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AT LA PLATA ELECTRIC ASSOCIATION | Celebrating 75 years in 2014

DECEMBER 2013

Costs are going up

BY GREG MUNRO | CEO | GMUNRO@LPEA.COOP

At the time of this writing, our 2014 Operating Forecast, which tells us what we need to do with electric rates, has not been completely finalized. Preliminary numbers, however, do show that we will need a rate increase of approximately 5 percent to meet our many financial requirements and ensure that your electric cooperative remains fiscally sound.

Hopefully you have reviewed the proposed rates, which are scheduled to take effect Jan. 1, 2014. These have been published in our area newspapers and are posted on our website, www.lpea.coop. The final adoption of the new rate tariffs will be done at the regular meeting of the board of directors in December.

As we always endeavor to do, we worked hard to keep a rate increase as low as possible. Many factors contributed to the need for a rate increase, among them is that we are receiving a 1.6 percent rate increase from our power supplier, Tri-State Generation and Transmission Association. We will also likely be adding some new staff to handle the increased work load in the renewable energy and energy efficiency areas, which have expanded tremendously, plus we are looking to the future and hiring others in preparation for approximate one-third of our workforce that will be retiring in the next few years. Of course, general inflation has played a role as well in increased costs facing our industry.

We will continue our efforts in 2014 to secure a better rate structure from our power supplier - a rate structure that truly follows cost causation, and benefits those consumers who help the overall efficiency of the system by shifting their electric usage to off-peak times.

As you know, we are in the complaint process with the Colorado Public Utilities Commission about what we believe, is an unjust rate structure that Tri-State adopted last year that affects our Time-of-Use customers. The process is long, but so far we have been successful each step of the way. We believe that in 2014, we will be given the chance to state our case in front of the Public **Utilities Commission** and get a ruling. hopefully in support of our membership.



As always, through what the Farmer's Almanac has said could be a heavy winter, we will continue to do our best to maintain the integrity of our system and keep those lights on for you, our members. Happy Holidays to all! 🌣

Happy Holidays from La Plata Electric Association!

In observance of Christmas and New Year's, LPEA offices in Durango and Pagosa Springs will be closed December 24 and 25, 2013, and January 1, 2014.

Mailing Address: PO Box 2750 Durango, CO 81302-2750 Street Address: 45 Stewart St. Durango, CO 81303 | 603 S. 8th St. Pagosa Springs, CO 81147 970.247.5786 | www.lpea.coop

Next Board Meeting:

9 a.m. | Wednesday, December 18, 2013 LPEA Headquarters, Durango

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

Board of Directors:

Davin Montoya, President - District 2 Heather Erb, Vice President - District 4 Ken Fox, Secretary - District 1 Joe Wheeling, Treasurer - District 4 Britt Bassett - District 3 Jeff Berman - District 3 Tom Compton - District 2

Bob Formwalt - District 1 Mark Garcia - District 1 Jerry McCaw - District 2 Michael Rendon - District 3 Jack D. Turner - District 4

Chief Executive Officer: Greg W. Munro

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Long-term Alternative Energy Outlook available

Over the past 10 years, LPEA has been observing, studying and adopting, when appropriate and of benefit to members, renewable energy programs and policies. Now, the LPEA board of directors has worked with staff to consolidate all information to create a road map of sorts that will help keep LPEA on track to have 20 percent of LPEA member-customers' electrical needs generated locally by alternative means by 2020: the Long-term Alternative Energy Outlook.

"This is, in essence a living document," says Mark Schwantes, manager of corporate services, who led the team effort that was initiated in 2012. "We now have something that our members can review and comment on. The board wants to hear from members about the goals and projects that will get us to the 20 percent mark."

Beyond the general understanding that embracing more renewable energy production will lessen the dependency on fossil fuels, LPEA also sees the benefit of increasing local generation, known as "distributed generation." This is electricity generated at or near where it is used, as opposed to "centralized generation," where large facilities generate power that is then distributed out to remote users.

"Distributed generation is believed to be more sustainable, efficient and of greater benefit to a community – especially in a territory such as LPEA's that is remote and potentially isolated from industrialized, commercial hubs," says Schwantes.

The region has long been known for its independent residents, and the founding fathers and mothers have established the heritage of self-sustainability.

