

What is The Customer Charge?



MESSAGE FROM
GENERAL MANAGER AND CEO JERRY D. WILLIAMS

IF YOU EXAMINE YOUR ELECTRIC BILL, YOU might notice a line that reads “Customer Charge.” This charge, unlike the other portions of your bill, stays the same whether you use zero electricity or hundreds of kilowatt-hours (kWh).

For most accounts this Customer Charge is \$12.50, whereas a large industrial customer with three transformers instead of one, the charge is \$50. Folks continue to ask me “What is this fee?”

The short answer is, it is just part of our rate and helps generate the revenue we need to operate. If there were no customer charge, we would have to add the same amount to something else on your bill. Since it is charged regardless of the amount of energy used, you could say it helps pay for the basic infrastructure needed to deliver electricity to your home. This infrastructure includes the wires that carry power; the salaries of the employees who make our co-op run and everything in-between. There are a lot of expenses that remain the same, regardless of electricity used at a particular home. Some of these expenses are; taxes, insurance, vehicle expense, and right of way maintenance.

The Customer Charge is applied equally to everyone who receives electric service because even if you use zero kWh in a month, it still costs the coop the same amount to maintain lines, read meters, calculate and mail bills. You may not realize it, but the transformer at your house uses a lot of electricity just hanging there humming, even though your meter never turns.

We have many meters that serve deer camps, barns and vacation cabins. These accounts will often register no electric usage thru the meter for several months of the year, yet they are on the same electric distribution line that may serve your full time residence. Every one of these accounts is charged the same Customer Charge as you have on your bill. If a storm blows through and the distribution line is damaged, everyone on the line helps pay for the repairs because all the seasonal accounts pay the Customer Charge. Both a full time home and a seldom used barn have the electricity available and just waiting for the flip of a switch and they all help pay the expense.

We think applying this charge equally to all members is the fairest way to ensure everyone pays a share for building and maintaining our electric system – even during the months

when no electricity goes thru the meter.

Some folks have been under the impression the Customer Charge is somehow tied to a past ice storm. I am not sure how that rumor got started, but it is not true. Ice storm expense is paid for just like other storm expenses. The only difference is that Lamar Electric qualifies for some help from FEMA if the storm damage is declared a federal disaster by the President of the United States. Otherwise, the storm damage is paid from funds generated by the rates paid by our members. A cost of service rate study was conducted in 2006 and that is when the current Customer Charge increased from \$8.50 to \$12.50 and the existing rate structure was developed. The only change since 2006 was when all rates were reduced 2 cents per kWh on January 1, 2018.

Some have asked me if we could lower the Customer Charge to around \$6. The answer is “we could, but you may not want to.” This is because, in order to get enough money to maintain the electric lines and equipment, we would have to increase the kWh energy charge to make up for the reduction in the Customer Charge.

Reducing the Customer Charge from \$12.50 to \$6 for about 10,000 accounts would reduce revenue by \$780,000 per year. The offset would be to increase kWh energy by about half a cent for these same people. Sure you would save \$6.50 on the customer charge but your energy charge would increase by \$12 during the summer when you use 2,400 kWh for air conditioning. If your electric heat is not very efficient, you could see your energy charge increase by \$15 or more. Even after considering the \$6.50 reduction in the customer charge, your bill may go up as much as \$8.50. Of course the folks with the deer camp would appreciate the \$6.50 Customer Charge reduction because even during deer season they may only use a few hundred kWh.

As it is, all the hunting camps, weekend homes, summer cabins, barns and well pumps will pay their fair share of maintaining the electrical system even during months of little or no kWh usage on their meter.

Hopefully this explanation has shed some light on this portion of your bill and explains why we apply the charge evenly to everyone. As always, you can call or email me at jerry@lamarelectric.coop.



Director Elections, Scholarships at Lamar Electric Annual Meeting

THE ANNUAL MEMBERSHIP MEETING OF LAMAR ELECTRIC COOPERATIVE WILL BE held at 10 a.m. Saturday, April 27, at Paris Junior High School, 2400 Jefferson Road in Paris. Registration opens at 9 a.m. The business session begins at 10 a.m. and includes any necessary reports of the officers, board members and committees as well as the election of directors in districts 2, 3 and 4, each for a three-year term.

You do not have to be present at the meeting to vote in the director election. Before the meeting, ballots will be mailed to members who reside in those districts. If you reside in one of the districts holding an election, you may vote either by mail or in person at the meeting. Each member in attendance at the meeting will receive a registration gift, and drawings for other prizes will be held. You must be present at the time of the drawing to be eligible to win a prize.

Six \$1,000 scholarships will be awarded at the meeting. Applications must be received at the cooperative office by 5 p.m. April 12. To be eligible for a scholarship, candidates must:

- ▶ Live full time in a residence served by Lamar Electric.
- ▶ Be a graduating senior attending a high school or home-school program within the counties served by Lamar Electric.

