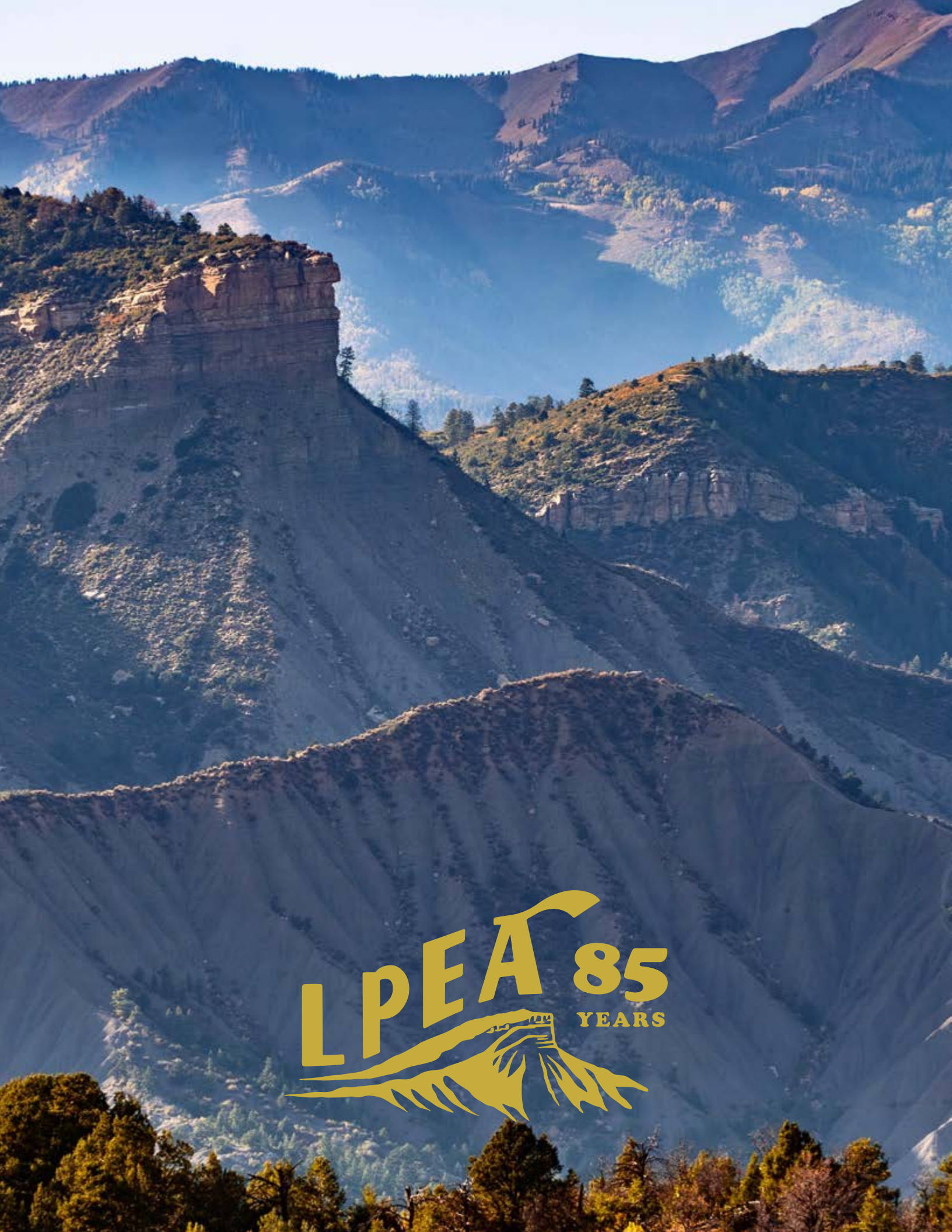


2024 LPEA ANNUAL REPORT

lpea.coop | (970) 247-5786



ELECTRIC ASSOCIATION, INC.



LPEA 85
YEARS

A stylized graphic in a golden-yellow color, positioned below the text. It depicts a mountain range with several peaks. On the central peak, there is a small, detailed illustration of a building, possibly a cabin or a small house, with a chimney. The graphic has a flowing, almost liquid-like quality to its lines.

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LPEA TURNS 85: MORE THAN POLES AND POWERLINES SINCE 1939

In 1939, amid the urban electric revolution, rural Southwest Colorado remained in darkness. President Roosevelt's Rural Electrification Act inspired local residents to form La Plata Electric Association (LPEA), a not-for-profit, member-owned cooperative dedicated to bringing electricity to every rural home.

Over 85 years, LPEA has grown to become Colorado's 6th largest cooperative, serving over 36,000 members across 3,531 square miles in La Plata, Archuleta, and parts of Hinsdale, Mineral, and San Juan counties. More than just an utility provider, LPEA represents the community spirit of Southwest Colorado, guided by a 12-member Board of Directors elected annually.

From lighting farms and ranches to becoming a cornerstone of the local community, LPEA embodies the collaborative power of cooperative enterprise.

CELEBRATING THE PAST AND FUTURE

To honor LPEA's history, the co-op recognized its longest-standing members:

- Florida Grange #306 (Since 1939): A community center established in 1916 that championed rural electrification.
- Immaculate Heart of Mary (Since 1948): A committed church serving Archuleta County.
- Mt. Allison Grange #308 (Since 1941): One of the region's oldest granges in South and West La Plata County.
- Durango Elks Lodge (Since 1951): A historic local institution built in 1925.
- Florida Mesa Presbyterian Church (Since 1939): A community cornerstone established in 1881.

LPEA also initiated the departure from its current wholesale power provider, planning for an energy-independent future.



THE LOGO

Digging back through the archives, LPEA's Brand Specialist created a commemorative logo that bridges the past and present while looking forward.



THE FILM

As part of the 85th anniversary commemoration, the organization also produced a movie capturing the journey from past to present. View the full video at: youtube.com/@LaPlataElectric



