

WHEATLAND
ELECTRIC COOPERATIVE

NEWS



Wheatland Electric Co-op Inc.

Board of Trustees

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Trustee

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Trustee

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District Offices

Garden City — 620-275-0261

2005 W. Fulton, P.O. Box 973
Garden City, KS 67846

Great Bend — 620-793-4223

2300 Broadway, P.O. Box 1446
Great Bend, KS 67530

Harper — 620-896-7090

906 Central, P.O. Box 247
Harper, KS 67058

Leoti — 620-375-2632

N. Hwy. 25, P.O. Box 966
Leoti, KS 67861

Scott City-Main — 620-872-5885

101 Main St., P.O. Box 230
Scott City, KS 67871

Syracuse — 620-384-5171

206 1/2 N. Main
P.O. Box 1010
Syracuse, KS 67878

Tribune — 620-376-4231

310 Broadway
P.O. Box 490
Tribune, KS 67879

FROM THE MANAGER

It's Annual Meeting Time

I'd like to cordially invite you to **WHEATLAND ELECTRIC COOPERATIVE, INC.'S 73RD ANNUAL MEETING ON APRIL 14, 2021**, at the Great Bend Events Center, 3111 10th Street in Great Bend. We look forward to visiting with you, the membership, and enjoying good fellowship. We also will take the opportunity to show you what Wheatland has accomplished in the past year and plans for the upcoming year and beyond.

Wheatland will announce and present 14 winners with \$1,000 scholarships through our scholarship program. The scholarship recipients are the children of Wheatland Electric members.

We usually announce the two winners of the Electric Cooperative Youth Tour to Washington, D.C., and the two winners of the Cooperative Youth Leadership Camp in Steamboat Springs, Colorado. Due to the ongoing pandemic, Youth Tour and Leadership Camp were canceled again. Instead the

Wheatland Electric Cooperative Board of Trustees chose two outstanding juniors to represent Wheatland at the virtual Kansas Electric Youth (KEY) Leadership Conference. Upon completion of the conference, they will also receive a \$1,000 scholarship from Wheatland Electric.



Bruce W. Mueller

The annual meeting is the opportunity for you to exercise one of the greatest benefits of being a member of Wheatland Electric, by voting for the upcoming board of trustees.

Wheatland Electric is not owned by faraway investors. It's run by a democratically elected board of trustees, a board given the privilege to serve because of your vote. Our trustees are members of your community. They are concerned with the issues you face every day because they face them too.

Continued on page 16H ▶

SAFETY

Tip of the Month

Back pain is one of the most common complaints in the ER. Back injuries can occur with lifting, bending, and twisting that is performed improperly. Whether you're organizing the garage or cleaning closets, practice good lifting techniques. Use proper posture by lifting with your legs, not your back.

FEBRUARY'S WINTER WEATHER EVENT

Your Questions Answered

A polar vortex across the country caused historically low temperatures and ice and snow to grip much of the nation during the Winter Weather Event, Feb. 13-18, 2021, stressing both electric generating capacity and the ability of the transmission grid to move power from state to state and region to region.

During this winter weather event, the Southwest Power Pool (SPP), which acts as the regional transmission operator and balancing authority over 14 states across the Midwest, declared multiple emergency situations. Many electric cooperatives, including ours, were forced to institute rolling outages due to the inability of electric generation supply to meet demand.

Due to the unprecedented nature of this incident – unparalleled demand coupled with extremely high wholesale power costs – many of our members, including you, had a lot of questions about what happened and why. We're here to answer those questions, share facts, and dispel myths.

Q Why are bills higher because of the February winter weather event?

A There are at least two factors. The extremely cold temperatures during February's historic cold spell caused members to use more electricity than they would during a normal February. This, in combination with the record-high costs of natural gas, caused members to see higher-than-normal bills starting in March, which reflects February usage.

Q Can you elaborate in more detail why bills are higher?

