

2025 LPEA ANNUAL REPORT



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COMPANY FACTS

37,128
MEMBERS

3,796
MILES OF LINE

49,955
METERS

121
EMPLOYEES

218
MILES OF
TRANSMISSION
LINE

\$117,740,354
ANNUAL
OPERATING
REVENUE

645 KWH
AVG MONTHLY
RESIDENTIAL
USE

\$118.25
AVG MONTHLY
RESIDENTIAL
BILL



MISSION

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

2025 STRATEGIC GOALS

1. LPEA will strive to reduce its carbon footprint by 50% from 2018 levels by the year 2030 while keeping our members' cost of electricity lower than 70% of its Colorado cooperative peers.
2. 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.

2025 VISION

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

BOARD OF DIRECTORS

DISTRICT 1: ARCHULETA COUNTY



DUSTY MARS
• ROUND UP FOUNDATION



NICOLE PITCHER
• BOARD PRESIDENT



KIRSTEN SKEEHAN
• COLORADO RURAL
ELECTRIC ASSOCIATION
(CREA) REPRESENTATIVE

DISTRICT 2: SOUTH & WEST LA PLATA COUNTY



BRAD BLAKE
• ROUND UP FOUNDATION



JOHN LEE JR.



KOHLER MCINNIS

DISTRICT 3: CITY OF DURANGO



TED COMPTON
• BOARD VICE PRESIDENT



RACHEL LANDIS



JOE LEWANDOWSKI

DISTRICT 4: NORTH & EAST LA PLATA COUNTY



DAVID LUSCHEN
• WESTERN UNITED
REPRESENTATIVE



TIM WHEELER
• TREASURER



JOHN WITCHEL
• SECRETARY
• COMMITTEE ON POLICIES
(COP) CHAIR

LETTER FROM THE BOARD PRESIDENT



Dear Members,

This past year, your Board of Directors worked closely with LPEA's leadership team to ensure stability today and a strong foundation for tomorrow. I am proud to share that, thanks to years of careful planning and disciplined management, we were able to maintain rates heading into 2026. As we enter a new chapter of power supply independence, keeping power affordable and dependable remains our top priority.

In 2025, the Board reaffirmed LPEA's mission to provide safe, reliable electricity at the lowest reasonable cost while being environmentally responsible. That mission continues to guide every decision we make.

We also adopted LPEA's 2026-2030 Strategic Plan, a five-year roadmap that builds on our strong foundation and sets a clear direction for the future. The plan reaffirms our mission, introduces an updated vision, and defines the goals and priorities that will guide our work through the end of the decade.

Our updated vision defines the path ahead: Member Powered. Future Focused. National Leader.

Our new strategic goal outlines where we are headed. By 2030, LPEA members will, on average, pay less for electricity than 70 percent of Colorado cooperatives, and our cooperative will reduce carbon emissions by more than 80 percent from 2005 levels. We are on track to achieve both parts of this goal.

To accomplish this, the Board has adopted four strategic pillars to guide our focus from 2026 through 2030:

Delivering Safety, Reliability, and Excellence: Upholding the highest standards of safety and performance for our members and employees.

Energizing Tomorrow: Leading in local energy independence by investing in generation, storage, and innovation that keep value in our communities.

Empowering Community: Strengthening engagement, transparency, and participation so members remain at the heart of every decision.

Creating Member Value: Keeping power affordable and reinvesting in programs that benefit members and the region we serve.

We also took steps to make participation in your cooperative easier by introducing online voting for director elections. This change gives every member more flexibility to take part in shaping LPEA's future.

These pillars reflect who we are and where we are going: a cooperative grounded in people, progress, and partnership. Together, with our members, employees, and community partners, we will continue to demonstrate what it means to be truly member powered and future focused.

Sincerely,
Nicole Pitcher
President, LPEA Board of Directors



LETTER FROM THE CEO



Dear Members,

2025 was a year of preparation and progress for LPEA. We have focused on strengthening our cooperative, keeping the lights on, and laying the groundwork for a more affordable and sustainable energy future.

Much of the year's work centered on preparing for our transition away from Tri-State. I spent time meeting with members, community leaders, and partners across our service area to discuss what this change means and how it will benefit us all. Our goal remains clear: to keep power dependable and affordable while gaining more local control over how we serve our communities.

We also achieved several important milestones. LPEA earned its first-ever credit rating, an A+ from Fitch Ratings, confirming our strong financial position. We finalized new power supply agreements that will lower wholesale costs by about 20 percent beginning in April 2026, supporting long-term rate stability and local decision-making.

Across our system, local hydropower, solar, and battery projects are keeping more energy dollars in our region. Expanded drone inspections, grid improvements, and vegetation management are helping us keep the lights on safely and efficiently.

