



Steve Lucas, CEO

FACTORS THAT IMPACT ELECTRICITY PRICES

I was recently asked by a member about what impacts electricity prices. We talked about how the daily cost of living seems to have increased across the board.

Just as all prices vary from day to day, such as the price of gasoline and eggs, the costs for the fuels required to produce electricity have varied and almost always they have risen. This was a timely conversation, so I wanted to help explain some of the factors that impact electricity prices (and energy bills) to all our members.

While there is no short answer, there are a few key elements that impact electricity prices and rates. Some of these factors SREC can manage, some of them our members can affect, and other factors are beyond our control. So, let me break it down.

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There are three primary parts to your monthly electric bill: a fixed charge, a kWh charge, and occasionally, a Power Cost Adjustment (PCA). To understand your total energy costs and what impacts your bill, let's unpack one piece at a time.

The first is a fixed monthly fixed charge, which covers the costs associated with providing electricity to your home. This includes equipment, materials, labor, and operating costs necessary to serve each meter in SREC's service territory, regardless of the amount of energy used. In order to ensure the reliable service you expect and deserve, we must maintain the local system, including power lines, substations, and other necessary equipment. Like many other businesses, we've experienced supply-chain issues and steep cost increases for some of our basic equipment. Because we are a not-for-profit cooperative, some of these expenses must be passed on to our members.

Another component of your monthly bill is the kWh charge, which covers how much energy you consume. You've likely noticed the amount of energy you use can vary from month to month and is typically impacted by extreme temperatures. When temperatures soar or dip, your cooling and heating equipment run longer, which increases your home energy use. Regardless, energy consumption is an area that you have some control over, and you can lower your monthly bill by actively reducing energy use. Your thermostat is a great

place to start, so be sure to keep it close to 78 degrees during summer months.

The last component of your bill is the PCA, which is the same amount for all co-op members. The PCA has varied in the past because the cost of the power that SREC purchases from our wholesale provider, Dairyland Power Cooperative, has changed. The PCA covers fuel cost fluctuations without having to continually restructure electricity rates. If, as has happened in the past, Dairyland provides us with a credit via the PCA, that is also passed on to all our members equally.

I hope this information sheds light on some of the factors that impact electricity prices. While we can't control the weather or the rising costs of fuels, please know SREC is doing everything possible to keep internal costs down. Our staff continues to look for ways to keep rates as low as possible, and we pass these savings on to our members.

We're here to help you, too. Contact us if you have questions about your energy bill or for advice on how to save energy at home.

ELECTRICITY REMAINS A GOOD VALUE

Although inflation has led to increasing costs in many areas of our lives, the cost of powering your home rises slowly when compared to other common goods. Looking at price increases over the last five years, electricity remains a good value.



Source: U.S. Bureau of Labor Statistics
Consumer Price Index

KEEP SAFE WHEN CAMPING

Follow these electrical safety tips



Are you planning to go camping this summer? Because you'll be in the great outdoors, electrical safety might not be at the top of your mind. However, your camping experience will most likely involve electricity in ways you might not consider.

Although your home most likely has safeguards such as GFCIs in place to help protect you from shocks, outdoor outlets may not be as safe, depending on the campsite. And generators—if you use them—require even more caution.

Before you leave

- Pack a fire extinguisher rated for electrical fires.
- Inspect all electronics to make sure they are in good working order.
- If you'll be plugging in an RV at the camp spot, use a heavy duty, four-wire cord with a grounding wire, not an extension cord.
- Your RV should have permanently installed carbon-monoxide and fire detectors, and you should check them regularly.

If you use a generator

- Whether you are powering your RV with a generator, or with a campground hook-up, know the amperage your RV draws, and the amperage available. If you try to draw more amperage than is available, you can cause serious damage to the electrical source and your RV and may even start a fire.
- Know where your electrical panel and major switches are in case you do have a problem.

- Know the rules of the campground. Some do not allow generators; some allow them only during certain hours.
- Be aware of where generator exhaust will blow, so you are not causing carbon monoxide problems for your family or for others in the campground.
- Turn your generator on and have it running before you turn appliances on.
- Always leave a roof vent open when you are operating a generator.
- Never sleep with the generator on.

If you use a campground hook-up

- Give the hook-up a visual inspection before plugging in. Does it appear to be in good condition? If a campground hook-up appears to be damaged, put safety first and request another spot.
- Bring the proper cord.
- Never plug more than one RV into a single hook-up.
- As with a generator, plug your RV in before turning appliances on.

If you are tent-camping

- Do not use wet electronics.
- If you are using a tent heater, take special precautions to prevent fires. Use only designated tent heaters, not lamps or stoves. Only use tent heaters in tents designed for six or more people. Set the heater on a hard surface and allow it at least six inches of space in all directions. Circulation is important to prevent carbon monoxide poisoning, so keep the tent door at least partially open.

Source: SafeElectricity.org



WE HAVE UNCLAIMED CAPITAL CREDITS

Can you help us find the rightful recipients?

We've got some capital credit funds that we're trying to return to their rightful owners, and we could use your help! Please see our website for a list of members and former members whose capital credits remain unclaimed. If you can help us find any of these people, or their rightful heirs, please call our office at 800-236-2141. If the funds are not claimed by September 5, they will be forfeited to

SREC and used for educational purposes through the Federated Youth Foundation.

Read on to learn more about how capital credits work.

For a list of members with unclaimed capital credits, visit our website.

