

Since 1940

WISCONSIN ENERGY Cooperative

June 2016 NEWS

OFFICIAL NOTICE OF PRICE ELECTRIC COOPERATIVE'S 2016 ANNUAL MEETING

The 76th annual meeting of the members of Price Electric Cooperative will be held on Wednesday, June 8, 2016, beginning at 6:00 p.m. in the High School Auditorium, located in the City of Phillips, Wisconsin.

Items of business to be acted upon at said meeting include the following:

1. Acting upon reports of officers, directors, committees, and employees.
2. The election of three directors, one each to represent Districts 1, 2, and 3 on the Board of Directors.
3. Such other business as may come before the meeting or any other adjournment thereof.

GRAND PRIZE:
Flat-screen
LED TV



**FOR QUICK AND EASY REGISTRATION
AT THE ANNUAL MEETING, BRING THE
ADDRESS LABEL FROM THIS MAGAZINE**



**Price Electric
Cooperative**

Your Touchstone Energy® Partner



Price Electric Cooperative Annual Meeting Agenda

**Wednesday, June 8, 2016 • 6 p.m.
Phillips High School**

Call to Order	Ed Hainy, Chairman
Pledge of Allegiance	All members
Invocation	Director Michael Meier
Determination of Quorum	Ed Hainy, Chairman
Welcome/Introductions	William L. Caynor, CEO
Adoption of Rules of Order	Jessica J. Shrestha, Attorney
Notice of Meeting and Proof of Mailing	Francis Gwinn, Secretary/Treasurer
Prize Drawing	Greg Bortz, Manager of Member Services
Approval of 2015 Minutes	Ed Hainy, Chairman
Election of Directors	Jessica J. Shrestha, Attorney
Prize Drawing	Greg Bortz, Manager of Member Services
CEO Report	William L. Caynor, CEO
DPC Report	Francis Gwinn, DPC Director
Election Results	Jessica J. Shrestha, Attorney
Unfinished/New Business	Ed Hainy, Chairman
Prize Drawing	Greg Bortz, Manager of Member Services
Adjournment	Ed Hainy, Chairman



**Express
Registration
Table**

Bring this registration card with you to the annual meeting on Wednesday, June 8, 2016. This card will allow you to register at the Express Registration Table.

Mark your calendars and plan to attend the 76th Annual Meeting of the Members of Price Electric Cooperative at the Phillips High School Auditorium.

See inside this magazine for more important information regarding the upcoming annual meeting.



Price Electric
Cooperative

Your Sustainable Energy® Partner 



William L. Caynor Sr.,
Price Electric CEO

REPORT FROM THE CHIEF EXECUTIVE OFFICER

Dear Member/Owner:

As we reflect once again on another year gone by, I would like to remind you of our commitment to you. This pledge is exemplified in our mission statement, “to provide access to safe, dependable, and affordable electric services.” The basis for the board and staff strategic decision-making starts with this pledge. Without you, there would be no us.

2015 was a mild weather year, which is illustrated in less-than-anticipated energy sales. With a 96 percent residential and seasonal membership, energy sales are projected by historical averages, without weather considerations, as they are unpredictable. Price Electric Cooperative (PEC) is a winter-peaking utility, which means sales are higher in the colder months because of the heat load. Within a warm summer, we experience some air-conditioning load, but mainly encounter additional load from the seasonal members as they enjoy the summer at their wilderness retreats. In 2015, energy sales were 2.4M kWh less than budgeted and 4.5M kWh less than 2014. The reduction of sales from last year to this year is equivalent to \$419k in decreased operating revenue. That is substantial. The new year thus far continues to exhibit the same mild weather conditions.

Minimal growth persists as total membership accounts increased by 26, the majority of these being seasonal.

The restructuring of our right-of-way program and bidding process has reduced expenses while still maintaining our goal to establish a seven-year clearing cycle. We are now in year six. We also restructured our five-year work plan and reduced capitalization expenses by \$5 million, while still preserving the integrity of your system. Your cooperative is striving to enhance efficiencies through processes, which are measured with metrics, in order to sustain expenses as we budget flat for anticipated slight growth in 2016.

