



2022

DSO
ELECTRIC COOPERATIVE

ANNUAL REPORT

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Office Hours

8 a.m.-4:30 p.m., Monday-Friday
Open over the lunch hour

Payment Locations

**CENTRAL NATIONAL BANK IN
WALMART SUPERCENTER**
521 E. Chestnut St., Junction City, KS 66441
FARMERS STATE BANK
447 Harrison, Lindsborg, KS 67456

Outage Information

**IN CASE OF AN OUTAGE, CALL
800-376-3533.** After-hours calls will be
answered by dispatch and forwarded to
standby personnel.

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Happenings from 2022

FROM DSO PRESIDENT KEN HEDBERG AND DSO CEO TIM POWER

For this report, we thought we would highlight some of the main happenings at DSO in 2022.

We will start with **RESIDENTIAL INTERRUPTIBLE RATES**. The very successful Residential Interruptible Rate program was tweaked to provide members an \$8 bill credit every time DSO shut-off their power during a peak alert period. In addition, members on these rates were not subject to the higher charges found during the Red Zone on the regular residential rates.

On average, a member on one of the Residential Interruptible Rates benefited by just over \$200 in 2022.

It is likely there will be further tweaks to the rates for 2023, so be sure to watch for updates.

You may have noticed the **BILLING DATE CHANGE** in 2022. In late 2022, the billing due date changed from the 20th to the 25th of each month for commercial accounts and from the 25th to the end of the month for residential accounts.

Another change came in our **WATER HEATER PROGRAM**. For over 25 years, DSO has run a successful water heater program. DSO sold electric water heaters, specifically, Marathon brand, to its members. Members also turned



Ken Hedberg
Board President



Tim Power
CEO

to DSO for their warranty issues. And members have received a rebate for purchasing one of the program water heaters.

The number of units sold by DSO has steadily decreased over the years and DSO was no longer selling enough water heaters to justify warehousing the units. As a result, DSO ended its water heater program in 2022. However, members can still receive a rebate for qualifying electric water heater purchases they make through other sources.

The biggest issue we faced in 2022 was the **SUPPLY CHAIN ISSUE**. As the COVID-19 pandemic dragged on into 2022, DSO faced more supply issues for various materials. Everything from connectors, fuses, bushings and vehicles were affected. But the biggest issue

Continued on page 12E ►

2023 Scholarship Recipients

DSO Electric Cooperative continues to provide scholarships to its members or their dependents pursuing higher education in Kansas. DSO provides at least one scholarship for each of its three voting districts, one to a current college student and one for a student entering or continuing education at a lineman or vocational school. This year, DSO is proud to award 10 \$1,000 scholarships. Below are this year's winners by the district they represent.

CENTRAL DISTRICT



Landen Allen

LANDEN ALLEN

Landen is a senior at Southeast of Saline High School. He is the son of Jim and Adrienne Allen. He participates in football and baseball. He is a member of the National Honor Society, National FFA Organization and Student Council. After graduating, he plans to attend Fort Hays State University and major in business.



Amara Johnson

AMARA JOHNSON

Amara is a senior at Abilene High School. She is the daughter of Russell and Leann Johnson. She has been involved in tennis and track. She is a member of FCA, FFA, Lone Rangers, Spanish Club and KAY. After graduating, she plans to obtain a degree in animal science at Kansas State University.



Ava Mayginnnes

AVA MAYGINNES

Ava is a senior at Southeast of Saline High School. She is the daughter of Brent and Brandee Mayginnnes. She has participated in volleyball and cheerleading. She is also a member of the National Honor Society, chapter president of FCCLA, Art Club secretary, Science Club, Eco Club, TRUST, Safe Team and BAM Club. After graduating, she plans to attend Kansas State University to pursue a family and consumer science education degree.



Scott Robinson

SCOTT ROBINSON

Scott is a senior at Solomon High School. He is the son of Michael and Lori Robinson. He participates in football, basketball, track and golf. He is also a member of the Varsity Scholars Bowl, FFA, FGLA and Student Council. After graduating, he will study kinesiology (pre-chiropractic) at Kansas State University.

EAST DISTRICT



Jensen Woodworth

JENSEN WOODWORTH

Jensen is a senior at Abilene High School. He is the son of Jason and Brooke Woodworth. Jensen participated in football, cross-country and track. He is a member of the National Honor Society, German Honor Society, State Honor Band, FFA and Student Council. After graduating, he plans to attend Kansas State University and major in agricultural engineering.



