



**Jump River  
Electric Cooperative**  
Your Touchstone Energy® Partner



David Oelkers,  
Interim General Manager

## COST-OF-SERVICE STUDY REFLECTS NEED FOR RATE INCREASE

As I mentioned last month, the board-approved budget for 2017 included a slight rate increase. Additionally, the financial forecast and the annual audit indicated that there is a need for a rate increase.

At the July regular board meeting, the board received the cost-of-service (COS) study from the cooperative's rate consultant. The purpose of that study is to provide information and direction on the need for an increase and suggest methods of spreading that increase.

The consultant reviews the cooperative's revenue requirements, investigates and determines the true cost of providing electric service to each member class, and then evaluates the needed increases by rate class to meet the revenue requirements. Ultimately, the goal is to have rate equity between rate classes and meet the cooperative's financial goals. The last time the full COS was done was in 2008 and at that time, the facility charge was raised to the true cost of service, which was \$32.90 per month. That part of your bill has not changed since then. No change in the facility charge in almost 10 years is amazing and a credit to your cooperative, but all good things must eventually come to an end.

The board learned that there is an adjustment needed to meet the appropriate revenue recovery from most classes. The rate class that is most significantly under-recovering is our general service residential rate. The board also learned that the true cost of service indicates that the facility charge for this rate class is \$40.90 per month rather than our current \$32.90 per month. That is not surprising, since it has not been adjusted in almost 10 years.

With that in mind, I expect that the board will take action to make some adjustment to the facility charge for that rate class at the August board meeting. The exact amount is not yet known at this time, but I expect that it will be around a 2.5 to 3.5 percent increase for an average member using 900 kilowatt-hour (kWhs) per month. As I said last month, the rate adjustments will be the first steps on a path to financial stability for your cooperative.

### Mark Your Calendars

The 79th Annual Meeting of the Membership will be held October 21, 2017, at the Ladysmith High School in Ladysmith. Registration and a pancake and ham breakfast will begin at 8 a.m. and the business meeting will begin at 10 a.m. Please watch for the October issue of this magazine for the annual report, director candidate information, and more regarding this meeting.

### So what is the facility charge?

As you probably have guessed, this is a question we get quite often. Each month you see it on your bill and probably ask yourself the same question, so let me try to help everyone understand. It is a monthly charge that JREC members pay to help cover the basic costs of providing electricity to their location. It covers the expenses the cooperative incurs regardless of how much electricity is sold.

The facility charge includes the costs of such things as:

- Trucks, wire, transformers, meters, and poles needed to build and maintain your electric distribution system
- Labor to build and maintain the lines
- Billing and administrative costs
- Cost of insurance, interest expense, and taxes

Members sometimes ask why the JREC monthly charge is higher than other utilities. The reason has to do with customer density. Most investor-owned utilities (IOU) have an average customer-per-mile level of 30 customers or more. Jump River Electric Cooperative has an average density per mile of five. Obviously, the investor-owned utility has a lower facility charge because it can collect the facility charge from 30 or more compared to our five. Additionally, their exposure on one mile of line (primarily in a higher density area) is much lower than our cooperative serving primarily a rural wooded area. Just that difference results in a higher cost in maintaining the line.

All cooperative members benefit from having reliable electric service available when they want and need it. The facility charge ensures that everyone pays their fair share of the basic costs to have the electricity there when you throw the switch. JREC has one facility charge that is collected from residential and seasonal account members. Some of our members use significant amounts of electricity each month for the entire year. Some of our members use electricity for only two or three months of the year. Last month approximately 350 accounts used no energy for the month. The point is, whether you use a lot or a little, the cost to get the electricity to your home remains the same. That is why your electric bill has a facility charge and an energy charge. The facility charge is to cover the basic cost and the kWh charge is for the actual electricity consumed.

Please understand Jump River Electric's Board of Directors and its management take rate increases very seriously and will only implement a rate increase when absolutely necessary. Additionally, they have the responsibility of ensuring that the cooperative operates as efficiently as possible and maintains a sound financial position, and that is their commitment to you, our member-owner.

# WE APPRECIATE YOU!



**L**ots of fun, food, and friends—that sums up this year’s Member Appreciation Days celebration, held July 19–21. It was great to see that so many members were able to attend this year’s three-day event.

