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785-877-3323 or 800-577-3323  
www.prairielandelectric.com

**PRAIRIE LAND  
ELECTRIC COOPERATIVE**

# NEWS



## Prairie Land Electric Cooperative, Inc.

### Board of Trustees

**Ronald Griffith** President

**Mike Rogers** Vice President

**Sandy Benoit** Secretary

**Robert Paxson** Treasurer

**Ivan Bohl** Trustee

**Jerry Gallagher** Trustee

**Otto Levin** Trustee

**William Peterson** Trustee

**Keith Ross** Trustee

**Scott Urban** Trustee

**Eric Witmer** Trustee

### Staff

**Kirk Girard**  
Chief Executive Officer

### Power Line Issues

Call 800-577-3323 to report outages and other power line issues.

Prairie Land Electric Cooperative, Inc. is an equal opportunity provider and employer.

## FROM THE CEO – EXCERPT FROM THE 2021 ANNUAL REPORT

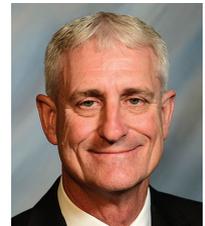
### 2021 in Review

Theodore Roosevelt said, “The more you know about the past, the better prepared you are for the future.” Clearly 2020 was a historic year for the entire world. The COVID-19 pandemic changed our daily lives going forward, including into 2021. Just as we thought it couldn’t get any worse, Winter Storm Uri hit our region. Extreme, sustained cold affected everyone from the northern border of the U.S. down into Texas. The natural gas supply used to generate electricity was limited just as demand was highest. This drove natural gas prices to record highs. Some power plants in the central part of the U.S. could not even operate.

As a result, controlled service interruptions, including in the Prairie Land territory, were implemented across the 14-state service area of the Southwest Power Pool (SPP) for the first time in its 80-year history. Furthermore, the cost to purchase power in the central part of the U.S. increased exponentially. Prairie Land’s wholesale power bill increased over \$14 million in February — more than six times higher than a typical monthly billing.

Prairie Land’s main concern was to lessen the immediate financial impact on our members. With that goal in mind, the Prairie Land Board of Trustees unanimously voted to approve the February 2021 deferred cost rider (DCR), allowing the extraordinary costs to be

broken into 36 equal installments. Prairie Land and our members are one and the same, and we only succeed if our members succeed. While we could not control these extraordinary costs, we were committed to implementing an equitable and manageable solution.



**Kirk Girard**

Winter Storm Uri was a historical event, but now that it has occurred, we need to be prepared for the next time it happens. While Sunflower Electric’s coal generation station at Holcomb provided a 70% hedge during Winter Storm Uri, the Sunflower board of trustees approved additional winter hedging strategies, including a fixed-priced block of energy and a natural gas price lock to insulate its members from volatile energy markets.

While Winter Storm Uri caused significant financial burdens on Prairie Land and our members, declining sales, partly due to COVID-19, and increased operating costs gave cause for the Prairie Land board to review rates to ensure adequate revenues are generated to cover Prairie Land’s operating expenses and debt obligations while generating enough capital to reinvest in our electrical system.

As a not-for-profit, member-owned business serving your local communi-

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The Dec. 15, 2021, wind storm took down 175 poles in our service territory.



Journeyman Lineman Travis Stites enjoys a rainbow while moving lines to allow a house to be transported down the road.

EXCERPT FROM THE 2021 ANNUAL REPORT

## Special Projects

The mission of Prairie Land Electric is to improve the quality of life for our members and support our communities by providing safe, reliable energy services and education. The projects we undertook in 2021 kept this mission in focus.

Safety has been and continues to be of the greatest importance for Prairie Land, not only for our lineworkers performing hazardous jobs, but also for our members and the public. Prairie Land employees completed work on our high voltage safety demonstration unit and started providing demonstrations in the second half of the year. There were 19 demonstrations providing training to 450 participants on the hazards associated with high voltage lines, downed power lines and electrical contacts.

