

K.C. ELECTRIC ASSOCIATION

DECEMBER 2024

K.C. ELECTRIC STAFF

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Our mission is to provide our members with safe, reliable service at the lowest cost, while maintaining an environmentally responsible, accountable and sustainable operation now and in the future.

2024 PROJECT UPDATES AND STABLE RATES FOR 2025

BY DAVID CHURCHWELL GENERAL MANAGER



DAVID CHURCHWELL

It's hard to believe that we're quickly approaching the end of another year.

With our busy lives, it seems that each year goes more quickly than the last.

In September of each year, K.C. Electric Association staff begins the process of developing our annual capital and operation budget for the next year. The final budget will not be approved by The K.C. board of directors until later this month, but I'm pleased to announce that we will not need to have a rate increase in 2025.

The K.C. Electric Board of Directors and employees continue to focus on reducing costs and becoming more efficient, while at the same time ensuring our reliability isn't negatively impacted and that we continue to remain financially sound. Reliability and affordability are paramount to both our success and the success of you, the member-owners we serve.

In October, the board of directors approved a general retirement of more than \$1.48 million in capital credits to our members. In addition, K.C. Electric has retired capital credits of more than \$140,000 to estates in 2024 for a total capital credit retirement of more than \$1.6 million. Over the past five years, K.C. Electric has returned more than \$7.8 million to our members in the form of capital credit checks. We thank you, our member-owners, for your continued support and hope this capital credit retirement will help you this year.

Crews continue to stay busy working on distribution line rebuild projects and pole replacements that are a part of our construction work plan. We have also been working on converting the town of Hugo from a 2,400-volt system to a 24,900-volt system. This conversion will increase reliability and improve system voltage throughout the town of Hugo. The SCADA system installation we completed last year has proven to be a tremendous asset to our system operations, allowing us to receive real time data from our transmission and distribution system and giving us the ability to remotely monitor and operate devices in our substations.

Annually, we hire a contractor to trim trees in our service territory to help increase system reliability. Our goal is to trim all the trees on our system on a three-year rotation. This year, our contractor focused on trimming trees in Kit Carson and Lincoln counties and took care of various danger trees throughout our service territory. Each year we also hire a contractor to test a specified number of our distribution and transmission poles to ensure they will continue to withstand the various weather conditions we experience each year; this year poles were tested in the Burlington area. Our goal is to test all our distribution and transmission poles on a 10-year cycle. If any poles are found to be deficient, the poles are immediately staked for replacement by K.C. Electric crews. This year we also had a contractor utilize a drone to conduct an aerial inspection of some of our transmission structures. The aerial view allows us to identify issues that can't be seen during our annual ground inspections.

High school seniors are encouraged to submit a scholarship application to be eligible for one of the many scholarships that K.C. Electric will award in February 2025. For more information on these opportunities, visit our website or contact one of our offices.

Looking ahead to 2025, we hope you will share your opinions with us. You, our members, offer valuable perspectives, and we look forward to continuing to serve you. On behalf of the K.C. Electric family, we hope your holidays are indeed merry and bright.

IT PAYS TO BE A CO-OP MEMBER

K.C. Electric retires \$1.48 million in capital credits

The K.C. Electric Board of Directors authorized the retirement of more than \$1.48 million in capital credits to our member-owners who purchased electricity from us in 2003 and 2004.

What are capital credits?

One of the benefits of cooperative membership and ownership is the share in the margins of K.C. Electric each year. K.C. Electric's rates are designed to bring in enough money to pay operating costs, make payments on loans and long-term debt, and provide an emergency reserve. A cooperative does not earn profits; instead, when revenues exceed the expense of providing electric service, it is called margins and is returned to members in the form of capital credits. The margins denote a member's ownership and represent a contribution of operating capital by the membership to the cooperative with the intent the capital will be repaid to members in later years.

What's the difference between allocated and retired capital credits?

Members are allocated capital credits and will receive an allocation notice each year the cooperative earns positive margins. This money is set aside to be used as operating capital for improvements and maintenance to our electric infrastructure over a period of years. A retirement is the amount a member receives as a refund. It is a portion of your total allocation. When capital credits are retired, a check is issued and your equity in the cooperative is reduced. Retirements can be years after the year in which the margins were earned/allocated. Until retirement, an allocation has no cash value and cannot be applied against your current electric bill.



What happens to my capital credits if I move?

K.C. Electric encourages everyone who may be leaving or has already left the cooperative service territory to keep your address records up to date with us so future capital credits can be refunded as they are retired.

What happens to my capital credits if I die or what if I receive a check addressed to a deceased person?

Capital credit checks will remain in the name of the original member until a spouse, relative, or other legal representative notifies and requests that K.C. Electric reassign the account to another person or transfer the account to an estate. K.C. Electric requires documentation to complete a request to reassign or transfer capital credits.



