



# news & views

from Lincoln Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 

## The straight scoop on space heaters

When temperatures begin to drop, telephones at Lincoln Electric begin to ring, as people prepare for the winter heating season. And foremost on many minds is the question of whether to purchase a space heater – or two – for homes and businesses.

Tim Engleson, manager of member services at LEC says the benefits of space heaters are that they provide zonal heat, in that you can isolate the heat to just one room you are using.

They are also inexpensive. Engleson advises however: “Let the buyer beware.” “There are some marketing ploys that are, questionable.”

For instance, some of the more expensive units claim great efficiency ratings, while the reality is that heat from space heaters costs the same whether you use an old milk-house heater, or the ornate

models you see and hear advertised.

There are only so many BTUs you can get out of a kilowatt-hour of electricity. Some folks think the boxed-heaters are more attractive, and that’s fine, but the bottom line is they all operate at the same efficiency... i.e. cost.

Unfortunately, it seems to be the elderly who are most vulnerable and most targeted.

“I read a recent advertisement for a space heater that promoters claim to be more efficient than a heat pump,” Engleson said. That is blatantly false. From a heat-producing and operating standpoint, there is virtually no difference in space heaters no matter what you pay.”

*\*A recent issue of Consumer Reports had a rating of 16 different space heaters. The three top-rated heaters were all under \$100.*



small card offers **BIG** savings



Members of Lincoln Electric Cooperative have saved more than \$168,000 on prescriptions since the cooperative began offering the Co-op Connections card with a pharmacy discount in September 2010. In addition to prescription discounts, members can use their card at national retailers to save on everyday items. “As we move into 2012, we want to remind members they can save with their Co-op

Connections card,” said Tim Engleson, Manager of Member Services at Lincoln Electric. “This discount program is just one of the ways we’re looking out for our members.”

Visit [www.connections.coop](http://www.connections.coop) for a full list of national deals as well as more information on participating pharmacies for prescription discounts. If you need additional or replacement cards, you can also request one by calling us.



Energy Efficiency

*Tip of the Month*

Air is drawn into your home from low areas, so inspect your foundation for potential air-infiltration points. Fixing these leaks makes a bigger impact on your electric bill than sealing doors and windows! Caulk all cracks and gaps around your home including spaces around wires for telephone, electrical, cable, and gas lines, water spigots, and dryer vents. Find more ways to save at [TogetherWeSave.com](http://TogetherWeSave.com).

Source: Touchstone Energy® Cooperatives

# How your co-op's budget is structured

The board of trustees approved the 2012 operating and capital budgets at their December board meeting. The purpose of these budgets is to act as a guide which the cooperative uses to measure its performance over the course of the year.

I would like to discuss some of the highlights:

## Operating Budget

The O&M budget includes most of our day-to-day activities that keep our system working both inside and out.

Wholesale power costs, billing, engineering, communications and outside system maintenance make up most of the items in this category.

Some of the more visible outside activities include our pole-testing and right-of-way clearing programs.

Each year we test a specific number of poles and trim and clear up to 75 miles of right-of-way to ensure public safety and system reliability.

We are also confronted with a regulatory environment that requires ever increasing amounts of staff time to meet governmental demands.

The single largest component in the entire budget is wholesale power costs which account for about 50 percent of all expenses at the co-op. Under our new BPA contract we will see a projected increase of \$773,000 or 22 percent in 2012 over 2011.

In an effort to contain costs, the non-

power portion of the operational budget has been reduced by 4 percent which includes a 7.5 percent reduction in wages and benefits due to a reduction in our workforce.

## Capital Budget

Our capital budget is primarily driven by our four-year work plan that we submit to the Rural Utility Service. It also includes needed equipment replacement or building repairs.

2012 will see the culmination of our current work plan with a new cable installation across Lake Koocanusa. This project has consumed a great deal of time and effort from the board, staff and employees and it will be good to

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Manager's Notes  
by Ray Ellis



**Lincoln Electric  
Cooperative, Inc.**

## News & Views

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Lincoln Electric's board of trustees meets monthly at the Eureka office. The regular meetings are scheduled for the third Monday of each month at 7 p.m. Members with items of interest are encouraged to contact the general manager in advance of the meeting.

