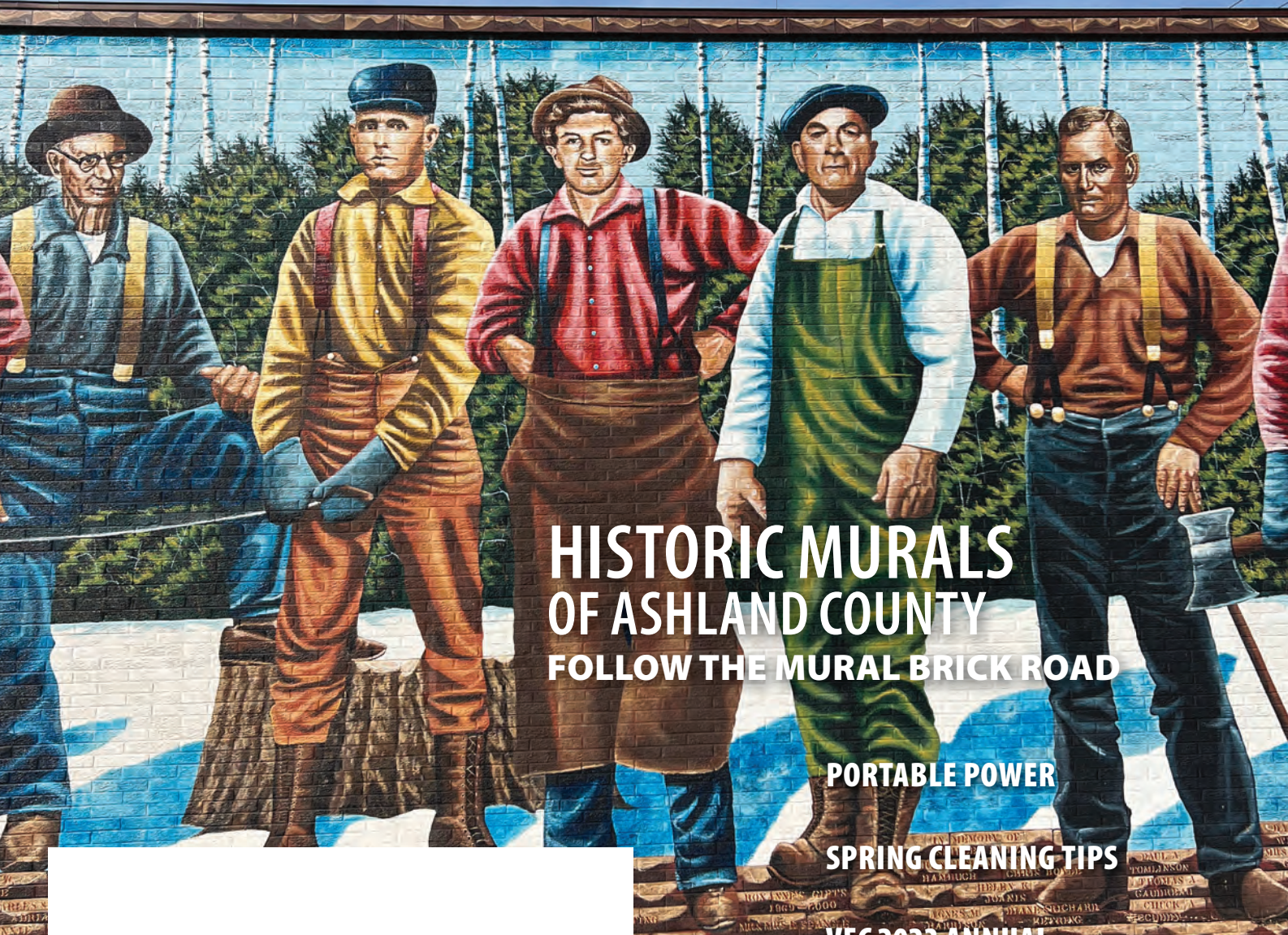


Since 1940

# WISCONSIN ENERGY *Cooperative*

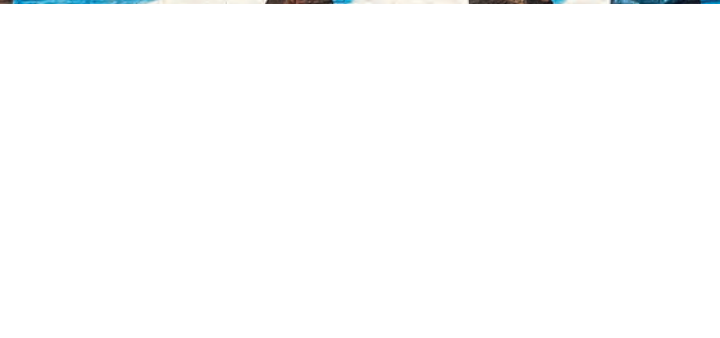
March 2024 NEWS



## HISTORIC MURALS OF ASHLAND COUNTY FOLLOW THE MURAL BRICK ROAD

**PORTABLE POWER  
SPRING CLEANING TIPS**

**VEC 2023 ANNUAL  
REPORT INSIDE**





# REPORT FROM THE THE BOARD CHAIR

By Bernadine Hornby, Board Chair



As your board chair, I am pleased to report Vernon Electric Cooperative (VEC) had another successful year with excellent safety and reliability metrics. As we reflect on the past year, it is with great pride that we highlight achievements, share challenges, and the overall progress of our cooperative. The dedication of our members, directors, and employees has contributed to the continued accomplishments and growth of VEC.

Despite ongoing inflation pressures, VEC maintained a strong financial position in 2023. The electric cooperative industry faced challenges with rising equipment costs and delays, particularly in transformers, which surged by up to 60% from 2020, with lead times extending to one year. Through strategic planning, we successfully navigated these challenges. Due to the increased price pressures, we had to implement small rate adjustments, raising the residential facility charge by \$1, the three-phase rate by \$2, and the peak-alert rate by \$5 starting in 2024, to offset increased equipment costs.

One of the seven cooperative principles is Members' Economic Participation, and this month, we will be refunding **\$576,012** in capital credits to current and former members. Over the years, Vernon Electric has returned nearly \$23 million to our members. Members will see their refund as a credit on the bill received this month.

Safety continues to be a top priority of VEC, and I am

happy to report that we experienced no lost-time accidents in 2023. Monthly safety meetings, covering topics from pole-top rescue to blood-borne pathogens, played a vital role in creating awareness among employees. We also extended our safety efforts to Vernon County National Night Out, where a demonstration on handling vehicle accidents involving power lines or poles was well received. Thank you to the

Our commitment to providing safe, reliable, and affordable electricity is reflected in VEC's 99.99% reliability rating for 2023.

event organizers and the first responders who assisted during our demonstration.

Our commitment to providing safe, reliable, and affordable electricity is reflected in VEC's 99.99% reliability rating for 2023. This underscores our extensive investment in infrastructure upgrades and right-of-way

