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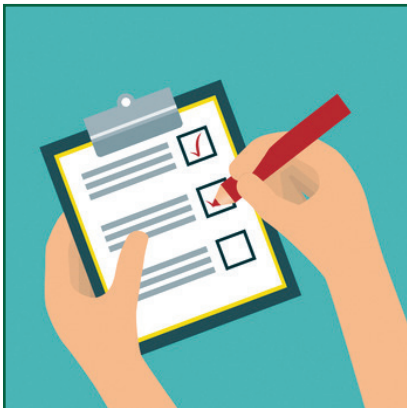
Southwest lines

A monthly publication for members of Southwest Iowa Rural Electric Cooperative

April 2021

Take Our Survey and Receive a \$10 Credit on Your Power Bill and Be Entered for a Chance to Win One of 2 - \$100.00 Power Bill Credits!!

We need your feedback – visit this link <https://www.surveymonkey.com/r/RZTDMLK>



to participate in our member survey. This survey will be available during April and May and will help provide some insight as we plan for a Strategic Planning event in June. If you don't have internet access, stop by one of our three offices to fill out a paper survey or request to have one sent to you. Each member that completes a survey and gives us their contact information will receive a \$10.00 power bill credit and be entered in a random drawing to win one of two \$100 power bill credits to be given away!

What is the Availability Charge on my bill?

The Availability Charge is a monthly charge that does not vary with the amount of electricity used. This charge partially covers the fixed costs of operating your utility including operations and maintenance of meters, lines, poles, substations, interest expense, depreciation, insurance, taxes, trucks, equipment, billing, administration and miscellaneous services.

What is the Energy Adjustment Charge on my bill?

The Energy Adjustment Charge is calculated monthly using current costs for wholesale power compared to the wholesale power cost captured in the base rate. The base cost of wholesale power is deducted from the current cost of wholesale power and that "factor" is multiplied times your monthly kWh usage and added or subtracted from your bill. By doing this, Southwest Iowa REC is able to cover the fluctuating cost of its purchased power and not make frequent base rate adjustments.

Administrative Professionals Day is April 21st

THANKS TO OUR ADMINISTRATIVE PROFESSIONALS!



Pictured above: Denise Hallquist, Cacey Quick, Sarah Newton, Suzy Olson, Wendy Wimer, and Marilyn Rubel.

CEO's COMMENTS:

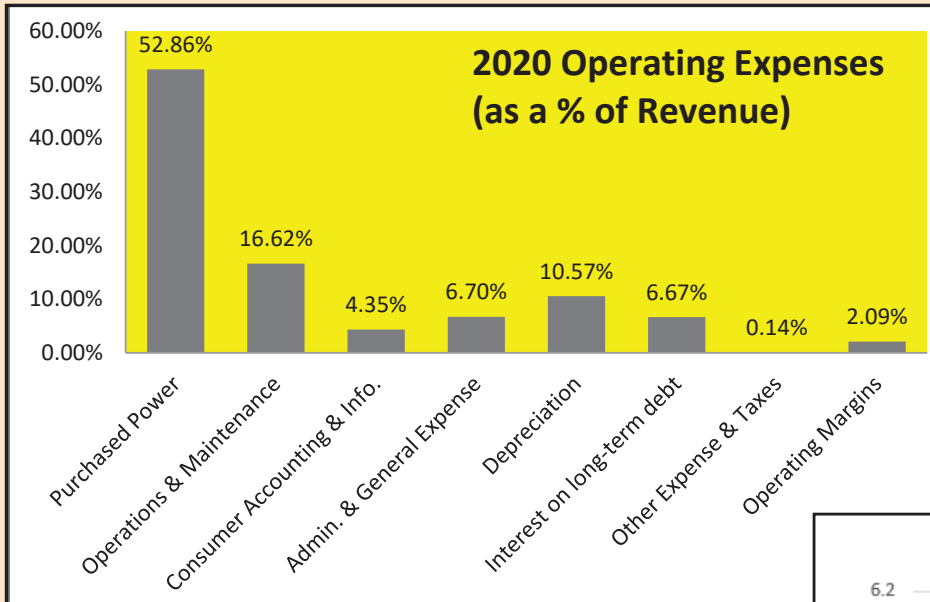
Cooperative Audit Completed for 2020

Power Costs Projected to Decline - No Price Increase Projected in 2021 Operating Budget

