

# K.C. ELECTRIC ASSOCIATION

DECEMBER 2022

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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 RETIREMENT, DECEMBER BILL CREDIT, AND NO RATE INCREASE FOR 2023

BY DAVID CHURCHWELL GENERAL MANAGER



DAVID CHURCHWELL

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 ensuing 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 2023.

K.C. implemented a rate adjustment in 2017 for some of our rate classes but has not had to change rates since. The K.C. Electric board, employees and staff continue to look for ways to reduce costs and become more efficient, while at the same time ensuring our reliability isn't negatively impacted and that we continue to stay financially sound. Reliability and affordability are paramount to both our success and the success of the consumer-members we serve. Can you think of any other product you purchase on a daily basis that hasn't increased in cost since 2017?

In October, the K.C. Electric Board of Directors approved a general retirement of more than \$1.2 million in capital credits to our members. In addition, K.C. Electric has retired capital credits in excess of \$75,000 to estates in 2022 for a total capital credit retirement of more than \$1.29 million. We thank you, our member-owners, for your continued support of K.C. Electric and hope this capital credit retirement will help you this year.

Our power supplier, Tri-State Generation and Transmission, lowered the wholesale rate they charge us for electricity by 2% on March 1, 2021, and an additional 2% on March 1, 2022. The K.C. board recently approved a staff recommendation to pass this savings on to you, our consumer-members. When you receive your December bill, you will see a credit applied to each of your accounts that reflects this 4% wholesale rate reduction. The K.C. board and employees continue to make every effort possible to keep our costs down even with the current level of inflation and supply chain issues affecting our industry. K.C. also issued a 2% bill credit in December 2021, but future credits may not be possible if costs continue to increase. If you have any questions regarding your bill credit, please call the Hugo or Stratton office.

Crews continue to keep busy working on distribution line rebuild projects that are a part of our four-year construction workplan, including projects in Cheyenne Wells and Hugo. System maintenance continues to be a priority, and good progress has been made on 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 as well as improve the efficiency, reliability and safety of our transmission and distribution system.

Annually, we hire a contractor to trim trees in our service territory to help increase system reliability. Our goal is to trim all the

trees on our system on a three-year rotation. This year our contractor focused on trimming trees in Kit Carson County and took care of various “danger” trees throughout our service territory.

We also annually 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. This year, poles were tested in the Flagler area. 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 staked 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 K.C. will award in February 2023. For more information on these opportunities, check out our website at [www.kcelectric.coop](http://www.kcelectric.coop) or contact one of our offices.

Looking ahead to 2023, 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.

As we prepare for next year, we look forward to the opportunity to serve you and the greater community. On behalf of the K.C. Electric family, we hope your holidays are indeed merry and bright.



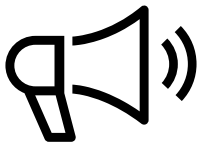
## Claim Your Savings

Each month, 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).

- **Kelly McLaughlin, Hugo** — 642190012
- **Ellen L. Smith, Kit Carson** — 702500002
- **Michael Grinnan, Burlington** — 1103460004
- **Todd Beek, Arapahoe** — 1105050001

In October, one consumer-member called to claim their savings: Jim Paintin, Burlington.



## ATTENTION IRRIGATORS

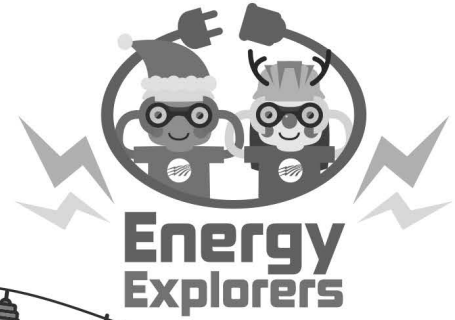
If you plan on making any ownership or physical changes to your irrigation service in 2023, please contact K.C. Electric’s Hugo office so we can update your account information. Call 719-743-2431 with any questions you may have regarding your irrigation service.



