

Power Lines



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Rate Increase Effective January 1

Demand for electricity, growth cause need for rate increase

BY BRAD GASKILL, GENERAL MANAGER

The Tri-State Generation and Transmission Association, Inc., Board of Directors recently approved an 11.4-percent increase in wholesale electric rates to its 44 member systems, including Poudre Valley Rural Electric Association, Inc. It becomes effective January 1, 2008. This rate change will increase Tri-State members' average costs from 5.65 cents to 6.29 cents per kilowatt-hour.



Brad Gaskill

As has been the case for the past several years, the primary force behind the need for increased rates is continued growth and the cumulative increased demand for electricity across Tri-State's entire membership. In 2008, Tri-State's member load is projected to increase by 9.3 percent.

Tri-State's existing generation resources are insufficient to meet their present and projected member demand for power. As a result, Tri-State is in the unenviable position of having to consistently purchase expensive power on the open market to make up for the shortfall, until such time that it can bring on new generating facilities. Tri-State's 2008 purchased power costs are scheduled to increase by almost \$100 million over 2007 costs. (Win *Jessica Trumble)

As wholesale power costs account for approximately 75 percent of PVREA's expenses, the co-op has no choice but to pass this increase on to our consumers. In addition to our wholesale power costs increasing, other operational costs also continue to increase. These costs include equipment, materials and supplies; facilities maintenance and insurance; and employee wages and benefits, as well as record keeping, printing and billing.

The Front Range of northern Colorado remains an attractive place to live. As a result, our residential, commercial and industrial loads continue to grow. PVREA will need additional employees to maintain the service levels you have come to expect and deserve.

The management staff is currently studying the impact of Tri-State's rate increase as we develop the projected 2008 operating budget. Through this study, the staff will make a recommendation to the board on what staff believes the overall rate increase percentage to PVREA consumers should be to meet our financial and operational goals. The goal, as always, is to provide safe, reliable and quality electric power through superior customer service, yet meet prudent financial goals that will ensure the future stability of your association.

Regardless of the circumstance or how justified the need, having to inform the membership of a rate increase is never a pleasant task for the board or management staff. However, Tri-State and PVREA are not in a unique position. A number of other utilities across the state, region and country are facing the same issue of having to increase rates as the next generation of power plants and new resources are being developed.

Tri-State works hard at producing and delivering reliable power at the lowest possible cost, while ensuring there is an adequate power supply. It continues to invest in energy efficiency programs, as well as the research and development of technologies to improve reliability and operational efficiencies.

The PVREA board, *[continued on page 6]*

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NEXT BOARD MEETING

November 27





Kathy Bialy

PVREA Welcomes New Employee

Poudre Valley REA welcomes Kathy Bialy. Kathy began her full-time employment as a customer service representative on August 20, 2007. Before joining PVREA, Kathy worked for Connecticut Light & Power for over 21 years. Kathy and her husband, Craig, have a 9-year-old son Matthew. The Bialys really enjoy their move to Colorado. Welcome aboard, Kathy.

Rate Increase

[continued from page 5] management staff and employees are also working hard to control our costs, and we remain committed to our primary focus of keeping our rates affordable and competitively priced. In the near future, we will be introducing new energy efficiency and conservation programs to assist our members in using energy wisely and controlling costs.

PVREA's board of directors will hold a public rate hearing Tuesday, November 27, at 2 p.m. at the headquarters office, 7649 REA Parkway, Fort Collins, to consider the new rates for 2008. Approximately 30 days prior to the hearing date you should have received a notice by mail of the proposed changes to each of the rate schedules.

I look forward to visiting with you again.

Use Electric Space Heaters Sparingly, Safely

Electric space heaters are one of the biggest wastes of electricity and are not recommended by Poudre Valley Rural Electric Association. However, many people use them. The reason is simple. They are fairly inexpensive to buy and warm up quickly. However, the main thing that people have to contend with when purchasing an electric space heater is the cost of running one. In some cases, a bill could increase by an extra \$100 a month.

There is also the safety factor. Electric space heaters are known to be a safety hazard. There have been countless deaths and injuries attributed to the misuse of space heaters. The following steps should be considered when using a space heater.

