

WHEATLAND
ELECTRIC COOPERATIVE

NEWS



WHEATLAND ELECTRIC

Wheatland Electric Cooperative, Inc.

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FROM THE MANAGER

Cost-of-Service Study Preliminary Findings



Bruce Mueller

Earlier this year, Wheatland Electric Cooperative hired a consultant, C.H. Guernsey, to prepare a study which examines the cooperative's

cost of providing electric service. This cost-of-service study determines the revenue needed to cover the cooperative's operating expenses and debt obligations, as well as examines the equitability of the rates among the various consumer classes. Please read the article on the cost-of-service that follows on page 16-D. It explains, in detail, the cost-of-service study process and how it can affect the rates that are charged to the membership.

At our Annual Membership Engagement Meetings in August, Wheatland management discussed with the members present the reasons why a cost-of-service study is important to the financial well-being of the cooperative.

We also discussed Wheatland's goal to bring its east and west Wheatland service territories together as one company with unified rates company-wide. This should provide for efficiencies and less redundancy in

our operating practices. The cost-of-service study performed examined both of these goals.

The preliminary results of the cost-of-service study show that a slight increase in the Wheatland base rate is needed. Over the past few years, Wheatland's operating expenses have increased in spite of ongoing efforts to control costs while providing reliable electric service to the membership. The financial integrity of the cooperative has been adequately achieved even though the Wheatland base rates have not increased since 2009 in the west service territory and 2011 in the east service territory.

However, in order to meet future financial requirements, the base electric rates need to be updated. The Wheatland Board of Trustees and management are considering an increase in the base rates to be implemented sometime in 2016. Members will receive notification this month of a meeting where the rate modifications will be considered.

The Board and management recognize that any change in rates is very important to the members. Any proposed rate increase will be designed to provide only the revenue needed to safely and reliably provide electric service.

Until next time, take care.

Sharing Success

Wheatland Partnership Provides \$30,000-plus to Local Non-Profits

Wheatland Electric's Sharing Success Fund, managed by the Scott Community Foundation surpassed \$30,000 in total funds awarded since its inception in December 2012 with a recent \$1,000 grant to the Hamilton County Library.

The grant went for the purchase of 10 Playaway Launchpads. The Launchpads are a pre-loaded learning tablet created just for kids and have allowed the library to expand its collection and stay up-to-date with technology. The grant marks the 37th grant awarded through Wheatland's Sharing Success program.

The program was created through a partnership with one of Wheatland's partner banks, CoBank, and the Scott Community Foundation. Through its own program of the same name, CoBank began by offering a \$5,000 matching donation to a charitable organization of the cooperative's choosing.

Wheatland approached the Scott Com-

munity Foundation with the idea of leveraging the funds to make a number of smaller grants to other non-profits throughout Wheatland's service territory. The program grew from there.

Wheatland and CoBank have continued to contribute an additional \$5,000 each year to the fund with the community foundation managing the funds and the grant application process.

"When we first learned of the matching funds available through CoBank, we felt like this was a tremendous opportunity to help a charitable organization in our service territory," said Shawn Powelson, manager of member services and corporate communications. "Then we came up with the idea to turn one opportunity into many through our partnership with the Scott Community Foundation and the creation of our own grant program. The partnership with CoBank and the Scott Community Foundation has been tremendous and the main reason why we've been able to help so many organizations these past three years."

One of those organizations is the **CALDWELL PUBLIC LIBRARY**. The library was one of the first to apply for a grant through the program in January 2013. At the time, they were in the first phase of a three-year, multi-phase remodeling project that would allow for the creation of a new children's area. The library was able to apply for funds again in 2014 and 2015, each time the funding cycle reset, and, to-date, has received \$3,000 for its



The Caldwell Public Library was one of the first to apply for the Sharing Success grant in 2013. Since then, they have received \$3,000 to remodel their facility.



The youth at Bad Boyz Boxing Club show off their new headgear funded by a 2014 Sharing Success Grant.

remodeling project.

