

K.C. ELECTRIC ASSOCIATION

DECEMBER 2021

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Our mission is to provide our members with safe, reliable service at the lowest cost, while maintaining an environmentally responsible, accountable and sustainable operation now and in the future.

Capital Credit Retirements and No Rate Increase For 2022

BY DAVID CHURCHWELL
GENERAL MANAGER

We're quickly approaching the end of another year, so I want to take a few moments to let you know what has been going on at your electric cooperative.

In September of each year, K.C. Electric Association staff begins the process of developing our annual capital and operation budget for the following year. Our final budget will not be approved by our board of directors until later this month, but I'm pleased to announce that all indicators suggest that we will not need to have a rate increase in 2022. K.C. implemented a rate adjustment in 2017 for some rate classes but has not changed rates since.

The K.C. board, employees and staff continue to look for ways to reduce costs and become more efficient, while at the same time ensuring that reliability isn't negatively impacted and that we continue to stay financially sound.

In October, the K.C. Electric Board of Directors approved a general retirement of over \$1.16 million in capital credits to our consumer-members. In addition, K.C. Electric retired capital credits in excess of \$197,000 to estates in 2021 for a total capital credit retirement of over \$1.36 million. We thank you, our consumer-members, for your continued support of K.C. Electric and hope this capital credit retirement will help you this year.

Earlier this year, our power supplier, Tri-State Generation and Transmission, lowered the wholesale rate it charges us for electricity by 2%, retroactive to March 1, 2021. The K.C. Electric Board of Directors recently approved a staff recommendation to pass this savings onto you, our



DAVID CHURCHWELL

consumer-members. When you receive your December bill, you will see a credit applied to each of your accounts that reflects this 2% wholesale rate reduction.

Through October, energy sales and revenue were close to previous years. Irrigation sales were lower than normal due to a wet spring, but during the dry summer, irrigation sales rebounded. Large power and wind farm sales continue to increase each year.

K.C. crews stay busy working on distribution line rebuild projects (that are a part of our four-year construction work-plan) and system maintenance. Crews also began the installation of our new supervisory control and data acquisition system. This SCADA system will allow us to receive real-time data from our transmission and distribution system and will give us the ability to remotely monitor and operate devices in our substations. This will improve the efficiency, reliability and safety of our transmission and distribution system.

Annually, K.C. hires a contractor to trim trees in our service territory to help increase system reliability. Our goal is to trim all the trees in our system on a three-year rotation. This year, the contractor focused on trimming trees in Kit Carson County and took care of various "danger trees" throughout the service territory. We also hire a contractor to test a specified number of our distribution and transmission poles

to ensure they can continue to withstand the various weather conditions we experience each year. Our goal is to test all our distribution and transmission poles on a 10-year cycle. If any poles are found to be deficient, the poles are immediately staged for replacement by K.C. crews.

High school seniors are encouraged to submit a scholarship application to be eligible for one of the many scholarships that K.C. will award in February 2022. For more information on these opportunities, visit our website or contact one of our offices.

Looking ahead to 2022, we hope you will share your opinions with us. We recognize that our consumer-members have a valuable perspective, and that's why we continually seek your input. We look forward to the opportunity to serve you and our greater community. On behalf of the K.C. Electric family, we hope your holidays are indeed merry and bright.

ATTENTION IRRIGATORS

If you plan on making any ownership or material changes to your irrigation service next year, please contact the Hugo office so we can update your account information. Call 719-743-2431 with any questions you may have regarding your irrigation service.

Happy Holidays

FROM

K.C. ELECTRIC ASSOCIATION

Pick a Perfect Time



Avoid decorating the outside of your house for the holidays in windy or wet weather.

For safety, try to decorate in favorable weather conditions and during daylight hours.

December 2021

Energy Efficiency

Tip of the Month



Heading out of town for the holiday season? Remember to unplug electronics that draw a phantom energy load. Some gadgets like TVs, phone chargers, gaming consoles and toothbrush chargers use energy when plugged into an outlet — even when they're not in use.

CAPITAL CREDIT RETIREMENTS COMING YOUR WAY

In October, the K.C. Electric Association Board of Directors approved a general retirement of over \$1.16 million in capital credits to our members. In addition, K.C. Electric retired capital credits in excess of \$197,000 to estates in 2021 for a total capital credit retirement of over \$1.36 million. We thank you, our consumer-members, for your continued support of K.C. Electric and hope this capital credit retirement will help you this year. K.C. Electric was formed in 1946 and has returned more than \$23.8 million to our members since we began providing electric service. And over the past four years, we have retired in excess of \$5.9 million.

As a cooperative, K.C. Electric operates as an at-cost consumer-owned organization; any margins are credited to cooperative consumer-members each year based on how much electricity they purchased. These funds are called capital credits and are used to help meet the expenses of the cooperative, such as new equipment to serve members and paying debt. Capital credits help keep rates

at an affordable level by reducing the amount of funds that must be borrowed to grow and maintain our electric system.

