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A Touchstone Energy® Cooperative 

Electronews

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CEO MESSAGE

Victory Electric Members See Rate Decrease for Second Month



Shane Laws

The start of the new year also meant the beginning of lower electric rates for members of Victory Electric. For the second consecutive

month, members received a one cent/kilowatt-hour (kWh) rate reduction. On average, this equaled an 8 percent decrease on electric bills.

To put it into perspective, the average residential electric bill is \$116.50, which meant a savings of almost \$10 in both January and February. Contingent upon generation fuel prices staying relatively stable, we predict members will continue to enjoy these savings into the future.

Members are the heart of efforts

While prices seem to be on the rise for many other utilities, Victory Electric is extremely proud to pass on a rate decrease to our members. We hope it is a welcome relief that offers some light at the end of the tunnel for our members, and ultimately helps keep our communities economically viable and strong.

The decrease in the wholesale cost of power is due to a combination of many factors. First and foremost, the rate decrease is the result of the Jan. 1, 2019, expiration of the Jeffrey Energy Center Power Purchase Agreement that allowed Victory Electric's wholesale power providers—Sunflower and Mid-Kansas—to rebalance resources by replacing its existing generation with more economical options. Additionally, favorable market conditions for owned generation resources and relatively steady fuel and contracted energy costs helped keep the cost of wholesale power lower.

Why an ECA matters

Victory Electric's base energy prices are purposely set for long intervals, often years, in an effort to keep prices steady and protect our members from market volatility. In addition to wholesale power costs, the base energy charge includes components such as fixed infrastructure costs, overhead and maintenance, property taxes and interest expense. Because of the complexity and financial investment involved with changing base rates regularly, there can often be a time lag between changes in the wholesale rate

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Infrared Technology ‘Heats Up’ Utility Maintenance Practices

Who knew 1800s technology originating in England would benefit electric cooperative members across southwest Kansas in 2019. Infrared technology is nothing new, but its impact on electric system reliability is surprising and impressive. Victory Electric uses the FLIR T640 infrared camera to help find bad connections and other heat-related problems on the electric grid system.

The camera, used and operated by Victory Electric’s substation technicians, visually shows technicians where heat is located within objects and how that heat is distributed. It does this by detecting the energy of heat and converting the information into an electronic signal, which produces an image. In the case of a substation, the images show technicians where heat is located and moving throughout equipment, like transformers. The result is finding transformers that need oil, bad connections and other heat-related problems within the substation before they cause equipment damage, and ultimately, power outages.

“The main purpose of our camera is preventative maintenance,” said Jarod Scheve, manager of the substation technology. “It was definitely an expensive investment, but the return on finding issues that eliminated/shortened outage times and lowered overtime costs has made the investment worth it.”

Technicians, primarily certified thermographer Jerry Dick, use the infrared camera daily, as weather permits.

“We scan the entire sub and if a connection point in the substation is going to fail, it will become hotter before it fails,” Scheve said. “The camera helps us identify those hot spots and



Infrared technology has changed the way electric utilities diagnose issues on the electric grid.

schedule maintenance around the findings before they fail and cause a large outage.”

Although the camera is used predominately during monthly substation inspections, it is also designed to help linemen troubleshoot and identify different issues on the line.

Sir William Herschel, royal astronomer to King George III of England, discovered infrared technology in the 1800s. Fast forward to 1978, FLIR was founded as an infrared imaging systems provider for energy providers such as Victory Electric. Thermal imaging tools are used for many different purposes in industries such as security, transportation, government organizations, and more.



When comparing the two small photos above and to the left, the bottom photo shows a white “hot spot” connection. When comparing infrared images of connections close by, the greater the temperature difference the quicker we act to resolve the issue.

Attend Your Annual Meeting

Each April, all Victory Electric Cooperative members have an opportunity to attend their annual meeting. The Victory Electric annual meeting is scheduled for Tuesday, April 9, at the Western State Bank Expo Center in Dodge City. Registration and dinner start at 5 p.m. with the business meeting beginning at 6 p.m.

In accordance with Victory Electric's bylaws, each year the cooperative holds a meeting of the members to communicate the cooperative's activities and financial status for the past year. The meeting also brings the annual trustee election to a close.

Election time

Members of the board of trustees are responsible for directing the business and affairs of the cooperative. Like you, trustees are cooperative members but with a special perspective. Your board members live throughout the Victory Electric service area. The trustees' primary function is planning and policy oversight,

establishing the long-term objectives of the cooperative, and providing resources to meet those objectives.

