



news & views

from Lincoln Electric Cooperative, Inc.

2024 Rate change coming

MEMBERS WILL SEE THE CHANGE REFLECTED ON THEIR APRIL BILL

YOUR Lincoln Electric Cooperative board of trustees voted for a rate change beginning on March 1, 2024. This adjustment considers both the latest and estimated next Bonneville Power Administration (BPA) wholesale power cost increase, as well as increases in most other expenses, such as materials, vehicles, fuel, taxes and insurance.

Through PNGC Power, Lincoln Electric has a power purchasing contract with BPA. BPA has two-year rate cases, which means we experience a wholesale rate increase every two years. Wholesale power makes up about half of our overall expenses, so anytime we receive an increase, we need to adjust our members' rates accordingly.

From 2017 to 2021, Lincoln Electric gradually adjusted our rates to better reflect the recommended rate

structure based on a Cost of Service Analysis (COSA) for most rate classes. The COSA analyzes all Lincoln Electric expenses and revenues, and helps determine how costs should be most fairly distributed among different rate classes.

Our residential three-part, commercial and industrial system maintenance charges are currently set to match the COSA recommendation from 2016 to cover our fixed costs. These are expenses Lincoln Electric has regardless of how much electricity our members use (see right for more on fixed costs). The system maintenance charge helps establish more equitable rates in which all members are helping cover these expenses, whether they use 1 kWh or 10,000 kWh.

See RATE CHANGE on next page

WHAT ARE FIXED COSTS?

Fixed costs are required expenses that remain relatively stable regardless of how much energy we sell to our members. As a cooperative, we believe that each service on the system should help pay equally for these expenses. Fixed costs include, but are not limited to:

- Taxes
- Depreciation
- Capital credit retirements
- Insurance
- Billing
- Metering
- System maintenance and replacements
- Right-of-way clearing
- Outage restoration
- Administration
- Health, safety and regulatory compliance
- Vehicles and equipment
- Property and facility maintenance

| PRICE CHANGE COMING IN MARCH | | System Maintenance Charge (\$/month) | | Kilowatt-Hour Charge (\$/kWh) | | Demand Charge (\$/kW) | |
|---------------------------------|---------------|--------------------------------------|----------|-------------------------------|-----------|-----------------------|--------|
| Classification | Rate Type | Existing | New | Existing | New | Existing | New |
| Residential | 3-Part | \$49.70 | \$49.70 | \$0.051057 | \$0.05718 | \$2.50 | \$2.65 |
| Residential | FlexAdvantage | \$69.62 | \$69.62 | \$0.063142 | \$0.07072 | N/A | N/A |
| Small Commercial | 3-Part | \$49.70 | \$49.70 | \$0.057896 | \$0.06484 | \$2.50 | \$2.65 |
| Irrigation | 2-Part | \$70.00 | \$70.00 | \$0.047754 | \$0.05348 | N/A | N/A |
| Large Commercial | 3-Part | \$62.89 | \$62.89 | \$0.067527 | \$0.07563 | \$6.33 | \$6.71 |
| Industrial | 3-Part | \$355.04 | \$355.04 | \$0.069983 | \$0.07838 | \$6.53 | \$6.92 |

| FINANCIAL OVERVIEW | YEAR TO DATE OCTOBER 2023 | YEAR TO DATE OCTOBER 2022 |
|--|---------------------------|---------------------------|
| KWh SALES | 13,726,548 | 100,679,316 |
| REVENUE | \$10,805,151 | \$10,150,741 |
| COST OF POWER | \$4,324,879 | \$4,638,594 |
| OPERATING EXPENSE | \$4,122,528 | \$3,537,918 |
| MARGINS | \$1,071,659 | \$593,882 |
| NUMBER OF MEMBERS | 5,199 | 5,090 |
| NUMBER OF METERS | 6,521 | 6,510 |
| MILES OF LINE | 1,013 | 1,001 |
| TOTAL UTILITY PLANT | \$39,173,290 | \$37,901,119 |
| MEMBER EQUITY | \$14,254,925 | \$12,593,534 |
| OCTOBER AVERAGE RESIDENTIAL USE (KWH) | 1,255 | 1,204 |
| OCTOBER AVERAGE RESIDENTIAL BILLING | \$140.83 | \$106.01 |