"We are so grateful to Wheatland and the Sharing Success program. The first grant in 2013 really helped us jumpstart our fundraising efforts and the additional grants have helped to keep us going," said Lisa Moreland, director of the Caldwell Public Library. "We're still working on the children's area and we hope to be able to finish soon. It's a big project! Along the way, the Wheatland funds have helped us with other projects including a children's sitting area and the repainting of a long wall in the main area of the library."

Other organizations and projects that have received funding through the program include

a humane society, veterans' organizations, schools, hospitals, park projects and a youth boxing program.

The **BAD BOYZ BOXING CLUB** located in Finney County received a grant of \$1,000 to help purchase new headgear for all of its participants. The club provides a way to engage kids, who have a tendency to gravitate toward gangs and anti-social behavior, with an activity that encourages personal discipline, responsibility and a team atmosphere.

The club attracts boys and girls, ages five through high school. At any one time the club could have upwards of 60 youth participating in the program. Robert Gonzales, director and coach of the club has been working

with troubled youth for more than 30 years and has seen a number of them go on to enjoy highly successful professional boxing careers.

"Proper headgear is an important part of ensuring adequate safety for the kids who participate in the club's activities," said Gonzales. "We operate on a limited budget and a lot of the kids in the program aren't able to afford their own equipment. Programs like Wheatland's are a big help to us and our kids."

Through its Sharing Success program and other community-minded initiatives like Cram the Van, Wheatland continues to model the cooperative spirit and honor

its founding principles.

"Our Sharing Success program has been a huge success," Powelson said. "We love being able to see all the great things going on in the communities we serve and having a chance to partner with these organizations. We hope we're able to continue this program for a long, long time."

The Scott Community Foundation continues to accept applications on Wheatland's behalf for the Sharing Success program. Non-profits interested in receiving funding from the Wheatland Electric Sharing Success program should contact the Scott Community Foundation at 620-872-3790.

Programs like Wheatland's are a big help to us and our kids.

ROBERT GONZALES, BAD BOYZ BOXING CLUB

Sharing Success Recipients

2013

- ▶ Caldwell Public Library
- ▶ Greeley County Library
- ▶ Hamilton County Library
- ▶ Harper Hospital District #5
- ▶ Holy Family School
- ▶ K-State Research & Extension-Scott County
- ▶ K-State Research & Extension-SW Area Office
- ▶ Russell Child Development
- ▶ Scott Community High School
- ▶ Wichita County Economic Development
- ▶ Wichita County Health Center

2014

- ▶ Bad Boyz Boxing Club
- ▶ Breast Cancer Unity Project
- ▶ Caldwell Public Library
- ▶ Golden Belt Humane Society
- ▶ Great Bend Community Theatre
- ▶ Greeley County Library
- ▶ Hamilton County Economic Development
- ▶ Harper Hospital District #5
- ▶ Scott County Development
- ▶ Scott Recreation Commission
- ▶ Viola Township Library
- ▶ Wichita County Arts Alliance

2015

- ▶ American Legion Post 27
- ▶ Barton County Young Professionals
- ▶ Caldwell Public Library
- ▶ City of Syracuse
- ▶ Family Crisis Center
- ▶ Greeley County Library
- ▶ Hamilton County Library
- ▶ Hamilton County Public Foundation
- ▶ Harper Chamber of Commerce
- ▶ Harper Hospital District #5
- ▶ Scott City Elite
- ▶ Sumner County Hospital District #1
- ▶ The Great Bend Foundation
- ▶ Vets for Veterans

\$30,468
in Grants Since 2013

Rates, Cost of Service, Bills – H

Rates, tolerate them or despise them, they are necessary to ensure Wheatland Electric Cooperative's ability to provide our members with the highest level of safe and reliable service. For some, talking about rates is either dull or scary. However, as member-owners of Wheatland, it is imperative that you have a general understanding of how Wheatland uses the money it receives for providing electric service.

We hope this article will help you better understand how Wheatland determines what its electric rates should be.

How Do We Design Rates?

Fundamentally, the concept of electric rates is fairly straightforward. As a member-owned not-for-profit cooperative, we rely upon the revenue received by providing electricity to our member-owners to pay for the costs of the cooperative. These costs include the physical assets (poles, meters, and fleet vehicles) of the cooperative; as well as the expenses (wholesale cost of electricity, employee wages, and tools) of the cooperative.