- Make sure your space heater has been tested to the latest standards and is certified by a nationally recognized testing laboratory such as Underwriters Laboratories.
- Electric space heaters have one function — to provide supplemental heat. Don't use them to warm bedding, cook food, thaw pipes or dry clothing. Misusing space heaters can put you and your family at risk of fire or burn injuries, so never try to use them for anything other than helping warm a room.
- You should always use a 3-foot safety rule. Keep things that burn at least 3 feet away from space heaters.
- Never leave a space heater unattended. Turn it off when you're leaving a room or going to sleep. Don't let pets or children play too close to a space heater.
- Make sure there is a guard around the heating element or flame area, so pets or children's little fingers can't get burned.
- Check for frayed insulation, broken wires or overheating. Have all problems repaired by a professional technician before operating the space heater.
- Avoid using extension cords with space heaters. If you must

use one, make sure you choose an extension cord of the right wire gauge size and type for your heaters.

- Keep extension cords away from high-traffic areas in your home. You don't want people walking on or tripping over the cord.
- Make sure you only put your heater on a hard, level nonflammable surface, never on carpets or a rug that could catch fire.
- Keep all flammable material at a safe distance.

Following these safe practices will ensure your family's personal safety.



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PVREA CFL PROGRAM

Continuing through the month of November, PVREA is offering a free compact fluorescent lightbulb to anyone who comes in to the headquarter offices to pay his or her bill. Upon receiving the free 23-watt CFL, a customer will have the option of buying two additional 23-watt CFLs for \$1 apiece. The 23-watt CFLs that are being sold are equivalent to a 100-watt incandescent lightbulb.

CFLs, at a normal household use of three hours per day, should last 10,000 hours. At that rate, one CFL would last as long as 13 regular incandescent bulbs. That means this 10,000-hour lightbulb will save PVREA consumers money over the life of the CFL.

According to the national Energy Star® program, if every American home replaced just one incandescent lightbulb with a compact fluorescent light, consumers would save enough energy to light more than 2.5 million homes for a year and prevent greenhouse gases equivalent to the emissions of nearly 800,000 cars.

Stop by and see us. We believe you will like this product.

ARE YOU A WINNER?

If you see your account name in Poudre Valley's four-page portion of *Colorado Country Life*, you have until the last day of the month that the magazine is dated to claim your reward by calling PVREA at 970-226-1234. More than ever, it pays to keep informed about your electric utility.

ATTENTION HIGH SCHOOL SENIORS OR UNDERGRADS

Poudre Valley REA Offers Nine Scholarships

Nine scholarships are available through Poudre Valley REA for high school seniors and college undergraduate students. Basin Electric and Tri-State Generation and Transmission each offer scholarships, in addition to the six scholarships Poudre Valley REA has established.

Applicants must be dependents of parents (or consumers themselves) who currently receive electric service from Poudre Valley REA. If the PVREA consumer is a business, that business may appoint a candidate of its choice. Previous winners may reapply if they still qualify.

Applications are reviewed to make sure that 1) each is complete, 2) the

applicant is eligible, 3) the required documentation has been submitted and 4) the deadline has been met. If all the requirements are fulfilled, the winners names will be drawn at random — one winner and one alternate for each scholarship.

Listed below are the scholarships available. By completing an application, students are applying for all scholarships. Scholarship information and applications are on PVREA's website at www.pvrea.com. Choose the Scholarship, Etc. tab on the home page.

All entries must be submitted by February 15, 2008. Applications with a postmark later than February 15 will not be accepted.

SCHOLARSHIPS

Scholarship	Number Available	Amount	Schools
Basin Electric Power Cooperative	1	\$1,000	Any U.S. college
Poudre Valley REA	6	\$1,000	Colorado State University, Front Range Community College, University of Northern Colorado, Aims Community College, University of Colorado
Tri-State G&T and Poudre Valley REA	2	\$500	Colorado State University, Front Range Community College, University of Northern Colorado, Aims Community College, University of Colorado

Austin Ellis Demonstrates Electric Project

Recently, Poudre Valley Rural Electric Association had a visit from Austin Ellis, a seventh grade Windsor Middle School student. Austin presented his electric demonstration project to various employees and members of the PVREA co-op.

His project uses an electric meter that was provided by PVREA, a curling iron and other electrical gadgets to show normal everyday usage of household appliances and how the meter relates to the power consumption of these items. Austin's demonstration also shows how to save energy by using compact fluorescent lightbulbs



Austin Ellis wins a championship ribbon for his electrical demonstration.

instead of incandescent lightbulbs.

