



# news & views

from Lincoln Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 

## National Cooperative Month

**H**ave you ever tried to imagine your life without electricity? Every time there is an outage, our members are reminded, for a brief moment in time, how many large and small things electricity makes possible.

It's amazing how many of our habits are intrinsically tied to electricity. How often when the power is out do you try to flip a light switch? Open or close the garage door? Turn on the faucet? Charge a cell phone?

All of these things we do without even thinking about. Without realizing how much power permeates almost every aspect of our lives.

But there was a time, not so long ago, when residents of the Tobacco Valley did not

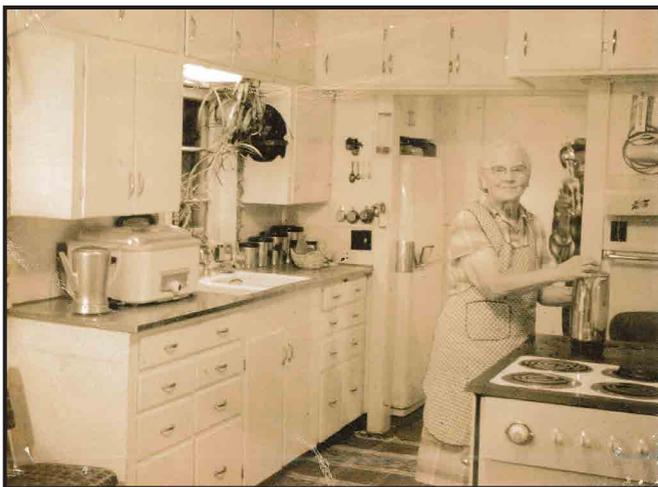
have these ingrained instincts because they did not have the luxury of electricity.

Like many other rural areas, power was just a dream for the rural communities of Northwest Montana. For-profit electric companies were not willing to spend the capital to extend power to remote areas for just a handful of customers.

Living and working without electricity was usually a harsh and laborous experience. In 1956, Lincoln Electric hosted an essay contest on "What Electricity Means On My Farm or In My Home."

While reading the essays, it is easy to put yourself in the shoes of the writer. You

*Continued on page 6*



*From the September 1960 issue of 'Lincoln Electric Lines': "Mrs. Fred Anderson, Glen Lake resident for many years, enjoys her All-Electric Kitchen. The Anderson's warm hospitality is known throughout Lincoln and Flathead counties. Jennie says her numerous electric appliances save her many steps in the kitchen, and she certainly appreciates the fine service provided by her Cooperative."*

### The Electric Cooperative Story

*Courtesy of NRECA via www.electric.coop*

As late as the mid-1930s, nine out of 10 rural homes were without electric service. The farmer milked his cows by hand in the dim light of a kerosene lantern. His wife was a slave to the wood range and washboard.

The unavailability of electricity to rural areas kept their economies entirely and exclusively dependent on agriculture. Factories and businesses, of course, preferred to locate in cities where electric power was easily acquired. For many years, power companies ignored the rural areas of the nation.

The first official action of the federal government pointing the way to the present rural electrification program came with the passage of the Tennessee Valley Authority (TVA) Act in May 1933. This act authorized the TVA Board to construct transmission lines to serve "farms and small villages that are not otherwise supplied with electricity at reasonable rates."

#### Rural Electrification Administration

The idea of providing federal assistance to accomplish rural electrification gained ground rapidly when President Roosevelt took office in 1933. On May 11, 1935, Roosevelt signed Executive Order No. 7037 establishing the Rural Electrification Administration (REA). It was not until a year later that the Rural Electrification Act was passed and the lending program that became REA got underway.

Within months, it became evident to REA officials that established investor-owned utilities were not interested in using federal loan funds to serve sparsely populated rural areas. But loan applications from farmer-based cooperatives poured in, and REA soon realized electric cooperatives would be the entities to make rural electrification a reality.