I am proud of our employees and Board, whose commitment to service and innovation keeps LPEA strong, and I am grateful for our members' continued trust and engagement. Celebrations like Co-op Month remind us of the power of community and the importance of working together.

Entering 2026, LPEA is ready for the next step in our journey toward energy independence and local control. Together, we will continue building a cleaner, stronger, and more sustainable future for all our members.

Sincerely,
Chris Hansen
Chief Executive Officer



KEEP THE LIGHTS ON

RELIABILITY & OPERATIONS

11
MILES OF LINE REPLACED

175
RAPTOR PROTECTION ADDED

297
REJECT POLES REPLACED

9
MAJOR CAPITAL PROJECTS COMPLETED

3
VIPERS INSTALLED

90.29
AVG. RESTORATION MINS

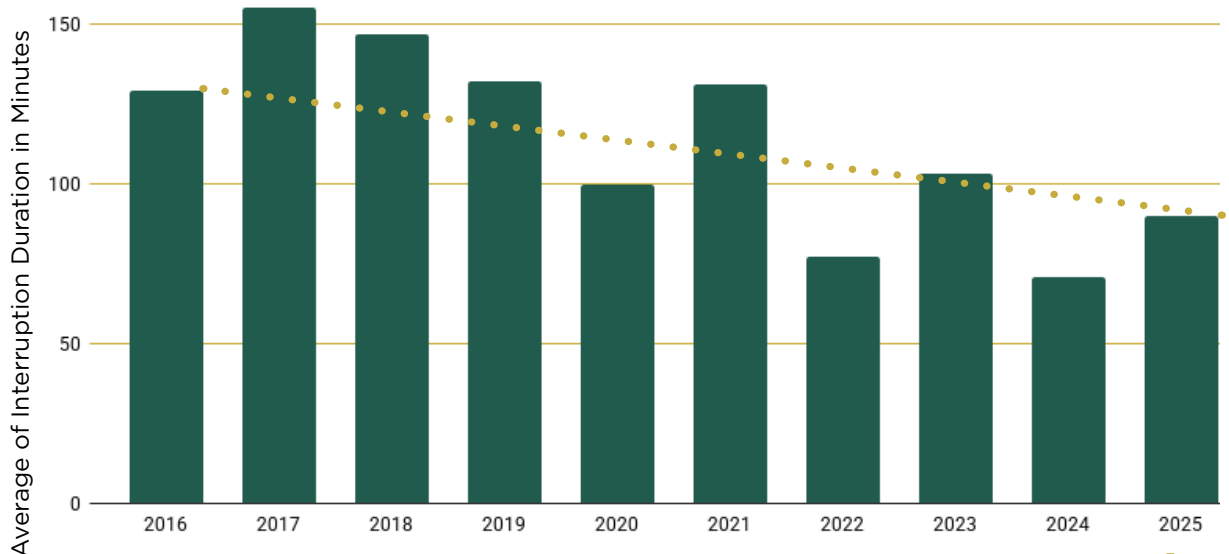
45
TOTAL MAJOR OUTAGES*

0.914
AVG. OUTAGES PER MEMBER

56.8
AVG. OUTAGE DURATION BY MINUTES

MAJOR OUTAGE RESTORATION TIME WITHOUT MAJOR EVENT DAYS

Our 2025 average outage duration continued on a 10+year downward trend.



*Outages affecting 250+ members for 30+ minutes or outages affecting an entire circuit for any length of time.

CAPITAL PROJECT: MAYDAY



Our crews upgraded significantly aged infrastructure in Mayday, to improve electricity demand and enhance service reliability in La Plata Canyon. Getting to work against such a breathtaking backdrop is one of the beautiful parts of serving our Southwest Colorado territory.

CAPITAL PROJECT: SILVERPICK

Thanks to the beautiful, often unforgiving, landscape, we partnered with a helicopter crew and a powerline contract company, to help set eight new poles in the side of a cliff face at Silverpick, just South of Purgatory Resort. Replacing the aging hardware is part of a larger effort to improve reliability, especially during wildfire season in the summer and high-wind events in the winter.



WILDFIRE MITIGATION PROJECT: LOS RANCHITOS



We completed a fire-mitigation and service reliability pilot project in the Los Ranchitos neighborhood. This involved combining outage data, grant funding, community engagement and modern vegetation-management tools to dramatically reduce outages and wildfire risk in the neighborhood while creating a scalable model for future projects.

