



FREESTATE ELECTRIC
COOPERATIVE, INC.

The Outlet

FREESTATE ELECTRIC COOPERATIVE, INC.

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FREESTATE FORUM

We want to understand member issues, and we want to serve you to the best of our ability. Tell us more at WWW.FREESTATE.COOP/FORUM.

FROM THE CEO

So, What is a Rate Design Study?

All goods and services carry costs associated with providing them to end users. And, more times than not, that cost has a built-in margin called profit. But electric cooperatives are different. We are not-for-profit and the rates charged for power are only designed to cover the cost of providing electric service with any margin becoming property of the membership. To determine costs, electric cooperatives perform a rate class cost-of-service study (COSS).

A COSS begins by grouping members based on their similar usage patterns — called **RATE CLASSES**. For example, the largest rate class in terms of number of accounts at FreeState is residential.

The next step is to divide costs into three groups outlined below — **THIS PROCESS IS CALLED FUNCTIONAL ASSIGNMENT.**

- ▶ **POWER SUPPLY COSTS** include the purchasing of power from wholesale suppliers. Ours are Evergy and Kansas Electric Power Cooperative (KEPCo).
- ▶ **TRANSMISSION AND DISTRIBUTION COSTS** include ownership and maintenance of all transmission and distribution plant needed to deliver electricity to where it is used, including lines, poles and service facilities.
- ▶ **MEMBER COSTS** include preparing, sending and collecting monthly bills, technology and metering expenses, and member relations costs. Costs are then classified into three groups:
- ▶ **CUSTOMER COSTS** are needed to distribute electricity from generation sources and that includes transmission, distribution, transformers, wires and delivering energy to each member.
- ▶ **ENERGY COSTS** vary based on the amount of kilowatt-hours (kWh) of electricity used.
- ▶ **DEMAND COSTS** vary based on the intensity at which electricity is used at a given time, which is measured in kilowatts (kW).

ALLOCATION is the final step where costs are allocated to each rate class based upon how many members are in each rate class, how much energy is used by each rate class, and how intense that usage is during certain times when parts of the grid are stressed.



Chris Parr

“The COSS analyzes costs to make certain they are categorized appropriately and allocated equitably among rate classes.”

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Bennett Minnick, a senior at Perry-Lecompton High School, is the son of Heather and Brad Minnick.

Minnick Recounts YOUTH TOUR *Experience*

BY BENNETT MINNICK

Washington D.C., the seat of our nation's government, vast with historical landmarks and memorials, its significance second only to its sacredness. One place that embodies these revered principles is Arlington National Cemetery. The headstones in neat rows, designated in sections by letters and numbers. The hallowed grounds of the cemetery serve to remind us of the cost of war, the human cost.

We were also lucky enough to visit the Korean War Veterans Memorial. The small memorial sits just to the south of the reflecting pool and written on a ledge in bold words is the phrase, "Freedom is Not Free." A stark reminder of the freedom given up ensuring the freedom of others.

While the impacts made by these landmarks and memorials are undeniable, my favorite memories were thanks to the people I experienced this opportunity with. I know that sounds corny but it's true. When reminiscing, I

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think of the people I met, the friends I made and, of course, the museums, memorials and other attractions are some of the most memorable in the world. My dad said it best before the trip even began, "these people might make some of your favorite memories."

He was right.

Sadly, I can't fit everything we did into this short summary, but I can say one thing. If you like history, and you want to have a great summer, apply for this trip in 2025.

I can truly say the Electric Cooperative Youth Tour was one of my favorite trips.



Delegates jump for joy after visiting the White House.



Bennett Minnick said making memories with new friends was an incredible part of the trip. The group toured memorials, Arlington National Cemetery, the National Cathedral, took in a Nationals baseball game and visited Mount Vernon.



TOP: Kansas Senator Jerry Moran (left) met with delegates at the U.S. Capitol.

ABOVE CENTER: While on Youth Tour, Bennett Minnick celebrates his birthday with new friends at Carmine's.

ABOVE: Bennett Minnick poses with a National Guardsman following a session on flag etiquette teaching delegates the proper way to fold, store and display the American Flag.



So, What is a Rate Design Study? Continued from page 12A ▶

WHY DO WE NEED TO REVIEW RATES?

Cooperative expenses are driven by many factors including generation and usage, transmission and distribution. Distribution costs result from infrastructure expenses like poles, wires, trucks, facilities and repairs. The COSS analyzes costs to make certain they are categorized appropriately and allocated equitably among rate classes.

The COSS provides the FreeState board of trustees and staff information and reveals imbalances between cost classes. FreeState can then consider ways to realign rates and ensure equity for all members.

WHAT ARE THE NEXT STEPS?

When the COSS is complete, the findings will be presented to the FreeState Board of Trustees for evaluation and consideration of the provided recommendations. FreeState trustees evaluate the COSS from a business perspective and, since every trustee is also a member of FreeState, a membership standpoint.

The board will not take any action without member input, and no changes will take place until January 2025 at the earliest. As we move through this process we will continue to communicate with members each step of the way.



FreeState Electric Cooperative Presents **FAMILY FUNDDAY** at Gary's Farm Fest!

SAVE THE DATE!
SUNDAY, SEPT. 29, 2024



Sippin' All **Summer** Challenge

Collect pop-tops and join the Sippin' All Summer Challenge!
Visit www.freestate.coop/sip or scan the code for more information.

BE A SUMMER SIPPERHERO!



FREESTATE HOSTS FAMILY FUNDDAY SEPT. 29

FreeState is powering up the farm this year with a brand new member event!

Your cooperative is excited to host a big event that will provide a fun filled day for all our members to enjoy, no matter their generation. We've decided to move our event — not only on the calendar, but also to a new the location!

Join FreeState for **FAMILY FUNDDAY AT GARY'S FARM FEST** near Grantville to learn about how FreeState powers you every day.

Admission is **FREE** for FreeState members on **SUNDAY, SEPT. 29**, from open to close. FreeState staff will be available from 10 a.m. to 4 p.m. **KANSAS ENERGY PROGRAM** staff and other fun guests will be on hand, too! Lunch will also be **FREE** for the first 1,000 members.

Don't forget to bring the pop-tops you've been collecting during the **SIPPIN' ALL SUMMER CHALLENGE** to help our friends at the **RONALD MCDONALD HOUSE** in Topeka!

In the September issue of *Kansas Country Living* you'll find more information on how to get your wristbands and more event details.

Mark your calendars for Sept. 29 for this new event!