maintenance, like vegetation management.

*Innovative* is a word that best describes 2023 for VEC. Recognizing the growing interest in electric vehicles (EVs), we initiated a pilot program, offering members a level-two charger with three rate options. During peak hours, members may charge their EV for 25 cents per kWh, off-peak for 8 cents, or super off-peak for 5.7 cents. The three-part rate allows members the freedom to charge when they wish but encourages charging during the overnight hours when the electricity demand is low. Members participating in the pilot program have found the program beneficial and enjoyed the opportunity to work with VEC to shift energy use away from peak times.

Perhaps the year's most significant achievement is the completion of the Bluff Prairie Community Solar Array. With over two years in the making, we are excited about its completion and its impact on VEC and its members. Participation in community solar has been impressive, as over 1,350 panels have been subscribed to at this time. Collaborating with Couleecap Inc. to extend solar opportunities to low-to-moderate-income individuals exemplifies the cooperative principle, Concern for Community. **Continued**



To us, Concern for Community extends beyond just donating money or sponsoring events. It involves active participation among our members, contributing to electricity education and supporting local events like the Vernon County Fair and Vernon and Monroe County Dairy Breakfasts in our service territory. Because we live in the communities we serve, we aim to provide opportunities for future generations, offering scholarships and sending students to the Youth Leadership Conference. In a notable achievement, one of our students was elected to the Wisconsin Youth Leadership Conference board of directors and she will represent Wisconsin in Washington, D.C., this summer.

As we look to the future, the board is committed to fostering sustainable growth, embracing innovative ideas, and ensuring the well-being of our members and community. We will continue to search for additional ways to diversify our energy portfolio, enhance grid resilience, and engage with our members. 2023 was a testament to the strength and resilience of Vernon Electric Cooperative, and we continue to evolve. Members of VEC can be assured the directors and employees



will strive to enrich the lives of our members. We extend our gratitude to our members for their continued support and trust. Together, we will navigate the challenges and opportunities that lie ahead ensuring a sustainable and prosperous future for our cooperative and the community we proudly serve.

