

LPEA Currents

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Tom Compton, director – District 2
Bob Formwalt, director – District 1
Harry Goff, director – District 3
Bobby Lieb, director – District 3
Davin Montoya, director – District 2

Mission Statement
La Plata Electric Association provides its members safe, reliable electricity at the lowest reasonable cost while being environmentally responsible.



CREA Looks Out for LPEA's Interest at the State Level

BY TOM COMPTON, LPEA BOARD OF DIRECTORS, FORMER CREA PRESIDENT

The 2010 Colorado Legislative session has come to an end. Each year, a diverse group of 100 elected state representatives and senators convene in early January and spend the subsequent 120 days debating and



Tom Compton

voting on legislation that impacts the residents of this state. LPEA, through its membership in the Colorado Rural Electric Association, does its part to influence legislation and implement it once passed. CREA was established in 1945 to enhance and advance the interests of its member electric cooperatives.

CREA represents the interests of LPEA and other member electric cooperatives at the state capital. The CREA government relations team supports, opposes or seeks to amend legislation at the direction of the board of directors, which is made up of one representative from each member electric cooperative. Strength and service exist when co-ops work together. This is the best way to describe CREA. CREA neither generates nor distributes power, but it represents and serves the people who do, as well as nearly three-quarters of a million electric consumers in Colorado.

Every year there is a variety of legislation that directly or indirectly effects the operations of your electric cooperative. This year was no different. Following are just a few examples of the CREA government relations team hard at work, protecting LPEA.

HB 10-1098 concerning electric cooperative governance was specific to our business. This bill amended laws governing cooperative elections that had been on the books since 1983. CREA worked with the bill

sponsors and stakeholders to improve transparency in cooperative elections and update old language regarding mail-in ballots. The legislation won't dramatically affect LPEA's procedures, as most requirements were already standard with our elections, but we are pleased to have the old language regarding mail-in ballots updated in an effort to save time and money.

HB 10-1190 proposed suspending the current exemption from state sales tax for the purchases of electricity and other fuel sources for several processes including manufacturing, mining, refining, irrigations and construction. The bill was conservatively estimated as a way of generating an additional \$56 million in revenue for the state in fiscal

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year 2010/2011. This effort by CREA's government relations team alone has been estimated to save ranchers and farmers, especially irrigators, several thousands of dollars in increased expenses. CREA continues to work with the Department of Revenue during the rule making period and will be involved while changes are implemented.

HB 10-1349 covered renewable energy for state parks. As introduced, this bill allowed a generation facility on state parks land to transmit energy to other state parks and other state facilities using cooperative lines without compensation or regard for certificated territory. This is known as retail wheeling. The impact of this could have been a loss of revenue to cooperatives and increased costs [continued on page 10]

LPEA's College Scholarship Recipients Named

Academic achievements of five area high school seniors recognized

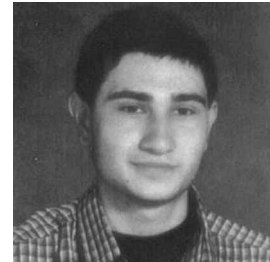
Recipients of the 2010-2011 La Plata Electric, John Voelker Memorial, Basin Electric Power Cooperative and the Tri-State Generation and Transmission scholarships have been announced by La Plata Electric Association.

Christina Spriggs, a 2010 graduate from Grace Preparatory Academy, has been awarded the 26th Annual LPEA College Scholarship, a four-year scholarship (up to \$5,000 annually) to any college or university. The daughter of Steve and Catherine Spriggs of Durango, Spriggs earned a cumulative 4.0 GPA. She will attend Colorado State University in Fort Collins pursuing a degree in engineering with a goal to eventually serve with Engineers Without Borders.



Christina Spriggs

Eric Salvo, a 2010 graduate of Ignacio High School with a cumulative 3.839 GPA and the son of Robert and Marisa Salvo of Ignacio, has been awarded LPEA's John Voelker Memorial Scholarship for vocational, technical school or junior college. Salvo will attend Southwest Colorado Community College and study fire science technology and welding. Salvo is the 10th recipient of LPEA's John Voelker Memorial Scholarship, named after LPEA board member John Voelker, who was instrumental in creating the scholarship that awards up to \$3,000 per year to students planning to attend a vocational, technical school or junior college. Voelker perished in the Egyptian Air plane crash in October of 1999.



Eric Salvo

Taylor Cunningham, a 2010 graduate of Pagosa Springs High School and daughter of Leon and Cindy Cunningham, was awarded the \$1,000 Basin Electric Power Cooperative Scholarship. Graduating with a cumulative 3.719 GPA, she will attend Fort Lewis College in the fall where she plans to major in psychology, and minor in Spanish and childhood education. Her ultimate goal is to attend medical school and practice pediatric medicine.



