

## Co-op Connections Card Puts Value in Your Wallet

Victory Electric's commitment to you goes beyond providing safe, reliable, and affordable electricity.

We're always looking for ways to provide value to our members and our community, especially during tough economic times. Victory Electric's Co-op Connections Card is a money-saving tool we're proud to offer our membership. The card connects you with discounts on everything from hotel stays to prescription drugs.

A wide variety of businesses throughout our community from hair services, to restaurants, automotive services, and more accept the card. Be sure to present the card at the register to receive your discount!

We hope local businesses participating in the Co-op Connections program benefit from increased traffic from Victory Electric members. Businesses can sign up for the program at no cost. The list of businesses is continuously growing so check for an updated list of discounts online at victoryelectric.net.

The card also gives you access to online savings at more than 95 national retailers like Barnes&Noble.com, Hertz Rental Cars, Best Western hotels and ProFlowers.com. You can check out these great national discounts at connections.coop.



One of the most valuable features of the Co-op Connections Card is the pharmacy discount. While it is not insurance, the discount can mean savings of 10 to 60 percent on prescription drugs. The logo and information on the back of your card is recognized at more than 60,000 national, regional, and local pharmacies.

The pharmacy discount has been widely used by members of Touchstone Energy co-ops across the country, resulting in combined savings of nearly \$20 million on prescriptions.

Want to find out more? Log on to locateproviders.com to search for pharmacies in our area honoring the card. Use code 22203 as the group number under the "Groups" login section. Next, enter your zip code.

As a Touchstone Energy co-op, Victory Electric strives to serve our members according to four core values: integrity, accountability, innovation and commitment to community. Our Co-op Connections Card is one of the ways we live up to those values.

We are available to answer any questions you have about the card and how to take advantage of the discounts it provides. Call Micaela Morales, member relations at 620-227-2139.

- ▶ **ACKERMAN COMPUTERS**—10% off labor costs
- ▶ **AUTOSURE**—20% off any tax return
- ▶ **HUMBLE FLOWERS**—Free delivery in Dodge City
- ▶ **B CARPET CLEANING**—10% off
- ▶ **THE BAD HABIT SPORTS BAR AND GRILL**—5% off (excludes alcohol)
- ▶ **BAILEYS BODY SHOP**—5% off parts and labor
- ▶ **BELLA ITALIA**—10% off
- ▶ **BOOT HILL BED AND BREAKFAST**—15% off
- ▶ **B&S TRAILER SALES**—FREE YETI with the purchase of any flat bed or trailer
- ▶ **CHRISTIAN BOOK HOUSE**—10% off
- ▶ **COLOR BAR**—10% off any service. Not valid with any other coupon
- ▶ **CUP OF JONES**—10% off menu prices
- ▶ **DEPOT THEATER COMPANY**—\$3 off dinner theater ticket
- ▶ **DODGE CITY YMCA**—Corporate rates
- ▶ **DULCE LANDIA**—5% off piñatas and bounce houses
- ▶ **EL KORITA RESTAURANT**—Dollar menu Monday, Wednesday and Thursday 11 a.m. to 9 p.m.
- ▶ **FLATLAND GRAPHICS**—Free digitizing on pocket-sized embroidery
- ▶ **FLOWERS BY IRENE**—20% off (excluding wire orders)
- ▶ **GREAT PLAINS VISION**—20% off sunglasses
- ▶ **HARDROCK SAND & GRAVEL, LLC**—10% off materials, excluding delivery
- ▶ **HODGEMAN COUNTY MEDICAL CLINIC**—\$90 office visit (cash)
- ▶ **IDOC'S OF DODGE CITY**—\$10 off any sunglasses or 20% off any second pair of prescription glasses.
- ▶ **JIM'S AUTO SALES & SALVAGE**—5% off towing services
- ▶ **JOHN'S BODY SHOP**—5% discount on deductible up to \$50
- ▶ **K. MARTIN JEWELER**—10% off regular priced merchandise (this does not include items already on layaway)
- ▶ **KELLY'S CORNER GROCERY**—Discounts vary daily.
- ▶ **LA QUINTA INN AND SUITES**—10% off BAR rate. No discounts for 3i Show/Roundup Rodeo events
- ▶ **LANG DIESEL, INC.**—10% off parts
- ▶ **MY-D HAN-D., INC.**—10% off grain, hay and cattle equipment
- ▶ **MY STUDIO**—20% off massage and 10% off first month yoga membership
- ▶ **PREMIER MOTORS**—\$50 off regular price
- ▶ **REGIS SALON**—10% off
- ▶ **SALON EXOTICA**—10% off
- ▶ **SCOTT'S AUTO SHOP**—10% off oil, filter and lube. 10% discount on Traxxas radio controlled vehicles and Traxxas parts.
- ▶ **SOLIS INCOME TAX**—10% off for new customers
- ▶ **STARR COMPUTER SOLUTIONS**—Three months free for new alarm monitoring contracts (standard service)
- ▶ **SUNFLOWER CREATIONS**—7.45% off any new BERNINA sewing machine or 10% off regular fabric, books, notions, patterns, and embroidery supplies
- ▶ **TIANGUIS CARNICERIA**—10% off
- ▶ **TROPICAL ISLAND TAN AND FITNESS**—No enrollment fees on fitness
- ▶ **WATERS TRUE VALUE**—\$5 off a \$30 or more purchase

