

MARCH 2023

# POWERLINES

A MONTHLY PUBLICATION FOR THE MEMBERS OF WHITEWATER VALLEY REMC

MESSAGE FROM THE CHAIRMAN OF THE BOARD AND CEO

## COOPERATIVE BY DESIGN

ANNUAL  
REPORT  
EDITION



**ROD WEST,**  
CHAIRMAN  
OF THE BOARD



**MARY JO THOMAS,**  
CEO

Electric cooperatives like ours offer benefits that are unique from other utilities. Cooperatives exist to provide reliable service at an affordable cost to members, not to make a profit. In recognition of our theme, Cooperative by Design, WWVREMC, its board of directors and employees strive to:

- Provide affordable, reliable power and responsive service.
- Operate with integrity, accountability, innovation and commitment to community.
- Deliver products and services that improve the quality of your life.
- And do all of this with employees who are committed to excellent customer service.

That promise statement was introduced ten years ago, and the directors and employees are still committed to that same promise today.

Despite rising costs, grid reliability constraints and supply chain challenges, we are proud of the way the cooperative has persevered to effectively serve you, our member owners. Not only have we maintained the status quo, but we also continued to invest in system improvements, employee growth and new technology. Let's take a closer look at how our efforts have better positioned the cooperative to meet our member's power needs today, and for years to come.

**INDUSTRY UPDATE** The electric utility industry continues to change at a rapid pace. During 2022,

the industry returned to the spotlight when load curtailments and rolling blackouts threatened to disrupt the country's dependable and reliable electric grid system. Millions of consumers were reminded of the important role that electricity plays in the routine necessities and conveniences of modern-day life.

The nation's electric grid is a complicated machine and can be affected by supply and demand issues both locally and globally, transportation issues, other energy entities such as natural gas pipelines or renewables, and extreme weather. After the summer presented reliability risks, mitigation efforts were begun and going into winter the grid had a sufficient supply of capacity resources for a normal-to-mild winter. However, the threat of problems still exists for extreme or prolonged cold weather. WWVREMC along with our power provider, Hoosier Energy, continue to support a balanced approach to measures to protect reliability and cost to members.

WWVREMC completed another successful year in 2022. The accomplishments of the past year are summarized in some key areas: employee training and development; investments in plant and equipment; operational and financial performance; new technologies; and community involvement.

### EMPLOYEE TRAINING AND DEVELOPMENT

During 2022, employees completed over 3,100 hours of training in areas such as safety, customer service, leadership and technical skills. Two employees earned degrees in their field of study and three earned certifications. Directors also attend cooperative specific education and training courses throughout their terms.

Employee and director dedication and their desire to serve has helped the cooperative continue business operations through some difficult and challenging times. It's this work ethic that proves WWVREMC is positioned to be the power provider for our members now and well into the future.

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### March Due Dates

The due dates for  
payment of electric bills  
are **March 19** and **26**.



wwvremc.com

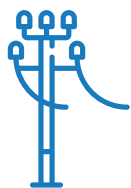
# 2021 - 2022

## BY THE NUMBERS



### KWH'S SOLD

2021  
238,722,706  
2022  
253,076,442



### AVERAGE RESIDENTIAL COST PER KWH

2021  
\$0.13  
2022  
\$0.13



### METERS

2021  
12,097  
2022  
12,135



### NET UTILITY PLANT BALANCE

2021  
\$49,333,202  
2022  
\$50,420,872



### NUMBER OF MEMBERS

2021  
10,018  
2022  
10,088



### TOTAL DEBT

2021  
\$30,365,124  
2022  
\$36,373,002



### AVERAGE COST OF DEBT

2021  
3.13%  
2022  
3.05%



### CONTROLLABLE EXPENSES PER CONSUMER

2021  
\$477  
2022  
\$482



### MEMBERS PER EMPLOYEE

2021  
385  
2022  
360



### NUMBER OF EMPLOYEES

2021  
26  
2022  
28

**OPERATIONS AND MAINTENANCE** WWVREMC continues to invest heavily in maintaining its electric system. Copper replacements and line rebuilds were a top priority for system and reliability improvements throughout the cooperative's service territory in 2022. A pole inspection program continued to identify at-risk poles that need replaced. This program improves service reliability and public safety. Crews also continued work on alternate feeds and circuit path improvements. This reduces or eliminates outages by allowing switching from different line sections and substations to restore power more quickly to damaged areas.

Trees continue to be the leading cause of outages despite our efforts to remove these hazards. Our tree crews continued working on the cooperative's right-of-way program that includes clearing, trimming and spraying. Tree removals made up over eighty-four percent of the total tree work in 2022. Removals are the most effective use of funds and are followed by spraying to ensure areas will not need attention in the future.

