



news & views

from **Lincoln Electric Cooperative, Inc.**

YOUR ELECTRIC BILL

101

EXPLAINING THE CHARGES ON YOUR ELECTRICITY BILL

LINCOLN Electric Cooperative's rates will increase on March 1, 2023. To help prepare members for the increase, we decided it was time for a refresher on the various components of your electric bill.

To continue to deliver service to our members, Lincoln Electric has expenses that exist regardless of how much electricity is sold. We call those expenses "fixed costs." Fixed costs include different types of expenses, some of which are detailed in the sidebar to the right.

As a cooperative, Lincoln Electric believes that every service should help share equitably in the fixed costs of the system. To accomplish this, each service pays a monthly "System Maintenance Charge. The System Maintenance Charge could be compared to what some service providers, like phone companies, term an "Access Fee."

The monthly System Maintenance Charge is calculated to ensure that we could cover the fixed costs on our base infrastructure even if Lincoln Electric sold no electricity.

The second component of your electric bill is the "kWh Charge," which is the total amount of electricity used during the billing period. It is measured in kilowatt-hours (kWh), which is the amount of electricity used over time.

The final part of the bill is the "Demand Charge," which is the least understood and hardest to explain.

Demand is measured in kilowatts (kW). Each member's maximum demand for billing purposes is set based on their highest average demand over a 15-minute period during the month.

Your demand is what you are asking of the electric grid to supply to your service at a single point in time. Many members set their max demand for the month when multiple electric appliances are operating at the same time.

As an example, imagine a home with an electric heating system, water heater, oven and dryer. The maximum rated demands (kW) for the appliances are 15, 4, 2.5, and 3.5, respectively. We're going to disregard all the other electric components, such as lights, in the home. We'll also assume that each of these appliances runs only once per day.

Let's say the homeowners come home from work. The wife immediately throws a wet load of laundry in the dryer and starts dinner while the husband takes a shower. During the same time, the heating system is triggered by the thermostat.

At that point in time, the couple is demanding 25 kW of electricity from the electric grid as the heating system requires 15 kW, the water heater 4, the oven 2.5, and the dryer 3.5. However, their usage over time (kWh) is quite different since the heating system ran for 30 minutes, the water heater for



WHAT ARE FIXED COSTS?

Fixed costs are required expenses that remain relatively stable regardless of how much energy we sell to our members. As a cooperative, we believe that each service on the system should help pay equally for these expenses. Fixed costs include, but are not limited to:

- Taxes*
- Depreciation*
- Capital credit retirements*
- Insurance*
- Billing*
- Metering*
- System maintenance and replacements*
- Right-of-way clearing*
- Outage restoration*
- Administration*
- Health, safety and regulatory compliance*
- Vehicles and equipment*
- Property and facility maintenance*

See BILL 101, page 7



COMMUNITY MEETINGS

Please join us for any or all these community meetings to visit with your cooperative employees and trustees, and to learn more about the rate change that starts on March 1. **ALL MEETINGS START AT 7 P.M.**

MONDAY, FEB. 27

Olney-Bissell School
5955 Farm to Market Road
Olney, MT

TUESDAY, FEB. 28

Lincoln Electric Boardroom
312 Osloski Road
Eureka, MT

WEDNESDAY, MAR. 1

TFS Community Hall
346 Fortine Creek Road
Trego, MT

THURSDAY, MAR. 2

Kootenai Store
7217 West Kootenai Road
Rexford, MT

DESSERT AND BEVERAGES WILL BE PROVIDED

PRESIDENT'S DAY CLOSURE

Lincoln Electric Cooperative's office will be closed on Monday, Feb. 20

LINCOLN ELECTRIC COOPERATIVE, INC.

