

A WORD FROM



Garrett Thompson
Chief Executive Officer

Rate adjustment effective January 2023

charge on your monthly bill is what supports the cooperative in covering the cost of poles, wires, meters, insulators, transformers, and so on. These items need to be maintained to provide safe and reliable electricity to our members regardless of the amount of electricity used.

FREC's last rate increase took effect April 1, 2020, shortly before inflation began its record climb. According to the Bureau of Labor Statistics, \$100 of goods in April 2020 cost \$115.56 in July 2022. The co-op has seen and endured these inflationary prices as long as possible, however, we are unable to sustain the rates as they are with the current market conditions.

You may be thinking, "How does FREC determine the amount of funds, or income, the cooperative needs?" This is a great question. FREC has policies in place that help guide management on the boards expectations for the financial performance of the cooperative. These policies are reviewed every couple of years and compared to other electric cooperatives across the nation. In addition,

FREC's lenders require us to meet certain financial ratios every year. If we were to dip below those stated ratios, FREC would incur penalties and would lose access to lower interest rates. This in turn would raise electric rates even higher.

If you are on a fixed income or would like to seek payment assistance, we are here to help. You may reach out to us at the office or view the resources listed on our website (franklinrec.coop). On the front page simply click "Rate Change and FAQ's" for agencies that may be able to help. Resources were also listed in the letter mailed to members on Oct. 31.

Other resources to potentially help lower your bill include free energy assessments, our free mobile app SmartHub that tracks your usage, and our rebates on new energy-efficient items.

Remember, the FREC staff is always here to help members. We are more than willing to walk through your bill with you or answer any questions you may have on the rate adjustment.

2023 RATE ADJUSTMENT

CONSUMER CLASS	CURRENT FACILITY CHARGE	INCREASE	NEW FACILITY CHARGE
Regular Farm & Home	\$42.00	\$10.00	\$52.00
Small Commercial Multi-Phase	\$75.00	\$20.00	\$95.00
Industrial Multi-Phase	\$210.00	\$50.00	\$260.00
Electric/Storage Heat	\$5.00	\$0.00	\$5.00
Yard Light	\$9.50	\$0.00	\$9.50
Street Lighting	\$30.00	\$0.00	\$30.00

Decorate safely

Homeowners have started decorating their homes for Christmas earlier and earlier—often before Thanksgiving.

If you're ready to start hanging lights, take safety precautions. Nearly three people per hour are treated in hospital emergency rooms for decorating-related injuries during every holiday season, according to the National Safety Council.

Here are five ways to keep yourself safe if you have decorating duty this season:

1. Inspect last year's lights before using them this holiday season. Discard any with frayed or exposed wires, loose connections, or broken sockets.
2. Decorate the tree with kids in mind. Place breakable ornaments and those with metal hooks near the top of the tree, where little ones can't reach them.
3. Some holiday plants, including some varieties of poinsettias, can be harmful to children and pets. Make sure these plants are out of reach. Always have the number for the Poison Control Center handy: (800) 222-1222.
4. Use sturdy ladders when decorating outdoors. Indoors, climb step ladders instead of onto chairs, which aren't designed to support someone in the standing position.
5. Don't hide extension cords under rugs or furniture; they can overheat and catch on fire. Remember when you take the tree down to unplug extension cords—they are not designed for permanent use.



SMART TIPS

SPACE HEATER SAFETY

Space heaters can be a cost effective option when heating no more than one or two small areas.



Review and follow all manufacturer directions.

Place them out of high-traffic areas and on a hard, level floor surface.



Keep them at least 3 feet away from flammable items.

Plug them directly into outlets. Avoid using an extension cord.



Turn them off before you leave the room or go to sleep.



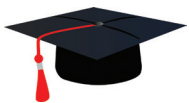
Source: [SafeElectricity.org](https://www.safepower.org)





Scholarships available

- Committed to the communities it serves, Corn Belt Power Cooperative partners with **Northwest Iowa Community College** (NCC) in Sheldon, Iowa, to offer *four \$500 scholarships to line program students* who reside in a county served by a cooperative in the Corn Belt Power system. Applicants do not have to be cooperative members. Corn Belt Power is interested in maintaining a skilled and educated workforce to serve its members well into the future. Recipients may be either first- or second-year students, but are eligible for only one scholarship. For more information, visit the college website at nwicc.edu. Application deadline is March 1, 2023.
- Corn Belt Power also partners with **Iowa Lakes Community College** in Estherville, Iowa, to offer *one \$500 scholarship for students enrolled in the Wind Energy and Turbine Technology program*. The scholarship was established in 2006 and showcases Corn Belt Power's commitment to its service communities and renewable energy production. Applicants do not have to be cooperative members. Selection emphasis will be placed on candidate's potential for success and GPA. For more information, visit the college website at iowalakes.edu. Application deadline is March 1, 2023.



Battery energy storage system added

Thanks to the cooperative principle of "Cooperation Among Cooperatives," Corn Belt Power Cooperative's service territory now has a battery energy storage system (*pictured right*). Corn Belt Power is Franklin REC's power provider.



