



James Anderson
General Manager

FIXED COST OF DELIVERY CHARGE WILL BE ADJUSTED IN MAY and it's not just an arbitrary number

The board of directors has implemented an increase in the “fixed cost of delivery charge” for all JREC’s members effective May 1, 2018, of \$40.90.

In business management, one of the basic fundamentals is to have your fixed costs covered by fixed revenue. If you look at any other utility or service whether it’s phone, gas, water, or sewer—the billing is based on a fixed charge with your usage on top of that. The electric industry historically has not done that.

Cooperatives throughout the electric industry have had to adapt their business models. While some cooperatives are preparing for changes, JREC and others have had to start the process of recovering fixed costs. When I first came here, JREC was in the process of establishing the “fixed cost of delivery charge.” JREC had a \$32.90 base charge which was not recovering our fixed operating costs.

Our COSA (cost of service analysis) indicated we need \$40.90 per meter per month to maintain the JREC system. This cost includes everything needed to operate the system. Regardless of whether a person used 0 or 1,500 kilowatts, this is what the fixed cost of providing service is.

The COSA is a very in-depth and complicated examination of JREC service territory, members per mile of line, age and maintenance needs of all JREC infrastructure, and the cost of purchased power from our generation and transmission cooperative, Dairyland Power, which supplies our power. These are just some of the factors that go into the study.

When your “fixed cost of delivery charge” is established, and you can cover your fixed costs with fixed revenue, then you are indifferent to whether someone wants to go to solar, wind, or some other form of distributed generation or uses little energy. You’re indifferent to that because if they’re still connected to our system, they’re going to have that “fixed cost of

delivery charge” to cover their fair share of the cost to deliver power to their residence and support the JREC infrastructure.

JREC has a very large system which covers over 2,600 square miles and operates and maintains 1,759 miles of line. Providing electricity to such a large and dispersed membership is expensive, but the JREC staff and directors work hard to keep a lid on costs.

If JREC just raised the kilowatt-hour (kWh) charge it would only recover the cost from members who use the energy, and they would be subsidizing our members who don’t use the minimum 50 kWh per month. The JREC Board of Directors determined that this would not be fair to the rest of the membership. One of the duties of the directors is to make sure each member contributes equally and fairly to the cooperative as stated in the Seven Cooperative Principles:

- #1: Voluntary and Open Membership
- #2: Democratic Member Control
- #3: Members’ Economic Participation
- #4: Autonomy and Independence
- #5: Education, Training, and Information
- #6: Cooperation Among Cooperatives
- #7: Concern for Community

The USPS is a great example of fixed costs covered by fixed revenue. Costs per unit “postage” used to be lower in spite of nearly daily delivery to our doorsteps, but with the volume decreasing so significantly, USPS has had to up its unit “postage” costs substantially to cover costs.

JREC is about keeping the lights on and providing safe, reliable electricity to our members; we do not pay shareholders or investors. JREC is a nonprofit cooperative; we return any excess margins to our members in the form of capital credits. JREC will be performing COSA studies more regularly in the future, which will allow us to better control our fixed costs.

POLICY UPDATES

At the January regular board meeting, three policies were amended, and one new policy adopted by the board of directors.

First, Policy 70 Inspection of the Cooperative Books and Records was changed to include more guidelines on what books or records of the cooperative can be sought for inspection and what cannot, along with what details are needed when describing the purpose of the request of inspection.

Next, the term Material Safety Data Sheets was change to Safety Data Sheets

in Policy 81 Hazard Communications Program and Procedures.

The last policy to be changed was Policy 85 Attendance by Members At Regular Meetings of the Board of Directors. Members requesting to attend meetings are required to submit a request form at least 15 days prior to the regular board meeting. On this form a member must list the specific reason(s) for wanting to attend a regular board meeting. The board added language to this policy stating that if a vague or non-specific description of the reason(s) is given it shall be cause to deny the request to attend. This request is also to be submitted

to the Ladysmith office. This policy now includes language regarding what a member needs to do if they would like to present written materials to the board at a board meeting.

A new policy, Policy 101 Bloodborne Pathogens Exposure Control Plan was adopted. This policy was written in accordance with the OSHA Bloodborne Pathogens standard 29 CFR 1910.1030. This exposure control procedure was prepared as a guideline for employers/employees who are at risk from occupational exposure to bloodborne pathogens that may be present in human blood and other body fluids.





BE PREPARED FOR SPRING STORMS

Spring can bring quite the array of weather-related dangers to the United States. Various parts of the country are at risk for tornadoes, floods, thunderstorms and lightning, hail, wildfires, and tsunamis during March, April, and May. In fact, the National Weather Service Spring Weather Safety Day is March 1. Help your family stay safe this spring by knowing what types of hazardous weather affects your area, learning key safety steps, and making preparations.

