

# HIGHLINES

NEWS FOR THE MEMBERS OF PELLA COOPERATIVE ELECTRIC

## PCEA CEO Announces Retirement

After a nearly 48-year career in the electric cooperative industry, Pella Cooperative Electric Association (PCEA) Chief Executive Officer Jon K. Miles will retire effective August 31, 2021.



Miles joined PCEA as CEO in 2016. During his time at the cooperative, Miles has served on the Association Services Committee and as former chairman of the Manager’s Section for the Iowa Association of Electric Cooperatives. He currently serves on the Work Smart Board and as Vice President on the Pella Area Community Economic Alliance in the local Pella community.

Miles holds years of experience in various roles in the electric utility industry. Prior to PCEA, Miles worked as CEO of Choctaw Electric Cooperative in Hugo, Oklahoma. In his years of service to the industry, he has also worked in several positions that includes journeyman lineman, lobbyist for a statewide association and managed rural electric cooperatives in five states.

“It has been an honor and privilege to have spent my entire career in the rural electrification industry. I have thoroughly enjoyed working for the membership at Pella Cooperative Electric. I am grateful for the opportunity to work with the board of directors and such a talented group of employees. The cooperative is well-staffed and well-positioned to transition to new leadership at Pella Cooperative Electric,” Miles commented.

According to PCEA Board President Duane Ver Ploeg, Miles has led the cooperative through successful strategic planning, paving a way for the cooperative to adapt and grow with a changing industry.

“The Board of Directors thanks Jon for his strategic vision, leadership, and dedication to the cooperative. We wish Jon the best of luck in his retirement,” PCEA Board President Duane Ver Ploeg stated.

The Board of Directors have begun the important process of planning for succession and selecting an individual to fill the CEO position. Additional announcements will occur regarding the succession of the next CEO in future months.

## Pella Cooperative Electric

Your Touchstone Energy® Cooperative 

2615 Washington St.  
PO Box 106  
Pella, IA 50219

1-800-619-1040  
[www.pella-cea.org](http://www.pella-cea.org)  
[service@pella-cea.org](mailto:service@pella-cea.org)



Open weekdays: 7:30 am - 4:30 pm;  
excluding holidays



### Board of Directors

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Duane Ver Ploeg

Asst. Secretary/Treasurer  
Darrell Boot

Vice President  
Steve Inskeep

Director  
Carroll Hoksbergen

Secretary  
Bryce Arkema

Director  
Jon Van Woerkom

Treasurer  
Bob Van Soelen

CEO  
Jon Miles

*Pella Cooperative Electric is a not-for-profit, member-owned electric cooperative, governed by an elected Board of Directors. This institution is an equal opportunity provider and employer. See [pella-cea.org](http://pella-cea.org) > Nondiscrimination Statement for more information.*

# What are the Fees on My Bill?

## Facility Charge

This is a flat monthly fee, not dependent upon how much electricity you use. It covers the electrical infrastructure necessary to make electric service available to you. It also covers such things as the installation and maintenance of substations, wires, lines, transformers, etc. Each member pays the same amount, regardless of the energy they use, based on the type of service they receive.

## Energy Charge

Based on how much electricity you use, and rates vary by rate class. Two categories of expenses are combined into the energy charge: wholesale power cost (what it costs to make the power and get it to the substation) and distribution expense (what it costs to get it from the substation to your meter).

## Energy Cost Adjustment (ECA)

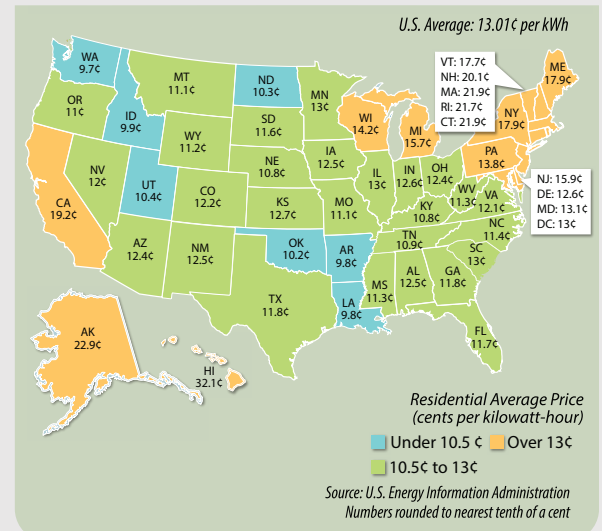
This charge changes monthly to accommodate fluctuations in wholesale power costs. When power costs exceed that amount, the ECA will be an added charge on your bill. When power costs are less, the ECA will add a credit on your bill.

