



Ryan Schilreff
General Manager



NOVEMBER 2016



GENERAL MANAGER'S REPORT

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May through September
Office hrs: 6:30–5:00, Mon.-Thu.

October through April
Office hrs: 7:30–4:00, Mon.-Fri.

Winter
hours in
effect

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Thanks and Praise

I would like to start my article this month with a few important thank yous. November 11th is Veteran's Day and I want to make sure those who have served and are currently serving in uniform know how much we appreciate their sacrifices in serving our country and defending the freedoms we enjoy every day.

I also want to thank the families of the service members for the many sacrifices you make in being miles away from your loved ones, especially during the holidays.

No matter what your political views might be or how bad the news makes

everything out to be, we must remember we live in the greatest country in world because of the sacrifices made by others for us all.

Four decades of service

I would like to give a big thanks to Joe Kinnan and his family as Joe just celebrated 40 years of service to Wyrulec and its members.

This is a significant milestone which has come with some sacrifices as well. Joe has spent countless days getting called out at all times of the night, responding to out-

ages, preparing for storms, improving our infrastructure, and making sure our members have power to enjoy a better quality of life.

There is no doubt that over the past 40 years, Joe's family has sacrificed their time together because of Joe's dedication to Wyrulec. From all of us here at Wyrulec, congratulations and thank you!

2017 rates

We were notified in September that Tri-State approved a wholesale rate increase of 4.23 percent to all of its

*We live in the greatest
country in the world
thanks to the sacrifices
made by others*

**Wyrulec Company will be
closed on Nov. 24 & 25.**

**We wish you
all a happy
Thanksgiving
with family and
friends!**



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Thanks and Praise

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members. The 2017 wholesale increase was slated to be 6.7 percent but Tri-State voted to amortize in additional deferred revenue which provided its members with some rate relief for 2017. While utilizing additional deferred revenue helps significantly this year, I believe it will most likely cause a wholesale rate increase in 2018 or a higher percentage of wholesale increase in 2018. So what does this increase mean for your cooperative? If Wyrulec were to realize the same load characteristics next year as we have had this year, for the first 8 months of 2017 our cost of purchased power would be approximately \$315,000 more.

In response to the increase, I have engaged our rate consultants to see how this effects each rate class based on their historical demand and energy usage. We should have those results by our October board meeting. This should allow us enough time to review the results of the study and to make any recommendations to the board of directors on what increase we will need to pass through.

If passed through, this wholesale increase will yield no additional margins to Wyrulec's bottom line. Internally, we have done a good job managing our expenses and this will be

the fourth year in a row we have been able to manage our margins without any retail rate increases.

I have also asked our consultants to look at increasing our fixed charges (facilities charges) while lowering energy charges (KWH charge) in an equal amount which would result in a revenue-neutral transaction. What this means is we would recover

more of our fixed charges up front without relying on a certain number of kilowatt-hour sales to recover a portion of our fixed charges. I will keep you informed on our progress.

Work plan projects

We have been making very good progress on our current work plan and have about exhausted the available funds associated with those projects. We have engaged our consulting engineers and have started to build our next work plan which would run until 2020.

Here is an idea of what a work plan includes; new lines, new tie lines, conversions and line changes, new substations, substation changes, miscellaneous distribution equipment, metering equipment, transformers, pole replacements, and transmission lines.

As you can see there is a lot involved when building a new plan and prioritizing what needs to be completed first, in addition to carry-over items. Our first draft of the new work plan

came in at just over \$9 million. This is up from \$6 million which our current work plan outlined.

We will most likely trim some of those projects down but we have a lot of infrastructure out there that needs to be replaced. I would anticipate finalizing that number right after the first of the year and then seeking approval from the Wyoming Public Service Commission to implement a new facility to fund the projects.

Capital Credit retirements authorized

At the September board meeting, the board authorized capital credit retirements in the amount of \$406,689. This is in addition to the \$21,446 already retired for estate payments.

Of the amount authorized, \$290,255 will be retired from Wyrulec's allocated margins and will close out allocations made for the 2006 operating year.

The remaining amount of \$136,434 will be retired from Tri-State's allocated margins and will close out allocations made from Tri-State's 1994 operating year.

Retirement of capital credits is the process of returning the equity provided to the cooperative by its members back to its members. Wyrulec currently retires capital credits on a FIFO basis, meaning the members that first provided the equity will be the first to get their investment back.

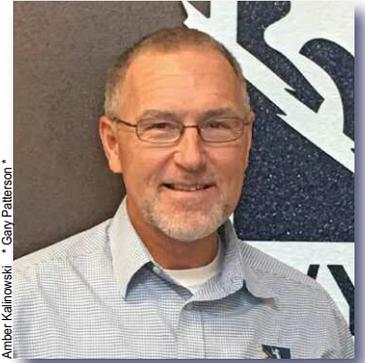
As always, if you have questions you can reach me at the office by calling (307) 837-2225, on my cell at (307) 575-2435 or email me at rschilreff@wyrulec.com.

Applauding 40 years of service

This past June, Joe Kinnan achieved the milestone of 40 years of service with Wyrulec Company.

Joe was first employed in 1976 as a Groundsman. In 1977, he started his apprenticeship and earned his Journeyman Lineman certification in June of 1980.

In the years after, Joe progressed to Crew Foreman, Line Foreman, and then Line Superintendent. On September 11, 2001, Joe was promoted to Operations Manager, the position he currently fulfills. Thank you, Joe, for your 40 years of dedicated service!