CONTACT

1-406-889-3301
info@lincolnelectric.coop
www.lincolnelectric.coop
Secure Payments: 1-833-890-6258

ALWAYS REPORT OUTAGES TO:

1-406-889-3301

OFFICE

312 Osloski Road
PO BOX 628
Eureka, Montana 59917

OFFICE HOURS

Monday - Thursday
7:00 AM - 5:30 PM

BOARD OF TRUSTEES

Tina Taurman
President

Becky Evins
Vice President

Michael Garner
Secretary-Treasurer

Myra Appel
Joel Graves
Sandi Mason
Rick Peterson
Marianne Roose
Ethel White

Telly Stanger
General Manager

FINANCIAL OVERVIEW	YEAR TO DATE NOV. 2022	YEAR TO DATE NOV. 2021
kWh SALES	116,305,877	104,795,028
REVENUE	\$11,480,087	\$10,757,682
COST OF POWER	\$5,220,360	\$4,658,466
OPERATING EXPENSE	\$3,892,607	\$3,438,783
MARGINS	\$875,148	\$1,357,866
NUMBER OF MEMBERS	5,092	4,962
NUMBER OF METERS	6,533	6,366
MILES OF LINE	1,002	991
TOTAL UTILITY PLANT	\$38,206,225	\$36,206,179
MEMBER EQUITY	\$12,863,785	\$11,888,635
NOVEMBER AVERAGE RESIDENTIAL USE (KWH)	2,120	1,585
NOVEMBER AVERAGE RESIDENTIAL BILLING	\$178.96	\$150.00

BUSINESS AND BOARDROOM BRIEFS

The regular meeting of the board of trustees was conducted on December 19, 2022. A quorum of trustees was present and the board took the following action:

- Assigned Tina Taurman as the primary voting delegate for NRECA Annual Meeting and Becky Evins as the alternate.
- Approved the donation of two poles and associated installation for the new football scoreboard at Lincoln County High School when all funding has been obtained.
- Approved a donation to Eureka Robotics of \$1,850 from unclaimed capital credits and \$2,500 from the 2023 donation budget.
- Approved a bonus and wage increase for the General Manager.

Lincoln Electric's Board of Trustees holds regular monthly meetings at the boardroom in the cooperative office. These are typically scheduled on the third Monday of each month at 6 p.m. Members are encouraged to attend. If you have any items of interest, please contact the general manager prior to the meeting.

NEXT MEETING DATE:
TUESDAY, FEBRUARY 21, 2023



Lincoln Electric Cooperative, Inc.

HAVE A STORY SUGGESTION?

SEND YOUR IDEAS TO:
memberservices@lincolnelectric.coop

BILL 101

Continued from page 5

15 minutes, the oven for 30 minutes and the dryer for 90 minutes. Their usage (kWh), or the amount needed over time, would be as follows:

Heating System: 15 kW x .5 hour = 7.5 kWh

Water Heater: 4 kW x .25 hour = 1 kWh

Oven: 2.5 kW x .5 hour = 1.25 kWh

Dryer: 3.5 kW x 1.5 hour = 5.25 kWh

Total: 15 kWh

However, that is their usage for only one day. They will continue to have usage for the remainder of the month. Using the same example, let's assume they use the same appliances for the same amount of time every day, but after the first day, their appliances operate at different times from each other. The members would continue to use the same amount of electricity (15 kWh) per day, but because all the appliance operate at different times, their demand never exceeds the maximum (25 kWh) they set on the first day. Over the course of the month, they end up using a total of 450 kWh (15 kWh x 30 days) for the month.

THIS IS WHAT THEIR BILL WOULD LOOK LIKE:

System Maintenance Charge: \$49.70

kWh Charge (450 kWh x \$0.051057 per kWh): \$22.98

Demand Charge (25 kW x \$2.50 per kW): \$62.50

Total Amount Due: \$135.18

Let's assume that it's spring the next month, and it is the perfect temperature where they no longer need their electric heating system or air conditioning. Their demand is going to drastically change. Even if they follow their same routine from the first day of the previous month, the heating system is no longer requiring anything from the grid. Because of this, their maximum demand is only 10 kW (4.5 water heater, 2.5 oven, and 5 dryer) compared to the 25 kW demand set the previous month using the heating system.

They would also have less usage as the 7.5 kWh per day for the heating system is no longer necessary, so their new monthly total usage is 225 kWh (7.5 kWh per day x 30 days).

THIS IS WHAT THEIR BILL WOULD LOOK LIKE THE NEXT MONTH:

System Maintenance Charge: \$49.70

kWh Charge (225 kWh x \$0.051057): \$11.49

Demand Charge (10 kW x \$2.50): \$25.00

Total Amount Due: \$86.19

The above examples reflect the new March 1, 2023, rates. If you'd like to learn more about our rates or your cooperative, please join us for our upcoming community meetings (see page 6), check out www.lincolnelectric.coop, or give us a call at 406-889-3301. 



