

living with energy

IN IOWA

Southern Iowa
Electric Cooperative
A Touchstone Energy® Cooperative

JUNE 2017

On-peak demand rates will provide fairness among SIEC members and might just save you money!

Boating this summer? Keep electrical safety in mind

Take your
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on a picnic!

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Win a large-capacity
food dehydrator!

Substation
of the future
will fortify the
smart power grid

It's time for a change

BY GREG PROCTOR

What has changed in your life during the last 5 years? 10 years? 15 years? Do you communicate differently, for example, by using text messaging? Do you get information from different sources that use various forms of technology? Do you use the Internet to purchase goods and services and have them arrive at your front door? Without a doubt, most of you answered *yes* to some, if not all, of these questions.

The energy industry also has experienced substantial change in recent years. Innovation has brought



forth smart homes controlled by smart phones that use energy captured from nature. The electric car has emerged from a three-wheeled golf cart to a sleek, high-performance vehicle. We've seen advancements in battery technology, construction materials and energy-efficient appliances.

Society now views how and where energy is produced and used in a different light. The delivery of energy is no longer a one-way street, and how the electric distribution system is utilized has changed.

Cooperatives across the United States are founded on a few basic principles with the strongest of those being fairness. The equation for going about business is simply **sales = expenses**, with any dollar amount in excess of expenses being returned to members based on their financial contribution to the "sales" portion of the equation for a given year (i.e., margins). Cooperatives have always returned money to their members in a fair manner – but despite their best efforts – have not always been able to collect money to cover expenses at the same level of fairness. Recent technological innovations have dramatically altered our ability to achieve fairness.

Effective Sept. 1, 2017, a change will take place at Southern Iowa Electric Cooperative, Inc., that will increase fairness among members. All residential, seasonal, farm, nonresidential and public meters will have a demand component on their monthly bills. Why? To begin recovering cooperative expenses based on each member's contribution to that specific cost. You see, Southern Iowa Electric Cooperative also pays a power bill each month on behalf of all of our members. It's divided into 2 parts:

1. Energy (kilowatt-hours) – total energy consumed, and

2. Demand (kilowatts) – the highest amount of energy required over a specific period of time. The demand component of your cooperative's bill is based on the highest amount of energy the entire SIEC distribution system requires during a 1-hour period. Data from our power supplier has identified this period of time almost always as **7-8 a.m. or 4-8 p.m., Monday-Friday only**. These are Southern Iowa Electric Cooperative's **on-peak** demand hours.

Historically, each SIEC member has paid an equal amount for demand, because it couldn't be measured by mechanical metering equipment. It was simply included within the energy (kilowatt-hour) price. During the last 15 years, your SIEC Board of Directors has invested in technology capable of measuring each member's individual portion of the entire SIEC system demand expense during on-peak hours – and every member can pay their fair share!

Because of this, members who contribute very little to the system-wide demand will likely see a reduction in their monthly bills. However, members who greatly contribute to the system demand will likely experience an increase in their monthly bills – but the choice is theirs. Members can simply choose to shift some of their energy use outside of on-peak hours or stagger use during on-peak times from one hour to the next. Paying attention to energy use during the on-peak hours (remember: 7-8 a.m. or 4-8 p.m., Monday-Friday only) can provide savings for you and the cooperative. The on-peak period only constitutes 15 percent of the annual billable hours.

As a member, you may have one or more of the following concerns.

1. My schedule doesn't allow me to stagger and/or shift energy use during on-peak times, and I



Southern Iowa Electric Cooperative
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Our mission is to serve our members and community by safely providing reliable and environmentally responsible power and other services efficiently and at a competitive price to benefit members and improve the quality of life in the areas that we serve.

Office: 22458 Highway 2, P.O. Box 70,
Bloomfield, IA 52537-0070
Phone: 641-664-2277 or 800-607-2027
Phone Payments: 800-927-5341
Report Outages: 800-607-2027
 Call Before You Dig – Iowa One Call: 800-292-8989
Website: www.siec.coop
 Office Hours: Monday-Friday, 8 a.m.-4:30 p.m.
 Closed Saturdays, Sundays and holidays

Management
 Greg Proctor, CEO/General Manager
 Jo Altheide, CFO/Key Accounts Manager
 Ross Hunter, Systems Analyst

Board of Directors

Darrell Downing, President	Travis Harris
Paul Wells, Vice President	Beth Sullivan
Joy Evans, Secretary	Earl Trachsel
Dave Yahnke, Treasurer	Ben Koellner
	Fred Zeitler

What to Do in Case of Trouble

- ▶ Check for blown fuses or tripped breakers.
- ▶ Check with your neighbors. Ask if their electricity is off and whether they have reported the outage. If not, call Southern Iowa Electric Cooperative, Inc., and report the problem 24 hours a day: 641-664-2277 or 800-607-2027.

Service Charges

ACH (Electronic Payment).....	No Charge
Bill Collection.....	\$50
Meter Tampering	\$150
Overtime Service Call.....	\$150
Disconnect.....	\$50
Posting.....	\$50
Returned Check	\$30
Reconnect.....	\$75
Trip Charge	\$50

This institution is an equal opportunity provider.

On-peak demand rates will provide fairness among SIEC members and might just save you money!

can't afford a higher electric bill. What can I do?

Southern Iowa Electric Cooperative realizes that change requires education and communication. We're just beginning this process, so the initial price charged for on-peak demand is very low in an attempt to reduce as much negative financial impact as possible. As a result, SIEC will still be recovering part of our system demand cost in the traditional energy (kilowatt-hour) charge.

