

Off the Clock

Ben Miller Accepts Position in Colorado

In March 2007, a young man from Deer Lodge came to work for us. From the start it was obvious that we were getting a very unique individual. Over the past 10 years, he has not only left his mark at Vigilante Electric Cooperative, but on the community of Dillon as well. While not a native of Dillon, if you were to ask members of this community to name someone from our organization, the first would be probably be Ben Miller.

Ben was hired because of his educational background and experience in geographical information systems and global positioning systems. However, it didn't take us long to realize that Ben could tackle any challenge in front of him. Whether it was his work at Vigilante Electric, as a leader with the Dillon Jaycees, or a volunteer firefighter, he did what needed to be done with determination and efficiency.

In December, Ben began a new adventure, and is now working for Mountain View Electric Association in Falcon, CO. While it is hard to find the appropriate words to say goodbye, I think General Manager Rollie Miller does it well with this reflection; "Ben is an excellent employee, coworker and friend who will be sorely missed

around here. He has a very welcomed knack for bringing people together with his personality, keen sense of humor and work ethic. He will be very hard to replace. Speaking for the entire organization, I can say that we sincerely wish Melissa and Ben the best in their new endeavor."



Vigilante Electric Manager Rollie Miller and Ben Miller

2018 District Meetings

With Vigilante Electric Cooperative's annual meeting approaching, it is time to announce the dates, locations and times for the 2018 district meetings.

District meetings serve two important functions; it is where nominations are made for district trustee, and it provides a forum for open discussion about the affairs of the cooperative.

Vigilante Electric's service territory is divided into nine districts. Each district has an elected representative on the board of trustees who serves a three-year term. Terms are staggered to maintain six experienced trustees at all times. District meetings provide members interested in running for the board the opportunity of securing a nomination. The actual election is held at the annual meeting.

The district meetings also provide those who are not able to attend the annual meeting a chance to hear about the state of the cooperative from General Manager Rollie Miller. This

is an excellent opportunity to interact with the manager because they are less formal than the annual meeting.

This year's district meetings are as follows:

- District # 4 Twin Bridges**
January 17, 2018 – 7 p.m. Montana Room, Twin Bridges High School
- District # 5 Melrose/Wise River/ Silver Bow**
January 18, 2018 – 7 p.m. Grange Hall, Divide
- District # 7 Wisdom/Jackson**
January 16, 2018 – 7 p.m. Community Center, Wisdom

Members residing within these districts are notified by mail. If you would like further information regarding the district meetings or running for district trustee, please call us at (800) 221-8271 or 683-2327.

Portable Space Heaters

Be Skeptical of the Marketing Claims

With winter upon us, you are bound to see advertisements for portable space heaters. Space heaters are small, versatile and generally good at warming a room. Unfortunately, there are those who would make you believe that there are serious energy savings to be had by using their product.

Space heaters are designed to be used as supplemental heat, and are only capable of warming small spaces. Most space heaters use between 600 and 1,500 watts of electricity. If a homeowner uses a 1,500-watt space heater for eight hours a day for a month, this equates to 360 kilowatt hours, costing approximately \$28.08.

According to research, to save money you would have to turn the thermostat of your central heating system down considerably (as low as 50 degrees in some cases), place the



space heater in the room that you occupy and then close that room off from the rest of the house. This type of “zone heating” could save some energy.

Even if you could pull this off, there are other things to consider. If you currently heat electrically, remember; a kilowatt hour is a kilowatt hour. There is no savings from going from one electric source to another. If you have a gas forced-air system, your savings depend on the cost of the fuel, the efficiency of the furnace and the effectiveness of the delivery system.

While it may be technically possible to cut your energy bill using a space heater, it is impractical for most people. We recommend the whole-house approach to saving

energy in your home, and would be glad to help you explore better options.

2018 Rate Single-Phase Services

In November, members received a letter from General Manager Rollie Miller regarding the rate modification effective January 1, 2018. This information also appeared in the December edition of this publication. It is through proper rate design that we keep pace with our financial commitments. A unique feature of our new rates is how we bill single-phase services.

Historically, our goal with rates has been to ensure that each rate class pays for its share of building and maintaining our electrical system. These are our fixed costs. Based on our 2016 cost-of-service study completed by consultant CH Guernsey, our fixed costs for a single-phase service is \$43.37 per month.

For years, we used two rate schedules (“A” and “B”) single-phase services; now there will be one. The biggest issue with this consolidation is how to deal with the

services that have very little, or no, usage several months out of the year. Our solution is a minimum bill component.

This rate modification is intended to create a fairer rate structure across all the members, and is an important step in our long-range plan to recover our fixed costs for each service and minimize cross subsidization. If you have any question regarding this, please feel free to contact us.

It PAYS to be a Member!



This year, Vigilante Electric Cooperative will return

\$525,162

in Capital Credit refunds to its valued MEMBERS

One of the many benefits to being a part of an electric co-op!



