



**FREESTATE ELECTRIC  
COOPERATIVE, INC.**

# The Outlet

## FreeState Electric Cooperative, Inc.

### Board of Trustees

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**Jeanine Murphy**  
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### Staff

**Christopher Parr**  
Chief Executive Officer

### District Offices

**McLouth Office**  
P.O. Box 70  
McLouth, KS 66054-0070

**Topeka Office**  
1100 SW Auburn Rd.  
Topeka, KS 66615

**Office Hours:**  
Monday-Friday, 7:00 a.m.-5:30 p.m.

## NOTICE

**REMINDER:** Do you know a charitable organization that needs additional funding to achieve its mission? FreeState's Sharing Success grant Applications are due **APRIL 1**. Find out more at [WWW.FREESTATE.COOP/COBANK](http://WWW.FREESTATE.COOP/COBANK)

## FROM THE CEO

### Board Approves ESC Adjustment

On Monday, January 16, the board of trustees approved the proposed electric service charge (ESC) adjustment. Members will see the adjustment reflected on their monthly bill (\$7.00) starting this month.

I wanted to address some of the feedback we heard regarding this adjustment. The overwhelming theme of the feedback we received was from members who work diligently to curb energy usage to keep their costs down. We understand this adjustment is frustrating for members who work to keep energy usage low, so we wanted to discuss why the trustees voted to adjust the service charge and not the energy charge.

**IMMEDIACY.** We don't have time to complete a full cost-of-service study. These studies take anywhere from one year to 18 months to complete, and the rising business costs do not make that time feasible to wait.

**THE ESC IS A KNOWN AND MEASURABLE REVENUE STREAM.** FreeState rates are over a decade old, and weather driven. This is a difficult way to forecast, especially as we see drastic weather changes and fluc-

tuations in our area. It's also important to note that every payment you make to the co-op is an investment in your electrical service. As a not-for-profit cooperative, we do not make a profit. We operate each year with the revenue collected. At the end of the year, if money is left over (margins), we return those to members in the form of capital credits when the cooperative's financial health allows. In 2022, the board elected to allocate capital credits and hold off on retiring capital credits to ensure the cooperative could withstand the current economic climate. FreeState's financials are currently in stable condition, and we want to stay that way.

Fixed costs include infrastructure that brings power to your home. No matter how much energy you use, it costs FreeState to provide you with the service.



Chris Parr

**“We don't have time to complete a full cost-of-service study. These studies take anywhere from one year to 18 months to complete, and the rising business costs do not make that time feasible to wait.”**

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# Giving Sparks The Heart



Giving to others and generosity sparks the heart to feel good. In 2022, members who participate in Operation Round-Up® should feel great!

The Operation Round-Up® program has been helping area organizations and communities for six years. In that time, members who contribute by rounding up each month have assisted 97 organizations with \$416,667 in spare change to make big impacts in places we all call home.

The FreeState Community Foundation facilitates the program with the help of a volunteer member committee that reviews and awards grant funds quarterly. The volunteer committee members are:

- ▶ **BRAD PARKER**, Silver Lake
- ▶ **MELINDA HARWOOD**, McLouth
- ▶ **MORGAN STARCHER** (Murrfield Farms), McLouth
- ▶ **DERON JOHNSON**, Silver Lake
- ▶ **CAROL MARPLE**, Wakarusa

The committee allocations are all made possible by the generosity of members participating in the program. No matter how great or small the act, every time we give back, we strengthen our community. It only takes a few coins a month to add up to a significant change for our local communities and volunteer-driven organizations across the FreeState service territory.

For more information on how to apply for funding, visit [www.freestate.coop/ORU](http://www.freestate.coop/ORU). Applications can be completed online. **APPLICATION DEADLINES ARE: MARCH 1, JUNE 1, SEPTEMBER 1 AND DECEMBER 1** of

each calendar year. Please notify our billing department if you'd like to opt out (or in) to Operation Round-Up® by calling 800-794-1989.

Below are the allocations in 2022 equaling \$60,775. Those dollars provided 17 local organizations funding to carry out the cooperative principle of concern for community across FreeState's nine county service territory. We sincerely appreciate members who participate in this charitable giving program. We could not do what we do for our communities without you.