Your new metering deployment was completed for members connected to the Phillips substation, with an estimated placement of the last meter occurring in Catawba in early 2017. The metering and software have already proved beneficial and will provide additional advantages to you as well as accuracy, dependability, control, and data for PEC staff.

Several projects were completed in the past year to maintain and increase reliability on your system, including

the replacement of 3.5 miles of primary conductor exiting north from the Glidden substation and the installation and/or replacement of protective and regulation equipment at several locations.

We were also able to return \$356,241 in capital credits, while awarding 14 scholarships to local youths and instilling community support to worthy causes that benefit you.

On the legislative front, the Supreme Court temporarily blocked the Environmental Protection Agency’s Clean Power Plan on February 9, although change has already begun, no matter what the end results of the plan will be. This year

**With minimal growth,
and in spite of external
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energy rate...**

will prove to be a mammoth year for community and utility-scale solar projects. Dairyland Power has contracted with groSolar to construct a 2.5MW solar array, which will be connected to your Crane Chase substation. Construction is

scheduled to begin in June with an anticipated startup this fall. Twenty acres of tracking solar panels will be a site to behold and worth a drive to witness.

Last year your generation and transmission provider, Dairyland Power Cooperative, increased PEC’s utilization and transmission charges to the tune of \$125k. This year, Dairyland is increasing fixed cost, while decreasing variable costs, and the net effect will depend on member sales. We have projected no power cost increase.

An evaluation of the last 13 years (beginning in 2004) shows that you have undergone some form of rate increase for the first 10, until 2014, when we were able to maintain expenses and not increase the rate to you. In 2015 you experienced a small Power Cost Adjustment (PCA). After formalizing the 2016 budget, I am extremely happy to report that with minimal growth, and in spite of external pressures, we are still able to sustain the energy rate once again and there will be no rate increase to you, our members, in 2016.



2016 PRICE ELECTRIC DIRECTOR CANDIDATES

In accordance with the Bylaws, directors will be elected at the annual meeting on June 8, 2016, for three-year terms for Districts 1, 2, and 3. Each member may vote for one candidate from each of the three districts from which directors are to be elected. The candidate receiving the highest number of votes of all candidates from a given district will be declared elected.

The following nominations have been made under the Bylaws at the district membership meeting or by petition: Michael Meier, Kirk Klassen, and Edward Hainy.



Michael Meier
District 1



Kirk Klassen
District 2

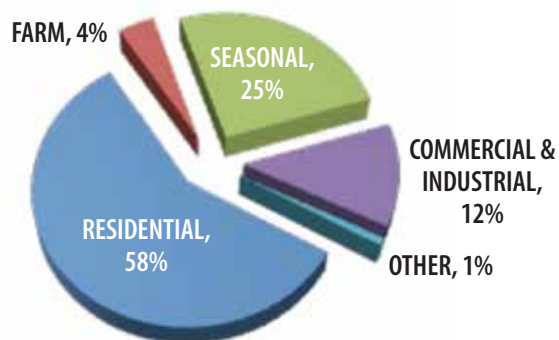


Edward Hainy
District 3

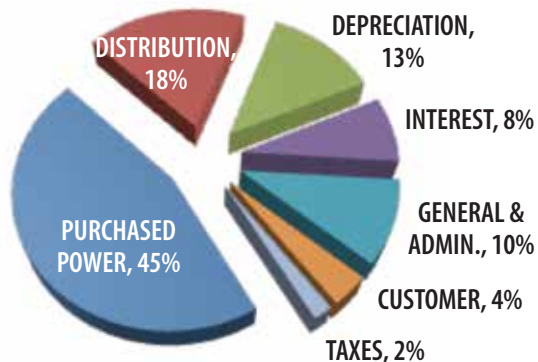
ANNUAL MEETING RULES AND VOTING PROCEDURES

1. The meeting will be conducted in accordance with Robert's Rules of Order Newly Revised, except as specifically modified below.
2. Only members will be recognized by the Chair. Members will be recognized by their voting cards received at registration for the meeting.
3. Members should give their name and township when speaking. Each member's comments will be limited to three minutes with any rebuttal limited to two minutes.
4. Any advisory resolution a member wishes to propose at the annual meeting must be submitted so that it is received by the Cooperative no later than June 3, 2016.
5. All voting will be by delegate voting card; there will be no voice voting.

