

Midwest Energy, Inc. Current Comments

June 2025

Making energy work for YOU

Inflation, Reliability Updates Driving Up Electric Rates

Inflation and the need for reliability-related improvements in the grid are putting upward pressure on Midwest Energy electric rates. Combined, these issues are making it essential for the Co-op to increase the distribution component of rates for residential customers for the first time since 2011.

The Co-op is studying rate increases to begin in February 2026. Details of the proposal are being finalized, and will be posted on Midwest Energy's website by Aug. 1, with a Board decision in November.




Inflation, long a challenge for American consumers, has posed an outsized problem for U.S. utilities. Many high-use items Midwest Energy buys have increased up to three-fold since 2019. In spite of that, average rates have increased far less than overall inflation since 2015.

"We ordered 1,100 poles for replacement throughout the system last year, either due to storm damage, poles failing inspection, or other causes," said Tom Meis, Midwest Energy's Chief Financial Officer. "The cost increase in poles alone represents an additional \$300,000 a year. And that increase is representative of just one of the hundreds of items we purchase every year, to ensure the lights stay on."

Meis added it's a similar story with Midwest Energy's fleet.

"We have dozens of digger and bucket trucks in our fleet. The cost of digger trucks has increased by nearly \$200,000 in five years, and we buy three or four of those each year," Meis said. "We have squeezed out significant savings through improved

Inflation and Availability

	2019	2023	2025
40' Pole 	Cost \$262	\$475	\$530
Delivery Time	3 weeks	12-16 weeks	3 weeks
25 kVA Pad-mount Transformer 	Cost \$1,870	\$8,712	\$5,669
Delivery Time	6-14 weeks	44-50 weeks	30-32 weeks
Freightliner/Altec Digger Truck 	Cost \$347,045	\$475,145	\$530,000
Delivery Time	24 weeks	60 weeks	72-88 weeks

purchasing and fleet management practices, but we've reached a point where there's just no way to absorb those extra costs other than through rate increases," he added.

In addition to inflationary pressures, the nation's power grid is aging. In western Kansas, many transmission lines, substations and distribution lines entered service in the 1950s through 1970s, meaning much of the grid is between 50-70 years old, at or near the end of its service life. Midwest Energy is in a decades-long campaign to upgrade these facilities, which will require significant capital investments.

"We know that our customers prioritize reliability and affordability," said Patrick Parke, Midwest Energy's CEO. "The entire Midwest Energy team works to ensure reliability, but customers can help us with costs. Residential demand rates were an important first step in aligning cost recovery with expenses."

"By controlling their demand, customers can save on their individual bills while helping the Co-op control capacity costs, positively impacting future rate increases," Parke said.



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MWE Announces Youth Tour Scholarship Winners

In addition to selecting two high school juniors to attend the National Rural Electric Cooperative Association (NRECA) Youth Tour in Washington D.C., Midwest Energy's Board of Directors also awards \$1,000 scholarships to high school seniors. Eighteen winners were selected this year, up from the ten scholarship winners selected in previous years.

The scholarship recipients are:

- **Ainsleigh Bain**, Thomas More Prep-Marian High School
- **Jake Brady**, Thomas More Prep-Marian High School
- **Veronica Catano**, Scott Community High School
- **Ethan Chumley**, Rawlins County High School
- **Campbell Coleman**, Ellinwood High School
- **Dorian Culwell**, Rawlins County High School
- **Kiera Dealy**, Hays High School
- **Graeden Deines**, Trego Community High School
- **Carmen Holguin**, Kinsley High School
- **Cole Keeten**, Phillipsburg High School
- **Kallyn Meyers**, Hays High School
- **Jace Miller**, Scott Community High School
- **Ansley Moellering**, Oakley Sr. High
- **Allison Rippe**, Rawlins County High School
- **Grace Schmeidler**, Thomas More Prep-Marian High School
- **James Seeman**, Lamed High School
- **Guy Tubbs**, Colby High School
- **Tanner Vyzourek**, Rawlins County High School

To be eligible for a scholarship, students must live in or attend school in Midwest Energy's service area, and their parents or guardians must receive electric and/or natural gas service from Midwest Energy. Children of Midwest Energy employees are not eligible to apply.

For more information, visit our website at www.mwenergy.com. Applications are due at the end of each January.

2025 Board of Director Nominations Due July 8

Now is the time to submit nominations for anyone interested in running for the Midwest Energy Board of Directors. Director positions and represented districts up for re-election include:

District 1 (1 position): Counties of Cheyenne, Greeley, Hamilton, Logan, Rawlins, Sherman, Thomas, Wallace and Wichita.

District 3 (1 position): Counties of Barton, Ellsworth, Osborne, Phillips, Reno, Republic, Rice, Rooks, Rush, Russell and Smith.

District 5 (1 position): Counties of Edwards, Finney, Grant, Gray, Haskell, Hodgeman, Kearny, Kiowa, Lane, Ness, Pawnee, Pratt, Scott and Stafford.

Nominees must be a resident in one of the counties in the district for which he or she is nominated.

Nominations may be submitted online by July 8, 2025 at www.mwenergy.com by clicking "About," and then the "Board of Directors Elections" link. Additionally, nominations may be made in writing by sending the nominee's name, address and phone number to:

Emily Campbell
c/o Midwest Energy, Inc.
1330 Canterbury
Hays, KS 67601

The nominating committee will select nominees from the names submitted. Winners of the election to the Board

of Directors will be announced at the Annual Meeting, scheduled for October 20, 2025.

ENERGY EFFICIENCY TIP OF THE MONTH

Take advantage of the warmer weather to reduce home energy use. Avoid using your oven and use a grill instead. Not only will cooking outdoors eliminate the energy used to power the oven or stove, but it will also avoid raising the temperature inside your home, reducing the need for additional air conditioning.

You can also avoid using the oven with tasty no-bake recipes. Get creative in the kitchen and explore new ways to save energy!

Source: energy.gov

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