

December 2024



West Central Electric Cooperative

A Touchstone Energy Cooperative

# Electric News

Co-ops  
respond  
to hurricane-  
ravaged south

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Member Appreciation  
Day is Dec. 12

Join us at our offices for  
refreshments, drawings  
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Drivers of rate changes:

Rising power costs,  
equipment and materials  
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RoundUp Foundation  
awards final 2024 grants

More important community  
projects receive funding  
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## Member Appreciation Day

8:30 a.m. to 4 p.m. Thursday, Dec. 12  
Higginsville and Oak Grove offices

- Register for FREE \$25 electricity certificates
- Register for 2024 collector's edition Willie Wiredhand ornaments

WCE offices will be closed  
on the following days:

Tuesday, Dec. 24 & Wednesday, Dec. 25  
for the Christmas holiday  
and  
Wednesday, Jan. 1, 2025  
for the New Year's holiday

### West Central Electric Cooperative, Inc.

#### Headquarters:

7867 S. Highway 13, P.O. Box 452, Higginsville, MO 64037  
816-565-4942 or 1-800-491-3803

**PAY BY PHONE: 1-855-939-3639 (\*please note this new number)**

#### To report outages 24/7:

Call 816-565-4942 or 1-800-491-3803 • or report outages at  
[www.westcentralelectric.coop](http://www.westcentralelectric.coop) under "Report Outage"

#### District office:

506 N. Broadway, Oak Grove, MO 64075

#### Website:

[www.westcentralelectric.coop](http://www.westcentralelectric.coop)

#### General Manager:

Michael Newland

#### Board of Directors:

Densil Allen Jr., *President*; Clark Bredehoeft, *Vice-President*; Dale Jarman, *Treasurer*; Robert Simmons, *Secretary*; Stan Rhodes, *Asst. Secretary*; Richard Strobel, *Director*; Jeremy Ahmann, *Director*; Colby Dowell, *Director*; Elizabeth Houtsma, *Director*

*This institution is an equal opportunity provider and employer.*

## Unfortunately reliability comes with an increasing pricetag

One of the greatest things about being a cooperative is being owned by those we serve. That is the cooperative difference, and it is alive and well in everything we do.

As we look toward closing the door on 2024, we continue to closely monitor the costs of providing you with reliable and affordable electricity -- overwhelmingly the two things you rated as most important in the 2024 Member Satisfaction Survey, and two of the things we strive hardest to provide.

In keeping with those promises to you, your board members and management look closely at finances every month. As we watch the costs of equipment and the cost of wholesale power continue to rise, we work hard to balance what we need from our members with what we have to pay to make sure you have reliable service.

The following factors are ones you have heard before, but unfortunately, they are still there, and still affecting rates.

As long as the cost of what we pay for power continues to increase, it will unfortunately affect what our members have to pay. We recently received our wholesale power cost for 2025 from our power supplier, and it will increase by about \$1 million.

Unfortunately, it doesn't stop there.

As you can see in the informational graphs on the facing page, our costs of materials and equipment have increased continuously since 2020. Some materials have increased by 50 percent or more while others have more than doubled.

While we are covering what we can, cutting corners on things that do not affect reliability, and doing our best to be good stewards of your money, ALL of these things are necessities to make sure you have electricity when you need it.

Although we fully expect a rate increase in 2025 to be necessary to cover these costs, we are fortunate in these times to be a member-owned cooperative where any profits are returned to the members rather than to investors. For those on the lines in 2023, you received a portion of your capital credits (member equity) this summer as a credit on your bill.

And although we are in a time of continually rising costs where rate increases are necessary, expenses and rates are carefully evaluated. We don't raise rates any more than necessary -- which is why we are seeing several smaller increases over a period of years rather than one large increase.

When you see our trucks out on the road, you will notice the signs say, "Owned by those we serve." That is the cooperative difference, and we are proud to serve our members.



**Michael Newland**

**GENERAL MANAGER**

**\*\*\*Please note new pay-by-phone number (above) and update in your contacts list\*\*\***

# Co-op monitors increasing costs that affect members' rates

## Main drivers of rate changes include large increases in wholesale power, materials and equipment

In the past several years, a number of things have affected the cost of providing electricity. The two main factors continue to be the cost of power, and the cost of materials and equipment needed to provide that power.

### Materials and Equipment

While material and equipment costs have expectedly increased, the amount of those increases has been staggering. While nearly everything has increased by 50 percent or more, several things like transformers and underground cable have nearly doubled. Cross arms and secondary service boxes have gone up more than 100 percent.

"None of these materials are optional," said West Central Electric Engineering Manager Pete Nelson. "To continue to provide our members with electricity, we have no choice but to pay these costs."

