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CEO MESSAGE

### **Co-ops Advocate for Members During Legislative Session**

The Kansas Legislature is currently considering several pieces of legislation that impact Kansas electric utilities. Advocates from Victory Electric, our three power suppliers, and Kansas Electric Cooperatives, Inc. are actively following all legislation with potential to affect your electric bill.

The Energy Information Administration (EIA) regularly reports comparative energy-related statistics, and recent reports show Kansas' electric rates are higher than rates in Nebraska, Missouri, Oklahoma and Colorado.

A year ago, legislation was introduced calling for the Kansas Corporation Commission (KCC) to investigate why Kansas' electric rates are higher than electric rates in surrounding states. Although that legislation did not pass, the settlement agreement in the Westar Energy/Kansas City Power & Light merger called for both the KCC and Westar/KCP&L (Evergy) to conduct studies identifying rate cost drivers for the utilities.

In January, the KCC released its study, which is available on the KCC website, and Evergy completed a study of rate increases. A copy of this study is available on the Westar website.

The results of the studies, although completed independently, are the

same: the most significant cause of increased rates are the investments in new generation and transmission construction.



During the last 10 years,

utilities in Kansas either constructed or purchased wind energy to comply with the renewable portfolio standard, which became law in 2009. In 2015, the renewable portfolio standard was repealed, but utilities have continued to add wind to generation portfolios. In addition, the U.S. tax policy has incentivized the development of renewable energy, prompting investors to develop many wind projects, especially in western Kansas.

Transmission construction also increased during that time to replace or upgrade existing lines and build new lines to move renewable energy to other markets. As part of the Southwest Power Pool, Kansas utilities participate in cost-sharing agreements to finance transmission construction.

While commercial electric rates charged by investor-owned utilities

Continued on page 16G ▶

## 2019 Annual Me

Every year, Victory Electric looks forward to hosting the annual meeting for our members, and this year was no exception. The annual meeting is a great time to get to know our members and to share information on the activities of the cooperative.

Victory Electric's annual meeting was April 9, at the Western State Bank Expo. Approximately 609 members were present and more than 961 people were served a steak dinner with cake for dessert.

In addition to the business meeting, members listened to a presentation from board president John Leis, who discussed capital credits, redistricting and showed a video honoring retiring board member Richard Lightner for his 37 years of contributions to Victory Electric. Shane Law's CEO report was delivered via video production and featured the various cooperative departments and how they work together to ensure members receive quality service. A successful vote on the proposed bylaw change followed a video highlighting the 2018 and 2019 Electric Cooperative Youth Tour, Cooperative Youth Leadership Camp, and Lightner Community Spirit Scholarship winners. Numerous prizes and bill credits were awarded before the meeting adjourned for a question and answer session.

The results of the election for three districts on the board of trustees were announced and reelected were: GARY GILLESPIE, Copeland, District 5; JIM OCHS, Jetmore, District 7; and PAT MORSE, Dodge City, District 10.

Thank you to all who attended this year's annual meeting! We look forward to seeing you next year at the 75th Annual Meeting.

- 1. Lineman Ross Ackerman transports attendees to the meeting.
- 2. Board president John Leis visits with members of the crowd.
- 3. Mackensie Mashak hands out a door prize.
- 4. Alexa Lozano presents a bill credit to a prize-winning member.
- 5. Retiring trustee Richard Lightner attended his 37th and last annual meeting as a board member.
- 6. Victory CEO Shane Laws addresses the crowd.
- 7. Even the young members enjoy annual meeting! Raeleigh Keesling grasps an energy activity book.









# eting Highlights











## **Scholarship Winners Announced**

Ten local students whose families are served by The Victory Electric Cooperative Assn., Inc., earned a \$1,000 Lightner Community Spirit Scholarship. The scholarships are designed to recognize students who have demonstrated academic success and show a commitment to bettering their community.

"We congratulate the 2019 scholarship winners and are proud to reward the students for their academic

success and dedication to their community," said Shane Laws, Victory Electric CEO. "As a not-forprofit cooperative, one of our guiding principles is 'Commitment to Community,' and I can't think of a better way than a scholarship program to give back to the communities we serve and encourage youth to be involved in their own community."

