




VIGILANTE ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 

P.O. Box 1049, Dillon, MT 59725-1049
 (406) 683-2327 or (800) 221-8271
 Web site: www.vec.coop
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VIGILANTE ELECTRIC COOPERATIVE, INC.

A Message from Your General Manager

Meter and Rate Update

Automated Meter Infrastructure (AMI)

As of the last couple of months, we have embarked on a multi-million dollar upgrade of our electric metering equipment. I am very happy to report that we have begun the process of utilizing the new equipment for the Jones and Divide Substation areas. The equipment and software processes worked without significant problems in those two areas for the first monthly billing process. We are currently replacing the meters in the Dillon area, followed by Whitehall and Townsend. The technology for communication with the meters is virtually identical to the old metering system, except that with the new meters we will have access to the metering data almost instantaneously from the office. This new technology will allow for a more efficient outage response, along with a much more efficient troubleshooting process during outages. We are using state-of-the-art electronic meters for all installations, and will need to replace every meter on the system. We apologize for the inconvenience caused by these meter replacements as each replacement causes a short outage, but the finished product will be very cost-effective.

Wholesale Power Rates

As you may know, we get our wholesale power from the Bonneville Power Administration (BPA) through what is called tiered rates. Currently we are below the Tier II threshold, and purchase all of our power at the Tier I rate. Every two years BPA goes through a rate period. Our current wholesale rates will remain as is until the expiration of the current rate period on September 30, 2015. BPA has started the next rate period discussions and preliminary indications are that our wholesale rate will increase by approximately 10-12 percent on October 1, 2015. This is a very signif-

icant increase, and we are doing everything we can to mitigate the effects of such a large increase. Also for the upcoming rate period, we are being informed that we will be over the Tier II threshold for the 2016 billing year and will be forced into purchasing some Tier II power for that year. Incrementally, the Tier II power is not that much more expensive than Tier I, but nonetheless, we are being hit from various sides on the wholesale power, and it is taking a very large part of our time to beat these wholesale increases down. Having stated all of the above, we have some of the lowest wholesale electric rates in the entire country and will do whatever we can to continue to keep them where they are.

Distributed Generation

Recently we have placed articles in this newsletter aimed at informing our membership about the issues related to distributed generation (DG). These are small, mostly consumer-owned, primarily solar or wind, electric generation sources. In large quantities within our system, they will have an adverse effect on your electrical cooperative because over the years power suppliers such as Vigilante Electric Cooperative have recovered some of the necessary revenue from the energy or kWh charge part of your bill. The base charge, as it is called and billed today, does not cover all of the costs to have the power line to your metering location. Currently our "base charge" is in the \$20-\$30 range. The actual average cost to have a power line to your metering location is in the \$40-\$50 range. So if the kWh usage is net zero for the month, we are not collecting enough revenue in the basic charge to support the service to the meter and there lies



Rollie Miller
General Manager

Trustees

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Dean Peterson

Vice President

Dean Hanson

Secretary/Treasurer

Sharon Lasich

Tom Helm

Andy Johnson

Don Jones

Allen Martinell

Jim Petersen

Norm Tebay

General Manager

Rollie Miller

Outage Notification Numbers

M-F 8 a.m. to 5 p.m.

683-2327 or (800) 221-8271

Dillon

After Hours Mon. - Thurs.

Dan Snellman683-6222

Gary Ferris683-6321

Cody Tarter925-3326

Charles Wharton660-1878

Weekends

683-2327 or (800) 221-8271

Whitehall

After Hours and Weekends

Marty Simons287-3950

Chuck Romerio287-3144

Dake Green871-4184

John Moos266-3605

Townsend

After Hours and Weekends

John Moos266-3605

Justin Bair266-3351

Chase White459-3892

Marty Simons287-3950

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Getting to Know the Vigilante Electric Cooperative Board

• **Name:** Dean Peterson

• **Family:** Dean and Dianna, his wife for 19 years, have three boys, Alfred, 13; Malcolm, 11; and Jon, 8.

• **Occupation:** Rancher, and in his spare time he does mechanic and fabrication work for his neighbors in the Big Hole.