Amber Kalinowski * Gary Patterson *



Amber Kalinowski * Jay Middelworth *

Thank you to our Veterans and those currently serving

From left: Ryan Schilreff served eight years in the Navy. Joe Gonzalez served eight years in the Air Force and was deployed five times. Jon Malcom served 15 years in the Army National Guard and eight years in the Air National Guard. Steve Ransom served 21 years in the Navy.

Don't let your winter efficiency fall behind

Take time this fall to make home improvements that will boost energy efficiency. The Energy Education Council provides tips on how to prepare your home now to help cut back on winter energy costs.

Consider scheduling an energy audit. It will reveal the biggest sources of inefficiencies around the home so that you're able to identify how best to cut back on energy loss. Start the season off with a fresh filter and a thorough cleaning of your furnace. The filter should be checked every month. If you find it dirty during this check, EnergyStar.gov advises that you change it. At a minimum, it should be changed every three months.

Check for air leaks around windows, doors, fireplaces, electrical boxes, outlets, and light switches. Use caulk and

weather stripping to fill in gaps and leaks. Also check your attic insulation level. * Louis Holiday * According to EnergyStar.gov, if it is just level with or below the floor joists, more insulation should be added.

Insulate your hot water heater so that it can stay warm longer without wasting energy. If your water heater is warm to the touch, it should be covered by a blanket. According to the U.S. Environmental Protection Agency, you can lower the temperature of the water heater to 120° Fahrenheit and still enjoy comfortable hot water-with lowered heating costs. For every 10 degrees that you reduce the temperature, a person can save between 3 and 5 percent on water heating costs.

Check that vents are not blocked by furniture or curtains.

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Don't let your winter efficiency fall behind

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Also make sure that radiators or baseboards are clean and unobstructed. If you have a fireplace, keep the damper closed when it is not being used. If you do not foresee use of the fireplace, plug and seal the flue.

Think about adding or upgrading window coverings. The U.S. Department of Energy estimates that draperies can reduce up to 10 percent of heat loss. On sunny winter days, keep drapes open on southern and eastern windows.

Close window coverings on cloudy days and at night to reduce heat loss. Adding area rugs can help insulate the floor of your room, using less heat when temperatures drop.

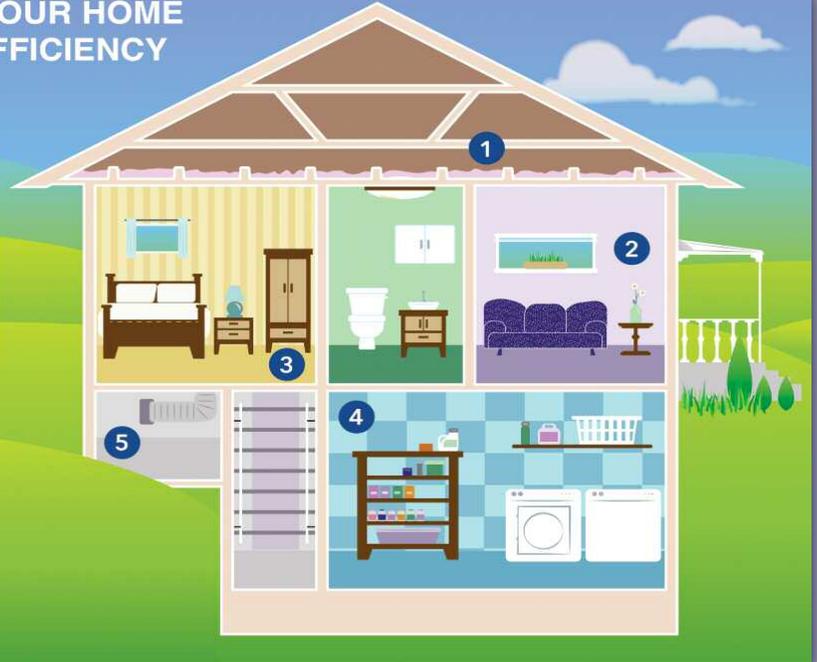
If you have a schedule where you are regularly away from home for part of the day, consider installing a programmable thermostat, which can help you save money. Also, if you are

INSULATING YOUR HOME TO LOCK IN EFFICIENCY AND SAVINGS

Adding insulation in the areas shown here may be the best way to improve your home's energy efficiency. Insulate either the attic floor or under the roof. Check with a licensed contractor about crawl space or basement insulation.

- 1 Attic
- 2 Walls
- 3 Floors
- 4 Basement
- 5 Crawlspace

Source: Dept. of Energy
Gerald Tomayer



looking to replace an older appliance, consider Energy Star labeled products, which can save you money over the life of the appliance.

For more information on energy efficiency, please visit EnergyEdCouncil.org.

*The Energy Education Council is a 501(c)3 non-profit organization dedicated to promoting electrical safety and energy efficiency. *William Bagley* Established in 1952, the Council serves as a forum for diverse utility and energy organizations to collaborate on the mutually vital issues of efficiency and safety. Learn more at: EnergyEdCouncil.org, SafeElectricity.org, EfficiencyResource.org.*

Cooperative difference demonstrated at Wyoming State Fair

Wyrulec employees Deaver Arrants and Joe Gonzalez assisted with safety demonstrations at the Wyoming State Fair in August. Along with Wyrulec, Tri-State Generation and Transmission Association, Inc., Touchstone Energy Cooperatives and seven additional Wyoming electric cooperatives sponsored a booth at the state fair.



Photo courtesy Heather Wilkins