



# news & views

from Lincoln Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 

## 67TH ANNUAL MEETING OF THE MEMBERS

It's time again for Lincoln Electric's Annual Meeting of the Members! Please join us on Saturday, March 19, 2016 at the Lincoln County High School Auditorium at 312 9th Street East, Eureka. Registration begins at 8:00 a.m. with the business meeting beginning at 9:00 a.m.

As a member of Lincoln Electric, you have the distinct privilege of belonging to a cooperative. One of the most important aspects of membership is becoming involved in your cooperative.

You can do that at the Annual Meeting, where you will hear an update on how your cooperative fared during 2015. There will be a financial report and news on what the future holds for Lincoln Electric.

There will be three Trustee positions up for election. Registered members at the meeting will be nominating



Left: Members get updated at the 2015 Annual Meeting.

Bottom Left: Holly Eason registers daughter Samantha for a Luck of the Draw scholarship.

Bottom: Jill Yost with her new power strip door prize.

and voting for fellow members they want to represent them.

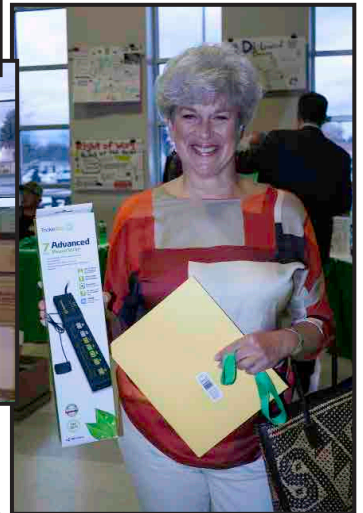
All registering members will receive a door prize. However, in order to be eligible for prize drawings, members **MUST bring their copy of the Annual Report**, which will arrive in the mail about two weeks prior to the meeting.

For the first time, Lincoln Electric will be using a feature of our billing and custom-



er management system to register members. A code embedded with your member number will be printed specifically on your Annual Report.

When you approach your



friendly cooperative employee, they will have only to scan your code to register you. The back page of your Annual Report serves as your voting ticket and your prize stub.

No more labels. No more waiting as employees search for your name among those labels. A quick scan, signature, and you will be on your way to the prize table.

This advance was made after careful research. The technology became available last year and it's success as reported by other cooperatives has been overwhelming.

Lincoln Electric will be able to streamline your registration, saving money, paper, and time in the process.

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### Trustee Seats Up For Election



Tom Klyver  
District 1  
Flathead



Terry Utter  
District 4  
Eureka-Tobacco Plains



Tina Taurman  
District 2  
Trego-Stryker

# A Rate Design Change is Essential to Cooperatives

Over the past year we have produced several articles on rate design and the components that make up the cost of energy.

Many people might ask the question, "Why would LEC devote so much time and energy trying to develop a new rate design?" It is an important question as the answer lies at the very foundation of the cooperative system.

LEC was built, and continues to exist, to serve our members. As a cooperative, we are devoted to keeping rates fair and equitable for all of our members. In return, members are responsible for the financial stability and security of the corporation. It's a symbiotic relationship that guarantees that electricity will continue be delivered to every member.

Finding ways to fairly distribute that financial responsibility in today's environment is the basis for all the effort.

Defining the costs associated with expenses that are "fixed" and ones derived from capacity or "demand" are extremely important going forward.

The regulatory environment which is now upon us requires the change. It doesn't do so by an outright decree telling utilities to use a set rate design. Instead, it does so by requiring utilities to adopt programs that place their financial position in jeopardy without the rate design change. Because cooperatives generally have a very low density of services (LEC is no exception) and also are now experiencing very little or no growth this is especially true.

Historically, rate design for residential customers was very simple. There was a minimum basic charge and a Kilowatt hour charge. In the early years, most residential members all used about the same amount of energy and capacity needs were very low. This meant a demand charge was not warranted. As a result, everyone contributed to the fixed costs relatively equally, making that type of rate very fair for all members.