• **Education:** Dean has a two-year degree in diesel mechanics from Helena Vocational Technical Center, and is a certified diesel mechanic.

• **District:** Dean represents District #7 - Encompassing the Grasshopper Valley and the Big Hole Valley above Squaw Creek Bridge.

• **Years on the Board:** 6

‘I have enjoyed my time on the Vigilante Board, and am looking forward to what the future holds for me at this job. I enjoy taking on the difficult issues, finding common ground and working with people to solve the problems we face at our electric co-op. My goal has always been to provide low-cost, clean, reliable electricity to all our members.’

• **Position currently held on board, and board appointments:** He is in his second year serving as chairman of the board. The board has appointed him as an alternate to the board of Western Montana Generating and Transmission of which VEC is a member.

• **What are the current challenges facing Vigilante Electric?** ‘One of the current challenges facing Vigilante Electric is using up all of our allotted Tier I power with Bonneville Power Administration and having to buy the market-base-priced Tier II power to provide power for our growth in the future. Through distributive generation and energy efficiency, there is some potential to curb some of the need for Tier 2 power.’

• **What are the long-term issues facing Vigilante Electric?** ‘Our long-term issues foremost in my mind are the Columbia River Treaty with Canada, and the Endangered Species Act. With 11 species of salmon listed on the Columbia and Snake rivers, there is a risk to BPA’s hydro generation. The potential listing of the sage grouse could affect where we can or cannot build a power line. Most of these issues are dealt with the same way you climb a mountain, one step at a time.’

• **Any hobbies?** Dean’s granddad taught him to fish, and his father introduced him to hunting, and they have always been two of his favorite hobbies. The reading of history is also a hobby that lends itself to the long, cold, dark winter nights in the Big Hole.



Dean Peterson

Finding Her Voice

Wednesday morning breakfast at the Montana Electric Cooperatives’ Association Annual Meeting is dedicated to the Today’s Member program, and the Youth Tour to Washington, D.C. This year the keynote address was given by Kjersten Sandru. Kjersten who is a junior at Twin Bridges High School, was one of our representatives on the Youth Tour and was the Youth Leadership Council representative for Montana.



Kjersten Sandru

Being selected as the Youth Leadership Council (YLC) representative brings with it several opportunities, including attending leadership training back in Washington, D.C. Part of this training is speech preparation and delivery. At the MECA Annual Meeting, Kjersten recited her YLC speech to the delight of the audience.

Since attending the youth tour and leadership training, Kjersten has found a new way of expressing herself through poetry. She has had a few of her poems published, and the one below was featured on the Northern Broadcasting morning program.

Where I'm From

I am from country roots with a side of true grit,
dusty boots and no quit.

I’m from the beauty queen with a heart of gold,
The loving mother I will always know.

I am from cornbread and chili
on frigid afternoons.

I’m from honey, peaches and cream,
and a belly with no room.

I am from long walks on the backroads
under this Big Sky Country I call my home.
I’m from grasshopper lace and the potato sack race,
and counting the dots on my good luck ladies.

I am from a small town with more cows than people
the wide-open spaces giving me room to think.
I’m from heated rounds of Pinochle
in a household full of morals and character.

I am from sunsets of tangerine and crimson
fading away, leaving the sky empty, yet full of promise.
I am from a place where the Lord left a trace
of his greatest dreams on Earth.

I am from Montana.

Where Does All the Energy Go?

During my time at Vigilante Electric, there have been a few topics that I come back to repeatedly. “Where does all the energy go” has been featured several times. How energy is used within a home and how to reduce waste is one of those topics that always is relevant and thanks to the Department of Energy, the data is current.

The Department of Energy estimates that families spend close to \$2,200 a year (up 10 percent) on their home’s utility bills, and that residential energy consumption accounts for 22.5 percent (up .5 percent) of the energy consumed in the United States. It is also estimated that a large portion of that energy, as much as 25 percent, is wasted every year. The good news is that there is a lot we can do to save energy and money.

The first step is to understand how we use energy in our homes, and taking a whole-house approach in reducing energy consumption. Current estimates have 48 percent (down 6 percent) of all energy used in homes used for heating and cooling, 34 percent (up 6 percent) for lighting, electronics and appliances (including refrigeration) and 18 percent for water heating.

