

Policy 1.2

COOPERATIVE MISSION, VISION, VALUES AND STRATEGIC GOALS

1. OBJECTIVE

To state the mission, vision, values and strategic goals of the Association.

2. POLICY

A. It shall be the aim of Golden Valley Electric Association to maximize the value we provide to our owner/members by continually improving our products and services.

1. *Mission*

To provide our member-owners and communities with quality electric service, quality customer service and innovative energy solutions at fair and reasonable prices.

2. *Vision*

That Golden Valley Electric Association is a respected and innovative leader in providing our member-owners with quality electric and customer services at fair and reasonable prices while supporting our local communities and the quality of life.

3. *Values*

We, the people of Golden Valley Electric Association (Board of Directors, Management and Staff) pledge to demonstrate the following values, beliefs, principles and standard of professional behavior as we fulfill the duties of our positions:

- a. Impeccable integrity and honesty in all we do.
- b. Full and open accountability for all of our decisions and actions.
- c. Dedicated stewardship (social, economic and environmental) in the management of all the resources entrusted to our care.
- d. Equitable rates for power and services that truly reflect costs.
- e. Sensitivity to impacts of rate changes on our members.
- f. Open and transparent communications with our members.
- g. Respect for and responsiveness to the needs of each member while considering the impact of actions on other members.
- h. Leadership, innovation and vision in developing, operating and maintaining our generation resources, transmission and distribution systems.
- i. Respect and goodwill toward one another in support of cooperative unity.
- j. Loyalty to philosophy of cooperative ownership and adherence to cooperative principles.

B. In order to fulfill our mission, vision and values, the Association shall have the following strategic goals:

1. Reduce GVEA's dependence on high-priced, volatile petroleum fuels of generating electricity by expanding electric generation with a balanced portfolio of diversified energy resources that demonstrate solid potential for more stable and economical prices in the future.
2. Expand our strategies to reach out to our members, communities and leaders to enhance and strengthen our relationships and the image of Golden Valley Electric Association as their caring partner.
3. Develop and communicate an enhanced culture of trust, mutual respect and appreciation with a unified focus and a shared vision of direction in optimizing GVEA's value to our members.
4. Achieve commercial operational level of the Healy Clean Coal Project power plant to improve GVEA's energy mix and economies of power production for our members.
5. Explore ways to provide immediate rate relief to our members while preserving concepts of cooperative member ownership and control, and optimizing our loan covenant requirements.

C. In order to successfully achieve our mission, vision, values, and goals, Golden Valley Electric Association shall foster a culture of safety within the organization and our communities by training our employees and the public to recognize risk, safeguard themselves, protect others and promote safe practices.

D. In order to accomplish the strategic goals, it shall be the Association policy to:

1. Provide for education of the members and for their involvement in the direction of the Association.
2. Aid and assist the members in the wise and efficient use of electricity.
3. Provide for the election and development of an effective Board with current knowledge of cooperative principles and objectives.
4. Attract, develop and maintain a work force of informed, effective and motivated employees.
5. Provide for reliable, best value and long-term power supply sources.
6. Provide for good relations between the Association and the community, regulators and lenders.
7. Promote and ensure the financial health of the Association by establishing and maintaining appropriate rates and following a sound equity-building and capital credit rotation program.
8. Participate with other power suppliers in the benefits of interconnection, joint facilities and consolidation as appropriate.
9. Extend electric service to additional areas where economically justified.
10. Obtain funds for capital improvements from whatever sources are appropriate to the needs of the Association.

11. Finance electric plant expansion with equity or borrowed capital and to operate with sufficient margins and reserves consistent with the established equity development program.

E. In order to evaluate the Association's effectiveness in meeting its mission and strategic goals, the Board shall adopt a corporate balanced scorecard.

3. RESPONSIBILITY

It shall be the responsibility of the Board to assure that the policies and corporate balanced scorecard of the Association enhance its ability to attain the stated strategic goals.

Adopted:

April 15, 1987

Amended:

July 28, 2008

Information Released to Gary Newman — August 6, 2008