



Your Touchstone Energy® Cooperative 
 The power of human connections

NEWS

MEMBER NEWSLETTER

February 2017

Manager's Message

Dear Members: _____ *by Marlene Morss*



Happy 2017!

In my recent articles I did not have the figures for the 2017 Rates. The budget and most importantly the Cost of Service Study was finally completed in November, but not in time to make the December WREN publication deadline.

As you recall in the September issue of the WREN statewide magazine an article was written about a Cost of Service study that was performed by a rate consultant this Fall. With the downturn in the economy and the loss of sales, High Plains Power reacted to this situation by initiating the Cost of Service Study. The process started with Guernsey in April 2016 and was completed late fall of 2016. As you can see, the development and procedure for the study is very time consuming with a lot of data being provided to Guernsey.

A cost of service study analyzes the cost to provide electric service to each rate class. There are 5 rate classes which are classified as residential, seasonal, irrigation, commercial and industrial. All the costs are unbundled for each rate class to make sure that each class is paying the appropriate amount to cover the costs to serve them.

This study is a valuable tool which helps High Plains Power in making decisions to meet financial goals and objectives. As with any successful business, you must charge the appropriate rate

to cover your costs. As a not-for-profit cooperative, we don't raise rates to generate profits - we raise rates to cover the cost of doing business and meet regulatory requirements. The price we pay for wholesale energy from Tri-State Generation and Transmission has increased by 4.23% for 2017. Wholesale power costs make up 81% of High Plains Power's expenses. That means 81 cents of every dollar collected goes to Tri-State and only 19 cents is the amount we use to operate our whole system.

The rate increase impacts the five rate classes differently because as stated above, each rate class was separated to see what it costs to serve that class.

The High Plains Power board of directors has approved a rate increase effective January 1, 2017 as follows:

Residential	9.07%
Seasonal	17.10%
Irrigation	3.68%
Commercial	4.53%
Industrial	4.23%

While no one likes to see a rate increase, your board of directors does not take this responsibility lightly and has a fiduciary responsibility to keep your cooperative financially stable. You can be assured that as a not-for-profit cooperative; your board of directors only raises rates when it is absolutely necessary.

To view the complete rate tariff sheets please go to our website at www.highplainspower.org.

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2017 Annual Meeting
Saturday,
March 18th at
the Thermopolis
Middle School

The POWER of Co-op Membership

Annual Meeting
Mark Your Calendars.



2017 Annual Meeting

The 19th Annual Meeting of High Plains Power will be held Saturday, March 18, 2017 at the Thermopolis Middle School in Thermopolis, Wyoming. Important business to be conducted includes the election of four members to the cooperative's board of directors. In addition, members will hear reports from the President of the Board, the Treasurer, the CEO and a representative of Tri-State Generation & Transmission regarding the cooperative's business.

Annual Meeting Notice

An annual meeting notice will be mailed out to all member/owners in early March. A proxy card will be included with the meeting notice. If you are unable to attend the annual meeting, please complete and send your proxy to our Riverton office. If you are planning on attending the meeting, please do not use the proxy card.

Why should I attend?

Your annual meeting is a good opportunity to visit with friends, enjoy a meal, vote for director representation and get informed about the business of your electric cooperative. You could even win one of many valuable door prizes awarded during the business meeting.

Election of Directors

Elections for four director districts will be held at the annual meeting. Elections will be held for: District 4—Rural Riverton areas

District 5—North of Riverton and Midvale areas

District 9—Lysite, Lost Cabin, Moneta, Grass Creek and Hamilton Dome areas

District 10—Worland area

Board of Director Nominations Being Sought

In accordance with the cooperative bylaws, one member from each district has been selected to serve on a nominating committee. If you are a member of High Plains Power and would like to be a candidate for the board of directors, contact one of the members of the committee (see Nominating Committee Members List) in the district that you reside and also receive electric service. Per the By-Laws, "In the case of a firm, corporation or body politic which is member/owner of High Plains Power, any officer or agent thereof, provided such officer or agent is a candidate for director by written designation of such firm, corporation or body politic, filed with the High Plains Power."

Qualifications to be Director

A nominee or candidate for the director of High Plains must be a member receiving electric service and be a bona fide resident in the district that will be up for election. The candidate may not be employed by or financially interested in a competing enterprise or business selling electric energy or supplies to High Plains Power.

