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WHEATLAND ELECTRIC COOPERATIVE

REW

Wheatland Electric Co-op Inc.

Delivering Energy for Life

A Touchstone Energy Cooperative 🔨 LASSING LINEAU TO 1810 P

Board of Trustees

Mark Arnold Josh Young Vice Presiden Stacey Addison-Howland Secretary John Kleysteuber Treasure Wes Campbell Trustee Lynn Freese Trustee **Bob Hiss** Trustee **Dustin Stansbury** Trustee John Sullivan . Trustee Mike Thon Trustee

District Offices

Garden City — 620-275-0261 2005 W. Fulton, P.O. Box 973 Garden City, KS 67846

Great Bend — 620-793-4223 200 10th St., P.O. Box 1446 Great Bend, KS 67530

Harper — 620-896-7090 906 Central, P.O. Box 247 Harper, KS 67058

Leoti — 620-375-2632 101 W. F St., P.O. Box 966 Leoti, KS 67861

Scott City-Main — 620-872-5885 101 S. Main St., P.O. Box 230 Scott City, KS 67871

Syracuse — 620-384-5171 206 N. Main P.O. Box 1010 Syracuse, KS 67878

Tribune — 620-376-4231 310 Broadway P.O. Box 490 Tribune, KS 67879

FROM THE MANAGER

Ensuring Fairness and Equality

October is National Cooperative Month, which celebrates the many ways cooperatives like ours are committed to strengthening the local communities we serve. All cooperatives adhere to the same set of seven principles:

- ► VOLUNTARY AND OPEN MEMBERSHIP
- DEMOCRATIC MEMBER CONTROL
- ► MEMBERS' ECONOMIC PARTICIPATION
- AUTONOMY AND INDEPENDENCE
- EDUCATION, TRAINING AND **INFORMATION**
- ► COOPERATION AMONG COOPERATIVES

► CONCERN FOR COMMUNITY

As a co-op, we are well-suited to meet the needs of the community because we are locally governed. WEC employees live here in the communities we serve. Our board members — who help set long-term priorities for the coop — live on co-op lines. These board members have been elected to the

Cooperatives are not-for-profit,

members. Our rates are structured so that we can maintain and improve our system, and any excess margins are then returned to members.

WEC is currently reviewing our rates to make sure our operations

costs are covered. WEC has hired a consultant, C. H. Guernsey, to prepare a cost-of-service study (COSS) of the costs to WEC for providing electric service and the rates charged for this service. This COSS determines the revenue needed to cover the cooperative's operating expenses and debt obligations and examines the equitability of the rates among the various consumer classes.

The previous COSS completed in 2019 resulted in a revenue neutral rate adjustment not a rate increase. As I've mentioned over the past several months, Wheatland's costs (operating expenses) for operating our

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SAFETY TIP OF THE MONTH

Don't assume a motorcyclist is changing lanes if you see them moving. Motorcyclists often shift in their lane as they drive. Sometimes, drivers mistake their movement for a lane change. Be careful when merging next to a motorcyclist. Let them pass ahead of you before moving.



Bruce W. Mueller

position by neighbors like you.

which means we look out for our

Understanding DEMAND

Wheatland Electric Cooperative is considering adding a demand component to our electric rate schedule for residential members starting early next year. Learn what demand is, how it's measured, and how you can save money on your bill by making energy-smart choices.

If you look around your home, you likely have more devices and technological equipment that require electricity than ever before. Our connected lives are increasingly dependent on more electricity to function during more hours of the day. At the same time, as demand for electricity rises, WEC must deliver an uninterrupted 24/7 power supply — regardless of market conditions or other circumstances.

But before WEC can send electricity to your home, that electricity needs to be generated by our generation and transmission cooperative (G&T), Sunflower Electric Power Corporation, which is our wholesale power supplier. Once the electricity has been generated, it travels over high-voltage transmission lines to substations, where the voltage is reduced to a safer level. The electricity then travels over our distribution power lines and finds its way into your home or place of business. So, while you pay your bill to us — your electric distribution cooperative — we don't actually generate the electricity you use. That is the job of the G&T.

