

K.C. ELECTRIC ASSOCIATION

JANUARY 2022

K.C. ELECTRIC STAFF

David Churchwell
General Manager

dchurchwell@kcelectric.coop

Bo Randolph

Office Manager and CFO
brandolph@kcelectric.coop

Paul Norris

Operations Manager
pnorris@kcelectric.coop

George Ehlers

*Member Services Specialist and
IT Manager*
gehlers@kcelectric.coop



ph 719-743-2431
tf 800-700-3123
fax 719-743-2396
web kcelectric.coop

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.

2021 YEAR IN REVIEW

BY DAVID CHURCHWELL
GENERAL MANAGER

New Year's Eve is one of the largest global celebrations because it marks December 31, the last day of the year in the Gregorian calendar. New Year's Eve is a day of mixed feelings for many people. On one hand, it is a time to celebrate the end of the year gone by and welcome what is in store in the New Year. On the other hand, some people experience a sense of nostalgia as they reflect on the events that took place in their lives in the past 12 months.

There were many changes at K.C. Electric in the past year. But be assured, one thing that will never change is our goal to provide our consumer-members with safe and reliable service at the lowest cost while maintaining a sustainable operation.

During 2021 we continued to make progress on our four-year construction workplan. K.C. crews upgraded 3.5 miles of three-phase overhead line north of Burlington; 8 miles of single-phase overhead line south of Wildhorse; and 9 miles of three-phase overhead line west of Kit Carson. These projects were constructed entirely by K.C. crews and will increase system capacity and improve system reliability. K.C. crews also began the installation of infrastructure and equipment for our new Supervisory Control and Data Acquisition system.

In June, our annual meeting was held in Stratton and we celebrated quite a milestone: 75 years since K.C. was first organized. This was a fun celebration and was well attended by our membership. Jim Michal and Terry Tagtmeyer from Kit Carson County were re-elected to the board of directors, and Jerry Allen was elected to represent Cheyenne County filling the position vacated when long-time director



DAVID CHURCHWELL

Luanna Naugle retired from the board.

In July, K.C. was once again recognized by our statewide organization (CREA) for another year of no lost time injuries. Not only did K.C. employees work the entire year without a lost-time accident, but they also worked the entire year without experiencing any reportable medical incidents. This is a great accomplishment for K.C. employees considering the dangerous and varying work conditions that our employees must endure throughout the year.

K.C. is governed by democratic principles and you, the consumer-members, elect our board of directors to guide and govern the cooperative. Along with approving rates and our annual budget, the board of directors also monitor K.C.'s equity, debt, capital credits and overall financial health.

In October, your board of directors approved two items that put some money back into your pocket: a general capital credit retirement of over \$1.16 million, and over \$290,000 in capital credits returned to estates throughout the year. That is a total 2021 capital credit retirement of over \$1.45 million.

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. In October, K.C.'s board of directors approved a staff recommendation to pass this savings onto you. When you received your December bill, you may have noticed a credit applied to each of your accounts that reflected this 2% wholesale rate reduction. These two actions by your board of directors

demonstrate why a cooperative business model is superior to other business models we see in the electric industry.

In November, the board of directors deemed K.C.'s financial status healthy and supported no rate increase for 2022. With the current level of inflation we are experiencing, along with price increases for most every product or service we purchase, the K.C. Electric Board of Directors made it a goal for staff to continue to focus on controlling costs by managing debt, making investments to improve operating efficiencies, and implementing technologies to improve internal processes so that we can keep our rates stable and our service reliable.

Legislative and environmental changes continue to keep the electric industry changing at a very rapid pace. With assistance from our statewide organization, CREA, and our national organization, the National Rural Electric Cooperative Association, we continue to monitor legislative activity on local, state and federal levels to determine how it will affect K.C. and you, our consumer-members.

The year ahead will continue to bring new challenges both financially and operationally for us, but the K.C. board of directors and employees will continue to do everything in our control to keep expenses down and customer service and reliability high.

On behalf of everyone at K.C. Electric, I want to wish each of you a very Happy New Year!

Expel Energy Eaters

According to EnergySavers.gov, heating and cooling account for about 56% of the energy use in a typical U.S. home, making it the largest energy expense for most homes. Tip: Doors and vents of unused rooms can be closed if there is a cold air return in the room; otherwise, closing them off will put inefficient stress on your air-handling system.



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 names and 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).

Gary Hess, Stratton — 905900013

Beverly Palmore, Hugo — 615800011

Art Waitman, Stratton — 1125030000

Bonnie Hughes, Seibert — 1111400001

In November, four consumer-members called to claim their savings: Betty Pickner, Arapahoe; Chris Lueck, Stratton; Shirley Pederson, Cheyenne Wells; and Lyle States, Kit Carson.



