



NewsFlashes

JANUARY 2023

Customer Satisfaction Survey

Thank you to all our members who completed the recent customer satisfaction survey. What I appreciate most about the survey is that it gives our members another opportunity to provide feedback, ask questions, and express concerns. Your feedback and comments give us an opportunity each year to see how we are doing when it comes to providing you with the service that you deserve. Many of you expressed appreciation and support for our employees and service, and I am proud of the work our employees do for our cooperative and its members. Your support means a lot to us, and without it, we would not be able to continue to push forward in ways that move the cooperative in a positive direction. Also, the questions and comments of our members included in the survey responses continue to help keep us aware of what you need, want, and deserve as a member of LREC.

Transforming the LREC Member Experience in 2023!

We are excited for the new year and are looking forward to transforming your experience as a member of LREC! We are putting the following two new pillars into our strategic planning process—*Pillar 1) Transform the member experience*, and *Pillar 2) Engage, empower, and equip our employees to transform the LREC member experience*. As part of this plan, employees will continue asking ourselves two questions: “What can we do to transform the member experience?” and “What is needed in order to transform the member experience?”. These questions may mean different things to different people, but the purpose of them is to empower our employees to think of ways to best serve you as members, and to exceed your expectations in a way that transforms your experience as a member. We do not want you to simply be satisfied, but rather, we want you to feel energized and know your co-op is giving its best efforts and providing you with the best experience possible.

As an example of putting the two pillars into action, some of the comments our members included in the recent customer satisfaction survey said that there are concerns with the outage map system we currently have in place. In response, and to *transform your member experience*, we are actively looking for ways to improve our outage map system to make it more user friendly and informative. In addition to the map system improvements, we are continuing to look for new ways to keep you informed during outages so you can plan and prepare yourself or your business during such situations.

We also continue to up our game when it comes to preventing outages. I am excited about thinking ahead this year and seeing the results generated by the new technology the board approved last year, AiDash. AiDash technology allows us to use satellite imagery to monitor clearances between power lines and trees which will create a comprehensive tree trimming and removal plan that will continue to improve our reliability. Stay tuned later this year to read about how AiDash technology will improve reliability, and most importantly, improve the quality of the lives of our members.

In the spirit of our second pillar of *engaging and empowering employees*, all employees will be involved in the strategic planning process to make sure they are equipped with the tools necessary to accomplish the ultimate goal of transforming the member experience. We think it is essential to include all employees in the strategic planning process every three to five years so they are engaged, empowered, and equipped to serve our membership. With our continued prioritization on listening to what our members want, we will work hard to exceed your expectations...and hopefully, transform your member experience!

Best wishes to all of you in this new year, and I hope you agree that we have a lot to be thankful for!

Tim Thompson



Save the Date Annual Meeting



General Service Rate Increase

As announced last month, due to rising wholesale power costs from Great River Energy (GRE), Lake Region Electric Cooperative (LREC) is raising the general service rate (*effective September 1st, 2023*). GRE's power cost increases are due to rising prices in the wholesale power markets (which are primarily driven by the wholesale natural gas market). This will result in a 5% annual increase for the average member.

The increase will primarily be in our **facility charge**. A cost of service study from earlier this year indicated that LREC's facility charge wasn't recovering the *fixed costs* required to provide power to each service — such as poles, wires, transformers, substations, meters, and the like. These costs are the same regardless of the amount of electricity each home uses. By increasing our facility charge to match our cost of service, we were able to lower our energy rate across all rate classes.

We have addressed some **frequently asked questions about our facility charge on the back page**. As always, if you have a question or concern that isn't addressed, you can reach out to us at (800) 552-7658 or via our online chat at www.lrec.coop.



If you haven't yet watched one of our new **Virtual Chats**, don't miss out on these special videos from LREC's CEO Tim Thompson! Simply scan the QR code to the left with a mobile device equipped with a camera and/or QR reader app, or visit www.lrec.coop/virtual-chats.

Facility Charge FAQs

Why is the facility charge increasing?

A recent cost of service study showed that our facility charge is not covering our fixed costs to deliver power to our members. When it was determined that LREC needed additional revenue due to increases in wholesale power costs, along with other inflationary pressures, the Board of Directors voted to restructure our rates to match the results of the cost of service study. This resulted in an increased facility charge and a decreased energy rate.