A There are two components to your bill: the price per kilowatt-hour, which is the unit of measurement for electricity, and how much electricity you use. The price for electricity is set in Wheatland's tariffs, but the amount of electricity that you use varies with each monthly bill.

The Power Cost Adjustment (PCA) is a rate mechanism electric utilities use to recover fluctuating purchased wholesale power costs. For several months, the PCA on your electric bill has been a negative number due to the low price of natural gas. However, February's winter weather event required utilities to purchase natural gas at record-high costs, and these prices are reflected in the PCA charge on your bill starting in March.

Q If I did everything I was asked to do to conserve energy, and my usage went down, will my March bill still be higher?

A More than likely yes. Your bill may still be higher than this time last year because not only were temperatures much colder, but the price of natural gas was significantly higher, impacting the PCA factor of your bill.

Your conservation efforts helped to keep your bill lower than if you had not conserved during the winter event and we thank you for your efforts.

Q Why aren't cooperatives absorbing the extra costs?

A Cooperatives like ours set electric rates to recover only those costs for providing electric service and to support the financial strength required to operate an electric utility. As an electric cooperative, we don't hold sufficient cash reserve funds to cover the costs associated with the winter weather event.

The cooperative business model benefits members in several ways, including lower electric rates and capital credits. Members also benefit since no portion of their electric bill supports investor dividends or company stock prices.

Q What has Wheatland Electric done to mitigate the higher costs associated with the winter weather event?

A The Wheatland Electric Cooperative Board of Trustees voted Feb. 23, 2021, to allow any additional costs from the winter weather event to be spread out evenly over a 12-month period, starting with members' March 2021 bill.

Q Can a member pay the additional costs associated with the winter weather event upfront?

A Yes, members can contact their local Wheatland Electric office and speak with a consumer services representative to pay any additional charges related to the winter weather event.

Q Did Holcomb Station, Sunflower Electric Power Corporation's coal unit in southwest Kansas, run and help during February's winter weather event?

A Yes, the entire unit ran at full capacity during the entire winter weather event. Being able to use this as a source of energy saved us approximately 20 cents per kWh, saving the average residential member approximately \$200. Without Holcomb Station, the cost impact to Wheatland and

our wholesale energy provider, Sunflower Electric, would have been much higher.

Q Is it an advantage or disadvantage to have Sunflower Electric as a member of the Southwest Power Pool (SPP)?

A Every day, around the clock, the SPP oversees, manages and balances the dispatch of the energy across its 14-state region. Via its integrated marketplace, the SPP dispatches generation based on economics and reliability. Since its inception in 2014, the integrated marketplace has proved beneficial for SPP's members, including Sunflower Electric, our generation and transmission provider. The fact

that we can flip a switch and have access to affordable electricity most of the time underscores the resilience of the U.S. electric grid.

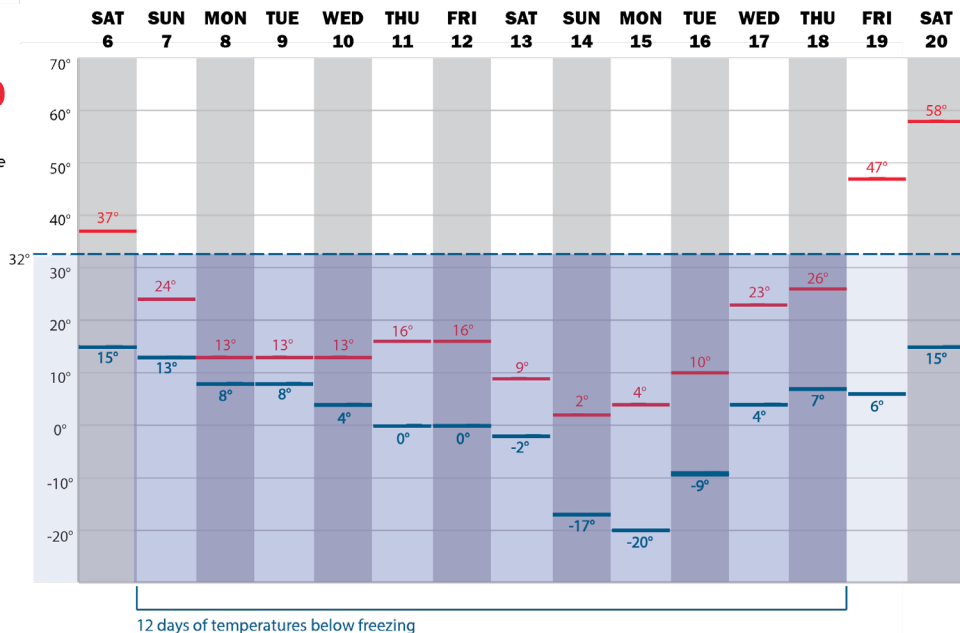
Q Why were natural gas prices so high during the winter weather event?