## How a Cost-of-Service Study is Used to Determine a Rate Change Continued from page 16-A

rate class using traditional ratemaking principles. Then rates are designed to meet the cost recovery obligations, to recover the revenue fairly from each member class, and to meet any other strategy or goals identified by the board in the rate study process.

The cost-of-service study is simply an analysis of the cooperative's costs identified during the revenue requirement study. While the revenue requirement study will determine what the costs are, the cost-of-service study will examine how and why the costs are incurred. Answering that question allows for the costs to be assigned fairly and appropriately to each rate class using traditional rate making principles.

The expenses of the cooperative are examined in a number of different ways. For example, there are costs associated with the generation and consumption of electric energy. There are also costs incurred with the transmission of the power from the power plants to our substations. Thirdly, there are costs incurred in distributing the power to members, including poles, wire, trucks, office and warehouse facilities, substations, maintenance and repair of lines, repayment of loans and employee costs. An attempt is made to assign and allocate these costs according to the appropriate category.

Costs are also analyzed by function. Each month, your energy bill includes a service availability charge (SAC). SAC includes the expenses related to the facilities directly connected to your property, such as wires, meters, transformers, accounting, member programs, and collections. The SAC is identical for each member of that particular member rate class. The cost-of-service study will identify the appropriate, fair, SAC for each rate class. The remainder of the bill is typically represented by the energy charge and the Energy Cost Adjustment (ECA), which will vary based on wholesale

power costs increasing or decreasing monthly.

Allocating the rate base revenues and expenses to each of the member rate classes allows the cooperative to project the rates of return for each member class. One goal of any rate is to have a fair rate of return for each of the member classes at the cooperative.

Members may question why a rate for one type of service is different from another type of service. How much energy you use, when you use it, and how your usage varies all have an affect on the cost to provide you with electric service. Those varying costs are examined as part of the cost-of-service study.

Finally, the study will examine how much margin the cooperative should generate from rates to meet lender requirements. The margin is the difference between what the cooperative receives for providing electric service applied against what it costs to provide electric service. These margins, if any, are allocated to the members at the end of each year in accordance with the cooperative's not-for-profit member-owned status.

### Reviewing the Results

When the rate study was completed last fall, it was reviewed by the board in detail. The board takes its responsibility to set fair rates very seriously. After all, they are members of the cooperative and pay the same rates.

Because Victory Electric is a cooperative, you are also an owner of the cooperative and have a voice in decisions made by your elected trustees. We invite you to attend public meetings to ask questions and learn more about the proposed rate change and talk to co-op trustees. These meetings will be held Wednesday, Feb. 15, and the special board meeting where the board will discuss and vote on the rate change proposal will be Friday, March 24 at 9 a.m. For more details on the rate change, please visit our website at victoryelectric.net.

*Thanks, Shane*

A Touchstone Energy® Cooperative

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www.victoryelectric.net

THE VICTORY  
ELECTRIC COOPERATIVE

electronews



The Victory Electric  
Co-op Assn., Inc.