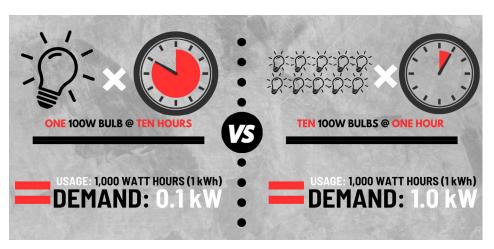
Electricity to your home has to be generated at the same time you're using it, which is why you, the cooperative member, still play a big part in determining how much electricity the G&T needs to create in order to keep the lights on in our communities. That is where consumption and demand come in.

CONSUMPTION is how much electricity a member uses over a period of time. It is measured in kilowatt-hours (kWh).

DEMAND is how much electricity a member requires at a single moment in time. It is measured in kilowatts (kW).

For example, a lightbulb uses a certain number of watts to work — let's say 100 watts per hour. If that lightbulb stays on for 10 hours, it demands a certain number of kilowatts (in this case, 1 kW)

> from the generation station producing electricity. Now, if you turn on 10, 100-watt lightbulbs in your home for one hour, you are still consuming the same number of kW. However, you are placing a higher demand on the utility to have those kW available to you over the course of one hour, instead of 10. This requires the G&T to produce more power in less time in order to meet your demand.



WEC purchases kilowatthours from our G&T based on the average demand of our members, which means when members use more electricity during peak demand periods, it often costs more. Peak hours often occur during the early morning when members are getting ready for school or work and in the early evening when they are cooking dinner, doing chores (like laundry and dishes) and using electronic devices.

WEC does not currently charge residential customers

for demand, though demand usage is measured and reflected on your monthly electric bill. Historically, it's been accounted for as part of a cooperative member's overall consumption (kWh) or usage. In implementing this charge, WEC will look at the highest 15-minute average usage recorded during a normal monthly billing cycle.

We believe implementing a residential demand charge, likely to be phased in over time, will more accurately and fairly collect costs from the overall cooperative membership. In addition, it will also give members more control of their electric bill by taking usage practices into account.

By spreading out the use of major appliances and other high-demand items, members can

FIND YOUR DEMAND ON YOUR MONTHLY BILL

| Service Description: 123 | | | | | IA": ST | |
|-----------------------------|------------------|------------------|-----------------------|--------------|--------------|--|
| Days | Reac Previous | lings Present | Meter Multiplier | kWh Usage | kW Demand | |
| 31 | 119659 | 122374 | 1 | 2,715 | 13 | |
| Service Availability Charge | | | | | \$33.5 | |
| Energy Charge | | | 2,715 kWhs @ 0.096485 | | 201.96 | |
| Demand Charge | | | 13 kWs @ 0.000000 | | 0.00 | |
| Power Cost Adjustment (PCA) | | | 2,715 kWhs @ | 0.010620 | -28.83 | |
| CAT 1 PSLM (Qty:1) | | | | | 6.73 | |
| Property Tax Surcharge | | | 2,715 kWhs @ | 0.00120107 | -3.26 | |
| County Tax | | | | | 3.51 | |
| Total Current Charges | | | | | \$273.61 | |

Demand is the rate at which a member uses electric energy and can be found on the back of your bill. WEC does not currently charge for kilowatt (kW) demand on residential accounts, but is considering adding this charge for a more fair and accurate electric rate schedule.

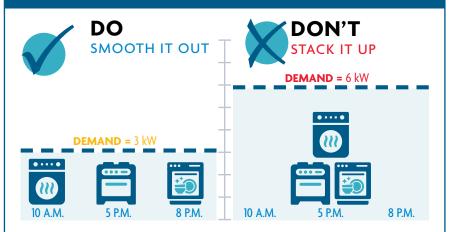
> avoid increased demand charges and potentially lower their electric costs (see example in the graphic below).

WEC members can use the data in SmartHub to see when their energy use increases. Once you know when your use is highest, you can consider what electric devices are in use during that time and reduce your demand by spreading out the use of those items in your home.

For example, starting the laundry and the dishwasher at the same time you start preheating the oven creates high energy use. Instead, run your dishwasher at night when everyone has gone to bed, cook with an air fryer instead of the oven, or don't start your dryer at the same time you start dinner.

