Corning | Mount Ayr | Stanton

Southwest lines

A monthly publication for members of Southwest Iowa Rural Electric Cooperative

July 2023

Stanton Community Foundation Receives Donation

Pictured left to right is Phil Kinser, and Mickey Anderson and Justin Miller representing SCF.

On Monday, May 8th, Southwest Iowa REC CEO & General Manager Phil Kinser met with members of the Stanton Community Foundation (SCF) in Stanton to present a $2,500 check. The funds, a $1,250 donation from Southwest Iowa REC and a matching donation from CoBank, will go towards marketing visualization tools to assist with business development for the new Stanton Technology Park. SCF and other local leaders are embarking on an initiative to use these tools to help recruit tech companies to the Tech Park. An engineering firm is developing 3D renderings, images, and aerial video to showcase the Tech Park and its capabilities. The visualization tools will help Stanton market the Tech Park, a new community trail, and local amenities. The images and video will play a role in the community's entire marketing effort and will have an impact on prospective companies considering Stanton to do business.

Nominating Committee Meets

The Board appointed Nominating Committee of John A. Overholtzer, Laci Schafer, John Allen and Chad Ide (absent) met on Wednesday, June 14th and nominated the following members of the Cooperative for the office of Director for the ensuing term of three (3) years each, all to be elected at the Annual Meeting to be held September 7th, 2023:

Region 1 - District No. 2: Kollin O'Day – Marilyn Werner (i)

Region 1 - At Large: Bonnie Larson – Ken Peppmeier (i)

Region 2 - District No. 6: Steven Eason – Kay Fast (i) – Cole Sunderman

(i)incumbent director

John A. Overholtzer
Chairman – Nominating Committee

Pictured left to right: Laci Schafer, John A. Overholtzer, John Allen. Not pictured, Chad Ide.

CEO's Comments:

Factors That Impact Electricity Prices

Phil Kinser

Just as inflation has impacted everything from the price of gasoline to the price of eggs, costs to produce and deliver electricity have also risen. This is a timely topic, so I wanted to help explain some of the factors that impact electricity prices (and energy bills) in this month's issue of Southwest Lines.

While there is no short answer, there are a few key elements that impact electricity prices and rates. Some of these factors Southwest Iowa REC can manage, some of them you can impact, and other factors are beyond our control. So, let me break it down.

There are three primary parts to your monthly electric bill: an availability charge, a kWh energy charge and an Energy Adjustment Charge (EAC). To understand your total energy costs and what impacts your bill, lets unpack one piece at a time.

The first is a fixed monthly availability charge, which covers the costs associated with providing electricity to your home. This includes equipment, materials, labor and operating costs necessary to serve each meter in Southwest Iowa REC's service territory, regardless of the amount of energy used. In order to ensure the reliable service you expect and deserve, we must maintain the local system, including power lines, substations and other necessary equipment. Like many other businesses, we've experienced supply chain issues and steep cost increases for some of our basic equipment. Because we are a not-for-profit cooperative, these expenses must be passed on to our members.

Another component of your monthly bill is the kWh energy charge, which covers how much energy you consume. You've likely noticed the amount of energy you use can vary from month to month and is typically impacted by extreme temperatures. When temperatures soar or dip, your cooling and heating equipment run longer, which increases your home energy use. Regardless, energy consumption is an area that you have some control over, and you can lower your monthly bill by actively reducing energy use.

The last component of your bill is the EAC. The EAC will fluctuate with the cost of purchased power from our wholesale provider, Central Iowa Power Cooperative (CIPCO). The EAC covers fuel cost fluctuations without having to continually restructure electricity rates.

I hope this information sheds light on some of the factors that impact electricity prices. While we can't control the weather or the rising costs of fuels, please know Southwest Iowa REC is doing everything possible to keep internal costs down while still providing a high degree of reliability of electric service.

We're here to help you, too. Contact us if you have questions about your energy bill or for advice on how to save energy at home.

Residential Electric Time of Use vs. Demand Rate Structure

We are finishing up the Cost-of-Service Study and are now considering rate design options for implementation.

Electricity is an essential utility that powers our daily lives. With the increasing cost of electricity, it is important to understand how we incur costs for the electricity you purchase from us and evaluate rate structures that are fair, easy to understand, and ensure that an appropriate price signal is given to our members. In addition to our current rate structure, two common residential electric rate structures are the time of use (TOU) rate structure and the demand rate structure. In this article, we compare these two structures to help inform you as we consider both options.