In 1937, the REA drafted the Electric Cooperative Corporation Act, a model law that states could adopt to enable the formation and operation of not-for-profit, consumer-owned electric cooperatives.

#### Rapid Growth

Within four years following the close of the World War II, the number of rural electric systems in operation doubled, the number of consumers connected more than tripled and the miles of energized line grew more than five-fold. By 1953, more than 90 percent of U.S. farms had electricity.

Today, about 99 percent of the nation's farms have electric service. More rural electrification is the product of locally owned rural electric cooperatives that got their start by borrowing funds from REA to build lines and provide service on a not-for-profit basis. REA is now Rural Utilities Service, or RUS, and is part of the U.S. Department of Agriculture.

LINCOLN ELECTRIC COOPERATIVE, INC.

# The Power of Growing Up Co-Op

One of the most difficult things we do here at Lincoln Electric is determining just how our rates should be structured. Several years ago LEC embarked on a process to develop a rate that follows these principles:

- 1) Keep rates as fair as possible;
- 2) Eliminate one member from involuntarily subsidizing another;
- 3) Cover fixed costs with a system maintenance charge that spreads those costs evenly across the membership;
- 4) Use a Cost of Service Analysis (COSA) to determine cost allocation; and
- 5) Keep the cooperative financially stable.

Fairness is an extremely important principle. Treating each member the same means assigning the appropriate expenses evenly to each service on the system. It is inherently unfair to expect some services to carry a larger burden of the fixed costs when those costs are

virtually the same for each service.

Our fixed costs are those expenses which remain relatively similar each month. We do, however, include some items which vary each month but really should be spread evenly across the year and be included in the system maintenance charge. Taxes, depreciation, billing, metering, insurance, outage restoration, tree trimming, other system maintenance and the payments of capital credits comprise most of those fixed charge expenses.

Completing periodic updates to our COSA ensures that the cost allocations are correct and fair. While the system does not change rapidly, it does change gradually over time. The COSA will detect those changes and show the assignment of those costs to the appropriate service types.

Keeping the cooperative financially stable is ultimately the responsibility of the membership. The 3rd Cooperative Principle, "Members Economic Participation," states that members contribute equitably to the capital of their cooperative and

the 2nd Cooperative Principle, "Democratic Member Control", means the membership has a say, through electing Trustees, in how their cooperative is run.

Keeping your cooperative financially stable allows us to access capital from lending institutions. This is an advantage to all members. It allows us an affordable way to borrow the funds to make the critical upgrades and maintenance needed to keep the lights on.

All of these factors and more have to be taken into consideration when designing rates. Making sure we get the rate design "right" is extremely important to us and the cooperative as a whole. We will continue to provide rate updates here in the *Rural Montana*.

Thank you for your help and consideration on this complicated issue.

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, October 15, 2018**

### Board of Trustees

- Mike Workman - President, District 6 Upper
- Wesly Loughman - Vice President, District 6 Upper
- Courtney Pluid - Secretary, District 6 Upper
- Myra Appel - District 7 Lower
- Becky Evins - District 6 Upper
- Joel Graves - District 6 Upper
- Marianne Roose - District 6 Upper
- Tina Taurman - District 7 Lower
- Troy Truman - District 6 Upper
- Ethel White - District 6 Upper

### 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 August 27, 2018. A quorum of trustees was present and the board took the following action:

- Approved a donation of \$500 to Prostate Cancer Awareness.
- Approved minor changes to policies 102, 103, 104, 105, 210, 302, 407, 409, and 503.
- Assigned MECA voting delegates.
- Accepted a proposal from Decoria, Maichel & Teague, P.S. to be the LEC auditor for fiscal years 2018, 2019, and 2020.