COMPANY FACTS

36,824
MEMBERS

3,803
MILES OF LINE

49,425
METERS

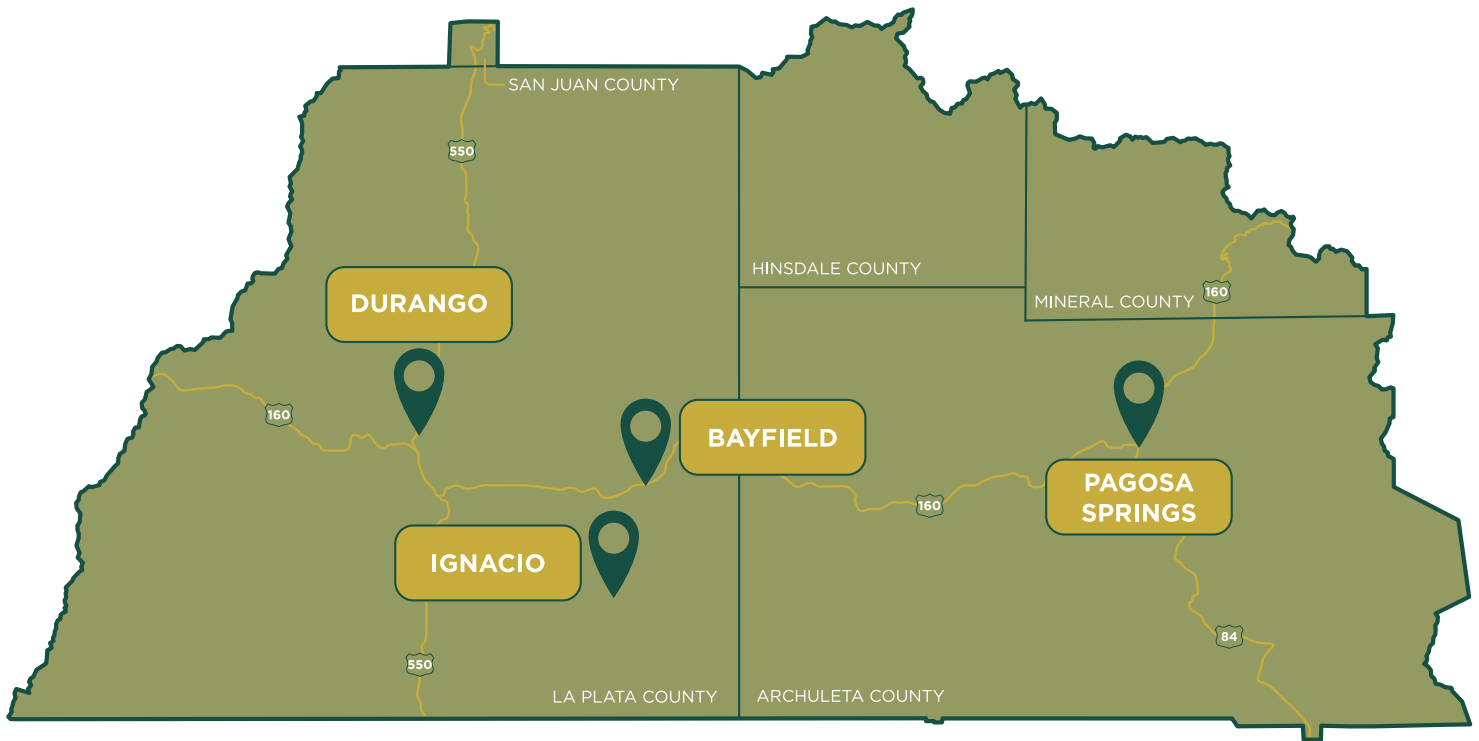
119
EMPLOYEES

205
MILES OF
TRANSMISSION
LINE

\$110,599,319
ANNUAL
OPERATING
REVENUE

664 KWH
AVG MONTHLY
RESIDENTIAL
USE

\$110.89
AVG MONTHLY
RESIDENTIAL
BILL



LPEA'S NORTH STAR: THE PRIORITY COMPASS

This report provides an update on the North Star, a framework of six priority areas guiding the cooperative's work from 2021-2025.



MISSION

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

VISION

Shaping the future by building trustworthy community partnerships as an innovative, forward-thinking industry leader, delivering excellence in our member-owned cooperative.

LEADERSHIP TEAM

Left to right, top: Dan Harms (Executive VP of Grid Solutions), Drew Timmerman (VP of IT), Jerry Sutherlin (VP of Operations), Patrick Berry (VP of Finance). Left to right, bottom: Janelle Thunstrom (Executive Assistant), Elizabeth Howe (VP of Business Services), Graham Smith (General Counsel), Amanda Anderson (Strategic Communications Officer). (Not pictured: Chris Hansen, Chief Executive Officer)



TED COMPTON

BOARD PRESIDENT



MESSAGE TO OUR MEMBERS:

COMMITMENT TO LOCAL SUSTAINABLE ENERGY

As we celebrate our 85th anniversary, it is a privilege to reflect on our cooperative's rich history and share exciting developments that will shape our future. Since our founding in 1939, LPEA has been committed to providing reliable, affordable electricity while upholding the cooperative principles that connect us to the communities we serve.

This year marks a monumental milestone in our journey: the decision to leave our wholesale power contract with Tri-State, after more than four years of careful evaluation, scenario planning, and discussion. This decision, taken by the board in March 2024, is a bold step toward greater local control, flexibility, and sustainability in our energy portfolio. It allows us to align more closely with the evolving needs of our members and to ensure a resilient, low-carbon energy future.

The transition to "Community Power" will enable LPEA to invest directly in our own energy future. By becoming independent, we can provide our members with more affordable, sustainable, and reliable power, while significantly lowering greenhouse gas emissions. We are confident in the abilities of our talented staff to execute this transition effectively and to navigate the complexities of the evolving energy landscape.

Several milestones in the energy transition were made possible through the dedication of many, including Graham Smith, who served as interim CEO during a particularly challenging and transformative time for LPEA. We extend our deepest gratitude to Graham for his leadership and efforts during these pivotal eight months.

As we look ahead, our focus remains on providing you with safe, reliable, and affordable power while embracing the opportunities of a rapidly changing energy industry. Our strategic partnerships and investments in local generation, energy storage, and innovative technologies position us to better serve our members and strengthen the economic vitality of our communities.

Thank you for your trust and support as we celebrate 85 years of service and embark on this exciting new chapter. Together, we will continue to honor our cooperative's legacy while building a brighter, more sustainable energy future for generations to come.

- Ted Compton

CHRIS HANSEN

CHIEF EXECUTIVE OFFICER



MESSAGE TO OUR MEMBERS:

COMMUNITY DRIVEN INNOVATIVE SOLUTIONS

It's a great honor to address you as the new CEO of LPEA, especially during our 85th anniversary year. This milestone is a reminder of the dedication and hard work that have shaped our cooperative, and I'm committed to ensuring we continue to be a trusted partner in your lives. Since joining in November, I've had the privilege of traveling across our service territory—from Pagosa Springs to Ignacio and beyond—meeting with members, engaging with stakeholders, and experiencing the diverse areas we serve. These interactions have deepened my belief in the strength of our cooperative model and the vital role LPEA plays in supporting our communities.

I'm excited about LPEA's unique position to lead the energy transition, blending our cooperative values with bold, innovative solutions. Our commitment to advancing clean energy, reducing carbon pollution, and supporting local energy solutions will guide us as we move toward energy independence. Whether it's storage projects, hydropower, solar, geothermal, natural gas, or wind, we are building a diverse portfolio designed to meet the needs of our members and drive economic growth in our region. I believe the future will require all of us, working together and fostering strong partnerships, to achieve the change we seek. The cooperative spirit that has defined us for 85 years will continue to support these efforts and guide us in the years ahead.

I'm committed to taking LPEA further, faster—leading the nation in the clean energy transition and positioning us to become a stand-alone utility. We are poised to not only meet the energy demands of today but to shape the future of energy for our members and our communities. By accelerating our efforts, LPEA can be a model for the nation, showing what's possible when communities come together with a shared purpose.

This year has already been a landmark one for LPEA, marked by significant milestones. As we transition away from our wholesale power contract, our team has remained focused on reliability, safety, and affordability, all grounded in the cooperative principles of service and community. I am inspired by their dedication and confident that we are on track for a bright future.

Looking ahead, we will serve you and lead LPEA into a new era of energy independence, sustainability, and innovation. Together, with strong partnerships and our collective effort, we will honor our cooperative's legacy while building a future that benefits generations to come.

- Chris Hansen

BOARD OF DIRECTORS: MEMBER DRIVEN LEADERSHIP



DISTRICT 1: ARCHULETA COUNTY



HOLLY METZLER

- COLORADO RURAL ELECTRICAL ASSOCIATION (CREA) REPRESENTATIVE



NICOLE PITCHER

- ROUND UP FOUNDATION JAN - OCT
- SECRETARY OCT - DEC



KIRSTEN SKEEHAN

- BOARD VICE PRESIDENT JAN - OCT
- ROUND UP FOUNDATION OCT-DEC

DISTRICT 2: SOUTH & WEST LA PLATA COUNTY



DAN HUNTINGTON



JOHN LEE JR.

- SECRETARY JAN - OCT



KOHLER MCINNIS

STRATEGIC GOALS:

- LPEA will strive to reduce its carbon footprint by 50% from 2018 levels by the year 2030 while keeping members' cost of electricity lower than 70% of its Colorado cooperative peers.
- LPEA will pursue a funding and partnership strategy that will enable broadband connections to its membership by 2030 without increasing electric rates to do so.

DISTRICT 3: CITY OF DURANGO



TED COMPTON

- BOARD PRESIDENT



RACHEL LANDIS

- BOARD VICE PRESIDENT
OCT - DEC



JOE LEWANDOWSKI

DISTRICT 4: NORTH & EAST LA PLATA COUNTY



DAVID LUSCHEN

- WESTERN UNITED
REPRESENTATIVE
- ROUND UP FOUNDATION



TIM WHEELER

- TREASURER
- FASTTRACK
REPRESENTATIVE



JOHN WITCHEL

NORTH STAR: BE SAFE AND EXCELLENT IN ALL WE DO



HOTLINE SCHOOL

A total of 14 lineworkers attended the Mesa Hotline School in Grand Junction in May where they received expert training through this one-of-a-kind program. The LPEA team, along with other lineworkers from across the West, gathered to hone their skills in the repair and maintenance of electrical transmission and distribution equipment. With experienced instructors, hands-on learning and collaboration opportunities this was truly an unparalleled educational experience for the LPEA team.

