

Power Talk

McCone Electric Co-op, Inc. Newsletter

Your Touchstone Energy® Cooperative



MCCONE ELECTRIC CO-OP



General Manager
Michael Hoy

Insider's View of McCone Electric

2016 Rate Increase

After a thorough review, and ample discussion with senior staff, the Board of Directors approved rates for 2016. They focused on the following: *"The vision and mission of the cooperative is to bring reliable, high-quality, central station power to its members at the lowest possible cost consistent with sound business practices."* The fact is, the cost of buying and delivering electricity to you, our members, continues to rise.

Unfortunately, these increased costs must be covered through our monthly billing.

2016 rates apply for sales beginning March 1, 2016.

They reflect an additional \$5.00 Base Charge and \$0.0069/kWh Energy Charge. The Base Charge helps cover fixed costs. The Energy Charge covers variable costs. The 2016 rates provide *"lowest possible cost consistent with sound business practices."* The Board of Directors know each member is unique. They also realize the new rates will impact each member differently.

So you're asking – what's it going to cost me? Here is what the average member increase will be for each account type.

ACCOUNT TYPE	AVG. kWh	AVG. kW	CURRENT	NEW	DIFFERENCE
RESIDENTIAL, SCHOOL, CHURCH, HALL	1,100		\$ 148.25	\$ 162.84	\$ 12.59
SINGLE PHASE COMMERCIAL	1,008		\$ 138.36	\$ 150.32	\$ 11.96
THREE PHASE COMMERCIAL	7,929	21	\$ 682.23	\$ 741.94	\$ 59.71
IRRIGATION	5,494	56*	\$ 1,162.86	\$ 1,335.69	\$ 172.83
STOCKWELL	224		\$ 54.86	\$ 61.41	\$ 6.55
YARD LIGHTING SERVICE and ELECTRIC HEAT remain the same as 2015.					

The rate change examples shown above will vary with actual usage. See McCone Electric 2016 Rates for full details. *\$18.06/kW/mo.

The 2016 Budget is based on no growth in energy sales. Historically, El Nino winters are warm, resulting in less energy sales. Additionally, we have removed the Keystone XL Pipeline pumping station from our forecast. Rejecting the pipeline had a tremendously negative financial impact on McCone Electric. By adjusting the Base Charge to cover fixed costs, the Board of Directors are providing the *"lowest possible cost consistent with sound business practices"* to you, our member-owners.

Look for detailed 2016 Rates in your next billing statement. As always, McCone Electric staff is here to serve you.

Wishing you a Happy Valentine's Day.

Cooperatively yours,

Michael Hoy – General Manager

Energy Assistance - Low Income Energy Assistance Program (LIEAP) & Energy Share

Individuals must have adequate access to residential energy in order to heat their home and power appliances including life-saving equipment for the disabled and elderly.



Who is eligible?

Both homeowners and renters may apply for LIEAP and Energy Share. The amount of assistance provided is based on [income eligibility](#), housing type, heat type, number of bedrooms, and the number of people residing in the household. Households living on fixed incomes such as Social Security Disability Insurance, Supplemental Security Income, General Assistance, Veterans Assistance, or Temporary Assistance for Needy Families may apply as well as the low-income working household.

What is the difference between LIEAP and Energy Share?

LIEAP pays a portion of the low-income eligible applicant's heating bill directly to the utility provider during the heating season of October 1st through April 30th of each year. Exceptions are if your heat is included in your rent or the account is not in household member's name, then it is paid directly to you. LIEAP is not a loan program. Energy Share is a year-round, one-time emergency assistance loan program for eligible low-income individuals facing an energy emergency (furnace repair/replacement, utility disconnect, etc.). Energy Share is available only when all other resources have been exhausted and loans must be repaid. When should I apply for LIEAP?

Applications are available October 1- April 30.

How do I get an application?

Go Online: www.aemt.org see income standards, fill out application on-line

or

Action for Eastern Montana

**Address: 2030 N Merrill Ave, Glendive, MT 59330
1(800) 227-0703 or (406) 377-3564 Fax: (406) 377-3571**

Or

**Stop in at McCone Electric in Circle. Pick up an application.
Please share this with anyone who may need assistance.**

The complexities of EPA's Clean Power Plan

By Mark Hayes and editing by Scot Brown

The Environmental Protection Agency's regulation to limit greenhouse gas emissions from power plants will have a big impact in Montana. Labeled the "Clean Power Plan," it aims to reduce nationwide carbon dioxide emissions from power plants by 32 percent below levels recorded in 2005.

Montana's goal, mandated by the EPA, will be a 47% reduction. And McCone Electric Co-op along with other electric cooperatives in Montana, will have to work with other utilities in the state, and in partnership with the Department of Environmental Quality to achieve this reduction.

More than likely, power plants, especially those that use coal, will be forced to shut down before they have been fully paid for. In these situations, electric co-op members will have to continue paying for a power plant that no longer operates while also paying for electricity. This will most likely affect McCone Electric, through the cost of our power purchased from Basin Electric. which we rely on for 42% percent of the electricity our members use. Basin Electric produces power from Oil, Natural Gas, Wind , Nuclear, Hydro, and Coal.

54.9% of the power that Basin produces is from coal. McCone Electric purchases 58% of it power from Western Area Power Administration which generates most of its electricity from Hydro power, but they too, have a coal fired generation plant. We do not buy any power from Colstrip, but all of these companies depend on coal for different percentages of the electricity needed for not just us in Montana , but all of our neighboring states as well.

