



news & views

from Lincoln Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 

Make Your Membership Matter

Photo by Marita Tolentino Combs

In just a few short months, Lincoln Electric will host our 67th Annual Meeting. It will be held at the Lincoln County High School Auditorium on Saturday, March 19 at 9:00 a.m. Many of our members have no idea of the importance of attending your Annual Meeting.

Attending the Annual Meeting is just one of the ways to embrace the importance of being a member of an electric cooperative. As a member, you have the opportunity to vote for Trustees. These 10 of your fellow members make up the governing body of the cooperative, the Board of Trustees.

The Board makes decisions for Lincoln Electric - how it is run, what charitable contributions to make, and what organizations to join. And you help make the decision of what members serve on the Board.

As a cooperative, Lincoln Electric cannot survive without the involvement of our members. Unlike other for-profit electric entity, we set our rates to cover our costs; not raise a profit for distant investors.

Any revenue raised above our operating costs is eventually returned to you,

67TH ANNUAL MEETING OF THE MEMBERS

LCHS Auditorium
312 9th Street East
Eureka, Montana

Saturday, March 19, 2016

Registration 8:00 a.m.

Meeting 9:00 a.m.

All members are encouraged to attend.

our members, in the form of capital credits. These are available to eligible members attending the Annual Meeting, or will be mailed afterward if you are unable to attend.

Being a member matters. Lincoln Electric exists to provide you with safe, reliable, and affordable electric service - and doing so in a way that raises the quality of life in our communities.

We take this responsibility seriously. From donating to local non-profits to sponsoring sports through the Lion Den and participating in fund raisers, Lincoln Electric invests in local communities where you live and work.

Membership matters because it entitles you to certain benefits like free energy audits that help you find ways to lower your electricity use, energy efficiency rebate programs, and low income bill discounts.

We also care about and invest in our future members in the form of college scholarships, a free Youth Tour to Washington, D.C. trip, and donations to area schools from unclaimed capital credits. Educating the next generation is important to cooperatives.

In fact, education of every kind is so important to cooperatives that it is one of the Seven Cooperative Principles. You receive this *Rural Montana* because you're a member of an electric cooperative that wants you to stay abreast of important co-op news and events.

Believing that knowledge is power is also the main reason Lincoln Electric is seeking members to serve on a Member Education Committee. This group of members will meet about once a month to learn more about their cooperative and the electric utility industry as whole.

5th Principle: Education, Training and Information

"Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation."

Topics will range from generation, transmission, alternative electric, rate design, issues and legislation affecting the industry, Lincoln Electric programs, among others. The meetings will be dynamic and tailored to provide the committee with the information they feel they need.

If you are interested in joining the education committee, please contact the office at 406-889-3301, stop by 312 Osloski Road in Eureka, or download an application from www.lincolnelectric.coop.

We believe the Education Committee is essential to the continued relationship between Lincoln Electric and our communities. But we cannot do it alone. We need the help and involvement of you, our Lincoln Electric members, to make the future a success.

So continue reading your *Rural Montana*, attend the Annual Meeting and let your voice be heard, join the Member Education Committee, or just call and ask us questions. Whatever you do, get involved and make your membership matter.



Public Energy Policy 'Demands' a Rate Design Change

When examining Public Energy Policy advocated by so many different groups, one thing becomes clear; the old business model and rate structures utilities have relied upon for the last 100 years will no longer work.

In previous articles, rate design has been discussed with an emphasis placed only on one component, the system maintenance charge. There are actually three components to a utilities rate design; the Basic or System Maintenance charge, Energy or kilowatt hour charge and Demand. How much weight is placed on those different components is where the rubber meets the road.

The "Demand" component is what I'd like to address in this article. Demand is probably least understood by the public as a whole, but is a major cost factor for Lincoln Electric. Electrical demand

is measured and defined as the Peak Electrical use during a period of time. In other words "Demand" is the highest 15 minutes of energy use during the monthly billing period.

The cost associated with demand comes from the fact that the generation, transmission and distribution systems must be built to withstand the highest theoretical peak energy requirements without failing. If we built the system only to accommodate average usage (the kilowatt hour), the system would crash every time we had a cold spell. Since our incorporation, LEC has invested millions of dollars to ensure our system can handle all the peak energy that our membership "demands" when it turns cold.

Currently the cost of demand is rolled into the kilowatt hour charge. This creates inequity between members because we all use energy differently. The only way to create true equity among the membership is to incorporate a full COSA (Cost Of Service Analysis) design or three part rate. This allows each and every service to be billed the appropriate amount dictated by the way it uses energy.

This is a much easier thing to say than it is to put into practice. The utility industry has done a

very poor job in keeping up with the needed changes in how they bill their customers. Everyone, including utilities, are very resistant to change but now public energy policy is forcing just such a fundamental change to the industry.

