



FREESTATE ELECTRIC COOPERATIVE, INC.

# The Outlet

## FREESTATE ELECTRIC COOPERATIVE, INC.

### BOARD OF TRUSTEES

**Larry Butel**  
Overbrook

**Bill Conley**  
Delia

**Karol Lohman**  
Leavenworth

**Don Montgomery**  
Burlingame

**Jeanine Murphy**  
Leavenworth

**Ralph Phillips**  
Mayetta

**Rob Sage**  
Maple Hill

**Matthew Turecek**  
Valley Falls

**Mark Wulfkuhle**  
Lawrence

### STAFF

**Christopher Parr**  
CEO

## DISTRICT OFFICES

### MCLOUTH OFFICE

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

### TOPEKA OFFICE

1100 S.W. Auburn Road  
Topeka, KS 66615

### OFFICE HOURS

Monday-Thursday  
7 a.m.-5:30 p.m.

## OFFICES CLOSED OCT. 31

FreeState offices will be **CLOSED** on **THURSDAY, OCT. 31** for an all employee meeting.

## FROM THE CEO

# Upgrading Metering Communication

Technology upgrades bring exciting new ways for our co-op to serve you, our members. FreeState has started a system-wide upgrade to our metering system, which we anticipate will be completed by mid-2025.

### WHY THE UPGRADE IN METER TECHNOLOGY?

Upgraded meters bring benefits to both the cooperative and members. New meter improvements include:

#### RELIABILITY

- ▶ **TWO-WAY WIRELESS CONNECTIONS** — This will allow FreeState to pinpoint outage locations more quickly, resulting in faster restoration and hopefully fewer outages.
- ▶ **REPORTING** — Changes in voltage or other issues are automatically reported to FreeState helping us identify potential issues before they occur.

#### MEMBER SERVICE

- ▶ **AUTOMATIC ALERTS** — The system will report issues, like outages, so members don't have to.
- ▶ **ENERGY USE UPDATES** — Members will receive more frequent updates to energy use data on SmartHub improving your ability to track energy use habits and save money by making smart energy choices.

#### EFFICIENCY

- ▶ **MAINTENANCE SAVINGS** — Our current metering system is getting expensive to maintain.
- ▶ **NEW TECHNOLOGY** — More modern and affordable technology means less maintenance, more reporting and more efficiency for the cooperative and members.
- ▶ **REMOTE ACCESS** — Nearly all upgraded meters can be remotely disconnected or reconnected in the event of an emergency or necessity.



Chris Parr

*Continued on page 12D ▶*

“As the energy industry evolves, so does technology. FreeState is committed to provide reliable electricity and that means investing in technology.”

# Study Shows Increase Needed

The recent cost-of-service study shows the cooperative needs to increase revenue by \$2.5 million to meet financial obligations. It is the first time in over a decade the cost of electricity per kilowatt-hour (kWh) will be increased. The proposed amount represents a 5% increase.

During the 2024 annual meeting in Topeka, FreeState CEO Chris Parr spoke about the need to review rates. He shared that FreeState is working with Power System Engineering (PSE) to conduct a cost-of-service study for a comprehensive look at the cooperative's rates and to determine if FreeState could continue meeting its financial obligations.

The study, presented to the FreeState Board of Trustees in August, showed the need to increase revenue by \$2.5 million.

"It seems like a huge number," Parr said. "But that number is reflective of the changes in the energy industry and economic environment we are currently in."

Parr said as the cost of producing energy continues to increase, a distribution cooperative, like FreeState, has little control over what price the cooperative pays per kilowatt-hour.

"We have been able to maintain the price members pay per kilowatt-hour for over a decade," Parr said. "We made a commitment to our members to keep rates stable for five years after the 2017 consolidation and we've exceeded that. We have tightened our belts these past three years as we saw these increases impact our bottom line, but we've held off rate increases as long as we can."

"I want members to know that this is not doom and gloom, by any means," Parr said. "We are in a good financial position, but we have to look forward and we are at the point where changes are needed to continue that way."

The cooperative adjusted the electric service charge (ESC) in 2021. This is a fixed charge every member pays to help recoup the costs of providing power. The ESC has helped revenue hold steady, but for the long-term financial future of the cooperative, it is time to make a rate adjustment.

"Not only is the cost to buy power increasing, but the cost of providing power is going up, too," added Parr.

Prices of materials purchased by the cooperative have increased significantly since supply chain hiccups caused long waits for items needed for day-to-day operations. Those prices have

**There will be no changes to rates until after the board of trustees holds a special meeting on Jan. 30, 2025.**

stabilized, but they are still higher than they were even last year. These are costs that the co-op cannot absorb any longer.

“These are items needed to make sure members have power. Necessities, not extras,” Parr said. “These are items needed to operate. This also gives us an opportunity to look at modernizing our rates, and we are looking at what we can bring to the table for members. Can we provide more control, choice and convenience?”

### SO, HOW DO WE GET MORE REVENUE?

While the cost per kilowatt-hour is increasing to help cover the cost of rising wholesale costs, we will also make an adjustment to our service charge, which is used to recoup the costs to bring power to your service address. These adjustments will be part of the revenue increase.

Another adjustment will be billing for demand. Demand billing provides equity among members ensuring everyone is paying their share to minimize subsidies of rate classes. This is new for our residential members. We will include more information about demand billing in our November issue of *Kansas Country Living*. We will break down the decision to propose a three-part rate and explain how demand billing gives members more control over how you use energy moving forward.