Another important project is the ongoing work to rebuild the portions of our system damaged by storms. The April 2017 snow and ice storm that hit Decatur, Graham, Norton, Sheridan and Rawlins counties caused over \$4.7 million in damages. Eighty-nine of the more than 300 miles of line that were

damaged qualified for Federal Emergency Management Agency (FEMA) disaster relief. Crews continue to rebuild the damaged lines with financial assistance from FEMA. Over the past year and a half, nearly 80% of the projects have been completed, and we anticipate having all of them finished by mid-summer 2022.

On Dec. 15, 2021, high winds topping 80 mph caused substantial damage to our electrical infrastructure throughout most of the counties we serve. Approximately 6,300 of our meters were affected by the storm. Line crews worked through the night to restore power. We lost approximately 175 poles in the storm, as well as numerous cross arms and downed power lines. On Feb. 17, 2022, a federal disaster was declared, qualifying 13 counties in the Prairie Land service territory eligible for FEMA disaster assistance.

While extreme weather events can cause havoc on our system, with resiliency and reliability at the core of our

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## Interesting Statistics

	2021
# of Prairie Land Members	13,858
# of Connected Meters	24,649
Miles of Line	6,989
Meters per Mile of Line	3.5
Investment per Mile of Line	\$28,102
Investment per Meter	\$7,968
Kilowatt Hours Purchased	630,030,555
Kilowatt Hours Sold	597,243,206
Kilowatt Hour Losses	32,787,349
Line Loss %	5.20%
Long-Term Debt	\$97,274,714
Plant Additions	\$6,450,325
Plant Retirements	\$3,063,450
# of New Services Added	141
# of Services Retired	102
# of Full-time Employees	84
Capital Credits Retired in 2021	\$299,799
Capital Credits Retired All Years	\$14,720,681

EXCERPT FROM THE 2021 ANNUAL REPORT

# 2021 FINANCIAL REPORT

## BALANCE SHEET

### ASSETS

Total Utility Plant	196,401,619
Less Depreciation	(74,660,806)
<b>Net Value of System</b>	<b>121,740,813</b>

Cash and Temporary Investments	2,903,584
Investments in Assoc. Organizations	48,862,945
Receivables	6,631,337
Materials & Supplies	1,831,769
Pre-payments	520,627
Other Current Assets	7,789,335
Deferred Debts	3,156,972
<b>Total Assets</b>	<b>193,437,382</b>

### LIABILITIES

Long Term Debt	97,274,714
Deposits	820,969
Notes and Accounts Payable	7,281,626
Current Liabilities	3,156,595
Deferred Credits	301,685
Equities and Margins	84,601,793
<b>Total Liabilities</b>	<b>193,437,382</b>

## INCOME STATEMENT

### INCOME

Electric Revenue	79,148,272
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### EXPENSES

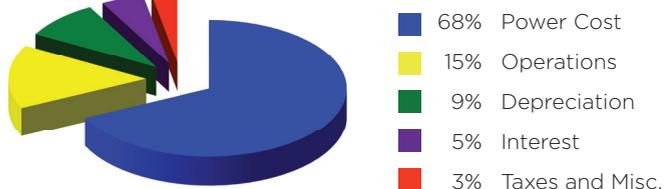
Power Cost	53,729,065
Operations	11,827,863
Depreciation	6,840,755
Taxes	2,207,263
Interest	3,986,189
Miscellaneous	193,353
<b>Total Expenses</b>	<b>78,784,488</b>

<b>OPERATING MARGIN</b>	<b>363,784</b>
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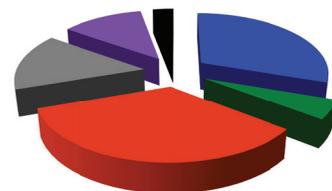
<b>NON-OPERATING MARGIN</b>	<b>7,734,674</b>
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<b>TOTAL MARGINS FOR 2021</b>	<b>8,098,458</b>
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### OPERATING EXPENSES



### ELECTRIC SALES REVENUE



34.5%	Commercial
29.6%	Farm and Residential
14.6%	Industrial
13.2%	Resale
4.6%	Irrigation
3.5%	Public Authority & Misc.

