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A MEMBER CONVERSATION:

Understanding Demand and Energy

Joe and Patty Smith, parents to two children, David and Leslie, are memberowners of Western—just like you! On July 13, they used electricity in their home just like they always do. It just so happened that July 13 was the hottest day of the month. Fast forward to August when the Smith family receives a \$115.44 bill from Western for their electricity usage in July.

Patty has always been curious how her electric cooperative calculates the bills, so called Dennis Deines, manager of member services, at the co-op.

Patty: Hello, Dennis, this is Patty Smith calling.

Dennis: Hello Patty. It's great to hear from one of my favorite memberowners! How can I help you?

Patty: I just received my electric bill. I've always wanted to know how the amount of the bill is calculated and finally have time to call. Do you have time to explain it to me?

Dennis: Certainly, Patty. That's why we're here...happy to do so!

Dennis pulls up the Smith's account information for July 13 and begins to explain the electric bill to Patty as follows:

Dennis: On the 13th, I see that you used 35.770 kWh.

Patty: Dennis, can I just be honest with you? I have no clue what a kWh is.

Dennis: No problem, Patty. Let me explain. Every moment that electricity is flowing into your house, you are using kilowatts. The sum of those kilowatts over more than 1 hour are referred to as kilowatt-hours. The point at which the most electricity was used in any single hour is referred to as your peak demand usage. So on July 13, your energy usage was 35,770 watthours (35.770 kilowatt-hours) and your demand was 4,000 watts (4 kilowatts).

Patty: OK, but what is a watt?

Dennis: A watt is a measure of energy. For example, if you had two, 100-watt bulbs burning for an entire hour, those bulbs would demand 200 watts of electricity. If those two bulbs burned all day long, you would use 4,800 watt-hours (4.8 kilowatt-hours) that day.

Patty: I think I understand. But how did we use 35,770 watt-hours (35.770 kWh) on July 13?

Dennis: There are several reasons why that could be. Your refrigerator, air conditioner, stove, electronic devices and microwave, for example, demand watts every hour and accumulate watt-hours, as well. In fact, those appliances demand quite a bit more 'fuel' compared to running a light bulb. Does that make sense?

Patty: Sure. How could I use

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A Member Conversation: Understanding

almost 10 percent of my daily usage during that one hour of the day for the hour ending 5 p.m.?

Dennis: Good question. How does your daily routine differ from 4 to 5 p.m. compared to the rest of the day?

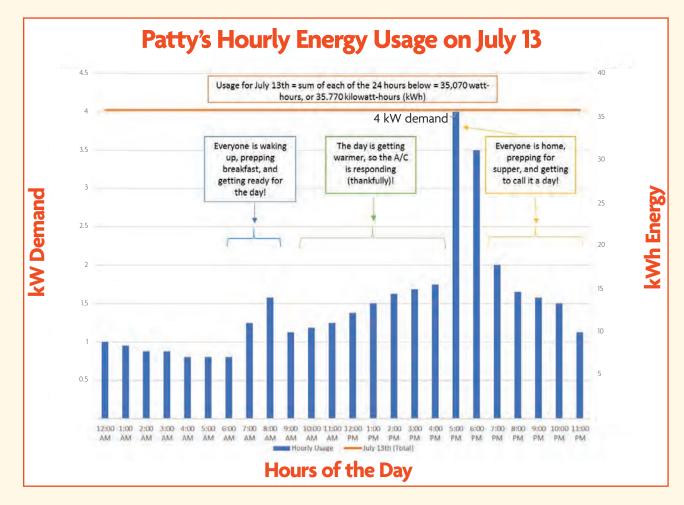
Patty: It was the hottest day of the summer so far, so Joe and the kids went to the pool that afternoon and got home around 4:30 pm. The kids took showers when they got home, and Leslie insists on blow drying her hair...don't ask me why anyone would do that in the middle of summer, but that's beside the point! We then started supper and tossed the towels and swimming suits into

the washing machine.

Dennis: That explains the peak demand from 4 to 5 p.m. Your household was demanding more energy during that hour than any other time on the 13th. This hour also falls in what we call peak hours, from 3 to 6 p.m. on weekdays from June 1 to Sept. 1. Peak hours are when our members are using the most energy, which is why we encourage our members to monitor their energy use during peak hours.

Patty: That makes sense, but I'm still curious about how the bill is calculated. Can you explain that to me?