The name of the scholarship honors the Lightner family of Plymell, Kansas. Richard Lightner served on the Victory Electric board of trustees for 37 years and his father, George, served 31 years previous. Both strongly supported Victory Electric's community and youth programs.

To be eligible for the scholarship, applicants must be an active member in good standing with the cooperative, or a dependent of such member. Applicants must be a student or entering an accredited trade school, college or university.

For more information, please visit our website at victoryelectric.net or contact Jerri Whitley at 620-371-7730 or jwhitley@victoryelectric.net.



ELI BULLINGER, Montezuma Son of Reed & Brenda Bullinger South Gray High School



**CANNON BUNKALL**, Dodge City Son of David & Robyn Bunkall Dodge City High School



**BREANNA GALINDO**, Dodge City Daughter of Carlos & Jennifer Ibarra Dodge City High School



VICTORIA GARCIA UNZUETA. Daughter of Sergio & Teresita Reyes Dodge City High School



**OLIVIA GREGG, Dodge City** Daughter of Dirk & Barbara Nebbeling Dodge City High School



MORGAN HARVEY, Dodge City Daughter of Michael & Amy Harvey Dodge City High School



PATRICIA HOKANSON. Bucklin Daughter of Stephen & Jane Hokanson **Bucklin High School** 



Daughter of David & Diana Kalscheur Dodge City High School



ARIA KNEDLER, Dodge City Daughter of Kelly & Tami Knedler Dodge City High School



AMBROSE SHAUGHNESSY, Son of Sean & Anne Shaughnessy Cimarron High School

#### **Drewes Receives Director Gold Award**

Victory Electric Cooperative board trustee **CEDRIC DREWES** recently earned the National Rural Electric Cooperative Association (NRECA) Director Gold credential certification, the highest level of achievement in NRECA's board director certificate programs. Drewes' certificate was presented at the March Victory Electric board meeting.

"The commitment of time spent to earn these credentials speaks volumes of our board trustees," said Shane Laws, Victory Electric CEO. "Continued education about cooperatives and the issues we face allows trustees

to act in the best interest of their fellow members. We could not be prouder of Cedric's achievement and appreciate his service to the cooperative."

NRECA's board director certificate programs are specifically designed to help electric cooperative directors/ trustees, at every stage of their service, understand their roles and responsibilities, stay up-to-date on the key issues and trends in the industry, and prepare them to meet the challenges facing electric cooperatives now and in the future. NRECA offers director education courses throughout the year at various NRECA educational conferences and events across the country, in partnership with statewide associations, and on site at individual cooperatives.

For a director/trustee to earn the Director Gold credential, they must



Victory CEO Shane Laws (left) presents Cedric Drewes with his Director Gold certificate.

have already earned the Credentialed Cooperative Director Certificate (CCD) and Board Leadership Certificate (BLC) and earn three additional credits from the BLC series of courses. Earning the CCD consists of completing five courses that provide knowledge and skills required of cooperative directors. The BLC is earned by participating in a series of courses diving deeper into specific industry and governance issues; 10 courses are required, as well as having the CCD credential.

Unlike the CCD and BLC certificates, Director Gold includes a continuing education requirement that calls for directors to earn three credits of approved course work and/or conference attendance every two years to maintain their Director Gold status.

Victory Electric congratulates Drewes on his achievement.

## Hired as Groundsman Victory Electric welcomes SAM

**HOWIESON** as the newest hire on the line crew. Originally from Sedalia, Missouri, Howieson graduated from Pratt Community College in 2018. He interned for Coles-Moultrie Electric Cooperative in Mattoon, Illinois, before accepting a position with Tessco Energy Services in Midland, Texas, where he provided electrical services for oil fields.

Howieson

"I wanted to become a lineman because I like working outdoors and I like helping people," Howieson said. "It is satisfying to see people's reaction when you restore



Sam Howieson

power after an outage."

When the position opened at Victory Electric, Howieson was excited for the opportunity to move from the oil field to working in residential areas. "When I went to college in Pratt, I always heard Victory Electric was a great place to work," Howieson said.

Howieson will be joining Mike Shewey's line crew as a groundman. In Howieson's free time, he likes to hunt, fish and spend time at the lake.

