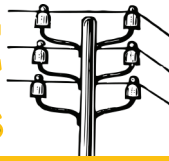


# Taylor Report Over the Lines



July 2016



N1831 State Highway 13, Medford, WI 54451 • 715-678-2411 • [www.taylorlectric.org](http://www.taylorlectric.org)

## REPORTS FROM THE BOARD

### MAY

- Approved April disbursements totaling \$675,598, reviewed expenses paid by credit card, accepted 16 new member applications, and March construction in the amount of \$69,490.
- Reviewed financial results through April 30, 2016 with year-to-date net margin of \$74,564. KWh sales were up 1.6% in April compared to April 2015, and are down 5½% for the first 4 months of 2016 compared to one year ago. Only 3 outages occurred in April, with 14 total for the year, totaling 0.76 hour per member of outage time.
- Early retirement of capital credits to 3 estates was approved with net discounted total in the amount of \$1,236.58.
- The 2015 IRS Tax Forms 990 and 990-T were reviewed.
- A donation of \$500 was approved to the Taylor County Fair, with funds to be drawn from the Co-op's unclaimed capital credits being held at the Federated Youth Foundation.
- No action was taken on a request by a non-member to rent the Co-op's woods for tapping trees for maple syrup.
- A request from SoCore Energy to utilize Taylor Electric's 3-Phase Community Service Rate for power needed at their 2 megawatt solar array at the Medford Substation was denied. The Standard 3-Phase rate will be applied to the electric service to be provided at the site.
- The Dairyland Power report included: a wholesale PCA credit will be applied on the May bill; the decommissioning of the LACBWR nuclear plant is continuing; governance changes that will affect the Dairyland committees structure; and, renegotiation of the contracts for the municipal utilities served by Dairyland.
- A complete list of the 2016 scholarship recipients was given.
- Director Tesch provided a verbal review of his written report on the May 12th safety meeting which included: active shooter discussion with all employees; need to review and update the Co-op's emergency action plan; review of the concealed carry policy; and, a review of the Restoration Of Power in Emergency (ROPE) mutual aid agreement with other electric co-ops.
- Dairyland Power Cooperative President & CEO Barbara Nick joined the meeting to address questions offered by the Board including: wholesale rate projections; governance; future power supply; competing with municipals; and, extension of the all-requirements contract.

### JUNE

- Approved May disbursements totaling \$824,046.91, and April construction in the amount of \$21,561.60
- Twelve new member applications were approved.

Reviewed financial results through May 31, 2016 with year-to-date total margin of \$84,469. Thirteen outages occurred in May, with 27 for the year to date, totaling just under 1 hour per member of outage time.

- A Wholesale PCA Credit of \$0.002039 per kilowatt-hour was approved to be applied to all member electric usage for the month of June 2016.
- The Board approved one request for early retirement of capital credits to estates, with the book value of these capital credits reduced to net present value of \$1,374.95.
- Board members reported on attending the Dairyland Power Cooperative 75th Anniversary Annual Meeting. There, Dairyland management and staff reported on the Co-op's financial condition, wholesale power generation & transmission costs, 2015 operations, and announcement of a purchase power agreement for an additional 98 MW of wind generation to be built in southwestern Wisconsin.
- 63 member accounts that were processed for collection on June 22nd with total amount owing of \$21,785.
- Board members Waldhart, Zenner, Smith, and Tesch were appointed delegates for the WECA District 1 meeting in July.
- CEO Schaefer reported on the WECA Education Committee he had attended. Plans for 2017 director, management, and employee education events were discussed.
- It was noted that the employees and the Co-op were recognized by Federated Rural Electric Insurance for attaining "No Lost Time Accidents" for 2015, extending its streak of no lost time accidents since June 21, 2011. Chad Knutson of Federated Insurance also advised the Board that there have been no Workers Compensation accident claims by the Co-op's employees for the last 3 years, almost unheard of in the electric utility industry.
- Director Smith reported on the June 8th safety meeting which included: close calls from other utilities review; trenching and excavation safety; transformer connections and polarity; and, meter safety.
- Directors Tesch, Zenner, and Hallgren reviewed the CFC Forum they attended in June. It was noted that there were no registration fees for this event as compared to most other national organization events, there were many high-quality speakers, with very pertinent information for the electric industry.
- A review of the Strategic Planning progress to date was done. A review and update of the Strategic Plan is planned for the end of October.
- Forms for the CEO Appraisal were distributed to Board members for discussion at the July board meeting.
- Director Smith reported attending the Price Electric Co-op annual meeting. They announced a new headquarters building plan estimated at \$5.5 Million.