BUSINESS AND BOARDROOM BRIEFS

A regular meeting of the board of trustees was conducted on November 27. A quorum of trustees was present and the board took the following action:

- Approved sending a letter to MECA asking them to address issues with a missing voting delegate form.
- Approved a rate increase effective March 1, 2024.
- Approved the 2024 budget.
- Authorized the search for the general manager to be conducted in house, and for the executive committee to make a recruiting plan.
- Approved enrollment in the 2024 MECA prepaid education training program.
- Approved a donation of \$1,000, plus 12 \$50 energy certificates to Big Hearts and Open Arms.
- Approved a donation of \$1,392 to Friends of the Library for 2024 advertisement.
- Approved a donation of \$1,500 to the Tobacco Valley Pantry.
- Authorized bonus amounts for employees.
- Authorized Kylie Larson to remain interim manager until the replacement manager starts.

RATE CHANGE

Continued from previous page

As a result, rates for those three rate types are being adjusted only in energy use areas to reflect the actual and anticipated wholesale power increases. The energy charge for residential will increase by just over six-tenths of a penny (\$0.00612/kWh) and the demand charge by six percent (\$0.15/kW).

Since the FlexAdvantage rate does not have a demand charge, the kilowatt-hour charge will be adjusted to help cover the wholesale cost increase.

The rate change will mean different things to different members, depending on the unique way each member uses electricity. If you would like to see how the rate change might affect your individual bill, please contact us at 406-889-3301 or info@lincolnelectric.coop. We can use your actual electric use from the past 12 months to complete a rate comparison of our current rates against the 2024 rate change. ^{RM}

LINCOLN ELECTRIC COOPERATIVE, INC.

CONTACT

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info@lincolnelectric.coop
www.lincolnelectric.coop
 Secure Payments: 1-833-890-6258

ALWAYS REPORT OUTAGES TO:

1-406-889-3301

OFFICE

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 PO BOX 628
 Eureka, Montana 59917

OFFICE HOURS

Monday - Thursday
 7:00 AM - 5:30 PM

BOARD OF TRUSTEES

Tina Taurman
 President

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Sandi Mason
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Myra Appel
Joel Graves
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Lincoln Electric's Board of Trustees holds regular monthly meetings at the boardroom in the cooperative office. These are typically scheduled on the third Monday of each month at 6 p.m. 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 15, 2024



**Lincoln Electric
 Cooperative, Inc.**

HAVE A STORY SUGGESTION?

SEND YOUR IDEAS TO:

memberservices@lincolnelectric.coop

ELECTRICAL SAFETY

FOUR TIPS TO KEEP YOU AND YOUR FAMILY SAFE DURING THE WINTER

It's no surprise that winter months bring increased potential for fire risks and electrical safety hazards. This makes sense because during the coldest months, consumers are using additional electrical devices and appliances, like space heaters, electric blankets and portable generators.

The National Fire Protection Association estimates that 47,700 home fires occur each year in the U.S. due to electrical failure or malfunction. These fires result in 418 deaths, 1,570 injuries and \$1.4 billion in property damage annually.

This winter, safeguard your loved ones and your home with these electrical safety tips from the Electrical Safety Foundation International.

1. Don't overload outlets

Overloaded outlets are a major cause of residential fires. Avoid using extension cords or multi-outlet converters for appliance connections—they should be plugged directly into a wall outlet. If you're relying heavily on extension cords in general, you may need additional outlets to address your needs. Contact a qualified electrician to inspect your home and add new outlets.

2. Never leave space heaters unattended

If you're using a space heater, turn it off before leaving the room. Make sure heaters are placed at least three feet

away from flammable items. It should also be noted that space heaters take a toll on your energy bills. If you're using them throughout your home, it may be time to upgrade your home heating system.

3. Inspect heating pads and electric blankets

These items cause nearly 500 fires every year. Electric blankets that are more than 10 years old create additional risks for a fire hazard. Inspect your electric blankets and heating pads – look for dark, charred or frayed spots, and make sure the electrical cord is not damaged. Do not place any items on top of a heating pad or electric blanket,

and never fold them when in use.