Taylor Cunningham

Jordan Davey and **Jesse Ellison** each won \$500 scholarships from Tri-State Generation and Transmission. Davey is 2010 graduate of Pagosa Springs High School with a cumulative 3.825 GPA. He is the son of Tom and Julie Davey of Pagosa Springs, and plans to attend Western State College of Colorado and pursue the double major of communications and accounting. Ellison, a 2010 graduate of Bayfield High School, is the son of Carl Ellison and Cindy Cox of Bayfield. He plans to pursue aerospace engineering at the University of Colorado-Boulder.



Jordan Davey

"We had a tremendous response to our call for applications," says Jeannie Bennett, coordinator of LPEA's scholarship process. "All the scholarship recipients this year are great students with exciting potential. At LPEA we are proud to be able to offer these educational opportunities to help build for the future."

Scholarships are awarded annually, selected by a volunteer committee representing communities within LPEA's service territory — Durango, Bayfield, Ignacio and Pagosa Springs. For further information or questions regarding future scholarship opportunities, contact Bennett at 970-382-3505 or jbennett@lpea.coop.



Jesse Ellison

SAVE THE DATES

Safety Expo – Centerpoint Church, Pagosa Springs

June 12 – free to the public

La Plata Electric Golf Tournament – Pagosa Springs Golf Course

June 19 (registration deadline June 9)



LPEA Board President Terry Alley addresses the assembly at the 2010 Annual Meeting held at Fort Lewis College.

LPEA MEMBER-OWNERS LEARN “WATT’S UP” AT ANNUAL MEETING

It was a sunny spring day in Durango, but more than 300 assembled at Fort Lewis College for LPEA’s 2010 Annual Meeting. With 212 official member-owners registered, a quorum was met.

Board President Terry Alley presided over the assembly, with speakers including LPEA CEO Greg Munro, LPEA counsel Barry Spear, CREA Executive Director Kent Singer and Tri-State Generation and Transmission Executive Vice President and General Manager Ken Anderson.

“This next year will be a busy and an exciting one,” said Alley as he and Munro reviewed the accomplishments of 2009, including the LPEA staff’s diligence at keeping expenses down, which, in tandem with Tri-State’s decision to not raise wholesale rates, resulted in no rate increase to members in 2010.

Tri-State is LPEA’s primary supplier of wholesale power, and Anderson took the opportunity to remind members of the generation company’s bigger picture view.

“Our success is measured not on its profit, but its value that it creates for the membership,” said Anderson, noting that Tri-State is also a cooperative, with 44 members (bosses), including LPEA. “We want to manage risk and solve problems for our members going on into the future.”

To that end, Tri-State remains focused on diversity to ensure that power can and will be delivered across the intermountain west. Coal and natural gas must remain in the

current portfolio, with future nuclear generation not off the table. Renewables have a key role as well, and Anderson reminded that the 30 mega-watt solar farm in New Mexico will begin its phase-in October 2010. Tri-State has also secured a 51 megawatt wind contract in eastern Colorado — the largest single renewable project in its portfolio. Local renewable projects also are contributing to Tri-State’s mix to diversify and help LPEA keep the lights on.

When it comes to reliability, in 2009, LPEA enjoyed a solid year of service, due to both the cooperative’s conscientious



LPEA Systems Engineer Dan Harms (right) discusses renewable energy options with LPEA Board Member Jeff Berman.

maintenance program, as well as new efficiencies in outage management. Going forward, new technologies are on tap to be implemented to further enhance LPEA’s solid service record.

Awards were presented during the annual meeting to board members hitting milestone years including 20-year kudos to Davin Montoya, 10-year thanks to Bob Formwalt, Pam Patton and Jerry McCaw, and five-year service acknowledgement to Jeff Berman.

LPEA Members Re-elect Directors

Incumbent board members Terry Alley and Harry Goff were re-elected by La Plata Electric Association member-owners to fill director seats for Districts 1 and 3, respectively. Votes were tallied during the 2010 Annual Meeting, held Saturday, May 8, 2010.

In District 1, incumbent Terry Alley faced challenger J.B. Smith. Alley received 1,282 votes, with Smith garnering 295. District 1 covers Archuleta County, with nearly 7,400 eligible residential and commercial voters.

In District 3, incumbent Harry Goff received 882 votes, with challenger Harold (Harry) Riegle receiving 620. District 3 is essentially the city of Durango and includes more than 7,100 eligible voters.

In accordance with LPEA’s bylaws, annually one seat in each of La Plata Electric’s four districts comes up for election. Elections in Districts 2 and 4 were officially cancelled by board action on April 21, as incumbent board members Tom Compton (District 2) and Pam Patton (District 4), had no challengers. Pursuant to Article III, Section 5 of the bylaws, Compton and Patton have been reappointed to their seats for the next three years.

