



VIGILANTE ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 

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A Message from Your General Manager

Fall Update



Rollie Miller
General Manager

As I write this article, it is and has been way too smoky for way too long for my liking. Hopefully by the time you are reading this, some of the smoke has subsided.

Construction Projects. I must give a shout out to Line Superintendent Justin Bair, Manager of Engineering Gary Ferris and their respective Operations and Engineering departments for the large amount of work we have gotten accomplished this year. Most recently, we completed the distribution voltage increase upgrade in the Centennial Valley, and the three-phase powerline rebuild in Horse Prairie. Both of these projects, along with most rebuild projects we complete, will significantly improve reliability and efficiency in delivering power to our members. Interest rates for borrowing money for these projects continue to be low, so we are taking advantage of those cost savings and have accelerated our efforts to rebuild and replace aging infrastructure used to serve you. Some of you have experienced planned outages during these projects, but I hope you understand that this is part of the process. Trust me, your service will be better, and the short inconveniences now will pay off later.

Bonneville Power Administration (BPA) Wholesale Power Rates. We were informed in late July that our wholesale power rates were increasing by approximately 1.6% overall. There are still some smaller issues that BPA is dealing with, but we do not expect them to modify our actual increase substantially. No increase is welcomed with open arms, but I am pleased our increase is somewhat manageable. We are in the process of evaluating the impact of this increase, and most likely will be submitting a retail-rate modification proposal to the Board of Trustees for consideration in the coming months. Our retail rate proposal will probably include modifications to the residential rate classes. We may also remove the "Low Usage" rate and combine those services with the "Residential" rate services. Our rate consultant is finalizing a cost-of-service study (COSS), and more information will be available next month. We have a significant number of accounts that have zero usage several months out of the year and those accounts are not paying their share of the fixed costs to serve them. In any case, stay tuned. Historically, rate changes have occurred at the beginning of the year, and we are expecting that to

continue. To make lemonade out of lemons, our wholesale rate increase was the smallest of the utilities in Montana served by BPA, and our retail rates for residential and irrigation are some of the lowest in the country. More importantly, we plan to keep it that way.

Social Media. I have to admit, I am not a huge fan of social media, but we as an organization need to stay abreast of the communication mediums our members are using. Effective last month, we launched our Vigilante Electric Facebook page. We plan to post company information, including somewhat real-time outage notifications, among other noteworthy items. I encourage you to take a look when you get a chance and "like" us if you think it appropriate. It is a learning process for us, but we are excited about what it will bring. Who knows, maybe I'll even send out a tweet someday.

Vigilante Electric Safety Roundup. We started the Safety Roundup program in August 2016. Because we structured it as an "Opt In" way for our members to contribute to the safety of our communities, we did it with the understanding that it would take some time to grow the funds needed to award worthy safety projects. At the end of August, we had 62 members participating, with total contributions of \$290.78. It's not much yet, but we are making progress. As the general manager, I believe in this program and I am committed to it, and as a member, I participate in it.

Rural Electric Safety Achievement Program (RESAP). Your cooperative recently underwent an inspection by RESAP-trained staff from other cooperatives around the state. The purpose of these inspections is to become more safety conscious and safety aware as an organization. We take employee and member safety seriously, and I will do whatever I can as manager to ensure our employees are working in a safe environment and working safely. The program is a success throughout the country, and we are happy to be a part of it. I am proud to state that we are a RESAP electric cooperative.

We hope you enjoyed your summer and, along with me, are looking forward to fall here in western Montana. Thank you for allowing us to serve you. If you need to contact me for any reason, feel free to call me on my mobile phone at 925-1085. You can also reach me here in the office or via email at rollie@vec.coop.

Cooperative 101

The Birth of Electric Cooperatives, Part 3

Due to heavy opposition from investor-owned utilities, the Giant Power concept languished in the state General Assembly and legislators adjourned in 1926 without acting on the proposal. Yet in defeat, the grand scheme devised by Cooke gained national attention by proving that government could break through existing economic and technical barriers to bring electricity to rural areas.

For example, Cooke determined that Pennsylvania power companies could provide service to 750,000 rural consumers, including 75,000 farms, for less than \$30 million. In 1925, the utilities boasted capital expenditures of \$100 million. As a result, Cooke found they could, over a five-year period, make a big dent in lighting up rural areas by investing only 5 percent more annually than they were already.

But the Giant Power concept was too powerful to gather dust on a shelf. It was read by engineers and rural development experts in other states, and soon caught the attention of the new governor of New York, Franklin D. Roosevelt. Upon creating the Power Authority of the State of New York (PASNY) in 1931 to develop hydropower resources along the St. Lawrence River, Roosevelt brought in Cooke as a consultant. Cooke, in turn, recruited a number of Giant Power alumni, notably Judson C. Dickerman, assistant director of the study, and electrical engineer Otto Rau.

Under Cooke's guidance, PASNY — today called the New York Power Authority — produced the first study on actual costs of distributing electricity to rural communities. Dickerman and Rau scrutinized items such as constructing distribution lines, poles, transmission facilities and overhead charges, and found that building a mile of line could be accomplished anywhere from \$300 to \$1,500 cheaper than what investor-owned utilities claimed. Cooke would later conclude: "Widespread rural electrification is ... financially both sound and feasible."

The IOU response to such pronouncements, though, was to remind rural leaders that utilities were not charitable organizations. Typical was this editorial from the May 28, 1932, issue of *Electrical World*, the industry trade magazine: "The primary interest of an electric utility in rural electrification is revenue. Social responsibility is a factor, a strong one, but electric utilities are not eleemosynary institutions and they can not undertake to serve any class of customers on any narrower base than that the revenue will pay at least the cost. Therefore, conspicuous advances in farm electrification must wait until the converging efforts in reduction of cost of service and in persuading the farmer actually to use electricity have met and merged into a single stream of progress."

After being elected president in November 1932, Franklin Roosevelt cajoled Cooke to join his administration a year later as head of the federal Mississippi Valley Commission, a body charged with recommending ways to end the vicious cycles of flood and drought plaguing the region. From that position, Cooke soon urged the president to launch a national rural electrification program. "Of the returns in terms of social well-being, national safety, agricultural and industrial

advance, and of individual happiness and security, there is no yardstick [other than rural electrification] adequate for the measuring," he insisted in an October 1934 report.

As 1934 came to a close, electrified farms surpassed the 740,000 mark — largely unsatisfying progress because 5 million operations still remained in the dark. By now, farmers and rural members of Congress who had remained loyal to IOUs were becoming disillusioned. That year, the American Farm Bureau Federation and the National Grange pulled out of CREA, followed closely by the departments of Agriculture, Commerce, and Interior.

National farm groups now began pressing for federal action on rural electrification. In December 1934, the American Farm Bureau Federation passed a resolution at its annual convention recommending, "electrification of agriculture should be extended into every possible section of the country." Some states announced plans to deal with the issue on their own if Washington did not take action.

Feeling the pressure, President Roosevelt signaled his intention to move on the issue a month later when, in his State of the Union address, he included rural electrification among the projects that could be funded as part of a \$5 billion public works bill being proposed. He later sought and received \$100 million for the effort.

At the end of April 1935, Cooke — tapped as the first administrator for the "Rural Electrification Unit" — had set up makeshift operations and was able to tell the White House on May 3 that "the unit is a going concern." On May 11, 1935, President Roosevelt signed Executive Order 7037 formally creating REA, at first considered a federal relief program.

Congratulations!



We would like to congratulate linemen Vance Forsman, left, Jess Davidson, right and Chase White (not pictured) on their victory at the Lineman's Rodeo.

2018 Youth Tour

What is Your Kid Doing Next Summer?

In 2002, an adventurous student from our service territory by the name of Melissa Hibbard submitted an entry in an essay contest sponsored by the Montana Electric Cooperatives' Association (MECA). The topic was "America in Crisis: Where Do We Go from Here?" At stake was a chance to win one of two all-expense paid trips to Washington, D.C., to participate in the National Rural Electric Cooperative Association (NRECA) Youth Tour.

Back then, Vigilante Electric Cooperative did not participate in sending students to the Youth Tour. Melissa took it upon herself to enter, and her essay finished second. After returning from Washington, D.C., we invited her to do a presentation for our board of trustees. Her presentation was great, and our board of trustees committed to sponsoring participants from our service territory.

This past summer, we were fortunate to have three outstanding young ladies represent us on this tour, two of which had stories and pictures featured in last month's edition of this publication. While words cannot adequately describe the impact this has had on the lives of our participants, here in their words are their experiences this summer.

"I could go on and on about this trip and never truly express how grateful I am to have been a part of this amazing opportunity to tour our nation's capital. It was really a once-in-a-lifetime experience."

— Harleigh Johnson, Beaverhead Co. High School
2017 Youth Leadership Council Representative for Montana

"I wouldn't hesitate to tell anyone who hasn't been to Washington, D.C., to apply for the trip and see all the wonderful things our capital has to offer. I saw many cool things, and made many lifelong friends. I'll never forget the way this trip has shaped me."