Members of all ages enjoyed the Touchstone Energy corn hole (bean bag) game and took part in having their face or arms painted/tattooed. Plates were filled with brats, hot dogs, beans, and chips (and don’t forget the sauerkraut) for a great lunch. “Ice cream cone or a cup?” was the toughest question of the day, with many members commenting on how they look forward to the soft serve ice cream each year. Once again, members enjoyed the music entertainment provided by Larry’s Drifters and the opportunity to catch up with neighbors and friends throughout the day.

General Manager David Oelkers said, “I always enjoy meeting cooperative members and visiting with them. I felt very blessed to have so many visits with our members. JREC is a very good organization and I am impressed with the pride the members have in their cooperative. That, and member involvement is key to a successful electric cooperative.”

Drawings were held at each of the three locations for a JREC reusable bag filled with a JREC-logoed blanket, CFL bulbs, and much more. District 9 Director John Marvin Hanson also donated five copies of the book he au-

thored, “Hunting Camp 52,” as drawing prizes. Those winning the JREC bag were Al Eldred of Westboro, Jean Morris of Hayward, and Dan Anderson of Ladysmith. Those receiving a book were Mary Dircks of Stanley, Al Kiwazek of Hayward, Kay Moe of Hayward, Marge Verdegan of Glen Flora, and Tim Cornell of Sheldon.

Who doesn’t like a guessing game? This year we provided members of all ages with the opportunity to get involved with this game. Adults were able to give their best guess at how many Life Savers® were in the jar, and children ages 5 to 18 were able to guess how many bubble gum pieces were inside the large water bottle. For those who played along and are interested in knowing the answer, it is 111 Life Savers® and 109 bubble gum pieces. How close were you?

Life Saver® guessing game winners were: Jan Henning of Gilman with a guess of 110, Pam Mueller of Hayward with a guess of 111, and Marlene Skabroud of Sheldon with a guess of 111. Amazing guesses! The children’s guessing game winners from each location are as follows: Nick Olson of Gilman with a guess of 105, Cassandra Gouge of Hayward with a guess of 100, and Noah Jochimsen of Ladysmith with a guess of 100 as well. Thanks to all for playing.

Thank you to the members who came and helped us celebrate you, the member-owners of the cooperative.



## JREC gives back to its roots

JREC annually hosts Member Appreciation Days at Jump River, Ladysmith, and Hayward. The Jump River-area members really enjoyed the picnic, prizes, and music at the Jump River gathering, which was held July 19 at our newly renovated community park located along the beautiful Jump River. It is now handicapped accessible and includes new playground equipment, paved walkways, handicapped picnic tables, a concrete table, benches, and a viewing shelter down by the river.

The renovation was made possible through generous donations from Jump River Electric Cooperative, Taylor County Powerline Fund, Dairyland State Bank, Jump River Lions Club, local contractors, businesses, families, and a cost-sharing grant from the DNR Knowles-Nelson Stewardship fund. The Town of Jump River gives a heartfelt thank you to all these contributors.

Did you ever wonder why our cooperative is called Jump River Electric? Let me give you a little history lesson that was recorded by Frank Skabroud many years ago, and tell you how it all began. At the annual town meeting in Jump River, Wisconsin, in April 1938, the town chairman, D.C. Boeckler, appointed four local residents, Lucian Curtis, farmer; Norbert Scheuer, merchant; Ward Herrick, mail carrier; and Frank Skabroud, cheese maker; to see what could be done about providing electric service to the Jump River area.

After attending meetings at Taylor



This photo was taken during the Member Appreciation Days at Jump River Community Park by the sign that lists those who donated to the project. Left to right: Town of Jump River Supervisor Patti Smith, JREC Board President and District 4 Director Jerry Carow, JREC District 2 Director and Jump River Town Chairman Myron Brooks, JREC District 5 Director Bill van Doorn, JREC District 3 Director Art Thompson, and Interim General Manager David Oelkers.

County REA Co-op and Chippewa Valley REA Co-op to discuss opportunities to extend service to the Jump River area, they were advised to start their own cooperative and be independent, and that is just what they did.

Through their efforts, determination, and help of local people desirous of obtaining electric service, their dreams finally paid off. On January 30, 1940, the system was energized, providing electric service to 179 members on 150 miles of line.

