



Energy Efficiency Tip of the Month

A well-designed landscape provides both energy efficiency and curb appeal for your home. The type of vegetation you choose is as important as where they are planted. Sunlight streaming through windows and bearing down on the roof can drive up air conditioner use. Using shade trees and shrubs in your landscaping plan can help reduce cooling costs. In the winter, deciduous trees lose their leaves and let in warmth.

Source: Energy.gov

Annual Meeting

Look for our Annual Meeting election results, prize winners, and photos in our June issue of the Powerline Press.

2014 Youth Tour Delegates

■ *Investing in the Local Leaders of Tomorrow*

Lake Region Electric Cooperative is pleased to announce the selection of three delegates to participate in the 2014 Electric Cooperative Youth Tour trip to Washington, D.C. The selections were made based on essays written on a topic chosen by the cooperative. From the essays entered, the local schools chose their finalists to compete in the final question and answer session held at the LREC main office in Hulbert. A panel of three judges interviewed the students based on their subject knowledge, personality, speaking ability, and presentation. All of the participating students who qualified for the final judging received a \$50 cash prize.

The Youth Tour competition is available to all students in LREC's service territory who are completing their junior year in high school. Glen Clark, Youth Tour Coordinator, visited local schools in the service territory and presented a presentation about the electric cooperative history and the annual

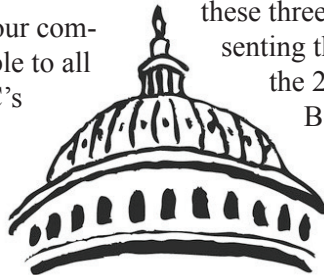


Photo by: Larry Maties

Left to right: Bethany Shultz, Hallie Barnes, and Paige Taylor

Youth Tour trip.

LREC is pleased to have these three students representing the cooperative for the 2014 Youth Tour:

Bethany Shultz of Hulbert High School, daughter of David and Julie Shultz; Hallie Barnes of

Porter High School, daughter of Kent and Diana Barnes; and Paige Taylor of Hulbert High School, daughter of Bennie and Shelly Taylor.

The trip will begin when they join other winners from across Oklahoma for a "Get Acquainted Banquet" in Oklahoma City. The delegates will board a plane the following morning and fly to Washington, D.C.

Six eventful days at the nation's capital will include a tour of the Capitol, riverboat trip on the Potomac River and a tour of Mount Vernon. Students will also meet with Oklahoma's Congressional Delegation and visit many other points of interest.

Annual Review and Update on Cooperative

Lake Region Electric Cooperative's mission adopted by the Board of Trustees charges the cooperative to promote and sustain the self-reliance of members by providing the most reliable utility service at competitive rates. Our rates continue to remain steady after a downward trend from 1992 through 1998 despite the fact that other energy prices such as natural gas and propane have risen sharply. LREC's last rate increase was in 2009. LREC now has the 3rd lowest rate among the cooperatives in Oklahoma and the average Oklahoma rate is among the lowest in the nation. The board and the management team's philosophy is to keep a financially strong cooperative so we can ride through ups and downs in the economy and keep our member rates as low and stable as possible.

Electricity prices in Oklahoma have climbed 41 percent since 2002 according to the U.S. Department of Energy. However, LREC's prices have increased only 27 percent during the same time period. In 2002, LREC members enjoyed the 6th lowest rates among the cooperatives in Oklahoma. In 2012 we are now enjoying the 3rd lowest in Oklahoma.

In 2004, 56 percent of LREC's operating expenses, or \$13,236,993, was comprised of the wholesale power cost. The environmental mandates have increased the power cost in 2013, it is now \$23,840,477 or 65 percent of LREC's Revenue. This means that we have been absorbing a big portion of the increase cost of purchased power rather than passing it on to the members. New EPA regulation is estimated to continue to artificially increase the cost of electricity generated by coal and force increases in our members' bills.

Due to the strong financial position of LREC, we have been able to absorb the increases in power cost and other operating expenses in the past few years. However, we may not be able to do so in the future depending on the size of these cost increases.

Back Then

In the 1930s, rural America had been left in the dark as electricity made its way across the country. Electricity had become a modern necessity and big cities enjoyed the opportunities this emerging technology brought. But rural folks had to do without this needed commodity.

