

# WATT'S UP

AT LA PLATA ELECTRIC ASSOCIATION  
JUNE 2016

# LPEA

La Plata Electric Association, Inc.

A Co-op Assn. Energy Cooperative



## “Time” on your side

Thanks to LPEA's negotiations with power supplier Tri-State Generation and Transmission, members signed up for the Time-of-Use (TOU) rate are enjoying a lower cost when using electricity in “off-peak” periods. The TOU program is designed to reward members who shift their electricity usage to lower, off-peak periods.

“The good news, or unanticipated result if you will, is, we've analyzed that with the new Time-of-Use rate, ALL our members can benefit to some degree, even without having electric thermal storage (ETS) heating or timers on their electric water heaters,” says CEO Mike Dreyspring. “But I wanted to personally test that theory.”

The Dreysprings, who weren't on Time-of-Use in 2015, asked LPEA's energy management specialists to calculate their energy usage for the past year if the new TOU rate had been available, and they'd been signed up.

“With no changes in our usage in the past twelve months- no shifting big loads to off-peak hours- if we'd been on the current TOU rate we would have saved \$100 on our electric bill in 2015,” says Dreyspring, who has natural gas home space and water heating. “We've signed up for Time-of-Use now, and we're going to pay more attention to when we use electricity. I bet we're going to realize even more savings this year, and our

members can do this too.”

“With a reduced ‘off-peak’ Time-of-Use rate, we do hope it's an incentive for members to shift their electricity usage to those lower cost time periods,” says Dan Harms, manager of rates, technology and energy policy. “One of the goals we have in managing electricity distribution is to level off usage and not experience ‘spikes’ in demand for power. Through the Time-of-Use program our members can help us, and we do want to financially reward our members for shifting energy use to ‘off-peak’ periods.”

The “off-peak” rate for members signed up for the TOU program is 5.9¢ per kWh. “Off-peak” hours are 1 p.m. to 5 p.m. and 11 p.m. to 7 a.m., plus all day Sunday, and Thanksgiving and Christmas. The “on-peak” rate is 16.8¢ per kWh. The base charge of \$21.50 per month to cover LPEA's fixed costs is consistent for all members.

“As Mike noted, it doesn't take much to realize savings on the Time-of-Use program, but the more you shift, the more you can save,” says Harms.

LPEA members not currently on TOU, who are interested in evaluating the possible benefits of the program unique to their usage, are encouraged to call LPEA's Energy Management Advisors, 970.247.5786. Learn more about the program at [www.lpea.coop](http://www.lpea.coop).

# Congratulations college scholarship recipients

Recipients of the 2016-2017 La Plata Electric, John Voelker Memorial, Basin Electric Power Cooperative and Tri-State Generation and Transmission scholarships have been announced by LPEA.

The 32nd Annual LPEA College Scholarships, two four-year scholarships (up to \$7,000 annually or \$28,000 for tuition, books and fees), have been awarded to Austin McCaw, senior at Ignacio High School and Garrett Moore, a senior at Animas High School. McCaw (son of Ed and Kelly McCaw) plans to major in engineering at Fort Lewis College. Moore (son of Troy and Leanne Moore) is heading to Grand Canyon University to study mechanical engineering and business.

Rocky Mountain Digital Academy (Pagosa Springs) senior Michael Kuhl and Durango High School senior Matthew McLaughlin have been awarded LPEA's 16th Annual John Voelker Memorial Scholarships, \$10,000 for two years, for vocational, technical school or junior college.

Kuhl (son of Phil and Emily Kuhl) will attend Pueblo Community College to study business/computer engineering, while McLaughlin (son of Victoria and Michael McLaughlin) will enroll in San Juan College, Farmington and study welding and mechanics. LPEA's John Voelker Memorial Scholarship remembers former LPEA board member John Voelker, who was instrumental in creating the vocational scholarship. Voelker perished in the Egyptian Air plane crash in October of 1999.

Lauren Fortney, a senior at Pagosa Springs High School, received the \$1,000 Basin Electric Power Cooperative Scholarship. With plans to attend



Austin McCaw



Garrett Moore



Michael Kuhl



Matthew McLaughlin

Northern Arizona University, Flagstaff, Fortney (daughter of Jeffrey and Lori Fortney) will major in hospitality and tourism.

Benjamin Lachelt, a senior at Durango High School, and Nicholas Tarasewicz, a senior at Animas High School, each received \$500 scholarships from Tri-State Generation and Transmission Association. Lachelt (son of Trisha Rickey and co-parent Gwen Lachelt) intends to pursue environmental studies at the University of Redlands in southern California. Tarasewicz (son of Anthony and Catherine Tarasewicz) is interested in advancing his education in mathematics and energy research at the University of Denver.

