

Powerline Press

NEWSLETTER



A Supplement of Oklahoma Living Published by Lake Region Electric Cooperative for its members. **December 2022**

1.4 Million in Capital Credits Returned

Capital Credits are a valuable benefit for members of electric cooperatives

You already know you are a member, not a customer, of LREC. You are also an owner of the cooperative. LREC is a not-for-profit cooperative owned by the members it serves. We do not earn excess profits for investors and shareholders. Our rates are set to recoup the costs of operating the cooperative, meet debt obligations, and re-invest in the electric distribution system. Operating margins are created when our revenues exceed our operating expenses during a specific year.

These margins are allocated back to the members who purchased electricity during the year they were earned. The amount allocated back to you depends upon the amount of capital you contributed to the cooperative during the year. In other words, some of the money you paid to the cooperative for electric service during the year is allocated back to you as Capital Credits. Each member's capital varies; therefore, the amount of Capital Credits allocated back to each member varies. 2656202

Although Capital Credits are returned annually, this money is retained for several years before being paid back to the members. LREC retains Capital Credits because they are a significant source of equity for the cooperative. LREC uses this equity to improve the electric infrastructure for reliability and expansion and to help keep your rates as low as possible because equity helps reduce the debt needed to grow and maintain your cooperative.

As most of the membership has read in our November member newsletter, LREC is increasing electric rates to cover the future cost of providing reliable and safe electricity. The returned margins (Capital Credits) are from previous years when we brought in sufficient money to cover the cost and made margins. The rate increase in 2023 is to cover the next year of operations to ensure we have adequate funds to cover our costs.

The Board of Trustees voted to return \$1.4 million in Capital Credits in December. Current members will see a credit on their bill and past members should be receiving a check. Those who received electric service in 1992 will be refunded 100% of the margins. Also, those who were members in 1993 will receive 29% of margins and 26% from 2021.

▶ The Average Member Refund

The amount you receive is based on how much electricity you purchased during the years listed. For a member on our lines during the year 1992 is around \$20.61, and for 1993 it is \$16.19. The average refund for 2021 is \$25.75. Cooperatives return profits to ALL its members. This is one of the benefits of being a co-op member.

If you want to learn more about Capital Credits visit: www.lrecok.coop/capital-credits



Be sure to open and view your December LREC bill for your Capital Credit refund.

Making A Difference

with Operation Round-Up



In October, the LREC Foundation approved \$25,165 in grants to local organizations and families. Contributions are made possible thanks to thousands of members who choose to round up their electric or fiber bill to the nearest dollar each month. These generous donations go towards Operation Round-Up (ORU), a program that provides funds for worthy causes throughout our service area.

“As always, it’s enriching to know these grants are going back into our communities,” said Glen Clark, Director of Marketing.

Keys Public Schools of Cherokee County received \$1,000 to assist with purchasing books for their 5th and 6th grade students. The board also awarded Hulbert Rider Ag Booster Club a grant for \$10,000 to help with the livestock barn project, and Wagoner High School received a \$1,000 grant for their end-of-year Graduation Party 2023 event. Two co-op members also received grants to help with medical costs.

“This is an incredible program supported by LREC members, and we want our members to know about these grants and apply for them as needed,” said Larry Mattes, Communication Specialist.

Approximately 55% of our members choose to round up their monthly bills, with the change going towards the LREC Foundation board to disburse. On average, this amounts to \$6 per year per member, which helps support various causes and programs. The Foundation board is responsible for carefully reviewing and selecting organizations and projects that will have the most impact, and LREC is proud to support such organizations. The next Operation Round-Up Board meeting will be held on January 25, with applications due January 1.

**Operation Round-Up
Awarded \$81,216
in Grants for 2022**



▶ For more information and grant applications please visit www.lrecok.coop/operation-round-up



Operation Round Up

LREC FOUNDATION, INC

Board of Directors

Jimmy Hall - President
Sandy Campbell - Vice President
Lynda Cook
Greg Green
Elaine Henderson
Kathy Moore
Tommy Mullins
John Rogers
Stanley Young

Next Application Deadline

January 1, 2023

Application at

www.lrecok.coop/operation-round-up

ORU Foundation - Financial Statement

Beginning Balance 1/1/22	\$263,521
Contribution & Interest	\$64,563
Checks Issued in 2022.....	\$81,216
Approved, not paid	\$17,760
End Balance 10/31/22	\$246,869

LREC Rate Increase 2023

The Lake Region board and staff reviewed the rate study by Guernsey Engineering for the co-ops' financial forecast. The next step is to talk with our members and inform everyone LREC will have to implement a rate increase starting in January 2023 to keep the co-op in good financial health.

We published an article in the November newsletter discussing this topic. If you missed that article, please continue to read this article below.

The notable rate increase is the residential change in the monthly service availability from \$32.50 to the new rate of \$42.50. Service availability is the fee associated with having an electric meter on your property and maintaining all the right-of-ways and electric infrastructure to keep this meter working. Members will also notice a new energy charge of \$0.0792 per kWh for usage (slightly lower than our old kWh rate).

When we look at all the costs involved with making electricity available to you at the flip of a switch, we come up with the service availability charge. The \$10 extra gets us the revenue our

studies say we need to maintain a prudent financial condition for the following year.

The PCA (Power Cost Adjustment) is a separate line item on each bill that reflects the increases and decreases in our purchased power cost; since we do not generate our power, we buy power from KAMO. Wholesale energy costs are roughly 60% of every single dollar you pay to LREC.. With the cost of generating power going up, mainly due to natural gas costs, members will no longer see the credit they are used to seeing on their PCA line each month. In 2023 the PCA will move from a credit to zero. The PCA is set in January of each year to respond to variations in power supply costs.

