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Electronews



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FROM THE CEO

Cost Analysis Shows a Need for Rate Structure Changes

As I mentioned previously in this column, Victory Electric has been undergoing a comprehensive cost-of-service study (COSS) by Power System Engineering. PSE, an independent rate consultant, has concluded its evaluation and determined that changes to Victory Electric's rate structure are necessary.

Victory Electric does not make routine rate changes, and we have not had a rate change since 2017. However, sometimes a rate redesign is needed to ensure that energy costs are distributed fairly and that the cooperative is financially healthy and well prepared to meet future needs.

PSE is now finalizing its recommendations, which will be presented to the board. If the board moves forward with a new rate design, Victory Electric will open a comment period and hold public meetings about the proposed changes. The board will consider members' feedback and vote on the rate changes at an open meeting. If the vote passes, the new rates will then be implemented. We will provide additional details to you as we move through the rate change process.



Shane Laws

Continued on page 12B ►



Cost Analysis Shows a Need for Rate Structure Changes *Continued from page 12A ▶*

To prepare for these important changes, Victory Electric wants to help you understand the factors that drive electricity costs and what that means to members. This month, Sunflower Electric Power Corporation President and CEO Steve Epperson and I are launching a series of articles that will look at some of the major factors influencing the cost of electricity, as well as opportunities and challenges ahead.

The first story in the series, “Understanding the Cooperative Difference,” explains our partnership

structure with Sunflower, the cost components of electric bills, ongoing industry challenges and our mutual accountability to members. We encourage you to read part one of our Behind the Cost of Power series on Page 12D. Also, please take a moment to review “Understanding Your Electric Bill” on Page 12C.

We appreciate your continued trust in Victory Electric as we navigate these changes together.

THANKS, SHANE

RATE SETTING FOR ELECTRIC CO-OPS

*Members have one year to petition the Kansas Corporation Commission for review of rate change



Member-elected board approves policies, forecasts and budgets



Recommendations are presented to board



Consultant prepares rate study



If necessary, board engages rate consultant



Board monitors financial health of co-op



Board finalizes recommendation and provides notice to membership



Co-op opens comment period and may hold informational meetings.



Board discusses and votes upon rate change in meeting open to membership



New rates implemented*

Understanding Your Electric Bill

Your Account Summary

Service Address: 1234 N Main Street
Service Description: Resident

Previous Balance		\$89.00
Payment Received - Thank You		-\$89.00
Balance Forward		\$0.00
Current Charges		
Energy Charge	446 kWh @ 0.111778	\$52.09
Energy Cost Adj	466 kWh @ -0.01043	-\$4.86
Total Demand	6.161 KW @ 0.00	\$0.00
Service Availability Charge		\$15.00
County Tax		\$0.65
Franchise Fee (if applicable)		\$3.11
Total Current Charges		\$65.99
Total Amount Due		\$65.99

Your Account Summary appears on the back of your monthly Victory Electric bill. Learn more about how these charges are calculated below.

Have you ever looked at the figures on your monthly electric bill and wondered what they are for and how they are calculated? Below, Victory Electric explains how each charge on your bill contributes to your monthly payment and what it represents.

ENERGY CHARGE: The energy charge is the cost for the total amount of energy used at your service address during the billing period. This figure is calculated by taking the total amount of electricity consumed during the billing period, measured in kilowatt-hours (kWh), and multiplying it by the energy charge rate.

ENERGY COST ADJUSTMENT: The ECA is a pass-through variable charge or credit that allows Victory Electric to make adjustments when the wholesale power costs from our power provider either exceed or fall below the base rate. This enables the cooperative to respond to market fluctuations without changing the base rate structure. Victory does not make any profit on the ECA. Since fall 2022, this line on Victory bills has been a credit, which is subtracted from the member's total bill.

DEMAND CHARGE: Demand is the rate at which energy is being used at a given time. The demand charge is determined by multiplying the maximum demand of energy, measured

in kilowatts (kW), at any point within the billing cycle by the member's demand rate. Although members' monthly demand appears on bills, for most rate classes Victory Electric does not currently charge for demand.

