

July 2023

## THE WHEAT BELT CONNECTION

### Power Supplier Anticipates Rate Increase for 2024



**LACEY GULBRANSON**  
General Manager/CEO

Where does your power come from? Tri-State Generation and Transmission out of Westminster, CO manages power production and delivery to our substations. The key points of our all-requirements contract with Tri-State is they

provide us reliable power and Wheat Belt agrees to purchase 95% of our power requirements from Tri-State. Power supply equals two thirds of our budget, which is in line with the industry.

Tri-State has informed the 42 member-membership they anticipate their rates going up roughly 7% (or just short of \$1M for Wheat Belt) in 2024. We have initiated a cost-of-service study with our rate consultant to help determine how to adjust rates to accommodate the increased costs.

When the rest of the world was faced with great inflation over the past couple of years, we have experienced a rate decrease from Tri-State...long story, but essentially this was a result of the membership's litigation of Tri-State's rate when Tri-State became FERC (Federal Energy Regulatory Commission) regulated in 2019. Wheat Belt was a part of that litigation. We have used the reduced cost of power to fund the legal fees and to reduce the rate we were borrowing at, meaning investing into poles and wires to reinforce the system.

Be assured, more information will be coming in future months on this topic. Increased rates is not something we take lightly. The cost-of-service study will give us guidance, but ultimately the board of directors has rate making authority and much discussion has been had on this topic and more will occur before the 2024 rates are approved later this year.



### LUCKY DRAWING



Congratulations to Herman and Karen Engelker, our May "Lucky Draw Winner"!

Herman and Karen have resided north of Julesburg, CO, for 29 years. They have two grown daughters; Nicole is a Title Wave Runner for Fidelity in Minnesota. Nicole has a daughter who works at an accounting firm and a son who is an electrician. Herman and Karen's other daughter, Lynsey is a Heart Valve Representative for Abbott Laboratories in Arizona. She has an eleven year old son, a set of twin girls who are seven and a five year old daughter. They are very active in hockey, flag football, gymnastics and soccer.

Karen has been retired for the past eight years after working as the district bookkeeper at the Julesburg School District for 31 years. Herman is a retired truck driver.

During the summer, the Engelker's like to spend their time at Lake McConaughy fishing. They are snowbirds in the winter going to Arizona to watch the grand children

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*Editor - Kelli Chaon*

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# Supply Chain and Economic Impacts to Wheat Belt Public Power District



**JIM WEEDA**  
Manager of Technologies

Electric distribution companies such as Wheat Belt PPD are facing significant challenges from supply chain disruptions and rising costs. With the world recovering from the COVID-19 pandemic, these issues have only become more severe. In this article, we will explore the impact of supply chain disruptions and rising costs on electric distribution rates, and provide examples of how these factors have affected lead times before and after the pandemic.

## Supply Chain Disruptions

Wheat Belt is currently facing various types of supply chain disruptions such as shipping delays, production delays, and raw material shortages. These issues can cause substantial delays in the delivery of critical equipment and materials, ultimately impacting the ability to provide reliable service to customers.

For instance, prior to the pandemic in 2019, the lead time for transformer delivery was usually around 16 weeks. However, due to the pandemic's supply chain disruptions, the lead time for transformer delivery has increased to 70 weeks, causing delays in the replacement of transformers and the installation of new services. Lead times for power poles went from 6-8 weeks to 6-8 months. ACSR (Aluminum Conductor Steel Reinforced) wire was always in stock and now has up to a 30 week lead time. This has resulted in challenges for Wheat Belt to maintain a reliable service for their customers.

## Rising Costs

Rising costs are another significant challenge that Wheat Belt faces. These costs may stem from increased labor, raw material, and transportation costs, among others. As these costs continue to increase, electric distribution companies struggle to maintain affordable rates for their customers.

For example, the price of a common 15 kVA transformer was around \$875 before the pandemic. Currently the price is \$1480. The cost of a commonly used powerline switch was \$5,000 before the pandemic and is now \$8000. This has had a significant impact on the cost of maintaining and upgrading the electrical infrastructure since these and other equipment with similar increased costs are crucial components of our electrical system.

*Continued on 12-C*



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## Impact on Rates


The combination of supply chain disruptions and rising costs has led to upward pressure on the rates of electric distribution companies. As the cost of materials and labor continues to increase, the industry finds it increasingly challenging to maintain affordable rates. Over recent years, one reason Wheat Belt has increased rates is to cover increased costs. We evaluate rates annually to ensure we are covering our costs to fulfill our mission to deliver electricity safely, reliably and efficiently.

Wheat Belt and other electric distribution companies face major challenges from supply chain disruptions and rising costs, and these challenges have only increased during and after the COVID-19 pandemic. While we work to maintain and upgrade our infrastructure, we must also find ways to mitigate the impact of these challenges on our rates. By doing so, we can continue to provide reliable and affordable service to our customers.



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## Lucky Draw cont'd from 12-A

in their activities. They both play a little shuffleboard. Karen participates in a sewing/quilting group and Herman likes to go golfing.

Herman and Karen received a \$50 credit on their account for their prompt payment. If you would like to be included in our next drawing, and avoid a \$5 delinquent fee, please send your payment before the 16th of the month.

For your convenience, we offer several payment options. Please give us a call at 308-254-5871, or visit [wheatbelt.com](http://wheatbelt.com), and select the Customer Engagement page for more information.



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## HOW SOLAR PANELS WORK WORD SEARCH



Did you know energy from the sun can be used to create electricity? Read the following information about how solar panels work, then find and circle the **bolded** words in the puzzle.

Solar panels contain **photovoltaic** cells that convert sunlight into **electricity**.

Sunlight hits the **solar** panels and generates a direct current.

The direct **current** flows to an inverter, which converts it to an alternating current. (This is the kind of electricity we use in our homes.)

The alternating current flows from the **inverter** to the home's breaker box, where it's used to **power** appliances and electrical devices in your home.

If the solar **panels** generate more **electricity** than the home needs, the unused electricity is sent back to the power lines.

T N B S T T G Z O V S U Y V K  
P H Y I C T N H Z O V K W Z A  
P B N G E O Z E L P L K K B R  
G H T Q Y N P A R F N R C A E  
R X O D W G R Q W R B Z S U T  
S P K T X D S T O Y U T U Q R  
V O U U O S L E N A P C Y S E  
F F S W R V X E H Z P D W U V  
H F B E X I O B Q G F P Y N N  
I V W I W O N L E F P X V L I  
X O Y C Z J K Z T A J F F I F  
P R X S F Z K E U A D P Q G V  
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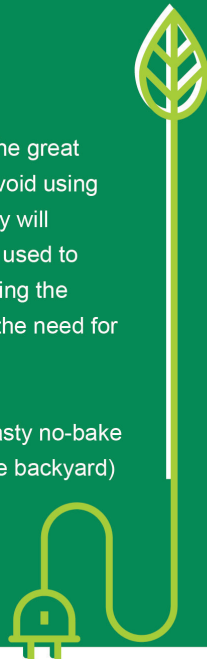
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## Energy Efficiency Tip of the Month

Summer is a prime opportunity to enjoy the great outdoors. To reduce home energy use, avoid using your oven and use a grill instead. Not only will cooking outdoors eliminate the electricity used to power the stove, but it will also avoid raising the temperature inside your home, reducing the need for air conditioning or cooling.

You can also avoid using the oven with tasty no-bake recipes. Get creative in the kitchen (or the backyard) and find new ways to save energy!

Source: Dept. of Energy



## Our Mission

Deliver electricity safely, reliably and efficiently.