## ARE YOU IN THE MARKET FOR A NEW APPLIANCE?

*Vernon Electric Cooperative has rebates available!*

Have you purchased a new appliance in 2024? Maybe you plan to purchase one or more later this year. Keep in mind that we offer \$25 incentives for the following items:

**Washer & Dryer, Dehumidifier, Dishwasher, Freezer, Inductive Range, Refrigerator**

Not only that, but we also offer \$25 incentives for recycling your old freezer, refrigerator, or room air conditioner. Find a full list of rebates on our website, [vernonelectric.org](http://vernonelectric.org).



Before members receive their credit, a few qualifications must be met:

- Appliance must be ENERGY STAR Certified ([energystar.gov](http://energystar.gov))
- Appliance must be electric
- Must fill out incentive form with receipt and ENERGY STAR label attached, if applicable
- Must be submitted within 3 months of purchase date.

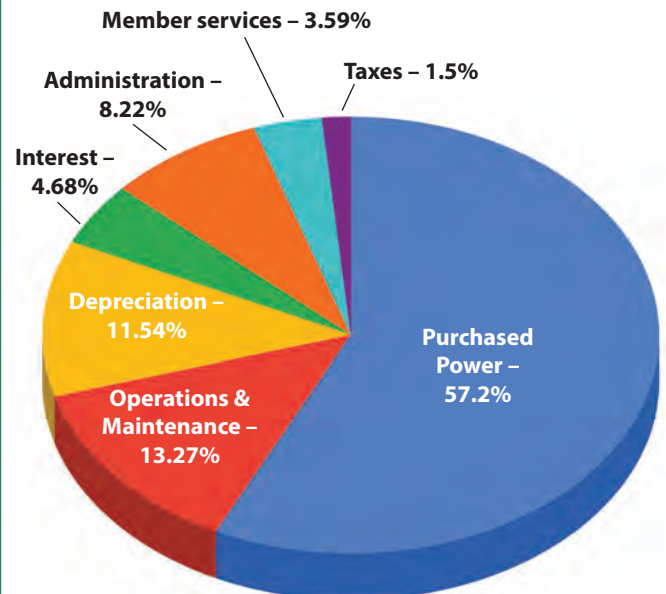
## BALANCE SHEET

<b>WHAT WE HAVE</b>	<b>2023</b>	<b>2022</b>
<b>UTILITY PLANT, at cost</b>		
Intangible plant	\$808	\$808
Distribution plant	65,256,200	61,988,466
General plant	10,851,760	10,316,098
Electric plant in service	76,108,768	72,305,372
Construction work in progress	239,391	467,053
<b>TOTAL UTILITY PLANT</b>	<b>\$76,348,159</b>	<b>\$72,772,425</b>
Less accumulated provision for depreciation	(21,825,951)	(20,189,783)
<b>NET UTILITY PLANT</b>	<b>\$54,522,208</b>	<b>\$52,582,642</b>
<b>OTHER PROPERTY AND INVESTMENT</b>		
Non-utility property	\$194,522	\$194,522
Investments in associated organizations	11,259,504	10,896,680
Other investments	150,083	146,564
Special funds	2,579,933	2,468,345
<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>	<b>\$14,184,042</b>	<b>\$13,706,111</b>
<b>CURRENT ASSETS</b>		
Cash, general	\$235,849	\$351,595
Short-term investments	149,072	3,001,693
Accounts receivable	2,129,988	2,246,720
Material and supplies inventory	1,668,211	1,137,496
Other current and accrued assets	119,986	112,050
<b>TOTAL CURRENT ASSETS</b>	<b>\$4,303,106</b>	<b>\$6,849,554</b>
<b>DEFERRED DEBITS</b>		
	\$55,205	\$29,756
<b>TOTAL ASSETS</b>	<b>\$73,064,561</b>	<b>\$73,168,063</b>
<b>WHAT WE OWE</b>		
<b>LONG-TERM DEBT, less current maturities</b>		
RUS mortgage note	\$29,321,661	\$30,214,330
National Rural Utility Cooperative Finance	775,385	827,965
Co Bank	248,156	316,959
Economic Revolving Loan Grant	546,500	546,500
<b>TOTAL LONG TERM DEBT</b>	<b>\$30,891,702</b>	<b>\$31,905,754</b>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	\$1,001,064	\$1,085,215
Accounts payable	1,347,574	1,443,491
Other current accrued liabilities	1,411,872	1,530,380
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$3,760,510</b>	<b>\$4,059,086</b>
<b>REGULATORY LIABILITIES</b>		
	\$1,639,536	\$1,693,649
<b>DEFERRED CREDITS</b>		
	0	6,739
<b>ACCUMULATIVE OPERATING PROVISIONS</b>		
	293,399	244,264
<b>TOTAL LIABILITIES</b>	<b>\$36,585,147</b>	<b>\$37,909,492</b>
<b>WHAT WE OWN</b>		
<b>EQUITIES AND MARGINS</b>		
Patronage capital	\$25,926,795	\$25,137,354
Other equities	10,552,619	10,121,217
<b>TOTAL EQUITIES AND MARGINS</b>	<b>\$36,479,414</b>	<b>\$35,258,571</b>
<b>TOTAL EQUITIES, MARGINS AND LIABILITIES</b>	<b>\$73,064,561</b>	<b>\$73,168,063</b>

