

Northwestern Electric News

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Your Touchstone Energy® Cooperative



March 2017

January ice storm cripples NWECE's system

On Monday, Jan. 9, weather forecasters began issuing watches and warnings for a crippling ice storm that would start impacting Oklahoma as early as Jan. 13. To prepare for the storm, we ordered extra materials, made a work schedule and paid our contract crews standby wages so they wouldn't leave and go to another area hit by the ice storm.

Friday the 13th turned out to be somewhat uneventful. We hoped the weather forecasters had been wrong, but unfortunately they had accurately predicted the devastating storm. They were just a day late.

The following is a day by day account of what happened before, during and after the storm hit.

01/13/17 – Day 1

It rained off and on throughout the day. The news kept warning us about the possibility of crippling damage in our service territory. Some schools and organizations cancelled activities.

01/14/17 – Day 2

Rain fell early and ice began to form, but we had very few reported outages. By afternoon, we estimated we had only lost around 10 poles. During the night, the temperatures dropped below freezing and it started to rain again.

01/15/17 – Day 3

Ice began to grow in size as it accumulated on everything but the roads. By late evening, over 80% of our meters had lost power. We have just a little over 11,500 connected meters and over 9,700 meters were not receiving power. The linemen worked all day and we began adding to the number of linemen and tree crews by bringing in additional help. The linemen made very little progress. Each time they would fix a section of line or replace a pole, another section of line or other poles would break right behind them. Most of the guys had been working for about 18-24 hours straight in the freezing rain. We estimated we had lost roughly 300-500 poles (which would be a lot for any other storm). We made a decision that night to bring the linemen in to rest and try again the next day once the rain and ice had hopefully stopped.

To make matters worse, we lost power to our office in Woodward and were running on generators. At 12:30 a.m., our backup generator failed and shut down all our servers. These servers are responsible for running our accounting software, outage management software and even controls the locks on our doors. It took our IT department over 12 hours to get everything back up and running properly.



The January ice storm resulted in downed power lines and mangled equipment all across NWECE's service territory.

01/16/17 – Day 4

WFEC had eight substations down. By the end of the day, we had over 160 linemen out in the field and we were now estimating we had lost between 1,000 to 1,200 poles (18-20 poles per mile which is equal to 50-70 miles).

01/17/17 – Day 5

The ice had melted and WFEC was close to energizing all of the substations except Arnett. By noon, the number of meters without power dropped below 9,000. We continued to add to our workforce. By the end of the day, we had close to 250 linemen working for us. We added additional warehousemen to help with all the materials coming in and going back out. We also had to hire professional caterers to handle all the meals for the linemen.

1/18/17 – Day 6

The outage number started at 8,145. The linemen restored service to 1,350 meters and by 7 p.m., the number without power was down to 6,795. We continued to bring in additional help, and by the end of the day we had close to 350 linemen working for us. This is also the day our auditors from Lubbock, Tex., arrived at the office to complete our annual audit.

01/19/17 Day 7

We started the morning with 6,258 meters without power and by 9 p.m. we were down to 4,805. This was the first time since day three that over 50% of our members were receiving power. We were also feeding and housing over

Continued on page 3.

NORTHWESTERN ELECTRIC COOPERATIVE, INC.

Operating In Beaver, Dewey, Ellis, Harper, Major, Woods and Woodward Counties in Oklahoma

TYSON LITTAU
CHIEF EXECUTIVE OFFICER

BOARD OF TRUSTEES

- Kenny Knowles, Pres. Arnett
- Ray Smith, Vice-Pres. Taloga
- John Bruce, Jr., Sec.-Treas. Sharon
- Marvin Wilkinson Buffalo
- Clair Craighead Woodward
- Wayne Hall Mooreland
- Duane Henderson Mooreland
- Lee Huckaby Selman
- Gilbert Perkins Gate

- Jonna Hensley Editor
- John Meinders Attorney

IN CASE OF TROUBLE CALL:
24 HOUR EMERGENCY
1-877-9NOPOWER (877.966.7693)

OFFICE HOURS
8 AM TO 4:30 PM
MONDAY-FRIDAY

ADDRESS
P.O. BOX 2707
WOODWARD, OK 73802
2925 WILLIAMS AVENUE
WOODWARD, OK 73801

NOTICE

A copy of NWECC Bylaws will be made available for any member upon request.