In addition to this are increases in shipping, fuel, fleet maintenance and fleet replacement. According to Operations Manager Scott Gard, WCE's fleet has seen anywhere from a 25 percent to a 65 percent replacement increase over the last five years.

"Based on mileage and hours used, we try to run our fleet on about a 10- to 12-year rotation, but that has stretched out up to two years or more because of supply issues," Gard said. "That means we have been running some trucks longer than we normally would."

### Wholesale Power Costs

Severe winter storms over the past several years have also affected what it costs to ensure cooperative members have a reliable source of electricity.

"To understand how these storms have driven up power costs, we need to understand that electric peak loads incurred during winter storms are rising much faster than overall electric system base load used throughout the rest of the year," West Central Electric General Manager Michael Newland said.

Base load is the minimum amount of electricity required on a typical day. Peak load is the maximum amount of electricity needed during times of high demand, such as the days during a winter storm

"Our power supplier, Associated Electric Cooperative, is investing in additional electric generation plants to ensure that we have the capacity we need to serve our members and avoid rolling blackouts. Unfortunately, this investment comes at a price," he said.

### EPA Complications

Recent rulings from the EPA concerning natural gas and coal-fired power plants will only complicate things. Rates are expected to increase more than 50 percent above the increase that would be expected without the EPA's power plant rule. In its Statement of Harm, Associated Electric Cooperative, stated that "those increases are a direct result of the massive costs that the rule creates. Associated Electric will be forced to pass those costs on to its consumers, at least 40 percent of whom live in poverty."

Associated Electric owns, operates and depends on five coal-fired generating units, and replacing them could cost more than \$3 billion.

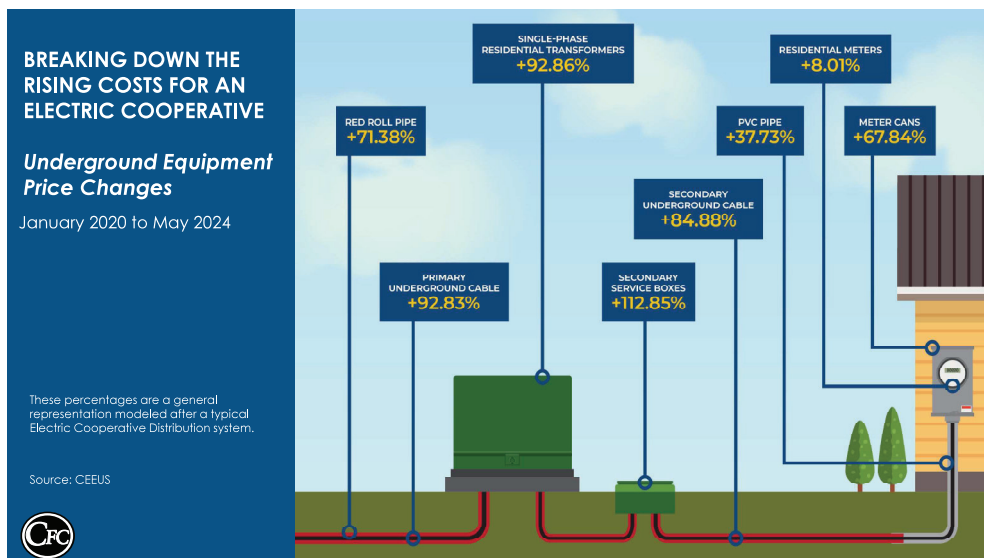
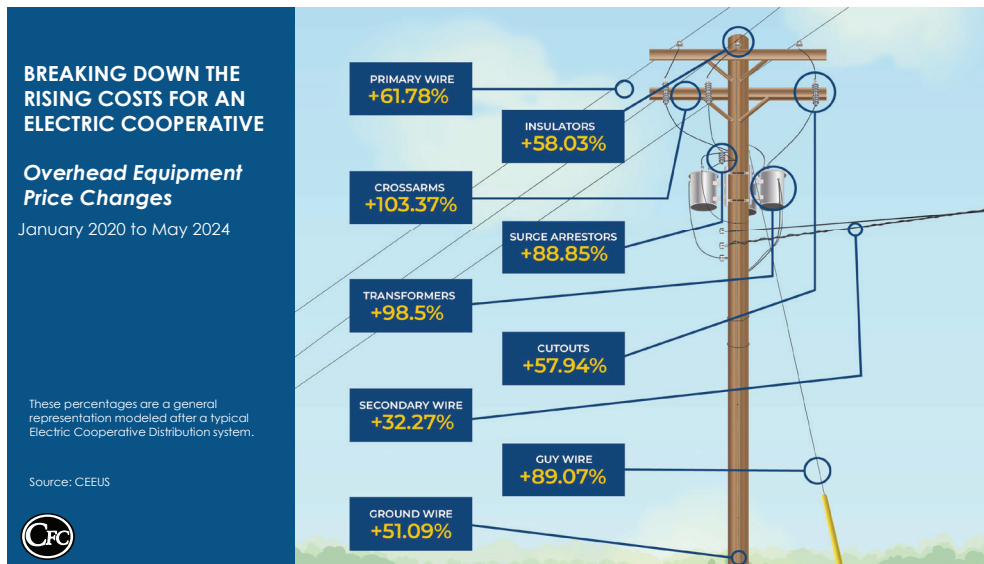
"This comes at a time when our members can't afford added increases such as this," said Newland.

