



# 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](http://www.vec.coop)  
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*A Message from Your General Manager*

## Rate increase and capital credit update



Rolie Miller  
General Manager

### Retail Electric Rates

As we have stated in this publication in the past, our retail electric rates are increasing on January 1, 2016. While we have seen increases in the costs of material and supplies, the primary driver of this increase is our wholesale power costs from the Bonneville Power Administration (BPA). On October 1 of this year, we saw an increase of more than 7 percent in our wholesale rates. We have absorbed the increase since October, but are unable to absorb the increase permanently. Therefore, effective January 1, 2016, the residential rate class will see an increase in the base charge from \$22/month to \$23/month, and the energy charge measured in kilo-watt hours (kWh) will increase from \$0.057/kWh to \$0.058/kWh. Other rate classifications will see similar increases.

Please be assured that we are doing everything within our control to keep our rates as low as possible while maintaining our financial strength. We have known about the amount of the wholesale power increase since August, and have worked very hard to

create a retail electric rate package that meets our financial obligations to our lenders and keeps us in a strong financial position, while understanding the need to control our costs any way we can. This wholesale power increase from BPA is effective for two years, so we will not see another increase in the wholesale rates until October 1, 2017, at the earliest, which is good news. We have some of the lowest retail electric rates in the nation, and I am very proud of the staff for doing what they can to keep it that way.

### Capital Credit Retirement

If you were a member of Vigilante Electric Cooperative during 1998 and 1999, you may have already received or will be receiving a check from us. At the October board meeting, the Board of Trustees approved retirement of the capital credits for those two years. The total amount to be retired is \$532,198. Incidentally, capital credits are net margins retained by the cooperative for a period of years to fund projects to keep the electric system modern and efficient. These retirements are based on the rate classification your account(s) were in at that time, and the amount of patronage you provided to the cooperative. Retirement of capital credits is another indication of the financial strength of the cooperative, and I am happy to report that we have retired more than \$1 million in the last two years.

The Board of Trustees, management and staff of Vigilante Electric want to wish you a Merry Christmas and Happy New Year, or Happy Holidays, whichever you prefer. We hope you find time with family and friends enjoyable this holiday season. As always, if you need to contact me, feel free to do so on my wireless phone at (406) 925-1085, via email at [rolie@vec.coop](mailto:rolie@vec.coop) or at the office at (406) 683-2327.



**Merry Christmas from All of Us**

*Working Together Makes the Holidays Brighter!*

*Thank You and*

*Warmest Wishes for*

*Christmas and the New Year.*

## Outage Notification Numbers

M-F 8 A.M. TO 5 P.M.

**683-2327** or  
**(800) 221-8271**

### Dillon

AFTER HOURS  
MON. - THURS.

Dan Snellman.....683-6222

Tim Myllymaki ....683-6369

Charles Wharton....660-1878

### WEEKENDS

**683-2327** or  
**(800) 221-8271**

### Whitehall

AFTER HOURS AND  
WEEKENDS

Marty Simons.....287-3950

John Moos .....266-3605

Justin Bair .....266-3351

### Townsend

AFTER HOURS AND  
WEEKENDS

John Moos .....266-3605

Justin Bair .....266-3351

Marty Simons.....287-3950

**VIGILANTE ELECTRIC COOPERATIVE, INC.**

# 2016 Rate Schedules

## *A Guide to the Increase*

By now every member should have received a letter from General Manager Rollie Miller regarding the rate increase that will take effect on January 1, 2016. The January bill will be calculated using the new rates and mailed around the 10th of February. Here is a simple guide to the rates and how our rates are changing.

Vigilante Electric Cooperative classifies rates into four categories, with five rate schedules. To help you identify which rate schedule, or schedules, are relevant to you, each is identified as it appears on your bill.