Board of Trustees & General Manager

Allen Martinell, President – Dist. #9
Dell/Lima

Tom Helm, Vice President – Dist. #3
Townsend/N. Helena/Lump Gulch

Sharon Lasich, Sec/Treas. – Dist. #4
Twin Bridges

Norm Tebay, Trustee – Dist. #1
Cardwell/Whitehall/Three Forks

Dean Hanson, Trustee – Dist. #2
Silver Star/Waterloo

Cheyenne Garrison, Trustee – Dist. #5
Wise River/Silver Bow/Melrose

Andy Johnson, Trustee – Dist. #6
Dillon North/Glen

Dean Peterson, Trustee – Dist. #7
Jackson/Wisdom

Jim Petersen, Trustee – Dist. #8
Dillon South/Grant

Rollie Miller – General Manager

Cooperative 101

The Birth of Electric Cooperatives, Conclusion

By Rod Siring, Member Services

By the time the United States entered WWII in December 1941, REA had approved a total of \$434 million in loans to 775 electric cooperatives nationwide. Unfortunately, most electric distribution cooperatives were individually buying wholesale power from neighboring investor-owned utilities at exorbitant prices — and often with crippling and restrictive conditions.

The solution many electric co-ops soon fashioned was in keeping with the Sixth Cooperative Principle, “Cooperation Among Cooperatives.” Across the nation, electric distribution co-ops began forming wholesale power supply associations, also known as generation and transmission cooperatives (G&Ts), to enhance their bargaining clout and serve as anti-monopoly yardsticks. G&Ts offered a hammer that profit-driven power giants understood all too well: competitive pressure.

Electric cooperatives had an ace in the hole in their efforts as well: Section 4 of the federal Rural Electrification Act of 1936, which empowered the REA administrator “to make loans ... for the purpose of financing the construction and operation of generating plants.” On December 29 of that year, Cooke — on his last day in office — signed papers authorizing the agency’s initial loans to build and operate power plants and bulk power facilities. The funding assisted two Iowa G&Ts (which later consolidated into Humboldt, Iowa-based Corn Belt Power Cooperative) that were experiencing difficulties taking delivery of low-cost power from investor-owned utilities.

Sometimes, even the mere suggestion that REA might make a generation loan produced favorable outcomes. During fall 1936, REA Deputy Administrator John Carmody — who within a few months would succeed Cooke at the REA helm — was outraged to discover that the first electric co-op in his home state of Pennsylvania, Cambridge Springs-headquartered Northwestern Rural Electric Cooperative Association, had run into a snag receiving electricity at a reasonable price from Pennsylvania Electric Company, a subsidiary of the financially bereft and soon-to-be discredited holding company Associated Gas & Electric. In a 1960 interview, he recounted what happened next:

“One of my assistants and I went up there [to northwestern Pennsylvania] and looked up some of the people who had started the cooperative. We slogged through the mud, talking first with this farmer, then that one, then a blacksmith, a filling station owner and others along the roads. At the end of the first day, we came back to the hotel dog-tired and dirty.

“At the hotel that evening, a young reporter for a newspaper in the area, a man with eagerness written all over his face, wanted to know what I thought REA could do about bringing rural electrification to that part of the state. I didn’t know what I was going to say, but I knew from my talks with farmers and others that the reason the co-op was having so much trouble [getting established] was the high price it had to pay for wholesale power.

“Then, like a flash, the answer came to me. ‘Young man, the Rural Electrification Administration is going to build a

generating plant right here, and that plant will produce electricity to take care of all rural needs at a price far lower than anything the co-op can get from the power companies.”

The next day, the headline in the local morning paper shouted: “REA To Build Big Generator Here.” The article went on to quote Carmody, “The construction of lines here has been held up considerably due to indecision as to the source of power. This is the first [co-op] project under construction without definite power rates. We have ample funds for the construction of a generating plant, and unless a decision is reached soon with electric companies for suitable rates, we will proceed with construction work.”

Within a week, Pennsylvania Electric Company slashed its wholesale rate to Northwestern REC from 3 cents per kWh to 1.3 cents per kWh.

In 1945, REA Administrator Claude Wickard told a congressional subcommittee about eight separate cases where the simple consideration of a generation loan drove down wholesale power prices. He added that in 13 states, as a result, electric co-ops were shelling out \$2.3 million less annually for energy than they would have otherwise.

At the end of 1945, about 50 percent of all U.S. farms remained in the dark. But within three years, thanks to greater availability of line construction materials and continuing REA financing, 40,000-plus consumers per month were being connected to co-op lines. From 1946 to 1950, the number of electrified rural households (served by either local, consumer-owned electric co-ops or IOUs responding to the competitive pressure of co-ops) shot up 25 percent, providing more than 2 million rural residents with life-changing electric power.

Of course, co-op growth led to strong opposition from IOUs, which spent lavishly on advertising campaigns that decried REA as a product of subsidies and socialism. The tidal wave of power company money flowing into media outlets ensured that an anti-REA/anti-electric co-op message received lots of mention — and would do so for decades to come.

