



A Touchstone Energy® Cooperative 
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620-872-5885
www.weci.net

**WHEATLAND
ELECTRIC COOPERATIVE**

NEWS

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P.O. Box 490
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FROM THE MANAGER

Capital Credits, Concern for the Community, Giving and Merry Christmas

I'd like to focus this month's article on two of the Seven Cooperative Principles: Members' Economic Participation and Concern for the Community.

MEMBER ECONOMIC PARTICIPATION: When you belong to an electric cooperative, you're not a customer; you are a member—and a co-op owner. Wheatland Electric Cooperative is a non-profit distribution cooperative. The co-op buys electricity from our wholesale provider Sunflower and Mid-Kansas Electric, arranges for its transmission and distributes the electricity to our membership through Wheatland Electric's power lines.

As mentioned, Wheatland Electric members are also owners. The co-operative shares its net profits (margins)—monies it collects above what is required to run the business, and when it's economically feasible, the cooperative retires or pays out these margins—called capital credits.

In March of this year, Wheatland's Board of Trustees decided how much to retire, or payout, in capital credits based on the 2017 financial year. The board of trustees considered the impact the retirement would have on the financial strength of the cooperative. The board decided it was economically feasible to retire \$1,000,000 in capital credits. Sunflower Electric's Board of Trustees

also approved retiring capital credits to its membership (Wheatland Electric is a member). The Wheatland Board of Trustees has approved \$250,000 of those retired capital credits to be paid to the Wheatland membership. This brings the total retirement to \$1,250,000.

The amount members will receive depends on how much electricity you used in the payout years and how long you have been a Wheatland Electric member. The payout this year is for members of Wheatland Electric from 1987 and 2017. Those Wheatland Electric members will receive a percentage of capital credits retirements through either bill credits or checks, reflecting their contribution of capital to, and ownership of, the cooperative during those years. The percentages of capital credits retired for the years mentioned are below.

The year 1987 may seem like a long time ago, however those funds helped Wheatland reduce the amount of money needed to borrow from



Bruce W. Mueller

Year Retired	% of Capital Credit Retirement
1987	65 percent
2017	35 percent

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Wheatland Retires \$1.25 Million in Capital Credits

Pick-up your capital credits check at Harvest Days on Dec. 20 at your local Wheatland Electric office.

Capital credits are a big part of Wheatland Electric's business model and are just one of the things that makes the cooperative different than many other utilities. Any revenue above the cost of doing business is considered "margins." These margins represent an interest-free loan of operating capital by the membership to the cooperative. This capital allows Wheatland to finance operating costs and expenses, with the intent that excess capital will be repaid to the members in later years through capital credits.

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CAPITAL CREDITS HARVEST DAYS

Coming Dec. 20 | 10 a.m. to 2 p.m.

Were you a member in 1987 or 2017? Visit your local office on Thursday, Dec. 20 from 10 a.m. to 2 p.m. and pick up your check.

Note: You will not receive a check if your capital credits allocation is less than \$20; it will be credited to your December bill. Also, no capital credits less than \$10 will be paid at this time.



and how long you have been a Wheatland Electric member. The payout this year is for members of Wheatland Electric from 1987 and 2017. Those Wheatland Electric members will receive a percentage of capital credits retirements through either bill credits or checks, reflecting their contribution of capital to, and ownership of, the cooperative during those years. The percentages of capital credits retired for the years mentioned are as follows:

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1987	65 percent
2017	35 percent

Q&A: Understanding Capital Credits

WHAT ARE CAPITAL CREDITS?

As a not-for-profit cooperative, after Wheatland Electric deducts costs and upkeep for yearly operations, the net profit is reinvested into the company to provide cash flow, collateral to show stability and to obtain loans. Any net profit over those costs is allocated back to our members in the form of capital credits.

Every member of Wheatland Electric has shares in capital credits. The more electricity you buy and the longer you use the service, the more monetary equity (allocations) you accumulate. Allocations are the total sum of annual equity accrued by the member during their prior year of service.

As a cooperative, we don't talk about profits because we're a not-for-profit business. By definition, a cooperative is an enterprise that is collectively owned and operated for the mutual

benefit of all members. These benefits include the generation, accumulation and return of capital.

AM I ELIGIBLE TO RECEIVE CAPITAL CREDITS REFUNDS?

