

Midwest Energy, Inc. Current Comments

April 2021

Making energy work for YOU

Natural Gas Cost Amortization Plan Announced Open Meeting to Approve Plan, Gas Rate Changes Set for May 17

Midwest Energy's Board of Directors is holding a virtual open meeting May 17 to discuss treatment of excess energy costs from February's Winter Storm Uri. A cost-spreading plan as well as adjustments to natural gas delivery rates will be considered for approval at the meeting.

Winter Storm Uri Impacts

Because of Midwest Energy's owned generation operating during the energy emergency, electric impacts are expected to be minimal. Natural gas is a different matter. While some of the final costs are not yet known, Midwest Energy spent approximately \$20 million buying gas in February 2021; normal pricing for the month would have been roughly \$1.5 million. This represents an additional total cost of about \$350 for a

residential gas customer. Commercial impacts will vary widely, depending on consumption.

Midwest Energy will ease customer impact by amortizing the excess costs. The Board is considering spreading cost recovery over an estimated 24 months, making average residential impact about \$8.27 per month. Subject to Board approval, residential and commercial customers would pay an estimated 14.3¢ per therm addition to the Gas Supply Cost Adjustment. This will appear on bills as part of the "Cost of Gas Commodity per Therm" charge, effective no sooner than July 1, 2021. Irrigation customers, who were not operating during the Winter Storm Uri period, are not included in the excess cost recovery proposal to be considered by the Board. *Continued on back*

Midwest Joins Electric Vehicle Charging Group

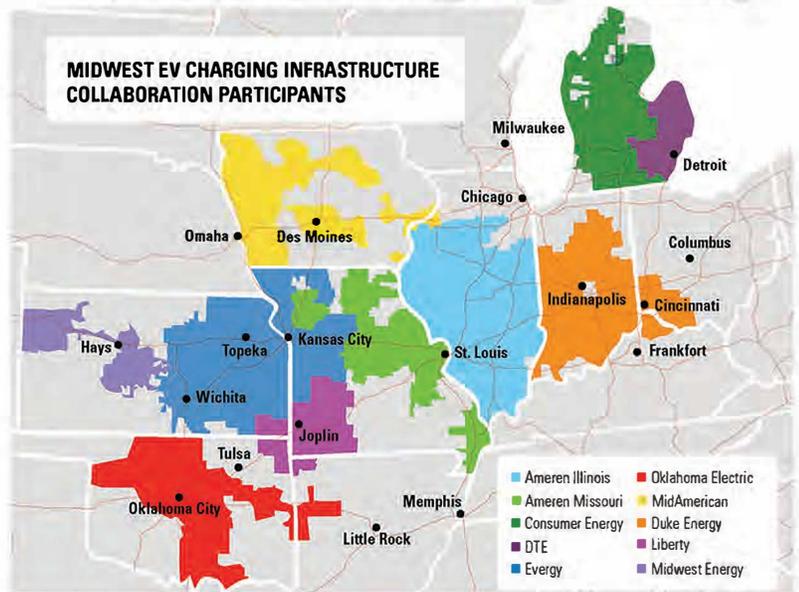
Midwest Energy announced Mar. 16 that it has joined a collaboration group with nine investor-owned utilities, promoting the construction of a multi-state network of electric vehicle charging stations throughout the Midwestern U.S.

Midwest Energy signed a memorandum of cooperation with the other utilities, pledging that the co-op would pursue the completion of a foundational electric vehicle (EV) charging network, to soon allow EV owners to drive from Detroit to Colorado, or from northern Michigan to Texas, knowing they can charge their vehicles along the route.

"Automakers worldwide are committing huge investments in electric vehicles, with some signaling they're phasing out fossil fuel engines by 2030," said Patrick Parke, Midwest Energy's CEO. "EVs are coming quickly, and by joining this group, Midwest Energy is better positioned to serve not only our customers once EVs become commonplace here, but also visiting drivers across western Kansas."

Midwest Energy does not currently own or maintain any EV chargers, but has worked with private companies, including Electrify America and Tesla to install fast chargers in parking lots along Interstate 70. Parke said that joining the collaboration group is well-timed, as electric vehicle strategies are a part of the co-op's business plans.