Newspaper columnist M.S. Rukeyser, for one, regularly took swings at REA. In a 1950 piece he noted, “It is desirable to reverse the socialistic trend and throw back to the states, localities and private enterprise all those [electric] services which they are ready, willing and able to carry on. Similarly, it would be constructive to review all of the domestic ‘bread-and-circus’ giveaway schemes and subsidies.”

However, Rukeyser did touch upon a point that electric co-ops would use in later arguments to combat IOU propaganda: “Like other New Deal socialized power experiments, these REA projects doubtless were designed to become a ‘yardstick’ for measuring the efficiency of investor-owned, taxpaying, private utilities.”

Despite the assaults, co-ops pressed on. During 1949 alone, 184,000 miles of co-op electric lines — enough to circle the globe more than seven times — were energized. At the end of 1953, nearly 88 percent of American farms were receiving central station electric service from some utility — up from just 10 percent two decades earlier.

Capital Credit Refunds

Vigilante Electric Cooperative is currently trying to locate the following individuals for payment of capital credits.

If you have any information regarding names on this list, please contact us at 800-221-8271 or 683-2327, or by email at contact@vec.coop.

MCDUNN, ADAM BOZEMAN, MT	MURPHY, RALPH J MARYVILLE, TN	PLYMAILE, LOIS G TOWNSEND, MT	RUSSELL, DAN SILVER STAR, MT
MCGAHA, LARRY BUTTE, MT	MURPHY, SCOTT HELENA, MT	POWELL, ROBERT J LAWRENCEVILLE, GA	RUTAN, R L c/o BRUCE RAMSEY SPOKANE, WA
MCINROY, IAN BELGRADE, MT	MYERS, JEFF DELL, MT	PRICE, DANIELLE ALEXANDRIA, VA	SCHLABACH, DENNIS/MIRIAM SAINT IGNATIUS, MT
MCMORRIS, STEVE BILLINGS, MT	NAKAO, BRUCE LOS ALTOS HILLS, CA	PRIEST, LEONA EUGENE, OR	SCHWALLER, ANN LOLO, MT
MEEKS, CHRIS DILLON, MT	NEGETHON, CHRIS WHITEHALL, MT	PRINE, HARMON LIMA, MT	SCIVNER, RICHARD BOISE, ID
MERKEL, JUSTIN BOZEMAN, MT	NEWMAN, ANN GRAFTON, ONTARIO CANADA	RAINIER, BOB TOWNSEND, MT	SEMMENS, JASON CATHEDRAL CITY, CA
MILLER, CLAUDE E ESTATE c/o SHARON Y MILLER BATTLE GROUND, WA	NORMAND, JANICE TOWNSEND, MT	RANDALL, LISA WHITEHALL, MT	SERNA, ADRIAN/ THELMA DILLON, MT
MILLER, SHAWN/KIM MISSOULA, MT	NOVOTNY, JOHN BUTTE, MT	RAY, LANCE FLORISSANT, CO	SHEFFIELD, ARRON LIVINGSTON, MT
MITCHELL, CHARLES BUTTE, MT	OLSON, DAVID/SABRA LIVINGSTON, MT	READ, JOHN WAKEFIELD, KS	SHULUND, KEVIN MISSOULA, MT
MOLLENKOPF, JESSE DILLON, MT	PANKRATZ, KENDRA DILLON, MT	REYNOLDS, APRIL HELENA, MT	SHULUND, KEVIN MISSOULA, MT
MOMSEN, WAYNE A MISSOULA, MT	PELLY, LEO WHITEHALL, MT	RICHARDS, SHERRI BUTTE, MT	SIEM, JERRY/ CRONIN, DIANA QUILCENE, WA
MONTANA SIGNWORKS INC c/o BARRY SIMMONS HELENA, MT	PETERSEN, ALAN/ HOLLIE FLORENCE, MT	RIOJAS, GABRIEL DILLON, MT	SIMONS, JOHN A BILLINGS, MT
MORALES, PEGGY WHITEHALL, MT	PETERSEN, CHRIS SHELBY, MT	RIORDON, THANE/ SATTEFIELD, BRENT R KLAMATH FALLS, OR	SMITH, BILL DILLON, MT
MORROW, RUTH SHERIDAN, MT	PETERSON, DIANE WHITEHALL, MT	ROGNSTAD, DEEWAYNE HARRISON, MT	SMITH, CASSI DEER LODGE, MT
MUROLO, WILLOW DILLON, MT	PETERSON, TIM J WINSTON, MT	ROSS, DOUG WHITEHALL, MT	SMITH, DALE PALMER, AK
MURPHY, BILL/TAMMY COLUMBUS, MT	PHILLIPS, RICHARD/ ROBIN CARDWELL, MT	ROSS, ROBERT E/ ROSS, ALMA J c/o JEANNIE MILLER MESQUITE, NV	SMITH, DAVID M SAN DIEGO, CA
MURPHY, DENNIS HELENA, MT	PIERRY, RUSSELL TOWNSEND, MT	RUEGSEGGER, JUSTIN c/o LARRY LAKNAR DILLON, MT	SNYDER, DAVID DILLON, MT

*CAPITAL CREDITS
Continued next month*