



NEWS

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FROM THE GENERAL MANAGER

What Rate Study Means



Tom Ruth

In the March edition of this publication, you may have read my article regarding Western's ongoing rate study. If the study recommends increasing

electric rates, those rates will not be implemented prior to 2020.

How Rates for Electric Service are Established

Revenue from the rates paid for electric service fund the operation of the electric cooperative. It is the responsibility of Western's board of trustees and management to examine rates periodically to be sure they are aligned to allow the cooperative to fulfill its obligations to the members and the cooperative's lenders.

Rate studies are complicated. In a sense, they are an attempt to predict the future, or at least predict the answers to a few questions. How much revenue will be required to fund the operation of the cooperative in the foreseeable future, and what is the best rate structure to collect that revenue? What external factors—such as state and federal policies and evolving technology—will affect the

cooperative's financial picture? What will the weather be like in the future? While we may never accurately predict future weather conditions, an attempt can be made to predict the other variables that affect rates.

The Rate Study Process

A rate study has several stages. First, existing data is used to determine the revenue required to operate the cooperative in the future. Next, a cost-of-service study is conducted to assign the costs of providing electric service to each rate class (e.g., commercial, industrial, residential) using traditional rate-making principles. Then rates are designed to meet costs, to recover the revenue equitably from each rate class, and to meet any other strategy or goals identified by the board in the rate study process.

While the revenue requirement study determines what the costs are, the cost-of-service study examines how and why the costs are incurred. Answering that question allows for the costs to be assigned appropriately to each rate class using traditional rate-making principles.

The expenses of the cooperative are examined in several different ways. For example, there are costs

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Birds on a Wire: Separating Fact from Fiction

While it is safe for a bird to sit on an overhead power line, it is not safe for people to be near overhead power lines. So how can birds sit on a power line unharmed? Western Cooperative Electric shares some insights into the “bird on a wire” phenomenon and separates fact from fiction.

In order for an electrical charge, or electrons, to move from one spot to another, it must be in contact (or sometimes close proximity) with conductive material that has at least two different points of potential. Electrons will move toward lower potential. That is why it is said that electricity is always looking for a path to ground (lower potential).

A bird remains safe because it is sitting on a single wire and is at one point of contact—and consequently one electrical potential. If the bird sitting at this one potential was to also make contact with another object of different potential, that bird would be completing a path to ground, causing severe electric shock or electrocution. For larger birds with wider wingspans, reaching and touching another cable is a real hazard.

Getting near overhead power lines is also a serious hazard for people. Electric utility line workers who work near overhead power lines must wear appropriate safety clothing, use tested safety equipment, and take training to be able to do the installation, maintenance, and repair work they do. It is vital that safety equipment is regularly tested as even non-conductive materials, such as rubber, wood, or plastic, can conduct

electricity if damp, dirty or damaged.

It is a myth that all power lines are insulated with a protective coating that prevents shocks. Most power lines are actually not insulated. The coating on lines is actually for weather proofing and will not offer any protection from the electrical current.

Western urges people to be aware of their surroundings and shares the following safety tips:

- ▶ Always look up and look out for overhead power lines.
- ▶ Keep yourself and any equipment at least 10 feet away from power lines.
- ▶ Remember that getting too close to a power line, even without touching it, is very dangerous
- ▶ Avoid working directly under power lines
- ▶ When working with tall equipment such as ladders, poles, or antennas, carry them in a horizontal position as to not risk making contact with overhead lines.
- ▶ Always assume that power lines, even if they have come down, carry an electrical charge.

To learn more about electrical safety, along with related topics contact Western for a safety demonstration at 785-743-5561 or e-mail western@westerncoop.com

Preparation and Heroes Keep us Safe

Being prepared for a severe storm and knowing what to do in its aftermath can mean the difference between survival and a tragedy.

Line workers are often called storm heroes or storm soldiers because they have the knowledge, training, and courage to head into the immediate aftermath of a severe storm to help others. They face numerous dangers as they restore power to communities by clearing any lines or equipment that pose a risk to public safety, reconnecting downed lines, and repairing damaged equipment.