SERVICE AVAILABILITY CHARGE:

This fixed charge is the minimum cost to stay connected to Victory Electric's distribution lines, regardless of how much energy you use. The service availability charge covers the cooperative's operating costs and reflects the investment in the poles, wires, transformers and other infrastructure equipment needed to provide you with electric service.

TAXES AND FEES: Applicable taxes and franchise fees for the sale of electric service also appear on the bill. Victory Electric does not profit from the collection of taxes and fees; we collect and remit these pass-through taxes and fees directly to the appropriate city or county government agency.

Understanding what you're paying for can help you recognize how changes in electricity usage affect your bill and make informed decisions about your energy consumption. If you ever have any questions about your bill, please call us at 620-227-2139.

AVOID MAIL DELAYS WITH CONVENIENT PAYMENT OPTIONS

Recently, Victory Electric has received reports about mail delays affecting electric bills and other mail. Victory does not have any control over mail delivery times, but we offer several other convenient ways to pay your bill.



1 SIGN UP FOR SMARTHUB. SmartHub is a valuable app and website that lets you securely view and pay your bill and manage your Victory account at any time.

2 GO PAPERLESS. Prevent paper clutter by opting to go paperless. You will receive a notification by text or email when your monthly bill is available, and you can access PDFs of your current and previous bills.

3 SET UP AUTOPAY. Sign up for AutoPay to have your bill paid automatically from your debit/credit card or bank account. Another benefit: When you enroll in AutoPay, you will receive a \$10 bill credit!

We also offer Quick Bill Pay and an automated phone system for on-the-go electronic payments. Bill payments are due the 28th or 29th of every month. If a bill's due date falls on a weekend or holiday, the bill is due the next business day before 5 p.m. Please let us know if your address or other contact information changes so that we can update our records promptly.

Visit www.victoryelectric.net/payment-options to learn more about all our convenient payment options. Find links to SmartHub and Quick Bill Pay at the top of our website, www.victoryelectric.net, or call 844-961-2565 if you prefer to pay by phone.

If you have any questions or concerns about your electric bill or would like assistance in setting up SmartHub, call our office at 620-227-2139 or visit us in person. We have multiple payment options available, so choose what works best for you!

Behind the Cost of Power | Part 1

Understanding the Cooperative Difference

BY STEVE EPPERSON, CEO, SUNFLOWER ELECTRIC POWER CORPORATION

CO-AUTHORED BY SHANE LAWS, CEO, VICTORY ELECTRIC COOPERATIVE

For many families and businesses, monthly expenses have become harder to manage. Groceries, fuel, insurance, housing, and nearly every other essential service have experienced rising costs. Electricity is no exception.



Steve Epperson

We know higher electric bills matter. They affect family budgets, farms, businesses, and communities across rural Kansas. That is why Victory Electric and its wholesale power supplier, Sunflower Electric Power Corporation, are committed to helping you better understand the factors shaping the cost of electricity and the work happening behind the scenes to manage those pressures responsibly.

This article is the first in a series that explains what goes into the cost of power, the challenges utilities across the country face, and how the cooperative model continues to put members' interests first. With the electric industry evolving rapidly and many factors remaining uncertain, we are not intending to predict future rate changes. We simply want to give you a clearer picture of the pressures affecting electricity costs and

the work we do to keep power safe, reliable, and competitively priced.

A PARTNERSHIP BUILT TO SERVE YOU

As members, many of you are familiar with your local electric cooperative, but fewer know about the integral partnership that helps ensure the delivery of electricity to homes, farms, schools, hospitals, and businesses across central and western Kansas. We each focus on different parts of the electric grid system, but we share the same purpose of serving our members and local communities reliably and responsibly.