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FROM THE CEO

## How a Cost-of-Service Study is Used to Determine a Rate Change

Last month, Victory Electric's membership was notified of an expected change. We are proposing a 6.7 percent average increase to go into effect April 1, 2017. This rate change will be reflected starting on May 2017 electric bills.

While virtually all aspects of today's cost of living continue to rise, we pride ourselves on avoiding routine price adjustments. The last time rates changed was in 2010 for our Mid-Kansas Electric Cooperative (MKEC) system, which affected the former Aquila territories, and 2011 for our rural legacy system. Members haven't seen a rate increase for six and seven years, respectively. In a world of rising costs for nearly all consumer products, six to seven years is quite an accomplishment.

### How the rates you pay for electric service are established?

The revenue derived from the rates paid for electric service funds the operation of the electric cooperative. It is the responsibility of the board of trustees and management to examine rates periodically to be sure they are just and reasonable and will allow the cooperative to

fulfill its obligations to the members and the cooperative's lenders.

Rate studies are complicated. In a sense, they are an attempt to predict the future, or at least predict the answers to a few questions. What revenue will be required to fund the operation of the cooperative for the foreseeable future, and what is the fairest way to collect that revenue through rates? What external factors will affect the cooperative's financial picture? What will the weather be like in the coming years?

While we may never accurately predict the weather in the future, an attempt can be made to predict the other variables that affect rates.

### The Rate Study Process

This study has several stages. First, existing data is used to determine what revenue is required to operate the cooperative in the future. Next, the cost-of-service study is conducted to assign the costs of providing electric service to each



Shane Laws

*Continued on page 16-F*

## Get Your Free CFL!

This month's lucky winners are...

**CHRIS ENLOW, DEANNA LOONEY, JOAN RODRIGUEZ, MIKE OFFERLE, LORI SHUTE, ROSA VASQUEZ, CINDY VIERS and STACEY ZUBIA.**

Come by Victory Electric Cooperative to get your free compact fluorescent light bulb (CFL). Every month, Victory Electric gives members free CFL light bulbs. Congratulations winners!

Visit Our Website and Join us on Social Media



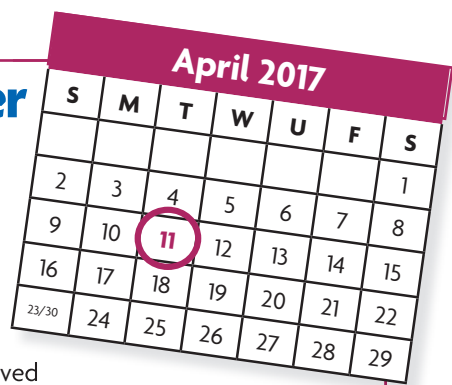
Visit our website at victoryelectric.net. Here, you will find a calendar of events, frequently asked questions, scholarship information and application, bill pay and energy calculators—just to name a few tools!

You can also become a fan of Victory Electric on Facebook at facebook.com/VictoryElec and Twitter by following @TheVictoryElec. Check the feeds for updates, outage information and energy efficiency tips. Social media is a great way to stay in touch with Victory Electric.

## Steak in Order for Meeting!

The 71<sup>st</sup> Annual Meeting of Victory Electric has been scheduled for April 11 at the Western State Bank Expo Center in Dodge City.

A steak dinner will be served at 5:30 p.m. with the **meeting starting at 6 p.m.** Everyone attending will receive a registration gift and have a chance to win great door prizes.



## Victory Offers 10 \$1,000 Scholarships

Applications for Victory Electric's Lightner Community Spirit Scholarship are available and due March 1. Victory Electric will award 10 \$1,000 scholarships to high school seniors and current college students.

The Lightner Community Spirit Scholarship is designed to recognize students who have demonstrated academic success as well as show a commitment to bettering their community.

### Scholarship Eligibility

Applicants must be an active member in good standing with the cooperative, or a dependent of such member. Applicants must be entering, or a current student at, an accredited two- or four-year college or university. All applicants for the scholarships shall be considered on the above criteria without regard to race, age, color, religion, gender, national origin, or existence of physical handicap.

