



news & views

from Lincoln Electric Cooperative, Inc.

RATE CHANGES COMING IN 2025

Members will see changes reflected on April bill

YOUR Lincoln Electric Board of Trustees has approved a rate change effective March 1, 2025. This adjustment considers both the recent and projected wholesale power cost increases from the Bonneville Power Administration (BPA) and rising expenses in materials, vehicles, fuel, taxes and insurance.

Lincoln Electric has a power-purchasing agreement with BPA through PNGC Power, and BPA implements rate adjustments every two years. Given that wholesale power accounts for about half of our total expenses,

we need to adjust our members' rates whenever we see an increase.

From 2017 to 2021, we gradually updated our rates to align with the recommended structure identified in our cost-of-service analysis (COSA). This analysis evaluates all expenses and revenues, helping us determine the fairest way to distribute costs among different rate classes.

Our current system maintenance charges for residential, commercial and industrial members align with the COSA recommendations from 2023. These charges cover fixed costs that

Lincoln Electric incurs regardless of electricity consumption (see the break-out box on the next page for more on fixed costs). The system maintenance charge promotes equitable rates, ensuring that all members contribute to these expenses, whether they use 1 kilowatt-hour (kWh) or 10,000 kWh.

As a result, the rates for these three classes will see adjustments in the energy use areas to reflect actual and expected wholesale power increases. The residential energy charge will

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Price Change Coming in March 2025		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	\$0.06	\$0.06	\$2.65	\$2.80
Residential	Flex	\$69.62	\$69.62	\$0.07	\$0.07	N/A	N/A
Small Commercial	3-Part	\$49.70	\$49.70	\$0.06	\$0.07	\$2.65	\$2.80
Irrigation	3-Part	\$70.00	\$70.00	\$0.05	\$0.06	N/A	N/A
Large Commercial	3-Part	\$62.89	\$62.89	\$0.08	\$0.08	\$6.71	\$7.08
Industrial	3-Part	\$355.04	\$355.04	\$0.08	\$0.09	\$6.92	\$7.54

FINANCIAL OVERVIEW	YEAR TO DATE NOV. 2024	YEAR TO DATE NOV. 2023
KWh SALES	119,588,390	117,534,051
REVENUE	\$13,173,829	\$12,107,892
COST OF POWER	\$5,434,296	\$4,752,818
OPERATING EXPENSE	\$4,831,889	\$4,469,083
MARGINS	\$1,218,375	\$1,453,197
NUMBER OF MEMBERS	5,297	5,213
NUMBER OF METERS	6,693	6,524
MILES OF LINE	1,022	1,013
TOTAL UTILITY PLANT	\$40,201,008	\$39,171,498
MEMBER EQUITY	\$15,602,702	\$14,472,981
NOVEMBER AVERAGE RESIDENTIAL USE (KWH)	1,764	1,823
NOVEMBER AVERAGE RESIDENTIAL BILLING	\$179.97	\$171.06

RATE CHANGE

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increase by just over 3-tenths of a penny (\$0.00314/kWh), and the demand charge will rise by 5.5 percent (\$0.15/kW). For Residential Flex (Flex Advantage) there will be an increase of 4-tenths of a penny (\$0.00424/kWh) for residential energy usage.

The impact of this rate change will vary for each member, depending on their individual electricity usage. If you'd like to see how the rate change may affect your bill, please contact us at 406-889-3301 or info@lincolnelectric.coop. We can analyze your actual electricity usage from the past 12 months to provide a comparison of current rates against the 2025 changes. RM

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, and property and facility maintenance.

BUSINESS AND BOARDROOM BRIEFS

The regular meeting of the board of trustees was conducted on December 16. A quorum of trustees was present, and the board took the following action:

- Approved CFC contingency Emergency Loan allowance for up to \$5,000,000. (This is to be used *only* in the case of an emergency that requires additional funding to recover.)
- Approved Strategic Plan 2025
- Approved Marianne Roose as the LEC Voting Delegate for the Montana Council of Cooperatives.
- Approved board members Rod Kane and Dave Purdy to attend Co-op Day at the Capitol in Helena
- Approved board members Marianne Roose, Sandi Mason, and Rick Peterson to attend the National Rural Electric Cooperatives Association online courses

LINCOLN ELECTRIC COOPERATIVE, INC.