Web page: www.nwecok.coop
E-mail: nwec@nwecok.coop



“NWECC is an equal opportunity provider and employer.”

Director election results

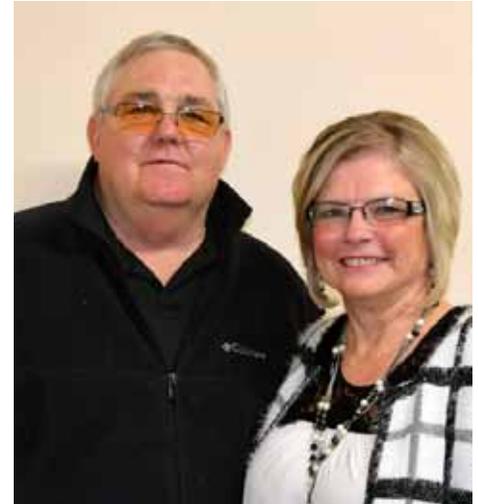
Young wins District 7, Wilkinson retains District 8 seat

The members residing in District 7 elected Darla Young as their representative during a meeting held on Feb. 9, at the First Baptist Church in Buffalo. Three candidates—Young, C.J. Breon and Brad Blasdel—filed for the position. She replaces Lee Huckaby who is retiring from the board in April.

Young graduated from Buffalo High School and attended Northwestern Oklahoma State University in Alva where she received her Bachelor of Arts Degree in both business administration and accounting. Young is a Certified Public Accountant and has been in business for over 38 years. She also owns the Woolly Bison Inn.

Young is very active in the community. She and her husband, Stan, have two grown children—Jesse and Brittany. When asked what she hopes to accomplish as a board member, Young said, “When I leave my term, I hope I have helped the Cooperative to remain as strong tomorrow as it is today and that it will remain strong for many years to come.” (17396001)

In a separate meeting held on Feb. 7, at the Buffalo High School,



Darla Young will begin her duties as the representative for District 7 immediately following the annual meeting on April 6. She and her husband, Stan, live in the Buffalo area.

members in District 8 voted to retain Marvin Wilkinson over Dean Stone as their director for the next three years.

Gil Perkins, director for District 9, ran unopposed for his board position.

— Save the Date —

Annual meeting is on April 6, 2017, at the Woodward County Fairgrounds. Registration begins at 5 p.m. followed by the meeting at 6:45 p.m. Your annual meeting notice should arrive in the mail around the middle of March. Mark your calendars and we hope to see you there!

December 2016 Operating Report

	2015	2016
Revenue - Billing	2,603,447	2,863,279
Cost of Power	1,546,608	1,672,173
Miles of Lines	4,983	4,999
Members Connected	11,909	11,886
Density per Mile	2.4	2.4
Average Member KWH	2,243	2,374
Average Bill	221	241
KWH Purchased.....	29,349,087	31,618,016
KWH Sold.....	26,714,085	28,216,183
Income per Mile.....	525	576
Expense per Mile	555	575

January ice storm

Continued from page 1.

400 linemen. We hired a security guard to watch all the equipment, trucks and materials at night. We estimated over 4,000 poles had been damaged and we were able to finally start getting a little more specific on crew locations for our updates. We added a temporary warehouse at the Woodward rodeo grounds. We needed a place for the more than 100 truckloads of poles and materials we were receiving. Each truck can bring about 38-42 poles.

01/20/17 Day 8

The auditors left and were surprised at how well our accounting staff was prepared given the current situation. We started with around 4,755 meters without power and ended with 4,711. We were now spending roughly \$30,000/day on food and hotels and our damaged pole count climbed over 4,500.

01/21/17 Day 9

The outages dropped from 4,711 to 3,513. The crews restored power to most of our members living east of Woodward (Mooreland, Quinlan, and Bouse Junction).

