

## EXECUTIVE REPORT

### Celebrating 80 Years!

Eighty years ago, investor owned utilities were not interested in bringing electricity to rural areas as there was no profit in serving a sparsely settled area. People living in unserved areas understood what electricity could do for them on their farms and in their homes because they had made trips to towns and cities where electricity was available. They marveled at all the wonderful things that electricity could bring, like, lights, heat, refrigeration and power-operated equipment such as washing machines and fans. The need and desire for electricity was strong, as one farmer from Tennessee so eloquently stated:

*“Brothers and sisters, I want to tell you this. The greatest thing on earth is to have the love of God in your heart, and the next greatest thing is to have electricity in your house.”*

It was just a matter of affordability. Who would bring electricity at a price they could afford? With the passage of the Rural Electrification Act of 1935, the federal government stepped in and provided low interest loans to newly organized electric cooperatives that would bring affordable electric power to their members' homes and businesses.

Prairie Land's roots began with the incorporation of Norton-Decatur Cooperative Electric Company, Inc. in 1938 and the Northwest Kansas Electric Cooperative Association incorporated in 1945. The two cooperatives merged in 1997 and the name was changed to Prairie Land Electric Cooperative, Inc. In 2007, Prairie Land expanded further with the Aquila, Inc. acquisition and now serves approximately 25,000 customers.

Today, electricity is taken for granted. It powers a multitude of devices not even imagined eighty years ago, and, it does so almost without interruption.

As a member-owner of Prairie Land Electric, you can be assured that we are committed to furnishing reliable power at an affordable price. However, there are times when the weather is not so cooperative. At those times, Mother Nature can impact reliability, as well as, price. One such event occurred in April 2017, when a severe snow storm damaged 350 miles of powerlines causing widespread power interruptions across six counties. Initial emergency restoration and repair costs totaled more than \$3 million with an estimated \$16 million of future repairs required to get the powerlines restored to their pre-storm condition.

Our staff has applied to the Federal Emergency Management Agency for a grant to cover some of the costs, but there is no guarantee that they will help.

With that said, there is a need for a small rate increase to cover some of the storm-related costs and to make up for lower than normal kWh sales this past year. The Prairie Land board and management proposed a 6.4% rate increase for residential, small commercial and irrigation customers. Even with this moderate increase, Prairie Land's rate to these customer classes will remain below the Kansas state-wide average price/kWh.

We would like to thank Ken Carter for his 23 years of dedicated service on the Prairie Land board. Ken has served as Prairie Land's Secretary and also represented Prairie Land as a director on the Sunflower Electric Power Corporation board.

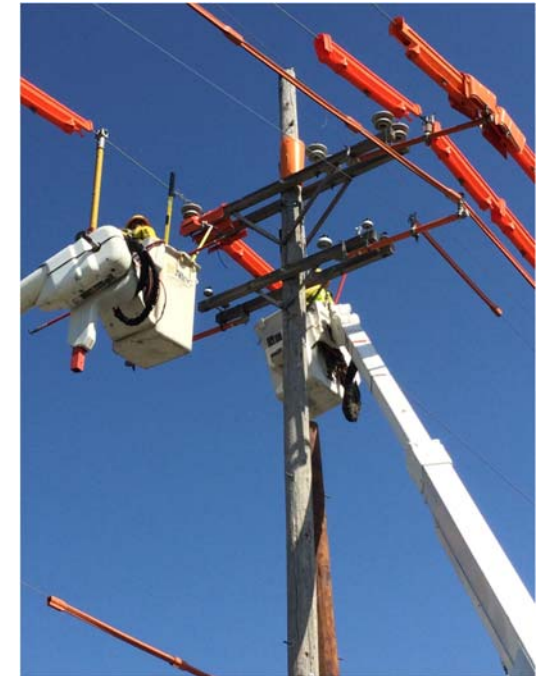
On behalf of the Board of Trustees and employees who work at Prairie Land Electric, we want to thank you for your confidence and support. If you have questions or concerns, please call or stop by for a visit.