"As our oilfield load declines in the future, EV charging will



10 utilities in the Midwestern U.S. have agreed to collaborate on EV charging, with an ultimate goal of a 1,200-mile network from Detroit to Denver.

be a critical piece in keeping sales volumes up, and keeping rates competitive for our customers," Parke said. "One EV charging station can have the equivalent energy use equal to several homes, and when you consider the amount of traffic that passes through our service area, *Continued on back*



Natural Gas Cost Amortization and Rate Case

At a special Board meeting Mar. 3 to address Winter Storm Uri issues, the Board of Directors froze new customer requests to transfer accounts to gas transport service, effective with any applications received after Mar. 1, 2021. That decision will be reconsidered at the May meeting.

Natural Gas Rate Case

At the May 17 meeting, the Board will also consider adjustments to natural gas delivery rates in a matter originally scheduled for consideration in May 2020. That decision was suspended due to the pandemic.

The proposed delivery rate change would result in a net revenue increase of \$1.04 million to the company compared to current rates. The increase would support pipeline safety, reliability improvements and operating expenses. If adopted as proposed, the delivery rate changes would result in an average residential bill increasing by approximately \$2.14 per month compared to currently

effective rates based on actual 2020 gas usage. Proposed changes include increasing the monthly customer charge for residential customers from \$18 to \$19 and the delivery rate from \$0.135 per therm to \$0.18 per therm.

Even with the proposed changes, Midwest Energy's residential gas delivery rates would remain among the lowest with commercial rates remaining the lowest in Kansas. If approved, rates would go into effect no sooner than July 1, 2021. Proposed bill examples and other rate information can be found at: www.mwenergy.com/residential/gas_rate_changes_2021.

Due to the ongoing COVID-19 pandemic, the May 17 meeting at which the Board will consider all proposed changes will be accessible only via streaming video on YouTube. Members are welcome to attend virtually and may submit questions or comments via the "chat" function. A link to the meeting will be posted on Midwest Energy's main

webpage for two weeks prior to the meeting, at www.mwenergy.com.

Customers may send comments regarding the proposed rate changes to Midwest Energy no later than May 7, 2021. Comments should be addressed to Bob Muirhead, VP for Customer Service, at bmuirhead@mwenergy.com, or by calling 785-650-2502 with your comments.

Midwest Joins EV Charging Group

that represents potentially significant growth," Parke added. "Our customers will not be eager to purchase an EV unless they are confident it can be used for both local and long-distance driving."

Signatories to the EV Corridor Memorandum of Cooperation include Detroit Edison Electric (Michigan); Ameren (Illinois), Ameren (Missouri); Consumer Energy (Michigan); Evergy (Kansas and Missouri); Oklahoma Gas and Electric (Oklahoma and Arkansas); Mid-American Energy (Iowa); Duke Energy (Indiana); Liberty Utilities (Missouri, Kansas and Arkansas); and Midwest Energy (Kansas).

Know What's Below...Dial 811 Before You Dig

April is known as National Safe Digging Month, since it's when most garden planting begins. Underground utilities, such as buried gas, water and electric lines, can be a shovel thrust away from turning a spring project into a disaster.

One easy phone call to '811' or 1-800-DIG-SAFE (344-7233) starts the process to get your underground utility lines marked for free. Your call is connected to Kansas One Call, which notifies the appropriate utility companies of

5 STEPS FOR SAFE DIGGING

Working on an outdoor project? Careless digging poses a threat to people, pipelines and underground facilities. Always call 811 first. Here are five easy steps for safe digging.



1. NOTIFY

Call 8-1-1 or make a request online two to three days before your work begins. The operator will notify the utilities affected by your project.

2. WAIT

Wait two to three days for affected utilities to respond to your request. They will send a locator to mark any underground utility lines.



3. CONFIRM

Confirm that all affected utilities have responded to your request by comparing the marks to the list of utilities the 8-1-1 call center notified.



4. RESPECT

Respect the markers provided by the affected utilities. The markers are your guide for the duration of your project.



5. DIG CAREFULLY

If you can't avoid digging near the markers (within 18-24 inches on all sides, depending on state laws), consider moving your project location.



Source: call811.com

your intent to dig. A locator will arrive to designate the approximate location of any underground lines, pipes and cables. These areas will be marked with flags or paint so you'll know what's below.

Make sure to always dig carefully around the marks, not on them. Some utility lines may be buried at a shallow depth, that even digging by shovel can lead to a potentially dangerous and/or costly consequence.

For more information about local services, visit www.call811.com.

Energy Efficiency Tip of the Month

Some manufacturers set water heater thermostats at 140 degrees, but most households usually only require them to be set at 120 degrees.

Consider lowering your water heater's temperature to save energy and slow mineral buildup in the heater and pipes.

Source: www.energy.gov



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