Fast forward to today where fixed costs are proportionally the same as they were decades

ago, but how those costs are collected in now disproportionately split amongst the membership. Since we are not collecting enough in the System Maintenance Charge to cover

our fixed costs, members who use more electricity are contributing more than their fair share to the fixed costs.

In addition, demand charges, which have traditionally been rolled into the Kilowatt hour charge, are also creating an in-equitable situation between members.

A new COSA (Cost Of Service Analysis) based rate is the most fair way to distribute the costs associated with each and every service on the LEC system. It is the Cooperative way and will ensure the LEC distribution system will be there and reliable far into the future to meet the demands of the membership.

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, March 21, 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 January 18, 2016. A quorum of trustees was present and the board took the following action:

- Accepted the proposed budget for 2016.
- Approved changes to safety deposit employee authorizations due to staff changes.
- Authorized three Trustees to attend the NRECA Directors Conference in April.

|                                    | Year to Date<br>12/31/2015 | Year to Date<br>12/31/2014 |
|------------------------------------|----------------------------|----------------------------|
| Year to Date Kwh Sales             | 106,488,515                | 113,780,161                |
| Year to Date Revenue               | \$ 9,692,608               | \$ 9,696,672               |
| Year to Date Cost of Power         | \$ 4,435,059               | \$ 4,883,106               |
| Year to Date Operating Exp         | \$ 4,529,035               | \$ 4,460,000               |
| Year to Date Margins               | \$ 818,185                 | \$ 438,135                 |
| Number of Members                  | 4,412                      | 4,303                      |
| Number of Meters                   | 5,725                      | 5,611                      |
| Miles of Line                      | 949                        | 943                        |
| Total Utility Plant                | \$ 32,478,381              | \$ 31,121,753              |
| Member Equity                      | \$ 9,094,432               | \$ 8,713,396               |
| Dec. Average Residential Use (kWh) | 1,940                      | 2,064                      |
| Dec. Average Residential Billing   | \$159.34                   | \$165.06                   |

## Annual Meeting

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However, it is very important that attending members remember to bring their copy of the Annual Report.

Luck of the Draw scholarships will be available again this year. These are made possible by using unclaimed capital credits. We make every attempt to refund capital credits to our members, but occasionally members move and do not update their ad-

resses. When this happens, we are able to use these funds for educational purposes.

Students must apply for Luck of the Draw scholarships by 4:30 p.m. on Wednesday, March 9, 2016. Applications can be found on our website at [www.lincolnelectric.coop](http://www.lincolnelectric.coop) or by stopping in the office.

Once an application has successfully been received by Lincoln Electric, the applicable member MUST attend and register for the Annual Meeting prior to 9:15 a.m.

The applicable member may be the student or it may be the parent/guardian. If the student is not the member, their parent/guardian will be responsible for attending the Annual Meeting. However, the student is also encouraged to attend to learn more about Lincoln Electric and the cooperative business model.

Please see the application for full eligibility requirements.

At the end of the meeting, members will be welcome to

ask questions. They are also encouraged to use the question boxes located around the commons area to submit their question.

The close of the meeting will signal that eligible members can collect their capital credit checks. These checks will be issued to those members who used electricity during 1997 and/or 1998.

We hope you can join us on March 19 to celebrate one of the ways being a member of a cooperative is different!

*Example of the back cover of the Annual Report, which members must bring to be eligible for prize drawings.*



**Lincoln Electric  
Cooperative, Inc.**

® Your Touchstone Energy® Cooperative

## Notice of Annual Meeting

As a member of Lincoln Electric Cooperative, Inc., you are invited to attend the 67th Annual Meeting of the Members. It will be held on Saturday, March 19, 2016 at the Lincoln County High School Auditorium at 312 9th Street East, Eureka, Montana.

Member registration begins at 8:00 am with the business session to commence at 9:00 am.