Around the time of Durango's founding, and LPEA's creation a few decades later, the region was powered completely by locally generated electricity. With the current exploration more distributed generation, with the added focus on renewable energy, the focus has in



To help raise awareness of the Alternative Energy Outlook (AEO), as well as the pending Community Solar Gardens program (part of the AEO), young LPEA members gathered at James Ranch for a photo shoot with photographer McCarson Jones (Red Scarf Shots) and a solar photovoltaic panel on loan from Four Corners Solar. Looking to the future are (LtoR) Holli Timmerman, Breken Meier, Brayden Harms, Madalen Meier, Trevor Harms and Dylan Timmerman.

essence come full circle.

The region possesses numerous possibilities for renewable generation. Some, such as the hydroelectric generation facilities at Tacoma Hydroelectric Generation Station on the Animas River, are already in place. LPEA is also seeing an increase in small solar systems that add to the mix.

The "Outlook" is designed to eventually become the "Plan," following input from members as to the type of projects they would like to see LPEA pursue.

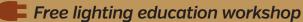
The full Long-term Alternative Energy Outlook is available for review at www.lpea.coop. To comment, email Schwantes at mschwantes@lpea.coop.

The "hard copy" booklet can also be picked up at LPEA's offices in Durango or Pagosa Springs. Public meetings are anticipated, plus organizations that would like a presentation should call LPEA directly at 970.247.5786.

LIVE WIRES

Support Project Merry Christmas

LPEA will once again partner with Four Corners Broadcasting for the Project Merry Christmas Blanket Drive, Saturday, Dec. 14 at the co-op's Durango headquarters, 45 Stewart St. in Bodo Park. The FCB team will be in the LPEA parking lot, broadcasting live from 11 a.m. to 3 p.m. Community members dropping by with donations will be eligible for giveaways, and enjoy hot cocoa and cookies with FCB radio personalities. Blankets, clothing and toys are welcomed, as well as non-perishable food items and cash contributions.



A free lighting education workshop, "Basics of Bulbs," is set for the Lavenia McCoy Library, Bayfield, Thursday, Dec. 12, 11 a.m-1 p.m. Lunch is included, so RSVP is required. Call or email Ray Pierotti to register or for information, 970.382.7770 or rpierotti@lpea.coop.

High school juniors invited to apply

LPEA invites high school juniors in its service territory to apply to be a part of two very special programs:

- The National Rural Electric Youth Tour to Washington D.C., set for June 12 19, 2014.
- The Colorado Electric Education Institute Cooperative Youth Leadership Camp – an all-expense paid educational/leadership camp set for July 13 – 18, 2014 at Glen Eden Resort outside of Steamboat Springs, Colo.

Application deadline for both programs is Monday, Jan. 6, 2014. "The Youth Tour to Washington D.C. is unique to rural electric cooperatives across the country," says Greg Munro, LPEA CEO. "Annually, LPEA and our sister co-ops select students for this all-expense paid experience to our nation's capitol. It's a once-in-a-lifetime opportunity."

The Washington D.C. Youth Tour features an intimate look at the federal government and the sights and experiences found in the city, including museum and monument tours, plus interaction with Colorado's elected representatives. Social activities are also part of the adventure.

With the Youth Leadership Camp, "It's not just another camp," says Jeannie Bennett, LPEA public relations coordinator handling the local application process. "This is an experience that will help students build for their future, and help students gain valuable leadership and interpersonal relationship skills that will benefit them in an increasingly competitive world. Plus it looks great on a resume."

Bennett notes that "fun" is also part of the experience, and scheduled activities include a river trip and dance, a visit to Steamboat Springs and Fish Creek Falls, plus free time at the swimming pool.

To be considered, high school juniors must reside in LPEA's service territory and complete the applications that are available for download at www.lpea.coop or from high school counselors. For each program, LPEA hopes to sponsor one student from each municipality within its service territory – Durango, Bayfield, Pagosa Springs and Ignacio. Home school students are also eliqible.

Direct any questions to Jeannie Bennett, 970.382.3505 or jbennett@lpea.coop. ♥

CO-OP MEMBERS

Ask...



What should I do if I'm interested in running for the LPEA Board of Directors?

A: Those interested in running for the board are advised to begin their education about the cooperative and understand obligations and fiduciary duties of the directors early. Visit the web site, www.lpea. coop, for policies and company information, and interested candidates are encouraged to come to LPEA board meetings, which are typically the third Wednesday of each month beginning at 9 a.m. at LPEA headquarters in Durango.