CONTACT

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 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

Joel Graves
 Vice President

Sandi Mason
 Secretary-Treasurer

Myra Appel
Rodney Kane
Rick Peterson
David Purdy
Marianne Roose

Matthew Quinn
 General Manager

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, FEBRUARY 17, 2025



Lincoln Electric Cooperative, Inc.

HAVE A STORY SUGGESTION?

SEND YOUR IDEAS TO:
memberservices@lincolnelectric.coop

A review of capital credits in 2024

Did you know you get certain benefits as a member of Lincoln Electric Cooperative (LEC)? One of the primary benefits of membership is receiving capital credits. LEC is a cooperative, which is a non-profit organization. Instead of profits, we have margins. Margins are any revenue we have that is more than our expenses each year. The total yearly margins are allocated to all members who were billed during the year.

Allocations are based on the dollar amount members contributed during the year by paying their electric bill.

For example, if you contributed one percent of our total yearly revenue, you would be allocated one percent of the total margins for that year.

Looking back to 2024, for the 44th consecutive year, your Board of Trustees approved the retirement of capital credits. They authorized approximately three percent (3%) of our total member equity to be retired this year. This amounts to more than \$407,000 in capital credits returned in 2024 to our current and former members. Capital credit checks will be issued to members who contributed to margins

in 2005, 2006 and/or 2022.

The board elected to retire capital credits as a 50/50 split between the oldest and newest contributions. This helps to benefit more members and ensures that even newer members better understand the power of cooperatives. The board also chose to retire less this year — 3 percent instead of 5 percent. This is crucial to allow LEC to increase equity more quickly. A higher equity provides compounding positive effects to LEC and our members. As

See Capital Credits, next page

UNDERSTANDING CAPITAL CREDITS

Capital Credits are retained margins at the end of the year that are distributed or allocated back to the member-owners of Lincoln Electric Cooperative.



USAGE

Lincoln Electric keeps track of how much electricity you purchased throughout the year.



MARGINS

At the end of the year Lincoln Electric calculates the cooperatives margins.



ALLOCATIONS

Lincoln Electric allocates the margins to members as Capital Credits based upon their electricity use during the year.



GENERAL RETIREMENTS

When the cooperative's financial condition permits, your board of directors elect to retire, or pay, the Capital Credits to members.



COOPERATIVE BENEFIT

Lincoln Electric allocates and retires Capital Credits to the members as advised by LEC's Board*.



**Lincoln Electric
Cooperative, Inc.**

*If you prefer to not receive a check and instead apply your Capital Credits to your bill you can call LEC and request to do so.

CAPITAL CREDITS

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equity increases, we are eligible for lower interest rates on all existing and new loans. Especially with our long-term debt, any reduction in interest

has a big impact on our expenses. This helps keep rates low and improves our borrowing power.

If you were an active LEC member in 2005, 2006 and/or 2022, you may have had a check mailed in 2024 or a credit on your bill. Please note that checks are only written for capital credits of \$10

or more. If your capital credit retirement was less than that amount, it will be issued to you once your retired capital credit balance exceeds \$10.

Since our incorporation in 1948, LEC has proudly returned more than \$14.2 million in capital credits to our members. RM

Luck of the Draw Scholarships 2025

Drawing held at the Lincoln Electric Cooperative Annual Meeting on Saturday April 12th, 2025 at the LCHS Auditorium in Eureka.

- Student and/or their parent/legal guardian must be an active member of LEC and currently receiving electric service.
- Student and/or their parent/legal guardian must register for the Annual Meeting and at the Luck of the Draw Scholarship table prior to 9:15 a.m. to be eligible.

See full eligibility requirements on the Application.

Applications available at www.LincolnElectric.coop under the Community tab.

**Completed applications
due by 5:30 pm
Wednesday April 2, 2025.**