

# Watts Up?

www.ravallielectric.com  
service@ravallielectric.com

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Ravalli Electric Co-op

Corvallis, Montana



## EAST AND WEST FORK RESIDENTS...

It is once again getting close to the time to place the electrical power lines in the area to ONE-SHOT protection. The normal operation of an automatic breaker is to prevent extended outages during momentary faulty conditions common during high winds and snow loading conditions.

ONE –SHOT is the practice of bypassing circuit breakers with a fuse so that it does not re-energize power lines after it has opened. ONE-SHOT is used to minimize the chance of starting a fire in forested lands during moderate and high fire conditions. REC monitors the Forest Service’s assessment of the fire danger and goes to ONE-SHOT on their opinion. Bypassing the breaker with a fuse eliminates the breaker from reclosing so members in these areas may experience more outages due to the ONE-SHOT protection.

When the electrical system is on normal operation, we have mechanical oil operated breakers that detect electrical faults. These breakers operate similar to the circuit breakers in your house. When the breaker senses a fault (the current in the circuit becomes greater than the current rating of the breaker) the circuit breaker will trip (open) and turn the power off. The difference between the breakers we use on the high voltage power lines and the circuit breaker in your house is that our breakers will operate (turn the power off and back on again) three times prior to turning the power totally off on the circuit. The purpose for the multiple operations is to clear temporary faults. When these mechanical devices detect a fault, such as a tree in the power line, they may operate once or as many as three times, depending on how long the fault (tree limb in this case) stays in contact with the power line. Normally, in a tree limb situation, the limb may momentarily come into contact with the power line and fall through the line before the breaker operates three times. Your lights blink off and on with the operation of the breaker. If the tree stays in contact with the power line, the breaker will operate through its full cycle and turn the power off completely.

If there are ANY cooperative members that have trees near or in contact with the power lines, please contact Ravalli Electric as soon as possible. The “best practice” to vegetation management is to remove tree growth to the extent necessary to achieve a five-year rotation. This is a minimum of 10 feet on mature growth and more for faster growing species.



# NUCLEAR ENERGY

CRITICAL TO AMERICA'S ENERGY FUTURE

**1** URANIUM PELLETS  
IS EQUIVALENT TO  
THE ENERGY  
PROVIDED BY:



Simulated Uranium Fuel Pellet  
The size of one Nib Licorice piece!

Note: There is talk of lowering carbon footprint in the future.

**149**

GALLONS OF OIL



**1,780**

POUNDS OF COAL



**17,000**

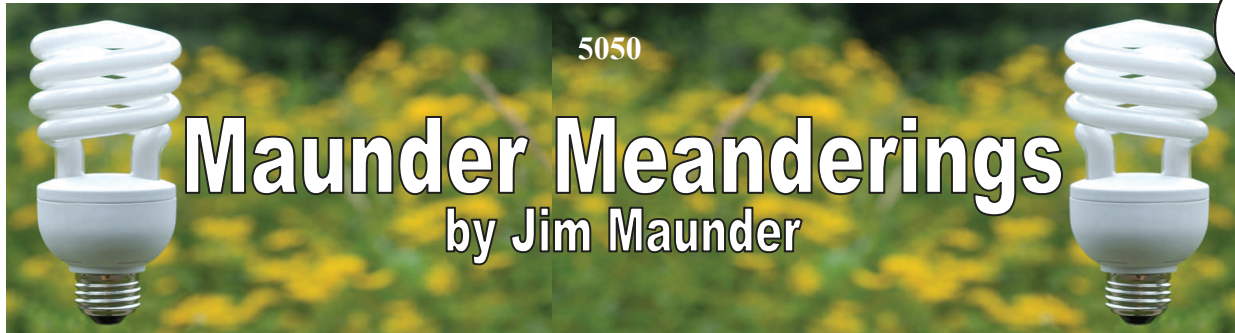
CUBIC FEET OF NATURAL GAS



Fuel pellets in Columbia Generating Station produce enough reliable, affordable and environmentally friendly electricity to power over a million Washington homes.



