

REA WISHES YOU AND YOUR FAMILY A

Merry Christmas & Happy New Year!

REA will be closed December 24 and December 31.

To report a power outage or an emergency, call (800) 473-1722.
We have a 24-hour answering service to take your call.

NEWSLINE

December 2021

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REA'S CHRISTMAS LIGHT CONTEST

One of the best parts of the holiday season is the dazzling Christmas lights that cover the countryside. Whether it's one lit Christmas tree in a yard or a whole farm lit up, we can all agree Christmas lights spread joy. This year, REA is hosting a Christmas light contest to recognize the members that put hard work into their light displays AND let our communities know where to look for these spectacular lights. Check out the details below.

Categories and Prizes:

- Best Farm or Business Display (\$100 REA bill credit)
- Best Traditional Theme (\$100 REA bill credit)
- Most Creative Display (\$100 REA bill credit)

Registration:

Online registration form at www.runstoneelectric.com or call REA at 800-473-1722. Submit photo with address so that the public will know where to go if they want to check out the holiday displays.

Details:

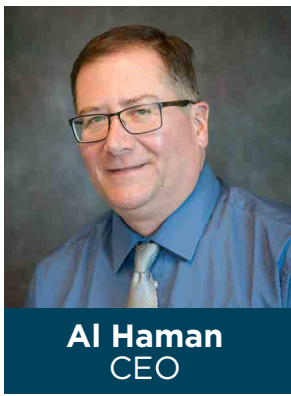
- Display must be served by Runestone Electric Association (REA)
- Deadline for contest entry is 12/15/21
- Map of participating displays will be available at www.runstoneelectric.com after 12/15/21
- Judging of the lighting displays will take place on 12/19/21
- Winners will be notified on 12/21/21



LOOK UP & LIVE

Before you climb that ladder to string outdoor lights, check for overhead power lines nearby. Make sure tree limbs are not growing among power lines, since they can also become energized. Remember to keep at least 10 feet away from overhead lines at all times.

Have a safe and happy holiday season!



Al Haman
CEO

A Note from your CEO

Managing Inflation and Supply Chain Issues

As I mentioned in last month's Newsline, the fall season is our time of year to prepare and submit our budget for the upcoming calendar year. Key components of the budget include capital expenditures such as vehicles, equipment, tools, and construction of new

power lines. The operating budget involves forecasting sales, making cost of wholesale power estimates, and planning for maintenance activities.

Highlights from budget planning for 2022:

- Service equipment for a new account plus installation costs \$2,900.
- Planning for 182 new services. We are on track to build 220 this year.
- Cost to convert overhead lines to underground runs between \$60,000 and \$90,000 per mile.
- During a typical year, we convert around 40 miles of line.
- The cost to change out an aged pole is \$2,000.
- We usually change about 250 poles a year.
- The new Lake Mary Substation has increased in cost from \$1.4M to \$1.6M due to inflation this year.
- The large bucket trucks now have a two-year lead time and cost over \$300,000.
- We have seven bucket and two digger trucks in the fleet.

Unfortunately, inflationary pressures that we all are seeing at home also affect the cooperative. Some of our key material essential for the construction of new services has increased in price significantly just in the last couple of months. For example, I just signed a purchase order for transformers that is a 100% increase over an order for the exact same units placed this summer. Vendors are choosing not to bid at all due

to a lack of production capacity. We recently placed an order for meters that won't be delivered until 2023. Yes, 2023!

Our contractors are experiencing increased expenses, too. Fuel, labor, equipment, and vehicles are all rising. Needless to say, I hope this is a temporary situation that will ease by mid-2022. As a cooperative, we have very few options available to absorb these kinds of increases over the long term.

The average residential service at Runestone Electric requires approximately \$50 monthly to cover principal payments, interest, taxes, and depreciation for the equipment at the residence in addition to poles, wires, and substations that are shared by all members. The rate making philosophy selected by Runestone is called the "minimum system method," which yields the cost to serve a single light bulb at each service location.