Austin, who is a member of the 4-H youth organization, showed his electrical demonstration at the Colorado State Fair in Pueblo and won a championship ribbon. He also received the grand champion ribbon from the Larimer County Fair.

PVREA is proud of Austin and his accomplishments and is looking forward to having him participate at the PVREA annual meeting.

Attention Writers, Videographers, Artists and Photographers:

WASHINGTON, D.C., TRIP AVAILABLE TO HIGH SCHOOL STUDENT

Do you like to draw, write, create videos or take photographs? Are you a high school student who lives on Poudre Valley REA's system? If you answered "yes" to these questions, read on.

In mid-June, 2008, almost 1,500 high school students will be in Washington, D.C., for the Rural Electric Youth Tour. A typical tour day starts at 7 a.m. and is not complete until 11 p.m. The Washington Monument, Washington cathedral, and Jefferson and Lincoln memorials are just a few of the attractions. There is a Potomac cruise and a chance to meet congressional leaders. In the evenings, a dance and a party are planned for tour participants.

The lucky students will be selected and sponsored by their local rural electric cooperatives. Poudre Valley REA will pay all the expenses for one student. The Youth Tour is coordinated by the National Rural Electric Cooperative Association.

Who is eligible? High school juniors at least 16-17 years of age — whose parents or guardians are PVREA members — are eligible to enter the contest.

How do students enter? Students who wish to enter the contest can do so by writing an essay, producing a 10-15 minute video, creating a freehand drawing or computer-generated graphic, or taking and submitting a photograph.

Essays should be typed, double-spaced and approximately 500 words long (give



or take a short paragraph one way or the other). Students are encouraged to illustrate their essays with freehand drawings or computer graphics.

This year, essays, illustrations or videos should be based on one of the following topics:

- Why is it not safe to stand a long piece of irrigation pipe up under a power line? Explain what would happen to the person holding it if the pipe came in contact with the line.
- Explain or draw how the generating plant, the transmission lines and the distribution lines bring electricity to your house.
- Write a paragraph to answer each of the following questions about PVREA:

1. What is the main reason Poudre Val-

ley REA has an annual meeting?

2. Why do PVREA consumers get some money back after they have been on PVREA's service for a while?

- Does PVREA offer wind power to its consumers? Does it cost extra?
- Why did electrical cooperatives, like Poudre Valley REA, get started? Why couldn't people buy their electricity from the big companies?

Drawing, graphics and photograph entries should be done with Poudre Valley REA's annual report in mind. The co-op may use the winning entry for the cover of the annual report.

The space for the report's cover is 8.5 inches by 3.5 inches. Entries can be larger but need to be in about the same proportion as the report cover (for example, 17 inches by 7 inches or 34 inches by 14 inches).

Drawings, designs or photographs may be placed on the report vertically or horizontally.

In the past, covers have been composed of scenery, employees working and computer-generated bolts of lightning. We'd like something eye-catching that would make you want to pick up the report and read it.

How will the winner be selected? Art and photograph entries will be judged on subject matter, creativity, originality, and use of the 8.5-by-3.5-inch space. Essays and videos will be judged for topic knowledge, clarity and correctness of presentation, documentation of sources, grammar and spelling (in essays). Finalists will be interviewed by the tour committee. From these students, the winner and an alternate will be chosen.

An additional three students who enter the contest will be chosen to represent Poudre Valley REA at Colorado's energy camp in Steamboat Springs in July.

All entries must be accompanied by an entry form at right, or can be downloaded at www.pvrea.coop.

All entries must be postmarked or hand delivered no later than November 19, 2007. Winners will be notified by the end of November.

ENTRY FORM

Please fill out the following information, detach and send it in with your entry. Entries cannot be returned (unless prior arrangements are made). Dates, terms and conditions could change without prior notice.

Student's Name: _____ Age: _____

Name Poudre Valley REA account is under: _____

Account no. _____ Phone no. _____

Address: _____

Year of high school graduation: _____

High school attending: _____

High school phone no. _____

Send or bring entries to:

PVREA Member Services Department • Attn: Washington Youth Tour
7649 REA Parkway • P.O. Box 272550 • Ft. Collins, CO 80527-2550