

InTouch

WITH MEMBERS OF BUTLER COUNTY RURAL ELECTRIC COOPERATIVE

September 2024

Your Touchstone Energy® Cooperative 



A WORD FROM



Craig Codner, CEO
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After I mentioned in my June column that Butler County REC is having a cost-of-service study conducted, I began to wonder if our members understand how we set our electric rates. Most of our membership is on the farm/residential rate, so I will be directing my comments to those members.

Although several influences effect a utility's retail rates, there are three basic factors:

1. Number of consumers per mile of line,
2. Large commercial and industrial (C & I) loads, and
3. Wholesale power costs.

Number of consumers per mile of line The number of consumers per mile of line (density) matters because the more consumers there are, the more sales and income per mile.

Although variations in density are not significant enough to produce huge rate differences among cooperatives, they are among municipals, investor-owned utilities (IOUs), and cooperatives. Municipals and IOUs serve more consumers per mile of line than rural electric cooperatives.

How BCREC rates are set

In Iowa, municipals serve an average of 54 consumers per mile of line, IOUs serve 27, and Butler County REC serves 2.8. This density translates into more revenue for municipals and IOUs.

Large C & I loads The presence of large C & I loads on our power lines provides additional revenue, therefore playing a major role in keeping farm and residential rates lower. Years ago, it was manufacturing plants that supplied load for us. Now, there are several ag-related businesses receiving power from us—for example, an ethanol plant and a soy processing plant. In addition, we serve four municipals.

At Butler County REC, we are fortunate to have a robust economic development program. Without it, we may not have our six industrial parks. These parks were made possible through our numerous successful partnerships with communities, economic development folks, and other utility entities.

Wholesale power costs Wholesale power costs are significant to rates because they amount to approximately 75 percent of our overall costs. In many instances, wholesale power costs determine the competitiveness of a cooperative's retail rates—for potential C & I consumers, for example. Butler County REC has a long-term contract to purchase all our power from Corn Belt Power Cooperative, who in turn, purchases from Basin Electric Power Cooperative.

How our rates compare to other cooperatives within the Corn Belt Power system is significant in rate determination. We want to ensure our members are receiving a good value. However, we recognize that because of the characteristics of our system, our rates cannot be the lowest of all providers.

There are two common methods used to compare utilities' electric rates: a comparison at pre-determined levels, such as 500, 750, 1000, 1250, and 1750 kilowatt-hours or dividing the total annual revenue for a category of consumers by the total sales for that category. This second method shows the average amount a consumer in that category is paying.

Providing a high level of service to our members is important to Butler County REC board and staff.

As a cooperative member, you vote for the board of directors, who are also members. It is your board of directors' responsibility to maintain the economic wellness of the cooperative. Accordingly, they analyze our costs and kilowatt-hour sales by rate category. They then set the rates to meet the ratios required by our lenders.

Our rates are continually monitored by our board and staff to ensure all members are treated fairly and provided a high level of service, all while maintaining reasonable delivery costs. This is another reason we are conducting the cost-of-service study—the first since 2019—to give us a better understanding of our rates and revenue and how our members are affected.

Providing a high level of service to our members is important to Butler County REC board and staff. Based on recent survey data, we are encouraged by our upward trend. While we recognize that the characteristics of our system preclude us from having the lowest rates in the state, we believe there are no barriers to keep us from giving you the best service in the state.

The Value of Electricity

By Maura Giles, NRECA



End-of-summer cleanup makes next year easier

It's time to dust off fall lawn tools and think about getting your central heating system checked. But first, take an afternoon to clean and store electrical equipment that you won't be using again until next spring:

- **Clean your lawn mower.** Unplug your electric model; prop it up on its side; and wipe down the top, sides, and bottom. If your mower is gas-powered, drain all gas from it and let it dry before storing.
- **Remove window air conditioners.** Vacuum the coils with your vacuum cleaners' brush attachment, and clean the filter before storing the unit.
- **Turn off the power to your central air conditioner,** when the weather cools off. Clear debris away from the outside part of the unit and cover it to protect it from falling leaves and winter weather.
- **Clean air conditioner registers** by vacuuming both sides and wiping them down with a damp cloth before replacing them.
- **Unplug and store the battery chargers** of any summer-only power or lawn tools.
- **Sweep leaves away** from outdoor light fixtures, outlets, and power cords.
- **Avoid stacking stored summer clothes** or boxes so high that they touch the light fixture on the ceiling. A light bulb that encounters paper or fabric can set the paper or fabric on fire.