Exercising your membership rights

Purchasing electric power from Victory Electric gives you membership in the cooperative and, as a member, you have voting rights. Your participation is a fundamental power that flows from you to your electric cooperative. You have the power to discuss issues with friends and neighbors and elect your board representation. That democratic right—which includes one vote by every cooperative member—is one of several important differences between electric cooperatives and investor-owned electric utilities.

Informed and concerned members stay involved by electing those people who value their way of life and work to improve the quality of life in southwest Kansas. So, mark your calendars and plan to attend **VICTORY ELECTRIC'S ANNUAL MEETING ON APRIL 9.**

Watch for Annual Report & Ballot

The cooperative territory is divided into nine districts, all of which are represented by a trustee. Trustees are elected at the annual meeting for a three-year term.

This year districts 5, 7 and 10 are up for election.

Every member of Victory Electric will receive an annual report in the mail. A Spanish version will also be available on victoryelectric.net.

For those members in districts up for election, a mail-in ballot will be enclosed in your annual report. Ballots must be received by 5 p.m. on Monday, April 8, the day prior to the annual meeting. Only



mailed ballots will be counted in the election. No voting will be held electronically or at the annual meeting. Results will be announced at the meeting.

Victory Electric's bylaws require the city of Dodge City to be one district represented by three trustees. Trustees are elected at the annual meeting for three-year terms of office. Each year, Dodge City has one trustee up for election. The other eight districts' trustees are up for election on a three-year rotation.

Watch for your annual report and ballot in the mail!

BENEFITS OF TREE TRIMMING

Clearing trees and overgrown vegetation is vital to provide safe, reliable power to our consumer-members.

We clear certain areas in our service territory, known as rights of way, to:

- ▶ Keep power lines clear of tree limbs
- ▶ Restore power outages more quickly
- ▶ Keep crews and members of our community safe
- ▶ Reduce unexpected costs for repairs

Vegetation management improves service reliability for you—our consumer-members!



The Commitment of an Electric Lineworker

Lineworker Appreciation Day is April 8

National studies consistently rank power line repair and installation personnel among the most dangerous jobs in the country, and for good reason. Laboring high in the air wearing heavy equipment and working directly with high voltage creates the perfect storm for a dangerous and unforgiving profession. But electric lineworkers are up to the task. These brave men and women are committed to safety, as well as the challenges of the job.

Victory Electric's lineworkers are responsible for keeping power flowing day and night, regardless of national holidays, vacations, birthdays, weddings or other important family milestones. Beyond the years of specialized training and apprenticeships, it takes internal fortitude and a mission-oriented outlook to be a good lineworker. In fact, this service-oriented mentality is a hallmark characteristic of lineworkers. The job requires lineworkers to set aside their personal priorities to better serve their local community.

Family Support System

To perform their jobs safely and successfully, lineworkers depend on their years of training, experience and each other.

Equally important is their reliance on a strong support system at home. A lineworker's family

understands and supports their loved one's commitment to the greater community during severe storms and power outages.

This means in times of prolonged outages, the family and their lineworker may have minimal communication and not see each other for several days. Without strong family support and understanding, this challenging job would be all the more difficult.

Community Commitment

In southwest Kansas and across the country, electric co-op lineworkers' mission-focused mentality of helping others often extends beyond their commitment to their work at the co-op. Lineworkers are often familiar figures in the community. They can be found coaching youth sports teams, volunteering for local charities and serving on local advisory boards.

Thank You

Monday, April 8, is Lineworker Appreciation Day. Given the dedication of Victory Electric's lineworkers, both on and off the job, I encourage you to take a moment and acknowledge the many contributions they make to our local community. And if you see their family members in the grocery store or around town, please offer them a thank you as well.

Committed to the job. Committed to safety. Committed to you, our members.

Lineworker Appreciation Day is April 8, 2019



Trustees Vote to Reorganize Districts

As cooperatives grow, like Victory Electric Cooperative did more than 12 years ago with the acquisition of the Aquila electric properties, they often add more seats to their board of trustees to ensure members have equal representation. From time to time, we need to step back and evaluate the size of the board and consider the best interests of our members.

The last reorganization of Victory Electric board districts was in 2007 at the time of the Aquila acquisition. At that time, the board of trustees expanded from nine districts and nine trustees to the current 10 districts with a 12-member board of trustees to ensure the newly acquired members were adequately represented.

