



December 2013

Hot Watts

PUBLISHED BY COOKSON HILLS ELECTRIC COOPERATIVE, INC.

Inside

- Capital Credits continued 2
- RoundUp.....2
- Rate Increase continued 3
- Mary Lynn Lufkin .. 3

Your Touchstone Energy® Cooperative 



Energy Efficiency

Electric bills rise in the winter for lots of reasons—holiday parties, house guests, and shorter days and longer nights. Take little measures to help control costs like turning down the thermostat, washing clothes in cold water, swapping out lightbulbs for high-efficiency versions, and using microwaves or toaster ovens to cook. Find more ways to save at TogetherWeSave.com.

Source:

TogetherWeSave.com

Congratulations Tommy Hix is our online survey winner!



General Manager Kendall Beck

Rates Increase in 2014

For the first time since March 2009 Cookson Hills Electric Cooperative will have an increase in electric rates. The required changes to the rates are a result of increases in wholesale power costs and increases in daily operating costs such as constructing and replacing infrastructures.

Cookson Hills Electric Cooperative (CHEC) is your local, not-for-profit electric utility. Our focus remains on providing you with safe, reliable electric power and quality service - not on generating profits as profits are returned to our

members through capital credits. This increase covers only what is absolutely necessary while protecting your investment in your Cooperative.

The cost of infrastructure required to provide you with safe, reliable electric service also continues to increase. Poles, wires, transformers, labor costs, etc. have increased in cost since the previous rate restructure.

Two new billing adjustment factors that will reflect on your monthly bill will be implemented in 2014 and 2015 as part of the rate restructuring recently approved by the Board of Trustees. The purpose of both billing adjustments is to ensure a proper recovery of the costs of providing service and to reduce the impact of rate changes on members.

Continued on Page 3

Capital Credit Checks In The Mail

As December approaches each year, Cookson Hills Electric Cooperative (CHEC) members anticipate the arrival of their capital credit

checks. This month, members—past and present—who received CHEC electric service in 1994 will be receiving a capital credit check.

Continued on Page 2



Cookson Hills Electric Cooperative's Board of Trustees and Employees wishes you and your family a happy holiday season. CHEC offices will be closed Tuesday, December 24th and Wednesday, December 25th so our employees may celebrate Christmas with their families. The offices will be closed Wednesday, January 1st in celebration of New Year's Day as well.

Hot Watts

is published monthly by Cookson Hills Electric Cooperative, Inc. *Hot Watts* informs members in parts of seven Eastern Oklahoma counties about Cookson Hills' programs and issues. Cookson Hills Electric Cooperative continually strives to provide quality electrical service at a reasonable cost for its members.

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Cookson Hills Electric Cooperative, Inc. welcomes members to submit photos, and articles which will be subject to editing.

Cookson Hills reserves the right to publish or modify any article. Companies and individuals featured in the *Hot Watts* newsletter do not necessarily reflect the official policy, position, or view of Cookson Hills.

**If You Find Your Account Number
Hidden in This Issue of the *Hot Watts*
You'll Receive a \$25 Credit on
Your Electric Bill**

Capital Credits Continued.....

The CHEC Board of Trustees has authorized the retirement and distribution of \$444,764.61 in capital credits for the year of 1994. Checks will be mailed in early December.

Those that have signed a membership agreement for electric service from Cookson Hills Electric Cooperative are members. Capital credits reflect each member's ownership in and contribution of capital to the cooperative. Investor-owned utilities pay a portion of their profits to shareholders - people who may or may not be customers. Electric cooperatives return the margins or profits, to the members - the people who actually use and support cooperative services.

Member-owned not-for-profit electric cooperatives set rates to generate enough money to pay all operating expenses. At the end of each year, the cooperative subtracts operating expenses from the operating revenue collected during the year. The balance is called an operating margin. Margins are allocated to members as capital credits based on how much electricity you purchased during a particular year.

If you were a member of CHEC in 1994 and you do not receive a capital credit check this month, please contact our office at 800-328-2368.



REMINDER

The headquarters office in Stigler has eliminated the local phone number. Please call **800-328-2368** if you need to contact the Stigler office to report an outage and for customer inquiries or customer service.