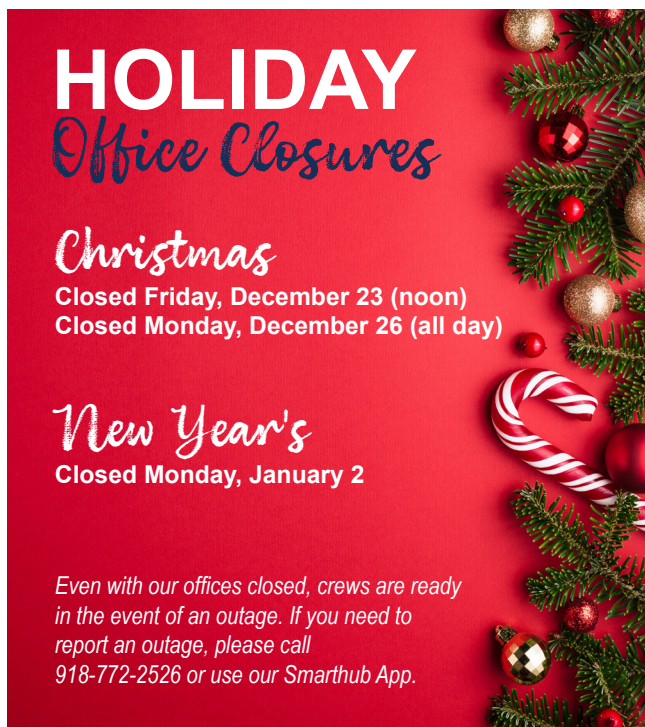
Page four of your newsletter will have an easy to read comparison of our current rates set in 2018 to our new rates starting in 2023.

LREC takes our rates very seriously. Your calls and questions are welcome at any time. Rate increases are not fun for anyone, but if we all communicate, we can make the best of it and move your cooperative forward on solid financial ground. 848304

The average residential LREC member uses roughly 1,180 kWh per month of electricity. The chart below is showing the difference between the current rates and the new rates starting in 2023.

Current Breakdown of Charges	
Service Availability	\$32.50
Energy Charge	
1,180 kWh @ 0.08224	\$97.04
PCA 1,180 kWh @ -0.007945	-\$9.38
Total	\$120.16
New Rates Breakdown of Charges	
Service Availability	\$42.50
Energy Charge 1,180 kWh @ 0.0792	\$93.46
PCA 1,180 kWh @ 0.000	\$0.00
Total	\$135.96

▶ **Rate Increase continues on Page 4**



HOLIDAY
Office Closures

Christmas
Closed Friday, December 23 (noon)
Closed Monday, December 26 (all day)

New Year's
Closed Monday, January 2

Even with our offices closed, crews are ready in the event of an outage. If you need to report an outage, please call 918-772-2526 or use our Smarthub App.

Rate Class	Charges on the Bill	Current Rate	New Rate
Residential	Service Availability Energy Charge PCA	\$32.50 \$0.08224 / kWh \$-0.007945 / kWh	\$42.50 \$0.0792 / kWh \$0.0000
General Service Single-Phase	Service Availability under 200 Amp Service Availability over 200 Amp	\$32.50 \$42.50	\$42.50 \$52.50
Three-Phase	Service Availability	\$57.50	\$72.50
Large General Service	Service Availability Demand Charge Energy Charge	\$150.00 \$10.45 / kW \$0.0515 / kWh	\$150.00 \$11.25 / kW \$0.05130 / kWh
Large General Service Time-of-Use	Service Availability Base Demand On Peak Demand Energy Charge	\$150.00 \$2.25 / kW \$12.50 / kW \$0.0558 / kWh	\$150.00 \$3.55 / kW \$12.50 / kW \$0.04620 / kWh
Outdoor Lighting	Security Light 7,000 lumens Security Light 20,000 lumens	\$9.80 \$29.38	\$10.60 \$31.35
Fees and Charges		Current Rate	New Rate
Returned Check		\$30.00	\$40.00
Re-connect Fee		\$75.00	\$100.00
After-Hours Reconnect Fee		\$250.00	\$500.00
Meter Tampering Fee		\$250.00	\$250.00
48 Hour Notice Fee		\$5.00	\$5.00
Break Box Fee		\$25.00	\$50.00
Meter Test Fee		\$35.00	\$35.00
Connect Fee		\$35.00	\$35.00
Temporary Service Connect Fee		\$40.00	\$75.00
False Outage Report		\$100.00	\$100.00
Staking / Engineering Consulting Fee		\$75.00	\$75.00
Security Light Relocation Fee		\$100.00	\$100.00
Credit Check Fee		\$5.00	\$5.00

Your Board of Trustees

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Office Hours

Monday-Friday
8:00 a.m. - 4:30 p.m.

Telephone

800-364-LREC or
918-772-2526

Website:

www.lrecok.coop
www.lakeregionfiber.com

Locations

Hulbert, Wagoner &
Tahlequah, OK.

Main Office Address

P.O. Box 127
Hulbert, OK 74441

Hidden Account Number

Look for your account number hidden in this issue of the *Powerline Press*. If you find your number, Lake Region Electric will credit your next bill. To claim your credit, notify LREC's Hulbert office by phone during the month of publication.

The amount increases by \$10 with each issue your prize goes unclaimed to a maximum of \$50.

Cooperative bylaws are available upon request at Lake Region Electric Cooperative's office in Hulbert.