### RESIDENTIAL - Rate per Month

#### Rate Schedule "A"

	<b>2015</b>	<b>2016</b>
• Base Charge:	\$22.00	\$23.00
• Energy Charge:	5.7¢/kWh	5.8¢/kWh
• KVA Charge:	A monthly charge of 50¢ per billing KVA (KVA draw) for all billing KVA over 15 KVA. (Unchanged)	

#### Rate Schedule "B"

	<b>2015</b>	<b>2016</b>
• Base Rate:	\$29.50	\$32.00
• Energy Charge:	7.5¢/kWh	7.8¢/kWh
• KVA Charge:	A monthly charge of 50¢ per billing KVA (KVA draw) for all billing KVA over 15 KVA. (Unchanged)	

### IRRIGATION

#### Rate Schedule "IRR"

	<b>2015</b>	<b>2016</b>
• Energy Charge – per month	4.6¢/kWh	4.8¢/ KWH
• Demand Charge – per month	\$2.00/KW/month (Unchanged)	
• Annual Charge	\$12.00/HP, but not less than \$240.00 per year. This charge will be billed during the February billing or during the month when a new pump is connected. (Unchanged)	

### GENERAL SERVICE – COMMERCIAL

#### Rate Schedule "GSC"

	<b>2015</b>	<b>2016</b>
• Energy Charge – per month	4.8¢/KWH	5.0¢/ KWH,
• Plus the higher of:	Demand Charge: All KW of billing demand per month at \$3.00 per KW. Or KVA Charge: A charge of \$1.00 per KVA of transformer capacity, but not less than \$25.00 per month or greater than \$100.00 per month. (Unchanged)	

### YARD LIGHT AND STREET LIGHTS

#### Rate Schedule "YL"

##### Rate per Month per Fixture

	<b>2015</b>	<b>2016</b>
• 175W 120V Mercury Vapor	\$7.50	\$8.50
• 400W 120V Mercury Vapor	\$11.50	\$13.50
• 100W 120V High Pressure Sodium	\$6.50	\$7.50
• 200W 120V High Pressure Sodium	\$8.00	\$9.00
• 400W 120V High Pressure Sodium	\$11.50	\$13.50
• 43 W LED	\$6.50	\$8.00
• 70 W LED	\$7.00	\$8.50

Next month we will explore the residential rate in depth, look at the mechanics of the rate and model it over a range of kilowatt-hour usage. The goal is to leave you with a better understanding of how it will impact your bill. In February, we will do the same for the irrigation rate.

The decision to raise rates is not an easy one, but this increase is necessary. The Board of Trustees and management team spent countless hours studying and deliberating on what is best for our organization, and we feel that this increase will hold us true to our mission — providing the best possible service at the lowest possible cost.

# Downed and Dangerous



The title for this article comes from a current safety campaign from the Electrical Safety Foundation International (ESFI), warning of the dangers of downed power lines. For us this message is timely, because recently we have had several situations where downed power lines have remained energized and created some potentially dangerous situations. We had three incidents where trees fell into our power lines, bringing them dangerously close to the ground. There were also two accidents where vehicles crashed through our poles.

While the incidents above were rectified safely, the possibilities of what could have happened are frightening. Electricity is very unforgiving — and can be fatal. Imagine an unsuspecting hunter contacting a downed power line because he or she didn't see it, or worse yet, assumed it was dead and grabbed it. Or, a first responder so focused on helping the victim that he or she doesn't see the power lines involved.

The ESFI – Downed and Dangerous campaign offers the following guidance for staying safe around downed power lines:

## Use Precaution

- Downed power lines can energize the ground up to 35 feet away.
- If you see a downed power line, immediately notify local authorities.
- Never drive over downed power lines or through water that is in contact with them.
- Never try to move a downed power line. Even using items that typically are not conductive will not prevent injury or death.

## Know What to Do

- The safest way to move away from a downed power line is to shuffle away with small steps, keeping your feet together and on the ground at all times.
- If your car comes in contact with a downed power line while you are inside, stay in the car. Do not touch any part of the car's frame or any other metal. Use a cellphone or honk your horn to summon help. However, allow only rescue personnel to approach the car.

## If your car is in contact with a downed power line and you must exit due to fire or another imminent threat:

- Do not touch the vehicle and the ground at the same time with any part of your body or clothing.
- Open the door to your vehicle without touching the metal door frame.
- Jump out of the vehicle with both feet together and so both feet land at the same time.
- Shuffle away as described above.

If someone comes in contact with a downed power line or something else that has become electrified, call 911 immediately. Never touch someone who has come in contact with a power line, as he or she may be energized and pose a danger to anyone who comes in contact with them. Also, power lines don't have to fall in order to be dangerous. Always call 811 before you dig, and keep yourself and your equipment at least 10 feet from overhead power lines.