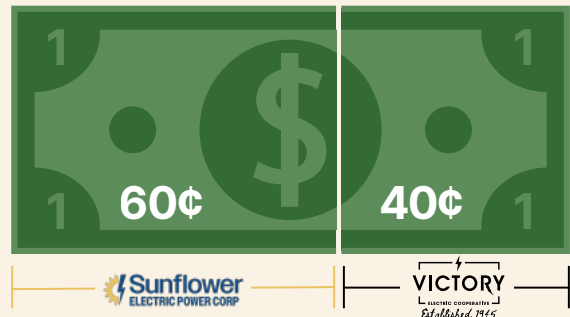
Shane Laws

Power Cost *breakdown*

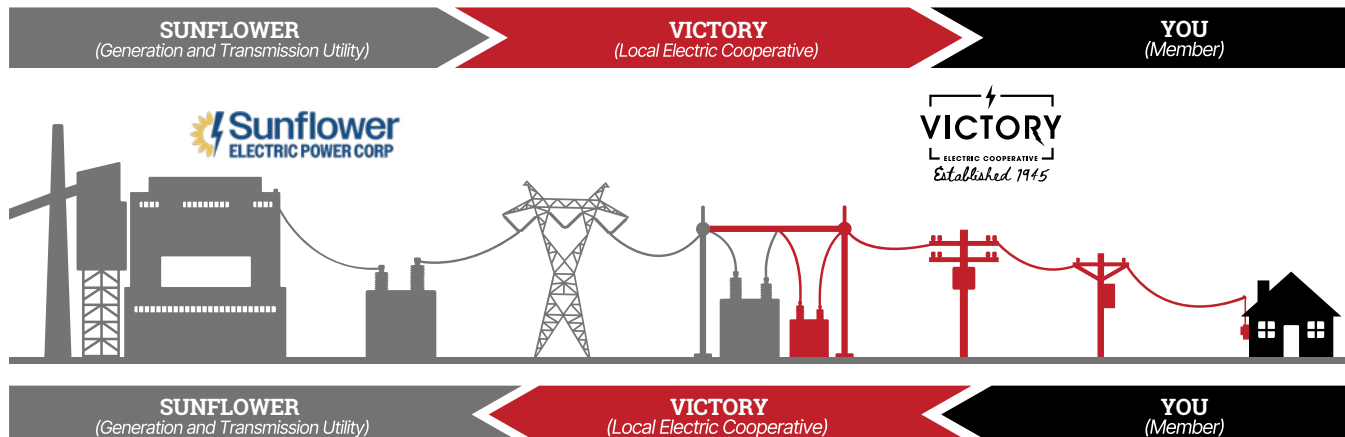
For every dollar you pay toward your electric bill, 60 cents is attributed to the wholesale cost of power from our power supplier, Sunflower Electric Power Corporation.

It covers the cost of generating electricity, transmitting it to Victory, and adjusting for changes in fuel prices and market conditions.

The other 40 cents stays with Victory to support cooperative operating, infrastructure, and service costs required to safely deliver electricity to homes and businesses, as well as the collection of other transaction taxes and fees on behalf of local entities.



Flow of Power / Affordability ►



◀ Cooperative Ownership / Accountability

Victory Electric specializes in serving members directly by maintaining local distribution lines, restoring outages, and providing the service and support you depend on every day. Sunflower's role as the wholesale power supplier is different but closely connected. As a generation and transmission (G&T) utility responsible for producing and transmitting high-voltage electricity, Sunflower is owned and governed by six distribution electric cooperatives, including Victory, and one wholly owned subsidiary. Together, these member utilities serve communities in 58 counties across central and western Kansas.

When making power supply decisions, Sunflower's board of directors is uniquely positioned to understand and respond to your local community needs because it's made up of two representatives from each of its six member cooperatives. These representatives include Victory trustee, Kenny Wehkamp, who was democratically elected to represent and speak on behalf of the cooperative's membership. The second representative is CEO Shane Laws. This unique, shared governance ensures local voices

help guide long-term decisions about power supply, wholesale electric rates, transmission, and reliability at every level of the electric system.

Our partnership matters because decisions are made locally and collaboratively. We are not-for-profit cooperatives, and any margins generated are ultimately reinvested into the system or returned in ways that benefit members like you. That cooperative business model creates an important layer of accountability that keeps the focus on long-term reliability, responsible planning, and protecting the interests of the people we serve.

UNDERSTANDING THE COST OF ELECTRICITY

One of the most common questions members ask is: "What exactly am I paying for on my electric bill?" While every utility is different, on average, about 60 cents of every dollar on Victory's electric bill is tied to wholesale power generation and transmission costs, the portion managed by Sunflower. The remaining portion supports Victory's operating, infrastructure, and service costs required to safely deliver electricity

Across the country, the cost of building, maintaining, and expanding the electric grid system is increasing.

