



**Energy Efficiency  
Tip of the Month**

Reduce energy for water heating. Take simple steps like lowering your heater's temperature and installing low-flow shower heads to reduce your water heating bills.

*Source: Department of Energy*

Don't forget to Fall Back, November 1st. Set your clocks back one hour.



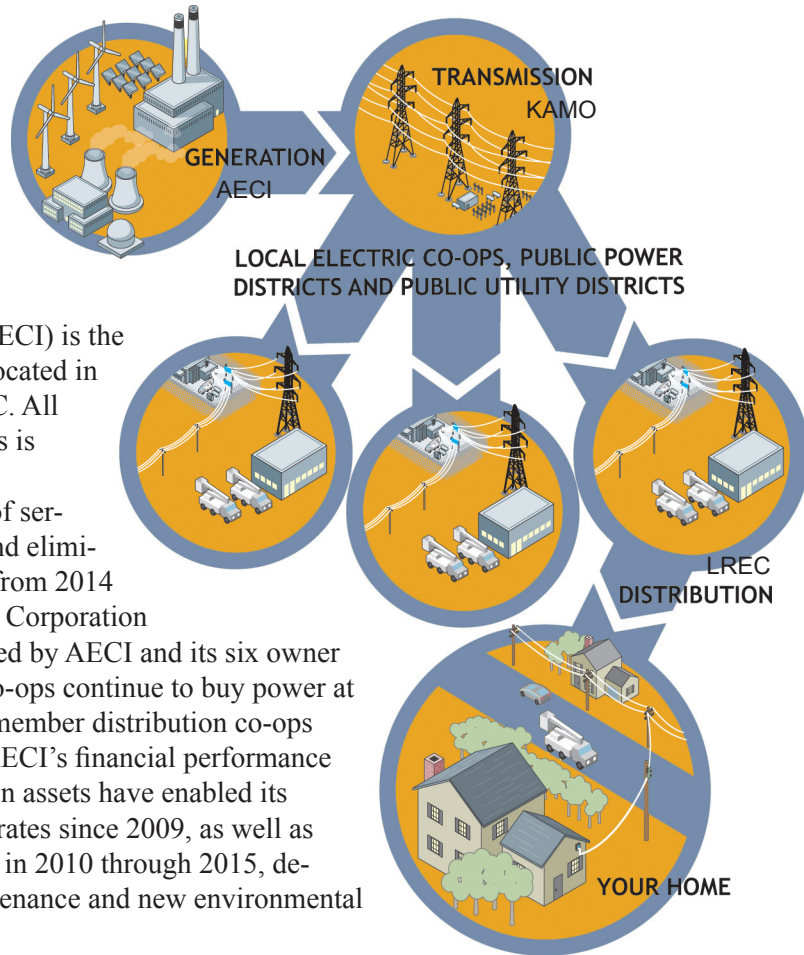
## Cost to Provide Electric Service to Members is Increasing

Associated Electric Cooperative (AECI) is the electricity generation power supplier located in Missouri that supplies power for LREC. All the electricity provided to our members is purchased from AECI.

AECI's board has approved a cost of service study for 2016, increasing rates and eliminating the energy rate discount. Data from 2014 National Utilities Cooperative Finance Corporation show member distribution co-ops served by AECI and its six owner generation and transmission (G&T) co-ops continue to buy power at a lower cost than average paid by nonmember distribution co-ops in eight states surrounding Missouri. AECI's financial performance and diverse generation and transmission assets have enabled its board to hold steady wholesale power rates since 2009, as well as provide rate discounts to the six G&Ts in 2010 through 2015, despite increasing fuel, operations, maintenance and new environmental compliance costs.

AECI board re-examined various cost elements of demand and energy components and realigned them to ensure margins are collected proportionally.

There will be a two-step rate increase; effective January 1, 2016, the energy rate discount will be eliminated from the current rate structure and effective April 1, 2016; new rate structure will go in effect.



### Contributing factors that make AECI rate increases necessary for 2016 are:

- Anticipated reduced off-system sales margins due to low natural gas prices dampening energy market prices and reducing off-system sales revenue.
- Increased environmental compliance costs from EPA on green house gas emissions.
- Increase in the delivered coal costs to power plants from the train rail system.

LREC's board has been diligent in keeping our rates to our members steady. LREC has not had a rate increase in seven years.