In the December issue, you can expect information on specific rate changes that will emphasize how members will have more control, choice and convenience with the modern rate structure.

There will be no changes to rates until after the board of trustees holds a special meeting on Jan. 30, 2025. The cooperative will also be holding member meetings to get feedback and go through step-by-step what the rate change means for them on a meter-by-meter level. At our member meetings, members will have the chance to have accounts analyzed to understand exactly how increases will look in 2025 individually.

“There is never a good time to make changes to rates,” Parr said. “This is one of the most difficult decisions the board will face. The decision is based on our current economic environment and making sure that FreeState remains in a strong financial position and able to provide safe and reliable power. We value each of our members, and we thank you for your support.”

For more information, visit [www.freestate.coop/rates](http://www.freestate.coop/rates). If you have questions about rates, please contact our office.

## FIND OUT MORE

### 5 RATE MEETINGS SCHEDULED

FreeState will host **FIVE** member meetings to gather input on rates as part of the cooperative’s commitment to transparency and member engagement.

These meetings are designed to provide members with information about the rate study process and proposed changes to FreeState’s rate structures. Members will have an opportunity to ask questions and become more informed on the choices, control and convenience that modernized rates give members.

By involving members in these discussions, FreeState aims to ensure that the rate adjustments are reflective of the members’ needs and concerns.

These meetings offer an opportunity for members to ask questions and provide feedback, in a collaborative environment where members are not only heard but also valued.

We will offer four meeting locations, a virtual option and one evening meeting.

▶ **TUESDAY, OCT. 29 AT NOON**

FreeState McLouth Office  
507 N. Union, McLouth

▶ **TUESDAY, OCT. 29 AT 5:30 P.M.**

FreeState Topeka Office  
1100 SW Auburn Road, Topeka

▶ **TUESDAY, NOV. 19 AT NOON**

Silver Lake Community Center  
404 E. Lake St., Silver Lake

▶ **TUESDAY, DEC. 3 AT NOON**

Delaware Township Library  
421 Fifth St., Valley Falls

▶ **WEDNESDAY, JAN. 8 AT NOON**

**VIRTUAL MEETING** (link will be provided by email before the meeting).

### LEARN MORE

The second Thursday of each month has been dedicated to providing opportunities for members to visit either of our offices to get a personal analysis of how their monthly bill will be affected by the proposed rate changes. The dates are:

- ▶ Nov. 7
- ▶ Dec. 12
- ▶ Jan. 9
- ▶ Feb. 13
- ▶ March 13
- ▶ April 10

If you are unable to attend one of those options, the cooperative has set aside time on the second Thursday of each month where members can come into either office and review their bills in detail to see what any potential changes mean for their monthly billings.

- ▶ Nov. 7
- ▶ Dec. 12
- ▶ Jan. 9
- ▶ Feb. 13
- ▶ March 13
- ▶ April 10

Members can also call and make an appointment to talk to one of our member services representatives. Our goal is to provide members with as many options as possible so they can get the information they need.

If you need any more details or have other questions, feel free to ask!



## UPGRADING METERING COMMUNICATION

Continued from page 12A ▶

As the energy industry evolves, so does technology. FreeState's commitment to providing you with reliable electricity is more than just building infrastructure, it also means making investments in technology that will make the entire system more reliable and efficient. That will benefit all members!

### REPLACEMENT PROCESS

Members will see minimal impact during the installation progress. We are currently switching meters by substations.

FreeState will notify members when replacement will occur in your area. FreeState crews and authorized contractors from PMI will complete the installations. All crews will be identifiable as affiliated with FreeState.

When you get notification for your meter replacement, please make certain the area around your meter is clear of lawn furniture, planters and other items. We also ask that locked gates be unlocked for access.

During the replacement we remove the old meter, install the new meter and then verify the new meter is working properly. You may see a brief service interruption lasting less than 10 minutes during this installation.

Our staff wants to thank all our members for helping make this a smooth transition to the new technology. If you have questions, please feel free to contact our office by phone or email.

# Board Service Recognized



All trustees were pictured with CEO Chris Parr (right) and Board President Jeanine Murphy (left). **TOP ROW:** Larry Butel and Bill Conley. **BOTTOM ROW:** Rob Sage and Mark Wulfkuhle.

October is cooperative month! And a time to recognize those who have been committed to FreeState's mission, vision and values as trustees elected by members.

**LARRY BUTEL, BILL CONLEY, ROB SAGE** and **MARK WULFKUHLE** were all recognized in July for their years of service to FreeState Electric Cooperative.

- ▶ Butel was recognized for 20 years of board service.
- ▶ Conley was recognized for 10 years of board service.
- ▶ Sage was recognized for 20 years of board service, as well as earning the Board Leadership Certificate from the National Rural Electric Cooperative Association.
- ▶ Wulfkuhle was recognized for 15 years of board service.

## ENERGY EFFICIENCY TIP OF THE MONTH

If you recently made or plan to make energy efficiency improvements to your home, you may be eligible for federal tax credits through the Inflation Reduction Act (IRA) of 2022. Homeowners can save up to \$3,000 annually to lower the cost of efficiency upgrades. Covered upgrades through the IRA include new exterior doors, windows, insulation, heating/cooling equipment and other major appliances. Visit [www.energystar.gov/federal-tax-credits](http://www.energystar.gov/federal-tax-credits) to learn if you qualify. **SOURCE: WWW.ENERGY.GOV**