Continued on page 12F ►

Behind the Cost of Power | Part 1

Continued from page 12E ►

[We] are committed to helping you better understand the factors shaping the cost of electricity and the work happening behind the scenes to manage those pressures responsibly.

to homes and businesses, as well as the collection of other transaction taxes and fees on behalf of local entities.

That distinction is important because electricity is supported by an enormous interconnected system that must function every second of every day. Power plants, transmission lines, substations, poles, wires, technology systems, and skilled employees all work together to ensure electricity is available whenever it is needed.

Across the country, the cost of building, maintaining, and expanding the electric grid system is increasing. Demand for electricity is growing at a pace the industry has not experienced in decades as homes, businesses, technology, and manufacturing become increasingly electrified. Utilities nationwide are also replacing aging infrastructure while simultaneously building additional generation and transmission resources to maintain reliability and meet any future demand for electricity.

At the same time, critical electric grid equipment, including transformers, breakers, switchgear, and other specialized materials, is becoming more expensive and increasingly difficult to obtain in a timely manner due to nationwide supply chain constraints and growing demand. These are not challenges unique to Sunflower. G&T utilities across the country are navigating many of the same challenges.

AFFORDABILITY AND ACCOUNTABILITY GO HAND IN HAND

As we discuss the cost of electricity, it is important to recognize something else: accountability. At Sunflower, we often describe the electric system as a partnership where electricity flows in one direction from generation facilities through the transmission system to Victory and ultimately to your home, while cooperative membership and

accountability flow in reverse. The cooperative structure creates a chain of ownership from you to Victory and from Victory to Sunflower.

As a member and an owner, this means the people making decisions about your power supply are held directly accountable to you for ensuring decisions across the entire electric system are made with the long-term interests of all members in mind.

We know rising costs create concern, as we share many of those same concerns. The responsibility to provide reliable electricity at the lowest cost is not something we take lightly. That is why our focus is not simply on reacting to industry changes but actively planning for them. Every day, Sunflower and its member utilities work together to operate efficiently, plan responsibly, advocate for fair policies, and pursue strategies that help manage long-term cost pressures while maintaining reliable service.

LOOKING AHEAD

The electric industry is changing rapidly, and many of the forces shaping electricity costs are complex. Over the next year, we will take a deeper dive into the major factors influencing the cost of electricity and the opportunities and challenges ahead. Future articles will discuss topics such as growing energy demand, regional transmission expansion, supply chain challenges, infrastructure investment, economic growth, and the steps Sunflower and its members are taking to help manage costs and maintain reliability for the long term.

Through it all, one thing remains unchanged: the cooperative mission to serve members, strengthen communities, and provide reliable electricity as responsibly and efficiently as possible. That mission is shared by Sunflower and Victory, and it continues to guide every decision we make on your behalf.



Join us all July long as
we celebrate America's 250th — and
YOU, OUR MEMBERS.

Enjoy a month full of fun including:

GIVEAWAYS
BILL CREDIT DRAWINGS
MEMBER APPRECIATION EVENTS

DON'T MISS OUT — FOLLOW ALONG ON SOCIAL MEDIA
AND JOIN THE CELEBRATION ALL MONTH LONG!

VICTORY
ELECTRIC COOPERATIVE
Established 1945



Mark your calendar!
JULY 25
Dodge City Days Parade

**MEMBER
APPRECIATION**



**FREE HAMBURGER OR HOT DOG MEAL
FIRST COME, FIRST SERVED
GIVEAWAYS AND DRAWINGS!
5-7 P.M.
GREENSTREET PARK IN SPEARVILLE**

JULY 10 *Spearville* **C.O.W. FESTIVAL**

SUBSTATIONS:

The Backbone of the Electric System

BY JEFFREY GROENEWOLD

Electric substations sit at the center of power grids and are essential to keeping the lights on in our communities. You've seen them — tall fenced-in areas filled with metal structures, wires and heavy equipment. They are one of the most important behind-the-scenes components of the grid.

Substations take power from high-voltage transmission lines and convert it to the lower voltages that get distributed on the last-mile power lines you see every day. These lines provide power to your home, farm or business. Every light switch you flip, every well pump you operate and every device you charge depend on a substation doing its job without interruption. These facilities work quietly in the background, yet they shape the comforts of daily life. Kansas' electric cooperatives work 24/7 to maintain and improve these substations.

