

WATT'S UP

AT LA PLATA ELECTRIC ASSOCIATION | Celebrating 75 years in 2014



JANUARY 2013

Looking Toward 2013

BY GREG MUNRO, CEO

I realize that given the rate increases we've necessarily implemented, LPEA is likely not very popular with the membership at the moment. I want you to know, however, we've tried our very best to lessen the impact of the new rate structure and rate increases from our power supplier, Tri-State Generation and Transmission. We are extremely frustrated because the reasons for the rate increase truly are out of our control.

What IS under our control is how we move forward to ensure that your electric co-op is the best it can be, meeting our mission of providing members with safe, reliable electricity at the lowest reasonable cost while being environmentally responsible.

Your Board of Directors has adopted four strategic goals for 2013:

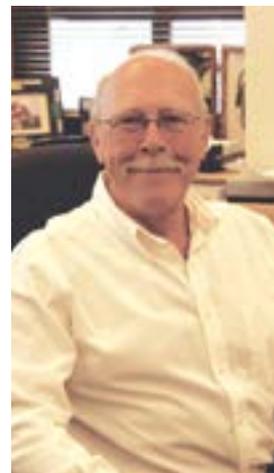
- Enhance communications to customers/members
- Minimize the impacts of the Tri-State rate changes
- Develop a long-term, comprehensive alternative-energy plan by June 2013
- Conduct a strategic review of investment strategies

To help minimize the impact of Tri-State's rate decisions, we've increased efforts and programs to help members reduce energy usage and, more importantly, help members learn how to use energy more efficiently. Once LPEA gets its "base charge" where your co-op is fiscally protected from everyone using less energy, we can then fully focus on reducing our dependence on purchased power from Tri-State.

To understand how the base charge needs adjustment, currently much of the cost to maintain the minimum facilities and equipment to provide you with access to the electric grid is covered through the "energy charge," expressed in kilowatt-hours. The fixed costs should actually be recovered through a fixed monthly base charge. When the base charge is too low, the costs of the minimum system are instead recovered through the energy charge. This results in an inequity, with low usage customers not paying their fair share of the cooperative's fixed costs and above average users paying too much. Your board believes these charges need to be changed so all customers pay their fair share for the facilities used to serve them. Yes, that means raising the base charge so it covers our fixed costs. It will be done over time to get it to where it should be, around \$32 per month for residential.

With the comprehensive alternative-energy plan development, your board is actively involved. For example, they will be considering how best to help spur creation of solar gardens, as well as open doors for members to participate in local renewable generation. Done correctly, we can reduce some of our dependence on Tri-State. However, given how much electricity we all need to "power" our day-to-day lives, we may never be able to locally generate the large amount of energy required, though we can certainly make a dent. We are dedicated to having a plan completed by mid-year.

As we move into 2013, we will strive to communicate all that goes on at LPEA, but remember we have a very conservative budget. *Colorado Country Life* is one of our best communication tools. Please keep reading and encourage your friends to do the same. We truly want everyone to know "Watts Up" at LPEA. ☀



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, January 16, 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:
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

INSIDE ▶▶

Time-of-Use Update
Co-op Members Ask
Fill the Bucket results
Roland Pack to retire
College scholarships available
Chamber video shoot
Renewable meetings return

Time-of-Use Update

Due to the new rate structure established by Tri-State Generation and Transmission, LPEA's wholesale power supplier, LPEA has altered its Time-of-Use (TOU) program.

"Time-of-Use still exists under Tri-State's new rate structure," says Greg Munro, LPEA CEO. "But as we analyze it, it is just not going to be as financially beneficial for our members to participate."

Tri-State financially rewarded LPEA and thus its members for shifting electricity usage to "off-peak" (or low demand) periods, and members saw considerable savings on their electric bills. Because Tri-State reportedly no longer requires as much off-peak sales, it is no longer offering as much of a discount, plus it has eliminated the mid-day off-peak period to all except those who have electric thermal storage (ETS) space heating systems.

Because LPEA has been promoting and selling the ETS heating systems for many years, the cooperative encouraged Tri-State to support those who had invested in ETS systems. ETS requires a significant electricity demand to "charge" or heat ceramic bricks in off-peak hours, bricks that in turn provide heat as needed 24 hours per day. Tri-State agreed to a special on-peak/off-peak TOU structure for ETS owners, which includes an off-peak rate for electricity used in the middle of the day. LPEA has, in turn, developed two separate TOU programs, one for regular TOU customers and one now called ETS Advantage, for those with ETS heating systems.

