A Touchstone Energy® Cooperative

P.O. Box 1049, Dillon, MT 59725-1049 (406) 683-2327 or (800) 221-8271

> Web site: www.vec.coop E-mail: contact@vec.coop

> > Outage

Notification

Numbers

A Message from Your General Manager

2016 Planned Projects

e are off and running with our 2016 budget, and have several projects planned throughout the service territory to maintain and enhance the facilities used to serve you. The first project is located east of Glen, and is called the Garrison Rebuild. We are converting several miles of single-phase line to three-phase to enhance voltage support and replace aged poles. Concurrently, north of Three Forks we have a similar single-phase to three-phase conversion project called the Price Road Conversion, which is approximately three miles in length. North of Whitehall, we are increasing the size of wire conductor to allow for enhanced voltage support. We also plan to test approximately 2,500 poles in the Whitehall and Townsend service areas, and begin replacement of bad poles.

These projects will be completed by our linemen rather than contracted out. Needless to say, our guys will be busy working on these projects while also responding to outages and extending new services to members as needed.

Finally, we plan to replace a couple of service trucks and one digger truck. The new digger truck is expected to cost approximately \$300,000.

Other Plans

In addition to the projects planned for the outside plant, we have several enhancements we are implementing for our members. The first is the rollout of the SmartHub App. Starting the second quarter of this year, this service will allow you to view your monthly usage, pay your bill, etc., from your smartphone or tablet. This should make viewing and paying your monthly bills easier.

In addition, we will be implementing the Vigilante Safety RoundUp Foundation in the coming months. This program will allow you to voluntarily round your monthly bill from Vigilante Electric up to the nearest dollar. The funds will be used to support local not-for-profit entities.

Other planned improvements include a more user friendly website and initiation of social media commu-

nications, all designed to meet the needs of our ever-changing membership.

Annual Meeting

We hope you will be able to find time to attend our Annual Meeting scheduled for March 4th beginning at noon with a great meal at the University of Montana-Western. You will be receiving the Annual Meeting notice in the mail in the next few days. By the time you read this, we will have had the district meetings where nominations for board candidates are made. However, there is also the option in our by-laws to nominate board candidates from the floor.

Another item that will be discussed and voted on at the Annual Meeting is a by-law amendment that changes the date used for allocation of capital credits. Capital credits are annual margins we receive over our costs. Each year, those dollar amounts are allocated back to the member's and recorded in the member's name. Currently, our bylaws state that capital credits will be allocated based on the fiscal year, which ends September 30th. We are proposing to change that date of allocation based on a calendar year, or December 31st. This allows for an easier, more efficient and cleaner allocation process. The proposed amendment will be included with the Annual Meeting notice and voted on at the meeting. We hope you will participate in this important function of your electric cooperative.

I hope your winter is going as planned, and for those of you calving I hope that is going well for you. Just remember spring is around the corner. If you need to contact me for any reason, feel free to call me in the office at (406) 683-2327, or on my wireless at (406) 925-1085. You can also reach me via email at rollie@vec.coop.



Rollie Miller General Manager

M-F 8 a.m. to 5 p.m. 683-2327 or (800) 221-8271

Dillon

After Hours Mon. - Thurs. Dan Snellman.....683-6222 *Gary Ferris*683-6321 Cody Tarter925-3326 Charles Wharton 660-1878

Weekends 683-2327 or (800) 221-8271

Whitehall

After Hours and Weekends

Marty Simons 287-3950 Chuck Romerio....287-3144 John Moos266-3605

Townsend

After Hours and Weekends

John Moos	266-3605
Justin Bair	
Chase White	459-3892
Marty Simons	287-3950

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2016 Annual Meeting of Members

urrently we are preparing for our 78th Annual Meeting. For Vigilante Electric Cooperative, this is the most important event of the year, the culmination of all of the activities from the previous year. This important and informative event provides gives you, the member, an opportunity to help shape the future of our organization.

Cooperatives are different because we adhere to a set of seven core principles. Principle #2- Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership." As a member, the annual meeting is one of your opportunities to participate.