Substations began as simple switching points that handled basic voltage changes. Early designs used bulky equipment and manual controls. As

communities grew, electric demand on the grid grew with them.

Today's substations use advanced sensors, automated controls and digital communication systems, allowing cooperatives to better manage the grid. These tools help co-ops respond faster to outages, monitor equipment health and manage energy with more precision.

A modern substation protects your community from disruption. It isolates problems, keeps dangerous faults from spreading and supports important line equipment across long distances.

Communities add new homes, businesses, irrigation systems and commercial buildings every year, and each addition increases the load on the grid.

That's why co-ops build new substations and upgrade older ones to keep pace with growth, technology changes and safety needs.

Modern substation designs use equipment that requires less intensive maintenance while improving system protection. Smart protection devices reduce the time needed to identify and isolate faults. These advanced monitoring tools give co-ops better visibility into real-time grid conditions. For the surrounding community, these investments lead to stronger service



Crews move a transformer to the Butter and Egg Substation.

and reliability. You experience fewer outages. Your farm or business gains resiliency. Your home appliances run on steadier voltage.

Modern substations also help cooperatives manage costs. Instead of building miles of new line, a well-placed substation can support growing neighborhoods or rural industries with less construction and lower long-term investment.

Substations also support the changing energy landscape. Renewable energy systems, electric vehicles, and electrified commercial and industrial operations need modern control points. Modern substations allow co-ops to integrate these resources without sacrificing reliability. They help manage energy across widespread areas and keep the grid balanced during peak conditions.

Substations serve as the quiet backbone of the electric system. When they operate well, communities thrive. When they falter, everything from daily chores to essential services feels the impact.

JEFFREY GROENEWOLD writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. From growing suburbs to remote farming communities, electric co-ops serve as engines of economic development for 42 million Americans across 56% of the nation's landscape.

WHERE DID THE NAME BUTTER AND EGG COME FROM?

According to the Ford County Historical Society, rural families used the road east of Dodge City to take farm goods to town for extra income, also known as “butter and egg” money.

BUTTER AND EGG SUBSTATION

Some of Victory Electric's older electric infrastructure was built decades ago and not designed with today's needs or capabilities in mind. These facilities served our communities well for many years, but as demand grows and technology improves, we need to upgrade them.

A new substation, which is now under construction on Butter and Egg Road outside of Dodge City, will give us greater switching flexibility, allowing us to move power more efficiently and perform maintenance without interrupting service. That means fewer outages, fewer service disruptions and better reliability.

Victory Electric is building a stronger, smarter, and more resilient grid that supports our communities today and prepares us for the needs of tomorrow. Updating and investing in substations supports our mission to provide safe, reliable and affordable service for our members.



Victory's new Butter and Egg Substation is under construction on Butter and Egg Road outside of Dodge City. The substation will give us greater switching flexibility, allowing us to move power more efficiently and perform maintenance without interrupting service. That means fewer outages, fewer service disruptions and better reliability.

2026 Kansas Primary Election Dates

Kansans will elect a new governor and lieutenant governor in 2026, as well as other state and local officials. They will also decide on two proposed amendments to the Kansas Constitution, including one in the **PRIMARY ON AUG. 4**. Please make a note of the following primary voting dates and resources that will help you be an informed voter. Contact your county election office for more information about local elections and in-person advance voting dates and locations.

- ▶ **JULY 14:** The last day to register to vote or update voter registration contact information for the primary.
- ▶ **JULY 15:** Advance voting begins and advance mail ballots start being sent.
- ▶ Check your voter registration on the Kansas Secretary of State's VoterView page at **MYVOTEINFO.VOTEKS.ORG/VOTERVIEW**.
- ▶ Register to vote on the Kansas Online Voter Registration page at **WWW.KDOR.KS.GOV/APPS/VOTERREG**.
- ▶ Learn about Co-ops Vote and how to be a co-op voter at **WWW.VOTE.COOP/ELECTION-RESOURCES**.



Please make a note of the following primary voting dates and resources that will help you be an informed voter.

