

P.O. Box 1335, 3230 N. 14th Ave.
Dodge City, KS 67801
620-227-2139 or 800-279-7915
victoryelectric.net
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A Touchstone Energy[®] Cooperative 

Electronews

The Victory Electric Cooperative Assn., Inc.

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CEO MESSAGE

It Pays to be a Cooperative Member

Victory Electric is retiring capital credits and issuing payments to members

As a member of the cooperative, you share in the profits in the form of capital credit refunds. Unlike other electric utilities, electric cooperatives exist to make sure your needs are always met, not to make a profit. The allocation and retirement (refund) of capital credits is one of the most unique and rewarding benefits of being a Victory Electric Cooperative member.

This year, your Victory Electric board of trustees approved the December 2019 retirement of \$900,814.31 in capital credits to members who purchased electricity between 1986 and 1994.

This capital credit refund reflects the contribution of capital to the cooperative during those years. Over time those funds helped Victory Electric stabilize rates and reduce the amount borrowed to build, maintain and expand the distribution service providing our members with safe, reliable power. It also helped to build and sustain the cooperative in an industry experiencing massive changes and even more technological advances.

How do capital credits work?

After taking all expenses into account,

any profits left over when Victory Electric closes its books each year are considered margins. An investor-owned utility would call this a profit for its investors and stockholders. Being a member of a cooperative, any margins (capital credits) are returned to YOU, instead of outside investors. This is the big difference between cooperatives and other types of utilities.

The amount of margins allocated back to each member in capital credits is based on how much electricity you used in that given year and is retired (paid back) to the member later.

Commitment to our members

Victory Electric's board of trustees is committed to retiring capital credits. Capital credit management requires reliable information, a commitment to the financial health of the cooperative, and an obligation to the members. The board must balance the equity of



Shane Laws

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It Pays to be a Cooperative Member Continued from page 16A ▶

today's members against the equity of both yesterday's members and tomorrow's members. While margins are allocated back to members every year, the board of trustees is responsible for determining when and how much capital credits are retired based on the financial condition of the cooperative. The board of trustees and management at Victory Electric work to implement sound financial strategies aimed at increasing the equity threshold required to retire capital credits. We reached required equity levels this year and are excited about the retirement. With the

upcoming December retirement, 100% of Victory Electric's allocated capital credits prior to 1994 will have been paid out to members.

It's important to provide us updated contact information

When you move or no longer have service with Victory Electric, it is important you provide us with an updated address to ensure future capital credit refunds can be mailed to you.

Also, remember you must be a member and have service in your name to have capital credits allocated/

retired to you. If you are receiving electric service with someone else's membership or the service is in the name of a deceased person, you will not receive capital credits. Capital credits are non-transferrable and any current or future capital credit retirements will be issued in the name of the person on the membership or the estate of a deceased member.

Reliable electricity. Extraordinary service. Not-for-profit. Member-owned. That is Victory Electric's promise to you.

Thanks, Shane

How Capital Credits Work



01

Your cooperative tracks how much electricity you buy and how much money you pay for it throughout the year.



02

At the end of the year, your cooperative completes a financial analysis and determines the amount of excess revenues, called margins.



03

Your cooperative allocates the margins to members as capital credits based upon their use of electricity during the year.



04

When the cooperative's financial condition permits, your board of trustees elects to retire, or pay, the capital credits.



05

Your cooperative notifies you of how and when you'll receive your capital retirement.

Ruiz Promoted to Accountant



Melissa Ruiz

Victory Electric is excited to announce

MELISSA RUIZ has changed roles from accounting and payroll administrator to accountant.

Ruiz began her career at Victory Electric in 2004 as a member service representative. From that position, Ruiz transitioned into billing and eventually to the accounting and payroll administrator.

"I am excited for the chance to serve my current department in a new capacity," Ruiz said. "I've been at Victory Electric for more than a decade and regardless of my job title, I know our

mission is the same. I look forward to the challenges and opportunities this new role will offer."

Some of the duties Ruiz will take on in her new position will be handling bank reconciliations, preparing board reports, tying balance sheet accounts, and assisting with the budget.

