



FLINT HILLS RURAL ELECTRIC COOPERATIVE

NEWS

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FROM THE MANAGER

Factors That Impact Electricity Prices



Chuck Goeckel

I was recently asked by one of our members about what impacts electricity prices. We talked about how the daily cost of living seems to have

increased across the board.

Just as inflation has impacted everything from the price of gasoline to the price of eggs, costs for the fuels required to produce electricity have also risen. This is a timely topic, so I wanted to help explain some of the factors that impact electricity prices (and energy bills) in this month's issue of *Kansas Country Living*.

While there is no short answer, there are a few key elements that impact electricity prices and rates. Some of

these factors Flint Hills REC can manage, some of them you can impact, and other factors are beyond our control. So, let me break it down.

There are four primary parts to your monthly electric bill: a service charge, an energy charge, demand charge and 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 SERVICE 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 Flint Hills REC's service territory, regardless of the amount of energy used. To ensure the reliable service you expect and deserve, we must maintain the local system,

Continued on page 12B ▶

Member Services

- ▶ Viasat Internet Services
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- ▶ Power Surge Protection
- ▶ Rebate Programs

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4 KEY FACTORS THAT IMPACT ENERGY BILLS

You pay for the electricity you consume each month, but there are additional factors that impact your energy bills.

1 Fuel Costs

Before electricity can be delivered to your home, it must be generated at a power plant or from a renewable source. The fuel cost to generate electricity fluctuates, which is why you see a power or fuel charge on your monthly bill. This charge covers cost changes without having to continually restructure electricity rates.



2 Service Costs

Your bill includes a monthly service charge, which recovers part of the co-op's ongoing investments in poles, wire, meters, system maintenance and additional costs necessary to provide reliable electric service.



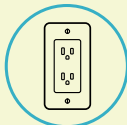
3 Weather

When temperatures soar or dip, your cooling or heating equipment must run longer and at maximum capacity, which can greatly increase your energy use. Extreme temperatures can also affect electricity market prices. When the need for electricity increases due to extreme heat or cold, the price of power typically rises.



4 Energy Consumption

This is the amount of electricity you use each month to power your home's cooling/heating system, appliances, lighting, electronics and more. The amount of electricity you consume is measured in kilowatt-hours (kWh). You control how much energy you use, which can ultimately help you manage your monthly costs.



Factors That Impact Electricity Prices

Continued from page 12A ▶

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. For example, the cost for a distribution transformer (which looks like a tall metal can at the top of a power pole) went from \$860 in 2021 to \$1,900 this year and wait times to receive this essential equipment can be at least 20 weeks. When these types of fixed costs increase, eventually the fixed monthly service fee we charge you must also increase to keep the cooperative financially viable.

Another component of your monthly bill is the **kWh ENERGY CHARGE**, which covers how much energy you consume in a billing cycle. 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's 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 other component of your monthly bill is the **DEMAND CHARGE**,

which covers the highest rate of energy used in any given hour in the billing cycle. The demand charge is influenced by your energy habits. To keep your demand charge low try to avoid running high usage items (ovens, clothes dryers, dishwashers, etc.) at the same time. Currently you can see what your demand is on your bill but for most members, the charge for this part of your bill will not begin until Oct. 1, 2023.

The last component of your bill is the **PCA**, which is the same amount per kWh for all co-op members. The PCA covers the fuel cost fluctuations without having to continually restructure electricity rates. The PCA can be represented on your bill as a charge or a credit depending on the cost of the fuel mix that was purchased to supply our members with electricity in that given month.

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 Flint Hills REC is doing everything possible to keep internal costs down.

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. You can visit our website at www.flinthillsrec.com or call the office at 620-767-5144.

SAFETY TIP

If you have electrical fencing, make sure everything is tight, secure and free from frays. A loose fence means wires can fall out of insulators.



SOURCE: SAFE ELECTRICITY

Flint Hills Sends Kroupa to Tour Nation's Capital

KARSEN KROUPA was among 27 Kansas student delegates to attend the 2023 Electric Cooperative Youth Tour in Washington, D.C., held June 15-22. Kroupa, a Junior from Centre High School was selected to represent Flint Hills Rural Electric Cooperative at this exclusive opportunity to experience the country's history and government first-hand. While exploring Washington, D.C., students learned more about America's electric cooperatives and developed valuable leadership skills. Kroupa was chosen to join 1,531 students from 44 states after competing in the cooperatives Youth Tour competition. The competition consists of students taking a test about electric cooperatives and going through an interview process at the cooperative.