A Utility systems (gas and electric) are designed, built and operated to support a range of demands in a cost-effective manner. These estimated demand ranges include predicted peak demands. Infrequently, events occur beyond predicted peaks. February's extreme cold weather event is an example. Natural gas demand exceeded predicted peaks

Continued on page 16H ►



**2021 FEBRUARY TEMPERATURES
Scott City, KS**



The Temperature Gap

The difference between the outside temperature and your home's inside thermostat temperature are illustrated below. The larger the gap, the higher the demand for energy, resulting in much higher usage. The chart below illustrates the difference Wheatland Members in Scott City had to overcome during the recent winter weather event.

		SAT 6	SUN 7	MON 8	TUE 9	WED 10	THU 11	FRI 12	SAT 13	SUN 14	MON 15	TUE 16	WED 17	THU 18	FRI 19	SAT 20
More Demand Thermostat set at 70°	Day	33°	46°	57°	57°	57°	54°	54°	61°	68°	66°	60°	47°	44°	23°	12°
	Night	55°	57°	62°	62°	66°	70°	70°	72°	87°	90°	79°	66°	63°	64°	55°
Less Demand Thermostat set at 60°	Day	23°	36°	47°	47°	47°	44°	44°	54°	58°	56°	50°	37°	34°	13°	2°
	Night	45°	47°	52°	52°	56°	60°	60°	62°	77°	80°	69°	56°	53°	54°	45°

A higher thermostat setting during this period will have created greater demand on an HVAC system, requiring more energy usage to overcome the temperature gap.

INTERESTING FACT

The daytime temperature gap on Sunday, February 14, would be the equivalent to a 138° summer day if your thermostat was set to 70°.

OFFICIAL NOTICE OF

Annual Meeting for Wheatland Members

The 73rd Annual Meeting of the members of Wheatland Electric Cooperative, Inc. will be held Wednesday, April 14, 2021, at the Great Bend Events Center, 3111 10th Street in Great Bend, Kansas.

Registration opens at 11 a.m. CDT, and lunch will be served at 11:30 a.m. CDT. The business meeting will convene at noon. The following matters will be addressed:

- ▶ Reports of officers, trustees, committees and employees
- ▶ Election of trustees of the cooperative
- ▶ Any other business which may come before the meeting
- ▶ Adjournment

The 2021 nominating committee consisted of the following members:

- | | |
|--|---|
| ▶ District 1
ED CUPP | ▶ District 5
JASON DOUGHERTY |
| ▶ District 2
MILAN REIMER | ▶ District 6
MATT HOISINGTON |
| ▶ District 3
DALE WETZEL | ▶ District 7
KIM MILLER |
| ▶ District 4
PAT RILEY | |

The following trustees have been nominated by the nominating committee for the position of trustee:

- ▶ **District 3**
MIKE THON, 1613 Rd. 14, Tribune, KS
- ▶ **District 6**
DAN BONINE, 3901 19th St., Great Bend, KS
- ▶ **District 7**
MARK ARNOLD, 203 S. Market St., Caldwell, KS

Additional nominations may be made from the floor during the meeting.