BE SAFE AND EXCELLENT IN ALL WE DO



KEY PERFORMANCE INDICATORS:



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



ACHIEVED 100% REGULATORY COMPLIANCE (GOAL: 100%)



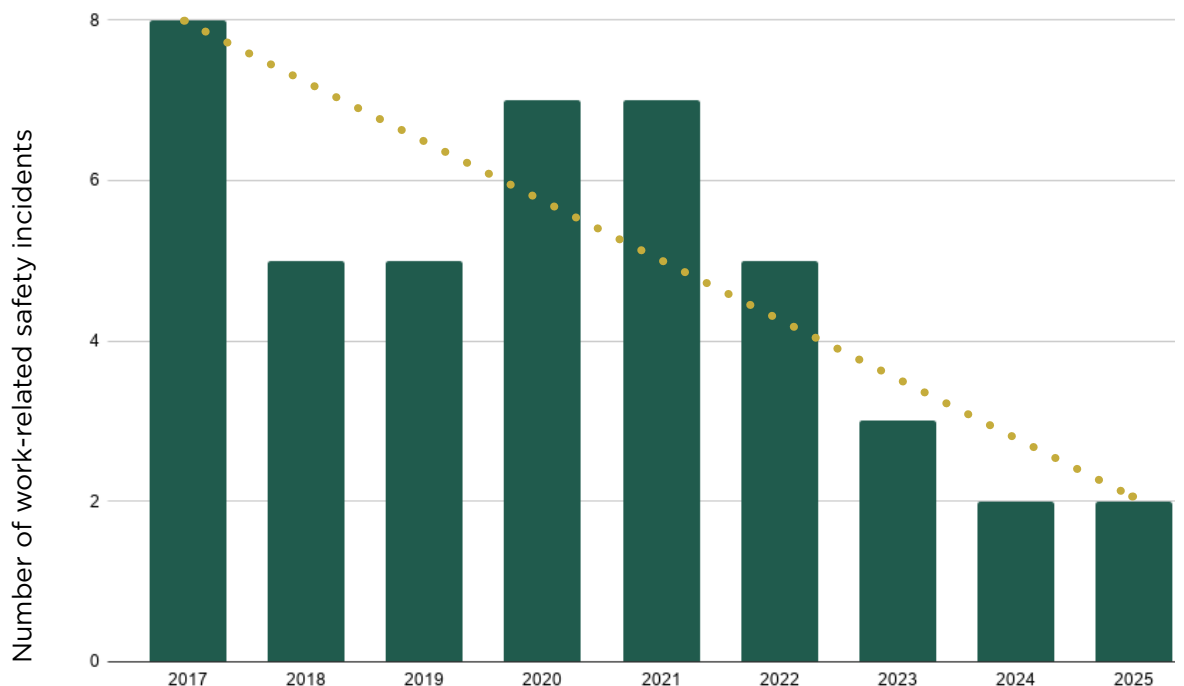
100% OF DEPARTMENTS USED DATA ANALYTICS TO IMPROVE DECISION MAKING (GOAL: 100%)



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

NUMBER OF WORK-RELATED SAFETY INCIDENTS BY YEAR SINCE 2017

Our 2025 number of work-related safety incidents continued on a downward trend.



ZERO
DAYS AWAY & RESTRICTED TIME INCIDENT RATE (DART)

1.85
TOTAL RECORDABLE INCIDENT RATE (TRIR)

BE A TRUSTED COMMUNITY PARTNER

INVESTING IN COMMUNITIES

\$70,312

IN SPONSORSHIPS TO 58 LOCAL
SCHOOLS AND NON-PROFITS

\$100,000

IN SCHOLARSHIPS AWARDED TO
6 HIGH SCHOOL SENIORS

\$146,000

IN GRANTS AWARDED TO 61
NON-PROFITS

COMMUNITY OUTREACH PROGRAMS



YOUTH SCHOLARSHIP
PROGRAMS



COMMUNITY
SPONSORSHIPS



COMMUNITY ENGAGEMENT
EVENTS



COMMUNITY SERVICE
PROGRAMS



ROUND UP FOUNDATION



YOUTH LEADERSHIP
DEVELOPMENT



**LPEA ROUND UP
FOUNDATION**

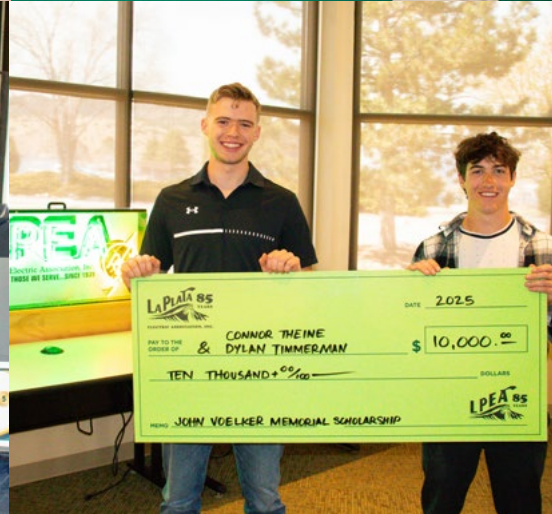
Mission: To advance and support causes within LPEA's service territory to improve the quality of life in the community.