WHEN IN DOUBT, AVOID MULTI-TASKING: using multiple appliances at the SMOOTH IT OUT

same time will increase your demand usage and thereby increase any potential demand charges on your monthly bill.

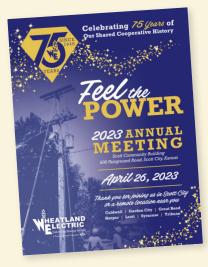


By spreading our your common household chores over time rather than multitasking, you can lower your demand and potentially save money on your energy bill.

As a member-owned not-for-profit cooperative, we are community-focused and exist to serve the needs of our members. Generating and distributing power can be a tricky and complicated business, but rest assured that we will always meet the necessary demand to provide safe, reliable and competitively priced electricity to your family.



Learn more in Our 2022 Annual Report



Download a free copy of our 2022 annual report — "Feel the Power" — at www.weci.net/ annual-meeting now!

In addition to a comprehensive look at our financial performance and operations during the previous year, this year's published report is special because it highlights stories and photos covering the last 75 years of our cooperative history, such as the stories you see here.

Read more about Wheatland's past, present, and future in this year's special publication!

The Power of Mother Nature

Kansans understand the threat of severe weather.

WEC takes measures to prevent outages and ensure power is delivered to all our territories; however, Mother Nature is still unpredictable.

Since 1948, we've faced floods, tornadoes, fires and blizzards, just to name a few of the natural disasters that have challenged our co-op.

The Blizzard of 1957

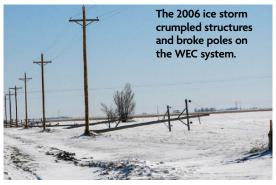
A history-making blizzard in March 1957 tore through southwest Kansas leaving some members without power for more than a month. Snow drifted so high, it covered clotheslines and trapped many at home for days.

During this time, many folks still had wooden stoves and oil lamps and could function by candlelight and without running water. Losing power today has a much larger impact, as much of our lives are powered by electricity.

Today, thanks to better tools and technology, WEC restores power more quickly and safely than ever before.

Back-to-Back Tornadoes in 1995

On May 15-16, 1995, WEC faced two tornadoes — back to back. Winds ranging from 40 to 80 mph during these disastrous events caused about 150 power poles to "snap like twigs," according to one news report. Around 700 members lost power across Finney and Gray counties.



Several homes and farmsteads were damaged, including an estimated 50 center pivot irrigation systems. WEC crews worked from dawn to dusk for weeks to repair the damage and restore power.

Crippling Ice in 2006

The details of a winter ice storm from Dec. 28-31, 2006, are more easily recalled. The weight of the ice was "so heavy that it crumpled Sunflower's 345 kV steel structures like a monster had stepped on them," said Rick Klaus, WEC director of operations.

In the Tribune and Leoti areas, snow drifts were so high they covered substation fences "to the point that you could walk on over to the other side."

"Linemen would be working on a pole while ice was crumbling the

Continued on page 12F ▶

HELP US CELEBRATE

75 years of shared cooperative history!

YOU'RE INVITED Oct. 25, 2023 TO OUR 75TH ANNIVERSARY Open House



10 A.M. to 2 P.M. CT | 9 A.M. to 1 P.M. MT

We are proud to be a member-owned cooperative since 1948! Come enjoy refreshments at any of our seven district office locations, learn a little about our storied past, and

enter to win a \$75 bill credit at each location!

DISTRICT 1 | SCOTT CITY 101 S. Main St., Scott City DISTRICT 2 | LEOTI 101 West F St. DISTRICT 3 | TRIBUNE 310 Broadway Ave. DISTRICT 4 | SYRACUSE 206 N. Main DISTRICT 5 | GARDEN CITY 2005 W. Fulton DISTRICT 6 | GREAT BEND 200 10th St. DISTRICT 7 | HARPER 906 Central Ave.

Did you know...

Wheatland Electric Cooperative, Inc. received its official charter from the Rural Electrification Administration (REA) on Oct. 25, 1948! YEARS

Continued from page 12D ►

structure next to them," Klaus added. Crews worked around the clock to restore power.