Our current monthly fixed charge of \$29.25 for a residential service is far short of the \$50 mentioned above. The REA board and management will spend the coming months working to structurally change how the fixed charge is calculated. We will keep you informed throughout the process.

You will notice your bill looks different this month, much different. In fact, this is the first facelift for the bill in many years. We hope you will find it easy to read and provide you with information to better understand how you use energy at your home, farm or business. If you have any questions about the new bill, don't hesitate to contact our office. We're here to help!

As 2021 comes to a close, there are many things to reflect upon. I've held this position for nearly one year and enjoy it tremendously. Thank you again to members, employees, and the Board of Directors who have placed trust in me with ongoing support and encouragement. My responsibilities are much easier to fulfill in such a positive environment. On behalf of everyone here at REA, I'd like to offer wishes of a Merry Christmas, Happy New Year, and Peace to all during this Holiday Season. It is a pleasure to serve you!

REA Board of Director Meeting Highlights - October 2021

- » Reviewed the Financial Report for September 2021. September's REA margin was negative due to lower gross margin in the month. The yearly REA margin, currently ahead of budget, is expected to be close to the year-end budget as some delayed expenses will be incurred in the remaining three months. Additional quarterly reports were reviewed.
- » Reviewed district populations as per REA Bylaw requirement Article III, Section 2 and determined redistricting is not needed at this time.
- » Selected District Meeting dates and locations: District 1, February 16 at the Miltona Community Center and District 4, February 17 at Long Lake Lodge, Brandon.
- » CEO Haman provided an update on the new Lake Mary

Substation. Great River Energy (GRE) has a purchase agreement for land near REA's headquarters. Closing is anticipated in March. GRE will continue working with Douglas County officials.

- » Mr. Rooney noted generator installs have been delayed while waiting on delivery of generators but that maintenance visits continue. He also mentioned that the Energy Management department has noticed an increase in inquiries for electric heating options due to high LP prices and that several local businesses are adding electric vehicle fast chargers anticipating the need to maintain electric vehicles.
- » **The regular December Board Meeting will be December 21, 2021 at 9:00 a.m.**

Understanding Your New REA Bill

You probably noticed that your **REA bill has a new look!** The simple layout will help you better understand your electric account and energy usage.

FRONT OF BILL

1 Account # 1111111

2 Budget Amount Due \$295.00

3 Member Name: JOHN DOE
SUE DOE

4 Billing Period: 11/03/2021

Billing Period	From	To	Days	Meter	Meter Type	Present	Readings	Previous	Meter Multiplier	kWh Usage
10/9/21	11/01/21	31	55392	Main Meter	70357	69084	1	1,273		
10/9/21	11/01/21	31	57214	Off Peak	858	849	20	390		
10/9/21	11/01/21	31	55391	Off Peak	57165	57448	1	318		

5 Messages From REA: Savings From Off Peak Program \$35.87

6 Previous Account Activity: Budget Balance Before Current Charges \$0.00

7 Account Number: 1111111

Auto Pay By Bank Draft on 11/29/2021 \$295.00 No Action Required

250180019691010000295000000295001103020218

Send Payment to:
RUNESTONE ELECTRIC ASSOCIATION
6839 POWER LN SW
ALEXANDRIA MN 56308-4410

3907 1 AV 0.426
JOHN DOE
SUE DOE
0000 Country Lane
BRANDON MN 56315-8309

5 3907
C-19

Check here for an address change on back.

BACK OF BILL

8 Monthly Energy Purchased: Last 13-24 Months vs Last 12 Months

8 Usage/Average Temp: Oct 2021 (1591 kWh, 51°F), Sep 2021 (1306 kWh, 64°F), Oct 2020 (1858 kWh, 60°F)

9 Convenient Ways to Pay Your Bill: Online, Pay-By-Phone, In-Person, Drive Up Drop Box, SmartHub App, Auto Pay

9 Address/Phone Change: Form to update contact information

Good Things to Know: Billing, Fixed Charge, Capital Credits, Credit Cards, Budget Pay Program, kWh (kilowatt-hour), WPCA

REA is an equal opportunity provider. GO PAPERLESS - Sign up on SmartHub at runestoneelectric.com

1. Account number

You'll need this to make a payment by phone, enroll in SmartHub or report an outage.