The EPA's power plant rule allows coal-burning plants to remain in operation beyond 2038 only if they can meet certain requirements for which the technology is currently not available.

Although these things have directly affected rates for cooperative members, they are not unique to co-ops, but are affecting the electric industry as a whole.

The difference for cooperatives, however, is that co-ops are member-owned and not-for-profit. Therefore co-ops are only charging the rates necessary to provide reliable power to their members, not make a profit for investors.

Cooperatives and other electricity providers continue to fight this ruling.





WCE lineman Austin Hatfield



Tent city housing lineworkers

## WCE crews join thousands of lineworkers in Hurricane Helene restoration efforts

Lineworkers from across the country encountered catastrophic damage from Hurricane Helene as they began restoring power in the wake of one of the most consequential storms in the 87-year history of electric cooperatives. Helene knocked out electric service to an estimated 1.25 million co-op members as it passed from the Florida coast to southwest Virginia late Thursday, Sept. 26 and into Friday, Sept. 27.

The Category 4 hurricane, weakened but packing a wallop as a tropical storm, was responsible for at least 25 deaths, the Associated Press reported. It destroyed high-voltage transmission structures, turned highways into impassable mounds of uprooted trees and tangled messes of downed wires and power poles. Co-op members in Florida, Georgia, South Carolina, North Carolina, Kentucky, Tennessee and Virginia were without power, including Excelsior EMC in Georgia, where West Central Electric crews and many of Missouri cooperative linemen were sent. Excelsior lost 100 percent of their meters in the storm.

“Our time spent down at Excelsior EMC was overall a good experience. The people down there are very nice and welcoming. Every now and then you get a family clapping and cheering you on as you drive down the road,” said WCE Line Foreman Jesse Underwood, who worked on the first crew sent down. “We spent a lot of time pulling up wire, clearing trees and setting poles. The damage down there was way worse than what we expected driving into the area. Many houses were destroyed from trees falling on them. We were glad to be down there to help out and glad that everyone was back on when we left.”

More than a dozen states deployed mutual aid crews to help with power restoration, rotating crews after about 10 days. Missouri sent more than 300 lineworkers to affected areas. Overall, more than 6,400 personnel—including lineworkers, support staff, right-of-way contractors, warehouse staff, safety employees and command center staff—were part of the mutual aid effort. WCE worked at Excelsior EMC and Little Ocmulgee EMC.

# Boots on the ground

*in Georgia*

“ The damage down there was way worse than what we expected driving into the area. Many houses were destroyed from trees falling on them. We were glad to be down there to help out and glad that everyone was back on when we left.”

--WCE Line Foreman Jesse Underwood



WCE hurricane crew #2: Conner Lamphier, Derek Cole, Cabot Long and Johnny Sullins



Lineman Brandon Heck points out a downed line to lineman Kade Collins.



WCE hurricane crew #1: Austin Hatfield, Jesse Underwood, Brandon Heck, Excelsior-EMC crew leader and Kade Collins.

WCE lineman Jesse Underwood pulls line while working in Georgia during Hurricane Helene restoration.  
photos courtesy of Missouri's Electric Cooperatives

# 4th Quarter RoundUp Grants



**\$8,000**  
**Care Connection: Higginsville, Holden, Lexington & Warrensburg senior centers**  
 Home-delivered meals, center sustainability