If you'd like to "Round Up" your bill, visit: lpea.coop/roundup

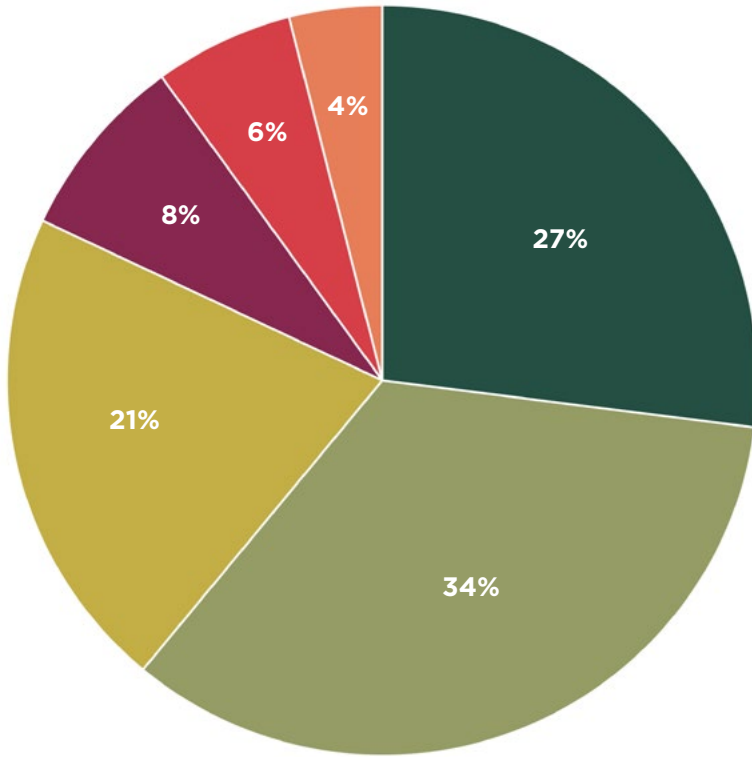
Pictured: La Plata County Humane Society was one of 61 non-profit organizations to receive a Round Up grant in 2025, and the money they received went towards 1,200 rabies vaccinations.

“ OUR PROGRAM HELPS FAMILIES UNLOCK DEEPER CONNECTIONS, CREATING SPACE FOR HEALING, WHILE LICENSED COUNSELORS STAND READY TO SUPPORT THEM THROUGH THE HARD THINGS THAT MAY COME UP. THE LPEA ROUND UP FOUNDATION HELPS MAKE THIS POSSIBLE. ”

- PROJECT SANCTUARY



PREPARE FOR THE FUTURE



ENERGY RESOURCE MIX

- Tri-State Zero Emission - 27%
- Tri-State Coal - 34%
- Tri-State Market Purchases - 21%
- Tri-State Gas & Oil - 8%
- LPEA Owned Zero Emission - 6%
- LPEA Member Rooftop Solar - 4%

BATTERY ENERGY STORAGE SYSTEMS

In 2025 we launched a residential battery energy storage system (BESS) rebate program with the goals of benefiting the participating members as well as the co-op as a whole, and laying the groundwork for future energy storage programs.

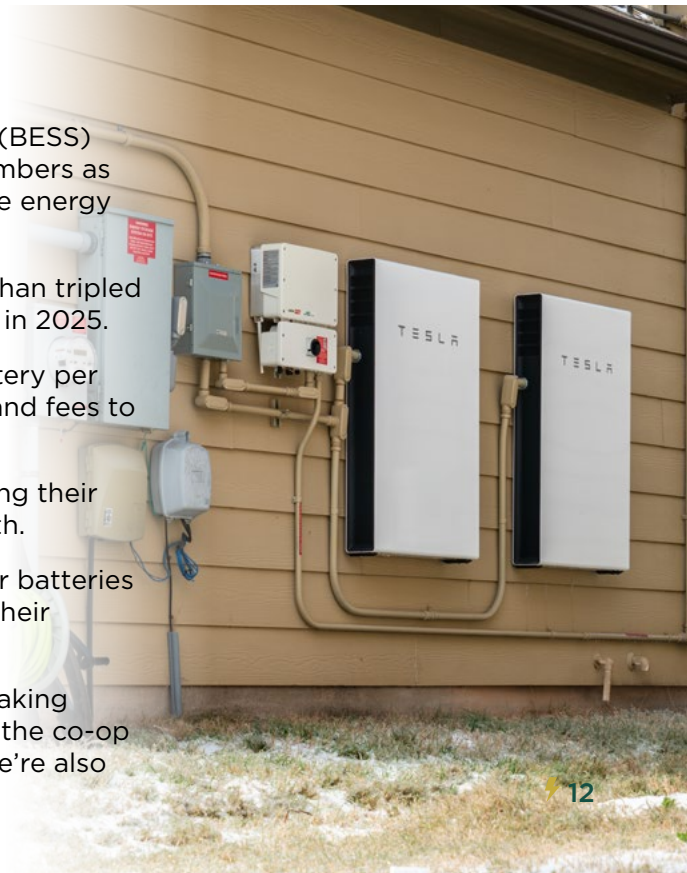
By the end of the program's first year, battery installations more than tripled from 2024 numbers, with 124 members installing battery systems in 2025.