## STATEMENT OF REVENUE AND EXPENSES

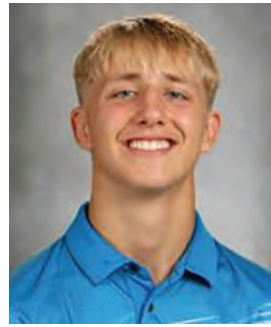
<b>OPERATING REVENUES</b>	<b>2023</b>	<b>2022</b>
Electric Energy Revenue	\$22,302,307	\$22,205,770
Other Electric Revenue	58,118	453,176
<b>TOTAL OPERATING REVENUES</b>	<b>\$22,360,425</b>	<b>\$22,658,946</b>
<b>OPERATING EXPENSES</b>		
Cost of purchased power	\$12,317,564	\$12,632,804
Distribution expense – operations	1,653,143	1,708,545
Distribution expense – maintenance	1,204,368	1,216,905
Consumer account expense	379,859	336,806
Customer Service	230,553	142,826
Sales expense	161,716	133,283
Administration and general expense	1,769,257	1,680,008
Depreciation expense	2,485,839	2,367,964
Taxes	322,200	322,082
Interest on long-term debt	1,007,912	1,035,841
<b>TOTAL OPERATING EXPENSE</b>	<b>\$21,532,411</b>	<b>\$21,577,064</b>
<b>OPERATING MARGINS</b>		
	\$828,014	\$1,081,882
<b>NON-OPERATING MARGINS</b>		
Interest income	\$189,645	\$113,423
Other non-operating income	179,909	212,464
Dairyland Power Co-op capital credits	600,526	478,685
Other capital credits	103,663	105,556
<b>TOTAL MARGINS</b>	<b>\$1,901,757</b>	<b>\$1,992,010</b>

## 2023 EXPENSE DOLLAR





to each of the following students awarded a \$750 scholarship from Vernon Electric's Federated Youth Foundation.



Jesse Penchi  
Aquinas High School



Kymber Kaiser,  
Brookwood High School



Quinn Cook,  
Cashton High School



Porter Culp  
Central High School



Nevaeh Sanders  
De Soto High School



Ethan Novacheck – Lineworker  
Hillsboro High School



Peyton Sullivan  
Hillsboro High School



Ryther Gehrke  
Kickapoo High School



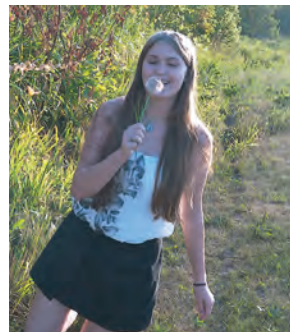
Kyle Degner  
La Farge High School



Rylee Geier  
Sparta High School



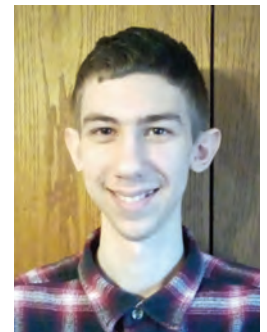
Makenna Rudie  
Westby High School



Mariana Bulin  
Wonewoc High School



Cole Fletcher  
Viroqua High School



Timothy VanderZee  
At-Large

**Craig Buros, CEO & General Manager**

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**Trevor Clark, Editor**



Your Touchstone Energy® Cooperative 