

Energy

SAN MIGUEL POWER ASSOCIATION, INC.

WISE



YOUR ELECTRIC CO-OP MEMBER NEWSLETTER | MAY 2014 | ISSUE #0057

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Notables: SMPA Returning \$900K in Capital Credits this Month



Kevin Ritter
SMPA General Manager

San Miguel Power and other electric cooperatives aren't like other utilities. You, as a consumer and a member, own a portion of the business. And one benefit of that membership involves the allocation of excess revenue, called margins, in the form of capital credits. I'm proud to announce that SMPA will again be returning capital credits to our members this spring. In total \$904,688 will be paid back to our members. \$500,000 will be retired from SMPA's internal operations and \$404,688 will be passed through from Tri-State, our wholesale provider.

Allocating and retiring excess revenue to our members helps distinguish us as a cooperative. We're proud to support our communities by putting money back into the local economy, and into the pockets of those we serve. It's part of what makes our business model special.

SMPA operates at cost, meaning we collect enough revenue to run and expand the co-op, but do not raise rates to generate profits for distant shareholders. When SMPA has money left over, it's allocated back to you and other members as capital credits. We do this annually, and when the co-op's financial position permits, we retire, or pay, the capital credits back to members. Credits in excess of \$10 are mailed to our members as checks.

This year credits are going to approximately 8,000 people who were members of the cooperative during the years 1985, 1986 and 1998. Not all current SMPA members will be getting money back. Only those who were members during these years will receive a capital credit. Members are allocated capital credits based on the amount of capital they put back into the cooperative each year. In other words, the amount they are billed annually. The more dollars a member pays in, the more capital they invest and therefore, the larger credit they are allocated.

The retirement of capital credits depends on the co-op's financial status. SMPA holds onto allocated capital credits to cover emergencies, such as a natural disaster like the winter rockslide on Red Mountain and other unexpected events, and to expand its electric system, all of which may require large-scale construction of poles and wires. In the past our board made the decision not to return credits in order to build our equity. This action decreased the need to raise rates too often or borrow money to pay for the infrastructure. As a result, we've met the financial goals which the board outlined in the equity management plan, and SMPA is now in a position to pay our members back.

Another important reason our board felt the need to begin returning credits again is the fact that it is an essential part of the cooperative business model. It's one more way we're looking out for you.

HOW CAPITAL CREDITS WORK

- 1 **SMPA tracks how much electricity you buy and how much money you pay for it throughout the year.**
- 2 **At the end of the year, SMPA completes our financial matters and determines if there is excess revenues, called margins.**
- 3 **SMPA allocates the margins to members as capital credits based upon their investment during the year.**
- 4 **When SMPA's financial condition permits, our board decides to retire, or pay, the capital credits.**

ELECTRICAL SAFETY 101

If electric wires in your neighborhood have sagged for some reason or a tree limb has pushed the line out of place, keep your neighborhood safe by alerting SMPA.

Contact Us:
Nucla
 170 W. 10th Ave
 P.O. Box 817
 Nucla, CO 81424
 (970) 864-7311
 Monday - Thursday; 7:00 a.m. - 5:30 p.m.
 Toll Free: 1-877-864-7311

Ridgway
 720 N. Railroad St.
 P.O. Box 1150
 Ridgway, CO 81432
 (970) 626-5549
 Tuesday - Friday; 7:00 a.m. - 5:30 p.m.
 Toll Free: 1-800-864-7256

www.smpa.com

In the case of a power outage, contact your local SMPA office. If it is after hours, you can automatically transfer to our 24-hour dispatch.

Questions or comments?

Contact:
 Becky Mashburn
 Communications Executive
 (970) 626-5549 ext. 212
energywise@smpa.com



This institution is an equal opportunity provider and employer.



SMPA Blood Drive

When: June 4, 2014
Where: SMPA Nucla Office (170 W. 10th Ave.)

Schedule your appointment. Call Tammi, (970) 864-7311 x116, tammi@smpa.com.

And the Winners Are...

Thank you to all of our members who participated in our efforts to improve the reach of our Facebook page. In March we asked you to like and share our page, and you did just that. You helped us gain 75 more viewers in just one month!

