

Factors that impact electricity prices

BY JASON BROTHEN, GENERAL MANAGER



Jason Brothen

I was recently asked by a member 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).

While there is no short answer, a few key elements impact electricity prices and rates. Some of these factors Lower Yellowstone Rural Electric Cooperative (LYREC) can manage, while some of them you can impact, and other factors are beyond our control. So, let me break it down.

There are three primary parts to your monthly electric bill: a facility charge, a kilowatt-hour (kWh) 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 the monthly facility 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 LYREC'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, 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 of a 1,500-kilovolt-ampere transformer went from \$21,000 in 2020 to \$48,000 this year, and wait times to receive this essential equipment are up to 16 months. Because we are a not-for-profit cooperative, some of these expenses must be passed on to our members.

Another component of your monthly bill is the kWh charge, which covers how much energy you consume. 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 or heating equipment runs longer, which increases your home energy use. Regardless, energy consumption is an area 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 last component of your bill is the PCA, which is the same amount for all co-op members. The PCA recently increased because of higher fuel prices, which means the power LYREC purchases from our wholesale provider is more expensive. The PCA covers fuel cost fluctuations without having to continually restructure electricity rates.

I hope this information sheds light on some of the factors impacting electricity prices. While we can't control the weather or the rising costs of fuels, please know LYREC 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. ■

SCHOLARSHIP

JOHN REDMAN MEMORIAL

To be eligible for a \$1,000 scholarship:

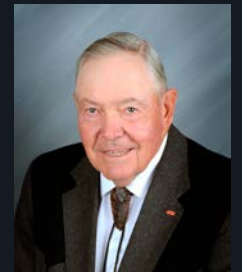
- The applicant's parent/legal guardian must be a LYREC member.
- The applicant must be enrolled as a full-time college student in the fall of 2023.

To apply:

- Make a short video describing a meaningful volunteer experience you were part of and how it impacted the community.
- Download an application from www.lyrec.coop and email the completed application to scholarships@lyrec.coop.
- Once your application is received, you will be emailed a link to upload your video.

DEADLINE: OCT. 18 AT 5 P.M.

Go to www.lyrec.coop for more information



In memory of longtime director, John Redman, LYREC has started a memorial scholarship in his name.

Operation Round Up grants awarded

The Operation Round Up (ORU) board granted \$6,100 in June. This program is possible due to the generous Lower Yellowstone Rural Electric Cooperative members who round up their bills each month.

The ORU board meets quarterly to review applications. The next application deadline is Sept. 15. If you would like more information on ORU or would like an application, go to www.lyrec.coop. ■



ORU granted \$800 to the Savage Sunrise Manor to assist with the purchase of new microwaves and mini fridges for the residents' rooms. The Savage Sunrise Manor is an eight-bed assisted living facility located in Savage.



ORU Trustee **Wendy Johnson** presents a check for \$1,200 to the **Rev. Tim O'Shields** for The Zone. The Zone is a summer lunch program in Fairview to help families and their children who face food insecurities.



Toni Goroski accepts an ORU grant on behalf of the Senior Companion Program for \$200 to assist in covering the costs of mileage and meals for the non-stipend Senior Companions. The purpose of the program is to help at-risk seniors with daily tasks to help them maintain their independence as long as possible.



Angie Stracener, representing Aging Services, receives a \$200 ORU grant. The funds will be used to provide emergency bags to help caregivers prepare for emergency situations with their loved ones.



ORU granted the Fairview Volunteer Fire Department \$1,200 to assist in the purchase of SEEK FirePro units. The units help the firefighters find potential flare-ups during a fire and also help in locating individuals in a rescue situation.



Karen Sivertson, **Alyssa Kuylen** and **Marthea Johnson** accept a check for \$1,000 on behalf of the Sunrise Women's Clinic to assist in the purchase of an updated exam chair with the functionality to serve all clients regardless of size or weight.



Sue Duffey accepts a check for \$500 from ORU on behalf of Mondak Seniors. The center plans to purchase computers to help educate the senior population on today's technology, such as Zoom and Facetime, so they can stay connected with loved ones. Computers will give the seniors the opportunity to do business online, attend appointments virtually and so much more to enrich their lives.



ORU granted the Fort Union Association \$1,000 for the annual Indian Arts Festival. The festival serves to educate regional residents and visitors about the Mon-Dak area's rich history and culture. The funds will be used to bring traditional dancers and singers to the Indian Arts Festival.