Carly Rothfuss

CARLY ROTHFUSS

Carly is a senior at Chapman High School. She is the daughter of Darcy Tweedy and Dustin Rothfuss. She is a member of the National Honor Society, National FFA Organization, Dickinson County 4-H and Dickinson County 4-H Squad. After graduation, she plans to pursue an animal science/marketing degree from Kansas State University.

WEST DISTRICT



Lauren Dolezal

LAUREN DOLEZAL

Lauren is a senior at Smoky Valley High School. She is the daughter of Ben and Angela Dolezal. She is a member of the SVHS Dance Team, Drama Club, International Thespian Society, SVHS Jazz Band, SVHS Choir, Lindsborg Swedish Fold Dancers and the National Honor Society. Upon graduating, she plans to attend Kansas State University or the University of Kansas to obtain a degree in biology (pre-med).



Conner Peck

CONNER PECK

Conner is a senior at Minneapolis High School. He is the son of Rodger and Diana Peck. He is involved in several activities, including Musical Lead, Scholars Bowl, Science Olympian, 4-H and Show Choir. After graduating, he will attend Fort Hays State University and pursue his degree in nursing.



Jordan Peck

JORDAN PECK

Jordan is a senior at Minneapolis High School. She is the daughter of Roger and Diana Peck. She is active in volleyball, basketball, track and dance team. In addition, she is a member of FCA, the Art Club, Club Volleyball and STUCO. Jordan plans to attend Fort Hays State University and study nursing.



Richard A. Zeller

RICHARD A. ZELLER

Richard is a senior at Smoky Valley High School. He is the son of Ruben and Malea Zeller. He participates in football, wrestling and track. He is a member of the FCA and volunteers at Salemsburg Haunted Trail, Habitat for Humanity and the local food pantry. After graduation, he plans to attend North Central Kansas Technical College to study plumbing/heating and air conditioning.

2023 Youth Tour Winner

Shelby Davidson

Shelby is a junior at Minneapolis High School. She is the daughter of Amanda and Lyle Davidson. Shelby participates in volleyball, softball, dance team and show choir. She is also a member of the Nation Honors Society. Shelby will represent DSO Electric at the Electric Cooperative Youth Tour in Washington, D.C., this year.



Shelby Davidson

Financial Report

The annual kWh sales for 2022 totaled 138.1 million, which was 7.3 million more than what was sold in 2021.

This can be seen on the income statement, as increased kWh sales led to increased revenue. Revenue was \$2.1 million higher in 2022.

Increased sales also led to an increased cost of power. Cost of power for 2022 was \$800,000 more than in 2021. The wholesale power cost is DSO's single largest expense. In 2022, it accounted for 56% of all of DSO's expenses.

Operations and maintenance expenses increased in 2022, but other areas, such as depreciation, interest, and administration and general, either stayed the same or decreased.

DSO had an operating margin of \$1.6 million and a total margin of \$2.1 million in 2022. Total margin includes equity allocations from organizations DSO is associated with, shown below as G&T and other capital credits.

DSO finished the year with a little over \$74 million in assets. DSO had \$51 million in liabilities, which left \$23 million in equity.

Service availability was very high; it came in at 99.94%. DSO cannot guarantee that there will never be interruptions in power — no one can — but our crews work diligently to maintain the lines to minimize those outages.

In December, DSO retired over \$300,000 in capital credits. This money was returned to members' bills as credits or via checks.

Each year, DSO's Board of Directors chooses an auditor. Kelso and Lynch conducted the 2022 audit and gave DSO a clean report. All in all, 2022 was a solid financial year for DSO.

If you have questions about the financial report, please contact the DSO office at 800-376-3533.