### Board of Trustees

- Tina Taurman** — President, Dist. 2,  
Trego — Stryker
- Marianne Roose** — Vice President, Dist. 3,  
Fortine — Glen Lake
- Courtney Pluid** — Secretary, Dist. 3,  
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- Mike Clark** — Dist. 1, Flathead
- Tom Klyver** — Dist. 1, Flathead
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- Joel Graves** — Dist. 5,  
Koocanusa Shores — Pinkham
- Jim Reynolds** — Dist. 4,  
Eureka — Tobacco Plains
- Mike Workman** — Dist. 5,  
Koocanusa Shores — Pinkham

General Manager Ray Ellis

### In case of power failure:

Call 889-3301 or 1-800-442-2994

Anytime day or night

**After hours voice-mail for  
messages 889-3304**

Visit us on the Web at:

[www.lincolnelectric.coop](http://www.lincolnelectric.coop)

e-mail: [info@lincolnelectric.coop](mailto:info@lincolnelectric.coop)

## Business and Boardroom Briefs

The regular meeting of the board of trustees was conducted December 19, 2011. A quorum of trustees was present and the board took the following action:

- Approved the high bids for two used trucks.
- Approved organizational dues for 2012.
- Approved continuing as an associate member in the Western Montana G&T for 2012.
- Approved offering eight \$1,000 Luck of the Draw scholarships at the annual meeting in March.
- Approved a \$250 donation to the Tobacco Valley Community Development Council to provide kids with coats and boots.
- Approved the 2012 Operating and Capital budgets.

	Year to Date 11/30/11	Year to Date 11/30/10
YTD Kwh Sales	100,244,174	93,794,953
YTD Revenue	\$7,730,534	\$6,748,648
YTD Cost of Power	\$2,947,381	\$2,679,307
YTD Operating Exp	\$4,004,273	\$3,565,995
YTD Margins	\$834,610	\$559,338
# of Members	4,047	3,986
# of Meters	5,352	5,264
Miles of Line	930	924
Total Utility Plant	\$29,853,056	\$28,661,566
Member Equity	\$7,832,582	\$7,150,892
Avg Residential Usage (kWh)	1,570	1,403
Avg Residential Billing	\$119.74	\$109.84

# Budget

Continued from page 4 see its completion.

LEC will also be replacing 4,800 feet of underground cable and changing out 80 poles that need to be

replaced.

The overall effect of these budgets will make it necessary for LEC to have a rate increase.

At this time it appears that we will need to increase rates somewhere between 8 per-

cent and 10 percent later this year. We are currently working on the amount and timing of this increase. You can be assured that we are very sensitive to the impacts that any rate increase would have on our community and are doing

all we can to lessen the effect.

It is our goal to maintain reliable power at reasonable rates and give the best possible service to our members.

Thank you for your membership, *Ray*

## Feeling Lucky?

**Eight** \$1,000 Scholarships to be awarded

# Luck of the Draw Scholarships



Lincoln Electric Co-op announces "Luck of the Draw" Scholarships to be awarded at the Co-op's annual meeting on Saturday, March 24, 2012. Eight lucky students will be drawn from eligible entries. To enter, just complete an application available from your school counselor, the Lincoln Electric office, or on the web at [www.lincolnelectric.coop](http://www.lincolnelectric.coop). To be eligible:

- The student's parent or guardian must be a member of Lincoln Electric and currently receiving electric service.
- The student's parent or guardian must attend the Co-op's annual meeting on March 24, 2012, register at the "Luck of the Draw" registration table, and be present for the drawings. Students are also encouraged to attend to learn more about the cooperative business model.
- The student must be enrolled, or planning to enroll in a full time undergraduate or graduate course of study at an accredited two or four-year college, university, or vocational technical school for the upcoming fall term.
- All applications must be signed by the student, and parent or guardian.
- **Completed applications must be received by Lincoln Electric no later than 4:30 PM close of business Friday, March 9, 2012**

**Friday, March 9, 2012**

*Compliments of*



**Lincoln Electric  
Cooperative, Inc.**

Your Touchstone Energy® Cooperative 