On average, each battery reduced our demand by 0.8kW per battery per month, saving LPEA \$100s - \$1000s of dollars per month in demand fees to our wholesale power provider in 2025.

Members who installed batteries were also able to save by reducing their monthly demand by 1.5kW, which translated to about \$8.50/month.

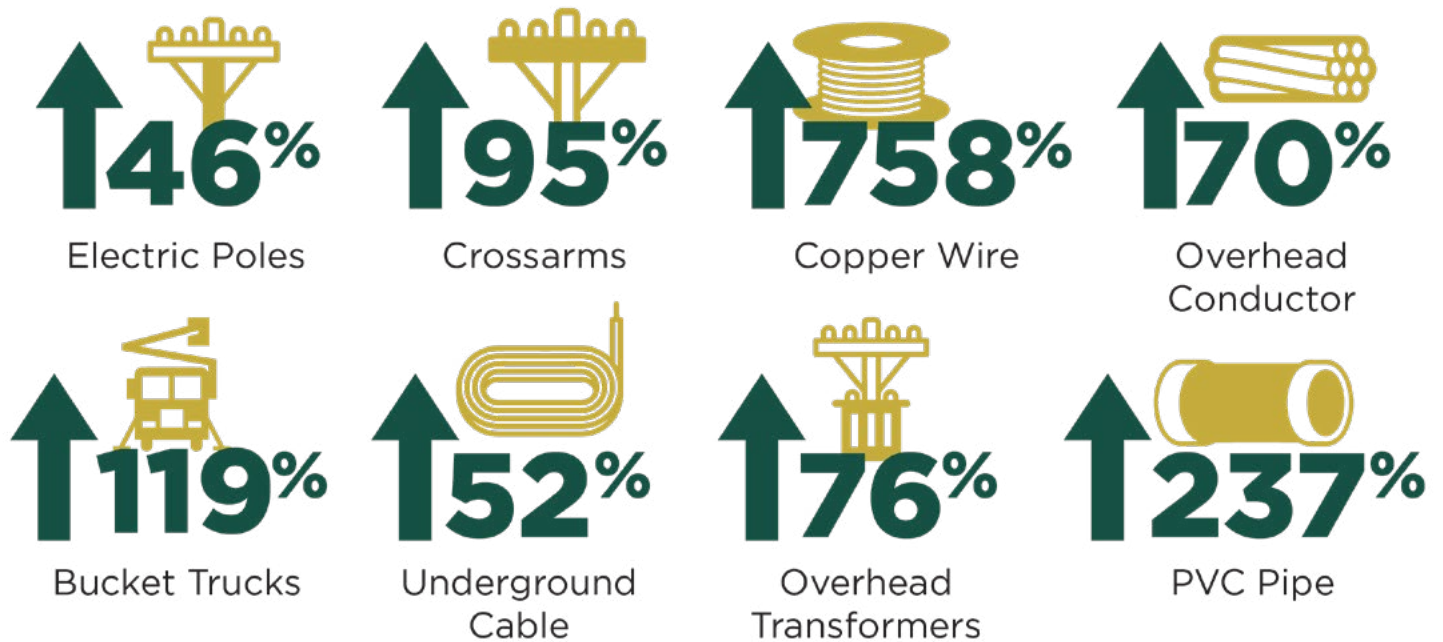
As an additional side benefit, members who were able to use their batteries to shift solar generation, opened up the opportunity for more of their neighbors in interconnection-limited zones to install solar.

As we look back at the program results, we are excited to start making plans for the future. We're thinking of ways to help members and the co-op get even more value from batteries through targeted dispatch. We're also planning to bring our own utility-scale battery dreams to life.

