

WHEATLAND  
ELECTRIC COOPERATIVE



# NEWS

## Wheatland Electric Co-op Inc.

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Great Bend, KS 67530  
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P.O. Box 1010  
Syracuse, KS 67878  
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310 Broadway  
P.O. Box 490  
Tribune, KS 67879

## FROM THE MANAGER

# What is a Cost of Service Study?



**Bruce W. Mueller**

Last month, I informed the membership that Wheatland Electric Cooperative had hired a consultant, C.H. Guernsey to prepare a cost of service study

regarding the cooperative's costs of providing electric service and the rates charged for this service. This cost of service study determines the revenue needed to cover the cooperative's operating expenses and debt obligations and examines the fairness of the rates among the various consumer classes.

Unlike the previous cost of service study that required an increase in the base rates, this time we are seeking a revenue-neutral rate adjustment, not a rate increase. Based on rate classifications and energy consumption the actual member impacts will vary, as

overall bills may decrease or increase slightly. A potential plan is to phase-in the rate adjustment over a three-year period: 2020, 2021 and 2022.

### Goals for the Cost of Service Study:

- ▶ Decrease the monthly kWh charge over a three-year period
  - ▶ Increase the monthly Service Availability Charge over a three-year period
  - ▶ Simplify and modernize lighting rates to include LED lights
  - ▶ Redesign the Time-of-Day rate
  - ▶ Implement a standardized Primary Facilities Charge rider
  - ▶ Redesign the process of collecting the property tax adjustment (PTA)
  - ▶ Redesign the process of collecting the power cost adjustment (PCA)
  - ▶ Simplify the irrigation tariff language
- Please read the article on the cost of service study that follows in this month's local pages. It should answer

*Continued on page 16E ▶*

## SAFETY Tip of the Month

Bad posture may not seem like a big problem but in the long run can have a huge effect on your health. Make sure to practice good posture while sitting or lifting to avoid sprains, strains, muscle tears or dislocations.

# Member SPOTLIGHT

## PATTERSON HEALTH CENTER

Nestled in the plains as you drive along K-2 Highway, you'll come across a unique building centered between Harper and Anthony. Along the sprawling prairie, the building has a fascinating way of both blending into the natural landscape, while also standing out. This beautiful new building, the **PATTERSON HEALTH CENTER**, celebrated its grand opening in July 2019, as the result of a six-year project.

The uniqueness of the building is undeniable. Its healing, bright effect from the natural light streaming through the glass brings beauty and positivity to the space. That positivity continues as you enter the doors and two greeters, Nancy and Patsy, welcome you and direct you to the correct place. Serving as "navigators," they brighten patients' days and help them into their cars when leaving. This down-home patient service continues no matter the provider or service you are receiving during your time at Patterson Health Center. Rural is in their roots, and in their heart.

True to his rural roots, area native **NEAL PATTERSON**, the late co-founder of Cerner Corporation, made his dream a reality after challenging the Anthony and Harper critical access hospitals to come together. True to his word, Patterson and the Patterson Family Foundation donated more than \$35 million to help fund the project. Patterson's family owns a large farming operation 20 miles south of Anthony and near the Oklahoma border, where Patterson would travel home for harvest.

The Patterson Health Center serves as a major local employer with a staff of 165. It also serves



The bright entrance to the Patterson Health Center located in Anthony is welcoming.



Here's a peek inside one of the 16 inpatient hospital rooms at Patterson Health Center.



Patterson Health Center — a state-of-the-art, 62,500 square-foot-facility — includes a rural health clinic, full imaging lab, emergency department, rehab facility, hydrotherapy pool and 16 in-patient beds.



Many organizations have begun utilizing the hospital's café. It's quickly becoming a favorite of both staff and the surrounding communities.

as a training ground for the neighboring Chaparral Jr./Sr. High School. The hospital provides faculty and an environment to train students for the school's Certified Nurse Assistant program. Students walk over on the connecting sidewalk to be immersed in a real-life workplace setting. Patterson Health Center hopes to partner with the school to offer more on-the-job training such as culinary and/or facilities management programs.

