



Corning | Mount Ayr | Stanton

Southwest lines

A monthly publication for members of Southwest Iowa Rural Electric Cooperative

September 2015

Southwest Iowa REC : Board Approves \$436,000 Patronage Dividend Annual Meeting

Tuesday, Sept. 22, 2015

Lenox Community Center, 210 E. Dallas

5:30 p.m.: Registration and Meal

- Ribeye Steak Sandwich
- Entertainment by Roger Burger
- Door Prize Drawing: \$10 credit on your electric bill

7:00 p.m.: Meeting

7:45 p.m.: Jean Sheridan will perform!

Grand Prizes

Free electricity for 1 year (up to 1,000 kWh per month)

OR

Free electricity for 6 months (up to 1,000 kWh per month)

THE SOUTHWEST IOWA RURAL ELECTRIC Cooperative Board of Directors has approved payment of patronage dividends in 2015. Your cooperative will pay 100% of the dividends allocated to the members for the year 1999 and nearly 27% of the current allocation for 2014. The total payment will be approximately \$436,000.

This dividend will be distributed to you in September and appear as a CREDIT ON YOUR ELECTRIC BILL for those who are still active members of the Cooperative. Former members will receive a check. There is substantial savings to the Cooperative in applying these dividends to your account versus mailing out checks.

If you have questions regarding the taxability of these dividends, please consult your tax preparer. Patronage dividends reduce the

net cost of electricity to members. It is one of the principles that provide the basis for the Cooperative business model.

Our current policy on patronage dividend allows the Board flexibility in the amount of payment and what prior year's patronage will be returned to the members. There are several factors to be considered in determining this amount. We look at our current cash position, equity level and what major improvements are needed to keep the system in good condition in order to provide all members with reliable electric service. Deferred patronage dividends are used by the Cooperative to help finance major construction and maintenance projects. This allows us to reduce the total amount of long-term financing that is required, thus reducing the total interest expense.



Energy Efficiency Tip of the Month

Looking for an easy upgrade?

Additional insulation can make a difference! The Department of Energy estimates you can reduce heating and cooling needs up to 30% by properly insulating your home. And, you can save green by going green by choosing an environmentally-friendly option made of recycled materials, such as scrap blue jeans!

COOPERATIVE PRINCIPLE #3 Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. Co-ops do not issue stock. Surpluses are margins, not profits. Southwest Iowa REC allocates margins, also known as dividends, in excess of any amounts needed to operate the cooperative, to members' capital credits accounts. Unlike investor owned utilities, margins are retained locally, not sent off to distant stockholders.



CEO's COMMENTS:

Revenue-Neutral Rate Changes Coming in November

OWNED BY THE MEMBERS WE SERVE, Southwest Iowa REC routinely conducts cost of service studies to determine the cost of distributing electricity to ensure that costs are recovered fairly and adequately. Your elected board of directors reviewed the findings of our most recent study, which concluded that the monthly fixed Availability Charge is not adequately recovering the co-op's fixed costs which includes operations and maintenance of meters, lines, poles, substations, interest expense, depreciation, insurance, taxes, trucks, equipment, billing, administration and miscellaneous services. These fixed costs exist whether a member uses 1 kilowatt-hour per month or 1,000 kilowatt-hours per month. Your cooperative board has approved changes to co-op rate structures in order to

recover more of our fixed costs through the monthly Availability Charge and collect less revenue through charges for kilowatt-hour sales, resulting in a revenue-neutral change. Although these changes do not result in increased revenue overall, some members may see an increase in their bill and others may see a decrease depending on their average consumption. These changes will take effect beginning November 1, 2015, and will be reflected on the bill you receive in mid-December.

For the majority of our members who are included in the Single-Phase 0-50 KVA rate class, the monthly Availability Charge will increase from \$25.00 per month to \$29.00 per month while the kilowatt-hour charges will decrease slightly. In 2014, the average single-

phase residential member (excluding electric heat sales) used 941 kilowatt-hours per month and paid approximately \$151.08 in energy costs and fixed costs on the current rate structure, and will pay slightly less (\$151.04) for energy costs and fixed costs under the new rate structure.



Phil Kinser

A more detailed explanation of the fixed charge increase and energy cost decrease will be included as an insert with your October electric bill. As your not-for-profit electric cooperative, we're making long-term decisions for a sustainable future as we work hard to deliver safe, reliable and affordable electricity.