As either a current member or a former member of Wheatland Electric Cooperative, you are entitled to receive a dividend. Refunds will be issued to the account holder's name.

WHAT IS THE DIFFERENCE BETWEEN "ALLOCATED" AND "RETIRED" CAPITAL CREDITS?

Allocated capital credits appear as an entry on the permanent financial records of the cooperative and reflect a member's equity in Wheatland Electric Cooperative. When the board of directors votes and approves to retire capital credits, that money is distributed back

to the membership who were members during the time frame being retired.

WHY AREN'T THE ALLOCATIONS PAID OUT ALL AT ONE TIME?

Wheatland Electric needs to maintain adequate cash flow and collateral to show stability to obtain loans. If the business showed no margin/profit, Wheatland Electric would be unstable and unable to build, improve or maintain its electric system.

IS THERE ANY REASON THAT I WOULD NOT RECEIVE A CAPITAL CREDITS REFUND?

The only time a member would not receive the capital credits allocated to them would be if they had a bad debt at Wheatland Electric, including any reasonable interest and late fees resulting from that debt. In this case, Wheatland

Capital Credits

On Thursday, Dec. 20, 2018, each Wheatland district office will host a Wheatland Capital Credits Harvest Day. Each Wheatland Electric district office will have capital credits checks ready for pickup. If the amount owed is less than \$20, Wheatland Electric will credit your electric bill (no bill credits will be paid that are under \$10).

As mentioned above, all members who were members on the Sunflower Electric side of our service territory (excludes those who became members of Wheatland Electric through the Aquila purchase) will be receiving capital credits. It will be included on the same check or bill credit from Wheatland. The amount from each entity will be shown.

Inactive members or persons not currently purchasing their electricity from Wheatland Electric who were distribution members during the years of the capital credits retirements will be receiving a check for their capital credits (same rules as above apply).

It is very important that Wheatland Electric has the current mailing address of all inactive members to ensure the delivery of the capital credits checks. To confirm or update your mailing address, please call Wheatland Electric at 800-762-0436.

Electric would deduct what is owed to the co-op and the rest of the capital credits, if any, would be refunded at the current refund schedule.

IF I MOVE, WHAT DO I NEED TO DO TO KEEP RECEIVING CAPITAL CREDITS REFUNDS?

To receive your capital credits check once you leave our service, it is important to keep us informed of your current address. Many checks go unclaimed each year because we are unable to locate previous members.

Members who will receive a check may pick up their check during Capital Credits Harvest Days at their local office. We will have coffee and snacks available from 10 a.m. to 2 p.m. on Thursday, Dec. 20. We'd love for you to stop by and visit with your fellow members, friends and employees of the cooperative. If members do not pick up their check on the designated day, their check will be mailed.

Capital Credits: Reaping the Benefits of Being a Co-op Member



When a person establishes service with us, they become a member and are eligible for capital credits.



Capital credits are earned by every member based on the amount of their electric use.



At the end of the fiscal year, any funds (margins) remaining after expenses have been paid are allocated to the member's account.

The allocated funds are used as operating capital for system improvements and maintenance.



Every year in March, the board evaluates the financial condition of the co-op to determine if we can retire capital credits.



When the board decides to retire capital credits, we calculate the amount owed to each member.

Current members who received electricity during the time period that is being retired will receive a percentage of capital credits retirements through either a bill credit or check.



Former members who received electricity during the time period being retired will be mailed a check if it is more than \$20.

ALLOCATION

An allocation is made annually for each member, based on the amount of electricity purchased. An allocation is the member's share of the net margins. The co-op sets this money aside to be used as operating capital for improvements and maintenance over a period of years.



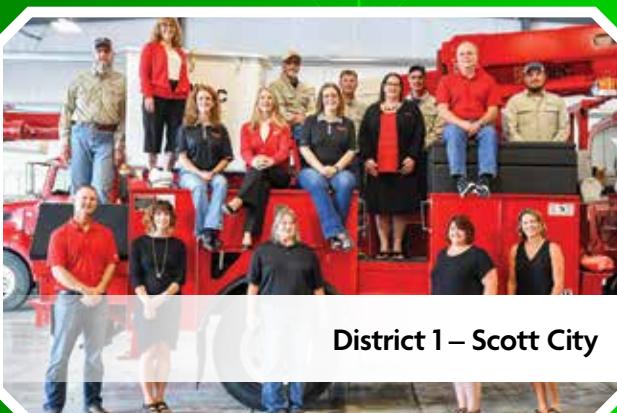
RETIREMENT
A retirement is the amount a member receives back as a refund. It is a portion of the total allocation. When capital is no longer needed for operating expenses, it is retired. The amount paid is decided annually by the board of directors based on the financial needs of the co-op.