ENERGY EFFICIENCY TIP OF THE MONTH

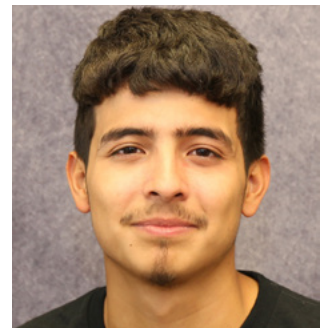
During warm months, a smart thermostat can help keep your home comfortable while reducing cooling costs. Smart thermostats learn your routine and automatically raise the temperature when you're away and cool things down before you return. Setting your thermostat a few degrees higher while you're away or asleep can lead to significant savings. Many smart thermostats provide reports and tips, helping you fine-tune your energy use and stay cool while keeping your electric bill in check.

SOURCE: NRECA



Victory Welcomes Summer Intern

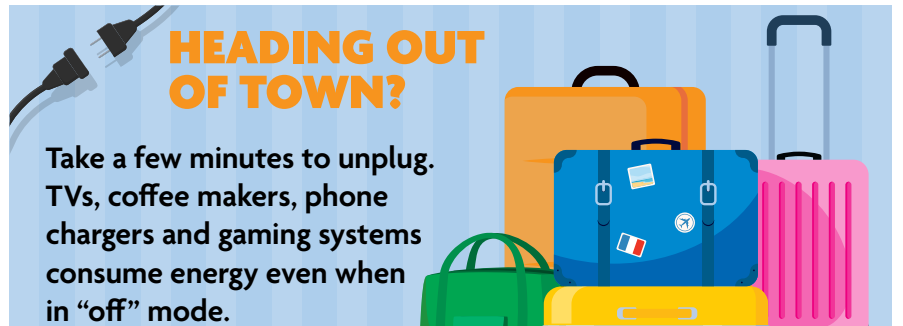
Victory Electric's summer lineman intern is Isaiah Manriquez, a Satanta native. He graduated from Satanta High School and recently completed his first year in Pratt Community College's electrical power technology program at the Dodge City location. He will receive hands-on training in Victory Electric's operations department and work with the cooperative's line crews this summer. In his free time, Manriquez enjoys fishing, spending time with his family and friends, and playing video games. Welcome, Isaiah!



Isaiah Manriquez

HEADING OUT OF TOWN?

Take a few minutes to unplug. TVs, coffee makers, phone chargers and gaming systems consume energy even when in "off" mode.



Shift Timing, Shift Savings

As we settle into the heat of July, our homes naturally use more electricity. Air conditioners run longer, refrigerators work harder, and daily routines — from cooking dinner to doing laundry — often overlap during the warmest parts of the day. That's also when the demand for electricity across our territory is at its highest.

Victory Electric's top priority is delivering safe, reliable and affordable power whenever you need it. But as homes and businesses require larger amounts of electricity all at the same time, it puts added pressure on the grid. On the hottest days, that strain can be significant.

The good news is that small changes at home can make a meaningful difference during peak hours, which are typically 7-10 a.m. and 3-7 p.m., Monday through Friday. As temperatures climb in the summer, energy use is highest in the afternoon through evening hours.

Think of our electric grid like a highway system. During rush hour, traffic is heavy, congestion builds and everything slows down. But when drivers adjust their schedules even slightly, it helps ease the bottleneck. The same principle applies to energy use.

By shifting some of your high-energy activities to off-peak hours — like doing laundry later in the evening, running the dishwasher before you go to bed, or cooking meals earlier in the day — you're helping spread out demand. That reduces pressure on the grid during those critical peak hours.

Here are a few simple steps you can take to lower energy use during peak hours.

Smart technology can be a valuable partner in saving energy. A programmable or smart thermostat can automatically adjust your home's

Every effort you make contributes to a stronger, more resilient system.

temperature when demand is highest, helping you stay comfortable while using energy more efficiently. Even a small adjustment of a few degrees during peak hours can make a difference.

In the kitchen, simple swaps can help, too. Using a slow cooker, air fryer or outdoor grill instead of the oven keeps your home more comfortable and reduces the need for additional cooling during the warmer parts of the day. And when it comes to laundry, air-drying clothes or spacing out loads can cut down on both energy use and indoor heat.

