

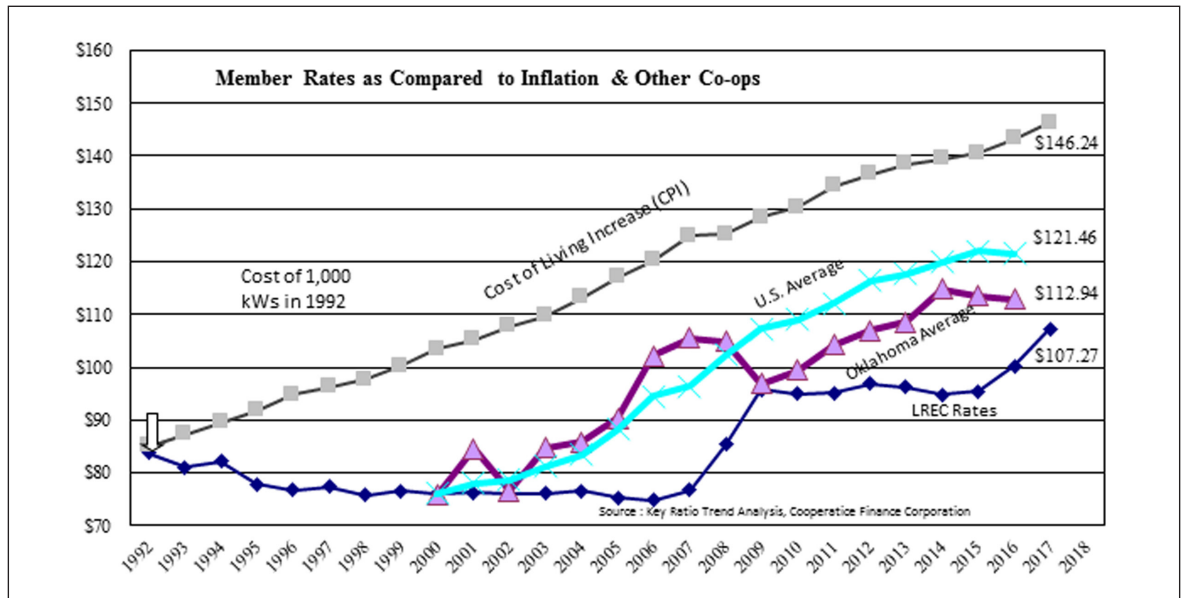


Energy Efficiency

Tip of the Month

Looking for an easy way to make your home cozier? Try using an area rug to increase the insulation levels of your floors. Area rugs are stylish and can keep cool air from entering through your floors. Your toes will thank you!

Increases in Electric Rates Announced



Lake Region Electric Cooperative Inc. Board of Directors is announcing an increase in electric rates. Despite the increase, LREC members' electric rates will remain below the average for Oklahoma residents. All bills rendered on or after **March 1, 2018**, will reflect the increase in rates.

Much like the increasing cost of the goods we purchase for our homes and family, the cost of the Cooperative's materials and supplies used for our operations and maintenance have also increased. These increases are in addition to the escalating power cost due to increases in the cost of coal, its transportation, and associated environmental compliance. All of these factors have made it necessary to increase rates for our members.

Your Cooperative is dedicated to providing reliable and efficient electric service to you at the most economic price. As a part of this

task, your Board of Directors recently reviewed the results of a cost of service and rate study conducted for the Cooperative. The Board concluded that to maintain the financial integrity of the Cooperative, to meet the Cooperative's financial goals and objectives as well as the performance requirements stated by our lenders, a rate increase must be implemented to recover the increases in the cost of purchased power and other expenses.

The rate study performed by Guernsey, an engineering, architecture and consulting firm located in Oklahoma City, indicates test year purchased power cost will increase by just over \$2 million due to a rate increase by LREC's power supplier effective January 1, 2018. Other changes include adjustments to long-term debt interest expense and gross receipts tax expenses.

