

OCTOBER 2012

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### Board of Directors:

Jerry McCaw, President - District 2  
Tom Compton, Vice President - District 2  
Ken Fox, Secretary - District 1  
Joe Wheeling, Treasurer - District 4  
Britt Bassett - District 3  
Jeff Berman - District 3  
Herb Brodsky - District 4  
Heather Erb - District 4  
Bob Formwalt - District 1  
Harry Goff - District 3  
Davin Montoya - District 2  
Lindon "Lin" Stewart - District 1

### Chief Executive Officer:

Greg W. Munro

### Next Board Meeting:

9 a.m. | Wednesday, October 17, 2012  
LPEA Headquarters, Durango

### Mission Statement:

La Plata Electric Association provides its members safe, reliable electricity at the lowest reasonable cost while being environmentally responsible.

Save Your Energy  
**LPEA**  
La Plata Electric Association, Inc.  
A Touchstone Energy® Cooperative 

# WATT'S UP

AT LA PLATA ELECTRIC ASSOCIATION

## Rate increase

BY GREG W. MUNRO, CEO

If you've read some of my past articles, you'll remember I've discussed rate increases today and into the future. We had a slight rate increase this year, and now we know we will have another one in 2013, but this one will be different.

Different, you ask? How so?

The last rate increase was due primarily to increased costs of generating and transmitting electrical power incurred by our wholesale supplier, Tri-State Generation and Transmission Association.

The next rate increase from Tri-State is partially due to the increase in costs for generating and transmitting electrical power, but a large part is due to a rate re-structuring that Tri-State has adopted after more than a year of analysis and consideration. Among Tri-State's 44 member distribution cooperatives, the rate re-structure has winners and losers. LPEA is, unfortunately, one of the losers.

For LPEA, the new Tri-State rates to their member cooperatives break out as follows:

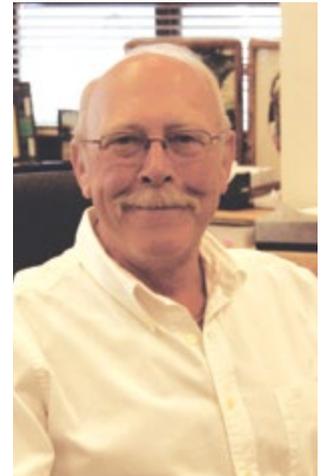
- Rate increase due to new rate structure – approximately 7 percent
- Rate increase due to increase costs – approximately 5 percent
- Total rate increase from Tri-State to LPEA – approximately 12 percent

Here at LPEA, we also are experiencing increased costs to deliver that power to you, so we will probably have to add to that 12 percent.

Now, here's the complicated part: There will also be winners and losers among our own members, depending upon your type of electric user class (residential, commercial, etc.). As I write this, we are in the midst of a "Cost of Service Study" being performed by an outside consultant and expert in the field. Preliminary studies show that residential customers will not realize nearly the rate increase that commercial and industrial customers may experience.

The process now is to complete the Cost of Service Study, lay out our 2013 Financial Forecast, and finalize our 2013 Capital Construction and Purchasing Budgets, and THEN design rates that are cost-based, fair, equitable and non-discriminatory. The entire process takes about five months and we began in July. The final product – the new rates – will be presented in November to the LPEA Board of Directors for their consideration and preliminary approval. We then give notice in local newspapers and on our web site of the proposed new rates for each rate class, requesting comments, questions, etc. We are also contemplating hosting public meetings to explain the rate changes (and if you think this is a good idea, please let us know). Then, at the December board meeting, the LPEA directors adopt the final rate tariffs, which will go into effect on January 1, 2013.

As we get more information on the rate structure changes we will keep you informed to the best of our abilities. Thanks for your support and your valuable membership! ⚙



So long  
Keith...



Controller Keith Brant has retired from LPEA to pursue entrepreneurial ventures and increase his community involvement. Best wishes Keith!



## “FALL” BACK

Daylight Saving Time ends Sunday, Nov. 4, 2012, so set your clocks back one hour. Most LPEA timers on Electric Thermal Storage heaters and water heaters adjust automatically. If you suspect your timer has not reset itself, please call 970.247.5786.

## HOUSEHOLD HAZARDOUS WASTE COLLECTION

Drop-off all your hazardous household materials at the annual collection event sponsored by the City of Durango and La Plata County. Transport materials to the La Plata County Fairgrounds, 8 a.m. – 1 p.m. on Saturday, Oct. 6, 2012. Drop-off is free, but a \$20 donation per vehicle is requested.

# Earthen Vessel: Whole new light

Retailers have discovered that embracing new energy efficient lighting technology not only saves energy and dollars on the electric bill, it also better showcases merchandise.

LPEA is offering substantial rebates for commercial customers who do lighting retrofits, and Vallerie Schwiderski felt it was time to invest in the new LEDs. Now her gallery, the Earthen Vessel, is illuminated in a whole new light.