### How to Apply

Applications for the Lightner Community Spirit Scholarship can be found at victoryelectric.net/content/scholarships. Required items of the application include:

- ▶ Completed application

- ▶ Résumé
- ▶ Copy of official transcript in a sealed envelope from the school
- ▶ Copy of acceptance letter from college (if in high school)
- ▶ Completed biographical statement and one-page essay
- ▶ All paperwork submitted to Victory Electric by **March 1, 2017.**

"We are thrilled to announce this scholarship program, which reflects the importance of civic and community engagement," said Shane Laws, Victory Electric CEO. "As a not-for-profit 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 Pymell. Richard Lightner has been on Victory Electric's board of trustees for 34 years and his father, George, served 31 years previous. Both strongly supported Victory Electric's community and youth programs. For further information, please contact Jerri Imgarten at 620-371-7730 or jerri@victoryelectric.net.



## January Ice Storm Brings Outages & Restoration

A slow-moving ice storm hit Victory Electric's 2,795-mile service area between January 14 and 16, which resulted in more than 9,000 power outages. Victory Electric's 29 linemen worked around-the-clock for days along side more than 70 linemen and tree trimmers from across the state.

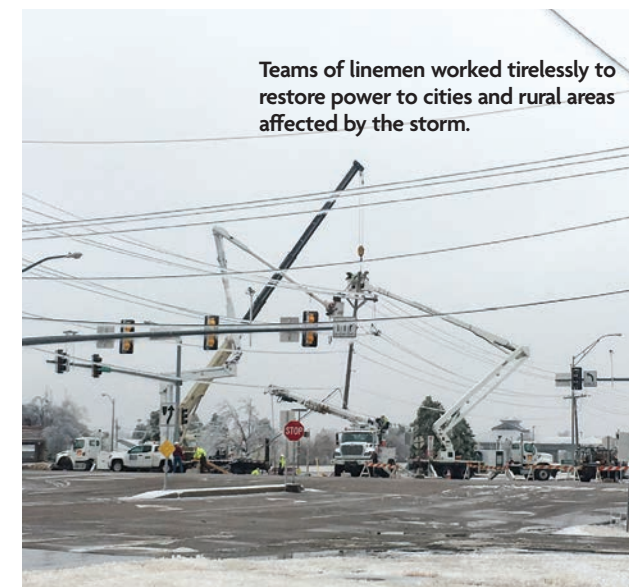
Ice accumulations from the storm ranged from a quarter inch to a half inch causing significant damage to trees and bringing down power lines.

Despite some technical difficulties in reporting outages, members were able to report outages via phone, email and on Facebook.

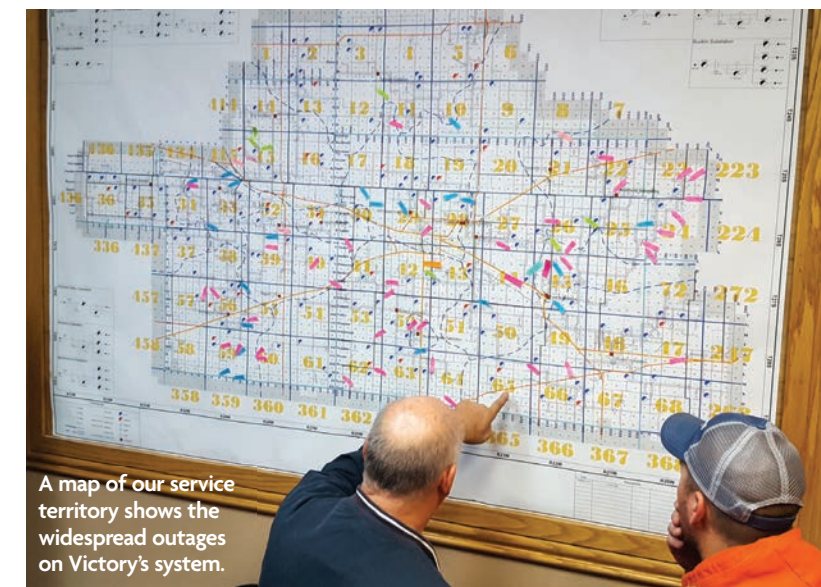
Victory Electric's members supported our staff and crews with food, thank you notes, and many words of encouragement on social media.