Ballots were prepared in accordance with requirements of the La Plata County Clerk, and the county’s electronic voting equipment was used by an independent teller committee to count the ballots.

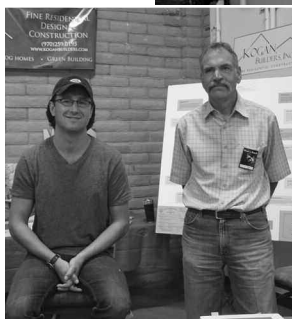
Kogan Builders of Durango

INTEGRATING ETS, MARATHON AND TIME-OF-USE FOR ENERGY SAVINGS

The award-winning Kogan Builders of Durango is gaining a reputation for cutting-edge, energy efficient, design-build projects throughout La Plata County, and the principals have seized on LPEA's Electric Thermal Storage (ETS) heating and Marathon water heaters, coupled with the time-of-use program, as part of a successful package.

"I got exposed to ETS units at an open house, and I thought it was a neat idea," says Bruce Daniel, Kogan Senior Project Manager. "We put one in our first house and that client has been totally satisfied. It's a hydronic heat system and has an ETS boiler and tie-in with the Marathon water heater and time-of-use. Since then interest has really blossomed."

The ETS heating system, whether a small room unit or a full, whole house forced air or hydronic radiant heat unit, stores heat generated during lower cost, off-peak electricity periods in specially designed bricks for



Owner Alix Kogan and Project Manager Bruce Daniel

ETS owners: During the warm summer months, turn your ETS unit off at the breaker box. It not only saves electricity, it protects your unit from damage during summer electrical storms.

release later, on demand. According to Daniel, no Kogan ETS client has needed to over-ride the system (to generate heat in higher rate periods), even

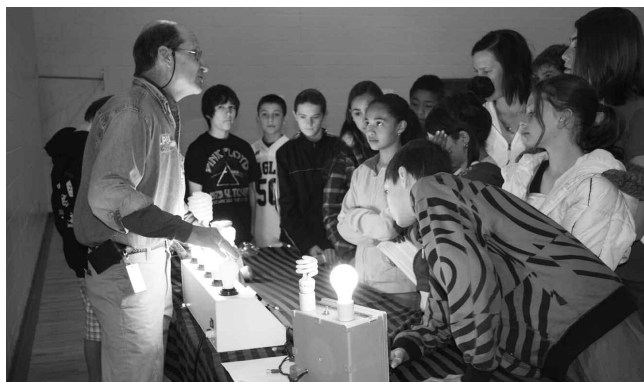
through the recent exceedingly cold winters.

"I've got one client currently doing a study on the efficiency of the ETS system compared to his neighbor, who's on a propane-powered boiler," says Daniel, who along with LPEA is interested in the results. "He's said that so far he's gotten every penny out of this (ETS)."

Daniel concedes that the up-front cost for installation is slightly more expensive than conventional space heaters and water heaters, but the rebates offered by LPEA plus the on-going energy and dollar savings through the TOU program makes the initial investment in a new home or remodel more than worthwhile.

"You tie the ETS in with the time-of-use rates and the Marathon (water heater), it's pretty phenomenal," says Daniel. "There's not a lot of maintenance. When it's in, it's in, and that propane truck doesn't pull up to the house and leave you with an incredible bill every month. My clients who have ETS are pretty excited."

To learn more about ETS and Marathon water heaters, contact LPEA Energy Management Specialists Suzy Bynum (Durango) 970-382-3506, or Debbie Bass (Pagosa Springs) 970-382-7722. For further information and to view a gallery of Kogan Builders homes, visit www.koganbuilders.com.



Ray Pierotti, project specialist, explains the energy efficiency and differences of CFL bulbs.

DURANGO'S MIDDLE SCHOOL STUDENTS "ILLUMINATED"

Some 800-1000 students at Escalante and Miller middle schools learned about energy efficiency, conservation, renewable energy and more as part of LPEA's participation in Earth Day and Energy Day celebrations at the schools.

LPEA energy management and engineering staff members offered a range of informational discussions and displays. A big hit was the Solar Roller bicycle, which allows the rider to generate electricity and turn on the lights by pedaling.

Escalante students enjoyed an extra bonus as LPEA's linemen Ryan Peacock, Bobby Turner and Archie Manning offered an arc demonstration, which dramatically illustrated the power of electricity. Students were instructed in safety and life-saving procedures should they ever encounter a live wire.

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[continued from page 7] to member-owners in order to subsidize renewable energy for the state parks. CREA worked with the sponsors and stakeholders to amend the bill to protect cooperative service territory and our member-owners.

It is important to remember that CREA is constantly working to educate urban legislators about rural Colorado. To help influence legislation, it is imperative for all of us here in Southwest Colorado to build relationships with our locally-elected officials and be a voice in our community. Relationships go a long, long way.