District 7 Storm of 2008

In early August 2008, Harper and the surrounding area experienced a storm with devastating winds, causing over 80 downed poles, according to Denzil Reed, district manager.

By the next morning, line crews from Great Bend and Garden City were dispatched to assist with the damage, and red trucks could be seen for miles, working round the clock. As crews were just finishing up the last of the work and headed back to the warehouse, massive black clouds could be seen building their way, Reed said.

"Another large storm was moving through, wiping out 40 of the poles that were just finished, so Saturday morning, the guys were back at it again!"

Winter Storm Ursa Hits in 2017

With winds up to 70 mph and inches of heavy, wet snow, Winter Storm Ursa is simply unforgettable.

Scott City had an estimated 16 inches of snow on the ground, which caused 13,000 outages and damaged more than 1,125 poles. To add to the challenging situation, temperatures increased and the melting snow created difficult, muddy working conditions for line crews.

Thanks to help from a few locals with tractors and other heavy machinery, our crews were able to work through the mud and restore power to the area quickly and efficiently!

A dust wall appears behind one of Wheatland's digger derrick trucks during violent windstorms on Dec. 15, 2021.



Winds Whip Great Bend in 2020

he Power of Mother Nature

On June 21, 2020, a severe windstorm ripped through Great Bend causing outages and leading to a weeklong restoration effort.

The windstorm wreaked havoc, breaking poles and tree limbs. The wind also caused debris to fall through wires, and burn downs were caused by objects blowing through our power lines. Prior to this storm, our co-op had converted an easement underground, which ended up being the only easement in the area that did not lose power. This test case encouraged us to convert more of our easements underground, and presently this work in Great Bend continues. WEC plans to convert all overhead easements with limited access to underground in the future, increasing reliability and reducing wind- and tree-caused outages.

Uri Makes History in 2021

Winter Storm Uri was a history-making event in more ways than one.

From Feb. 13-17, 2021, a polar vortex of ice and snow caused widespread damage to utility infrastructure across the Midwest, and historically low temperatures tested the U.S. electric grid.

For the first time in history, the Southwest Power Pool, which manages energy delivery for 14 states including Kansas, called for rolling blackouts (interruptions in power) across our region to combat the high demand for energy. For at least a dozen straight days, temperatures hovered below freezing, causing significant strain on energy supply and natural gas prices to skyrocket.

Despite the damage, destruction and difficulty, the co-op spirit was evident. Some industrial members voluntarily shutdown to conserve energy or used their own generation resources to operate. Our residential members also conserved energy during energy emergency alerts. Without this co-op spirit from all our members, this winter storm could have had much more devastating economic consequences.

Through Rain or Shine

Over the decades, we've been challenged by a number of natural disasters. However, we've always been there to answer the call.

No matter the power of Mother Nature, we promise to power your lives through rain or shine!

Ensuring Fairness and Equality Continued from page 12A>

32,000-plus meter electrical system have skyrocketed. Yet, WEC has not increased our rates since 2016. However, due to these rising costs, the study's preliminary results show that all the WEC rate classes need to be adjusted to cover their contribution more accurately toward the cost of providing electric service.

Goals for the Cost-of-Service Study

- Introduce a new General Service Medium Power tariff.
- Adopt a residential tariff with a demand component.

General Service Medium Power Tariff

WEC aims to ensure fairness and equity among all our member-owners. By creating specific tariffs for different types of customers (e.g., residential, small commercial, large commercial), the cooperative can tailor rates to match the cost structures associated with serving each group. This prevents one group from subsidizing the electricity costs of another, promoting fairness.

Medium-sized commercial or industrial members often have varying load profiles and usage patterns. By implementing a general service medium power tariff, WEC can encourage these customers to manage their energy demand more. It is part of our strategic approach to provide reliable and competitively-priced electricity to our diverse member-owners while ensuring the cooperative's financial stability.

What Is a Residential Tariff With a Demand Component?