By 1942, the cooperative was serving 600 members; however, the service area had expanded in a lopsided manner to the west, leaving the headquarters, Jump River, on the eastern fringe. It was suggested to consider moving the headquarters to a more centrally located community. It took another two years for that to happen, and on February 2,

1944, the membership voted to move it to Ladysmith. There were disgruntled members who weren't happy about that and threatened to obtain a court order to stop the move. So, at 3 a.m. the manager and several directors drove up to the back of the Jump River office, loaded the records and office equipment onto the truck, and drove off to a rental office in Ladysmith. Now you know why it's called Jump River Electric Cooperative.

Jump River Electric Cooperative vastly improved the quality of life for its members since the power came on January 30, 1940. Jump River Electric Cooperative continues to show it cares about our communities. You are invited to visit our newly renovated community park to see another example of what can be done when we all work together.—Submitted by Myron Brooks, JREC District 2 Director and Jump River Town Chairman



New park features include a pavilion and bridge. The playset was made of northern cedar and constructed by a local business and JREC member Curly Creek Furniture.





## JAMES ANDERSON NAMED GENERAL MANAGER OF JREC

James (Jim) Anderson has accepted the position of general manager of Jump River Electric Cooperative. He will be joining the team at Jump River Electric in early September, re-locating from Tanner Electric Cooperative in North Bend Washington (site of the TV show *Twin Peaks*). Ander-

son was most recently the manager of operations and engineering at Tanner Electric Cooperative. He has also worked for electric cooperatives in Montana and Oregon, working his way toward a general manager position. Before joining the cooperative family he worked for investor-owned utility companies in Oregon.

Anderson has worked in generation, transmission, distribu-

tion and substation construction and maintenance, as well as metering. He holds journeyman classifications as a lineman, substation wireman, and is also a meter/relay technician. He has helped implement new technologies and ideas in the electric utility industry for the improvement of power quality and system reliability

Anderson's education is in business management, and he has continued his education and training in all phases of utility operations and management. Anderson is a member of IEEE, as well as other professional associations. He is looking forward to using this knowledge to benefit the members of Jump River Electric Cooperative.

He and his wife have family in Wisconsin and Minnesota; they are looking forward to being active members in the community.

## 54 YEARS OF MAKING A COOPERATIVE DIFFERENCE

"I had a wonderful time! I got to meet so many awesome and phenomenal people and I learned things that I can keep forever," said one student attending the 54th annual Youth Leadership Congress (YLC). Another student stated, "YLC is a great experience. You get to meet new people, learn new things, and have fun. I am very glad I attended YLC."

This conference was held at the UW-River Falls campus in July. There are so many aspects to this conference that make it a fun and valuable learning experience. Not only does the YLC help students identify their leadership potential, while learning more about cooperatives, but it also gives them a taste of college life as they live on campus during this three-day event.

Photos on this page show some of the hands-on activities students participated in during the YLC. Jump River Electric Cooperative (JREC) sponsored six students this year and had one student return, Jonathan Readinger, from last year as a 2017 YLC delegate.

One reason this conference may be different from other camps or conferences is that it is planned by and for teens. Six students are elected by their

peers at each YLC to serve on the following year's Youth Board. The Youth Board then plans and conducts the next YLC. These same students are eligible to attend the National Rural Electric Cooperative Association National Youth Tour in Washington, D.C., in June.

Readinger was recently quoted about his YLC experience in the *CFC Solutions* as saying, "It was one of the best things I've ever been part of. I gained confidence to do public speaking and take a leadership role in activities. The classes also made me aware of job possibilities in the electric utility field as well as other types of cooperatives—from credit unions to food co-ops."

Another student attending this year's conference stated, "I got a chance to make new friends and it really helped me be more outgoing."

As a YLC chaperone, I personally witness the transformation of students each year. Those who prefer to follow or stay in the shadows become more comfortable with being a leader through a mix of workshop sessions, hands-on activities, and team-building experiences. I'd compare this experience to watching a butterfly hatch—you see the students



Students sponsored by JREC at the 54th annual YLC are, top row: YLC Board Delegate Jonathan Readinger of Holcombe HS, and Samuel Larson of Holcombe HS. From top to bottom: Cassie Emmons of Ladysmith HS, Anna Taylor and McKensy Zimmer of Flambeau HS, Julia Sisko of Ladysmith HS, and Katie Zimmer of Flambeau HS.

emerge and spread their wings and fly.

Sponsoring students to this conference is just another way your cooperative demonstrates two of the seven cooperative principles it was founded on: Education, Training, and Information as well as Concern for Community.—

*Denise Zimmer*

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**JREC will be closed Monday, September 4, for Labor Day.**