



**DSO ELECTRIC
COOPERATIVE, INC.**

DSO
ELECTRIC COOPERATIVE

HEADLINER

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David Butler
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Timothy J. Power
CEO

Judy Barten
CFO

Mike Olberding
Operations Manager

Derrick Rutherford
Communications Manager

Office Hours

8 a.m.-4:30 p.m., Monday-Friday
Open over the lunch hour

Payment Locations

**CENTRAL NATIONAL BANK IN
WALMART SUPERCENTER**
521 E. Chestnut St., Junction City, KS 66441
FARMERS STATE BANK
447 Harrison, Lindsborg, KS 67456

Outage Information

**IN CASE OF AN OUTAGE, CALL
800-376-3533.** After-hours calls will be
answered by dispatch and forwarded to
standby personnel.

Find Out More

 facebook.com/DSOElectricCooperative
 @DSOElectricCoop

February's Extreme Weather Will Result in Increased Power Bills

BY TIMOTHY J. POWER, CEO

Last month we faced unprecedented blackouts, due to high demand for electricity because of the extreme cold weather. These blackouts mainly occurred in the middle of the country, from North Dakota to Texas, with Texas facing most of the outages as that state relies on its own power grid. The blackouts in Kansas were required by the Southwest Power Pool (SPP). For more background on SPP and the timeline of events regarding the blackouts, please go to our website at dsoelectric.com and look on the homepage for "A Letter From the CEO."

Now our attention turns to the financial impacts of the blackouts. The big question DSO and its members are asking is, "How will these blackouts affect our power bills?" Unfortunately, that is not completely known at this point, but we do have the following

information to pass along:

- ▶ The blackouts in Kansas and across the 14-state region that the SPP oversees were required by SPP to ease demand on power resources.
- ▶ About half of DSO's members were shut off over a two-day period. Most shut-offs lasted less than an hour, but some went over three hours.
- ▶ During the four or five days of extreme cold, the wind hardly blew, and the sun did not shine, so the wind and solar resources did not provide much help. In addition, some of the gas lines had freezing issues in Texas.
- ▶ The extreme cold, which set records in many cities, crippled all types of power plants and fuel.
- ▶ When demand is up and supply is down, prices skyrocket. For example, in early February natural gas sold for

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ENERGY EFFICIENCY Tip of the Month

Some manufacturers set water heater thermostats at 140 degrees, but most households usually only require them to be set at 120 degrees. Consider lowering your water heater's temperature to save energy and slow mineral buildup in the heater and pipes.

SOURCE: ENERGY.GOV



FROM THE BOARD PRESIDENT

President's Report



Brian Lang

As you read this, spring is just around the corner and that means it will soon be time for the annual member meeting of DSO Electric. That meeting is usually held early in April and it is a time to enjoy a meal with friends, hear reports about the status of DSO, and hope to win a door prize. Last year's meeting was canceled due to COVID-19 restrictions and this year's meeting will definitely be different from previous ones. Arrangements are still being finalized but will involve a virtual meeting of some sort. One of the reports during the member meeting is the president's report and this message will serve as that report.

As COVID dominated almost everything we did last year, the board of directors continued to meet by phone, computer, or in-person (following safety protocols.) The board heard monthly reports on the changes in the workplace to accommodate safety protocols and provided guidance to management as appropriate. The board also reviewed the finances of the cooperative each month and approved a general retirement of capital credits at the end of the year. Approximately one-half of the total retirement went to existing and previous members with capital credits over 25 years old and the other half was paid to members for more recent years; specifically, years with large allocations of capital credits. Using this hybrid system allows recent members to receive some capital credits while still maintaining the 25-year rotation previously used.

Work on the two solar installations has begun and they should be operational before July 1. These have been discussed by our CEO, Tim Power, in previous articles. The board discussed a variety of solar installation options in the last several years, including having DSO install and own the facilities, or even having individual members pay directly to own each of the solar panels on the facility. Ultimately, the board decided the opportunity to purchase 100% of the power from a solar facility located on DSO-owned land was a major benefit to our members and was the best course of action.

One of the main goals of the board is member engagement and it is unfortunate that the annual meeting last year was canceled and the meeting

this year will be a different format. The annual meeting is one of the best ways to engage and meet with members. It is also an opportunity to introduce the scholarship winners and their families to the members. This year, DSO will award 10 scholarships to high school seniors and current college students. As part of the application process, these students learn about the cooperative, how it operates, and what it means to be a member, instead of a just a consumer of an electric utility, such as Evergy.

