




Co-op News from Wyrulec Company

Your Touchstone Energy® Cooperatives 
The power of human connections

May 2009

Great 73rd Annual Meeting held

Wyrulec Company held its 73rd Annual Meeting March 31 in Torrington. Everyone received a goody bag containing a CFL, ink pens, and a fanny pack with a bottle carrier. Over 470 people were on hand for a delicious roast beef and ham dinner. After dinner, Board President Jack Preston called the meeting to order and introduced the board. General Manager Rollie Miller introduced guests.

After Secretary Julie Kilty announced a quorum of 174 members and 277 absentee ballots, six cash prizes were given away.

Scholarship winners announced

Kilty named the winners of \$10,000 in scholarships: from Nebraska, Elizabeth Mecklem of Lyman and Tyler Gifford of Harrisburg; and, from Wyoming, Kayce Brooks, Sarena Roth, Demoni Newman, Jace Daly, and Michelle Mullock of Torrington, Celsie Steinmetz and Kylie Bremer of Lingle, Tara Halfhill of Yoder, and Brodie Epler of Veteran.

Kilty promoted the value of energy camp and announced that Katie Ochsner and David Ransom would be going on the NRECA Tour of Washington, D.C., this summer. Carolyn Hageman and her cousin Theron Hageman spoke about their experiences in D.C. last summer.



Carolyn Hageman

Manager Miller presented years-of-service awards to lineman Brandon Wheeler and bookkeeper Karl Unverzagt for 5 years, lineman and meter technician Jason Murphy for 10 years, and office manager Cindy Potter and materials and purchasing agent Tom Mitchell for 30 years.

Helping the community

President Preston discussed the \$300,000 USDA grant Wyrulec secured and loaned out to help with construction costs at the Goshen Care Center's new Alzheimer's Unit. *Dale E. Beaman Jr.* Wyrulec contributed an additional \$60,000 which came from the interest earned on previous revolving loan monies. He explained the training opportunities available to co-op directors and noted that Wyrulec's directors take advantage of them. He introduced director Wally Wolski as the recently elected board president of NRECA. Wolski is only the third Wyoming director to ascend to this office.



Jack Preston

Preston explained capital credits, noted how much Wyrulec returned last November, and told the members that the board aims to retire

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Board of Directors

Jack Preston
President

Dewey Hageman
Vice President

Julie Kilty
Secretary

F.E. "Wally" Wolski
Treasurer

Brent Mullock
Assistant Secretary

General Manager

Rollie Miller

Senior Staff

Joe Costello
Engineering Manager

Joe Kinnan
Operations Manager

Cindy Potter
Office Manager

Great 73rd Annual Meeting

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5 percent every year. "We don't always make it," Preston said, "but we attempt it." He then explained anticipated cashflow problems should Wyrulec have to retire capital credit allocations accumulated by some account-holders. The board recently enacted a rule, in order to avoid cashflow problems, limiting capital credits retirements to estates of individual account holders to \$20,000 per year.

Financial health

Treasurer Wally Wolski reported that operating revenues were down \$1.3 million in 2008 compared to 2007, more than \$411,000 was paid to members in capital credits, of which \$72,000 was paid to estates, and purchased power costs were down \$1.4 million mostly due to the City of Torrington contract expiration. Property taxes were up \$31,000. Line loss averaged 4.5 percent.

Six more cash prizes were given away.

Wolski is Wyrulec's representative on the Tri-State board. In his Tri-State report, Wolski said revenues were over \$1 billion, margins were over \$100 million. He emphasized Tri-State's commitment to affordable rates, renewable energy programs, and transmission improvements.

Climate change legislation

Wolski drew attention to the Our Energy Our Future campaign designed to urge Congress to consider how this country will meet increasing electricity demand, how the necessary research into clean power



generation will be paid for, and how efforts to contain carbon emissions will affect the ability of individuals to pay their electric bills. Members had access to cards on their tables reiterating the questions Congress needs to consider.

Wolski said the carbon cap-and-trade program proposed by President Obama is anticipated to add \$80 billion to the coffers of the federal government.

Miller thanked Stan Howe and his staff for the annual meeting meal. He commended the Wyrulec staff for their teamwork and professionalism. He praised the operations staff for instilling and maintaining a strong safety attitude in Wyrulec line crews. During the April snowstorm, crews dedicated themselves to restoring power. Miller was very appreciative of their efforts.

Miller noted that Brandon Wheeler became a journeymen linemen in 2008. *William B. Robinson* Apprentices Ben Hager and Jason Scott were hired and another apprentice will be hired this year.