Each member who liked our page, including those that already had from the beginning, were entered to win a \$50 gift certificate to a restaurant of their choice within SMPA's service territory.



And the winners are...

Westen Enstrom, Nucla
Chris Myers, Telluride
Sally Kichelmann, Nucla

You can find us on Facebook at www.facebook.com/San-MiguelPower. What can find on our page? We post breaking news, photos of our employees working, energy savings tips and community news. But, perhaps most important to many of you, we also work hard to share information about large power outages that are affecting our membership. So go ahead, find us on Facebook and like us today!

Director Elections on the Horizon



SMPA members in districts three and six will soon be asked to cast their vote for their San Miguel Power director representative. Mail-in ballots will be sent to members within these two districts in May.

Members can cast their vote by return mail or return their ballot in person to an SMPA district office in Ridgway or Nucla. All ballots returned by mail or in person must be received before 5:30 p.m. on June 16, 2014. SMPA is not responsible for ballots that are lost or arrive late due to the postal service.

Members can also vote in person at the 75th Annual Meeting of Members on June 17, 2014 at SMPA's Nucla office, 170 West 10th Avenue, Nucla, CO. Registration begins at 4:30 p.m. Elections will conclude at the start of the business meeting at 5:30 p.m. Winners will be announced at the conclusion of the meeting.

It is important to follow carefully all voting directions printed on the ballot. Failing to do so can result in your vote not being counted. Remember, only the member listed on the ballot can vote.

SMPA directors are not elected on an at-large basis. Only members whose primary electric account is located in the districts with board seats up for election will vote. SMPA directors serve four-year terms.

Questions? Contact Toni, (970) 626-5549 x210, toni@smpa.com.

May Is National Electrical Safety Month

From flipping a light switch to plugging in a phone charger, we use electricity every day, and we oftentimes take it for granted. May is National Electrical Safety Month, so take the time learn more about electricity and steps that can be taken to help ensure its safe use.

In 2011, the National Fire Protection Association reported an estimated 47,700 home structure fires in the U.S. due to some form of electrical failure or malfunction resulting in 418 civilian deaths, 1,570 injuries, and \$1.4 billion in damage.

Below are steps you can take to protect yourself and loved ones—indoors and out:

- Check outlets for loose-fitting plugs. Replace missing or broken wall plates so wiring and components are not exposed. If you have young children at home, install Tamper Resistant Outlets (TROs) or cover unused outlets with plastic safety caps.
- Never force plugs into outlets.
- Do not remove the grounding pin (third prong) to make a plug fit a two-prong outlet.
- Avoid overloading outlets with adapters and too many appliance plugs.
- Make sure cords are not frayed or cracked, placed under carpets or rugs, or located in high traffic areas.
- Do not nail or staple electrical cords to walls, floors, or other objects.
- Use extension cords only on a temporary basis, not as permanent household wiring.
- Make sure outlets in the kitchen, bathrooms, laundry, workshop, basement, and garage are equipped with Ground Fault Circuit Interrupters (GCFIs). Test them monthly.
- If an appliance repeatedly blows a fuse, trips a circuit breaker, or has given you an electrical shock, immediately unplug it and have it repaired or replaced.
- If there are electrical issues in your home, make sure to call a professional to make the repairs.
- Teach children to stay away from electric utility equipment. Never enter a substation, do not play on pad mounted transformers, and fly kites safely away from overhead power lines.
- If power lines are down or sagging, stay away, warn others to stay away, and call the utility.
- When working outside, keep yourself and equipment at least 10 feet away from power lines and service connections.
- Always look up for power lines before using long tools like pruning poles and ladders.
- When trimming trees, be aware that broken or dislodged branches may have also become tangled in overhead electric lines or pushed the wire closer to the ground.
- Do not use electric yard tools if it is raining or the ground is wet.

For more information on how to prevent electrical hazards, visit SafeElectricity.org.

SAVE THE DATE

Energy Efficiency Incentives Workshop

Tuesday, May 20, 2014 | 11am – 12pm

Learn how to utilize local incentives from SMPA, Source Gas and Alpine Bank to decrease your energy use and utility bills. Learn more at www.ecoactionpartners.org/event.