To get the income necessary to pay those costs, Wheatland must collect revenue from the member-owners in the form of rates for electric service. However, it is the design, implementation and management of these rates that often creates confusion.

Every few years, Wheatland hires an outside firm to assess our costs of providing electric service to the member-owners. The firm conducts a cost-of-service study (COSS). The COSS looks at Wheatland's current costs, debt obligations, and future expected costs for maintenance and construction.

Once it is determined how much

revenue Wheatland needs to cover these costs in any given year, the total amount is then allocated among various rate classes including: residential, small commercial, and irrigation.

In addition to determining the rate requirement for each rate class, the COSS also looks at how we should collect the revenue in each rate class.

For example, a residential member pays a kilowatt-hour (kWh) charge, a customer charge, and a power cost adjustment (PCA) charge. Each of these charge types cover a different cost type of the cooperative.

When looking at revenue collected from a rate class Wheatland needs to ensure that each charge

The wholesale power cost is about 70 percent of Wheatland's total cost of providing electricity to our member-owners.

type adequately covers the cost type. By reviewing this, we can ensure that we don't over-collect revenue from the kWh charges and under-collect revenue from customer charges.

Lastly, the COSS reviews Wheatland's costs to serve electricity to each rate class to ensure that one rate class is not overly burdened by costs that should be attributed to a different rate class. This helps to ensure rates are fair and equitable amongst the various rate classes.

What Causes Our Rates to Change?

The majority of changes in rates is due to the wholesale cost of power, which is dictated by current fuel

costs to generate electricity. Sunflower Electric Power Corporation (Sunflower) and Mid-Kansas Electric Company (Mid-Kansas) provide all of Wheatland's wholesale power.

The wholesale power cost is about 70 percent of Wheatland's total cost of providing electricity to our member-owners. The other 30 percent is Wheatland's costs to deliver electricity to 34,000 meters.

Changes in costs of generating electricity at Sunflower and Mid-Kansas and changes in cost of delivering electricity at Wheatland can necessitate a need to change the revenue collected from Wheatland's member-owners. The way we change the revenue collected is by charging different rates. Some typical changes in costs include:

- ▶ Cost of materials (poles, transformers, etc.)
- ▶ Cost of regulations and compliance (EPA regulation, wildlife habitat mitigation, etc.)
- ▶ Cost of wages and employee benefits
- ▶ Cost of fuel for electric production
- ▶ Cost of repair and maintenance of equipment and facilities

Why is Wheatland Evaluating its Rates Now?

Wheatland's Board of Trustees requested that Wheatland staff conduct a COSS this year. The purpose of the study was two-fold.

First, the Board wanted to ensure Wheatland would have adequate revenues for the next few years.

Secondly, the Board wanted to finally bring together the rate structures of its west service territory and east service territory.

In 2007, Wheatland acquired utility systems in the Great Bend area and Harper area. When these

How Does it all Work?

By combining east and west sides, Wheatland hopes to gain efficiencies in services and reduce the costs associated with operating two separate distinct systems.

systems were purchased we gained thousands of new member-owners and associated meters. However, because these members had existing rate structures in place and they had a different wholesale power provider, Wheatland could not join its new east side member-owners and west side member-owners rates until Wheatland became self-regulated and not under the regulation of the Kansas Corporation Commission (KCC).

Last year, the membership voted to self-regulate. As a result, this year, Wheatland staff worked closely with the firm to conduct a COSS to review the adequacy of our rates, but to also look at bringing together the east side and west side of the Wheatland system under unified rate structures.

By combining the two sides, Wheatland hopes to gain efficiencies in services and reduce the costs associated with operating two separate distinct systems. This COSS is ongoing, but the results are expected to be finalized soon.

What has Wheatland Done to Manage the Rates of our Members?

Rates change due to controllable and uncontrollable costs and Wheatland continuously looks for ways to minimize these changes. One way Wheatland has helped to control

costs is through the use of new technologies.