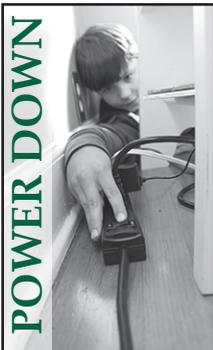
Reminder: Our Phone Number Has Changed

ON JUNE 1ST SOUTHWEST IOWA REC BEGAN UTILIZING 888-220-4869 AS ITS PHONE NUMBER FOR all locations. During the month of June, members and others calling the old Corning and Stanton phone numbers were reminded of the change and then transferred into the new phone system. Beginning in July, members calling the old phone numbers received a message that our phone number had changed and were instructed to hang up and call the new number which was provided to them. During this transition period we have been paying extra to keep the old phone numbers working.



Beginning October 1st, the old phone numbers for Corning and Stanton will not work and members will need to call 888-220-4869 to reach Southwest Iowa REC. Thank you for your patience as we continue to transition to the new phone number and system.

Reduce Energy Use During Peak Hours



PEAK HOURS ARE THE BUSIEST TIMES for Southwest Iowa Rural Electric Cooperative, since many people are using electricity at the same time. In addition, it costs us more to generate electricity when demand soars during peak periods – and the cost of your electricity also may rise. Obviously, using less electricity during peak periods can save your co-op – and you – money.

Here's how you can help during peak hours, which generally are on the coldest winter days between 4 p.m. and 9 p.m.:

- Shift household chores and activities away from peak periods.

Wait to run your dishwasher until you go to bed, for instance.

- Use the most energy-efficient appliances you have. Your microwave oven, for example, uses considerably less energy than your stove or cooktop.
- If you're buying a new appliance, make sure you get a highly efficient one. Look for "Energy Star" labels when you're evaluating different models.
- Be aware of your energy consumption, and try to get in the habit of using energy efficiently year-round.
- Use the energy you need, but use it wisely! You'll help your co-op avoid building expensive new power plants – and that, in turn, will help keep your electric rates stable.

2015-2016 Low-Income Energy Assistance Program (LIHEAP)

THE 2015-2016 LOW-INCOME HOME ENERGY ASSISTANCE Program (LIHEAP) has been established to help qualifying low-income Iowa homeowners and renters pay for a portion of their primary heating costs for the winter heating season. The assistance is based on household income, household size, type of fuel and type of housing. If you are not sure where to apply, please write to:

LIHEAP

Iowa Department of Human Rights - Bureau of Energy Assistance
Lucas State Office Building, 321 E. 12th St., 2nd Floor
Des Moines, IA 50319

Or contact your local community action agency.

When to apply:

- Elderly (60 & over) and/or disabled: Oct. 1, 2015 to April 30, 2016
- All other households: Nov. 1, 2015 to April 30, 2016

What to take:

- Proof of income (for all household members age 19 and over)
- Most recent three months' check stubs, award letter from Social Security or 2014 tax return
- Social Security numbers for all household members (documentation required)
- Recent heat bill
- Recent electric bill

Wage earners:

- Please bring copies of your check stubs for the three-month period preceding the date of application, or a copy of your federal income tax return.

Income Maximums

| Household Size | 3-Month Gross Income | Annual Gross Income |
|----------------|----------------------|---------------------|
| 1 | \$5,149 | \$20,598 |
| 2 | \$6,969 | \$27,878 |
| 3 | \$8,789 | \$35,158 |
| 4 | \$10,609 | \$42,438 |
| 5 | \$12,429 | \$49,718 |
| 6 | \$14,249 | \$56,998 |

For households with more than six members, add \$1,820 per three months or \$7,280 annual for each additional member.

Fixed income:

- This income may include: Social Security Benefits, Supplemental Security Income, Family Investment Program (FIP), Veteran's Assistance, Unemployment Insurance, and Pensions. Please bring copies of your most recent 3 months' check stubs.

Self-employed/farmers:

- Please bring a copy of your most recent federal income tax return.

FIP recipients:

- Please bring your current DHS Notice of Decision or contact your local office for acceptable document information.

