K.C. ELECTRIC ASSOCIATION

FEBRUARY 2024

K.C. ELECTRIC STAFF

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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.

2023 YEAR IN REVIEW

BY DAVID CHURCHWELL GENERAL MANAGER

I hope everyone had a productive 2023, a Merry Christmas, and safely rang in the new year.

In 2023, K.C. Electric maintained and upgraded our electric grid by replacing transmission and distribution poles that were found to be deficient during our annual pole testing. Crews also rebuilt several three-phase overhead power lines in the Stratton area and continued our voltage conversion project in Hugo. These projects were constructed entirely by K.C. crews and will increase system capacity and improve system reliability. K.C. crews completed the installation and commissioning of our new Supervisory Control and Data Acquisition system. We now can analyze our electric system in real time, which will make our operations safer and more reliable.

In June 2023, our annual meeting was in Stratton and we celebrated 77 years since K.C. was first incorporated. Robert Bledsoe from Cheyenne County, and Kevin Penny and Dan Mills from Kit Carson County ran unopposed and were each elected to serve a three-year term on the K.C. Electric Board of Directors.

Last July, K.C. Electric was once again recognized by our statewide organization Colorado Rural Electric Association for another year of no lost-time injuries. This is a great accomplishment for the employees of K.C Electric, considering the dangerous and varying work conditions that our employees must endure throughout the year. Safety is our cornerstone and will not be compromised for any reason.

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

In October 2023, the board approved a general capital credit retirement of more than \$1.2 million. In addition, more than \$95,000 in capital credits were returned to estates throughout the year — a total 2023 capital credit retirement of more than \$1.34 million. Over the past five years, K.C. has retired over \$6 million in capital credits



DAVID CHURCHWELL

to you, our member-owners.

During 2023 we also said goodbye to a couple of employees who served the K.C. membership for many years. Paul Norris, who served as operations manager retired in June after 31 years of service. Meter technician Don Malone retired in June after 44 years of service. These men will be missed and we wish them luck in the next chapter of their lives. Darren Fox was promoted to operations manager and Chris Notter was promoted to meter/SCADA technician. Those promotions created position vacancies that were filled by apprentices Skye Perry and Alex Cruz, both based out of our Stratton office.

K.C.'s board and employees continue to make every effort possible to keep costs down, even with the current level of inflation and supply chain issues affecting our industry. The prices for most of the material and equipment we use to maintain and rebuild our grid continue to be elevated. Single-phase distribution transformers can take a year or more to receive and three-phase padmount transformers can take up to two years to receive.

Legislative and environmental changes continue to keep the electric industry changing at a very rapid pace. Colorado legislation has mandated that coal generation facilities in the state be shut down by the end of the decade and replaced with renewable energy sources. This transition will continue to put upward rate pressure on the wholesale power we purchase from Tri-State Generation and Transmission. Extensive planning will be needed to ensure reliability isn't negatively impacted and that rates stay affordable.

As this transition evolves, we will no doubt see more high voltage transmission lines, wind farms, solar projects, and battery storage projects built across our service territory. Xcel's power pathway transmission line which will traverse eastern Colorado is currently under construction, and a

YOUR CO-OP NEWS

200-megawatt addition to the Bronco Plains Wind Farm south of Flagler has been completed.

The year ahead will continue to bring new challenges both financially and operationally for us, but the board and employees of K.C. Electric 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 wish each of you a successful 2024.

ENERGY EFFICIENCY TIP OF THE MONTH

Area rugs are an easy, cost-effective solution to cold floors. Adding area rugs to hard-surface flooring can add warmth to any room and keep your feet cozy on cold winter days.

Choose rugs made from wool or other natural fibers and plush or high-pile textures for the most insulation. Place rugs in areas where you need additional warmth, like the foot of a bed or under a coffee table. Area rugs can enhance the aesthetic of your home and keep you cozier.

Source: energystar.gov



STAFF UPDATE

The next time you stop by or call K.C. Electric's Hugo office, you may notice that we have a new employee on our team. Deanna Sanchez began working as a cashier/receptionist in our Hugo office in January, replacing Kristie Salvador who officially retired as an employee of K.C. Electric. Kristie was an essential member of our team for more than 20 years. Many of you have either spoken to her on the phone, met her at one of our annual



Kristie Salvador retires after serving K.C. members for more than 20 years.

meetings, or may have seen her in our Hugo office. We are excited to have Deanna come aboard, and we are sad to see Kristie leave.

Kristie began her career at K.C. in December 2002. Kristie was originally hired as a data entry clerk and later in her career she served as K.C.'s billing supervisor.

