

Attack on coal usage a concern at Highline meeting

Written by Darci Tomky

“We thought that was big, but we took it on and everyone worked and worked, and that was the start of Highline Electric Association.”

Those are the words of Earle Nelson at Highline’s 50th anniversary 25 years ago, remembering the challenge he and Eph Johnson faced in the late 1930s to build 100 miles of line and launch a rural electric cooperative.

Highline members celebrated the last 75 years and looked to the future at their annual meeting Tuesday, March 26 at Phillips County Event Center in Holyoke.

A catered meal, entertainment and numerous photos and clippings on display made the evening extra special.



Elon Nelson, Highline employee and grandson of co-founder Earle Nelson, and his daughter Sydney look at the many photos on display at the Highline annual meeting. □ □

—Enterprise photo

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“Our area has grown in productivity in part from electricity,” said Highline general manager Mark Farnsworth. “Highline has been an integral part of our communities as electricity has powered our homes, our businesses and our farms.”

Since its incorporation Dec. 19, 1938, and the energizing of the first line Feb. 20, 1940, Highline now serves over 3,700 square miles and 10,391 meters.

Farnsworth said in 1950, Highline had a plant worth \$2,190,000, compared to the \$87,652,000 plant today. The seven million kilowatt-hours sold in 1950 have grown to 538,884,000; and a revenue of \$345,000 is now almost \$54,000,000.

“It is important to celebrate our 75 years because it is a testimony to you, our member-owners,” said Farnsworth. “You started this cooperative, and you have kept it vital with local control for 75 years. You have used it as an instrument to serve you and your families, to serve your communities to fulfill the vision of Eph Johnson, Earle Nelson and the other men and women too numerous to mention now.”

Coal usage under attack in the United States

Farnsworth addressed the large crowd about how a large portion of the cooperative’s energy comes from coal—something that has gotten a bad reputation in the United States.

Even though coal has been given the tag of “a dirty way to generate electricity,” Farnsworth said, “I would argue that we have done our part in cleaning up coal generation and providing a clean source of affordable electricity to our members.”

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Even though coal usage is increasing in countries like China, which has grown from a poor country to the world's second largest economy, "coal generation is under fire in our nation," he said. "Our most abundant resource is slowly being shut down by the environmental community in the U.S."

Farnsworth added the U.S. has the cleanest coal generation in the world, yet America is in the middle of a fight over the New Source Performance Standards. He said, "These are standards for new construction, and there is no equipment available to use that will meet the new standards. It is an undisguised move to kill any new coal generation in the U.S."

Tri-State's Nucla plant as well as the Craig coal-fired power plant are being threatened by new regulations. Millions of dollars will be spent for new technology that will not even make a difference to the naked eye.

As coal usage shrinks, electricity will become more costly. Farnsworth said natural gas and renewables will increase in their percentage of electric generation in this country.

"Because of environmental regulations and legislation, energy efficiency will become more valuable in the future," said Farnsworth, noting Highline continues to provide energy efficiency options to its members.

He also said Highline is not against renewables, but he cautions that they should be able to pay for themselves and not fall on the backs of the members.

Highline restructured its rates this year with changes that will help keep electric rates stable as Highline faces increased costs in the future and members increase energy efficiency.

Farnsworth concluded by asking members to take action by talking to legislators. "While we work well with legislators, they pay attention to you. We need you to come alongside our efforts to keep our rates affordable," he said. "Your voices can and will make a difference."

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Just as Nelson and Johnson faced hard work 75 years ago, Farnsworth said, “We are facing a different hard work, but it is just as important to the future of your family, your business and Highline Electric Association.”



Community members, like Sheila Robinson and Sheryl Farnsworth, have fun looking at past employees of Highline and learning about the 75-year history of the rural electric company.□□

—Enterprise photo

Financial report sees increase in revenue

According to Dennis Herman, manager of member and corporate services, Highline purchased 583,737,291 kilowatt-hours in 2012 from Tri-State G&T, their power supplier. This was up 63 million kilowatt-hours from the previous year.

Highline sold to its members nearly 539 million kilowatt-hours, an increase of 54.4 million from

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2011.

Irrigation and gas compression loads can vary greatly from year to year. Herman said irrigation sales of 310 million kilowatt-hours in 2012 were 111 million kilowatt-hours higher than 2011 irrigation sales. He noted the average over the last 10 years is 220 million. Large gas compression loads purchased 55 million kilowatt-hours fewer in 2012 than in 2011, leaving Highline with a net increase in sales of 54 million kilowatt-hours over 2011.

Operating revenues for 2012 were just under \$54 million, an increase of \$7 million over 2011 due to increased irrigation sales and a rate increase implemented in 2012.

Operating margins last year were \$2,098,595, allowing Highline to meet all mortgage requirements and stay in good standing with their lenders.

Highline posted other non-operating margins from cooperatives it is a member of. 2012 margins were \$4,615,046, which is comprised of the Highline generated operating margins of \$2,098,595; \$2.2 million generated by memberships in Tri-State, Western United CoBank and CFC; \$87,681 in interest income and other non-operating income of \$229,000.

The bottom line margin of \$4,615,046 is allocated to members as capital credits.

Herman said in 2012 the Highline board of directors approved a capital credit refund that included the general retirement of \$2,095,993. Estates retired totaled \$212,406 for a total of \$2,308,399 retired to members.

As a result of advancing a \$10 million loan in 2012, Highline ended the year with cash and investments of \$10.3 million.

Highline's plant growth has been steady over the last five years. Their utility plant ended the year valued at \$87.6 million, a \$1.9 million increase over last year.

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Even though the loan advance resulted in a small dip in equity, Herman said Highline continues to maintain a strong balance sheet. They ended 2012 with an equity level of 55.9 percent.

Herman concluded his report noting the cost of running Highline was 14 percent of their total 2012 expenses. Depreciation and interest was another 8 percent, and the cost of wholesale power was 78 percent of expenses last year.

Four directors elected

Incumbents Leo Brekel, Steve Oestman, Ted Carter and Merl Miller were elected to the Highline board for districts 1, 2, 3 and 4 respectively.

Youth reports presented

Justin German of Chase County, Neb. told about his experiences at the 2012 Washington, D.C. Youth Tour. Jacob Gerck of Haxtun was announced as this year's youth tour delegate.

German and Tara Cook of Sterling reported on their trip to the leadership camp near Steamboat Springs. Also attending the camp was Shelby Selby of Creek Valley in Chappell, Neb. Delegates for this year's camp will be Brandon Struckmeyer of Holyoke, Kelsey Kramer of Holyoke and Deborah Kurtzer of Haxtun.

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Scholarships awarded

2013 scholarship winners were announced during the Highline annual meeting.

Earning the \$1,000 Basin Electric member cooperative consumer scholarship is Mary Lenz of Wray.

Winners of the \$1,000 HEA scholarships to four-year colleges are Alexis Shinn of Merino, Spencer Hartman of Chase County, Justin German of Chase County, Erin Vieselmeyer of Holyoke and Kyra Ness of Haxtun.

\$1,000 HEA scholarship winners to two-year or technical schools are Hannah Yahn of Caliche, Kelli Monheiser of Caliche, Joshua Frank of Sterling, Tanner Bedsaul of Sterling and Karlee Harris of Lone Star.

Tri-State G&T/HEA \$500 scholarships were awarded to Derek Whittington of Fleming and Kaylie Lewis of Caliche.

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