Dennis: Let me give you a little background first. Western is a not-forprofit cooperative, owned by you, our member. That means we must generate revenue, but only enough to operate in an economically sound manner and cover the co-op's expenses. We purchase wholesale power from Sunflower Electric Power Corporation and Mid-Kansas Electric Company—our generation and transmission cooperatives-and deliver that electricity at cost to our members. Western only charges rates that are cost-based. In July, Western purchased 4 kW of demand (peak) from Sunflower at a cost of \$15 per kW, for a total of \$60—that was a monthly cost for the highest single hour of usage for the entire month. Does that make sense?



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Patty: Yes, I think so, but I don't understand what I'm paying for. Can you explain?

Dennis: Certainly, Patty. Sunflower has costs that it incurs whether you buy a single kW from them or not. For instance, they have power plants, substations and high voltage power lines that are ready to serve you at a moment's notice. The costs Sunflower incurs to have everything ready to create and move electricity from one place to the next, costs Sunflower an average of \$15 per kW in July. Sunflower has undergone an extensive study to calculate that cost.

On July 13, you used 35.77 kWh. Sunflower bought and created energy that costs about \$0.02 for every kWh in July. 35.77 at \$0.02 totals \$0.72 for that day. It looks like your total usage for July was approximately 1,109 kWh. 1,109 at \$0.02 totals \$22.18 for the month.

Lastly, we have Western's cost of about \$0.03 per kWh.

Patty: What is Western's cost that hasn't already been included in what we have discussed?

Dennis: The power that Western purchases from Sunflower travels across lower voltage power lines owned by Western. The cost to maintain those power lines, like labor costs, insurance, property taxes and fuel equals about \$0.03 per kWh. 1,109 kWh at \$0.03 totals \$33.26 for the month. As we have discussed, your member-owned electric cooperative can only charge rates that are costbased. Included in that rate is a small amount of margin.

Patty: Margin? But I thought my co-op was nonprofit?

Dennis: Correct; however, cost includes a small margin so that, in the event Mother Nature gets a little crabby, we have some cushion to make the necessary repairs. And unfortunately, not everything lasts as long as you and I would hope, so your member-elected board of trustees works with management to create a plan to replace and rebuild line to keep reliability as high and as consistent as possible. The small margins included in the rates helps your cooperative with the funding to make those replacements.

Patty: OK, I think I have it. So my total bill consists of \$60 + \$22.18 + \$33.26 totaling \$115.44. The \$60 is for Sunflower's fixed cost to be ready to create and move the electricity; the \$22.18 is for Sunflower's purchases or produce energy; and the \$33.26 is for Western's cost to maintain the system to keep my reliability as high as possible. Is that correct?

Dennis: Yes, Patty. I hope this was helpful. The more we are able to work together, the better we can offset future price increases.

Patty: Indeed. Is there anything I can do to help?

Dennis: Actually, there is! Many of the costs Western and Sunflower incur are the result of compliance with laws and regulations. Your engagement with your elected officials, both at the state and national levels, helps greatly. Keep your eye on articles and information published in Western's Kansas Country Living magazine and on our website and Facebook pages. We will post information about issues impacting your electric costs and topics we all need to share with our elected officials. Your call is just one good example of how Western's members are engaged. This is YOUR cooperative, after all!

Generating and distributing power can be a tricky and complicated business, but rest assured Western Cooperative Electric will always meet the necessary demand to provide safe, reliable and affordable electricity to your family.

Get to Know Your Western Cooperative Electric Staff Neil Malsam

IT Specialist

TELL US ABOUT YOUR FAMILY.

I have been married to my wife, Ingrid, for close to 11 years. We have three children: Savannah. 8: Garrett. 7: and Stella, 3.



15 months



Neil Malsam

WHERE ARE YOU FROM ORIGINALLY? WaKeeney

WHAT DO YOU LIKE TO DO IN YOUR **SPARE TIME?**

I like to do various activities with my family. Summertime means we spend lots of time at ball games and at the pool. I also like to golf when I get the chance.

WHAT ACCOMPLISHMENT ARE YOU **MOST PROUD OF?**

My kids, I am very proud of them.

WHAT HAS BEEN YOUR FAVORITE **VACATION?**

My wife and I's honeymoon in the Poconos Mountains. I really enjoyed the scenery.