Meet Your 2021

District 3



MIKE THON was first elected to Wheatland's board of trustees in 2017. As a local business owner — Mike has been the owner and president of Ron's Oil Co. Inc. since 1991 — and a lifelong resident, Mike wants to serve his community in multiple ways. Other long-standing positions he's held include the Greeley County Board of Education for 12 years and the board of supervisors for the Greeley County Commission for 16 years.

While on the Wheatland board, Mike has gained knowledge about how a cooperative operates, and why specifically a cooperative like Wheatland Electric does the things they do. With this knowledge, through experience on the board and courses provided by the National Rural Electric Cooperative Association, Mike has become better equipped to understand and respond to events and changes when they take place within the cooperative environment.

As a member of the board, Mike enjoys meeting and getting to know people from other parts of central and southwest Kansas and learning about their experiences — not just with Wheatland Electric, but through life in general.

Mike is proud to represent his district and his community. He understands that while all cooperatives struggle at times, he believes Wheatland Electric certainly has its members in mind with every action they take. Mike appreciates being a part of those decisions and wants to ensure that sentiment continues going forward.

Mike has two children and enjoys supporting them, attending sporting events, traveling, and woodworking in his spare time.

These members have been nominated by the nominating committee for the position of Wheatland Electric Cooperative Trustee.

Board of Trustee Candidates

District 6

DAN BONINE has been on the board of trustees since Great Bend first became a part of Wheatland Electric in 2007. As a resident of Great Bend since 1976, Dan spent more than four decades in the banking industry. He received his bachelors and masters degrees from Kansas State University, and later graduated from the Graduate School of Banking at the University of Wisconsin. In 1977, Dan was named the President and CEO of American State Bank and Trust Co., then First Kansas Bank, and held that role until his retirement in 2007 when he began consulting.



Along with his nearly 14 years of service to the Wheatland board, Dan served on the Kansas Electric Cooperatives, Inc. board for several years, recently retiring from that position in 2020. He also simultaneously served as an alternate board member with Sunflower Electric for eight years. This role provided Dan with a better understanding of the connection between Wheatland and our power supplier.

Through the National Rural Electric Cooperative Association (NRECA), Dan achieved Director Gold Credential, which means he has completed the educational steps of an advanced cooperative director. He also recently completed the course "Governance Challenges of the Evolving Distribution Co-op," which provided Dan insight and advanced perspectives into the importance of making sound decisions and how the board's responsibilities can be detailed into policies, processes and guidelines.

From completing various courses at NRECA, to his many years of experience learning about Wheatland partnerships and other co-ops in Kansas, Dan believes he has much to contribute to the Wheatland board. "I think we have excellent management at Wheatland, and an excellent board. It's fun to be a part of something that you're proud of," says Dan.

Dan is a current and former member of many other community, financial, civic and youth organizations. In 2016, Dan was named "Outstanding Citizen of the Year" by the Great Bend Chamber of Commerce, and has received numerous other awards and honors tied to his community roles.

He and his wife, Jannette, have three children and four grandchildren, whom Dan enjoys traveling to see whenever possible. He feels blessed by all the people who have guided him throughout his life and continues to enjoy the simpler things life has to offer, such as yard work, reading, exercise and bible study.

District 7

MARK ARNOLD, CEO of the Stock Exchange Bank in Caldwell, is seeking a second, three-year term to the Wheatland Electric board of trustees this April.



Mark, who has represented District 7 since he was first appointed to fill a vacancy in October 2016, said he is honored to serve as a cooperative leader.

"I was raised on cooperative lines, and I believe in the cooperative way. That investment we put back into the rural communities is what I appreciate most. And it's what I want to continue, giving rural residents the same opportunities that people have in more metropolitan settings."