**FINANCIAL HEALTH** As your non-profit electric cooperative, balancing revenue and expenses is a challenge for the cooperative. Over the past couple of years, the number of new members has increased but stayed relatively small while overall operating and maintenance costs have increased. In 2022, power production costs, materials and fuel costs rose to unprecedented rates.

Two items in mid-2022 helped lessen the burden of rising cost for members on their power bills. First, Indiana electric cooperatives advocated for members and negotiated with the Indiana General Assembly to repeal the utility receipts tax. WWVREMC members alone will save an estimated \$450,000 annually from the repeal of the tax. Additionally, the board of directors approved a special patronage retirement in June. The refund came from a special retirement of Hoosier Energy capital credits allocated for 2021. The refund was included in the calculation of the Wholesale Power Adjustment (WPA) to offset the increase in the WPA in August.

After reviewing the overall finances of the cooperative, the board of directors approved a capital credits retirement of \$885,000 in December. The review of rates was also completed. While our electric rates have been relatively stable over the past several years, our margins have been narrowing against increases in expenses. To correct this, base rates combined with the WPA will increase in April 2023 to cover the increases in purchased power, materials and fuel costs.

**MEMBER AND COMMUNITY ENGAGEMENT** Today's members seek outstanding customer service and clear consistent communication, and the cooperative is responding. A re-design of the cooperative's website was completed in December. Our goal for our online presence is to provide members with local and industry related news they can trust. The hidden account number is 1469000. A transactional survey was also initiated so we can learn how to improve and better serve members.

WVREMC has a long history of supporting members with rebates and incentives to offset purchase and installation costs of more efficient heating and cooling equipment. The program has evolved over the years to keep pace with emerging technologies while maintaining the electric load of our system in a responsible manner. Please check our new website throughout the year and the newsletter as we develop additional programs to help you save money and be energy smart.

Keeping to our strong values of community connections and support, the cooperative was able to assist several local organizations with food deliveries and monetary donations. The funds raised through the annual charity golf outing and our food donations from members and employees continue to make Shedding Light on Hunger one of our most successful community programs. In 2022, over \$11,000 went back to the communities we serve from the fund.

Operation Round Up continues to provide benefits as another community outreach program. The program is 100 percent funded by member donations and your continued generous support is another reason the cooperative can share in the spirit of giving back to the communities we serve. Over \$28,000 dollars were awarded to 41 local organizations from funds given by 52% of the membership.

The cooperative has several programs for our younger members. We financially support our local youth in their pursuit of higher education with our scholarship program and encourage young artist to participate in the Cooperative Calendar of Student Art Contest. Page Day and Youth Tour gives students an opportunity to learn about the history of their state and federal government while Camp Kilowatt gives kids a chance to learn about energy while making new friends and enjoying an outdoor camp with activities and games. The Youth Power and Hope Awards program honors middle school students who are leaders in their communities by carrying out service-oriented tasks.

**NEW FACILITY** Finally, we cannot end without a progress report on the new facility. You may recall in last year's annual report; we announced the purchase of land in 2021. That purchase led to site preparation in 2022. Worksite preparation included site evaluations, environmental studies, and demolition. The new facility committee has met frequently throughout the last couple of years to review the progress of each step and to make careful and thoughtful decisions on moving forward with the next phase of the project. Improvements in efficiencies, safety issues, protection of assets, and preparation for outages and disasters are just a few of the goals that have driven the discussion while balancing the total project cost with affordability for the membership. The project is now in the design development phase and if the needs of the cooperative and the project costs continue to be within acceptable parameters, construction may begin this year. Construction is expected to take twelve to fourteen months.

Despite a particularly challenging environment, we have continued to strengthen the cooperative, transforming WVREMC into an innovative and more effective organization. We enter 2023 focusing on you, the members, and designing the cooperative that will continue to deliver more value for the membership well into the future. Thank you.

## OFFICE CLOSING NOTICE

Our office will be closing early on April 3rd at 3:30 p.m. to prepare for the annual meeting.

