



VIGILANTE ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 

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VIGILANTE ELECTRIC COOPERATIVE, INC.

75TH *75 Years and Counting* ANNUAL MEETING OF MEMBERS

By Rod Siring, Member Services

On March 8, 2013, on the University of Montana – Western campus, 219 memberships were represented at our 75th annual meeting. Attendees were treated to spring like weather, a great meal and straight-forward information regarding their cooperative.

When writing a recap of the annual meeting, I don't usually spend time on the procedural or ceremonial aspects of the meeting. However, this year was a little unique. Trustee Norm Tebay sang the invocation, which was followed by the audience reciting the Pledge of Allegiance. Then one of the attendees started singing *God Bless America*, and the entire audience joined in. We are not sure who started this, but it was definitely a highlight of the meeting.

The meeting proceeded with the financial report by cooperative auditor Rick Matusiak, CPA, Summers McNea & Co. Attendees were provided with a report that compares the two most recent year's financial statistics. Rick provided a more detailed insight into the numbers on the page. Rick not only reported a \$1.5 million increase in revenue from 2011 to 2012, but

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CEO Dave Wheelihan, Montana Electric Cooperatives' Association



General Manager Rollie Miller, Vigilante Electric



General Manager Joe Lukas, Western MT G&T

75TH ANNUAL MEETING

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explained what factors contributed to the increase. The most notable were increases in 2012 revenue from irrigation accounts and non-energy revenues.

He went on to commend Vigilante Electric Cooperative for our ongoing investment in plant improvements, our long-term power supply contract with Bonneville Power Administration, and the stability and sound management of our organization. One statistic Rick always notes is member equity, which at the end of 2012 was 53 percent.

Next was the manager's report by Vigilante Electric's new General Manager Rollie Miller, who started his position in January. He began his comments by providing a brief biography of himself and introduced his wife to the audience. Then he spent some time discussing the history of our organization.

Rollie also talked about aspects he learned about Vigilante Electric that he found compelling. He complimented us for our low outage rates, citing a 99.96 percent service availability rate, which is remarkable considering the geography we serve. He noted our wholesale electric rate is the lowest in the state of Montana, and the second-lowest of the 813 systems in the United States surveyed by the Cooperative Finance Corporation. He discussed the collaboration with Rocky Mountain Supply to form a propane company, called Montana Energy Alliance, in 2001 and complimented Manager Gerry Goody on the great job he is doing.

Rollie concluded that he believes that Vigilante Electric has a great board of trustees and staff. He thoroughly loved the singing of the invocation by Trustee Norm Tebay, and thanked retired Manager Dave Alberi for leaving him an organization that was in excellent shape.

The next speaker was Dave Wheelihan, the chief executive officer of Montana Electric Cooperatives' Association (MECA). With this being a legislative year, Dave provided an update of issues in Helena that could affect the electric cooperatives in Montana.

MECA assisted on a bill that is sitting on the governor's desk for signing. Much of the bill came as a response to the bankruptcy of Southern Montana G&T, and ensures that members have access to information regarding their cooperative. Dave referred to the bill as transparency legislation. Much of what is in the bill are things most of the electric cooperatives already do.

Another issue that MECA is tracking are bills that relate to net metering. Net metering involves distributive generation being put onto utilities' distribution systems. It has been MECA's position that its members work together on this issue to ensure we are doing it right, and doing what is best for our membership.

Next on the agenda was trustee elections. There are nine trustees on the Vigilante Electric board, each serving a three-year term. The terms are staggered to ensure six experienced trustees at all times. This year, Norm Tebay, Dean Hanson and Andy Johnson were nominated by their respective districts. Each ran unopposed and had unanimous ballots cast by those in attendance.

The keynote address was given by Joe Lukas, general manager of Western Montana

G&T. Joe briefly discussed his role, and that of the G&T. One of the G&T's roles is to represent our interests on rate development with Bonneville Power Administration (BPA). For the current rate proceeding, BPA is looking at increasing its rates by 7 percent to meet revenue requirements.



With this far exceeding the current rate of inflation, Joe noted several issues that are contributing to the size of this increase. First is the lack of a coherent national energy policy. To illustrate, he used natural gas as an example. Natural gas prices affect our utility rates. Right now the prices are extremely low, and our current energy policy does not address expanding the use of this resource to properly serve our energy demands.

Joe also noted that during the fiscal cliff and sequestration discussions, one of the first things the federal government did was to renew the renewable energy tax credits for large-scale renewable energy development. Projects like this are not cost effective, and the only way developers are making money is through these tax credits. There is an interesting twist to this. Wind farm developers, who profit from these tax credits, are suing BPA in an attempt to force it to buy more wind energy from them.

Other issues include renewable portfolio standards that do not include existing hydroelectric generation, lack of support from the head of the Department of Energy for cost-based electricity and current benefit-based contracts that send large amounts

of power to Canada.

