year, and Large General rates will increase approximately two and a half percent each year. Small Commercial and Municipal rates will not be

impacted. Customers can visit ConwayCorp.com/RateAdjustment to find rate details for all classes. This is the first adjustment request for electric rates since 2017. Prior to that it was in 2006. Even with the adjustment, Conway Corp rates remain among the lowest in the region.

The increase passed to account for inflation as well as support the rising costs of insurance, fuel, labor and more. We have seen a significant increase in costs of materials and equipment in the last five years.

In 2022, the average market price of purchased power was \$52.60 per megawatt hour (MWH) compared to an average of \$30.08 MWH in 2017 – an increase of 75 percent.

A 167 KVA pad mount transformer cost an average of \$3,195 in 2017 and is more than \$34,000 today.

Similarly, the primary wire conductor used in the distribution system has increased from \$1.71 per foot to \$3.69 per foot in the same time period.

As a result of these significant changes, Conway Corp engaged with NewGen Strategies and Solutions - an independent consulting firm - to assist in a comprehensive electric rate study.

We began the study in 2022, and it considered

The average customer using 1,000 kWh per month will see a \$2 increase.

financial forecast and revenue requirements as well as costs to serve each electric customer classification.

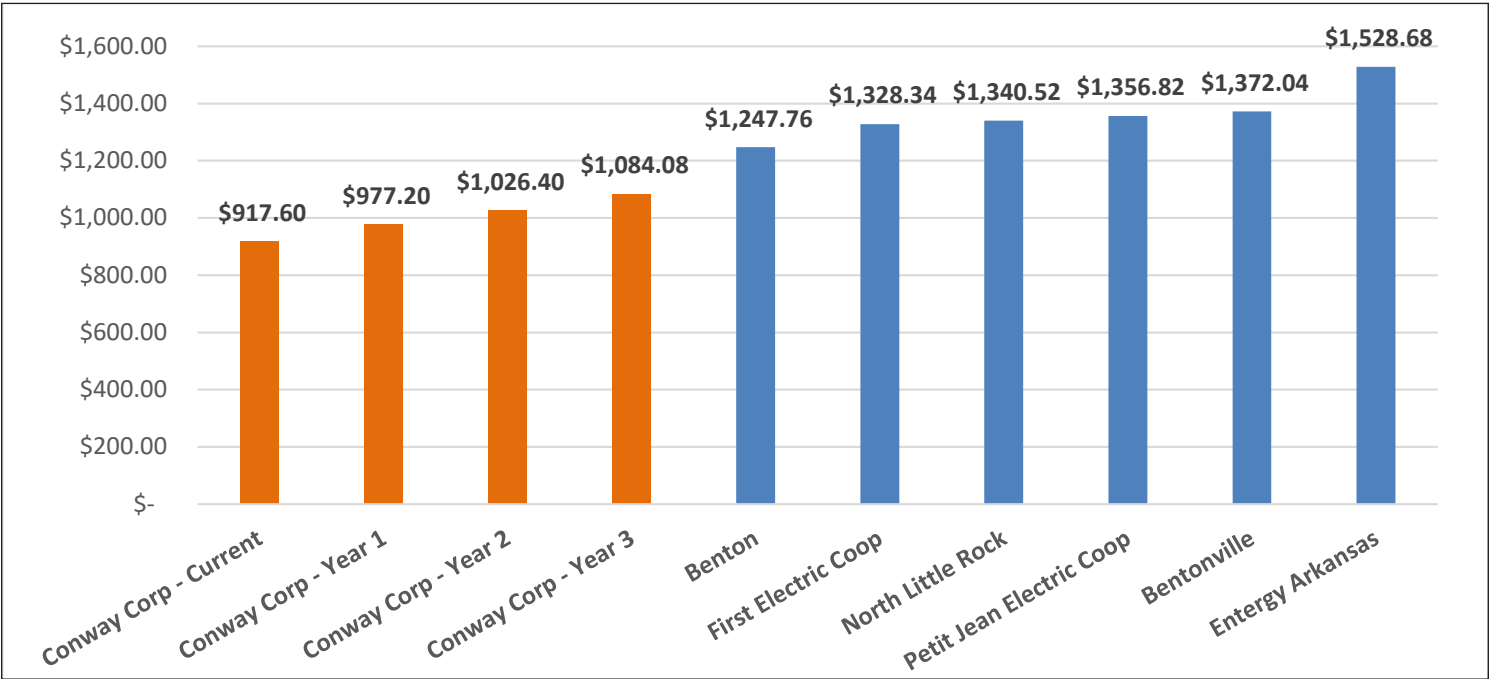
Rate increases are now necessary to cover the increased cost of doing business, maintain reliability and ensure the financial stability of Conway Corp.

We know rate changes can be difficult for customers. That’s why we postponed them during the pandemic and are keeping them below the rate of inflation.

In addition, we have invested in alternative energy sources like Conway Solar at Happy which is helping us offset costs for our customers.

We are committed to providing Conway with safe, affordable, reliable and environmentally-sound electric service.