This year members at the annual meeting will vote on a change in the wording of our bylaws. They will hear our leaders discuss issues facing our cooperative, recap the previous year and receive information regarding our financial status. We invite speakers that can provide a regional or national perspective on energy policy as well.

Members attending the annual meeting also will participate in the trustee elections. Vigilante Electric's service ter-

ritory is divided into nine districts. Each district has an elected representative on the board of trustees who serves a three-year term. Terms are staggered to maintain six experienced trustees at all times. This year's trustee elections will be for District # 1 (Cardwell/Whitehall/Three Forks), District # 2 (Silver Star/Waterloo) and District # 6 (Dillon North).

In addition to a wealth of information, participants are treated to a wonderful meal courtesy of Vigilante Electric and prepared and served by food services at the University of Montana – Western. They also receive a gift for attending and are entered into a drawing for prizes at the conclusion of the meeting.

Please, mark your calendars: on March 4, 2016, Vigilante Electric will host our 78th Annual Meeting on the University of Montana-Western campus in the Lewis and Clark Room. A formal announcement and invitation will be mailed to each member. Registration begins at 11:45 a.m., lunch will be served at 12:15 p.m., and the meeting starts at 1:15 p.m.

Knowing what to do saved their lives

hen 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 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 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*.

As a service to our members, Vigilante Electric provides safety demonstrations to schools, civic organizations and emergency service personnel. If you would like to schedule a demonstration, contact Rod Siring at our Dillon office – 683-2327 or 800-221-8271.

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Co-op Connections Partner Deals

Por nearly three years Vigilante Electric Cooperative has participated in Touchstone Energy's Co-op Connections program. This program is constantly evolving in an effort to find you new and innovative ways to save money. Recently, the connections site (www.connections.coop) was reorganized and a new collaboration was added. If you haven't been to their website recently, you should check out their Partner Deals.

The latest addition to partner deals is an affiliation with Simply Rewards. Simply Rewards works with industry leaders to bring you the best prices on hotels, cruises and rental cars, and includes a Best Price Guarantee! You'll also find big savings from companies such as Kenneth Cole, Under Armour, Sony, Nike and more.

Cash Back Mall, as the name implies, can earn you cash back on purchases from more than 3,000 leading online merchants, many of which you may already shop. To start, download and use the free "Shopping Assistant" for your browser or get the free mobile app. Then access exclusive

discounts every day and get paid to shop on your favorite websites!

Coupons.com brings you valuable coupons every day. There are hundreds of printable grocery coupons good at supermarket chains nationwide. These coupons provide discounts on top brands such as Johnson & Johnson, General Mills, Kimberly-Clark, Kraft Foods and Clorox. There are also promotional codes available for online shopping at stores such as Macy's, Target, Amazon and more.

Eco Rebates provides an award-winning online and mobile platform that makes finding rebates and incentive information on energy-efficient appliances easy. You can filter by appliance type, brand, or search for specific models.

There is a vast number of ways to save money with Co-op Connections. The savings are real and it is worth the time to explore the Connections site and keep abreast of the changes. If you have any questions regarding this program, feel free to contact Rod Siring at our Dillon office.

Rates and Reclassification — The Cost of Service Process

ver the past few months, we have used these pages to provide information regarding the rate increase that took effect January 1st. The decision to raise rates is not an easy one; the analysis is complex and data intensive. For this reason, Vigilante Electric Cooperative does an annual cost-of-service study.

Our goal with rates is simple: to meet our financial obligations and to ensure that every rate class is paying its share of building and maintaining our distribution system. In the cost of service study, we allocate actual cost data by rate class and compare costs to revenue, or patronage, by rate class to see if current rate structures are adequate.

We also use this information for reclassifying services within the residential rate class. Based on our latest cost-of-service study, the fixed costs for a residential service are \$44.40 per month, or \$532.80 per year. Those accounts where patronage is more than \$532.80 per year are not only paying for their share of the system, but are contributing to

margins. To be equitable, we maintain two rate schedules within the residential rate class.

If we were to maintain only one rate schedule for residential, accounts where patronage is less than \$532.80 would essentially have their costs subsidized by the higher usage accounts. This would erode the margins that we are required to figure into our rate structure, lower capital credits and have to be compensated for by an increase in rates to all residential accounts.