In June Clinton Peak, Adam Boggio, Evan Moore and Trevor Mortenson placed 3rd in the Hurtman Rescue at Utah's Lineman Rodeo and went on to compete in the 40th annual International Lineman's Rodeo in Kansas City –basically the Olympics for electrical workers. Teams participated in several events that reinforce crucial safety protocols and technical skills including:

- Hurtman Rescue: Perfecting emergency response techniques that save lives
- Pole Climbing: Mastering essential skills for reliable power restoration
- Mystery Events: Developing adaptability for unexpected outage scenarios

LPEA is proud of the team's commitment to continuous improvement and their dedication to serving their community with the highest standards of safety and reliability.

KEY PERFORMANCE INDICATORS:



**EXPERIENCED ZERO LOST-TIME INCIDENTS OR ACCIDENTS.
(GOAL: ZERO)**



ACHIEVED 100% REGULATORY COMPLIANCE (GOAL: 100%)



**100% OF DEPARTMENTS USED DATA ANALYTICS TO IMPROVE
DECISION MAKING (GOAL: 100%)**



**EXPERIENCED ZERO CYBER INCIDENTS THAT DISRUPTED
BUSINESS PROCESSES (GOAL: ZERO)**

97.5%

**AVG SAFETY
MEETING
ATTENDANCE
(GOAL: >80%)**

POLE-TOP RESCUE

Safety and community are at the heart of everything LPEA does. It is important to be as prepared as possible to respond to whatever threats may arise in the beautiful corner of Colorado LPEA calls home.

For that reason, teams from the co-op participated in an in-depth tabletop exercise addressing serious safety issues. In January, foremen and leadership teams carefully reviewed how they would respond to a line contact event and what to do if that lead to a fatality.

This exercise ensured LPEA teams are ready to support each other and the community and reinforced the co-op's commitment to resilience, safety, and responsibility.



NORTH STAR: KEEP THE LIGHTS ON

23

MILES OF LINE
REPLACED

85

BROKEN
CROSSARMS
REPLACED

73

RAPTOR
PROTECTION
ADDED

119

REJECT POLES
REPLACED

18

MAJOR CAPITAL
PROJECTS
COMPLETED

7

VIPERS
INSTALLED

ELEVATING OUR EFFORTS

This year, LPEA crews demonstrated hard work and dedication as they took on projects to strengthen the electrical grid and better serve the community. Rebuilding two critical sections of aging lines on Smelter Mountain and in Rafter J required several weeks of manually carrying equipment over steep, thickly vegetated terrain to prepare the sites for new pole placements.

These human-powered efforts then set the stage for a partnership with Mountain Blade Runner, using their helicopters to efficiently set the 11 new poles in under two hours. These efforts demonstrate the ongoing commitment of LPEA teams to creating a resilient system that reduces outage risks, improves restoration times, and enhances safety and reliability for the future.



WILDFIRE MITIGATION

Living in Southwest Colorado means always having to stay ahead of wildfire danger. LPEA prioritizes wildfire safety and protecting the area's mountain neighborhoods and infrastructure. LPEA crews incorporated crucial fire-mitigation efforts into some existing capital projects. While rebuilding aging power lines on Smelter Mountain and in Rafter J, teams took extra steps to clear the vegetation from floor to ceiling within 20 feet of the new lines. This simple step of keeping the areas near power poles clear of undergrowth creates a vital fire break and significantly decreases the risk of fire during the dry and windy conditions common in the Southwest.

“THANKS FOR WORKING INTO THE NIGHT TO RESTORE OUR POWER!”

– KAREN B.

CAPITAL PROJECTS

LPEA strengthened the power grid by installing 23 miles of new electrical lines across 17 projects. Major upgrades included:

- Improving the Durango Airport's power infrastructure
- Creating a backup power route at Rafter J
- Burying 2.6 miles of lines along Vallecito Reservoir

These investments enhance reliability, reduce outages, improve restoration times, and boost fire prevention and weather resilience.



FEWER OUTAGES AND SWIFT RESPONSE: LPEA TEAMS LED THE WAY

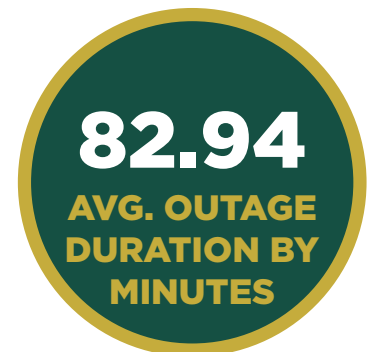
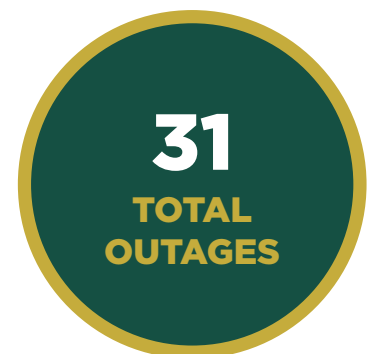
LPEA's skilled teams went above and beyond to keep the lights on and to restore power quickly and efficiently when disruptions did occur. LPEA communities experienced a total of 31 outages throughout the year (the lowest number since 2018), averaging 0.9 per member. That's significantly lower than the national average of 1.4 outages per member.

Not only were there fewer disruptions over the year, but when outages did occur they lasted only 82.94 minutes on average (with most less than an hour). The national average for outage duration is 335.5 minutes.

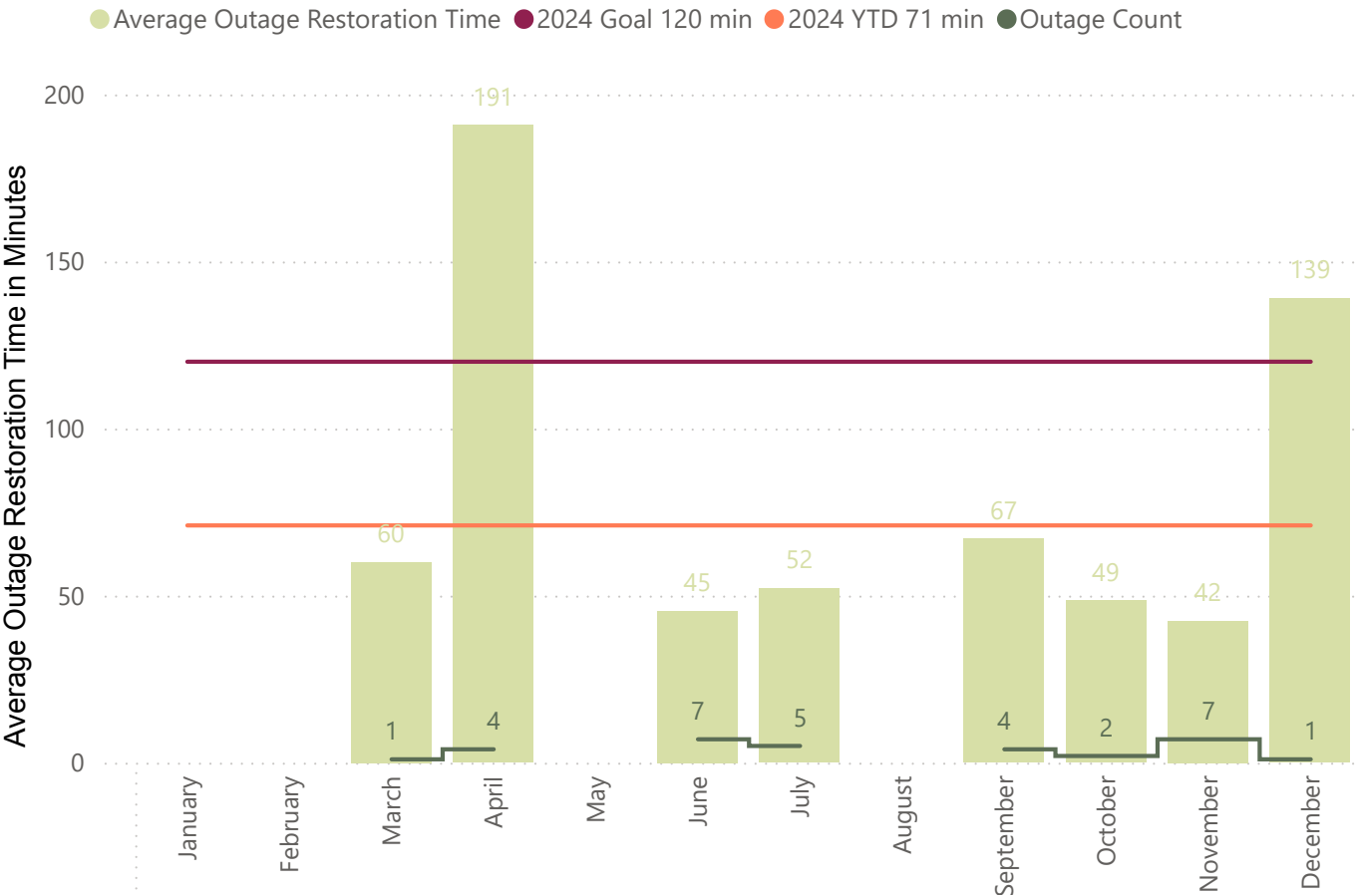
These impressive figures reflect highly on LPEA's teams and highlight their rapid response times during emergencies as well as their proactive maintenance and safety measures. They continue working to improve infrastructure and limit outages throughout the service territory.



