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# Vigilante Electric Cooperative

A Touchstone Energy® Cooperative 

## A LOOK BACK AND FORWARD

Column by **ROLLIE MILLER**  
| General Manager

**W**E hope your fall is going well for you and we hope your Thanksgiving was special.



### Current Sales/Financials

From a financial standpoint your electric cooperative is doing well. Although our irrigation sales for the year are down approximately 15 percent from last year's sales, our residential sales picked up the slack, and it appears that we are going to end the year in a very positive position.

### Wholesale rates from BPA

First, we have an all-requirements wholesale power contract with Bonneville Power Administration (BPA) that extends to September 30, 2028, and every two years BPA completes a "rate case" to determine wholesale rates for the two-year period. We have what are called tiered rates in our contract with BPA. We have Tier 1 rates that are mostly stable and tied directly to the operation and management of the generation sources, most of which are hydro-power. The Tier 2 rates are for the most part market-based rates and can fluctuate based on the open market for power. In 2017, we outgrew our Tier 1 requirements, and now approximately 20 percent of our wholesale power purchases are in the Tier 2 category. Now for some bad news. We were officially

informed in August that our wholesale rates would be going up substantially. Our Tier 1 rates are staying flat. The Tier 2 rates, however, are almost doubling. This equates to an 18 percent increase in our total wholesale power costs over last year, excluding the BPA distribution credit received, creating a shortfall in our necessary revenue to remain compliant with our lending partners. Not very good news.

### Retail rates for 2024

On the retail side of things, after very thoughtful and lengthy deliberations with management, staff and the board, the following rate increase was approved by the VEC board of trustees at its October board meeting. This rate increase will be an overall total increase of approximately 13.8 percent for the residential and small commercial rate classes, with an effective date of January 1, 2024. On the residential side, we are implementing a three-part rate, which has been a trend in the electric cooperative industry for years. We have billed the kilowatt (kW) demand component on the irrigation and small commercial rates for years and, although we have had the kW demand line item on your residential rate schedule monthly bills for years, it has been multiplied by \$0, meaning there was no charge. We are a few years behind in implementing the full three-part rate on the residential rate, which includes the

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VIGILANTE ELECTRIC  
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**Rollie Miller**

General Manager

# VEC wins communication awards

The main intent for our communications program is to inform our membership of relevant information about their cooperative. Our team strives to put together professional and timely publications that engage our members. While we are not motivated by awards, it is always nice to receive accolades from your peers.

Each year, Northwest Public Power Association (NWPPA) and the Montana Electric Cooperatives' Association (MECA) host events where they recognize the communication efforts of the utilities they represent. Affiliate utilities submit their best communications efforts for the previous year in various categories, with awards given to the top entries.

## NWPPA awards

NWPPA is a regional association of more than 150 public/people's utility districts, electric cooperatives, municipalities, and Crown corporations in Alaska, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming and British Columbia. Its Excellence in Communications awards are held as part of its Northwest Innovations in Communications Conference (NIC), held this year in Santa Rosa, California.

This year, NWPPA received 264 entries from 45 utilities. All entries were published in 2022. Vigilante Electric, which is in the smallest utility group, was honored with two awards:

- **First Place** - Annual Report
- **Second Place** - Photography, "Work with a View," photo taken by



Chelsey Hutchison and Paige Garrison hold their certificates from the MECA Communications awards. | VEC PHOTO

Line Superintendent Justin Bair

## MECA awards

The Montana Electric Cooperatives' Association (MECA) is our statewide association, and it represents 25 electric distribution cooperatives and three generation and transmission cooperatives. These cooperatives serve more than 400,000 Montanans. Each year, in conjunction with the MECA Annual Meeting in Great Falls, recognition is given to communicators from across the state.

This year, MECA received 135 entries, across 11 categories, submitted by 10 utilities. Submissions were published between July 1, 2022, to June

30, 2023. In Montana, Vigilante Electric is grouped with the large cooperatives. The following is what we were recognized for by MECA:

- **Best Print Advertisement – Second Place**, Member Appreciation BBQ, Paige Garrison, and Chelsey Hutchison
- **Best Special Publication – Second Place**, Safety Demonstration Brochure – Paige Garrison and Chelsey Hutchison
- **Best Newsletter – Honorable Mention.**

We are very honored to have received these awards and are appreciative for the time and talent of our staff members. RM

# HAPPY HOLIDAYS

FROM EVERYONE AT VIGILANTE ELECTRIC COOPERATIVE

Vigilante Electric office will close December 25 for Christmas and January 1 for the New Year's holiday.

# Miller honored at MECA Annual Meeting

**T**HE Montana Electric Cooperatives' Association's (MECA) Hog-Tied Award is presented to a cooperative director or employee who has exemplified exceptional courage, skill, or determination in dealing with individuals on public policy issues of importance to Montana's electric cooperatives.

Vigilante Electric General Manager Rollie Miller played a critical role in convincing Sen. Becky Beard (R-Elliston) to withdraw a proposed amendment to the Montana Constitution that, if enacted, would have significantly impacted the ability of electric cooperatives to continue to utilize prescriptive easements to install and maintain electric infrastructure on private lands. For almost four decades until the 1970's, Vigilante Electric did not routinely acquire easements for the construction of powerlines. It was done on a mostly handshake deal.



The proposed amendment by Senator Becky Beard would have taken away our prescriptive right to have those powerlines in place.

Rollie traveled to Helena during the 2023 legislative session at the request of MECA and met with Sen. Beard. He explained the necessity of the prescriptive easements due to the hand shake deals with powerline construction and helped convince Senator Beard to withdraw her proposed amendment.

