

Watts Up?

www.ravallielectric.com
service@ravallielectric.com

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Ravalli Electric Co-op

Corvallis, Montana



EXPERIENCE THE WONDER OF WASHINGTON

For over 40 years, electric cooperatives have sponsored high school students from across America to visit the nation's capitol and meet their members of congress. You could be part of this tremendous opportunity.

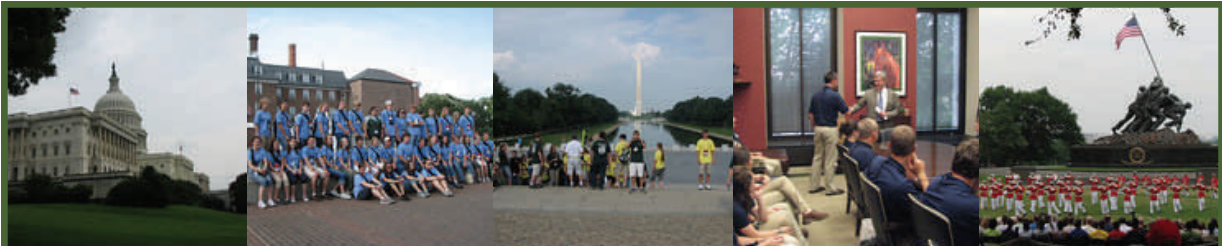
2011 Youth Tour Dates: **June 11-17, 2011**

155550

Essay due at Ravalli Electric Co-op: **November 30, 2010**

YOUTH TOUR CONTEST RULES

1. The student must be a junior or senior in high school in the fall of 2011.
2. Student cannot be a prior winner of the youth tour.
3. The student must write an essay (up to two pages double spaced) on the following topic:
You are in charge of the energy efficiency program at your school. Describe ways you would recommend for your school to use electricity more efficiently.
4. Essays must include a cover page with the student's name, address, telephone number and the name of their rural electric cooperative and a copy of the application form — available on Ravalli Electric Co-op's website at www.ravallielectric.com — or you can pick up a form at the co-op office or from your guidance counselor at your high school.



Photos of the Montana/North Dakota/Kootenai students from the 2010 Youth Tour.



A Touchstone Energy® Cooperative



Ravalli Electric Co-op

Rate Increases or Rate Adjustments

Just reading the words above can send shivers up and down your spine. That is not my intention. I would like to take a few minutes and talk about what Ravalli Electric Co-op (REC) is going to be doing in the next 12 months about your electricity rates.

Members of REC have enjoyed very stable electric rates for the past 20 years. It's the intention of the Board of Trustees and Management at the co-op to continue to have stable rates well into the future. The electric industry is changing and the next decade forecasts increases in power costs. Fortunately for members of REC, your Board signed another long term contract with the Bonneville Power Administration (BPA).

The contract will provide our members with electricity through 2028. As I stated in my speech to the membership at our 75th Annual Meeting in June, "It looks like we'll be looking at about a 12% rate increase to bring REC up to current power supply costs in September of 2011."

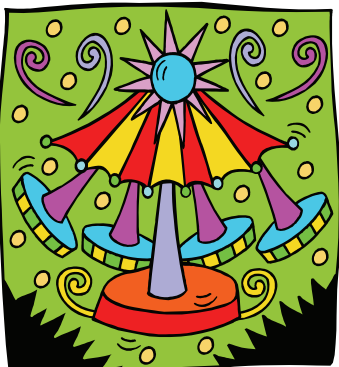
The Board and staff at REC held a Strategic Planning Session August 17-19. From there we are looking at our current Business Plan to identify specific objectives and goals that will help ensure our members have safe, reliable and affordable power. We also want your co-op to remain a viable business and preserve our ability to return patronage capital (capital credits) to our members.

In addition, we are examining our rate structures between member classes and the size of service within each member class. Our goal is to continue "at cost" operation and minimize any subsidies between or within member classes. We continue to look at how we allocate costs from one class to another making sure they are fair and accurate.

A basic value of a co-op is that members share equitably in the costs and benefits of participating in the cooperative. Each member class should pay as nearly as possible their share of cost that is imposed on the system. Also, to the extent possible, each individual member should pay the costs they impose on the system based on the origin of those costs.

REC and its members have been fortunate not having their rates raised frequently. We are planning to implement an annual review of our rates to ensure we are meeting our financial goals, revenue requirements and to anticipate future rate cases. It is our goal to be providing safe reliable electricity at cost to our member-owners for another 75 years.

Ric Brown, General Manager



Enjoy the Ravalli County Fair
September 1-4

Ravalli Electric Co-op will be
CLOSED

Monday, September 6, for the
Labor Day Holiday.



