

A Year in Reflection, Looking back at 2017

By William L. Caynor Sr., Price Electric CEO

As another year has arrived and the preceding deposited into memory, the maturity of life and the experience of age has yet educated us once more to open our heart and mind to those surrounding us. For some, the previous year is like the burning off of a morning mist as the new year is a ray of sunshine holding endless possibilities of what's to come. As we at your Cooperative look forward, we also gaze down the path we have traveled in the preceding twelve months to learn, strengthen and ensure we have lived up to the Cooperative's mission, vision and value statements and achieved the goals we set out to accomplish. With that I marvel with pride of what your directors and Cooperative employees have achieved in 2017 as well as what's to come in 2018. These are historical days indeed.

After 16 months of a meter deployment, February registered as the month for the last meter to be connected. This is only the second time in the history of the organization for the installation of an automatic metering reading system and the advancement in technology of these systems is nothing short of astonishing. This deployment was accomplished with minimal outside labor and this type of system communicates by "power line carrier." This means the radio frequencies travel over the existing power lines connected to your home, and as long as you have power, we should be able to obtain meter information and data here at the office.

August was witness to two significant historic events. The first was a groundbreaking ceremony for your new member service center. This is quite an undertaking; the last time your Cooperative constructed an office building was almost 67 years ago. Competitive bidding for the different construction projects was instituted to minimize costs, with local contractor preference to keep work within the membership and community as much as possible. Also, the \$796k received from Dairyland Power Cooperative (DPC) for the NWPA settlement funds in 2017 has been applied to these expenses. This will minimize the total cost of the construction. The new member service center is located on Springs Drive, south of Phillips, and will increase efficiencies in operations and service to, and for, you. Although the weather has hampered progress, we are still on schedule to move in by July 1, 2018. Rest assured, we will set a date to let you know where to find us and give you an opportunity to tour your new member service center.

The second event in August was the new 2.5MW utility scale solar array at the Crane Chase substation (Short Cut Road) coming online. This was a venture initiated by DPC and involves five separate entities, to include your Cooperative. At present, this is the largest utility scale solar array in Wisconsin and will be able to generate enough energy, at its peak, to power the homes connected to the substation. The advancement in technology and the reduction in overall costs could not have been economically feasible ten years ago.

As of this writing, the weather continues to be mild for the third consecutive year and energy sales are trending a little less than last year, which demonstrates a continuance of flat growth in sales, although membership has increased by 65 accounts since this time last year. Outage minutes are trending down and the occurrences have decreased from years past. This is attributed to additional system maintenance, right-of-way clearing, and the luck and fortune of less destructive storm systems, such as Hurricanes Harvey & Irma, which have impacted southern cooperatives this past year. The Wisconsin Electric Cooperative Association sent 53 line crew employees to assist in outage restoration caused by Irma and

your Cooperative was thankful to supply two of these linemen. The volunteers from your line crews were plentiful.

There are two other monumental happenings I would like to relate. A seven-year cycle of right-of-way clearing will be established in the spring of 2018. This is the first time in the history of the organization that a cycle has been established. This will minimize expenses each year and reduce outage minutes along with outage restoration times. All good stuff. Also, your Board approved the return of \$140k of Federated Youth Foundation funds to local organizations in need. This money will do a lot of good within our communities. Fifty percent of these funds has already been distributed, so check out our website <http://www.price-electric.com> to learn more.

Our 2018 Operations budget was approved in November by your Board of Directors and once again we are budgeting flat, which signifies maintaining total expenses and capitalization by adjusting priorities for the year. By doing this, your Cooperative is able to not increase your energy rate in 2018 while absorbing a 1.58% rate increase from DPC, your power provider.

As we begin a new year of serving you, our members, I would like to once again pledge that we will do everything within our powers to increase reliability to you, to maintain reasonable energy rates, and to ensure the safety of you, the public, and the employees of the Cooperative.