Mark grew up in north-central Oklahoma, graduated from Oklahoma State University and has been a resident of District 7 since 2004. As board treasurer, he brings a wealth of experiences to his role. In addition to having served as mayor of Caldwell for more than 12 years, he has also served on the Member-Braman (Oklahoma) school board, the Kay County Cattleman's Association, and currently represents Wheatland Electric on the Kansas Electric Cooperatives, Inc. board. Mark also served previously as a trustee through Kay Electric Cooperative in Blackwell, Oklahoma, for five years.

During his time as a trustee, Mark has obtained his Board Leadership Certificate through the National Rural Electric Cooperative Association, a director certificate program that is designed to help cooperative leaders understand their roles and responsibilities and stay up to date on key industry issues and trends. "The way Wheatland has transformed our infrastructure from what it was before, and the investment it's made in our people is why I'm proud to be associated with this cooperative. I think that investment is so important to rural communities and our rural way of life and making sure everyone has affordable and reliable electricity."

As a leader, Mark is cognizant of his role to represent Wheatland's entire service territory. He always keeps in mind what is "best for the entire cooperative, not just Caldwell."

"I try to keep that in the forefront of the decisions that I make, for our cooperative and for all our members, no matter where they're located," Mark says.

Arnold is married to his wife, Leslie, and is father to two daughters. For fun, he likes to hunt and fish, travel, attend sporting events, and play golf.

*Wheatland Electric
73rd Annual Meeting
Remote Locations
April, 14 2021*

11:00 AM CDT - REGISTRATION
11:30 AM CDT - LUNCH
12:00 PM CDT - MEETING BEGINS

DISTRICT 1 - SCOTT CITY
WHEATLAND BROADBAND OFFICE
416 MAIN STREET

DISTRICT 2 - LEOTI
WHEATLAND ELECTRIC WAREHOUSE
103 WEST F

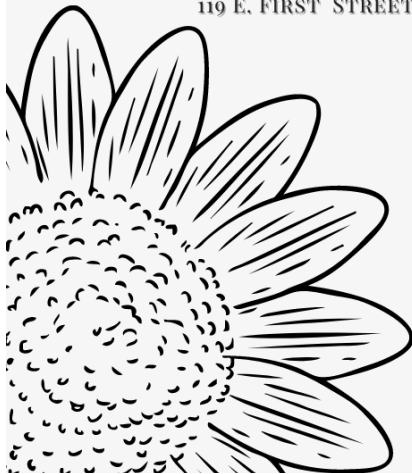
DISTRICT 3 - TRIBUNE
WHEATLAND ELECTRIC WAREHOUSE
310 BROADWAY AVE.

DISTRICT 4 - SYRACUSE
VFW BUILDING
609 N. MAIN STREET

DISTRICT 5 - GARDEN CITY
WHEATLAND ELECTRIC OFFICE
2005 W. FULTON

DISTRICT 7 - HARPER
WHEATLAND ELECTRIC WAREHOUSE
302 W. 6TH STREET

DISTRICT 7 - CALDWELL
CALDWELL COMMUNITY BUILDING
119 E. FIRST STREET



2020 Financial Statements

Operating Statement

for year ended 12/31/2020 (Unaudited)

Revenues	
Electric Operating Revenue	87,944,952
Expenses	
Cost of Power	49,493,058
Operations & Maintenance	6,876,392
Administrative & General	7,725,532
Depreciation	9,923,051
Interest	6,827,652
Taxes	4,792,825
Other	37,242
Total Expenses	85,675,752
Operating Margins	2,269,200
Non-Operating Items	
Interest Income	494,381
Loss from Subsidiaries (1)	(1,723,308)
Other Capital Credits	802,427
Margins Without Sunflower Capital Credits	1,842,700
Sunflower Capital Credits (2)	2,160,915
Total Margins	4,003,615

(1) Water and Broadband operations. (2) This amount is Wheatland's share of 2020 earnings of Sunflower Electric Power Corp. This allocation is not in cash and will be available to Wheatland's members at such time as it is paid out by Sunflower.