REVENUE DOLLAR 2015



EXPENSE DOLLAR 2015



BALANCE SHEET

	2015	2014
WHAT WE HAVE		
UTILITY PLANT		
Electric Plant in Service	\$49,926,891	\$48,625,984
Construction Work in Progress	\$20,445	\$222,010
Total	\$49,947,336	\$48,847,993
Less: Reserve for Depreciation	\$(15,911,468)	\$(15,551,646)
Net Utility Plant	\$34,035,868	\$33,296,348
OTHER PROPERTY AND INVESTMENTS		
Non-Utility Property	\$-	\$-
Investments in Associated Organizations	\$5,086,638	\$4,730,509
Total Other Property and Investments	\$5,086,638	\$4,730,509
CURRENT ASSETS		
Cash and Cash Equivalents	\$336,809	\$265,222
Accounts Receivable, Net	\$1,200,075	\$1,281,858
Materials and Supplies Inventory	\$569,188	\$686,064
Prepayments	\$69,782	\$84,231
Other Current and Accrued Assets	\$3,478	\$3,478
Total Current Assets	\$2,179,332	\$2,320,852
DEFERRED DEBITS		
	\$971,620	\$772,250
TOTAL ASSETS	\$42,273,460	\$41,119,959
WHAT WE OWE		
LONG TERM DEBT		
	\$21,576,315	\$21,174,370
CURRENT LIABILITIES		
Notes Payable	\$500,000	\$-
Accounts Payable	\$773,991	\$824,276
Consumer Deposits	\$54,110	\$53,365
Other Current and Accrued Liabilities	\$396,569	\$379,729
Total Current Liabilities	\$1,724,670	\$1,257,370
DEFERRED CREDITS		
	\$391,398	\$471,958
Total Liabilities	\$23,692,384	\$22,903,698
WHAT WE OWN		
EQUITIES		
Patronage Capital	\$18,513,265	\$18,193,382
Other Equities	\$67,810	\$22,879
Total Equities	\$18,581,075	\$18,216,261
TOTAL EQUITIES & LIABILITIES	\$42,273,460	\$41,119,959

STATEMENT OF REVENUE & EXPENSES

	2015	2014
OPERATING REVENUES		
Electric Energy Revenue	\$12,002,025	\$12,418,075
Other Electric Revenue	\$105,035	\$108,131
TOTAL OPERATING REVENUE	\$12,107,060	\$12,526,206
OPERATING EXPENSES		
Cost of Purchased Power	\$5,305,102	\$5,410,492
Distribution Expense – Operations	\$893,513	\$793,925
Distribution Expense – Maintenance	\$1,225,028	\$1,476,302
Consumer Accounts Expense	\$367,253	\$343,481
Customer Service and Informational Expense	\$60,154	\$72,403
Sales Expense	\$2,541	\$9,198
Administrative and General Expense	\$1,168,118	\$1,146,422
Depreciation Expense	\$1,590,582	\$1,583,630
Tax Expense	\$214,822	\$224,900
Interest on Long Term Debt	\$905,881	\$925,741
Other Deductions	\$113,929	\$4,100
TOTAL OPERATING EXPENSES	\$11,846,923	\$11,990,594
NET OPERATING MARGINS	\$260,137	\$535,612
NON-OPERATING MARGINS		
Dairyland Power Co-op Capital Credits	\$249,884	\$246,036
Other Capital Credits	\$189,308	\$236,010
Interest Income	\$18,807	\$19,605
Other Non-Operating Margins	\$33,294	\$10,177
NON-OPERATING MARGINS	\$491,293	\$511,828
NET MARGINS OR LOSSES	\$751,430	\$1,047,440



Price Electric Puzzler

How closely are you reading your issue of *WEC News*? Each month, we will present a question whose answer can be found in the issue. Return the answer, and you could receive a \$25 bill credit!

