

ENERGY WISE

YOUR SAN MIGUEL POWER MEMBER NEWSLETTER

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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:
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SAFETY TIPS

Safe Driving through Work Zones:

- Slow down & always follow posted work zone speed limits.
- Pay attention. Workers & heavy equipment may be only feet from traffic.
- Plan ahead. Leave a few minutes early when going through a work zone.

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.

NOTABLES: Wholesale Rates Prompt Review of SMPA Access Charge

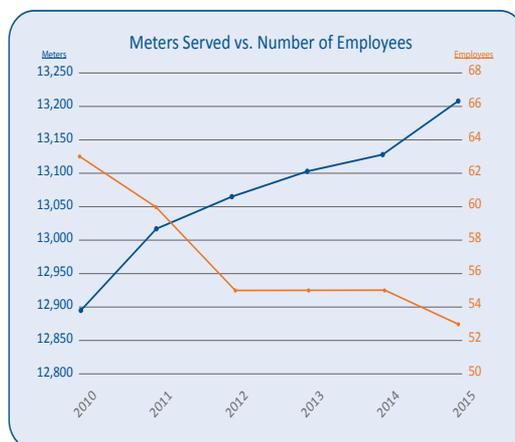
It is easy to take for granted our ready access to affordable, reliable electricity which enables so many of the modern systems we rely upon. Surprisingly, the cost of electricity has risen relatively slowly. For example, since 1936, the average cost of a loaf of bread has increased by about 1.5¢ per year. The cost of a kilowatt hour of the electricity needed to bake that bread has risen by only about 1¢ per decade!

While electricity remains an exceptional value in today's modern life, the upward pressure on electric rates is still real – especially in recent years. Recently, Tri-State Generation and Transmission (Tri-State), the wholesale power cooperative that provides electricity to your local electric utility, San Miguel Power Association (SMPA), announced an increase in its rates.

The increase is in response to the rising costs of the materials and services needed to generate and transmit energy across vast distances. Also, generation and transmission companies across the nation have seen substantial cost increases due to both state and federal regulatory compliance.

occurs, the SMPA Board of directors must decide how to cover the cost. SMPA is a not-for-profit enterprise and one of its primary purposes is to keep electricity affordable for its members. Because of this, the SMPA board always looks for ways to absorb wholesale rate increases before passing on the cost to the members.

One of the ways to absorb costs is to do more with less. Throughout our history, SMPA has been leveraging technology and training to serve a growing membership with relatively few employees.



Another way to keep members' bills lower is to help them use electricity more efficiently. From rebate offers, to energy audits for schools and businesses to an innovative program that helps our towns switch to all LED streetlights, SMPA constantly looks for ways to help members save money.

Even with cost-saving measures in place, there comes a time when the Board of Directors must consider passing through an increase in order to keep the company solvent in the current economic landscape. One of the considerations is how such an increase would manifest on the SMPA bill. Rate-making is a very involved science and



New Regulatory Requirements



Efficiency & Renewable Compliance



Aging Generation & Transmission Assets

Naturally, the increase in Tri-State's rates will impact SMPA. Wholesale power accounts for over 60% of SMPA's monthly expenses, so when an increase



RATES ...continued from pg. 1

the Board seeks expert help when deciding how to make a change. The Board is currently reviewing the recommendations of a recent cost-of-service study.

The study focused on the two components of the utility bill: 1) the energy rate and 2) the access charge. The energy rate is the cost per kilowatt hour (kWh) that members pay for the electricity they use. The access charge covers SMPA's fixed costs of providing electrical service, such as the overall cost of owning, operating and maintaining the electric distribution system, along with metering, bill processing, taxes, insurance, etc.

The analysis highlighted the fact that the current access fee is insufficient to cover SMPA's fixed costs. The Board also noted that, compared to other neighboring co-ops, SMPA's access charge is currently well below average. For these reasons, the SMPA Board is considering raising the access charge in order to bring the bill back into balance and ensure that all members pay their fair share of the fixed costs.

Like all cooperatives, SMPA is governed by the principle of democratic member control. Directors of SMPA's Board are elected by you, the members, in order to represent your interests. When difficult decisions need

Residential Grid Access Charges of Western Slope Cooperatives

* Empire Electric	\$30.73
Grand Valley Electric	\$30.00
* Gunnison County Electric	\$28.00
* Delta-Montrose Electric	\$25.00
* La Plata Electric	\$21.50
* San Miguel Power Assn.	\$16.00

** These co-ops are all members of Tri-State as well, and are facing the same wholesale rate increase. They may also consider adjusting their rates or fees to compensate.*

to be made, the cooperative way is to be as transparent as possible. To that end, the Board is hosting three public meetings to provide information and answer questions from the membership. All SMPA members are invited. The meetings will be held at 6 pm on October 17th at Wilkinson Library in Telluride, October 18th at the Ouray School in Ouray and on October 19th at the Naturita Public Library in Naturita. Light refreshments will be available, and SMPA Board and staff representatives will be on hand to address whatever questions attendees may have.

A Bright Idea for Schools

SMPA Helps Bring Full Spectrum Light to Classrooms

San Miguel Power Association has presented a \$2000 grant to the Ridgway Schools to support the installation of energy-saving LED lights.

The school district will combine the funds with a grant from the Ridgway-Ouray Community Council (ROCC) to replace almost 2,900 fluorescent bulbs. School administrators anticipate the switch to LEDs will save the district more than \$12,000 annually.

The full-spectrum lights may also improve student performance and health, according to some studies.

Sharing Success

San Miguel Power Association Inc., in conjunction with its national cooperative partner, CoBank, is again looking for ways to stimulate and enhance our local economies. To this end, SMPA will be awarding matching grants to selected applicants.

Member organizations and businesses may receive up to \$10,000 in \$1,000 increments in dollar-for-dollar matching funds depending on the costs of their initiatives. Initiatives may vary in size and scope but should aim to benefit the entire business community of a region.

Interested parties should learn more and complete the application available at:

www.smpa.com → Community Programs → Sharing Success

Qualifying projects should:

- Stimulate job creation in our area
- Promote economic growth
- Create/improve local commerce
- Maintain/strengthen existing businesses
- Enhance regional prosperity
- Offer sustainable progress; set the stage for economic development in the long run
- Build collaboration
- Show of our communities attributes
- Demonstrate ability to leverage funds

Grants. The application deadline is October 31, 2016. Please mail or drop off your applications to a San Miguel Power Office in either in Nucla or Ridgway or mail to San Miguel Power C/O Paul Hora, PO Box 1150, Ridgway, CO 81432.