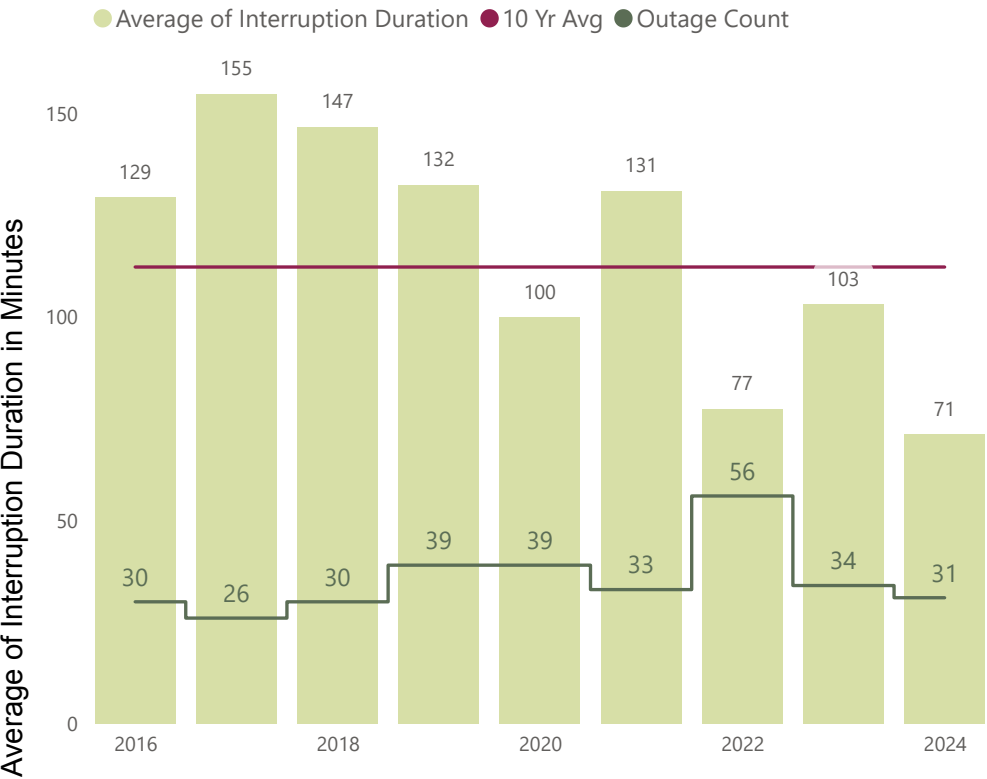
KEY PERFORMANCE INDICATORS



MAJOR OUTAGE RESTORATION TIME



MAJOR OUTAGE RESTORATION TIME (NO MED)



OUTAGE DEFINITIONS

System Average Interruption Duration Index (SAIDI): This index indicates the total duration of interruption for the average customer during a predefined period of time. It is commonly measured in customer minutes or customer hours of interruption.

System Average Interruption Frequency Index (SAIFI): This index indicates how often the average customer experience a sustained interruption over a predefined period of time.

Major Event Day (MED): A major event day is a day in which the daily system SAIDI exceeds a threshold value, TMED. LPEA's threshold value (TMED) is 6 hours. The SAIDI index is used as the basis of this definition since it leads to consistent results regardless of utility size and because SAIDI is a good indicator of operational and design stress. Even though SAIDI is used to determine the major event days, all indices should be calculated based on removal of the identified days.

NORTH STAR: SOURCE CLEAN, LOCAL, LOW-COST POWER

TRANSITION TO COMMUNITY POWER

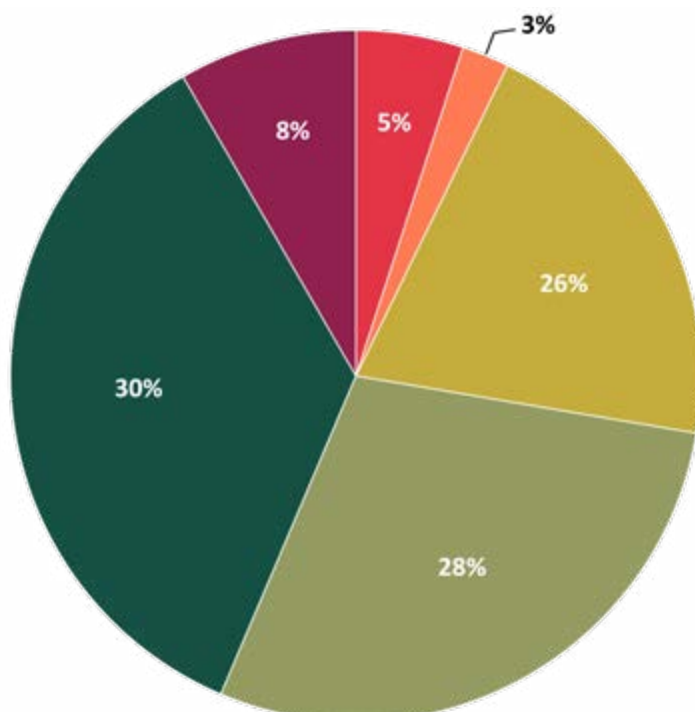
Effective April 1, 2026, LPEA will exit its wholesale power contract with Tri-State, marking the beginning of the cooperative's Community Power vision—one that allows the organization to write its own energy story.

LPEA has already made significant progress toward this transition. The co-op received several proposals, demonstrating that its load profile and member base present an attractive opportunity for power suppliers. To ensure a smooth bridge to full independence, LPEA has signed a three-year contract with Mercuria to help develop a reliable power portfolio through 2029.

In November, LPEA secured its first power purchase agreements (PPAs) with Tri-State, one for 40 megawatts (MW) of firm capacity and another for 40 MW of energy from Tri-State's Dolores Canyon Solar Project. These agreements will supply 30% of the co-op's energy needs through 2033, supporting its long-term goals for affordable, reliable, and environmentally responsible energy.

In addition to these PPAs, LPEA will become a transmission customer of Tri-State, ensuring that LPEA members continue to benefit from the same impressive reliability they have come to expect. This means that while LPEA is moving toward more local control, the essential grid infrastructure and power delivery systems will remain secure, ensuring its ability to "keep the lights on" without interruption.

Through Community Power, LPEA is not only ensuring reliable energy today but also shaping a future that reflects the needs and values of the community. Over the next two years, LPEA will continue to strengthen its renewable energy portfolio and work toward a smooth transition, all while keeping reliability at the forefront of the co-op's mission to serve its members.