Please drop off or mail your answer to Price Electric or email your answer to info@price-electric.com. A winner will be drawn from all correct entries on June 30.

The winner of the April PEC Puzzler was Paul Gottwald. Congratulations!

When is the deadline for members to submit photos for the PEC photo calendar contest?

Answer

Name

Account Number

Phone

Please return to Price Electric Cooperative,
508 N. Lake Ave., P.O. Box 110, Phillips, WI, 54555

PRICE ELECTRIC COOPERATIVE DATA

	2015	2014	2013	2012
Number of Consumers Served	9099	9076	9,043	9,002
Miles of Line Energized	1805	1813	1,809	1,804
Services per Miles of Line	5.04	5.01	5.00	4.99
Total kWh Purchased	72,193,026	77,491,531	75,397,955	71,373,572
Cost per kWh Purchased	\$0.0735	\$0.0698	\$0.0717	\$0.0740
Total kWh Sold	65,578,762	70,123,783	68,506,620	64,837,493
Total Electric Revenue	\$12,107,060	\$12,526,206	\$12,259,368	\$11,329,802
Revenue per kWh Sold	\$0.1846	\$0.1786	\$0.1790	\$0.1747
Average Monthly kWh Usage	601	644	631	600
Average Monthly kWh Bill	\$110.88	\$115.01	\$112.97	\$104.88
Plant Investment per Service	\$5,489	\$5,382	\$5,166	\$4,959
Debt per Service	\$2,371	\$2,333	\$2,275	\$2,048



Directors complete Gold Program

Three PEC directors were recently recognized for completing the Director Gold Program. Congratulations to (pictured clockwise, starting above left) Ed Hainy, Randy Kunsch, and Mike Zierer!



Price Electric is celebrating June Dairy Month! Join us for a free ice cream treat at the PEC office on Friday, June 17!



William L. Caynor Sr., President/CEO

508 N. Lake Ave., P.O. Box 110, Phillips, WI 54555
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www.price-electric.com

Office Hours: Monday–Friday, 7:30 a.m.–4 p.m.

Greg Bortz, Editor



**Price Electric
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PRICE ELECTRIC 2015 ANNUAL MEETING MINUTES

The Phillips High School Auditorium, Phillips, Wisconsin, was the meeting place for the 75th annual meeting of the membership of Price Electric Cooperative on June 10, 2015.

The meeting was called to order at 6:06 p.m. by Chairman Ed Hainy.

Director Francis Gwinn led the membership in saying the Pledge of Allegiance.

Director Michael Meier gave the invocation.

Chairman Ed Hainy declared a quorum with the registration of 210 members at the meeting. Sixty-four (64) absentee ballots were cast.

President/CEO William Caynor introduced Share Brandt from WECA, Scott Balstad from Senator Ron Johnson's office, and Attorney Niles Berman with Wheeler, Van Sickle and Anderson in Madison.

President/CEO William Caynor introduced former director Paul Rose. President/CEO Caynor also introduced retired employees in attendance: Delores Lamereaux, Tina Anderson, and Marilee Opresik; and current employees: Sheila Stickley, Ben Orysen, Deb Reinke, Laura Palzkill, Dana Lebeck, Ben Grapa, Joanne Kolb, Greg Bortz, Jessica Rybak, Theresa Raleigh, Dana Lebeck, Dave Pisca, Loren Erickson, and Wendee Wagner. MBS (contractor) employees were introduced as a group.

The current Price Electric Board of Directors introduced themselves.

President/CEO Bill Caynor then introduced the director candidates as follows: District 4 – Randy Kunsch and Dan Cummings; District 5 – Mike Zierer and Douglas Rasmussen; District 6 – Ron McLaughlin and Karen Newbury; and District 8 – Gerald Luke.

Nominees spoke: Randy Kunsch, Dan Cummings, Mike Zierer, Douglas Rasmussen, Ron McLaughlin, Karen Newbury, and Gerald Luke.