"We are very excited about Melissa taking on this new role in our department. With her 15 years of Victory Electric experience and administration of our iVue software, she brings a wealth of institutional knowledge and has already proven herself to be a very valuable asset to our team," said Chief Financial Officer Angela Unruh.

We hope you will join us in congratulating Melissa and wish her the best of luck in his new position.

Hertel New in Member Services



Brenda Hertel

Next time you visit Victory Electric's office or call us on the phone, you may see a new face or hear an unfamiliar voice on the end of the line. Victory Electric is excited

to welcome **BRENDA HERTEL** as our newest member service representative.

Hertel was raised in Dodge City, and she graduated from Dodge City High School in 2008. She went on to attend Dodge City Community College and Fort Hays State University where she obtained an associate's degree in general studies with an emphasis in human services. In 2018, Hertel moved back to Dodge City and married Sam Hertel.

Hertel and her husband have a six-year-old daughter, Karsyn, and a cat named

Jameson. They are renovating their house and in any free time they enjoy watching movies and spending time with family and friends.

Prior to being hired at Victory Electric, Hertel served as the administrative assistant for Catholic Charities of Southwest Kansas.

In her role as a member services representative, Hertel will be assisting members by answering phone calls, supporting billing functions, answering questions about programs and services, and processing cash receipts.

"I am excited for the opportunity to work at Victory Electric. The people here seem friendly and I look forward to working with the members," Hertel said. "I think what excites me the most is being able to work with a variety of people and the daily one-on-one communication."

Join us in welcoming Brenda to Victory Electric!

6 HELPFUL TIPS

WHEN THE POWER GOES OUT

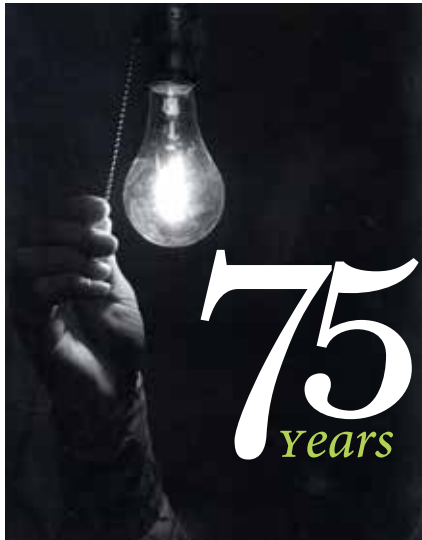


- 1 Avoid carbon monoxide poisoning. Generators, camp stoves or charcoal grills should be used outside and at least 20 feet away from windows.
- 2 Plan ahead before an outage: Have alternate plans for refrigerating medicines, using power-dependent medical devices and charging cell phones.
- 3 Check on your neighbors if you can. Older adults and young children are especially vulnerable to extreme temperatures.
- 4 Go to another location with power if heat or cold is extreme and if conditions are safe to do so.
- 5 Keep refrigerators and freezers closed to maintain compartment temperatures as long as possible. When in doubt, throw food out.
- 6 Turn off or disconnect appliances, electronics or other electrical equipment. Power may return with momentary surges that can cause damage.

Fall Back on Nov. 3

On Sunday, Nov. 3, remember to turn your clocks back one hour.





DO YOU Remember?

Victory Electric is gearing up to celebrate our 75th year of serving members in southwest Kansas. In honor of this

occasion, we are looking for members who remember “when the lights came on” and are willing

to share their story. If you or someone you know has a story or memory you are willing to share, please contact:

ALLISON DOLL

620-371-7738

ASKCOMMUNICATIONS

@VICTORYELECTRIC.NET.



Cold Weather Rule Begins Nov. 15

Though Victory Electric is a self-regulated electric utility, we participate in the special Kansas Corporation Commission Cold Weather Rule disconnect procedures for residential members during the time period of Nov. 15 through March 15. The guidelines set out below were established to protect not only you, the electric member, but also your member-owned cooperative.

Residential cooperative members unable to pay their electric service bills during the cold weather period may qualify, provided they fulfill certain good faith requirements when attempting to pay.

