

Since 1940

# WISCONSIN ENERGY

*Cooperative*

June 2018 NEWS

## OFFICIAL NOTICE OF PRICE ELECTRIC COOPERATIVE'S 2018 ANNUAL MEETING

The 78th annual meeting of the members of Price Electric Cooperative will be held on Thursday, June 7, 2018, beginning at 6:00 p.m. in the Phillips High School Auditorium, located in the City of Phillips, Wisconsin.

Items of business at said meeting include the following:

1. Reports of officers, directors, committees, and employees.
2. The election of four directors, one each to represent Districts 2, 4, 5, and 6 on the Board of Directors.
3. Such other business as may come before the meeting or any other adjournment thereof.

**Dinner served  
5–6 p.m.;**  
**meeting begins  
at 6 p.m.**



**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

Thursday, June 7, 2018

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.....	Theresa Raleigh, Manager of Member Services
Approval of 2017 Minutes.....	Ed Hainy, Chairman
Election of Directors.....	Jessica J. Shrestha, Attorney
Prize Drawing.....	Theresa Raleigh, Manager of Member Services
CEO Report .....	William L. Caynor, CEO
Federated Youth Foundation Charitable Committee Report.....	Greg Bortz, Manager of Special Projects & Information Technology
Member Service Center Report.....	Linda Powers, Architect, River Valley Architects Inc.
Election Results.....	Jessica J. Shrestha, Attorney
Unfinished/New Business.....	Ed Hainy, Chairman
Prize Drawing.....	Theresa Raleigh, Manager of Member Services
Adjournment .....	Ed Hainy, Chairman



**Express  
Registration  
Table**

Bring this registration card with you to the annual meeting on Thursday, June 7, 2018. This card will allow you to register at the Express Registration Table.

Mark your calendars and plan to attend the 78th 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.

# OUR CHOSEN PATH IS A NEW TRAIL OF POSSIBILITIES



**Price Electric  
Cooperative**  
Your Touchstone Energy® Partner

## Letter to the Member

One cannot progress as a business entity without goals and objectives, along with our personnel with the leadership, prowess, and skill attributes, to advance the initiatives. In a flat to minimal growth market it is essential to progress as opposed to maintain. That means the employment of assessments to make financial and impactful decisions, as well as metrics to evaluate its performance as anticipated is paramount.

Who are we? We are you. We are managing your business as if you were personally making every decision, with your interest in mind. We are here to serve you in the most economical and efficient way possible. That statement goes beyond safety, reliability, and the most challenging one, rates and costs. Once the objectives of the first two are implemented, and a procedure instituted to reach the end goal, measurements (metrics) to ensure the cooperative stays on course, is mainly what's required unless something changes operations, or in the industry (regulatory, new technology, etc.). The staff has instituted numerous metrics that have shown the improvement of these facets based on imposed objectives and procedures, but the cost is the grander challenge and is affected by many factors. Legislative and regulatory impacts and requirements are two large components affecting costs, but there is also inflation on labor, equipment, and materials to maintain existing infrastructure or to build new power lines. These costs not only apply pressure to your distribution cooperative but also your energy provider, Dairyland Power Cooperative (DPC). It requires a certain amount of funding just to support annual maintenance expenses of 1,808 miles of power line or the equipment needed to do so. Over the last 15 years, your cooperative has added 635 new accounts, but the total energy sales have decreased by over 1M kWhs when comparing 2003 to 2017. Alternative energy sources to operate home heating, water heaters, and drying, as well as energy conservation with more efficient water heaters, LED lighting, and five-star energy appliances account for some of this, and weather is certainly a primary influencer.

Even with financial constraints your board and cooperative staff have somehow found a way to make significant strides in the past year to achieve objectives on a historical scale. Your new metering deployment was completed in February. Cooperative employees set over 10,000 meters that will provide

real-time data for metering, outages, voltage checks, and the list goes on. We are also getting ever so close to the completion of the cooperative's first seven-year cycle of right-of-way clearing, which should occur by June of this year. You can already see the results, in reduced outage occurrences and restoration times. The new 2.5MW utility-scale solar array was brought online in August, and it currently maintains its status as the largest in Wisconsin; it can generate enough energy at peak to power all the homes connected to the Crane Chase substation. DPC received \$73.5 million in a settlement with the U.S. Department of Energy, and \$796,000 of this settlement was returned to our cooperative, which is being utilized towards the construction costs of the new member service center.

Both the assessment for your new member service center, and a cost of service study to evaluate energy rates to recover costs were performed this past year and brought before your board of directors. The determination of a rate increase to recover costs and the approval to build the new service center for the cooperative's future were both approved by your board. We have continually done everything within our power to minimize rate impacts to you. This year, the decision was made to not increase rates, and over the last five years, the rates have only increased by 5 percent. That's less than both the cost of living index or the consumer's price index. Although, this does require some discipline on the part of the staff and flat budgeting every year to accomplish.