Victory Electric is excited to have him as part of the team. Congratulations, Sam!





## **Power Theft Comes With Risks**

Electric utilities across the country regularly deal with people who deliberately tamper with their electric meter to steal power. Any attempt to bypass electricity around instruments used to measure its use is considered diversion of service. Not only is this practice extremely dangerous, it is a serious crime with hefty fines and potential jail time.

We've seen people use many dangerous methods to get free power—from slugging the meter socket with knives or flattened copper pipe, to using jumper wires to get around the meter. The folks doing this are risking their lives, the lives of our employees and stealing from their fellow cooperative members.

> **HEITH KONECNY** MANAGER OF METERING TECHNOLOGY

In many cases, to avoid paying electric bills consumers interfere with the operation of a meter. Kansas Statute 21-3704 specifies theft of services is:

- ▶ A) Obtaining services from another by deception, threat, coercion, stealth, tampering or use of false token or device.
- ▶ B) "Services" within the meaning of this section includes, but is not limited to... public or municipal utility services... and rural electric cooperatives shall be considered public utilities.
- C) "Tampering" within the meaning of this section includes, but is not limited to:
  - ▶ 1) Making a connection of any wire, conduit or device to any service or transmission line owned by a public or municipal utility...;
  - 2) Defacing, puncturing, removing, reversing or altering any meter or any connections for the purpose of securing unauthorized or unmeasured electricity...;
  - 3) Preventing any such meters from properly measuring or registering;
- 4) Knowingly taking, receiving, using or converting to such person's own use, or the use of another, any electricity...which has not been measured; or
- ▶ 5) Causing, procuring, permitting, aiding or abetting any person to do any of the preceding acts.
- D) In any prosecution under this section, the existence of any of the connections of meters, alterations or use of unauthorized or unmeasured electricity...shall be evidence of intent to violate the provisions of this section.
- E) Theft of services of the value of:
  - ▶ 1) Theft of services of the value of \$100,000 or more is a severity level 5, nonperson felony.
- 2) At least \$25,000 but less than \$100,000 is a severity level 7, nonperson felony.

- ▶ 3) At least \$1,000 but less than \$25,000 is a severity level 9, nonperson felony.
- ▶ 4) Less than \$1,000 is a class A nonperson misdemeanor.

Indications of meter tampering or obvious theft witnessed by an employee or member of the public will be immediately investigated. The reporting party's name and other information is held confidential.

"We've seen people use many dangerous methods to get free powerfrom slugging the meter socket with knives or flattened copper pipe, to using jumper wires to get around the meter," explains Heith Konecny, manager of metering technology. "The folks doing this are risking their lives, the lives of our employees, and stealing from their fellow cooperative members."

Victory Electric's rules and regulations state all meters, transformers, wires, regulators and other equipment installed by the cooperative are the property of the cooperative. No one except an agent of cooperative or one otherwise lawfully entitled to do so are permitted to remove or tamper with cooperative's meter or connections, or with any of the property of the cooperative on or about the member's premises. The cooperative may discontinue service to a member and remove its facilities from the member's premises without notice if evidence is found that any portion of the cooperative's facilities has been tampered with in such a manner that the member may have received unmetered service.

In the case a member causes or permits unauthorized interference with, diversion, or use of utility service situated or delivered on or about the member's premises, the member shall be required to bear all costs incurred by the cooperative for such alterations. If the meter or other equipment belonging to the cooperative is damaged or destroyed due to negligence or misuse by member

## & Penalties

or by any member of the household/ location, or by any officer, agent or employee of member, then the cost of necessary repairs or replacements shall be paid by member. Members will also be charged a \$250 fee for a diversion of service plus the value of lost revenue from the diverted service, which is estimated based on the historic use of the member or the residence. A disconnected service will be restored after the member pays for the fees, deposit, meter damages and the full estimated value of the diverted service.

Meter tampering can cause serious injury or death from electrocution, explosion or fire. Only trained Victory Electric personnel wearing protective clothing should work on meters. With modern automated meter technology, Victory Electric receives electronic notifications and alerts if the system suspects meter tampering. The metering department investigates and checks the status of the meter.