RoundUp Meets in December

The Cookson Hills Electric Foundation will meet December 3, 2013, to discuss the awarding of funds to individuals and organizations that have applied for assistance during the last quarter of 2013. The Foundation, a separate entity from CHEC with their own board of directors, is the trust in which Operation RoundUp funds are placed.

CHEC Foundation grants are made possible by CHEC members who participate in the cooperative's Operation RoundUp program. These members 'round up' their monthly electric bills and donate the amount in excess of their bill to the charitable program. By participating in the Operation RoundUp

program, you are contributing to your community.

The CHEC Foundation meets four times a year, and anyone living in the 986500 cooperative's service area is eligible to apply for a grant. Nonprofit organizations providing services to the communities CHEC serves also qualify. Applications are available on CHEC's website, www.cooksonhills.com, and at both offices in Stigler and in Sallisaw.



Rate Increase Continued.....

The Power Cost Adjustment (PCA) factor is an amount in \$/kWh applied to a member's monthly kWh consumption to account for changes in the cost of wholesale power purchases from CHEC's power supplier that are above or below the power cost recovered in the base rates to the member. The PCA factor will allow the cooperative to more efficiently track both increases and reductions in the wholesale cost of power. The initial PCA factor to be applied in 2014 is \$0.000/kWh. The PCA factor for future periods will be determined based on the changes in wholesale power costs.

The Consumer Cost Adjustment (CCA) is an amount in \$/kWh applied to a member's monthly kWh consumption to assist the cooperative in maintaining the appropriate level of margins. It is the Board of Trustee's intent that the rates charged to members should not over-collect from members but also that changes in operating conditions should not adversely impact the cooperative's financial condition. The CCA factor provides stability and a means for the cooperative to maintain the financial integrity of the cooperative without the need for significant rate increases. The CCA factor will not be implemented until January 2015.

The recently approved rate change includes an increase in the customer charge component. For members on the residential rate, the customer charge increases from \$20 to \$25 per month. This change is necessary to provide a better reflection of the actual costs of providing service to our members. Much of the costs that CHEC incurs to deliver energy to our members is of a fixed cost nature and does not change based on energy consumption. For example, a recent cost of service analysis revealed that the fixed customer costs of providing service to the residential member are approximately \$31 per customer per month. These costs include a portion of the capital costs and operating costs associated with overhead and underground distribution lines, transformers, meters and other equipment used to provide service. In addition, certain customer service and record keeping costs are included in the customer charge. The increase in the customer charge moves the charge closer to the true cost, provides greater stability for the cooperative, and promotes fairness by recovering costs from all members in the manner in which those costs are incurred.

It is never a good time to implement a rate increase; however, the decision has been made that all rates must be increased to offset the increasing cost of providing electric service. By doing so, we will be able to better maintain the financial stability of your cooperative and continue to provide you with safe and reliable electric service.

Effective with the monthly bill that reflects your March 2014 usage, members will see an overall average rate increase of 6.3%. We have included a rate chart comparing your current rate with the new rate. Please keep in mind that the exact percentage increase to each member will vary and is dependent on your electric usage.

As members of the cooperative, we are all affected by the increasing cost of electricity. As your friends and neighbors who live and work among you, we pledge to do work hard to keep your electric service reliable and affordable. CHEC will continue evaluating our current costs, future costs, and the needs of our cooperative and its members.