Time of Use Rate Structure

Under the TOU rate structure, electricity rates are based on the time of day you use electricity. Our power supplier, Central Iowa Power Cooperative (CIPCO), has established 4:00 p.m. to 9:00 p.m. as our on-peak period when electricity demand and rates are highest. All other times are considered off-peak, where rates are the lowest. The goal of this structure would be to encourage our members to shift their energy usage to off-peak periods to reduce the strain on the electricity grid during peak demand periods.

To benefit from the TOU rate structure, you must be able to shift your energy usage to off-peak periods. For example, you could run your dishwasher or washing machine after 9:00 p.m. at night or during the early morning hours when electricity rates are the lowest. The amount you pay for electricity would depend on your overall consumption during each of the on-peak and off-peak periods.

Demand Rate Structure

Under the demand rate structure, your electricity bill is based on your peak electricity usage during a billing cycle. The peak demand is the highest amount of electricity used in a single hour during a billing cycle. The electricity bill is calculated by multiplying the peak demand by a predetermined rate, which is typically higher than the standard rate charged for electricity usage.

To benefit from the demand rate structure, you must be able to reduce your peak demand usage. This can be done by staggering the use of high-energy appliances or investing in energy-efficient appliances.

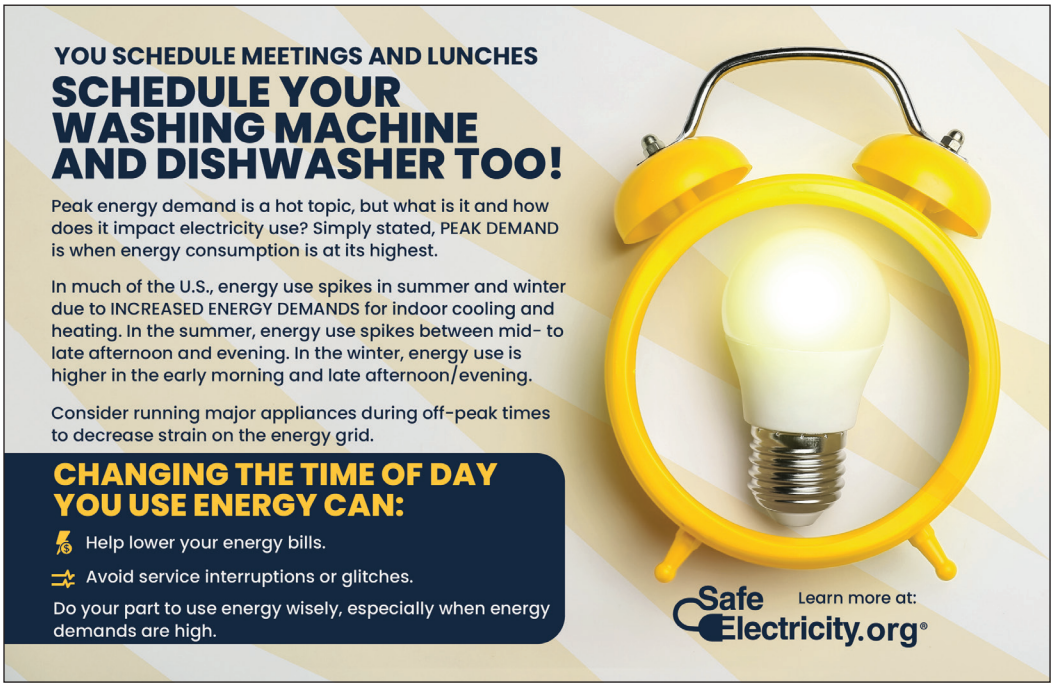
Comparison

The main difference between the TOU and demand rate structures is the way electricity is priced. The TOU rate structure charges consumers based on the time of day they use electricity, whereas the demand rate structure charges based on peak electricity usage during a billing cycle. The TOU rate structure encourages consumers to shift their energy usage to off-peak periods, while the demand rate structure encourages consumers to reduce their peak demand usage.

Will the Existing Rate Structure Change?

Your board of directors and cooperative staff are evaluating the best option(s) to implement for the future. If a TOU or demand rate structure is implemented, by evaluating your energy usage patterns and how the rate structure is designed, you can manage your electricity consumption and save money on your electricity bill.

Look to future editions of Southwest Lines for more information on the results of both the Cost-of-Service Study and any rate and rate structure changes approved by your board of directors.