Joe also echoed a message delivered by last year's keynote speaker, Terry Flores of Northwest River Partners. There are environmental groups that are suing to reduce hydroelectric generation in the northwest. They want to increase flows over the spillways and, in some cases, remove the dams to help with salmon recovery. Over the last decade, BPA has spent approximately \$1.6 billion on this issue.

Joe concluded by reiterating that we need to demand a rational energy policy, correcting discrepancies, so that all fuels are more equitable. We also need to educate our government officials that hydroelectric power is renewable.

The final speaker of the afternoon was Larry Bryant. Larry is a representative for Touchstone Energy, an alliance of approximately 750 electric cooperatives nationwide. Touchstone Energy provides tools and resources that help cooperative members save money everyday.

There are four core values at the foundation of Touchstone Energy that make electric cooperatives unique. They are innovation, integrity, accountability and commitment to community. It is the cooperative difference, and it is demonstrated in many ways. The most fundamental is that electric cooperatives provide their services at cost.

We would like to thank the staff of the University of Montana – Western for the wonderful venue and the meal. We also would like to thank our guest speakers, the information they provided was outstanding. Finally, we would like to thank all of the members who attended this year's meeting, and taking time out of your schedule for this important function of your electric cooperative.

RESIDENTIAL REBATE PROGRAM

By Rod Siring, Member Services

Residential efficiencies offer great potential savings with the easiest, most cost-effective solutions. Last month we looked at how your home uses energy, places where efficiencies are lost and some of the no-cost/low-cost things you can do to improve efficiency. In this edition, we will look at programs we offer that provide incentives for residential energy efficiency. To keep the length of this article manageable, we will highlight a few programs each month.

There are a few things to keep in mind as we review these programs. They are designed to save electricity, so the focus is on existing homes with electric heat and electric storage water heaters. Incentives are used to encourage members to upgrade from standard efficiency products to higher efficiency products. These products may be more expensive, but the incentives help bridge that gap.

These programs are done in conjunction with our wholesale power supplier, Bonneville Power Administration (BPA). BPA designs the programs and determines the incentive amounts for qualifying projects. Only projects that meet and are installed to BPA's criteria will be offered an incentive. The best way to ensure qualification is to contact us first.

Duct Sealing

If you have an electric forced-air furnace and your ductwork resides outside the conditioned space, such as a crawl space, one of the most cost-effective things you can do to your home is to have

the ductwork inspected and sealed properly. Air losses due to leaky ductwork can add 20 to 40 percent to heating costs. It provides the single greatest increase in system efficiency that you can do to your heating system. The payback is quite short, and there are incentives available.

Electric Storage Water Heaters

Most people only replace their water heaters when their existing one goes bad. If this has happened to you, you know the last thing you're thinking about is energy efficiency; you are focused on getting another water heater. Being proactive about your water heater could save you money — and a lot of frustration — in the long run. If your water heater is more than 10 years old, it may be time for a new one.

It is estimated that 18 percent of your energy bill is for heating water. There are numerous factors that go into the amount of energy consumed by your water heater, but a big advantage of today's tanks is how they are insulated. Better insulation improves how well the tank retains heat, which reduces how often the unit cycles on to maintain water temperature. New electric water heaters usually have an energy factor (EF) sticker — the higher the number, the more efficient the water heater.

Vigilante Electric offers an incentive of \$1 per gallon on qualifying tanks. The requirements for this program vary depending on the size of the tank but, for example, a 50-gallon tank with an EF of .94 or better would be eligible for a \$50 incentive. Contact us for more details.

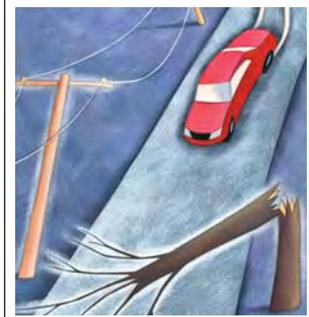
Prime Window Replacement

Windows serve many functions. They provide us a view to the outside, a source of light during the day and a source of ventilation. Unfortunately, windows can account for 10 percent - 25 percent of your energy bill by letting heat out. Plus, if you have ever built a home or have priced windows, you know an upgrade of this type is a big investment.

When shopping for windows, you will find an array of options and price ranges. One of the first things you should look for is the U-value. This is an indication of the rate of heat loss of the window assembly, the lower the U-value, the greater a window's resistance to heat flow, and the better its insulating properties. However, it should come as no surprise that the better the window, the higher the cost.

If your home has permanently installed electric heat with single-pane windows, or double-pane windows with metal frames, we have incentives available to help pay for upgrades. If you purchase windows with a U-value of .30 or less you may be eligible for an incentive of \$6 per square foot of glazing area of the windows replaced. This program requires a pre- and post-installation inspection to determine the type of the existing windows, and existing heating system.

These are a few of the programs we offer. In future editions we will inform you about other ways we can help. If you are considering any efficiency upgrade, contact us first. Also, be mindful that many of the energy efficiency upgrades you do also can have tax benefits. You should discuss this with an accountant.



Outage Notification Numbers

M-F 8 A.M. TO 5 P.M.