Our Crews

Are Working

to Serve You

Help us keep them safe

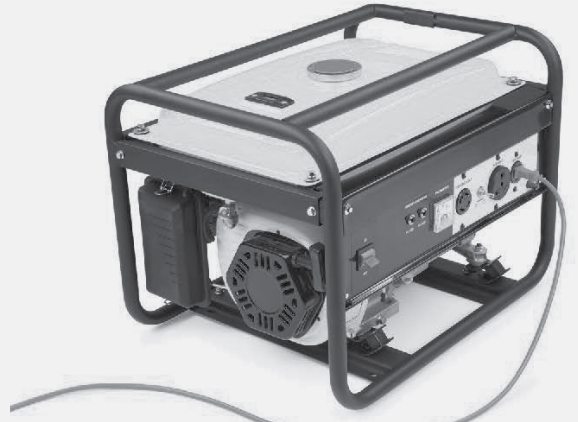
GENERATOR Safety

Learn more at:

**Safe
Electricity.org**

FOLLOW THESE TIPS TO ENSURE EVERYONE'S SAFETY:

- Make sure there is **nothing plugged into the generator when turning it on**. Use a **heavy-duty** extension cord to connect appliances to the outlet on the generator.
- Always operate the generator on a stable, dry surface **outside the home**—out and away from the garage, doors, windows, and vents into your home. The carbon monoxide the generator produces is **DEADLY**.
- **Never** connect your portable generator to the home directly. This **can result in potentially deadly backfeed**, which happens when electricity is fed back through the electrical system onto power lines, creating a hazard for line workers and others.



Cautious Care for Your Generator

Unsafe operation of a backup generator can threaten you, your family, neighbors and the linemen working to restore power. Unsafe installation or operation may also result in a lawsuit and your insurance may not cover your liability.

Think Safety When Operating a Generator

A generator can be a valuable piece of equipment to keep appliances working during a power outage. Generators can be either temporary or permanently installed.

Permanent generator

A permanent generator is wired into a house by a qualified electrician using a transfer switch that prevents a generator from feeding electricity back into overhead lines, which can be deadly for linemen.

Temporary generator

A temporary generator is powered by gasoline and should not be attached to a circuit breaker, fuse or outlet. Before ever purchasing a generator, you need to know the wattage required to run the appliances you will attach to the generator. You also need to know the surge power, which is the power it takes to turn an appliance on.

Once you purchase the proper generator, follow these tips from K.C. Electric and Safe Electricity to properly operate your generator:

- Read and follow all of the manufacturer's operating instructions to properly ground the generator. Be sure you understand them before hooking up the generator.
- Never operate a generator in a confined area, such as a garage. Generators can produce numerous gases, including toxic and deadly carbon monoxide; therefore they require proper ventilation.
- Generators pose electrical risks, especially when operated in wet conditions. If the weather creates wet or moist conditions, use a generator only when necessary. Protect the generator by operating it under an open, canopy-like structure on a dry surface where water cannot form puddles or drain under it. Always ensure your hands are dry before touching the generator.
- When you refuel the generator, make sure the engine is cool to prevent a fire should the tank overflow.
- There should be nothing plugged into the generator when you turn it on. This prevents a surge from damaging your generator and appliances.
- Be sure to keep children and pets away from the generator, which could burn them.
- Shut down the generator properly. Before shutting down a generator, turn off and unplug all appliances and equipment being powered by the generator.
- Remember maintenance between uses. It is also a good idea to inspect the fuel and oil filters, spark plug, oil level and fuel quality, and start the generator on a regular basis before an emergency occurs.

For more information on electrical safety, visit SafeElectricity.org.

Q & A WITH THE BOARD: JIM MICHAL



Jim Michal — a 21-year veteran of the K.C. Electric Association Board of Directors. This is the fifth of a series that will run here in Colorado Country Life and is one way for consumer-members to become familiar with their K.C. Electric Board of Directors.

Jim Michal, Board of Directors — Kit Carson County

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

I live in the northwest corner of Kit Carson County. My wife and I have been married 45 years and have four sons, three daughters-in-law and seven grandchildren. We farm, ranch and run an auction service. My dad and granddad were both auctioneers. In 2020, our family was recognized for having a farm owned by the same family for 100 years as a Centennial Farm & Ranch at the Colorado State Fair in 2021.

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

I wanted to serve as a voice of rural and agricultural electric consumers. I wanted to learn more about our local REA and help it continue to have dependable and affordable electric service. I strongly believe in the cooperative structure and principles.

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

I have served on other community boards, such as the Flagler Farmers Coop, Anton Coop, Arriba-Flagler School Board, and the Arickaree Ground Water Management District Board. These experiences have allowed me to better serve the K.C. board and represent the membership.

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

We need to ensure reliable and affordable electric energy despite increasing demand and regulatory restrictions. We need to ensure K.C. is treated fairly and equitably as one of the smaller electrical cooperatives in the state.

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

The electric industry is under pressure to transition to a green/non-fossil fuel energy supply. In the 21 years I have been on the board, the demographics of the state and the elected board members representing other REAs have drastically changed.

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

Increasing demands of federal and state regulations and the push for renewably-sourced energy.

What would you like to accomplish as a director for K.C. Electric Association? Short term? Long term?

Short and long term: I want to be sure our consumers are represented, and we maintain reliable and affordable electricity.

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

I am concerned about the reduction of irrigation wells and the resulting impact that has on K.C. and our local economies. I am concerned that the push for renewable energy — some of which may be impractical for eastern Colorado and rural areas — could lessen our ability to provide dependable and cost-effective electricity.

TIPS TO DITCH THE SPACE HEATER

Space heaters are energy hogs, and older models can be extremely dangerous. This winter, ditch the space heater and try these alternative solutions to stay cozy.

- Use an electric blanket to keep warm during the night.
- Caulk and weatherstrip around all windows and doors to prevent heat loss.
- Consider adding insulation to your attic and around duct work.