Secretary/Treasurer Francis Gwinn read the notice of meeting and proof of mailing.

First drawing for prizes.

Attorney Niles Berman reviewed the information provided to the membership upon registration this evening: the Annual Meeting Rules and Voting Procedures. Motion was made by Michael Hamm, seconded by Mark Bryan to approve the Annual Meeting Rules and Voting Procedures. Motion carried.

Motion was made by Lavonne Meyer, seconded by Douglas Rasmussen, to approve the minutes of the 2014 annual meeting as printed in the June 2015 issue of the *Wisconsin Energy Cooperative News*. Motion carried.

Election of directors.

Attorney Niles Berman explained the nomination and voting procedures for directors. Attorney Berman also explained the process of absentee ballots and the distribution of ballots at registration.

The tellers were announced. Price Electric Cooperative employees Sheila Stickley, Deborah Reinke, and Jessica Rybak were appointed to serve as tellers for the director elections.

Ballots were collected. The ballot box was declared closed by unanimous consent.

Second drawing for prizes.

President/CEO Caynor provided historical information on the founding of Price Electric Cooperative. Caynor presented Paragon Award to family of first board president, Arthur G. Johnson.

Caynor presented First Apprentice Lineman recognition to Mike Zierer.

Caynor presented CEO report.

President/CEO Caynor introduced Greg Bortz, Manager of Member Services. Greg Bortz spoke about the 2015 metering solution.

Tessa Otto, Wisconsin Youth Leadership Council representative, presented information regarding her experiences in the past two years.

Attorney Niles Berman then announced the results of the balloting for directors to the membership. The results were as follows:

District 4	Randy Kunsch	175
	Dan Cummings	67
District 5	Mike Zierer	163
	Douglas Rasmussen	75
District 6	Karen Newbury	138
	Ron McLaughlin	105
District 8	Gerald Luke	215 (uncontested)

By unanimous consent the ballots will be destroyed 30 days following the meeting.

Attorney Berman next reviewed the proposed Bylaw amendments as set forth in the *Wisconsin Energy Cooperative News* June 2015 edition meeting notice. Motion was made by Chuck Hastings, seconded by Jane Hanson, to approve the Bylaw amendments as presented. Motion carried.

Unfinished Business

There was no unfinished business deferred from the 2015 annual meeting.

New Business

Questions from members, including how seasonals are determined, and notification of planned outages.

The grand prize drawing was held for a 42-inch LED TV: winner, Archie Schmidt.

An attendance gift of a thermometer will be handed out to each member as the buttons are turned in after the meeting.

Motion was made by Doug Rasmussen, seconded by Jeanette Rose, to adjourn the meeting. Motion carried. The meeting was adjourned at 8:10 p.m.

Francis Gwinn, Secretary
Wendee Wagner, Recording Secretary



2016 PRICE ELECTRIC MEMBER PHOTO CONTEST

Introducing Price Electric's 2016 member photo contest! Members are invited to submit photos for inclusion in our 2017 calendar. Winning photos may be used in future cooperative publications.

Photo Contest Criteria:

- Photos must be taken within the Price Electric Cooperative service area.
- Photos should capture life in northern Wisconsin (seasons, wildlife, landscape, people, etc.)
- Photos must have a horizontal (landscape) orientation.
- Photos can be in color or black and white.
- Photos must be high resolution—at least 300 dpi and 8"x10".

Photo Contest Rules and Details:

- Photos must be submitted by July 31, 2016.
- Three (3) photos per member will be accepted.
- All PEC members 18 years and up are eligible to submit photos.
- A PEC member under 18 is eligible to participate, but must submit a parent/guardian form with entry.
- A completed entry form must accompany each photo.
- Member must own rights to photo.
- PEC employees will determine the winning photos.

Photo Contest Entry Options:

- Email: info@price-electric.com
- Mail: P.O. Box 110, Phillips, WI 54555
- Drop Off: Price Electric Cooperative Office—508 N Lake Avenue, Phillips

Entry forms and photo release forms can be downloaded from PEC's website at www.price-electric.com, picked up at the PEC office, or emailed upon request.