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BALANCE SHEET

WHAT WE OWN

Total Fixed Assets	\$57,600,000
Total Current Assets & Other Assets	\$17,000,000
Total Assets	\$74,600,000

WHAT WE OWE

Total Liabilities	\$51,400,000
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OUR NET WORTH

Memberships & Equity	\$23,200,000
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TOTAL LIABILITIES & EQUITY	\$74,600,000
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OPERATING STATEMENT

	2021	2022
Electric Revenue	\$20,800,000	\$22,900,000
Cost of Power	\$11,100,000	\$12,000,000
Operations & Maintenance	\$1,900,000	\$2,400,000
Administration & General Service	\$2,200,000	\$1,500,000
Depreciation	\$2,100,000	\$2,100,000
Interest	\$2,000,000	\$1,900,000
Property Tax	\$1,000,000	\$1,000,000
Operating Margins	\$485,000	\$1,588,000
Non-Operating Margins	\$84,000	\$103,000
G&T Capital Credits	\$75,000	\$100,000
Other Capital Credits	\$205,000	\$197,000
Extraordinary Items	\$0	\$114,000
TOTAL MARGINS	\$849,000	\$2,102,000

Please watch the DSO 2023 Annual Meeting video available on the DSO website to receive a \$20 bill credit!

Happenings from 2022

Continued from page 12A ►

came from a transformer shortage. Without a transformer, there is no way to bring the power from DSO's power lines to homes and businesses.

We were able to secure some transformers, but there were certain sized transformers that became almost impossible to find. To give you an idea of the magnitude of the problem facing DSO (and every other electric utility in the world), various sized transformers used to take just a few weeks to deliver once purchased; now those same transformers take two years or more to be delivered!

The supply chain issue is getting better, and is even back to normal for certain items, but we will likely see long delays in transformers and other items through all of 2023.

Finally, DSO faced very **HIGH INFLATION** in 2022, mainly because of the supply chain issue. The prices

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DSO paid for nuts and bolts, poles and vehicles all went through the roof. The inflation wreaked havoc on our budget, as the price for most everything was seemingly increasing by the day! As a result, we delayed certain projects and purchases because of the unaffordable prices, but we can only delay some things for so long before we need to move forward to ensure reliable electricity to our members.

April is
National Safe
Digging Month.



**Dig Smart.
Dig Safe.**



Call Before You Dig.

Before you dig, call 811 or visit www.KansasOneCall.com to have a professional locator mark underground utility lines. When you call before you dig, you'll prevent unintended consequences such as injury to you or your family, damage to your property, utility service outages to the entire neighborhood and potential fines and repair costs.

Celebrate
**Lineworker
Appreciation Day**
April 10



Here's to the ones
keeping the lights on.
#ThankALineworker

My EV Experience



Tim Power
CEO

Adam Vlach, a freelance writer specializing in business and technology trends, is conducting research on market sentiment around electric vehicles (EVs). He interviewed Tim Power, CEO of DSO Electric Cooperative based in Salina, as part of this research. The interview is below.

ADAM Tim, thanks for taking the time to speak with me. I understand you've been driving an EV for a while now as part of a research experiment, if you will. Can you tell me a bit about your background and how that led you into the world of EVs?

TIM Sure. I currently serve as CEO of DSO, which supplies power to about 8,500 meters across several counties in north central Kansas. The cooperative is governed by a nine member board of directors. For the past two years or so, various EV topics have been discussed regularly in the DSO boardroom.

Due to those boardroom discussions and my own curiosity, I recently decided to lease an EV in an effort to experience the ups and downs of being an EV owner first hand. My plan is to then report the details of that experience back to the board and DSO members.

ADAM I can't imagine a better way to research the pros and cons of an EV than to drive one yourself. What type of EV are you driving?

TIM Volkswagen ID.4

ADAM I've heard of that. Do you like the car? What were your first impressions?

TIM In terms of driving it, I absolutely love it. It's incredibly smooth. Quiet. It's got instant acceleration. There were some things I had to learn — some nuances specific to EVs — but it's been a great car.

ADAM It sure sounds like it. Can you tell me a bit more about some of those nuances? Did anything surprise you?

TIM One of the first idiosyncrasies I noticed was how the car started. As you know, in many modern vehicles, a button is pushed to start the ignition, rather than inserting and turning a key. With the ID.4, however, there wasn't a key or an ignition button to start the vehicle. The car senses if the key fob is in range when someone is sitting in the driver's seat; the car can be started simply by stepping on the brake. Not all EVs work this way, but most of the newer EVs do.

Another thing I noticed happened as soon as the car started. A dull roaring sound was emitting from the car — something akin to the sound of a jet engine, although quieter, obviously. I had expected the car to be nearly silent, so I later reached out to the dealer regarding this sound. That loud humming sound, I learned, was fake — it was a simulated engine sound, which effectively serves as a safety feature by letting others know a car is nearby or approaching.

