

ENERGY WISE

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER



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SEPTEMBER
2015



CONTACT INFORMATION

Nucla
170 W. 10th Ave.
P.O. Box 817
Nucla, CO 81424
(970) 864-7311
M - TH, 7:00 a.m. - 5:30 p.m.
Toll Free: 1-877-864-7311

Ridgway
720 N. Railroad St.
P.O. Box 1150
Ridgway, CO 81432
(970) 626-5549
T - F, 7:00 a.m. - 5:30 p.m.
Toll Free: 1-800-864-7256

www.smpa.com
www.facebook.com/SanMiguelPower

In the event of a power outage, contact your local SMPA office. If it is after hours, you will be able to automatically transfer to our 24-hour dispatch.

QUESTIONS OR COMMENTS

Send your questions or suggestions for the editors of EnergyWise to:
energywise@smpa.com
(970) 626-5549 x212

SAFETY TIP

When the fall harvest gets into full swing around the farm, electrical safety can get overlooked. Take time to find and fix faulty cords, equipment, electrical panels, and electrical devices. Correcting them now will provide for a safe and trouble-free harvest.

NOTABLES: Rising Electric Rates: a Changing Industry and You



Kevin Ritter
SMPA General Manager

A message from your General Manager, Kevin Ritter

It's no secret that inflation affects almost every aspect of our lives. For example, over the past 10 years, gasoline has shot up 10.9 percent on average every single year, according to the U.S. Bureau of Labor Statistics. A loaf of white bread has increased 4.2 percent annually, and a dozen eggs has increased 6.5 percent per year. In comparison, electricity has increased just 3.7 percent a year nationally for the past decade. It's easy to overlook how comparatively cheap electricity actually is—especially when electric rates do go up.

At San Miguel Power Association (SMPA), we have a special responsibility to keep our eye on the industry and the pressures affecting it. We do this in order to predict when wholesale rates will rise and to help mitigate the necessary cost increases to you, the members of SMPA. With that in mind, it is imperative that I report to you the potential of rate increases coming our way.

A couple years ago our wholesale power provider, Tri-State Generation and Transmission (Tri-State) made adjustments to the rate structure it uses to charge us (SMPA) for the power we distribute to you. Historically, Tri-State calculated approximately half of our bill based on the amount of energy we used (Energy), and the other half on the amount of infrastructure necessary to give us that power (Demand). The change shifted to a bill that reflected the total energy use with no Demand charge. Next year, Tri-State will shift back to a bill that again balances both aspects of power generation and transmission.

Our calculations show that this rate structure change, alone, will not result in an overall cost increase to us. In fact, it might result in a very slight decrease if the rate remains stable, but it will not. Tri-State is facing a number of rate and cost pressures, from rising maintenance costs to increased regulatory demands. In order to stay solvent, they must increase their rates. They feel they can hold the line in 2016 with no increase, but there will likely be substantial increases in 2017 and 2018.

Whenever wholesale rates increase, SMPA looks at its ability to buffer the effect on you, our member-owners. Approximately 52% of SMPA's expenses go directly toward the purchase of electricity. Another 13% of expenses are fixed. There's another 31% of costs that are somewhat controllable, but only if we reduce services or programs to you, the membership. That only leaves about 4% of costs that are truly controllable. Even so, I guarantee that SMPA will not pass along a rate increase without first checking our internal operations to see if we can mitigate it in any way. That is always a significant challenge to our Board, to balance the need for rate increases against continuing to provide services and programs for our members.

INDUSTRY cont. on page 2

WE WANT TO HEAR FROM YOU...

San Miguel Power Association belongs to you and your fellow member-owners. Help us to continue providing the high quality service you have come to expect by taking a few seconds to fill out this form and enclose it with your bill, or mail to: SMPA Communications, P.O. Box 1150, Ridgway, CO 81432.



Directions: Please rate your satisfaction with San Miguel Power Association on each of the following:

	Not Satisfied					Highly Satisfied					
	1	2	3	4	5		1	2	3	4	5
• Customer Service	1	2	3	4	5	• Restores Power Quickly	1	2	3	4	5
• Community Support & Involvement	1	2	3	4	5	• Valuable Programs & Services	1	2	3	4	5
• Has a Minimum of Outages	1	2	3	4	5	• Supports Efficiency & Renewables	1	2	3	4	5

Continue →

HUNT SAFELY NEAR POWER EQUIPMENT

During hunting season, SMPA right-of-way corridors are popular because they offer mobility and open spaces for wild game. Please remember that shooting near electric lines and power equipment can be extremely dangerous. Please use caution and good judgement.



