

InTouch

WITH MEMBERS OF  FRANKLIN RURAL ELECTRIC COOPERATIVE

February 2023

Your Touchstone Energy® Cooperative 



A WORD FROM



Garrett Thompson
Chief Executive Officer

One of the enjoyable components of my position is sharing positive news and information with you, our members, which is part of what I am doing today. At the December 2022 board meeting, your board of directors approved a bill credit to the membership totaling \$215,765. The unenjoyable part is acknowledging the Facility Charge increase effective Jan. 1, 2023. I'm sure most of you are thinking, "Why would you give a credit one month only to raise rates the following month?" This is an excellent and worthwhile question I hope to explain in a plain and simple manner so you may have a better understanding of our electric rates.

At Franklin REC, we try to keep electric rates as simple as possible, however, they can become confusing depending on your location's level of service. For today's discussion I will be covering and referencing our rate structure for the average homestead usage, which speaks to the majority of our membership.

If you have a copy of your electric bill, it may be helpful to reference while I explain in more detail. I will be spe-

December bill credit and January Facility Charge increase

cifically discussing the section of the bill entitled "Detail of Charges."

Two (2) Part Rate

Franklin REC's electric rates can be broken into two categories: fixed costs and variable costs.

Franklin REC's Fixed Costs: These costs are items the cooperative spends money on regardless of the amount of electricity used every month, such as poles, wire, insurance, depreciation, wages, transformers, tools, and so on. *Where does this appear on my bill?* The fixed cost is shown as the line item "Facility Charge" on your bill. This is a monthly charge.

Member Fixed Costs: This is the cost associated with the delivery of power at your specific location. The cost consists of the meter(s), transformer(s), wire, poles, and material to provide power at the single location.

Franklin REC's Variable Costs: The cooperative's variable costs are affiliated with the amount of electricity used during a single month. The majority of this cost consists of Franklin REC's power purchases from our generation and transmission cooperatives, Corn Belt Power Cooperative and Basin Electric Power Cooperative, for us to distribute to our membership.

Where does this appear on my bill? The variable cost is shown as the "Energy Charge." This is a tiered charge, after the first 1,000 kWh are used the rate decreases for the remaining usage.

Member Variable Costs: Your variable cost is associated with the amount of electricity used at your service location

during a month period.

While analyzing and determining our rates and rate structure, we attempt to classify each individual cost into a specific category. If the cooperative was to include fixed costs within the energy charge and we have a low usage month, we would be unable to pay for those fixed costs. Alternatively, if we included the variable costs into the monthly facility charge during a low usage month, the cooperative would be overcollecting from the membership. Thus, influencing the importance of our diligence in reviewing each cost associated with operating the cooperative while maintaining our financial obligations and responsibility to our membership.

December Bill Credit and January Facility Charge Increase

Now that we have a better understanding of Franklin REC's rate structure, I will discuss the purpose of the December credit followed by the January rate increase as mentioned above.

December bill credit: Basin Electric, from whom Franklin REC purchases power, issued a credit to Franklin REC due to an overcollection of energy purchased during the 2022 calendar year. This means you, our member, paid into that credit through your energy charge on your monthly bill, which is why the board of directors elected to return the credit in the same revenue year the credit was received.

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Mid-winter: Perfect time for new habits

It's too late for New Year's resolutions and too early for spring cleaning, but mid-winter is the perfect time to break bad habits when it comes to using electricity around the house.

For example, are you still using the extension cords you unpacked when you decorated your house for the December holidays? If so, put them back in their boxes; extension cords are designed for temporary use only. And if you're hiding them under rugs, they might become frayed and damaged, which is a fire hazard.

It's never the wrong time of year to seal leaks around windows, doors, and penetrations in walls where wires and cables enter the house. Use caulk and weather-stripping, and engage your children in this energy-efficiency exercise. It will teach them how to conserve energy and use it wisely.

Finally, consider making energy-efficient home improvements around the house before remodeling season emerges with spring weather and contractors are hard to hire. Have a programmable thermostat installed; replace any old, single-pane windows you still have in your house; and add insulation to the attic.

Please visit our website at www.franklinrec.coop for information on energy efficiency, electricity, safety, and more.

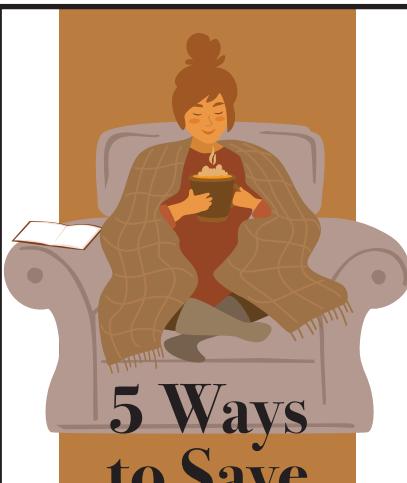


Should I close off unused rooms during winter?

It seems that if you close the door to an unused room, you can avoid paying to heat it, right?

The opposite is true. When you close off an interior room, or if you close the air vents in that room, your heating system has to work harder and can even break down as a result.

The reason? Your home's heating system is designed to keep the whole house comfortable by distributing heat evenly throughout. That can cause a pressure imbalance, which can damage your ducts or your heating system.



5 Ways to Save During Winter

Winter weather typically means increased energy use at home. Keep your bills in check with these tips to save energy—and money!

Mind the thermostat. If you have a traditional heating and cooling system, set the thermostat to 68 degrees or lower. Consider a smart or programmable thermostat for additional savings.