General Manager & Trustees



Executive Team – Scott City



District 1 – Scott City



District 2 – Leoti



District 3 – Tribune



District 4 – Syracuse



Wheatland Broadband – Scott City



Water Division – Garden City



District 5 – Garden City



District 6 – Great Bend



District 7 – Harper

From All of us at
**WHEATLAND
ELECTRIC**
Delivering Energy for Life

A Touchstone Energy® Cooperative

Capital Credits, Concern for the Community, Giving and Merry Christmas

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outside lenders to build, maintain and expand a reliable electric distribution system. The Board of Trustees wanted to make sure our long-time members received capital credits along with our newer members, who haven't been members of Wheatland for such an extended period. If you were a member in 1987 and 2017 you will receive two capital credits retirements.

ON DEC. 20, 2018, each Wheatland district office will host a **WHEATLAND CAPITAL CREDITS HARVEST DAY**. Each Wheatland Electric district office will have capital credits checks ready for pickup. If the amount owed is less than \$20, Wheatland Electric will credit your electric bill (no bill credits will be paid that are under \$10). As mentioned above, all members who were members on the Sunflower Electric side of our service territory (excludes the members who became members of Wheatland Electric through the Aquila purchase) will be receiving capital credits. It will be included on the same check or bill credit from Wheatland. The amount from each entity will be shown.

Inactive members or persons not currently purchasing their electricity from Wheatland Electric, but who were distribution members during the years of the capital credits retirements will be receiving a check for their capital credits (same rules as above apply). It is very important that Wheatland Electric has the current mailing address of all inactive members to ensure the delivery of the capital credits checks. To confirm or update your mailing address, please call Wheatland Electric at 800-762-0436.

CONCERN FOR COMMUNITY is one cooperative principle that all employees of Wheatland Electric value year-round. But during the holiday season, concern for community seems especially important.

Electric cooperatives have a proud history of giving back. At Wheatland, we give back through many member programs and initiatives like Sharing Success, Youth Tour, scholarships and our Cram the Van food drive. As we shared with you in October's magazine, our Sharing Success Fund has now awarded more than \$70,000 in grants to non-profits since its

inception in 2012. Each year, Wheatland sends students on an all-expense paid trip to Washington, D.C., as part of the Youth Tour program and the Cooperative Youth Leadership Camp in Colorado Springs. In addition, Wheatland awards up to \$14,000 in scholarships, each year, to seniors graduating from one of the 13 high schools in our service territory and one at-large high school.

Wheatland Electric members help us give back, too. Through our **2018 CRAM THE VAN FOOD DRIVE** you helped us collect just over 11 tons of food (**22,382 LBS.**) for our local food banks this year. (As always, all donations stay in the communities in which they are donated). Over the past four years more than 32 tons have been donated by way of this program. We couldn't do this without you and we thank you for partnering with us in giving back. So many families go without food daily and struggle to make ends meet. This struggle can be especially hard during the holiday season. Because of you and the Wheatland employees and trustees who worked hard to make Cram the Van a success, Christmas will be better for many families in our communities.

I have more good news. Wheatland Electric's wholesale power providers, Sunflower Electric and Mid-Kansas Electric, are lowering the cost of electricity to Wheatland. This will result in an **APPROXIMATE SAVINGS OF 4 PERCENT** to our membership. All those savings are being passed directly on to you, the membership, via your electric bill. The savings will be effective on Jan. 1, 2019. The savings will be reflected in the Energy Charge Adjustment portion of your Wheatland Electric power bill.

Lastly, in this month's local pages you will see a Merry Christmas and Happy New Year greeting from all the Wheatland employees (including the Water & Broadband divisions) and board of trustees. We hope you have a wonderful holiday season. **MERRY CHRISTMAS!**

Don't forget to come by your local Wheatland office for our **CAPITAL CREDITS HARVEST DAY ON DEC. 20, 2018, FROM 10 A.M.-2 P.M. LOCAL TIME.**

Until next time, take care.