The report indicates the proposed rate changes will increase revenues from

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**HAPPY
NEW
YEAR!**



Electric Rates Continued from Page 1

\$39,739,408 to \$42,109,857 which is an increase of \$2,370,449 or 5.97%. The rate change will increase the average monthly Residential bill (1,078 kWh) from \$113.93 to \$120.80. This is a \$6.87 per month or 6.03% increase in the average monthly residential bill.

The chart on page one depicts the average monthly members' electric bill since 1992 and compares it with increases in the cost of living (Consumer Price Index) as well as the average electric bill for an Oklahoma and U. S. household for the same period. If LREC rates had increased at the same rate as inflation or the CPI, the average monthly

bill in 2017 would be approximately \$146. Currently, your Cooperative's average residential monthly bill is among the lowest in Oklahoma and is projected to be below the average despite the rate increase beginning in February.

You may obtain further information concerning the proposed rate changes and/or a copy of the proposed rate changes by calling the Cooperative at **918-772-2526**.

Residential (General Service):

	Current	New Rates
Service Availability Fee, Single Phase	\$ 27.00	\$32.50
Service Availability Fee, Single Phase over 200 Amps	\$ 37.00	\$42.50
Service Availability Fee, Three Phase	\$ 43.75	\$57.50
Energy Charge (May – September) per kWh	\$0.08570	\$0.08474
Energy Charge (Oct. – Apr.) per kWh	\$0.07670	\$0.07974

Large General Service:

Service Availability Fee:	\$115.00	\$150.00
Demand Charge, per kW	\$9.68	\$10.45
Energy Charge, per kWh	\$0.0496	\$0.0515

Security Light Charge:

LED, HPS & MV up to 7,000 Lumens	\$9.33	\$9.80
LED & MH up to 20,000 Lumens	\$27.98	\$29.38

Sample comparison of monthly residential bills:

kWhs	Month	Existing Rate	Proposed Rate	\$ Change	% Change
1,480	January	\$140.49	\$147.87	\$7.38	5.25%
1,217	February	\$120.34	\$127.39	\$7.05	5.86%
869	March	\$93.63	\$100.24	\$6.61	7.06%
806	April	\$88.84	\$95.36	\$6.52	7.34%
779	May	\$93.75	\$100.24	\$6.49	6.92%
968	June	\$109.94	\$116.66	\$6.72	6.11%
1,257	July	\$134.71	\$141.81	\$7.10	5.27%
1,428	August	\$149.41	\$156.73	\$7.32	4.90%
1,273	September	\$136.14	\$143.25	\$7.11	5.22%
1,015	October	\$104.89	\$111.68	\$6.79	6.47%
812	November	\$89.24	\$95.77	\$6.53	7.32%
1,027	December	\$105.78	\$112.58	\$6.80	6.43%
12,931	Total	\$1,367.16	\$1,449.58	\$82.42	6.03%
1,078	Average	\$113.93	\$120.80	\$6.87	6.03%

Member Satisfaction Survey

The survey results show that Lake Region Electric Cooperative members are increasingly satisfied with the co-op, reversing a downward trend in previous surveys, and now have the highest satisfaction since 2012. Just over nine of ten members (91%) say they are somewhat or very satisfied, equal to a 9.10 average rating. Less than 1% of respondents indicate they are dissatisfied with the co-op (1-3 ratings on 10-point scale).

Responses to the American Customer Satisfaction Index questions are also higher compared with past surveys. The co-op's ACSI score has risen to 88, compared to 84 last year, and is the highest of the previous surveys back to 2012. The LREC score also continues to be higher than the national co-op average (78), as well as the national averages for investor-owned utilities (75) and municipal utilities (72).