COOKSON HILLS ELECTRIC COOPERATIVE, INC.				
SUMMARY OF RATES				
	Existing	Proposed	Change	
Farm and Home				
Customer Charge	\$20.00	\$25.00	\$5.00	
Energy Charge, per kWh (Dec-Feb)				
First 800 kWh per month	\$0.085700	\$0.087200	\$0.001500	
Over 800 kWh per month	\$0.065700	\$0.077200	\$0.011500	
Energy Charge, per kWh (Mar-Nov)	\$0.085700	\$0.087200	\$0.001500	
Small Commercial				
Customer Charge, Single Phase	\$20.00	\$25.00	\$5.00	
Customer Charge, Three Phase	\$32.00	\$37.00	\$5.00	
Energy Charge, per kWh	\$0.088000	\$0.087200	(\$0.000800)	
Agricultural				
Customer Charge	\$32.00	\$37.00	\$5.00	
Energy Charge, per kWh	\$0.080100	\$0.081200	\$0.001100	
Large Power				
Customer Charge	\$80.00	\$90.00	\$10.00	
Demand Charge, per Billing kW	\$9.94	\$10.25	\$0.31	
Energy Charge, per kWh	\$0.047100	\$0.047400	\$0.000300	
Large Power - 2				
Customer Charge	\$150.00	\$175.00	\$25.00	
Demand Charge, per Billing kW	\$8.96	\$9.25	\$0.29	
Energy Charge, per kWh	\$0.042200	\$0.042700	\$0.000500	
Irrigation				
Customer Charge, Single Phase	\$20.00	\$22.50	\$2.50	
Customer Charge, Three Phase	\$35.00	\$40.00	\$5.00	
Demand Charge (June-Sept), per Billing kW	\$4.75	\$5.35	\$0.60	
Energy Charge, per kWh	\$0.085400	\$0.088500	\$0.003100	
Security Lights				
175 Watts MV	70 kWh/Mo	\$10.40	\$10.75	\$0.35
150 Watts HPS	70 kWh/Mo	\$10.40	\$10.75	\$0.35

CIRCLE L RANCH

People say, "I meet myself coming and going." Mary Lynn Lufkin is no exception to that statement. Mary Lynn is a hard worker, and she is one of those people whose life is dedicated to the service of others. She works and volunteers her time to help the needy and those less fortunate.

In 1994, Larry and Mary Lynn Lufkin, together with their four children, moved to Sequoyah County and purchased land northeast of Sallisaw to establish a ranch. They named their ranch "Circle L Ranch". Their first business was a horseback riding operation for Marval Resort near Gore. Later they opened other horseback riding operations in Ft. Smith, at Fin and Feather, and at Snake Creek.

"We closed all those operations and opened the Sequoyah Riding Stables in Sequoyah State Park on Hwy 51 between Wagoner and Tahlequah. We have our horseback riding stables there. We have trail rides, hayrides, pony rides, and a horse camp. Larry remains there during the summer and on weekends during the winter months. Larry manages a ranch in the winter near our ranch here in Sequoyah County for the remainder of the time," said Mary Lynn.

The "Circle L Ranch" houses some of the horses, ponies, and carriage horses. They have a pony ring for children which can be taken on location to picnics and birthday parties. They also do carriage rides for various events such as proms and weddings. Each year before Christmas they offer carriage rides through downtown Ft. Smith. A portion of the proceeds from the carriage rides are donated to the Salvation Army.

The Lufkins participate in "Riding for Therapy" clinic on Tuesday nights during the fall at the Sequoyah County Fairgrounds. They work with Developmental Wings which is a non-profit group that provides activities for children with disabilities. The Lufkins provide the horses for the children to ride. They partnered with 4-H and Tony Yates, OSU Extension Agriculture Agent, to use the county fair barn. Workers and volunteers assist on average 15 to 17 kids each Tuesday evening.

"In therapeutic riding we are helping kids enjoy horses. I think horses are therapeutic whether you are handicapped or not. We are helping people learn about horses and experience

how fun it is to ride horses. I see the joy in people's faces when they ride on the horses or in the carriage. Hundreds of children have had their first pony ride on our ponies. We enjoy bringing happiness to people."

"Our kids have grown up helping us in our business. They all learned how to work, and they helped us with the horses and other aspects of our ranch. It's been a really good upbringing for them. Joseph, our youngest son, is going to Carl Albert and living at home. The other three children are in the military. We are very proud of them."

Mary Lynn's full-time job is at the Catholic Charities Helping Center in Sallisaw Monday through Thursday. She began working there part-time in 1997.

"This is probably the most rewarding job I have ever had. Everybody that is a believer knows that the Lord calls you to help the poor. You are to watch out for the poor, the needy, and the marginalized. I'm fortunate enough to have a job that actually pays me to do that calling. Everybody has to find a way to help the poor, but I don't have to look. It is right here in front of me every day."



Photos by: Mary Lynn Lufkin



Sequoyah Riding Stables



Mary Lynn is well known for her kindness and generosity throughout northeastern Oklahoma, whether it is through their business, through her job at Catholic Charities, or through one of her other endeavors. You may contact the Lufkins at their websites circlel.com or sequoyahriddingstables.com. They also have a Facebook page, or you may call them at 918-427-4195.