Over the years, Kristie was a part of many transformations as technology advanced and system processes changed. When Kristie first began working at K.C., she said there were many things done by hand, many reports printed and kept on file, and records stored in file cabinets. Today there is little information and few reports printed, and all member information is scanned and stored securely within the billing system servers.

K.C. was one of the first cooperatives in Colorado to utilize Automated Metering Infrastructure, better known as AMI. One of the most challenging tasks for Kristie during her tenure was K.C.'s implementation of our AMI system. The AMI system has allowed much of the billing system to be controlled from a computer keyboard, but that can be challenging when the technology or software does not work as expected.

Our prepay metering program was also one of the first of its kind in the state and continues to be a useful tool for K.C. Electric members. Kristie was instrumental in implementing the prepay metering program and represented K.C. at numerous state and national events presenting on the implementation and effectiveness of our AMI and prepay metering programs. Many cooperatives around the state and nation have utilized our practices and procedures when they implemented their own prepay metering programs.

The importance of keeping member data confidential and secure complicated some aspects of her job, but cybersecurity continues to be a priority for K.C. to ensure all member data is protected.

"I will miss my coworkers and the many members that I have befriended over the years," Kristie said. "Sharing immense success and great loss with a group of people that are not only coworkers but also close friends who often feel like family are what I will remember the most about my time at K.C." Many of her co-workers have become lifelong friends and she especially enjoyed assisting members with any issues that came up.

Kristie's future plans are to embrace change, and she left her fellow employees with these words of wisdom: "Every day may not be good — but there is something good in every day."

The employees and directors of K.C. Electric thank Kristie for her many years of dedicated service to K.C. members and wish her many years of happiness in retirement.



Claim Your Savings

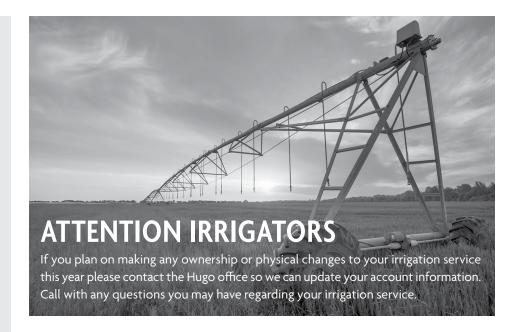
Each month, K.C. Electric members have a chance to claim a \$20 credit on their next electric bill. All you must do is find your account number, call the Hugo office at 719-743-2431, and ask for your credit. Names and partial account numbers are listed below. How simple is that?

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

Gayla Connelley, Kit Carson — 1124xxxxxx Rick Trahern, Burlington — 1249xxxxxx Joedy Hartman, Burlington — 1259xxxxxx Lori D. Walsh, Hugo — 6241xxxxx

In December, four members called to





Satety

Did you know that mylar balloons can damage the power grid and cause power outages? Mylar and latex balloons eventually fall back to earth and their remnants can cause harm to animals and marine life. Consider alternatives to balloon releases and enjoy balloons indoors.



Four Ways an Energy Audit Can Benefit You

A home energy audit can determine the overall efficiency of your home or business and ways to improve it. Here are the main benefits of conducting an energy audit.

- An audit will identify where most of your energy use is going and ways to use energy more efficiently to save money.
- It can determine if appliances and heating/cooling equipment are properly sized for the home or business
- Making changes based on the audit recommendations will raise your property value.
- An audit can identify potential safety issues with home wiring and ventilation.

YOUR CO-OP NEWS



If you depend on electric medical equipment, your power provider will do all they can to assist you during a power outage by giving your residence a priority tag. Examples of lifesaving medical devices include an oxygen concentrator or a ventilator.

If you or someone in your household depends on life-sustaining medical equipment, contact your local electric utility to let them know.

Although the utility will do all they can to help, it is best to have a backup plan in place in case of severe weather events, which can cause prolonged outages.

Backup safety tips include the following:

- Have an emergency plan in place with friends and family that outlines places you can go in the event of a long-term outage.
- Before an outage occurs, find out if the medical equipment safely runs on a backup power source and for how long (see manufacturer's recommendations).

- Keep a full charge on battery-powered devices or have extra batteries available.
- If recommended by the manufacturer, consider purchasing a portable battery pack to power devices.
- Gather related resources that will last for two weeks, including batteries, supplemental equipment and prescriptions.
- Realize that local shelters and hospitals that are also experiencing an outage may be at capacity and have limited resources, including auxiliary power.
- Think about the other special equipment you might need, such as coolers for refrigerated medicine.
- Like any important device, keep up regular maintenance.
- Keep a file that includes the device's manufacturer, serial numbers and photos of the device.

Learn more about preparing for an emergency at:

