



# 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)

E-mail: [contact@vec.coop](mailto:contact@vec.coop)

## It's a week that they will never forget!

*Plus, it's free!*

For more than a decade, Vigilante Electric Cooperative has participated in the NRECA Youth Tour to Washington, D.C. In June 2016, we will again send a representative(s) on an all-expense paid trip to see the American history enshrined in Washington, D.C., and to witness history being made.

The term "once in a lifetime" has been used to describe this weeklong event, but even this might not adequately describe an event that has had such an enormous impact on so many lives. Here are some of the reflections from our 2015 participants.

*"Our trip to Washington, D.C., in June was truly a once-in-a-lifetime adventure. As a result of our sponsors being so well organized and the trip so well planned out, we were able to see a lot of the nation's treasures in a short amount of time. We were constantly on the go and seeing new sights daily. It was like getting a month's worth of sightseeing done in just one week."*

— McKenna Jones, Beaverhead Co. High School

*"Youth Tour not only opened my eyes and taught me about the nation's capital, but it also showed me many valuable life lessons. It taught me to never give up, how to make friends with complete strangers, and an even better understanding of being a leader and tools to being a better one."*

— Wesley Armstrong, Twin Bridges High School

The seed for this remarkable event is attributed to then-Senator Lyndon B. Johnson, when he addressed the National Rural Electric Cooperatives Association (NRECA) Annual Meeting in Chicago in 1957, "If one thing goes out of this meeting, it will be sending youngsters to the national capital, where they can actually see what the flag stands for and represents."

Beginning that year, Texas electric cooperatives sent groups of young people to Washington, D.C. to work during summers in Senator Johnson's office. In 1958, rural electric people in Iowa sponsored the first busload of youth on a weeklong study tour of the nation's capital, and other states started picking up on the idea.

In 1964, NRECA began to coordinate the program. Participating groups arranged to be in the city the same week, and there were about 400 young people from 12 states that year. In 2015, there were approximately 1,700 students and 300 chaperones representing 44 states.

The 2016 dates are June 11-17. To qualify, the student must be the dependent of a member of Vigilante Electric Cooperative, and currently be a sophomore or junior in high school. Selection is based on an application and short essay. Information is available at area high schools or on our website, [www.vec.coop](http://www.vec.coop).

Applications and essays are due to the Vigilante Electric office, PO Box 1049, Dillon MT 59725, by November 30, 2015. This year's essay topic is: "Considering your top three consumer needs, how do you believe we, as an electric cooperative, can best communicate our care and concern to the younger members of the cooperative?"



*Photo courtesy of Riley Slivka, Fergus Electric Youth Tour representative.*

VIGILANTE ELECTRIC COOPERATIVE, INC.

# Winter Heating Assistance

## Where to turn for help

Like it or not, winter will be upon us quicker than we would like, and for many people the prospects of a long, cold winter are very scary. Every year low-income families struggle to keep their homes warm and their utility bills paid. Fortunately, there are organizations available to lend some assistance.

Vigilante Electric Cooperative has helped qualified members receive credit on their accounts to aid in winter heating since 1998. Applications are available October 1, 2015, and must be returned by November 20, 2015. You can contact us at (800) 221-8271 or (406) 683-2327 for an application.

It should be noted that the funding level for our program is very limited. This is why we recommend that families in need apply for the following programs offered by the Department of Public Health and Human Services:

- **The Low-Income Energy Assistance Program (LIEAP)** pays part of winter energy bills for eligible people. Most utilities offer LIEAP recipients discounts on their bills.
- **The Weatherization Program** helps participants to improve the heating efficiency of their homes, and thus reduce their energy consumption.
- **Energy Share of Montana** This program provides emergency utility assistance loans to households experiencing financial hardship.

From our experience, people find the LIEAP application a little daunting. If you think you qualify, call for an application. There are people available to help you through the process. Plus, it is worth inquiring about the weatherization program. While LIEAP provides assistance for your immediate needs, the weatherization is a long-term solution to helping lower your energy bill.

These programs are administered through regional offices. Each office serves specific counties so contact the office nearest you.

### Human Resources Council

District 12 – Butte  
(800) 382-1325  
(406) 533-6855

### Rocky Mountain Development Council

LIEAP Office - Helena  
(800) 356-6544  
(406) 447-1625

### Human Resource Development Council

District 9 - Bozeman  
(800) 332-2796  
(406) 587-4486

### LIEAP Income Guideline — 2015-2016 Program Year

Family Size	LIEAP	Family Size	LIEAP
1	21,441	8	61,335
2	28,038	9	67,575
3	34,635	10	73,815
4	41,232	11	80,055
5	47,829	12	86,295
6	54,426	13	92,535
7	55,663	14	98,775

### Affordable. Innovative. Member Focused.

It's hard to predict the future, but one thing seems certain—**new government regulations will increase the cost of electricity.**

We want to work with you to keep your electric bills **AFFORDABLE**. We're controlling costs and no matter what the future holds we'll continue to put you, our members, **FIRST**.

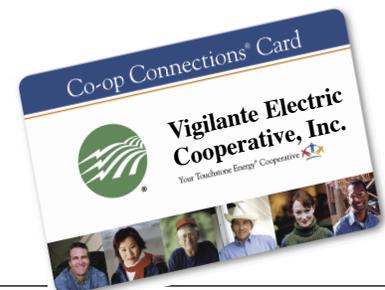


Looking Out  
for You

Find out how we're Looking Out for You at  
[www.vec.coop](http://www.vec.coop)

### Prescription Discount Tracker

Total Paid Claims YTD .....533  
Total Savings YTD .....\$14,194.43  
Total Savings Percentage..39.14%  
Aug. Paid Claims.....13  
Aug. Savings .....\$421.13  
Aug. Savings Percentage..53.67%



# Distributed Generation and Cost Shifting

Over the past year we have addressed distributed generation (DG) many times — what policies and procedures we have in place, where we see DG going and our biggest concerns regarding distributed generation, cost shifting. Simply put, we are concerned about shifting fixed costs from members with distributive generation systems to those members without DG.

Vigilante Electric's residential rate structure has two components, a base charge and a kilowatt-hour charge. The base charge is where we capture a portion of our monthly fixed costs, which currently is about 50 percent. The kilowatt-hour charge is where we recover the remaining fixed costs and the variable costs, which are the costs associated with the energy we purchase on your behalf.

As was highlighted last month, DG systems are becoming more cost effective. It is conceivable that in the near future, systems installed on our system will offset a large portion of their usage. When this happens, we are losing revenue needed to cover the fixed costs for the service the DG system is connected to. Let me illustrate this with the following example.

Say a utility has 200 photovoltaic systems connected to the distribution system. Over the course of a year, they collec-

tively offset one million kilowatt hours. The energy charge is 10¢ per kilowatt hour, with half of that being for the recovery of fixed costs.

The positive side of this situation is that we are reducing the amount energy needed from our supplier, helping limit our exposure to the volatile pricing of market-based electricity. The negative side of this is the loss of \$50,000 in revenue needed to cover fixed costs from these services shifted to the rest of the members in this rate class, and eroding margins.

If the rate structure is not addressed, the only way to compensate for the loss in revenue is to raise rates to everybody in the rate class. As rates increase and DG systems become more efficient and less expensive, more members will opt to install these systems. As installations increase, the amount of revenue shifted increases, prompting further rate increases.

Our goal with our rates is to ensure that each member pays for their fair share of building and maintaining the electricity system. So, how do we address the integrations of DG on our system? This is a question and challenge facing us. Currently our Board of Trustees and management team are exploring many options, and as decisions are made we will use these pages to keep you informed.

## Young entrepreneurs embrace the cooperative model *Co-ops as a career path*

By Adam Schwartz

According to a recent study, "Freelancing in America, National Survey of the New Workforce," some 53 million Americans are earning all or part of their income working for themselves. At the same time, a growing number of entrepreneurs of all ages, particularly young people, are turning to cooperatives as the business model of choice.

A great challenge that many people face when starting a co-op is where to find credible information about the business model since it is rarely taught in schools. At the end of this article, you will find a list of resources — but first, let's take a quick tour of some co-ops founded by young people.

When Ruthy Woodring and Alex Jarret thought they could pick up trash, recyclables and food scraps for compost via bicycles, they called their city of Northampton, Mass., to approve the idea. The person on the other end of the line said, "You want to do what?"

Today, hundreds of families and all the municipal garbage cans located throughout the town use The Pedal People Cooperative to dispose of their waste via specially designed bike trailers that operate year-round, including throughout the New England winter. The work is physically demanding, so the majority of the 15 employees (who also are the owners) are part time.

Austin, Texas, is known for many things, including the city's slogan, "Keep Austin Weird," so it's probably no surprise that the nation's first cooperatively owned brew pub began here. Black Star Co-op brews its own beer and serves very tasty food. It is owned by the consumers who elect its board of directors. The board delegates operations to the

workers assembly, which ensures all the employees have a real voice in how the business operates.

Since Black Star's opening, other cooperative brewpubs have surfaced in Wisconsin, Minnesota and Washington. Designed to build better alignment between the consumer and the workers, all of the businesses pledge to pay a "living wage," which allows full-time employees to earn enough money to cover typical living expenses.

Many young members of electric co-ops get their first taste of creating a cooperative from the Youth Tour program. Vigilante Electric Cooperative annually sends participants on a week-long trip to Washington, D.C. As part of their education process, the high school students often will establish soda pop or candy co-ops during the week. The profits or margins are then distributed back to the members in proportion to their use. It is a simple but effective way of demonstrating how a co-op operates.

Across the globe, people are coming together and turning to co-ops as the solution.

Resources for starting a co-op include:

Cooperation Works! A national network of regional centers that provides technical and operational assistance at very low cost, focusing on rural areas. <http://www.cooperationworks.coop/>

U.S. Federation of Worker Cooperatives provides resources and consulting for groups of people looking to start worker-owned cooperatives <http://usworker.coop/>

For more information on the organizations featured, please visit the following websites: <https://www.pedalpeople.coop/>, <http://www.blackstar.coop/>, <http://www.nreca.coop/what-we-do/youth-programs/>

# 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.

*Vigilante Electric Coop., Inc. · PO Box 1049 · Dillon MT 59725 · MT Toll Free 800-221-8271 or 683-2327*

STOREY, DARREL M BUTTE, MT	TOURTELOT, JOHN/SANDRA DILLON, MT	WEERES, PAT/KATHY WHITEHALL, MT	WILSON, VESTER CLYDE PARK, MT
STOTTS, WAYNE/NADINE CLARK FORK, ID	TREAT, EUGENE H/ROSALYN MANHATTAN, MT	WEIR, GERALD L/LUPE BUTTE, MT	WINN, REIA RENTON, WA
STURTEVANT, FLOYD LAUGHLIN, NV	TWEDT, TODD/DEBRA CALDWELL, MT	WEIXEL, RAYMOND JAMESTOWN, ND	WITHEM, LIB LITTLE ROCK, AR
SWOPE, ROY E/ALICE MILES CITY, MT	VAN HOEK, JEANNE ROCKER, MT	WELLS, DOROTHY TEMPE, AZ	WOIRHAYE, ROBIN R HELENA, MT
SYVRUD, AMY CLANCY, MT	VAN METER VICKI CLANCY, MT	WELLS, HAZEL TOSTON, MT	WOOD, ROBERT E/JOY RENTON, WA
TAFT, CAROLINE G SANTA PAULA, CA	VONDERAU, KIM MISSOULA, MT	WELLS, WANDA MARSEILLES, IL	WOODLAND, WALTER WHITEHALL, MT
TATE, LAURA BUTTE, MT	WAGNER, JAY/BERNETTE WHITEHALL, MT	WEST, LYNDA J DILLON, MT	WOODS, BEN R/RENAE DOUGLAS, WY
TESCH, LYALL C/KATHY DILLON, MT	WAKEFIELD, DARRICK R/ KAREN GLENFIELD, NY	WESTERN WOOD PROD FORT BRIDGER, WY	WOODWORTH, JERRY M JACKSON, MT
THIELEN, GREG TOWNSEND, MT	WALL, YVONNE DILLON, MT	WHITAKER, GEORGE A/KATHY ROXBORO, NC	WOTEN, JERRY/JACQUELINE PORT CHARLOTTE, FL
THOMAS, TROY/LISA HELENA, MT	WALLACE, DALE/TARA HELENA, MT	WHITE, MICHAEL J/DORIS GULF SHORES, AL	YELLOWSTONE PRESBY BILLINGS, MT
THORNTON, NICK DILLON, MT	WALTERS, JIM WISE RIVER, MT	WHITNEY, RENA TOWNSEND, MT	YORK DON ESTATE DELL, MT
THRONSON, GARY/BARBARA LIVINGSTON, MT	WALTERS, MARY BOISE, ID	WICK, LEMOINE/YVONNE WHITEHALL, MT	YOTHER, STEVE A BUTTE, MT
TIEDEMAN, SUSANNE TOWNSEND, MT	WEBER, FRED DILLON, MT	WILSON, BEA WHITEHALL, MT	YOUNG, JOHN P TOWNSEND, MT
TODDS' SPRG CRK RANCH KENMARE, ND			ZAHNOW, JEFFREY, A TOWNSEND, MT

## Membership Matters

*By Meghaan Evans*

October is National Cooperative Month, and for the many different types of co-ops in the U.S., it's the time of year to celebrate what membership truly means. Chances are, you are a member of something — a gym, a 4-H club, a Food of the Month Club — the list goes on and on! But what makes being a member of a co-op different?

The simple answer to that question is that when you are a member of a co-op, you are also an owner. You own a stake in our business and, just like any stakeholder, there are many benefits to your membership. As a member of Vigilante Electric Cooperative, you have a say in the representatives who are elected to serve on the co-op's Board of Directors. You have an opportunity to make your voice heard every year at our Annual Meeting. You get a say on policy issues

your electric cooperative supports or opposes.

Our bottom line is providing you with safe, reliable and affordable electricity. Sure, we have to think about expenses, overhead and other aspects of daily business, but when we have a little left over, we send it right back to you. We return it to you in the form of a check — you have a say in where that money goes! And returning capital credits to you is a major part of why being a co-op member matters.

As your local electric co-op, we get to be a part of this community. When we think about membership, we think about all of the ways we can give back to you, our members — and that's what matters most to us.

*Meghaan Evans writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.*