SCAM ALERT

Please be aware that we are starting to get more calls about scams that are hitting our areas. Please note that if you receive a call and are unsure of the authenticity of the call, hang up and call our main phone number - 307-856-9426.

Some of the scams involved meeting at a location (NOT OUR OFFICE) and paying with some sort of prepaid card. Others want you to pay immediately or you are subject to disconnect.

Our procedures for disconnect include written notices that are mailed and during the winter months we will place a door knocker on your door before we disconnect.

If you believe it to be a scam, get as much information as you can - name, title, location, phone number. After that hang up and call us at 307-856-9426.

Nominating Committee Members

- District 1 - Lynn Sowell
- District 2 - Fred Tammany
- District 3 - Martin Meeks
- District 4 - Jim Woodward
- District 5 - Ron Blumenshine
- District 6 - Nick Anderson
- District 7 - John Sharp
- District 8 - Shane Sanderson
- District 9 - Josh Longwell
- District 10 - Dan Weber
- District 11 - Jim Price
- District 12 - Sue Cowdin

2017 Scholarship Program

High Plains Power in partnership with Tri-State Generation and Basin Electric Power Cooperative will be awarding \$1000 college scholarships this spring. These scholarships are intended to encourage the continued higher education of the youth of your cooperative.

WHO IS ELIGIBLE?

Applicants must be current members of High Plains Power or the dependents of current members, or the dependents of persons receiving electricity from High Plains Power to their primary residence through a current membership in another name. Applicants must be graduating high school seniors planning to enroll as full-time students in the 2017 fall semester at any university, college or certified vocational/technical school. Applicants must have a high school grade point average or equivalent of 2.5 or higher. Applicants

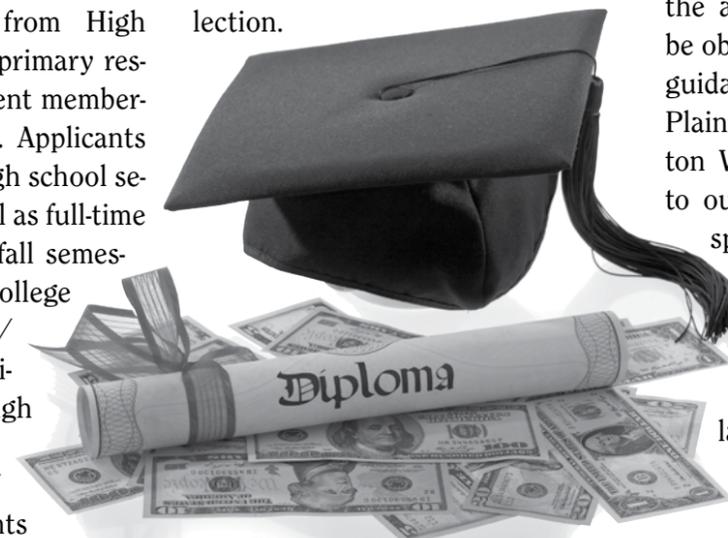
must submit the required information and completed application form no later than **March 3, 2017**.

HOW ARE RECIPIENTS SELECTED?

Award of scholarship is based on the following criteria:

- grade point average
- work experiences
- activities
- educational and career goals
- written recommendations

A High Plains Power selection committee will make the final selection.



WHAT ARE THE RECIPIENTS' OBLIGATIONS?

Scholarship recipients must remain as full-time students during the semesters for which the scholarships are awarded. Other than payment of the scholarships, High Plains Power, Tri-State Generation and Basin Electric Power assume no obligations or liabilities.

HOW CAN I APPLY?

To apply applicants must meet the required criteria and complete the application forms, which can be obtained from their high school guidance office, or from High Plains Power, P O Box 713, Riverton WY 82501. You may also go to our website at www.highplainspower.org to download and print the application. Completed applications must be received at High Plains Power's Riverton office no later than **March 3, 2017**.

High School Sophomores/Juniors

- *Do you want to learn more about cooperatives, legislative processes, energy prices and power generation?
- *Do you want an all expense paid trip to a Leadership Camp at Glen Eden Resort near Steamboat Springs, Colorado?
- *Do you want to develop leadership skills?
- *Do you want to have fun and meet other youth leaders?
- *Then the Youth Leadership Camp is for you.
- *The camp will take place July 15-20, 2017.
- *Please contact High Plains Power for an application.