Schwiderski purchased Earthen Vessel in its current location at 115 West 9th St. just off of Main Ave. in Downtown Durango nearly nine years ago. The store, founded in the mid-’70s, had traditionally been known as a “pottery shop,” but has evolved into what Schwiderski calls “a gallery of fine crafts.” It’s now a go-to place for sourcing very special gifts and unique art objects for the home.

“One of the challenges has always been the lighting,” says Schwiderski, pointing to the high ceilings, painted black, and the drop track lighting. “These bars can take only so many watts, so by going to LEDs, I can actually reduce wattage on each bar and increase the amount of light on my artwork. I don’t need to increase the cans because the LED lamps put out more light. So it will really light the place up and I’m excited about that.”

Earthen Vessel is laid out with a variety of artistic vignettes, which calls for unique lighting design. LPEA’s Ray Pierotti planned a complimentary visit to the gallery and recruited Kirk McKnight of light bulb retailer Service Concepts to assist, and the two spent several hours going through all the lighting in the gallery, helping Schwiderski select the right type of bulbs for each application.

“Vallerie has made a tremendous investment, plus LED bulbs last for years, so we wanted to make sure she ordered the best bulbs for the results she was looking for,” says Pierotti, noting that sometimes customers are offered only a “one-size-fits-all” option. “And that’s definitely not true. It’s a matter of preference and not every business has the same lighting requirements.”

Once the bulbs arrived, Pierotti and McKnight spent the good part of a Thursday afternoon changing out Earthen Vessel’s lighting, adjusting the direction of the cans to ensure maximum light on the displays.

“I personally believe it will increase sales,” says Pierotti. “The new bulbs make the colors ‘pop.’ People should come by just to see the great lighting.”

From an energy savings standpoint, Schwiderski has reduced Earthen Vessel’s annual kilowatt hours by almost 10,000, and, assuming the lights are on nine hours a day, 312 days per year, she should see an annual savings of \$940 on her electric bill. With the rebate of \$893 from LPEA, Pierotti estimates a full return on investment of about two years.

To learn more about energy efficient lighting and LPEA’s rebates, contact Pierotti at [rpierotti@lpea.coop](mailto:rpierotti@lpea.coop) or 970.382.7770. ⚙️



Changing the lights for the better: Earthen Vessel owner Vallerie Schwiderski helps LPEA Project Specialist Ray Pierotti install new energy efficient LED lighting at the gallery.

## New LPEA Controller named

Certified Public Accountant Rachel Lasiewicz has been named Controller at LPEA. Lasiewicz fills the position vacated by now former Controller Keith Brant, and will help oversee the financial management of the cooperative, including accounts payable/receivable.

Lasiewicz comes to LPEA from Moss Adams CPAs, one of the largest accounting firms in the United States offering accounting, assurance, tax and consulting services to its clients. Lasiewicz secured a position as Staff Accountant at the Albuquerque branch following her graduation from Fort Lewis College in 2010 with a B.S. in Accounting. Working in assurance, she had recently been promoted to Senior Accountant.



A Durango native, Lasiewicz was an LPEA scholarship recipient and interned at the cooperative throughout her college career.

"I started in Engineering and worked in Corporate Services, Customer Service and Accounting," she says, explaining that she has had a sampling behind the scenes at LPEA in every department except Operations. "I feel like the person who began in the mailroom and worked their way up the corporate ladder. I am looking forward to the challenges and in furthering my career here at LPEA."

"We're very proud of our scholarship students," says Greg Munro, CEO. "We get to know them well during their college years, and it's great when they can come back and join us as part of the LPEA team."

Lasiewicz joins fellow LPEA scholarship students now on staff at LPEA: Systems Engineer, Dan Harms; Engineering IT Specialist, Mindy Potter; and Staff Engineer, Jake Wills. To learn more about employment opportunities at LPEA, or the LPEA college scholarships, visit [www.lpea.coop](http://www.lpea.coop). ☀

## SIGHTING THOSE SCOPES...

Hunting season is upon us, and in an effort to both assist hunters and protect valuable electrical equipment, LPEA will help underwrite "Sight-In Days" at the Durango Gun Club.

From 9 a.m. to 5 p.m., Oct. 11-12 and 18-19 and Nov. 1-2, the Durango Gun Club will be open to the general public/hunters for rifle scope sighting. LPEA has contributed \$500 to cover costs incurred by the club for the event. Hunters are encouraged to take advantage of the controlled environment to prepare their firearms for the season.

"It's to everyone's benefit that hunters not take aim at expensive electrical equipment. Just like an animal, when you shoot it, it stops functioning, and your neighbors' electricity will be cut off," says Steve Gregg, LPEA manager of operations.

During Sight-In Days, Durango Gun Club staff, plus volunteer club members, will be on hand to answer questions, provide assistance and do minor firearms repair. Donations to the Club are welcomed, but no payment is required, thanks to LPEA's sponsorship.