District lines are drawn in accordance with natural boundaries, common community interests, and geographic size, as well as the number of members residing in each district. Although these many varying factors are all carefully considered when creating or adjusting district boundaries, it would be burdensome to members and challenging logistically if all districts were crafted to maintain an equal number of members in each.

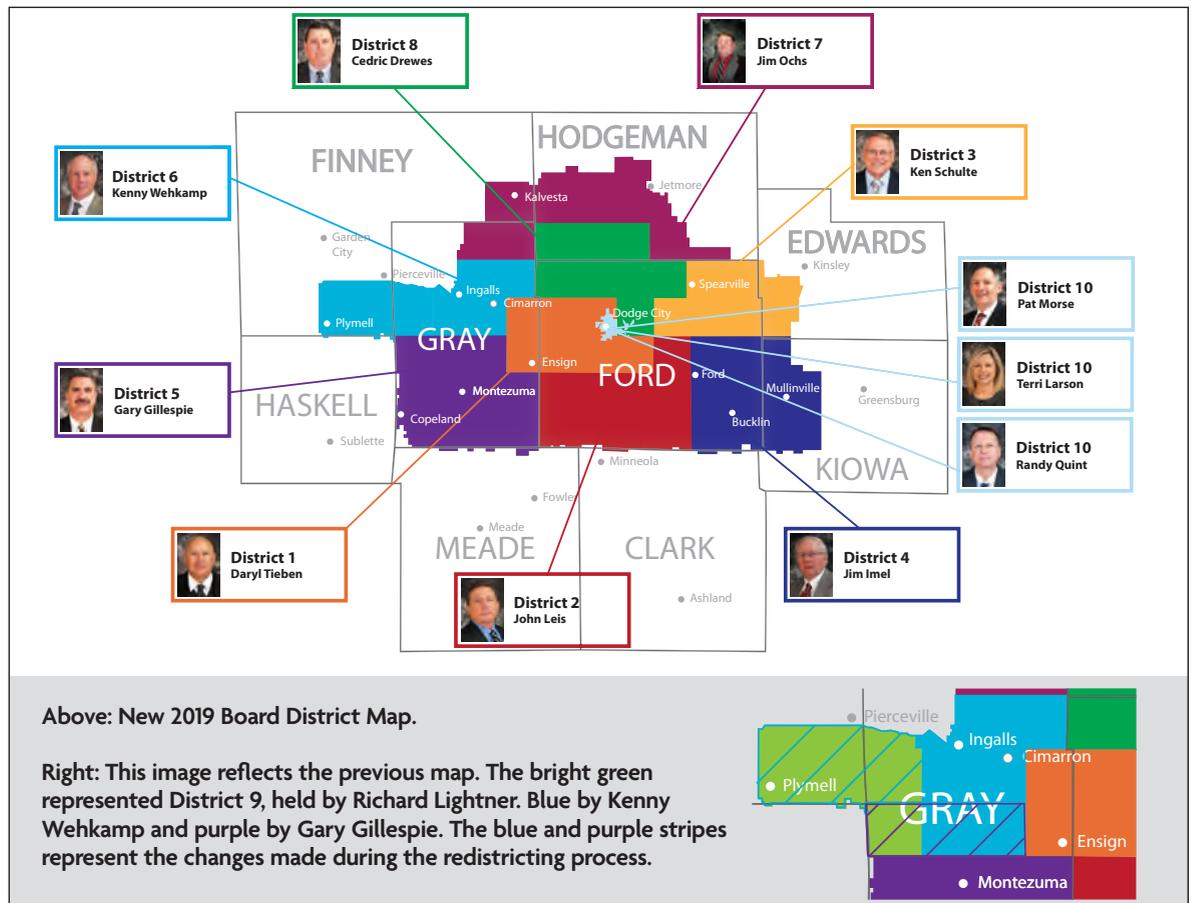
Each year, your board of trustees

conducts a review of these districts, as required by Article IV, Section 2, of the cooperative's bylaws. As a result, the decision was made at the January 2019 board meeting to eliminate District 9, currently held by Richard Lightner of Plymell. Members in District 9 were divided and moved to either District 5 or District 6, held by trustees Gary Gillespie and Kenny Wehkamp, respectively. These district changes became effective January 31, 2019.

The goal is to find the right balance. The board was careful to balance the need to make updates that meet a growing and ever-changing membership, while making sure to protect our members' rights. Following long-time board member Richard Lightner's announcement that he will not seek re-

election at the end of his term, the board felt an 11-member board is sufficient to manage the affairs of Victory Electric, and is a positive step toward our goal of controlling overall operating costs. Ultimately, more equally distributing the number of members served by a trustee in each district improves trustee accessibility and enhances a member's individual voice.

