



### Watt's Going On

Greg McFarland, General Manager/CEO  
gregm@jackelec.com

Welcome to 2014! It's a new year and time to start on your New Year's resolutions.

This year I'm asking you to resolve to take an active role in your electric cooperative. In a couple of weeks, some of you will be attending your district meeting of the cooperative. Jackson Electric Cooperative is divided into nine districts. Every year meetings are held for three of the districts. This year, meetings will be held in districts 2, 3, and 8. If you have a meter in one of these districts, you should of received a district meeting notice in the mail. (To learn more about the district meetings, go to page 28).

During the district meeting, members practice the second cooperative principle — Democratic Member Control. During these meetings you have an opportunity to exercise your right of membership to vote for who will represent you on Jackson Electric Cooperative's board of directors. Your director is your direct voice to the cooperative.

Also during the meeting, you will have an opportunity to learn more about the operations of Jackson Electric Cooperative. This is your chance to ask the questions: load control periods, solar array output, upcoming legislation, new line builds, or any other question you have regarding your cooperative.

#### Line Construction Update

If you travel Hwy. 121, you'll notice the new overhead line rebuild is complete. Crews completed that segment of the work plan project in December. As of this writing, bids have been received, and are soon to be reviewed, for the overhead line rebuild from the Garden Valley Town Hall to the Humbird Substation. Crews will be replacing nearly 5.5 miles of aged overhead line along Town House and Old Stage Roads.

When you see our crews and contractors working alongside the roads, please slow down for everyone's safety.

#### Building a House?

Now is the time to talk with us if you're planning to build a new house or cabin in the spring and will need power extended to it. Call our office and make an appointment to talk with Scott. ■

## Giving Back to You...the Member

### It's the Cooperative Difference!

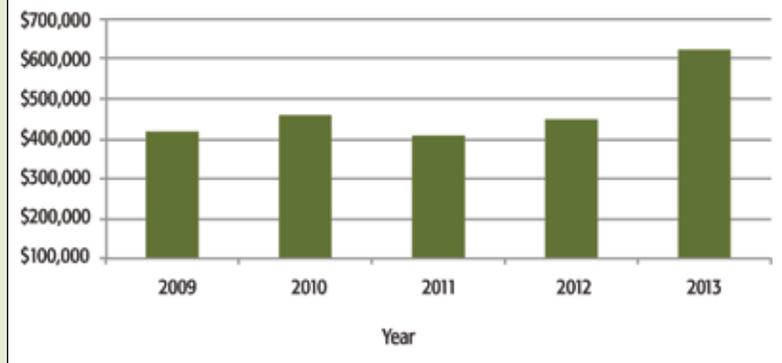
Capital credit retirement checks were mailed in December, and Jackson Electric Cooperative returned \$624,122 in capital credits to those members who purchased electricity in 1990, 1991, and 1992. Since the beginning of returns in 1965, Jackson Electric Cooperative has returned more than \$8.7 million back to its members.

#### What are Capital Credits?

Because Jackson Electric Cooperative is owned by its members, the cooperative does not technically earn profits. Any

(Continued on page 28 ►)

#### Capital Credit Retirements Jackson Electric Cooperative (past five years)



Since the beginning of capital credit returns in 1965, JEC has retired \$8,798,649 as of December 2013.

# You Commented. We're Responding.

*Member Comment: "I don't like the charge on my meter. It is too high."*

*Our Response: The meter charge you are referring to is the Facility Charge on your billing statement.*

The facility charge is a monthly fee that is collected to cover all non-energy related costs of providing electric service. Included in this charge are capital costs like poles, wire, transformers, meters, trucks, and maintenance of power lines and substations. Everything needed to ensure the availability of power to your residence before one kilowatt-hour of energy is used is included in the facility charge. All members pay the basic facility charge for each electric account each month, regardless of the energy used, thus sharing in the cost of the electric system.