Get cozy. Add layers of clothing for additional warmth, and snuggle up under your favorite heavyweight blanket.

Don't block the heat. If your air vents or heating elements (like radiators) are blocked by furniture or rugs, your home isn't being adequately heated.

Take advantage of sunlight. Open window coverings during the day to let natural sunlight in to warm your home. Close them at night to block the chilly night air.

Block air leaks. Seal windows and exterior doors with caulk and weather stripping to improve indoor comfort and decrease the amount of energy used to heat your home.



STUDENTS: Scholarship and Youth Tour deadlines are approaching!

- **Commitment to Community Scholarship:** March 6, 2023
- **Iowa Lakes Community College Scholarship:** March 1, 2023
- **Northwest Iowa Community College Scholarship:** March 1, 2023
- **Youth Tour:** Feb. 27, 2023

Be sure to check our website at www.franklinrec.coop for information and applications.

Save with rebates!

Considering energy-efficient upgrades to your home? Building a new home? Franklin REC offers members a variety of incentives for appliances, electric heating and cooling systems, insulation, water heaters, and so much more.



For more information,
visit
www.franklinrec.coop.



**Powering Lives.
Empowering Communities.**

Our mission is to serve. Our priority is you.

Be prepared: Tips to make your home more secure

These days, soaking in daily (or hourly) news can make the world feel like a scary place. At the other end of the spectrum, our close-knit communities can feel safe, which can lead to complacency. Many of us can recall growing up in a home where the doors were never locked, and it felt like everybody knew everybody.

In either case, assessing your home's overall security is a good idea.

While we have home security systems, smart doorbells, and smart locks available to us, here are five additional safety tips to help make your home more secure:

1. **Assess entry points.** Take a tour of the outside of your home and think like a burglar. Consider which windows and doors would be easy to break or climb through. Look through the windows and see if expensive items are on display. Make sure each window and door is locked. Draw curtains or close blinds when you are not home.

2. **Lock second-floor windows and doors.** "Second-story burglars" prefer to break into a home on an upper story because they know that most homeowners do not tend to lock upstairs windows and doors. Be sure to lock them before you leave, including deck doors. Also, lock up any ladders you keep outside.

3. **Lock the door to the garage.** Although it is easy to lock when you are inside your house but more of a pain to unlock when returning home, always lock the door between your garage and your home. Many people do not lock this door when they are away since the garage door is shut. However, a garage door is relatively easy to open. Home invaders can pry it open or use a factory-setting opener.



4. **Update your garage code.**

Randomly change your garage code instead of changing it on a predictable schedule (such as daylight saving time).

5. **Do not forget sliding doors.**

A bar inserted at the base of a sliding door is an inexpensive safeguard. This ensures that sliding glass doors cannot be opened or jimmied without breaking the glass. This will frustrate invaders and the sound of breaking glass can buy you time to call for help.

Taking the time to think like a burglar and checking your home's entry points can help keep you and your family safe.

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January Facility Charge increase: In early November, Franklin REC sent a "Notice of Rate Increase" letter to all members detailing the Jan. 1, 2023, Facility Charge increase and the details regarding the decision. To summarize the notice, it explained how the cooperative's fixed costs were increasing at a rate we could no longer sustain based on the current facility charge rate.

Bringing it all together: One of Franklin REC board of director's top priorities is to do what is in the best interest of the membership, including

maintaining our financial integrity and transparency to you. The board's decision was determined by examining the credit and increase as two individual monetary events. The December bill credit was due to the over collection of energy charged by Basin Electric, which influences the variable cost. The January rate increase is associated to the increase of cooperative's fixed cost to provide electricity to your service location. To the best of our abilities, we attempt to categorize the cooperative's fixed and variable costs, and feel we should do the same with any credits or refunds the cooperative receive. This is

the reason your electric cooperative is performing a December bill credit and a January rate increase.

We are always available to answer any rate question you may have. Please call our office number (641.456.2557), send us an email (contact-frec@franklinrec.coop), send us a text (641.456.6466), mail a letter (PO Box 437), or drop by the office with your questions.

Thank you for being a member of Franklin REC and allowing the employees and board of directors the opportunity to serve you.

Electric co-ops advocate for rural Iowa as 2023 Legislative Session begins



Franklin REC representatives met with Shannon Latham (third from right), Iowa state representative, at the 2023 Welcome Reception. (L to R: Matt Roelfs, John Snyder, Dale Schaefer, Garrett Thompson, Don Greimann)

that impact rural electric cooperatives and the communities we serve. For example, we're concerned about secretive industrial and commercial corporations that are seeking to circumvent Iowa's electric service territory laws; these protections exist to provide stability for Iowa homes, farms, and businesses. Iowa's electric co-ops are also opposed to any legislation that would deny landowners the option to use their property for utility-scale solar generation if they so choose.

Beginning with the Welcome Back Legislative Reception, electric co-op directors, managers and staff will again be important advocates for a balanced approach in addressing energy issues. Collectively, Iowa's locally owned electric cooperatives provide affordable, reliable, safe, and environmentally responsible power to more than 650,000 Iowans throughout all 99 counties every day.

INTouch® is published monthly for members of Franklin Rural Electric Cooperative
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BOARD ROOM highlights

At their December meeting, Franklin REC directors:

- Approved work orders and special equipment capitalization totaling \$34,201.73
- Approved NRECA and NRTC voting delegates
- Approved director per diem
- Approved 2023 budget
- Approved nominating committee appointments
- Approved construction work plan documents
- Approved write-off of uncollectible debts
- Approved Basin credit disbursement

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