Ronald G. Griffith  
President



Allan Miller  
CEO



## Annual Report 2017

## Employees

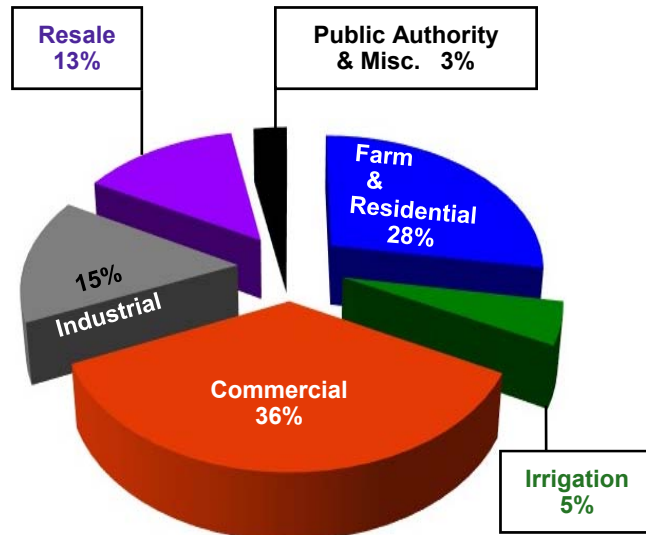
	<u>YRS</u>		<u>YRS</u>
Barry Madden	43	Blake Krien	12
Allan Miller	42	April Karnopp	12
Dean Wiseman	42	Lacey Smith	12
David Newell	39	Brett McChesney	12
Chuck Look	39	Jarod Rohr	12
Steve Christy	39	Garrett Willour	12
John McDonald	38	John Atkins	11
Connie Pfannenstiel	35	Cory Johnson	11
Brian McKenna	34	Dominic Urban	11
Norman Kats	32	Tom Huber	11
LeRoy Hays	32	Matt Knox	11
Kevin Black	31	Julie Douglas	10
Jim Coash	31	Jamie LeDuc	10
Marion Hayes	30	Jeremy Harding	10
Jeff Hardiek	30	Tyler Rutherford	10
Carl Meats	30	Travis Stites	10
Dennis Thomas	30	Eric Thompson	10
David Tiemeyer	29	Kade Kolman	10
Shawn Miller	28	Lynette Jones	10
Jeanette Deneault	25	Nathan Simmons	9
Gary Beikman	24	David Rose	9
Kirk Girard	23	Brandon Blue	8
Anna Foley	23	Monica Kats	8
Darin Bortz	20	Ryan Goheen	7
Everett Mendenhall	18	Cally Engel	6
Spencer Ketterl	18	Shane Schumaker	6
Marshall Hespe	18	Chance Bieker	5
Greg Cooper	18	Deb Lydic	5
Gregg Glennemeier	17	Ashley Christy	5
David Bainter	15	Landon Keiswetter	4
Alisha Stark	15	Austin Wieden	4
Waylon Lawson	15	Taylor Rahe	4
Vonley Frey	15	Bryant Patterson	3
Luke Lister	15	Ryan Swatzell	3
Ryan Culwell	15	Alesha Vahling	3
Andrew Gilsdorf	14	Sondra Marvin	3
Keath Christy	14	Dalton Schneider	3
Justin Mueting	14	Kenzie Griffiths	2
Karla Lawrence	13	Shane Touslee	2
Kelly Jones	13	Ann Cox	1
Mike Eitzmann	12	Clint Rogers	<1
Jacob Epley	12	Jacs Fox	<1
Scott Georgeson	12	Justin Wert	<1

## FINANCIAL REPORT

### BALANCE SHEET

<b>ASSETS:</b>	
Total Utility Plant	180,801,860
Less Depreciation	(62,475,740)
<b>Net Value of System</b>	<b>118,326,120</b>
Cash	738,656
Investments	38,801,734
Receivables	8,425,366
Materials & Supplies	1,662,341
Pre-payments	363,679
Other Current Assets	297,497
Deferred Debits	5,527,323
<b>TOTAL ASSETS</b>	<b>174,142,716</b>
<b>LIABILITIES:</b>	
Long Term Debt	86,620,222
Deposits	948,271
Notes & Accounts Payable	12,378,233
Current Liabilities	3,250,918
Deferred Credits	366,621
Equities & Margins	67,094,343
Current Maturities	3,484,108
<b>TOTAL LIABILITIES</b>	<b>174,142,716</b>

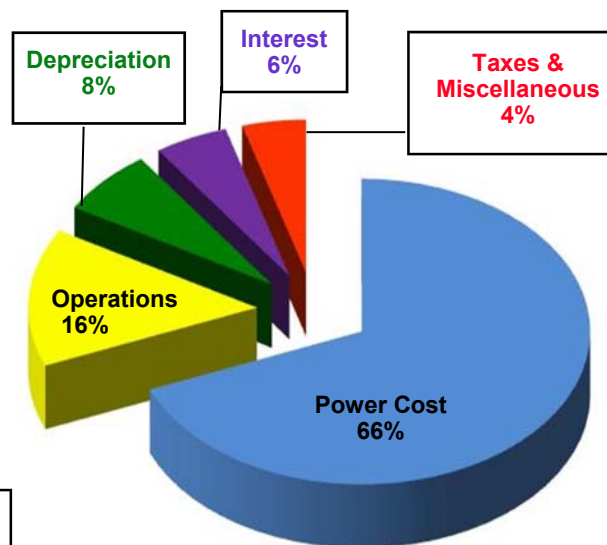
### ELECTRIC SALES REVENUE:



### INCOME STATEMENT

<b>INCOME:</b>	
Electric Revenue	<b>65,637,303</b>
<b>EXPENSES:</b>	
Power Cost	42,014,591
Operations	10,168,813
Depreciation	4,856,234
Taxes	2,457,584
Interest	3,882,491
Miscellaneous	193,353
<b>TOTAL EXPENSES</b>	<b>63,573,066</b>
<b>Operating Margin</b>	<b>2,064,237</b>
<b>Non-Operating Margin</b>	<b>4,010,979</b>
<b>Total Margins for 2017</b>	<b>6,075,216</b>

### OPERATING EXPENSES:



## Board of Trustees

<u>Name</u>	<u>Address</u>
Ronald Griffith, President	Smith Center, KS
Mike Rogers, Vice President	St. Francis, KS
Kenneth Carter, Secretary	Jennings, KS
Robert Paxson, Treasurer	Penokee, KS
Keith Ross	Long Island, KS
Donald Solko	Herndon, KS
Ivan Bohl	Norton, KS
Jerry Gallagher	Concordia, KS
Otto Levin	Kensington, KS
William Peterson	Clifton, KS
Sandy Benoit	Damar, KS

## Interesting Statistics

	<u>2017</u>
# of Prairie Land Members	14,021
# of Connected Meters	24,827
Miles of Line	6,974
Meters per Mile of Line	3.6
Investment per Mile of Line	\$25,925
Investment per Meter	\$7,282
Kilowatt Hours Purchased	624,622,048
Kilowatt Hours Sold	592,319,798
Kilowatt Hour Losses	32,302,250
Line Loss %	5.17%
Long-Term Debt	\$86,620,222
Plant Additions	\$7,509,769
Plant Retirements	\$2,392,508
# of New Services Added	124
# of Services Retired	91
# of Full-time Employees	86