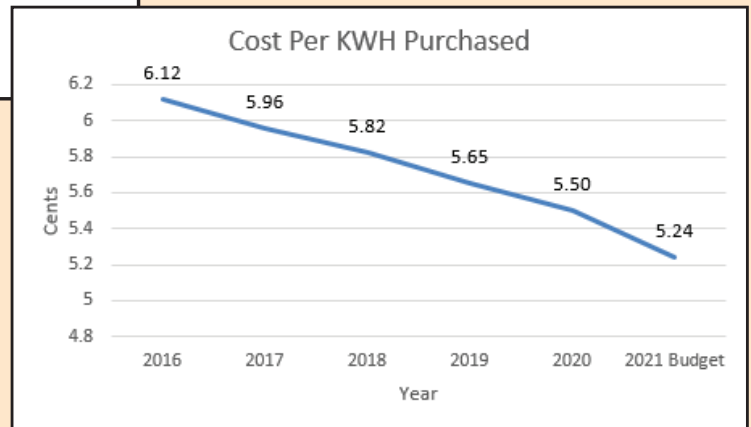


Phil Kinser

The annual, independent financial audit of your cooperative's 2020 financial records was recently completed resulting in a clean, favorable audit opinion. The financial performance of your Cooperative in 2020 was very good and we were able to exceed all of the requirements placed upon us by our lenders. Kilowatt-hour sales for 2020 were .92% above budget and 3.24% less than 2019. Operating costs were \$118,319 below budget (excluding purchased power) and operating margins exceeded budget by \$291,598. Member equity improved from 44.09% in 2019 to 44.33% at the end of 2020 and \$345,679 of member patronage capital was refunded during the year. The following chart shows where the money we collected from you was spent in 2020:



The Operating Budget for 2021 does not include any increase in the base price you pay for your electricity. The cost of wholesale power we purchase from Central Iowa Power Cooperative (CIPCO) is also projected to be less than 2020 so the Energy Adjustment Charge (EAC) portion of your monthly electric bill should reflect that as well. In 2020, the average EAC applied (excluding electric heat sales) was (\$.00874) per kilo-watt hour resulting in member electric bill credits of \$759,962.55 which helped to lower your overall cost of electricity. The following chart shows the downward trend in the cost of purchased power from 2016-2020 and the budgeted cost for 2021.



The Cooperative's ten-year financial forecast model was updated in December 2020. With all of the information available to us today, we anticipate a modest price increase being needed in the 2023-2024 timeframe. Our forecast is updated annually so we can refine our projections due to current conditions.



Sales during January were below budget but the frigid weather in February

resulted in sales considerably above budget. Weather, hot or cold, is the most significant variable affecting energy use for the majority of our member-owners. Our crews have been concentrating on vegetation management (tree trimming and removal), finishing construction projects started in 2020, line inspection and maintenance, mapping updates, and preparing material orders for new construction projects.

The 2021 Operating Budget includes \$3,027,805 in electric system upgrades and improvements to be completed by our line crews. These upgrades and improvements are part of our recently approved 2021-2024 Construction Work Plan. We have also budgeted \$2,036,410 for ongoing operations and maintenance programs including vegetation management, pole inspection, transformer and breaker maintenance, general line maintenance and security light maintenance. All of our programs are designed to continue to provide you with safe and reliable electric service.

Help us Find these Former Members

We are looking for the following former members of Rideta Electric Cooperative that served Ringgold, Decatur, Taylor and Union counties; and Southwest Iowa Service Cooperative that served Adair, Adams, Cass, Fremont, Mills, Montgomery, Page, Taylor and Union Counties for the years 2003-2004. Last month, we showed names listed A-J (by first name) and this month we will show K-Z (by first name). These members have patronage checks at our offices. If the member is deceased, we would like to have a family member contact us with estate information so we can refund their patronage.

Thank you for your help.