At the end of the day, the board wants our members to know you have a voice at your cooperative. As a utility owned by those we serve, Victory Electric is focused on the best interests of all members. If you have any questions regarding the reorganization of board district boundaries or the proposed bylaw change, contact Victory Electric at 620-227-2139.





Additional Security Measures in Place after Payment Drop Box Theft

On Christmas Day, Victory Electric was the victim of criminal activity where more than 50 payments were stolen from a payment drop box. Surveillance video was turned over to the police department, but unfortunately, due to the darkness and rainy/foggy weather, the police department was unable to get the make/model of the vehicle from the video.

Since the theft, Victory Electric has taken steps to update our security measures and equipment, as well as removing both drop boxes from our headquarters location. A new, more secure drop box is inset into the building and located near the front doors on the north side. For those members who do not wish to get out of their vehicles, there is still a drop box located at the City of Dodge City building on 806 N. Second Avenue.

While we have security measures to help keep payments safe, Victory Electric highly recommends not dropping cash in the payment boxes, using black gel ink when writing checks as it is reportedly more difficult to remove, and delivering your payment to the lobby drop box during regular business hours.

We also offer several other convenient payment methods including SmartHub, our online bill payment site. SmartHub is safe, secure and available 24 hours a day, without the risk associated with a physical check or cash. Members can make a payment each month, or set up AutoPay, which automatically deducts your payment on the due date each month from your credit/debit card or bank account.

Members can also call 866-999-8494

and pay over the phone with a credit/debit card or check. We recommend members use their account number when calling to ensure accuracy. Also, be prepared to create a 4-digit PIN number. For security reasons and to comply with the Federal Trade Commission's Red Flags Rule, Victory Electric employees cannot take your credit/debit card or check information over the phone via our local phone number; you must call 866-999-8494 to pay by phone. This service is available 24-hours a day, weekdays, weekends and holidays. This is a FREE service with NO fees.

Lastly, PowerMyWay is a self-managed pay-as-you-go billing plan with no deposits, no late fees, no disconnect or reconnect charges. Pay \$50 dollars toward future electricity and after that, you can pay as much or as little as you want on an as-needed basis. So you can pick your bill due date! Every day your balance will adjust based on how much electricity you used the previous day, and when you have less than \$25 left in your account you will receive a text message, email or phone call reminding you that your account is low and you need to think about making a payment. Since you no longer get a paper bill, your account information is available 24/7 on our online bill payment site or mobile app so it is three easy clicks to access your balance information or make a payment.

Victory Electric would like to thank the Dodge City Police Department for all their help, as well as our members who were patient with us as we updated security and replaced the drop boxes.



Reap What You Sow: Stay Safe During Planting Season

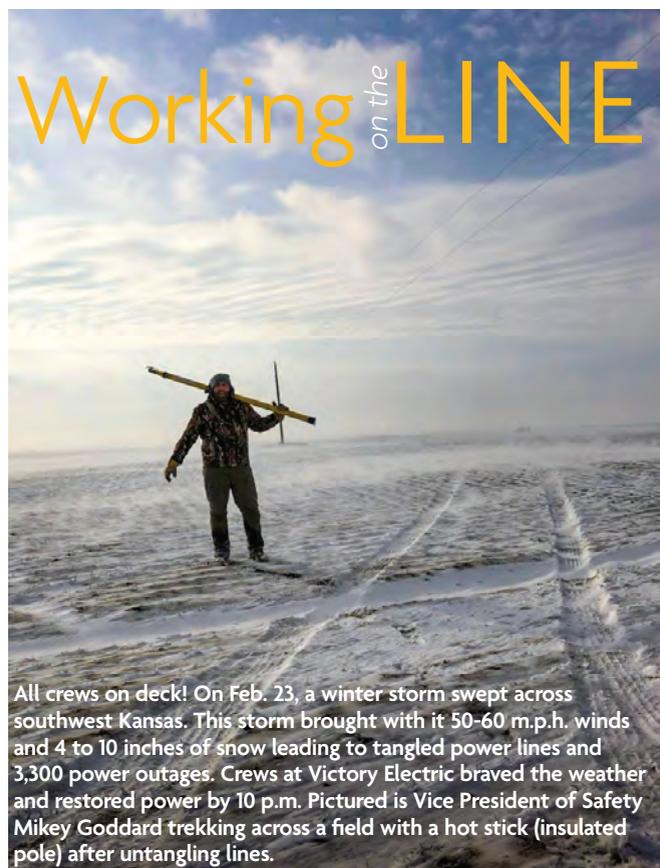
Farmers face long hours and fatigue during the lengthy planting season. If you farm, take care of yourself by getting as much rest as possible and allowing yourself breaks to clear your head.