So, how do we start addressing the energy waste? To start, the DOE recommends doing a home assessment (or energy audit). Vigilante Electric offers energy audits free of charge. These audits will show what parts of your house use the most energy, and then suggest the best ways to cut energy costs. You can contact us at (800) 221-8271 or 683-2327.

You also can take a do it yourself approach. The DOE offers these energy assessment tips:

- Check the insulation in your attic, exterior and basement walls, ceiling, floors and crawl spaces. To determine the insulation R-values in different parts of your home, visit the weatherization section of the energysaver.gov website.
- Check for air leaks around your walls, ceilings, windows, doors, lighting and plumbing fixtures, switches and electrical outlets.
- Check fireplace dampers. While dampers must be open when the fireplace is in use, they can let a tremendous amount of heat escape the home if they are open during periods of non-usage.
- Make sure your appliances and heating and cooling systems are properly maintained. Check your owner’s manual for recommended maintenance.
- Study your family’s lighting needs and look for ways to use controls such as sensors, dimmers or timers to reduce lighting use.

“Energy Savers Guide – Tips on Saving Money and Energy at Home” is a fabulous reference for homeowners. It also provides many no-cost/low-cost ways to lower your energy bill. This reference is available at energysavers.gov, or on our website under programs — programs and services — energy audits. You also can find money-saving ideas on the Touchstone Energy – Together We Save website.

Portable Electric Heaters, Putting Efficiency Claims in Perspective

By Rod Siring

Plug-in electric heaters are a handy way to add warmth to a room. With the many shapes and styles available, shopping for the best value sometimes gets confusing. Plus, there are a few heater manufacturers who use exaggerated claims of “advanced technology” that supposedly give their heaters greater efficiency than other electric heaters. These higher-priced heaters have a few features that might justify their price tag, but increased efficiency is not one of them.

All electric heaters are rated in watts, which is listed on the product’s nameplate. The maximum wattage for heaters plugged into standard outlets (15 or 20 amp) is 1,500 watts. Any two heaters rated at 1,500 watts will deliver the same heat output, regardless of their style or the manufacturer’s claims. No electric heater can create more heat than is provided to it from the circuit.

In terms of efficiency, all portable heaters use a process called “electric resistance heating.” Consider the glowing coils in a toaster or hair dryer. When power is sent through a wire with high electrical resistance, all of the energy is turned into heat. The process is 100 percent efficient; there is no way that any heater design can achieve greater efficiency than that. So to clarify, all portable electric heaters are the same in terms of efficiency, regardless of their boastful advertising.


When shopping for a good portable heater, consider what you’re paying for. The higher-priced models described above do have added features such as digital displays, attractive

exteriors, plus add-ons such as a remote control or an optional air filter. For some shoppers, these features are important and worth the added cost. But for those focused on heat output and purchase price, there are many lower-priced 1,500-watt heaters that will deliver the same heat output as higher-priced models.

Other features to consider when comparison shopping include a tip-over switch for safety, variable heat settings and ruggedness (steel vs. plastic). These are valuable items worth paying for. By separating the facts from unproven advertising claims, you can spend your money on a heater that delivers the greatest value.

Courtesy of Rural Electricity Resource Council

Prescription Discount Tracker



Total Paid Claims YTD	311
Total Savings YTD	\$9,884.87
Total Savings Percentage	41.43%
October Paid Claims	14
October Savings	\$325.90
October Savings Percentage	48.48%

THE COOPERATIVE WAY

Every day, more than 29,200 cooperatives provide essential products and services to American consumers, touching our lives in many ways.

Tomorrow at breakfast, check your morning paper. Many of the articles may be labeled “Associated Press” or “AP.” Those stories were written by individual reporters but distributed by a cooperative news organization.

If your breakfast includes freshly squeezed orange juice, it may be a Sunkist product. Sunkist is a citrus-growers cooperative based in California.