Don't overlook the power of ceiling fans, either. They can help you feel several degrees cooler, allowing you to raise your thermostat setting without sacrificing comfort.

These actions may seem small on their own, but together, they add up. When many members make mindful choices about when and how they use electricity, it helps reduce peak demand, eases strain on the grid, and supports more stable energy costs for our local communities.

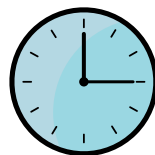
That's the cooperative difference. As a member, you're not just a customer — you're part of a community working together to power our future. Every effort you make contributes to a stronger, more resilient system.

Summer is an ideal time to take a closer look at your daily routines. A few simple shifts can go a long way in keeping your home comfortable, your energy use efficient, and our grid running smoothly — no matter how high the temperatures climb.

SAME ENERGY. DIFFERENT IMPACT.

The demand for electricity is typically highest in the late afternoon during peak energy hours. You can help lower demand by shifting when energy-intensive activities happen.

SHIFT APPLIANCE USE TO OFF-PEAK HOURS.



- ▶ Start the dishwasher right before you go to bed.
- ▶ Use the oven earlier or later (during off-peak hours.)
- ▶ Space out use of major appliances.

USE A PROGRAMMABLE OR SMART THERMOSTAT.



- ▶ Automatically adjust the temperature setting during peak hours.
- ▶ Schedule home cooling cycles for efficiency.
- ▶ Use ceiling fans for additional cooling instead of lowering your thermostat.

OPT FOR LOW-ENERGY ALTERNATIVES DURING PEAK HOURS.



- ▶ Use small appliances like slow cookers or air fryers — or fire up the grill — instead of the oven.
- ▶ Air-dry clothes instead of using the dryer.

SOURCE: WWW.SAFEELECTRICITY.ORG

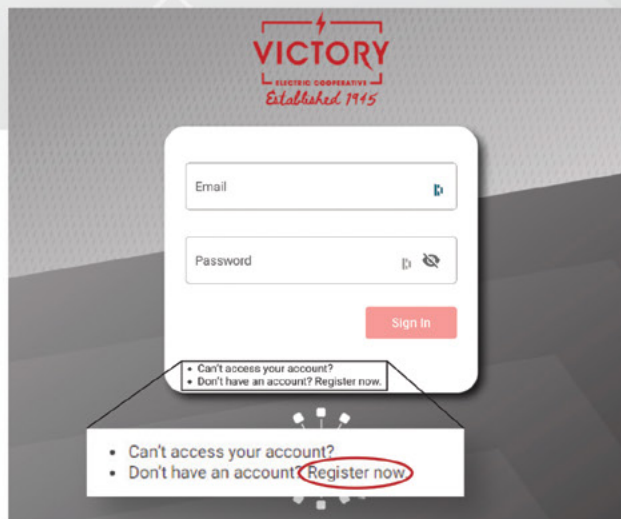
CREATING YOUR SMARTHUB ACCOUNT

Before you start:

1. Have your account number
2. Mailing zip code
3. Access to your email account
4. Bank account number & routing number (if setting up bank draft) or credit/debit card (if setting up auto pay)

Getting Started

Visit victoryelectric.smarthub.coop or click **SmartHub Login** on Victory Electric's website. Click on **New User** or sign in.



New User Registration

Enter information, open up verification email, and set up your account.

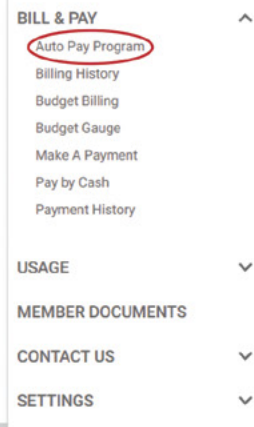
For assistance, please call our office at 620.227.2139 or 800.279.7915 and we would be happy to help you.

2

Welcome to SmartHub!

You can now:

- pay your bill online
- sign up for auto pay
- view/manage your energy use
- report outages
- sign up for outage text notifications and much more!



NEVER MISS A PAYMENT

Sign up for Victory Electric's auto pay by clicking on **Auto Pay Program** under the Billing & Payments tab. You will need to have your credit/debit card or bank account and routing number ready.

3