DEADLINE IS FEBRUARY 1, 2017.



Rate Increase Question & Answer

Why is High Plains Power raising electric rates? As a not-for-profit cooperative, we don't raise rates to generate profits. We raise rates to cover the cost of doing business and only when absolutely necessary. The price we pay for wholesale energy to Tri-State Generation and Transmission increased 4.23% for 2017. Wholesale power costs make up 81% of High Plains Power's expenses. That means 81¢ of every dollar collected goes to Tri-State and only 19¢ is the amount we use to operate our whole system. The 19¢ covers how that energy is delivered to you. This 19% of money collected is used to service our 12,500 square miles of territory which includes about 80,000 poles, over 4800 miles of line, and about 54 substations. Please keep in mind within this vast territory we serve on average 2.7 member/owners per mile.

How were the rates determined? High Plains Power commissioned an outside rate consulting firm to conduct a cost of service study. A cost of service study analyzes the cost to provide electric service to each rate class. There are 5 rate classes which are classified as residential, seasonal, irrigation, commercial and industrial. All the costs are unbundled for each rate class to make sure that each class is paying the appropriate amount to cover the costs to serve them.

Is High Plains Power changing the facilities charge or the kWh rate or both? Both. According to the cost of service study, High Plains Power should be collecting an adequate amount for the facilities charge. For the residential class, the study indicated that the cost of having minimum service available is about \$30 per month. The kWh rate for residential services has been increased from \$0.10521 per kWh to \$0.10845 per kWh. Please see the link for the complete 2017 rate tariff.

What does the facility charge represent? The facility charge is designed to cover each member/owner's share of the cost for maintenance of poles, wire, transformers, meters, right-of-ways and other expenses on the distribution system associated with providing electric service and access to the electrical infrastructure. Because all cooperative member/owners benefit from having reliable electric service available when they want it, the facility charge ensures that everyone pays their fair share of the fixed costs – costs that exist whether or not a single kilowatt hour is used.

I've been a member/owner of the cooperative for a long time. Shouldn't these fixed costs of the distribution system have been recovered by now? Fixed costs could be compared to a car. For the lifetime of a car, you will always have costs associated with having the

car, such as a loan to purchase it, insurance and maintenance costs. Even if the maintenance of the car is kept up, eventually you will need to replace the motor, tires, or even purchase a new car. This is also true for the distribution system in the utility industry. Although you may have been a cooperative member/owner for a long time, there is a good chance that very little of the original equipment that was initially installed to provide you with electric service is still in place. High Plains Power is constantly at work maintaining the distribution system to provide you with reliable service. The fixed costs that were initially incurred to provide a member/owner with service have been replaced with new fixed costs as the cooperative performs the necessary maintenance to keep the system operating reliably.

Why is the seasonal rate class increasing so much? In general, the seasonal accounts use less kilowatt hours. The seasonal class is mostly comprised of second homes and seasonal water wells.

Why are the commercial/industrial classes receiving a lower increase? The cost of service study indicated that, the commercial/industrial class has been paying closer to its cost to serve.

What can I do to reduce my electric costs? The most important thing you can do is practice conservation. By simply turning things off or down, you can reduce your electric bill. Set your water heater to 120 degrees. Adjust your thermostat for heating and cooling. Replace lightbulbs with LED lightbulbs. In addition, check out the rebates that are available through Tri-State for things such as upgrading to Energy Star appliances and installing a new electric water heater.

Based on kilowatt consumption, a residential member will see the following increase:

Residential Monthly kWh	Current	New	Monthly Difference
0	\$22.00	\$30.00	\$8.00
500	\$74.60	\$84.22	\$9.62
(System Average) 962	\$123.21	\$134.32	\$11.11
1500	\$179.81	\$192.67	\$12.86
2000	\$232.42	\$246.90	\$14.48

Comparisons of "facility charges" or minimum charges for different services.

High Plains Power	\$30/month (2017 facility charge)
Cell Phone	\$40/month
Cable TV	\$60/month
Internet	\$60-\$80/month

High Plains Power

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