— Larkin Voss, Beaverhead Co. High School

During this week-long event participants tour Washington D.C. and experience the history enshrined there. They visit with their state's congressional delegation, and participate in youth rallies and socials. The 2017 Youth Tour was attended by more than 1,700 students and 250 chaperones from 46 states. I was privileged to have been a chaperone in 2004, and I can honestly say the scope of this event is remarkable.

The Youth Tour to Washington, D.C., dates for 2018 have been set for June 9 - 15. To be eligible, the student's parent or guardian must be a member of Vigilante Electric Cooperative. The student must currently be a sophomore or junior in high school and cannot have been a prior winner.

Participants are selected based on an application and

essay. This year's essay topic is "*Electric cooperatives offer various opportunities to young people, such as scholarships, job shadowing, electrical safety programs and sponsorships. What are some innovative ways your electric cooperative can connect with young people, especially children and teens?*"

The applications and essays are due to Vigilante Electric by December 1, 2017. Information is available through the guidance counselors at area high schools, online at www.vec.coop or by calling (800) 221-8271 or 683-2327.

Our history, our future Looking back provides the path forward

By Adam Schwartz

One of my favorite quotes has always been, "Those who do not remember the past are condemned to repeat it." Yet sometimes remembering our history with the goal of repeating it can actually be a good thing. As the nation's 30,000 cooperatives celebrate National Co-op Month this October, it is a great time to take a look back — and a look forward.

Take the history of your electric co-op. Vigilante Electric Cooperative was founded when neighbors worked together to bring electricity to our rural community. Big investor-owned power companies thought they couldn't generate enough profit so they bypassed rural areas. Back then, there were frequent meetings among neighbors to discuss the formation of the cooperative. Once established, annual meetings were the "must attend" event of the year. The co-op — on behalf of the member-owners — committed to provide the community with electricity.

Fast forward to today — and tomorrow. Vigilante Electric currently serves more than 5,400 members. We have returned over \$15 million to our members since 1947.

We understand the spirit that helped create this co-op must be continually nurtured. While times and technology will continue to change, our commitment to you will not.

Although we started out to provide electricity, our impact (with your support) has grown.

As we continue to look toward the future, you can be confident that Vigilante Electric is committed to helping our members and our community (Safety Roundup, safety demonstrations, energy efficiency rebates).

Over the years, as we've listened to you and your fellow co-op member-owners, we know that we have to keep pace as technology and consumer tastes evolve. As always, we welcome your participation as we plan for the future.



Are You Ready for Winter? Heating Bill Assistance

If the memories of last winter have been totally erased from your memory, here is a little reminder — it was cold! In fact, last December was the coldest on record, and January the second coldest. Cold weather does more than impact your comfort; it can seriously impact your budget. For low-income families, winter utilities can be an overwhelming burden. For this reason, there are organizations that can help.

Since 1998, Vigilante Electric has provided assistance for winter heating needs for members meeting the Low Income Energy Assistance Program (LIEAP) income guidelines. Applications are available October 2nd by contacting our Dillon office at 683-2327 or (800) 221-8271, and must be returned by November 17. Funding for our program is limited, so we strongly recommend applying for the programs offered by the state.

The state of Montana, through the Department of Public Health and Human Services, offers two programs aimed at helping low-income individuals reduce their heating costs. The Weatherization Program helps participants improve the heating efficiency of their homes and thus reduce their energy consumption. LIEAP pays part of winter energy bills.

Eligibility for weatherization and fuel (energy) assistance is based on your income and assets. While the state

application process may seem a little intimidating, there are people available to help you through the process. Simply contact the nearest Public Health and Human Services office at one of the numbers below, or call Vigilante Electric Cooperative.

Action Inc.
Butte
(800) 382-1325
(406) 533-6855

Rocky Mountain Development Council
LIEAP Office, Helena
(800) 356-6544
(406) 447-1625

District IX HRDC
Bozeman
(800) 332-2796
(406) 587-4486

Another source of help is Energy Share of Montana, a private nonprofit organization whose primary purpose is to help Montanans faced with energy emergencies meet their needs and move toward self-reliance. Requests for this assistance can also be made through the state offices above.

While many people ask for help, we know there are people who desperately need help that do not ask. We cannot emphasize this enough: it is OK to ask for help.

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Rollie Miller – General Manager



General Manager Rollie Miller with our riders for our entry in the Dillon Labor Day Parade. Pictured with Rollie are Liz Davidson, Behra Hutchison, Paityn Tarter, Raylee Hutchison, Stevie Hutchison, Elly Davidson, Ally Tarter, Emma Miller, Amber Santos and Chloe Yuhas.