To meet all the challenges ahead, LEC must closely examine its rate design and develop some form of a three part rate system. This will create balance and equity amongst the membership and financial stability for the organization. Over the course of the next 10 months, LEC will be hosting some community meetings to discuss this concept with interested members. The meetings will be held in the different communities within our service territory. Please stay tuned for the times and locations in future Rural Montana articles.

Thanks for your membership,
Ray



Manager's Notes
by Ray Ellis

News & Views

Published monthly by Lincoln Electric Cooperative, Inc.

Lincoln Electric's Board of Trustees hold regular meetings monthly at the Eureka office. These are typically scheduled on the third Monday of each month at 7 pm. All members are encouraged to attend. If you have any items of interest, please contact the general manager prior to the meeting.

Next Meeting Date:

Monday, January 18, 2016

Board of Trustees

- **Mike Workman** - President, Dist. 5, Koocanusa Shores-Pinkham
- **Tina Taurman** - Vice President, Dist. 2, Trego-Stryker
- **Courtney Pluid** - Secretary, Dist. 3, Fortine-Glen Lake
- **Mike Clark** - Dist. 1, Flathead
- **Joel Graves** - Dist. 5, Koocanusa Shores-Pinkham
- **Tom Klyver** - Dist. 1, Flathead
- **Wesly Loughman** - Dist. 4, Eureka-Tobacco Plains
- **Marianne Roose** - Dist. 3 - Fortine-Glen Lake
- **Terry Utter** - Dist. 4 - Eureka-Tobacco Plains
- **Ethel White** - Dist. 4 - Eureka-Tobacco Plains

General Manager Ray Ellis

**In case of power outage:
Always call 406-889-3301**

312 Osloski Road
PO Box 628
Eureka, MT 59917
www.lincolnelectric.coop
info@lincolnelectric.coop

BUSINESS AND BOARDROOM BRIEFS

The regular meeting of the board of trustees was conducted on November 23, 2015. A quorum of trustees was present and the board took the following action:

- Approved a proposed buy/sell agreement for a property purchase.
- Approved a \$500 donation to the Tobacco Valley Food Pantry.
- Approved a \$200 donation to Shop With A Cop.

	Year to Date 10/31/2015	Year to Date 10/31/2014
Year to Date Kwh Sales	82,188,242	88,192,844
Year to Date Revenue	\$ 7,706,098	\$ 7,643,601
Year to Date Cost of Power	\$ 3,569,754	\$ 3,779,846
Year to Date Operating Exp	\$ 3,774,657	\$ 3,760,712
Year to Date Margins	\$ 399,691	\$ 114,765
Number of Members	4,386	4,315
Number of Meters	5,704	5,611
Miles of Line	945	945
Total Utility Plant	\$ 32,298,873	\$ 30,669,910
Member Equity	\$ 8,685,602	\$ 8,391,036
Oct. Average Residential Use (kWh)	990	1,003
Oct. Average Residential Billing	\$107.15	\$95.71

MECA Memorial Scholarships Available

- Four \$500 scholarships will be awarded to students of MECA electric cooperative members
- Student must be attending college Fall 2015
- Student's parent or guardian must be a member of Lincoln Electric
- Completed applications must be returned to Lincoln Electric



Applications Available:

- Lincoln Electric's office at 312 Osloski Road
- Online at www.lincolnelectric.coop
- Your school's guidance counselor

Applications Due By January 15, 2016

Top Five Energy Users in Your Home

By Anne Prince

While most homeowners would like to be more energy efficient and save money, often it feels overwhelming because many people don't know where to start. How can the average family use less energy, lower their utility bill and still meet their daily energy needs?

To help jump-start your effort, it is useful to know what the top energy users are in your home. With this knowledge, you can choose a path that works best for your family.

According to the U.S. Energy Information Agency, the top five energy users in U.S. homes are:

1. Space cooling
2. Space heating
3. Water heating
4. Lighting
5. Refrigeration

Adjust the temperature

Together, home heating and cooling use the most energy and take the biggest bite out of your energy budget. On the bright side, there are ways you can achieve at least 10 percent savings by taking a few simple low-cost or no-cost steps.

- During cold weather, set your thermostat to 68 degrees Fahrenheit.
- During warm weather, the recommended indoor temperature is 78 degrees Fahrenheit.

- Cleaning the filters of your HVAC system can cut costs from five to 15 percent.
- Clean the coils around your electric baseboard heater to maintain maximum efficiency.
- Caulk and weather-strip around windows and doors to prevent heat from escaping to the outdoors.

No matter what the climate or time of year, proper use of a programmable thermostat can save you 10 percent on your monthly utility bill.

Shine the light on savings

Take a fresh look at the lighting in your home. If you still use incandescent lighting, your light bulbs are operating at only 25 percent energy efficiency. Replacing your home's five most frequently used bulbs with Energy Star-certified LEDs can save you \$75 per year. Another easy way to save is to always turn lights off in rooms that are not being used.