Jackson Electric Cooperative's residential facility charge is \$32 per month and would have to be \$56 per month if it were at the true cost of service, according to a cost-of-service study that was conducted by our contracted engineering firm. At the true cost of service, a utility would collect enough revenue in the facility charge to operate the business without selling

any electricity. Most electric utilities, including Jackson Electric Cooperative, have some facility-related expenses built into the energy rates.

Facility charges for each electric utility are not the same. It is the meter density, or meters per mile of line, that is the main variable. Jackson Electric Cooperative has an average of five meters per mile of line. That means we collect a total of \$160 per mile of line (five meters X \$32). An investor-owned utility with 30 meters per mile of line can charge \$5.33 per month in its facility charge and still collect the same \$160 per mile of line as Jackson Electric Cooperative.

Generally speaking, fewer meters per mile of line result in higher fees. The poor economics of serving rural areas is the reason electric cooperatives were formed as investor-owned utilities could not profitably serve the rural areas.

Electric cooperatives, on average, receive the least amount of revenue

per mile of line. Remember, any margins Jackson Electric Cooperative is left with at the end of the year go back to the members; investor-owned utility margins go back to the stockholders. ■

## Graduating High School Seniors – Scholarships Available

Jackson Electric Cooperative is offering a \$750 scholarship to each of the following high schools:

- Alma Center-Humbird-Merrillan
- Black River Falls
- Blair-Taylor
- Melrose-Mindoro
- Neillsville
- Osseo-Fairchild
- Sparta
- Whitehall



Please contact your high school guidance counselor for more information on this scholarship. Scholarship recipient is selected by the respective high school.

• • •

**Home-schooled, private school, and open-enrolled students:**

A \$750 scholarship is also available to students in this category. Scholarship applications can be downloaded at [www.jackelec.com/public\\_relations/scholarships](http://www.jackelec.com/public_relations/scholarships) or from our office.

### Consumers per Mile of Line



Jackson Electric Cooperative averages 5 meters per mile of line.



Investor-owned and municipal utilities average as many as 30 to 40 meters per mile of line. Their fixed costs are spread over a larger number of customers; therefore, the monthly meter charge is lower than with an electric cooperative.

## District Meetings Scheduled for January

### Cooperative Principle #2: Democratic Member Control

Jackson Electric Cooperative is divided into nine director districts, and one director from each district makes up the cooperative's board of directors. District meetings are held in three of the nine districts each year, and one director is elected at each district meeting. The newly elected directors begin their terms following ratification at the annual meeting. This year's district meetings will be held on the following dates and locations.

- **District 3** (All or parts of the Towns of Dewhurst, Mentor, Cleveland, and Fairchild) — Monday, January 13, 2014, at the Fairchild Fire Hall at 7:30 p.m.; incumbent is Jerry Huber.
- **District 8** (All or parts of the Towns of Little Falls, New Lyme, Millston, Knapp, Komensky, and Levis) — Tuesday, January 14, 2014, at the Millston Community Center at 7:00 p.m.; incumbent is Dan Smrekar.
- **District 2** (All or parts of the Towns of Alma and Garden Valley) — Wednesday, January 15, 2014, at Garden Valley Town Hall at 7:30 p.m.; incumbent is Junior Jacobson.



District 3 Incumbent  
Jerry Huber



District 8 Incumbent  
Dan Smrekar



District 2 Incumbent  
Junior Jacobson

### Obligations of the Board of Directors

The board of directors provides leadership and guidance to Jackson Electric Cooperative's management. Their primary responsibility is the establishment of long-term, broad objectives, purposes, and visions for the cooperative. The directors:

- Ensure that the operations are consistent with the articles and bylaws, understand the corporate philosophy, act in good faith in handling the affairs of the

cooperative, avoid conflicts of interest, and represent the best interests of the members.

- Understand and read financial statements and help in distributing this and other relevant information to the members.
- Should not act independently on matters that should be decided by the entire board, nor should they receive special favors from the managers or employees.

Excerpt from **Article III, Section 2. Election of District Directors.** ... Nominations for director to represent the district shall be made from the floor at the annual district meeting, and in addition to the other qualifications required by these bylaws, the prospective director must be a resident of the district he or she is to represent. Election shall be made by secret written ballot.