This is an opportunity for you to learn more about your cooperative, participate in electing trustees for your board and transact any other business that comes before the membership.

**Registering members must have their copy of the Annual Report to be eligible for prize drawings.**

**Please remember to  
bring this copy of the  
Annual Report to the  
Annual Meeting**

John Member  
123 Any Street  
Eureka, MT 59917



**This code is embedded with your member number and will need to be scanned for registration.**

## Knowing What To Do Saved Their Lives

When teenagers Lee Whittaker and Ashley Taylor saw a power line safety demonstration at their high school, they never dreamed what they had learned that day would be put to test. Only days later, Whittaker and Taylor, along with two classmates, were in a car that crashed into a utility pole, bringing live power lines to the ground.

“When people are involved

in a car accident, electricity is usually the last thing on their minds,” explains Molly Hall, executive director of the Energy Education Council’s Safe Electricity program. “We’re usually more concerned about whether anyone was injured or how badly the vehicle is damaged. We can forget that by exiting the vehicle, we’re risking exposure to thousands of volts of electricity from downed power lines.”

If you are in an accident with a utility pole, your vehicle may be charged with electricity. If this is the case and you step out of the car, you will become the electricity’s path to the ground and could be electrocuted. Loose wires and other equipment may be in contact with your car or near it—creating a risk for electrocution if you leave the vehicle.

While downed lines can

sometimes reveal they are live by arcing and sparking with electricity, this is not always the case. Power lines do not always show signs that they are live, but they are just as lethal.

After an accident, stay in the car, and tell others to do the same. If you come upon an accident involving power lines, do not approach the accident scene. If you see

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**PURSING HIGHER EDUCATION?**

**LINCOLN ELECTRIC MAY BE ABLE TO HELP!!**

This year we will again be offering **Luck of the Draw Scholarships** to qualifying students.

Student or their parent/guardian must be a member of Lincoln Electric.

Winners will be drawn at our Annual Meeting on March 19, 2016, in the LCHS Auditorium.

Registration begins at 8:00 a.m.

The applicable member **MUST** register prior to 9:15 a.m. at the Annual Meeting and be present to win.

Full eligibility requirements and application packets available at [www.lincolnelectric.coop](http://www.lincolnelectric.coop).

Applications are also available at our office at 312 Osloski Road in Eureka.

Application deadline is 4:30 pm on Wednesday, March 9, 2016.

**Saved Lives**

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someone approaching, warn them to stay away. Call 911 to notify emergency personnel and utility services. Do not leave your vehicle until a utility professional has told you it is safe to do so.

The safest place to be is almost always inside the car. The only circumstance when you should exit the vehicle is if it is on fire—and those instances are rare. If you must exit the vehicle, jump clear of it with your feet together and without touching the vehicle and ground at the same time. Continue to “bunny hop” with your feet together to safety. Doing this will ensure that you are at only one point of contact and will not have different strengths of electric current running from one foot to another, which can be deadly.

Whittaker, Taylor and their friends survived their accident because they had learned what to do. While they waited more than 30 minutes for line crews to arrive



*Ashley Taylor (L) and Lee Whittaker (R), along with two classmates, survived a vehicle collision with an electric utility pole. The students had recently seen a safety demonstration on what to do in this type of situation, which ultimately saved their lives.*

and deactivate the power line, Whittaker and Taylor made sure nobody left the car and warned those who came upon the accident to stay far away.

“Knowledge was crucial in keeping everyone involved in the accident safe,” Hall says. “We want to make sure that everyone knows what to do if they’re in accidents with power poles.”

For more information and to see Lee and Ashley’s story, visit [SafeElectricity.org](http://SafeElectricity.org).



**Energy Efficiency Tip of the Month**

Consider purchasing rechargeable batteries – and an ENERGY STAR charger for them – which are more cost effective than disposable batteries. In the U.S. alone, more energy-efficient battery chargers could save families more than \$170 million annually.

Source: [energy.gov](http://energy.gov)