KAREN MCDOWELL	LLOYD VANDERPOOL	MISTY FLEMING	RANDY TWEEDY	RUSSELL CHEERS	SYLVESTER W LARSON
KARLA KOENIG	LORI HOWARD	Name/Reference	RAY THOMPSON	RUSSELL SCHAFROTH	TAM ORMISTON
KATHARINE G	LOU ANN MILLER	NANCY DAVIS	RAYMOND P STEVENS	SANDRA HATFIELD	TERESA HOOVER
OPPENHEIMER	LUKE PAXSON	NEIL BERRY	REBECCA FLOWERS	SANDRA PARMER	TERRANCE COOK
KATHLEEN BAIRD	MARCI K GRUBER	NEVINVILLE CHURCH	RICHARD CUNITZ	SCIOLA CHURCH	TERRI HUSS
KEN REISMAN	MARCUS A GOODSON	NICHOLE MORELOCK	RICHARD D HARRIS	SCOTT E HUNTSMAN	TERRY L WALKER
KENNETH WALTMAN	MARIE JAMES	NICK GADINO	RICHARD HOUSTON	SCOTT GALLUP	TIERRA A EVANS
KENNY LANE	MARK P JOHNSON	NIEL S NIELSEN	RICK E ARNOLD	SCOTT L POWERS	TIM VOLENTINE
KEVIN L SCIRANKO	MARK WINTHER	NILES FUNK	ROBERT BEEDLE	SCOTT MILLER	TOM CHRISTENSEN
KILEY JOHNSON	MARTHA SIEFER	NORM SMITH	ROBERT E CLARK	SCOTT NELSON	TYRONE RENNINGER
KIM WEAVER	MARTI HAMILTON	OSCAR CRILL	ROBERT HALE	SCOTT SNIDER	VAN BROWN
KITTIE L KARWAL	MARVIN CRONBAUGH	PAT LONG	ROBERT HUTTON	SHAWN D SCHWERDT	VICTOR H WHITE
LARRY PERRIN	MARY ELLISON	PAT SMITH	ROBERT LEWIS	SHAWN HILTON	VINCE L SPIDLE
LARRY S FROST	MARY HAYES	PATRICIA A GARBER	ROBERT MADISON	SHIRLEY JOHANNES	VINCENT H BOOGE
LAUREN CAMPBELL	MARY L HILL	PATRICK G POTTS	RODNEY SCHMIDT	STANDARD REGISTER	W EDWARD ANSTEY
LEARNING TO LOVE	MAXINE L HALL	PAUL BRYANT	ROGER LARSON	STANFORD PELZER	WARREN HARNE
FARMS, INC.	MELISSA BOONE	PAUL KNOEBEL	RON NIMS	STEPHEN HUNTER	WAYNE GRADY
LEONARD KNOTT	MELVIN PARROTT	PEGGY MCDOWELL	RON WETZEL	STEVE CURTIS	WILLIAM D JEFFERSON
LINDA PEIFFER	MEREDITH MORRISON	PHILLIP A JOHNSON	RONNIE CAMDEN	STEVE MILLER	WM HATFIELD
LINDA SEGO	MERVYN JOHNSON	PHYLLIS BROKAW	ROY TONEY	STUART WALKER	
LINDA SMITH	MICHAEL SHEIL	R M FOUREZ	RUSSELL BRUMBAUGH	SUSIE M PARKS	
LIVESTOCK USA	MICK ADAMS	R P ANDERSON	RUSSELL CARLSON	SWINE USA	
LLOYD PAULEY	MIKE TRENKLE	RALPH MCCOY		SWINGLE, GAY	

Southwest Iowa REC Escapes Rolling Black Outs in February

Southwest Iowa REC was spared in February from controlled interruptions seen across much of the middle U.S in the Southwest Power Pool (SPP) and throughout Texas. A snow and ice storm Feb. 15 across the southern plains hampered transmission of power, only to be followed by days of well-below normal temperatures that sent energy demand skyrocketing. Meanwhile, generation of all kinds across that region was crippled by the cold, having been built for a climate that typically experiences its energy peaks on hot summer days.

Southwest Iowa REC's power supplier, Central Iowa Power Cooperative (CIPCO), has participated in the Midcontinent Independent System Operator (MISO) energy market since 2005. Through a relationship with Alliant Energy, CIPCO has access to the MISO market to buy and sell generation as needed. MISO and SPP are both Regional Transmission Operators (RTOs) and are essentially the air traffic controllers of the electric grid in their areas, monitoring the grid and directing generator adjustments.