1713591



# Maunder Meanderings

by Jim Maunder

## CAPITAL CREDITS

In June 2010, some of our members received a "Capital Credit retirement check" from Ravalli Electric Co-op. But what are Capital Credits? In order to explain Capital Credits properly, we must go back to the 1930's and look at the early days of electric companies. The first electric companies in the US were all investor-owned utilities. Every electric company was owned by private investors who bought stock in a new venture with the hope of making a profit. For obvious reasons, those investors started with the big cities like New York and Chicago, then worked their way down to the smaller cities like Missoula, Hamilton and Stevensville. They had an opportunity to electrify the rural areas, but they declined because the investment was too high for so few customers, so rural farmers and ranchers across America had to wait.

The Rural Electrification Administration - the "REA" - was created during the Roosevelt administration in 1935 to loan out money to farmers and ranchers so they could develop "cooperatives". Co-ops installed the poles and wire to deliver electricity to rural areas. Today there are 1000 rural electric co-ops in the US. There are 26 electric co-ops in the state of Montana. Ravalli County Electric Cooperative, Inc. serves rural Ravalli County. (Not downtown Hamilton, Stevensville, Victor, and so on.) You cannot buy stock in an electric co-op. Every single electric cooperative in the country is a locally owned business. And every single not-for-profit electric cooperative uses an accounting system that includes Capital Credits.

In a perfect world, a not-for-profit business could write a budget on January 1st to cover all expenses and end the year with a profit of exactly zero. In the real world, we must always budget a bit more than projected costs because we can't predict the weather or big, expensive storms. So every year leftover profits may amount to as little as \$10,000 or as much as \$400,000 or more. And all those profits are gradually returned to customers in the form of Capital Credit payments.

Every year our seven co-op directors look at the co-op's financial health and decide how and when to return Capital Credits. Some years the profits are too small to warrant payments. Other years when the profits are greater, the board has a few options. The board may decide to retain some of the profits to be used as working capital or to upgrade a portion of the electric system. And some Credits are returned to members in cash.









Historically, Ravalli Electric Co-op has paid Capital Credits in order of "first in, first out". So the 1930's were paid, then the '40's, the '50's, the '60's, the '70's, '80's, and so on. As of last year, REC had paid off all Credits due for all years up to and including 1983. (Most co-ops around the country are similarly still paying Credits from approximately 20 years ago.) This year the board of directors elected to pay the outstanding balances of 1984–1988 and a portion of 1989.

Some customers assume that Capital Credits are like a savings account with cash set aside for each member. Actually, Capital Credits are in the form of hard assets — poles, wires, trucks and buildings. It would make no sense for the co-op to pay back large Capital Credit payments and then borrow money from the bank to replenish working capital. Interest payments for borrowed money would be passed on to the customer. Returning Capital Credits is a balancing act. No one wants to raise electric rates in order to raise revenue available to pay back Credits. It's better to keep rates as low as possible and pay back Credits slowly but surely.

Ravalli Electric Co-op was incorporated in 1935 as the first electric co-op in the state of Montana. Capital Credits are part of the co-op heritage. If you have further questions about Capital Credits, call the co-op Member Service Department at 961-3001.

## Be Prepared Before the Storm

Here are some basic items you should store in your home in case of emergency:

-  **Water:** Three day supply, one gallon per person per day
-  **Food:** Three day supply, non-perishable, high-energy
-  **Clothing, bedding, and sanitation supplies**
-  **Tools:** Can opener, plates, utensils, flashlight, batteries, cash, bleach, hand sanitizer
-  **First aid supplies, medicine**
-  **Important documents**



Visit [redcross.org/domore](http://redcross.org/domore) to learn more about disaster kits.

Source: American Red Cross, Federal Emergency Management Agency



...to check out our “Watt’s Up?” section of the August *Rural Montana* magazine for pictures of our 75th Annual Meeting. Also, see who won the twelve \$1000 scholarships given to local area students. There will be a special thank you to all the businesses who donated the wonderful gifts for the prize drawing, too!

### Find the Hidden Number



We will hide three account numbers this month in our “Watts Up?” pages. If you find your account number, call the office at 961-3001 by the 20th of the magazine month and you get a \$30 credit on your electric bill. Good luck!

### Ravalli County Electric Cooperative, Inc.

P.O. Box 190  
Corvallis, MT 59828

Phone (406) 961-3001  
Fax (406) 961-3230

Richard J. Brown  
General Manager

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