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Maunder Meanderings

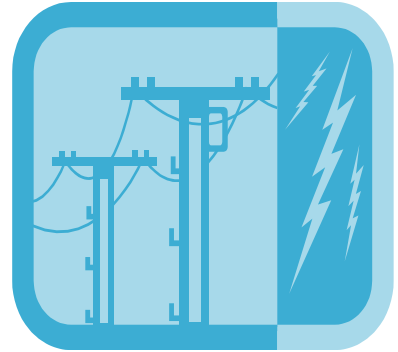
by Jim Maunder

How the Cooperative Difference Affects Your Rates

At Ravalli Electric Co-op (REC) the people who receive electricity are not just customers, they're members of our cooperative. Members enjoy certain rights that customers don't have with other electric providers. For instance, as a member of REC, you can choose to run for a seat on our Board of Directors. Because you can vote in the annual election for the board candidates of your choice, our board is composed of people who live and work in the parts of the Bitterroot Valley that REC serves.

Many people, however, don't understand the various ways their membership in a cooperative affects their rates. At REC, our rates are based on two main components – the actual cost of the wholesale power we purchase and the cost for us to get that power to you. Our power provider, the Bonneville Power Administration (BPA) sets the wholesale power cost. REC works hard to keep rates low, while guaranteeing a stable supply of electricity.

The second component – the cost for us to get power to you – is all other operational costs, including the cost for poles and lines, the cost and maintenance of trucks, substations, and buildings, actual employee costs like wages and benefits, and the costs associated with maintaining records, like the printing and mailing of bills. One of the biggest advantages of being served by a cooperative is that we work for you; we don't have stockholders expecting a big quarterly dividend. We're a not-for-profit enterprise, which means we're working only to provide you with economical, reliable service.



We do collect some money, which is figured into your rates, that is used for capital improvements. It helps us to build many of the expensive improvements we are required to provide. Any money collected in excess of those required funds is allocated to each member account as patronage capital.

Patronage capital, or capital credits as they are often called, represents your investment in REC and all its assets. While capital credits are not returned every year, the board of directors considers once a year whether or not we can return some of these investment dollars to our members. So, when figuring our overall rates, members need to consider capital credits in the quotient. Returning capital credits to members is a practice unique to the cooperative form of business and represents one of the cooperative principles – members' economic participation. And perhaps best of all, the benefits of this economic participation accrues to all the businesses in the Bitterroot Valley.

We encourage you to participate and provide us feedback in the upcoming year as we complete our rate survey and analysis. Please contact our Member Services Department with questions or concerns at 961-3001.

Back to School Travel Tips

By Meg Jones

Getting to School and Back Safely — Know the "Rules of the Road"



Teach your child how to be safe on the bus, walking on sidewalks and riding in the car. Make sure your child knows these basic safety tips. The complete list of tips is available on the American Academy of Pediatrics Web site at <http://www.aap.org/advocacy/releases/augschool.cfm>.

School Bus

- ◆ If your child's school bus has lap/shoulder seat belts, make sure your child knows how they work and to wear it at all times when on the bus. If your child's school bus does not have lap/shoulder belts, ask the school to buy or lease buses with lap/shoulder belts.
- ◆ Always wait for the bus to stop moving before stepping off the curb to get on.
- ◆ Take a seat right away and do not move around on the bus.

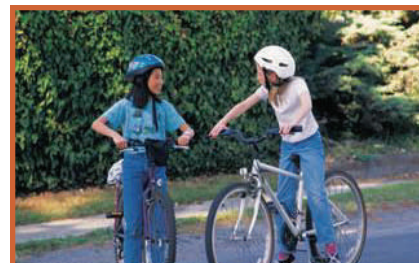
Car

- ◆ All passengers should wear a seat belt and/or an age- and size-appropriate car safety seat or booster seat.
- ◆ Your child should ride in a car safety seat with a harness as long as possible and then ride in an approved booster seat.
- ◆ Your child should ride in an approved booster seat until the seat belt fits them properly (usually when the child reaches about 4' 9" in height and is between 8 to 12 years of age).
- ◆ All children under 13 years of age should ride in the rear seat of a car.

Remember that many crashes occur while new teen drivers are going to and from school. You should limit the number of teens in the car with a teen driver to prevent driver distractions; this is even required by law in many states.

Bike

- ◆ Always wear a bicycle helmet, no matter how short or long the ride.
- ◆ Ride on the right side of the road, going the same direction as the traffic.
- ◆ Use appropriate hand signals when making turns.
- ◆ Follow traffic light and stop sign rules.
- ◆ Wear bright colored clothing to increase visibility.



Walking to School

- ◆ Make sure your child's walk to a school is a safe route with well-trained adult crossing guards at every intersection.
- ◆ Be realistic about your child's ability to walk to school without an adult. Because small children don't have a lot of experience around traffic, they may take risks that could put them in harms way. Carefully consider whether or not your child is ready to walk to school without adult supervision.
- ◆ Bright colored clothing will make your child more visible to drivers.

Meg Jones, marketing communications senior advisor with the National Rural Electric Cooperative Association, writes group health articles for Insurance and Financial Services.

Insurance & Financial Services (IFS) administers the NRECA Group Benefits Trust that covers more than 100,000 electric cooperative employees and their families, directors, and retirees.

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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