If you're like most people, there are aspects of your life that become sort of a daily routine. We get ready, get in our car, and drive to the coffee shop on the way to work. At lunchtime, we might drive to the nearest fast-food location and get lunch. When we end the day at home, we stream an episode or two of our favorite show before bed.

As we all look for ways to save money in this age of increasing inflation, let's think about our daily routine and how much value it provides compared to the money spent. A morning latte costs about \$6; a fast-food combo with a burger, fries, and a drink can set you back \$10; and a Netflix subscription is about \$16 each month. All these daily expenses total around \$85 a week, or about \$340 monthly. And what is the real value—short-term satisfaction and a larger waistline? Even if you pack your own lunch, a daily latte will still cost about \$120 a month. Is this the best value for your money?

For the average daily cost of your electricity, you can power your entire home every day for the price of a medium latte. You can brew your own coffee, cook your own meals, binge a series, and run on a treadmill for less than the cost of the drink per month. Now that's real value.

Electricity provides benefits that we often take for granted. It goes well beyond short-term satisfaction by allowing us to charge devices and have cold food and hot water, all in a comfortable indoor climate.

As a member-owned cooperative, Butler County REC does everything in our power to ensure your costs stay reasonable and that electricity remains a great value for our members. It's not always easy, as there are several factors beyond inflation that impact the price of electricity—some within our control but most beyond it.

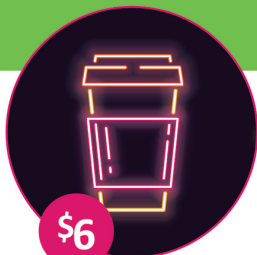
The cost of electricity can fluctuate due to supply and demand, infrastructure investment, maintenance, and operational expenses. Weather patterns also contribute, affecting both demand and generation capabilities, with extreme conditions leading to heightened energy use or disruptions. Government policies, such as subsidies for renewable energy or taxes and regulations on emissions, shape electricity costs as well. Your electric co-op considers all these aspects when adjusting rates, and because we're a cooperative, we consider the impact of those costs on our members as well.

As our community continues to rely on electricity for nearly everything in our homes, schools, hospitals, and businesses, we need it to be reliable and affordable. You can be assured Butler County REC always puts you top of mind and works each day to ensure electricity remains the best value for your money.

Where Do You Find Value?

Did you know the average daily cost of electricity is \$4.57, or about \$140 per month?

Electricity fuels our daily life essentials, from heating/cooling equipment to entertainment devices and appliances. Think of how vital power is compared to other everyday purchases. **That's real value.**



Morning To-Go Latte



Fast-Food Combo Lunch



All-Day Power

Sources: Energy Information Administration, MoneyGeek and CNET

We're looking for students interested in public service and leadership

High schoolers who attend our Zoom sessions in October will have a chance to win AirPods and a \$1,000 college scholarship!

Guided by our cooperative commitment to community, Butler County REC has a long history of supporting students in the communities we serve through scholarships and leadership opportunities. We've also been sending deserving high school students to our nation's capital every summer for years as part of the national Electric Cooperative Youth Tour program.

Iowa's electric cooperatives are pleased to once again offer a virtual opportunity for rural students to learn more about advocacy, electric cooperative career opportunities and the cooperative business model with a three-part webinar series in October. The Iowa Youth Leadership Academy is open to any high school student in our service area and they are invited to register at www.IowaYouthTour.com.

"This program is perfect for rural Iowa students who have a passion for public service, leadership, or government," remarked Craig Codner, CEO, Butler County REC. "We want to raise students' awareness of how local electric co-ops power people's lives and empower communities. We also want to talk about exciting cooperative career paths available in smaller communities."