Some members believe once the Cold Weather Rule is in effect, electric bills can be ignored and the cooperative will not disconnect service—this is not true. The cooperative can and will disconnect for nonpayment if certain criteria are not met. Victory Electric reserves the right to disconnect between 8 a.m. and 5 p.m., Monday through Friday when the temperature is at or above 35 degrees Fahrenheit. In no event will the cooperative disconnect a service if the temperature is forecasted by the local National Weather Service to fall below 35 degrees Fahrenheit within 24-hours following the time of disconnection.

Any outstanding balance remaining not set up on a payment arrangement by March 15 is required to be paid-in-full by March 16 to avoid disconnection. In the event the account is disconnected for nonpayment, any past due balance plus the reconnection fee must be paid-in-full to restore power.

Checks or payments used to establish a payment arrangement returned to Victory Electric for non-sufficient funds (NSF) is considered a default on the payment arrangement. The member is responsible for immediately paying the NSF penalty and reissuing the funds to Victory Electric, by cash, credit card, or money order, to avoid possible disconnection.

A member must meet the following requirements to qualify for the Cold

Weather Rule.

- ▶ Notify Victory Electric and state inability to pay their electric bill in full.
- ▶ Member may apply to federal, state, local or other financial assistance programs for which they may be eligible to receive aid in paying utility bills.
- ▶ Member and cooperative reach an agreed upon payment arrangement.
- ▶ Member must not default on a payment arrangement plan.

The Cold Weather Rule is to ensure human health and safety is not unreasonably endangered during the cold weather months. Failure to follow the above requirements will disqualify the member from receiving the benefits under the Cold Weather Rule. Victory Electric also reserves the right to disconnect service immediately if:

- ▶ A dangerous condition exists on the member's premises, as determined by the cooperative, which makes the delivery of power unsafe.
- ▶ The member violates any rule of the utility that adversely affects the safety of the member, other persons, or the physical integrity of the utility's delivery system.
- ▶ The member causes or permits unauthorized theft, tampering or diversion of service (meter bypass).

The Cold Weather Rule does not apply to PowerMyWay accounts. If the account balance is \$0.01 or below during inclement weather, the account will be disconnected regardless of Cold Weather Rule.

Please be mindful Victory Electric is very strict with implementing the Cold Weather Rule requirements and payment arrangement guidelines, and we encourage members to make every effort to comply to avoid broken payment arrangements and/or disconnection. Two or more broken payment arrangements will initiate a deposit or a modification of a deposit.

For more information on Cold Weather Rule requirements and payment arrangement guidelines, please visit our website at victoryelectric.net.

Representing Members and Fighting for Fair Rates

Sunflower Electric Power Corporation and Mid-Kansas Electric Company provide Victory Electric with wholesale generation and transmission services and are actively engaged at state, regional and federal levels to promote policies in the best interest of our members. Numerous working groups and committees at the Southwest Power Pool (SPP), the regional transmission organization to which Sunflower and Mid-Kansas belong, necessitate a high level of involvement by Sunflower and Mid-Kansas personnel, who represent Victory Electric and our members.

The SPP is a member-owned organization that oversees the bulk electric grid and wholesale power market in 14 states across 546,000 square miles. Basically, SPP acts as the “air traffic controller” of the power grid by ensuring power gets to customers and by eliminating power shortages. In addition to facilitating the Integrated Marketplace in which generation is bought and sold, SPP also develops transmission upgrade plans and designs tariffs to maintain adequate compensation by businesses that use utility transmission assets.

SPP has 99 members made up of a diverse group of electric utilities, including electric cooperatives, investor-owned utilities, municipal systems, and independent power producers. SPP’s members appoint various organization personnel/staff to participate in working groups analyzing and developing solutions for various matters.

Because the issues are complex and the outcomes are important to all ratepayers, staff representing Sunflower and Mid-Kansas continue to be active in SPP’s working committees.