And the list goes on: Land O’ Lakes butter, Ocean Spray cranberry juice, Sun-Maid raisins, Nationwide Insurance, Blue Diamond almonds, Ace Hardware, REI outdoor gear— they are all cooperatives. In fact, one of every four Americans is a member of some type of cooperative, including more than 91 million served by credit unions, and 42 million connected to more than 900 electric co-ops in 47 states.

Although many in number, cooperatives do differ from “typical” businesses in one big way: they are organized for the benefit of their members, not single owners or stockholders. The first known cooperative in the United States was formed by Benjamin Franklin in 1752. That organization, the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, still operates today.

Most early cooperative development efforts in the United States involved farmers trying to boost their buying and selling power. According to the U.S. Department of Agriculture, the first formal farm organization — the Philadelphia Society for Promoting Agriculture — sprang up in 1785. In 1804, the initial farm marketing cooperative was established by dairymen in the Connecticut River Valley.

Of course, not all cooperatives engaged in agricultural marketing. The first irrigation cooperative was organized in California in 1853. By 1857, Ohio and New York had adopted laws enabling the operation of cooperative (mutual) insurance companies. In 1865, Michigan passed what is believed to be the first law recognizing the cooperative business model.

The cooperative movement we know today traces its roots to a set of business guidelines drawn up by Charles Howarth, one of 28 weavers and other artisans who founded the Rochdale Society of Equitable Pioneers in Rochdale (pronounced Rotch-dale), England, on December 21, 1844. The tradesmen banded together to open a store selling food items they could not otherwise afford, starting out with a meager selection of butter, sugar, flour, oatmeal and a few candles, but soon expanding to include tea and tobacco. Eventually, the enterprise was so successful that the group was able to open a cooperative factory and textile mill.

When introduced into the United States by the National Grange in 1874, these “Rochdale Principles” fueled a cooperative explosion. After being formally written down by the International Cooperative Alliance in 1937 (and last updated in 1995), they evolved into the seven cooperative principles used today. Although stated in many ways, the seven cooperative principles hold that a cooperative must provide:

Open and Voluntary Membership —

Membership in a cooperative is available to all who can reasonably use its services, regardless of race, religion, sex or economic circumstances.

Democratic Member Control —

Cooperatives are democratically controlled, with each member having one vote. As a result, control remains in the hands of all consumers. Directors are elected from among the membership.

Members’ Economic Participation —

Cooperatives provide services “at cost” and remain not-for-profit, regardless of the value of benefits delivered. Any revenue left over after all expenses are paid — called margins — belongs to the members. Each member’s share in the margin is determined by the amount of his or her patronage, or use, of the cooperative’s services.

Autonomy and Independence —

Cooperatives are self-sustaining, self-help organizations controlled by their members. If cooperatives enter into agreements with others or raise money from outside sources, they do so on terms that maintain democratic control, as well as their unique identity.

Education, Training, and Information —

Education and training for directors, managers and employees help them effectively govern and operate cooperatives. Communications, particularly with members and opinion leaders, boosts cooperative understanding.

Cooperation Among Cooperatives —

Mutual support helps cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.

Concern for Community —

Cooperatives work to improve their service areas through programs supported by the membership.

The seven cooperative principles — which form the basis for every cooperative enterprise in the world today — are underpinned by six cooperative values: Self-Help, Self-Responsibility, Democracy, Equality, Equity and Solidarity. On top of these, the International Cooperative Alliance also separately lists cooperative “ethical values” of Honesty, Openness, Social Responsibility and Caring for Others.

General Manager Message

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the problem. VEC does a great job of controlling costs to build and maintain a power line to the meter location, but even we can’t lower that cost to \$20-\$30 per month for the average meter. So...we are working on modification of our rate structure to allow for widespread use of DG sources. Proposed rate structure changes related to DG will be revenue neutral for your electric cooperative. We don’t plan on collecting any additional total revenue for these installations. We simply will not support the subsidization of those with DG installations by those without the funds or ability to install DG.

We hope you enjoyed your Thanksgiving and wish you a very Merry Christmas and a Happy New Year! Feel free to contact me here in the office or on my cell phone at (406) 925-1085. You also can reach me via email at rollie@vec.coop. I want to hear from you.