SBS Inspections, Inc. Testing and Treating Poles

Southwest Iowa REC has contracted with SBS Inspections, Inc. from Olathe, Colorado, to perform pole testing and treatment in 2023 on one-tenth of our system; approximately 5,000 poles or 250 miles of line. SBS Inspections Inc. will be testing and treating poles in the following areas:

Adair County
Richmond & Washington townships

Cass County
Victoria, Edna, & Noble townships

Decatur County
Bloomington, Burrell, Eden, Decatur, Fayette, & New Buda townships

Montgomery County
Frankfort & Grant Townships

Ringgold County
Athens & Riley townships

SBS Inspections, Inc. inspectors will dig a hole at least 18 inches deep and wide enough to ensure a proper inspection and treatment of the pole. After exposing the wood, the poles are inspected and treated with a wood preservative, and then the hole is backfilled, and the dirt tamped into place. This groundline treatment with wood preservative should extend the pole's life by at least another 10 to 20 years. Poles that fail inspection are scheduled for replacement by our crews providing you with even more reliable electric service in the future.

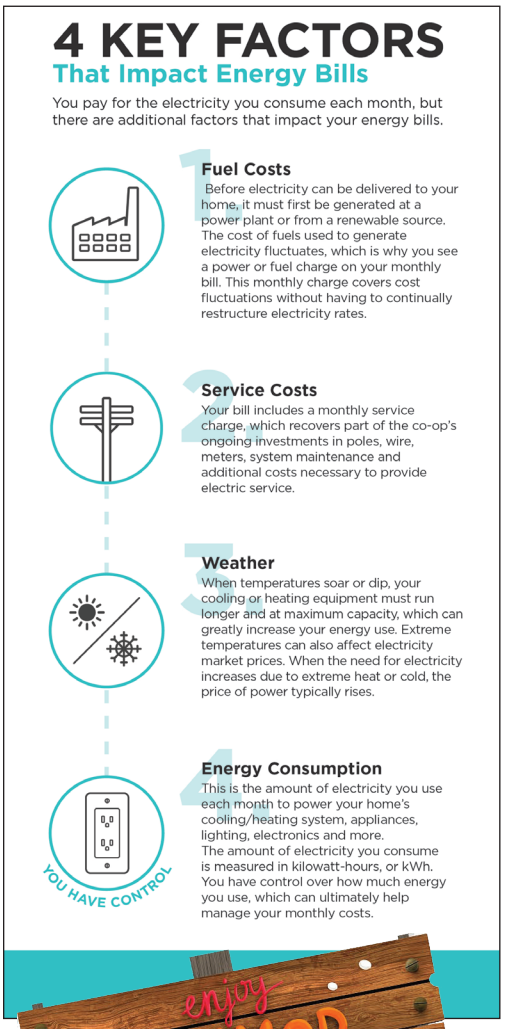
Spraying Problem Vegetation

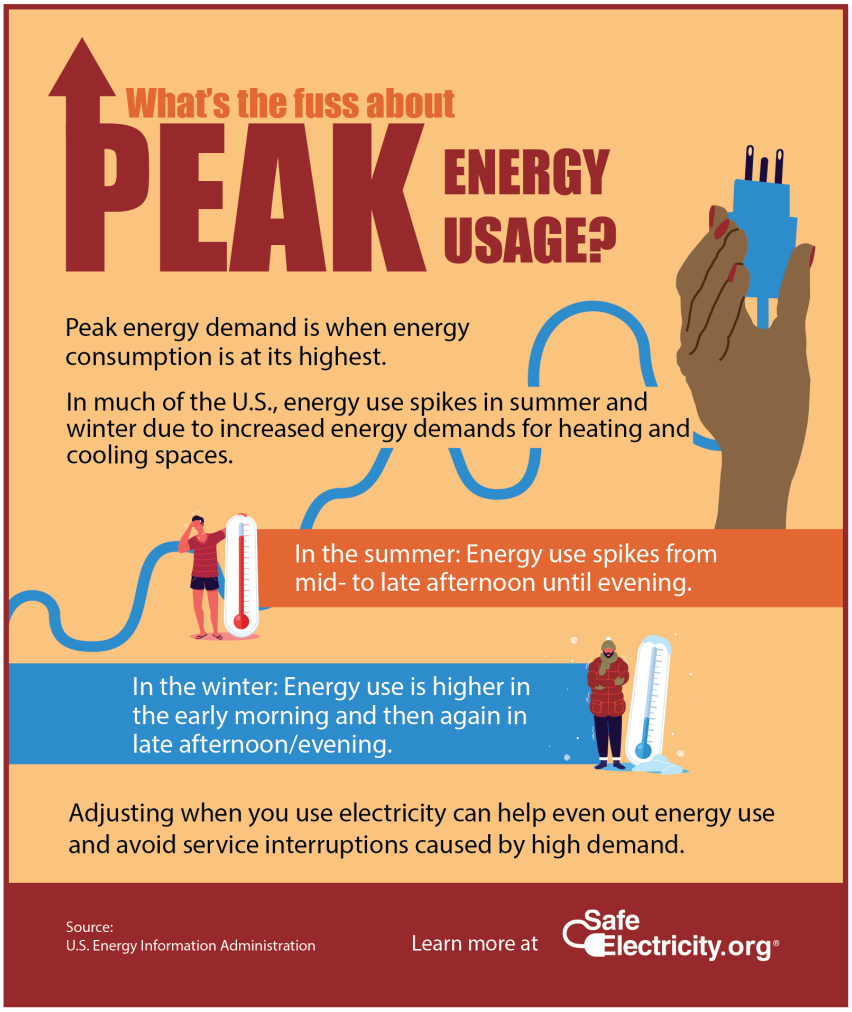
Green Valley Pest Control & Lawn Care will be spraying vegetation under our power lines. Chemical control of woody vegetation is often very effective and economical. Herbicides often require less labor per acre to control woody plants than mechanical means. Green Valley is spraying the following areas:

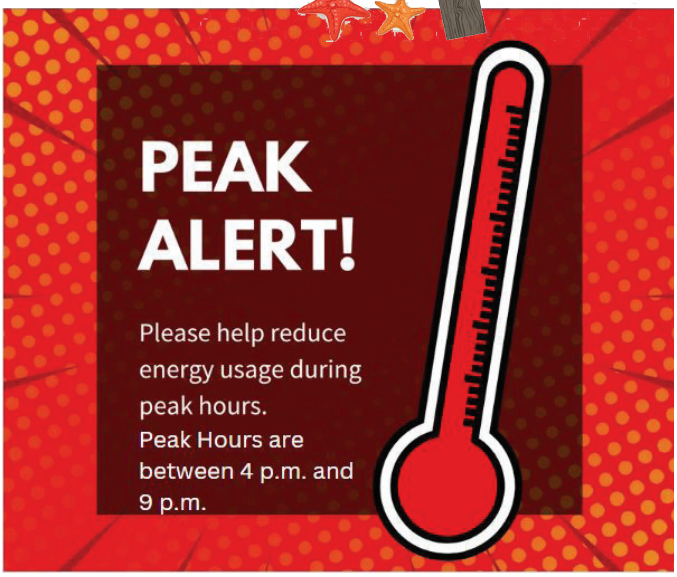
Ringgold County
Athens & Riley townships

Decatur County
Decatur, Bloomington, Burrell, Eden, Woodland, Fayette, New Buda, Hamilton, Morgan, townships

Southwest Iowa REC line crews all contribute to vegetation management by bucket cutting, ground cutting, and spraying.







Bravo!

Thank you for the scholarship. It is greatly appreciated and will go towards my college tuition.

-Caeden David

SWIAREC,
Thank you for awarding me a scholarship. It will help during my college education.

-Ally Birt

REC,
I would like to thank you for your generosity and support. This scholarship will help me reach my goals within the Electrical technology program.

-Trey Chesnut

Thank you for the scholarship. I will be using the money for books and classes.

-Riley DeGonia

Southwest Iowa REC,
Thank you so much for selecting me for a scholarship. It will be used for tuition.

-Madison Shields

Banana Split Brownies

The RECipe

Make a 9x13 pan of brownies of your choice.
Let brownies cool.
Slice a banana and strawberries over top of the brownies.
Mix 1 box vanilla instant pudding & 8 oz cool whip together
Spread over top of bananas and strawberries.
May drizzle chocolate syrup over top, add nuts, cherries, etc. as desired.
Store in refrigerator.

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Energy Efficiency Tip of the Month

Summer is a prime opportunity to enjoy the great outdoors. To reduce home energy use, avoid using your oven and use a grill instead. Not only will cooking outdoors eliminate the electricity used to power the stove, but it will also avoid raising the temperature inside your home, reducing the need for air conditioning or cooling.

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

Source: Dept. of Energy

When Thunder Roars, Go Indoors!

Seek shelter indoors or in a hard-topped vehicle. If you can't get to shelter:

- avoid open fields and hilltops.
- stay away from tall, isolated trees and objects.
- spread out (if you're in a group).

#StormSafety

Southwest Iowa Rural Electric Cooperative
Your Touchstone Energy® Cooperative

Find us on Facebook

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Phil Kinser, CEO

Southwest Iowa REC is an equal opportunity provider and employer.