# Explanation of Your Bill

Your bill has changed!! Please review the explanation of each charge as they appear on your bill.

**A. Local Fixed Charge** includes all of the expenses relating to the facilities directly connected to your home or business, such as wires, meters, and also the accounting, billing, collection, and customer programs.

**B. Local Energy Charge** includes costs associated with building and maintaining all of the poles, power lines, and utility equipment to serve all of the members. These are not customer specific, but related to providing the facilities needed to be able to serve all members collectively. It also includes a "margin" which provides cash for refunding capital credits to members.

**C. Wholesale Energy Charge** reflects what we get charged per kilowatt-hour (kWh), including demand, substations, transmission, etc., from our power supplier.

**D. Wholesale Summer Differential** reflects the higher cost of wholesale power from our power supplier during the 3 summer months of June through August only (1½¢ per kWh for most rate classifications).

**E. Wholesale PCA (Power Cost Adjustment)** will be used to pass on to our members, the additional charges or credits for wholesale power that we receive from our power provider. (PLEASE KEEP IN MIND THIS WILL NOT ALWAYS REFLECT A CREDIT)

**F. Local Distribution Rider** may be used from time to time as authorized by the Board, so that the Co-op will meet its financial goals, including to refund capital credits on an annual basis, and to provide financial assurance to our lender(s) that we are meeting our loan requirements.

**G. Public Benefit Fee** is a state-mandated program that is used for conservation and low income assistance.

## —SAMPLE BILL—

The new bills break out the costs to show what our "local" costs are versus what the "wholesale power costs" are.

### Detail of Charges

A)	LOCAL FIXED CHARGE		35.10
B)	LOCAL ENERGY CHARGE	1200 KWH @ .03510	42.12
C)	WHOLESALE ENERGY CHG	1200 KWH @ .07890	94.68
D)	WHOLESALE SUMMER DIFF	1200 KWH @ .01500	18.00
E)	WHOLESALE PCA (CREDIT)	1200 KWH @ .00203-	-2.44
F)	DISTRIBUTION RIDER	1200 KWH @ 0.00	0.00
G)	PUBLIC BENEFIT FEE		1.38
	WISCONSIN SALES TAX		9.38
	TAYLOR COUNTY TAX		0.94
	<b>Total this service</b>		<b>199.16</b>

## PLEASE NOTE

- **Not only has your electric bill changed, but so has the Taylor Report. In a cost-saving measure, we have opted to send a 2-page bill stuffer instead of our 4-page newsletter.**
- **Our office will be closed on Monday, July 4th. Have a safe and enjoyable holiday weekend!!**



## BALANCING ACT



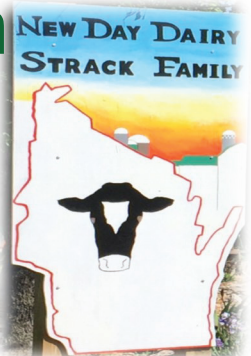
Following the storm that hit our area on Sunday, June 5<sup>th</sup>, this 10-foot tree branch was caught up in the electric lines by just a small portion of a tree

limb that had busted off the branch. There were no trees in the area so the branch must have gone quite a distance through the air during the storm.

If you come across trees/branches on the electric lines, do not attempt to remove them on your own. Call Taylor Electric at 715-678-2411 and let us handle the situation.

## Breakfast on the Farm

President and CEO, Mike Schaefer celebrated June Dairy Month by attending the Abby FFA Dairy Breakfast held on Sunday, June 5th.



The hosts, Robert and Kena Strack, New Day Dairy, are members of Taylor Electric and live at the farm that was formerly owned by Schaefer's parents.