## Distribution Cost Adjustment (DCA)

The Distribution Cost Adjustment (DCA) is adjusted at the Board of Director's discretion. It is based upon the financial needs of the cooperative and allows PCEA to not have to make a permanent rate change, and instead recovers more or less revenue to meet financial obligations.

## Average Prices for Residential Electricity

2019 figures, in cents per kWh



## How We Stack Up

PCEA's price for electricity to residential homes is 10 cents per kilowatt-hour, which is less than the U.S. average and Iowa average.

# Rates Have Changed - Why?



Jon Miles, CEO

For residential members, the Distribution Cost Adjustment (DCA) charge is decreasing to \$0 but the facility charge is increasing.

What's the point?

Determining the appropriate rate to recover costs is an in-depth and complex process. As a not-for-profit electric co-op, PCEA's goal is to charge only enough to cover costs. We use our margins to run and expand the business, and any excess margins are allocated and eventually returned through capital credits.

To determine the right rate for each rate class – such as

residential or commercial – electric utilities can undergo a cost of service study or rate study. PCEA has not conducted a rate study since 2008, and the base rates – the energy charge and facility charge – have not changed since 2009. It was due time for the co-op to reevaluate and adjust rates to fairly recover costs, so the co-op hired a third-party company to conduct a study and provide recommendations.

Ensuring rates are fair and equitable across all rate classes is important to co-op members, because the revenue derived from the rates paid by the members for electric service is what funds the operation of the co-op. The co-op uses the philosophy that the cost causer should be the cost payer. Having multiple charges in each rate allows the cooperative to bill members as fairly and accurately as possible. Therefore, it is important for the co-op to periodically review rates and adjust as needed to accurately and fairly bill our members.

Detailed information about changes to your electric rates have been mailed to each member, and is published on our website at [www.pella-cea.org/2021-rate-changes](http://www.pella-cea.org/2021-rate-changes). As always, we're only one phone call away if you have any questions.

# Making Plans for a New Grain Bin?

## Make Sure You're Compliant

Thinking about building a new grain bin? Before you start planning, contact Pella Cooperative Electric and we'll help you with your plans to ensure compliance with Iowa State Code.

PCEA will provide assistance in planning for a safe environment for everyone working and living around grain bins. The State of Iowa requires specific clearances for electric lines around grain bins, with different standards for those filled by portable and permanent augers, conveyors and elevators, as well as permanent equipment.

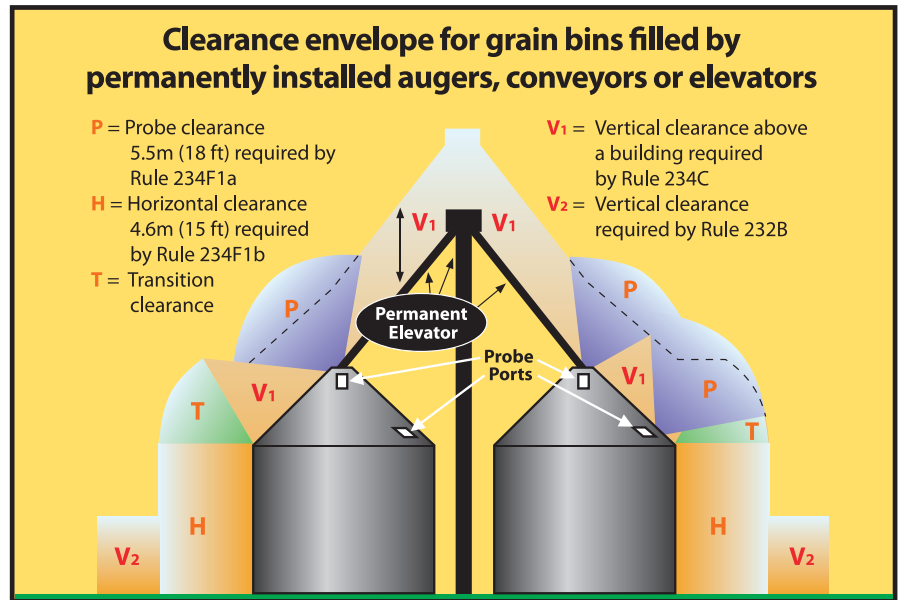
Electric wires should be at least 15 feet from the non-loading side of the grain bin; at least 18 feet from the highest filling or probing port on the bin; and a clearance of at least the bin height plus 18 feet from the loading side of the grain bin. Electric service cannot be provided to a grain bin installation that does not meet these clearances.