What does that mean for you, our members? Unfortunately, it probably will mean higher electricity bills.

But we're still crunching the numbers. The Clean Power Plan is an extremely complex and far-reaching regulation. **In fact, it's probably the single most complex regulation co-ops have ever confronted.**

The rule affects cooperatives and their members more than other sectors of the utility industry. This is because cooperatives are unique among utilities.

As you know, McCone Electric is a not-for-profit organization that provides electricity to 2540 member-owners across 9 counties, covering 14,400 sq. miles. We don't have investors who can foot the bill for expensive new plants or equipment for which we haven't budgeted.

McCone Electric is more than just poles and lines. We look out for our members every day.

Co-ops do a lot more than provide electricity. We want to improve our communities. We offer scholarships to High School students, and support all types of activities, in several communities. Our concern for our communities that we serve runs deep.

We have this same concern for community when it comes to regulations and other policy changes that will increase the cost of electricity. Some folks may not notice an extra \$10-\$20 added to their bill, but many others are already struggling to get by.

The potential cost increase is why we've been so engaged on this issue. That's the root of our concern because we're ultimately concerned about our members.

We're keeping up the fight and working for legislative and legal solutions in partnership with co-ops from around the country. Our top concern remains providing you, our members, with safe, affordable and reliable electricity.

Mark Hayes 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.

Scot Brown writes for McCone Electric and if you have questions on this article, and the figures used , please call Scot at 406-485-3430

McCone Electric Co-op, Inc.

WHY ABANDON OUR ALL OF THE ABOVE ENERGY STRATEGY?

RURAL AMERICA DEPENDS ON OUR MOST AFFORDABLE AND RELIABLE FUEL SOURCE

Tell the EPA @ ACTION.COOP

*NRECA member co-op fuel mix as distributed

RENEWABLE ENERGY NUCLEAR POWER
NATURAL GAS CLEAN COAL

America needs an **ALL OF THE ABOVE STRATEGY** to keep electric bills affordable

VISIT ACTION.COOP

TELL EPA TO RECONSIDER ITS "ALL-BUT-ONE" APPROACH



McCone Electric outage call in procedure

Call Before You Dig 1-800-424-5555

If you have a power outage call the Circle headquarters phone number. You can call the cooperative's local phone number or the toll free phone number. During the normal work week an office employee will answer the phone between the hours of 8:00 a.m. and 5:00 p.m. After hours, weekends or holidays a dispatcher will be on duty to answer your outage call. You will be assisted by our dispatcher who will call out a work crew to restore your electrical service.

**For outages call:
406-485-3430 or 1-800-684-3605
at any time day or night**

For Primary Line Locates:
To protect property, prevent personal injuries, and avoid lawsuits, call toll free.
Be prepared to pinpoint the location of your dig site with the exact street address, township, range, section and quarter section.
You'll need to describe the type of work to be done and some detail as to where you are working on the site.
Call at least 48 hours before your digging project.

**Remember, the number is:
1-800-424-5555 or 811**

For secondary line locates, please call 485-3430 during business hours.
Please Ask for Scot Brown or Dan Hammons

McCone Electric Co-op., Inc.
Office Hours
8 a.m. to 5 p.m. weekdays
Telephone 406-485-3430
or toll-free 1-800-684-3605



The Trouble Reporting Number is 406-485-3430 or 1-800-684-3605
A dispatcher is available to answer your call at all times

OFFICERS AND TRUSTEES
Conrad Moline, Pres. Brockway, MT
Arne Sutton, V.P. Circle, MT
Ruth Hinnaland, Sec. Brockway, MT
Brent McRae, Treas. Jordan, MT
Dean McCabe Circle, MT
Kirk Haynie Circle, MT
Patti Murphy Circle, MT
Don Bogar Vida, MT
Brent Kluth Vida, MT

OFFICE PERSONNEL
Michael Hoy General Manager
Theresa Haynie, Manager/Finance & Admin.
Scot Brown... Mgr. Member Services/Compliance
Jennifer Hogan Plant Accountant
Sonja Arnston Payroll/Accts. Payable
Nichole Sikveland Consumer Accountant
Donna Lala Consumer Service Rep.
Vickie Eissinger Cashier / Receptionist
Dan Hammons Member Services Advisor
Bill Books Master Electrician

OPERATING REPORT
McCone Electric Co-op., Inc.
Year-To-Date
For Period Ending: November 30, 2015

Total Income.....	\$7,830,427
G&T Capital Credits.....	\$102,678
Cost of purchased Power	\$3,195,157
Total Operating Cost.....	\$4,564,031
Total Margins	\$173,917
KWH Purch. (Yr.-to-Date).....	69,176,982
KWH Sold (Yr.-to-Date).....	62,466,726
Meters Billed	5,279
Miles of Line in Service.....	3,831

LINE PERSONNEL

CIRCLE / RICHEY AREA
Ed Crockett.....Plant Superintendent
Rex Sikveland.....Line Foreman
Bryan Becker Sub Foreman
Clay Nagle Sub Foreman
Chris Taylor..... Sub Foreman
Nathan Tuttle.....Apprentice Lineman
Brian Mothershead.....Apprentice Lineman
Hunter Braaten.....Apprentice Lineman
Scott Becker Meter Technician

JORDAN AREA
Jordan Dasinger..... Sub Foreman
Adam Stanton Sub Foreman
LanceAnderson..... Lineman
Jonathan FitzGerald.....Apprentice Lineman