The 1980s--Cutbacks and Load Control

The 1980s began with East River's construction of transmission line to serve the Burkmere Substation and then the completion of the Burkmere Substation, which was energized on September 10, 1980.

With ever-increasing costs, the 1980s became the decade of inflation and cutbacks. Power costs went up, interest rates went up; it seemed as though there was no end to the increases. FEM looked at every expense to see which items could be cut to reduce its budget. Cutbacks were made in nearly every area, and although expenses did increase, FEM was able to keep expenses from increasing as rapidly as inflation. Then, as journeyman linemen or foremen retired, it was found that the wages offered were inadequate to obtain qualified replacements. There were two outpost positions that were unable to be filled with journeyman linemen. The Board of Directors took a long hard look at this situation. The roads were better now than in the early years of the cooperative, and larger equipment was now available. It was the decision of the board and management to discontinue the outposts at Eureka and Faulkton. By eliminating the line positions at the Faulkton and Eureka outposts, the number of employees was reduced and resulted in additional savings to FEM members.

While FEM was looking at ways to keep rates down, our power supplier, East River, was also looking at methods of cutting costs. Energy usage was continuing to increase significantly and the penalty for a high peak demand was great. New power plants could be built to generate enough electricity for the predicted peaks of the future, but they would also sit idle some of the time which was not cost-effective. Also, with the enormous inflation suffered in the 1970s and 1980s, the cost of building a power plant was not what it was in the 1960s and early 1970s. If, however, this demand for energy could be reduced during peak time and then used during the off-peak time, the same amount of energy could be sold at a lower cost. The promotional statement of the 1980s became "Use Electricity--But Use It Wisely!", and with this began the age of load control.

East River made available to member cooperatives incentives and special rates which FEM extended to members for dual fuel heating and electric water heaters. With sophisticated computer systems, East River could determine peak situations and activate controls, thus reducing the costly demand charges at peak times. Then, later when conditions indicated that the demand was dropping, the controls could be de-activated and the lower cost off-peak energy used. Calculations indicate that load control has saved East River and its member systems more than $43,000,000 the past ten years with very little inconvenience to the ultimate consumers.

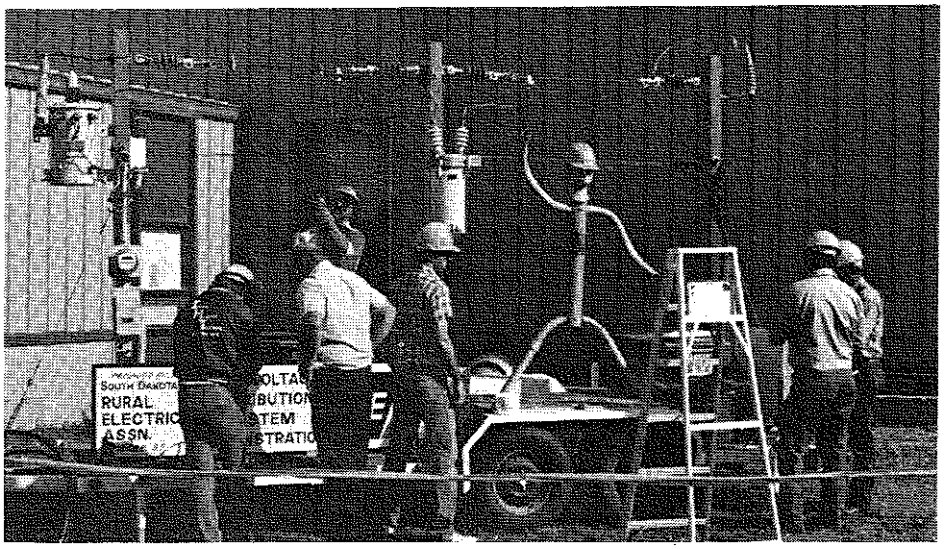
FEM's office computer system, installed in 1974, had become out-dated and was not meeting the needs of the cooperative. In 1985 a new computer system was installed, greatly increasing the efficiency of the office, and allowing more time to assemble the increasing amount of information required by REA.

Farm accounts continued to decrease; however, the number of commercial accounts increased greatly with the addition of many WEB water sites throughout the service territory and in 1986 Evergreen Colony was added. FEM's sales continued to increase and in 1989, over 37,000,000 KWH were sold.

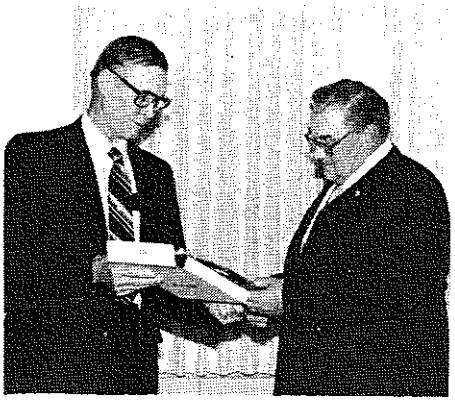
During the 1980s, the battle to save REA intensified. Attacks on the rural electrification program moved from the Congressional floor to magazines and the television arena. Concessions were made, and in the end, even the small cooperatives like FEM Electric would no longer be eligible for 100% REA loans with a 2% interest rate. FEM Electric was very fortunate to submit one more loan application for a very large two-year construction work plan before the new ruling took place.

The "Burro" trailer, purchased in 1982, houses some highly sophisticated test equipment used by FEM linemen to locate URD faults.

Once the fault is located, the cable must be exposed to repair the fault.



FEM Linemen Randy Herr, Bob Owens, Ed Anglin, Rob Vetch, Deleano Heupel, and Dick Carr set up the power line demonstration at the 1986 annual meeting held in Bowdle, South Dakota.



President Norman Batteen presents Waldon Kallenberger with a plaque at his retirement.

Power Use Advisor Myron Fillbach is shown checking a stanchion in a dairy facility for stray voltage.

FEM linemen attend monthly safety meetings to keep them up-to-date. This meeting they learn more about meters.