Capital credits returned

This year, Lower Yellowstone Rural Electric Cooperative (LYREC) returned over \$1.04 million in retired capital credits to its members. Capital credits come from margins, or money leftover at the end of the year after all operating expenses have been paid. The margins are allocated to each member's capital credit account based on how much electricity the member purchases. The allocated margins are retained and used by LYREC for operating capital, which reduces the amount the cooperative needs to borrow.

In June, the bills were credited for active members. Checks were mailed to former members. The checks for the individuals listed below were returned due to insufficient addresses. If you have contact information for anyone listed below, please call our office at 406-488-1602.

Aho, Tiffany Minot, N.D.
 Hopkins, James and Kim Fairview, Mont.
 Barsotti, Michael and Joy Kimberly, Idaho
 Lamason, Stephanie Sidney, Mont.
 Cheffer, Chris and Sonya Lambert, Mont.
 Leingana, Elizabeth Carpio, N.D.
 Clark, Casey and Jill Lambert, Mont.
 Lenoir, Waylon Williston, N.D.
 Conrad, Travis Amarillo, Texas
 Loomis, Daniel Sidney, Mont.
 Crusader Energy Group Inc. Austin, Texas
 Maynard, Ed Buffalo, Wyo.
 Davis, Roger Frazer, Mont.
 Odegard, Glenn Fairview, Mont.
 Fabry, Erin and Rikki Denton, Mont.
 Rodriguez, Tracy Spokane, Wash.
 Freed, Erica Bainville, Mont.
 Shope, Rita Paradise, Mont.
 G3 Operating LLC Williston, N.D.
 Sprague, Clayton Fairview, Mont.
 Gustafson, Tammy Sidney, Mont.
 Stevens, Alan Corene Boise, Idaho
 Hauser, Michael S. Michaels, Ariz.
 Stiehl, Hienei Holladay, Utah



Tombre participates in Youth Tour

More than 1,800 youth delegates and chaperones participated in the Electric Cooperative Youth Tour to Washington, D.C., June 13-23. Attendance continues to increase. Forty-four states were represented this year, compared to 28 states in 2022.

Cade Tombre, the son of Tyler and Chandie Tombre, represented Lower Yellowstone Rural Electric Cooperative this year. The memorials were Cade's favorite part of the Youth Tour, with the Lincoln Memorial as his favorite.

"It was much bigger than I thought. All the memorials were bigger than I thought," he said. He was impressed with the detail in the Lincoln Memorial, considering the technology available when it was built. The exhibits in the National Museum of the Marine Corps were also a highlight of his trip, especially the realistic sculptures of the soldiers.

Cade enjoyed spending time with his new friends. He spent his free time leg wrestling, having pushup contests and just having a good time. Cade would like to encourage other kids to apply for the Washington, D.C., Youth Tour, as he said it was an amazing trip he will never forget. ■

Operating report

Year to date:	June 2022	June 2023
Total miles energized	2,140	2,149
Total number of meters	6,234	6,301
Kilowatt-hours sold	148,818,778	190,788,855
Revenue	\$15,917,807	\$19,963,049
Total expenses	\$15,605,058	\$18,888,619
Operating margins	\$939,183	\$3,417,602



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Website: www.lyrec.com

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Greg Rauschendorfer	Vice President
Dennis Schmierer	Secretary/Treasurer
Colin Gartner	Trustee
Tim Franzen	Trustee
Dennis Nelson	Trustee
Jim Vitt	Trustee

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Jason Brothen	General Manager
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Pam Wilcoxon	Chief Financial Officer
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Kyle Kavanagh	IT Coordinator
Margo Zadow	Billing Coordinator
Tiffani Hentges	Customer Service Representative
Chris Hillesland	Chief Operations Officer
Rich Gorde	Journeyman Lineman
Eric McPherson	System Controller
Kevin Goff	Operations Assistant
Kelly Keyser	Operations Manager
Aaron Eide	Journeyman Lineman
Bryan Franck	Journeyman Lineman
Jesse Obergfell	Journeyman Lineman
Tanner Roth	Journeyman Lineman
Ryder Peterson	Journeyman Lineman
Cole Jankovsky	Journeyman Lineman
Lee Delp	Apprentice Lineman
Preston Long	Apprentice Lineman
Trey Schepens	Apprentice Lineman
Jory Bell	Apprentice Lineman
Brandon Mueller	Master Electrician
Mike Eberling	Mechanic
Dan Gieser	EMS
Lee Alvstad	Mechanic/EMS
Richard Tremblay	EMS
Bo Kindopp	GIS/Easement Technician
Tom Hall	GIS Specialist
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Braden Kindopp	Information Technology Technician
Edwin Gatzke	Line Locator/Groundsman
Justin King	Warehouse Supervisor
Dennis Fine	Summer Help

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