WHAT IS YOUR FAVORITE MOVIE OR **BOOK AND WHY?**

The Star Wars movies. I enjoy the stories that are told as well as the setting.

WHAT IS SOMETHING PEOPLE DON'T **KNOW ABOUT YOU?**

After investing lots of time, I was able to beat Super Mario Bros. on Nintendo in just over 5 minutes. I was pretty excited about that. I can't do it any more though.

IF YOU COULD BE ANY ANIMAL. WHAT WOULD YOU BE AND WHY?

I would have to say a snake, it doesn't matter what kind. My wife is incredibly afraid of them so it would be fun to hide around the house or her car and scare her.

WHO HAS INSPIRED YOU IN YOUR LIFE AND WHY?

My son, Garrett. He was born with a heart condition that can be pretty serious. He is very aware of it and what it could do but he isn't scared of it. He had some issues with it last winter, but he handled it very well, and I find that impressive.

Cooperative Youth Visit Our Nation's Capital

KAYLA GARVERT and KINSEY GRIFFITH were selected by Western Cooperative to attend the 57th annual Electric Cooperative Youth Tour in Washington, D.C. From June 8 to 15, Garvert and Griffith joined more than 1,800 high school students nationwide to experience our nation's capital, government and history.

This year's delegation of 36 Kansas and four Hawaii youth began their trip with a banquet in Topeka, which featured Youth Tour alumni Rep. Kyle Hoffman, Rep. Steven Johnson, and Chief Counsel for Gov. Sam Brownback, Brant Laue. Following the banquet, Hoffman, Johnson and Laue led the Hawaii-Kansas delegates on a night tour of our state's capitol.

After bucket truck rides, safety demonstrations and a co-op career panel questionnaire at FreeState Electric, Topeka, the group embarked on its way to Washington, D.C.

This year, with the assistance of Senator Jerry Moran's staff, the students had the privilege of touring the White House.

"The students were thrilled to be able to take the self-guided tour of this beautiful historical site," said Shana Read, director of communications at Kansas Electric Cooperatives, Inc. "As the tour was also on Flag Day, each student was given a flag while on the tour, fostering a strong sense of patriotism."

The delegates also visited the many memorials; toured the Holocaust Memorial Museum, Smithsonian museums, Mount Vernon, and Arlington National Cemetery; attended a major league baseball game at Nationals Park, and watched the production of The Sound of Music at the John F. Kennedy Center for the Performing Arts.

Perhaps most memorable for the group was the ac-



The Kansas-Hawaii Youth Tour delegates visit the U.S. Capitol to meet with their state representatives.

cess the students had to government officials. Students met with Congresswoman Lynn Jenkins and Congressmen Ron Estes and Roger Marshall. Delegates also had the opportunity to speak with Senators Moran and Pat Roberts.

"During this trip, students learn first-hand the importance of being informed about the issues that impact rural America and being engaged in the political process, and it often opens the eyes of many students to future possibilities in leadership roles in our government, local communities and in our cooperative," said Darrin Lynch, general manager.

Each year, Western Cooperative Electric sponsors two students to attend the Electric Cooperative Youth Tour in Washington, D.C., as a strong commitment to our community and our mission to inspire future generations to become leaders. For more information, contact Christina Lowry, Youth Tour coordinator, at 800-456-6720.

Western Cooperative Electric's online account management portal, eBusiness (ebiz), now features alerts via text and email notifications.

This new capability allows you to receive the following alerts:

- ► Notification of a new billing;
- ► Approaching billing date;
- Posting of payment; and
- ▶ Notification that a bill is past due.

To sign up for the alerts, call the office at 800-456-6720 or log onto ebiz and click on the "Notifications and Alerts" tab.

Don't forget the other ebiz features

designed to help you make smart energy choices, including viewing your current billing, payment history, historical charts and graphs, and up-to-date daily electric usage readings provided by your meter.

You can also manage your account with ease with the ebiz online bill calculator and options to make account changes, choose payment options, or request service from Western.

To access ebiz, go to westerncoop.com. Click on the ebiz link and enter the requested information, including user name, password,

account number and phone. Another option is to use a mobile app that provides convenient access to each member's account. Search for the "Western Coop Mobile App" in the App Store or Google Play. After the app has downloaded, sign up for the service.

"The more information Western can make available to our members, the better," said Dennis Deines, Western's manager of member services. "Electric accounts can be viewed and managed to improve efficiencies and energy usage."