ENERGY RESOURCE MIX

- Tri-State Non-Carbon
- Tri-State Coal
- Tri-State Market Purchases
- Tri-State Gas & Oil
- LPEA Owned Non-Carbon
- LPEA Member Rooftop Solar

FEEDBACK ON POWER SUPPLY

In celebration of national co-op month in October, LPEA hosted a series of focus groups and town hall meetings to engage with the community and get feedback on its energy transition journey. The focus group discussions, facilitated by a third party, created a structured environment to gather member insights on LPEA's energy programs and cooperative goals. At the Town Hall meetings, LPEA's leadership team shared key updates on the co-op's power supply transition and future initiatives, and answered questions and comments from community members. LPEA was grateful to everyone who attended any of the available meetings and discussions, as their questions and ideas shaped the organization's decisions for a more sustainable and reliable energy future.



AGREEMENT WITH MERCURIA

As LPEA makes plans for its move toward an energy-independent future, the co-op announced a strategic partnership with Mercuria Energy America, LLC to help develop its new power portfolio following the departure from the wholesale power contract with Tri-State in April 2026.

“What sets Mercuria apart is their ability to help us design and secure a portfolio of assets tailored to our specific needs,” said Ted Compton, LPEA Board President. “With their support, we’re confident that this collaboration will deliver exceptional reliability and economic efficiency.”

This partnership aligns perfectly with the co-op's goals to:

- Cut carbon emissions 50% from 2018 levels by 2030
- Manage rate stability and predictability for members
- Enhance regional energy reliability
- Expand clean, local power initiatives

LPEA remains committed to its mission of delivering safe, reliable electricity at the lowest reasonable cost to its 36,500 members while building a sustainable energy future, and the co-op is excited to work with Mercuria to achieve this.

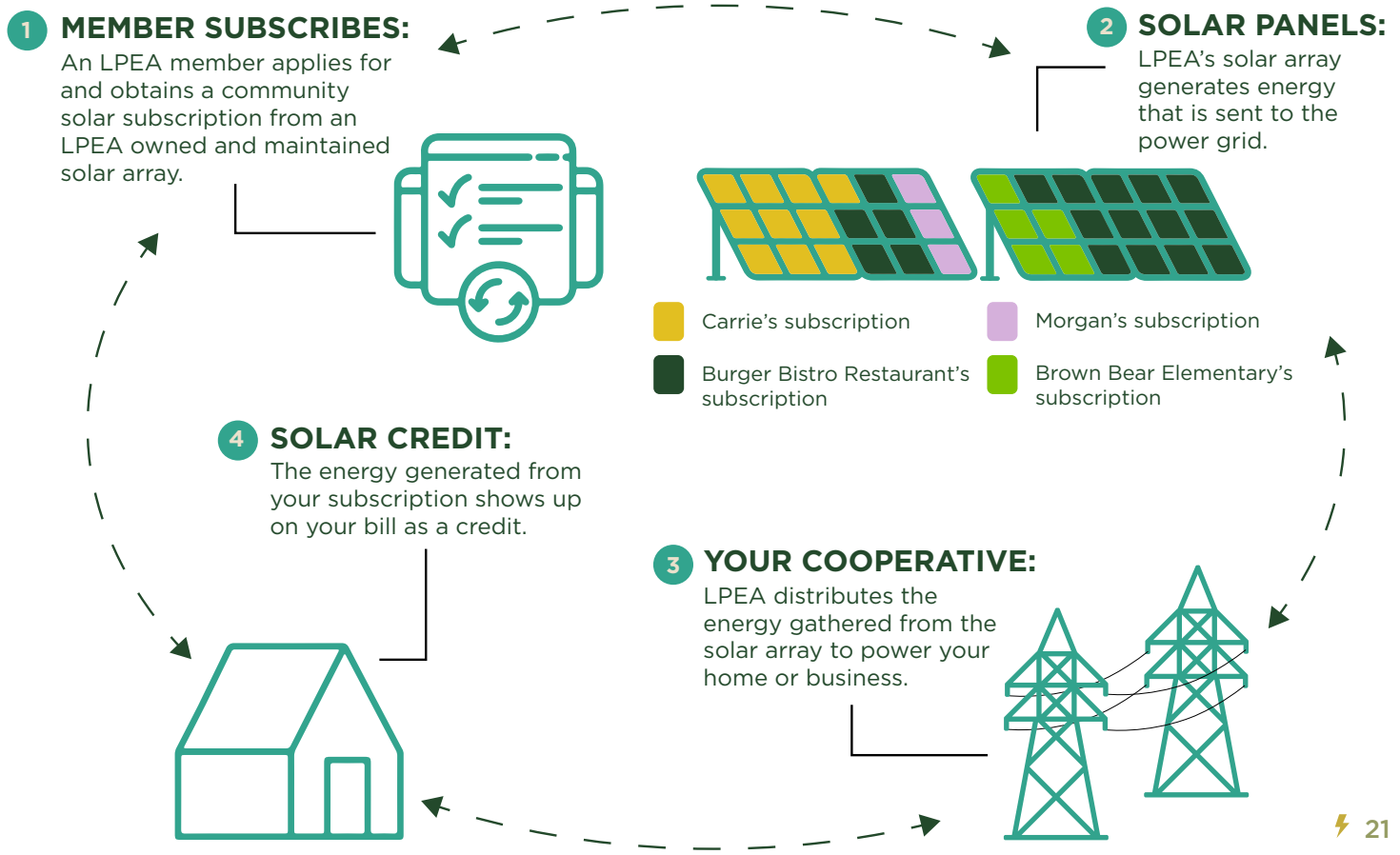
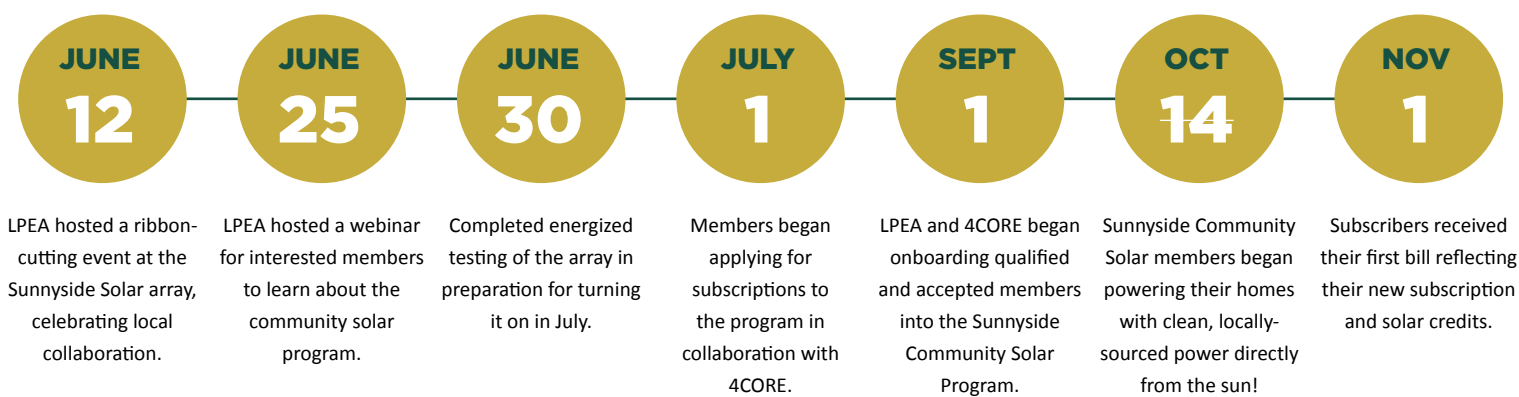
POWERING PROGRESS WITH SUNNYSIDE COMMUNITY SOLAR

LPEA's first community solar program enabled members to access clean, locally sourced energy without installing solar panels on their own properties. This groundbreaking program is just the beginning, paving the way for more local and regional clean energy options in the future.

The program launched with two available options: one for income-qualified members in partnership with the Four Corners Office for Resource Efficiency (4CORE) and another open to all residential and commercial LPEA members. By subscribing, members contributed to community environmental goals while getting hassle-free access to sustainable energy.

The co-op was thrilled to have the support of La Plata County as its anchor tenant, investing \$2 million in subscriptions to support clean energy across county buildings over the next two decades.