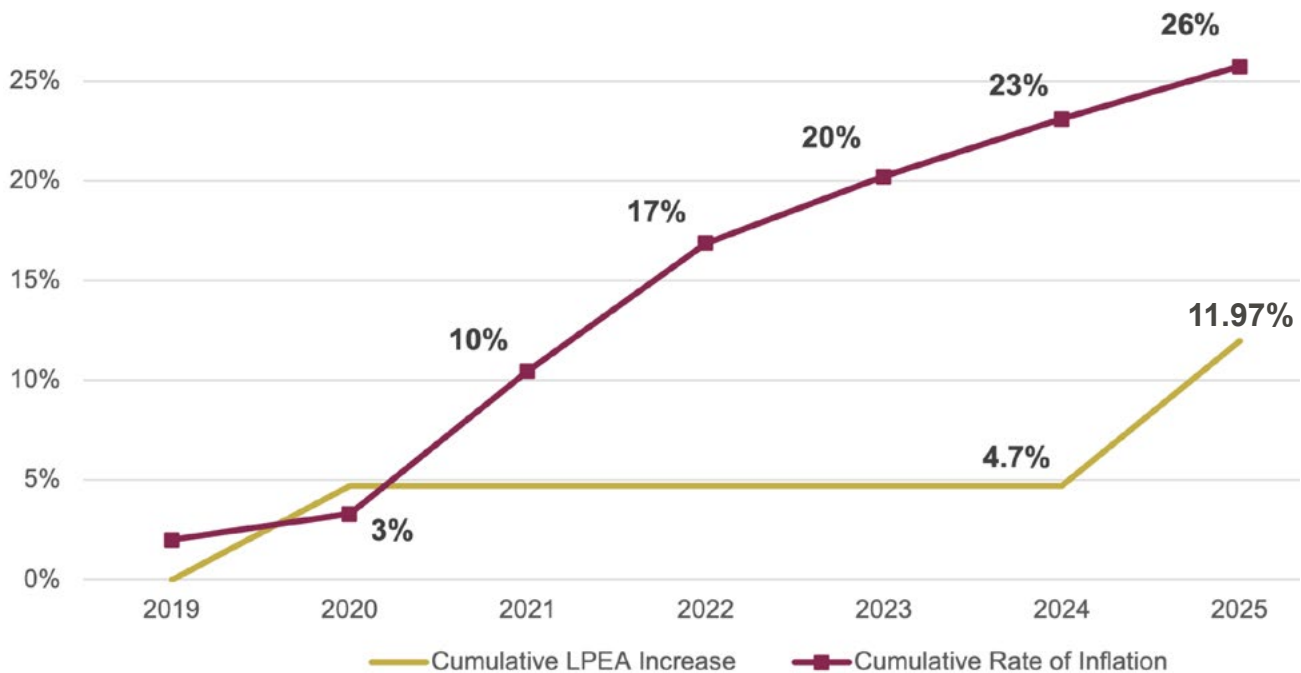


MAINTAIN STRONG FINANCIAL HEALTH

RATES OF INFLATION IN THE ELECTRIC INDUSTRY: 2025 VERSUS 2020 PRICES



CUMULATIVE CONSUMER PRICE INDEX COMPARED TO LPEA RATES



WHERE DOES YOUR DOLLAR GO?



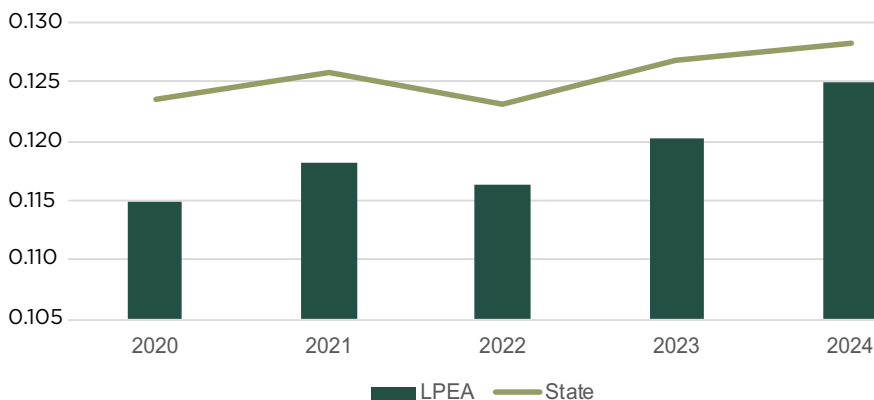
CO-OP FINANCIALS & OUR FIRST EVER CREDIT SCORE RATING

We closed 2025 on an exceptionally strong financial footing. For the first time in our history, we earned a credit rating from Fitch Ratings, one of the nation’s leading credit rating agencies, and received an A+ rating. That score reflects the confidence financial markets place in our long-term stability, thoughtful planning, and operational discipline.

That careful planning was also evident in our financial performance. We finished 2025 with operating margins equal to 6% of revenue, driven by intentional planning ahead of our transition away from Tri-State and a deliberate focus on controlling costs during a pivotal period for the cooperative. Those decisions strengthened LPEA’s financial position while giving us greater flexibility to invest in reliability, local energy resources, and the needs of our membership. As we move forward, we remain focused on disciplined growth, responsible stewardship, and making strategic investments that support both affordability and resilience.

