




Co-op News from Wyrulec Company

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May 2010

Annual meeting lively, entertaining, educational



The 74th Annual Wyrulec Company Member Appreciation Dinner and Meeting were held March 30 in Torrington. Over 400 enjoyed a delicious ham and roast beef banquet and 175 members were present. As the meal wrapped up, the Torrington High School Show Choir, directed by Kris Tolman, sang several numbers *a cappella*. Fifteen of the 21 members were on hand to perform and they delighted the crowd of co-op members.



President Dewey Hageman opened the meeting and promptly gave away \$100. Vice President Julie Kilty named the winners of five \$1,000 Wyrulec Scholastic Scholarships, three \$1,000 Wyrulec Trade School Scholarships, *Jack Jones* one \$1,000 Basin Electric Scholarship, and two \$500 Tri-State Scholarships.



Katie Ochsner talked about her experiences on the Washington, D.C., Youth Tour last summer. She thoroughly enjoyed the trip, especially touring the Smithsonian museums then watching *Night at the Museum II*, an adventure movie filmed in the museums.

Dewey Hageman and Julie Kilty were honored for their five years of service on the Wyrulec board. During his president's report, Hageman noted that \$394,000 in capital credits were retired late last year and another \$332,000 were retired in March. Wyrulec Company capital credit retirements have

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now been paid through 1990.

Treasurer Brent Mullock noted that the drop in revenues is mostly due to a reduction in residential and irrigation electricity usage.

Wally Wolski, Wyrulec's representative to the Tri-

State board, reported that risk management is key to the continuing financial health of the generation and transmission cooperative. Wolski urged members to fill out the postcards at each placesetting (and the co-op office) in an effort to get Congress to halt the Environmental Protection Agency's move to use the Clean Air Act to regulate carbon dioxide. *Marie Blocker* Electric co-

ops are doing everything within their power to keep rates low, but the challenges ahead are significant.

Manager Rollie Miller praised the efforts and commitment of the staff and singled out Joe Kinnan, Cindy Potter, Gene Prickett, and Willy Milner for their teamwork and decisive leadership skills.

Miller reviewed the co-op's need for skilled young people as older employees begin to retire over the next few years. The current equipment is in very good shape and individual meters are showing less than one hour of outages over the entire year. This is a tremen-

dous reliability record.

Quite a bit of new line construction and line upgrading work has started or will soon start. The rebuilding of one line southwest of Yoder is nearly completed. Another by the Rock Shop should start soon. Work on a line extension to the National Guard's north training area outside Guernsey is going well.

The Wyrulec board approved the formation of Operation Roundup. *Casey Babbitt* This unique and invaluable program allows those who choose to partici-

pate to round up their electric bill payment to the next dollar. The difference between what's owed and what's paid goes into a

separate account. As that account balance grows, the money is used to lend assistance to local non-profits or individuals in need. The program will be governed by a separate board from the co-op board and is entirely voluntary. The average any program participant will pay over the course of a year is about an additional \$6.

February's energy efficiency seminar was very well-received and delivered a lot of information that proved easy to act on immediately.

Applauded by the crowd for winning college scholarships were, from left, Kinsey Knaub, Noelle Jones, Shelby Weyrich, Andy Carpenter, and Katie Ochsner



Miller plans to repeat the program periodically because it was such an inspiring resource for members anxious to save money.

Miller spent some time reviewing the benefits of LED lighting and programmable thermostats. *Richard Van Pelt* "It's amazing how much they'll save you," he noted.

Tri-State General Manager Ken Anderson talked about the generation and transmission co-op's consistent efforts to be good stewards of their \$3 billion in assets. "We have an aging fleet of plants," he noted. "And eventually they'll have to be replaced. We're planning for that now."

He talked about the complexity of the electricity industry. "Policy-



makers should provide certainty and reliability so our industry can operate efficiently. But they're not. They're making it worse. In fact, the government can fine us up to \$1 million per day if they decide we are not in compliance with current policies. We have no place else to get money so they are, in effect, fining you."

He drew a comparison to clarify the regulatory and renewable picture in the electricity industry. "We're being pressured to replace our aging power plants with renewables," he said. "It's like being asked to buy \$8 gas when \$2 gas stations and \$6 gas stations exist. The \$2 gas station is coal. The \$6 gas station is natural gas. The \$8 one is wind and \$12 is solar. They are, in a sense, saying we can't choose the \$2 gas."

"The Tri-State board wants to have options... We can reduce our carbon footprint by 18 percent if we just replace our old power plants with new ones, without changing the fuel at all... In Korea, the cost of electric-



ity is going down. In France, it's stable... Competition is what leads to affordability.

"If we aren't allowed to choose from the full array of options, affordability will disappear. The unintended consequences of policy changes are significant... To give you a sense of the magnitude, if you have \$1.2 billion in operating costs per year, a one percent error is \$10 million... Fuel choices have a much

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Singing for members at Wyrulec Company's 74th Annual Meeting were Jamie Asmus, James Ottman, Dusty Hall, Emily Smith, Matt Osmotherly, Taylor Kath, Reagen Robbins, Boyd Derr, R.J. Lara, Molly Bloodgood, Alanna Kraft, Ross Breedlove, Bailley Cole, Trevor Donley, and Hayley Hornbeck.

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bigger impact than that.

"We have to be crisp about what we do. We have to choose carefully... I don't get a 'do-over.' If I get this wrong, it comes out of your pockets."

A long discussion was held at the end of the meeting by those who took issue with Wyrulec's capital credits retirement policy. One member asked for interest. One asked for faster retirements. One asked for a policy that tracked member age and started to retire credits as the member retired from the workforce.

President Dewey Hageman and Manager Rollie Miller explained that capital credits are the foundation of the cooperative business model. *Tyler Haeffelin*

Don't miss a word

Each month, we will be hiding the names of five members, one from each district, in this newsletter. If you see your name this month, please call and we'll give you a \$25 bill credit.

Every member contributes to the health of the cooperative by allowing a portion of what they pay for electricity to be used to finance the continuing operation of the co-op. The continuing operation of the co-op, in turn, provides a benefit to every member.

If capital credits were paid back with interest, there would be no co-op.

This is true because one reason for establishing a cooperative in the first place is to spend less than other business models but provide superior service. This can't be done unless members agree that they save more money pooling their funds for service than they make pooling them for profit.

The speed of retirements can be adjusted, but a commensurate cost would be incurred by the membership. To date, the board has chosen low rates over every other retirement option.

There is currently no connection between a capital credit retirement policy and the retirement age of a given member.



One member praised the co-op for delivering the best service he could have ever had. He noted that once, after a storm, employees from a neighboring co-op helped reset poles and restore his power. He is continually impressed by the "cooperative" nature of membership.

Unpaid capital credits are poles and wires, the investment members have in their electrical infrastructure. President Hageman noted that capital credits are not something taken away from the member, they are something the cooperative pays to the member. Credits aren't penalties they're benefits.