683-2327 or
(800) 221-8271

Dillon

AFTER HOURS

MON. - THURS.

Dan Snellman.....683-6222

Tim Myllymaki ...683-6369

Charles Wharton...660-1878

WEEKENDS

683-2327 or
(800) 221-8271

Whitehall

AFTER HOURS AND

WEEKENDS

Marty Simons.....287-3950

John Moos266-3605

Justin Bair266-3351

Townsend

AFTER HOURS AND

WEEKENDS

John Moos266-3605

Justin Bair266-3351

Marty Simons.....287-3950

VIGILANTE ELECTRIC COOPERATIVE, INC.

Co-op Connections Website

Getting Ready To Save — By Rod Siring, Member Services

For months now, we have communicated our participation in Touchstone Energy (TSE) and the benefits our membership in TSE will have for you. Lately, the topic has been about TSE's Co-op Connections program.

The Co-op Connections program is designed to help save you money on everyday expenses. Printing of the Co-op Connections cards will occur at the end of March, and they will be mailed to each member after April 15.

There will only be one card and two key fobs per membership.

While not entirely Internet based, the program is more user friendly with Internet access. The Co-op Connections program and what is available to you is located on the TSE website. There are two ways to access the Co-op Connections website; you can go to www.connections.coop, or you can access it through a link on our website, at www.vec.coop.

We have noticed that the Co-op Connections website is a little challenging, but if you follow these recommendations you will be up and running in no time.

The hardest part to fully utilize the website is creating online accounts, which you will have to do four times. This is due to different entities being involved with different aspects of the website.

When you get to the opening screen you will set up an account. This will require you to provide an email address and create a password. Please be sure to write these down. You will hit the "complete sign up" button and the screen will say "Success." This is not an indication that you are ready to use the site it merely means that you have successfully created the account.

If you read below the word "success," it will direct you to check your email for an activation message. From that email you will verify your account by clicking on a designated link. The next screen will tell you that your account is now active. Now go back to the homepage for Co-op Connections and log in. This is the end of step one.

On the header you will see titles *My Coop Deals*, *Healthy Savings*, *My VIP Savings* and *Coupons*. *My Coop Deals* will take you to a page where you can find the local and national discounts that are available. It will tell you what the deals are, and how to get them.

The *Healthy Savings* link is where you will find participating providers for the pharmacy, dental and vision programs. When you first enter this site you will need to set up an account. Click on the *Locate Providers* button, then

the *Login / Sign up* link, and fill in the new user information. Your member number will be on the back of your card and you can use the drop-down window to select your cooperative. Then finish filling out the fields and hit the *sign up* button.

My VIP Savings is basically an Internet mall that will give you access to more than 1,000 online retailers, including stores Wal-Mart, Target, Best Buy and Sears. Plus, there are opportunities for cash back on qualifying purchases. When logging into the site, follow the screen instructions, you will be asked for the group number on the back of your Co-op Connections card.

Finally, there is the *Coupon* link, and this is exactly like it sounds. Co-op Connections has teamed with Coupon.com to bring you valuable coupons every day. There are hundreds of printable grocery coupons good at more than 160 supermarket chains, and more than 30,000 stores. There are discounts on top brands such as Johnson & Johnson, General Mills, Kimberly-Clark, Kraft Foods and Clorox.

The signup for this service is pretty basic, but there is one thing you will need to do to fully utilize the feature. The first time you select coupons to print, you will be prompted to download an app. This app assists in the printing process.

It will take some time to get setup to fully utilize the Co-op Connections website. Be patient and follow the on-screen guidance. We recommend you use the same email address and password for all the different features on this site.



Vigilante Electric Scholarship Opportunities

By Rod Siring,
Member Services

Vigilante Electric Cooperative has a long standing commitment to education. Over the years we have participated in area schools in a variety of ways. One of our annual commitments to education is scholarships for post secondary education. In 2013 Vigilante Electric Cooperative is offering two scholarship opportunities for young people wishing to further their education.

The Vigilante Electric Cooperative Leadership Award is a scholarship opportunity for students that not only excel in the classroom but in their communities. This year we will provide two \$750 scholarships to individuals planning to attend a vocational or trade school.

The second opportunity is our Electric Lineworkers Scholarship. Studies indicate that there could be a serious shortage of qualified workers in this field. This

trade offers excellent pay, great benefits and opportunities worldwide. This year Vigilante Electric will offer two \$750 scholarships to individuals who are interested in attending one of the regional line schools.

To qualify for either scholarship the applicant must be a member or a dependent of a member of Vigilante Electric Cooperative. The student must fill out an application, write a brief narrative and provide a recent educational transcript. The topic for the narrative is "Why you choose your field of study."

When applying for the lineworker's scholarship you must provide enrollment information for the school that you will be attending. Applications are due to our office by May 3, 2013. Information on these scholarships will be available at area high schools, on our website at www.vec.coop or by contacting Rod Siring at our Dillon office at (800) 221-8271 or 683-2327.