"Anytime you access a meter base, you take a risk," Konecny said. "With an arc flash, somebody could get killed or seriously harmed."

Electricity theft is not a victimless crime. Victory Electric loses revenues and is forced to expand resources to investigate tampering. These costs are absorbed into operating costs paid by the entire membership. National estimates vary, but the Washington Post cited revenue protection officials who claim between \$1 billion and \$10 billion worth of electricity is stolen from utilities annually.

Since everyone pays for lost power, please let us know if you suspect meter tampering. Call Victory Electric's office at 620-227-2139 to report a possible theft of service. All information can be given anonymously.



#### **Emphasizing the Importance of Communication**

Safety conversations aren't always comfortable, but all employees should be empowered to communicate constructively. Victory Electric hosted two Speak Up, Listen Up training sessions to give employees simple tools and a practical process for delivering and receiving safety-related feedback. These training sessions were attended by 92 individuals, and included participants from five other cooperatives in the state.

"I've attended this specific training before and found the program is truly about making safety part of the conversation," said Mikey Goddard, vice president of safety. "We were thrilled other cooperatives were willing to make the trip to Dodge City, and the message of this program will spread across the state."

The training uses Caterpillar's (CAT)

proven communication concepts and links them to work scenarios shown on videos. The work scenarios are tailored to day-to-day work activities cooperatives typically perform. The videos help employees connect to the training content and engage them in discussions of how to best provide and be open to receiving feedback within their work environments.

"The program was an eye-opener for sure," said Austin Gooder, lineman. "It definitely raised my awareness of what to do when faced with a potentially hazardous situation."

The Speak Up, Listen Up program, held March 19 and 20, was developed through a partnership between CAT Safety Services, NRECA's Rural Electric Safety Achievement Program (RESAP) Area Administrators, and Federated Rural Electric Insurance Exchange.

#### Co-ops Advocate for Members Continued from page 16A

have increased, the commercial rates charged by Sunflower's six memberssystems, including Victory Electric, have remained stable and even decreased.

On average, January, February and March electric bills for Victory Electric members decreased by eight percent. This 1¢/kWh energy charge adjustment (ECA) credit was a direct result of our efforts to decrease the cost of wholesale power, which is approximately 70 percent of your total electric bill.

Both the KCC and Evergy studies identified the problem, but now the work begins to develop solutions. Advocates for large industrial customers and renewable energy have again introduced several pieces of legislation aimed at electric rates. SB 69 asks for a third study

on electric rates be conducted by an independent consultant. Unfortunately, if this happens, ratepayers of Kansas' investor-owned utilities, electric cooperatives and municipalities will bear the cost of the study.

Victory Electric and our cooperative utility advocates understand the cost of electricity is vital to individual and business success and we support efforts to understand the problems and solutions to lower electric rates. While we DO support a compromise version of the study, we will continue to advocate for solutions that help all ratepayers—large and small—keep their electric rates as low as possible.

Thanks, Shane



## Learning Electrical Safety at 'Day on the Farm'

Victory Electric demonstrated the dangers associated with high voltage power lines at the Gray County and Ford County "Day on the Farm" events. "Day on the Farm" provides hands-on farm experience for elementary-aged children, covering many facets of agriculture. Victory Electric's vice president of safety, MIKEY GODDARD and linemen JESUS RUIZ, JAKE GIER, ROSS ACKERMAN and JACOB LEDORD use a modified "live power line" trailer to demonstrate the hazards connected with electricity.

> The presentations focus on precautions lineman take to stay safe while working and what the kids, or anyone, should do if they see a downed power line. Students

were shown some of the tools and equipment used to fix electrical lines, and a few lucky students even tried out some of the safety gear

worn by the linemen to help demonstrate what happens if that gear isn't properly inspected.

"There is great danger with power lines," Goddard said. "Teaching everyone, not just kids, how to avoid the danger is something we take very seriously."

Any organization has the opportunity to see the demonstration. Interested organizations can contact Mikey Goddard at 620-227-2139 for scheduling.

Above: At the Ford County Day on the Farm, lineman Ross Ackerman demonstrates how linemen check their gloves for holes each day.

Right: Vice president of safety Mikey Goddard helps a student put a on some of the equipment used by linemen.