One of Sunflower and Mid-Kansas’ targeted efforts has been a discussion with the SPP board and membership about the way the current transmission cost allocation method negatively

affects ratepayers in wind-rich areas like that of Sunflower and Mid-Kansas. They asked that cost causation principles (in essence, the utilities needing/creating transmission upgrades or buildouts should bear the majority of the transmission costs) need to be followed. Sunflower and Mid-Kansas also advocated for a solution to remedy current and future transmission tariffs so Sunflower and Mid-Kansas are adequately compensated for the use of their transmission wires by other SPP members for wind energy benefiting the entire SPP region.

While Sunflower and Mid-Kansas are two of the smaller electric utilities in the SPP, over the course of several years, their compelling research and consistent interaction including 22 presentations—have prompted SPP and its members to review a number of issues.

One such example is the March 2018 creation of the Holistic Integrated Tariff Team, also referred to as HITT, to take a holistic look at many issues challenging the SPP region with a special emphasis on transmission cost allocation practices in wind-rich zones like Sunflower and Mid-Kansas. In July, HITT delivered 21 recommendations that will be assigned to SPP’s committees and working groups for consideration. Included in the HITT report are recommendations to establish local planning criteria and create new larger pricing zones; two issues on which Sunflower staff have been leading and actively involved because the issues impact members like you.

More work has yet to be accomplished for full implementation of the HITT’s recommendations, but rest assured that through Sunflower and Mid-Kansas, Victory Electric has a seat at the table, not just as a participant, but in leading the discussions and developing solutions. It’s just one many ways your cooperative is working for you.

Morse Elected to Represent Kansas on NRECA Board

At the Kansas Electric Cooperatives, Inc., board meeting in early August, Victory Electric Trustee and board vice president **PAT MORSE** was elected to serve a two-year term representing Kansas on the National Rural Electric Cooperative Association (NRECA) board of directors. NRECA is the national association for electric cooperatives that provides vital services and represents more than 900 member-owned, not-for-profit electric cooperatives and public power/utility districts across the nation.

Morse serves as one of the district 10 trustees on the Victory Electric Board of Trustees. The 10th board district covers members who reside within the city of Dodge City limits. Morse also serves on the board of directors for Kansas Electric Cooperatives, Inc. In addition to his 12 years as a Victory Electric trustee, Morse has more than 40 years of utility operations experience from his former role as a vice president of a national telecommunications company.

Congratulations, Pat! We are excited to see the great things you will accomplish during your tenure representing Kansas cooperatives!



Victory Electric Trustee and board vice president Pat Morse was elected to serve a two-year term representing Kansas on the NRECA board of directors.

Golfing FORE a Cause

The inaugural Co-ops Care Charity golf tournament, co-hosted by Victory Electric and Wheatland Electric, was held on Friday, September 13, at the Golf Club at Southwind in Garden City.

The 18-hole tournament sported 30 teams. Throughout the day players had the opportunity to participate and win prizes for challenges like “Beat the Pro”, longest drive for men and women, longest putt, as well as a few Friday the 13th activities.

“Overall, the tournament went really well,” said Kyndell Penick, manager of key accounts. “We had a great turnout and many cooperative members and vendors came together to support two great causes.”

Together, Victory Electric and Wheatland Electric were able to raise money to benefit Friends of Wright Park Zoo in Dodge City and Wheatland Electric’s Cram the Van food drive. Each organization is focused on giving back and making a positive difference in their communities so we all have a better place to live, work and play.

“Giving back to the community is what cooperatives do,” said Jerri Whitley, vice president of communications. “We couldn’t be more happy to be a part of helping build and support strong and healthy communities for our members.”

Friends of the Wright Park Zoo is raising funds for a zoo revitalization project aimed at creating a more enriching environment for the animals in the zoo’s care, updating habitats, and educating the community with unique experiences.

The zoo currently entertains more than 60,000 visitors per year from Dodge City, the surrounding counties, and even out-of-state visitors. Home to about 126 animals, the zoo’s animals represent approximately 30 species from nearly every continent on earth.

Wheatland Electric’s Cram the Van food drive program started five years ago in response to an appeal from

Together, Victory Electric and Wheatland Electric were able to raise money to benefit the Friends of Wright Park Zoo in Dodge City and Wheatland Electric’s Cram the Van food drive.





Above: 117 golfers enjoyed the beautiful weather to raise money for two local charities.