The time it takes to restore power can vary widely depending on the extent of storm's destruction, the number of outages, and when it becomes safe for utility personnel to get to the damaged areas. Whether it is hours or days, it always pays to be prepared.

Be prepared by putting together an emergency kit. Some of the important items to include in it are: water bottles, non-perishable food, flashlights, extra

batteries, first-aid kit, and a portable weather radio. Another part of preparation is paying attention to weather forecasts for your area so when a storm hits, you can already be in a safe shelter.

If you are outside, head inside immediately to avoid being caught in a storm.

No place outside is safe when thunderstorms are in the area. Stay away from windows, go to the lowest level in your house, avoid corded electrical equipment, and have your emergency kit within easy reach.

Even after a storm passes, it can leave hazards in its wake. Stay far away from all downed lines and any objects they are touching. If you see a downed power line, call 911 to notify emergency personnel and your electric utility immediately.

Don't venture out on roads after a storm unless you have to. If your ve-



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hicle comes in contact with a downed power line, do not leave the car.

Downed power lines can still carry electricity, and while you are safe inside your vehicle, creating two points of contact by touching the surrounding ground could result in shock or electrocution. Wait for utility and emergency professionals to make sure the power line is de-energized before exiting the car.

Sow Seeds of Safety This Season

Planting season is a physically and mentally draining time for farmers, and in the rush to get seed in the ground, the focus on safety can fade to the background. Overhead power lines present a life-threatening risk for those working with large machinery. It is important to exercise caution and respect the power of electricity. Western Cooperative Electric encourages farmers to sow seeds of safety this season and take recommended safety precautions.

Before beginning work in a field, take time to note the location of power lines and equipment. Before getting out of the cab, look up and double check the area around your machinery to make sure it is not in contact with overhead lines. Always be aware of how close tractors, loaders, antennas, extended arms, and other equipment are to electrical lines. Remember to lower extensions to the lowest setting when moving loads. Even if using an auto-guidance system, stay focused on the location of the tractor and its equipment while in the field, and be ready to take action yourself if necessary. Do not simply rely on the estimations of a

GPS system, but also consider using a spotter to alert you if you come close to making contact. A spotter can see sagging wires that would not be visible on a GPS and provide additional verification on whether you can pass safely.

Your machinery does not have to touch electrical lines for electrocution to occur, so keep at least 10 feet of space between machinery and overhead lines. Assume that all lines are energized, and if you come across a downed pole or wire, never attempt to move it yourself. If your equipment does make contact with a power line, do not leave the cab. Immediately call 911 to have the electricity utility notified. Warn others to stay away, and wait for the utility crew to cut the power. Never try to disentangle equipment on your own.

The only reason to exit equipment that has come into contact with overhead lines is if the equipment is on fire, which is very rare. However, if this is the case, jump off the equipment with your feet together and without touching the ground and vehicle at the same time. Then, still keeping your feet together, hop to safety as you leave the area.

Mark Your Calendars

May 2019						
S	M	T	W	U	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

ANNUAL MEETING IS
Wednesday, May 8, 2019

Doors open at 11 a.m.,
Lunch at noon, Meeting 1 p.m.
635 S. 13th St. in WaKeeney
Prizes and ice cream

Prepaid Metering

Western will soon offer a prepaid metering option, which is a pay as you go billing option. Benefits include:

- ▶ No deposit
- ▶ No late fees
- ▶ No due date
- ▶ Optional payments and amounts
- ▶ Easy options to monitor usage

2019 Spring Resolution

Preparing for warmer weather with the first day of spring on March 20 could also include preparing to simplify your bill paying process with Western Cooperative Electric. Payment options include bank draft with checking/savings or recurring card (debit/credit).

Additional options include enrolling for e-business (ebiz) or going green by opting for paperless billing. With paperless billing, you may opt to receive text or email notifications to get your information.

Ebiz allows you to see your monthly bill, view daily electric usage, along with historical data, store a payment method and make payments. Using ebiz allows you to enroll in automatic payments.

If you need assistance contact us at 800-456-6720. There are no forms to complete so signing up is fast, friendly and convenient. Automatic payment guarantees on-time payments while maintaining an excellent payment history.

