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Lincoln Electric
Cooperative, Inc.

Press Release

Rate Increase coming for Co-op Members

New rates to boost Co-op's annual revenues by 12 percent

Eureka, MT July 12, 2010

At their last board meeting, Lincoln Electric Cooperative trustees approved new rate schedules that will provide the Co-op with an average 12 percent increase in annual revenues beginning later this summer. The increase, the first for Lincoln Electric members in 2 years, comes as a result of increasing wholesale power costs, higher operating costs and larger debt service expense. The vast majority of Co-op members, who are residential customers, will see their monthly basic charge increase \$5, from \$20 to \$25; and their energy charge increase from 5.38 cents per kilowatt-hour to 6.04 cents. The average LEC residential member who uses 1,350 kWh's per month will see their monthly bill increase \$13.91. The new rates are effective after the August 20th meter readings, and will first appear on bills received around the first of October.

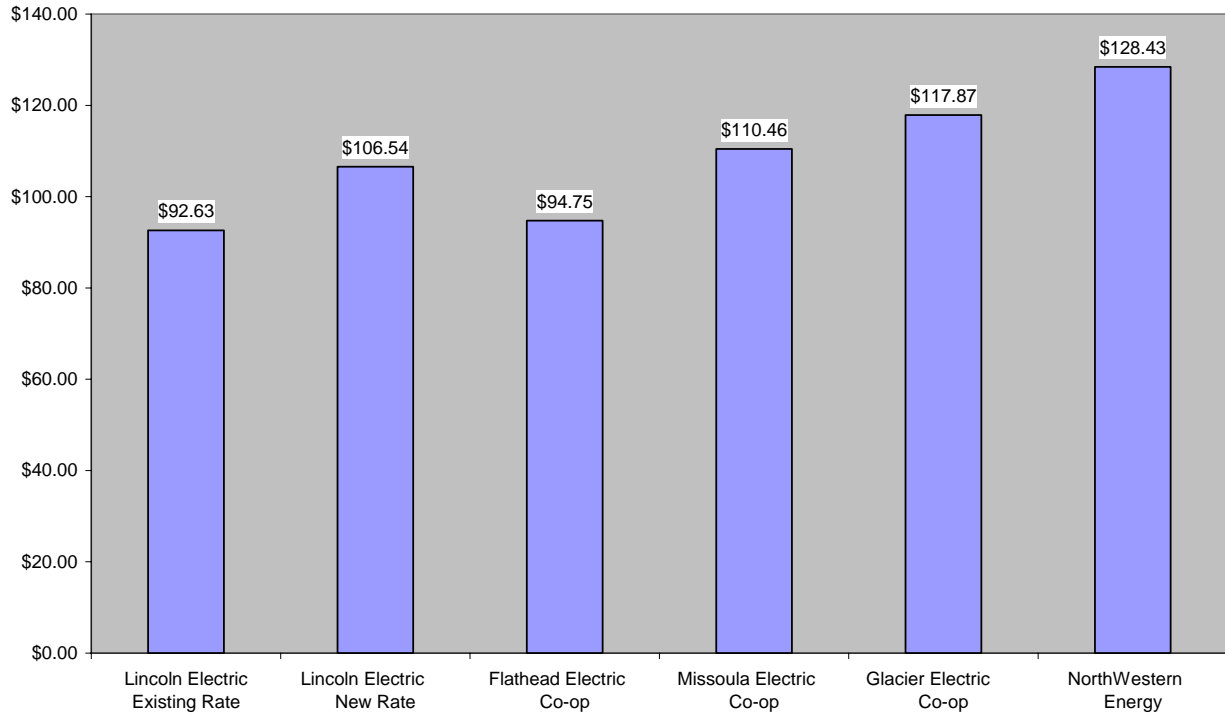
Other rate classes will see different average rate increases, with small commercial accounts going up 7.4 %, large commercial accounts up 4.9%, and irrigation and industrial accounts both up 5%. It should be noted that the impact to each member's bill will be different and the rate change will be unique based on each member's usage.

The overwhelming driver of the increase is power supply costs said Manager Mike Henry. "Starting October 1, 2011, LEC wholesale power costs will increase a minimum of 45 percent after the Co-op starts buying power under a new contract with BPA. Under the current 10-year contract co-op members have benefited from extremely low-cost wholesale power that will have saved members over \$6.5 million over the life of the contract." The Co-op is now transitioning to much higher power costs. Under the new contract, the amount of still relatively low-cost BPA power will be capped, and future load growth will be met with even higher priced market-based rates. "We've had a heck of a run the last

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**Residential Electric Bill Comparison with Neighboring Utilities
(based on average LEC usage of 1,350 kWh/month)**



Lincoln Electric Cooperative's serves over 3,900 members scattered over 1,125 square miles in northeast Lincoln County and northwest Flathead County, including the communities of Bissell, Olney, Stryker, Trego, Fortine, Eureka, Rexford and the West Kootenai.