NOTICE TO ELECTRIC HEAT USERS:

Heat Plus rate goes into effect October 1

SBS Inspections, Inc., Testing and Treating Poles This Fall

SOUTHWEST IOWA REC HAS CONTRACTED WITH SBS INSPECTIONS, INC. FROM OLATHE, COLO., TO PERFORM POLE TESTING AND treatment in 2015 on one-tenth of our system; approximately 5,000 poles or 250 miles of line. SBS Inspections, Inc. will test and treat poles in the following areas:

Adams County: Douglas and Lincoln Townships

Page County: Fremont Township

Union County: Pleasant and Sand Creek Townships

Montgomery County: Douglas and Washington Townships

Ringgold County: Tingley and Union Townships

Inspectors will dig a hole at least 18 inches deep and wide enough to ensure a proper inspection and treatment of the pole. After exposing the wood, the poles are examined and treated with a wood preservative, and then the hole is backfilled and the dirt tamped into place. This ground line treatment with wood preservative should extend the pole's life at least another 10 to 20 years. Poles that fail inspection are scheduled for replacement by our crews providing you with even more reliable electric service in the future.

EMPLOYEE SPOTLIGHT



Name: Justin Murphy
Family: Married to Jessica. Two daughters - Ayla, 8 and Kaley, 6
Date of Hire: June 1, 1998
Current Position: Journeyman Lineman
Favorite Recipe: Chicken Wings

Chicken Wings

Ingredients:

- Wings & drummies
- Seasoning (your choice)
- BBQ Sauce (your choice)

Heat fryer oil to 350° – 375°. Season wings and drummies to taste. Drop in preheated oil till they float or are cooked throughout. Pat excess oil off wings. Place in bowl and coat with favorite BBQ sauce or Buffalo sauce and serve.

(Easiest way to tell if wings are done is to see if meat pulls off bone cleanly)



Bravo!

Thank you so much to the guys who came out on a hot & humid Sunday to fix our electricity! –*Phyllis McFee*

Thank you so much for considering me for your scholarship. Your generous gift will be used to further my education! –*Shelbie Greene*

Thank you! Your support and participation means so much to us and our Relay For Life of Montgomery County. We could never accomplish alone what we can do together! –*Suzie Mages, Community Manager, Relay for Life*

I would like to extend a huge thank you to the donor of this scholarship. I am extremely grateful that you are helping me further my education. –*Maggie Ganley*

Thank you so very much for sponsoring the Novice B Obedience class winner for the 2015 Adams County Dog Show! –*Morgan Shuey*

We would like to thank you for all your help during our restoration efforts following the storm that caused us to lose 11 transmission structures. –*Byron Stilley, Chariton Valley Electric Co-op*

Thank you for your donation to the NCC Campaign Powerline Program. Your donation will help improve career & technical education facilities and improve and advance technology campus wide. –*NCC Campaign*

I was pleased to learn that I was the recipient of your scholarship. I want to thank you for your generous financial support towards my higher education. –*Regan Jessen*

I am honored to be a recipient of your 2015 scholarship. Thank you very much. –*Ryan Johnson*

COMING SOON: new convenient payment options for you to pay your electric bill. Southwest Iowa REC is pleased to announce that we will be offering our members additional options to pay your electric bill. We will be introducing Smarthub, (replaces our current E-bill on-line payment option), Pay Now (on-line payment but no registration or password required) and Pay-By-Phone (automated phone system). We will be launching these new payment options later this fall. Please watch for more information in our October newsletter as well as on our website. Southwest Iowa REC will continue to offer our other payments options, which include: Auto Bill Pay (ACH), Drop Box located at each office location, Postal Mail and Front Counter (Pay-in-Person).



Corning
 1801 Grove Ave., Corning, IA 50841
Mount Ayr
 1502 W. South St., Mount Ayr, IA 50854
Stanton
 415 Broad Ave., Stanton, IA 51573

NEW PHONE NUMBER FOR ALL LOCATIONS:
 (888) 220-4869

Board of Directors
 Richard Fast, President
 Marilyn Werner, Vice President
 Jack Stephens, Treasurer
 Dale Walkup, Secretary
 Richard "Dick" Ballantyne
 Mark Herzberg
 Dennis Meier
 Dana Morgan
 Ken Peppmeier
 Glen Roberts

Phil Kinser, CEO