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# Electric Rates

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A study of rates during 2014 shows that LREC has the second lowest rate among the cooperatives in Oklahoma and Arkansas.

The average cost per kWh for residential customers for Oklahoma cooperatives is 11.24 cents and 10.63 cents in Arkansas. **LREC members pay 16% less than the average in Oklahoma or only 9.47 cents per kWh.**

“We are happy that we have been able to maintain low rates and at the same time offer excellent service to our members,” said Hamid Vahdatipour, CEO.

Our recent member satisfaction survey, conducted by a third party, gave LREC an American Customer Satisfaction Index (ACSI) rate of 87. This is higher than the average rate among the cooperatives, which is 81 and higher than the average

rate for Investor Owned Utilities (IOU) and municipal utilities. (See ACSI Scores Chart below)

Due to the increase for cost of purchased power and other operating costs, we have engaged a consulting firm to conduct a cost of service study and provide a recommendation to LREC’s board for any potential need in adjusting the rates. It is possible that the rate for

2016 will have to be adjusted in order for us to meet our mortgage requirements.

Please read your monthly Powerline Press member newsletter for more details on LREC rates.

## 2015 ACSI Scores

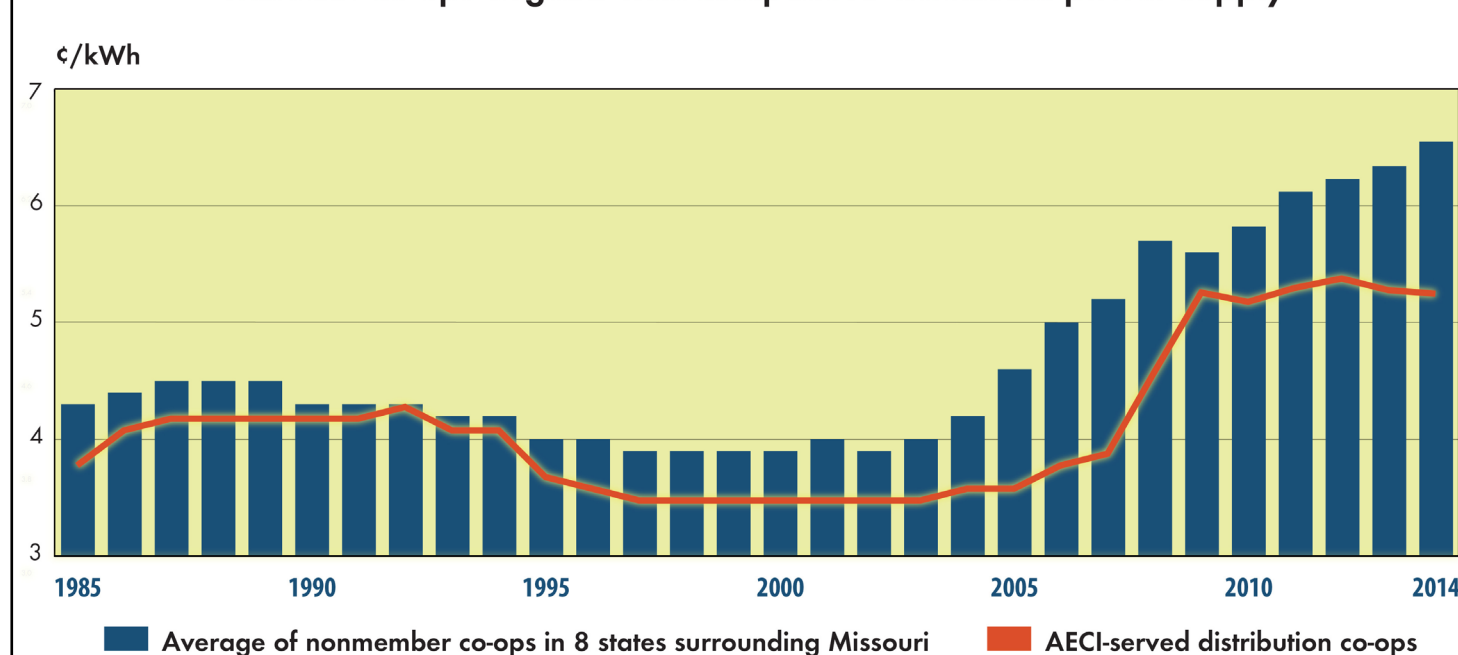
Lake Region	87
Apple	84
Airlines	84
Municipal Utilities Avg.	76
IOU Utilities Avg.	75
Facebook	65
Cable/Satellite	65