01/22/17 Day 10

We started the morning with 3,513 outages but we were below 3,000 by noon. Our temporary warehouse was finally starting to get organized.

01/23/17 Day 11

Management spent most of the morning going over FEMA issues and requirements. We had 2,369 meters without power by 5:30 that afternoon. This was also the day a young contractor from Louisiana working for Tri-County Electric Cooperative lost his

life in a tragic accident.

01/24/17 Day 12

We met with FEMA and Oklahoma Emergency personnel to present our initial estimates. The day started with 2,358 meters without power. We estimated we were setting around 300 to 400 poles per day. Most of the members receiving electricity from the Vici, Woodward, Curtis, Iodine and Cedardale subs had power again. The majority of the lines coming from the Fargo and Fort Supply subs were restored. Some power had been restored in the Arnett area, north and south of Shattuck and the counties of Beaver and Harper, but it would still be at least another week, possibly more, before the power was back on to all essential services in these regions. By 5:30 p.m., our outage number went below 2,000 to 1,921 meters.

01/25/17 Day 13

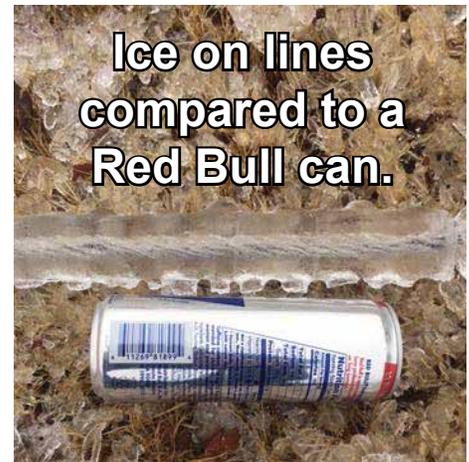
During our regular board meeting, the directors passed a resolution to move forward with emergency lines of credit with our lenders to help pay for all of the emergency expenses. The linemen were able to get power connected to 300 more meters.

01/26/17 Day 14

Crews made steady progress with the feeds coming out of the Arnett substation. Most of the crews continued to focus on Ellis, Harper and Beaver Counties. The outage count declined even more, but we still had 1,227 meters still not receiving power.

01/27/17 Day 15

We were still housing and feeding over 400 linemen. Our outage number finally dropped below 4 digits as



Ice on lines compared to a Red Bull can.

Anywhere from 1/2" to over 1" of ice accumulated on the power lines and tree branches causing thousands to be without power following the January ice storm.

we went below 1,000 meters without power for the first time in 2 weeks.

01/28-01/29/17 Days 16 & 17

Crews restored power to the members (a little over 600 meters) receiving electricity from the Arnett and Gate substations and a few out of the Clearlake substation.

01/30-01/31/17 Days 18 & 19

We were down to the last 109 meters without power. One residence still remained without power.

02/01/17 Day 20

We released around 100 linemen that morning. This was also the day the last residential meter without power was energized. The linemen had to build a mile and a half of line to get power to this one house.

02/02-02/06/17 Days 21-25

Crews continued restoring power to all essential services. Our last outage count was at 52 non-essential services without power.

The total equipment replaced so far for this storm is around 5,500 poles, 2,800 cross arms and 92 miles of line. Our next step is to begin the massive cleanup, damage assessments, and future mitigation projects.

It's too early to know how this storm will affect our future finances, but you can rest assured your board and Northwestern Electric staff will work with FEMA and government agencies to do everything possible to keep your electric rates affordable.

Hidden account number contest

Congratulations to Maggie Steele and Travis Bowman for recognizing their account numbers in last month's newsletter.

We have hidden two account numbers somewhere in the articles in this newsletter.

If you recognize your account number, all you have to do is give us a call on or before the 8th of the current month and we'll give you a credit on your bill for the amount stated.

This month's numbers are worth \$25 each. Happy hunting!