4. Use portable generators safely

Unfortunately, winter storms can cause prolonged power outages, which means many consumers will use portable generators to power their homes. Never connect a standby generator into your home's electrical system. For portable generators, plug appliances directly into the outlet provided on the generator. Start the generator first, before you plug in appliances. Run it in a well-ventilated area outside your home. The carbon monoxide it generates is deadly, so keep it away from your garage, doors, windows and vents.



DANGER! Outlet Overload

Every year, U.S. fire departments respond to an estimated **25,900 home electrical fires**. These fires cause an estimated **280 deaths, 1,125 injuries** and **\$1.1 billion in property loss**.

Thirty-nine percent of home electrical fires involve outlets and receptacles, and other electrical wiring.

To ensure safety, you should only use about 80 percent of the available current for each electrical outlet in your home.

Are you overloading outlets?
Use this formula to find out:

WATTAGE/VOLTS=AMPS

Example:

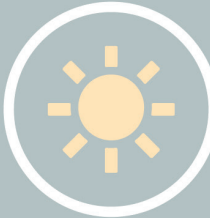
Let's say you are using 2,000 watts of power (for one outlet). Divide the watts by the volts in your home (typically 120), and you come up with 16.6 amps of current being used. With a 20 amp electrical outlet, you are using about 80 percent of the available current.

Source: U.S. Fire Administration, Home & Garden

Space Heater Safety Tips

Space heaters are a great way to warm specific rooms in your home without having to crank up the thermostat, but using space heaters doesn't come without risk! Use the tips below to keep your home safe.

DO: Plug your space heater directly into the wall outlet.

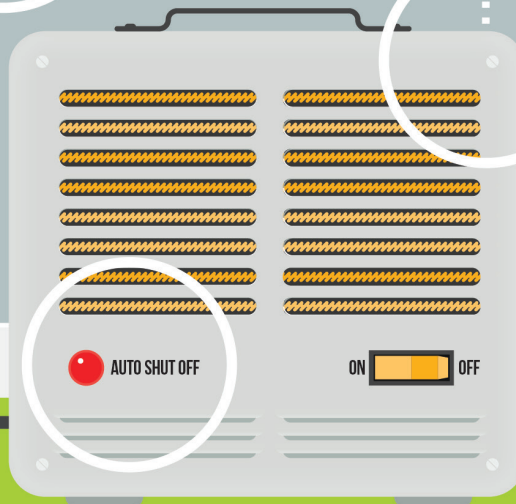


DO: Keep your space heater in low-moisture rooms.

DO: Keep your space heater at a safe distance (at least 3 feet) from kids, pets and flammable items.



DO: Buy a unit with an automatic shutoff in case the unit tips over, or you forget to shut it off.



DO: Always follow the directions and take a broken space heater to a qualified appliance service center.

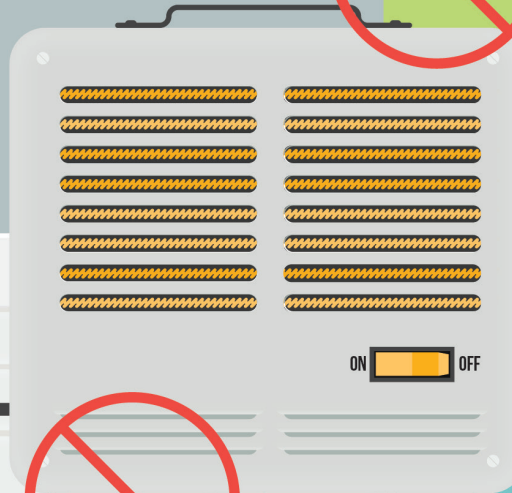


DON'T: Leave your space heater unattended. Always unplug it before you leave the house or go to bed.



DON'T: Use an extension cord to plug in your space heater. It can cause the heater to over-heat, and can be a tripping hazard.

DON'T: Place your space heater near curtains, clothing, furniture or bedding.



DON'T: Try to repair a broken space heater yourself.



DON'T: Put your space heater in your bathroom. The moisture can damage the unit, which could cause it to malfunction.