Although they just opened months ago, Pat Patton, CEO of Patterson Health Center, is focused on the future. When asked about future growth, Patton mentions several new services including expansion of telemedicine and telehealth.

Thriving on change, Patton is excited about building the program and focusing on developing a culture of flexibility and adaptability in the ever-changing healthcare environment. He sees the rewards of this culture in staff who are flexible and adapt on-the-fly to advances in healthcare and technology, while never losing sight of listening and tending to their patients' needs.

Patton sees the Patterson Health Center as a hub for the area and is proud to provide unique opportunities for local residents to see specialists without traveling, remaining true to their mission of providing access.

Currently, the hospital has seven doctors who travel onsite to provide specialty clinics with services such as general surgery, OBGYN, oncology, urology and cardiology. They hope to expand these services based on community needs. To help recruit doctors and specialty providers, the hospital built an on-call house with three suites. On-call personnel are welcome to stay on-campus.

Patton said ever-shrinking resources and reimbursements from Medicare are the challenges most critical-access/rural-healthcare facilities are fighting. He also noted that

losing patients to big cities (that are competing for patients themselves) is a challenge. Patton and the Patterson Health Center team want patients as close to home as possible, for their health and the sake of their family, by reducing travel and lodging burdens when patients can receive the same services at home. Other challenges include staffing of lab and radiology technicians and nurses, a similar issue for many other healthcare providers.

Patton said that what makes the center unique is its volunteer board of directors, describing the board as "uniquely experienced, incredibly wise and having strong leadership."

He noted small communities need great community members who rise to the occasion with their leadership and are able to pull off projects such as the Patterson Health Center. He emphasizes the board was the key to making it all happen for the communities of Harper and Anthony.

Board members include Martha Hadsall (chairman), Kimberly Schrant (vice-chairman), Lee Cox (treasurer), Linda Dills (secretary), Dennis Roberts, Alan Patterson and Pam Fallis.

The Patterson Health Center will continue to face healthcare challenges, but with continued leadership from their staff, board and the communities they serve, they hope to survive and thrive for many years ahead in true rural fashion.

**PATTERSON HEALTH CENTER**

485 N. KS-2, Anthony, KS | 620-914-1200

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## Cold Weather Accommodation Begins Nov. 15

As of March 1, 2016, Wheatland Electric has adopted the following Cold Weather Accommodation policy for residential members. All delinquent accounts are subject to disconnection when temperatures exceed 35 degrees for a 48-hour period between Nov. 15 and March 15, unless a member requests a cold weather accommodation.

In order for a member to retain electric service when temperatures are above 35 degrees during the cold weather period, they

must comply with the following cold weather accommodation provisions:

- ▶ Inform Wheatland of their inability to pay their account in full;
- ▶ Pay half of each current bill during the cold weather period;
- ▶ Have a zero balance due at the start of the cold weather period;
- ▶ Apply for federal, state or local funds for which the member may be eligible;
- ▶ Agree to a payment plan at the conclusion

of the cold weather period; and

- ▶ Complete and sign a Cold Weather Accommodation agreement at any Wheatland district office.

Members who do not adhere to the Cold Weather Accommodation rules are not eligible for payment arrangements at the conclusion of the cold weather period. The entire outstanding balance, re-connection fees and increased deposit, if applicable, is due and payable prior to re-connection if service is disconnected.

## Cost of Service Study Helps Create Fair, Balanced Rates

### What is a “revenue neutral” rate change?

In the October *Kansas Country Living* magazine, Wheatland Electric Cooperative announced the hiring of consultant C.H. Guernsey to prepare a study that examines the cooperative’s cost of providing electric service. This cost of service study determines the revenue needed to cover Wheatland’s operating expenses, debt obligations, and examines the fairness of the rates among various consumer classes. This new rate design is intended to be “revenue neutral,” which means overall Wheatland’s revenues should not increase, but certain components of your bill will change to make sure your usage is more equally priced.