Election packets for those interested in running for a seat will be available March 17, 2014, at LPEA offices in Durango and Pagosa Springs, as well as on-line. To be placed on the ballot, candidates must return completed petitions to the Durango office by 1 p.m. on April 7, 2014. Pursuant to LPEA bylaws, one-third of the director's seats are up for election annually, one in each of LPEA's four districts. Incumbent directors are Ken Fox (District 1 – Archuleta County), Davin Montoya (District 2 – south and west La Plata County), Jeff Berman (District 3 – Durango proper) and Joe Wheeling (District 4 – north and east La Plata County).

Ballots will be mailed to LPEA's full membership early in May, and results tallied during the LPEA Annual Meeting. In honor of LPEA's 75th Anniversary, the Annual Meeting will be held Thursday evening, May 22, 2014 at the Community Concert Hall at Fort Lewis College.

FILLING THE FOOD BANKS

The line crews in Pagosa Springs volunteered their time on Nov. 9 to help stock the Archuleta County food banks, organizing the "Fill the Bucket" event. Members of the International Brotherhood of Electrical Workers (Local IBEW 111 26A), parked LPEA's bucket truck and service vehicles in the City Market parking lot to accept donations. When the trucks pulled away, they had in place 1,235 lbs. of non-perishable food items, plus \$1,000 in cash was received, which has been given to the food banks.

At right, Pagosa Springs crew members (LtoR) Riley Christensen, Phil Dietrich, Mike Alley, Jeremy Gurule and Gregg Smith unload the donated food and prepare for distribution.



Organizations benefit from LPEA grants

In an effort to make good use of idle funds left abandoned by former member-customers of LPEA as unclaimed Capital Credits, the cooperative's board of directors has awarded six new Educational/Special Project Grants totaling \$68,500 to deserving entities in its service territory.

- The Four Corners Office for Resource Efficiency 4CORE) and Housing Solutions for the Southwest received \$20,000 to support the joint Weatherization Assistance Program.
- The Pine River Community Learning Center will use the \$19,500 grant for upgrades and repairs to its facility.
- Ignacio School District received \$15,000 in support of its program to install solar panels on Ignacio schools.
- La Plata Open Space Conservancy was granted \$5,000 to assist with technology upgrades in the organization's first professional office.
- Bear Smart Durango, which has embarked on an educational program to reduce attractants in areas with active human-bear conflict, received \$5,000 to support the effort.
- The San Juan Symphony will use the \$4,000 granted to enhance its Youth Orchestra Program.

Capital Credits are essentially LPEA's margins or revenues remaining after all expenses have been paid. Annually, the electricity payments made by members in excess of the cost to provide their electric service is placed into a patronage capital account in each member's name. When the cooperative is able, Capital Credits are returned to members. The dollars become "unclaimed" when LPEA cannot find members deserving of the refund. The board has determined that these unclaimed funds should be invested in the community and thus established the Educational/Special Project Grants program.

Grant applications are accepted twice annually. Visit www.lpea.coop to learn more or call 970.382.3505. ❖

Hunters come out for Sight-in Days

LPEA and the Durango Gun Club once again teamed up to present "Sight-in Days," an effort to both assist hunters and protect valuable electrical equipment.

LPEA helped underwrite the event held at the Gun Club's Outdoor Range in October and November, contributing \$500. Some 500-600 members of the general public/hunters took advantage of the free rifle scope sighting to prepare their firearms for the season.

"We do this to deter hunters from sighting their scopes on our equipment, and causing significant damage," says Steve Gregg, manager of operations. "It's been a very successful program – a win-win for everyone."

Sight-in Days will be reprised in 2014, dates to be determined. For further information, contact Joseph Perino, Durango Gun Club secretary/treasurer, 970.749.3453.

Below, Tom Price of the Durango Gun Club works with LPEA member Pam Glasco as she prepares her firearm for the 2013 hunting season.



ENERGY EFFICIENCY



In the coming weeks, homes and businesses will be filled with holiday cheer. Holiday lights can make everything feel more festive, but they can increase energy spending. To keep energy usage in check, use mini-lights or better yet, LED holiday lights that use only a few watts per strand. Also, turn off or unplug lights during the day. This not only saves energy, but helps your lights last longer.

When purchasing home electronics, appliances or a computer for under the tree, look for products that have earned the ENERGY STAR rating. They'll save you energy.

Also, approximately 40 percent of all battery sales occur during the holiday season. Purchasing rechargeable batteries to accompany your electronic gifts will reduce the amount of potentially harmful materials thrown away, and can save money in the long-run. Better yet, consider giving a battery recharger with your gifts as well.

And one last note, if you expect a house-full of guests, turn down your heater before they arrive. The additional bodies will heat up the house, as will activity in the kitchen, helping you save on your home heating costs.