Once students register online for the Iowa Youth Leadership Academy, they can attend the webinars from their own computer or mobile device. Each Zoom session will last around 45-60 minutes and focus on a specific topic:

- **Tuesday, Oct. 1, 7:00 p.m.: Cooperative Business Model**
- **Thursday, Oct. 17, 7:00 p.m.: Rural Iowa Advocacy**
- **Thursday, Oct. 24, 7:00 p.m.: Leadership**

At the end of each live session, one lucky attendee will be selected at random to win a pair of Apple AirPods. Students who attend all three sessions will be entered into a random drawing for a \$1,000 college scholarship. All students who register online by September 25 will receive a special box of co-op goodies in the mail.

During the Zoom sessions, students will be inspired by our lineup of speakers and presenters. Participants will learn how to advocate for issues that are important to them and build leadership skills from a motivational speaker. Attendees will also hear about Iowa Youth Tour. Students with an interest in government and public service are encouraged to apply for this weeklong trip to Washington, DC. The 2025 Youth Tour is slated for June 15-21 next summer.

Learn more at www.IowaYouthTour.com or contact Anne at anne@butlerrec.coop or 888.267.2726, ext.111, for more information.



WANTED:
Rural Iowa
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Attend our webinar series in October for a chance to win Apple AirPods and a \$1,000 college scholarship! Learn more at IowaYouthTour.com



In the market for a new electric water heater?

Contact us for information on the Marathon—offering durability, lightweight design, and a limited lifetime tank warranty for original purchaser. Generous rebate available!

Water heating saving ideas

- For households of 1-2 members, a setting of 115 degrees F may work.
- Install a water heater blanket.
- Drain 1-2 gallons from bottom of water heater each year to reduce sediment build up.
- Install heat traps on hot and cold water lines when it's time to replace your water heater.
- Insulate exposed hot water lines.
- Limit shower length to 5-7 minutes.
- Install water saving shower heads.
- Fix dripping faucets.
- Don't let the water run while brushing your teeth or shaving.



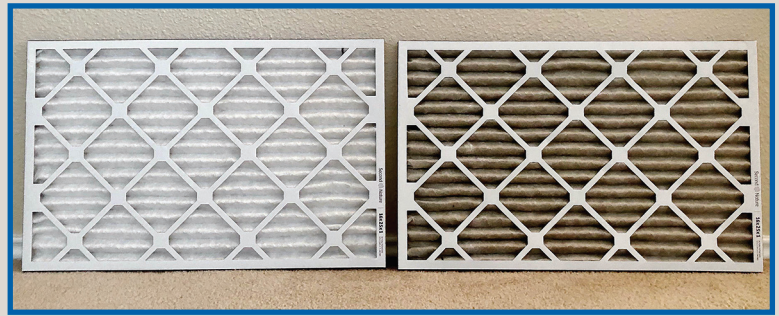
HVAC needs care between tune-ups

Air conditioning season is winding down and it's not quite time for your fall central heating checkup. That doesn't mean you shouldn't be keeping an eye on your heating and cooling systems.

Your role in maintaining your air conditioning or heating system is just as important as the job of the service technician who performs your annual maintenance inspection. Keep tune-ups quick and costly repairs to a minimum with these simple tips for year-round maintenance.

Between visits:

- Change your furnace and air conditioning filters once a month. This is especially important during the summer when dust and allergens circulate. Even if the filter's manufacturer recommends changes every other month, do it every month.
- Remove plants, fallen branches, leaves, and debris from your outdoor HVAC equipment. Objects that are too close can prevent adequate air flow.
- Indoors, vacuum registers and air vents regularly. Heating contractors say simple dust and dirt cause almost half of their service calls.
- Move furniture and drapes away from registers.



On the left, a new furnace filter. On the right, a used furnace filter.

5 Tips for a Safe Harvest

Electrical safety during harvest season requires vigilance and proactive measures. Follow these tips to reduce the risk of electrical accidents.

1. Maintain at least a 10-foot distance from power lines when operating equipment like grain augers, elevators and other tall machinery.
2. Use a spotter to navigate safely around power lines and other electrical equipment.
3. Ensure all farm workers are trained on electrical safety procedures.
4. Regularly inspect all electrical equipment and machinery for signs of wear and damage.
5. Keep first aid kits and emergency contact numbers in an easily accessible location.



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