We were also able to give back almost \$500,000 in capital credits this past year and donated a total of \$140,000 to 32 local non-profit organizations to assist with getting currency back into the community, for the benefit of the community. Let's not forget about future generations, as the cooperative awarded 14 scholarships to our graduating youths.

What a year! All I say is thank you for the opportunity as it is a true pleasure to serve you.

William L. Caynor Sr.,  
Price Electric CEO



### Mission Statement

Our mission is to provide access to  
safe, reliable, and affordable electric services.



# 2018 PRICE ELECTRIC DIRECTOR CANDIDATES

In accordance with the bylaws, directors will be elected at the annual meeting on June 7, 2018, for a two-year term for District 2 and three-year terms for Districts 4, 5, and 6. Each member may vote for one candidate from each district up for election. The candidate receiving the most votes in each district will be declared elected.

The following nominations have been made according to the Bylaws at the district membership meeting or by petition: Joan Points, Randy Kunsch, Michael Zierer, and Karen Newbury.

Complete candidate biographies appear in the May 2018 issue of *WEC News*.



Joan Points  
District 2



Randy Kunsch  
District 4



Michael Zierer  
District 5



Karen Newbury  
District 6

# 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. Advisory resolutions not submitted to the Rules Committee prior to the March 7, 2018 published deadline for resolutions will not be considered.
5. All voting will be by delegate voting card; there will be no voice voting.



# PRICE ELECTRIC COOPERATIVE DATA

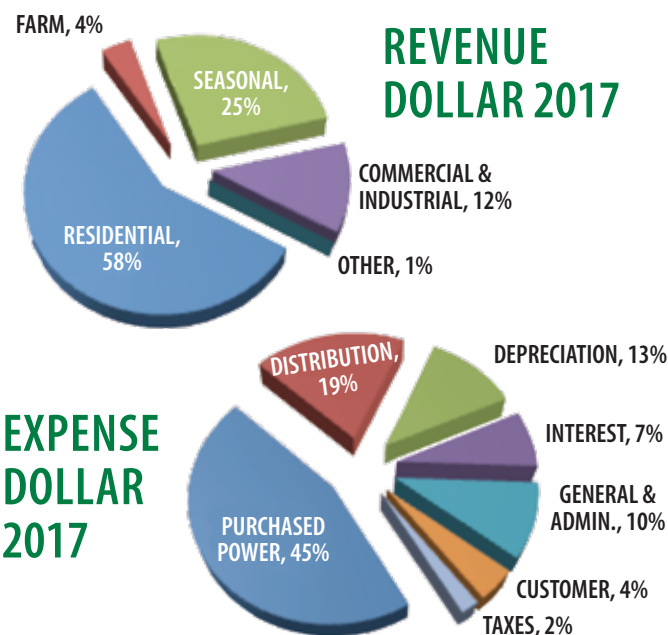
	2017	2016	2015	2014	2013	2012
Number of Consumers Served	9,193	9,157	9,099	9,076	9,043	9,002
Miles of Line Energized	1,807	1,807	1,805	1,813	1,809	1,804
Services per Miles of Line	5.09	5.07	5.04	5.01	5.00	4.99
Total kWh Purchased	72,172,597	71,918,888	72,193,026	77,491,531	75,397,955	71,373,572
Cost per kWh Purchased	0.0744	0.073	\$0.0735	\$0.0698	\$0.0717	\$0.0740
Total kWh Sold	65,659,938	65,426,224	65,578,762	70,123,783	68,506,620	64,837,493
Total Electric Revenue	\$12,647,222	12,136,768	\$12,107,060	\$12,526,206	\$12,259,368	\$11,329,802
Revenue per kWh Sold	\$0.1926	\$0.1855	\$0.1846	\$0.1786	\$0.1790	\$0.1747
Average Monthly kWh Usage	595	595	601	644	631	600
Average Monthly kWh Bill	\$114.65	\$110.45	\$110.88	\$115.01	\$112.97	\$104.88
Plant Investment per Service	\$6,008	\$5,622	\$5,489	\$5,382	\$5,166	\$4,959
Debt per Service	\$2,481	\$2,362	\$2,292	\$2,333	\$2,275	\$2,048