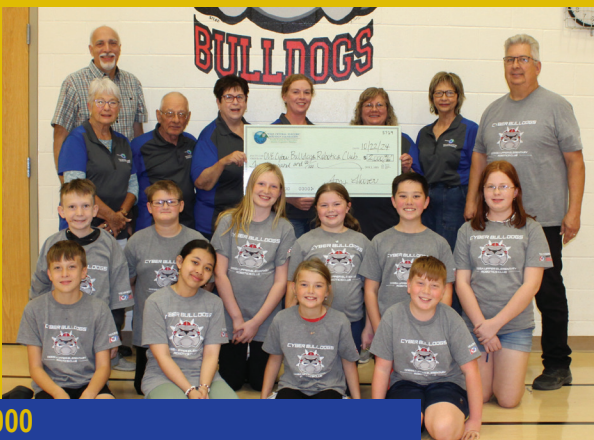
**\$3,000**  
**Crest Ridge School District**  
 Laptops for use in Fine Arts Department



**\$1,200**  
**Lafayette Co. C-1 School District**  
 Sensory toolkits for each elementary classroom to utilize as needed



**\$2,000**  
**Tri-County Outreach**  
 Funding for food drive



**\$2,000**  
**Odessa Upper Elementary School**  
 Cyber Bulldogs Robotics Club  
 Purchase of Spike Prime robots



**\$300**  
**Lone Jack Civic Club**  
 Community fundraiser assistance

*Thank you WCE members for helping us fund these important projects in your local communities!*





AMEC Director of Safety Training Services Bruce Stumpe presents WCE General Manager Michael Newland with the co-op's safety award.

## WCE recognized for safety record

West Central Electric was one of 30 Missouri electric cooperatives recognized for working safely during the 2024 Association of Missouri Electric Cooperatives annual meeting in October. Employees of the cooperative have now worked a total of 73,637.25 hours without a lost-time accident.

"We are proud of the steps these cooperatives have taken to ensure each and every employee goes home to their families safe at the end of every day," said Johnie Hendrix, vice president of risk management and training for the Association of Missouri Electric Cooperatives (AMEC).

"We offer a tremendous amount of training that always stresses safety. But in the end, it is the employees themselves who have created a culture of safety at these cooperatives."



(Left) WCE Youth Tour delegate and Missouri's YLC representative Saul Logan speaks during the AMEC annual meeting. (Below) WCE Director Richard Strobel greets Missouri Governor Mike Parson.



# Merry Christmas!

from your friends at West Central Electric Cooperative

- |                           |                           |
|---------------------------|---------------------------|
| <i>Stacy Barnett</i>      | <i>Kim Lewis</i>          |
| <i>Adam Beck</i>          | <i>Dylan Lilleman</i>     |
| <i>Janette Blakely</i>    | <i>Cabot Long</i>         |
| <i>Tim Bowler</i>         | <i>Will Long</i>          |
| <i>Lois Brunkhorst</i>    | <i>Billy Mackie</i>       |
| <i>Derek Cole</i>         | <i>Garret Nair</i>        |
| <i>Kade Collins</i>       | <i>Pete Nelson</i>        |
| <i>Tucker Crowe</i>       | <i>Michael Newland</i>    |
| <i>Brandy Dukes</i>       | <i>Jeff Rhoades</i>       |
| <i>Dru Felkins</i>        | <i>Matt Schellman</i>     |
| <i>Tiger Fiene</i>        | <i>Drew Schmidt</i>       |
| <i>Tim Frerking</i>       | <i>Brent Schlotzhauer</i> |
| <i>Pam Fuenfhausen</i>    | <i>Jacob Schowengerdt</i> |
| <i>Scott Gard</i>         | <i>Johnny Sullins</i>     |
| <i>Todd Gast</i>          | <i>Brandon Thaller</i>    |
| <i>Austin Hatfield</i>    | <i>Jesse Underwood</i>    |
| <i>Brandon Heck</i>       | <i>Zac Walpe</i>          |
| <i>Rebecca Hoeflicker</i> | <i>Eric Wegener</i>       |
| <i>Heather Hoflander</i>  | <i>Wyatt Wilkinson</i>    |
| <i>Nathan Johnson</i>     | <i>Laura Years</i>        |
| <i>Connor Lamphier</i>    |                           |

We are honored to serve our members, and wish you a safe and prosperous new year!

# FROM THE WCE BOARDROOM...

Regular meeting of the Board of Directors held Sept. 26, 2024

A meeting of the board of directors of West Central Electric Cooperative was held at the offices of the Cooperative, in Higginsville, Missouri, at 9:30 a.m. on Thursday, Sept. 26, 2024, pursuant to the bylaws of the cooperative and previous resolution of the board of directors. The meeting was called to order by President Densil Allen Jr. Cooperative Attorney Sheri Smiley caused the minutes of the meeting to be kept. The following directors were present: Allen, Clark Bredehoeft, Richard Strobel, Stan Rhodes, Dale Jarman, Robert Simmons, Jeremy Ahmann, Elizabeth Houtsma and Colby Dowell. Also present was General Manager Michael Newland.

