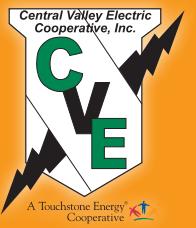


Beyond the Wire

Central Valley Electric Cooperative, Inc.



CVE & the Oil and Gas Industry

Central Valley Electric Cooperative's service territory includes area with significant oil and gas. This area extends from the Pecos River east of Artesia to nearly Maljamar and south of Artesia to Daggar Draw as well as the Indian Basin area.

CVE serves approximately 15,000 meters across the entire system and about 50 percent of those meters are oil and gas related and comprise over 50 percent of the co-op's total energy sales. So as our members may expect, CVE is concerned with the current COVID-19 pandemic and global pressure that has created a downturn in oil prices. The New Mexico Oil Conservation Division modified their processes to allow oil companies to temporarily shut-in oil wells due to the current economic hardship. Since the beginning of this pandemic in March, CVE has received requests to disconnect approximately 800 oil and gas meters, which represents about 13 percent of the co-op's total oil and gas accounts. These disconnects will obviously reduce operating revenues and margins for CVE.

To help offset the decrease in revenue and manage through this dilemma, we are doing all we can to curb expenses. This downturn in the oilfield doesn't only effect CVE, but it also effects all electric utilities that serve oil and gas customers across the United States.

The reduction in energy sales is also affecting wholesale power production. The Southwest Power Pool operates and dispatches all electric generation across their

footprint based on the most economic generation available. Since there is reduced demand because of the reduction in oil well energy sales, wholesale power prices are decreasing. These reduced energy prices are passed on to our members through the Fuel and Purchased Power Cost Adjustment Factor.



While CVE is concerned with the current environment, we feel certain we can manage to the benefit of our members. We have seen downturns in the oilfield in the past and we hope this one is short-lived with minimal impacts to our members that work in the oil and gas industry. Rest assured we will do everything possible to protect the co-op and its members.

Lobby Still Closed to Public

Central Valley Electric Cooperative is working to promote public health and to ensure your continued access to safe, reliable and affordable power. So at this time our lobby is still closed to the public. Our drive-thru window is open from 8:00 a.m. to 5:00 p.m. Monday through Friday for your convenience.

CVE employees are on the job for our members and are available by phone at 575-746-3571. Our employees are taking every precaution to help keep themselves and their co-workers safe and healthy by practicing social distancing, sanitizing their work spaces regularly, washing hands, and

wearing latex gloves and masks when appropriate.

We will continue to monitor this situation and implement the advice of current statewide health orders.

For the latest updates on CVE, follow us on Facebook.



Central Valley Electric Cooperative, Inc.

PO Box 230 • 1403 N. 13th St. • Artesia, NM 88211
(575) 746-3571 • (575) 752-3366 Hagerman
(575) 746-4219 fax • www.CVECOOP.org

NM Health Order and Your Electric Bill

Pursuant to the New Mexico Public Regulation Commission (NMPRC), Central Valley Electric Cooperative has suspended disconnection for nonpayment of residential electric service during our current health crisis. You will still be billed for energy used during this time, and once the Public Health Order is lifted by the New Mexico Governor, members will be responsible for paying their bill and will be subject to normal disconnection procedures.

If you are having trouble paying your bill please give us a call at 575-746-3571 and we can work with you on making payment arrangements. At this time our lobby is still closed to the public, but you can conveniently pay your bill at our drive-thru window, or put your payment in our night drop box, pay online at www.CVECOOP.org, or mail in your payment. You can also set-up to have your payment automatically drafted from your bank account each month.

We encourage you to utilize SmartHub for bill pay and online account management. Visit www.CVECOOP.org and click on SmartHub at the top of the page to get started.



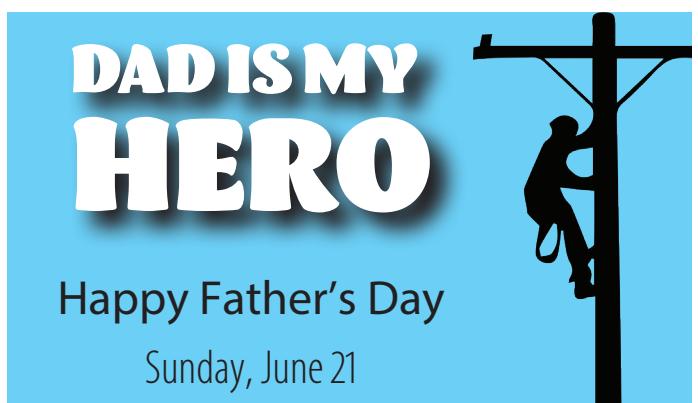
2020 Youth Tour Cancelled

The National Rural Electric Cooperative Association (NRECA) has cancelled all in person programs hosted by NRECA through June 24, due to the public health crisis. This includes the 2020 Youth Tour in Washington, D.C., that was scheduled later this month.



The safety and well-being of the students selected for this trip is the most important thing to Central Valley Electric Cooperative, the New Mexico Rural Electric Cooperative Association and NRECA.

If you have any questions about the 2020 Youth Tour or the potential 2021 Youth Tour, please contact Leah or Raelynn at 575-746-3571 or email us at mbrsvc@cvecoop.org.



Central Valley Electric Cooperative, Inc.

OFFICE HOURS:
8:00 a.m. to 5:00 p.m.
Monday - Friday