If you remember anything from this article, we hope it is this: downed power lines can be deadly. Always assume a downed power line is live and avoid going near it or anything in contact with it.

# Providing Opportunities for Education

## *VEC Leadership Award and MECA Memorial Scholarship*

When preparing this article, a question came to mind, how much does a college education cost today? I knew a higher education was expensive, but the number still surprised me. According to an article on the Forbes website, the national average for attending a four year public college is more than \$28,000 per year and it is estimated that it will increase 6.5 percent per year.

At Vigilante Electric Cooperative, we understand and appreciate the importance and costs of a higher education. We also understand the challenges of just getting your student to fill out applications. This is why we have paired our Leadership Award with the Montana Electric Cooperatives' Association (MECA) Memorial Scholarship. This gives deserving students the opportunity at two scholarships with one application.

The VEC Leadership Award/MECA Memorial Scholarship are given to students that not only excel in the classroom, but in their communities. Judging is based on grades, ACT/SAT scores, activities in school and the community, high school and/or college employment, a personal statement and one let-

ter of recommendation. The application is available online at [www.vec.coop](http://www.vec.coop) or at your area high school.

All educational opportunities through Vigilante Electric are funded by unclaimed capital credits, which we are required to retain for five years. At the end of this period we can either use the funds for educational purposes or turn them over to the state of Montana.

The balance of this fund fluctuates year to year, and is one of the determining factors in the number of scholarships we offer, and the dollar value of each scholarship. While we can't say how many scholarships will be awarded or the dollar value of each this year, last year our Board of Trustees approved 20 scholarships worth \$500 each.

The deadline for this scholarship opportunity is January 15, 2016. The top applications will receive our Leadership Award, with the best application forwarded to MECA for consideration for its Memorial Scholarship, worth \$500.

If you have any questions regarding this, please contact our Dillon office at (800) 221-8271 or 683-2327.

## What would life be like without electric co-ops?

By Adam Schwartz

In the holiday movie classic "It's a Wonderful Life," the lead character, George Bailey (played by Jimmy Stewart), wishes he had never been born due to financial troubles he is experiencing. Through the help of an angel, he sees how many lives would have been negatively affected if he didn't exist. George comes to realize that, even with his problems, he has a wonderful life with great friends and family.

So what do you think life would be like if community leaders had not founded Vigilante Electric Cooperative 78 years ago?

Living in the U.S. in 2015, it is nearly impossible to imagine life without electricity. So many of our modern conveniences that improve the quality of our lives are dependent on electricity as the "fuel" to make them work. From the alarm clock that wakes us up, to the refrigerator that keeps our morning milk cold and fresh. From the heating/air-conditioning unit that keeps us cool in the summer and warm in the winter, to the vacuum that lets us clean more efficiently, and all those kitchen appliances that save us time and physical energy. Of course, so much of our entertainment, whether it comes from the TV, radio or computer, depends on the kilowatt hours that your electric co-op provides. Just think, there would be no smartphones or cellphones if there were no electricity.

Businesses of all kinds rely on electricity to produce and sell the products we need. So, it is no wonder that many electric co-ops believe that, while our primary product is electricity, we are really in the quality-of-life business.

As we celebrate the season that reminds us to be thankful for all that we have, it is important to remember the 1.3 billion people in the world that still live without reliable

electric service. That is equal to about four times the U.S. population!

Many of the things we take for granted living in the U.S. are much harder and more time-consuming for people in developing countries around the world. We are proud members of the National Rural Electric Cooperative Association (NRECA) that is working through its affiliate, NRECA International, and the NRECA International Foundation to help bring power to people in developing countries such as Haiti and Liberia. (<http://www.nreca.coop/it-starts-with-power/>)

We are thankful that our community ancestors right here had the vision and foresight to do for ourselves what needed to be done, gathering our friends and neighbors to form our electric co-op. As the electric business of the 21st century continues to evolve, you can count on Vigilante Electric Cooperative to meet all of your electric energy needs. More importantly, we are here to help improve the quality of your wonderful life.

### Prescription Discount Tracker

Total Paid Claims YTD .....	548
Total Savings YTD .....	\$14,570.72
Total Savings Percentage .....	38.95%
Sept. Paid Claims .....	7
Sept. Savings .....	\$166.18
Sept. Savings Percentage .....	36.42%