What are capital credits?

Capital credits are one of the many benefits of co-op membership. As a cost-of-service energy provider, SREC doesn't earn profits. Instead, co-ops use the term margins, which is revenue remaining at the end of the year after all bills are paid. Capital credits reflect each member's equity in, and contribution of capital to, the cooperative. This differs from dividends that investor-owned utilities pay shareholders, who may or may not receive service from the utility.

Where does the money come from?

Co-ops set rates to generate enough money to pay operating costs, make payments on any loans, and provide an emergency reserve. At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating margin.

What's the difference between allocation and retirement?

An allocation is your share of the margins. We set this money aside to use as operating capital for improvements and maintenance. A retirement is the amount you receive as a credit on your statement. It is a percentage of your allocations accumulated over the years. Typically, after utilizing capital for 20 to 30 years, it is retired.

Why does SREC need to accumulate equity?

Your equity in the co-op reduces the need for us to raise rates or borrow money to meet expenses.

Are capital credits retired every year?

Each year, your board of directors decides whether to retire capital credits based on the co-op's financial health. SREC's ability to retire capital credits reflects the cooperative's strength and financial stability.

What happens to my capital credits if I move?

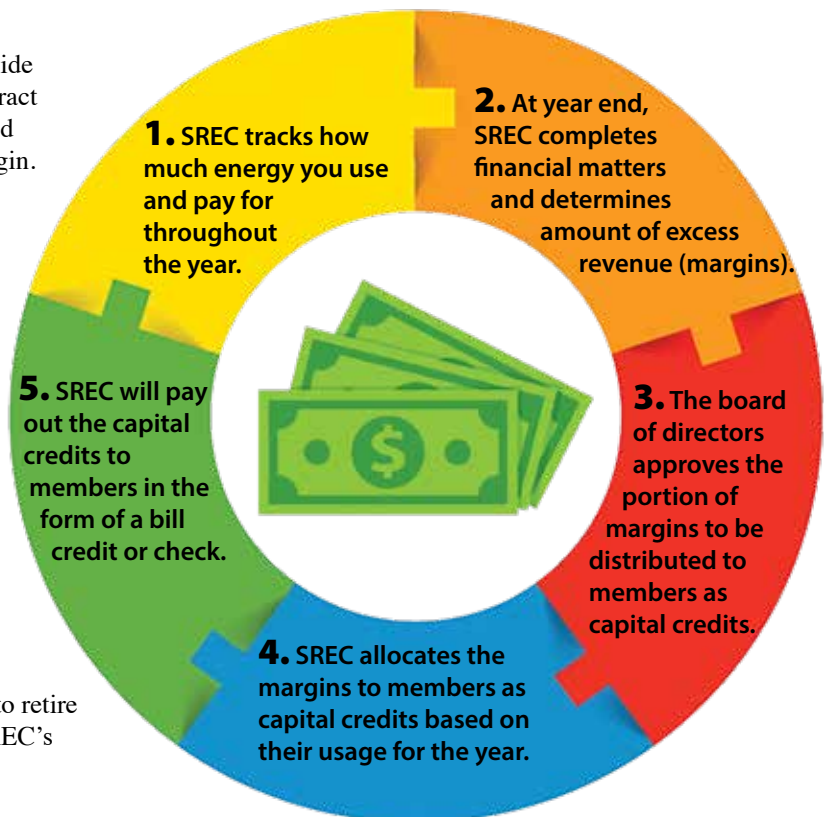
Your capital credits remain on our books until they are retired. That's why it's important to let us know of any address changes. Each year we have capital credit checks returned to us because the recipients are no longer living at the addresses we have on file for them. We publish these names on our website, sre.coop/unclaimedfunds. Please check this list; if you recognize anyone there and know their whereabouts—or those of their rightful heirs—please call our office, 800-236-2141, and let us know.

What happens to the capital credits of a member who dies?

A deceased member's capital credits may be paid at a discount without waiting for a general retirement. A representative of the estate must contact us.

What happens to unclaimed capital credits?

We do everything we can to ensure that former members get their retired capital credits. However, any money that isn't claimed is placed in the Wisconsin Electric Cooperatives' Federated Youth Foundation and used for educational purposes, including scholarships and youth programs.



REBATES?

Yep, we've got 'em!



Keep in mind that each year SREC offers members money back for the purchase and installation of qualified energy efficient items. Please go to sre.coop/energy-rebates to find rebate forms for appliances, heat pumps, water heaters, lighting, and more. You may also call the office at 800-236-2141 for additional information.

Energy Efficiency Tip of the Month



Did you know ceiling fans can make a room feel 4 degrees cooler? To save energy through ceiling fan use, remember to raise your thermostat a few degrees while fans are turned on. Ceiling fans can help improve comfort year-round. In the summer, operate ceiling fans in a counterclockwise direction. Reverse the direction to clockwise during winter months and set fans on a low speed so warm air can circulate from the ceiling to the lower levels of the room. Remember, ceiling fans cool people, not spaces. Be sure to turn them off when you leave the room.

Source: Dept. of Energy



FROM THE ARCHIVES



Does anyone know who this mom and daughter are, working together in the kitchen? We're pretty sure this is somewhere in Lafayette County but that's all we know. Please call Judy at 800-236-2141 x 554 with any information.

We're still looking for information on last month's photo of the 1992 Youth Leadership Congress delegation. If you can identify any of these students, please give us a call.





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