Miller drew attention to charts on each placemat illustrating peak kW demand and kWh sales over the past five years. He noted that the co-op has made up for some of the load loss represented by the City of Torrington contract expiration through a new pumping station which required a new substation.

Employee additions

Line loss and outage time per year are quality-control numbers, Miller told the members, and



Rollie Miller



Wyrulec’s line loss and outage numbers are very low.

Answering publicly questions that were asked privately, Miller reviewed:

- ✿ the billing period timing differences between paper meter readings and automatic meter readings,
- ✿ the challenges the co-op is facing with the new automatic meter reading system and the number of repeaters they are installing to answer those challenges,
- ✿ the average cost of power and how that number is likely to change,
- ✿ the overall condition of Wyrulec’s poles, and which lines are being rebuilt,
- ✿ the fact that no further rate increases are anticipated until the end of 2009,
- ✿ and how economic conditions have distorted load forecasts.

Wind & energy efficiency

Miller discussed wind energy at length, encouraging wind development associations and open, frequent communication with Wyrulec. *Joyce Kirchhefer* Offering the example of an association controlling 30,000 acres, Miller said, “Wyrulec would not be a player in a project of that size. We’d facilitate it as much as we could but a project of that size would mostly go through Tri-State or the Western Area Power Administration.”

He encouraged members to take advantage of Tri-State’s energy efficiency program. “Call the office,” he said, “And talk with Colleen. She’s well versed in the program. You can save some money.”

Preston asked for motions to approve the reports and gave away six more cash prizes.

Upcoming challenges

Mac McLennan noted that Tri-State is represented on the placemat pie chart of operating expenses by the giant blue slice. “Sixty-three percent of what you pay for electricity is us,” he said. “In the next year, the three major challenges we face are 1) how to manage the continuing accumula-



tion of regulatory requirements, 2) how to meet our long-term member growth needs, and 3) how to maintain affordable, reliable electricity with some measure of certainty for the future.”

The regulatory burden is substantial. If the auction allowances for a carbon cap-and-trade program match the projections in the president’s 2010 budget proposal (\$20/ton), then as of Jan. 1, 2012, Tri-State’s annual expenses will go up by \$320 million. “If this proposal were to pass today,” he repeated, “Tri-State would face a 30 percent increase as of Jan. 1, 2012. I don’t know the answer to the climate question, except I do know that we shouldn’t do something which incurs a \$320 million expense in one day.

“While in the short term the economic situation is impacting members’ growth, we continue to see, over the long term, increased electric use and we have to

think about cost-effective solutions to meet that growth,” McLennan noted. “We are planning a 30 MW solar project in New Mexico... We have to make some assumptions about carbon regulation in order to plan for the future... It takes ten years to permit a coal plant, five years to build it... We’re facing significant uncertainty about what we will be allowed to build...”

How to maintain affordable, reliable electricity sup-

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Mac McLennan

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plies is a substantial puzzle. *Jack G. Cannon* "We need to figure out how to use electricity more efficiently," McLennan explained. "We are funding research and development into new energy technology... We are looking to optimize our system for efficiency... We have to determine if we are sending the right signals to you to use energy wisely and efficiently... But if all these things



work out very well, we'll still have to develop new resources...

"We have hope for stability through 2010, but 2011 will probably bring inflationary pressures again and that will raise rates. We have a lot on our plate," he said.

Six more cash prizes were given away.

Questions answered

Questions for McLennan included:

What percentage of Tri-State's power is based on coal? Where is development going in nuclear power? *Merlin Hatcher* What's the timeline for a nuclear power plant from permitting to operation? Where are we with geothermal? What



about residential application of geothermal?

Preston adjourned the meeting and awarded seven more cash prizes. All cash prizes were for some amount between \$25 and \$100. Most were \$25.



Postcards were handed out at the door. Wyrulec members are asked to fill out the postcards and return them to the Wyrulec office. Information on the postcards will be used to sign an e-mail to Sen. Enzi, Sen. Barrasso, and Rep. Lummis, urging them to consider what's affordable, the technology currently available, and anticipated load growth before passing any climate change legislation.

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.

❁ No need to stand around in the dark ❁

We have CFLs in stock that are 100-watt replacements. They will fit into any light fixture rated over 23 watts (anywhere a 60- to 100-watt incandescent bulb is now). They operate at 23 watts but provide light equal to a 100-watt incandescent. They are \$1.60 each. We have plenty.