Rate increase takes effect with April bill

Maintaining dependable service at an affordable price remains the cornerstone of a cooperative's business. To maintain the reliability, quality, and affordability of the services NWECC provides to our members, it is sometimes necessary to adjust our prices. As mentioned in the February newsletter, NWECC will be implementing an overall rate increase of 2.93 percent that will apply beginning with the April 2017 billing.

As part of this task, we have recently reviewed the results of a Rate Analysis and Cost of Service Study prepared by C.H. Guernsey, an independent consulting group located in Oklahoma City. The study revealed Northwestern Electric's rates were not adequate to cover our actual cost of service. The slowdown in economic growth, milder weather, changes to our power costs from Western Farmers, and increases in insurance, labor and materials all contributed to the need for an adjustment to the rates. The study was based on the 2015 fis-

cal year. (The 2017 ice storm is not reflected in this adjustment.)

Although the effect of the increase on your bill will vary depending upon the type and extent of usage, the average monthly increase per residential customer will be approximately five percent or less than \$6.00. The residential customer charge will increase by \$3.50 per month. Customer charge related costs are those that are required simply to have the member's service in place regardless of the size of the load or the amount of energy required. For example, the cost to maintain the line, read a meter, or provide customer service, is the same whether the member uses any electricity or not. This assures all NWECC member-owners are treated fairly. We also adjusted the fuel component of member bills to more accurately reflect today's fuel prices. The CCA will also be reset to zero for the next twelve month period. To the extent the CCA is required in the future to maintain the Cooperative's financial condition, it will be

re-evaluated. The Consumer Cost Adjustment is a factor applied to the monthly kWh that allows your cooperative to maintain the required financial ratios established by the Board of Directors and our lenders.

Northwestern Electric offers many programs such as energy audits to identify opportunities for homeowners to reduce power usage and increase efficiency. In addition, we offer an average monthly payment that averages monthly costs in order to reduce the impact to members during high usage months. (6162003)

If you have any questions or concerns regarding the implementation of this rate adjustment, we encourage you to call our offices in Woodward at 580.256.7425 or 800.375.7423 and ask to speak with Sheri Hayes, Jamie Ruble, or Kaylie Cole in the billing department. We will do our best to answer your questions and we look forward to working with you on ways you may be able to reduce your monthly bill.

New Energy Charge by Class

Farm and Residential Accounts

The monthly customer charge will change from \$25.00 to \$28.50 for single-phase service, and from \$35.00 to \$38.50 for three-phase. Most farm and residential services are single-phase. The new energy charge is as follows:

Energy Charge
\$.107200 per kWh

Irrigation Accounts

The kWh charge will change from \$.133780 to \$.15000 per kWh. The monthly minimum charge of \$1.25 per kVa of transformer capacity will remain the same. The irrigation conservation discount of \$.25 per kVa will also stay the same. The new energy charges are as follows:

Conservation Energy Charge
.015000 per kWh

Optional Irrigation Time of Use Energy Charge

\$.25000 per on-peak kWh
\$.09600 per off-peak kWh

Commercial /Small Power Accounts

The customer charge will change from \$30.00 to \$36.00 for single-phase service, and from \$40.00 to \$46.00 for three-phase service.

The optional Small Commercial time-of-use customer charge will change from \$40.00 to \$46.00 for single-phase service, and from \$50.00 to \$56.00 for three-phase service.

The energy charge for on-peak kWh will stay the same at \$.35600 per kWh and off-peak will change from \$.08930 to \$.08900 per kWh. The new energy charges are as follows:

Energy Charge
\$.107200 per kWh

Optional Small Commercial Time of Use

\$.35600 per on-peak kWh
\$.08900 per off-peak kWh

The new standard rate schedule for lighting service will be as follows:

Mercury Vapor Light

175 Watt.....\$9.75
250 Watt.....\$13.50
400 Watt.....\$16.65

High Pressure Sodium Light

100 Watt.....\$9.00
250 Watt.....\$15.05
400 Watt.....\$20.75
1000 Watt.....\$39.90

LED Light

40 Watt.....\$9.75
70 Watt.....\$14.15

Metal Halide Light

250 Watt.....\$14.15
400 Watt.....\$19.35
1000 Watt.....\$34.58