NEED TO THINK ABOUT IT IN A DIFFERENT WAY?

For some people, it's easier to understand electric bill parts when you compare them to a vehicle, where use (kWh) is the odometer and demand (kW) is the speedometer. Your use (kWh) is the total number of miles driven over a period of time. But your demand (kW) is the speed at which you are going. It is what you are asking of your engine at a single point in time.

With the vehicle comparison in mind, look at the two following drivers:

	
DRIVER 1	DRIVER 2
Commutes from Eureka to Kalispell	Commutes from Mud Creek to Eureka
Reaches a maximum speed of 50 mph	Reaches a maximum speed of 90 mph
MONTHLY NUMBERS	MONTHLY NUMBERS
Mileage: 2,400 miles (total usage or kWh)	Mileage: 200 miles (total usage or kWh)
Maximum Speed: 50 mph (demand or kW)	Maximum Speed: 90 mph (demand or kW)

As you can see, speed (demand) is not directly correlated with mileage (usage), but to the behavior of the drivers. The same is true of electric usage, though demand is typically more impacted by the electric makeup of the home rather than the occupants.

PLAY IT SAFE WITH GENERATORS

10 do's and don'ts when using portable generators

By **ABBY BERRY** | For Lincoln Electric

STORM season will soon be upon us, which means greater potential for power outages. If you're planning to use a portable generator in the event of an outage, Lincoln Electric Cooperative reminds you to play it safe.

With proper use and maintenance, portable generators can provide great convenience during an outage. However, when generators are used incorrectly, they can be extremely hazardous. In a 2022 report, the Consumer Product Safety Commission estimated 85 U.S. consumers die every year from carbon monoxide (CO) poisoning caused by gasoline-powered portable generators.

Here are 10 do's and don'ts to keep in mind when using portable generators:

DO: Install backup CO alarms.

DO: Keep children and pets away from portable generators at all times.

DO: Position generators at least 25 feet outside the home, away from doors, windows and vents that can



allow CO to enter the home.

DO: Ensure your generator is properly grounded. Use a portable ground fault circuit interrupter (GFCI) to prevent electric shock injuries.

DO: Use three-pronged extension cords that are rated to handle the load of the generator. Inspect extension cords for cuts, frays or other damage before use.

DON'T: Operate a generator inside your home or an enclosed (or partially-enclosed) space. Generators produce high levels of CO, which can be deadly.

DON'T: Open windows or doors while the generator is running.

DON'T: Rely on generators as a full-time source of power. They should only be used temporarily or in emergency situations to power essential equip-

ment or appliances.

DON'T: Overload generators. They should only be used to power essential equipment. Make sure your generator can handle the load of the items you plan to power.

DON'T: Connect generators directly into household wiring unless you have an appropriate transfer switch installed. If a generator is connected to a home's wiring without a transfer switch, power can backfeed along powerlines and electrocute utility line-workers making repairs.

While generators provide convenience during power outages, they can quickly become hazardous — even deadly — if improperly operated. Before you operate a portable generator, be sure to thoroughly read the owner's manual for important safety information and tips.

If you have questions about proper use of portable generators, we're here to help. Give us a call at 406-889-3301, or contact us at memberservices@lincolnelectric.coop. 

LUCK OF THE DRAW SCHOLARSHIPS

APPLY NOW FOR A CHANCE TO WIN A SCHOLARSHIP FOR THE SUMMER OR FALL 2023 SEMESTER

- Drawing held at Lincoln Electric's Annual Meeting on Saturday, April 1, 2023, at the LCHS Auditorium in Eureka
- Student or their parent/legal guardian must be an active member of Lincoln Electric currently receiving electric service

- Student and/or their parent/legal guardian must register for the Annual Meeting and at the Luck of the Draw Scholarship table prior to 9:15 a.m. to be eligible
- See the application for full eligibility details

APPLY ONLINE AT WWW.LINCOLNELECTRIC.COOP

APPLICATION DEADLINE IS MONDAY, MARCH 20