NORTH STAR: BE A TRUSTED COMMUNITY PARTNER

INVESTING IN COMMUNITIES

\$60,000 74 LOCAL SCHOOLS AND NON-PROFITS RECEIVED SPONSORSHIPS FOCUSING ON NURTURING THE POTENTIAL OF YOUNG PEOPLE.	\$93,000 7 SCHOLARSHIPS TO HIGH SCHOOLERS TO SUPPORT CONTINUING EDUCATION AND CAREERS IN RURAL ELECTRIC COOPERATIVES.	\$177,677 50 NON-PROFIT ORGANIZATIONS RECEIVED GRANTS FROM THE LPEA ROUND UP FOUNDATION.
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COMMUNITY OUTREACH PROGRAMS



YOUTH SCHOLARSHIP PROGRAMS



COMMUNITY SPONSORSHIPS



COMMUNITY ENGAGEMENT EVENTS



COMMUNITY SERVICE PROGRAMS



ROUND UP FOUNDATION



YOUTH LEADERSHIP DEVELOPMENT



LPEA ROUND UP FOUNDATION



Mission: To advance and support causes within LPEA's service territory to improve the quality of life in the community.

If you'd like to "Round Up" your bill visit:
lpea.coop/round-up

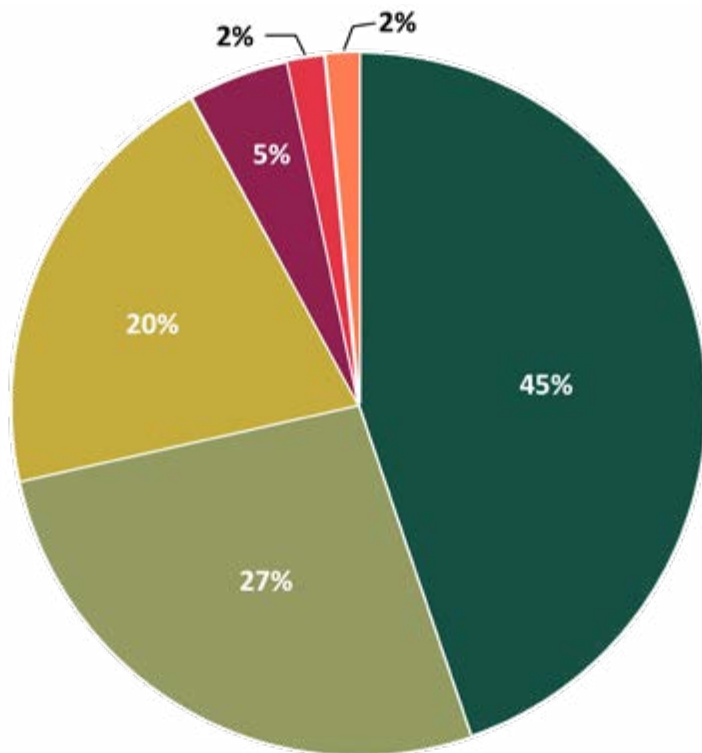
Pictured: Dan Harms speaks to students from Animas High School on a tour of the Sunnyside substation.

“HUGE SHOUTOUT TO LA PLATA ELECTRIC ASSOCIATION FOR POWERING UP OUR EDUCATION TEAM! THANK YOU, LPEA, FOR INVESTING IN THE FUTURE OF EXPERIENTIAL EDUCATION!”

– SAN JUAN MOUNTAINS ASSOCIATION



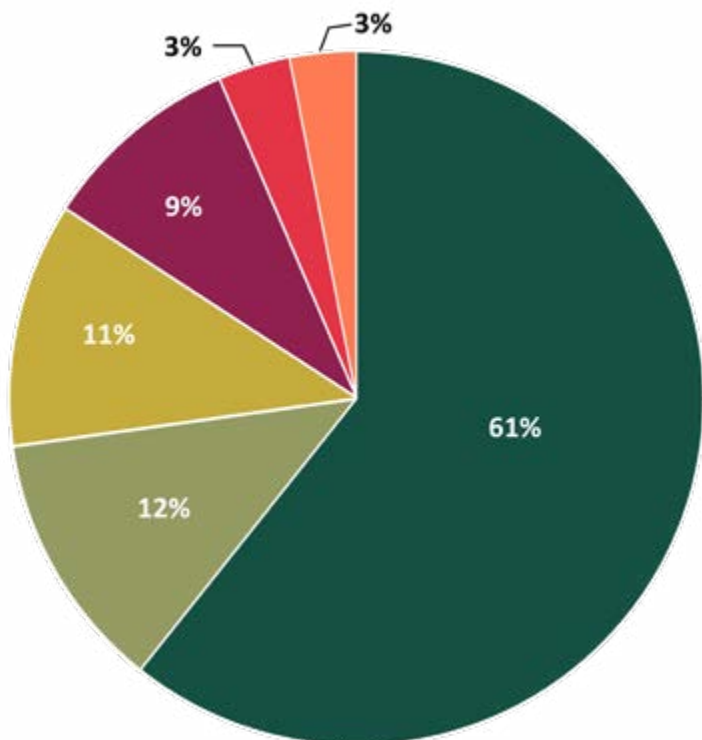
NORTH STAR: MAINTAIN STRONG FINANCIAL HEALTH



REVENUE

- Residential
- Small Commercial
- Large Commercial
- Capital Credit Allocation
- Other Operating Revenue
- Other Allocation & Income

Note: LPEA did not receive any patronage capital from Tri-State in 2024.



EXPENSES

- Cost of Power
- Operating Costs
- Administrative Costs
- Plant Costs
- Cost of Borrowing
- Operating Margins

Note: Percentages may not sum to exactly 100% due to rounding. The underlying data is calculated to two decimal places.

KEY PERFORMANCE INDICATORS

TARGET	2024 YTD
✓ OPERATING MARGIN AT 2.5%	3.1%
! CASH RESERVES AT 12-20%	10%
✓ EQUITY PERCENTAGE IS 40-55%	54%
✓ LONG-TERM DEBT IS LESS THAN 100% OF EQUITY	62%
✓ MODIFIED DEBT SERVICE COVERAGE (MDSC) IS GREATER THAN OR EQUAL TO 1.35 (DEBT COV'T)	2.48

WHERE YOUR DOLLAR GOES



NORTH STAR

MAINTAIN STRONG FINANCIAL HEALTH (CONT.)

LPEA PUT \$1.5M BACK IN YOUR POCKET

The LPEA Board voted to return \$1.5 million in capital credits in December, issuing refunds to members from 2003 and 2023 based on their electricity use during those years. Capital credits are one of the long-standing benefits of being part of a not-for-profit cooperative. When the cooperative generates a margin, similar to a profit, the extra funds are allocated to members and returned when financially possible. This program is a way to share the co-op's success with its members, showing the value of being part of a community-focused utility.





HOW DO CAPITAL CREDITS WORK AND WHAT DOES LPEA DO WITH THEM?

As LPEA celebrates 85 years of service to its community, this is a fitting time to reflect on the cooperative model and on the role it has played in building the LPEA of the present. In 1939, a group of determined community members in rural southwest Colorado came together to form the electric co-op. They pooled their resources to build the critical infrastructure needed to bring electricity to their homes—a bold, cooperative investment in a brighter future.

Fast-forward to 2024, and that same community spirit continues to power LPEA. Every month, members pay their electric bill, which serves not only to keep the lights on but also as an investment in the cooperative.

As the community grows, member investment becomes increasingly important. Each electric bill not only supports daily operations but also builds the foundation for a resilient, future-ready grid, empowering the community to meet evolving energy needs together.