	Year to Date 07/31/2018	Year to Date 07/31/2017
Year to Date kWh Sales	63,249,904	71,964,737
Year to Date Revenue	\$ 6,515,308	\$ 6,309,364
Year to Date Cost of Power	\$ 3,221,715	\$ 3,123,487
Year to Date Operating Exp	\$ 3,305,305	\$ 3,050,679
Year to Date Margins	\$ 27,011	\$ 159,072
Number of Members	4,604	4,527
Number of Meters	5,942	5,849
Miles of Line	964	956
Total Utility Plant	\$ 32,406,517	\$ 32,381,775
Member Equity	\$ 8,956,498	\$ 8,966,058
July Average Residential Use (kWh)	856	893
July Average Residential Billing	\$101.14	\$99.19

# Apply Now for Low Income Energy Assistance

There is a chill in the air, leaves are falling, and pumpkins are ripening. Fall is here, bringing heating costs along with it.

If you or someone you know may have difficulty paying your heating bills, there is assistance available. The Community Action Partnership of Northwest Montana (CAP-NM) has programs to help.

CAP-NM has provided the following information on the energy programs they administer. For applications or more information on any programs, please contact CAP-NM as shown in the sidebar.

## Low-Income Energy Assistance Program (LIEAP)

LIEAP assists households in paying for winter home heating. Assistance may be available for a portion of the primary heating costs incurred between October 1 and April 30 of each program year.

Applications must be filled out completely and returned with all required items on the accompanying "check-list". The applicant must meet the income requirements and provide verification of this income.

## Emergency Heating System Repair and/or Replacement

Assistance may be available for the repair; or in some cases, replacement; of the primary heating system for a homeowner if it is not work-

ing properly or poses a threat to the health and/or safety of the household members. If you experience an emergency with your primary heating system after business hours and do not have back up heat, you may contact CAP-NM on-call personnel at 406-261-6524.

## Weatherization Assistance Program

Weatherization helps reduce the high cost of energy for low-income households. An energy auditor evaluates the home's energy efficiency and makes recommendations of the measures that could be done to the home to provide the biggest energy savings.

Based upon these recommendations, a combination of weatherization measures such as wall, attic, and floor insulation may be installed, doors and windows may be repaired to reduce air infiltration, and efficiency and safety measures on home heating systems may be performed.

In some cases, new heating systems may be provided to further the energy efficiency of the home. Each LIEAP approved household is prioritized based upon their annual income and the amount they spend on heating bills.

Priority lists are updated throughout the year and a household must apply for and continue to be approved for LIEAP each year to remain on the priority list.

Homes with low income and high heating bills are top priority with special consideration given to households which contain elderly and/or disabled individuals.

Upon reaching the top of the priority list, the household is contacted to set up an appointment to conduct an energy audit.

## Low-Cost Materials (LCNC)

LIEAP approved households may receive materials such as plastic window kits, weather stripping, roof patch, door sweeps, pipe wrapping, energy efficient light bulbs, and other low cost items they can install in their home to seal out drafts and to make it more comfortable and energy efficient. To receive LCNC supplies, an applicant must be approved for LIEAP and request materials from their LIEAP office.

## Energy Share of Montana

This helps Montana residents faced with energy emergencies meet their needs and move toward self-reliance. Eligibility for Energy Share is not determined solely on income but also on the extenuating circumstances a household is facing. Energy Share is primarily funded by State-mandated Universal System Benefits Program (USBP) charges, donations from private individuals and corporations, and repayments by previous recipients.

## Energy Savings Program

Energy Share of Montana may also assist with replacement of an inefficient refrigerator or a non-working water heater. Refrigerator requirements - household member 60+ years of age or disabled by Social Security standards, own your home and have an older, inefficient refrigerator. Water heater requirements - own your home and have a non-working water heater.

## Other Programs

In addition to these assistance programs, CAP-NM works with vendors to provide discounts or other programs to low-income households. Most vendors require that an applicant qualify for LIEAP services and be referred by the local CAP-NM office.

Information and brochures on ways you can improve the comfort level of your home, conserve energy and lower your heating costs are available upon request.