"MISO determines which generators should run at any time to serve the load," said Kendra Graves, CIPCO vice president of Portfolio Strategy & Planning. "Alliant bids CIPCO's generation into the

MISO market and MISO responds that they either need it or they don't. MISO is really the entity that decides what generators are going to run at any given time to serve the load."

"They are able to orchestrate solutions to problems over a wider territory," added Sam Stineman, CIPCO director of Generation Assets. "They can see the bigger picture, much more so than CIPCO could on its own. Being part of MISO has been a net benefit to everyone not only financially, but also in terms of reliability."

Even utilities within the MISO footprint did not wholly escape the forced outages implemented across MISO's Southern Region through Arkansas, Louisiana, Mississippi and parts of eastern Texas. However, the Northern Region, of which CIPCO is a part, did not experience rolling load curtailment. "I think we have enough coal generation and nuclear available in the MISO pool to keep us stabilized from a reliability standpoint," Stineman said. "Unlike the warmer southern states, our plants are built for cold weather."

Like anything else, the high demand for energy has also driven up energy market prices.

"The cost to serve our load went up drastically from what we typically see this time of the year," Graves said. "Prices are usually \$20-30

per megawatt-hour, and they were hundreds of dollars per megawatt-hour and up. Prices were very volatile during the week. We're also going to see higher revenue from the resources that we sold into the market, so there's going to be some offset there. At this time, CIPCO has a much larger open position with the closure of DAEC that we haven't fully replaced yet, so we will see an impact."

Corn Belt Power Cooperative sells its generation to Basin Electric Power Cooperative based in North Dakota and within SPP territory. That's why RECs and municipals served by Corn Belt, located mainly on the western and northwestern part of the state, were among those affected by the rolling blackouts.

"This is a big deal that we're going to be talking about for years," Stineman said. "There will be new laws and rules established that will affect everyone, CIPCO included. We're just not sure quite yet how big an impact it will be."

"NERC (North American Electric Reliability Corporation) was established to ensure the reliability of the bulk power system in the United States," said Dan Burns, CIPCO vice president of Utility Operations. "Every time something goes wrong, NERC will review the circumstances and implement more standards and regulations based on lessons learned. This situation won't be any different."



Hot Crab Dip

- 8 ounces cream cheese
- 1 tablespoon lemon juice
- 1 tablespoon Dijon mustard
- 1 tablespoon Worcestershire sauce
- 1 teaspoon garlic, chopped
- 18 ounces lump crab meat
- ½ cup Parmesan cheese
- Salt to taste

Can Bake in oven, smoker or grill, preheat to 350.

1. Combine all ingredients together and place in baking dish.
2. Bake for 30 minutes, until bubbly
3. Serve with toast points or tortilla chips.



ATTENTION MEMBERS: Use Caution When Burning Ditches this Spring

Burning helps clean things up, but it can also cause extensive damage to Cooperative property, resulting in electric service problems. Members involved in such fires may be invoiced for damage they cause to Cooperative property.

TWO TIPS FOR SAFE BURNING

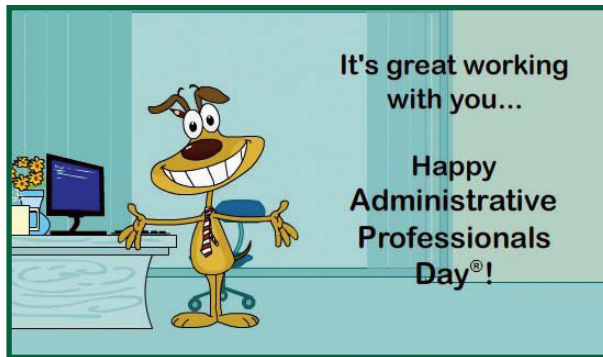
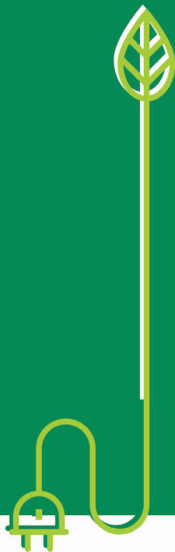
- 1 Green, or newer, poles are more susceptible to burning—use extra caution.
- 2 Always be aware of the locations of poles, anchor guy assemblies, underground cabinets, and other important Cooperative equipment when burning.

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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2021 Energy Efficiency & Beneficial Electrification Program Delivery Costs = \$.0030/kwh



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