If you are unsure what district you are in, go to [www.jackelec.com](http://www.jackelec.com) and view the directors' map or contact our office. ■

### Capital Credits *(Continued from page 1)*

revenues over the cost of doing business are considered margins. These margins are used to build and maintain the facilities (poles, wire, meters, etc.) needed to serve the cooperative's members and service the long-term debt. All margins at the end of the year are allocated to the members of Jackson Electric Cooperative in the form of capital credits.

Before approving the distribution of capital credits, the board of directors must consider the financial condition of the cooperative and the needs for capital funds for the coming years. The board also elects that the distribution of capital credit retirements for electric service is made on an approximate 20-year revolving cycle.

### That's the Cooperative Difference!

Unlike investor-owned and municipal electric utilities, Jackson Electric Cooperative allocates and retires its margins back to its members. Members' equity is an investment in the cooperative to maintain sound financial operations. You are a member-owner of Jackson Electric Cooperative, and that's the cooperative difference! ■

Let the  
Professionals at



## Provide Financing for Your Electric Heating System Upgrade

- Air Source Heat Pumps
- Geothermal Heat Pumps
- Boilers
- Plenum Heaters
- Home Energy Efficiency Improvements

Call 715-284-5333 or  
apply online at  
[www.co-opcu.coop](http://www.co-opcu.coop)

**Black River Falls - Fall Creek -  
Galesville - Melrose - Strum**

## Building a New Home? Take Advantage of New Home Incentive

Depending on your new home's energy efficiency level, you could be eligible for an incentive up to \$1,000. Jackson Electric Cooperative's New Home Program is designed for members who construct new homes with energy efficient design and construction.

To qualify your new home for the incentive, you must work with a certified home performance specialist prior to building, and the home must meet specific guidelines for thermal and performance standards. Homes built to these standards, according to Touchstone Energy, provide the homeowner with lower energy costs, healthier indoor air



quality, improved building durability, and increased market value.

According to Steve Meyer, member services director at Jackson Electric Cooperative, participants of this program will benefit in two ways; some of the cost of building to a higher standard will be offset by the incentive payment, and the homeowner will be rewarded

with lower energy costs for the life of the home.

To download the New Home Program application form, go to [www.jackelec.com/programs/rebates\\_and\\_incentives](http://www.jackelec.com/programs/rebates_and_incentives) or contact our office for more information to help you build an energy efficient home. ■

## Ask Your Cooperative

Steve Meyer, Member Services Director



**Q:** What are peak periods, when are they, and why do they matter to me?

**A:** Peak periods are those times when electric usage is at its highest level. Wholesale electricity costs are higher during peak periods. Jackson Electric has summer and winter peak periods. For both seasons, the peak period days are weather driven. That means peak periods are most likely to occur on extremely hot and extremely cold days. Summer peak periods occur between the hours of 1 to 5 p.m. and winter peak periods occur between the hours of 5 to 10 p.m.

Peak periods should be of con-

cern to all members because Jackson Electric's cost for power goes up substantially on peak days during peak periods. Those increased costs are passed on to you in the power cost adjustment (PCA) and the energy rates. Anything our members can do to reduce electrical usage during peak periods, either through our water heater and dual fuel programs or voluntary load reduction, will help keep rates down.

If you have a question to ask Jackson Electric Cooperative, please submit to our office at P.O. Box 546, Black River Falls, WI 54615 or email [cblaken@jackelec.com](mailto:cblaken@jackelec.com), and put in the subject line "Magazine Question." ■



Greg McFarland,  
General Manager/CEO

Box 546  
Black River Falls, WI 54615  
(715) 284-5385 • (800) 370-4607  
[www.jackelec.com](http://www.jackelec.com)

Outage Only Number:  
**(855) 222-DARK (3275)**

### Board of Directors

Gary Woods, President  
Jerry Huber, Vice President  
David Peasley, Secretary-Treasurer  
Daniel Smrekar, Junior Jacobson,  
Stanley Gran, Brian Huber,  
Roger Hansen, Chris Curran