*The American Customer Satisfaction Index (ACSI) is the only national cross-industry measure of customer satisfaction in the United States. The Index measures the satisfaction of U.S. household consumers with the quality of products and services offered by a company.*

*Every year LREC conducts an ACSI survey by calling members to rate their service received by LREC. This helps the co-op know its members’ opinion on the co-ops, and how we can improve our services.*

Survey Conducted by Inside-Information

## Member co-ops aligned with competitive wholesale power supply



Provided by AEI

# Why electric co-ops replace utility poles

You probably do not pay much attention to the utility poles found throughout Lake Region Electric Cooperative's service territory, but did you know these tall structures are the backbone of our distribution network?

Sturdy utility poles ensure a reliable electric system, which is why we routinely inspect thousands of poles found on our lines every year. Throughout the year, our crews check poles, and we also hire pole inspection contractors to check for pole decay caused by exposure to the elements. LREC knows which poles are the oldest and conducts inspections through a rotational process. Typically, a standard wooden distribution pole is expected to last more than 50 years.

Occasionally, poles need to be replaced for other reasons besides decay and old age. Weather disasters, power line relocation and car crashes are potential causes for immediate replacement.



YouTube



If viewing our digital newsletter, click the link to see a short video on replacing a utility pole.

<http://bit.ly/1EBQivs>

## Here is a quick breakdown of how crews replace a utility pole:

When a pole needs to be replaced, crews will start the process by digging a hole, typically next to the pole being replaced. The depth of the hole must be 15 percent of the new pole's height. Next, the new pole must be fitted with bolts, cross arms, insulators, ground wires and arm braces – all of the necessary parts for delivering safe and reliable electricity. Then, crews safely detach the power lines from the old pole. The new pole is then raised and guided carefully into position, and the lines are attached, leaving the 2218705 new pole to do its job.

So, the next time you come across a LREC crew replacing a pole, use caution and know that this process ensures a more reliable electric system for you, our members.

## LREC in the Community

Lake Region Electric Cooperative was happy to participate in the Hulbert High School Homecoming parade. Parents and kids seemed to enjoy seeing the Chevy Volt electric car and a large bucket work truck during the parade. LREC promotes electric hybrid vehicles as an alternative to high fuel costs. The Chevy Volt averages 2.8 cents per mile on the current LREC electric rates. LREC is proud to be a part of local community events like these.



*Brent Lamons driving the LREC electric car, and Dean Buford driving a large bucket truck, during Hulbert's Homecoming Parade.*



# Report outages conveniently using SmartHub

Power outages can be stressful but the SmartHub app makes reporting outages quicker and easier than ever. If you experience an outage, you can simply log in to the SmartHub app on your iPhone or Android device and select the Report an Outage icon.

If the app indicates that an outage is already noted in your area, you will know that the cooperative is already aware of an issue and is working to restore power as soon as possible. Continue with the process and report your outage so cooperative personnel will be able to verify that all affected meters are back on after power is restored.

If no outage is shown in your area, you can report the outage and add any comments about the outage that may be helpful, such as what time the outage began, or other circumstances such as lightning strikes, loud noises, etc.

If you don't have the SmartHub app on your phone, you can download it for free from the Android Marketplace or the Apple App Store.

Outages can also be reported on the Internet at [lrecok.smarthub.coop](http://lrecok.smarthub.coop), or by clicking the SmartHub link at [www.lrecok.coop](http://www.lrecok.coop).

With SmartHub, you can also; make a payment, check your electric usage, notify LREC of account

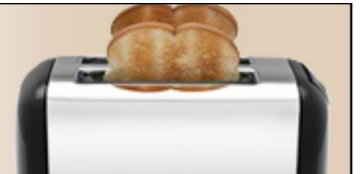


issues, receive e-mail or text alerts and communicate directly with the cooperative.

SmartHub is easy to navigate. It's simple and the quickest way to make a payment or view your bill. You can compare bills and find out what day of the week you typically use the most electricity.

**LEARN MORE ABOUT THE POWER  
OF YOUR CO-OP MEMBERSHIP.**

**TOGETHERWESAVE.COM**



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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](http://www.lrecok.coop)

## 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 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.