2. Amount due

We've made it easy to spot your total amount due and the due date.

3. Phone Numbers

Please check to see that your phone numbers are correct. Correct phone numbers will make for quickly reporting outages.

4. Billing row

This area contains your billing period, meter type, and meter readings.

5. Messages

Important billing messages related to your account and activities at REA.

6. Previous and current activity

This section shows your last account balance, recent payments, forwarding balances and your current electric charges.

7. Payment stub

Your total charges due will be listed here and the late payment penalty amount.

8. Energy usage comparison

Follow trends in your monthly energy use and costs. This information is also available on SmartHub.

9. Payment options

REA offers a variety of ways to pay your bill.

We now accept American Express!

Attention High School Seniors! It's Time to Apply!

Apply for one of thirteen \$1,000 scholarships available through a random drawing.

Scholarship applicants must be a graduating high school senior whose parents or legal guardians are members of REA. Students attending public, private, parochial or home school are eligible to apply. The deadline to apply for the REA scholarships is March 1, 2022. Winners will be announced in April.

Scholarship applications can be filled out online at www.runestoneelectric.com. If you're unable to fill out the application online, call REA for an application at 800-473-1722.

Dave Staples Completes Coursework

REA Director Dave Staples, Kensington, recently completed the Credentialed Cooperative Director professional development program from the National Rural Electric Cooperative Association. Dave completed required coursework in director duties and liabilities, understanding the electric business, board operations and process, strategic planning and financial decision making.



Matching Grant Awarded to United Way

Utilizing the matching grant program provided by CoBank, one of REA's lenders, REA was able to award a \$1,500 grant to United Way of Douglas and Pope Counties. UW Executive Director Jen Jabas (left) accepts the donation from REA Board President Barbara Johnson (right).

Space Heaters Can Dramatically Increase Your Electric Bill

Use the formula below to determine what the monthly cost of operating a space heater will be before you plug it in.

Example for a 1,500 watt space heater:

$(\text{wattage divided by } 1,000) \times \text{hours used} \times \text{cost per kWh} = \text{cost per day}$

Example: $(1,500 \text{ watts} \div 1,000) \times 24 \text{ hours} \times 11.18\text{¢ (REA's rate Sept - May)} = \4.02 per day

To calculate a monthly cost multiply your cost per day by number of days in the month.

$\$4.02 \times 30 \text{ days} = \120.74 . This is your cost per month.

Bottom line: space heaters are convenient, but expensive to use!



NEWSLINE

The official monthly publication of Runestone Electric Association.

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Board of Directors

District 1: Gary (Andy) Anderson, Secretary
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District 3: Audrey Hjelle, Vice President
District 4: Dave Staples, Director
District 5: Mike Loken, Treasurer
District 6: Clif Patrick, Director
District 7: Matthew Mattson, Director

Editorial Staff

Al Haman, CEO
Sue Lundeen, Editor
Ally Koudela, Communications Specialist

In Case of a Power Outage

- » Please call 800-473-1722 for 24-hour service. Please report any tree branches in lines, twisted wires, broken poles and if your neighbors are also out of power.
- » Be sure to have a corded phone or a charged cell phone in the house, because cordless phones won't work when the power is out.
- » Program the number above into your cell phone for easy access.
- » Never assume we know you are without power. Always call to report an outage.

REA will use reasonable diligence to furnish adequate and dependable electric service, but it cannot and does not guaranty continuous and uninterrupted service.

This institution is an equal opportunity provider and employer

Sign up to get text messages from REA on control days!

Simply text #loadcontrol to 22300.
Msg and data rates apply.



**FREE
Christmas
String Lights
Recycling**

Recycle your old Christmas lights & power cords at the Pope/Douglas Solid Waste Recycle Center, ALP, REA, Osakis True Value, or Ace Hardware Glenwood & Alexandria.
Accepted until 1/31/22.