“Technology upgrades allow us to be more efficient and reduce day-to-day operating costs,” said Bruce W. Mueller, general manager.

“For example, Advanced Metering Infrastructure (AMI) technology in conjunction with the Smart-Hub mobile app allows Wheatland members to manage their electricity costs, while assisting Wheatland in recognizing potential service issues

and restoring service quickly and efficiently.” Mueller added. “By removing the need to dispatch personnel to read meters, connect service

to new members, or to quickly locate outages, Wheatland can reduce operating costs while providing superior service to members.”

Wheatland also acts as an advocate for our member-owners by representing Wheatland on the Board of Trustees of both Sunflower and Mid-Kansas. This role enables Wheatland to participate in the budgeting and planning processes of Sunflower and Mid-Kansas.

Lastly, the Wheatland Board of Trustees govern the budget and planning of Wheatland. These Trustees are elected by the member-owners of Wheatland to represent the member's interest and ensure that Wheatland can provide safe, reliable and competitively priced electricity.

Technology upgrades allow us to be more efficient and reduce day-to-day operating costs.

BRUCE W. MUELLER, GENERAL MANAGER

Get to Know Your Co-op Staff

Pam Brungardt

Manager of Consumer Services in Garden City
9 Years at Wheatland



Pam Brungardt

TELL US ABOUT YOUR

FAMILY. I've been married to my high school sweetheart and best friend, Craig, for 38 years. Craig is employed at J&M Paint and Decorating. I have a son, Brandon, who is the Project Manager for Hutton Construction in Wichita and his wife, Tessa, who is a stay-at-home mom. I also have a daughter, Ashley, who is a Kindergarten Teacher. Her husband, Justin, is a Paramedic/Firefighter in Newton. I have four beautiful blessings—grandchildren: Brooklyn, 3; Mason, 3; Jaxson, 1; and a new grandson, Miles, born August 14. Our family dog is Samson.

WHERE ARE YOU FROM ORIGINALLY?

Garden City

WHAT DO YOU LIKE TO DO IN YOUR

SPARE TIME? Attend musical concerts of any kind, house remodeling projects, enjoying anything outdoors and spending as much time as possible making memories with our grandkids!

WHAT SPORT OR TEAM IS YOUR

FAVORITE? Baseball and the Kansas City Royals! I've been a faithful follower for 40-plus years.

WHAT HAS BEEN YOUR FAVORITE

VACATION? New York City

WHAT ACCOMPLISHMENT ARE YOU MOST

PROUD OF? My children who are loving and caring people, great parents, responsible adults, well respected, hard workers and followers of Christ.

WHO HAS INSPIRED YOU IN YOUR

LIFE AND WHY? My Dad, a man of faith, who sacrificed for his family, was dedicated, hardworking, courteous and polite, helped family and friends, but also made time to have fun and enjoy life. He managed to be successful and provide for our large family with only an eighth-grade education.

Linemen Complete Pole Top Rescue

Linemen throughout Wheatland's service territory recently completed their annual pole top rescue training.

In this training, a 200-pound mannequin is suspended from a pole by a climbing belt (simulating an incapacitating injury). The rescuing lineman must put on his climbing gear, climb the pole, tie a rope around the dummy, cut the tie holding the dummy to the pole, and then safely lower the mannequin to the ground. All of this must be done within four minutes. Time starts when the lineman touches his climbing gear and ends when the dummy touches the ground.

In accordance with new Occupational Safety and Health Administration (OSHA) standards, the lineman had all-new fall arrest equipment, which was introduced in April. A series of three training sessions were held for linemen prior to the pole top rescue training.

"Although rescue times may have been somewhat slower than previous years (due to the new equipment), Wheatland linemen have a strong and proven ability to adapt to new technology and safety procedures," said Luke West, manager of safety/policy and documents at Wheatland. "Going forward, I don't see the new rules and gear being a major obstacle for any of them to overcome."



Lineman Eric Newberry works to retrieve the mannequin during pole top rescue training.

Wheatland Teams Take Top Honors at High Plains ElectroRally

Two Wheatland-sponsored racing teams competed in the High Plains ElectroRally on September 24 in Hays.