As members of Wheatland, it is important to understand this rate change and how it affects both the cooperative and your energy bills.

The primary focus of the rate adjustment is to ensure costs are passed through appropriate billing components. For example, with residential rates, there are two main billing components: the kilowatt-hour charge and service availability charge. The service availability charge is for everything needed to make electricity available to you, such as poles, lines, transformers and substations. The current rates do not adequately recover all these fixed costs through the service availability charge. As a result, a portion of these costs are recovered through the kilowatt-hour charge. This causes members who use more electricity to pay a larger share of the service availability costs than those who use less.

By correcting the cost-share and shifting costs into the service availability charge, Wheatland is able to reduce its kilowatt-hour charge, resulting in little or no change for the average member. So, while one component may increase, the other may decrease.

### What is driving the need to make this adjustment?

Wheatland wants our rates and fees to be balanced and fair. Currently, our kilowatt-hour charge includes the recovery of **BOTH** the cost of energy and some of our service availability costs. This issue is not unique to Wheatland as many electric utilities are reviewing the relationship between service availability charges and kilowatt-hour charges.

### Why is this important for Wheatland?

The current service availability charge only recovers part of the fixed

costs with the balance being collected through the kilowatt-hour charge. As energy costs fluctuate due to weather or changes in the economy, so do kilowatt-hour revenues. During periods of reduced energy use, we under-recover our fixed costs. This makes financial management of the cooperative increasingly difficult.

### Are we trying to increase profits with this change?

No. The proposed adjustments are for balancing and correcting how we recover cost, and are designed to be “**REVENUE-NEUTRAL.**” Wheatland is a member-owned not-for-profit cooperative. This change is simply to ensure costs are recovered through the appropriate rate charges.

In addition, as part of the cost of service study, Wheatland is analyzing several tariff changes. These items include:

- ▶ Simplifying and modernizing lighting rates to include LED lights.
- ▶ Redesign the Time-of-Day rate.
- ▶ Implementing a standardized primary facility charge rider.
- ▶ Redesign the process of collecting the property tax adjustment (PTA).
- ▶ Redesign the process of collecting the power cost adjustment (PCA).
- ▶ Simplify the irrigation tariff language

As Wheatland finalizes the cost of service process, calculates and completes the proposed new rate adjustments, more information will be shared in *Kansas Country Living* magazine. When the Wheatland Electric Board of Trustees considers action on the proposed cost of service study, an official meeting notice will be sent to the membership in an upcoming edition of *Kansas Country Living* magazine.

### How much will my bill change?

Based on your rate classification and energy consumption, the impact may vary, but for most members, there should not be a significant change in their bill.

### Will changes be proposed for any other rate classification?

Yes, all rate classifications will have revisions, which will reflect the proposed rate changes. All proposed rate adjustments will be posted to our website as soon as available.

## What is a Cost of Service Study?

Continued from page 16A ▶

many of the questions you might have.

Wheatland Electric will continue to update you with information in *Kansas Country Living* magazine as we finalize the cost of service study process and calculate and complete the proposed new rate adjustments. An official meeting notice regarding when the Wheatland Board of Trustees will consider action on the proposed rate adjustments will be sent to the membership in one of the upcoming editions of the *Kansas Country Living* magazine.

I want to remind everyone next month (December), Wheatland Electric will be conducting our **CAPITAL CREDIT HARVEST DAY ON DEC. 19 AT ALL WHEATLAND OFFICE LOCATIONS.** More details will be provided in next month’s magazine.

**Until next time, take care.**



### Happy Thanksgiving

Our offices will be closed Thursday, Nov. 28, and Friday, Nov. 29, in observance of the holiday. Happy Thanksgiving!



## HOW CAPITAL CREDITS WORK

Capital credits are a big part of Wheatland Electric’s business model and are just one of the things that makes the cooperative different than many other utilities. Watch for Capital Credit Harvest Days in December!