Water heating efficiency

Just as it is energy-wise to insulate your roof, wall or floor, it also pays to wrap your hot water heater with an insulating blanket. This is all the more critical if you have an older unit. Make sure to follow the manufacturer's instructions.

For additional efficiency and savings, insulate exposed hot water lines and drain one to two gallons of water

from the bottom of your tank annually to prevent sediment build-up.

Put cold hard cash back in your wallet

If your refrigerator was purchased before 2001, chances are it uses 40 percent more energy than a new Energy Star model. If you are considering an appliance update, a new Energy Star refrigerator uses at least 15 percent less energy than non-qualified models and 20 percent less energy than required by current federal standards.

Regardless of the age of your fridge, there are additional steps you can take to save energy and money. For example, don't keep your refrigerator too cold. The Department of Energy

recommends temperatures of 35 – 38 degrees Fahrenheit for the fresh food compartment and 0 degrees Fahrenheit for separate freezers (used for long-term storage).

By understanding how your home uses energy, you can determine the best ways to modify energy use and keep more money in your wallet. For additional ways to save, contact Lincoln Electric's energy experts at 406-889-3301, 312 Osloski Road, or memberservices@lincolnelectric.coop. *Anne Prince writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.*



Energy Efficiency Tip of the Month

Programmable thermostats can save up to \$160 a year in energy costs. Match thermostat settings to your schedule: cold when you're away and warm when you're at home. In winter, set the thermostat to 68 degrees during the day (lower at night when you're snug in bed). By turning your thermostat down 10 to 15 degrees for at least eight hours, you can shave 5 to 15 percent from your heating costs.

Source: energy.gov

Be Prepared for Winter Storms

By Abby Berry

Photo Courtesy of Lenna White

When winter temperatures drop and storms hit, it can be challenging to stay safe and warm. Winter storm severity varies depending on where you live, but nearly all Americans are affected by extreme winter storms at some point. Lincoln Electric cares about your safety, and we want you to be prepared.

Heavy snow and ice can lead to downed power lines, leaving co-op members without power. During extremely low temperatures, this can be dangerous. During a power outage, our crews will continue to work as quickly and safely as possible to restore power, but there are a few things you can do to prepare yourself.

Stay warm

Plan to use a safe alternate heating source, such as a fireplace or wood-burning stove

during a power outage. These are great options to keep you and your loved ones warm, but exercise caution when using, and never leave the heating source unattended. If you are using gasoline-, propane- or natural gas-burning devices to stay warm, never use them indoors. Remember that fuel- and wood-burning sources of heat should always be properly ventilated. Always read the manufacturer's directions before using.

Stay fed

The CDC recommends having several days' supply of food that does not need to be cooked handy. Crackers, cereal, canned goods and bread are good options. Five gallons of water per person should also be available in the event of an extended power outage.

Stay safe

When an outage occurs, it usually means power lines are down. It is best not to

travel during winter storms, but if you must, bring a survival kit along, and do not travel alone. If you encounter downed lines, always assume they are live. Stay as far away from the downed lines as possible, and report the situation to our dispatchers by calling 406-889-3301 if possible.

Winter weather can be unpredictable and dangerous, and planning ahead can often be the difference between life and death. Lincoln Electric is ready for what Mother Nature has in store, and we want you to be ready, too. For more winter safety tips, visit www.ready.gov/winter-weather.



Abby Berry writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.

SEAL AIR LEAKS WITH CAULK

Did you know heating and cooling accounts for roughly **HALF OF YOUR HOME'S ENERGY USE**? Caulking cracks and gaps around windows, doors, and spaces around wires (telephone, electrical, cable, and gas lines), water spigots, and dryer vents can pay off with **BIG ENERGY SAVINGS**.

*Approximate cost: \$5-\$30 *Energy savings: Approximate 5-10% - Source U.S. Dept. of Energy

1. PREP Clean the area where you will be applying the caulk.

Remove any dirt, loose paint or old, cracked caulk.

Be sure the area is dry before applying new caulk appropriate for your application.

2. LOAD You will need to pull the plunger all the way back to load the tube of caulk into the barrel of the caulking gun.

Next, squeeze the trigger a few times until the plunger makes contact with the tube. Squeeze once or twice more to fill the tip with caulk.

3. APPLY To figure out the right amount of caulk needed, experiment with an out-of-the-way section. You may find that you need less caulk than you thought.

Hold the gun at a slight angle. Apply steady pressure on the trigger to create a solid stream from the tip, which should be placed 1/2 inch or less from the intended destination of the material.

Use just enough caulk to do the job. Use your finger to gently press the caulk into the corner, crack or space.

4. RELEASE Once the trigger is fully depressed, allow it to spring back and depress it again. Keep the gun moving while caulk is still coming out of the tip.

5. CLEAN Use a damp cloth or rag to clean off most of the excess caulk. Use a dry cloth to clean off the rest.