"We had many qualified students apply this year, but have only so many scholarships and awards," says Jeannie Bennett, coordinator of LPEA's scholarship process. "All of our scholarship recipients are great students with exciting potential. At LPEA we are proud to be able to offer these educational opportunities."

Funds for the LPEA and LPEA/John Voelker Memorial Scholarships come from LPEA's unclaimed Capital Credits. Each year, LPEA endeavors to find "missing" members who are due a share of retired Capital Credits. Those funds unable to be returned to members are then put back into the community - in this case, into college scholarships.

For further information or for questions regarding future scholarship opportunities, contact Jeannie Bennett at 970.382.3505, or [jbennett@lpea.coop](mailto:jbennett@lpea.coop).



Lauren Fortney



Benjamin Lachelt



Nicholas Tarasewicz

## Simpson named Payroll Specialist

Jeannette Simpson has been named payroll specialist at LPEA, assuming the duties of Rhonda Gregg, who is retiring after 21 years with the cooperative. Simpson served formerly as billing clerk.

A Bayfield resident, Simpson joined LPEA in June 2002 as a customer service representative, but moved into an accounting position within a year, and subsequently was appointed to handle accounts payable in 2006. In 2012 she moved to the billing clerk position.

Originally from Arizona, Simpson studied at Arizona Western College and completed her Associate's Degree in Accounting at Portland Community College. Following her move to La Plata County, she garnered banking experience at Bank of Colorado and also worked in accounting with SoundTraxx in Durango.

"Though I've been working at LPEA for nearly 14 years, in my new position I'm now learning a new discipline," said Simpson. "I'm enjoying the challenge and appreciate LPEA's policy of filling positions from within. This is a great opportunity."



# Changes in Engineering

Carolyn Foster has entered the Apprentice Staking Engineer program at LPEA, with Tiffany Quimby replacing Foster as Engineering Clerk.

The Apprentice Staking Engineer program is a four-year training endeavor that will ultimately lead to Foster's full-time position as a Staking Engineer, the position that does design and layout for members' projects.

A graduate in liberal studies from San Diego State University, Foster joined LPEA in 2013, having previously learned the industry during her seven years with San Diego Gas & Electric. She is also a veteran of the U.S. Army Reserves, where she achieved the rank of Sergeant.

Quimby, in her new position as Engineering Clerk, now becomes the first point of contact for members and/or contractors initiating new construction projects or seeking changes to existing electric infrastructure.

Raised in Durango, with a detour to Portland, Ore. while her husband attended culinary school, Quimby has served at LPEA for nearly 20 years in the Finance & Accounting Department.



Carolyn Foster prepares Tiffany Quimby for her new position.

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## Three join LPEA Board

Results of LPEA Board of Directors elections were announced at the cooperative's Annual Meeting with new candidates Mike Alley, Dan Huntington and Doug Lyon named to the Board and incumbent Jack D. Turner elected for a second three-year term.

Out of the 24,492 ballots mailed, 5,499 LPEA members cast votes for an approximately 22.5 percent return.

In District 1, Archuleta County, where 8,062 ballots were mailed, 851 of the members returning ballots cast votes for Alley over incumbent Mark Garcia's 641 votes and new candidate Calum McNeil's 81.

With 8,426 ballots mailed in District 2, south and west La Plata County, results in the new candidate competition showed Huntington with 1,310 votes cast to 730 cast for Lori Schell. District 2 incumbent Tom Compton did not seek re-election in 2016.

The election in District 3 [City of Durango] was cancelled as incumbent Michael Rendon did not seek re-election and Lyon was the only candidate.

Of the 8,004 ballots mailed in District 4, north and east La Plata County, incumbent Turner received 841 votes, with challengers John Beebe and Ron Bishop receiving 774 votes and 262 votes, respectively.

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## LPEA Golf Tourney June 18

LPEA will host its annual Golf Tournament at the Pagosa Springs Golf Course, Saturday, June 18. Space is limited, and registration deadline is June 15.

Organized by LPEA's line personnel, members of the International Brotherhood of Electrical Workers [Local IBEW 111 26A] based in Pagosa Springs, the LPEA Golf Tournament is open to all community members and this year will benefit the American Cancer Society's Relay for Life.