The drawing at right shows the specific clearances required for both scenarios. If you have any questions concerning the drawings, please contact PCEA.

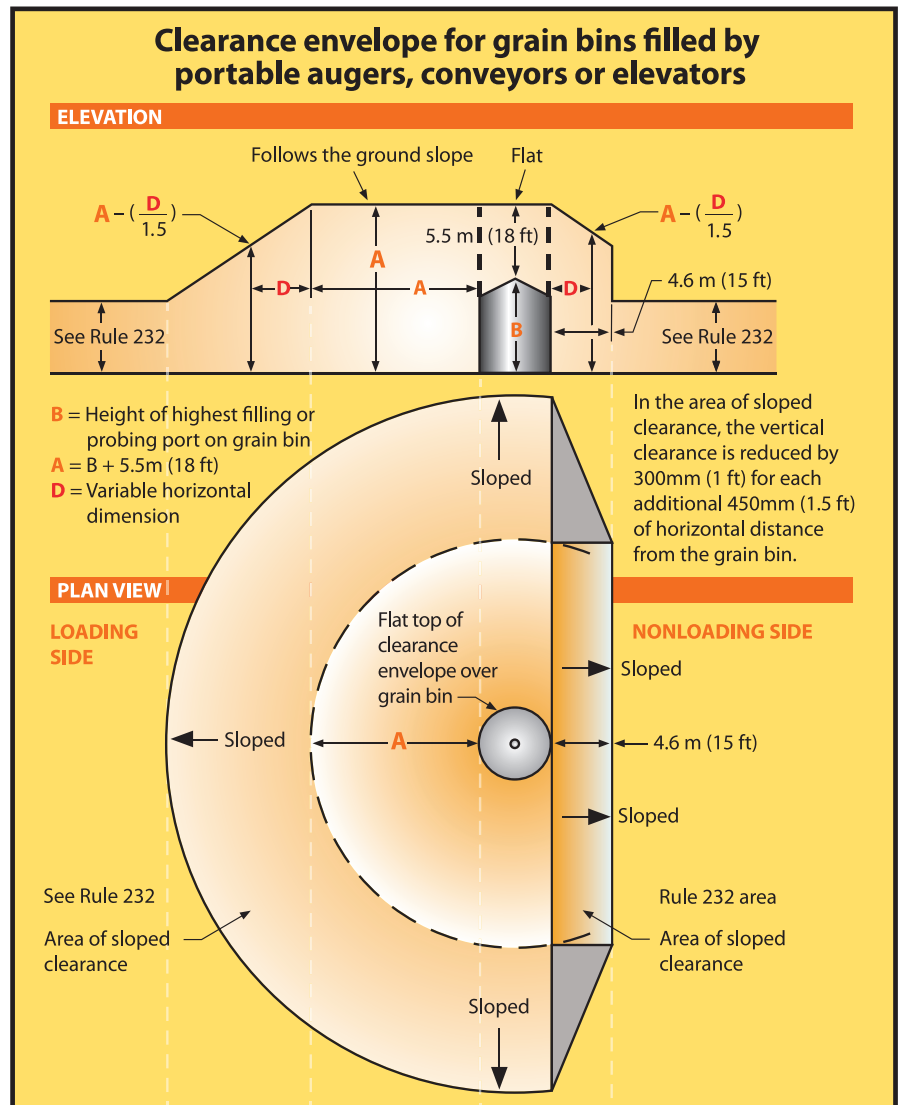
According to the Iowa Electric Safety Code found in Iowa Administrative Code Chapter 199 – 25.2(3) b. *An electric utility may refuse to provide electric service to any grain bin built near an existing electric line which does not provide the clearances required by the American National Standards Institute (ANSI) C2-2017 "National Electric Safety Code," Rule 234F. This paragraph "b" shall apply only to grain bins loaded by portable augers, conveyors or elevators and built after September 9, 1992, or to grain bins loaded by permanently installed augers, conveyors, or elevator systems installed after December 24, 1997. (As adopted by the Iowa Utilities Board).*

If the electric wires around your existing or proposed grain bin do not meet the requirements shown in the diagrams, or if you have any questions, please contact our office at (800) 619-1040.