I've certainly noticed reduced fuel costs. Obviously, the charging through Electrify America is free for now, but even when I charge at home or through another network, getting a full charge is still typically cheaper than a tank of gas.

ADAM That's pretty fascinating. I can certainly see why that would be a valuable feature. Was there anything else about the car that made a strong first impression?

TIM This isn't specifically related to the car itself, but as you can imagine, receiving free fuel for buying/leasing the car got my attention. One of the larger charging networks in the U.S. is run by a company called Electrify America, which is a subsidiary of Volkswagen. Because of that, since I'd leased a Volkswagen ID.4, I was informed by the dealer that I'll receive free charging for three years at any of Electrify America's charging stations. There's an app associated with that charging network, too, so it's pretty easy for me to find the nearest cost-free charging station.

ADAM Wow, that sounds like quite the good first impression, indeed. So how long have you been driving the ID.4 now? Have you encountered any other positives to driving an EV in general, in that time?

TIM This summer will mark two years since I started driving an EV. I've certainly noticed reduced fuel costs. Obviously, the charging through Electrify America is free for now, but even when I charge at home or through another network, getting a full charge is still typically cheaper than a tank of gas. There's also been less required maintenance. There are some things you need to stay on top of like brakes and tires, but I don't have to worry about oil changes or anything like that anymore.

I did read some consumer reports indicating that the frequency of maintenance required for many EVs is on par with traditional internal combustion engine vehicles, but I haven't really found that to be the case. The car does get over-the-air software updates and patches to bugs, but I have those updates set to be implemented automatically as soon as they're made available, so there's no effort required on that front.

ADAM Do you have to charge often? What kind of range does a charge get you?

TIM One thing I've noticed, in terms of fuel efficiency, is that an EV's peak performance — at least that of the ID.4 — is the inverse of a traditional internal combustion engine car, in that the EV is most efficient when driving around town, in urban areas, or over relatively short distances. This is due to the battery being charged by the braking energy; the more you brake, the more you charge.

There was one instance when I did about 50 miles of in-town driving over the course of a week, but the car's estimated remaining range only dropped by 20 miles over that same period. Highway driving is a bit of a different story, as is driving in cold weather.

ADAM Wow, that's phenomenal fuel efficiency. I was curious as to what conditions seem to affect the range. I have that included with my line of questioning around complexities or challenges you've faced, which I'm going to run by you next, if you don't mind. Overall, though, it sounds like you enjoy the car, no? Any final thoughts on the benefits you've seen?

TIM Overall, yes, I'm enjoying it. The merits of the vehicle speak for themselves. An EV, like any vehicle, is certainly not without drawbacks. It has its limitations and challenges — which I'd be happy to share with you at length — but from an overall viewpoint, the advantages are undeniable. EVs, as new as they still are relative to the automobile industry, offer some benefits and conveniences. The technology has a strong foundation. From an industry standpoint, it's simply a matter of improving upon this foundation and increasing the benefits of EVs while paring back any shortcomings.

ADAM VLACH, is a freelance writer specializing in business and technology trends for *TK Business Magazine* and *The Topeka Capital-Journal*.

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Coming Soon ...

EVs represent a leap forward in technology, but like with any technology, there have been and will continue to be growing pains along the way. Part 2 of this series will explore some of the challenges Tim has faced as the driver of an EV — inclusive of both his personal experiences as well as national and industry-wide obstacles — to paint a holistic picture of today's EV driver experience and its feasibility for deploying at scale in an organization's operations.

SPRING EFFICIENCY WORD SCRAMBLE

Did you know there are several ways you can save energy during spring months? Read the efficiency tips below and unscramble the **bolded** letters to reveal how you and your family can save energy during springtime.

Don't forget to check your work in the answer key below!



Sealing air leaks around doors and **diwwson** saves energy and keeps your home comfortable.

LED **hlgist** typically use 75% less energy than traditional incandescent lightbulbs.

Unplug devices and electronics that consume energy even when they're not in use, like phone **scragher**.

Planting shade **esrte** around your home can block unwanted heat from the sun.

Ceiling fans cool people, not rooms. Turn them off when you leave the room to save **yengre**.

Answer Key: 1. windows 2. lights 3. chargers 4. trees 5. energy