The 2023 Youth Tour began in Topeka with a get-acquainted dinner for the students, followed by a night tour of the Kansas State Capitol led by State Treasurer Steven Johnson and Kansas Representative Kyle Hoffman, both alumni of the Kansas electric cooperative youth programs. Before departing for Washington, D.C., students visited with linemen at FreeState Electric Cooperative where they learned about the co-op's commitment to safety, linemen safety gear, and had the opportunity to ride in a bucket truck.

The seven-day trip to D.C. included a tour of the U.S. Capitol, the White House, the Smithsonian museums, the Holocaust Memorial Museum, Arlington National Cemetery and Mount Vernon. The students helped raise the garrison flag at Fort McHenry, and they sang "Take Me Out to the Ballgame" alongside Screech the mascot of the Washington Nationals during the seventh inning stretch of a Major League Baseball game. Students experienced an elevator ride to the top of the Washington Monument, a dinner cruise on the



Karsen Kroupa poses in front of the U.S. Capitol during the 2023 Electric Cooperative Youth Tour to Washington, D.C.

Potomac, and a driving simulation at the Law Enforcement Museum. They also enjoyed a performance of *The Enigmatist* at the John F. Kennedy Center for the Performing Arts, a visit to the National Aquarium, and an interactive language experience at the Planet Word Museum.

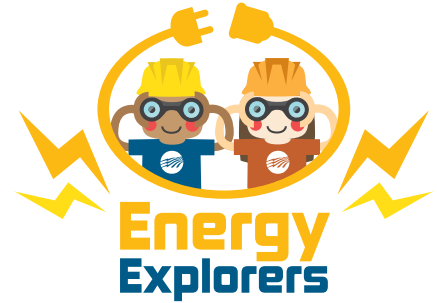
Kansas delegates joined youth from other states to attend a day of inspirational programming at the National Rural Electric Cooperative Association's (NRECA) National Youth Day on June 17. Paralympic Gold Medalist Mike Schlappi addressed the students and motivated them for success as future leaders. Other speakers included Mat Kilgore, a lineman from Iowa Lakes Electric Co-op, who shared stories from his time in Guatemala with NRECA International, and Rukaya Alrubaye, the NRECA Youth Leadership Council spokesperson, sponsored by Ozarks Electric in Arkansas, who encouraged the students to dream big.

The Kansas student delegates witnessed government in action by engaging with United States Senators Jerry Moran and Roger Marshall. The Kansas legislators answered questions from the students ranging in topics from the farm bill, crop insurance, labor shortages, the impact of a flat tax, and how students can succeed in future internships.

For Kroupa, attending the youth tour as a representative of his cooperative was an inspirational experience, saying, "Seeing the nation's memorials and monuments had a large impact on me, making me realize that this land has had a lot of struggles for freedom. Seeing the capitol and senators had impacted me because now I am thinking more about politics as future careers. Learning more about electric cooperatives has also helped me better understand the economy and how local governments work."



The 2023 delegation included 27 students from Kansas and four from Hawaii.



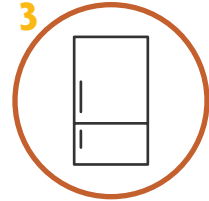
SPOT THE BIGGEST ENERGY USER

We use electricity every day, but we rarely think about the appliances and electronics that consume the most energy. Can you spot the biggest energy users?

Review each grouping below, then circle the one that you think consumes the most energy. Check your work in the answer key.

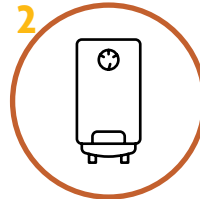
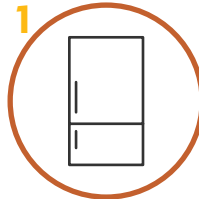
A

1. Heating and Cooling Unit
2. Clothes Washer
3. Refrigerator



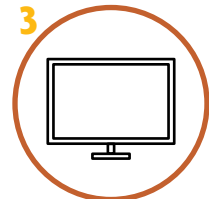
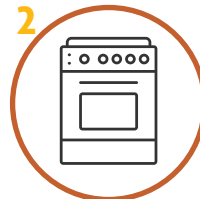
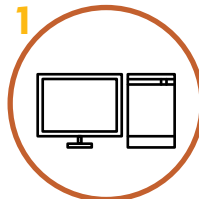
B

1. Refrigerator
2. Water Heater
3. Laptop Computer



C

1. Desktop Computer
2. Electric Oven
3. TV



D

1. LED Lights
2. TV
3. Clothes Dryer



Answer Key: A. 1 B. 2 C. 2 D. 3



Save Energy!

- ▶ Wash clothing in cold water and air-dry when possible.
- ▶ Only run full loads in the dishwasher.
- ▶ Turn off lights when you leave a room.
- ▶ Take short showers instead of baths.
- ▶ Unplug electronic devices when not in use.