 <p>When a person establishes service with us, they become a member and are eligible for capital credits.</p>	 <p>Capital credits represent a member’s share of the co-op’s margins during the time they have membership.</p>	 <p>Capital credits are earned by every member based on the amount of their electric use.</p>
 <p>At the end of the fiscal year, any funds (margins) remaining after expenses have been paid are allocated to the member’s account.</p>	 <p>The allocated funds are used as operating capital for system improvements and maintenance.</p>	 <p>Every year in March, the board evaluates the financial condition of the co-op to determine if we can retire capital credits.</p>
 <p>When the board decides to retire capital credits, we calculate the amount owed to each member.</p>	 <p>Current members who received electricity during the time period being retired will receive a percentage of capital credits retirements via a bill credit or check.</p>	 <p>Former members who received electricity during the time period being retired will be mailed a check if it is more than \$20.</p>
<h3>ALLOCATION</h3> <p>An allocation is made annually for each member, based on the amount of electricity purchased. An allocation is the member’s share of the net margins. The co-op sets this money aside to be used as operating capital for improvements and maintenance over a period of years.</p>		<h3>RETIREMENT</h3> <p>A retirement is the amount a member receives as a refund. It is a portion of the total allocation. When capital is no longer needed for operating expenses, it is retired. The amount paid is decided annually by the board of trustees on the financial needs of the co-op.</p>

Attention High School Juniors — Apply for these Amazing Trips!

# YOUTH PROGRAMS

# BUILD

LEADERSHIP, COMMUNITY, MEMORIES

## Scan these Codes to Get More Information

Electric Cooperative Youth Tour



Download a free scanning app in the Apple App Store or Google Play.

Cooperative Youth Leadership Camp



During the Electric Cooperative Youth Tour, students learn about cooperatives and then travel to Washington, D.C., to meet with our elected officials. Next year's tour will be June 18-25, 2020.



Each year, Wheatland Electric offers free trips to four youth from our membership. If you are a high school junior whose parents/guardians are Wheatland members, contact your school guidance counselor for a chance to win a trip to Washington, D.C., or Steamboat Springs, Colorado.

### Tour Our Nation's Capital

Imagine — a chance to visit our nation's capital for one week, meet with more than 1,800 students from across the U.S. and visit with Kansas' senators and congressional representatives. The best part? It won't cost you a penny.

Wheatland will choose two winners to go to the Electric Cooperative Youth Tour in Washington, D.C., from June 18-25, 2020.

The weeklong trip to Washington, D.C., is jam-packed with sightseeing. Students will visit many of the major historical sites, including the Lincoln Memorial, the Jefferson Memorial and Mount Vernon.

While in Washington, D.C., students will meet with state and national legislators and nationally recognized speakers to talk about current topics important to our rural communities. Many past



Each year, four states send students to Cooperative Youth Leadership Camp in Steamboat Springs, Colorado. Next year's camp is scheduled for July 10-16, 2020.

participants were so inspired by this experience that they later served as interns on Capitol Hill, and many have pursued a career in politics.

To see what's in store, visit <http://bit.ly/deytvideo>

### Adventure in the Rockies

Two winners will also be chosen to attend Cooperative Youth Leadership Camp in Steamboat Springs, Colorado, July 10-16, 2020.

Rafting, hiking and building memories — it's not just another trip! Campers will stay at the scenic Glen Eden Resort in the beautiful Rocky Mountains. At camp, you will join winners from other co-ops in Kansas, Colorado, Oklahoma and Wyoming to build valuable leadership skills, while forming lasting friendships.

So pack your sunscreen and hiking shoes, and get ready to build memories that will last a lifetime. Learn more at <http://bit.ly/cylcvideo>.

The Electric Cooperative Youth Tour and Cooperative Youth Leadership Camp are much more than sightseeing and adventures. Students spend every waking minute together for a solid week, and it's not uncommon for lasting friendships to form. In fact, many of

Kansas' past participants ended up being college roommates, professional colleagues and lifelong friends. Most importantly, these youth programs inspire many students to discover who they want to be.