Members who have applied for CAP-NM programs but still need assistance should contact Lincoln Electric at 406-889-3301. We have an internal energy assistance program funded by Operation Round-Up.

## CAPNM Contact Information

[www.capnm.net](http://www.capnm.net)  
[lieap@capnwm.org](mailto:lieap@capnwm.org)

### Flathead County

406-758-5433

800-344-5979

### Lincoln County

406-293-2712

Please check the CAPNM website for upcoming application/program counseling dates and locations.

## 2018-2019 LIEAP Income and Resource Limits

Household Members	LIEAP 6 Months Income	LIEAP 1 Month Income	Resources (excludes home, vehicles, personal items, & most retirement accounts)
1	\$11,938	\$1,990	\$11,398
2	\$15,612	\$2,602	\$17,098
3	\$19,285	\$3,215	\$18,238
4	\$22,958	\$3,827	\$19,378
5	\$26,632	\$4,439	\$20,518
6	\$30,994	\$5,051	\$21,658

**Cooperative Month**

*Continued on page 5*

can feel their intense appreciation and relief for finally getting this luxury that most of us now consider to be a necessity.

From the first place essay by Dieter Donsbach, age 13, *"The laundry was one of the biggest chores. Mom had to heat the water on the wood range, then do the washing by hand. When she had the wash dry, she had to iron it with an iron heated on the wood range. It took a long time I can assure."*

He goes on to note, *"We got our lights in the new house and felt like kings. That was our first step to a fun-filled, wonderful life. Then we got our refrigerator and washing machines. Mom was overcome with joy! These things also made her work a lot easier for her. We had to give up buying electrical appliances when our budget could not stand it."*

Donsbach also understood the power of membership. He wrote, *"We are also stockholders in the REA. Considering all the conveniences because of electricity it is right to say electricity is cheap. Scientist class electricity as a non-material, but it is always there to serve you."*

The reason power was



there to serve Donsbach was because the residents of our area created Lincoln Electric Cooperative. They banded together in cooperation to bring forth light into the darkness.

They incorporated Lincoln Electric in 1948 and started recruiting members. To join, a member had to contribute either \$60 or six days of labor clearing right-of-way.

By gathering pledges, Lincoln Electric was able to secure a loan through the Rural Electrification Administration (REA). [Please see the sidebar on page 1 for more information on the national cooperative movement.]

Not even two years after

incorporation, Lincoln Electric energized our first service in November 1949. Service after service was installed and quickly we began powering the countryside. Electricity was here - along with all the advantages it brought.

It drastically changed life as our members knew it. Electricity allowed for more leisure time as daily tasks became less cumbersome.

Idell Weydemeyer talked about how power improved life on the farm. *"It (electricity) takes the place of the hired man. Much time and manpower used to accomplish things that now, may be done through the use of electricity. The electric saw, dishwasher, and pumps for house and irrigation water are examples."*

*A chicken light regulator and heat lamps are necessities on our farm; a light regulator makes better egg production in the poultry house and the heat lamps save many calves, also keep little chickens warm.*

*We make our own repairs with such things as a welder, electric drill, and sewing machine... You couldn't possibly hire someone to work for you and do as much as electricity does for so little. Besides, a hired man takes Sundays and nights off too."*

13-year-old Margaret Stephenson summed up the overall feeling well. *"When the year 1957 is forgotten and all of us with it, electricity will still be one of the greatest things that Benjamin Franklin ever had the luck and courage to discover."*

So the next time your power is out and you reach for that switch anyway, think about those brave souls who brought electricity here. It took a community cooperating together to make their dreams of rural electrification a reality.

Laura Hutchens wrote a statement in her 1957 essay that becomes more and more true each of the 61 years since. *"Electricity is essential to the American way of life and without it the living standard in the United States wouldn't be what it is today. However electricity is so taken for granted that most people don't fully realize how much it actually does do for them."*

