

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 TIP

It's almost time for the kids to go back to school...

- Have them practice looking both ways before stepping into the street, and using the crosswalk.
- Teach kids what different road signs mean, such as a stop sign.
- Remind children about the importance of biking with a helmet and reflective light.

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: SMPA Pays Over \$1 Million in Member Dividends back to Members

At its June meeting, the San Miguel Power Association (SMPA) Board of Directors elected to return member dividends, also called capital credits to the membership in the amount of \$1 million. An additional \$214,000 from SMPA's wholesale power provider, Tri-State Generation and Transmission, will be distributed as well.

Electric co-ops like Tri-State and SMPA operate at cost—collecting enough revenue to run and expand the business but with no need to raise rates to generate profits for shareholders. When the co-op has money left over, it's allocated back to you and other members.

"This is one of the practices that sets cooperative utilities apart from their for-profit counterparts," said SMPA board president, Rube Felicelli. "It demonstrates that this is truly a member-owned business."

One of the duties of the Board of Directors is to gauge the cooperative's financial position, and to determine the best time to pay back member dividends. Based upon SMPA's current financial and cash position, the Board has determined that the time is now.

If you are due \$10 or more in member dividends, you will receive a check this month. Questions? Call 970-626-5549 or visit www.smpa.com.

How Do Member Dividends Work?

Because electric co-ops operate at cost, any excess revenues, called margins, are returned to members in the form of member dividends or "capital credits."

5 Your co-op notifies you of how and when you'll receive your member dividends.

1 Your co-op tracks how much electricity you buy and how much money you pay for it throughout the year.

4

When the co-op's financial condition permits, your board of directors/trustees decides to payout the member dividends.

3

Your co-op allocates the margins to members as member dividends based on their use of electricity during the year.

2

At the end of the year, your co-op completes financial matters and determines whether there are excess revenues, called margins.

Electric co-ops have retired **\$12 billion** to members since 1988.

Source: National Rural Utilities Cooperative Finance Corporation, Updated April 2015



What is an Access Charge?

How Co-ops Charge for service and Where the Money Goes

member account regardless of the amount electricity consumed. Think of it as your minimum cost to access and draw power from our distribution system.

Cooperatives across the state and, indeed, across the nation, bill their members in a similar fashion in order to recoup the costs of those fixed expenses, but not all cooperatives bill the same amount.

In our region, SMPA's access charge is, by far, the lowest. (see chart) In order to better balance the elements of service with the price of service and to prevent certain rate classes from subsidizing other classes, the SMPA board periodically commissions a cost of service study, which makes recommendations on how much to charge in each billing component.

Based upon recommendations from the most recent study, the Board is considering an adjustment to this standard access charge.

If you've ever looked at your power bill in detail, you may have noticed that the monthly total is actually the sum of two subtotals: the energy charge, which accounts for how much energy your building(s) used, and an "access charge."

The access charge is a fixed monthly fee that appears on all of our members' bills. It is intended to cover 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, property taxes, insurance, etc. It is charged to each

Residential Grid Access Charges - 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

For up-to-date info. on all these topics, like us on Facebook.



SMPA Recognized for Safety Record



CREA Director of Safety Training, Randy Westberg presents SMPA's RESAP Certificate to SMPA CEO, Brad Zaporski.

Congratulations to all SMPA crews and employees for earning the National Rural Electric Cooperative Association's Rural Electric Safety Achievement Program (RESAP) Certification. The certificate shows that SMPA embraces safety as a core value and that the board and employees take ownership of the systems that create a safe working environment.

UPDATE

SMPA Reliability Projects

Progress Report on the Mission to Improve Service Reliability

The mission to improve SMPA system reliability is in full swing.

The West End Reliability project is now complete. The Nucla substation has a new transformer, as well as new circuit breakers and relays on the Uravan and Monogram lines. This updated technology will isolate the faulted portion of the system and maintain service to the unaffected areas.

SMPA engineering is also pushing forward the Telluride / Mt. Village Reliability project. The importance of this project was underscored over President's Day Weekend this year, when a large rock took out the only power line into Telluride and sections of Mountain Village. This resulted in a 22-hour power outage. The proposed backup line would reduce that time to about ten minutes.

One of the challenges of this project is to bring power across the San Miguel River. SMPA just received a permit to attempt to bore under the

river. This solution would keep the skyline clear of power lines, but it will be an operational challenge. Workers must avoid rocks and collapse as they bore under a river that's running at full capacity.

The goal is for the entire project to be completed by the winter of 2017-2018. It will allow the Sunshine substation transformer & Telluride substation transformer to back each other up which will also help protect Ophir, Rico, Sawpit & Placerville.

The four-year construction work plan that SMPA is developing also includes other upgrades and power feed reinforcements. Among these are a restored or replaced backup feed to Ridgway and Ouray and another feed directly into Mountain Village out of the Sunshine substation.

Altogether, these projects will help SMPA keep the lights on in challenging circumstances.

Student Makes Friends, Memories on D.C. Youth Tour



SMPA Manager of HR & Administration, Carla Reams and Youth Tour Essay Contest Winner, Emma Gould at Mount Vernon, in Virginia.

The NRECA Rural Electric Youth Tour offers students an in-depth exposure into the electric cooperative network while exploring our nation's capital. This year, SMPA selected Emma Gould of Ridgway to take the tour. Congratulations, Emma. We hope you learned a lot!