Each year K.C. Electric's board determines if financial conditions allow for the retirement of capital credits. K.C.'s board recently approved the retirement of capital credits for patronage capital allocated in 1999, 2000, and 2003. If you were a consumer-member of K.C. Electric in any of these years, you will receive a check in December. The minimum check amount will be \$20. Any amounts under the \$20 minimum will be held in the individual's name and added to a future refund.

Paying capital credits to our consumer-members is one of the many benefits that make electric cooperatives unique and differentiates us from investor-owned and municipal utilities. If you move out of our cooperative territory, it is important for you to keep K.C. Electric informed of your current address to ensure delivery of any future refunds.

Deck the Halls Safely

There's nothing like putting up lights and decorations to get you in the holiday spirit. It's something that many do every year without incident, yet the holidays are also one of the most hazardous times of the year when it comes to electrical fires and accidents.

Safe Electricity offers several tips as you deck the halls this season:

- When decorating outside, look up and around for power lines. Never throw lights or other decorations into trees near power lines.
- Keep ladders, equipment and yourself at least 10 feet from power lines.
- Match plugs with outlets. Do not force a three-pronged plug into a two-pronged outlet or extension cord.
- Outside, use only lights, cords, animated displays and decorations rated for outdoor use. Follow the manufacturer's instructions on how to use them. Ensure outdoor outlets or extension cords are equipped with ground-fault circuit interrupters (GFCIs).
- Never string more strands of lights together than recommended by the manufacturer.
- Do not staple or nail through light strings or electrical cords. Use plastic or insulated hooks to hang lights.
- Do not attach cords to utility poles.

The outside of your home is not the only place to use caution. Use care when placing and decorating trees inside your home. Place fresh-cut and artificial trees away from heat sources such as registers, fireplaces and radiators, and water fresh-cut trees frequently. Turn lights off before you go to sleep, or use timers.

K.C. Electric and Safe Electricity wish you and your family a safe and happy holiday season. For more information on holiday safety tips, visit SafeElectricity.org.



CLAIM YOUR SAVINGS

Each month, K.C. Electric consumer-members have a chance to claim a \$20 credit on their next electric bill. All you must do is find your account number, call the Hugo office at 719-743-2431 and ask for your credit. The account numbers are listed below. How simple is that?

You must claim your credit during the month in which your name appears in the magazine (check the date on the front cover).

- **Sam Emmerling, Hugo** — 640050001
- **Gary Eagleton, Seibert** — 810000012
- **Karen Gregg, Cheyenne Wells** — 428400003
- **Kerry Halde, Burlington** — 1108540000

In October, two consumer-members called to claim their savings: Joe Fritzler, Flagler; and Tracey Weeks, Kit Carson.



Q & A WITH THE BOARD: DAVE RITCHEY



This is the fourth in a series that will run here in Colorado Country Life and is one way for co-op consumer-members to become familiar with their K.C. Electric Board of Directors. This month features 18-year K.C. Electric Association Board Member Dave Ritchey.

Tell us about yourself and your family and your history in our community.

I grew up in Salina, Kansas. I met my wife Patty in college and we have been married for 45 years. We have three grown children: Jennifer (Dave), Brian (Amber) and Sarah (Adam), and nine grand-kids. I worked for Stratton Coop for six years, then we moved to the family farm, which we leased; now we have our own farm. We run a cow/calf, wheat and hay farm, along with custom haying.

Why did you decide to run for a K.C. director position?

I knew we had a strong cooperative. I was wanting to be a part of it. I knew I could learn more about the power business and help make K.C. Electric stronger.

What strengths have you brought to the K.C. board of directors?

I have served on many boards with a total of 88 years of experience. I feel I contribute in many ways to help strengthen our co-op and help build and provide a safe working environment.

What are the major challenges you believe K.C. will face in the future?

Changes to Tri-State Generation, renewable power, new legislation and regulations being placed on the electric industry.

What are your thoughts on the status of the electric industry in Colorado?

I feel we are in for lot of big changes with the shutting down of coal generation, green power and legislation being passed.

What industry changes do you believe will affect the electric industry in the next 10 years?

Green power, regulations, legislation and the labor force.

What do you feel you want to accomplish as a director for K.C. Electric Association? Short term and long term?

Short and long term: to help keep costs down, provide reliable energy, and keep a safe working environment for our employees and members.

What is the greatest concern you have for the electric industry and how it will impact eastern Colorado?

- Keeping current with rates and keeping them as low as possible for consumer-members
- Loss of irrigation
- Regulatory issues that are being imposed on the industry
- Loss of coal plants, with the reliability of energy and the low cost they provide

How will projected electric industry changes impact the agricultural industry as well as our rural communities?

Risking reliable and affordable power that affects agriculture costs and the rural community's sustainability, now and in the future.



Member Bill Credit

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