▶ **RACE AGAINST BREAST CANCER (RABC) - \$5,000**  
Funding is allocated for the program's no-cost mammography which pays for mammography screening for those in medical and financial need in the Kansas counties of Atchison, Brown, Doniphan, Douglas, Jackson, Jefferson, Nemaha, Osage, Pottawatomie, Shawnee and Wabaunsee. Men and women of all can qualify for our no-cost mammograms if they meet county and income qualifications.

▶ **MCLOUTH PUBLIC LIBRARY - \$1,500**  
The McLouth Public Library brought Movies in the Park to McLouth area families during the summer.

▶ **HISTORICAL LITTLE STRANGER CHURCH - \$250**  
Funding went toward updating wiring and bringing the building up to the Secretary of Interior's Standards for the Treatment of Historic Properties.

▶ **OSKALOOSA LARNER-SEGRAVES LEGION POST 36**  
- \$2,150

Funding assisted the Legion Hall in Oskaloosa with replacement of windows. The hall serves the Oskaloosa community

▶ **JEFFERSON WEST – USD 340 - \$4,875**

Funding to replace the butcher block counter in the high school kitchen. .

▶ **TOPEKA NORTH OUTREACH - \$1,500**

The Caring Committee of Topeka North Outreach provides emergency assistance to individuals and families who are facing financial crisis situations. The Caring Committee works in conjunction with Topeka Rescue Mission to provide food baskets to individuals/families in need of food assistance.

▶ **PERRY PRIDE ORGANIZATION - \$5,000**

Perry Pride has been working on a multi-faceted plan that will impact the USD 343 park complex on school grounds and the City's Railroad Park associated with the Community Building. The school park components will have a health and fitness focus and Railroad Park will have a family focus.

▶ **SILVER LAKE PUBLIC LIBRARY FOUNDATION - \$7,500**

The Silver Lake Public Library Foundation has been fundraising and raising money to repair the Silver Lake Library's east and west exterior walls. These concrete walls are currently crumbling onto the sidewalk and neighboring roofs and has become a safety concern for the community.

▶ **LEAVENWORTH COUNTY MASTER GARDNER'S-\$3,500**

Master Gardner's of Leavenworth County collaborate with the Livestock Committee to provide youth in the area with opportunities to learn through educational clinics. The clinics provide educational materials, as well as hands-on experience.

▶ **SILVER LAKE EDUCATION FOUNDATION-\$2,000**

The foundation received funding to purchase Launchpads for the Silver Lake Elementary School Innovation

Lab. The lab received Launchpads to utilize in pre-school classrooms. The Launchpads are pre-loaded and will be able to help in developing fundamental skills and fine motor skills. Fundamental skills include letter and number recognition, sight words, and other topics related to STEAM.

▶ **GOD'S STOREHOUSE -\$4,000**

Funding provided to God's Storehouse will help the organization provide food security to areas of Jefferson County, as well as make repairs needed to continue providing meat and milk to those facing food insecurity.

▶ **JEFFERSON COUNTY HUMANE SOCIETY - \$6,000**

Funding will assist the organization in upgrading kennels and fencing for the safe and secure housing of animals at facility. The fenced in area will also have built in protections from wind, heat, and precipitation, as well as adequate flooring for animal comfort.

▶ **DOUGLAS COUNTY 4-H FOUNDATION -\$2,000**

The Douglas County 4-H Foundation collaborates with K-State Research and Extension Douglas County for an educational event called Day on the Farm. Day on the Farm is provided to Douglas County 4th grade classes at no cost. Day on the Farm offers students an opportunity to learn the value of agriculture and directly educate 4th grade students about production agriculture, conservation, soil health, nutrition, and career exploration.

▶ **OSKALOOSA LIBRARY-\$5,000**

Funding will provide a new HVAC system for the library.

▶ **AUBURN COMMUNITY CENTER -\$3,000**

The funding will provide needed upgrades to lighting at the Auburn Community Center, including the library. Work will be done by volunteers, and funding will provide the materials to do the work.