Right: Victory Electric's substation technician Craig Renick concentrates on his game.

cooperative members who wished to have a method to help other members within their own communities. The big, red Cram the Van van travels each fall to several communities across western and central Kansas collecting donations and non-perishable food items. Since the program began, more than 32 tons of food has been donated to local food banks in the city/county in which it was donated.

"We really owe a lot to our sponsors, because with their generous help, we were able to host an successful tournament. Victory Electric looks forward to continuing hosting this tournament in the future and having an opportunity to support other local causes," Penick said.



The challenge is on! Traci Goddard, manager of accounting for Wheatland Electric, and her husband Mikey Goddard, vice president of safety for Victory Electric, competed on the course for the top prize.

Pumpkin Painting & Carving Festival

Saturday, Oct. 26, 2019

9 to 11 a.m. at Victory Electric



Join us for fall fun at the Pumpkin Painting and Carving Festival. A pumpkin will be provided free to the first 600 kids. In addition to painting and carving, there will also be many fun fall-themed games and activities, face painting, and costumes are welcome. All children must be 13 or younger and accompanied by an adult.

Sponsored by Victory Electric and Ladies Community Outreach

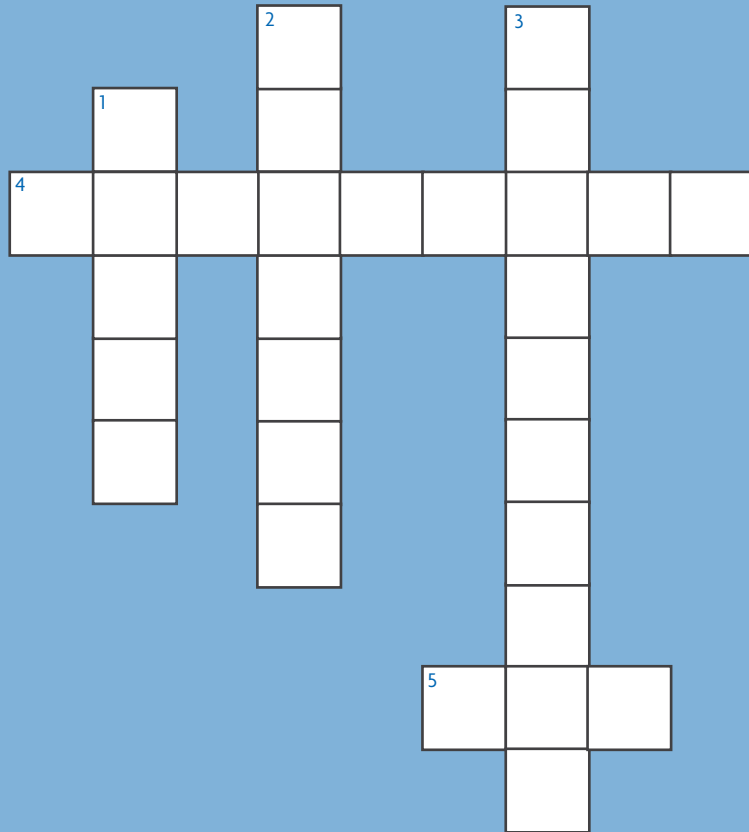
CO-OP MONTH CROSSWORD

October is National Co-op Month!
Complete the crossword puzzle below to learn
about ways co-ops are unique. Need a hint?
Use the word bank below.



WORD BANK:

- LED
- MEMBERS
- LOCAL
- COMMUNITY
- PRINCIPLES



CLUES:

- 1. DOWN:** Co-ops are _____ organizations and businesses, so they understand the communities they serve.
- 2. DOWN:** Co-ops don't have customers; they have _____.
- 3. DOWN:** All co-ops operate according to the same set of seven cooperative _____.
- 4. ACROSS:** "Concern for _____" is the seventh cooperative principle.
- 5. ACROSS:** Co-ops are _____ by the members they serve.

ANSWER KEY

- 1. DOWN: LOCAL
- 2. DOWN: MEMBERS
- 3. DOWN: PRINCIPLES
- 4. ACROSS: COMMUNITY
- 5. ACROSS: LED