



THESE POLES

HAVE ROOTS



ANNUAL  
REPORT

2020

# LOOKING BACK AT 2020

Clearly, 2020 was a historic year for the entire world. The coronavirus pandemic changed our daily lives and the way we worked for the bulk of the year, and the future implications remain uncertain.

Prairie Land, like every member on our lines, had to deal with the impact of COVID-19 in various ways. Early on, we saw plummeting kWh sales and reduced revenues; businesses were shut down, and our members lives were put on hold. As the pandemic progressed, over two-thirds of our office staff began working from home with a focus on maintaining the level of customer service our members are accustomed to. It was amazing how adaptive our employees could be, and they demonstrated that we can provide members with the same outstanding service even from a remote location. Our crews continued to work safely and effectively when outages struck, ensuring that our members were not without essential power.



**Gregg Glennemeier works to secure a large transformer onto the bed of a truck for transport to Long Island for the new substation completed in March.**

As the spring turned into summer, we were able to learn more about the virus and allow our employees to return to the office with modifications to our work environment. While the front office remained closed to the public, employees were able to return to a more normal work routine.

Although Prairie Land is a member-owned, not-for-profit cooperative, we still require that revenues exceed expenses in order to invest in our infrastructure. During the pandemic, sales declined, at times, by more than 20%. While they did recover to some extent, revenues for the year were still down by nearly 5.5% -- more than \$2.1 million less than the previous year.

Like many of you, we looked at trimming our own budget to offset the reduced revenue. With COVID-19 restrictions, travel and training were obvious sources of savings for the year. We also temporarily suspended contract services, postponed filling vacant positions, suspended the hiring of summer interns, and focused on capital projects. These changes, along with normal operations, allowed us to achieve



**In April, Prairie Land and other cooperatives purchased and delivered essential hand sanitizer to our health departments and emergency management services.**



an operating margin of \$1.2 million for the year. While we continue to monitor and control our expenses, it is not possible to continue these cuts indefinitely without substantial consequences in future years.

Despite COVID-19, our crews were able to complete several important projects during 2020. A new substation was built in Long Island, and many old poles were replaced and at times, relocated. We completed several Federal Emergency Management Agency (FEMA) projects from the 2017 snow/ice storm that wreaked havoc in Decatur, Graham, Norton, Rawlins, and Sheridan counties. Through an improved project application to FEMA, we were able to utilize FEMA funding to increase the capacity and



**Special metal poles were delivered in February for use in FEMA projects. They are installed to reduce the amount of poles that come down in severe weather.**

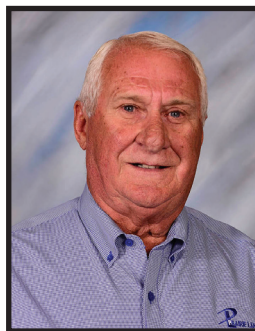
dual feed capabilities of approximately 4.7 miles of line in Rawlins County. This improvement will allow us to tie the Herndon substation and the Oberlin substation together, so that we can route the feed from either direction, resulting in improved reliability and shorter outage times.

As we turned the corner to 2021, we were confident the worst was behind us. The coronavirus vaccine had been approved and normalcy was on the horizon. Then the February 2021 extreme cold weather event put us all in a deep freeze for more than 10 days. The extreme cold weather increased the demand for electricity and impeded the ability

to generate it. Controlled service interruptions had to be implemented across the 14-state Southwest Power Pool (SPP) region for the first time in its 80-year history, and the cost to purchase power increased exponentially.

Prairie Land faced unprecedented costs associated with the February cold weather event, receiving a power bill over 6 times higher than average. Still, our board of trustees was committed to doing whatever was needed to find an equitable and more manageable solution to minimize the immediate impact on our members. We also recognize the extraordinary, voluntary efforts that Prairie Land members made to conserve energy during the extreme cold. These measures helped minimize the number and lengths of the SPP's energy emergency alerts and service interruption orders. We can't thank our members enough for the sacrifices you were willing to make to preserve the integrity of the grid.

"Our members and Prairie Land are one and the same." This is the mantra that guides our decision making and shapes our daily routines. Our purpose is to improve the lives of the members we serve, meaning we only succeed when our members succeed. We've all faced some tough and unexpected challenges over the last year, and keeping our mission in mind is the driving force that helps us all power through.



**Ronald G. Griffith**  
**Board President**



**Kirk Girard**  
**CEO**

Ivan Bohl



Keith Ross



Eric W



**Cheyenne**

● Saint Francis

**Rawlins**

**District 1**

**Decatur**

**Norton**

● Norton

**District 2**

**Sherman**

**Thomas**

**Sheridan**

● Penokee

**District 3**

**Graham**

● Dama



Mike Rogers



Robert Paxson



Sandra



Vitmer



Ronald Griffith



Jerry Gallagher



g Island

Phillips

Phillipsburg

Smith

Smith Center  
Kensington

District 4

Jewell

Republic

Concordia

District 5

Washington

Clifton

Rooks

Osborne

Mitchell

Cloud

Clay



Benoit



Otto Levin



William Peterson

# 2020 FINANCIAL REPORT

## BALANCE SHEET

### ASSETS:

Total Utility Plant	193,014,744
Less Depreciation	(70,745,486)