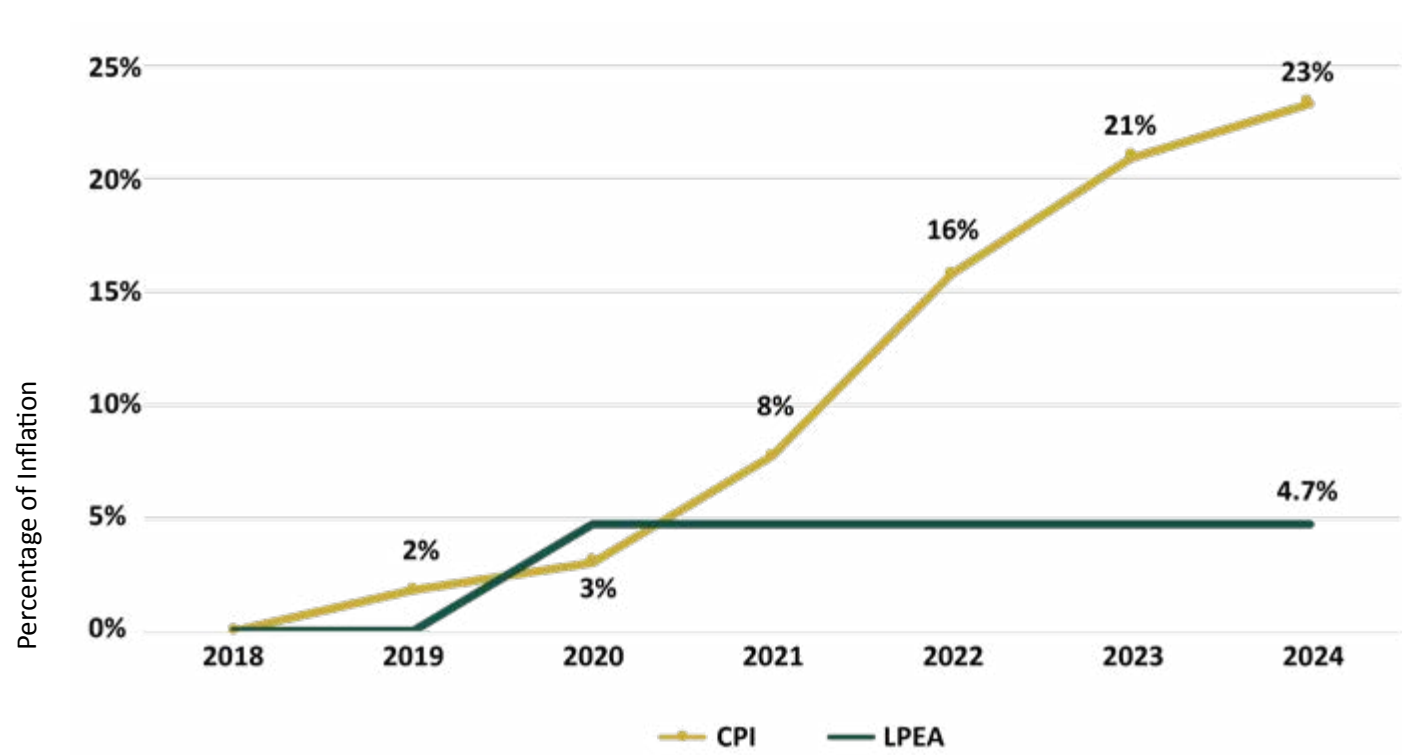
Just as with any investment, members benefit when the cooperative succeeds. When margins—similar to profits—occur, a portion is allocated as capital credits. This is the 1.5M that was paid back to the membership in 2024. This system reinforces that original foundation of community coming together to invest in and build a reliable future.

NORTH STAR

MAINTAIN STRONG FINANCIAL HEALTH (CONT.)



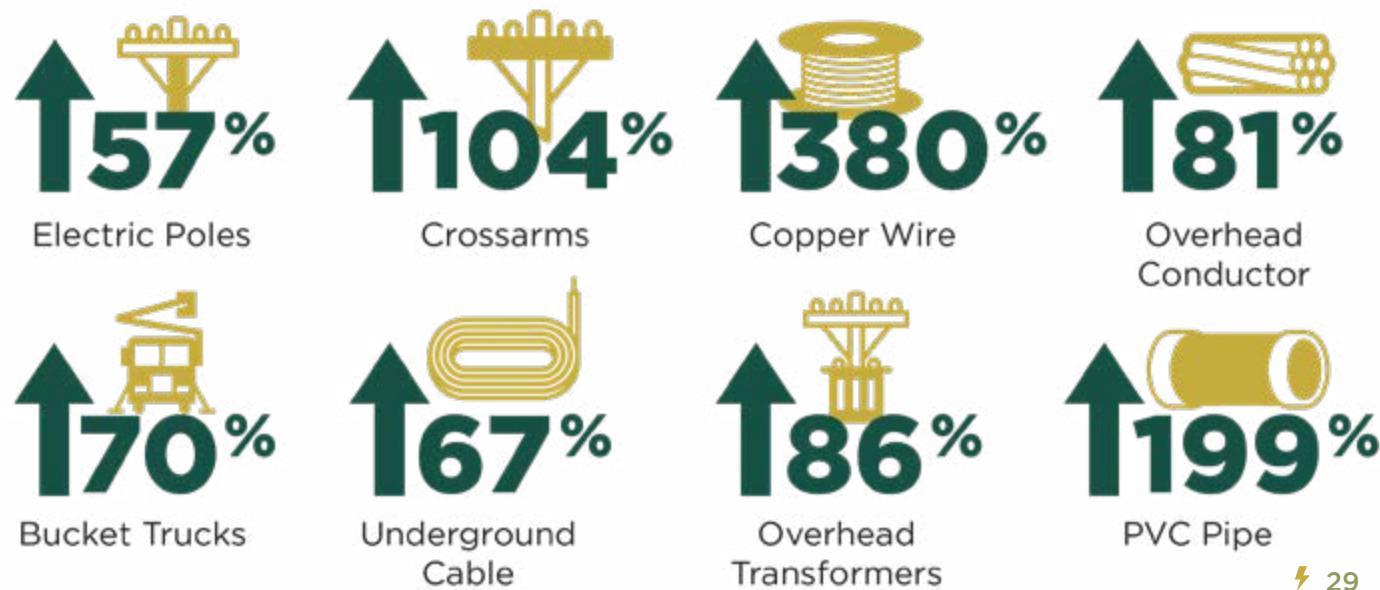
CUMULATIVE CONSUMER PRICE INDEX COMPARED TO LPEA RATES



COMBATING INFLATION

In 2024, LPEA did not raise rates for the third year in a row, keeping local electricity rates stable while prices for other sources of energy have dramatically increased. As shown in the chart above, LPEA’s percentage of inflation has remained historically low compared to other energy sources.

RATES OF INFLATION IN THE ELECTRIC INDUSTRY:
2024 VERSUS 2019 PRICES



FINANCIAL STATEMENT

BALANCE SHEET (AUDITED)

DESCRIPTION	2024	2023
ASSETS		
TOTAL UTILITY PLANT IN SERVICE	\$ 335,732,316	\$ 320,367,817
CONSTRUCTION WORK IN PROGRESS	\$ 24,570,316	\$ 20,110,337
CONSTRUCTION WORK IN PROGRESS AID	\$ (10,602,298)	\$ (11,141,915)
NET CONSTRUCTION WORK IN PROGRESS	\$ 13,968,018	\$ 8,968,422
TOTAL UTILITY PLANT	\$ 349,700,334	\$ 329,336,239
ACCUM. PROVISION FOR DEPRECIATION & AMORTIZATION	\$ 171,691,024	\$ 162,899,095
NET UTILITY PLANT	\$ 178,009,310	\$ 166,437,144
NON-UTILITY PROPERTY (NET)	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	-	-
INVESTMENT IN ASSOC. ORG. - PATRONAGE CAPITAL	\$ 75,607,425	\$ 75,734,528
INVESTMENT IN ASSOC. ORG. - OTHER - GENERAL FUNDS	-	-
INVESTMENT IN ASSOC. ORG. - OTHER - NON-GENERAL FUNDS	\$ 1,693,449	\$ 1,693,449
INVESTMENT IN ECONOMIC DEVELOPMENT PROJECTS	-	-
OTHER INVESTMENTS	-	-
SPECIAL FUNDS	\$ 25,000	-
TOTAL OTHER PROPERTY & INVESTMENTS	\$ 77,325,874	\$ 77,427,977
CASH - GENERAL FUNDS	\$ 9,815,929	\$ 15,951,375
CASH - CONSTRUCTION FUNDS	-	-
SPECIAL DEPOSITS	-	-
TEMPORARY INVESTMENTS	-	-
NOTES RECEIVABLE (NET)	-	-
ACCOUNTS RECEIVABLE - SALES OF ENERGY (NET)	\$ 12,080,204	\$ 12,791,666
ACCOUNTS RECEIVABLE - OTHER (NET)	\$ 1,752	\$ 224,699
MATERIALS & SUPPLIES - ELECTRIC & OTHER	\$ 3,979,802	\$ 4,197,459
PREPAYMENTS	\$ 424,285	\$ 542,436
OTHER CURRENT & ACCRUED ASSETS	\$ 19,019	\$ 19,019
TOTAL CURRENT & ACCRUED ASSETS	\$ 26,320,991	\$ 33,726,653
REGULATORY ASSETS	\$ 4,433,546	\$ 4,525,325
OTHER DEFERRED DEBITS	\$ 2,275,113	\$ 3,581,400
TOTAL ASSETS & OTHER DEBITS	\$ 288,364,834	\$ 285,698,499