WELCOME ABOARD!

San Miguel Power would like to welcome its newest employee. Paul Hora comes to us from Southern Pines, North Carolina. He's

been in the energy industry for nearly 15 years. As the Key Accounts Executive, Paul will be helping with sustainability and energy efficiency while fostering member satisfaction. Welcome aboard, Paul!

ROAD CLOSURES

US 550, south of Ouray will be closed weekdays, Sept. 8 through October 8 from 8:30 am - noon & 1 - 5 pm. Learn more at <https://www.codot.gov/projects/us550redmtypass>

WATCH OUT!

If you receive a call from someone claiming to be on their way to shut off your power due to non-payment of your bill, hang up and call (970) 864-7311 to verify your account status.



Industry ...continued from pg. 1

Of course, we at SMPA are watching the industry very closely, but the ultimate effect of a rate adjustment may be quite reasonable. In today's world, you won't find many items that cost less than \$5. You can purchase a gallon of milk, a gallon of gas or a Big Mac® meal from McDonald's. But, an average full day's worth of electricity costs nearly a full dollar less than any of these items. When you consider how vital electricity is to our modern lifestyle, it's still an amazing value.

Do you have the desire to discuss rates or any other issue relating to your electric cooperative? The SMPA senior staff, board and I would like to meet with you. We're holding get-togethers in towns all over the service territory that we're calling "Coffee with Your Co-op." (See ad below.) We'd like to hear your concerns or questions, and we'll even buy the coffee and pastries. Come see us in person. We're listening.

ENERGIZING OUR COMMUNITIES!



R to L: Paul Major - Telluride Foundation; Debbie Cokes & Dave Alexander - SMPA Board; Mike Geryak - Blair Street Historic District Association; Jack Sibold, Terry Rhoades, Bob Justis, Rube Felicelli, Doyleene Garvey - SMPA Board; Dianna Reams - West End Economic Development Corporation; & Sara Plumhoff - Montrose Community Foundation

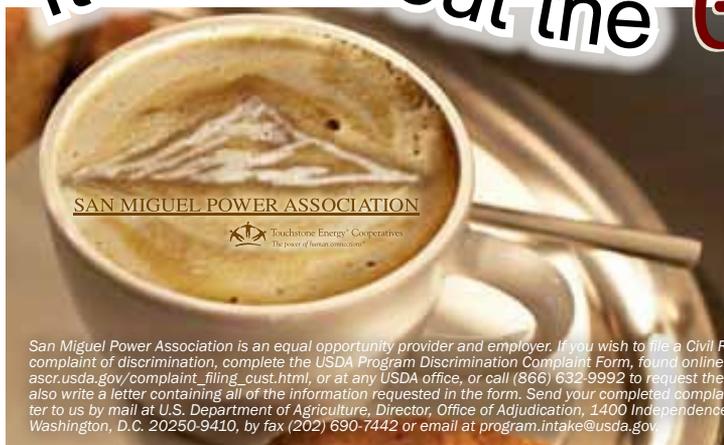
In partnership with CoBank & the Montrose Community Foundation, San Miguel Power was proud to grant \$5,000 to the Town of Silverton, for a new band shell in Columbine Park, \$5,000 to the Telluride Foundation for its Paradox Basin Community Development Initiative and \$10,000 to the West End Economic Development Corporation for a community kitchen in Naturita. CoBank's matching funds come through their "Sharing Success" program and are enthusiastically welcomed by these community advocates.

It's all about the Bean!

If you like coffee, you might want to check out these two upcoming events:



- ☪ **Member Appreciation Days**
October 6 - 8, 7 am - 5:30 pm at the Nucla and Ridgway SMPA Offices. We celebrate you, the membership!
- ☪ **Coffee with Your Co-op**
Check www.facebook.com/SanMiguelPower for dates, times and places. Come and let us know what's on your mind. We're listening.



San Miguel Power Association is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

San Miguel Power Association Member Feedback (continued)

Directions: In a few words, please answer the following questions.

- What would you say are some of San Miguel Power's strengths? _____
- In what areas could San Miguel Power improve its service? _____
- What recommendations do you have for San Miguel Power? _____

Thank You.