SAFETY Tip of the Month

Almost everyone has seen a driver distracted by a cell phone, but when you are the one distracted you often don't realize that driver is you. Wait until you are safely stopped to make calls and send or read texts.

New Record!

Cram the Van Collects 22,382 lbs. of Donations

We did it! Another record setting year for Cram the Van has yielded more than 11 tons (22,382 lbs.) of food for local food banks. After falling just short of 10 tons of donations last year (19,332 lbs.), we were determined to break the 20,000 lbs. mark. Not only did we achieve our goal, but we exceeded it by more than one ton of donations and set a record for Cram the Van!

Stay tuned for next month's article for an in-depth look into how Cram the Van has grown and evolved over the years, and how your donations help the food banks across our service territory. We will also let you know the results of school competitions, and how we plan on growing in the future.

A special thank you to all the Wheatland employees who helped with our events and delivered to the food banks, and to all the Members who donated, and showed what it means to be part of a giving community. None of this would be possible without you! Thanks for helping Wheatland Cram the Van!



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1. Snow didn't stop us from delivering your donations in Great Bend.
2. Central Kansas Christian Academy won the Great Bend School Competition, which was generously sponsored by Hiss-Sherman Wealth Management.
3. We were able to deliver 4,450 pounds of food to Hope's Closet in Scott City—enough to feed hungry families in the community for almost a year.
4. Great Bend collected 5,852 pounds of food for the local food bank.

The Convenience of Prepay Power

No deposit. No late fees. No due date. No monthly statements. You choose when and how much electricity to purchase.

Wheatland's Prepay Power is changing the way members pay for their electricity. Prepay gives you the flexibility to better manage your budget by making smaller, more frequent payments when it's right for you, instead of a single, larger payment on a fixed due date.

Since you are paying as you go, Prepay Power makes you more aware of your energy consumption. The more electricity you use, the quicker you will have to recharge your account. By tying Prepay to SmartHub you will not only be able to see your usage for that day, week, month, but essentially know how much you spent in that time frame, and more importantly where you can save.

How it Works

Members, whether new or existing, must complete a Wheatland Prepay Power Program Agreement available at your local Wheatland Electric office. You purchase electricity before you use it. Make payments when you want to, online, by phone, or in person at your local Wheatland office. When your account runs low, you will receive a notice by text or email, letting you know it is time to recharge your account. If funds in your account run out, electrical service will be automatically terminated. You will be notified by text or email that your service has been terminated. You can recharge your account at any time, day or night, online, or by phone, and service will be automatically restored.

Who can Participate?

*All residential accounts with an advanced metering infrastructure (AMI) meter are eligible for Prepay Power. Access to SmartHub is required to participate in Prepay Power. The member is responsible for updating their SmartHub account with a valid email address and text number to guarantee receipt of Prepay Power notifications. The member must provide and maintain a valid e-mail/text number to receive low balance notifications. Failure to receive the notifications will not avoid termination of power.

Medical necessity or heat and cool accounts with two meters do not qualify for this program.

How do I get Started?

Any balance owed on a closed electric account must be paid in full prior to participation in Prepay Power.

New members will pay an initial \$100 set-up fee. This includes a \$50 account administrative set-up fee, \$20 final energy usage credit and a \$30 prepaid meter credit.

Existing members – Payment requirements when moving from a traditional account to Prepay Power will apply as follows:

- ▶ The calculated usage from the last billed reading up to the date of Prepay Power signup.
- ▶ The total Accounts Receivable balance on account.
- ▶ Minimum payment of \$30 prepaid credit.
- ▶ \$50 account administrative setup fee.
- ▶ \$20 final energy usage credit.*

Any deposit held on the account will be applied toward any outstanding balance and any remaining credit will be applied to the purchase of future energy use.

*The \$20 Final Energy Usage Credit will be refunded when the account is closed and after applying it to any usage overages. Any remaining balances due will be billed during the regular scheduled prepaid billing cycle. Any remaining credit balance will be refunded and a check will be mailed to the last known address on file.

Wheatland's Prepay Power program will empower members to make their own choices about their electric service, from managing their daily usage to paying at their convenience.

With Prepay Power you are in control of your electric bill. Wheatland is working hard to bring you a service that works with your lifestyle.

**Additional qualifications and terms can be found in the Wheatland Prepay Power program agreement located on our website at www.weci.net.*