Watch for additional details in the next issue of *Texas Co-op Power*.



1485 N. Main St. • P.O. Box 580
Paris, TX 75461

GENERAL MANAGER AND CEO

Jerry D. Williams

BOARD OF DIRECTORS

George M. Wood, President,
Blossom

Lyle Yoder, Vice President,
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Member Benefits

- Level billing
- Automated meter reading
- Free bank draft service
- E-Bill
- Visa and Mastercard accepted

Your Local Pages

This section of *Texas Co-op Power* is produced by LEC each month to provide you with information about current events, safety, special programs and other activities of the cooperative. If you have any comments or suggestions, please contact the local office.

CONTACT US

CALL US

(903) 784-4303 local or
1-800-782-9010 toll-free

FIND US ON THE WEB

www.lamarelectric.coop



Scholarship Deadline Approaches

LAMAR ELECTRIC WILL AWARD SIX \$1,000 ACADEMIC SCHOLARSHIPS TO STUDENTS who plan to pursue an academic degree or certification from an accredited university, college, junior college, technical school or other postsecondary educational institution. Scholarship payment will be made directly to the college, university or school in one lump sum. Scholarships must be used within two years of the award date. Funds may be used for tuition, books, and room and board.

ELIGIBILITY REQUIREMENTS

To be considered for a Lamar Electric scholarship, students must:

- ▶ Live full time in a residence served by Lamar Electric.
- ▶ Be a graduating senior attending a high school or an accredited home extended studies program within the counties served by Lamar Electric.

Six scholarships will be awarded April 27 at the Lamar Electric annual meeting in a random drawing of qualified students. The winners need not be present.

The entry deadline is April 12. The application can be found on our website, lamar-electric.coop. Once the application is completed, simply click on the Email button and send to scholarship@lamarelectric.coop.

OR FILL OUT THE APPLICATION BELOW AND MAIL TO:

Lamar Electric Cooperative

Attn: Katie Morris

P.O. Box 580

Paris, TX 75461

LAMAR ELECTRIC COOPERATIVE 2019 SCHOLARSHIP APPLICATION

DEADLINE: APRIL 12

NAME _____

ADDRESS _____

NAME OF HIGH SCHOOL _____

PARENT(S)/GUARDIAN(S) NAME(S) _____

LAMAR ELECTRIC ACCOUNT NO. _____

PHONE NUMBER _____

Applicants hereby acknowledge that the application essay becomes the property of Lamar Electric and may be published.

SIGNATURE _____ DATE _____

DAYLIGHT SAVING TIME

begins at 2 a.m., Sunday, March 10. Remember to set your clocks ahead one hour when you go to bed Saturday.

CATHERINE LANE | ISTOCK.COM



MEL POMENEM | ISTOCK.COM

Happy St. Patrick's Day!

May your pockets be heavy and your heart be light. May good luck pursue you each morning and night.

Electricity Theft and Meter Tampering



BY KATIE MORRIS

TOO OFTEN, EMPLOYEES AT LAMAR

Electric Cooperative deal with problems caused by people who think they shouldn't have to pay for electricity. Trying to shave a few dollars off their electric bills is too tempting for some people. But altering an electric meter or bypassing it to achieve "free" electricity is a bad idea for several reasons.

It Could Be Deadly

Fooling around with an electric meter is a recipe for disaster. Opening the meter can expose the thief—and his or her neighbors—to deadly current. One false move could lead to serious injuries or even death from electrocution. Our service personnel undergo extensive training to learn how to work around live currents.

It Could Destroy Property

The same current that poses a deadly risk to people also can put a home at risk. Bypassing a meter sometimes involves bypassing the circuit breakers that protect your home, which could easily result in overloaded wires and a house fire.

It Could Lead to Jail Time

In Texas, stealing more than \$1,500 worth of electricity is a felony. Stealing less than \$1,500 worth of electricity is a class A misdemeanor. Both violations could result in a fine, jail time or both. In addition, when electricity theft is discovered, Lamar Electric charges for labor and damaged equipment and bills the thieves for the estimated amount of stolen electricity. Our service and office personnel are trained to detect electricity theft by spotting suspicious irregularities on bills—or even just by noticing that a light is on in a house where service has been disconnected. All of our meters communicate with the office, and removing or tampering with a meter results in an automatic notification to our personnel.

It Takes Money Out of Your Pocket

The co-op also receives reports from members who realize that the theft of electricity comes out of their pockets. Most cases of electricity theft at Lamar Electric are reported by neighbors. Because electric cooperatives are nonprofit, the thieves are not stealing from the company, they are stealing from its members. Lamar Electric must pay for all electricity distributed on our lines. When someone doesn't pay for that electricity, the cost is passed along to all of our members. Electricity freeloaders are stealing from members' pockets in the long run. If you know of someone who is not paying for their fair share of electricity costs, we urge you to call us at (903) 784-4303. Not only will you stop a theft, you could also save a life.