Balance Sheet

as of 12/31/2020 (Unaudited)

Assets	
Electric Plant	321,182,218
Non-Electric Assets	61,395,858
Less: Depreciation	(113,561,365)
Net Plant	269,016,711
Investments	93,082,290
Cash & Short-Term Investments	2,392,332
Receivables	8,892,889
Materials & Supplies	2,974,022
Prepayments & Other	425,173
Other Current Assets & Deferred	6,401,878
Total Assets	383,185,295
Liabilities	
Long-Term Debt	206,236,307
Payables	45,941,995
Other Liabilities	8,911,945
Total Liabilities	261,090,247
Equities	
Patronage Capital	121,938,633
Other Capital	156,415
Total Equities	122,095,048
Total Liabilities and Equity	383,185,295

Operating Statistics (Electric)	2016	2017	2018	2019	2020
Operating Revenue (Electric) (x 1000)	\$98,166	\$95,901	\$97,823	\$90,617	\$87,945
Energy Sales (kWh) (x 1000)	811,444	791,074	817,355	789,928	794,698
Average Revenue (\$/kWh)	\$0.1210	\$0.1212	\$0.1197	\$0.1147	\$0.1107
Cost of Power (x1000)	\$59,033	\$56,464	\$58,249	\$51,049	\$49,493
Total Purchases (kWh) (x 1000)	854,492	829,031	854,876	827,035	832,992
Average Cost of Power (\$/kWh)	\$0.0691	\$0.0681	\$0.0681	\$0.0617	\$0.0594
Other Operations & Maintenance (x 1000)	\$16,647	\$16,041	\$17,526	\$17,222	\$14,639
Total Operations & Maintenance (x 1000)	\$75,680	\$72,505	\$75,775	\$68,271	\$64,132
Gross Operating Margin (x 1000)	\$22,486	\$23,396	\$22,048	\$22,346	\$23,813
Gross Operating Margin (\$/kWh)	\$0.0277	\$0.0296	\$0.0270	\$0.0283	\$0.0300
Depreciation Expense (x 1000)	\$9,475	\$8,805	\$8,987	\$9,759	\$9,923
Property Taxes (x 1000)	\$2,956	\$3,470	\$3,416	\$3,767	\$3,819
Other Taxes (x 1000)	\$644	\$971	\$943	\$959	\$974
Interest Expense (x 1000)	\$6,040	\$6,708	\$7,315	\$7,752	\$6,828
Operating Margin (x 1000)	\$3,371	\$3,442	\$1,387	\$109	\$2,269

We Appreciate Our Lineworkers!

Garden City linemen perform routine maintenance on an existing transformer bank in rural Finney County to ensure the quality and safety for our members.

Our lineworkers are the heart of Wheatland Electric Cooperative! That's why on National Lineworker Appreciation Day – April 12, 2021 – we take the opportunity to thank these individuals for the work they do, often in hazardous conditions and away from their families.

The NRECA board voted in 2014 to adopt a resolution recognizing the second Monday of each April as National Lineworker Appreciation Day.

To spread awareness about lineworker safety, reinforce the dangers of playing around power lines, and engage our youngest members, we've shared interactive sticker sheets with second-grade students at every elementary school across our service territory.

These sticker activity sheets are also **AVAILABLE FOR PICK UP FOR ANY CHILD** at any local Wheatland office through the end of April, while supplies last.

Please help us share messages of appreciation with our lineworkers, by picking up your child's sticker sheet, along with a thank you note, and returning the handwritten note from your child to our offices by April 7. These messages may be shared on social media.

Whether they're restoring power after a major storm or repairing the critical infrastructure that powers our homes and businesses, our lineworkers are at the heart of everything we do. Help us #ThankALineworker on social media all month long!