Member engagement is also important to encourage qualified individuals to run for election to serve on the board of directors. After the election last year, the West District was represented by only two directors since one existing director declined to run again and no other individual completed the petition process to be nominated. Unfortunately, that position will remain unfilled again, as nobody chose to run. I would like to thank all the current directors for their willingness to serve. They spend many hours each year in meetings and training and make important decisions regarding electric rates, capital credits, and evaluation of the CEO, and many other matters.

I hope you have a safe and enjoyable rest of the year. I would encourage all of you to engage with a current director or cooperative employee about concerns or opportunities for DSO. I also encourage any interested member to run for election as a director to bring new ideas to the board.

kWh Statistics

	2019	2020
Total kWh Sales	126,844,898	124,430,953
Total Operating Revenue	\$19,805,287	\$19,060,411
Number of Services	8,311	8,349
Monthly kWh per Member	1,272	1,274
Revenue per kWh Sold	\$0.16	\$0.15
Property Taxes Paid	\$918,564	\$997,279
Hours Interruption per Member	3.29	4.22

Since its formation in 1937, DSO has done the following:

Invested in Plant	\$73,414,914
Refunded Capital Credits to the Membership	\$9,410,612



Balance Sheet For Year Ending on Dec. 31, 2020

Current Assets

Investments - Long Term	\$7,957,894
Cash & Temporary Investments	\$18,864
Accounts Receivable	\$1,489,916
Materials Inventory	\$15,088
Deferred Assets	\$2,582,920
Total Current Assets	\$12,064,682

Fixed Assets

Utility Plant	\$73,414,914
Less Depreciation	\$16,744,137
Total Fixed Assets	\$56,670,776

Total Assets	\$68,735,458
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Liabilities and Other Equity

Long Term Debt	\$45,708,249
Short Term Debt	\$0
Deposits	\$192,345
Accounts Payable	\$1,041,606
Deferred Credits	\$77,985
Property & Other Payable Taxes	\$999,035
Total Liabilities	\$48,019,220

Our Net Worth

Memberships	\$59,745
Operating Margins - Prior Years	\$12,452,019
Equity, Capital Credits	\$8,204,475
Net Worth	\$20,716,239

Total Liabilities and Equities	\$68,735,458
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Income Statement

	2019	2020
Electric Revenue	\$19,805,287	\$19,060,411
Expenses		
Cost of Power	\$9,910,725	\$9,900,403
Operations	\$757,085	\$ 807,865
Maintenance	\$1,101,035	\$952,633
Accounting & Collecting	\$424,886	\$410,501
Member Services	\$137,439	\$142,615
Administrative	\$1,490,114	\$1,432,161
Depreciation	\$1,973,527	\$2,052,549
Property Tax	\$918,571	\$997,278
Interest	\$1,928,725	\$1,935,589
Total Expenses	\$18,642,107	\$18,631,597
Operating Margin	\$1,377,473	\$428,814
Non-Operating Margins	(\$8,747)	\$73,062
G&T Capital Credits	\$181,228	\$0
Other Capital Credits	\$214,293	\$202,340
Net Margin	\$1,549,953	\$704,216

February's Extreme Weather Will Increase Power Bills

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under \$3/mmBtu. On February 17, natural gas was selling for \$999/mmBtu!

- ▶ Any increase in fuel prices that DSO pays to KEPCo is reflected in the Power Cost Adjustment (PCA), which is shown as a line item on the member's bill. This adjustment fluctuates based on the cost of fuel and purchased power and is a direct pass through from KEPCo.
- ▶ In order to mitigate the price impacts to DSO and its other members in the short term, KEPCo established a cap on the PCA of \$0.033 per kilowatt hour (kWh) for the power bill DSO members will receive in early April. This is approximately double the amount the PCA has been running the past year. The full increase will add about \$16.50 to a member's bill for each 1,000-kWh used.
- ▶ DSO anticipates the PCA to remain relatively high through summer.

As we learn more, we will pass it on to you. Make sure to follow our Twitter feed and website for updates.

Finally, I want to thank members who cut back on their usage when we asked you to in mid-February. Hopefully, this event was a once-in-a-lifetime experience for all of us.



THANK A LINEWORKER!

This month, we're recognizing lineworkers for the amazing job they do to make sure we have electricity! Think about all the ways you use electricity every day. Do you use a phone, watch TV, play video games or turn on lights? You're able to do *all* of these things because of lineworkers.

Below is space to write a short thank-you note to your local lineworkers. Write your note, then ask an adult to help you send it back to us so we can share it with our crews.



WE ♥ OUR
LINEWORKERS

Send your note to the mailing address below, or snap a photo with your phone and email it to us!
DSO Electric, P.O. Box 286, Solomon, KS 67480