For further information on Sight-In Days, contact the Durango Gun Club, 970.247.5165. ☀

## United Way taps the Alleys

LPEA's Regional Supervisor Mike Alley and his wife Liz, director of the Pagosa Springs Nurturing Family Center, have stepped up to serve as United Way Campaign Chairs for 2012-2013. Both have been actively involved in community programs since they moved to Archuleta County some 18 years ago.

As Campaign Chairs, the Alleys will further the values of United Way: to give, to advocate and to volunteer, and will encourage others to contribute to the Archuleta County Campaign.

"Mike and I are honored to serve the United Way," says Liz Alley. "It's an opportunity for us to work with the entire community to help support the very deserving agencies funded by United Way."

United Way provides funding to pre-qualified community partner agencies, including educational programs, those that build self-reliance for families and individuals, and health programs.

As a company, LPEA has been an ongoing leader in supporting United Way of Southwest Colorado in both La Plata and Archuleta counties. ☀



Mike and Liz Alley

## REBATES FOR LEDS REVISED

With the price of the new energy efficient LED light bulbs dropping steadily, and the eagerness of members to replace older bulbs with new technology, LPEA has necessarily adjusted the LED light bulb rebate program.

LPEA members will now receive up to \$10 per bulb purchased (or 50 percent of materials cost for bulbs retailing for less than \$10). There is a 50 bulb limit. LED bulbs must be Energy Star rated and of 300 lumens or greater, and those requesting rebates must be members-in-good-standing of LPEA.

As previously specified, to receive rebates, members must complete the application – available at [www.lpea.coop](http://www.lpea.coop) – or flyers are available at LPEA's offices in Durango and Pagosa Springs.

Return the completed application to LPEA with the ORIGINAL bulb packaging for all bulbs purchased and ORIGINAL receipt(s): By mail – c/o Ray Pierotti, PO Box 2750, Durango CO 81302-2750, or drop off at LPEA at 45 Stewart St. (Bodo Park) in Durango or 603 S. 8th St. in Pagosa Springs.

Rebates will be credited to members' active LPEA accounts. Please allow three months for processing. For additional questions, contact Project Specialist Ray Pierotti, 970.382.7770 or [rpierotti@lpea.coop](mailto:rpierotti@lpea.coop). ☀

## Brodsky returns to Board

The LPEA Board of Directors has appointed Herbert (Herb) C. Brodsky to fill the District 4 director seat vacated by Pam Patton, who recently resigned to join the Colorado Public Utilities Commission. District 4 covers North and East La Plata County.

Selected from a field of five highly-qualified applicants, Brodsky is a 21-year veteran of the LPEA board who lost his re-election bid in May 2012 to Heather Erb by only 55 votes. As Patton was due to run for re-election in 2013, Brodsky, in assuming her seat, will thus be up for formal election by LPEA members in District 4 at that time.

"Herb's years of service to La Plata Electric have provided him with in-depth knowledge of our company and the electric industry as a whole," says Jerry McCaw, LPEA board president, noting that complex issues will be facing the board and all rural electric cooperatives in the months and years to come. "All the applicants for the vacant seat were very well qualified and we genuinely thank them for their interest and time, and hope in the future they will consider running for the board in a regular election."

Information regarding the 2013 director elections will be available on the LPEA website, [www.lpea.coop](http://www.lpea.coop), in February. ☀



## Celebrate National Co-op Month

Every October cooperatives across the U.S. are recognized for the qualities that make the business model unique: local democratic control, commitment to supporting the communities they serve and improving quality of life, and the return of capital credits to members. LPEA does all that and more.

"At LPEA we have an obligation to provide reliable, affordable and safe electricity," says Greg Munro, CEO. "But because we are a cooperative we also have a responsibility to support our members, enrich schools and enhance our communities."

Electric cooperatives like LPEA were formed in the 1930s to bring electricity to the rural parts of the country. Neighbors banded together to enable the investment not otherwise financially feasible.

The cooperative model was designed to do what is best for the membership as a whole, and indeed one of the co-op principles is "Democratic Member Control." Additionally, the cooperative model is not-for-profit, so LPEA amasses no extra "profits" that support private investors. Those extra margins not used in maintaining the system are returned to LPEA's members in the form of Capital Credits.

"Our board takes looking out for the entire membership very seriously," says Munro, noting that the directors weigh the impact of their decisions on all members, not just a vocal minority. "They take the time to learn about and understand issues and programs, plus they always consider the financial impact to members – especially during these more challenging economic times."

Nationally, more than 2.1 million jobs are supported by co-ops. LPEA is one of more than 900 electric cooperatives, public utility districts and public power districts serving 42 million people in 47 states.

To learn more about co-ops, visit [go.coop.com](http://go.coop.com) on the web. ☀