Most residential services start in the "A" rate, but if the annual patronage falls below \$400 it will be switched to the "B" rate, which has a higher base charge and a higher kilowatt-hour charge. Conversely, to be put back into the "A" rate an account will have to exceed \$700 annual patronage.

For some of you, this reclassification will occur with the billing for January's usage, which coincides with the first billing under our new rate schedule. These bills will be mailed out around February 10th.

The importance of member engagement

In 2012, the National Rural Electric Cooperative Association (NRECA), the premier trade association representing approximately 900 electric cooperatives in 47 states, released a report entitled, "The Electric Cooperative Purpose - A Compass for the 21st Century." The findings of the blue-ribbon task force comprised of a dozen co-op leaders from across the country were that an electric cooperative's purpose is to, "power communities and empower members to improve the quality of their lives."

Vigilante Electric Cooperative is a member of NRECA and firmly believes that you, our members, need to be at the heart of everything we do. We are proud of the fact that we are different from investor-owned utilities where the primary purpose is to generate profit for their stockholders. Many of those stockholders don't live in the communities served by the utility. While Vigilante Electric must, of course, generate enough revenue to cover our costs, profit is not our primary

motive. Serving you and your neighbors is our number-one priority.

As the Electric Cooperative Purpose report noted, "Our story is about ordinary people that banded together to improve the quality of life by providing electricity to our community when no one else would do it." But that was 80 years ago. As we look to the future, we once again need your active participation in determining the future of our co-op.

Cooperatives enjoy the support of people from all walks of life. We operate in every type of business, from agriculture, housing, finance, health care, technology, small business, food and many more. Co-ops can be found in the most rural to the most urban areas.

Vigilante Electric welcomes your input on what we can do to ensure we are meeting your needs, and strongly encourages our members to attend this year's Annual Meeting. It is your best opportunity to help chart our organization's course.

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Portable Space Heaters — Some Things to Consider

s winter closes in and temperatures fall, you are bound to see advertisements for portable space heaters. Space heaters are small, versatile and generally good at warming a room. Unfortunately, there are those who would make you believe that there are serious energy savings to be had by using their product.

Space heaters are designed to be used as supplemental heat, and are only capable of warming small spaces. Most space heaters use between 600 and 1,500 watts of electricity. If a homeowner uses a 1,000-watt space heater for eight hours a day for a month, the heater would consume an additional 240 kilowatt hours, costing \$18.24.

According to research, to save money, you would have to turn the thermostat of your central heating system down considerably (as low as 50 in some cases), place the space heater in the room that you occupy, and then close that room off from the rest of the house. This type of "zone heating" could save some energy.

Even if you could pull this off, there are other things to consider. If you currently heat electrically, remember, a kilowatt hour is a kilowatt hour. There is no savings from going from one electric source to another. If you have a gas forced-air system, it depends on the cost of the fuel, the efficiency of the furnace and the effectiveness of the delivery system.

While it may be technically possible to cut your energy bill using a space heater, it is impractical for most people. We recommend a holistic or whole-house approach to saving energy in your home, and would be glad to help you explore

better options.

Another issue to consider when using a space heater to add warmth to a room is safety. According to the National Fire Prevention Association (NFPA), portable space heaters are the leading cause of home fires during the months of December, January and February, and account for an estimated 21,650 home fires and 1,512 fire-related injuries and deaths each year. If you intend to supplement your heat this winter with a portable space heater, please consider the following:

- When buying, look for a safety-certification label from an independent testing organization, such as the UL mark from Underwriters Laboratories, the ETL label from Intertek, or certification from CSA International.
- Check the power cord for cracks, fraying, loose connections and broken plugs; repair or replace the heater if you find any damage.
- Most manufacturers recommend against using extension cords with space heaters.
- Keep children, pets and flammable items at least three feet from the heater.
- Don't use heaters on uneven surfaces, near foot traffic or in children's rooms.
- Never leave a heater on unattended or while you're sleeping.

Portable space heaters have their place, and if used and maintained properly, they can be a great source of supplemental heat.



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