If you have any questions about this rate adjustment, please email comments@conwaycorp.net, visit ConwayCorp.com/RateAdjustment.com or call our customer service at 501-450-6000 during regular business hours.



CONWAY CORP HONORS RETIREES

Mike McKaskle, 44 years

Chief Water Plant Operator Mike McKaskle retired March 2023 after spending more than 44 years serving Conway Corp and the Conway community.

Mike began his career at Conway Corp in 1979 as a water plant operator and was promoted to chief plant operator in 1998. Mike spent his career helping provide fresh, clean water to the citizens and businesses of Conway.

"Mike dedicated more than 44 years of service making sure the city had the safest and highest quality of water possible," Water Systems Manager Lee Tedford said. "He was always there when needed."



Mike Brakebill, 34 years

Water Systems Foreman Mike Brakebill retired July 2023 after dedicating nearly 34 years of service to Conway Corp.

Mike started at Conway Corp as a utility worker in the water department in 1989. He was promoted to foreman in March 2005.

"Mike oversaw the construction crew that installed infrastructure upgrades and new developments across the city of Conway," Water Systems Manager Lee Tedford said. "His hard work and dedication to the water system will be seen for many years to come."



Gail Manion, 27 years

Controller Gail Manion retired August 2023 after dedicating 27 years to Conway Corp and the Conway community.

Gail was hired in August 1996 as an accountant. In 1999, she was promoted to senior accountant and again in 2003 to general accounting supervisor. She was promoted to her most recent position in April 2015.

To current and future employees, Gail said: "It takes a village to do what we do, and I was blessed to be a part of that. Take pride that you are a part of the village who makes Conway Corporation work."



Jody Smith, 41 years

Cable Telecommunications System Manager Jody Smith retired August 2023 after dedicating more than 41 years of service to Conway Corp.

Jody joined the company as an apprentice lineman in 1982. In 1993, he transferred to the cable department and was promoted to supervisor. In 2000, he was promoted to assistant superintendent and in 2007 to CATV systems assistant manager. He was promoted to his most recent position in July 2014.

During his tenure, Jody helped oversee Conway Corp's transition from a citywide analog cable system to an all-digital system.



2023 ELECTRIC RATE ADJUSTMENT

The Conway City Council approved an electric rate adjustment during its July 2023 meeting to address the impact of inflation on the price of energy and critical electrical distribution equipment.

The decision came after an independent consulting firm conducted a comprehensive rate study which determined a rate adjustment was needed to maintain our quality and reliability.

One of the most fulfilling parts of leading Conway Corp is that we are guided by our mission to serve our community. We only adjust rates when necessary to maintain the integrity of our operations. Unfortunately, a rate adjustment is now necessary.

We understand these are economically difficult times for our customers. Since this is the first time Conway Corp has proposed adjusting rates since 2017, I want to take this opportunity to explain the upcoming rate adjustment and what changes you can expect to your monthly statement.

ELECTRIC RATE STUDY

Our focus is always to provide safe, reliable and affordable energy to our customers. While the costs of power, materials and labor have escalated annually, Conway Corp has absorbed the impact of these increases through the years to keep our rates flat.

We engaged an independent utility consulting firm – NewGen Strategies and Solutions – to conduct a rate study in early 2022. The study found an adjustment was necessary to ensure we continue to meet our financial obligations and remain fiscally sound.

Costs for wholesale power, maintenance and materials have increased significantly since our last rate adjustment in 2017.

For example, the price for key pieces of our infrastructure including poles, wire and transformers have risen by more than 100 percent.

In 2022, the average market price of purchased power was \$52.60 per megawatt hour (MWH) compared to an average market price of \$30.08 per MWH for 2017. That's an increase of more than 75 percent.

This adjustment is necessary to cover the increased cost of doing business in order to ensure the financial stability of Conway Corp while also working to maintain the quality, reliability and integrity of the services we provide.

Even with the adjustment, Conway Corp rates will remain among the lowest in the country.

RATE ADJUSTMENT

Customers will see a three-step adjustment on electric rates over the next three years.

Beginning October 1, 2023, the

Facilities/Customer Charge for the Residential rate class will increase from \$15 to \$16. This charge will change to \$17 in 2024 and \$18 in 2025. This charge covers our costs for delivering electricity – including labor, maintenance and repairs.

There will also be a small increase to our energy rate. The average customer using 1,000 kWh will see a monthly increase of approximately \$2 the first year or about five percent. It's important to note the total increase for individual customers will vary based on actual energy usage.

Full information regarding adjustments to all rate classes can be found on our website at ConwayCorp.com/RateAdjustment.

OUR COMMITMENT

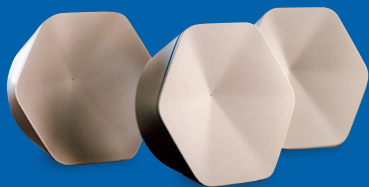
While adjusting rates is never an easy decision, our customers are always our top priority.

Looking ahead, we will continue our mission of delivering safe, affordable and reliable utility services while enhancing the quality of life in our community by investing in modernized equipment and infrastructure as well as providing customers with information on how to reduce energy use and save money.



Bret Carroll
Conway Corp CEO

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