To prepare, put together supplies for an emergency kit. Your emergency preparedness kit should include items such as enough water and food for three days, flashlight, batteries, blankets, and a first-aid kit. A full list of suggested items can be found online at SafeElectricity.org.

Check the forecast and hazardous weather outlook regularly. Plan ahead so you do not get caught outside in a storm. Lightning can strike up to 10 miles from the area in which it is raining, even if you do not see clouds. If you can hear thunder, you are within striking distance.

If you are inside when a storm hits, stay inside. Keep away from windows and go to the lowest level of your home. If you do get caught outdoors during a storm and are unable to get into a safe building, take shelter in an enclosed vehicle with a hard-top roof—not an open-frame vehicle like a convertible.

If you are outside during a tornado and you cannot find shelter, do not take cover in a vehicle or under a highway overpass. Find a ditch or ravine, lie flat, and clasp your hands behind your head to protect yourself from flying debris.

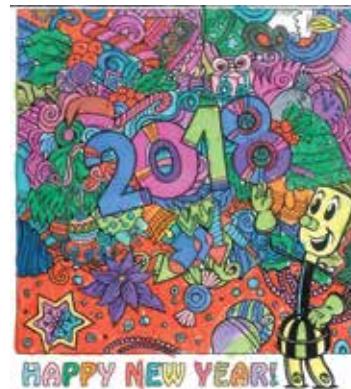
Just because a severe storm ended, flood receded, or wildfire extinguished does not mean the danger has passed. A variety of hazards can be left behind.

Touching a downed line or anything it has fallen on, like a fence or a tree limb, could get you injured or even killed. Stay away and instruct others to do the same. If you come across downed power lines, call 911 to notify emergency personnel and the utility immediately. During flooding, if there is any chance that flood waters could be energized from contact with electrical equipment inside or outside the home, do not enter the area.

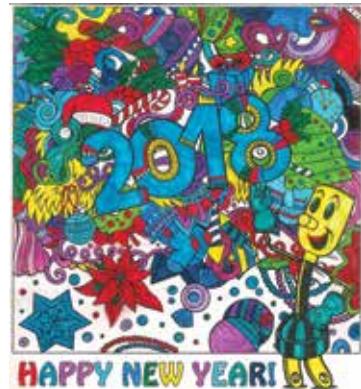
For more safety tips, please visit SafeElectricity.org.

CONGRATULATIONS TO THE WINNERS OF OUR NEW YEAR'S COLORING CONTEST!

The following young artists each received a \$25 for their winning entry. Thanks to all who entered!



Age group 4 – 7: Cheyanne Z.



Age group 8 – 12: Melissa C.

Spring planting

Sow Seeds of Safety This Season

Farmers returning to the fields should stay particularly alert to the dangers of working near overhead power lines. Remember:

- Electricity can arc or "jump" from the line to equipment that's too close. Keep equipment at least 10 feet from overhead lines.
- Be aware of increased height when loading and transporting tractors on trailer beds.
- Designate preplanned routes that avoid hazard areas.
- Lower extensions like planter arms or cultivators to the lowest setting when moving loads. Never attempt to raise or move a power line to clear a path.
- Even if using an auto-guidance system, stay focused on equipment location while in the field. Do not simply rely on the GPS system and be ready to take action if needed.
- Consider using a spotter to alert you if you come close to making contact. A spotter can see sagging wires that would not be visible on a GPS and provide additional verification that you can pass safely.
- Before getting out of the cab, look up and double check the area around your machinery to make sure it is not in contact with overhead lines.
- Know how to stay safe if equipment does make contact with power lines!

Managers should make sure full-time and seasonal workers are educated on these and other electric safety precautions. Learn more about farm safety at SafeElectricity.org.





We can help you save money through our Energy Sense Rebate Program. If you purchase new energy efficient appliances or lighting, or if you take other measures to reduce your home energy consumption this year, be sure to check

and see if you qualify for one of our energy rebates.

To qualify for one of our rebates, you will need to do the following:

- Purchase and/or install a qualified energy efficient product in 2018.
- We encourage members to submit required documentation ASAP to ensure limited funds are still available. Rebates are in place through

December 31, 2018, or until funds have been depleted. Submit your rebate application form(s) and any required documentation listed on rebate forms.

Rebate forms can be found online at www.jrec.com.