### How to Apply

To apply, interested students should contact their school guidance counselor. If chosen by their school, students take an open-book quiz, write a short essay and interview before a panel of three judges comprised of the cooperative's Board of Trustees. The quiz and interviews will be conducted in Scott City at the Wheatland Electric office.

Wheatland is dedicated to improving the futures of students in our community because we know they are next in line to lead the way.

For more information or to apply, contact your guidance counselor at one of these participating high schools: Argonia, Caldwell, Chaparral, Conway Springs, Deerfield, Great Bend, Greeley County, Holcomb, Norwich, Scott Community, South Haven, Syracuse or Wichita County. Children of Wheatland employees are not eligible to apply. **ALL APPLICATIONS ARE DUE JAN. 10, 2020.**

## Wheatland Offers 14 Scholarships

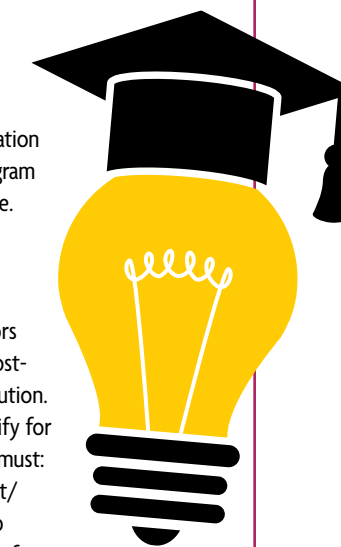
Applications for Wheatland Electric's Empowering the Next Generation Scholarship Program are now available. Wheatland will award 14 \$1,000 scholarships to graduating seniors going on to a post-secondary institution. Those who qualify for the scholarship must:

- ▶ Have a parent/guardian who is a member of Wheatland Electric.
- ▶ Attend one of the 13 high schools in Wheatland's service territory or are home-schooled.
- ▶ One at-large scholarship is available to students that have a parent/guardian who is a member of Wheatland Electric, but does not attend one of the 13 high schools in Wheatland's service territory.
- ▶ Attend an accredited college or a technical or vocational school.
- ▶ Children of Wheatland employees are not eligible to apply.

Seniors who meet the qualifications will need to complete the application found at [www.weci.net/scholarship-program](http://www.weci.net/scholarship-program) **BY JAN. 10, 2020.**

A committee will then choose the winning applicant from each school, and the scholarships will be awarded at the Annual Meeting in April 2020.

**Application deadline is Jan. 10, 2020**



# 6th Year of Cram the Van Comes to an End



Crowds gather at the Longhorn Festival in Holcomb for an evening of fun. In exchange for cash or can donation, Wheatland served hotdogs and hamburgers.



Leoti members show their support for Cram the Van.

The 2019 Cram the Van season ended on Oct. 26 at the Fall Finale hosted at the Spencer Flight & Education Center in Scott City.

Over the last two months, the van made 13 stops throughout Wheatland's service territory collecting non-perishable food items along the way for local food banks before their busy holiday season.

Last year, Cram the Van collected 22,382 pounds of non-perishable food items. This year, our goal was to collect a total of 25,000 pounds of donations for local food banks.

We added three new events to this year's campaign: the Women's Expo at the Great Bend Events Center, the Greeley County Schools in Tribune joined our school competitions, and our first

Co-ops Care Charity Golf Tournament, which raised nearly \$3,500 for Finney County food banks.

Even after six years of Cram the Van, it is always amazing to see the response we get from our members. Wherever we go in our service territory, people are always generous with donations and excited to help others in their communities.

The seventh cooperative principle is concern for the community, and at

Wheatland Electric we are grateful to be able to make a difference in the communities we serve, and thankful for our members who show up to help other members in need.

We are still in the process of weighing and sorting the donations. To find out if we met our 2019 goal and the results of all our school competitions, check out December's issue of *Kansas Country Living*. Thank you for helping Wheatland Cram the Van!



Wheatland Electric employees serve meals, with a side of smiles, at the Longhorn Festival in Holcomb.