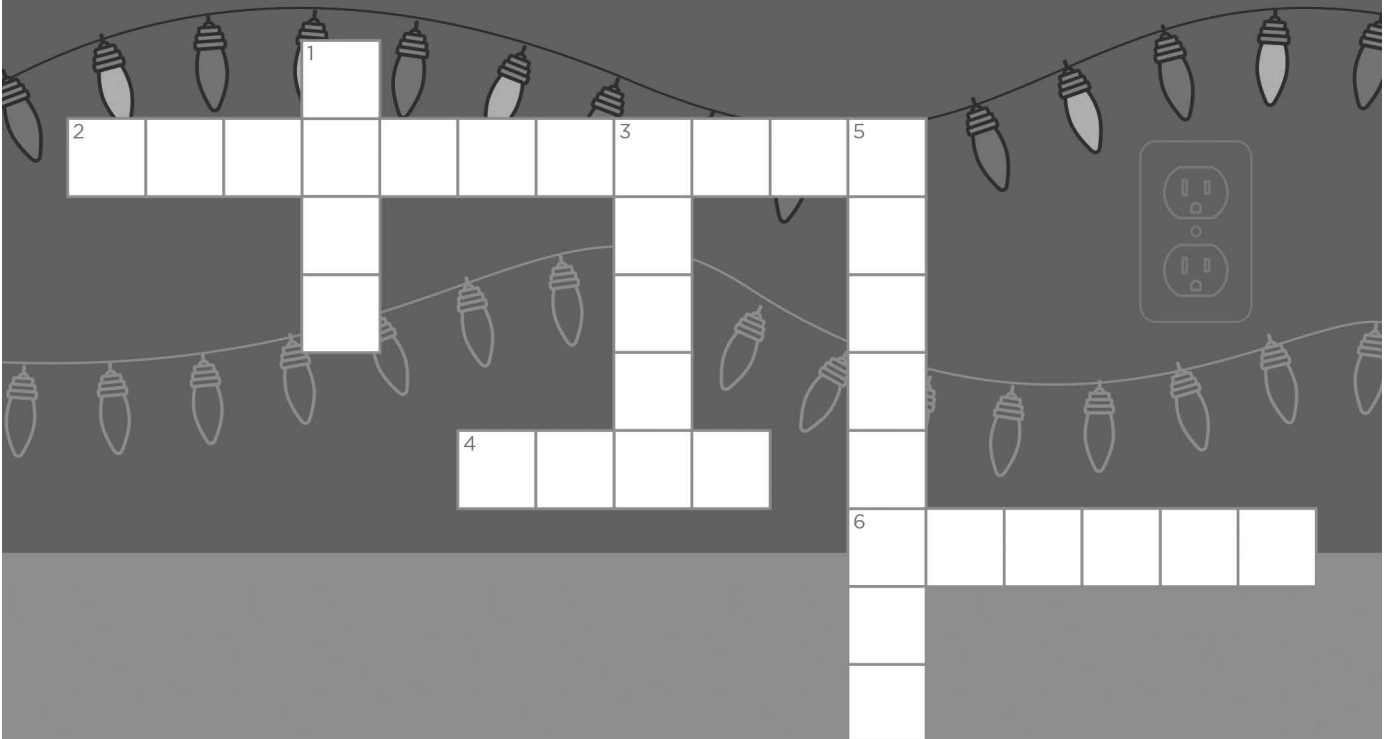
# HOLIDAY EFFICIENCY CROSSWORD PUZZLE

The holiday season is a fun, festive time of year! It's also a time when we use more electricity.

Complete the crossword puzzle below to learn how you and your family can be more energy efficient this holiday season.



1. **DOWN:** Decorate your \_\_\_\_\_ with energy-saving LED lights.
2. **ACROSS:** Smart or programmable \_\_\_\_\_ can help control heating costs if you're traveling during the holiday season.
3. **DOWN:** Save energy by using a \_\_\_\_\_ to turn off holiday lights at night.
4. **ACROSS:** If you have a fireplace, ask an adult to close the damper when a \_\_\_\_\_ is not burning.
5. **DOWN:** Open blinds and curtains during the day to let natural \_\_\_\_\_ in to warm your home.
6. **ACROSS:** Lower the thermostat when your family has \_\_\_\_\_ visiting during the holidays.



## ANSWER KEY

- |               |                        |                |                 |                   |                   |
|---------------|------------------------|----------------|-----------------|-------------------|-------------------|
| 1. DOWN: TREE | 2. ACROSS: THERMOSTATS | 3. DOWN: TIMER | 4. ACROSS: FIRE | 5. DOWN: SUNLIGHT | 6. ACROSS: GUESTS |
|---------------|------------------------|----------------|-----------------|-------------------|-------------------|



# IT PAYS TO BE A CO-OP MEMBER

K.C. Electric retires \$1.2 million in capital credits



## Why am I receiving this capital credit retirement payment?

The K.C. Electric Association Board of Directors authorized the retirement of \$1.2 million in capital credits to our consumer-members who purchased electricity from the co-op in 2000, 2001 and 2004.

## What are capital credits?

One of the benefits of cooperative membership and ownership is the share in the margins of K.C. Electric each year. K.C.'s electric rates are designed to bring in enough money to pay operating costs, make payments on loans and long-term debt, and provide an emergency reserve. A cooperative does not earn profits. Instead, when revenues exceed the expense of providing electric service, it is considered margins and returned to members in the form of capital credits. The margins denote a member's ownership and represents a contribution of operating capital by the membership to the cooperative with the intent that the capital will be repaid to members in later years.

## What's the difference between allocated and retired capital credits?

Consumer-members are allocated capital credits and will receive an allocation notice each year the cooperative earns positive margins. This money is set aside to be used as operating capital for improvements and maintenance to our electric infrastructure over a period of years. A retirement is the

amount a consumer-member receives as a refund. It is a portion of your total allocation. When capital credits are retired, a check is issued and your equity in the cooperative is reduced. Retirements can be years after the year in which the margins were earned/allocated. Until retirement, an allocation has no cash value and cannot be applied against your current electric bill.

## What happens to my capital credits if I move?

K.C. Electric encourages everyone who may be leaving or have already left the cooperative service territory to keep your address records up to date with us so future capital credits can be refunded as they are retired.

## What happens to my capital credits if I die or what if I receive a check addressed to a deceased person?

Capital credit checks will remain in the name of the original consumer-member until a spouse, relative or other legal representative notifies and requests that K.C. Electric reassign the account to another person or transfer the account to an estate. K.C. Electric requires documentation to complete a request to reassign or transfer capital credits.



## Energy Efficiency Tip of the Month

Blocked air vents force your heating system to work harder than necessary and increase pressure in your ductwork, which can cause cracks and leaks to form.

Make sure all air vents are unobstructed from furniture, drapes or other items to ensure sufficient circulation throughout your home. If necessary, purchase a vent extender, which can be placed over a vent to redirect air flow from underneath furniture.

Source: [energy.gov](http://energy.gov)