A few of the rebates available through the Energy Sense Program are listed below:

Equipment	Specifications	Rebate
Energy Star Electric Appliances	Clothes Washer Clothes Dryer Refrigerator Dishwasher Dehumidifier	\$100 \$25 \$100 \$50 \$25
Lighting <i>(Lighting rebates are capped at 20 percent of the cost)</i>	LED Lamp, 5 lamp minimum LED Fixture T5 Fixture T8 Fixture (retrofit only)	\$2/bulb \$1/800 lumens \$6/lamp/fixture \$4/lamp/fixture
Electric Water Heaters	Commercial/Residential – 75-99 gallon (Energy Factor .90+, Residential)* Commercial/Residential – 100+ gallon (Energy Factor .85+, Residential)* Solar storage with electric auxiliary tank Heat pump water hater (integrated [all-in-one] units, Energy Factor 2.0 or greater) <i>* Must be on the Load Management Program</i>	\$125 each \$200 each \$300 each \$300 each
HVAC	Heat Pump – Air Source & Mini Split (SEER 14 or greater, HSPF 8.2 or greater, or EER 11.5 or greater) Heat Pump – Commercial Air Source & PTHPs (Less than 20 ton: EER 11.5+, 20 to less than 60 ton: EER 10.5+, Greater than or equal to 60 ton: EER 10+) Heat Pump – Geothermal New Furnace w/ECM Blower Motor – Variable speed motor (not multi-speed) “or” AFUE>=95% & Eae <=67 kwh/year	\$150/ton \$150/ton \$400/ton \$35/unit
Home Audit or Assessment	Incentive is \$150 towards cost of a site assessment and up to \$500 (<i>capped at 20% of the cost</i>) towards cost of recommended measures that are implemented. Audit must be performed by a JREC “approved” partner.	Up to \$650
Water Conservation <i>(Capped at 20% of the cost)</i>	Faucet flow restrictors (1.5 GPM or less) Showerhead flow restrictors (2.5 GPM or less)	\$1 each \$5 each
Agriculture	Dairy plate cooler/well water pre-cooler Variable Frequency Drive (VFD); must be a minimum of 1 HP	\$500 each \$30/HP (\$1,000 cap)

Offers may be changed or withdrawn at any time. Please go to www.jrec.net for more information on the above rebates and for a full listing of this program, including renewable energy assessment rebates and grants available. You may also call our office at 715-532-5524 or 715-634-4575 for more information.



SCHOLARSHIPS AVAILABLE

Go online to www.jrec.com for details on the different scholarships available to you, our member-owner, or your graduating senior. Deadlines vary by scholarship.

TAX-EXEMPTION FORMS

If you or your business qualify for tax exemption, a Wisconsin Sales and Use Tax Exemption Certificate needs to be on file at our office for the sales tax to be exempt from your electric account. You can download the form at www.jrec.com by clicking on the New Member Information link at the top of the home page.

36th Annual Rusk County Farm, Home & Garden and Sports Show

MARCH 24, 2018

9 a.m.–2 p.m. • Ladysmith High School

Located on State Highway 8 at the east edge of Ladysmith

All area residents are invited. Come in, view the displays, have lunch, and meet your local dealers and industry representatives.

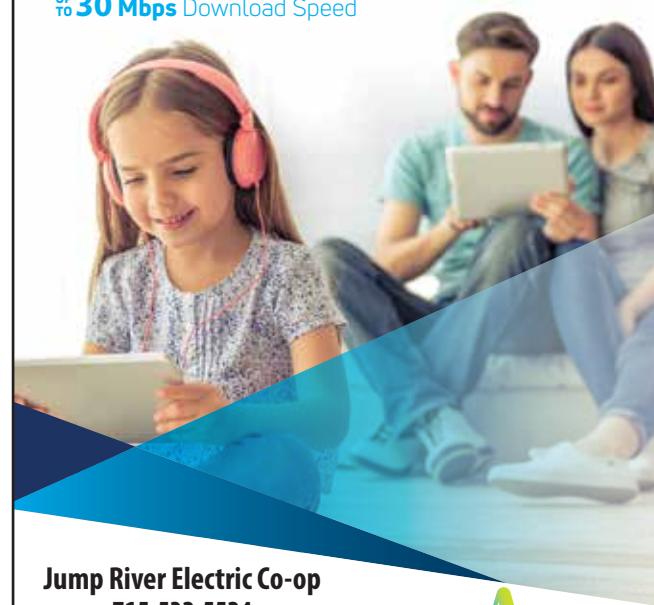
Stop by the JREC booth and discover the many services offered by your cooperative, including Viasat Internet.

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Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov

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715-532-5524 • www.jrec.com

After-hour emergency service, call 866-273-5111

JREC is an equal opportunity provider and employer.

JREC wishes you all a blessed Easter. Our office will be closed March 30 for Good Friday.

Jump River Electric Cooperative, Inc.
Since 1938
Your Touchstone Energy® Cooperative 