These fun sticker sheets were provided to second graders in our service territory. They are also available for pick up at any of our Wheatland offices through the end of April, while supplies last.

It's Annual Meeting Time Continued from page 16A ▶

As mentioned in last month's article, on the same day as we are having the annual meeting in Great Bend, we will be having **CONCURRENT ANNUAL MEETINGS** in all the communities we have area office locations or service offices: Scott City, Leoti, Tribune, Syracuse, Finney County (Fulton St. office), Harper and Caldwell. The pandemic has caused us to relocate a few of the concurrent annual meeting locations so proper social distancing can occur. The annual meeting will be simulcast at each location listed below:

▶ **DISTRICT 1 – SCOTT CITY**

Wheatland Broadband
416 Main Street

▶ **DISTRICT 2 – LEOTI**

Wheatland Electric Warehouse
103 West F

▶ **DISTRICT 3 – TRIBUNE**

Wheatland Electric Warehouse
310 Broadway Ave.

▶ **DISTRICT 4 – SYRACUSE**

VFW Building
609 N. Main Street

▶ **DISTRICT 5 – GARDEN CITY**

Wheatland Electric Office
2005 W. Fulton

▶ **DISTRICT 7 – HARPER**

Wheatland Electric Warehouse
302 West 6th Street

▶ **DISTRICT 7 – CALDWELL**

Caldwell Community Building
119 E. First Street

Lunch will be provided at each location (concurrent annual meetings included) along with an attendance gift, and the chance to win great door prizes. Due to the continuation of the COVID-19 pandemic, we will again be taking a few extra steps this year to ensure the safety of our employees and members in attendance at each location.

- ▶ Social distancing will be practiced as applicable.
- ▶ WEC employees will direct members where to sit for the meeting.
- ▶ WEC employees will be wearing personal protective gear.
- ▶ WEC will require members in at-

As a Member in Attendance, You Can:

ATTEND

NOMINATE

VOTE

**WIN A DOOR PRIZE
(IF SELECTED)**

tendance to wear masks when they cannot practice proper distancing. I realize some of the steps above may seem a bit restrictive, but they are in place to make sure employees and members continue to stay healthy during and after the annual meeting.

We hope you make it a point to attend the Wheatland Electric Annual Meeting at any of the locations and exercise your right as a member of the cooperative and vote.

UNTIL NEXT TIME, TAKE CARE.

Your Questions Answered Continued from page 16C ▶

due to the record-setting cold, causing record heating demand combined with record fuel demands for electric power generation.

Q What action is Wheatland Electric taking to minimize our exposure should a winter storm like this hit our region again?

A Wheatland will continue to work with Sunflower Electric to look at additional ways to hedge spikes in fuel costs in the future.

Q Should members expect an impact on cooperative operations and expenses, and will this affect future capital credit retirements?

A We do not anticipate the recent winter weather event to affect future capital credit retirements or company expenses in 2021.

Q There are colder states than Kansas. Why didn't they have problems with freezing gas?

A Extreme high gas demand strained natural gas infrastructure across wide sections of the United States, including states colder than Kansas.

Q Are natural gas prices regulated? Why are they allowed to be so high?

A Gas markets include a sliding price scale to manage imbalance between supply and demand. During periods of low demand and high supply, prices decline. When demand exceeds supply, prices increase. In rare occasions, the imbalance can become extreme, and the associated price signal is equally extreme. To the best of our knowledge, record natural gas demands triggered extreme scarcity pricing to encourage the maximum

reduction in consumption during February's winter weather event.

Q Any good news for Wheatland Electric members?

A The good news is that we are far more protected from market conditions than other utilities across the state and nation. In addition, the spirit of our cooperative nature came through. Some of our members in agriculture and related industries voluntarily shut down operations during calls to conserve energy or used their own generation resources to operate. Our residential members came through too, conserving energy during Energy Emergency Alerts.

Without this cooperative spirit, the February weather event could have had more devastating consequences for both cost and infrastructure.