Into the gap stepped the hardworking men and women of rural America who formed electric cooperatives to bring power to areas that had been overlooked. In our part of Northeast Oklahoma, these pioneers formed Lake Region Electric Cooperative. As a result, the quality of life for our local communities was forever changed.

A New Necessity

In the 21st century, a new technology is emerging: Broadband Internet. This new technology is transforming lives and bringing economic development to the areas that adopt it. Once again, we have been left behind. Your cooperative must step up to the plate and do what others won't do.

In rural Oklahoma, we also need vital services to live a better life, access resources and ensure our children get the best education possible. LREC is willing and ready to provide this service, but – because we always have the best interest of our members at heart – we don't want this project to impact electric service costs to members. Using a subsidiary to provide broadband telecommunications services keeps these two businesses separated, and one class of customers will not subsidize the other – only the members requesting this service will be responsible to pay for it.

Customer service is LREC's strong point. American Customer Service Index or ACSI is a measurement tool to evaluate the level of customer service provided by an entity to its customers. Many organizations set a goal and train their employees to achieve an ACSI score of 80. Electric utility in general has scored a rating of 72. I am pleased to announce that in a survey conducted in 2013, LREC received an ACSI rating of 83 from our members/customers.

Excellent customer service, strong financial condition and rate stability have been among the top drivers directing Lake Region Electric Cooperative's long-range planning and day-to-day operations. I am pleased to announce that we have met or exceeded those goals for 2013.



Hamid Vahdatipour, CEO



Lake Region
Electric Cooperative's
2013 Annual Report is
available online at
www.lrecok.coop/annual-reports

Electric System Improvements Near You

Greenleaf Substation Transformer Replacement

LREC and KAMO Power, the transmission company that LREC buys electric from, have recently replaced the Greenleaf Substation transformer with a larger one. The larger transformer allows LREC to meet the growing electrical demand of the members near Braggs, Oklahoma and surrounding areas.

“The load served by the old transformer nearly reached the capacity rating of the transformer during the 2012 summer peak, and we have had several new loads come on-line in the area since the fall of 2013. If we have another summer like we did in 2012, then the transformer would have been overloaded beyond its capacity rating. This is one of the main reasons KAMO upgraded the transformer,” stated Logan Pleasant, LREC Engineer.

Substation upgrades are required to make sure businesses, residents, and industrial facilities continue to have a reliable supply of electricity for years to come.

Remember the voltage entering and exiting a substation far exceeds anything you’ll find at home. Fences protect you and the equipment housed within. Never enter a substation.



Photo by: KAMO

DEFINITION Substation

Substations are the connection points between power lines of varying voltage and contain equipment that control and protect the flow of power. Substations include transformers that step down and step up the voltage so power can be transmitted through transmission lines or distributed to your community through distribution lines.

DEFINITION Transformers

Transformers step down the voltage in a substation so power can be distributed safely to your community through distribution lines. Transformers also step up the voltage so power can be transmitted through transmission lines.



Hunter Cunningham and Duane Watkins

Journeyman Lineman Certification

LREC employees were recognized during the Oklahoma Association of Electric Cooperatives (OAEC) Annual Meeting for earning Journeyman Lineman certifications. Hunter Cunningham (left) and Duane Watkins (right) have completed the OAEC Journeyman Lineman training program. The individuals must complete four years of classroom training and book work plus a set number of hours of technical on-the-job training to receive the Journeyman Lineman certification. The program provides instructions on all aspects of working in the co-op's operations department. The program meets both national and state certification requirements.

LREC would like to congratulate 2358102 both these individuals on completing the Journeyman Lineman training.

LREC employees freed a family from a car wreck in February and received Touchstone Energy Recognition



Left to right: Clay Wilson, Martin Walls, and Jerry Latty.

You can read the full article on www.ect.coop
direct link: <http://bit.ly/1lMOaDy>

The Touchstone Energy Power & Hope Employee Recognition Program honors co-op employees who have gone the extra mile to help those in need. These three employees went above and beyond to help out during a car wreck on Highway 51 on an icy February morning.

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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

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.