Selecting any one of these payment options makes you eligible for a monthly drawing for a \$25 voucher to a local business of your choice. Already signed up for these payment options? Your name will also be included in the drawings. **WESTERN'S APRIL WINNER IS STEVE BRANDYBERRY, HILL CITY.**

Get a fresh spring start by enrolling in an easy payment option. Enter today for a chance to win.



Register for eBiz

1. Go to www.westerncoop.com
2. On Western's homepage, click the link to eBiz
3. Enter the information requested

What Rate Study Means Continued from page 16A ►

associated with the generation and consumption of electric energy. There are also costs for the transmission of power from the power plants to our substations. Distributing the power to our members entails costs for poles, wire, trucks, office and warehouse facilities, substations, maintenance and repair of lines, repayment of loans and employee costs. These common costs are assigned and allocated to the appropriate classes.

Costs are also analyzed by function. Each month, your energy bill includes a customer charge. This charge covers the expenses related to the facilities directly connected to your property, such as wires, meters, transformers, accounting, member programs, and collections. The customer charge is identical for each member of a particular rate class, and the cost-of-service study will identify the appropriate customer charge for each rate class.

The remainder of the bill is typically represented by the energy charge, which varies based on energy usage, and the energy cost adjustment (ECA), which varies based on the monthly changes to the wholesale power costs. Allocating the rate base revenues and expenses to each of the rate classes, allows the cooperative to project the rate of return for each class. One goal of any rate change is to have an adequate rate of return for each of the rate classes at the cooperative.

You may question how rate classes differ from one another. Consumer-members are grouped together into rate classes based on common characteristics,

such as the cooperative's investment in facilities required to deliver electricity to a particular rate class; the consumer's end use (e.g., residential, commercial or industrial); and the amount of electricity used. These differences influence the costs of providing electric service and are examined as part of the cost-of-service study.

Finally, the study will examine how much margin the cooperative should generate from rates to meet lender requirements. The margin is the difference between the revenue received for providing electric service and the cost of providing electric service. Financial lenders require a certain amount of cushion (margin) to ensure the financial stability of the cooperative. Since these margins are funded through electric rates paid by our consumer-members, margins beyond what is necessary to keep Western operating well, both now and in the future, are allocated to our consumer-members in the form of capital credits.

Reviewing the Results

Several phases of the rate study have been completed, and once the entire rate study is finalized, Western's board of trustees will examine the results in detail. Your democratically elected board takes very seriously its responsibility to set well-designed rates because as members of Western, they are setting rates for both their neighbors and themselves.

Western is a cooperative, which means you are an owner of the cooperative and have a voice in decisions made by your elected trustees. If a rate increase is ultimately deemed necessary

WESTERN COOPERATIVE ELECTRIC
A Tristate Energy Cooperative

2019 RATE STUDY

What will a rate study tell us?

Existing data is used to determine how much revenue is required to operate the cooperative in the future.

Next, a **cost-of-service study** examines how and why the costs are incurred in each rate class (e.g., commercial, industrial, residential).

There are costs associated with energy generation, consumption, and transmission of power from the power plants to our substations. Distributing the power to our members entails costs for poles, wire, trucks, office and warehouse facilities, substations, maintenance and repair of lines, repayment of loans, and employee costs.

Once the study is fully analyzed, **electric rates will be redesigned**, if necessary, to meet costs and recover revenue from each rate class.

Find us on **facebook**

As always, if you have questions, give us a call: 785-743-5561 or visit westerncoop.com

in 2020, prior to any board decision on rates, you will be invited to attend public meetings during which you can learn more about the proposed rate change, ask questions, and talk Western's trustees. For continued information on the 2019 rate study, please visit our website at westerncoop.com.

As always, if you ever have questions or concerns, please contact me by phone at 785-743-5761 or by email at tomr@westerncoop.com.

Tom Ruth

Energy Efficiency Tip of the Month

AIR CONDITIONING TIP: Avoid placing items like lamps and TVs near your air-conditioning thermostat. The thermostat senses heat from these appliances, which can cause the A/C to run longer than necessary. *Source: energy.gov*



MEMORIAL DAY

May 27, 2019

**OFFICES
CLOSED**