Currently, WEC builds and maintains an electric system that can support the highest potential demand, the measure of electric power being used at a given time, from ALL the consumers. Even though we only need to support that much electricity usage for a short time during the year those high short-term demands must be accounted for. That's like building and maintaining a six-lane highway to accommodate traffic for one major event each year when, for the remainder of the year, a two-lane highway would suffice.

With a demand component, your electric bill will gradually be based less on the energy charge, measured by the total amount of electricity used, and more on the demand charge, based on the "peak" demand you put on the electrical system. This ensures that those who put larger demands on the system pay a more proportionate share of its fixed costs.

Learn more in Understanding Demand on Pages 12B and 12C.

How Will This Look on My Electric Bill?

The current WEC residential electric bill to the members is comprised of three charges that have a cost associated with each: Service Availability Charge, Energy Charge and Power Cost Adjustment. We have measured demand for each residential member since January 2020, and since August 2022 WEC has added the line item "Demand Charge" showing your maximum demand used for the month, but there has been no cost associated with this demand component.

The proposed WEC residential electric bill would have the following charges on each bill:

- Service Availability Charge.
- Energy Charge.
- Demand Charge.
- Power Cost Adjustment.
 NOTE: All other charges currently

on your electric bill, property taxes, franchise fee and other taxes, will remain on the bill.

Look for Future Updates

The WEC Board of Trustees and management carefully consider the interests of the membership when a rate adjustment is recommended. Any proposed rate adjustment will be designed to provide only the revenue needed to ensure WEC can safely and reliably provide electric service to our members for years to come while meeting the cooperative's financial obligations.

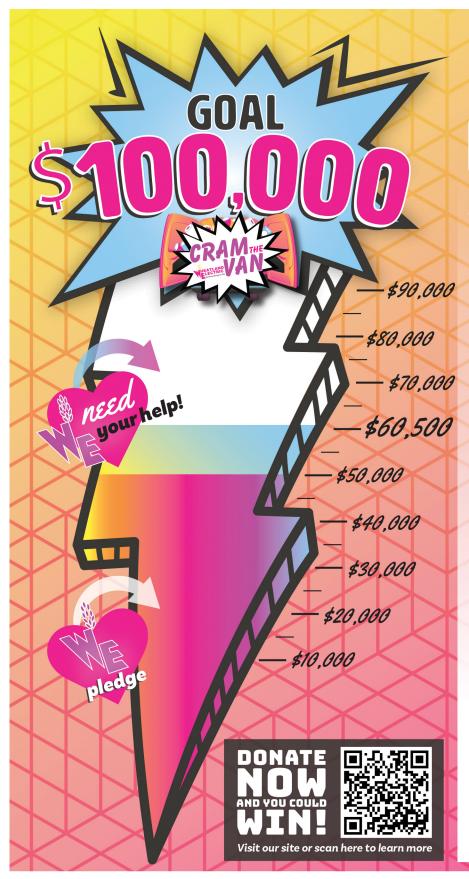
We will continue to update you with information in *Kansas Country Living* magazine as we work on and finalize the COSS results. A meeting notice will be sent to the membership in an upcoming edition of the magazine to let members know when the WEC Board of Trustees will consider action on the proposed COSS.

Celebrating Cooperatives

WEC was built by the community to serve the community and that's what we'll continue to do. It was on Oct. 25, 1948, when WEC received its official charter from the Rural Electrification Administration (REA). You're invited to help us celebrate our 75th anniversary this Co-op Month at your local WEC office on Oct. 25. Find your official invite on Page 12E. We hope to see you there!

UNTIL NEXT TIME, TAKE CARE.







This year, **Wheatland Electric is committing \$50,000** to a dozen local food banks to **POWER THE PANTRY in 2023.**

Our goal is to **DOUBLE THE IMPACT.** These dollars will directly impact those in our community who need it most.

Thanks to your support and our **5th Annual Co-ops Care Charity Golf Tournament**, we've already raised **\$60,500!**

Help us reach our \$100,000 goal. For every \$20 you donate by Nov. 1, we'll enter you to WIN \$500!

You can make a **quick and easy donation online at www.weci.net**, or make a cash donation at your local Wheatland office. Choose from 12 food banks across southwest and central Kansas and **help us make a difference!**