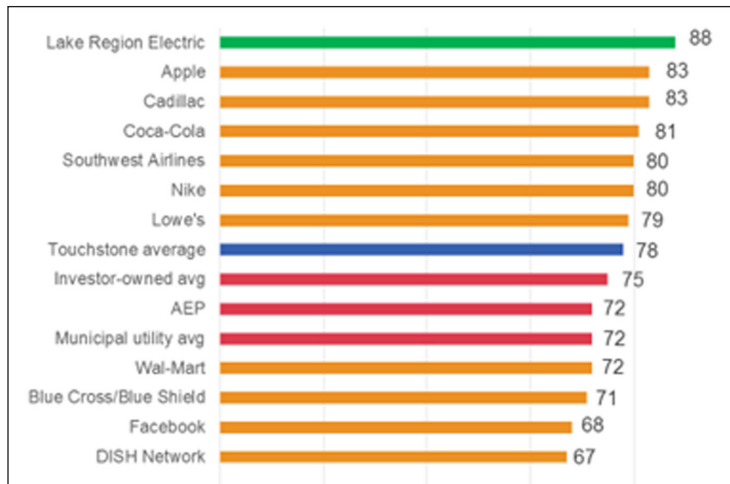
Member loyalty is also higher. If given the choice today, 87% say it is somewhat or very likely they would again choose Lake Region, compared with 84% last year.

Among the key satisfaction drivers, respondents give the co-op the highest ratings for knowledgeable, courteous and professional employees, as well as reliable power and quality customer service (90% satisfaction each), all similar to the 91% overall satisfaction level.

Satisfaction *2087024* with charging reasonable rates is at 83%, generally higher than most co-op surveys. Delivering good value is a key to increasing overall satisfaction – satisfaction with good value is at 85%. Both attributes are fractionally higher than a year ago. The chart below compares LREC's ACSI score to other entities and utility averages.

Attitude & Perceptions

Comparison of ACSI Scores



Electric Cooperative Youth Tour



Each year, Lake Region Electric Cooperative sends three high school juniors on an all-expenses-paid trip to Washington D.C. These students join 1,400 other juniors, also sent from electric cooperatives across the country to learn about our nation's government, our nation's history and their place in our nation's future.

LREC selects three students for this all-expense paid trip by visiting local schools and discussing the essay contest written on the topic provided by LREC. The essay must be submitted by the deadline to be eligible. Two winners from each school attend a luncheon at the LREC main office in Hulbert for a question and answer interview section of the contest, where the top three students win the trip of a lifetime in June.

Students may contact their high school guidance counselors or contact LREC for more information about LREC's Youth Tour contest.

Representatives from LREC will visit local schools in the cooperative's service territory and present a presentation about electric cooperative's history, business model and the annual Youth Tour trip.

The 2018 Youth Tour will be held June 8 - 14, 2018.

For more information on the Youth Tour, you can visit LREC website www.lrecok.coop the national website www.youthtour.coop or Oklahoma Association of Electric Cooperatives website www.oaec.coop.



10 Quick Tips to Avoid High Winter Bills

Looking to lower your bills this winter? Use the 10 tips below to conserve energy.

- 1  Seal air leaks and insulate well to prevent heat from escaping and cold air from entering your home.
- 2  Reduce waste heat by installing a programmable thermostat.
- 3  Turn off lights when not in use.
- 4  Lower your water heater temperature. The Dept. of Energy recommends using the warm setting (120 degrees) during fall and winter months.
- 5  Unplug electronics like kitchen appliances and TVs when you're away.
- 6  Open blinds and curtains during the day to allow sunlight in to warm your home.
- 7  Close blinds and curtains at night to keep cold, drafty air out.
- 8  Use power strips for multiple appliances, and turn off the main switch when you're away from home.
- 9  Wash clothes in cold water, and use cold-water detergent whenever possible.
- 10  Replace incandescent light bulbs with LEDs, which use at least 75 percent less energy.

The Truth About Electric Space Heaters

Before you purchase an electric plug-in space heater that claims to lower your heating bill, consider the operating costs. The cost to operate depends on the type of heater and the size of room you are heating. Use the formula provided to calculate operating costs of an electric space heater, or any electric appliance.

Watts x hours of operation ÷
1,000 x kilowatt-hour (kWh) electric rate
For example, a 1,500-watt space heater running 24 hours per day would cost \$3.60 per day at a rate of ten cents per kWh.

$$1,500 \times 24 = 36,000$$

$$36,000 \div 1,000 = 36$$

$$36 \times .10 = \$3.60$$

That's more than \$100 a month for just one heater!



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www.lrecok.coop

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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 or mail during the month of publication.

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

For more information, call 800-364-LREC or 918-772-2526

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