## 2021 Review *Continued from page 12A* ▶

ties, Prairie Land has two primary obligations. The first is to provide safe and reliable service to the members. The second is to maintain sound financial operations that satisfy the requirements of our lenders. Our member-elected board of trustees and the cooperative's management must examine rates periodically to ensure they continue to fulfill these obligations while keeping rates fair and equitable for the members. This responsibility is taken very seriously.

Rate design entails a balancing act between meeting our revenue needs while minimizing the financial impact on our members. In September 2021, Prairie Land announced that a planned rate study had been initiated using an independent rate consultant.

On Nov. 23, 2021, the board of trustees held a member rate meeting at the Norton office to review and vote on proposed rate changes. While the cost-of-service study indicated a need for a 3.9% increase in overall rate revenue, the amount of the rate change varied by rate class, with some rate classes requiring more than the average, and others needing little or no increase. Much of the proposed rate increase took place within the service access charge to better align with the cost of service, which ensures recovery of fixed costs that are incurred before a single kilowatt-hour of electricity is used. After thorough analysis and discussion, the board approved the proposed rate changes, which provide an overall revenue increase of \$4.6 million to be implemented over 3 years.

We want to assure our members that we will continue to work hard to provide safe and reliable power that makes your life better. Even after the necessary increase, Prairie Land's residential rates continue to be among the lowest when compared to other Kansas electric cooperatives.

## Congratulations PLEC Employees!

Prairie Land extends congratulations and appreciation to Jeremy, Tyler, Travis and Julie for 15 years of service to our members.

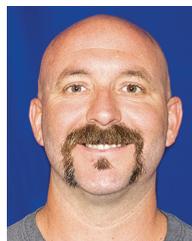


**Jeremy Harding**  
15 Years

Crew Foreman **JEREMY HARDING** has been with Prairie Land since May 14, 2007, serving in the Norton area.

Jeremy and his wife, Skyler, have five children: Rory, 8; Nash, 7; Addison, 5; Payton, 3; and Jaxson, 4 months.

In his spare time, Jeremy enjoys side-by-side trail riding with his family, hunting and fishing.



**Tyler Rutherford**  
15 Years

Journeyman Lineman **TYLER RUTHERFORD** started his employment on May 14, 2007, serving the Norton area on the construction crew.

Tyler and his wife, Kayla, have three children: Paisley, 9; Harper, 8; and Quinten, 4.

In his spare time he enjoys hunting, fishing and camping with his family.



**Travis Stites**  
15 Years

Journeyman Lineman **TRAVIS STITES** began working for Prairie Land May 14, 2007, and is serving in the Phillipsburg area.

Travis and his wife, Alyssa, have three children: Bella, 11; Briley, 9; and Bryson, 5.

In his spare time, he enjoys spending time with his family and hunting.



**Julie Douglas**  
15 Years

Customer Information System Manager **JULIE DOUGLAS** joined the cooperative May 17, 2007, and is based at the Norton headquarters.

Julie and her husband, Pat, have four children and nine grandchildren.

She spends her spare time with her kids and grandkids, riding motorcycles, and volunteering for the Norton Christian Church and the Rock Youth Center.

## Special Projects *Continued from page 12B* ▶

mission and strategic planning initiatives, we will continue to invest in our distribution system.

At their December meeting, the board of trustees approved a \$22.8 million, four-year construction work plan (CWP). The purpose of the CWP is to identify infrastructure improvements that need to be made to ensure our system is reliable and resilient, while at the same time

being financially responsible. The CWP includes projects such as new tie lines, line conversions, distribution substation upgrades, transmission line projects, and standard unit replacements of poles, cross arms, meters, transformers, regulators and arrestors. We are continually upgrading our system and performing routine maintenance to ensure we provide our members with safe, reliable power.