

**ROLLING HILLS
ELECTRIC COOPERATIVE**

NEWS

FROM THE MANAGER

Winter Storm Billing Update

**Rolling Hills
Electric Co-op, Inc.**

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Doug Jackson

As a Rolling Hills Electric Cooperative consumer-member, your best interest is always at the forefront of our operations. Over the past couple of weeks, there

have been many discussions and meetings on the recent polar vortex phenomenon that caused rolling outages for some of our consumer-members in February. There is a lot of information being circulated, so we want to communicate to our consumer-members what you can expect to see on your bills in the coming months. The good news is that Rolling Hills believes that we were protected more so than other

utilities because we had less exposure to the market during this time.

What Happened?

- ▶ A mid-February polar vortex outbreak caused historically low temperatures and ice/snow to grip many regions of the country, stressing both electric generating capacity and the ability of the transmission grid to move power from state to state and region to region.
- ▶ Emergency situations were quickly declared by the Southwest Power Pool (SPP), which forced many electric cooperatives into rolling outages due to the inability of electric generation supply to meet demand.
- ▶ Power generation by natural gas was an issue at this time due to the following main issues:

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LIMITED ATTENDANCE AT APRIL 9 MEETING

Out of concern for member health, restrictions on gatherings and related issues, attendance at the annual meeting will be limited to the cooperative board members, manager, attorney and limited staff.

MEMBERS ARE ASKED NOT TO ATTEND.

**THERE IS NO NEW OR UNFINISHED BUSINESS
TO COME BEFORE THE MEETING**

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- ▶ Depletion of natural gas supply created high prices during a short time frame.
 - ▶ Some natural gas plants were not equipped to handle the extreme cold, which left the supply frozen in the ground.
- ▶ During the extreme cold, renewable energy generators (e.g., wind generation) were not able to produce placing stress on the natural gas market that was tasked with making up for the energy shortage.
 - ▶ Natural gas is the fuel of choice to replace renewables, which was already in short supply because people were using it to heat their own homes as well. This escalated demand and depleted supply caused the price for natural gas to drastically increase during this time frame.

What is the Southwest Power Pool (SPP) and why is it important?

- ▶ The SPP oversees the bulk electric grid and manages the reliability for a 14-state region that includes Kansas.
- ▶ The SPP does not generate electricity, own power lines or substations, but rather is tasked with operating the power grid in a safe and reliable manner.
- ▶ The SPP handles many power transactions in any given time frame. It will take the SPP up to 120 days to review the transactions to determine final costs and even then, with regulatory agencies, state and federal politicians in the mix, it could take longer to determine final cost.
- ▶ The SPP has never had to implement rolling blackouts and has never dealt with this extreme type of phenomenon.

Why was there no warning?

- ▶ The SPP declared and broadcasted that they had enacted an Energy Emergency Level 1 that began Sunday evening, Feb. 14, asking all electric consumers to conserve energy.
- ▶ The record cold temperatures forced the electric industry to take extreme steps to prevent catastrophic damage to the power grid.
- ▶ Power is controlled at high voltage transmission lines, which Rolling Hills does not own. Our office was given no warning or notification of the rolling blackouts that were implemented until the moment the power went out.
- ▶ Grid operators, like the SPP, operate with a focus on the overall reliability of the electric grid. When demand exceeds supply, grid operators have the authority to mandate rolling blackouts like some of our consumer-members experienced a couple weeks ago.

What's going to happen to my electric bill?

- ▶ **ACTUAL USAGE COST** Your bill for February was more than likely higher simply due to increased energy usage to heat homes during the extreme cold weather. The normal rates applied for this usage.

The good news is that through KEPCo, a cap had been set for the month of February usage to \$0.033 per kilowatt-hour used for the power cost adjustment (PCA) factor.

- ▶ Space heating and water heating are the two biggest drivers of energy use in most households, accounting for over 50% of a home's energy use during the winter months.
- ▶ **POWER COST ADJUSTMENT** Our power supplier, Kansas Electric Power Cooperative (KEPCo), determines this adjustment every month which is dependent upon the fluctuating costs of fuels. This is where our consumer-members will see the price adjustments for the energy emergency crisis. The good news is that through KEPCo, a cap had been set for the month of February usage to \$0.033 per kilowatt-hour used for the power cost adjustment (PCA) factor. This adjustment added approximately \$0.003 to the typical PCA factor Rolling Hills has been charging. In January, the PCA factor was a credit of (\$0.0146). Consumer-member demand and energy also affect the monthly cost of energy. After completing the February-usage billing, we now know, the PCA will be \$0.03 per kilowatt hour.

What's the good news?