Basin Electric Power Cooperative, which provides power to electric co-ops across the Midwest including Corn Belt Power, introduced a member-owned Trial Battery Rate into its rate book in 2019. The rate allocates up to 150 kilowatts per distribution cooperative.

Corn Belt Power, collaborated with its membership, which includes Franklin REC, to develop a plan that allowed each member-cooperative to pool its individual allocation and create one large battery energy storage system. This system is a 1.425-megawatt Tesla® Megapack, which Corn Belt Power integrated into the Hampton Substation on the Franklin REC lines.

Total project cost is near \$3.5 million, which includes the battery storage system, engineering, site preparation, and labor. The stored power from the battery will allow Corn Belt Power to avoid purchasing 1.425 megawatts of power during peak usage times for up to six hours. This is enough energy to power roughly 145 homes for six hours at a time.

Once the battery's energy is depleted, it will recharge during off-peak times in preparation for its next disbursement.

"We want to learn more about battery technology, from the process of procuring and installing the batteries to operation and how the batteries can benefit Franklin REC and Corn Belt Power," said Jacob Olberding, vice president, power supply, Corn Belt Power. "We will also use the battery project as a load management resource. By doing so, we hope the batteries pay for themselves in 12 years."

Corn Belt Power plans to share ongoing performance data with Franklin REC and the rest of its membership to highlight the battery's ability to reduce member-cooperative power costs. This sharing of operational information will provide the membership with education and insights to support future use of battery storage technology.



We are thankful for the opportunity to serve you.

**Franklin REC offices are closed
Thursday, Nov. 24, and Friday, Nov. 25,**
so that our employees can spend time with their families.
If you have an emergency or an outage,
call us at 641-456-2557. We will answer.

Have a safe and blessed holiday!

Holiday lights twinkling and sleigh bells jingling—Light Up the Night 2022 is here!



Franklin Rural Electric Cooperative is thrilled to announce another holiday season illuminated by Light Up the Night! This year's event will be held on Saturday, Nov. 26 in downtown Hampton.

Plan to spend the afternoon enjoying festivities, including crafts, ornament painting, and a free movie, hosted by fellow community businesses. Just before 5:30 p.m. begin lining 1st St. NW, as the lighted parade will be traveling from the Hampton Aquatic Center to Band Shell Park. Wave at the dazzling floats as they pass by, then swiftly make your way to Band Shell Park as the fun continues!

Find the perfect viewing spot to witness the lighting of the 30-foot evergreen tree centered in Band Shell Park and help Santa countdown the lighting of the tree. Once the park has been lit, enjoy a stroll through the twinkling arches or grab a cup of hot cocoa and a treat before hopping on the trolley ride. If poor weather conditions occur on Nov. 26, the event will be hosted on Saturday, Dec. 3.

We look forward to seeing everyone, but if you are unable to attend, please enjoy a stroll through the park anytime through December as the lights will be on display until the New Year.

Parade Information

The parade lineup will begin at 4:30 p.m. at the Hampton Aquatic Center at 600 1st St. NW, with the parade starting at 5:30 p.m. The parade will travel through downtown Hampton and conclude at Band Shell Park where the floats will be on display during the Lighting of the Park. If you would like to participate in the parade sign up with Franklin REC by stopping in or calling us at 641-456-2557.

College scholarships available for co-op dependents



Dependents of Franklin REC members are encouraged to apply for scholarships for tuition in the fall of 2023:

- **One \$1,000 Basin Electric Power Cooperative Scholarship and one \$500 scholarship from Franklin REC.**
 - o Dependent children (including adopted or stepchildren) of member-system consumers are eligible.
 - o The applicant must be a student who is enrolled or planning to enroll in a full-time undergraduate course of study at an accredited, two-year or four-year college, university, or vocational/technical school.
- **Up to three \$500 Commitment to Community Scholarships**
 - o Recognizing students who volunteer in their communities, churches, etc.
 - o Applicants must be graduating high school seniors in the application year (August to May) and enrolled in a full-time undergraduate course within 12 months.

Applying through a high school's scholarship program, such as Dollars for Scholars, does not automatically qualify the applicant for the above scholarships.

Applications must be submitted directly to Franklin REC. Contact Franklin REC at 641-456-2557 or cmason@franklinrec.coop for application forms. Applications are also available online at www.franklinrec.coop.

BOARD ROOM highlights

At their August meeting, Franklin REC directors:

- Approved work orders and special equipment capitalization totaling \$20,668.37
- Approved changes to tariff for rate adjustment
- Approved 990 and 1120 tax forms
- Reviewed Encompass tax forms
- Designated Iowa Association of Electric Cooperatives' annual meeting delegate and alternate
- Reviewed worker's compensation insurance
- Reviewed health insurance agreement
- Approved CliftonLarsonAllen as cooperative's auditor
- Approved October board meeting date
- Approved scholarship award for Youth Leadership Academy participants

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