The Scott City and Great Bend teams both had great showings. Scott City earned first in the second heat race and Experimental Class, and second place in the first heat race and Standard Class. Great Bend earned firsts in the first heat race and Standard Class. There were 10 teams competing overall.

The ElectroRally competition is based on time and distance—the winner of a race is the driver that completes the most laps in an hour. All cars are designed and built by the



The Great Bend team leads the pack during the Standard Class at the High Plains ElectroRally.

students who race them. Students are allowed to think outside the box with their design aside from a few rules and guidelines.

The program fosters teamwork and shows real-world applications of art, physics, engineering and math.

Wheatland is a proud sponsor of the Kansas ElectroRally and the Scott City and Great Bend teams.

Cram the Van Food Drive Hits the Brakes

Two months and 11 stops later and the big red van has finally hit the brakes! Thank you to everyone who came out to the van events across Wheatland's territory or dropped off donations at the local offices.

We're excited to tally up all the goods and see if we managed to break last year's total of

three and a half tons. We're shooting for four-tons this year, but did



we make it? Find out next month when we give you the final results from each District and make our rounds with the van one last time to drop the donations

off at your local food bank.

Thank you to everyone who helped us Cram the Van!



CO-OP CONNECTIONS SPOTLIGHT

Great Bend's High Call Outfitters Offers BOGO 1/2 Off Denim

High Call Outfitters offers the most complete selection in western fashion for men, ladies and children. Boots, denim and apparel from Cinch, Ariat, Cowgirl Tuff, Cruel, Tasha Polizzi, and more! Stop in today and use your Co-op

Connections Card and take advantage of **BUY ONE GET ONE HALF OFF DENIM!**

Use your Connections Card at these

other local businesses for more great savings! For a complete list of deals visit www.connections.coop/weci.

- ▶ Gifts Etc.-Scott City
- ▶ Great Bend Coffee-Great Bend
- ▶ The Taylor House-Scott City

Still need a Connections Card? Contact your local office for information on how to start saving now with the Co-op Connections Card!



Wheatland Stresses Safety at Ag Day

At Wheatland Electric, we put a lot of energy into educating the public about electricity. Luke West, manager of safety/policy and documents along with the Tribune line crew recently spent the day educating students about electrical safety at the Progressive Agriculture Safety Day program in Tribune on October 7 at the Greeley County Fairgrounds.

Wheatland's High-Voltage Safety Demonstration Trailer was used to provide a graphic reminder that electricity is the safest form of energy, but only when treated with respect.

More than 90 third through sixth grade students from Greeley County, Wichita County and Weskan schools were in attendance. Students participated in nine educational safety sessions. Sessions included topics ranging from tractor safety, first aid, and all-terrain (ATV) safety.

The electrical safety demonstration features an open trailer outfitted with actual equipment necessary to distribute electricity, such as poles, wires, transformers, meters and other items.

Students learned how electricity works, how to identify an energized line even though you can't tell visually, what protective gear the linemen use, what happens if a person comes in contact with an energized line, how to stay safe, why electricity arcs, and why birds can safely sit on

an energized line.

The Tribune linemen conducted high voltage demonstrations showing how dangerous it is to come in contact with power lines. The demonstration showed what happens when a person comes in contact with electricity. A hot dog was used to simulate what happens inside your body when a person touches the power line.

"Do you know what to do if you crash into a utility pole?" asked West, who stressed the importance of staying in your car if you hit a pole. "Your first instinct may be to get out and see if everyone's okay, but you can't do that when you hit a utility pole. Don't open the doors, don't step outside. Your life may depend on it."

The reason? Power lines may have fallen and the lines and the ground could still be energized. West, went on to explain that only in the rare case of a fire should you try to get out and look for a safe place and leap from the car—never touching the ground and the car at the same time. You should bunny hop with feet together—in case the ground is energized by a line—so one foot doesn't fall into a different voltage zone than the other.

If you would like to learn more or set up a demonstration, please contact Luke West at lwest@weci.net or Shawn Powelson at spowelson@weci.net or call 800-762-0436.