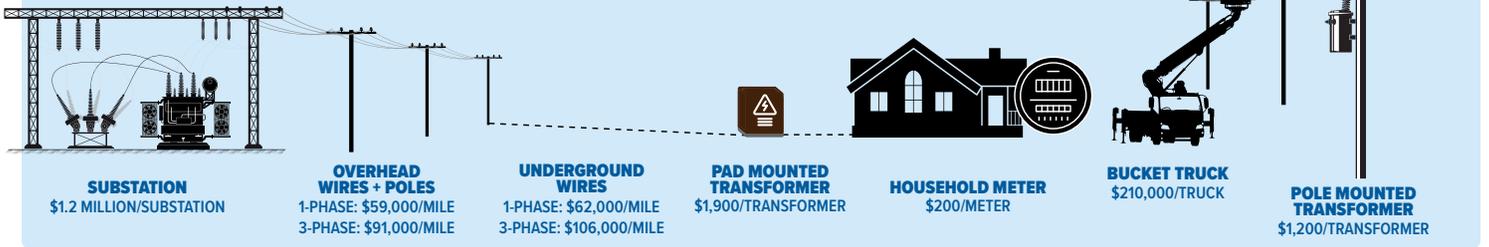
What is the purpose of a facility charge?

There are a number of fixed costs to deliver power to a service; including poles, wires, transformers, meters, trucks, etc. These are costs incurred by LREC whether or not energy is being used at a service or not. The purpose of a facility charge is to ensure these costs are properly being recovered—regardless of how much energy is consumed. LREC, along with other electric utilities, bills a separate *fixed facility charge* in addition to a *metered energy cost*.

Why is the facility charge so high?

LREC has approximately five members per mile of line, while investor-owned and municipal utilities have 40+ customers per mile. This means LREC has fewer members to share those costs compared to an investor-owned or municipal utility, resulting in a higher facility charge. Even with the higher facility charge, LREC collects less revenue per mile of line than investor-owned and municipal utilities.

Fixed Cost Items Fixed cost items are infrastructure that is required to deliver power.



LRES Natural Gas 2022 Recap

It was a good year for Lake Region Energy Services (LRES), our natural gas subsidiary. We added 126 new LRES customers in 2023, beating our goal! We now have a total of 1,156 customers. During the construction season, we extended our natural gas line to the northeast and east sides of Marion Lake.



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Next year, our focus will be on adding customers within our current service area. LRES has no new projects planned at this time. Look for updates on the LRES website at www.lakeregionenergy.com.

Member Survey Participant Winners

Thank you to all who participated in our recent survey. Your input is very important and valued as we strive to provide you with the best customer service.

The winners of a \$50 bill credit are:

- ▶ Patrick L Schmidt
- ▶ Diann S Stevens
- ▶ Judy Paulson
- ▶ Gary Dietzler
- ▶ JoAnn Turchin

Reduce Your Home Energy Costs with Off-peak Heating & Dual Fuel Programs

With regional cash propane prices around the \$2 per gallon mark, we want to remind you about our low cost dual fuel heating rate. To put it into perspective, 6.1¢ electric is the equivalent of \$1.50/gal propane (in a 90% efficient furnace)! Dual fuel is certainly a value you should consider.



STEFFES ROOM HEATER



STEFFES COMFORT PLUS FURNACE



PLENUM HEATER

Electric Thermal Storage (ETS) Heating & Steffes Heaters

- ✔ ETS heater stores off-peak energy—no back-up system required
- ✔ Qualifies for 6.1¢ dual fuel or 5.5¢ ETS rate
- ✔ **EASY-PAY** option available—pay for heaters over 48 months on your bill
- ✔ Up to \$50 per KW rebate available
- ✔ Room unit replaces wood stoves, wall furnaces, or electric baseboard
- ✔ Comfortable radiant heat

Dual Fuel Rate with Electric Plenum Heater

- ✔ Install with your existing gas furnace
- ✔ Easy way to go off-peak
- ✔ Qualifies for 6.1¢ dual fuel rate; the dual fuel electric rate is the equivalent of \$1.50 propane
- ✔ Rate is available for the combination of a primary electric heating system with a back-up propane or fuel oil system

If you aren't currently taking advantage of our dual fuel program, please contact our Energy Management Specialists at (800) 552-7658 to learn how you can save more!

For those currently on dual fuel, make sure to check your electric and non-electric (dual) heating sources to ensure they are both on and working properly. We don't want you to miss out on the savings!

Alert: Phone Call/Text Scam

Local: (218) 863-1171
Text: (218) 853-5732
SmartHub: (855) 939-3571

LREC members have reported receiving telephone calls and text messages from numbers attempting to collect on delinquent power bills or billing corrections. If you receive a call or text from any number demanding payment or your power will be disconnected, hang up or do not click anything, and consider reporting the incident to local authorities.

The numbers to the left will be used if LREC is contacting members. Members are encouraged to add these phone numbers to their contact list to ensure they are speaking with an LREC representative. If you have any questions, please contact our office. For more information on how to tell if you are being scammed, please visit the news section at www.lrec.coop.