Because LPEA is a cooperative, margins are not profits for shareholders. They become patronage capital that is returned to members over time. Strong financial stewardship today helps ensure long-term reliability, flexibility, and future returns for our members.

AVERAGE PRICE PER KILOWATT HOUR (¢/KWH)



TARGET

2025 YTD

OPERATING MARGIN AT 3%

6%

CASH RESERVES AT 12-20%

8.8%

EQUITY PERCENTAGE IS 40-55%

57%

LONG-TERM DEBT IS LESS THAN 100% OF EQUITY

55%

MODIFIED DEBT SERVICE COVERAGE (MDSC) IS GREATER THAN OR EQUAL TO 1.35 (DEBT COV'T)

3.0

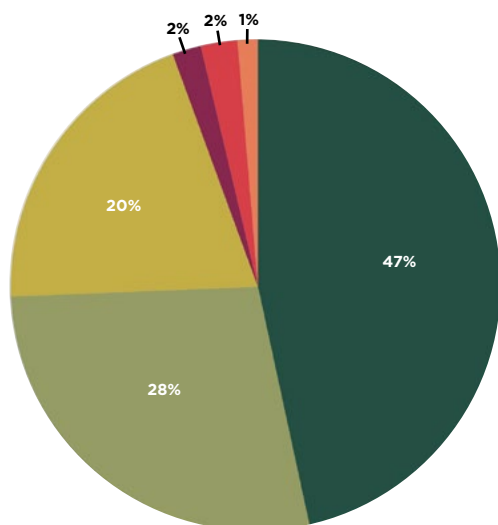
FINANCIAL STATEMENT
BALANCE SHEET (AUDITED)

DESCRIPTION	2025	2024
ASSETS		
TOTAL UTILITY PLANT IN SERVICE	\$ 349,183,136	\$ 335,732,316
CONSTRUCTION WORK IN PROGRESS	\$ 10,843,245	\$ 14,562,446
RETIREMENT WORK IN PROGRESS	\$ 426,223	\$ 348,061
TOTAL UTILITY PLANT	\$ 360,452,604	\$ 350,642,823
ACCUM. PROVISION FOR DEPRECIATION & AMORTIZATION	\$ 178,981,455	\$ 172,603,740
UTILITY PLANT & NON-UTILITY PLANT, NET	\$ 181,471,150	\$ 178,039,083
NON-UTILITY PROPERTY (NET)	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	-	-
INVESTMENT IN ASSOC. ORG. - PATRONAGE CAPITAL	\$ 81,867,645	\$ 79,614,573
INVESTMENT IN ASSOC. ORG. - OTHER - GENERAL FUNDS	-	-
INVESTMENT IN ASSOC. ORG. - OTHER - NON-GENERAL FUNDS	\$ 1,442,749	\$ 1,693,449
INVESTMENT IN ECONOMIC DEVELOPMENT PROJECTS	-	-
OTHER INVESTMENTS	-	-
SPECIAL FUNDS	\$ 623,675	\$ 25,000
INVESTMENTS, AT COST; OTHER ASSETS & OTHER PROPERTY	\$ 83,934,068	\$ 81,333,022
CURRENT ASSETS		
CASH & CASH EQUIVALENTS	\$ 8,761,224	\$ 9,815,929
CASH - CONSTRUCTION FUNDS	-	-
SPECIAL DEPOSITS	-	-
TEMPORARY INVESTMENTS	-	-
NOTES RECEIVABLE (NET)	-	-
ACCOUNTS RECEIVABLE - SALES OF ENERGY (NET)	\$ 2,403,950	\$ 2,778,170
ACCOUNTS RECEIVABLE - OTHER (NET)	\$ 27,327	\$ 1,752
ACCRUED UTILITY REVENUE	\$ 9,731,526	\$ 9,302,034
MATERIALS & SUPPLIES	\$ 4,474,357	\$ 3,979,802
PREPAYMENTS & OTHER ASSETS	\$ 606,886	\$ 443,303
TOTAL CURRENT & ACCRUED ASSETS	\$ 26,005,270	\$ 26,320,991
DEFERRED DEBTS		
REGULATORY ASSETS & RIGHTS-OF-WAY	\$ 4,340,489	\$ 4,433,546
OTHER DEFERRED DEBITS	\$ 419,004	\$ 2,275,113
	\$ 4,759,492	\$ 6,708,659
TOTAL ASSETS & OTHER DEBITS	\$ 296,169,980	\$ 292,966,411

FINANCIAL STATEMENT

BALANCE SHEET (AUDITED)