- ▶ Rolling Hills resources (Wolf Creek, IATAN 2, hydropower allocations and 20 megawatt diesel) generated at their best during the extreme weather situation.
- ▶ KEPCo's contract with Evergy, which supplies a majority of the remaining energy needs, was also producing very well during this event. Although we feel we had a very small portion of our power supply exposed to the market during this crisis, we are still concerned about how the exorbitant natural gas prices will affect costs moving forward.
- ▶ Any increase in prices caused by this phenomenon has been capped on February's billing (see power cost adjustment section above).
- ▶ Consumer-members' bills should not be as high as some of the variable price spikes reported by some Texas customers of retail electric companies. Because of long-term, stable contracts between KEPCo, Evergy and Rolling Hills, our situation is different than Texas. Texans' rates are compounded due to the fact they are deregulated at the retail level, which means many consumers have chosen to pay wholesale prices for their power. This approach can be cheaper during good weather but spikes when there is a high demand for electricity, such as what occurred in February.

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Rolling Hills Welcomes New Team Members

HEATHER CASHATT joined the Rolling Hills Electric family at the beginning of March taking on the customer service/accounting assistant position. For the last 15 years she has been employed with Farmway Credit Union in Beloit where she worked as a loan processor, assistant ACH coordinator and debit card specialist.

She graduated from NCK Vo-Tech in 1994 with an executive secretarial degree. Since graduating she has accrued over 20 years of experience in financing and customer service.

She and her husband, Luke, have two children, a daughter Madison, 22, and a son Hunter, 21. They also have two dogs, Duncan and Ollie. In her spare time, she enjoys spending time with family and friends. During the summer months, she loves boating and fishing on Waconda Lake and kayaking down the Solomon River.

TYSON KNOX returned to Rolling Hills in March as a journeyman lineman. He began his career at Rolling Hills as part-time help from 2008-2009. He worked full time from April 2010-March 2020. Tyson is excited to be back on the team!

Tyson is originally from the Agenda area and graduated from Manhattan Tech College with an associates degree of applied science, electric power and distribution in 2008.

He and his wife, Colleen, have five children: Brody, 11; Jacie,



Heather Cashatt



Tyson Knox



Hudson Smith

8; Carson, 2; Camden, 1; and Warren, 0. He enjoys farming on the side in his spare time.

HUDSON SMITH officially joined the Rolling Hills Electric family at the beginning of March. Hudson was first hired on at Rolling Hills in May 2020 as part-time summer help, returned to school, then came back as a part-time apprentice lineman in December 2020. He has now joined our crew full time as a second-year apprentice lineman.

He grew up in the Jewell area and graduated with an associates degree from Manhattan Tech College in 2020. Hudson enjoys fishing and watching sports in his spare time.

Welcome to the Rolling Hills Co-op family Heather, Tyson and Hudson!

Remember to #ThankALineworker on April 12

If you were asked to associate an image or a person with Rolling Hills Electric, most members would picture a lineworker. One of the most visible employees of the co-op, lineworkers work tirelessly to ensure our community receives uninterrupted power 24/7.

“Lineworker” is listed as one of the top 10 most dangerous jobs in the U.S. This is understandable as they perform detailed tasks near high-voltage power lines. Regardless of the time of day, having to brave stormy weather and other challenging conditions, lineworkers must climb 40 feet in the air, often carrying heavy equipment to get the job done.

Being a lineworker is not a glamorous or easy profession. It takes years of specialized training, ongoing education, dedication, and equally important, a sense of service and commitment. How else can you explain the willingness to leave the comfort of your home to tackle a challenging job in difficult conditions, when most are sheltering comfortably at home? This dedication and sense of service to the community is truly what sets them apart. That’s why we set aside the second Monday in April to celebrate and recognize the men and women who work around the clock to keep the lights on.

Rolling Hills Electric is proud to honor the our lineworkers

who maintain 6,447 miles of power lines in our service territory. We invite all co-op members to take a moment and thank a lineworker for the important work they do.

On April 12, you can use #ThankALineworker on social media to show your support for these brave men and women who power our lives:

- ▶ **ADAM BADGER**, Beloit
- ▶ **TYLER BAILEY**, Beloit
- ▶ **JOHN BAILEY**, Ellsworth
- ▶ **GORDON BLUE**, Ellsworth
- ▶ **KENNY CASTOR**, Ellsworth
- ▶ **CRAIG CLARK**, Beloit
- ▶ **TODD EITZMANN**, Belleville
- ▶ **DOUG ERREBO**, Ellsworth
- ▶ **BRIAN FALK**, Ellsworth
- ▶ **STEVE HABIGER**, Ellsworth
- ▶ **MAX HULBERT**, Beloit
- ▶ **JR HYNEK**, Beloit
- ▶ **CREGG JEFFERY**, Beloit
- ▶ **TYSON KNOX**, Beloit
- ▶ **MARC MARTIN**, Beloit
- ▶ **RILEY MOORE**, Belleville
- ▶ **PETE OROZCO**, Beloit
- ▶ **RODNEY PAYNE**, Beloit
- ▶ **CLAY PICKEL**, Beloit
- ▶ **RON RATHBUN**, Beloit
- ▶ **JERRY ROESTI**, Beloit
- ▶ **TYLER ROESTI**, Ellsworth
- ▶ **BEN RUTHSTROM**, Osborne
- ▶ **HUDSON SMITH**, Beloit
- ▶ **CASEY SMITH**, Beloit
- ▶ **SCOTT SPLICHAL**, Belleville
- ▶ **KENDALL STRUTT**, Belleville
- ▶ **KYLE STRUTT**, Osborne
- ▶ **JERRY WEBB**, Beloit
- ▶ **TRENT WEBB**, Osborne
- ▶ **JUSTIN YORK**, Osborne
- ▶ **JUSTIN ZERBE**, Beloit

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What happens next?

It will take some time for the SPP to finalize all the costs associated with the February energy crisis. Rolling Hills will deal with the costs on a monthly basis and communicate with our consumer-members the cost effects from the event.

What are my options for assistance to pay my electric bill?

Consumer-members are encouraged to contact our office to review payment assistance resources and discuss payment arrangement options.

- ▶ **BUDGET BILLING** is an available payment option to help keep monthly electric bills predictable and manageable. This free option averages electric use over a 12-month rolling period to avoid big fluctuations in monthly bills.
- ▶ **LIEAP PROGRAM** (Low Income Energy Assistance Program)

is a Federally funded program that helps eligible households pay a portion of their home energy costs by providing a one-time per year benefit. Applications are due by May 28, 2021. The link to apply can be found on our website at www.rollinghills.coop.

- ▶ **SMART HUB** is an online portal where consumer-members can pay their bill online as well as view kilowatt usage per day! Visit our website to sign up for an account at www.rollinghills.coop.

Most importantly, we want to thank you, our consumer-members, for your patience and understanding during this unprecedented time. You all did your part to help keep us from more controlled rolling outages while Mother Nature wreaked havoc. We have outstanding communities and consumer-members we serve. Please contact our office at 785-534-1601 if you have questions. Thank you!

Rolling Hills Hosts All-Employee Conference

Rolling Hills had the opportunity to host speaker Bryan Singletary for an all-employee conference on Feb. 12. The meeting was held in the vehicle storage shop area in Beloit, so there was plenty of room for attendees to maintain social distancing. Also in attendance was Board Member John George, along with the KEC Loss Control, Safety & Compliance department staff.

Singletary is an accomplished speaker and writer. He is a nationally sought-after lecturer and trainer in the areas of utility competition and strategic planning, key accounts management, distributed generation, technology implementation, demand-side management, customer service and power quality. In addition, he has authored and co-authored several books, papers and manuals on the same topics.

He discussed the importance of defining a culture in the workplace. Mentalities such as “That’s the way we have always done it” and “If it ain’t broke, don’t fix it” are not conducive to the cooperative culture. In this aspect, employees need to act like a 5-year-old in the sense of asking the “Why?” questions and “Why do we do it that way?”

He then went on to talk about the correlation between safety and service. He brought up our mission and vision statements and stressed that anytime an employee does not act in a manner that leads to a safer workplace, they are not supporting the cooperative way. Anything less than outstanding service is inconsistent with our mission.

Singletary spoke about change and how hard it can be. He said change doesn’t start with something new, it starts with giving up something old and familiar. He discussed how often change is out of our control and what matters is how we move from where we are to where we need to be. The most interesting fact he brought up was that we handle change the best during a crisis — because we do what we have to do at a moment’s notice. He stressed that the one thing you need to ask yourself is “what’s the worse that can happen?” This mindset often allows us to adjust our attitude once we put that into perspective and don’t over think it.

The last topic he spoke about was ownership versus accountability. Accountability is doing what you are supposed to do because someone else expects it of you. Ownership is about doing what needs to be done because you expect it of yourself. He compared these to driving a rental car — driving a rental car like a rental and not treating it as you would your own car. “Life is too short to work somewhere that you ‘rent’ your job,” Singletary said.

Overall, employees were very engaged and enjoyed his captivating antics. He used a lot of humor and some sarcasm all the while speaking about very important topics, in a way that employees could relate to. This was a great experience for Rolling Hills employees and we all definitely were able to take away many good things from this meeting.



Speaker Bryan Singletary discusses workplace culture, embracing change, and fostering accountability at Rolling Hills’ all-employee conference.