## APPROVAL OF AGENDA

One addition was made to the Agenda to include an IT report. Agenda was approved.

## APPROVAL OF CONSENT AGENDA

The board approved its consent agenda consisting of the minutes of the regular meeting of Aug. 22, 2024; expenditures for the month of August 2024; new membership applications and membership terminations and the Treasurer's Report.

## APPROVAL OF REPORTS

The following reports were approved:

**Financing and Treasurer's Report:** Accounting Manager Rebecca Hoeflicker presented the August 2024 Operating Report (RUS Form 7) and Comparative Operating Statement. She reviewed the Financial and Statistical Report and Treasurer's Report with monthly and annual budget comparisons. She also gave the investment report. She presented and reviewed statistical data pertaining to operating revenue, expenses, margins, assets, liabilities, cash flow management, and KWH sales and ratios. She reported on the impact a large load has. She reported on new services and miles of line. Equity and line loss was also reported on.

### Operations Report

Operations Manager Scott Gard provided an oral report to supplement his written Operations Report. He reported on crews, outages and causes for the month. He gave a machine and fleet report and reported a digger truck broke down. Alternatives on the truck were discussed. Four linemen were being sent south for hurricane aid. He gave a brush and right-of-way report.

**Safety and Engineering Report:** Engineering Manager Pete Nelson provided an oral report to supplement his written Safety and Engineering Report. As of Aug. 31, employees have worked 668 days without a lost-time accident. Co-op employees drove a total of 40,653 miles as of the end of August without a serious accident. He reported on safety meeting presentations, including TOMO training on drug testing, emergency action drills, and crew visits. He gave an engineering/staking report. He provided a construction, retirement, maintenance and operations report. A potential new load was discussed.

**Member Services Report:** Member Services Manager Brent Schlotzhauer provided an oral report to supplement his written Member Services Report. His report included RoundUp enrollment and updates. Updates for the 2025 Youth Tour and CYCLE were reported. He reported on trainings he had



attended. The member handbook is being updated. He reported that because the co-op scored high on the ACSI scores in member satisfaction that they were asked to present at a seminar in North Carolina. The Central Missouri Economic Development Alliance was attended. Updates on changes being implement by NISC on billing was reported on.

## IT REPORT

Tim Bowler provided an IT report. He reported on camera systems on the laptops, and that the Verizon plan will be used for the iPads.

## NW REPORT

Simmons and Newland reported on the September board meeting and retreat. They reported on large loads, capital expenditures, fleet, projects, AECI updates and load management.

## SECTION 24 OF SERVICE RULES AND REGULATIONS

Newland presented Section 24 of the Service Rules and Regulations which addresses inactive lines and services. After discussion, Section 24 was approved.

## APPOINT CFC REGION 8-10 VOTING DELEGATE AND ALTERNATE

Simmons was appointed as the delegate and Jarman as the alternate.

## APPOINT FEDERATED VOTING DELEGATE FOR REGION 8-10

Simmons was appointed as the Federated Voting Delegate for Region 8-10.

## LEGAL REPORT

Smiley gave the legal report for the month.

## MANAGER'S REPORT

Newland presented the monthly Manager's Report. After-hour services were discussed. Options for after-hours calls are being reviewed. He is currently working with Toth on rates and there may be a potential rate increase. A condensed rate study is being done by Toth. The Lone Jack substation was discussed. New trucks and trade-in values of old trucks were reported on. The parades the co-op has participated in was reported on.

## UNFINISHED BUSINESS

None.

## NEW BUSINESS

None.

## EXECUTIVE SESSION

Executive session was called at 11:05 a.m. and adjourned at 12:00 p.m.

## ADJOURNMENT

Meeting adjourned.

## FINANCIAL REPORT • Statement of Operations • August 2024

	This month	YTD 2024	YTD 2023
<b>Revenue</b>	<b>\$3,641,395</b>	<b>\$24,899,766</b>	<b>\$22,390,354</b>
Power Bill Expense	2,100,589	15,091,933	12,841,868
Operation & Maint. Expense	712,504	5,844,695	5,256,234
Depreciation Expense	211,794	1,673,983	1,782,672
Interest Expense	141,743	1,063,520	976,875
<b>Total cost of Service</b> (Total Expense)	<b>3,166,630</b>	<b>23,674,131</b>	<b>20,857,649</b>
Operating Margins (Revenue less Expenses)	474,765	1,225,635	1,532,705
Other Margins	25,108	223,675	246,541
<b>TOTAL MARGINS</b>	<b>\$499,873</b>	<b>\$1,449,310</b>	<b>\$1,779,246</b>