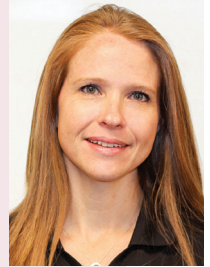
Linemen at Wheatland's Tribune office stressed the importance of electrical safety to more than 90 students during the Agriculture Safety Day program.

Get to Know Your Co-op Staff

Amy Jones

Administrative Assistant

9 Years at Wheatland Broadband



Amy Jones

TELL US ABOUT YOUR FAMILY.

My husband of almost seven years, Jake, is a great husband and stepdad. I have three awesome kids: Tashia, 22; Adrienne, 18; and Tessia, 16. Jake works at Wheatland Broadband as a Network Administrator, Tashia is a CNA at Scott County Hospital and going to college at Garden City Community College, Adrienne lives in Scott City and Tessia is a sophomore at Scott Community High School. We have two dogs, Brody and Arya, and a cat, Kallie.

WHERE ARE YOU FROM

ORIGINALLY? I was born in Leoti, but grew up in Scott City.

WHAT DO YOU LIKE TO DO IN YOUR SPARE TIME?

I spend time with my family doing anything from playing games and watching movies to taking a spur-of-the-moment trip. I also enjoy crocheting, knitting, putting puzzles together, or riding the motorcycle with my husband.

WHAT HAS BEEN YOUR FAVORITE VACATION?

Taking my kids to Disneyland. Something I promised them for years and we were finally able to go in 2013.

WHAT ACCOMPLISHMENT ARE YOU MOST PROUD OF?

Raising my kids and watching them grow and become beautiful, strong women.

WHAT IS YOUR FAVORITE BOOK OR MOVIE AND WHY?

Where the Red Fern Grows, takes me back to when I was a kid and it was being read to me by my older sister.

WHO HAS INSPIRED YOU IN YOUR LIFE AND WHY?

My mom and dad! They have good family values, they have always worked hard and showed me more than they really realize.



Curtis Peterson

*Underground Line Foreman (Temporary Staking Engineer)
22 Years at Wheatland in Garden City*

A Day in the Life

Curtis Peterson

BY BETH LOONEY,
ASSISTANT GENERAL MANAGER

CURTIS PETERSON's normal job is Underground Line Foreman. Essentially, he leads a crew of linemen that specialize in maintenance, repair and construction of underground electric lines.

Curtis said that finding underground electric faults is his favorite part of the job because it's challenging and requires problem solving skills. "The solution is different every time," Curtis said.

For the last several months, though, Curtis agreed to temporarily fill-in as a staking engineer—working primarily on designing new construction. When a member calls in requesting a new service for a house or business, a staking engineer visits the property to get a lay of the land and discuss service needs with the member. Once that's completed, the staking engineer returns to the office to design the new construction.

Since Curtis has been a lineman for decades he has a level of experience in building new construction that enables him to "just know" what is needed to construct a new service. The way he described it was that all he had to do was see the site, know what the member wanted, and then close his eyes and see the best construction solution in his head. The two trainee staking engineers, Corbin Spellman and Lynn Walker, probably wish it were that easy!

Once Curtis gets his design idea thought out, he then enters the design into a software system that is overlaid with a mapping system. The design has all the pieces and parts (poles, wire, etc.) that are needed to construct the facilities, and it shows exactly where they go on the map using geospatial specs. Once he closes out the design, the program sends off the construction order to the warehouse so parts can be collected and also to the line crews so the job can be scheduled.

Toward the end of my day with Curtis, we went out to Holcomb to review the electrical design for the new Love's station under construction. On the way, Curtis told me about his hobby: raising chickens. We drove by his house and sure enough, he had a whole gaggle (flock, school, herd....whatever!) of chickens running around, along with the occasional goat and dog. I could tell by the lift in his voice he clearly enjoys raising livestock.

We concluded our day eating tacos and discussing his life outside of work. Curtis is married with six kids and two grandkids. He's on the Holcomb School Board, and is the local union representative for the International Brotherhood of Electrical Workers. Thanks for the day, Curtis, and everything you do to make our community great!