Claim Your Savings

Each month, members have a chance to claim a \$20 credit on their next electric bill. All you need to do is find your account number, call the Hugo office at 719-743-2431, and ask for your credit. The account numbers are listed below. How simple is that?

You must claim your credit during the month in which your name appears in the magazine (check the date on the front cover).

Carole Plasterer, Stratton – 90770xxxx

Cindy Stansbury, Cheyenne Wells – 42540xxxx

Joseph L. Rush, Arriba – 21500xxxx

Helen Younger, Cheyenne Wells – 45350xxxx

In October, three members called to claim their savings: Barry Keefe, Cheyenne Wells; Bill Priddy, Cheyenne Wells; and Deb Ballweg, Seibert.



ATTENTION IRRIGATORS

If you plan on making any ownership or physical changes to your irrigation service this year or next year please contact the Hugo office so we can update your account information. Please call with any questions you may have regarding your irrigation service.

CHECK YOUR HOLIDAY LIGHTS

Before decorating, check each light strand for broken sockets, frayed cords or faulty plugs.

Do not use the lights if you find any damage.

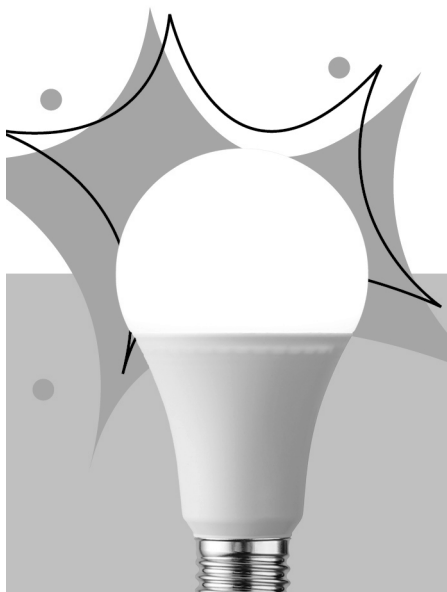


ENERGY EFFICIENCY

TIP OF THE MONTH

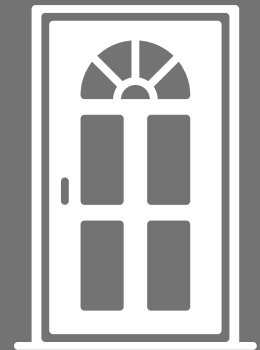
If you're planning to purchase electronic gifts this holiday season, look for the ENERGY STAR® label, which indicates higher energy efficiency performance. Electronics that receive the ENERGY STAR® rating are up to 25% more efficient than standard products. This holiday season, give the gift of energy savings with ENERGY STAR®-rated electronics and equipment.

Source: energystar.gov



Efficiency Tip

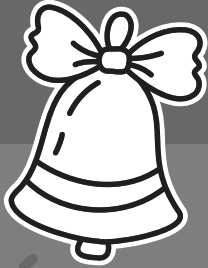
Seal in comfort and savings with weatherstripping. Check for air leaks around your windows and doors and install weatherstripping where needed. Prevent drafts to reduce energy loss and lower your heating and cooling bills, improving energy efficiency year-round.



Safe
Electricity.org®

HOLIDAY FUN WORD SEARCH

Can you find all the words associated with holiday fun in the puzzle below? Use the word bank to check your work.



WORD BANK

Jingle bells Santa Claus Snowman
Candy cane Mittens Hot Chocolate



N	H	C	H	P	B	D	H	S	V	G	Z	H	T	M
A	C	C	F	Z	Z	A	T	F	N	V	D	Q	Z	Y
M	H	L	V	Y	M	J	N	P	D	E	T	V	F	S
W	P	W	H	F	W	I	H	K	S	C	T	G	B	K
O	Z	K	D	Z	L	N	O	K	K	H	Q	T	C	F
N	F	I	O	U	R	G	T	F	C	L	P	E	I	L
S	S	V	S	U	A	L	C	A	T	N	A	S	C	M
Z	C	V	P	C	E	E	H	R	P	W	U	A	Z	Z
F	C	F	J	C	H	B	O	G	C	Y	N	G	V	E
G	M	V	X	D	L	E	C	V	N	D	T	S	F	W
Y	A	X	V	N	U	L	O	H	Y	V	C	L	U	A
H	G	V	L	L	X	L	L	C	M	J	M	C	I	U
P	J	Y	F	E	R	S	A	Q	E	Y	G	H	C	A
D	W	O	R	D	T	N	T	Y	H	X	Q	L	E	S
U	W	H	R	U	E	V	E	B	Y	B	F	L	W	R



HAPPY HOLIDAYS
FROM THE ENERGY
EXPLORERS!