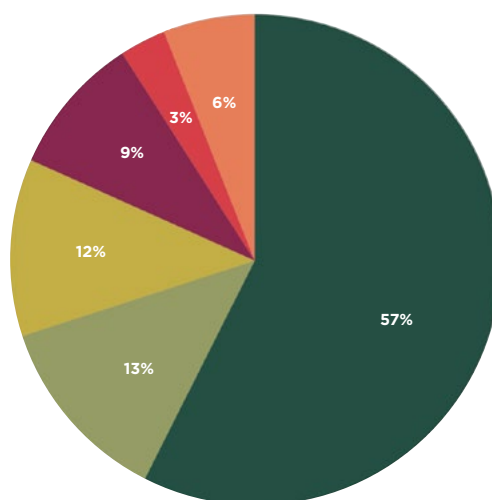
DESCRIPTION	2025	2024
LIABILITIES & EQUITY		
PATRONAGE CAPITAL	\$ 168,395,873	\$ 158,107,632
DONATED CAPITAL	\$ 21,014	\$ 29,012
TOTAL MARGINS & EQUITIES	\$ 168,416,887	\$ 158,136,644
LONG-TERM DEBT - OTHER (NET)	\$ 88,762,191	\$ 92,293,456
TOTAL LONG-TERM DEBT	\$ 88,762,191	\$ 92,293,456
CURRENT LIABILITIES		
CURRENT MATURITIES LONGTERM DEBT	\$ 3,664,951	\$ 3,955,182
ACCOUNTS PAYABLE	\$ 7,353,136	\$ 8,029,509
ACCRUED EXPENSES	\$ 3,951,135	\$ 3,865,998
ACCRUED TAXES	\$ 1,850,286	\$ 2,049,366
CONSUMERS DEPOSITS	\$ 577,395	\$ 573,966
TOTAL CURRENT LIABILITIES	\$ 17,396,903	\$ 18,474,021
DEFERRED CREDITS	\$ 21,593,999	\$ 24,062,290
TOTAL LIABILITIES & OTHER CREDITS	\$ 127,753,093	\$ 134,829,767
TOTAL EQUITIES & LIABILITIES	\$ 296,169,980	\$ 292,966,411



REVENUE

- Residential 47%
- Small Commercial 28%
- Large Commercial 20%
- Other Operating Revenue 2%
- Capital Credit Allocation 2%
- Other Allocation & Income 1%

Note: LPEA did not receive any patronage capital from Tri-State in 2025.



EXPENSES

- Cost of Power 57%
- Operating Costs 13%
- Administrative Costs 12%
- Plant Costs 9%
- Cost of Borrowing 3%
- Operating Margins 6%

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

FINANCIAL STATEMENT
STATEMENT OF OPERATIONS (PROFIT & LOSS)

DESCRIPTION	2025	2024
OPERATING REVENUE		
ELECTRIC ENERGY REVENUE & GROSS SALES	\$ 116,650,468	\$ 109,678,300
MISCELLANEOUS REVENUE	\$ 1,089,886	\$ 921,019
TOTAL OPERATING REVENUE	\$ 117,740,354	\$ 110,599,319
OPERATING EXPENSES		
COST OF PURCHASED POWER	\$ 67,611,314	\$ 67,142,037
TRANSMISSION EXPENSE	\$ 896,453	\$ 805,644
DISTRIBUTION	\$ 8,877,697	\$ 8,859,525
MAINTENANCE OF DISTRIBUTION PLANT	\$ 4,782,803	\$ 3,890,073
ACCOUNTING & COLLECTION EXPENSES	\$ 1,599,342	\$ 1,534,901
OTHER CUSTOMER EXPENSES	\$ 3,885,708	\$ 3,690,573
ADMINISTRATIVE & GENERAL	\$ 8,561,361	\$ 7,453,146
DEPRECIATION & AMORTIZATION	\$ 10,872,737	\$ 10,362,047
TOTAL OPERATING EXPENSES	\$ 107,087,415	\$ 103,737,947
OPERATING MARGINS BEFORE FIXED CHARGES	\$ 10,652,939	\$ 6,861,372
FIXED CHARGES		
LESS INTEREST ON LONG-TERM DEBT	\$ 3,579,065	\$ 3,728,495
OPERATING MARGINS AFTER FIXED CHARGES	\$ 7,073,874	\$ 3,132,877
GENERATION & TRANSMISSION & OTHER CAPITAL CREDITS	\$ 2,928,498	\$ 5,499,737
OPERATING MARGINS	\$ 10,002,372	\$ 8,632,614
NONOPERATING MARGINS		
INTEREST INCOME	\$ 297,106	\$ 689,163
NON OPERATING MARGINS - OTHER	\$ 1,318,635	\$ 1,425,780
TOTAL NONOPERATING MARGINS	\$ 1,615,740	\$ 2,114,944
NET MARGINS	\$ 11,618,112	\$ 10,747,558

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.



MORE THAN POLES AND POWER LINES, SINCE 1939

For more than 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 our work and accomplishments in 2025 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.

CONTACT

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