At press time on Jan. 20, Victory Electric still had 400 outages.

Victory Electric would like to thank our sister electric cooperatives for providing assistance with restoration efforts: FreeState, Topeka/McLouth; Lyon-Coffey, Burlington; Prairie Land, Norton; Sedgwick County, Cheney; Twin Valley, Altamont; Wheatland, Scott City and Garden City; and Western, WaKeeney. Victory Electric also appreciates contracted crews from PAR, Kansas City, and Hardin's Tree Service, Tulsa.



Teams of linemen worked tirelessly to restore power to cities and rural areas affected by the storm.



A map of our service territory shows the widespread outages on Victory's system.



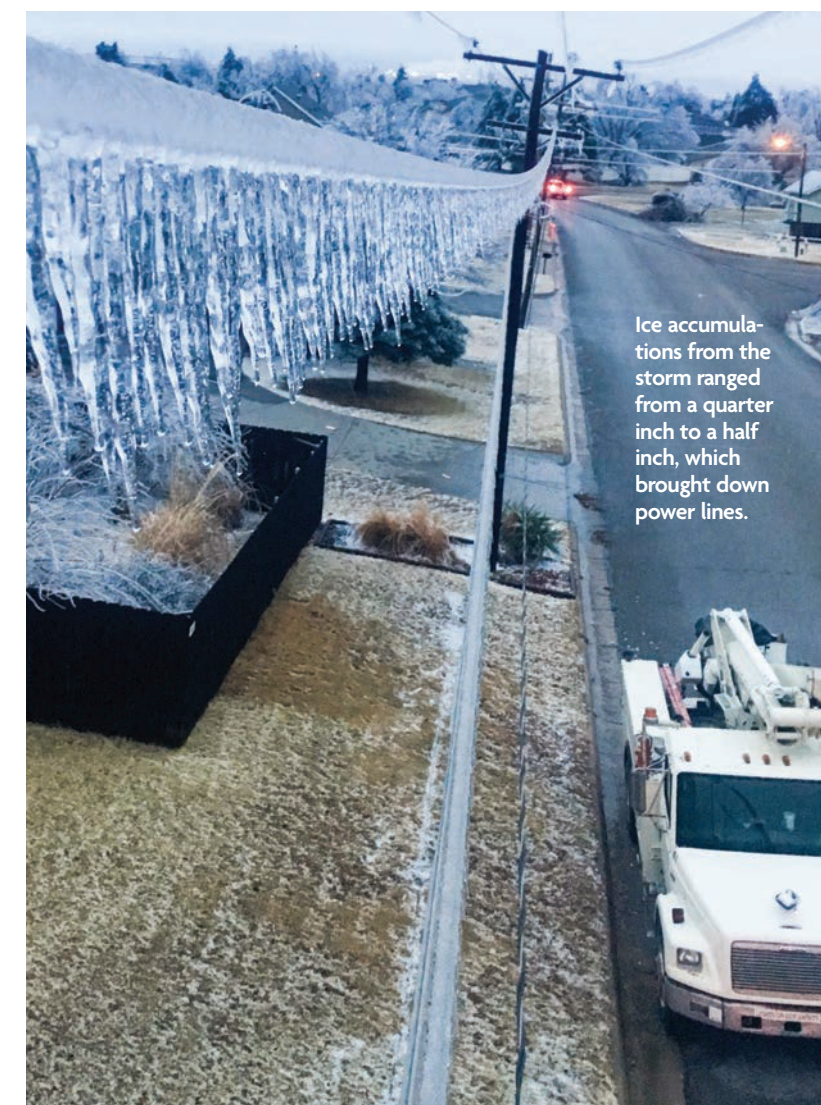
Crews worked around-the-clock to restore power to members.



Restoring power took some added muscle from these FreeState electric linemen. Victory was lucky to have additional support from seven sister cooperatives.



During the storm many poles came down along Victory's 2,795 miles of line.



Ice accumulations from the storm ranged from a quarter inch to a half inch, which brought down power lines.



Despite the long hours, Victory linemen, like Ross Ackerman, kept smiles on their faces.



Jerri Imgarten (left) presents co-op members with one of the two Ice Storm Survival Kits given away during the storm.



Victory employees received words of support from members of all sizes.