Rollie also led discussions between Montana's cooperatives and the United States Forest Service on the agency's changes to operating permits and plans, wildfire liability and special-use permits. Rollie joined MECA in discussing these critical issues with the deputy chief of the Forest Service and the Montana congressional delegation in Washington, D.C., and at the state level with the Northern Region forester and her team. Because of Rollie's determination, dedication and remarkable ability to help decision-makers clearly understand the impacts of these federal issues, they have captured the attention of senior leadership of the Forest Service and National Rural Electric Cooperative Association (NRECA).

On behalf of this organization, we would like to congratulate Rollie on this honor and thank him for all the work he has done for our membership.

## MANAGER

*Continued from page 5*

kW demand. Those three parts are: 1) a base charge that will remain the same in 2024 at \$28 per month. This is to recover most of the costs to keep the service in place and maintained at your location; 2) a new kW demand component charged at \$1/kW for each kW used. This is a charge for the rate at which you are using power. A typical home uses less than 10 kW demand per month; and 3) the kWh energy charge component, which will be billed at the new rate of \$0.0631/kWh. The previous amount charged was \$0.0581/kWh.

On the irrigation rate schedule side of things, the annual Horsepower charge billed in January will remain the same at \$12.50/HP. The monthly kW demand will also remain the same at \$2.45/kW demand. The energy charge or kWh charge, however, will increase from \$0.049/kWh to \$0.060/kWh. Although most of the irrigation

accounts are shut off during the winter, there are some that operate year-round. We will bill those accounts with usage monthly in the winter "off-season" months. This new irrigation rate change will be implemented April 1, 2024.

On the small commercial rate schedule, the kW demand component will stay the same at \$3.50/kW demand. The energy charge will increase from \$0.04981/kWh to \$0.06081/kWh. The minimum monthly billing amount will increase to \$40/month.

As I stated, not very good news at all. We are, however, simply recovering our wholesale cost increase component. This is a straightforward pass-through of our wholesale rate increases. Even with the upward pressure on most if not all the other costs (fuel, line materials and trucks) we are seeing, we have had enough growth in memberships to offset most of those other cost increases.

### My retirement

After what will be 44.5 years of serving in this industry, I have notified the

board of trustees and the employees that I am planning to retire next spring. The board has hired Great Co-ops to facilitate the recruitment and hiring of my replacement. The cooperative is in great shape in almost every way, from a financial standpoint to the staff working for you. I am very proud of the staff and board for allowing me to lead such a great organization. I do not know of one better than this one. I am not leaving just yet, but I wanted to share my retirement news with the membership and, although the news in this newsletter is relatively bad, I will continue to write these articles until my retirement, and continue to work for you in ensuring the future success of the organization. Even after this rate increase, I am expecting our retail rates to be some of, if not the, lowest in the state and country.

I hope you have a Merry Christmas and a joyous holiday season. If you need to contact me, please feel free to call me here at the office, on my cell-phone at (406) 925-1085 or email me at [rollie@vec.coop](mailto:rollie@vec.coop). RM

VIGILANTE ELECTRIC COOPERATIVE

# SAFETY ROUNDUP

10 grants helped 9 organizations since 2017

**I**n early 2017, Vigilante Electric Cooperative introduced our Safety Roundup program. Safety Roundup provides our members with a way to donate to the organizations in our communities that keep us safe. All the donations are presented to worthy organizations in the form of a grant. To date, we have helped nine organizations, providing 10 grants. Our most recent awards were presented to Beaverhead Community Wood Bank Ministry, Inc., and a repeat recipient in the Beaverhead County DUI Taskforce.

The Beaverhead Community Wood Bank Ministry is a local non-profit organization that provides firewood to households in the county that struggle financially and need assistance keeping their homes warm. More than half of their clients are seniors living on social security, and many others have a disability or medical condition. Last heating season, the Wood Bank delivered 155 cords of firewood to 53 qualifying households.

The Wood Bank Ministry's proposal was for the acquisition of 24 home fire extinguishers. These extinguishers

would be provided upon request with a firewood delivery. Each recipient would also receive a brief lesson on proper use and storage of the fire extinguisher. Our trustees approved this donation at their October board meeting.

Earlier this fall, we provided another grant to a project that was brought to our attention last year, the Beaverhead County DUI Taskforce Sober Rides Program. In general, DUI task forces are multi-faceted coalitions that invite participation from a cross-section of community representatives to maximize reach and effectiveness. The task forces operate at the county level to reduce and prevent impaired driving, and decrease the alcohol-related injury and fatality rates.

The Sober Rides Program was started four years ago in an effort to reduce the number of people drinking and driving by offering them a free ride during "Montana's Biggest Weekend." Dubbed by many as the unofficial end of summer party, this event brings thousands of visitors to the Dillon area. Each year the program has become more coordinated and well received and, as an organiza-

tion, we were honored to again be a part of it with a \$2,000 grant from our Safety Roundup program.

These projects are great examples of what Safety Roundup was designed to do, and we can do much more with your help. This program is driven through voluntary participation, where members can "roundup" their bill to the next whole dollar. They can also add a few extra dollars each month or make a one-time donation. Regardless of how the donations are made, rest assured that 100 percent of the money collected will be presented to worthy organizations through grants. To the members that are already participating, thank you. Safety Roundup would not exist without you.

If you would like to join us in this effort, give us a call and we would be glad to help you with enrollment. If you are part of a group or civic organization and have an idea on how to improve safety in our community, contact us with information about your organization and details about your project, and how it will improve community safety.

RM



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**Vigilante Electric  
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**Vigilante Safety Roundup Tracker**

Participating members: 829  
 Total Contributions: \$23,296.32

To apply, contact our office at  
 (800) 221-8271 or 683-2327  
 An online application is available at [www.vec.coop](http://www.vec.coop).