## BALANCE SHEET

	2017	2016
<b>WHAT WE HAVE</b>		
<b>UTILITY PLANT</b>		
Electric Plant in Service	\$52,368,198	\$51,310,246
Construction Work in Progress	\$62,643	\$173,266
Construction New Service Center	\$2,800,152	
Total	\$55,230,993	\$51,483,511
Less: Reserve for Depreciation	\$(16,570,810)	\$(16,333,675)
Net Utility Plant	\$38,660,183	\$35,149,837
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Non-Utility Property	\$-	\$-
Investments in Associated Organizations	\$5,422,739	\$5,228,345
Total Other Property and Investments	\$5,422,739	\$5,228,345
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$79,016	\$169,577
Accounts Receivable, Net	\$1,318,403	\$1,215,671
Materials and Supplies Inventory	\$442,569	\$447,874
Prepayments	\$94,990	\$81,346
Other Current and Accrued Assets	\$3,478	\$3,478
Total Current Assets	\$1,938,456	\$1,917,947
<b>DEFERRED DEBITS</b>		
	\$600,480	\$789,447
<b>TOTAL ASSETS</b>	<b>\$46,621,859</b>	<b>\$43,085,575</b>
<b>WHAT WE OWE</b>		
<b>LONG TERM DEBT</b>		
Current Construction Loan	\$20,855,498	\$21,626,219
	\$1,950,000	
<b>CURRENT LIABILITIES</b>		
Notes Payable	\$1,100,000	\$950,000
Accounts Payable	\$1,579,374	\$828,057
Consumer Deposits	\$51,084	\$52,717
Other Current and Accrued Liabilities	\$399,811	\$401,433
Total Current Liabilities	\$3,130,269	\$2,232,207
<b>DEFERRED CREDITS</b>		
	\$1,100,444	\$298,156
Total Liabilities	\$27,036,212	\$24,156,581
<b>WHAT WE OWN</b>		
<b>EQUITIES</b>		
Patronage Capital	\$19,404,921	\$18,812,365
Other Equities	\$180,725	\$116,630
Total Equities	\$19,585,646	\$18,928,994
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<b>\$46,621,859</b>	<b>\$43,085,575</b>

## STATEMENT OF REVENUE & EXPENSES

	2017	2016
<b>OPERATING REVENUES</b>		
Electric Energy Revenue	\$12,469,717	\$12,028,826
Other Electric Revenue	\$177,505	\$107,942
<b>TOTAL OPERATING REVENUE</b>	<b>\$12,647,222</b>	<b>\$12,136,768</b>
<b>OPERATING EXPENSES</b>		
Cost of Purchased Power	\$5,372,021	\$5,249,455
Distribution Expense – Operations	\$794,682	\$807,878
Distribution Expense – Maintenance	\$1,508,355	\$1,468,744
Consumer Accounts Expense	\$413,466	\$412,110
Customer Service and Informational Expense	\$81,911	\$72,302
Sales Expense	\$1,194	\$1,890
Administrative and General Expense	\$1,179,951	\$1,148,594
Depreciation Expense	\$1,516,506	\$1,460,631
Tax Expense	\$229,996	\$217,912
Interest on Long Term Debt	\$889,619	\$905,900
Other Deductions	\$38,680	\$54,252
<b>TOTAL OPERATING EXPENSES</b>	<b>\$12,026,381</b>	<b>\$11,799,667</b>
<b>NET OPERATING MARGINS</b>	<b>\$620,841</b>	<b>\$337,101</b>
<b>NON-OPERATING MARGINS</b>		
Dairyland Power Co-op Capital Credits	\$255,758	\$208,184
Other Capital Credits	\$142,030	\$134,585
Interest Income	\$22,238	\$18,405
Other Non-Operating Margins	\$31,653	\$41,960
<b>NON-OPERATING MARGINS</b>	<b>\$451,679</b>	<b>\$403,134</b>
<b>NET MARGINS OR LOSSES</b>	<b>\$1,072,520</b>	<b>\$740,235</b>





## 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](mailto:info@price-electric.com). A winner will be drawn from all correct entries on June 30.

The winners of the March PEC Puzzler were Ed and Deb Schlotke. Congratulations!

### Who is PEC's energy provider?

Answer

Name

Account Number

Phone

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

## MEDICATION & PLASTIC BAG COLLECTION AT PEC ANNUAL MEETING

PEC will offer collection of unwanted/unused medications at this year's annual meeting.

Items permitted in collection include: prescription medications, over-the-counter medications, ointments, sprays, liquid medications, patch medications, vials, pet medications, inhalers, and sharps (used and unused).

Please **DO NOT** bring for collection: mercury, biohazardous materials, personal care products (such as shampoo or soaps), or household hazardous waste.

Please keep medications' original package or bottle if possible. You may cross off the patient's name and address, but please **DO NOT** cover or remove the name of the medication.

Medications will be collected **ONLY** at the annual meeting, not at the PEC office. Medications can also be turned in at local police and sheriff's departments at any time.