Under both new TOU programs, off-peak hours won't change throughout the year, plus every Sunday and more holidays will enjoy the off-peak rate. Specifically, the TOU rates and hours are as follows:

STANDARD TIME-OF-USE RATES:

7.3 cents per kilowatt hour during off-peak period
14.4 cents per kilowatt hour during on-peak period
Base Charge: \$20.50/month

Off-peak hours year-round:

Monday - Saturday | 11 p.m. to 7 a.m.
All day Sunday and all day on major holidays
(New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, Christmas)

RESIDENTIAL GENERAL SERVICE (regular) RATES:

11.3 cents per kilowatt hour
Base Charge: \$20.50/month

ETS ADVANTAGE RATES:

(For those with ETS heating systems)
7.3 cents per kilowatt hour during off-peak day period
5 cents per kilowatt hour during off-peak night period
14.4 cents per kilowatt hour during on-peak period
Base Charge: \$20.50/month

ETS Advantage off-peak hours year-round:

Monday - Saturday
Off-peak day: 1 p.m. to 5 p.m.
Off-peak night: 11 p.m. to 7 a.m.

Off-peak night rate applies:

All day Sunday and all day on major holidays
(New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, Christmas)

"We realize the revised TOU program will not be for everyone," says Munro, noting that letters have been sent to all TOU customers with additional information. "We want our members to be on the rate that is most beneficial for them and we are working one-on-one with members to find the best solution going forward."

For further information on the new TOU programs, contact LPEA's Corporate Services Department, 970.247.5786. ☀

CO-OP MEMBERS

Ask...



Q: I just don't understand. Why do we have to pay a "base charge" for electricity?

A: LPEA is just like every service provider – for example, you pay a "base charge" for your telephone, regardless of how many minutes you talk.

We frequently analyze what it costs to provide service to members. Part of that analysis defines which costs are "fixed" and which vary with the amount of power consumed. The fixed charges should be covered by the "base rate," and the variable charges should be covered by the "energy charge."

According to the recent Cost of Service Study performed by an independent consultant, the residential base charge should be around \$32 to cover the fixed costs. It costs an average \$32 a month to have your residential service hooked up to the grid, regardless of the electricity you use. LPEA is increasing the base charge this year to \$20.50 in an attempt to get it closer to where it should be. According to the study, As long as the base rate is less than \$32, we have to collect the difference through the kWh (energy) charge, which, in turn, means some residents are paying for their neighbors' share of costs because those neighbors (solar panels, lifestyle, part-time occupancy) use less energy than the "average." ☀

Filling the bucket

In spite of the unseasonably warm autumn weather, as luck would have it, the only snow storm to hit Southwest Colorado late last fall happened to arrive on the day planned for the LPEA's Pagosa Springs line crew's Fill the Bucket Food Drive. Each year members of the International Brotherhood of Electrical Workers (Local IBEW 111 26A) respond to community needs in advance of the holidays with the food drive to help fill Archuleta County's food banks.

With the bucket truck parked in the City Market parking lot, the crews and their family "helpers" collected in excess of 1,000 lbs. of food as well as more than \$300 in cash.

"We're very proud that LPEA's IBEW members volunteered their time for this important effort," says Greg Munro, CEO.

The IBEW represents approximately 750,000 members who work in a wide variety of fields, including utilities, construction, telecommunications, broadcasting, manufacturing, railroads and government. ☀



Farewell Roland

On Jan. 4, 2013, LPEA will bid farewell to Roland Pack, as he's retiring after 34 years of service to the cooperative.

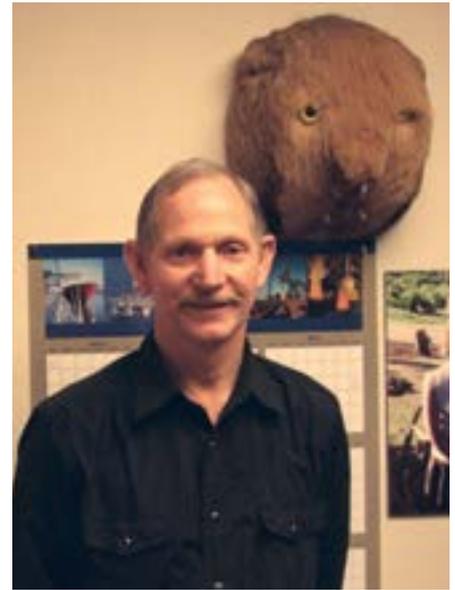
Originally from Merkel, Tex., Pack was drawn to Southwest Colorado and LPEA because of the country – both the mountains and the (wild) game.