The tournament is a four-person scramble, with four flights beginning with a 9 a.m. shotgun start. Entry fee is \$65 per person, which includes lunch, golf cart, prizes and more. Hole sponsorships are available for \$150, \$500 and \$1,000, and independent donations are welcome.

Cash or checks [made payable to the "Brotherhood Fund"] will be accepted [no credit cards] via mail to LPEA, P.O. Box 305, Pagosa Springs, Colo. 81147, or in person at LPEA's Pagosa Springs office, 603 S. 8th St. For further information, visit [www.lpea.coop](http://www.lpea.coop).

## LIVE WIRES

### June Board meeting

The next meeting of the LPEA Board of Directors is Wednesday, June 15, at LPEA headquarters in Durango. The agenda will be posted 10 days in advance of the meeting at [www.lpea.coop](http://www.lpea.coop). Public comment is heard at the beginning of the meeting at 9 a.m.

### Annual Meeting video on web

LPEA's 2016 Annual Meeting is now on our website, available for community viewing. Visit [www.lpea.coop](http://www.lpea.coop) if you missed the meeting.

### Board Officers elected

The LPEA Board of Directors named board officers at its first meeting following the 2016 Annual Meeting:

*President:*  
Davin Montoya

*Vice President:*  
Kohler McClinnis

*Secretary:*  
Joe Wheeling

*Treasurer:*  
Karen Barger

*Tri-State Rep:*  
Joe Wheeling

*CREA Rep:*  
Kohler McClinnis

*Western United Rep:*  
Bob Formwalt

*Round Up:*  
Mike Alley &  
Kohler McClinnis

### Save the Date!

The 2017 LPEA Annual Meeting has been proposed for May 13 at the Sky Ute Casino Resort.



# Benefit of membership... Equity: your investment in the cooperative

BY DENNIS SVANES | CFO | DSVANES@LPEA.COOP

As most know, LPEA is an electric cooperative, but perhaps not exactly what that means. Primarily, it means we don't have outside investors or owners. Our customers are the owners, our members. Our members determine the regulatory board, our Board of Directors, and participate financially in the cooperative.

Every year, our goal is to have positive margins – take in more than we spend. In 2015, we had operating margins of 2.7% of our revenue. Another way to say this is that our operating margin was 3/10 of a penny per kilowatt hour. The reason it can be that low is that we don't have to make a profit margin for external investors, and we don't pay income taxes.

We do, however, have to make enough to keep our lenders happy. Because our sales are very

dependent on the weather, some years we collect too much, and other years we collect too little. Warm winters with many bad storms cause us to have very poor margins, but cold winters with very few storms and outages gives us high margins. Regardless of how well we do, those margins are allocated to our members based on patronage – how much a member purchases on a percentage of the total. That allocation becomes the equity our members (you) own of the cooperative. We call it Capital Credits.

The next question is what happens with that equity? LPEA funds the capital needs of the cooperative through two sources, member equity and debt. This means we pay for the poles and wires and all the other assets of the cooperative with those funds. At the end of 2015, our total long-term debt was \$144 million and total equity of \$137 million. Our equity level is currently 42.9%.

As we can afford to do so, LPEA retires the equity to its members. Since its creation, the co-op has allocated \$181.8 million and retired

\$55.3 million to its members. Later this year, your Board of Directors will review the financial status of the cooperative and decide how much can be retired. For current members, the retirement will show on the electric bill as a credit if it is less than \$100 – unless a member has requested a check. For retirements at or more than \$100, we will mail a check. Former members are encouraged to keep their address current with us so we can mail a check to them for their portion of the capital credit retirement.

Unfortunately, not all of our members or former members keep their addresses current with us. Annually, uncashed checks are listed in an insert in our local newspapers. Three years after the list is published, unclaimed capital credits are forfeited and used to fund LPEA's education fund and for charitable grants. While the programs these funds are used for are very good, our goal is to return all of the monies to the members who contributed to the equity.

If you have any questions or want more information on this or other topics, please contact me.

**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](http://www.lpea.coop)

**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)  
Kohler McInnis, Vice President (District 2)  
Joe Wheeling, Secretary (District 4)  
Karen Barger, Treasurer (District 4)  
Mike Alley (District 1)  
Britt Bassett (District 3)  
Jeff Berman (District 3)  
Bob Formwalt (District 1)  
Dan Huntington (District 2)  
Bob Lynch (District 1)  
Doug Lyon (District 3)  
Jack Turner (District 4)

**Chief Executive Officer:**  
Michael A. Dreyspring

**Statement of Non-discrimination**  
LPEA is an equal opportunity provider and employer M/F/ Disability/Veteran.  
If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