## 2022 Financial Statements Statement of Operations

<b>OPERATING REVENUES AND PATRONAGE CAPITAL</b>	<b>\$31,263,197</b>
<b>OPERATING EXPENSES</b>	
Cost of Power	\$21,468,088
Distribution Expense - Operations	185,808
Distribution Expense - Maintenance	3,045,006
Customer Accounts Expense	624,186
Customer Service & Information Expense	207,384
Administrative & General Expense	1,784,530
Depreciation Expense	2,236,105
Taxes	466,434
Interest on Long Term Debt	1,017,137
Amortization of Gain on Reacquired Debt	0
Interest on Short Term Debt	8,036
<b>Total Operating Expenses</b>	<b>\$31,042,714</b>
<b>NET OPERATING MARGINS</b>	<b>\$220,483</b>
Interest and Other	129,470
Income (Loss) from Equity Investments	0
Generation & Transmission Capital Credits	707,192
Other Capital Credits and Patronage Dividends	54,735
<b>Total Non-Operating Margin</b>	<b>\$891,397</b>
<b>TOTAL PATRONAGE CAPITAL AND MARGINS</b>	<b>\$1,111,880</b>

## Balance Sheet

<b>ASSETS</b>	
Utility Plant in Service	\$71,689,764
Construction Work in Progress	(3,271,258)
<b>Total Utility Plant</b>	<b>68,418,506</b>
Less: Accumulated Provision for Depreciation	(17,997,634)
<b>Net Utility Plant</b>	<b>\$50,420,872</b>
Investments in Subsidiary Companies	0
Investments in Associated Organizations	12,522,682
Other Investments - Economic Dev. Revolving Loan Fund	0
<b>Total Other Property &amp; Investments</b>	<b>\$12,522,682</b>
<b>Current Assets</b>	
Cash-General	7,310,013
Temporary Investments	0
Accounts Receivable	6,560,710
Notes Receivable	0
Material and Supplies	1,358,731
Other Current and Accrued Assets	254,910
<b>Total Current Assets</b>	<b>\$15,484,364</b>
Deferred Charges	183,526
<b>TOTAL ASSETS</b>	<b>\$78,611,444</b>
<b>EQUITY AND LIABILITIES</b>	
Memberships	\$125,814
Patronage Capital	30,940,039
Other Margins and Equities	7,145,427
<b>Total Margins &amp; Equities</b>	<b>\$38,211,280</b>
<b>Long Term Liabilities</b>	
Long Term Debt - RUS	35,386,524
Long Term Debt - Other	986,478
Other Non Current Liabilities	0
<b>Total Long Term Liabilities</b>	<b>\$36,373,002</b>
<b>Current Liabilities</b>	
Notes Payable	0
Accounts Payable	2,698,622
Other Current & Accrued Liabilities	1,126,823
<b>Total Current Liabilities</b>	<b>\$3,825,445</b>
Deferred Credits	201,717
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>\$78,611,444</b>



Each month we hide an account number in the Powerlines. Did you find it?

**NO JANUARY WINNER**

Keep reading your Powerlines each month because the next hidden account number could be yours!

## Payment Options

**US Mail**  
Whitewater Valley REMC, P.O. Box 350  
Liberty, IN 47353

**SmartHub**  
Log-on at [wwwremc.com](http://wwwremc.com).

**Pay-by-Phone**  
Call 844-827-4759. Set up your PIN. Follow prompts.

**Liberty Office**  
In person or in the drop box.

**Automatic Withdrawal**  
Simply request a form and submit it to our office.

**FCN or Franklin County National Bank**  
In person or in the drop box. Bring payment stub.

**VanillaDirect**  
Visit [vanilladirect.com](http://vanilladirect.com) for payment locations and details.



**For more information about payment options, please call us:**  
765-458-5171 or 1-800-529-5557


## Helpful Information

**Liberty Office Hours**  
7:30 a.m. to 4:30 p.m. Monday through Friday  
**CLOSED SATURDAYS, SUNDAYS AND HOLIDAYS.**

**To Report an Outage or Emergency**  
Call 1-800-776-0493, 24 hours a day, 7 days a week. Login to your SmartHub account and report your outage.

**Be ready to provide the following information:**

- The name and account number under which your electric service is listed.
- Map location number.
- Your phone number - needed to call back or confirm power restoration.
- The type of problem you are experiencing - flickering lights, complete power outage, etc.



## Outages by Cause: 2022 Totals

CAUSE	#	%
TREES	413	33.47
ANIMALS	310	25.12
DECAY	156	12.64
UNKNOWN	88	7.13
MATERIAL/EQUIPMENT FAILURE	65	5.27
MEMBER	65	5.27
VEHICLES/PUBLIC ACTIVITY	53	4.29
WEATHER	39	3.16
CONSTRUCTION/MAINTENANCE	36	2.92
POWER SUPPLIER	8	0.65
OTHER	1	0.08
<b>TOTAL</b>	<b>1,234</b>	<b>100.00</b>

## Bill Credit Winners

Our monthly drawing for five \$20 bill credits from all voting members of the 2022 annual meeting continues. Here are the winners for this month.

**MARCH**

**James Alderson**, Centerville  
**Michael Weston**, Richmond  
**Bridget Hardy**, Lynn  
**Jack Rosenberger**, Liberty  
**Amy Fouche**, Williamsburg



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