Plastic bag recycling will also be available. Please bring clean plastic grocery or shopping bags. Other plastic containers will not be accepted.



## REBATE UPDATE

So far in 2018, PEC members have received **\$1,439** in energy efficiency rebates from Price Electric and Dairyland Power Cooperative, and **\$4,432** in incentives and savings from Focus on Energy initiatives. Please contact Price Electric or visit [www.price-electric.com](http://www.price-electric.com) for more information on how you can take advantage of energy efficiency incentives available for PEC members!



## Price Electric is celebrating June Dairy Month!

Join us for a free ice  
cream treat at the PEC  
office on  
Friday,  
June 15!



### William L. Caynor Sr., President/CEO

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715-339-2155 • 800-884-0881  
[www.price-electric.com](http://www.price-electric.com)

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

### Theresa Raleigh, Editor



Price Electric  
Cooperative

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# PRICE ELECTRIC 2017 ANNUAL MEETING MINUTES

The Phillips High School Auditorium, Phillips, Wisconsin, was the meeting place for the 77th annual meeting of the membership of Price Electric Cooperative on June 8, 2017.

The meeting was called to order at 6:02 p.m. by Chairman Ed Hainy.

Chairman Ed Hainy 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 154 members at the meeting.

President/CEO William Caynor welcomed the audience and introduced State Senator Janet Bewley, WECA Director of Government Relations Beata Wierzba, Peter Bay from groSolar, Tim Aufdencamp and Tim Mehl from CMS Energy, Brandon Makovsky from MBS, Linda Powers from River Valley Architects, and Attorney Jessica Shrestha with Wheeler, Van Sickle and Anderson, SC in Madison.

President/CEO William Caynor introduced former and current directors and employees as a group.

The current Price Electric Board of Directors introduced themselves. Director Randy Kunsch and Secretary/Treasurer Francis Gwinn were excused from the meeting.

Caynor introduced the candidate nominees for District 7: Mike Atkinson, District 8: Gerald Luke, and District 9: Francis Gwinn and Chris Muonio.

Muonio addressed the audience as a director candidate.

Gwinn addressed the audience through a recorded statement as a director candidate.

Attorney Jessica Shrestha reviewed the information provided to the membership upon registration this evening: the Annual Meeting Rules and Voting Procedures. The Annual Meeting Rules and Procedures were adopted by unanimous consent.

Chairman Ed Hainy read the notice of meeting and proof of mailing.

First drawing for prizes.

Motion was made by Chris Muonio, seconded by Mark Bryan, to approve the minutes of the 2016 annual meeting as printed in the June 2017 issue of the *Wisconsin Energy Cooperative News*. Motion carried.

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

Shrestha announced the tellers. Price Electric Cooperative employees Sheila Stickle, Deborah Reinke, Eve Lasee, and Jennifer Janak were appointed to serve as tellers for the director elections.

Ballots were collected for the director elections. The

ballot box was declared closed by unanimous consent.

Second drawing for prizes.

Caynor presented the CEO report.

Caynor presented a 40-year service award to Tom Valiga.

Caynor presented an award to Jesse Heinz to commemorate his promotion to journeyman lineman.

Director Mike Atkinson presented information regarding the Federated Youth Foundation Charitable committee.

Linda Powers presented a report on the planned new PEC Member Service Center.

Shrestha presented the proposed amendments to the bylaws. Motion by Chris Muonio, seconded by Connie Hicks, to approve the amendments to the bylaws as presented and to adopt the restated bylaws. Vote by show of voting cards. Motion carried.

Shrestha then announced the results of the director elections to the membership. There were 131 ballots cast including ten (10) absentee ballots. The results were as follows:

District 7 - (uncontested)	Mike Atkinson	126
District 8 - (uncontested)	Gerald Luke	124
District 9 - (contested)	Francis Gwinn	76
	Chris Muonio	51

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

Unfinished Business. None.

New Business:

Alan Schneider asked whether the solar project at the Crane Chase substation provides AC or DC power. Caynor responded that the power is DC and then converted to AC. Bay explained the process that the energy goes through to be converted to AC when it reaches the substation.

Third drawing for prizes.

The grand prize drawing was held for a 43-inch TV. Winner: Brenda Kronberger.

Motion was made by Lois Gwinn, seconded by Douglas Rasmussen to adjourn the meeting. Motion carried. The meeting was adjourned at 7:55 p.m.

*Francis Gwinn, Secretary*  
*Wendee Wagner, Recording Secretary*



# MEMBER PHOTO CONTEST

Members are invited to submit photos for inclusion in our 2019 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, 2018.
- 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](mailto: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](http://www.price-electric.com), picked up at the PEC office, or emailed upon request.