However, future rate increases primarily will be applied to the on-peak demand charge. This means members will see a slow increase in the price for on-peak demand (kilowatts) and a slow decrease in the price for energy (kilowatt-hours) over time. Members can also find savings by utilizing a timer on household equipment, such as the water heater, and/or using a programmable thermostat. Investing in energy-efficient lighting, insulation and high-performance doors and windows can make a sizable difference as well.

2. If the majority of members make the effort to adjust their energy use during on-peak hours, will the cooperative have enough money to maintain the system?

The cost of maintaining the Southern Iowa Electric system comes primarily – but not entirely – from the Customer

Related Fixed Charge. The on-peak demand charge is different; it relates entirely to our power bill. Simply put, if your on-peak demand is reduced, then the whole cooperative's on-peak demand is reduced. You save and the co-op saves!

3. Is it possible that once the majority of Southern Iowa Electric Cooperative members change how they use energy that the on-peak hours will change?

Southern Iowa Electric Cooperative serves an agriculture-driven community and has for the past 78 years. That's our heritage and our tradition. Changing who we are as a community would take generations. Lifestyles don't change overnight either. Although the possibility exists, there's a very small chance that the on-peak hours will change.

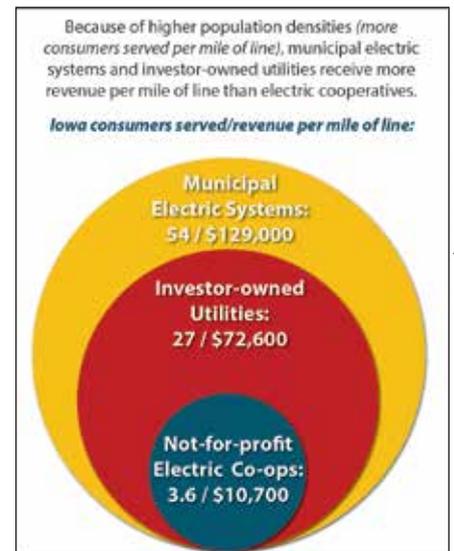
Fairness among members: The Board of Directors and employees of Southern Iowa Electric Cooperative have this in mind when each decision is made. The introduction of on-peak demand rates is yet another step in improving member fairness. Cooperative members already receive capital credits based on the amount they pay. Now, members will pay for the energy they use and, for the first time, their portion of the SIEC system on-peak demand expense. ⚡

Greg Proctor is the CEO/general manager of Southern Iowa Electric Cooperative, Inc.

We cover more ground than other types of utilities

Iowa's not-for-profit electric cooperatives power the lives of 650,000 Iowans throughout all 99 counties and are committed to delivering power that's safe, reliable, affordable and environmentally responsible. Iowa's co-ops own and maintain enough power lines to wrap around the equator two-and-a-half times!

In fact, 80 percent of Iowa's land mass is served by electric co-ops – primarily rural areas with sparse populations. This means that Iowa's electric cooperatives must maintain more infrastructure with less revenue per mile, compared to other electric utilities in the state. Because of our not-for-profit structure, our rates and fees are designed to recover costs only. We don't seek to make a profit on the services we provide. When we do have excess capital, it's reinvested into our systems and returned to our member-owners in the form of patronage. ⚡



Source: Iowa Association of Electric Cooperatives

EDITOR'S CHOICE CONTEST

Win a large-capacity food dehydrator!

You can make lots of nutritious dried fruit, vegetable snacks and jerky with Cabela's 10-Tray Deluxe Dehydrator. The unit features a rear-mounted, 900-watt heater and 6.5-inch fan for even drying, along with side air slots that eliminate the need for rotating the trays.

To enter this month's contest for the \$200 Cabela's dehydrator, please go to the *Living with Energy in Iowa* website at www.livingwithenergyiniowa.com and complete the entry form no later than June 30, 2017. ⚡



SIEC awards three \$2,000 scholarships and two \$1,000 scholarships

Southern Iowa Electric Cooperative recently awarded five scholarships to area high school seniors. These are the three winners of SIEC Academic Scholarships; each will receive a scholarship for \$2,000:



Trevor Albert, a graduate of Cardinal High School, is the son of Richard and Michelle Albert of Eldon. He's planning to attend

Grand View University and study kinesiology.



John Davis, a graduate of Moulton-Udell High School, is the son of Brian and Amanda Davis of Moulton. He's planning

to attend Iowa State University and study biology/pre-med.



Kelly Lynch, a graduate of Davis County High School, is the daughter of Rick and Susan Lynch of Bloomfield. She's

planning to attend the University of Iowa to study English.

We had a tie in our Lineman School Scholarships. Both of the winners are enrolled in the Powerline Technology/Lineman Program at Northwest Iowa Community College, and each will receive a scholarship for \$1,000:



Dylan Bragg, a graduate of Davis County High School, is the son of Mary Leer and Shawn Pulis of Bloomfield.



Haze Goodson, also a graduate of Davis County High School, is the son of Tracy Goodson and Apryl Goodson of Bloomfield.

We would like to take this opportunity to congratulate all the students who applied for the 2017 Southern Iowa Electric Cooperative Scholarships. We wish you well in your future endeavors! ⚡

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811 or 800-292-8989

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 (641) 664-2277 • www.sie.coop

OFFICE CLOSING

SIEC's office will be closed Tuesday, July 4, in observance of Independence Day.

➔ SIEC's annual pole and meter testing has been completed.