*Disclaimer for Artwork: These drawings are provided as part of Iowa electric cooperatives' annual public information campaign and are based on the 2017 Edition of the National Electrical Safety Code. To view the actual drawings, refer to that publication. Every care has been taken for the correctness of the contents for these drawings. However, the Iowa Association of Electric Cooperatives and its member cooperatives accept no liability whatsoever for omissions or errors, technical inaccuracies, typographical mistakes or damages of any kind arising from the use of the contents of these drawings, whether textual or graphical.*



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# These Members Missed Their Refunds

PCEA dished out capital credit retirements (refunds) to members as a line item credit on February bills. Former members of the cooperative who were active in 2002 and 2019 should have received a check by mail for their capital credits. The list below are members whose checks were returned to the cooperative due to outdated mailing information. If you know the correct billing address for anyone listed below, please contact the cooperative with that information or have the former member contact us at (800) 619-1040. Learn more about capital credits at [www.pella-cea.org/capital-credits](http://www.pella-cea.org/capital-credits).

1st of Knoxville	Fontanini, Gino	Leydens, Robert	Schilling, Mark
Alter, Carrie	Frederick, Ken	Long, David & Brenda	Schipull, Allen & Carol
Ann Rouwenhorst Rentals	Garvey, Michael	Lynas, Hugh & Vicki	Schutty, Jason
Anderson, Joan	Glenn, Blake	Maury, Mike	Schwartz, Monty
Arnett, James	Gordon, Paul	Max, Homer	Sedlock, Joe
Bateman, Ron	Gray, Dan	Meyer, Jeff	Sees, Brian & Keri
Bice, Randall	H & S Builders	Michaels, Joseph & Debbie	Shepperd, Chris
Birkel, Jim	Hartgers, Craig	Navarro, Sergio	Shin, Thomas
Bogaards, Wm	Harriman, Joshepine	Nedder, Kenny	Sires, Sommer
Bowers, Forrest	Harrington, Joshua	Newendorp-Bishop, Karen & George	Sneller, Allen
Boyd, Mildred	Harrington, Troy & Jody	Nichols, Matthew	Spiegel, Dan
Breckenridge, Carol	Harrington, William	Nuyen, Thing & Nhung	Spierenburg, Marinus
Bregar, Ronald	Harvey Products Inc	Nichols, Matthew	Stanboro, Janice
Brown, Ron O. & Melissa	Hinga, William	Onde, Jeannie	Stebbeds, Floyd R
Brown, Thomas	Honomichl, Richard	Parker, Walt	Steffen, Dan & Alice
Brush, Mrs. Dale	Horman, Denise	Paulson, Virginia	Sterling, Verna
Budding, Eric	Howard, June	Pol Mrs. Leonard	Stevens, Kathy
Burger, Andrea	Hoy, Dave & Amber	Pollock, Mike and Lorna	Stieg, Stanlynn
Buser Sr, Fred	Huyser, Norm	Precision Industries Inc.	Stratford, Beverly
Church, Michael	IES Commerical	Prew, Paul & Mollie	Sullivan, Stephen
Cochran, Randall	Iowa Telecom	Ravera, Larry & Tracy	Swank, Ken
Cooper, Lewis	Jansen, Bruce	Reed, Shanna	Thomas, Laura
Crook, Blythe	Johnson, Brandon & Melissa	Reedy, Earl & Barbara	V.R. Farms, Inc.
Dabb, Susan	Jones, Alfred	Richardson, Richard	Van Dusseldorp, Felicia
Dahlin, Randy & Jenise	Kain, Donald	Rickard, Marty	Van Syoc, Tom
Daniels, Lonzo	Kephart, Nancy	Riggen, Larry & Jean	Van Wyk, Duane & Sharlene
Davis, Bruce	Klassen, Dan	Riley, Timothy	Ver Meer, Matt and Jodi
De Ruiter, Lavonne	Kline, Charles	Roeder, Jim & Naomi	Ver Steeg, Dave & Brenda
Digital Solutions	Kuiper, Gail	Robinson, Ramon	Ver Woert, Dan & Annette
Donkersloot, June	Kuzel, Jim	Ross, Dave & Jamie	Wallace, Ron
Doty, Rick	Langham, Billy	Rozendaal, Bruce	White, Scott
Dunkin, Alberta	Lanphier, Reuben	Rozendaal, Robert	Winegar, Dan
Ellinwood Studios	Lee, Sandy	Rubendaall, Dan	Wright, Craig
Estness, Marvin	Lemons, Charles	Schilling, Brenda	



- The Board approved 2020 capital credit allocation back to members totaling **\$283,344.81**.
- Howell Substation is anticipated to be completed in April.
- CEO Miles announces retirement.



## PCEA Scholarship Applications Open

**\$1,000 available for each school district**

Grinnell | Knoxville | Lynnville-Sully | Newton | North Mahaska | PCM | Pleasantville | Twin Cedars | Home school student

**Deadline to Apply: April 30**  
[www.pella-cea.org/scholarships](http://www.pella-cea.org/scholarships)