Be especially aware of electrical hazards around the farm. Be cautious and think twice before acting around electricity. Safe Electricity offers farmers the following reminders:

- ▶ If your machinery or vehicle (tractor, truck or otherwise) comes in contact with a power line, do not get out. Once contact has been made with a live line, you are now a pathway to ground and you could get electrocuted if you step out. Instead, stay where you are and call 911 to dispatch the appropriate utility to de-energize the power.
- ▶ If you come across an accident or incident near a downed power line, from a distance alert individuals to stay in the tractor or vehicle as long as there is no imminent danger. Do not approach the scene.
- ▶ When using machinery with long extensions or tall antennas and when using ladders, look up to avoid contact with overhead power lines.
- ▶ An electrical current can jump or arc even without making contact so keep equipment at least 10 feet from surrounding power lines at all times.

- ▶ Remember, non-metallic materials such as tree limbs, ropes and hay can conduct electricity, depending on dampness and dust/dirt accumulation.
- ▶ Visually inspect overhead lines. If a wire is hanging low or is on the ground, consider it energized and stay at least 50 feet away; call 911 to have the operator dispatch the utility.
- ▶ Every day, map out where equipment will be moved to ensure it will clear power lines.
- ▶ When working in the vicinity of power lines, always use a spotter who has a broad vantage point.
- ▶ Train anyone working with or for you, including seasonal employees, to be aware of power line locations and teach them proper clearance distance. Design and implement a safety training program that includes a review of electrical hazards and how to safely deal with power lines.
- ▶ According to American Family Insurance, “know your PTO.” To stay safe when working with a power take off (PTO), always disengage the PTO, turn off the engine and remove keys before getting off the tractor. Never step across a rotating power shaft.

For more information on electrical safety, go to SafeElectricity.org.



All crews on deck! On Feb. 23, a winter storm swept across southwest Kansas. This storm brought with it 50-60 m.p.h. winds and 4 to 10 inches of snow leading to tangled power lines and 3,300 power outages. Crews at Victory Electric braved the weather and restored power by 10 p.m. Pictured is Vice President of Safety Mikey Goddard trekking across a field with a hot stick (insulated pole) after untangling lines.

Rate Decrease Continued from page 16A ▶

and the retail base energy price. This is where the Energy Cost Adjustment (ECA) comes into play.

Each month through the ECA, electric bills are adjusted either up or down to account for abnormal “variable” power supply costs. These variables determine how much our power supplier incurs or saves in the process of generating power, to include fuel costs like coal and natural gas, power purchases, and the cost of transmission to deliver the power to Victory Electric’s system.

When the cost of wholesale power decreases significantly like it did in January and February, the ECA gives Victory Electric an avenue and the capability of immediately passing the savings on to our members. The ECA is a pass-through bill adjustment to our power suppliers, and Victory Electric’s margins are not increased or decreased by the ECA.

Based on rate data gathered from the U.S. Energy Information Administration, Victory Electric continues to provide some of the lowest electric rates in the state of Kansas. While energy markets, weather, natural gas supplies and prices and government regulations constantly fluctuate and influence energy prices, our dedication to finding ways of decreasing the cost of power for our members reinforces Victory Electric’s commitment to providing safe, reliable power at an affordable price.

Thanks, Shane



GEARED FOR SAFETY

Electric co-op lineworkers wear special gear to help them stay safe on the job. Can you match the descriptions below with the correct safety equipment? Use the answer key to check your work!

Hard Hat

Safety Goggles

Flame-Resistant Clothing

Insulated Gloves

Equipment Belt

Work Boots



- ▶ These provide extra protection while lineworkers work with heavy materials that could fall near their feet.

- ▶ This material keeps lineworkers safe from electrical hazards.

- ▶ This protects lineworkers from head injuries and falling debris.

- ▶ These insulated protectors keep lineworkers safe from electrical shock while working on power lines.

- ▶ These keep debris away from lineworkers' eyes while on the job.

- ▶ This is a handy piece of safety gear that holds tools and other equipment.

Answers: 1. Work Boots 2. Flame-Resistant Clothing 3. Hard Hat 4. Insulated Gloves 5. Safety Goggles 6. Equipment Belt