Having worked as a Journeyman Lineman for Taylor Electric Cooperative in Merkel, he joined LPEA's line crew and was promoted up the proverbial ranks and has been serving as Line Superintendent since 2005.

"Roland has never been about accolades and fanfare," says Steve Gregg, manager of operations, acknowledging that the *Colorado Country Life* article was more attention than Pack likely wanted. "I've always known I could count on Roland as a friend and on the job. He has been a tremendous asset to LPEA's members."

Pictured (above) in his office with his "Wallace Gulch Werewolf" trophy (can you guess what it *really* is?), Pack acknowledges, "This has been a real good job and a really good place to work for 34 years."

Pack and his wife plan to do all the traveling they've been postponing, and maintain homes in both Texas and Durango. ☀



LIVE WIRES

Leadership Camp deadline

A reminder that LPEA is seeking high school juniors to apply for the Colorado Electric Education Institute Cooperative Youth Leadership Camp – an all-expense paid educational/leadership camp set for July 14-19, 2013 at Glen Eden Resort outside of Steamboat Springs, Colo. Deadline for application is Monday, Jan. 14, 2013. For more information and to download the application, visit www.lpea.coop.

LPEA holiday elves

LPEA employees actively supported Project Merry Christmas in 2012, collectively donating \$1,150 to the program that helps provide toys, clothing, food and more to needy families. LPEA adopted several of the 500+ families in need and Jeannie Bennett, along with the Fiesta Days and La Plata County Fair Royalty went "shopping" for to fulfill those Christmas wishes.

Offices closed

LPEA offices in Durango and Pagosa Springs will be closed January 21, 2013 in observance of Martin Luther King Jr. Day. ☀

College scholarships available through LPEA

All high school seniors in La Plata and Archuleta counties, including home school students, who receive their electricity from LPEA are eligible to apply for the variety of college scholarships available through the cooperative. LPEA directly offers two (2) LPEA Scholarships (four-year/up to \$20,000 each) and two (2) LPEA/John Voelker Memorial Scholarships (two-year/up to \$6,000 each), plus provides for additional affiliated rural electric scholarships/awards offered by Tri-State Generation and Transmission, Basin Electric and the Rocky Mountain Electrical League (RMEL). LPEA's scholarships are funded from unclaimed capital credits.

LPEA endeavors to train and educate local young people for positions they may ultimately secure at a rural electric cooperative, though this is not a requirement of the scholarship. Rural electric cooperatives are known nationally to provide stable employment, livable wages and solid benefit packages.

Deadline for application is March 1, 2013. To assist high school seniors and their parents with the application process, the cooperative will host a special Open House, Thursday, Jan. 24, 5:30-7 p.m. at LPEA's Bodo Park headquarters (45 Stewart St., Durango). No r.s.v.p. is required and attendance at the Open House is not a requirement of application.

For further information and to download applications, visit www.lpea.coop or contact Jeannie Bennett at 970.382.3505, or jbennett@lpea.coop. ☀

Line crews assist Chamber of Commerce

The Durango Chamber of Commerce has some special plans for its "Durango Rocks" awards celebration, and they requested the assistance of LPEA's line crews in late November for a special music video shoot (spoof) to the tune "Call Me Maybe."

LPEA's linemen Tom Gottlob, Bret Cochrane and Randy Dunton were happy to comply and brought out a bucket truck to Santa Rita Park to lift videographer Christina Knickerbocker, of Paint the DoG Productions, high above the "performers" on the ground.

The video will have its premiere Thursday evening, Jan. 24, 2013 at the Community Concert Hall. ☀



RENEWABLE GENERATION MEETINGS RETURN

With the LPEA Board of Director's 2013 strategic goal to develop a long-term, comprehensive alternative-energy plan and increased interest in local, renewable energy production, the cooperative is reprising its Quarterly Renewable Energy Generation Meetings on Thursday, Jan. 24, 2013.

"We're actively working on plans to develop a community solar garden," says Mark Schwantes, manager of corporate services, noting that a number of options exist. "Plus with 2013 we have new rate tariffs that affect local renewable generation. We want to explain all of these things to those interested in installing renewable systems, plus want input from the community."

The meeting, which will begin at 8 a.m. at LPEA's headquarters, 45 Stewart St. in Bodo Industrial Park, is free and open to any interested community member. Reservations are requested, as refreshments will be served. RSVP to Sue Maxwell, smaxwell@lpea.coop or 970.382.7170. ☀