**Net Value of System 122,269,258**

Cash and Temporary Investments	1,656,967
Investments in Assoc. Organizations	44,767,327
Receivables	5,617,536
Materials & Supplies	1,711,377
Pre-payments	325,122
Other Current Assets	415,599
Deferred Debits	3,644,663

**TOTAL ASSETS 180,407,849**

### LIABILITIES:

Long Term Debt	96,037,176
Deposits	841,382
Notes & Accounts Payable	3,295,693
Current Liabilities	3,280,671
Deferred Credits	337,876
Equities & Margins	76,615,051

**TOTAL LIABILITIES 180,407,849**

## INCOME STATEMENT

### INCOME:

Electric Revenue	63,323,459
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### EXPENSES:

Power Cost	37,871,112
Operations	12,054,266
Depreciation	5,261,018
Taxes	2,669,719
Interest	4,023,704
Miscellaneous	193,353

**TOTAL EXPENSES 62,073,172**

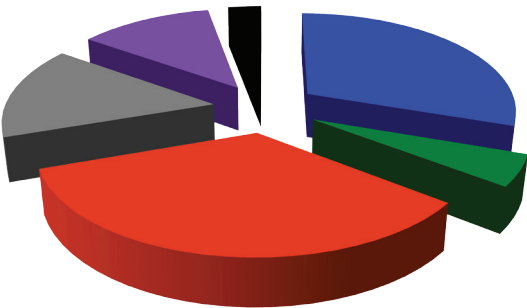
**Operating Margin 1,250,287**

**Non-Operating Margin 2,072,442**

**Total Margins for 2020 3,322,729**

*The mission of Prairie Land Electric Cooperative, Inc. is to make electric energy available to its members at the lowest possible cost consistent with sound economy and good management.*

ELECTRIC SALES REVENUE:



- 34% Commercial
- 30% Farm and Residential
- 15% Industrial
- 12% Resale
- 5% Irrigation
- 3% Public Authority and Misc.

OPERATING EXPENSES:



- 62% Power Cost
- 19% Operations
- 8% Depreciation
- 7% Interest
- 4% Taxes and Misc.

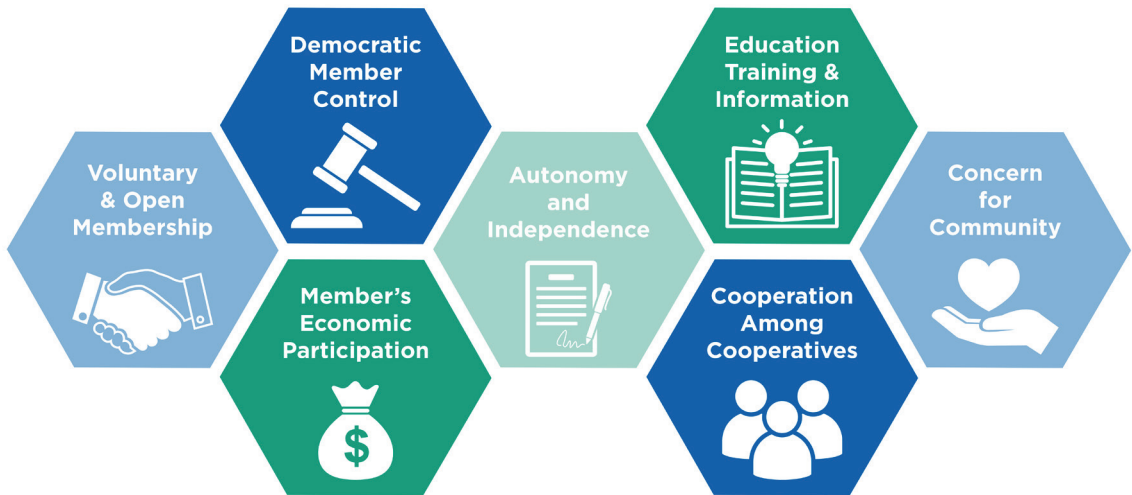
Interesting Statistics

2020

# of Prairie Land Members.....	13,858
# of Connected Meters .....	24,618
Miles of Line .....	6,986
Meters per Mile of Line .....	3.5
Investment per Mile of Line .....	\$27,629
Investment per Meter .....	\$7,840
Kilowatt Hours Purchased .....	637,718,988
Kilowatt Hours Sold .....	604,243,734
Kilowatt Hour Losses .....	33,475,254
Line Loss % .....	5.25%
Long-Term Debt .....	\$96,037,176
Plant Additions .....	\$7,960,977
Plant Retirements .....	\$3,191,640
# of New Services Added .....	125
# of Services Retired .....	73
# of Full-time Employees .....	85
Capital Credits Paid in 2019 .....	\$2,364,379
Capital Credits Pd. All Years .....	\$14,420,882



Representative Ken Rahjes posed for a picture with John Atkins, Kirk Girard, and Chuck Look during KEC Day at the Capitol.



## Cooperative Principles

### Open and Voluntary Membership

Membership in a cooperative is open to all people who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender, or economic circumstances.

### Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Representatives (directors/trustees) are elected among the membership and are accountable to them. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.

### Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

### Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.

### Education, Training, and Information

Education and training for members, elected representatives (directors/trustees), CEOs, and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, help boost cooperative understanding.

### Cooperation Among Cooperatives

By working together through local, national, regional and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.

### Concern for Community

Cooperatives work for the sustainable development of their communities through policies supported by the membership.