IMAGES FROM RAWPIXEL.COM

## Board Approves ESC Adjustment Continued from page 12A ▶

It costs the co-op to distribute power to you from the generation facility, through transmission lines, down to the substations, through the necessary infrastructure, and right to your home. An electric service charge is designed to recoup the costs of providing that power. FreeState averages 6.3 members per mile, whereas an investor-owned utility average six times that. Costs are spread out over those members. Increases in materials over the past decade have been significant, and supply chain delays have only made the situation more challenging. I'll list out the increased cost of basic materials to provide service to members. It is also notable that FreeState must restore and maintain the system, and we need to provide critical updates and upgrades to the infrastructure. We have also seen an increase in the cost of repairing outages.

- ▶ **METER LOOPS** – 43%
- ▶ **METER PEDESTALS** – 86%
- ▶ **UNDERGROUND ENCLOSURES** – 42%
- ▶ **INSULATOR STRING** – 28%
- ▶ **ANCHOR/GUYS** – 19%
- ▶ **POLES** – 30%

**AGING RATES NEED TO BE KEEPING UP WITH THE CURRENT COSTS.** FreeState utilizes financial forecasts to determine the financial needs of the cooperative. When predictions were made, there was no indication that inflation rates would be at record highs. Trustees and staff understand that a cost-of-service study within the next two years will be necessary. Record inflation rates have pushed this need for a new rate structure to the forefront. FreeState's base rate is designed with the pace of wholesale power costs and the cost of doing business a decade ago, and as we have seen, prices have skyrocketed over the past decade. While we attempted to keep rates as low as possible, we could not anticipate the current economic climate.

I assure you that the cooperative staff scrutinizes every line item on the annual budget and works hard to be financially responsible with every member dollar. FreeState works hard to control what costs we can. When it comes to PCA, those costs are variable as we purchase power from suppliers. This year was especially volatile due to natural gas price fluctuations. In 2023 we anticipate natural gas costs to stabilize, and although the price is still high, we don't expect significant spikes in the market.

Our trustees and staff know there is never a good time to make any adjustments, but our economic climate is dictating these measures.

As always, if you have questions regarding your service or the content of The Outlet, we encourage you to reach out to [CUSTOMERSERVICE@FREESTATE.COOP](mailto:CUSTOMERSERVICE@FREESTATE.COOP).

## Spark My Heart A February Exclusive

Human stories and genuine experiences are at the root of powerful connections that bring us all together.

From family and friends to pets and communities, togetherness is what sparks joy and love in our hearts. Sharing powerful stories allows us at FreeState to elicit powerful connections with the members we serve.

For the month of February, employees will be telling stories of the people, pets, places and memories that spark their hearts. A reminder that love is all around, you may need to look. These heartfelt stories can be found exclusively on our social channels and FreeState website. Be on the lookout for **#SPARKMYHEART** and tag us in your own stories!



### Will you be following along?

- ▶ **FACEBOOK:**  
FreeState Electric Cooperative
- ▶ **INSTAGRAM:**  
@freestateelectriccoop
- ▶ **TIKTOK:**  
@freestatecoop
- ▶ **YOUTUBE:** FreeState Co-Op



## Youth Programs Build Better Youth

FreeState Electric Cooperative invests in our youth through opportunities designed to provide dynamic, personal interactions with fellow youth, cooperative employees and legislators.

These experiences guide students to develop leadership and communication skills important to becoming employable adults. Youth programs are all-expenses-paid and will truly be experiences of a lifetime for area youth.

One student will have an opportunity to visit Washington, D.C., for the Electric Cooperative Youth Tour in June, and one student will experience Steamboat Springs, Colorado, at Cooperative Youth Leadership Camp in July. Any high school junior living in the FreeState Electric Cooperative territory whose parent or guardian is a FreeState member is eligible.

**APPLICATIONS ARE ONLINE. DEADLINE IS FEB. 10, 2023. MORE INFORMATION AT [WWW.FREESTATE.COOP/YOUTH](http://WWW.FREESTATE.COOP/YOUTH).**