FINANCIAL STATEMENT

BALANCE SHEET (AUDITED)

DESCRIPTION	2024	2023
LIABILITIES & EQUITY		
PATRONAGE CAPITAL	\$ 140,276,859	\$ 142,128,849
OPERATING MARGINS - PRIOR YEARS	-	\$ (2,165,420)
OPERATING MARGINS - CURRENT YEAR	\$ 3,424,460	\$ 2,165,420
NON-OPERATING MARGINS	\$ 3,607,532	-
OTHER MARGINS & EQUITIES	\$ 7,112,227	\$ 7,649,727
TOTAL MARGINS & EQUITIES	\$ 154,421,079	\$ 149,778,576
LONG-TERM DEBT - RUS (NET)	-	-
LONG-TERM DEBT - OTHER - RUS GUARANTEED	-	-
LONG-TERM DEBT - OTHER (NET)	\$ 92,293,456	\$ 96,248,638
TOTAL LONG-TERM DEBT	\$ 92,293,456	\$ 96,248,638
OBLIGATIONS UNDER CAPITAL LEASES - NON-CURRENT	-	-
ACCUMULATED OPERATING PROVISIONS	-	-
TOTAL OTHER NON-CURRENT LIABILITIES	-	-
NOTES PAYABLE	-	-
ACCOUNTS PAYABLE	\$ 7,435,081	\$ 7,568,460
CONSUMERS DEPOSITS	\$ 573,966	\$ 620,056
CURRENT MATURITIES LONGTERM DEBT	\$ 3,955,182	\$ 4,232,126
CURRENT MATURITIES CAPITAL LEASES	-	\$ 1,862
OTHER CURRENT & ACCRUED LIABILITIES	\$ 5,623,780	\$ 5,534,264
TOTAL CURRENT & ACCRUED LIABILITIES	\$ 17,588,009	\$ 17,956,768
REGULATORY LIABILITIES	-	-
OTHER DEFERRED CREDITS	\$ 24,062,290	\$ 21,714,517
TOTAL LIABILITIES & OTHER CREDITS	\$ 288,364,834	\$ 285,698,499



FINANCIAL STATEMENT

STATEMENT OF OPERATIONS (PROFIT & LOSS)

DESCRIPTION	2024	2023
OPERATING REVENUE		
ELECTRIC ENERGY REVENUE & GROSS SALES	\$109,678,300	\$111,613,160
MISCELLANEOUS REVENUE	\$921,019	\$941,853
TOTAL OPERATING REVENUE	\$110,599,319	\$112,555,013
OPERATING EXPENSES		
COST OF PURCHASED POWER	\$67,142,037	\$69,019,612
TRANSMISSION	\$805,644	\$707,456
DISTRIBUTION	\$8,859,525	\$7,647,529
MAINTENANCE OF DISTRIBUTION PLANT	\$3,890,073	\$3,182,605
ACCOUNTING & COLLECTION EXPENSES	\$1,534,901	\$1,407,724
OTHER CUSTOMER EXPENSES	\$3,690,573	\$3,090,091
ADMINISTRATIVE & GENERAL	\$7,453,146	\$6,866,216
DEPRECIATION & AMORTIZATION	\$10,362,047	\$10,199,895
TOTAL OPERATING EXPENSES	\$103,737,947	\$102,121,128
OPERATING MARGINS BEFORE FIXED CHARGES	\$6,861,372	\$10,433,885
FIXED CHARGES		
LESS INTEREST ON LONG-TERM DEBT	\$3,728,495	\$3,861,659
OPERATING MARGINS AFTER FIXED CHARGES	\$3,132,877	\$6,572,226
GENERATION & TRANSMISSION & OTHER CAPITAL CREDITS	\$5,499,737	\$915,922
OPERATING MARGINS	\$8,632,614	\$7,488,148
NONOPERATING MARGINS		
INTEREST INCOME	\$689,163	\$457,769
OTHER REVENUE	\$1,425,780	(\$4,303,753)
TOTAL NONOPERATING MARGINS	\$2,114,944	(\$3,845,984)
NET MARGINS BEFORE DISCONTINUED OPERATIONS	\$10,747,557	\$3,642,164
NET ACTIVITY OF DISCONTINUED OPERATIONS	-	\$196,356
NET MARGINS BEFORE DISCONTINUED OPERATIONS	\$10,747,557	\$3,838,520
LESS NET MARGINS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	\$46,635
NET MARGINS ATTRIBUTABLE TO THE ASSOCIATION	\$10,747,557	\$3,791,885

Note: Dollar amounts may not sum due to rounding. The underlying data is calculated to two additional cent places, which accounts for the remaining amounts.

NORTH STAR: PREPARE FOR THE FUTURE

KEY PERFORMANCE INDICATORS:



**DEVELOP PARTNERSHIPS
TO ACHIEVE STRATEGIC
BROADBAND GOAL**



**WIN GRANT FUNDS TO
SUPPORT LPEA INITIATIVES**

- **\$14.8M IN GRANTS SECURED**
- **\$50K AWARDED TO LPEA**

PACE AWARD FOR CLEAN AND AFFORDABLE LOCAL ENERGY PROJECTS

In March, LPEA was awarded \$13,416,000 from the United States Department of Agriculture's (USDA) Powering Affordable Clean Energy (PACE) program, authorized under the Inflation Reduction Act (IRA) to support its members including those living in distressed, disadvantaged, and designated energy communities.

LPEA was one of just four national applicants to receive funding, so far, in a highly competitive application pool. The USDA's PACE program aimed to support projects that would improve energy efficiency, reduce energy costs, and support rural communities' efforts in transitioning to cleaner energy sources.

LPEA's proposed project will support the local construction of 5 megawatts (MW) of solar generation and a 5MW/20MWh battery. This project will bring jobs to the community and power generation closer to the community's homes and businesses.

This funding propelled LPEA's efforts toward advancing affordable, clean energy initiatives, increasing resiliency, and expanding local generation. Through this award, LPEA was recognized for its commitment to fostering innovation in the energy sector and its dedication to providing affordable and sustainable energy solutions to its rural membership.

LPEA expressed its gratitude to the USDA for selecting them as a recipient of the PACE program funding and looked forward to collaborating with stakeholders to maximize the impact of these initiatives.

\$14.8M

IN GRANTS SECURED

REVVING UP BENEFICIAL ELECTRIFICATION

LPEA hosted several Beneficial Electrification (BE) open house events, bringing together homeowners, business leaders, and environmental enthusiasts eager to learn about energy efficiency and sustainability. These events provided valuable insights into how electric technologies can create healthier, more comfortable spaces while supporting the community's sustainable future. BE not only helps individual members save on their electric bills by reducing usage, it also benefits the entire community through collective energy management and a shift to cleaner energy sources.

Additionally, LPEA continued to support efforts to bring broadband to its rural communities, ensuring all residents can have access to reliable, high-speed Internet. By advancing BE and supporting expanded broadband access, LPEA is striving to build a more sustainable, connected, and prosperous future for everyone.

Pictured: Members at LPEA's first open-house style BE event discover ways to improve efficiencies and reduce costs for their homes or businesses.





MORE THAN POLES AND POWER LINES, SINCE 1939

For 85 years, La Plata Electric Association has existed to bring power and light to its beloved corner of Southwest Colorado, improving lives and empowering a strong local economy. That remains the co-op's focus as it looks to the future. LPEA believes that the transitions it experienced in 2024 will set the co-op up for success as it moves forward into an even brighter tomorrow. LPEA is committed to the growth and evolution of its communities, and will continue to be there powering the way.

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